

Washoe County Planning Commission



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Development Code Amendment
WDCA22-0003 – Cannabis
Consumption Lounges

December 6, 2022

Chad Giesinger, Planning Manager Planning and Building Program

cgiesinger@washoecounty.gov

775-328-3626



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Proposed ordinance amendments to WCC Chapter 110 (aka Development Code) to enable cannabis consumption lounges in unincorporated Washoe County as authorized by AB 341 (2021) and NRS Chapters 678A-D, and as directed by the Board of County Commissioners.

Background



- The concept of cannabis consumption lounges has been debated ever since medical and recreational (adult use) cannabis became legal in Nevada
- Since legalization, consumption of cannabis has only been allowed in private homes or on private property
- Dilemma for out of state visitors or for members of the public who are prohibited from consuming cannabis in their private residence
- During the 2021 legislative session, Assembly Bill (AB) 341 was passed to address consumption (and social equity) issues

Background



- AB 341 authorized the licensure and regulation of cannabis consumption lounges; and,
- Directed the Cannabis Compliance Board (“CCB”) to adopt implementing regulations, including social equity provisions
- The CCB approved Nevada Cannabis Compliance Regulation (“NCCR”) #15 on June 28, 2022
- Local governments are not required to allow consumption lounges – local regulations can be more restrictive than CCB but not less

- The final regulations included requirements for (among other items):
 - ❑ The location of retail lounges;
 - ❑ Product procurement and storage methods;
 - ❑ Employee training and consumer education;
 - ❑ Product types and serving sizes;
 - ❑ Indoor air quality, ventilation standards, and consumption visibility;
 - ❑ Health standards for food preparation and service;
 - ❑ Incident reporting, impaired driving mitigation (NCCR 15.080), and sanitation;
 - ❑ The criteria for issuing licenses for independent consumption lounges.

- At its September 20, 2022, meeting, the Board of County Commissioners directed staff to initiate regulations that would:
 - ❑ Allow cannabis consumption lounges in unincorporated Washoe County
 - ❑ Allow both types of lounges authorized by NRS (i.e. retail and independent)
 - ❑ Not be more restrictive than NRS regarding the location and number of lounges allowed; and,
 - ❑ Potentially allow outdoor consumption areas (up to local governments to decide – some state regulations in NCCR 15.090)

- At the October 11, 2022, BCC meeting, the Board voted to initiate county code amendments that would:
 - ❑ Implement the Board's September 20th policy direction regarding cannabis consumption lounges
 - ❑ Amend Washoe County Code Chapter 25 (Business Licenses, Permits and Regulations) to add consumption lounge regulations
 - ❑ Amend Chapter 110 (Development Code) to add consumption lounges as an allowed use and create development standards; and,
 - ❑ Update all matters necessarily connected therewith and pertaining thereto (mostly affecting WCC Chapter 25)

Background

- Staff has drafted code amendments to WCC Chapter 110 that would allow cannabis consumption lounges to be established
- Amendments to WCC Chapter 25 (Business Licenses) are still being drafted by staff and reviewed by legal
- The Planning Commission may recommend approval, denial, or modification of the proposed amendments to WCC Chapter 110
- The Board of County Commissioners (BCC) will adopt necessary amendments to WCC Chapter 25

Retail Consumption Lounges



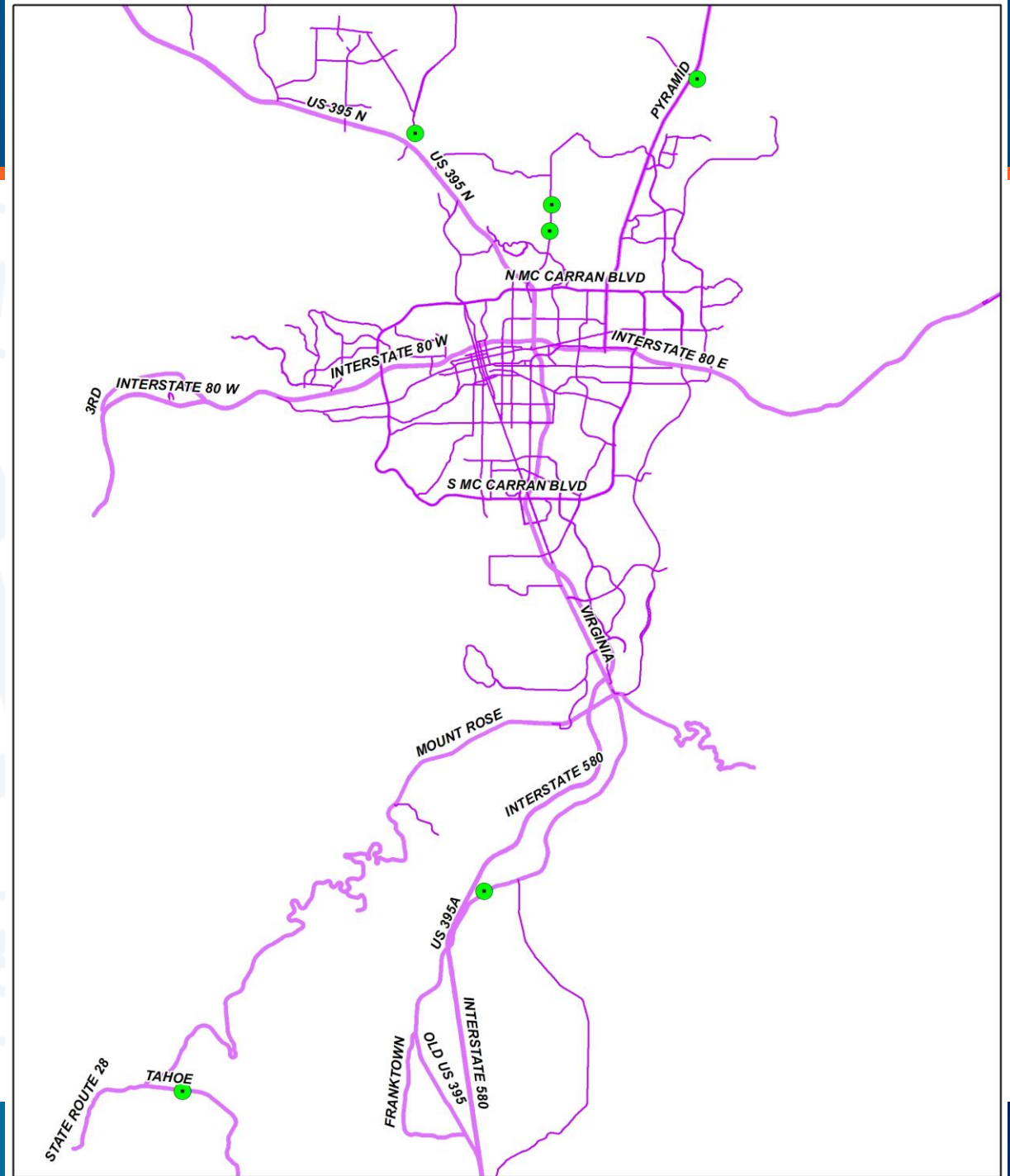
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- Must be affiliated with an existing licensed adult use cannabis retail/medical dispensary
- Existing license holder must therefore apply for and be the consumption lounge licensee
- Per NRS, total # of lounges allowed by jurisdiction is currently limited to # of existing retail dispensaries (6 currently exist in UIC)
- Must be materially attached to or immediately adjacent to the dispensary facility (adjacent meaning on the same parcel or on a property sharing a common property line) – not across a street

Location of Existing Retail Dispensaries

6 Facilities Operating (max currently allowed by State in UIC)

- 2 in Sun Valley
- 1 in Spanish Springs
- 1 in Lemmon Valley
- 1 in Washoe Valley
- 1 in Incline Village



Location of Existing Retail Dispensaries



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SUN VALLEY



LEMMON VALLEY



TAHOE



SPANISH SPRINGS



WASHOE VALLEY



Independent Consumption Lounges



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- Stand-alone facilities in a location not associated with an existing retail dispensary
- Limited to the number equal to the total number of retail lounges in the state (and a given jurisdiction); however,
- In the first application round the State will limit the # of independent lounge licenses issued to 20 total statewide
- 50% of the licenses must be awarded to “social equity” applicants
- The state will select qualified/vetted applicants via random number generator and based on social equity score

State / CCB Licensing Parameters



- First round of licensing opened this fall (Oct. 14-27, 2022)
- The CCB received a total of 99 applications statewide, most of which were for independent lounges
- On Nov. 30, 2022, the state selected applicants and awarded a total of 40 prospective licenses (20 independent and 20 retail)
- One retail lounge license was awarded in Washoe County (to the dispensary in Washoe Valley)
- All independent lounge licenses were awarded to southern NV

Existing Regulations



- WCC Chapters 25 (Business License) and 110 (Development Code)
- Chapter 25 contains existing operating and application regulations – will be updated to reflect recent legislative action

Commercial Use Types (Section 110.304.25)	LDR	MDR	HDR	LDS/ LDS 2	MDS/ MDS 4	HDS	LDU	MDU	HDU	GC	NC	TC	I	PSP	PR	OS	GR	GRA
Marijuana Establishments																		
Marijuana Cultivation Facility	--	--	--	--	--	--	--	--	--	A	--	--	A	--	--	--	--	--
Marijuana Product Manufacturing Facility	--	--	--	--	--	--	--	--	--	A	--	--	A	--	--	--	--	--
Marijuana Testing Facility	--	--	--	--	--	--	--	--	--	A	--	--	A	--	--	--	--	--
Retail Marijuana Store/ Medical Dispensary	--	--	--	--	--	--	--	--	--	A	A	A	A	--	--	--	--	--
Marijuana Distributor	--	--	--	--	--	--	--	--	--	A	--	--	A	--	--	--	--	--

- Article 302 (Allowed Uses): By adding new uses to Table 110.302.05.3 to allow retail and independent cannabis consumption lounges
- Article 304 (Use Classification System) by adding use definitions for retail and independent cannabis consumption lounges
- Article 410 (Parking and Loading) by adding parking standards to Table 110.410.10.3 for retail and independent cannabis consumption lounges; and,
- All matters necessarily connected therewith and pertaining thereto

Article 304.25 Commercial Use Type Definitions

- (6) Retail Cannabis Consumption Lounge. A retail cannabis consumption lounge, as defined by NRS 678A.237, means a business that:**
- (a) Is licensed by the Cannabis Compliance Board pursuant to [NRS 678B.250](#);**
 - (b) Is attached or immediately adjacent to an adult-use cannabis retail store; and**
 - (c) Allows single-use cannabis products or ready-to-consume cannabis products to be consumed on the premises of the business by persons 21 years of age or older.**
- (7) Retail Cannabis Consumption Lounge with Outdoor Area. A retail cannabis consumption lounge with outdoor area means a business that meets the same requirements of sub-section (6) above, but also has an approved outdoor consumption area meeting the requirements of the Washoe County Health District and WCC Chapter 25.**

Article 304.25 Commercial Use Type Definitions (Continued)

- (8) Independent Cannabis Consumption Lounge. An independent cannabis consumption lounge, as defined by NRS 678A.157, means a business that:**
- (a) Is licensed by the Cannabis Compliance Board pursuant to [NRS 678B.250](#);**
 - (b) Is not attached or immediately adjacent to an adult-use cannabis retail store; and**
 - (c) Allows single-use cannabis products or ready-to-consume cannabis products to be consumed on the premises of the business by persons 21 years of age or older.**
- (9) Independent Cannabis Consumption Lounge with Outdoor Area. An independent cannabis consumption lounge with outdoor area means a business that meets the same requirements of sub-section (8) above, but also has an approved outdoor consumption area meeting the requirements of the Washoe County Health District and WCC Chapter 25.**

Proposed Amendments / Regulations



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Article 410 (Parking and Loading) Commercial Uses Table 110.410.10.3

	Per 1,000 Square Feet Building Space	Per Employee During Peak Employment Shift	Other
Building Maintenance Services	2		
<u>Marijuana Cannabis Establishments</u>			
<u>Marijuana Cannabis Cultivation Facility</u>		1	
<u>Marijuana Cannabis Production Manufacturing Facility</u>		1	
<u>Marijuana Testing Facility Cannabis Independent Testing Laboratory</u>		1	
<u>Retail Marijuana Adult Use Cannabis Retail Store/Medical Dispensary</u>	5	1	
<u>Retail Cannabis Consumption Lounge</u>	5	1	<u>Conversion of existing square footage within the associated adult use cannabis retail store is exempt.</u>
<u>Retail Cannabis Consumption Lounge – with Outdoor Area</u>	5	1	<u>Conversion of existing square footage within the associated adult use cannabis retail store is exempt.</u>
<u>Independent Cannabis Consumption Lounge</u>	5	1	
<u>Independent Cannabis Consumption Lounge – with Outdoor Area</u>	5	1	

CAB Input / Agency Outreach



- Due to the expedited adoption timeline directed by the BCC, it was not possible to conduct extensive public and agency outreach
- However, staff was able to hold an “all Citizen Advisory Board (CAB)” workshop on November 7, 2022 – see next slide for summary
- The Washoe County Health District (WCHD) has reached an agreement that the CCB will take lead responsibility for enforcement of health-related regulations in consumption lounges
- Staff has not received any specific comments, recommendations, or concerns from the Sheriff’s Office (to date)

Summary of CAB Input



- Safety concerns about impaired driving
- Concerns over spending additional enforcement resources
- Opposition to consumption lounges in Incline Village/Crystal Bay
- Concerns about the speed of ordinance adoption and limited public input
- Concerns about smoking areas and food service (which is currently prohibited for tobacco)
- Will OSHA regulations apply to lounges – workplace safety concerns
- Industry concerns that the full range of potential consumption lounge activities are not currently being considered (e.g., live entertainment, food pairing, and weddings/events) – reconsider after initial adoption

Amendment Adoption Timeline



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- Planning Commission: December 6, 2022 – public hearing to deny or recommend approval to the BCC (WCC Chapter 110 only)
- BCC First Reading of Ordinance: January 10, 2023 – Introduction of ordinance and bill number assignment; Both WCC Chapter 110 and Chapter 25 amendments
- BCC Second Reading and Adoption of Ordinance: January 24, 2023 – If passed, effective 20 days after

Staff recommends that the Planning Commission recommend approval of WDCA22-0003, to amend the Development Code as described in this staff report, with the details provided in Attachment A-1.

Washoe County Code Section 110.818.15(e) requires the Planning Commission to make at least one of the following findings of fact:

1. Consistency with Master Plan
2. Promotes the Purpose of the Development Code
3. Response to Changed Conditions
4. No Adverse Effects

Possible Motion *(Page 7 of SR)*



I move that, after giving reasoned consideration to the information contained in the staff report and information received during the public hearing, the Washoe County Planning Commission recommend approval of WDCA22-0003, to amend Washoe County Code Chapter 110 (Development Code), Articles 302, 304, and 410 as reflected in the proposed ordinance contained in Attachment A-1. I further move to authorize the Chair to sign the resolution contained in Exhibit A on behalf of the Planning Commission and to direct staff to present a report of this Commission's recommendation to the Board of County Commissioners within 60 days of today's date. This recommendation for approval is based on the four findings within Washoe County Code Section 110.818.15(e).

**Chad Giesinger,
Planning Manager
Planning and Building
Program**

cgiesinger@washoecounty.gov

775-328-3626



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Thank you

