



Date: September 3, 2013

To: Mayor and Members of the City Council

From: Councilmember Al Austin, Eighth District *al*
Councilmember Patrick O'Donnell, Fourth District *PO*
Councilmember Steven Neal, Ninth District *SN*

Subject: Smoking Lounge Ordinance

RECOMMENDED ACTION:

Request the City Attorney to draft an ordinance amending the sections of the Municipal Code pertaining to smoking lounge permits in order to clarify that a maximum of eight permits can be issued at one time, and to allow for an existing permittee to relocate the business, provided that the permittee meets all other requirements, including new ventilation guidelines, for the new location.

BACKGROUND:

In April 2011, the City Council adopted an ordinance allowing permits for smoking lounges for businesses that were operating under smoking lounge applications on or before April 12, 2011. The ordinance limited the number of smoking lounges to the eight existing businesses, and it restricted the business owners from moving their locations.

Since the ordinance was adopted, many of the existing smoking lounges continue to be successful businesses, contributing to the economic vibrancy of the City.

However, some of the businesses have closed since that time, and some of the current businesses have expressed concerns that they lease their place of business, and thus are at the discretion of the current property owner.

The smoking lounge ordinance can be modified to reflect the intent of the law by maintaining a limited number of permitted businesses, while also supporting businesses that are contributing to the local economy during a time when there are a number of vacant storefronts in commercial corridors throughout the City.

FISCAL IMPACT:

There is a potential for increased revenue to the City through additional business license and permit fees.