



# City Manager's Office

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## MEMORANDUM

**DATE:** 02/2/2023

**TO:** Mayor and City Council

**THROUGH:** Doug Thornley, City Manager Approved Electronically

**FROM:** Lance Ferrato, Business License Manager

**SUBJECT:** Cannabis Consumption Lounges and Retail Cannabis Store Amenities

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### *Cannabis Consumption Lounges*

On September 14, 2022, Reno City Council directed staff to gather information from the public regarding community support and/or concern related to the possible legalization of cannabis consumption lounges (“Lounges”) in Reno. Accordingly, staff created an online survey and held two public meetings, at which time general information on the topic was presented and comments made by attendees were collected. Staff accepted community stakeholder feedback until December 9, 2022.

The first meeting was held on November 30, 2022 and was attended by two commenters in person and one via zoom. The second meeting was held on December 1, 2022 and was attended by one commenter in person and one via zoom. Survey data however drew more interest, with 246 responses. Four questions were asked and reasoning/comments were encouraged. Additionally, 21 emails and one voicemail were received. The tables attached summarize the survey data along with the total number of emails and voicemails received.

On December 1, 2022, the Cannabis Compliance Board (“CCB”) announced the issuance of 40 prospective Lounge licenses; 20 to cannabis retail store licensees and 20 to randomly selected independent applicants. **No applications for Reno were received to operate a Lounge within the City of Reno and pursuant to Nevada Revised Statute, the CCB cannot issue additional licenses at this time.**

### ***Retail Cannabis Store Amenities***

Included in Council's direction on September 14, 2022 was instruction to research the current state of and the possibilities surrounding curbside pickup, drive-thrus, and hours of operation of retail cannabis stores.

#### ***Curbside Pickup***

Curbside pickup of any type is not specifically called out in RMC; however, state law allows it with the proper approvals. The amendment to code would be to the extent of recognizing that the activity is legal and that state law must be adhered to. The only reason to amend code at this stage would be to prohibit the activity.

#### ***Drive-Thrus***

Cannabis drive-thrus are also legal at the state level; however, Council has expressed that drive-thrus are a logistical concern in general. An analysis of zoning shows that seven of the eight retail cannabis stores could qualify for a "non-food service" drive-thru as defined by Title 18; two by right and five requiring conditional use permits (table attached). Of note, the two allowed by right are located within shopping centers and a cursory examination revealed the drive-thrus would not be feasible based on the building configuration and surrounding features. Again, the only reason to amend code at this stage would be to prohibit the activity.

#### ***Hours of Operation***

Currently, Title 18 allows for all retail stores to remain open until 12:00 a.m. Some locations are in areas where zoning allows for business activity beyond 12:00 a.m. and others are in areas that restrict activity beyond midnight, but the cannabis retail stores are permitted to operate (table attached). At this time, the business license division has not received any formal requests to ease this regulation. Additionally, a review of the two tribal operated dispensaries in the area revealed that one closes at 10:00 p.m. and the other at 6:00 p.m. As such, there doesn't appear to be an urgent need to amend hours of operation from accessibility perspective.

#### ***Staff Recommendation***

As discussed, no additional Lounge license applications will be accepted until or unless a State statutory change is made. In regard to the retail store amenities, staff has not identified the need for immediate action. In summary, unless Council requests a code amendment, staff will continue to monitor state legislation and industry interests until such a time that a change becomes necessary.

Please contact me with any questions or concerns.

*Attachments: Cannabis Consumption Lounge Survey Summary  
Cannabis Retail Store Zoning (Drive-Thrus)  
Cannabis Retail Store Zoning (Hours)*

Cannabis Retail Store Zoning (Drive Throughs)

Company Name	Physical Address	Ward	Zoning	Drive-through Allowed?
Sierra Wellness Connection	1605 E 2nd St #103, 89502	3	Mixed-Use Urban (MU)	Yes, with Minor Conditional Use Permit
Jade Cannabis Co	1085 S Virginia St, 89502	1	Mixed-Use Midtown Commercial (MU-MC)	No (zoning)
The Dispensary	100 W Plumb Ln, 89509	1	Mixed-Use Urban (MU)	Yes, with Minor Conditional Use Permit
MYNT	132 E 2 <sup>nd</sup> St, 89501	5	Mixed-Use Downtown Riverwalk District (MD-RD)	Yes, with Minor Conditional Use Permit
Deep Roots Harvest	12240 Old Virginia Rd, 89521	2	Mixed-Use Suburban (MS)	Yes, with Minor Conditional Use Permit
The Source Reno	5270 Longley Ln #103, 89511	2	General Commercial (GC)	Yes, by right
Thrive Cannabis Marketplace	7300 S Virginia St Ste B, 89511	2	Mixed-Use Suburban (MS)	Yes, with Minor Conditional Use Permit
Rise	2881 Northtowne Ln, 89512	3	General Commercial (GC)	Yes, by right

Cannabis Consumption Lounge Survey Summary

Please indicate your position on the possibility of Lounges in the City of Reno:		
In Support	Opposed	Indifferent
145	89	12
Most common reasons:		
Economic benefit	Public safety (DUI)	
No different than a bar	Public Health	
A safe, legal space to consume	Policing Strain	

If Lounges are permitted in the City, should a limit be imposed?		
Yes	No	Indifferent
125	84	35

\*2 left blank

If Lounges are permitted in the City, should retail Lounges be allowed to operate “adjacent to” adult-use cannabis retail stores or should they be “attached”?			
Attached Only	Adjacent to Only	Attached or Adjacent	Indifferent
61	7	116	57
Most common reason:			
Containment			

\*5 left blank

If Lounges are permitted in the City, should retail Lounges permit smoking:			
Indoors Only	Outdoors Only	Indoors and Outdoors	Neither
59	8	130	46
Most common reason:			
Smell			

\*3 left blank

Email submissions		
In Support	Opposed	Concerned
4	13	4

Voicemails		
In Support	Opposed	Concerned
0	1	0

Cannabis Retail Store Zoning (Hours)

Physical Address	Ward	Zoning	Allowed Hours of Operation Per Zoning District
1605 E 2nd St #103, 89502	3	Mixed-Use Urban (MU)	24 hour use Indoor use and not within 300' of residential zoning
1085 S Virginia St, 89502	1	Mixed-Use Midtown Commercial (MU-MC)	24 hour use
100 W Plumb Ln, 89509	1	Mixed-Use Urban (MU)	24 hour use Indoor use and not within 300' of residential zoning
132 E 2 <sup>nd</sup> St, 89501	5	Mixed-Use Downtown Riverwalk District (MD-RD)	24 hour use Indoor use and not within 300' of residential zoning
12240 Old Virginia Rd, 89521	2	Mixed-Use Suburban (MS)	6:00 a.m. to 11:00 p.m. Could be extended with Conditional Use Permit
5270 Longley Ln #103, 89511	2	General Commercial (GC)	6:00 a.m. to 11:00 p.m. Could be extended with Conditional Use Permit
7300 S Virginia St Ste B, 89511	2	Mixed-Use Suburban (MS)	6:00 a.m. to 11:00 p.m. Could be extended with Conditional Use Permit
2881 Northtowne Ln, 89512	3	General Commercial (GC)	6:00 a.m. to 11:00 p.m. Could be extended with Conditional Use Permit