



# Administrative Report

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N.1., File # 25-0521

Meeting Date: 4/15/2025

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**To:** MAYOR AND CITY COUNCIL

**From:** MARC WIENER, COMMUNITY DEVELOPMENT DIRECTOR

## **TITLE**

DISCUSSION AND POSSIBLE ACTION REGARDING MODIFICATIONS TO THE REDONDO BEACH MUNICIPAL CODE PERTAINING TO THE PERMITTING AND OPERATION OF COMMERCIAL SMOKE SHOPS

DIRECT STAFF TO PREPARE AN URGENCY ORDINANCE ESTABLISHING A MORATORIUM ON THE APPROVAL OF NEW COMMERCIAL SMOKE SHOPS IN THE CITY AND TO SCHEDULE A PUBLIC HEARING FOR MAY 6, 2025 TO CONSIDER ADOPTION OF THE URGENCY ORDINANCE

## **EXECUTIVE SUMMARY**

On January 21, 2025, the City Council discussed issues associated with smoke shops and tobacco retail businesses in Redondo Beach and directed staff to return with a draft ordinance that would more effectively regulate and limit the proliferation of these types of businesses. Following the meeting, the Redondo Beach Police Department published a March 20, 2025 press release stating that a joint operation with the state oversight agency led to the confiscation of illegal tobacco and cannabis products at two local smoke shops.

Other cities throughout the state are also encountering compliance issues with their smoke shops. For example, the City of Modesto inspected its 47 smoke shops and found that all were selling flavored tobacco products, which were outlawed in 2022. The City of Fresno conducted inspections of its 67 smoke shops and found that 79% were selling illegal cannabis products, which resulted in the issuance of \$5 million in citations to the non-compliant businesses.

Staff has prepared a draft ordinance pertaining to smoke shop permitting and operation. It is recommended that the Council review the draft ordinance and provide policy direction before it is presented to the Planning Commission for consideration. Following Planning Commission review and input the Ordinance would be brought back to City Council for final deliberation. Additionally, it is recommended that an Urgency Ordinance be prepared and considered for adoption to establish a moratorium on the approval of new commercial smoke shops in the City and to allow time to develop and implement more comprehensive citywide smoke shop regulations.

## **BACKGROUND**

The North American Industrial Classification System (NAICS) defines smoke shops as establishments primarily engaged in retailing cigarettes, cigars, tobacco, pipes, and other smokers'

supplies. The Redondo Beach Municipal Code (RBMC) currently does not include a definition of smoke shop, and, as such, smoke shops are categorized as a retail use that is permitted through the issuance of a business license and tobacco retailer license. There are approximately 15 smoke shops in Redondo Beach, 6 of which have opened since 2019.

Staff is proposing a draft ordinance that would create a definition for smoke shops and tobacco retailers, adding Section 10-2.1642, Article 4 (Special Use Regulations) to the RBMC to regulate these types of businesses. The draft Ordinance would require all new smoke shops to obtain a Conditional Use Permit (CUP), which would provide the City with more discretion and authority over business permitting and operations for smoke shops.

A limit of two smoke shops per City Council District is proposed, with a maximum of 10 allowed citywide. No new CUPs for smoke shops may be issued until the City is below the numerical cap. Furthermore, smoke shops shall not be located within 1,000 feet, measured property line to property line, from another smoke shop and must not be within 600 feet of public or private elementary schools, day cares, and youth centers, as defined in RBMC Section 10-2.1626. Smoke shops would only be allowed in commercial zones and are prohibited from residential, industrial, and coastal commercial zones.

The City Council recommended that the Ordinance include provisions intended to bring existing smoke shops into compliance and potentially reduce the number through amortization to meet the numerical cap. Staff has conferred with the City Attorney's Office and proposes the following provision, which is designed to bring existing smoke shops into compliance within five years:

*Smoke shops and tobacco stores that are legally existing on the effective date of the ordinance may continue to operate as legal nonconforming uses in accordance with Section 10-2.2002 and shall be required to obtain a Conditional Use Permit within a period of five (5) years from the effective date of this ordinance. However, upon change of business ownership, smoke shops and tobacco stores may not continue to operate, and a new tobacco retail permit shall not be granted, unless all requirements from Section 10-2.1642 of the Redondo Beach Municipal Code are met, including but not limited to the location and concentration requirements as well as obtaining approval of a Conditional Use Permit.*

The draft Ordinance includes operational standards that apply to all existing and new smoke shops and expressly prohibits the sale or distribution of "cannabis or cannabinoid products, drug paraphernalia not directly related to legal smoke and vapor products, nitrous oxide, flavored tobacco products, or other products prohibited by law." The draft Ordinance also includes enforcement provisions allowing unannounced inspections by City officials and authorizes the City to apply criminal penalties as well as authority to revoke the operator's business license and/or CUP in response to violations.

#### Urgency Ordinance

At its January 21, 2025 meeting, the City Council requested additional information related to the creation of an Urgency Ordinance that would place a moratorium on new smoke shops, which would be in effect while the permanent ordinance is being prepared. Pursuant to Government Code Section 65858, the City may adopt an Urgency Ordinance when deemed necessary to protect public health, safety and welfare. It requires a four-fifths vote of the City Council and would go into effect immediately.

At this time, staff recommends that an Urgency Ordinance placing a moratorium on the approval of new smoke shops in the City be prepared and considered for adoption as part of a scheduled Public Hearing to occur on May 6, 2025. The Urgency Ordinance would immediately prohibit any new smoke shops from opening in Redondo Beach and provide staff, the Planning Commission, and the City Council time to develop, review and consider approving a more comprehensive Ordinance addressing the permitting and operation of smoke shops in the City. It is expected to take three to four months to develop, review and implement the ordinance to establish new citywide smoke shop regulations.

**COORDINATION**

This report and draft ordinance were prepared by the Community Development Department in consultation with the City Attorney's Office.

**FISCAL IMPACT**

There is no fiscal impact associated with this item.

**APPROVED BY:**

*Mike Witzansky, City Manager*

**ATTACHMENTS**

- Ord - Draft Smoke Shop Ordinance Amending Sections 10-2.402 and 10-2.1642 of the Redondo Beach Municipal Code Relating to Smoke Shops and Tobacco Sales