

2024 - Zoning Ordinance Bundle Amendments

PALM DESERT CITY COUNCIL
STUDY SESSION – MAY 23, 2024



Purpose

Receive input on Staff's recommended Zoning Ordinance Amendments – Initiated by Director of Development Services

“Clean-Up” Items

1. Auto Sales in Freeway Commercial Overlay Zone (FCOZ)
2. Architectural Review Commission review of Second Story Additions
3. Commercial Cannabis update based on January 11, 2024 City Council Direction

Auto Sales in Freeway Commercial Overlay

Revise the ordinance to clean up previous omissions

- January 2016 - Ordinance 1302 and 1303 – Added auto sales as allowed use
- November 2016 – Ordinance 1324 – Removed Use in a scrivener's error

Proposed Update

- Amend Overlay to add Auto-sales as allowed use
- Amend the commercial land use table
- Indoor Auto Sales = AUP approved by Zoning Administrator for consistency with 2022 Broker's Report
- Outdoor Auto Sales = CUP approved by Planning Commission

ARC – Review of 2 Story Homes

- ARC review required for two-story homes and additions which expand, or add a second story
- Ordinance 1383 was codified incorrectly
- Proposed change adjusts the subsection formatting to capture the original intent

Commercial Cannabis Update

A. Prohibit the following types of cannabis businesses:

- Cannabis testing or research laboratories (no CUPs approved)
- Commercial cultivation businesses (no CUPs approved)
- Manufacturing businesses (one CUP approved, 5/21/2024 revocation hearing)
- Distribution businesses (no CUPs approved).
 - Exception for “accessory” distribution associated with a licensed retail business for on-site sales only through a CUP.
- Royal Highness has a distribution license through a CUP amendment in addition to the retail license, to package and relabel “cannabis flower” to buy in bulk and package on-site, reducing costs. Sales not limited to the Highway 111 location and would be “grandfathered”

Commercial Cannabis Update

B. Define Microbusiness and allow one (1) conditionally permitted in the SI district.

Cannabis 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*
- 4. Non-storefront retailer (delivery only) [NOTE: Cannabis retail is prohibited in SI]*

West Coast Cannabis was approved as a microbusiness and has storefront retail and Type 6 (non-volatile) manufacturing and would be “grandfathered”.

Commercial Cannabis – Policy Consideration

The California Department of Cannabis Control (DCC) has two retail licenses:

- 1) Type 9: non-storefront retailer (delivery only) - A non-storefront retailer sells cannabis goods to customers only through delivery.
- 2) Type 10: storefront retailer - A storefront retailer has a physical location where cannabis goods are sold. Storefront retailers can also deliver cannabis goods.

The zoning code defines "retail cannabis business" as a business that sells and/or delivers cannabis or cannabis products to customers, and limits retail businesses to a maximum of six (6).

Delivery only businesses (non-storefront retailer) are conditionally permitted in the SI zoning district with no limitations other than a 1,500-foot separation from another cannabis business or school, daycare, or youth center.

Commercial Cannabis – Policy Consideration

Policy Question:

Is the intent to allow an unlimited number of delivery (non-storefront retailer) businesses or should this type of retail be subject to the six-retail business maximum?

Currently there are no licensed delivery-only retailers in the city and existing retail cannabis businesses can provide deliveries in accordance with state law.



Discussion
