

STAFF REPORT

Date: October 12, 2022

To: Mayor and City Council

Thru: Doug Thornley, City Manager

Subject: **Staff Report (For Possible Action): Ordinance Introduction - Bill No. _____ Case No. TXT23-00001 (Title 18 – Cannabis, Package Alcohol, Live Entertainment, Adult Business) Request to amend Reno Municipal Code Title 18, “Annexation and Land Development”, specifically in Chapter 18.03 “Use Regulations” Section 18.03.206 “Table of Allowed Uses”, Section 18.03.304 “Commercial Uses”, Section 18.03.306 “Industrial Uses”, Section 18.03.405 “Standards for Specific Accessory Uses”, and Chapter 18.09 “Rules of Construction and Definitions” Section 18.09.303 “Commercial Uses”, and Section 18.09.306 “Accessory Uses”, in order to revise locational requirements for cannabis uses, amend regulations for package alcohol sales for general retail and accessory uses, to amend standards for daytime and live entertainment uses and to add the locational criteria for adult businesses in the Mixed Employment zoning district; together with matters which pertain to or are necessarily connected therewith.**

From: Angela Fuss

Department: Development Services

Summary: This is a request to amend multiple sections in Reno Municipal Code Title 18 to resolve inconsistencies as part of a larger Code clean-up. This text amendment is specific to use regulations and definitions pertaining to cannabis spacing, package alcohol, live entertainment, and adult businesses. The proposed changes help to clarify the use-standards, clean up conflicts with the previous zoning code and align the Title 18 Code provisions with the regulations in Title 5.

Alignment with Strategic Plan:

Economic and Community Development

Previous Council Action:

June 8, 2022 – Council initiated a text amendment to the Reno Municipal Code Title 18 Annexation and Land Development to address outstanding clean-up items including grammatical

errors, inconsistencies with regulations and unintended deletions or insertions.

January 13, 2021 - Council adopted Ordinance #6587 – Title 18 Annexation and Land Development Code of the City of Reno.

Background: Since adoption of the Title 18 Annexation and Land Development Code in January of 2021, staff has been tracking areas within the Code that need to be amended. While the overall tracking of Code clean-ups is much longer and broader, these four areas (cannabis, package alcohol, live entertainment, and adult business uses) have been addressed first because they impose challenges in administering the Code that have slowed the ability for businesses to be able to operate and have created unintended consequences with adjacent sensitive uses (e.g. in the case of where adult businesses are permitted to locate).

Discussion: At the September 7, 2022 Planning Commission public hearing, staff presented an overview of the proposed text amendment. One member of the public, Will Adler, spoke in favor of the proposed changes to the cannabis regulations. Staff provided a detailed review of each proposed text amendment in the September 7, 2022 staff report (Exhibit A). The Planning Commission comments have been summarized below.

Cannabis Comments:

The Commissioners had no comments on the proposed changes impacting cannabis.

Package Alcohol:

Johnson asked for clarification that the triggers for discretionary review do not change for the primary use, such as a bar or restaurant requiring a conditional use permit. Staff confirmed that the proposed changes to package alcohol as an accessory use have no impact on the primary use requirements.

Villanueva expressed concern that the proposed change to modify the discretionary review process for package alcohol as an accessory use from a conditional use permit to a minor conditional use permit would no longer require a public hearing. She preferred the conditional use permit process because it provides more transparency and allows the public to attend a public hearing and voice their concerns.

Live Entertainment:

Drakulich asked why 11 p.m. was selected as the end time for live entertainment when allowed by-right. Staff shared that hours of operation are typically limited to 11 p.m., unless approved for extended hours through a conditional use permit. Staff also highlighted that certain parts of the City, including Downtown and Midtown, are allowed to operate past 11 p.m. by-right, so the proposed requirement to only allow live entertainment up until 11 p.m. would impact those

businesses that already are allowed to have extended hours. New businesses would be required to go through a conditional use permit process to allow live entertainment past 11 p.m. and each business and use could be looked at on an individual basis. Drakulich expressed concern that this could hinder small business by adding additional cost and time to go through a conditional use permit, when they are already allowed to operate past 11 p.m. A possible solution was to allow live entertainment hours to be expanded to align with the hours that the business is approved to be open.

Johnson asked for clarification on how the proposed text amendment would impact special events. Staff explained that special events are permitted through a separate process that is administered through either a Special Event Permit or a Special Activity Permit and would not have to follow the live entertainment regulations.

Villanueva shared her concern that a conditional use permit is triggered if the outdoor live entertainment is within 150' of residentially zoned property and asked why the trigger was based on residential zoning and not a residential use. Staff explained that throughout the zoning code, residential adjacency is based on zoning and not on a residential use. Residential zoning is easy to define and analyze, whereas, a residential use is not always easy to determine because a house may one day have people living in it and the next day be an office or other type of nonresidential use. Villanueva suggested expanding the 150' buffer to something larger to allow for more residential protections.

Velto asked if the proposed language requiring a pedestrian queuing plan would dissuade bars from checking ID's at the door. Staff explained that the pedestrian queuing plan would not require a public hearing and would be something that is done administratively to help mitigate noise and safety issues.

Adult Business

Munoz asked if the proposed changes would impact any existing adult businesses currently in operation. Staff confirmed that the proposed changes would not impact the existing approved adult businesses and they would be "grandfathered" as a legal nonconforming use.

The motion to recommend Council adopt the requested text amendment by ordinance carried unanimously with five commissioners present. The motion was also based on the understanding that the Commissioners comments be forwarded to Council.

Financial Implications: None at this time

Legal Implications: Legal review completed for compliance with City procedures and Nevada law.

Recommendation: The Planning Commission recommends Council adopt the requested text amendment by ordinance.

Proposed Motion: I move to uphold the recommendation of the Planning Commission.

Attachments:

Exhibit A: September 7, 2022 Planning Commission Staff Report and Draft Meeting Minutes.

Exhibit B: Draft Ordinance (TXT23-00001)

Proof of Public Noticing