

ORDINANCE

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PALM DESERT, CALIFORNIA, APPROVING A ZONING ORDINANCE AMENDMENT FOR SECTIONS 25.16.030, 25.18.040, 25.28.070, 25.34.120, 25.68.020, AND 25.99.020 OF PALM DESERT MUNICIPAL CODE TITLE 25 AND MAKING A FINDING THAT THE ACTION IS EXEMPT FROM FURTHER ENVIRONMENTAL REVIEW PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)”

WHEREAS, Government Code Section 65800 et seq. provides for the amendment of any and all adopted City of Palm Desert (“City”) zoning laws, ordinances, rules and regulations; and

WHEREAS, the Zoning Ordinance Amendment (ZOA), Case No. ZOA 24-0002 is initiated by the Palm Desert Director of Community Development (Development Services) and modifies sections of the Palm Desert Municipal Code (PDMC) Title 25 (Zoning) to correct typos, to change and update land uses and definitions; and

WHEREAS, the City has complied with the requirements of the Local Planning and Zoning Law (Government Code section 65100 et seq.), and the City’s applicable ordinances and resolutions with respect to approval of amendments to Title 25 of the Palm Desert Municipal Code (“Zoning Ordinance”); and

WHEREAS, under Section 21067 of the Public Resources Code, Section 15367 of the State CEQA Guidelines (Cal. Code Regs., tit. 14, § 15000 et seq.), and the City of Palm Desert’s (“City’s”) Local CEQA Guidelines, the City is the lead agency for the Project; and

WHEREAS, the Project has complied with the requirements of the “City of Palm Desert Procedure for Implementation of CEQA” Resolution No. 2019-41, in that the Director of Development Services has determined that the Project will not have a foreseeable significant impact on the environment and that the Project is eligible for an exemption exempt Section 15061(b)(3) General Rule of the CEQA Guidelines; therefore, no further environmental review is necessary at this time; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred; and

WHEREAS, the Planning Commission of the City of Palm Desert, California, did on June 4, 2024, hold a duly noticed public hearing to consider the project and unanimously voted to adopt Planning Commission Resolution No. 2871 recommending the City Council approve the ordinance amendment as presented; and

WHEREAS, the City Council of the City of Palm Desert, California, did on June 27, 2024, hold a duly noticed public hearing to consider the recommendation of Planning Commission Resolution No. 2871 and the above noted project request; and

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WHEREAS, at the said public hearing, upon hearing and considering all testimony and arguments, if any, of all interested persons desiring to be heard, the City Council did find the following facts and reasons, which are outlined in the staff report, exist to justify approval of said request:

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PALM DESERT, CALIFORNIA DOES ORDAIN AS FOLLOWS:

SECTION 1. Findings. The City Council hereby finds that:

- A. The City of Palm Desert, California (“City”), a municipal corporation duly organized under the constitution and laws of the State of California; and
- B. The Planning and Zoning Law authorizes cities to establish by ordinance the regulations for land use and development.

SECTION 2. Amendment. The City Council of the City of Palm Desert does hereby approve and adopt the PDMC amendments to Title 25 as shown in “Exhibit A”, which is attached hereto and incorporated herewith.

SECTION 3. CEQA. The City Council finds that adoption of this ordinance is not a “project,” as defined in the California Environmental Quality Act (CEQA) because it does not have a potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and concerns general policy and procedures.

SECTION 4. Severability. If any section, subsection, subdivision, paragraph, sentence, clause, or phrase in this ordinance or any part thereof is for any reason held to be unconstitutional or invalid, or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase thereof irrespective of the fact that one (1) or more subsections, subdivisions, paragraphs, sentences, clauses, or phrases be declared unconstitutional, invalid, or ineffective.

SECTION 5. Project Approval. The City Council approval of Case No. ZOA24-0002 as depicted in Exhibit A, attached hereto; and

SECTION 6. Publication. The City Clerk of the City of Palm Desert, California, is hereby directed to publish a summary of this Ordinance in the Desert Sun, a newspaper of general circulation, published and circulated in the City of Palm Desert, California, and shall be in full force and effective thirty (30) days after its adoption.

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ADOPTED ON June 27, 2024.

KARINA QUINTANILLA
MAYOR

ATTEST:

ANTHONY J. MEJIA
CITY CLERK

I, Anthony J. Mejia, City Clerk of the City of Palm Desert, hereby certify that Ordinance No. ____ is a full, true, and correct copy, and was introduced at a regular meeting of the City Council of the City of Palm Desert on June 27, 2024, and adopted at a regular meeting of the City Council held on July ____, 2024, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSED:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Palm Desert, California, on _____.

ANTHONY J. MEJIA
CITY CLERK

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“EXHIBIT A”

ZONING ORDINANCE AMENDMENT

SECTION 1. Amendment to Palm Desert Municipal Code. Palm Desert Municipal Code Section 25.16.030 is hereby amended as follows:

25.16.030 Allowed Land Uses and Permit Requirements

Table 25.16-1 (Use Matrix for Commercial and Industrial Districts) identifies allowed uses and corresponding permit requirements for commercial and industrial districts and all other provisions of this title. Descriptions/definitions of the land uses can be found in Chapter 25.99 (Definitions). The “Special Use Provisions” column in the table identifies the specific chapter or section where additional regulations for the specific use type are located within this title.

Use regulations in the table are shown with representative symbols by use classification listing: “P” symbolizes uses permitted by right, “A” symbolizes uses that require approval of an administrative use permit, “C” symbolizes uses that require approval of a conditional use permit, and “N” symbolizes uses that are not permitted. Uses that are not listed are not permitted. However, the Commission may make a use determination as outlined in Section 25.72.020 (Use Determinations).

Table 25.16-1: Use Matrix for Commercial and Industrial Districts

Commercial/Industrial District							
(P=Permitted; A=Administrative Use Permit; C=Conditional Use Permit; N=Not Permitted)							
	OP	PC-1	PC-2	PC-3	PC-4	SI	Special Use Provisions
Residential Uses							
Caretaker housing	N	N	N	N	N	P	25.16.040.A
Condominium	C	C	C	N	C	C	25.16.040.B / 25.42
Dwelling, duplex	C	C	C	C	C	C	25.16.040.B
Dwelling, multifamily	C	C	C	C	C	C	25.16.040.B / 25.42
Dwelling, single-family	C	C	C	N	C	C	25.16.040.B
Group home	C	C	N	N	C	C	25.16.040.B / 25.42
Single-room occupancies	N	N	N	N	N	C	
Homeless shelter	N	N	N	N	N	P	
Recreation, Resource Preservation, Open Space, and Public Assembly Uses							
Amusement facility, indoors	N	N	C	C	C	N	
Amusement facility, outdoors	N	N	N	C	C	N	
Community facility	N	N	N	N	N	P	

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Commercial/Industrial District							
(P=Permitted; A=Administrative Use Permit; C=Conditional Use Permit; N=Not Permitted)							
	OP	PC-1	PC-2	PC-3	PC-4	SI	Special Use Provisions
Day care center	N	A	A	A	A	N	
Emergency shelters	N	P	N	N	N	P	
Entertainment facility, indoor	N	N	N	P	P	N	
Entertainment facility, outdoor	N	N	N	P	P	N	
Institution, educational	C	C	C	N	N	C	
Institution, general	C	N	C	N	N	C	
Institution, religious	C	N	C	N	N	C	
Open space (developed or natural)	N	P	P	N	P	N	
Recreation facility, commercial	N	N	P	P	P	N	
Recreation facility, private	N	N	N	P	P	N	
Theater/auditorium	N	N	P	P	N	N	
Utility, Transportation, Public Facility, and Communication Uses							
Commercial communication tower	C	C	C	C	C	C	25.16.040.C
Commercial parking lot	C	N	N	N	N	N	
Public utility installation	N	N	N	N	N	P	
Public facility (utility or service)	N	N	N	N	N	P	
Utility facility	N	N	C	N	N	P	
Retail, Service, and Office Uses							
Accessory massage establishment	P	N	P	P	P	N	25.34.160
Adult entertainment	N	N	N	N	N	C	25.16.040.D
Ancillary commercial	A	P	P	P	N	A	25.16.040.E
Art gallery	A	P	P	P	P	C	
Art studio	A	P	P	P	P	C	
Bed and breakfast	N	A	A	A	A	N	
Business support services	N	N	N	N	P	P	
Cannabis <u>Storefront</u> retail	N	C	C	C	C	N	25.34.120
Cannabis testing and research laboratory	<u>N</u>	N	N	N	N	<u>N</u>	25.34.120
Convention and visitors bureau	N	N	P	N	P	N	
Drugstore	N	P	P	P	N	N	
Financial institution	C	P	P	P	N	N	
Grocery store	N	P	P	P	N	N	25.16.040.F
Health club, gyms or studios	N	A	P	P	P	A	
Hotel	N	A	A	A	P	N	25.34.070
Independent stand-alone massage	N	N	P	P	N	N	25.34.160
Liquor store	N	P	P	P	N	N	
Liquor, beverage and food items shop	N	P	P	P	P	N	
Medical, clinic	P	N	P	P	N	N	
Medical, office	P	P	P	P	N	N	
Medical, hospital	N	N	N	N	N	C	
Medical, laboratory	P	N	N	N	N	P	
Medical office, accessory	N	N	N	N	N	P	25.16.040.G
Medical, research facility	P	P	N	N	N	C	
Mortuary	N	N	N	N	N	P	
Office, professional	P	N	P	P	P	P	
Office, local government	P	N	N	N	N	P	
Office, travel agency	P	P	P	P	P	N	
Outdoor sales	N	N	A	A	A	A	

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Commercial/Industrial District							
(P=Permitted; A=Administrative Use Permit; C=Conditional Use Permit; N=Not Permitted)							
	OP	PC-1	PC-2	PC-3	PC-4	SI	Special Use Provisions
Personal services	N	P	P	P	P	N	
Restaurant	A	A	A	A	P	A	25.16.040.E / H
Retail	N	P	P	P	P	N	
Retail, bulky items	N	N	N	P	P	N	
Spa	N	N	P	P	P	N	
Time-share project	N	N	N	C	C	N	
Veterinary clinics/animal hospitals	A	N	A	A	N	A	
Pet boarding	N	A	A	A	N	A	
Automobile and Vehicle Uses							
Automotive rental agency	N	N	N	N	P	P	
Automotive gasoline station	N	N	C	C	N	C	25.34.090
Automotive service facility	N	N	C	C	N	P	25.34.090
Automotive sales new and used (indoor)	N	N	N	N	N	A	
Automotive sales new and used (outdoor)	N	N	N	N	N	C	
Automotive sales of accessory parts and supplies	N	N	N	P	P	N	
Vehicle storage facility	N	N	N	N	N	P	25.16.040.I
Industrial, Manufacturing, and Processing Uses							
Cannabis cultivation	N	N	N	N	N	<u>N</u>	25.34.120
Cannabis delivery	N	N	N	N	N	<u>N</u>	25.34.120
Cannabis distribution	N	N	N	N	N	<u>N</u>	25.34.120
Cannabis manufacturing	N	N	N	N	N	<u>N</u>	25.34.120
<u>Cannabis Microbusiness</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>C</u>	25.34.120
Industrial planned unit development	N	N	N	N	N	P	
Light industrial and research and development	N	N	N	N	N	P	
Maintenance facility	N	N	N	N	N	P	
Pest control facility	N	N	N	N	N	P	
Preparation of foodstuffs	N	N	N	N	N	P	
Production of home and office decor accessories	N	N	N	N	N	P	
Warehouse or storage facility	N	N	N	N	N	P	
Temporary Uses	See Section 25.34.080						

1 The establishment may be permitted with an administrative use permit but may be elevated to a conditional use permit at the discretion of the ZA based on: parking, traffic, or other impacts.

SECTION 2. Amendment to Palm Desert Municipal Code. Palm Desert Municipal Code section 25.18.040 is hereby amended as follows:

25.18.040 Land Use and Permit Requirements

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Table 25.18-1 (Use Matrix for Downtown Districts) identifies allowed uses and corresponding permit requirements for the downtown districts and all other provisions of this title. Descriptions/definitions of the land uses can be found in Chapter [25.99](#) (Definitions). The special use provisions column in the table identifies the specific chapter or section where additional regulations for that use type are located within this title.

Uses that are not listed are not permitted. However, the Commission may make a use determination as outlined in Section [25.72.020](#) (Use Determinations).

TABLE 25.18-1. USE MATRIX FOR DOWNTOWN DISTRICTS

P = use permitted by right

A = use requires administrative use permit

C = use requires approval of conditional use permit

N = use not permitted

Land Use	Zone				Special Use Provisions
	D	D-O	DE	DE-O	
Residential Uses					
Accessory dwelling unit	P	P	P	P	25.34.030
Assisted Living	N	N	N	C	
Condominium	C ¹	C ¹	C	C	25.16.040.B
Dwelling, duplex	C ¹	C ¹	C	P	25.16.040.B
Dwelling, multifamily	C ¹	C ¹	C	P	25.16.040.B
Dwelling, single-family	C ¹	C ¹	C	N	25.16.040.B
Group home	C ¹	C ¹	C	N	25.16.040.B
Junior accessory dwelling unit	P	P	P	P	25.34.030
Home-based business	P ⁴	P ⁴	P ⁴	P ⁴	25.34.020
Agriculture-Related Uses					
Garden, private	C ¹	C ¹	N	P	
Greenhouse, private	N	N	C	P	
Horticulture, private	N	N	C	P	
Recreation, Resources Preservation, Open Space, and Public Assembly Uses					
Club, private	N	N	N	C	
Day care center	C ¹	C ¹	N	N	
Day care, large family	N	N	N	P	25.10.040.F
Day care, small family	N	N	N	P	
Institution, educational	N	N	C	C	
Institution, general	N	N	C	C	

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Land Use	Zone				Special Use Provisions
	D	D-O	DE	DE-O	
Institution, religious	N	N	C	C	
Mechanical or electronic games, ≤ 4	P ¹	P ¹	P	N	
Mechanical or electronic games, ≥ 5	C ^{1,2}	C ^{1,2}	C	N	
Recreational facility, incidental	N	N	N	C	25.10.040.H
Recreation facility, private	N	N	N	P	
Recreation facility, public	N	N	N	C	

Retail, Service, and Office Uses					
Accessory massage establishments	P	P	P	N	25.34.160
Ancillary commercial	N	N	A	N	25.16.040.E
Animal Clinic	<u>C^{1,6}</u>	<u>C^{1,6}</u>	<u>C^{1,6}</u>	<u>N</u>	25.34.210
Art gallery	P	P	P	A	
Art studio	P ¹	P ¹	A	A	
Book and card shops	P	P	N	N	
Bed and breakfast	N	N	C	C	
Cannabis <u>Storefront</u> retail	C	N	C	N	25.34.120
Cannabis testing and research laboratory	<u>N</u>	N	N	N	25.34.120
Clothing and apparel shops	P	P	P	N	
Convention and visitors bureau	P ¹	P ¹	C	N	
Drugstore	P ¹	P ¹	N	N	
Financial institution	P ¹	P ¹	C	N	
Furniture stores and home furnishings	P	P	P	N	
Gift and accessories boutiques (including small antiques)	P	P	P	N	
Grocery store < 35,000 SF	C ¹	C ¹	N	N	
Health club, gyms or studios	C ^{1,2}	C ^{1,2}	C ²	N	
Hotel	C	C	C	C	
Independent stand-alone massage establishments	P ¹	P ¹	C	N	25.34.160
Jewelry shops	P	P	P	N	
Liquor store	P ¹	P ¹	N	N	
Liquor, beverage and food items shop	P ¹	P ¹	N	N	
Luggage shops	P	P	P	N	
Medical, clinic	P ¹	P ¹	P	N	
Medical, office	P ¹	P ¹	P	<u>A⁵</u>	
Medical, hospital	P ¹	P ¹	C	C	
Medical, laboratory	N	N	P	N	
Mortuary	C ¹	C ¹	N	N	
Office, professional	P ³	P ³	P	<u>P³</u>	25.28.040.C

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Land Use	Zone				Special Use Provisions
	D	D-O	DE	DE-O	
Office, local government	P ¹	P ¹	P	N	
Office, neighborhood government	N	N	N	C	
Office, travel agency	P ³	P ³	P	N	25.10.040.K
Outdoor sales	A ¹	A ¹	A	N	
Personal services	P	P	P	N	
Restaurant	C ²	C ²	C ¹	N	25.16.040.H
Retail	P	P	P	N	
Retail, bulky items	P ¹	P ¹	C	N	
Retail, Golf carts and neighborhood electric vehicles (NEV)	C	N	C	N	25.34.190
Spa	P	P	P	C	
Sundries shops (general merchandise)	P	P	P	N	
Time-share project	C ¹	C ¹	N	N	
Utility, Transportation, Public Facility, and Communication Uses					
Fire station	C	C	C	C	
Commercial communication tower	C	C	C		
Commercial parking lot	P	P	C	C	25.10.040.I
Office parking lot	N	N	N	C	25.10.040.L
Public service facility	N	N	N	C	
Utility facility	N	N	N	C	
Utility installation	C	C	N	N	
Automobile and Vehicle Uses					
Automotive rental agency	P	P	C	N	
Automotive service station	C	C	N	N	
Temporary Uses	See Section 25.34.080				

- 1 Uses prohibited along El Paseo facing ground floor frontages.
- 2 The establishment may be permitted with an administrative use permit but may be elevated to a conditional use permit at the discretion of the ZA based on parking, traffic, or other impacts.
- 3 Office professional uses along El Paseo facing ground floor frontages within the El Paseo Overlay District may be allowed subject to a Conditional Use Permit per Section [25.28.040](#) El Paseo Overlay District.
- 4 Home Occupation Uses are permitted in residential dwelling units in approved residential and mixed-use developments.

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5. Medical Offices existing and operating with an appropriate City business license prior to 2023 are permitted by right to continue operating without requiring an Administrative Use Permit.

6. Use only permitted on properties with frontage along Highway 111.

SECTION 3. Amendment to Palm Desert Municipal Code. Palm Desert Municipal Code Section 25.28.070 is hereby amended as follows:

25.28.070 Freeway Commercial Overlay Zone

A. **Purpose and applicability.** The purpose of the Freeway Commercial Overlay Zone (FCOZ) district is to provide optional standards and incentives for the development of a variety of commercial uses. Whenever the FCOZ has been added to a base zone, the owner/applicant may choose whether to use the optional FCOZ standards or the standards of the base zone. In order to obtain approval of uses only permitted in the FCOZ, the project must utilize FCOZ standards.

B. **Conditional uses.** Uses permitted by approved conditional use permit shall be as follows:

1. Restaurants, general, including drive-through restaurants.
2. Automobile service stations without regard to the required separation distance provisions per Section [25.34.090](#) (Automotive Service Stations).
3. Convenience stores.
4. Car washes.
5. Combinations of 2 or more of the above uses.
6. Hotel.
7. Commercial recreation and amusement establishments.
8. Personal storage.
9. Outdoor recreational vehicle and boat storage.
10. Automotive Sales New and Uses (Outdoor). Automotive Sales New and Used (Indoor) may be permitted by administrative use permit in accordance with Chapter 25.64.

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C. **Development standards.** Projects proposed under this chapter shall be master planned and the master plan shall be approved by the Commission prior to any construction activity. The master plan approval is subject to the following:

1. Development of individual projects within the approved master plan shall be processed through the precise plan process.
2. Property to be master planned shall be at least 5 acres in size and shall have frontage on a designated arterial street.
3. Drive-up lanes and window facilities shall be designed in a manner that they are not visible from an arterial street.
4. Development standards shall generally be flexible to ensure efficient site planning and to foster the creation of attractive developments.
5. Automobile service stations shall comply with the requirements of Section [25.34.090](#) (Automotive Service Stations).

D. **Required on-site parking.** The required number of parking spaces for a combined development shall be cumulative for all proposed uses. The Commission may reduce the required parking where it is clearly demonstrated that a shared use will occur (i.e., a restaurant which serves a hotel), or with a showing of good cause, the Commission may increase the number of parking spaces required.

E. **Setbacks.** Setbacks shall be as prescribed in the base zone and/or automobile service stations pursuant to Section [25.34.090](#) (Automotive Service Stations).

F. **Landscaping.** All master planned projects approved through the FCOZ process shall provide a minimum of at least 30 percent landscaped open space, of which at least half of the common usable public space can include a picnic area, a dog park, or a kids land, as well as landscaped setback areas. With a showing of good cause, the Commission may decrease the minimum landscaped open space requirement. (Ord. 1324 § 7, 2017; Ord. 1303 § 5, 2016; Ord. 1302 § 4, 2016; Ord. 1259 § 1, 2013)

SECTION 4: Amendment to Palm Desert Municipal Code. Palm Desert Municipal Code Section 25.34.120 is hereby amended as follows:

25.34.120. Cannabis Business and Personal Cultivation.

A. **Purpose and intent.** It is the purpose and intent of this section to regulate the commercial cultivation, manufacturing, testing and research, distribution, delivery, retail sale and personal cultivation, of medicinal cannabis and non-medicinal adult- use cannabis within the City of Palm Desert. This section is prepared in accordance with the Compassionate Use Act of 1996 ("CUA"), the Medical Marijuana Program Act ("MMP"),

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and the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA") (collectively, "state law"), which give local jurisdictions the authority to establish land use regulations related to the personal and commercial uses of cannabis. Nothing in this chapter shall be construed to: (1) permit persons to engage in conduct that endangers others or causes a public nuisance; (2) permit the use or cultivation of cannabis beyond the limits established in state law related to cannabis; or (3) permit any activity relating to the cultivation, processing, sale, or distribution of cannabis that is illegal under state law, generally. Nothing in this chapter shall be construed to prohibit primary caregivers and qualified patients to lawfully act under state law.

B. Definitions. For the purpose of this chapter, the following definitions shall apply:

"Applicant" means an owner that applies for a conditional use permit under this chapter.

"Cannabis" means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin.

"Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this division, "cannabis" does not mean "industrial hemp" as defined by Section 11018.5 of the California Health and Safety Code.

"Cannabis products" means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.

"City" means the City of Palm Desert.

"Commercial cannabis business" means any business which engages in the medicinal or adult-use commercial cannabis activity authorized by this Chapter.

"Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.

"Daycare center" means any child day care facility other than a family day care home, and includes infant centers, preschools, extended day care facilities, and school-age child care centers.

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"Delivery" means the commercial transfer of cannabis or cannabis products to a customer. "Delivery" also includes the use by a retailer of any technology platform owned and controlled by the retailer.

"Distribution" means the procurement, sale, and transport of cannabis and cannabis products between entities permitted or licensed by the City and/or State of California.

"Dried flower" means all dead cannabis that has been harvested, dried, cured, or otherwise processed, excluding leaves and stems.

"Licensee" means the holder of any state issued license related to Commercial Cannabis Businesses, including, but not limited to, licenses issued under Division 10 of the California Business and Professions Code.

"Owner" means any of the following:

- (1) a person with an aggregate ownership interest of 20 percent or more in the person applying for the permit, unless such interest is solely a security, lien, or encumbrance;
- (2) the chief executive officer of a nonprofit or other entity;
- (3) a member of the board of directors of a nonprofit; or
- (4) an individual who will be participating in the direction, control, or management of the person applying for the permit.

"Non-Storefront retailer" is a business that is closed to the public and provides cannabis or cannabis product to customers solely by means of a delivery service which the retailer owns and controls.

"Permittee" means any person granted a conditional use permit under this chapter.

"Person" means any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular.

"Private residence" means a house, an apartment unit, mobile home, or other similar dwelling unit.

"Microbusiness" means a business that engages in at least three (3) of the following commercial cannabis activities:

1. Indoor cultivation of cannabis in an area less than 10,000 square feet on the same licensed premises.
2. Distribution.
3. Manufacturing, limited to packaging and labeling of dried flower.
4. Non-storefront retailer (delivery only).

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"Storefront Retail cannabis business" or "storefront retailer" or "Cannabis Storefront retail " means a business that sells cannabis or cannabis products to customers. Storefront retailers may also deliver cannabis or cannabis products to customers.

"Sell," sale," and "to sell" include any transaction whereby, for any consideration, title to cannabis is transferred from one person to another, and includes the delivery of cannabis or cannabis products pursuant to an order placed for the purchase of the same and soliciting or receiving an order for the same, but does not include the return of cannabis or cannabis products by a permittee or licensee to the permittee or licensee from whom such cannabis or cannabis product was purchased.

"State license" means a state license issued under Division 10 of the California Business and Professions Code.

"Youth center" means any public or private facility that is primarily used to host recreational or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club facilities, video arcades, or similar amusement park facilities.

C. Conditional use permit required.

1. The City may authorize a total of 6 conditional use permits for storefront retail cannabis businesses to operate in the City of Palm Desert. No more than 1 storefront retail cannabis business may locate on El Paseo, which must be located east of Larkspur Lane. If applications are submitted for a greater number of conditional use permits than are permitted by this section, selection among the applicants shall be made by a process, and subject to criteria, established by City Council resolution. Conditional use permits for all other commercial cannabis businesses shall be issued in accordance with the zoning and separation requirements established in this section. Prior to initiating operations and as a continuing requisite to operating a commercial cannabis business in the City, an applicant must obtain and maintain a valid conditional use permit, regulatory permit as required under Chapter 5.101, and a state license for each commercial cannabis business use authorized under the conditional use permit. Unless otherwise stated in this section, the provisions found in Section 25.72.050 Conditional Use Permit, shall apply.
2. Building permits for improvements associated with a commercial cannabis business may be issued once an applicant has obtained a conditional use permit and regulatory permit; however, a certificate of occupancy to operate will not be issued until said commercial cannabis business has obtained and provided proof of a state license for each commercial cannabis business use authorized under the conditional use permit.

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3. Changes in state license type, business owner, or operation will require an amendment to the approved conditional use permit.
4. A cannabis delivery service business with a physical address outside the City is not required to obtain a conditional use permit under this chapter, but is required to obtain a City business license.
5. This section does not apply to cannabis possession or use, as allowed by state law. Regulations regarding personal use can be found in Chapter 8.38.

D. Permitted locations and standards.

1. Commercial cannabis businesses may operate in the City's zoning districts as identified in Section 25.16.030 "Allowed Land Uses and Permits Requirements" and Section 25.18.040 "Land Use and Permit Requirements" of the Palm Desert Municipal Code, upon issuance of a conditional use permit, regulatory permit, state license, and subject to the following:
 - a. Storefront Retailers are conditionally permitted in the Planned Commercial ("PC") -1 District, PC-2 District, PC-3 District, PC-4 District, and Downtown (D) District. No more than 6 conditional use permits will be issued for retail cannabis businesses. No more than 3 retail cannabis businesses may locate on any single street, and no more than 1 retail cannabis business may locate on El Paseo, which must be located east of Larkspur Lane.
 - b. Distribution businesses are conditionally permitted in conjunction with a storefront retailer and the distribution activities shall be limited to the physical location that both uses occupy.
 - c. Microbusinesses are conditionally permitted in the SI district and shall be limited to one (1) conditional use permit.
2. Commercial cannabis businesses shall conform to the following separation requirements:
 - a. No conditional use permit shall be issued to a storefront retailer that is located within 1,500 feet of another approved commercial cannabis business. No more than 3 cannabis retailers will be permitted to operate on a single street.
 - b. A cannabis business within the Service Industrial zoning district shall be separated by 1,500 feet from another approved cannabis business.
 - c. No conditional use permit will be issued for commercial cannabis business located within 1,000 feet of a school providing instruction in kindergarten or

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any grades 1 through 12, daycare center, or youth center that is in existence at the time the license is issued.

d. All separation requirements will be measured from the outer extents of the commercial cannabis businesses lease space to the outer extents of another commercial cannabis businesses lease space, or to the property line of a school, daycare center and youth center.

3. Conditional use permit submittal requirements. In addition to the requirements listed in the conditional use permit, all commercial cannabis business applicants shall submit the following information:

a. Exterior façade. Renderings of the business façade shall be provided and reviewed as part of the conditional use permit. Building façade plans shall include renderings of the exterior building elevations for all sides of the building. All building façades shall be tastefully done and in keeping with the high architectural quality and standards of the City of Palm Desert. Because state law limits certain advertising, the business façade and building signs shall be compatible and complimentary to surrounding businesses and shall add visual quality to the area.

b. Energy and water assessments. Microbusinesses shall supply energy and water assessments for review as part of the conditional use permit process. These assessments shall estimate the total amount of annual electrical and water use required to operate the commercial cannabis business. Review of the assessment may require the applicant to supplement electrical and water use at the site to minimize adverse environmental impacts.

E. Grounds for permit denial, suspension, and revocation. Any conditional use permit issued pursuant to the provisions of this section may be denied, suspended, or revoked by the Planning Commission upon receiving satisfactory evidence that the applicant or permittee or owner, its agent(s), employee(s), or any person connected or associated with the applicant or permittee:

1. Has knowingly made false statements in the applicant's application or in any reports or other supporting documents furnished by the applicant;

2. Has failed to maintain a valid state license;

3. Has failed to comply with any applicable provision of the Palm Desert Municipal Code, including, but not limited to, this chapter, the City's building, zoning, and health and public safety regulations;

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4. Has failed to comply with any condition imposed on the conditional use permit; or

5. Has allowed the existence of or created a public nuisance in violation of the Palm Desert Municipal Code.

6. No conditional use permit will be issued where commercial cannabis businesses are prohibited by covenants, conditions, and restrictions (CC&Rs) that clearly prohibit such use. For buildings located in any area governed by CC&Rs, the applicant must additionally submit a statement certifying that any applicable CC&Rs do not prohibit the use for which the applicant is seeking approval.

F. Personal cultivation. City residents are permitted to cultivate cannabis on private residential property for personal use and in accordance with MAUCRSA, subject to the following standards:

1. Outdoor cultivation.

a. Cultivation for personal use is only permitted on private residential property developed with at least 1 residential dwelling unit. No more than 6 plants are permitted to be cultivated at a private residence. Property owners retain the ability to prohibit renters from cultivation and any renter choosing to cultivate shall first obtain written authorization from the property owner to cultivate on site.

b. Outdoor cultivation is limited to rear and side yard areas and only if screened by a solid block wall no less than 6 feet in height.

c. Outdoor cultivation shall not be visible from surrounding public streets or adjoining properties. As such, cannabis plants may not grow above the height of the property line walls unless screened by another approved screening method.

d. Outdoor cultivation within 600 feet of a school, daycare center, or youth center is prohibited.

2. Indoor cultivation.

a. Indoor cultivation must have adequate ventilation. Structural, ventilation, electrical, gas, or plumbing changes to accommodate indoor cultivation are required to obtain a building permit from the City's Building and Safety Department.

b. The use of volatile solvents, as defined in Section 11362.3d of the California Business and Professions Code, including, but not limited to, butane, propane,

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xylene, gasoline, kerosene, and other dangerous and poisonous toxins or carcinogens, are prohibited for indoor cultivation at a private residence.

G. Application fee and reimbursement agreement. At the time an applicant submits an application under this section, the applicant shall also supply an application fee in an amount to be determined by resolution by the City Council, an executed reimbursement agreement on a form provided by the City to fully reimburse the City for all costs, expenses, and fees, including, but not limited to, attorney fees and consultant fees, incurred by the City related to the commercial cannabis business, and a deposit in an amount as provided for in the reimbursement agreement terms.

H. Prohibited operations. Any commercial cannabis business that does not have: (1) an approved conditional use permit; (2) a regulatory permit required under this code; and (3) a state license is expressly prohibited in all City zones and is hereby declared a public nuisance that may be abated by the City and is subject to all available legal remedies, including, but not limited to, civil injunctions.

I. Violations and penalties.

1. In addition to any other remedy allowed by law, any person who violates a provision of this chapter is subject to criminal sanctions, civil actions, administrative penalties, permit suspension, and permit revocation, if applicable.

2. Violations of this chapter constitute an infraction or misdemeanor and may be enforced by any applicable law.

3. Violations of this chapter are hereby declared to be public nuisances.

4. Each person is guilty of a separate offense each day a violation is allowed to continue and every violation of this chapter shall constitute a separate offense and shall be subject to all remedies.

5. All remedies prescribed under this chapter shall be cumulative and the election of one or more remedies shall not bar the City from the pursuit of any other remedy for the purpose of enforcing the provisions hereof.

SECTION 5: Amendment to Palm Desert Municipal Code. Palm Desert Municipal Code Section 25.68.020 is hereby amended as follows:

25.68.020 Design Review Required

A. **Purpose and applicability.** Design review allows for specified projects to be reviewed by the ARC to ensure that design objectives of Palm Desert as specified in the General Plan are achieved. Design review is required, as follows:

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1. Prior to permit issuance. No plan, elevation for buildings or structures, or alterations shall be approved and no permit shall be issued for any building, structure, sign, or other development of property or appurtenances or alterations thereto, except in single-family residential districts and developments subject to Objective Design Standards requirements of Chapter 25.42, without review and approval by the ARC.
2. The ARC shall review all plans submitted with applications for moving buildings within or into the City. Photographs shall be included with the application showing all elevations, the structure proposed to be moved, the proposed site, and the buildings adjacent to the proposed site. The ARC shall determine whether the building proposed to be moved will fit harmoniously into the neighborhood wherein it is to be located. It may approve, approve with conditions, or disapprove the issuance of a permit to move such building.
3. The ARC shall review all plans for new two-story residential dwellings and second story additions within the R-2 Zoning District as required by Table 25.10-3 (Residential Zoning District Development Standards) to ensure second stories are compatible with surrounding homes including massing, materials, and considers privacy of adjacent neighbors. The ARC design review shall include the following:
 - a. The mass and bulk of the design should be reasonably compatible with the predominant neighborhood pattern. New construction should not be disproportionately larger than, or out of scale with, the neighborhood pattern in terms of building forms, roof pitches, eave heights, ridge heights, and entry feature heights.
 - b. Placement of windows and doors should have minimal impact to the neighboring property.
 - c. Line of sight analysis shall be provided.
 - d. To mitigate privacy impacts of new two-story homes and additions, tree and/or shrub planting is required.
 - i. Applicability. These requirements shall apply to new two-story homes, two-story additions, and/or new windows on existing two-story homes that increase privacy impacts on neighboring residents.
 - e. Planting plan. Proposals for new two-story homes, two-story additions, and/or new windows on existing two-story homes shall be accompanied by a planting plan which identifies the location, species and canopy diameter of existing and proposed trees or shrubs to meet the requirements.

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SECTION 6. Amendment to Palm Desert Municipal Code. Palm Desert Municipal Code Section 25.99.020 Land Use Definitions is hereby amended with the following removals and additions to the existing section:

~~**Automotive sales new and used (outdoor/indoor).** A commercial establishment selling and/or renting new and/or used automobiles, boats, vans, campers, trucks, mobile homes, recreational and utility trailers, motorized farm equipment, motorcycles, mopeds, snowmobile and jet skis. The sales of all automotives can take place outdoors or indoors. These uses include parts for sale and repair shops only when part of a dealership selling new vehicles on the same site. These uses do not include service stations, which are separately defined.~~

Automotive sales new and used (indoor). A commercial establishment selling and/or renting new and/or used automobiles, boats, vans, campers, trucks, mobile homes, recreational and utility trailers, motorized farm equipment, motorcycles, mopeds, snowmobile and jet skis. The sales of all automotives occurs only indoors within an enclosed commercial building. Displays located outside of a building are not included. These uses include parts for sale and repair shops only when part of a dealership selling new vehicles on the same site. These uses do not include service stations, which are separately defined.

Automotive sales new and used (outdoor). A commercial establishment selling and/or renting new and/or used automobiles, boats, vans, campers, trucks, mobile homes, recreational and utility trailers, motorized farm equipment, motorcycles, mopeds, snowmobile and jet skis. The sales of all automotives can take place outdoors or indoors. These uses include parts for sale and repair shops only when part of a dealership selling new vehicles on the same site. These uses do not include service stations, which are separately defined.