



SUBJECT: CITY OF WEST HOLLYWOOD CANNABIS USE ORDINANCE

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STATEMENT ON THE SUBJECT:

The City Council will consider an amendment to Title 5 Business Licenses, Regulations, and Permits and Title 19 Zoning Ordinance of the West Hollywood Municipal Code to adopt new regulations on Cannabis Use in the City of West Hollywood.

RECOMMENDATION:

Staff recommends that the City Council hold the public hearing, consider all pertinent testimony, and adopt a cannabis use ordinance (Attachment A) including the following:

Ordinance No. CC 17-_____: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WEST HOLLYWOOD, APPROVING AMENDMENTS TO THE MUNICIPAL CODE AND ZONING ORDINANCE TO REGULATE CANNABIS USES.**

EXECUTIVE SUMMARY:

The City Council has provided direction to staff regarding cannabis regulation in the City of West Hollywood on May 1, 2017, at a study session with a panel of cannabis experts on July 10, 2017, and on August 21, 2017. In addition, on June 29, 2017 and August 3, 2017, and August 31, 2017, City staff met with stakeholders representing various cannabis-related business interests and policy advocates/experts as well as hotel managers. The purpose of these meetings was to receive input from this stakeholder group regarding anticipated cannabis regulations to be considered by the City.

The proposed draft cannabis ordinance was developed based on input from the City Council, a panel of cannabis experts, various stakeholder groups, members of the public, the Business License Commission, Planning Commission, and a review of relevant cannabis ordinances in states that have legalized adult-use cannabis. The proposal includes creating 4 types of cannabis business licenses, using a merit-based system to select the top operators, cap the number of licenses in each category to 8 (except for delivery services) and use the Business License Commission as the approval authority. The staff report describes the proposed cannabis use regulations in the following key sections:

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BACKGROUND/ANALYSIS:

California Cannabis Law

On November 8, 2016, California voters passed Proposition 64 the Control, Regulate, and Tax Adult Use of Marijuana Act (AUMA). As of November 9, 2016, adults 21 years of age or older are allowed to smoke or ingest marijuana (cannabis) or cannabis products; possess, process, transport, purchase, obtain, or give away to persons 21 years of age or older up to 28.5 grams of un-concentrated recreational cannabis and up to 8 grams of concentrated cannabis; and possess, plant, cultivate, harvest, dry, or process up to six (6) living cannabis plants per residence for personal use.

On June 27, 2017, Governor Jerry Brown signed SB 94, entitled the Medical and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), which combines the state's medical-only regulations and adult-use rules that were approved under Proposition 64. MAUCRSA requires applicants to obtain state licenses for manufacture, distribution, cultivation, and retailing beginning January 1, 2018. Essentially, the trailer bill is intended to create one regulatory structure for medical and nonmedical cannabis use and commercial cannabis activities. Some notable parts of the trailer bill are that it reiterates local authority to regulate or ban these activities, explains that cannabis activities must comply with current building and fire safety standards (including any local amendments to the building code that cities adopt based on climatic, geologic or topographic conditions), and creates a more streamlined system for state licensing agencies to work with local governments to ensure that licensees are operating in compliance with local laws. One important difference that remains between the medical and recreational cannabis activities is that recreational cannabis can only be sold to and consumed by adults 21 years of age and older. The medical cannabis program allows patients over 18 years of age and older to buy and use cannabis.

On September 16, 2017, Governor Jerry Brown signed AB 133, which authorized the following key requirements regarding cannabis regulation by the state:

- The bill redefines delivery of cannabis to include the use by a retailer of any technology platform regardless of whether the technology platform is owned and controlled by the retailer.
- Requires the driver of a vehicle transporting or transferring cannabis or cannabis products to be directly employed by a licensee authorized to transport or transfer cannabis or cannabis products.
- Removes the condition that the licensed premises be separate and distinct (i.e. cannabis adult-use retail and medical-uses dispensaries can be co-located on the same premises).

City Council Direction

On May 1, 2017, the West Hollywood City Council asked that staff look into: a) whether it is best to keep medicinal and adult-use cannabis facilities separate, b) expansion of

the number of cannabis dispensaries and new retail locations, c) implementing a sales tax and how it will be regulated, d) cultivation regulations, e) home delivery of cannabis, f) cannabis use on City-owned property, g) cannabis warehouse and storage regulations, and h) potential conflicts between Federal, State, and local cannabis laws. In addition, the City Council directed staff to return to the Council with a study session item to include a panel of experts on various aspects of cannabis regulation and use. The minutes are included in Attachment B.

On July 10, 2017, the City Council held a Study Session with cannabis policy and business experts from California and Colorado. The Council and staff posed various questions to the panelists regarding the variety of types of cannabis products that can be sold, merit-based licensing for cannabis businesses, and whether a business license cap or strict zoning regulations would be effective in reasonably limiting the number of businesses. Questions related to regulating sales, manufacturing, distribution, and finance were also addressed by the panelists. In their closing remarks the panelists offered the following suggestions to the City Council:

- The need for an educational component; and to ensure that any laws and regulations enacted do not affect lower-income or people of color or minority groups.
- When selecting operators have a filing deadline, a rating system that is fair and equitable, accept all applications submitted, and develop a well thought-out review process. The panelists did not favor a lottery process,
- Reach out and hear from the community early and work with the Sheriff's and Fire Departments at the beginning of the process.
- Understand that there is uncertainty with how the Presidential Administration and Department of Justice will treat cannabis activities that are authorized under state law; but that all the panelists believed that the larger and stronger the state authorized cannabis economy becomes in California, the harder it will be for the federal government to shut it down.
- Understand that the City may not get it right the first time. Colorado is still amending their regulations, but these regulations have helped shed light on the operators that are not following the rules.

At the conclusion of the Study Session, the Council approved by consensus the following directives regarding cannabis regulation in the City:

- Allow for the sale and adult use of cannabis in the City of West Hollywood
- Create a merit-based selection system and direct staff to bring back a list of criteria and associated recommendations.
- Allow for on-site consumption and direct staff to explore and provide information on the different types of uses.
- Direct staff to provide information for Council follow-up discussion on cannabis deliveries

- Take the Item to the Business License Commission, Planning Commission and Public Safety Commission before the item goes back to Council for final Ordinance adoption.

The minutes are included in Attachment C.

On August 21, 2017, the City Council provided further direction to staff and recommended that the City allow and regulate the following cannabis-related businesses:

- Medical-use dispensary
- Adult-use retail
- Cannabis consumption areas
- Cannabis delivery services
- Cannabis indoor commercial cultivation (as an ancillary use to a retail/dispensary use)
- Cannabis manufacturing (as an ancillary use to a retail/dispensary use)
- Cannabis testing laboratories (allowed by right in the Zoning Ordinance)

The Council further directed staff to limit or cap the number of cannabis business licenses issued by the City based on a merit-based system that will rank the top cannabis businesses based on past experience, effectiveness of their security plans, quality of the product sold and/or produced, and if they are currently operating in the City of West Hollywood. The minutes are included in Attachment D.

Los Angeles County Fire Department and Sheriff's Department

On August 30, 2017, City staff met with representatives from the Los Angeles County Fire Department and Sheriff's Department to discuss public safety and Los Angeles County cannabis regulatory issues. Input from these agencies is provided below.

Los Angeles County Fire Department

- Los Angeles County Fire Codes for cannabis related businesses are being updated and are anticipated to be adopted by July 2018.
- The Fire Code will address safety regulations regarding various cannabis products manufacturing processes such as volatile extraction and infusion. Volatile extraction involves producing concentrated cannabis extracts through various processes that could involve regulated volatile chemicals such as butane, carbon dioxide (CO₂), or ethanol.
- All prospective and existing cannabis businesses located in cities served by the Los Angeles County Fire Department, which includes that City of West Hollywood, will be required to submit a Statement of Intended Use (Form 30-C). The intent of the form is to enable the Fire Department to evaluate the activities and processes involved in a cannabis business. This information is required to identify the applicable code requirements necessary to provide a reasonable

degree of safety to life and protection of property through proper inspections and permitting. The form requires responses to a series of questions, submittal of a site plan and floor plan, and submittal of a site specific Hazard Analysis Technical Report.

- Cannabis manufacturing processes are considered to be safe under the following circumstances:
 - Manufacturing business building plans are reviewed for compliance with applicable fire codes prior to issuance of building permits.
 - The manufacturing site is inspected prior to start of the manufacturing operations.
 - Cannabis manufacturing businesses could be inspected on a monthly basis for the first year of operations and on a bi-annual basis thereafter.
 - Cannabis manufacturing businesses could be red-tagged (shutdown) immediately for any safety related code violations.
- The City's Code Compliance Division must notify the Fire Department of any complaints or submitted code issues.
- If indoor commercial cannabis cultivation is to be allowed it is important to regulate or ban pesticide usage.

Los Angeles County Sheriff's Department

- The Los Angeles County Codes related to cannabis regulation and enforcement by the Sheriff's Department is anticipated to be adopted by February 2018; however, the County is not going to issue licenses until June 2018.
- There are current tests and standards for driving under the influence of drugs (DUID), which currently allow impaired drivers to be arrested. However, the California Highway Patrol is tasked with determining Best Practices for DUID, which should be prepared by 2019.
- Cannabis delivery service business regulations and enforcement methods are being prepared by Sheriff's Department staff. The Sheriff's department is working with the Los Angeles County Board of Supervisors and other stakeholders on developing the county policy/ordinance. The Los Angeles County ordinance, unless adopted by the city, will not be enforced. The Sheriff's Department will enforce the state law, and the City of West Hollywood ordinance.
- Ensure that the City's cannabis regulations are clear in order to identify illegal operations.
- Limit amount of cash in cannabis businesses to the extent feasible.
- Require use of armored vehicles to transfer cash.
- Cannabis products should be stored in a secured area within the business
- Limit access to cannabis businesses to persons 21 years and older in similar manner as businesses that sell alcohol.

PROPOSED MUNICIPAL CODE AMENDMENTS

The proposed Municipal Code Amendments have been reviewed by the Public Safety Commission, Business License Commission, and Planning Commission as described below (see pages 25 and 26). Certain minor clarifications have been made to the ordinance since their review to improve clarity; however, none of these revisions are substantive or change the intent of the ordinance. The full version of the proposed Municipal Code Amendments to Title 5 and Title 19 (Zoning Ordinance), pertaining to cannabis uses is attached to this report (Attachment A) and is summarized below.

Section 5.08.010 Businesses Required to be Licensed

The following cannabis uses are proposed to be added to Section 5.08.010 Businesses Required to be Licensed:

5. Cannabis Use - Adult-Use retail ³
6. Cannabis Use - Consumption Areas with On-Site Adult-Use retail ³
7. Cannabis Use - Delivery Services ³
8. Cannabis Use - Medical-Use dispensary ³

Note:

3. Indicates that in addition to requiring a business license such business activities shall require a hearing before the Business License Commission before licensing.

Cannabis adult-use retail, consumption areas, delivery services, and medical-use dispensaries are proposed to be added to the list of business licenses allowed by the City based on amended state law, direction from the City Council, as well as input from cannabis business stakeholders and the public. "Medical marijuana collectives" are now regulated as "medical-use dispensaries" in accordance with state law and will not be required to maintain a non-profit status. All cannabis uses will be required to have an approved local business license prior to issuance of a state license and operation of the business.

Chapter 5.70 Cannabis Uses (formerly Medical Marijuana Collectives)

The following is a description and analysis of the proposed amendments to Chapter 5.70 Cannabis Uses, which formerly regulated only Medical Marijuana Collectives and will now regulate adult-use retail stores, cannabis consumption areas, and medical-use dispensaries.

Section 5.70.010 Definitions

The following table includes cannabis use definitions that would be added to and amended in Section 19.90.020 of the Municipal Code. Although this section is not in the Chapter 5.70, the business license portion of the Municipal Code, these definitions would apply to all cannabis use regulations in the City.

Cannabis Use Definitions

Term	Definition
Cannabis Adult-Use Retail	An establishment wherein cannabis, cannabis products, or devices for the use of cannabis, are offered for retail sales or delivery to persons over 21 years of age.
Cannabis Commercial Cultivation	Any commercial activity involving planting, growing, harvesting, drying, curing, grading, or trimming of cannabis, except for the personal cultivation allowed for medical patients and adults under state law.
Cannabis Consumption Area with On-Site Adult-Use Retail	A licensed premises where cannabis may be purchased (for on-site consumption only) and consumed by persons over 21 years of age. A cannabis consumption area must be limited to one of the following uses: 1. Consumption of cannabis by smoking, vaping, and ingesting edible products. 2. Consumption of cannabis edible products by ingestion only.
Cannabis Delivery Services	The commercial transfer of cannabis or cannabis products to a customer, including the use by a retailer of any technology platform owned and controlled by the retailer.
Cannabis Distribution	The procurement, sale, and transport of cannabis and cannabis products between licensees only and not to retail customers or medical patients.
Cannabis Manufacturer	An establishment that conducts production, propagation, blending, infusion, or, compounding of cannabis or cannabis products either directly or indirectly by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis products or labels or relabels its container.
Cannabis Microbusiness	A retail area of less than 10,000 square feet where cannabis is cultivated, manufactured, distributed, and sold directly to retail customers.
Cannabis Medical Use Dispensary	An establishment wherein cannabis is sold for medicinal purposes by a medicinal cannabis cooperative, collective, dispensary, operator, or retailer who cultivates, distributes, or sells medicinal cannabis to qualified patients, or primary caregivers of qualified patients, pursuant to Health and Safety Code section 11362.5.
Cannabis Mobile Consumption Lounges	Any operational vehicle or trailer where cannabis or cannabis products are sold, distributed or consumed by the public, whether or not in a fixed location.
Cannabis Temporary Use and License	A license that authorizes the holder to engage in commercial cannabis activity for a period of up to 120 days with one 90-day extension in accordance with state regulations, if the applicant is in compliance with local regulations.
Cannabis Testing Laboratory	A laboratory, facility, or entity that offers or performs tests of both adult use and medical cannabis or cannabis products and that is both of the following: (1) accredited by an accrediting body (i.e. International Organization for Standardization (ISO)) that is independent from all other persons involved in commercial cannabis activity in the state, and (2) is licensed by the Bureau of Cannabis Control.

Term	Definition
Plant Nurseries and Garden Supply Stores	Commercial agricultural establishments engaged in the production of ornamental plants and other nursery products grown under cover or outdoors. <i>Cultivation of cannabis for medicinal or any other purpose is prohibited.</i> Includes stores selling these products, nursery stock, lawn and garden supplies and commercial scale greenhouses. The sale of house plants or other nursery products entirely within a building is also included under "General Retail Stores." Home greenhouses are addressed under "Residential Accessory Uses and Structures."

The cannabis use definitions included in the table above are consistent with current state law with the exception of cannabis consumption areas and cannabis mobile consumption lounges. These uses are not currently defined by the state, but could be allowed or prohibited at the local level, as proposed.

The proposed Municipal Code amendments would allow the following cannabis uses: adult-use retail, medical-use dispensaries, commercial manufacturing and cultivation as ancillary uses to retail operations only, testing laboratories, delivery services, and distribution as an ancillary use to a retail operation. In addition, cannabis consumption areas would be allowed as a smoking, vaping, and edible consumption area or strictly as an edible consumption area. All of these uses would be subject to a zone clearance prior to issuance of a City of West Hollywood business license and a state regulatory license.

Cannabis uses such as stand-alone cannabis cultivation facilities (both indoor and outdoor), stand-alone cannabis manufacturing facilities, and stand-alone cannabis distributors would not be allowed under the Municipal Code update. This is due to the industrial nature of these businesses, absence of industrial zoning in the City, proximity of commercial corridors to residential properties, and lack of sufficient outdoor areas for commercial outdoor cannabis cultivation. Additionally, the following types of cannabis uses are not allowed in the current Municipal Code update, but could possibly be considered for future zone text amendments when more information is available from the state and other sources: cannabis microbusinesses, mobile consumption lounges, and temporary uses.

5.70.020 Application Information.

The application information for medical marijuana collectives has been revised to include information needed for the full range of cannabis use business licenses proposed to be issued by the City. Business license applications will be accepted with or without a physical business location; however, a physical location will be required prior to issuance of a zone clearance and business license by the City. The following is a summary of the items that are proposed to be included in the business license applications for cannabis uses (see Attachment A for full text):

- Proof of ownership or a lease/rental agreement.
- A security plan, including, but not limited to, lighting, alarms and security guard arrangements;
- An executed release of liability and hold harmless in the form set forth in the city's application form;
- A description of the procedure for documenting the source of the cannabis to be dispensed by the cannabis use
- Plans showing the site in the context of the immediate neighborhood and floor plan of the facility;
- A description of the screening, registration and validation process for qualified medical cannabis patients and that purchasers of medical-use cannabis are 18 years or older and adult-use cannabis are 21 years or older;
- A description of qualified patient records acquisition and retention procedures for medical-use dispensaries;
- A description of the process for tracking cannabis quantities and inventory controls, including on-site cultivation (if any), processing and cannabis products received from outside sources;
- A description of measures taken to minimize or offset energy use from the cultivation or processing of cannabis plants and products, if these ancillary uses are proposed;
- A description of chemicals stored or used on-site and any effluent proposed to be discharged into the city's wastewater or storm water systems;
- Authorization for the city to verify the information and representations contained in the application;
- Delivery Services Application. A description of any cannabis delivery service, including number of delivery vehicles, location of vehicle storage, and extent of delivery area;
- If consumption, cultivation, retail sales, dispensing, or manufacturing is a planned part of the business license, a description of the odor control system to be utilized;
- If onsite consumption (including smoking, vaping, and ingestion of edible cannabis products) is a planned part of the business license, provide a description of the consumption area. The onsite consumption plan must include:
 - The secured location of the onsite consumption area on the site plan;
 - A description of the limit of visibility from any public place or non-age-restricted area; and
 - A detailed description of how access will be limited to persons 21 years of age or older;
 - If smoking and vaping of cannabis products is proposed, a detailed description of compliance with Section 7.08.03 (Smoking) of the Municipal Code.
- If manufacturing or cultivation is a planned as an ancillary part of the business, a Hazard Analysis Plan to be submitted to and approved by the Los Angeles County Fire Department as part of the application.

5.70.030 Minimum Criteria for Issuance of a License

This section includes minimum criteria for issuance of cannabis use business licenses such as minimum age for managers (21 years or older) and their background status (i.e. no past criminal record). Locational criteria for cannabis uses are also included in this section as well as the total number of business licenses to be issued. There would be a total of no more than the following number of business licenses issued at any one time in the following categories:

- 8 Adult-Use Retail Business Licenses.
- 8 Consumption Area (smoking, vaping, ingestion) with On-Site Adult-Use Retail (sales of products to be consumed on-site) Business Licenses
- 8 Consumption Area (edible ingestion only) with On-Site Adult-Use Retail (sales of products to be consumed onsite) Business Licenses
- 8 Medical-Use Dispensary Business Licenses
- 8 Cannabis Delivery Service Business Licenses for delivery services located in West Hollywood and no limit on the amount of business licenses issued for cannabis delivery services that are located outside the City limits and deliver cannabis to customers within the City of West Hollywood.

No cannabis-specific business license is proposed to be required for cannabis testing laboratories since this business does not sell or distribute cannabis to the public and would provide a needed support service to future cannabis businesses in West Hollywood and the surrounding areas.

A separate business license is required for each cannabis business activity listed in this subsection and multiple cannabis business activities are allowed at one location. However, an applicant may not apply for, or possess, more than one of the same type of cannabis license. This will prevent one operator from holding multiple licenses for the same type of activity and is intended to encourage a variety of qualified operators to operate in the City.

Section 5.70.035 Application Period, Scoring and Review

The top eight (8) qualified applications in each use category would be selected using a merit-based system. The timing for the initial 30-day application period would be determined by the City Manager, or designee, and is expected to commence on or around January 2, 2018. An application evaluation committee composed of at minimum three (3) individuals with demonstrated experience in either city government or the cannabis industry, with no business interests in the City of West Hollywood, would be appointed by the City Manager to review and score each application based on the following general criteria (specific criteria and weighting for each license type will be determined prior to commencement of the initial application period and posted publically):

- Previous adult-use retail, medical-use dispensing, or consumption area experience in a regulated state or other similarly regulated state market (i.e. alcohol sales).
- Ability to demonstrate the quality of cannabis strains and derivative product offerings.
- Employee training, standard operating procedures, online ordering systems, and procedures for providing cannabis to disadvantaged or disabled persons.
- Social equity in terms of provision of a living wage and benefits and compliance with local, state, and federal employee non-discrimination policies.
- Comprehensive and effective security program.
- Pre-existing West Hollywood cannabis business that has no outstanding code violations with the City and is in compliance with local and state laws.
- Ability to meet City of West Hollywood Urban Design Standards.
- Additional information that demonstrates the ability to operate in a safe and responsible manner in the City, including the quality and thoughtfulness of application materials.

A sample rating sheet based on the above criteria is included as Attachment E. Other criteria that may be included based on a review of rating forms from other cities that use a merit based system to indicate the top cannabis businesses (i.e. Aurora, Colorado) include the following:

- Past compliance of business with local and state tax laws.
- Ensuring that the applicant, principal officers, directors, and owners have:
 - No felony convictions
 - No drug-related misdemeanor convictions (other than cannabis)
 - No pending criminal charges or convictions of any type (other than cannabis-related)
- Provision of a comprehensive operating plan and business plan

The applicants will be ranked from highest to lowest based on scores from the evaluation committee. The top 8 applicants in each category would be required to secure a business location if they have not already done so, and obtain a Zone Clearance from the City. Then, the top applicants that have approved Zone Clearances would need to be reviewed and approved by the Business License Commission prior to issuance of a business license. Applicants would then need to obtain a state-issued license, and any other required approvals (i.e. building permit, Fire Department approval, etc.) prior to commencement of business operations.

If any of the top eight (8) ranking applicants in each license category has not secured a business license from the City within 12 months of the city notifying them they were one of the top eight (8) ranking applicants, their ability to obtain a business license, shall terminate.

Section 5.70.040 Adult Use Retail – Operating Requirements

The table below is a summary of the proposed adult-use retail operating requirements. The full text of these operating requirements is included in Attachment A.

Adult-Use Retail Operating Requirements

Cannabis Use	Operating Requirements
Adult-Use Retail	<p>Security shall comply with the following minimum standards:</p> <ul style="list-style-type: none"> • Adequate security and lighting on-site • Security guards shall be licensed and possess a valid Department of Consumer Affairs “Security Guard Card.” • Security guards shall not possess firearms or Tasers. • Provide a neighborhood security guard patrol for a two-block radius <p>No on-site sales or consumption of alcohol or tobacco products by patrons or employees</p> <p>Hours of operation: Monday through Sunday, 6:00 a.m. to 2:00 a.m.</p> <p>Patrons shall be notified verbally and through posting of a sign stating the following:</p> <ul style="list-style-type: none"> • Patrons must leave the site and not consume cannabis until at home or in an equivalent private location, unless the adult-use business has a valid cannabis consumption area license issued by the City. • Entry into the premises by persons under the age of twenty one is prohibited. <p>Only provide cannabis to an individual in an amount consistent with personal possession and use limits allowed by the state.</p> <p>Shall provide law enforcement and neighbors within 100 feet with the name and phone number of an on-site community relations employee.</p> <p>Shall attend meetings with the Los Angeles County Sheriff’s and Fire Departments, and City Public Safety staff to review public safety issues.</p> <p>Shall dispense cannabis only from the following sources:</p> <ul style="list-style-type: none"> • Limited ancillary cultivation and manufacturing (as outlined below) of cannabis on-site is permitted. • The space devoted to cultivation shall not exceed 25% of the total floor area, but in no case more than 1,500 square feet or greater than ten feet in height. • From an off-site location cultivated in accordance with applicable state law and zoning regulations in the jurisdiction in which it is cultivated. <p>Shall allow unrestricted access for West Hollywood City Code Compliance Officers, West Hollywood Sheriff’s Deputies, Los Angeles Fire Department staff, or other agents or employees of the city.</p> <p>Shall comply with the provisions of State law</p> <p>Shall have a manager at all times during business hours.</p>

Cannabis Use	Operating Requirements
Adult-Use Retail	An odor absorbing ventilation and exhaust system must be installed.
	Shall comply with delivery service operating requirements in Section 5.70.042.
	<p>Shall be permitted to manufacture cannabis derivatives and products as an ancillary use subject to the following requirements:</p> <ul style="list-style-type: none"> • The space devoted to manufacturing and cultivation shall not exceed 25% of the total floor area of the retail space, but in no case more than 1,500 square feet. • Shall be ancillary to the adult-use retail business and no stand-alone manufacturing businesses shall be allowed. • Subject to local, state, and federal health and safety regulations.

Section 5.70.041 Cannabis Consumption Area with On-Site Adult-Use Retail – Operating Requirements

The table below is a summary of the proposed consumption areas operating requirements. The full text of these operating requirements is included in Attachment A.

Cannabis Consumption Area with On-Site Adult-Use Retail - Operating Requirements

Cannabis Use	Operating Requirements
Consumption Area	<p>Security shall comply with the following minimum standards:</p> <ul style="list-style-type: none"> • Adequate security and lighting on-site. • Security guards shall be licensed and possess a valid Department of Consumer Affairs “Security Guard Card.” • Security guards shall not possess firearms or Tasers. • Provide a neighborhood security guard patrol for a two-block radius
	No on-site sales or consumption of alcohol or tobacco products by patrons or employees. The on-site sale of food is permitted.
	Hours of operation: Monday through Sunday, 6:00 a.m. to 2:00 a.m.
	<p>Patrons shall be notified verbally and through posting of a sign:</p> <ul style="list-style-type: none"> • Entry into the premises by persons under the age of twenty one is prohibited.
	Only provide cannabis to an individual in an amount consistent with personal possession and use limits allowed by the state.
	Shall provide law enforcement and all neighbors within 100 feet of the business with the name and phone number of an on-site community relations employee.
	Shall attend regular meetings with the Los Angeles County Sheriff’s Department, Los Angeles Fire Department, and City Public Safety Division staff to review public safety issues associated with the operations.

Cannabis Use	Operating Requirements
Consumption Area	<p>Shall sell cannabis only from the following sources:</p> <ul style="list-style-type: none"> • From an off-site location where cannabis is cultivated in accordance with applicable state law and zoning regulations in the jurisdiction in which it is cultivated.
	<p>West Hollywood City Code Compliance Officers, West Hollywood Sheriff's Deputies, Los Angeles Fire Department staff, or other agents or employees of the city requesting admission for the purpose of determining compliance with these standards shall be given unrestricted access.</p>
	<p>Shall have a responsible person on the premises to act as manager and supervise employees at all times during business hours.</p>
	<p>An odor absorbing ventilation and exhaust system must be installed.</p>
	<p>Shall be limited to one of the following cannabis consumption methods:</p> <ul style="list-style-type: none"> • Consumption of cannabis by smoking, vaping, and ingestion; or • Consumption by ingestion only
	<p>Cannabis consumption areas shall be permitted subject to the following requirements:</p> <ul style="list-style-type: none"> • Shall not be visible to the public or by any persons under 21 years of age • No sale or consumption of alcohol or tobacco is allowed on the premises. • No one under 21 years of age is allowed in the consumption area. • Cannabis consumption areas that are ancillary to adult-use or medical-use retail premises shall also comply with the following: <ul style="list-style-type: none"> • The space devoted to cannabis consumption shall not exceed twenty-five percent of the total floor area of the adult-use or medical-use retail space, but in no case more than one thousand five hundred square feet. • Cannabis consumption areas shall be well-ventilated private areas that are partitioned off from access to all other areas of the retail establishment and are designed to prevent the flow of smoke to any other area of the establishment.
	<p>Cannabis consumption areas that allow smoking and vaping shall comply with Section 7.08.03 Smoking of the Municipal Code.</p>
	<p>Conduct of Patrons:</p> <ul style="list-style-type: none"> • Make an announcement at closing requesting patrons to respect the residents of the adjacent residential neighborhoods by being quiet when leaving; • Post signs at locations requesting patrons to respect residents of adjacent residential neighborhoods by being quiet when leaving and reminding patrons of the existence of permit parking districts • Cut service to impaired patrons; provide information on car services.

Cannabis Use	Operating Requirements
Cannabis Consumption Area	<p>Employee Training and Customer Education.</p> <ul style="list-style-type: none"> • The business shall train their employees about the various products the consumption area sells, including potency of the products, absorption time, and effects of the products. • Employees shall educate all customers as to the items mentioned in section (a), in an effort to ensure responsible consumption.
	<p>The structure housing the consumption area shall be adequately soundproofed so that interior noise is not audible beyond the property line and shall comply with Chapter 9.08, Noise Ordinance.</p>
	<p>The management of the consumption area shall:</p> <ul style="list-style-type: none"> • Place and properly maintain solid waste receptacles and recycling bins • Ensure that the consumption area property and all areas within at least 100 feet of the consumption area are free of any waste or litter by 7:00 a.m. following each night of operations.

Section 5.70.042 Cannabis Delivery Services – Operating Requirements

The table below is a summary of the proposed cannabis delivery serviced operating requirements. The full text of these operating requirements is included in Attachment A.

Cannabis Delivery Service Operating Requirements

Cannabis Use	Operating Requirements
Delivery Services	<p>Delivery of cannabis from delivery services with delivery as the primary service, as well as adult-use and medical-use retailers to customers in West Hollywood is permitted.</p>
	<p>All cannabis delivery services, whether physically located inside or outside the City, shall have an approved business license for a cannabis delivery service from the City of West Hollywood.</p>
	<p>Every applicant for a delivery service license shall obtain and maintain in full force and effect the required automobile insurance policy:</p>
	<p>The licensee shall maintain in force and effect at all times while the license is in effect Worker’s Compensation insurance as required by law.</p>
	<p>Prior to the issuance of a license under this chapter, and at all times while the license is in effect, the licensee shall maintain on file with the Director proof of the insurance</p>
	<p>If the insurance policies issued to the licensee are canceled for any reason, the license issued under this chapter is automatically suspended.</p>
	<p>There shall be a minimum of two employees of the delivery service within each delivery service vehicle during all deliveries.</p>
	<p>Delivery customers shall be pre-registered with the delivery service.</p>

Cannabis Use	Operating Requirements
Delivery Services	Only delivery to persons 21 years of age or over shall be allowed.
	All drivers and anyone accompanying the driver must be at least 21 years of age or over.
	No signage on the exterior of the vehicle identifying the vehicle as a cannabis delivery vehicle shall be allowed.
	The amount of cannabis allowed in each delivery vehicle must be in compliance with state law.

Section 5.70.043 Medical-Use Dispensaries – Operating Requirements

The table below is a summary of the proposed cannabis delivery serviced operating requirements. The full text of these operating requirements is included in Attachment A

Medical-Use Dispensaries – Operating Requirements

Cannabis Use	Operating Requirements
Medical Use Dispensaries	Security shall comply with the following minimum standards: <ul style="list-style-type: none"> • Adequate security and lighting on-site • Security guards shall be licensed and possess a valid Department of Consumer Affairs "Security Guard Card." • Security guards shall not possess firearms or Tasers. • Provide a neighborhood security guard patrol for a two-block radius
	No recommendations for medical cannabis shall be issued on-site.
	No on-site sales or consumption of alcohol or tobacco products by patrons or employees
	Hours of operation: Monday through Sunday, 6:00 a.m. to 2:00 a.m.
	Shall only dispense medical cannabis to qualified patients in accordance with state law.
	Patrons shall be notified verbally and through posting of a sign: <ul style="list-style-type: none"> • Use of medical cannabis shall be limited to the patient identified on a valid doctor's recommendation, or a qualified purchaser identified on a state-issued form of identification. Secondary sale or barter of cannabis is prohibited • Patrons must leave the site and not consume cannabis until at home or in an equivalent private location, unless the medical-use dispensary has a valid cannabis consumption area license issued by the City. • Forgery of medical documents is a felony crime.
	Only provide cannabis to an individual in an amount consistent with personal medical use.
	Medical-use dispensary patients shall be 18 years of age or older.

Cannabis Use	Operating Requirements
Medical-Use Dispensary	Shall provide law enforcement and all neighbors within 100 feet of the business with the name and phone number of an on-site community relations employee.
	Shall attend regular meetings with the Los Angeles County Sheriff's Department, Los Angeles Fire Department, and City Public Safety Division staff to review public safety issues associated with the operations.
	Shall sell cannabis only from the following sources: <ul style="list-style-type: none"> • Limited ancillary cultivation and manufacturing of cannabis on-site is permitted. The space devoted to cultivation and manufacturing shall not exceed 25% of the total floor area, but no more than 1,500 square feet or greater than ten feet in height. • From an off-site location cultivated in accordance with applicable state law and zoning regulations in the jurisdiction in which it is cultivated.
	West Hollywood City Code Compliance Officers, West Hollywood Sheriff's Deputies, Los Angeles Fire Department staff, or other agents or employees of the city requesting admission for the purpose of determining compliance with these standards shall be given unrestricted access.
	Medical dispensaries shall comply with state law.
	Shall develop and implement a program subject to approval of the city to provide subsidized medical cannabis to income eligible patients, ("compassion program") in accordance with the following criteria: <ul style="list-style-type: none"> • Minimum 25% discount to all qualified patients based upon need; • Shall not be obliged to provide more than one hundred grams per month to eligible patients; • Program administration: <ul style="list-style-type: none"> • Social service provider to qualify patients on an annual basis, • Patients will be provided with a letter as proof of eligibility that expires one year after the date it is issued, • Will accept eligible patients and keep a record of qualified compassion program patients; • On-site/instant medical and financial need eligibility criteria: <ul style="list-style-type: none"> • SSDI, • Medi-Cal, • Unemployed with verification; • Social service agency verified medical/financial need eligibility: <ul style="list-style-type: none"> • Section 8 housing verification, • Two hundred percent income below federal poverty level, • Proof of disability, • Medical need such as terminal illness, cancer treatment, etc.; • Residency requirement: <ul style="list-style-type: none"> • Program for West Hollywood residents only
Shall have a responsible person on the premises to act as manager and supervise employees at all times during business hours.	

Cannabis Use	Operating Requirements
Medical-Use Dispensary	An odor absorbing ventilation and exhaust system must be installed.
	Shall comply with delivery service operating requirements in Section 5.70.042
	Limited manufacture and cultivation of cannabis derivatives and products subject to the following requirements: <ul style="list-style-type: none"> • Limited manufacture of cannabis derivatives and products is permitted. The space devoted to manufacturing and cultivation shall not exceed 25% of the total floor area of the retail space, but in no case more than 1,500 square feet. • Shall be ancillary to the medical-use dispensary and no stand-alone manufacturing businesses shall be allowed. • Subject to local, state, and federal health and safety regulations

Section 5.70.050 Duration of Cannabis Use License - Renewal

All licenses issued pursuant to this chapter shall expire one year after the date of issuance; provided, however, that a license may be renewed pursuant to Section 5.08.130 for additional one-year periods upon approval of an application for renewal that complies with all provisions of this title

Section 5.70.070 Noncompliance Prohibited

Requires that all dispensing, distribution, sale, exchange, or giving away of cannabis shall be in compliance with Chapter 5.70 as well as applicable sections of the zoning ordinance in Title 19.

Section 5.70.080 Adoption of Rules and Regulations – Violations

This section states that violation of the cannabis use rules and regulations constitute a misdemeanor and shall be punishable as set for in the Code.

Section 5.70.090 State Licenses Required

This section states that a cannabis business licensed by the City shall at all times have a current, valid state license for any activity which requires a state license under state law.

Section 5.70.100 City Fees

The City Council may adopt fees related to cannabis licenses.

Section 3: Status of the Four Existing Medical Cannabis Collectives

Section 3 is an uncodified section that addresses the status of the four existing medical cannabis collectives currently operating in the City upon adoption of the proposed Municipal Code Amendments:

The four existing medical cannabis collectives that are lawfully operating in the City on December 31, 2017 may continue to operate in the same manner until such time as the operator receives a state license and a local business license under this ordinance. The four existing medical cannabis collectives may immediately apply for a temporary and annual state licenses and local business license to operate a medical cannabis retail use. Any of the existing four medical cannabis collective locations that do not meet the location requirements of this ordinance or state law may move to a new location in the City and still be considered an existing medical cannabis collective under this section, provided the new location meets current operating requirements under 5.70.043. The four existing medical cannabis collectives shall be eligible to apply on or after January 1, 2018 for the first four (4) of the eight (8) available medical-use retail licenses without having to comply with the scoring requirements in Section 5.70.035 above, provided that the operator intends to continue operating as a medical-use retail facility. Any change of operations to adult-use shall meet the requirements of this ordinance and shall not receive priority for being an existing medical cannabis collective.

The provisions in this section shall no longer apply once the existing medical cannabis collective has received state and local licenses to operate a cannabis retail use, and in no event after January 1, 2019.

Alternative Status of Existing Medical Dispensaries

In addition to allowing medical-use dispensaries to continue current operations as described above, the City Council may consider allowing these four existing businesses to sell adult use cannabis under a temporary state license starting January 2, 2018. However, these uses would need to obtain a permanent license to sell adult-use marijuana or cease operations once the temporary state license expired. In addition, these uses would need to comply with all state laws (i.e. distancing requirements) and receive a state license prior to any sales of adult-use cannabis being allowed. See the discussion on pages 24-25 of this report for more detail.

PROPOSED ZONING TEXT AMENDMENTS

The full version of the proposed cannabis zoning text amendments (ZTA) are attached to this report (Attachment A) and are summarized below. The proposed cannabis zoning regulations are based on direction from the City Council, input from cannabis experts at a City Council study session, input from cannabis business stakeholders, and feedback from the community members at these public meetings.

Section 19.10.030, Commercial and Public District Land Uses and Permit Requirements

The following table indicates the range of cannabis uses that would be allowed and prohibited per the ZTA:

Allowable Cannabis Land Uses

LAND USE ²	PERMIT REQUIRED BY ZONE						SPECIFIC USE REGULATIONS
	CN	CC/SSP	CA	CR	PDC SP	PF	
Cannabis adult-use retail	P ¹	P ¹	P ¹	P ¹	—	—	19.36.091 Chapter 5.70
Cannabis commercial cultivation (ancillary to adult-use retail and medical-use dispensary)	P ¹	P ¹	P ¹	P ¹	—	—	Chapter 5.70
Cannabis commercial cultivation (stand-alone indoor facility)	—	—	—	—	—	—	
Cannabis commercial cultivation (outdoors)	—	—	—	—	—	—	
Cannabis consumption area (edible products only) with On-site Adult-use retail (edible products for on-site consumption only)	P ¹	P ¹	P ¹	P ¹	—	—	19.36.092 Chapter 5.70
Cannabis consumption area (smoking, vaping, and edible products) with On-site Adult-use retail (smoking, vaping, and edible products for on-site consumption only)	P ¹	P ¹	P ¹	P ¹	—	—	19.36.092 Chapter 5.70 7.08.030
Cannabis delivery service (ancillary to adult-use retail and medical-use dispensary)	P ¹	P ¹	P ¹	P ¹	—	—	19.36.093 19.36.030
Cannabis delivery services – (office only)	P ¹	P ¹	P ¹	P ¹	—	—	Chapter 5.70
Cannabis distributor (ancillary to adult-use retail and medical-use dispensary)	P	P	P	P	—	—	
Cannabis distributor (stand-alone facility)	—	—	—	—	—	—	

LAND USE ²	PERMIT REQUIRED BY ZONE						SPECIFIC USE REGULATIONS
	CN	CC/SSP	CA	CR	PDC SP	PF	
Cannabis manufacturer (ancillary to adult-use retail, medical-use and dispensary)	P	P	P	P	—	—	Chapter 5.70
Cannabis manufacturer (stand-alone facility)	—	—	—	—	—	—	
Cannabis medical-use dispensary	P ¹	P ¹	P ¹	P ¹	—	—	19.36.093 Chapter 5.70 19.36.030
Cannabis microbusiness	—	—	—	—	—	—	
Cannabis mobile consumption lounges	—	—	—	—	—	—	
Cannabis temporary use	—	—	—	—	—	—	
Cannabis Testing Laboratory	P ¹	P ¹	P ¹	P ¹	—	—	
Medical marijuana collectives	P ¹	P ¹	P ¹	P ¹	—	—	19.36.165 Chapter 5.70

Notes:

- (1) Zone clearance or development permit required or as regulated by other provisions in the Municipal Code may be required; see Chapters 19.42 and 19.48.
- (2) See Section 19.03.020(E) regarding uses not listed. See Article 19-6 for definitions of the listed uses.

The proposed ZTA would allow the following cannabis uses: adult-use retail, medical-use dispensaries, commercial manufacturing and cultivation as ancillary uses to retail operations only, testing laboratories, delivery services, and distribution as an ancillary use to a retail operation. In addition, cannabis consumption areas would be allowed as a smoking, vaping, and edible consumption area or strictly as an edible consumption area. All of these uses would be subject to a zone clearance approval prior to issuance of state and City of Hollywood business licenses and commencement of operations.

Cannabis uses such as stand-alone cannabis cultivation facilities (both indoor and outdoor), stand-alone cannabis manufacturing facilities, and stand-alone cannabis distributors would not be allowed under the ZTA due to the industrial nature of these

businesses, absence of industrial zoning in the City, proximity of commercial corridors to residential properties, and lack of sufficient outdoor areas for commercial outdoor cannabis cultivation. Additionally, the following types of cannabis uses are not allowed in the current ZTA, but could possibly considered for future zone text amendments when more information is available from the state and other sources: cannabis microbusinesses, mobile consumption lounges, and temporary cannabis uses.

Section 19.28.040 Number of Parking Spaces Required

The following cannabis use parking requirements are proposed:

Cannabis Use Parking Regulations

Non-Residential Land Use	Required Parking Spaces
Cannabis Uses – Adult Use Retail	3.5 spaces per 1,000 sq. ft.
Cannabis Uses – Consumption Areas	3.5 spaces per 1,000 sq. ft.
Cannabis Uses – Medical-Use Dispensary	3.5 spaces per 1,000 sq. ft.
Medical marijuana dispensaries	3.5 spaces per 1,000 sq. ft.

The proposed adult-use retail and medical-use dispensary uses parking ratios are consistent with other similar retail uses throughout the City. The consumption areas parking ratio (3.5 spaces per 1,000 sq. ft.) is lower than that for restaurants (9 spaces per 1,000 sq. ft.) in order to provide consistency for all cannabis use parking regulations.

Chapter 19.36 Cannabis Uses

The proposed ZTA includes locational criteria, a cap on the number of cannabis uses allowed within the City, and other related requirements for adult-use retail establishments, cannabis consumption areas, and medical-use dispensaries. Additional operational requirements such as odor control, security, and fire safety for the various cannabis uses would be regulated under Section 5.70 Business Licenses, Title 5 of the West Hollywood Municipal Code. The following table includes the proposed zoning requirements:

Proposed Cannabis Use Requirements

Type of Land Use	Requirements
Section 19.36.091 - Adult-Use Retail	The adult-use retail establishment shall not be located within a 600-foot radius of a daycare facility, youth center, or school that is located within or outside the city in compliance with State law.

Type of Land Use	Requirements
	<p>No more than eight (8) adult-use retail establishments shall be permitted to operate in the city at any time. An application for a new adult-use retail establishment shall not be approved unless there are fewer than eight (8) adult-use retail establishments operating or approved in the city at the time of approval.</p> <p><i>The state does not have a limit on the number of adult-use retail establishments per jurisdiction.</i></p>
<p>Section 19.36.092 - Cannabis Uses – Consumption Areas with On-Site Adult-Use Retail</p>	<p>The consumption area shall not be located within a 600-foot radius of a daycare facility, youth center, or school that is located within or outside the city in compliance with State law.</p>
	<p>The consumption area shall be restricted to persons 21 or older and shall not be visible from any public place or a non-age restricted area.</p>
	<p>The consumption area may be co-located with an adult-use retail or medical-use dispensary location pursuant to state law.</p>
	<p>No more than eight (8) consumption areas with smoking, vaping, and ingestion of edible cannabis products and no more than eight (8) consumption areas limited to cannabis ingestion of edible cannabis products only are permitted to operate in the city at any given time.</p> <p><i>The state does not have a limit on the number of cannabis consumption areas per jurisdiction.</i></p>
	<p>All cannabis consumption areas that allow smoking and vaping of cannabis shall comply with Section 7.08.03 Smoking, of the West Hollywood Municipal Code.</p>
	<p>No sales of tobacco products or smoking or ingesting of tobacco (i.e. chewing tobacco) shall be allowed in a cannabis consumption area.</p> <p>No alcoholic beverage sales or ingestion of alcohol products shall be allowed in a cannabis consumption area.</p>
<p>Section 19.36.093 - Medical-Use Dispensary</p>	<p>The medical-use dispensary shall not be located within a 600-foot radius of daycare facility, youth center, or school that is located within or outside the city in compliance with State law.</p>
	<p>No more than eight (8) cannabis medical-use dispensaries shall be permitted to operate in the city at any given time.</p> <p><i>The state does not have a limit on the number of medical-use dispensaries per jurisdiction.</i></p>

As shown in the table above, a distancing requirement of 600-feet from daycare facilities, youth centers and public and private schools (Kindergarten -12th grade) from all cannabis uses are proposed, which is consistent with state law. A distancing requirement of 1,000 feet between medical cannabis uses that is in the current zoning ordinance is proposed to be eliminated to allow more flexibility for cannabis businesses to acquire or lease property in the City.

Additional Items to Consider

The City Council may consider the following alternatives:

- If the Council would like limited retail cannabis to be available in the City in January on a temporary basis while the application process is underway, staff proposes use of the Temporary Use Permit (TUP) process. Current Planning staff could issue a TUP to any of the four existing medical marijuana businesses to allow them to sell adult-use retail cannabis under a temporary permit starting January 2, 2018 (in addition to the medical cannabis they are already allowed to distribute). The TUP would be issued for a limited time period of 120 days and if these uses do not obtain an adult-use license from the City and state, they would need to cease adult-use operations. In addition, these uses would need to comply with all state laws (i.e. distancing requirements) and receive a state license prior to any sales of adult-use cannabis being allowed.
- If the Council would like consumption areas inside adult-use businesses or medical-use dispensaries to reach a reasonable size, an alternative to increase the allowable area of a consumption area as a percentage of the total retail space, could be considered. Section 5.70.041(13)(a) of the draft ordinance states that the space devoted to cannabis consumption within an adult-use retail business or medical-use dispensary shall not exceed 25 percent of the floor area or 1,500 square feet. As an alternative, the Council may consider allowing consumption areas to not exceed 50 percent of the floor area or 1,500 square feet of the retail space given the preponderance of smaller retail shop areas in the City. This does not impact the proposed stand-alone consumption areas where consumption is the primary activity.
- If the Council would like to specifically address cannabis vaping within consumption areas, further amendments to the Municipal Code Section 7.08.030(e)(6) Smoking Regulations could be considered. Staff proposes that the applicant submit an operational plan for smoking cannabis in unenclosed areas within a consumption area. However, the regulations are silent on whether vaping of cannabis would be allowed in an enclosed or unenclosed portion of the consumption area. The City Council may consider clarifying this in the proposed ordinance.

Public Safety Commission Input

On September 11, 2017, staff made a presentation to the West Hollywood Public Safety Commission. The Commissioners asked questions and provided input regarding safety of a “cash-only” business, potential cannabis extraction safety issues, and federal government oversight. Captain Aloma of the Los Angeles County Sheriff’s Department answered questions regarding enforcement of driving while under the influence of cannabis (Attachment F).

Chamber of Commerce – Government Affairs Committee Input

On September 12, 2017, the West Hollywood Chamber of Commerce – Government Affairs Committee (GAC) asked questions and provided input regarding the regulation of cannabis businesses in the City. Topics discussed with the GAC Committee Members included the basis for the proposed maximum number of business licenses to be issued, the merit-based business license provisions, cannabis smoking regulations, business license issuance to the existing medical marijuana collectives, and public safety concerns.

Business License Commission Input

On October 3, 2017, staff made a presentation to the West Hollywood Business License Commission regarding amendments to the West Hollywood Municipal Code related to the issuance of business licenses to authorized cannabis uses. After receiving public input, the Business License Commission voted to recommend approval of the municipal code amendments with the following recommended additions:

- Allow the smoking of tobacco products in cannabis consumption areas where cannabis smoking is allowed
 - This cannot be allowed per state law.
- Eliminate the requirement for cannabis businesses to have a maximum of \$200.00 on their premises overnight in order to allow cannabis businesses flexibility in when and how they make cash deliveries banks or other institutions.
 - This requirement is in the current Code as a requirement for medical marijuana dispensaries. It has been removed from the draft Cannabis Use Ordinance, as public commenters indicated, it was safer to provide flexibility and not dictate nightly bank deposits of the cash on-site.
- Require cannabis delivery customers to pre-register with the cannabis delivery company to improve the reliability and safety of cannabis delivery to private residences.
 - This requirement has been added to the Cannabis Use Ordinance.

Planning Commission Input

On October 5, 2017, staff made a presentation to the West Hollywood Planning Commission regarding amendments to the West Hollywood Zoning Ordinance related to the regulation of cannabis uses, parking, locational requirements, and definitions. After receiving public input, the Planning Commission voted to recommend approval of the Zoning Ordinance amendments with no changes (Attachment G).

Public Comment & Correspondence

Since the passage of Proposition 64 on November 8, 2016, the City has received numerous inquiries from the public regarding cannabis regulation and issuance of cannabis business licenses in West Hollywood. As described in the Community Engagement Section below, the City received input from cannabis stakeholders in three

open meetings held during the summer 2017. In addition, a letter received from the Chernis Law Group P.C. on October 26, 2017, regarding issuance of a cannabis business license to a potential medical-use dispensary on the City's wait list for such uses (Attachment H).

California Environmental Quality Act (CEQA)

The proposed municipal code amendment is Categorically Exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061 of the CEQA Guidelines. Section 15061 states that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Cannabis businesses will be required to meet all local, state, and federal health and safety regulations to ensure that there are no significant environmental impacts to the cannabis use sites and surrounding properties. The businesses authorized under this amendment are similar to already existing permitted general uses such as retail, with the only difference being the product sold or consumed (i.e. cannabis). The City has required business licenses for medical cannabis businesses for many years and already has four operating in the City and this ordinance expands the categories of cannabis related businesses which can operate with a business license. The ordinance expands on existing health and safety protections to ensure that cannabis businesses are operated in a safe manner. The ordinance does not change the zoning for any properties and these general categories of uses are already permitted by right, meaning that they do not create negative environmental impacts or result in physical changes to the environment. There are no outdoor cultivation activities permitted under this ordinance.

CONFORMANCE WITH VISION 2020 AND THE GOALS OF THE WEST HOLLYWOOD GENERAL PLAN:

This item is consistent with the Primary Strategic Goal(s) (PSG) and/or Ongoing Strategic Program(s) (OSP) of:

- OSP-1: Adaptability to Future Change.
- OSP-2: Institutional Integrity.

In addition, this item is compliant with the following goal(s) of the West Hollywood General Plan:

- G-2: Maintain transparency and integrity in West Hollywood's decision-making process.
- LU-2: Maintain a balanced mix and distribution of land uses that encourages strategic development opportunities and mobility choices within the City.

EVALUATION PROCESSES:

City Staff closely monitored and reviewed laws related to the federal, state, and local regulation of cannabis to determine the content of the draft cannabis regulation. Staff also attended numerous cannabis regulatory conferences and seminars to better understand how cannabis is being regulated at the federal and state levels.

ENVIRONMENTAL SUSTAINABILITY AND HEALTH:

N/A

COMMUNITY ENGAGEMENT:

Stakeholder Meetings

Staff held a series of stakeholder meetings in the summer 2017 to obtain input on cannabis regulatory options. On June 29, 2017, City staff met with 15 stakeholders representing various cannabis related business interests and policy advocates/experts. The purpose of the meeting was to receive input from this stakeholder group regarding anticipated cannabis regulations to be considered by the City. Staff received the following input on a range of cannabis-related topics: a) advocate or promote West Hollywood as cannabis tourist destination, b) create safe spaces for consumption of cannabis for diverse members of the public (adults over 21, medical marijuana users, persons in cannabis smoking restricted housing, etc.), c) set a reasonable limit on the number of cannabis retail and medical dispensary locations, d) allow onsite and offsite sales of cannabis similar to ABC regulation for alcohol sales, e) allow cannabis testing facilities to locate in the City, f) manufacturing - allow infusion of Tetrahydrocannabinol (THC) products that have been extracted at a separate facility and study allowance of extraction since it involves the use of volatile compounds, and f) allow cannabis delivery services to operate in the City.

On August 3, 2017, City staff met for a second time with 20 stakeholders representing various cannabis related business interest groups and policy advocates/experts. The purpose of this second meeting was to receive additional input from this stakeholder group regarding anticipated cannabis regulation options being analyzed by staff pursuant to City Council direction at the July 10, 2017, study session. Staff received input on the following gamut of cannabis-related topics including the value of having medical, adult-use and combined medical use/adult-use license types; the range of cannabis consumption options and how they could be regulated (i.e. cannabis lounges, in conjunction with retail sales uses, and in hotels); cannabis delivery; cannabis testing laboratories; cannabis manufacturing or production; and various aspects of a merit based system for issuing business licenses.

Hotel Managers Meeting

On August 31, 2017, City staff met with eleven managers from hotels located in West Hollywood to receive input on their potential interest in cannabis use in hotels. Four of the hotels are in commercial zones (Ramada, Andaz, The Standard, and

The Mondrian), which would allow cannabis uses. The Standard expressed interest in creating a cannabis retail store onsite and the remaining hotel managers are interested in learning more about cannabis regulation by the federal and state government. The managers were also interested in learning more about the potential to hold cannabis special events, how the City's smoking regulations will affect consumption of cannabis at their hotels, and the potential to have cannabis deliveries.

OFFICE OF PRIMARY RESPONSIBILITY:

COMMUNITY DEVELOPMENT DEPARTMENT / COMMUNITY DEVELOPMENT - ADMINISTRATION

CANNABIS USE BUSINESS LICENSE APPLICATION PROCESS:

Issuance of cannabis use business licenses is anticipated in mid-2018 based on the following key steps:

<u>Key Steps:</u>	<u>Timeframe:</u>
Business license applications available/pre-application meetings	November 2017
Business licenses submittal period	January 2018
Panel review and ranking of top applicants	February - March 2018
Zone clearance for top applicants	March - April 2018
Business License Approval for top applicants	April - June 2018

FISCAL IMPACT:

There are three potential types of increased cannabis related revenue the City could receive in the future: 1) Additional sales tax revenue generated from the sale of adult-use cannabis; 2) New tax revenue from a City specific tax on all adult-use sales; and 3) Additional fee revenue from new cannabis license applicants.

Sales Tax Revenue - If the City Council permits adult-use cannabis sales in the City, and allows the number of licenses recommended by staff, it is likely the City will (conservatively) receive approximately \$200,000 to \$300,000 in additional sales tax revenue per year.

City Specific Tax – Many cities across California have approved additional city specific taxes on the sale of cannabis. These taxes have ranged from 2-15% of gross receipts. The City Council should consider placing a cannabis gross receipts tax on the March 2019 ballot (the next available opportunity). To help inform this decision, staff plans to contract with a public opinion/polling firm in 2018 to survey residents about the likelihood of them voting for a cannabis tax.

Cannabis Application Fees – Currently, the City charges an initial application fee and annual renewal fee for medical cannabis dispensaries. Both fees are based on full cost recovery of staff's time associated with processing the application or renewal. Staff is

recommending that the City Council adopt a total of eight (8) new license fees associated with cannabis licenses, as shown in Attachment I.

License Fees

AMOUNT	DESCRIPTION
\$200,000-\$300,000	This item will generate approximately \$200,000 to \$300,000 in additional sales tax revenue per year in account R 100-402001 Sales & Use Tax
\$400,000-\$500,000	Revenue from New Cannabis Application Fees – Account R 100-404001 Business License Tax
\$0	Funding for staff's time associated with processing the application or renewal is already budgeted.
\$0	Funding for staff's time associated with enforcement of the Ordinance is already budgeted.
\$0	Funding for staff's time associated with the Zone Text Amendment is already budgeted.
\$0	Funding for public safety enforcement is already budgeted.

ATTACHMENTS:

- A. Cannabis Ordinance
- B. May 1, 2017, City Council Minutes
- C. July 10, 2017, City Council Cannabis Study Session Minutes
- D. August 21, 2017, City Council Minutes
- E. Sample Merit-Based Rating System Form
- F. Public Safety Commission Minutes
- G. Planning Commission Resolution
- H. October 26, 2017, Letter from Chernis Law Group P.C.
- I. Fee Resolution Amendment and Fee Documents

ORDINANCE NO. 17-_____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WEST HOLLYWOOD, APPROVING AMENDMENTS TO THE MUNICIPAL CODE AND ZONING ORDINANCE TO REGULATE CANNABIS USES.

THE CITY COUNCIL OF THE CITY OF WEST HOLLYWOOD DOES HEREBY ORDAIN AS FOLLOWS:

The City Council of the City of West Hollywood hereby finds, resolves, and orders as follows:

SECTION 1. The City of West Hollywood initiated amendments to the Municipal Code and Zoning Ordinance to adopt new regulations for cannabis uses in response to recent changes in state law.

SECTION 2. A public meeting was duly noticed for the Business License Commission meeting on October 3, 2017 in the Beverly Press and West Hollywood Independent on September 21, 2017. In addition to the noticing required by the Municipal Code, the Code Compliance Division noticed all West Hollywood neighborhood groups by September 21, 2017.

SECTION 3. A public hearing was duly noticed for the Planning Commission meeting of October 5, 2017 by publication in the Beverly Press newspaper, the West Hollywood Independent Newspaper, and the City website and by announcement on City Channel 6 by September 21, 2017.

SECTION 4. The West Hollywood City Council properly reviewed and considered this matter at a public hearing on November 6, 2017. Public Notice of the hearing was advertised by publication in the West Hollywood Independent and Beverly Press on October 26, 2017. Notices were mailed to all West Hollywood Neighborhood Watch groups on October 26, 2017.

SECTION 5. The proposed zone text amendment is Categorically Exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061 of the CEQA Guidelines. Section 15061 states that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Cannabis businesses will be required to meet all local, state, and federal health and safety regulations to ensure that that there are no significant environmental impacts to the cannabis use sites and surrounding properties. The businesses authorized under this ZTA are similar to already existing permitted general uses such as retail, with the only difference being the product sold or consumed (i.e. cannabis). The ZTA does not change the zoning for any properties

and these general categories of uses are already permitted by right, meaning that they do not create negative environmental impacts or result in physical changes to the environment. There are no outdoor commercial cultivation activities permitted under this ordinance.

SECTION 6. The West Hollywood City Council hereby finds that the Municipal Code Amendments and Zone Text Amendment are consistent with the Primary Strategic Goals in the City of West Hollywood General Plan: (1) Adaptability to future change and (2) Institutional Integrity. The proposed ZTA is also compliant with other General Plan goals: G-2, maintain transparency and integrity in West Hollywood's decision-making process and LU-2, maintain a balanced mix and distribution of land uses that encourages strategic development opportunities and mobility choices within the City

SECTION 7. Section 5.08.010, Businesses Required to be Licensed, of Chapter 5.08 of Title 5 of the West Hollywood Municipal Code is amended to read as follows:

No person shall commence, conduct or purport to commence or conduct the following business activities without a valid business license:

1. Adult bookstores¹
2. Animal grooming
3. Billiards
4. Bingo
5. Cannabis Use - Adult-Use retail³
6. Cannabis Use - Consumption Areas with on-site Adult-Use retail³
7. Cannabis Use - Delivery Services³
8. Cannabis Use - Medical-Use dispensary³
9. Card or game clubs²
10. Carnivals and concessions
11. Coin-operated games and game arcades¹
12. Dance¹
13. Entertainment¹
14. Escort bureaus¹ and introductory services¹
15. Extended hour businesses¹
16. Fortunetelling
17. Gun dealers^{1, 2, 3}
18. Health clubs
19. Locksmith
20. Massage parlors¹ and technicians
21. Model studios¹
22. Motor vehicle rental
23. Pawnbrokers and secondhand dealers
24. Peddlers and commercial solicitors
25. Picture arcades¹

- 26. Private patrol service
- 27. Promoters
- 28. Public eating places and food establishments
- 29. Tanning salon
- 30. Tobacco retailers¹
- 31. Tow trucks²
- 32. Valet parking²

Notes:

- 1. Indicates that the relevant business activity requires a licensed manager pursuant to Section 5.04.050.
- 2. Indicates that the relevant business requires insurance pursuant to Section 5.08.120.
- 3. Indicates that in addition to requiring a business license such business activities shall require a hearing before the Business License Commission before licensing.

SECTION 8. Chapter 5.70 of Title 5 of the West Hollywood Municipal Code is amended in its entirety to read as follows:

Chapter 5.70 Cannabis Uses

5.70.10 Definitions.

The definitions for cannabis uses in this Chapter shall be as defined in Section 19.90.020 of the Municipal Code.

5.70.020 Application Information.

In addition to the information prescribed by the Director pursuant to the authority set forth in Section 5.08.040, all applications for a license to conduct a cannabis adult-use retail establishment, consumption area, delivery service, or a cannabis medical-use dispensary shall contain the following information. Business license applications may be accepted without having secured a physical business location; however, a physical location shall be required prior to issuance of a business license by the City.

- 1. If the proposed business has a current or proposed physical location, the following information shall be required at the time of application (or the following information shall be submitted prior to license issuance if location is secured after application is made). In the event the applicant is not the owner of record of the real property upon which the cannabis business is, or is to be, located the application must be accompanied by a notarized statement and consent from the owner of the property acknowledging that a cannabis business is or will be located on the property. In addition to furnishing such notarized statement, the applicant shall furnish the name and address of the owner of record of the property, as well as a copy of the lease or rental agreement pertaining to the premises in which the cannabis business is or will be located;

2. A security plan, including, but not limited to, lighting, alarms and security guard arrangements;

3. An executed release of liability and hold harmless in the form set forth in the city's application form;

4. A description of the procedure for documenting the source of the cannabis to be dispensed by the cannabis use. If the cannabis is cultivated or manufactured off-site, documentation that the off-site location is compliant with the zoning regulations of the jurisdiction in which it is located;

5. Text and graphic materials showing the site in the context of the immediate neighborhood and floor plan of the facility;

6. A description of the screening, registration and validation process for qualified medical cannabis patients and that purchasers of medical-use cannabis are 18 years of age or older and adult-use cannabis are 21 years of age or older;

7. A description of qualified patient records acquisition and retention procedures for medical-use dispensaries;

8. A description of the process for tracking cannabis quantities and inventory controls, including on-site cultivation (if any), processing and cannabis products received from outside sources;

9. A description of measures taken to minimize or offset energy use from the cultivation or processing of cannabis plants and products, if these uses are proposed as ancillary uses under Section 19.36.030;

10. A description of chemicals stored or used on-site and any effluent proposed to be discharged into the city's wastewater or storm water systems;

11. Authorization for the city to verify the information and representations contained in the application;

11. Delivery Services Application. A description of any cannabis delivery service, including number of delivery vehicles, location of vehicle storage, and extent of delivery area;

12. If consumption, cultivation, retail sales, dispensing, or manufacturing is a planned part of the business, a description and plan of the odor control system to be utilized, such as roof ventilation and/or carbon air filtration, or other applicable odor control as required for compliance with Sections 5.70.040(11), 5.70.041(11), and 5.70.043(16).

13. If onsite consumption (including smoking, vaping, and ingestion of edible cannabis products) is a planned part of the business, provide a description of the consumption area. The onsite consumption plan must include:

(a) the secured location of the onsite consumption area clearly identified as part of the site plan;

(b) a detailed description of the limit of visibility from any public place or non-age-restricted area (e.g. types of windows used, and/or example elevations as seen from the public right-of-way); and

(c) a detailed description of how access will be limited to persons 21 years of age or older.

(d) If smoking and vaping of cannabis products is proposed, a detailed description of compliance with Section 7.08.03 (Smoking) in the Municipal Code.

14. If manufacturing or cultivation is a planned part of the business as ancillary uses under Section 19.36.030, a Hazard Analysis Plan or equivalent document must be submitted to and approved by the Los Angeles County Fire Department as part of the application.

5.70.030 Minimum Criteria for Issuance of a License.

1. The applicant, and any existing or prospective manager, must be at least twenty-one years of age.

2. The applicant, or any existing or prospective manager, must not have had a similar type of license previously revoked or denied for good cause within the immediately preceding two years prior to the license application.

3. The applicant and proposed manager shall undergo a background investigation by the Los Angeles County Sheriff's Department. Neither the applicant, nor any proposed or prospective manager, shall have been convicted of:

(a) Any offense relating to possession, manufacture, sales, or distribution of a controlled substance, with the exception of cannabis related offenses;

(b) Any offense involving the use of force or violence upon the person of another

(c) Any offense involving theft, fraud, dishonesty or deceit.

For purposes of this subsection 3, a conviction includes a plea or verdict of guilty or a conviction following a plea of *nolo contendere*.

4. The location for which the license is sought shall not be located within six hundred feet of a day care center, youth center or school, and otherwise comply with Sections 7.08.030, 19.10.030, 19.36.091, 19.36.092, 19.36.093, 19.36.340, 19.90.020, of the Municipal Code. For purposes of this Section, youth center shall have the same definition as in Health and Safety Code Section 11353.1; day care center shall have the same meaning as in Health and Safety Code Section 1596.76; and school shall mean any property containing a structure which is used for education or instruction, whether public or private, at grade levels kindergarten through 12.

5. There shall be no more than the following number of cannabis business licenses issued at any one time in the following activity categories (a) – (e):

(a) Eight (8) Adult-Use Retail Business Licenses.

(b) Eight (8) Consumption Area (smoking, vaping, ingestion) with On-Site Adult-Use Retail (sales of products to be consumed on-site) Business Licenses

(c) Eight (8) Consumption Area (edible ingestion only) with On-Site Adult-Use Retail (sales of products to be consumed on-site) Business Licenses

(d) Eight (8) Medical-Use Dispensary Business Licenses

(e) Eight (8) business licenses for cannabis delivery services located in West Hollywood and no limit on the amount of business licenses issued for cannabis delivery services that are located outside the City limits and deliver cannabis to customers within the City of West Hollywood.

6. A separate business license is required for each cannabis business activity listed in this subsection (5) and multiple cannabis business activities are allowed at one location.

7. No separate cannabis business license is required for cannabis testing laboratories.

8. An applicant may not apply for, or possess, more than one of the same type of cannabis license.

5.70.035 Application Period, Scoring, and Review

1. There shall be an initial 30-day application period to be determined by the City Manager, or designee. Subsequent application periods shall commence upon certification by the City Manager, or designee, that additional Cannabis Licenses are available and shall close 30 days after such certification.

2. An application evaluation committee composed of at a minimum three (3) individuals with demonstrated experience in either city government or the cannabis industry, with no business interests in the City of West Hollywood shall be appointed by the City Manager to review and score each application based on the general criteria listed below. The specific criteria and weighting (points per criteria) for each license type will be determined prior to the commencement of the initial application period and posted publically. Each application will be independently scored by the evaluation committee members.

3. The following general criteria shall be used to rank applications:
- (a) Previous adult-use retail, medical-use dispensing, or consumption area operation experience that was subject to state cannabis regulation, or experience in a similarly state-regulated activity (by way of example and not limitation, alcohol sales).
 - (b) Ability to demonstrate the quality of cannabis strains and derivative product offerings.
 - (c) Employee training, standard operating procedures, online ordering systems and procedures for providing cannabis to disadvantaged or disabled persons.
 - (d) Social equity in terms of provision of providing a living wage and employee benefits and compliance with local, state, and federal employee non-discrimination policies.
 - (e) Security program.
 - (f) Pre-existing West Hollywood Cannabis Business that has no outstanding code violations with the City and is in compliance with local and state laws.
 - (g) Ability to meet City of West Hollywood Urban Design Standards.
 - (h) Additional information that demonstrates the ability to operate in a safe and responsible manner in the City, including without limitation a review of the quality and thoroughness of application materials.

4. Prior to scoring applications City staff shall review applications for general compliance with the City's Municipal Code or any other applicable laws, and shall reject any application which does not meet such requirements. Rejected applications shall not be scored. The City shall also disqualify any application that contains any false or misleading information.

5. The scores awarded by the application evaluation committee shall be totaled and averaged for each applicant. The applicants shall then be ranked from highest to lowest based on their scores.

6. The top eight (8) applicants in each license category (or applicants applying for vacated licenses) based on points are required to secure a viable business location if one has not been secured and apply for and obtain a Zone Clearance, (Section 19.42 of the Municipal Code) from the West Hollywood Community Development Department after being notified that their application has been accepted and ranked as one of the top eight (8) applicants.

7. Business license applications for the top ranked applicants (8 in each category) that have obtained a Zone Clearance from the City are required to be reviewed and approved by the Business License Commission prior to issuance of a business license by the City.

8. If any of the top eight (8) ranking applicants in each license category has not secured a business license from the City within 12 months of the City notifying them they were one of the top eight (8) ranking applicants, their ability to obtain a business license, shall terminate.

9. Applicants that have approved licenses issued by the City shall obtain a license from the state, as well as any other required local permits from the City (i.e. building permits) or other local agencies (i.e. Los Angeles County Fire Department, Sheriff's Office, or Health Department) prior to operating a cannabis business in the City.

5.70.040 Adult-Use Retail - Operating Requirements.

All adult-use retailers in the city shall operate in conformance with the following operating requirements:

1. Security shall comply with the following minimum standards:

(a) Adult-Use retail businesses shall provide adequate security and lighting on-site to ensure the safety of persons and protect the premises from theft at all times in conformance with the security plan submitted with the license's application.

(b) All security guards employed by adult-use retail businesses shall be licensed and possess a valid Department of Consumer Affairs "Security Guard Card" at all times. Adult-use retailer's security guards shall not possess firearms or Tasers.

(c) Adult-use retail businesses shall provide a neighborhood security guard patrol for a two-block radius surrounding the business during all hours of operation.

2. There shall be no on-site sales of alcohol or tobacco products, and no on-site consumption of alcohol or tobacco products by patrons or employees.

3. Hours of operation shall be limited to: Monday through Sunday, 6:00 a.m. to 2:00 a.m.

4. Adult-Use retailers shall notify patrons of the following verbally and through posting of a sign in a conspicuous location readily visible to persons entering the premises:

(a) Patrons must leave the site and not consume cannabis until at home or in an equivalent private location, unless the adult-use business has a valid cannabis consumption license issued by the City. Adult-Use retail employees shall monitor the site and vicinity to ensure compliance.

(b) Entry into the premises by persons under the age of twenty one is prohibited.

5. Adult-Use retail businesses shall only provide cannabis to an individual in an amount consistent with personal possession and use limits allowed by the state.

6. Adult-Use retail businesses shall provide law enforcement and all neighbors within one hundred feet of the business with the name and phone number of an on-site community relations employee to notify if there are operational problems with the establishment.

7. Adult-Use business operator(s) shall attend regular meetings with the Los Angeles County Sheriff's Department, Los Angeles Fire Department, and City Public Safety Department staff to review public safety issues associated with the operations.

8. Adult-Use retailers shall dispense cannabis only from the following sources:

(a) Limited ancillary cultivation of cannabis on-site is permitted. The space devoted to cultivation and manufacturing (as outlined in Section 5.70.040(13)) shall not exceed twenty-five percent of the total floor area, but in no case more than one thousand five hundred square feet or greater than ten feet in height, and be in compliance with Section 19.36.030.

(b) From an off-site location cultivated in accordance with applicable state law and zoning regulations in the jurisdiction in which it is cultivated.

9. West Hollywood City Code Compliance Officers, West Hollywood Sheriff's Deputies, Los Angeles Fire Department staff, or other agents or employees of the City requesting admission for the purpose of determining compliance with these standards shall be given unrestricted access.

10. Adult-use retailers shall comply with the provisions of State law.

11. Adult-Use retailers shall have a responsible person on the premises to act as manager and supervise employees at all times during business hours.

12. An odor absorbing ventilation and exhaust system shall be installed so that odor generated inside the business is not detected outside the property or lease area boundaries, or anywhere on adjacent property or public rights-of-way, or within any other unit located within the same building as the cannabis use.

13. Delivery of cannabis from adult-use retailers to customers in West Hollywood and surrounding areas is permitted, in accordance with operating requirements in Section 5.70.042 Delivery Services below.

14. Adult-Use retailers shall be permitted to manufacture cannabis derivatives and products subject to the following requirements:

(a) Limited ancillary manufacture of cannabis derivatives and products is permitted. The space devoted to manufacturing and cultivation (as outlined in Section 5.70.040(8)(a)) shall not exceed twenty-five percent of the total floor area of the retail space, but in no case more than one thousand five hundred square feet.

(b) Cannabis manufacturing shall be ancillary to the adult-use retail business in compliance with Section 19.36.030, and no stand-alone manufacturing or production businesses shall be allowed.

(c) Cannabis manufacturing shall be subject to local, state, and federal health and safety regulations.

5.70.041 Cannabis Consumption Area with On-Site Adult-Use Retail - Operating Requirements.

All cannabis consumption areas in the city shall operate in conformance with the following operating requirements:

1. Security shall comply with the following minimum standards:

(a) Cannabis consumption areas shall provide adequate security and lighting on-site to ensure the safety of persons and protect the premises from theft at all times in conformance with the security plan submitted with the license application.

(b) All security guards employed by cannabis consumption areas shall be licensed and possess a valid Department of Consumer Affairs "Security Guard Card" at all times. Consumption areas security guards shall not possess firearms or Tasers.

(c) Cannabis consumption areas shall provide a neighborhood security guard patrol for a two-block radius surrounding the business during all hours of operation.

2. There shall be no on-site sales of alcohol or tobacco, and no on-site consumption of alcohol or tobacco products by patrons or employees. The on-site sale of food is permitted.

3. Hours of operation shall be limited to: Monday through Sunday, 6:00 a.m. to 2:00 a.m.

4. Cannabis consumption areas shall notify patrons of the following verbally and through posting of a sign in a conspicuous location readily visible to persons entering the premises:

(a) Entry into the premises by persons under the age of twenty one is prohibited.

5. Cannabis consumption areas shall only provide cannabis to an individual in an amount consistent with personal possession and use limits allowed by the state.

6. Cannabis consumption areas shall provide law enforcement and all neighbors within one hundred feet of the business with the name and phone number of an on-site community relations employee to notify if there are operational problems with the establishment.

7. Cannabis consumption area operator(s) shall attend regular meetings with the Los Angeles County Sheriff's Department, Los Angeles Fire Department, and City Public Safety Department staff to review public safety issues associated with the operations.

8. Cannabis consumption areas shall sell cannabis only from the following source:

(a) From an off-site location where cannabis is cultivated in accordance with applicable state law and zoning regulations in the jurisdiction in which it is cultivated.

9. West Hollywood City Code Compliance Officers, West Hollywood Sheriff's Deputies, Los Angeles Fire Department staff, or other agents or employees of the city requesting admission for the purpose of determining compliance with these standards shall be given unrestricted access.

10. Cannabis consumption areas shall have a responsible person on the premises to act as manager and supervise employees at all times during business hours.

11. An odor absorbing ventilation and exhaust system must be installed so that odor generated inside the business is not detected outside the property or lease area boundaries, or anywhere on adjacent property or public rights-of-way, or within any other unit located within the same building as the cannabis use.

12. Depending on the type of cannabis consumption areas business license issued by the City, the consumption area shall be limited to one of the following cannabis consumption methods:

- (a) Consumption of cannabis by smoking, vaping, and ingestion; or
- (b) Consumption by ingestion only.

13. Cannabis consumption areas shall be permitted subject to the following requirements:

(a) Cannabis consumption areas shall not be visible to the public or by any persons under 21 years of age

(b) No sale or consumption of alcohol or tobacco is allowed on the licensed premises.

(c) No one under 21 years of age is allowed in the consumption area.

(d) Cannabis consumption areas that are ancillary to adult-use or medical-use retail premises shall also comply with the following:

- i. The space devoted to cannabis consumption shall not exceed twenty-five percent of the total floor area of the adult-use or medical-use retail space, but in no case more than one thousand five hundred square feet.

- ii. Cannabis consumption areas shall be well-ventilated private areas that are partitioned off from access to all other areas of the retail establishment and are designed to prevent the flow of smoke to any other area of the establishment.

14. Cannabis consumption areas that allow smoking and vaping shall comply with Section 7.08.03 Smoking of the Municipal Code

15. Conduct of Patrons. The cannabis consumption area shall do the following to encourage appropriate patron conduct:

(a) Make an announcement at closing requesting patrons to respect the residents of the adjacent residential neighborhoods by being quiet when leaving;

(b) Post signs at locations clearly visible within the consumption area and at both on- and off-site parking areas, requesting patrons to respect residents of adjacent residential neighborhoods by being quiet when leaving and reminding patrons of the existence of permit parking districts within the neighborhoods adjacent to the consumption area.

(c) Cut off service to impaired patrons and provide information on car services.

16. Employee Training and Customer Education.

(a) The business shall train their employees about the various products the consumption area sells, including potency of the products, absorption time, and effects of the products.

(b) Employees shall educate all customers as to the items mentioned in subsection (a), in an effort to ensure responsible consumption.

17. Noise. The structure housing the consumption area shall be adequately soundproofed so that interior and exterior noise is not audible beyond the property line and shall comply with Chapter 9.08, Noise Ordinance.

18. The management of the consumption area shall:

(a) 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, in compliance with Section 19.20.180 (Solid Waste and Recyclable Materials Storage).

(b) Ensure that the consumption area property and all areas within at least 100 feet of the consumption area are free of any waste or litter generated by the use, by 7:00 a.m. following each night of operations.

5.70.042 Cannabis Delivery Services - Operating Requirements.

1. Delivery of cannabis from delivery services with delivery as the primary service, as well as adult-use and medical-use retailers to customers in West Hollywood is permitted, in accordance with the following requirements:

(a) All cannabis delivery services, whether physically located inside or outside the City, shall have an approved business license for a cannabis delivery service from the City of West Hollywood and be able to show compliance with the regulations of the originating jurisdiction.

(b) Every applicant for a delivery service license shall obtain and maintain in full force and effect the following automobile insurance policy: An automotive liability insurance policy, as required by subsection (c) of Section 5.08.120.

(c) The licensee shall maintain in force and effect at all times while the license is in effect Worker's Compensation insurance as required by law.

(d) Prior to the issuance of a license under this chapter, and at all times while the license is in effect, the licensee shall maintain on file with the Director proof of the insurance required hereunder.

(e) If the insurance policies issued to the licensee pursuant to this chapter are canceled for any reason, the license issued under this chapter is automatically suspended. In order to reinstate the license, the licensee shall file a new certificate of insurance and provide proof of such to the Director.

(f) There shall be a minimum of two employees of the delivery service within each delivery service vehicle during all deliveries.

(g) Only delivery to persons 21 years of age or over shall be allowed.

(h) All drivers and anyone accompanying the driver must be at least 21 years of age or over.

(i) No signage on the exterior of the vehicle identifying the vehicle as a cannabis delivery vehicle shall be allowed.

(j) The amount of cannabis allowed in each delivery vehicle shall be in compliance with state law.

(k) All cannabis delivery service customers are required to be pre-registered with the delivery service prior to receiving deliveries of cannabis.

5.70.043 Medical-Use Dispensaries - Operating Requirements.

All medical-use dispensaries in the city shall operate in conformance with the following operating requirements:

1. Security shall comply with the following minimum standards:

(a) Medical-Use dispensaries shall provide adequate security and lighting on-site to ensure the safety of persons and protect the premises from theft at all times in conformance with the security plan submitted with the license application.

(b) All security guards employed by medical-use dispensaries shall be licensed and possess a valid Department of Consumer Affairs "Security Guard Card" at all times. Medical-use dispensary security guards shall not possess firearms or Tasers.

(c) Medical-Use dispensaries shall provide a neighborhood security guard patrol for a two-block radius surrounding the dispensary during all hours of operation.

2. No recommendations for medicinal cannabis shall be issued on-site.

3. There shall be no on-site sales of alcohol or tobacco. No alcohol or tobacco products shall be consumed by patrons or employees.

4. Hours of operation shall be limited to: Monday through Sunday, 6:00 a.m. to 2:00 a.m.

5. Medical-Use dispensaries shall only dispense medical-cannabis to qualified patients and their caregivers as defined by state law, unless otherwise authorized by a state license and local business license to dispense adult-use cannabis on the same premises.

6. Medical-Use Dispensaries shall notify patrons of the following verbally and through posting of a sign in a conspicuous location readily visible to persons entering the premises:

(a) Use of cannabis shall be limited to the patient identified on a valid doctor's recommendation, or a qualified purchaser identified on a state-issued form of identification.

(b) Patrons must immediately leave the site and not consume cannabis until at home or in an equivalent private location, unless the medical-use dispensary has a valid cannabis consumption license issued by the City. Medical-use dispensary staff shall monitor the site and vicinity to ensure compliance.

(c) Forgery of medical documents is a felony crime.

7. Medical-Use dispensaries shall only provide cannabis to an individual in an amount consistent with personal-medical use.

8. Medical-use dispensary patients shall be 18 years of age or older.

9. Medical-Use dispensaries shall provide law enforcement and all neighbors within one hundred feet of the medical-use dispensary with the name and phone number of an on-site community relations staff person to notify if there are operational problems with the establishment.

10. Medical-use dispensary operator(s) shall attend regular meetings with the Los Angeles County Sheriff's Department, Los Angeles County Fire Department, and City Public Safety Department staff to review public safety issues associated with the operations.

11. Medical-use dispensaries shall dispense cannabis to qualified patients and primary caregivers only from the following sources:

(a) Limited ancillary cultivation of cannabis on-site is permitted. The space devoted to cultivation and manufacturing (as outlined in section 5.70.043 (18)) shall not exceed twenty-five percent of the total floor area, but in no case more than one thousand five hundred square feet or greater than ten feet in height.

(b) From an off-site location cultivated in accordance with applicable state law and zoning regulations in the jurisdiction in which it is cultivated.

12. West Hollywood City Code Compliance Officers, West Hollywood Sheriff's Deputies, Los Angeles Fire Department staff, or other agents or employees of the city requesting admission for the purpose of determining compliance with these standards shall be given unrestricted access.

13. Medical-Use dispensaries shall comply with the provisions of State law.

14. Medical-Use dispensaries shall develop and implement a program subject to approval of the City to provide subsidized medical cannabis to income eligible patients, ("compassion program") in accordance with the following criteria:

- (a) Minimum twenty-five percent discount to all qualified patients based upon need;
- (b) Medical-use dispensaries shall not be obliged to provide more than one hundred grams per month to eligible patients;
- (c) Program administration:
 - (1) Social service provider to qualify patients on an annual basis,
 - (2) Patients will be provided with a letter as proof of eligibility that expires one year after the date it is issued,
 - (3) Medical-Use dispensaries shall accept eligible patients and keep a record of qualified compassion program patients;
- (d) On-site/instant medical and financial need eligibility criteria:
 - (1) SSDI,
 - (2) Medi-Cal,
 - (3) Unemployed with verification;
- (e) Social service agency verified medical/financial need eligibility:
 - (1) Section 8 housing verification,
 - (2) Two hundred percent income below federal poverty level,
 - (3) Proof of disability,
 - (4) Medical need such as terminal illness, cancer treatment, etc.
- (f) Residency requirement:
 - (1) Program for West Hollywood residents only.

15. Medical-Use dispensaries shall have a responsible person on the premises to act as manager and supervise employees at all times during business hours.

16. An odor absorbing ventilation and exhaust system shall be installed so that odor generated inside the business is not detected outside the property or lease area boundaries, or anywhere on adjacent property or public rights-of-way, or within any other unit located within the same building as the cannabis use.

17. Delivery of cannabis from medical-use dispensaries to customers in West Hollywood and surrounding areas is permitted, in accordance with operating requirements in Section 5.70.042 Delivery Services above.

18. Medical-Use dispensaries shall be permitted to manufacture cannabis derivatives and products subject to the following requirements:

(a) Limited manufacture of cannabis derivatives and products is permitted. The space devoted to manufacturing and cultivation (as outlined in Section 5.70.043 (11)(a)) shall not exceed twenty-five percent of the total floor area of the retail space, but in no case more than one thousand five hundred square feet.

(b) Cannabis manufacturing shall be ancillary to the medical-use dispensary and no stand-alone manufacturing businesses shall be allowed.

(c) Cannabis manufacturing shall be subject to local, state, and federal health and safety regulations.

5.70.050 Duration of Cannabis Use License – Renewal.

All licenses issued pursuant to this chapter shall expire one year after the date of issuance; provided, however, that a license may be renewed pursuant to Section 5.08.130 for additional one-year periods upon approval of an application for renewal that complies with all provisions of this title.

5.70.060 Assignment of License Prohibited.

The assignment of or attempt to assign any license issued pursuant to this chapter is unlawful and any such assignment or attempt to assign a license shall render the license null and void.

5.70.070 Noncompliance Prohibited.

No person or entity shall dispense, distribute, sell, convey, exchange or give away cannabis in the city except in compliance with the provisions of this chapter and Sections 19.36.091, 19.36.092, and 19.36.093, of this code. Dispensing, distributing, selling, conveying, exchanging or giving away cannabis in the city without a business license is a misdemeanor punishable as provided in Section 1.08.010(a) of this code. Nothing in this chapter shall be interpreted to conflict with state law, including without limitation the Compassionate Use Act, the Control, Regulate, and Tax Adult Use of Marijuana Act (AUMA) and the MAUCRSA, as may be amended.

5.70.080 Adoption of Rules and Regulations – Violations.

The City Manager may establish by resolution rules and regulations governing the operation of cannabis uses. Violation of rules and regulations shall, in addition to any other remedies contained in this code, constitute a misdemeanor and shall be punishable as set forth in subsection (a) of Section 1.08.010 of this code. Any person violating any of the rules and regulations adopted by the City Council shall be deemed guilty of a separate offense for each and every day or portion thereof during which any violation of the rules and regulations is committed, continued, or permitted.

5.70.090. State Licenses Required

A cannabis business licensed and operating under this Chapter shall at all times while operating have a current, valid state license for any and all activity which requires a state license under state law, including without limitation a seller's permit from the State Board of Equalization. The licensee shall post its state license in a conspicuous place. Failure to maintain and post a current, valid state license is grounds for revocation of a business license under this Chapter.

5.70.100 City Fees

The City Council may adopt fees related to cannabis licenses.

SECTION 9. Section 7.08.030 of Chapter 7.08 of Title 7 of the West Hollywood Municipal Code is amended to read as follows:

7.08.030 Smoking Regulations.

a. In addition to all places where smoking is prohibited under state or federal law, in which case those laws apply, no person shall smoke in, and smoking areas shall not be established or designated in:

1. Open air dining areas and cannabis consumption areas, pursuant to subsection (e) of this section;
2. Outdoor service areas;
3. Enclosed public places;
4. Any area where the owner, operator, manager or other person exercising management and control over the property has declared the area, where smoking would otherwise be allowed, to be a non-smoking area and posted the appropriate signage as set forth in this chapter; and
5. Within five feet of the entrance, divider, opening or doorway to a smoke-free open air dining area, or outdoor service area, where smoking is prohibited by this chapter, except while actively passing by on the way to another destination.

b. No employer and no owner, operator, manager, employee or other person having control of a place of employment or a public place shall make ashtrays available in any area where smoking is prohibited.

c. No owner, operator, manager, employee or other person having control of a restaurant shall place matchbooks on tables or otherwise make matchbooks or matches available to patrons; provided, however, that upon request a promotional matchbook may be provided to a patron only when departing the restaurant.

d. No person shall dispose of smoking waste or place or maintain a receptacle for smoking waste in an area where smoking is prohibited by this chapter or other law, or within a distance of five feet from an area where smoking is prohibited.

e. Notwithstanding subsection (a), smoking may be permitted and smoking areas may be designated in the following places:

1. An open air dining area of a bar or nightclub;
2. An unenclosed congregation area of a restaurant, provided that food is not served to patrons in this area, the area is completely separate and segregated from any outdoor dining area where smoking is not permitted, and smoke cannot be detected or smelled in the nonsmoking area;
3. Areas excluded from the definition of "Place of employment" in California Labor Code Section 6404.5(d), as may be amended from time to time; and
4. At the specific hookah cafés that are open and in continuous operation at the same location on or prior to February 1, 2011, provided that the

operators have submitted a smoking operations plan for review and approval in compliance with Section 7.08.050; and

5. At the specific private membership clubs that are open and in continuous operation at the same location on or prior to February 1, 2011, provided that the operators have submitted a smoking operations plan for review and approval in compliance with Section 7.08.050.

6. An unenclosed cannabis consumption area provided that the operators have submitted a smoking operations plan for review and approval in compliance with Section 7.08.050 Smoking Operations Plan.

SECTION 10. The alphabetical list of land uses in Table 2-5 of Section 19.10.030 of Chapter 19.10 of Title 19 of the West Hollywood Municipal Code is amended to (1) delete the land use category for “medical marijuana collectives,” and (2) to add the following new land use categories to the alphabetical list to read as follows:

LAND USE ²	PERMIT REQUIRED BY ZONE						SPECIFIC USE REGULATIONS
	CN	CC/S SP	CA	CR	PDC SP	PF ³	
Cannabis adult-use retail	P ¹	P ¹	P ¹	P ¹	—	—	19.36.091 Chapter 5.70
Cannabis commercial cultivation (ancillary to adult-use retail and medical-use dispensary)	P ¹	P ¹	P ¹	P ¹	—	—	Chapter 5.70
Cannabis commercial cultivation (stand-alone indoor facility)	—	—	—	—	—	—	
Cannabis commercial cultivation (outdoors)	—	—	—	—	—	—	
Cannabis consumption area (edible products only) with On-site Adult-use retail (edible products for on-site consumption only)	P ¹	P ¹	P ¹	P ¹	—	—	19.36.092 Chapter 5.70
Cannabis consumption area (smoking, vaping, and edible products) with On-site Adult-use retail (smoking, vaping, and edible products for on-site consumption only)	P ¹	P ¹	P ¹	P ¹	—	—	19.36.092 Chapter 5.70 7.08.030
Cannabis delivery service (ancillary to adult-use retail and medical-use dispensary)	P ¹	P ¹	P ¹	P ¹	—	—	19.36.093
Cannabis delivery services – (office only)	P ¹	P ¹	P ¹	P ¹	—	—	Chapter 5.70
Cannabis distributor (ancillary to adult-use retail and medical-use dispensary)	P	P	P	P	—	—	

LAND USE ²	PERMIT REQUIRED BY ZONE						SPECIFIC USE REGULATIONS
	CN	CC/S SP	CA	CR	PDC SP	PF ³	
Cannabis distributor (stand-alone facility)	—	—	—	—	—	—	
Cannabis manufacturer (ancillary to adult-use retail, medical-use and dispensary)	P	P	P	P	—	—	Chapter 5.70
Cannabis manufacturer (stand-alone facility)	—	—	—	—	—	—	
Cannabis medical-use dispensary	P ¹	P ¹	P ¹	P ¹	—	—	19.36.093 Chapter 5.70 19.36.030
Cannabis microbusiness	—	—	—	—	—	—	
Cannabis mobile consumption lounges	—	—	—	—	—	—	
Cannabis temporary use	—	—	—	—	—	—	
Cannabis Testing Laboratory	P ¹	P ¹	P ¹	P ¹	—	—	

SECTION 11: The alphabetical list of non-residential land uses Table 3-6 in Section 19.28.040 of Chapter 19.28 of Title 19 of the West Hollywood Municipal Code is amended to (1) delete the land use category for “medical marijuana collectives;” and (2) to add the following new land use categories to the alphabetical list to read as follows:

Non-Residential Land Use	Required Parking Spaces
Cannabis Uses – Adult Use Retail	3.5 spaces per 1,000 sq. ft.
Cannabis Uses – Consumption Areas	3.5 spaces per 1,000 sq. ft.
Cannabis Uses – Medical-Use Dispensary	3.5 spaces per 1,000 sq. ft.

SECTION 12. A new Section 19.36.091 is added to Chapter 19.36 of Title 19 of the West Hollywood Municipal Code to read as follows:

19.36.091 Cannabis Uses – Adult-Use Retail.

A. Location Criteria. An adult-use retail establishment shall be located in compliance with the following requirements:

1. The adult-use retail establishment shall not be located within a 600-foot radius of a daycare facility, youth center, or school that is located within or outside the city in compliance with State law. For the purposes of this requirement, “school” shall mean any property containing a structure which is used

for education or instruction, whether public or private, at grade levels kindergarten through 12.

B. No more than 8 adult-use retail establishments shall be permitted to operate in the city at any time. An application for a new adult-use retail establishment shall not be approved unless there are fewer than 8 adult-use retail establishments operating or approved in the city at the time of approval.

SECTION 13. A new Section 19.36.092 is added to Chapter 19.36 of Title 19 of the West Hollywood Municipal Code to read as follows:

19.36.092 Cannabis Uses – Consumption Areas with On-Site Adult-Use Retail.

A. *Location Criteria.* A cannabis consumption area shall be located in compliance with the following requirements:

1. The consumption area shall not be located within a 600-foot radius of a daycare facility, youth center, or school that is located within or outside the city in compliance with State law. For the purposes of this requirement, “school” shall mean any property containing a structure which is used for education or instruction, whether public or private, at grade levels kindergarten through 12.

2. The consumption area shall be restricted to persons 21 or older and shall not be visible from any public place or a non-age restricted area.

3. The consumption area may be co-located with an adult-use retail or a medical-use dispensary location pursuant to local and state regulations.

B. No more than 8 consumption areas with smoking, vaping, and ingestion of edible cannabis products and no more than 8 consumption areas limited to the ingestion of cannabis products only are permitted to operate in the city at any time. An application for a new consumption area shall not be approved unless there are fewer than 8 consumption areas with smoking, vaping, and ingestion of cannabis products or 8 consumption areas with ingestion of edible cannabis products only operating or approved in the city at the time of approval.

C. All cannabis consumption areas that allow smoking and vaping of cannabis shall comply with Section 7.08.03 Smoking of the Municipal Code.

E. No sales of tobacco products or smoking or ingesting of tobacco (i.e. chewing tobacco) shall be allowed in a cannabis consumption area.

F. No alcoholic beverage sales or ingestion of alcohol products shall be allowed in a cannabis consumption area.

SECTION 14. A new Section 19.36.093 is added to Chapter 19.36 of Title 19 of the West Hollywood Municipal Code to read as follows:

19.36.093 Cannabis Uses – Medical-Use Dispensary.

A. *Location Criteria.* A cannabis medical-use dispensary shall be located in compliance with the following requirements:

1. The medical-use dispensary shall not be located within a 600-foot radius of daycare facility, youth center, or school that is located within or outside the city in compliance with State law. For the purposes of this requirement, "school" shall mean any property containing a structure which is used for education or instruction, whether public or private, at grade levels kindergarten through 12.

B. No more than 8 cannabis medical-use dispensaries shall be permitted to operate in the city at any time. An application for a new medical-use dispensary shall not be approved unless there are fewer than 8 medical-use dispensaries operating or approved in the city at the time of approval.

SECTION 15. Section 19.36.165 Medical Marijuana Collectives in Chapter 19.36 of Title 19 of the West Hollywood Municipal Code is repealed in its entirety.

SECTION 16. The following new definitions are added to the alphabetical list of definitions in Section 19.90.020 Definitions of Specialized Terms and Phrases, Chapter 19.20 of Title 19 of the West Hollywood Municipal Code to read as follows:

C. Definitions, "C."

Cannabis Adult-Use Retail. An establishment wherein cannabis, cannabis products, or devices for the use of cannabis, are offered for retail sales or delivery to persons 21 years of age and over and qualifies for an A-license under Division 10 of the Business and Professions Code.

Cannabis Commercial Cultivation. Any commercial activity involving planting, growing, harvesting, drying, curing, grading, or trimming of cannabis, except for the personal cultivation allowed for medical patients and adults under state law.

Cannabis Consumption Area with On-Site Adult-Use Retail. A licensed premise where cannabis may be purchased (for on-site consumption only) and consumed by persons 21 years of age and over. A cannabis consumption area must be limited to one of the following uses:

1. Consumption of cannabis by smoking, vaping, and ingesting edible products.
2. Consumption of cannabis edible products by ingestion only.

Cannabis Delivery Services. The commercial transfer of cannabis or cannabis products to a customer, including the use by a retailer of any technology platform owned and controlled by the retailer.

Cannabis Distribution. The procurement, sale, and transport of cannabis and cannabis products between licensees only, not to retail customers or medical patients.

Cannabis Manufacturer. An establishment that conducts production, propagation, blending, infusion, or, compounding of cannabis or cannabis products either directly or indirectly by extraction methods, or independently by means of

chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis products or labels or relabels its container.

Cannabis Microbusiness. A retail area of less than 10,000 square feet where cannabis is cultivated, manufactured, distributed, and sold directly to retail customers.

Cannabis Medical Use Dispensary. An establishment wherein cannabis is sold for medicinal purposes by a medicinal cannabis cooperative, collective, dispensary, operator, or retailer who cultivates, distributes, or sells medicinal cannabis to qualified patients, or primary caregivers of qualified patients, pursuant to Health and Safety Code section 11362.5 and qualifies for an M-license under Division 10 of the Business and Professions Code.

Cannabis Mobile Consumption Lounges. Any operational vehicle or trailer where cannabis or cannabis products are sold, distributed or consumed by the public, whether or not in a fixed location.

Cannabis Temporary Use and License. A license that authorizes the holder to engage in commercial cannabis activity for a period of up to 120 days with one 90-day extension in accordance with state regulations, if the applicant is in compliance with local regulations.

Cannabis Testing Laboratory. A laboratory, facility, or entity that offers or performs tests of both adult use and medical cannabis or cannabis products and that is both of the following: (1) accredited by an accrediting body (i.e. International Organization for Standardization (ISO)) that is independent from all other persons involved in commercial cannabis activity in the state, and (2) is licensed by the Bureau of Cannabis Control.

SECTION 17. The following definition in the alphabetical list of definitions in Section 19.90.020 Definitions of Specialized Terms and Phrases, Chapter 19.20 of Title 19 of the West Hollywood Municipal Code is amended read follows:

P. Definitions, "P."

Plant Nurseries and Garden Supply Stores. Commercial agricultural establishments engaged in the production of ornamental plants and other nursery products grown under cover or outdoors. Cultivation of cannabis for medicinal or any other purpose is prohibited. Includes stores selling these products, nursery stock, lawn and garden supplies and commercial scale greenhouses. The sale of house plants or other nursery products entirely within a building is also included under "General Retail Stores." Home greenhouses are addressed under "Residential Accessory Uses and Structures."

SECTION 19. The four existing medical cannabis collectives that are lawfully operating in the City on December 31, 2017 may continue to operate in the same manner until such time as the operator receives a state license and a local business license under this ordinance. The four existing medical cannabis

collectives may immediately apply for a temporary and annual state licenses and local business license to operate a medical cannabis retail use. Any of the existing four medical cannabis collective locations that do not meet the location requirements of this ordinance or state law may move to a new location in the City and still be considered an existing medical cannabis collective under this section, provided the new location meets current operating requirements under 5.70.043. The four existing medical cannabis collectives shall be eligible to apply on or after January 1, 2018 for the first four (4) of the eight (8) available medical-use retail licenses without having to comply with the scoring requirements in Section 5.70.035 above, provided that the operator intends to continue operating as a medical-use retail facility. Any change of operations to adult-use shall meet the requirements of this ordinance and shall not receive priority for being an existing medical cannabis collective.

The provisions in this section shall no longer apply once the existing medical cannabis collective has received state and local licenses to operate a cannabis retail use, and in no event after January 1, 2019.

PASSED, APPROVED, AND ADOPTED by the West Hollywood City Council at a regular meeting held this 6th day of November, 2017, by the following vote:

AYES: Councilmember:
NOES: Councilmember:
ABSENT: Councilmember:
ABSTAIN: Councilmember:

John Heilman

ATTEST:

City Clerk

Councilmember D'Amico indicated that he supports Projects A, B, and C, as well as the additional directions by his colleagues. He commented on Fountain and wondered if there were incremental options for improving certain sidewalks along Fountain as opposed to the proposed long-term option.

Mayor Meister agreed with her colleagues. She added that staff look at placing a crosswalk on San Vicente between Beverly and Melrose. She spoke in support of Project A, B, and C and requested that Staff ensure, that for each project, residents in the area are allowed input as they move forward. She spoke in support of looking at Fountain Avenue as part of the Citywide Traffic Study to make traffic flow more easily, and commented that a road diet along Fountain is not possible. She agreed with Councilmember D'Amico's recommendation to begin with improving the sidewalks along that street. She asked staff to consider Santa Monica Blvd. for bike lanes in the future, if feasible.

ACTION: Adopt a revised Resolution No. 17-4953: "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST HOLLYWOOD TO ADOPT THE 2017 PEDESTRIAN AND BICYCLE MOBILITY PLAN", directing staff to: a) move forward with Project A, B, and C only; b) incorporate sidewalk improvements on Fountain; c) move Vista/Gardner up on the list of priorities,, and to include the unsignalized crosswalks at Holloway/Palm, and Sherbourne/Sunset **Motion by Councilmember Duran, seconded by Councilmember D'Amico, and approved.**

5. NEW BUSINESS:

5.A. AGREEMENT FOR SERVICES WITH DDL TRAFFIC, INC. FOR CIP 1710, EMERGENCY VEHICLE PREEMPTION SYSTEM PROJECT [O. DELGADO, S. PERLSTEIN]:

SUBJECT: The City Council will consider approval of an agreement for services with DDL Traffic, Inc. for installation of a GPS Enabled Emergency Vehicle Preemption System for traffic signals citywide.

ACTION: This Item was moved to the Consent Calendar.

5.B. EXTENSION TO CURRENT TAXICAB FRANCHISE AGREEMENTS [R. WINRADER, V. GUARINO, O. DELGADO]:

SUBJECT: The City Council shall consider approving a two year extension to the current Taxicab Franchise Agreements that expire on June 30, 2017.

ACTION: This Item was moved to the Consent Calendar.

5.C. CITY COUNCIL DIRECTION TO STAFF ON REGULATING THE SALE, MANUFACTURING, CULTIVATION, TRANSPORT, TAXATION, AND LICENSING OF THE ADULT USE OF NONMEDICAL MARIJUANA IN

THE CITY OF WEST HOLLYWOOD [S. DEWOLFE, J. KEHO, J. HITTLEMAN]:

SUBJECT: *The West Hollywood City Council will give direction to staff regarding regulating the sale, manufacturing, cultivation, transport, taxation, and licensing the use of nonmedical marijuana in the City of West Hollywood.*

Assistant Director of Community Development John Keho provided background information as outlined in the staff report dated May 1, 2017. Contract Planner Jerry Hittleman presented the item for Council.

Mr. Keho responded to Councilmember Duran's question regarding this was a land-use issue or tied to the business license.

JACKIE SUBECK/HAL LEWIS, NORTH HOLLYWOOD, spoke regarding changing the name from "marijuana" to "cannabis" and read a statement from Ms. Subeck.

WESLEY BRIDLE, WEST HOLLYWOOD, spoke regarding implementing creative solutions that Prop 64 allows.

AARON BURKE, LOS ANGELES, spoke regarding the involvement of legislatures with the quality of cannabis dispensary operators.

AMANDA SMASH HYDE, WEST HOLLYWOOD, spoke regarding West Hollywood's creativity and utilize creativity that to be a leader in the implementation of Prop 64.

CAT PARKER, LOS ANGELES, speaking on behalf of the Drug Policy Alliance, spoke regarding on the implementation of the adult-use medical marijuana legalization.

WILLIAM MCNEELEY, WEST HOLLYWOOD, spoke in support of both adult-use and medical marijuana.

MICHAEL WOJKIELEWICZ, WEST HOLLYWOOD, spoke regarding the prohibition of medical marijuana or adult use of marijuana for federally-assisted individuals.

ACTIONS: Council provided further direction to staff and asked that they look into a) potential conflicts between Federal, State, and local laws, b) whether it is best to keep medicinal and recreational use facilities separate; c) expanding the number of allowed locations; d) implementing a sales tax and how that will be regulated, e) cultivation, f) home delivery, g) use on City property, and h) warehouse facilities and storage. Council agreed that conversations should begin with experts and directed Staff to

return to Council with an Item to schedule a Study Session for a more detailed discussion.

5.D. APPOINTMENT OF VOTING DELEGATE / ALTERNATE FOR THE CALIFORNIA CONTRACT CITIES ASSOCIATION CONFERENCE [Y. QUARKER, M. CROWDER]:

SUBJECT: The City Council will consider appointing a Voting Delegate and Voting Delegate – Alternate for the California Contract Cities Association Annual Municipal Seminar.

ACTION: Appoint Councilmember Horvath as the Voting Delegate to the California Contract Cities Association Municipal Seminar to be held May 11-14, 2017. **Motion by Mayor Pro Tempore Hellman, seconded by Councilmember Duran, and approved.**

5.E. COMMISSION AND ADVISORY BOARD APPOINTMENTS AND RE-APPOINTMENTS [Y. QUARKER, M. CROWDER]:

SUBJECT: The City Council will consider making direct and at-large appointments to City Commissions and Advisory Boards.

MICHAEL WOJTKIELEWICZ, WEST HOLLYWOOD, thanked Mayor Meister for previously appointing him to the Disabilities Advisory Board. He read a note into the record from a member of the Disabilities Advisory Board that was given to him.

HAL LEWIS, NORTH HOLLYWOOD, spoke regarding adding a Cannabis Advisory Board.

Councilmember Horvath stated that she would be making her direct appointments at the June 5, 2017 meeting.

ACTIONS: 1) City Council approved by consensus to table the at-large appointments until the June 5, 2017.

2) Councilmember D'Amico made the following direct appointments: a) Arts & Cultural Affairs Commission: **Dawn Moreno-Freeman**; b) Business License Commission: **Robert Lo**; c) Historic Preservation Commission: **Kevin Yavari**; d) Human Services Commission: **Steven Davis**; e) Planning Commission: **John Altschul**; f) Public Facilities Commission: **Donna Saur**; g) Public Safety Commission: **Marcy Norton**; h) Rent Stabilization Commission: **Richard Maggio**; i) Transportation Commission: **David Warren**; j) Disabilities Advisory Board: **Louise Smith**; k) Lesbian & Gay Advisory Board: **Megan Cotanch and Robert Gamboa**; l) Russian Advisory Board: **Valentina Matiji**; m) Senior Advisory Board: **Pat Dixon**; n) Transgender Advisory Board: **Alexis Sanchez**; and o) Women's Advisory Board: **Debra DAmico**

**CITY COUNCIL
CITY OF WEST HOLLYWOOD
SPECIAL MEETING MINUTES
MONDAY, JULY 10, 2017
WEST HOLLYWOOD PARK PUBLIC MEETING ROOM - COUNCIL CHAMBERS
625 N. SAN VICENTE BOULEVARD**

5:00 P.M. – SPECIAL CITY COUNCIL MEETING AND STUDY SESSION

CALL TO ORDER: Mayor Heilman called the meeting to order at 5:01 p.m.

PLEDGE OF ALLEGIANCE: Amanda Hyde led the Pledge of Allegiance.

ROLL CALL:

PRESENT: Councilmember D'Amico, Councilmember Horvath, Councilmember Meister, Mayor Pro Tempore Duran, and Mayor Heilman.

ABSENT: None.

ALSO PRESENT: City Manager Arevalo, Deputy City Attorney Langer, City Clerk Quarker, and Administrative Specialist IV Poblador.

APPROVAL OF AGENDA:

Motion by Mayor Pro Tempore Duran to approved the July 10, 2017 Agenda, seconded by Councilmember Horvath and approved.

1. PUBLIC COMMENT:

MARV AUERBACH, WEST HOLLYWOOD, spoke regarding security in the Library and would like to see the Sheriff's Department program expanded with more officers out in the field.

JEANNE DOBRIN, WEST HOLLYWOOD, spoke regarding the contract with Wells Fargo and divesting from them.

COUNCILMEMBER COMMENTS AND MEETING ATTENDANCE REPORTS:

Councilmember Meister stated that West Hollywood resident Heidi Schroeder passed away and requested that the meeting be adjourned in her memory.

Councilmember Horvath registered her NO vote on Item 2.D.

Mayor Heilman registered his NO vote on Item 2.D.

CITY MANAGER'S REPORT:

City Manager Arevalo addressed public comment regarding security at the Library comment, and stated that Staff will look into the matter.

FISCAL IMPACT ON CONSENT CALENDAR:

City Clerk Quarker stated that the fiscal impact on the Consent Calendar is \$1,000 in expenditures, (\$0) in potential revenue, and (\$0) in waived fees.

2. CONSENT CALENDAR:

**ACTION: Approve the Consent Calendar: 2.A.,B.,C.,D.,E.,F.
Motion by Councilmember D'Amico, seconded by Councilmember Meister, and approved.**

2.A. POSTING OF AGENDA:

SUBJECT: The agenda for the meeting of Monday, July 10, 2017 was posted at City Hall, Plummer Park, the Sheriff's Station, and at the West Hollywood Library on Wednesday, July 5, 2017.

RECOMMENDATION: Receive and file. Approved as part of the Consent Calendar.

2.B. APPROVAL OF MINUTES:

SUBJECT: The City Council is requested to approve the minutes of the prior Council meeting.

ACTION: Approve the minutes of June 19, 2017. Approved as part of the Consent Calendar.

2.C. APPROVAL OF DEMAND REGISTER NO. 806 [D. WILSON, L. QUIJANO]:

SUBJECT: The City Council shall approve or reject the Demand Register for period ending June 30, 2017 pursuant to Sections 37201 to 37210 of the Government Code of the State of California.

ACTION: Approve Demand Register NO. 806 and adopt Resolution No.17-4976, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST HOLLYWOOD APPROVING PAYMENT OF DEMANDS PRESENTED ON DEMAND REGISTER NO. 806." Approved as part of the Consent Calendar.

2.D. ORDINANCE NO. 17-1009 (2ND READING) "AN ORDINANCE OF THE CITY COUNCIL AMENDING TITLE 10, CHAPTER 10.08.240 OF THE WEST HOLLYWOOD MUNICIPAL CODE IMPLEMENTING DAYTIME PREFERENTIAL PARKING REGULATIONS ON THE 1000 BLOCKS OF EDINBURGH AND HAYWORTH AVENUES AND AMENDING THE WEST HOLLYWOOD MUNICIPAL CODE" [Y. QUARKER, M. CROWDER]:

SUBJECT: The City Council will waive further reading and adopt Ordinance No. 17-1009 amending Title 10, Chapter 10.08.240 of the West

Hollywood Municipal Code implementing daytime preferential parking regulations on the 1000 blocks of Edinburgh and Hayworth avenues and amending the West Hollywood Municipal Code.

ACTION: Waive further reading and adopt Ordinance No. 17-1009, "AN ORDINANCE OF THE CITY COUNCIL AMENDING TITLE 10, CHAPTER 10.08.240 OF THE WEST HOLLYWOOD MUNICIPAL CODE IMPLEMENTING DAYTIME PREFERENTIAL PARKING REGULATIONS ON THE 1000 BLOCKS OF EDINBURGH AND HAYWORTH AVENUES AND AMENDING THE WEST HOLLYWOOD MUNICIPAL CODE". **Approved as part of the Consent Calendar, with Councilmember Horvath and Mayor Heilman voting NO.**

- 2.E. ORDINANCE NO. 17-1010 (2ND READING) "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WEST HOLLYWOOD AMENDING TITLE 10, CHAPTER 10.08.250 OF THE WEST HOLLYWOOD MUNICIPAL CODE IMPLEMENTING DISTRICT 10 PREFERENTIAL PARKING REGULATIONS ON ROMAINE STREET BETWEEN OGDEN DRIVE AND GENESEE AVENUE AND AMENDING THE WEST HOLLYWOOD MUNICIPAL CODE" [Y. QUARKER, M. CROWDER]:**
SUBJECT: The City Council will waive further reading and adopt Ordinance No. 17-1010 amending Title 10, Chapter 10.08.250 of the West Hollywood Municipal Code implementing District 10 preferential parking regulations on Romaine Street between Ogden Drive and Genesee Avenue and amending the West Hollywood Municipal Code.
ACTION: Waive further reading and adopt Ordinance No. 17-1010, "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WEST HOLLYWOOD AMENDING TITLE 10, CHAPTER 10.08.250 OF THE WEST HOLLYWOOD MUNICIPAL CODE IMPLEMENTING DISTRICT 10 PREFERENTIAL PARKING REGULATIONS ON ROMAINE STREET BETWEEN OGDEN DRIVE AND GENESEE AVENUE AND AMENDING THE WEST HOLLYWOOD MUNICIPAL CODE ". **Approved as part of the Consent Calendar.**
- 2.F. NIGHTTIME TURN RESTRICTIONS REMOVAL ON GENESEE AVENUE AND SPAULDING AVENUE [S. DEWOLFE, J. KEHO, B. SIEGL, W. DAVIS]:**
SUBJECT: The City Council will consider the removal of the nighttime turn restrictions on Genesee Avenue and Spaulding Avenue.
ACTION: Approve the removal of the nighttime turn restrictions on Genesee Avenue and Spaulding Avenue. **Approved as part of the Consent Calendar.**

- 3. PUBLIC HEARINGS: None.**
- 4. UNFINISHED BUSINESS: None.**
- 5. NEW BUSINESS: None.**

EXCLUDED CONSENT CALENDAR: None.

6. LEGISLATIVE: None.

THE CITY COUNCIL RECESSED AND RECONVENED AT 5:12 PM. TO A STUDY SESSION TO DISCUSS THE REGULATION OF CANNABIS IN THE CITY.

STUDY SESSION

CANNABIS STUDY SESSION WITH EXPERT PANELISTS [S. DEWOLFE, J. KEHO, J. HITTLEMAN]:

SUBJECT: Question and answer (Q&A) style discussion with a panel of cannabis experts from California and Colorado to better understand how to regulate the use, sale, manufacturing, cultivation, transport, and licensing of cannabis in the City of West Hollywood.

Moderator: Lauren Langer, Deputy City Attorney
Panelists: Amanda Ostrowitz, CannaRegs (Colorado)
Cat Packer, Drug Policy Alliance (California)
Trent Woloveck, TGS Management (Colorado)
Julia Sylva, Attorney (California)
Ginny Sawyer, City of Fort Collins (Colorado)

A. Introduction and Cannabis Legislative Update

Deputy City Attorney Langer provided background information on Proposition 64, which was passed by California voters on November 8, 2016. She spoke regarding the City's relationship with Medical Marijuana dispensaries and stated that Proposition 64 creates a new challenge for the City as it relates to recreational use of cannabis. She stated that the goal of the Study Session is to learn from the panelists experiences and gain information on what these uses look like, how they operate, how they are regulated and what the City can expect, so that Council can adopt the best regulations specific to West Hollywood. She also asked the panelists to provide information about how the California Cities can develop local regulations; while working in conjunction with the Department of Consumer Affairs, Department of Food and Agriculture and the Department of Public Health who are developing State regulations. Finally, she stated that the focus for the evening would be to discuss regulations specific to land use and businesses, so that the City can prepare for the legalized recreational sale and use of Cannabis; which begins January 1, 2018.

Staff Attorney Alison Regan spoke briefly regarding current legislation relating to this topic. She spoke regarding SB 94; a trailer Bill, signed by the Governor that has made some substantive changes to medical marijuana use and adult use and that the staff is tracking this Bill. She also spoke regarding AB 1578, which prohibits a state or local

agency from assisting a federal agency with enforcement of cannabis activity without a court order. She stated that the City of West Hollywood is in support of this Bill; however the League of California Cities and the California Police Chiefs Association have concerns and are in opposition to the Bill. She also provided information on AB 64 which deals with licensing and stated that Staff and the League of California Cities are monitoring this Bill as well.

Revenue Manager John Leonard spoke briefly regarding taxation of cannabis and stated that the City is currently looking at this option as something in the future; but that the current discussions regarding regulations are the priority for now.

B. Moderated Expert Panel

The Panelists introduced themselves and provided background on their particular field of expertise. They were asked to provide clarification, information, and to share their experience and best practices with Council and Staff regarding the following topics:

- Sales
- Distribution
- Consumption
- Manufacturing, Testing and Cultivation
- Security Requirements
- Federal Laws

C. Q&A – City Council and Expert Panelists

Council posed various questions to the Panelists regarding what types of products can be sold, merit-based licensing and priority points, as well as whether a Cap or Zone format is best when regulating businesses. They also asked specific questions relating to the relationship between the State and local jurisdictions as it relates to regulating cannabis and how banking issues and cash businesses will play a part in regulating the sales and distribution.

Council also inquired about testing sites and the Panelists agreed that these types of sites are needed, and that it would be something that the City should encourage and consider low fees and streamlined permitting process to attract them. The Panelists also encouraged Council and Staff to have a robust discussion surrounding delivery services and public consumption; as this will be an important issue for Cities.

Councilmember D'Amico spoke in support of manufacturing and infusions but expressed concern with extractions and suggested that we have the Fire Department provide a report on the pros and cons of this process.

In their closing remarks the Panelists offered suggestions to Council that included:

- The need for an educational component; and to ensure that any laws and regulations enacted do not effect lower-income or people of color

- When selecting Operators, have a filing deadline, a rating system that is fair and equitable, accept all applications submitted, and develop a well thought-out review process. The Panelist did not favor a lottery process
- Hear from the community early and work with Police and Fire from the very beginning
- Know the risks to municipalities as it relates to the current presidential administration's beliefs on the subject
- Know that the City won't get it right the first time. Colorado is still amending their regulations, but these regulations have helped shed light on the bad actors that aren't following the rules
- Remember that this was passed by the Voters of California; so local jurisdictions should move forward with plans to enact local laws

D. Public Comment

JEANNE DOBRIN, WEST HOLLYWOOD, expressed concern that proper regulation of cannabis would take place.

MARV AUERBACH, WEST HOLLYWOOD, spoke regarding his desire for more security at dispensaries.

ADAM GILLMAN, WEST HOLLYWOOD, spoke in support of expanding retail to incentivize dispensaries to better themselves via competition.

CINDY CAPOBIANCO, LOS ANGELES, spoke in support of opening the dialogue of cannabis, and has a cannabis business she is hoping to open in The Standard Hotel.

MELISSA BOLPERT, WEST HOLLYWOOD, spoke in support of leasing some space in The Standard Hotel.

ROBERT ROSENHECK, LOS ANGELES, spoke regarding his desire to do manufacturing and retail in West Hollywood.

ESTHER BAUM, WEST HOLLYWOOD, spoke in support of the usage of credit cards in cannabis sale transactions.

RUBEN HONIG, SANTA MONICA, spoke in support of delivery services, as it is more helpful for the patient.

JACKIE SUBECK, WEST HOLLYWOOD, spoke about on-site consumption and how her organization is starting a new type of license with the State for tourism and event on-site consumption.

DANI SHAKER, LOS ANGELES, spoke in support of on-site consumption and the revenue that will come in with adult use.

STEVE MARTIN, WEST HOLLYWOOD, spoke in support of the process that West Hollywood is doing to understand cannabis.

SHERRI FRANKLIN, LOS ANGELES, spoke regarding cultivation and using gray water, possibly partnering with cities.

BARRY KRAMER, WEST HOLLYWOOD, spoke in support of the process, and regarding licensing and zoning.

HAL LEWIS, NORTH HOLLYWOOD, thanked the Council and panel, and is in support of merit-based licensing, labs, on-site consumption, and delivery. He spoke in support of lozenges, tinctures, topicals, etc.

TALYSSA URIAS, LOS ANGELES, spoke regarding her business and hoping to get a license in West Hollywood for a cannabis bus.

TREY KING, WEST HOLLYWOOD, spoke in support of merit-based licensing, and shared that bitcoin startups exist to aid with cannabis banking.

WIL WICKE, WEST HOLLYWOOD, spoke in support of hosting manufacturing companies that produce edibles, and shared that his business cannot get a state license on January 1, 2018 unless he has a local license first.

AMBER LANE, WEST HOLLYWOOD, spoke in support of on-site consumption locations.

RUBEN JIMENEZ, WEST HOLLYWOOD, spoke in support of on-site consumption locations.

DANIEL FIELDS, FOUNTAIN VALLEY, spoke in support of taxation to bring in revenue to help the community.

AMANDA SMASH HYDE, WEST HOLLYWOOD, spoke regarding the upcoming Cannabis Education Forum happening next month and encouraged everyone to continue the conversation.

LARRY BLOCK, WEST HOLLYWOOD, spoke in support of regulation.

The following individuals did not wish to speak, but wanted to express their support for the Study Session: *Kim Watzman and Aldo Garcia*

E. Council Comments & Directions to Staff

Mayor Pro Tempore Duran state that this issue has a lot of moving parts and asked the City Manager to ensure that the Legal Services & Legislative Affairs Division and the City's Lobbyist are adding this issue to their work plan to keep Council informed of any pertinent legislation. He expressed concern with allowing the State to place limits and prohibitions that may affect what the Council wants to do in West Hollywood. He spoke

regarding taxation and stated that the City needs to ensure that it receives some public benefit that could be used for additional funding for Social Services.

Councilmember D'Amico spoke in favor of merit-based process for retailer applications and requested that Staff look at the benefits and costs to the City. He also spoke about the timeline to ensure that the City has adopted the required Ordinances before January 1, 2018, because he would not be in attendance for the November 20, 2017 meeting. Deputy City Attorney Langer spoke regarding the proposed timeline for the 1st and 2nd reading of the Ordinance being completed by December 4, 2017.

City Manager Arevalo stated that Staff will be bringing an update to Council on August 21, 2017 so that direction can be given before the Item goes before the Business License, Planning, and Public Safety Commissions.

Councilmember Horvath stated that her priority is safety. She stated that although the law was passed by Voters, there were residents that voted No, so she wants to ensure that their concerns are taken into consideration as well. She spoke regarding Safety relating to the banking system, labeling of products, enforcement, advertising, issues of second-hand smoke and consumption, testing, social justice issues and manufacturing.

Councilmember Meister asked the Deputy City Attorney to look into the legality of a local preference program.

Mayor Heilman stated that he understand that there are deadlines, but stated that the City needs to craft an ordinance that works for the West Hollywood community. He thanked everyone for their hard work on this issue, and thanked those that participated in the meeting.

ACTION: Council approved by consensus the following:

- Allow for the sale and adult use of cannabis in the City of West Hollywood
- Create a merit-based system, and direct staff to bring back a list and recommendations on the 7 categories of licenses
- Allow for on-site consumption and direct Staff to explore and provide information on the different types of uses
- Direct Staff to provide information for Council follow-up discussion on deliveries (parking/traffic enforcement, *pass-through issues, only allowing those with WeHo licenses to deliver?*); if revenue be siphoned into programs for education, homelessness, etc. and what would be the special taxes involved with that; and information on testing sites
- Take the Item to the Business License Commission, Planning Commission and Public Safety Commission before it comes back to Council for final Ordinance adoption

6. **ADJOURNMENT:** The City Council adjourned at 8:22 pm to an adjourned regular meeting, which will be held on Monday, July 17, 2017 at 6:00 P.M. at West Hollywood Park Public Meeting Room - Council Chambers.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of West Hollywood at a regular meeting held this 7th day of August, 2017 by the following vote:

AYES:	Councilmember:	D'Amico, Horvath, Meister, Mayor Pro Tempore Duran, and Mayor Heilman.
NOES:	Councilmember:	None.
ABSENT:	Councilmember:	None.
ABSTAIN:	Councilmember:	None.



JOHN HEILMAN, MAYOR

ATTEST:



YVONNE QUARKER, CITY CLERK

under construction shall install temporary art along the street-facing perimeter construction fence of the property (excluding alleyways) if the construction is for a development project of 10,000 square feet or more and has one street-facing frontage of at least 75 linear feet." **Motion by Councilmember Meister, seconded by Mayor Pro Tempore Duran, and approved noting the "no" vote of Councilmember Horvath.**

4. UNFINISHED BUSINESS:

4.A. CANNABIS ORDINANCE REGULATORY OPTIONS [S. DEWOLFE, J. KEHO, J. HITTLEMAN]:

SUBJECT: The West Hollywood City Council will give direction to staff regarding options for regulating cannabis uses, licenses, manufacturing, delivery, cultivation, and consumption in the City.

Contract Planner Jerry Hittleman provided background information as outlined in the staff report dated August 21, 2017. Business Development Manager Jackie Rocco spoke regarding the trip to Denver, Colorado where Council and Staff visited a retail store, a testing lab, and a manufacturing facility.

JASON BECK, WEST HOLLYWOOD, spoke regarding preferential treatment for medical marijuana providers for adult use retail stores. He spoke in support of volatile extraction within the City. Finally, he spoke regarding delivery services.

RODERICK RENFREW, WEST HOLLYWOOD, spoke regarding adult use of marijuana.

RYAN BACCHAS, BEVERLY HILLS, spoke on behalf of the California Cannabis Coalition regarding adult use of marijuana and the various proposals by staff.

ROBERT GAMBOA, LOS ANGELES, spoke regarding both Items 2.AA. and 4.A. and the need for additional public safety.

JACKIE SUBECK, WEST HOLLYWOOD, spoke in support of staff and spoke regarding personal growth. Finally, she spoke about equality.

RUBEN HONIG, SANTA MONICA, spoke regarding lab testing as well as delivery service.

WESLEY BRIDLE, WEST HOLLYWOOD, spoke regarding various aspects of the staff report.

ACTION: Council provided feedback to staff regarding the various recommendations listed in the staff report as follows:

1. Medical-Use Dispensary – In support of staff recommendations and requested more information regarding whether to allow or prohibit in CN1 Zones
2. Adult-Use Retail - In support of staff recommendations and requested more information regarding whether to allow or prohibit in CN1 Zones.
3. Cannabis consumption - In support of staff recommendations, and suggested that different categories be provided to Council as it relates to consumption.
4. Cannabis Delivery Services - In support of staff recommendations, but requested more information regarding licensing and more details regarding enforcement.
5. Cultivation - In support of staff recommendations.
6. Manufacturing – Council requested more information from Staff as well as L.A. County Fire regarding this topic; specifically volatile extraction. Council also requested information from LA County Fire
7. Testing Laboratory – In support of staff recommendations.
8. Allowable Cannabis retail licenses City-wide - Staff indicated that they are tracking the State's regulations on this, and currently, medical and retail are separate licenses. Council spoke in support of keeping the medical and retail licenses separate for now. They also spoke in support of looking into a separate category of licenses for hotels and in-favor of a merit-based system where there can be some limitations on the number of allowed sites and licenses.

Deputy Director of Community Development John Keho clarified that a business could not have both an alcohol license and an adult use of marijuana license; which may be an issue for Hotels. Code Enforcement Officer Jeff Aubel spoke regarding smoking inside businesses and responded to questions regarding regulation and enforcement of Cannabis delivery services.

4.B. COMMUNITY DEVELOPMENT DEPARTMENT WORK PLAN UPDATE – ZONE TEXT AMENDMENTS, GENERAL PLAN AMENDMENTS, AND RESEARCH PROJECTS [S. DEWOLFE, J. KEHO, B. SIEGL, R. DIMOND]:

Sample Cannabis Use - Business License Rating Form

Criteria	Possible Points	Sub-Total
Previous adult-use retail, medical-use dispensing, or consumption area experience in a regulated state cannabis or other market (i.e. alcohol sales).		
Ability to demonstrate the quality of cannabis strains and derivative product offerings.		
Employee training, standard operating procedures, online ordering systems, and procedures for providing cannabis to disadvantaged or disabled persons.		
Social equity in terms of provision of a living wage and benefits and compliance with local, state, and federal employee non-discrimination policies.		
Comprehensive and effective security program.		
Pre-existing West Hollywood cannabis business that has no outstanding code violations with the City and is in compliance with local and state laws.		
Ability to meet City of West Hollywood Urban Design Standards.		
Additional information that demonstrates the ability to operate in a safe and responsible manner in the City, including the quality and thoughtfulness of application materials.		
Total Points		

**CITY OF WEST HOLLYWOOD
PUBLIC SAFETY COMMISSION**

**MINUTES
MONDAY, SEPTEMBER 11, 2017**

**WEST HOLLYWOOD PARK PUBLIC MEETING ROOM - COUNCIL CHAMBERS
625 N. SAN VICENTE BOULEVARD, WEST HOLLYWOOD, CA**

1. **CALL TO ORDER** at 6:30 PM
2. **PLEDGE OF ALLEGIANCE** led by Captain Sergio Aloma
3. **ROLL CALL**

Commissioners Present: Berger, Montemayor, Norton, Oliver, Sol, Waack, Williams

Commissioners Absent: None

Others present: Captain Sergio Aloma, Los Angeles County Sheriff's Department; Sergeant Jeff Bishop, Los Angeles County Sheriff's Department; Battalion Chief Alvin Brewer, Los Angeles County Fire Department; David Aguilar, Block by Block; Kristin Cook, Public Safety Director; Rob Winrader, Public Safety Administrative Analyst

4. **SPECIAL RECOGNITION OF SEPTEMBER 11TH AND ADJOURNMENT REQUESTS**

Commissioner Williams introduced Captain Aloma who spoke regarding the 16th anniversary of the September 11th tragedy and recognized those who lost their lives.

Commissioner Sol requested that the meeting be adjourned in the memory of the 14 law enforcement officers and firefighters who have passed away since the August meeting.

Commissioner Norton requested that the meeting be adjourned in the memory of the victims from Hurricane Harvey and Hurricane Irma and Enrique Lopez Nava.

5. **APPROVAL OF THE AGENDA**

ACTION: Motion by Commissioner Waack to approve the September 11, 2017 agenda as amended to hear item 10A before 9A, seconded by Commissioner Williams, and approved.

POSTING OF THE AGENDA

The agenda for the September 11, 2017 Public Safety Commission meeting was posted at City Hall, Plummer Park, the West Hollywood Sheriff's Station, and the West Hollywood Library.

6. APPROVAL OF MINUTES

ACTION: Motion by Commissioner Sol to approve the August 14, 2017 minutes, seconded by Commissioner Norton, and approved.

7. PUBLIC COMMENTS

Rick Watts, resident of West Hollywood, spoke regarding not enough lighting in common areas and unsafe driving by ride share drivers.

Michael King, resident of West Hollywood, spoke regarding unsafe ride share drivers.

Stephanie Harker, resident of West Hollywood, spoke regarding the success of speed bumps on Vista Street and asked for assistance with crime and safety issues on the east side.

Cathy Blaivas, resident of West Hollywood, spoke regarding crime and safety issues on the east side, unsafe ride share drivers, traffic safety issues on Fountain, and a homicide on Fairfax in Los Angeles.

Edourd Motoyl, resident of West Hollywood, spoke regarding customer service issues with the Sheriff's Department.

Jake Lee, resident of West Hollywood, spoke regarding the suspect in the recent assault with an axe and spoke in support of more foot patrols.

Michael Wojtkielewicz, resident of West Hollywood, spoke regarding public safety and code issues at the Sierra Bonita building.

Robert Lo, resident of West Hollywood, introduced himself to the Commission and said that he was a recent victim of vehicle burglary.

8. COMMISSIONER COMMENTS AND LIAISON REPORTS

Commissioner Williams thanked the members of the public for their attendance.

Commissioner Montemayor announced his resignation from the Public Safety Commission and thanked Councilmember Horvath, his fellow Commissioners,

Chair Williams, and staff for their support. Commissioner Montemayor spoke regarding building a welcoming, sustaining environment to allow all members of the public to address important issues.

Commissioner Oliver thanked Commissioner Montemayor for his service. Commissioner Oliver gave a brief update on the recent homicide in LAPD's area on Fairfax and said that the suspect is in custody.

Commissioner Berger thanked Commissioner Montemayor for his service. Commissioner Berger asked Mr. Watts to provide staff with the address to be able to address the lighting issues. Commissioner Berger asked staff to provide an update on the security light program. Commissioner Berger said that ride share safety issues will be discussed next month. Commissioner Berger spoke regarding homeless and safety issues and asked for the issue to be placed on a future agenda. Commissioner Berger spoke regarding typical Sheriff's responses and asked Mr. Motoyl to contact him to further discuss his customer service issue. Commissioner Berger spoke regarding suspect in the assault with the axe and issues with the individual prior to the assault. Commissioner Berger spoke regarding his attendance at the Rent Stabilization Commission which discussed the impact of second hand smoke. Commissioner Berger thanked the members of the public for their attendance.

Commissioner Williams stated that all Commissioners are willing to meet members of the public and can see staff for contact information.

Commissioner Norton thanked the members of the public for their attendance. Commissioner Norton announced that Councilmember D'Amico is hosting a community meeting on Thursday, September 14th at 6 PM at Fiesta Hall to discuss safety issues on Fountain Avenue in order to engage the community and get everyone's input. Commissioner Norton thanked Commissioner Montemayor for his service.

Commissioner Waack thanked the members of the public for their attendance. Commissioner Waack asked for more information from the Sheriff's Department regarding foot and bike patrols. Commissioner Waack thanked Commissioner Montemayor for his service.

Commissioner Williams said that the community meeting to be hosted by Councilmember D'Amico will focus on the east side. Commissioner Williams thanked Commissioner Montemayor for his service. Commissioner Williams thanked her fellow Commissioners for their attendance at the mandatory training hosted by the City Clerk and City Attorney.

10. NEW BUSINESS

10A. PROPOSED CITY OF WEST HOLLYWOOD CANNABIS REGULATIONS

Commissioners received a presentation from Jerry Hittleman, Contract Planner for the Community Development Department, on cannabis regulation, including an overview of the progress made by the City Council and staff on the issue to date. Mr. Hittleman asked the Commissioners to provide input on public safety issues related to cannabis regulation in the City of West Hollywood that should be included in the business license vetting process.

Esther Baum, resident of West Hollywood, expressed concern for potential crime with cash businesses and said that proper security is needed.

Rick Watts, resident of West Hollywood, expressed concern for potential crime and issues with delivery and sales.

Commissioner Norton expressed concern that the report focused only on crime against the business proprietors while she was equally concerned about the potential for crime against customers carrying a lot of cash to the businesses and residents or visitors thought to be carrying a lot of cash because they might be customers of these cash businesses. Commissioner Norton asked if staff is meeting with representatives with the Treasurer's office to discuss other ways to pay besides cash.

Mr. Hittleman spoke regarding the recent cannabis education forum. Mr. Hittleman spoke regarding various proposals that are circulating at the state level to allow debit and credit cards.

Commissioner Berger said that most of the people he has spoken to do not oppose cannabis, but that many express concern about people consuming the product in public.

Jeff Aubel, Code Compliance Manager, said that Sheriff's Deputies are able to arrest individuals for consuming product in public.

Commissioner Berger expressed concern for product that looks like regular items, such as candy.

Mr. Hittleman said that there is a pending law at the State level that would prohibit sellers from making product that looks like it is for children and that proper labels will be required.

Commissioner Berger asked if product would have child proofing similar to pharmaceuticals.

Mr. Hittleman said he would follow up on that question.

Commissioner Berger spoke about the ease of getting a physician's recommendation.

Mr. Aubel said that the liability is on the physician writing the prescription.

Commissioner Berger asked where lounges and labs would be located.

Mr. Aubel said that they would likely be small office spaces.

Commissioner Berger asked if there is a way to check potency.

Mr. Aubel said that the State is looking into testing.

Commissioner Williams asked about the chemicals used in testing labs.

Mr. Aubel said that common chemicals are butane and CO2 which are used in the extraction process and that the Fire Department will be monitoring all hazard materials.

Commissioner Montemayor asked how smoking while driving will be handled.

Captain Sergio Aloma said that there is not a current field sobriety test for marijuana similar to a DUI test. Captain Aloma said that smoking while driving would be treated similar to an open container violation; but that in order to enforce driving under the influence, the Deputy would have to witness impairment before the traffic stop can be conducted.

Commissioner Montemayor asked about the distance required between locations and schools.

Mr. Aubel said that the State has set the distance at 600 feet.

Commissioner Montemayor asked if there is any cross over between increased meth use and marijuana use. Commissioner Montemayor spoke regarding the difficulties with privacy concerns and cameras filming transactions.

Commissioner Williams asked if having a bag of edibles in the car would be citable.

Mr. Aubel said it would be hard to prove eating while driving without witnessing the actual consumption.

Commissioner Montemayor spoke regarding the control given to local municipalities to provide a framework for taxation.

Commissioner Sol asked for clarification on allowable consumption areas.

Mr. Aubel said that all smoking laws are applicable with regard to locations for consumption areas.

Commissioner Sol asked for clarification on where it is grown and sold.

Mr. Aubel and Mr. Hittleman spoke regarding the category of micro businesses.

Commissioner Oliver spoke regarding taxing and regulating an economy that already exists. Commissioner Oliver spoke regarding the past work of the City Council to regulate dispensaries and the great framework it provided. Commissioner Oliver spoke regarding not selling tobacco, alcohol, or devices. Commissioner Oliver expressed concerns with volatile extraction.

Mr. Aubel spoke regarding sensitive uses and spoke regarding regulating volatile extraction as opposed to banning it in order to prevent it from occurring in unmonitored locations.

Commissioner Oliver asked about the proposed number of locations to be approved.

Mr. Aubel and Mr. Hittleman said that 32 is a number being considered and spoke regarding policies in other cities.

Commissioner Oliver said that 32 locations seem like a high amount.

Commissioner Waack expressed concern about the timeline.

Mr. Hittleman gave additional background and said that there is some fluidity at the local level. Mr. Aubel said that the City's ordinance is scheduled to be in effect on January 1, 2018.

Commissioner Waack asked for more information regarding security requirements, inspections, the level of County involvement, and cash deliveries.

Mr. Aubel provided clarification on proposed requirements, including security and deliveries.

Commissioner Williams spoke regarding ride share services not falling under same guidelines as limousines. Commissioner Williams spoke regarding the potential for the involvement of the federal government.

Mr. Aubel stated that business owners and operators run the risk of being cited by the federal agencies.

9. UNFINISHED BUSINESS

9A. REPORT FROM FIRE DEPARTMENT – MONTHLY REPORT

Battalion Chief Alvin Brewer reviewed the Fire Department statistics for August 2017, including suppression, rescue, and fire prevention activities. Chief Brewer spoke regarding three significant structure fires including a large fire at Executive Car Leasing and two residential fires.

Kevin Burton, resident of West Hollywood, spoke regarding Community Emergency Response Training and National Preparedness Month.

Commissioner Waack asked staff when the next CERT class will be held.

Staff stated that CERT training for businesses was held this year and hosted by the Chamber, and that when a new Community Services Representative is hired by the Fire Department an additional class will be scheduled.

Chief Brewer said that there are several instructors in the battalion that serves West Hollywood.

Commissioner Berger said that other agencies open up spaces in their classes to the City when possible. Commissioner Berger spoke regarding a recent ride-along where he learned about the new software program that paramedics are utilizing which can be cumbersome.

Chief Brewer spoke regarding the new electronic patient care record (EPCR) which digitizes all patient care records. Chief Brewer said that any new software has a learning curve, but that the Fire Department will be evaluating its contract with the vendor which expires in June of 2018.

Commissioner Berger spoke in support of training for residents and public safety personnel.

Chief Brewer spoke regarding the upcoming Great Shake Out Earthquake Drill in October.

9B. REPORT FROM SHERIFF'S DEPARTMENT – MONTHLY REPORT

Captain Sergio Aloma thanked Commissioner Montemayor for his service. Captain Aloma spoke regarding foot and bike patrols. Captain Aloma said that aggravated assaults are down 20%, but that larceny thefts (such as vehicle burglaries) are up slightly. Captain Aloma said that members of his

traffic team will attend the community meeting on September 14th hosted by Councilmember D'Amico. Captain Aloma spoke regarding the Sheriff Department's willingness to partner to address security and safety concerns that come with recreational cannabis.

Commissioner Montemayor spoke regarding the use of narcotics and meth and various apps, such as Grindr.

Captain Aloma spoke regarding narcotics use and Craig's list and apps, and illegal narcotics.

Commissioner Montemayor spoke regarding oil burners and improper use.

Commissioner Oliver spoke regarding paraphernalia and irresponsible public policy.

Commissioner Williams requested that staff share the monthly pedestrian information with the Transportation Commission.

Kevin Burton, resident of West Hollywood, spoke regarding homeless issues, in particular near 7-11s.

Victor Omelchenko, resident of West Hollywood, spoke regarding the recent assault with an axe, spoke in support of foot patrols, spoke regarding a message from Allegra Alison about various homeless issues, said that some street lights are out on Hayworth, and requested special attention for crime concerns in center city and security guards for late night businesses.

Commissioner Berger read a quote from a resident expressing compassion but overriding concern for impacts from homeless individuals. Commissioner Berger spoke in support of security guards similar to Ralph's and asked to put the topic on a future agenda. Commissioner Berger spoke regarding the recent assault with an axe and asked for further clarification on why the individual was not arrested for a previous incident.

Captain Aloma said that any crime requires a victim, and he asked Detective Sergeant Jeff Bishop to elaborate.

Sergeant Jeff Bishop gave an overview of the assault with the axe case and its current status. Sergeant Bishop said that in an alleged prior encounter with the suspect, the victim was unable to identify the suspect and deputies had to release him. Sergeant Bishop said that the cameras at the 7-11 were valuable in identifying the suspect and that thankfully the victim is doing very well. Detectives successfully filed felony charges for attempted murder and aggravated mayhem, which if convicted could carry a sentence of 25 years or longer.

Commissioner Berger said that most homeless people are carrying a weapon.

Commissioner Williams reminded all to be brief when possible and to make appointments with staff or public safety personnel to discuss items not on the agenda.

Commissioner Montemayor asked for information regarding the Gemmel Moore case.

Captain Aloma said that the Homicide Bureau is working with the District Attorney's office to grant limited immunity to those who provide information to homicide. Captain Aloma gave a brief summary of the case including the initial response which was turned over to the Coroner's office who responded with an on scene investigator.

Commissioner Montemayor asked why there is additional scrutiny by the Homicide Bureau.

Captain Aloma said that out of an abundance of caution, the Homicide Bureau is reviewing information, including possible information not known to them on the day of the incident.

Sergeant Jeff Bishop gave a brief overview of crime statistics for August 2017.

9C. REPORT FROM BLOCK BY BLOCK SECURITY AMBASSADORS – MONTHLY REPORT

David Aguilar, Block by Block, gave an update on monthly activities in August 2017, including pedestrian assistance, crosswalk assistance, homeless issues, and disturbances.

11. ITEMS FROM STAFF

Staff announced the Annual Congress for Commissions and Boards to be held on October 30th.

Commissioner Montemayor asked for an update on the PSAs being completed by the Communications Department.

Staff said that they would check in with the Communications Department.

12. PUBLIC COMMENTS

Victor Omelchenko, resident of West Hollywood, asked for more detail in the minutes and thanked Commissioners for various comments.

Rick Watts, resident of West Hollywood, spoke regarding crosswalk upgrades and thanked everyone for their work on the issue and spoke regarding narcotics paraphernalia.

13. ITEMS FROM THE COMMISSION/COMMISSIONER COMMENTS

Commissioner Sol thanked Commissioner Montemayor for his service.

Commissioner Montemayor encouraged the Commissioners to continue to support cameras in public spaces, sufficient deployment of sheriff's deputies, and pickpocketing prevention.

Commissioner Oliver requested that the meeting be adjourned with wishes for a full and speedy recovery of the victim of the recent assault with an axe. Commissioner Oliver thanked the Sheriff's Department and Block by Block for their monthly updates, case updates, and investigations. Commissioner Oliver thanked Commissioner Montemayor for his service.

Commissioner Berger thanked the members of the public for their attendance and spoke in support of transparency. Commissioner Berger spoke regarding Prop 47 and Prop 57. Commissioner Berger spoke regarding the upcoming community meeting hosted by Councilmember D'Amico on September 14th.

Commissioner Norton clarified that her original adjournment request for those affected by the Hurricanes does include international victims. Commissioner Norton requested that the meeting be adjourned in the memory of victims of the earthquake in Mexico.

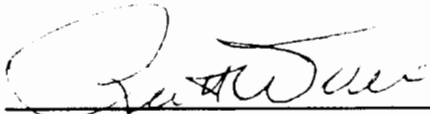
Commissioner Montemayor requested that the meeting be adjourned in the memory of Gemmel Moore.

Commissioner Williams requested that the meeting be adjourned in honor of Rita Norton's 97th birthday on Thursday.

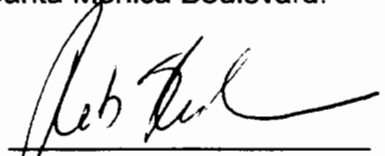
14. ADJOURNMENT

The Public Safety Commission adjourned at 9:35 PM in the memory of the victims of the September 11th Terrorist Attacks, the victims of Hurricane Harvey and Hurricane Irma, the victims of the earthquake in Mexico, Gemmel Moore, the 14 law enforcement officers and firefighters who have passed away since the August meeting, in memory of Enrique Lopez Nava, with wishes for a full and speedy recovery for the victim of the axe assault, and in honor of Rita Norton's 97th birthday.

The next meeting is scheduled for Monday, October 9, 2017 at 6:30 PM at West Hollywood City Hall Community Room located at 8300 Santa Monica Boulevard.



Public Safety Commission Chair



Staff Liaison

A copy of the audio recording of this meeting can be obtained from the City Clerk's office upon request.

(Disclaimer: Staff records the meetings for the sole purpose of composing the official meeting minutes; therefore the recordings are not of commercial quality.)

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RESOLUTION NO. PC 17-1222

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF WEST HOLLYWOOD, RECOMMENDING THAT THE CITY COUNCIL APPROVE A ZONE TEXT AMENDMENT TO SECTIONS §19.10.030, (COMMERCIAL AND PUBLIC DISTRICT LAND USES AND PERMIT REQUIREMENTS, §19.28.040, NUMBER OF PARKING SPACES REQUIRED), AND §19.90.020 (DEFINITIONS OF SPECIALIZED TERMS AND PHRASES) IN CHAPTER 19 OF TITLE 19 OF THE WEST HOLLYWOOD MUNICIPAL CODE AND ADDING SECTIONS §19.36.091, (CANNABIS USES – ADULT-USE RETAIL), §19.36.092, (CANNABIS USES – CONSUMPTION AREAS), AND §19.36.093, (CANNABIS USES – MEDICAL USE DISPENSARIES) IN CHAPTER 19 OF TITLE 19 OF THE WEST HOLLYWOOD MUNICIPAL CODE TO ADOPT NEW POLICIES REGULATING CANNABIS USES IN THE CITY OF WEST HOLLYWOOD, CALIFORNIA.

The Planning Commission of the City of West Hollywood hereby finds, resolves, and orders as follows:

SECTION 1. The City of West Hollywood initiated amendments to the Zoning Ordinance, Article 19 of the Municipal Code to adopt new regulations for cannabis uses in response to recent changes in state law.

SECTION 2. A public hearing was duly noticed for the Planning Commission meeting of October 5, 2017 by publication in the Beverly Press newspaper, the West Hollywood Independent Newspaper, and the City website and by announcement on City Channel 6 by September 21, 2017.

SECTION 3. The proposed zone text amendment is Categorically Exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061 of the CEQA Guidelines. Section 15061 states that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Cannabis businesses will be required to meet all local, state, and federal health and safety regulations to ensure that there are no significant environmental impacts to the cannabis use sites and surrounding properties. The businesses authorized under this ZTA are similar to already existing permitted general uses such as retail, with the only difference being the product sold or consumed (i.e. cannabis). The ZTA does not change the zoning for any properties and these general categories of uses are already permitted by right, meaning that they do not create negative environmental impacts or result in physical changes to the environment. There are no outdoor cultivation activities permitted under this ordinance.

ATTACHMENT G

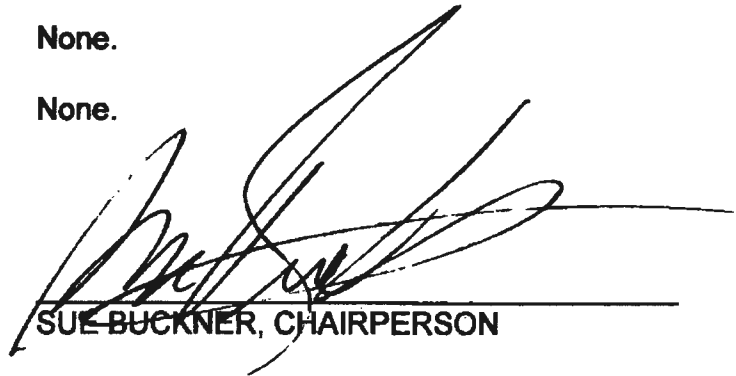
SECTION 4. The Planning Commission of the City of West Hollywood hereby finds that Zone Text Amendment ZTA17-0011 is consistent with the City Council adopted directives regarding cannabis regulation at various meetings in May and August 2017, and a Study Session with cannabis experts from Colorado and California in July 2017. These directives included allowing cannabis adult-use retail, medical-use dispensaries, and cannabis consumption areas subject to certain locational requirements and zoning regulations. The zone text amendments will help to ensure safe and reasonable sale, production, and use of cannabis and cannabis products in West Hollywood.

SECTION 5. The proposed ZTA is consistent with the Primary Strategic Goals in the City of West Hollywood General Plan: (1) Adaptability to future change and (2) Institutional Integrity. The proposed ZTA is also compliant with other General Plan goals: G-2, maintain transparency and integrity in West Hollywood's decision-making process and LU-2, maintain a balanced mix and distribution of land uses that encourages strategic development opportunities and mobility choices within the City

SECTION 6. Based on the foregoing, the Planning Commission of the City of West Hollywood hereby recommends approval to the City Council of Zoning Text Amendment ZTA17-0011, which is attached hereto as Attachment A.

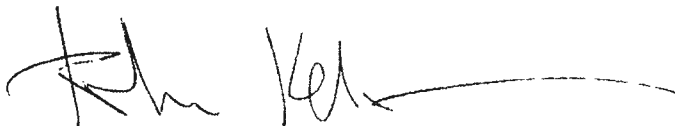
PASSED, APPROVED AND ADOPTED by the Planning Commission of the City of West Hollywood at a regular meeting held this 5th day of October, 2017 by the following vote:

AYES:	Commissioner:	Aghaei, Bass, Carvalheiro, Vice-Chair Jones, Chair Buckner.
NOES:	Commissioner:	Altschul, Hoopingarner.
ABSENT:	Commissioner:	None.
ABSTAIN:	Commissioner:	None.



SUE BUCKNER, CHAIRPERSON

ATTEST:



**JOHN KEHO, ASSISTANT DIRECTOR
COMMUNITY DEVELOPMENT DEPARTMENT
CURRENT & HISTORIC PRESERVATION PLANNING**

Decisions of the Planning Commission are subject to appeal in accordance with the procedures set forth in West Hollywood Municipal Code Chapter 19.76. Any action to challenge the final decision of the City of West Hollywood made as a result of the public hearing on this application must be filed within the time limits set forth in Code of Civil Procedure Section §1094.6.

ATTACHMENT A

Draft Zone Text Amendment

(New text indicated with underlining, deleted text with strikethrough.)

Section 1: Section 19.10.030, Commercial and Public District Land Uses and Permit Requirements of Title 19 of the West Hollywood Municipal Code is amended to read as follows:

19.10.030 Commercial and Public District Land Uses and Permit Requirements.

Table 2-5 identifies the uses of land allowed by this Zoning Ordinance in the commercial and public zoning districts, and the land use permit required to establish each use, in compliance with Section 19.04.040 (Zoning District Regulations). Permit requirements for additions to existing structures are determined by floor area; see Chapters 19.42 (Zone Clearances), 19.44 (Administrative Permits), and 19.48 (Development Permits).

Note: where the last column in the table (“Specific Use Regulations”) includes a section number, the regulations in the referenced section apply to the use; however, provisions in other sections of this Zoning Ordinance may also apply.

Table 2-5

ALLOWED USES AND PERMIT REQUIREMENTS FOR COMMERCIAL AND PUBLIC ZONING DISTRICTS

P	Use Permitted ¹	CUP	Conditional Use Permit Required
MCUP	Minor Conditional Use Permit Required	PCR	Project Conformity Review
RI	Rehabilitation Incentives	—	Use Not Allowed

[Explanatory Notes Follow at the End of the Table]

LAND USE ²	PERMIT REQUIRED BY ZONE						SPECIFIC USE REGULATIONS
	CN	CC/SSP	CA	CR	PDCSP	PF ³	
Accessory manufacturing	—	P ¹	P ¹	P ¹	PCR	—	19.36.030
Accessory retail uses	P ¹	P ¹	P ¹	P ¹	PCR	P ¹	19.36.030
Adaptive reuse — Historic structure	RI	RI	RI	RI	PCR	RI	Chapter 19.58
Adult businesses	—	P ¹	P ¹	P ¹	—	—	19.36.050
Adult day care facilities	MCUP	MCUP	MCUP	MCUP	—	MCUP	19.36.040
Alcoholic beverage sales, off-site consumption	CUP	CUP	CUP	CUP	CUP	—	19.36.060
Alcoholic beverage sales, on-site consumption, beer and wine ⁴	MCUP	MCUP	MCUP	MCUP	MCUP	MCUP	19.36.060
Alcoholic beverage sales, on-site consumption, hard liquor ⁴	MCUP	MCUP	MCUP	MCUP	MCUP	MCUP	19.36.060
Art galleries	P ¹	P ¹	P ¹	P ¹	PCR	P ¹	
Artisan/handcraft shops	P ¹	P ¹	P ¹	P ¹	PCR	—	
Artisan/craft product manufacturing AP	P ¹	P ¹	P ¹	P ¹	PCR	—	
Auto parts sales	—	P ¹	P ¹	—	—	—	
Automated teller machines (ATMs), exterior	P ¹	P ¹	P ¹	P ¹	—	P ¹	19.36.080
Banks and financial services	P ¹	P ¹	P ¹	P ¹	PCR	—	19.36.085 (applicable to SSP only)
Banquet facility	—	—	—	—	PCR	—	
Bed and breakfast inns (B&Bs)	CUP	CUP	CUP	CUP	—	—	19.36.090
Broadcasting studios	P ¹	P ¹	P ¹	P ¹	PCR	—	
Building material stores	—	P ¹	P ¹	P ¹	—	—	
Business support services	P ¹	P ¹	P ¹	P ¹	PCR	—	

LAND USE ²	PERMIT REQUIRED BY ZONE						SPECIFIC USE REGULATIONS
	CN	CC/SSP	CA	CR	PDCSP	PF ³	
<u>Cannabis adult-use retail</u>	<u>P¹</u>	<u>P¹</u>	<u>P¹</u>	<u>P¹</u>	=	=	<u>19.36.091</u> <u>Chapter 5.70</u>
<u>Cannabis commercial cultivation (ancillary to adult-use retail and medical-use dispensary)</u>	<u>P¹</u>	<u>P¹</u>	<u>P¹</u>	<u>P¹</u>	=	=	<u>Chapter 5.70</u>
<u>Cannabis commercial cultivation (stand-alone indoor facility)</u>	=	=	=	=	=	=	
<u>Cannabis commercial cultivation (outdoors)</u>	=	=	=	=	=	=	
<u>Cannabis consumption area (edible products only)</u>	<u>P¹</u>	<u>P¹</u>	<u>P¹</u>	<u>P¹</u>	=	=	<u>19.36.092</u> <u>Chapter 5.70</u>
<u>Cannabis consumption area (smoking, vaping, and edible products)</u>	<u>P¹</u>	<u>P¹</u>	<u>P¹</u>	<u>P¹</u>	=	=	<u>19.36.092</u> <u>Chapter 5.70</u> <u>7.08.030</u>
<u>Cannabis delivery service (ancillary to adult-use retail and medical-use dispensary)</u>	<u>P¹</u>	<u>P¹</u>	<u>P¹</u>	<u>P¹</u>	=	=	<u>19.36.093</u>
<u>Cannabis delivery services – (office only)</u>	<u>P¹</u>	<u>P¹</u>	<u>P¹</u>	<u>P¹</u>	=	=	<u>Chapter 5.70</u>
<u>Cannabis distributor (ancillary to adult-use retail and medical-use dispensary)</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	=	=	
<u>Cannabis distributor (stand-alone facility)</u>	=	=	=	=	=	=	
<u>Cannabis manufacturer (ancillary to adult-use retail, medical-use and dispensary)</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	=	=	<u>Chapter 5.70</u>
<u>Cannabis manufacturer (stand-alone facility)</u>	=	=	=	=	=	=	
<u>Cannabis medical-use dispensary</u>	<u>P¹</u>	<u>P¹</u>	<u>P¹</u>	<u>P¹</u>	=	=	<u>19.36.093</u> <u>Chapter 5.70</u> <u>19.36.030</u>

LAND USE ²	PERMIT REQUIRED BY ZONE						SPECIFIC USE REGULATIONS
	CN	CC/SSP	CA	CR	PDCSP	PF ³	
<u>Cannabis microbusiness</u>	=	=	=	=	=	=	
<u>Cannabis mobile consumption lounges</u>	=	=	=	=	=	=	
<u>Cannabis temporary use</u>	=	=	=	=	=	=	
<u>Cannabis Testing Laboratory</u>	P ¹	P ¹	P ¹	P ¹	=	=	
Cardrooms	CUP	CUP	CUP	CUP	—	CUP	
Caretaker and employee housing	P ^{1,12}	P ^{1,12}	P ¹	P ¹	—	P ¹	
Child day care centers	MCUP	MCUP	MCUP	MCUP	MCUP	MCUP	19.36.040
Clubs, lodges, and meeting halls	CUP	CUP	CUP	CUP	PCR	CUP	
Common interest developments, new projects and conversions	P ^{1,12}	P ^{1,12}	P ¹	P ¹	PCR	—	19.36.100
Community centers	CUP	CUP	CUP	CUP	PCR	CUP	
Community gardens	P ¹	P ¹	P ¹	P ¹	P ¹	P ¹	
Convention centers	—	CUP	CUP	CUP	CUP	CUP	
Conversion of mixed-use residential units to commercial	CUP	CUP	CUP	CUP	—	CUP	19.36.290
Emergency shelters	—	P ^{1,13,15}	—	—	—	—	19.36.125
Extended hour businesses	MCUP	MCUP	MCUP	MCUP	MCUP ¹¹	MCUP	19.36.130
Farmers markets	—	P ¹	P ¹	P ¹	—	P ¹	
Firearm sales	—	CUP	CUP	CUP	—	—	19.36.134
General retail stores	P ¹	P ¹	P ¹	P ¹	PCR ¹¹	P ^{1,5}	
Grocery stores, 10,000 sq. ft. or more of floor area	CUP	CUP	CUP	CUP	—	—	
Grocery stores, less than 10,000 sq. ft. of floor area	P ¹	P ¹	P ¹	P ¹	—	—	

LAND USE ²	PERMIT REQUIRED BY ZONE						SPECIFIC USE REGULATIONS
	CN	CC/SSP	CA	CR	PDCSP	PF ³	
Hazardous materials storage requiring Fire Code permit	—	CUP	CUP	CUP	—	CUP	19.20.070
Health/fitness facilities	CUP	CUP	CUP	CUP	PCR ¹¹	CUP	
Health/fitness facilities, personal training	P ¹	P ¹	P ¹	P ¹	PCR ¹¹	P ¹	
Heliports	—	CUP	CUP	CUP	—	CUP	
Home businesses	P ¹	P ¹	P ¹	P ¹	—	—	19.36.140
Hotels	—	CUP ¹⁰	CUP	CUP	—	—	19.36.150
Indoor amusement/entertainment facilities	—	CUP	CUP	CUP	—	—	
Kiosks	—	P ¹	P ¹	P ¹	P ¹	P ¹	19.36.155
Laundries and dry cleaning plants	—	CUP	CUP	CUP	—	—	
Libraries and museums	P ¹	P ¹	P ¹	P ¹	PCR	P ¹	
Live/work units	P ^{1, 12}	P ^{1, 12}	P ¹	P ¹		—	19.36.160
Media production	—	P ¹	P ¹	P ¹	PCR	—	19.36.180
Medical-marijuana collectives	P ¹	P ¹	P ¹	P ¹	—	—	19.36.165 Chapter 5.70
Medical services — Clinics, offices and laboratories	P ¹	P ¹	P ¹	P ¹	PCR	P ¹	
Medical services — Hospitals	CUP	CUP	CUP	CUP	—	CUP	
Microbreweries in conjunction with on-site sales	—	CUP	CUP	CUP	—	CUP	
Mixed-use projects	P ^{1, 12}	P ^{1, 12}	P ¹	P ¹	—	—	19.36.170
Mortuaries and funeral homes	CUP	CUP	CUP	CUP	—	—	
Newsstands and flower stands	P ¹	P ¹	P ¹	P ¹	PCR	P ¹	19.36.185

LAND USE ²	PERMIT REQUIRED BY ZONE						SPECIFIC USE REGULATIONS
	CN	CC/SSP	CA	CR	PDCSP	PF ³	
Nightclubs and bars	CUP	CUP	CUP	CUP	—	—	19.36.200
Nonconforming use or sign, extension of amortization	CUP	CUP	CUP	CUP	—	—	19.72.040.D
Offices — Administrative/business/production/ professional	P ¹	P ^{1,6}	P ¹	P ¹	PCR	—	
Offices - Government	P ¹	P ¹	P ¹	P ¹	PCR	P ¹	
Organizational houses	CUP	CUP	CUP	CUP	—	CUP	
Outdoor commercial recreation	—	CUP	CUP	CUP	—	CUP	
Outdoor storage	—	P ¹	P ¹	P ¹	PCR	P ¹	19.36.230
Palm readers, fortune tellers, psychics, etc.	P ¹	P ¹	P ¹	P ¹	—	—	
Parking — Mechanical lifts	P ¹	P ¹	P ¹	P ¹	P ¹	P ¹	19.28.090
Parking — Automated structures (accessory retail required)	P ¹	P ¹	P ¹	P ¹	P ¹	P ¹	19.28.090
Parking structures (accessory retail required)	P ¹	P ¹	P ¹	P ¹	PCR	P ¹	Chapter 19.28
Parks and playgrounds	CUP	CUP	CUP	CUP	—	P ¹	
Pawn shops	—	CUP ⁷	—	—	—	—	19.36.240
Personal services	P ¹	P ¹	P ¹	P ¹	PCR	P ¹	
Pet shops	—	P ^{1,16}	P ^{1,16}	P ^{1,16}	—	P ^{1,16}	
Pharmacies	—	P ¹	P ¹	P ¹	—	P ¹	
Plant nurseries and garden supply stores	MCUP	MCUP	MCUP	MCUP	—	—	
Printing and publishing	—	CUP	CUP	CUP	PCR	—	
Public safety facilities	CUP	CUP	CUP	CUP	—	CUP	19.36.250
Recycling facilities — Reverse vending machines	—	P ¹	P ¹	P ¹	—	P ¹	19.36.260

LAND USE ²	PERMIT REQUIRED BY ZONE						SPECIFIC USE REGULATIONS
	CN	CC/SSP	CA	CR	PDCSP	PF ³	
Recycling facilities — Small collection facility	—	CUP	CUP	CUP	—	CUP	19.36.260
Religious facilities/places of worship	CUP	CUP	CUP	CUP	CUP	—	
Research and development (R&D)	—	CUP	CUP	CUP	PCR	—	
Residential care facilities, 6 or fewer clients	P ¹	P ¹	P ¹	P ¹	P ¹	—	
Residential care facilities, 7 to 12 clients	MCUP	MCUP	MCUP	MCUP	MCUP	—	
Residential care facilities, more than 12 clients	CUP	CUP	CUP	CUP	CUP	—	
Restaurants	P ¹	P ¹	P ¹	P ¹	PCR	P ¹	19.36.210
Restaurants — Outdoor dining	P ¹	P ¹	P ¹	P ¹	PCR	P ¹	19.36.210
Schools — Public and private	CUP	CUP	CUP	CUP	CUP	CUP	
Schools — Specialized education and training	CUP	CUP	CUP	CUP	CUP	—	
Service stations	—	CUP	CUP	CUP	—	—	19.36.330
Short-term rental of a dwelling unit, or any portion thereof, for a period of 30 consecutive calendar days or less	—	—	—	—	—	—	19.36.331
Single room occupancy housing	—	CUP ^{1,13,14}	—	—	—	—	19.36.335
Smoking areas — Outdoor, accessory to any use, without the consumption of alcohol	P ¹	P ¹	P ¹	P ¹	PCR	P ^{1,10}	19.36.340
Smoking areas — Outdoor, accessory to any use, with the consumption of alcohol	CUP	CUP	CUP	CUP	MCUP	CUP ¹⁰	19.36.340
Special events	(8)	(8)	(8)	(8)	PCR (8)	(8)	Chapter 19.54
Studios — Art, dance, music, photography, etc.	P ¹	P ¹	P ¹	P ¹	PCR	—	
Supper clubs	MCUP	MCUP	MCUP	MCUP	—	—	19.36.345

LAND USE ²	PERMIT REQUIRED BY ZONE						SPECIFIC USE REGULATIONS
	CN	CC/SSP	CA	CR	PDCSP	PF ³	
Supportive housing	P ^{1,12,14}	P ^{1,12,14}	P ^{1,12,14}	P ^{1,12,14}	—	—	
Telecommunications facilities	P ¹	P ¹	P ¹	P ¹	PCR	P ¹	19.36.350
Temporary uses	(8)	(8)	(8)	(8)	PCR (8)	(8)	Chapter 19.54
Theaters	—	CUP	CUP	CUP	PCR	CUP	
Tobacco product shops	—	CUP	CUP	CUP	—	—	19.36.354
Transitional housing	P ^{1,12,14}	P ^{1,12,14}	P ^{1,12,14}	P ^{1,12,14}	—	—	
Transit stations and terminals	—	—	—	—	—	P ¹	
Transit stop shelters	P ¹	P ¹	P ¹	P ¹	PCR	P ¹	
Urban inns	CUP ⁶	CUP ⁶	CUP ⁶	—	—	—	
Utility facilities	CUP	CUP	CUP	CUP	—	CUP	
Utility infrastructure	P ¹	P ¹	P ¹	P ¹	PCR	P ¹	
Vehicle maintenance and repair	—	CUP	CUP	CUP	—	—	19.36.370
Vehicle sales/rental	—	P ¹	P ¹	—	—	—	19.36.380
Veterinary clinics, animal hospitals, kennels, boarding	CUP	CUP	CUP	CUP	—	—	
Warehousing, wholesaling and distribution, accessory	P ¹	P ¹	P ¹	P ¹	PCR	—	
Wholesale design showroom	P ¹	P ¹	P ¹	P ¹	PCR	—	

Notes:

- (1) Zone clearance or development permit or as regulated by other provisions in the Municipal Code may be required; see Chapters 19.42 and 19.48.
- (2) See Section 19.03.020(E) regarding uses not listed. See Article 19-6 for definitions of the listed uses.
- (3) See Municipal Code Chapter 11.12 regarding uses in public parks.
- (4) Accessory to a restaurant, coffee house and live theater. Night clubs and bars are listed separately.

- (5) Use prohibited within city parks.
- (6) Ground floor office use not permitted in certain areas of the SSP district by the Sunset Specific Plan.
- (7) Use not allowed within the SSP (Sunset Specific Plan) district.
- (8) See Chapter 19.54 for requirements and procedures for Special Event Permits and Temporary Use Permits.
- (9) Allowed on San Vicente Boulevard only, except within the Sherbourne Triangle site.
- (10) Not allowed within the Sherbourne Triangle site.
- (11) See the Pacific Design Center Specific Plan for details.
- (12) Not allowed in the CN2 district or in the commercial-only overlay district.
- (13) Allowed only on properties with frontage on Santa Monica Boulevard, outside the commercial-only overlay district.
- (14) As part of a mixed-use development only.
- (15) A conditional use permit may be required if the city's demonstrated need has been met. See Section 19.36.125.
- (16) No pet shop shall display, sell, deliver, offer for sale, barter, auction, give away, or otherwise transfer or dispose of dogs or cats in the City of West Hollywood.

Section 2: Chapter 19.28.040 Number of Parking Spaces Required, of Title 19 of the West Hollywood Municipal Code is amended to edit as follows:

Table 3-6

2. Non-Residential Land Uses

[Explanatory Notes Follow at the End of the Table]

Non-Residential Land Use	Required Parking Spaces
Adult retail businesses	3.5 spaces per 1,000 sq. ft.
Adult day care facilities	1 space for each 7 clients for which the facility is licensed plus adequate drop-off area as approved by the Director.
Art galleries	2 spaces per 1,000 sq. ft.
Artisan/craft product manufacturing	2 spaces per 1,000 sq. ft.
Artisan shops	3.5 spaces per 1,000 sq. ft.
Auto and vehicle maintenance and repair	4.5 spaces for each service bay, plus adequate queuing lanes for each bay.
Auto and vehicle sales/rental, auto parts sales	2.5 spaces per 1,000 sq. ft.; plus 3 spaces per 1,000 sq. ft. of parts department.
Automated teller machines (ATMs), exterior; not associated with an on-site financial institution.	4 spaces for one or two machines plus 2 spaces for each additional machine over 2; no parking requirement within 1,000 feet of the intersection of San Vicente Boulevard and Santa Monica Boulevard.
Banks and financial services (see also ATM, above)	
1,200 sq. ft. or less, tenant space existing prior to May 2, 2001 ²	3.5 spaces per 1,000 sq. ft.
All others	5 spaces per 1,000 sq. ft.
Exterior ATM machines	1 space for each exterior ATM.
Bed and breakfast (B&Bs) and urban inns	<u>In historic buildings:</u> 0.5 spaces per guest unit
	<u>In non-historic buildings:</u> 1 space per guest unit
	<u>All projects:</u> Plus owner/operator parking as required for multi-family residential projects.
Broadcasting studios	3.5 spaces per 1,000 sq. ft., for the first 25,000 sq. ft., and 3 spaces for each 1,000 sq. ft. thereafter.
Building material stores	1.6 spaces per 1,000 sq. ft.
Business support services	3.5 spaces per 1,000 sq. ft.
<u>Cannabis Uses – Adult Use Retail</u>	<u>3.5 spaces per 1,000 sq. ft.</u>
<u>Cannabis Uses – Consumption Areas</u>	<u>3.5 spaces per 1,000 sq. ft.</u>

Non-Residential Land Use	Required Parking Spaces
<u>Cannabis Uses – Medical-Use Dispensary</u>	3.5 spaces per 1,000 sq. ft.
Cardrooms	9 spaces per 1,000 sq. ft.
Child day care centers	1 space for each 10 children that the facility is licensed to accommodate, plus adequate drop-off area as approved by the Director.
Clubs, lodges, and meeting halls	1 space for each 2.5 fixed seats, or 28 spaces per 1,000 sq. ft. of assembly or viewing area where there are no fixed seats. ³
Community centers	1 space for each 5 seats, or 14 spaces per 1,000 sq. ft. of assembly areas where there are no fixed seats. ³
Convention centers	1 space for each 2.5 fixed seats, or 28 spaces per 1,000 sq. ft. of assembly or viewing area where there are no fixed seats. ³
General retail stores (see also the parking requirements for shopping centers)	3.5 spaces per 1,000 sq. ft.
Grocery stores	3.5 spaces per 1,000 sq. ft.
Health/fitness facilities	10 spaces per 1,000 sq. ft.
Health/fitness facilities, personal training	4 spaces per 1,000 sq. ft.
Hotels	1 space for each guest room; plus retail, restaurant, and conference uses calculated at 50% of the requirements of this table, and all other uses at 100% of the requirements of this table.
Indoor amusement/entertainment facilities	Determined by Conditional Use Permit.
Kiosks	No parking required. Outdoor dining related to kiosk must meet requirements of this table.
Laundries and dry cleaning plants	2 spaces per 1,000 sq. ft., including incidental office area comprising less than 20% of the total floor area. Parking requirements for additional office area shall be calculated separately as required by this table for offices.
Laundromats	1 space for each 3 washing machines.
Libraries and museums	3.5 spaces per 1,000 sq. ft.
Live/work units	3.5 spaces per 1,000 sq. ft.
Media production	3.5 spaces per 1,000 sq. ft. for the first 25,000 sq. ft., plus 3 spaces for each additional 1,000 sq. ft.
Medical marijuana dispensaries	3.5 spaces per 1,000 sq. ft.
Medical services	
Clinics, offices, labs, and other outpatient facilities of 1,200 sq. ft. or less, tenant space existing prior to May 2, 2001 ²	3.5 spaces per 1,000 sq. ft.
All others	5 spaces per 1,000 sq. ft.

Non-Residential Land Use	Required Parking Spaces
Extended care	1 space for each 3 beds the facility is licensed to accommodate.
Hospitals	2 spaces for each patient bed the facility is licensed to accommodate, plus spaces for ancillary uses as required by the Review Authority.
Microbreweries in conjunction with on-site sales	9 spaces per 1,000 sq. ft.
Mortuaries and funeral homes	1 space for each 5 seats, or 14 spaces per 1,000 sq. ft. for areas without fixed seats.
Newsstands and flower stands	None required.
Night clubs and bars	15 spaces per 1,000 sq. ft., plus 28 spaces per 1,000 sq. ft. for all dance floor areas.
Offices	3.5 spaces per 1,000 sq. ft. for the first 25,000 sq. ft. plus 3 spaces for each additional 1,000 sq. ft.
Outdoor commercial recreation	<u>Spectator seat areas:</u> 1 space for each 3 seats. ³ <u>Sport courts:</u> 2 spaces per court, plus 4 spaces per 1,000 sq. ft. of floor area other than courts. <u>Ancillary uses:</u> as required by this table for the specific use.
Palm readers, fortune tellers, psychics	3.5 spaces per 1,000 sq. ft.
Pawn shops	3.5 spaces per 1,000 sq. ft.
Personal services	
1,200 sq. ft. or less, tenant space existing prior to May 2, 2001 ²	3.5 spaces per 1,000 sq. ft.
All others	5 spaces per 1,000 sq. ft.
Pet shops	3.5 spaces per 1,000 sq. ft.
Pharmacies	3.5 spaces per 1,000 sq. ft.
Plant nurseries and garden supply stores	3.5 spaces per 1,000 sq. ft. of indoor use area; 1.5 spaces per 1,000 sq. ft. of outdoor use area.
Printing and publishing	2 spaces per 1,000 sq. ft., including incidental office area comprising less than 20% of the total floor area. Parking requirements for additional office area shall be calculated separately as required by this table for offices.
Public safety facilities	3 spaces per 1,000 sq. ft.
Recycling facilities	0 spaces; see Section 19.36.260(C)(5).
Religious facilities/places of worship	1 space per 5 fixed seats, 14 spaces per 1,000 sq. ft. for areas without fixed seats.
Research and development (R&D)	3.5 spaces per 1,000 sq. ft.
Restaurants	
1,200 sq. ft. or less, tenant space existing prior to May 2, 2001	3.5 spaces per 1,000 sq. ft.
All others	9 spaces per 1,000 sq. ft.

Non-Residential Land Use	Required Parking Spaces
Outdoor dining	9 spaces per 1,000 sq. ft. if outdoor dining area is 251 sq. ft. or more; none required otherwise.
Schools—Public and private	
Grade 9 and lower	1 space per classroom; plus 14 spaces per 1,000 sq. ft. of auditorium assembly area. ³
Grades 10 to 12	10 spaces per classroom; plus 14 spaces per 1,000 sq. ft. of auditorium assembly area. ³
College/university	3.5 spaces per 1,000 sq. ft.; plus 2 drop-off spaces per 1,000 sq. ft.
Schools—Specialized education and training	5 spaces per 1,000 sq. ft. and 2 drop-off spaces per 1,000 sq. ft.
Service stations	1 space per pump island; plus 1 space per service bay.
Shopping centers ⁴	5 spaces per 1,000 sq. ft. for new centers.
Smoking areas	No parking required for smoking areas that do not have food and/or alcoholic beverage service. Otherwise, 250 sq. ft. allowed without parking; 251 sq. ft. or more shall be provided parking at the ratio required for the underlying use.
Studios—Art, dance, music, photography	5 spaces per 1,000 sq. ft. for facilities with classes of up to 10 students at a time or facilities that cater exclusively to children under 17 years of age. 10 spaces per 1,000 sq. ft. for facilities with more than 10 students per class excluding classes only for children under 17 years of age.
Supper clubs	9 spaces per 1,000 sq. ft.
Theaters	
Live performance facilities	1 space per 2.5 fixed seats, or 28 spaces per 1,000 sq. ft. of assembly or viewing area without fixed seats. ³
Cinemas—Single-screen	1 space per 3 seats, plus 6 additional spaces.
Cinemas—Multi-screen	1 space per 5 seats, plus 10 additional spaces.
Utility facilities	2 spaces per 1,000 sq. ft.
Veterinarians, animal hospitals, kennels, boarding	3.5 spaces per 1,000 sq. ft.
Warehousing, wholesaling and distribution, accessory	2 spaces per 1,000 sq. ft., including incidental office area comprising less than 20% of the total floor area. Parking requirements for additional office area shall be calculated separately as required by this table for offices.
Wholesale design showrooms	1.6 spaces per 1,000 sq. ft.

Notes:

1. See Section 19.28.090.D.2 for parking space enclosure requirements.
2. Two or more tenant spaces that are each under 1,200 square feet may be reconfigured and continue to qualify as pre-existing spaces.

3. Where fixed seating is in benches or bleachers, a seat shall be construed to be 18 inches of continuous bench space for the purpose of calculating the number of required parking spaces.
4. Applies only when less than 50% of floor area in center is occupied by restaurants, medical offices, personal services, or medical facilities, provided that restaurants may comprise only 25% of the total shopping center area; otherwise parking shall be provided as required for each separate use, subject to any parking reduction granted in compliance with Section 19.28.060 (Reduction of Off-Street Parking Requirements) or 19.28.070 (Shared Use of Parking Facilities). Parking requirements for bars, nightclubs, health clubs, theaters and cinemas shall be calculated separately in all cases.

Section 3: A new Section 19.36.091 is added to Chapter 19.36 of Title 19 of the West Hollywood Municipal Code to read as follows:

19.36.091 Cannabis Uses – Adult-Use Retail.

A. Location Criteria. An adult-use retail establishment shall be located in compliance with the following requirements:

1. The adult-use retail establishment shall not be located within a 600-foot radius of a daycare facility, youth center, or school that is located within or outside the city. For the purposes of this requirement, “school” shall mean any property containing a structure which is used for education or instruction, whether public or private, at grade levels kindergarten through 12.

B. No more than 8 adult-use retail establishments shall be permitted to operate in the city at any time. An application for a new adult-use retail establishment shall not be approved unless there are fewer than 8 adult-use retail establishments operating or approved in the city at the time of approval.

Section 4: A new Section 19.36.092 is added to Chapter 19.36 of Title 19 of the West Hollywood Municipal Code read as follows:

19.36.092 Cannabis Uses – Consumption Areas.

A. Location Criteria. A cannabis consumption area shall be located in compliance with the following requirements:

1. The consumption area shall not be located within a 600-foot radius of a daycare facility, youth center, or school that is located within or outside the city. For the purposes of this requirement, “school” shall mean any property containing a structure which is used for education or instruction, whether public or private, at grade levels kindergarten through 12.

2. The consumption area shall be restricted to persons 21 or older and shall not be visible from any public place or a non-age restricted area.

3. The consumption area may be co-located with an adult-use retail or a medical-use dispensary location pursuant to local and state regulations.

B. No more than 8 consumption areas with smoking, vaping, and ingestion of edible cannabis products and no more than 8 consumption areas limited to the ingestion of cannabis products only are permitted to operate in the city at any time. An application for a new consumption area shall not be approved unless there are fewer than 8 consumption areas with smoking, vaping, and ingestion of cannabis products or 8 consumption areas with ingestion of edible cannabis products only operating or approved in the city at the time of approval.

C. All cannabis consumption areas that allow smoking and vaping of cannabis shall comply with Section 7.08.03 Smoking of the Municipal Code.

D. No sales of tobacco products or smoking or ingesting of tobacco (i.e. chewing tobacco) shall be allowed in a cannabis consumption area.

E. No alcoholic beverage sales or ingestion of alcohol products shall be allowed in a cannabis consumption area.

Section 5: A new Section 19.36.093 is added to Chapter 19.36 of Title 19 of the West Hollywood Municipal Code read as follows:

19.36.093 Cannabis Uses – Medical-Use Dispensary.

A. *Location Criteria.* A cannabis medical-use dispensary shall be located in compliance with the following requirements:

1. The medical-use dispensary shall not be located within a 600-foot radius of daycare facility, youth center, or school that is located within or outside the city. For the purposes of this requirement, “school” shall mean any property containing a structure which is used for education or instruction, whether public or private, at grade levels kindergarten through 12.

B. No more than 8 cannabis medical-use dispensaries shall be permitted to operate in the city at any time. An application for a new medical-use dispensary shall not be approved unless there are fewer than 8 medical-use dispensaries operating or approved in the city at the time of approval.

Section 6: Section 19.36.165 in Chapter 19.36 of Title 19 of the West Hollywood Municipal Code is repealed in its entirety.

~~19.36.165 Medical Marijuana Collectives.~~

~~A. *Definitions.* For purposes of this section, a “medical marijuana collective” means a collective, cooperative, association or similar entity that cultivates, distributes, dispenses, stores, exchanges, processes, delivers, makes available or gives away marijuana in the city for medical purposes to qualified patients, or primary caregivers of qualified patients pursuant to Health and Safety Code Section 11362.5 (adopted as Proposition 215, the “Compassionate Use Act of 1996”) or any State regulations adopted in furtherance thereof, including Health and Safety Code Section 11362.7 et seq. (adopted as the “Medical Marijuana Program Act”). The word “marijuana” shall have the same meaning as the definition of that word in Health and Safety Code Section 11018. Nothing in this section shall be interpreted to conflict with the foregoing provisions of the Health and Safety Code. For purposes of this section, the word “collective” shall refer to the same uses and activities referred to as “dispensaries” in the prior iteration of this section.~~

~~A. *Location Criteria.* A proposed medical marijuana collective shall be located in compliance with the following requirements:~~

~~a. The use shall not be located within a 1,000-foot radius of any other medical marijuana collective located within or outside the city.~~

~~b. The use shall not be located within a 500-foot radius of a church, temple, or other places used exclusively for religious worship, or a playground, park, child day care facility, or school that is located within or outside the city. For the purposes of this requirement, "school" shall mean any property containing a structure which is used for education or instruction, whether public or private, at grade levels preschool and kindergarten through 12.~~

~~c. The collective shall have its primary frontage on one of the following commercial streets: Santa Monica Boulevard, Sunset Boulevard, La Cienega Boulevard, Melrose Avenue, Beverly Avenue, La Brea Avenue or Fairfax Avenue. The use shall not have its primary frontage on a local residential street providing local circulation.~~

~~B. The exterior appearance of a collective shall be compatible with commercial structures already constructed or under construction within the immediate neighborhood, to ensure against blight, deterioration, or substantial diminishment or impairment of property values in the vicinity and shall comply with all other applicable property development and design standards of the Municipal Code.~~

~~C. No more than four medical marijuana collectives shall be permitted to operate in the city at any time. Notwithstanding the foregoing, a medical marijuana collective that was: (1) open and in operation on January 16, 2007 under the same continuous ownership and at the same location; and (2) does not meet the location requirements of this section, shall be allowed to continue operation in accordance with the regulations for nonconforming land uses in Section 19.72.050 subject to compliance with the standards of Chapter 5.70. Any collective that does not meet the location requirements of this section and is discontinued or has ceased operations for 30 days or more shall not be re-established on the site and any further use of the site shall comply with all applicable provisions of the Municipal Code. Any collective that was: (1) open and in operation on January 16, 2007 under the same continuous ownership and at the same location; and (2) does not meet the location requirements of this section shall not be permitted to change ownership or control without losing the rights afforded by this subsection; any such change in ownership or control shall result in the immediate discontinuance of the collective.~~

Section 7: The following new definitions are added to the alphabetical list of definitions in Section 19.90.020 Definitions of Specialized Terms and Phrases, Chapter 19.20 of Title 19 of the West Hollywood Municipal Code to read as follows:

C. Definitions, "C."

Cannabis Adult-Use Retail. An establishment wherein cannabis, cannabis products, or devices for the use of cannabis, are offered for retail sales or delivery

to persons 21 years of age and over and qualifies for an A-license under Division 10 of the Business and Professions Code.

Cannabis Commercial Cultivation. Any commercial activity involving planting, growing, harvesting, drying, curing, grading, or trimming of cannabis, except for the personal cultivation allowed for medical patients and adults under state law.

Cannabis Consumption Area. A designated area on a licensed premises where cannabis may be purchased and consumed by persons 21 years of age and over. A cannabis consumption area must be limited to one of the following uses:

1. Consumption of cannabis by smoking, vaping, and ingesting edible products.
2. Consumption of cannabis edible products by ingestion only.

Cannabis Delivery Services. The commercial transfer of cannabis or cannabis products to a customer, including the use by a retailer of any technology platform owned and controlled by the retailer.

Cannabis Distribution. The procurement, sale, and transport of cannabis and cannabis products between licensees only, not to retail customers or medical patients.

Cannabis Manufacturer. An establishment that conducts production, propagation, blending, infusion, or, compounding of cannabis or cannabis products either directly or indirectly by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis products or labels or relabels its container.

Cannabis Microbusiness. A retail area of less than 10,000 square feet where cannabis is cultivated, manufactured, distributed, and sold directly to retail customers.

Cannabis Medical Use Dispensary. An establishment wherein cannabis is sold for medicinal purposes by a medicinal cannabis cooperative, collective, dispensary, operator, or retailer who cultivates, distributes, or sells medicinal cannabis to qualified patients, or primary caregivers of qualified patients, pursuant to Health and Safety Code section 11362.5 and qualifies for an M-license under Division 10 of the Business and Professions Code.

Cannabis Mobile Consumption Lounges. Any operational vehicle or trailer where cannabis or cannabis products are sold, distributed or consumed by the public, whether or not in a fixed location.

Cannabis Temporary Use and License. A license that authorizes the holder to engage in commercial cannabis activity for a period of up to 120 days with one 90-day extension in accordance with state regulations, if the applicant is in compliance with local regulations.

Cannabis Testing Laboratory. A laboratory, facility, or entity that offers or performs tests of both adult use and medical cannabis or cannabis products and that is both of the following: (1) accredited by an accrediting body (i.e. International Organization for Standardization (ISO)) that is independent from all other persons

involved in commercial cannabis activity in the state, and (2) is licensed by the Bureau of Cannabis Control.

Section 8: The following definition in the alphabetical list of definitions in Section 19.90.020 Definitions of Specialized Terms and Phrases, Chapter 19.20 of Title 19 of the West Hollywood Municipal Code is amended read follows:

P. Definitions, "P."

Plant Nurseries and Garden Supply Stores. Commercial agricultural establishments engaged in the production of ornamental plants and other nursery products grown under cover or outdoors. Cultivation of ~~cannabis~~^{marijuana} for medicinal or any other purpose is prohibited. Includes stores selling these products, nursery stock, lawn and garden supplies and commercial scale greenhouses. The sale of house plants or other nursery products entirely within a building is also included under "General Retail Stores." Home greenhouses are addressed under "Residential Accessory Uses and Structures."



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October 26, 2017

Via U.S. Mail and Email to:

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ATTACHMENT H



CHERNIS LAW GROUP P.C.

October 26, 2017

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Re: Proposed Zoning Text Amendment for Regulation and Licensing of Commercial Cannabis Activity

Messrs. and Madams:

This letter is submitted on behalf of Percy Ward, III, for consideration in connection with the City of West Hollywood's (the "City") drafting of new regulations governing licensing of new medical and adult-use commercial cannabis businesses in the City.

Mr. Ward is a resident of Los Angeles and is interested in obtaining a license or permit from the City to operate a retail commercial cannabis business.

Mr. Ward has actually been seeking such a license from the City for a number of years. On January 14, 2010, the City placed Mr. Ward on the waitlist for a permit to operate a medical marijuana dispensary. Mr. Ward has been advised that he was actually in the number one position on the waitlist. Nearly eight years have passed, and now that West Hollywood is contemplating amending its zoning ordinance to allow 32 licensees to conduct commercial cannabis activity, including awarding new retail licenses, Mr. Ward urges the City to give priority to him (and others) who have waited in good faith on this list for nearly a decade to open medical cannabis businesses in West Hollywood. Mr. Ward should either be first in line for a new license, or at the very least be given substantial points in any competitive process.

Mr. Ward has a number of additional strengths which make him an excellent candidate for holding such a license in the City. As a member of the minority



CHERNIS LAW GROUP P.C.

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community, which has borne disproportionate enforcement of the War on Drugs, Mr. Ward will contribute to the diversity of the City, and help foster diversity in the cannabis business community of West Hollywood. A number of other cities are likewise seeking to encourage minority business opportunities in the local commercial cannabis industry.

Thus, Mr. Ward respectfully requests that the City Council incorporate into its forthcoming ordinance to license and regulate cannabis activity either absolute priority or the awarding of points based on his position on the City's waitlist for so many years.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "M. Chernis", with a long horizontal flourish extending to the right.

MICHAEL S. CHERNIS

RESOLUTION NO. 17- _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
WEST HOLLYWOOD AMENDING THE MASTER FEE RESOLUTION
(RESOLUTION NO. 17-4952) TO ADJUST CERTAIN
CODE COMPLIANCE FEES (CANNABIS LICENSE FEES)

The City Council of the City of West Hollywood does hereby resolve as follows:

Section 1. The City Council adopted Resolution No. 17-4952 on May 1, 2017, approving fees and charges provided by the City of West Hollywood for fiscal year 2017-18.

Section 2. Section 9 of Resolution 17-4952, consists of the fee schedule for the City of West Hollywood's Code Compliance Division for fiscal year 2017-18, and is hereby amended as shown in Attachment A, attached hereto and incorporated herein by reference. The provisions of this Resolution shall become effective immediately upon adoption.

Section 3. The City Clerk shall certify to the adoption of this resolution and shall cause this resolution and its certification into the Book of Resolutions of the City Council of the City.

PASSED, APPROVED AND ADOPTED this 6th day of November, 2017.

JOHN HELIMAN, MAYOR

Attest:

YVONNE QUARKER, CITY CLERK

ATTACHMENT I

ATTACHMENT A
TO
RESOLUTION

DEPARTMENT OF PUBLIC WORKS CODE COMPLIANCE FEE SCHEDULE FY 17-18	ADOPTED FEE FY 17-18	Increase Decrease Same or New	REVISED FEE FY 17-18
CODE COMPLIANCE			
Inspection Fees for Legalization of Units	\$100	Same	\$100
Re-Inspection Fee for Non-Compliance With Code	\$100	Same	\$100
Recovery Charges for Investigation (Per Hour)	\$200	Same	\$200
Monitoring Charges (Per Hour)	\$100	Same	\$100
BUSINESS LICENSE FEES			
New License -Bingo	\$150	Same	\$150
New License - No Hearing Required (for coin-op games, \$200 per 4 games)	\$300	Same	\$300
Renewals - Bingo	\$100	Same	\$100
Business License Renewals - No Hearing (for coin-op games, 100 per 4 games)	\$200	Same	\$200
Business License Renewals - Hearing Required	\$3,687	Same	\$3,687
Business License Appeals - Hearing Required	Half the Fee for a New License	Same	Half the Fee for a New License
Temporary Valet Businesses License Fee	\$105	Same	\$105
Temporary Business License Fee	\$105	Same	\$105
New License - Gun Dealer - Hearing Required	\$3,687	Same	\$3,687
Business License Renewal - Gun Dealers	\$200	Same	\$200
New License - Marijuana Collective	\$2,726	Delete	\$0
Business License Renewal - Marijuana Collective	\$2,726	Delete	\$0
Application - Cannabis Business License (Adult-Use Retail, Medical Dispensary, and Consumption Areas)	\$0	New	\$9,880
Initial License - Cannabis Business License (Adult-Use Retail, Medical Dispensary, and Consumption Areas)	\$0	New	\$4,035
Annual Renewal - Cannabis Business License (Adult-Use Retail, Medical Dispensary, and Consumption Areas)	\$0	New	\$2,070
Application - Cannabis Delivery Business License (Business Located in the City)	\$0	New	\$5,025
Initial License - Cannabis Delivery Business License (Business Located in the City)	\$0	New	\$2,735
Annual Renewal - Cannabis Delivery Business License (Business Located in the City)	\$0	New	\$1,015
Initial License - Cannabis Delivery Business License (Business Located Outside of the City)	\$0	New	\$690
Annual Renewal - Cannabis Delivery Business License (Business Located Outside of the City)	\$0	New	\$295
NEWSRACK PERMIT PROGRAM			
Newsrack Impoundment Fee (per unit)	\$120	Same	\$120
Newsrack Replacement Fee (per unit)	\$2	Same	\$2
Newsrack Violation/Enforcement Fee (per occurrence)	\$50	Same	\$50
Application Fee (per unit)	\$50	Same	\$50
Annual Renewal Fee (per unit)	\$50	Same	\$50
REAL ESTATE SIGNS			
Impoundment of Items Illegally Posted on Public Right-Of-Way	\$40	Same	\$40

DEPARTMENT OF PUBLIC WORKS CODE COMPLIANCE FEE SCHEDULE FY 17-18	ADOPTED FEE FY 17-18	Increase Decrease Same or New	REVISED FEE FY 17-18
MAILING COSTS			
Mailing Labels - 500' Radius (All Appeals Except Citywide)	\$476	Same	\$476
Mailing Fee	\$349	Same	\$349
Postage (All Appeals Except Citywide)	\$575	Same	\$575
NOTICING FEES			
Newspaper Noticing (Citywide Appeals Only)	\$120	Same	\$120
MISCELLANEOUS FEES			
Special Event Monitoring (Per Hour)	\$100	Same	\$100
Food Truck Encroachment Permit Fee	\$20	Same	\$20
Valet Sign Encroachment Fee	\$250	Same	\$250
Drone Registration Fee	\$5	Same	\$5
EXTENDED HOURS CONSTRUCTION PERMIT FEE			
Extended Hours Construction Permit Fee - One Day	\$120	Same	\$120
Each Additional Day (Up to 30 days)	\$50	Same	\$50
Late Submittal Fee (Within 3 days of permit date)	\$240	Same	\$240
LA COUNTY ANIMAL LICENSING AND ENFORCEMENT FEES			
Altered Dog	\$15	Same	\$15
Unaltered Dog	\$60	Same	\$60
Senior-owned Dog (Senior defined as 60 years and over)	\$7.50	Same	\$7.50
Disabled Veteran-owned Dog	\$7.50	Same	\$7.50
Altered Cat	\$5	Same	\$5
Unaltered Cat	\$10	Same	\$10
Senior-owned Cat (Senior defined as 60 years and over)	\$2.50	Same	\$2.50
Field Enforcement Fee	\$40	Same	\$40
License Renewal Delinquency Fee	Equal to Amount of License	Same	Equal to Amount of License

**FEE JUSTIFICATION DOCUMENT
FY 2017-18**

DEPARTMENT: Finance and Technology Services

DIVISION: Revenue Management

Submitted by: John Leonard

Ext: 6446

Name of fees: Cannabis License Fees (see specific fees below)

This fee is: NEW

INCREASE

DECREASE

FY 2016-17: n/a

FY2017-18: See Below

JUSTIFICATION:

On November 8, 2016, California voters approved Proposition 64 legalizing the use and position of cannabis products by individuals age 21 and over. Proposition 64 allows local jurisdictions to adopt regulations related to cannabis use, which can range from a full ban to allowing a variety of uses. The West Hollywood City Council has discussed cannabis regulation several times and will be considering an ordinance that allows a variety of cannabis uses on November 6, 2017. Staff recommends that the City Council approve eight different cannabis license fees, as follows:

Adult-Use, Medical Dispensary, and Consumption Area Licenses

- **Application Fee for Cannabis Business License**
- **Initial Business License Fee (First Year)**
- **Business License Annual Renewal Fee (Subsequent Years)**

Cannabis Delivery Licenses (Businesses Located in the City)

- **Application Fee for Cannabis Business License**
- **Initial Business License Fee (First Year)**
- **Business License Annual Renewal Fee (Subsequent Years)**

Cannabis Delivery Licenses (Businesses Located Outside of the City)

- **Initial Business License Fee (First Year)**
- **Business License Annual Renewal Fee (Subsequent Years)**

The ordinance the City Council will consider adopting on November 6, 2017, outlines a merit-based application process. Those interested in obtaining a cannabis business license in the

City of West Hollywood will need to submit an application during a specific 30-day period to be determined by the City Manager. The applications that are received will first be reviewed by staff internally to determine if they meet minimum requirements (the applicants have abided by the regulations in the ordinance and have submitted all of the information requested in the application). The applications that are deemed complete will be reviewed and scored, based on a variety of criteria outlined in the ordinance, by an Application Evaluation Committee of no less than three individuals. The top eight ranking applicants in each license category (adult-use retail, medical dispensaries, consumption areas (smoking, vaping, and edible products), consumption areas (edible products only), and delivery services) will be allowed to move to the next phase of the application process, which is to secure a physical location and have their completed application (and location) reviewed and approved by the business license commission.

The "Application Fees" covers the cost of staff's time associated with the first part of the license process; when staff reviews the applications to ensure they meet minimum requirements and the Application Evaluation Committee's review and scoring of the applications. This is a one-time fee that all applicants will need to pay.

The "Initial Business License Fees" covers the cost of staff's time associated with the second part of the license process (after the top eight applicants have been selected); during this time Code Compliance staff will review the applications, work with the applicant on any revisions necessary, and prepare the materials for the applicant's hearing at the business license commission (staff report, etc..). This is a one-time fee that only the top eight applicants will need to pay in the first year.

Lastly, the "Business License Annual Renewal Fees" covers the cost of staff's time associated with the annual renewal of the business license. This fee will cover the cost of Code Compliance staff's time to process the annual business license renewal, which includes reviewing the businesses actions over the last year, including compliance with all of the conditions outlined in the business license.

The cannabis business license fees have been grouped into three categories based on the amount of staff time that will be required to process the applications. The most time consuming applications will be for adult-use retail, medical dispensary, and consumption area licenses, because these licenses have a number of conditions (some of which are complex) and will require review by a variety of parties.

Delivery licenses for businesses located in the City will require somewhat less extensive review and delivery licenses for businesses located outside of the City will be even less.

The following table shows staff's average estimated hours to complete the processes outlined above. Staff has developed these estimates based on their knowledge of the application process, the length and complexity of applications that have been submitted to other jurisdictions (some jurisdictions have received very lengthy and detailed applications), and staff's experience with the existing medical marijuana dispensaries in the City. All hourly rates are based on a Cost Allocation Plan and Comprehensive Fee Study that was completed in 2016 and approved by the City Council. The rates that are shown include an employee's hourly base salary, all benefits, overhead, and a portion of the costs for internal divisions that support the external divisions performing the work associated with the fees (and example of an internal division that supports external divisions is the Accounting and Payroll Division).

Adult-Use, Medical Dispensary, and Consumption Area License Fees

Application Fee for Cannabis Business License (Adult-Use Retail, Medical Dispensary, and Consumption Areas)	Community Development Staff	Assistant City Attorney	Code Compliance Manager	Code Compliance Supervisor	Business License Officer	Other City Managers (or Equivalent Positions)	
<i>Fully Burdened Hourly Rate (includes base salary, benefits, overhead, and the cost of internal divisions and support the work of the external division)</i>	\$275	\$250	\$290	\$175	\$150	\$270	
General Questions/Pre-Submittal Meetings (Hours)	1	0	1	0	0	0	
Initial Review of Submitted Applications (Verify they are complete) (Hours)	1	0	1	0	1	1	
Application Review Committee (Minimum of three committee members review applications) (Hours)	4	5	2	0	0	20	
	\$1,650	\$1,250	\$1,160	\$0	\$150	\$5,670	\$9,880 Total

Initial Business License Fee - First Year (Adult-Use Retail, Medical Dispensary, and Consumption Areas)	Community Development Staff	Assistant City Attorney	Code Compliance Manager	Code Compliance Supervisor	Business License Officer	Other City Managers (or Equivalent Positions)	
<i>Fully Burdened Hourly Rate (includes base salary, benefits, overhead, and the cost of internal divisions and support the work of the external division)</i>	\$275	\$250	\$290	\$175	\$150	\$270	
Business License Commission Hearing Preparation (Staff Report, Etc.) (Hours)	1	1	4	2	2	1	
Business License Committee Hearing (Hours)	0	2	2	2	0	0	
	\$275	\$750	\$1,740	\$700	\$300	\$270	\$4,035 Total

Business License Annual Renewal Fee (Adult-Use Retail, Medical Dispensary, and Consumption Areas)	Community Development Staff	Assistant City Attorney	Code Compliance Manager	Code Compliance Supervisor	Business License Officer	Other City Managers (or Equivalent Positions)	
<i>Fully Burdened Hourly Rate (includes base salary, benefits, overhead, and the cost of internal divisions and support the work of the external division)</i>	\$275	\$250	\$290	\$175	\$150	\$270	
License Renewal Review (Hours)	0	1	3	2	4	0	
	\$0	\$250	\$870	\$350	\$600	\$0	\$2,070 Total

Cannabis Delivery License Fees (Business Located in the City)

Application Fee for Cannabis Delivery Business License (Business Located in the City)	Community Development Staff	Assistant City Attorney	Code Compliance Manager	Code Compliance Supervisor	Business License Officer	Other City Managers (or Equivalent Positions)
<i>Fully Burdened Hourly Rate (Includes base salary, benefits, overhead, and the cost of internal divisions and support the work of the external division)</i>	\$275	\$250	\$290	\$175	\$150	\$270
General Questions/Pre-Submittal Meetings (Hours)	1	0	1	0	0	0
Initial Review of Submitted Applications (Verify they are complete) (Hours)	1	0	1	0	1	0
Application Review Committee (Minimum of three committee members review applications) (Hours)	1	3	1	0	0	9
	\$825	\$750	\$870	\$0	\$150	\$2,430
						\$5,025 Total

Initial Cannabis Delivery Business License Fee - First Year (Business Located in the City)	Community Development Staff	Assistant City Attorney	Code Compliance Manager	Code Compliance Supervisor	Business License Officer	Other City Managers (or Equivalent Positions)
<i>Fully Burdened Hourly Rate (Includes base salary, benefits, overhead, and the cost of internal divisions and support the work of the external division)</i>	\$275	\$250	\$290	\$175	\$150	\$270
General Questions (Hours)	0	0	1	0	1	0
Business License Commission Hearing Preparation (Staff Report, Etc..) (Hours)	0	1	1	1	1	0
Business License Committee Hearing (Hours)	0	2	2	2	0	0
	\$0	\$750	\$1,160	\$525	\$300	\$0
						\$2,735 Total

Cannabis Delivery Business License Annual Renewal Fee (Business Located in the City)	Community Development Staff	Assistant City Attorney	Code Compliance Manager	Code Compliance Supervisor	Business License Officer	Other City Managers (or Equivalent Positions)
<i>Fully Burdened Hourly Rate (Includes base salary, benefits, overhead, and the cost of internal divisions and support the work of the external division)</i>	\$275	\$250	\$290	\$175	\$150	\$270
License Renewal Review (Hours)	0	1	1	1	2	0
	\$0	\$250	\$290	\$175	\$300	\$0
						\$1,015 Total

Cannabis Delivery License Fees (Business Located Outside of the City)

Initial Cannabis Delivery Business License Fee - First Year (Business Located Outside of the City)	Community Development Staff	Assistant City Attorney	Code Compliance Manager	Code Compliance Supervisor	Business License Officer	Other City Managers (or Equivalent Positions)	
<i>Fully Burdened Hourly Rate (Includes base salary, benefits, overhead, and the cost of internal divisions and support the work of the external division)</i>	\$275	\$250	\$290	\$175	\$150	\$270	
License Application Review (Hours)	0	1	1	0	1	0	
	\$0	\$250	\$290	\$0	\$150	\$0	\$690 Total

Cannabis Delivery Business License Annual Renewal Fee (Business Located Outside of the City)	Community Development Staff	Assistant City Attorney	Code Compliance Manager	Code Compliance Supervisor	Business License Officer	Other City Managers (or Equivalent Positions)	
<i>Fully Burdened Hourly Rate (Includes base salary, benefits, overhead, and the cost of internal divisions and support the work of the external division)</i>	\$275	\$250	\$290	\$175	\$150	\$270	
License Renewal Review (Hours)	0	0	0.5	0	1	0	
	\$0	\$0	\$145	\$0	\$150	\$0	\$295 Total

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- A. Total Revised Revenue 2018: \$400,000 - \$500,000
 - B. Total Current Revenue 2017: \$15,000
 - C. Net Increase or (Decrease): \$385,000 - \$485,000