Lauren Hood, MCD Chairperson Donovan Smith Vice Chair/Secretary

Marcell R. Todd, Jr. Director City of Detroit

CITY PLANNING COMMISSION 208 Coleman A. Young Municipal Center Detroit, Michigan 48226 Phone: (313) 224-6225 Fax: (313) 224-4336 e-mail: cpc@detroitmi.gov Brenda Goss Andrews Kenneth R. Daniels David Esparza, AIA, LEED Ritchie Harrison Gwen Lewis Melanie Markowicz Frederick E. Russell, Jr.

ГО:	City Planning	Commission
-----	---------------	------------

FROM: Eric Fazzini, Staff

- **RE:** Proposed text amendment to amend Chapter 50 of the 2019 Detroit City Code, Zoning, Zoning Ordinance by adding smoking lounges, including hookah lounges and cigar bars, and tobacco stores as specific land uses with spacing regulations, specific use standards, and off-street parking requirements.
- **DATE:** July 6, 2022

On July 7, 2022, the City Planning Commission (CPC) will hold a 5:10 P.M. public hearing on the subject text amendment request. Please see the attached copy of the public hearing notice showing the summary of the ordinance as published for this public hearing.

BACKGROUND

Council Member Scott Benson Request

Upon receiving numerous complaints from residents and inquiries from members of the substance abuse prevention community, Council Member Scott Benson requested that CPC staff begin the process of preparing a Zoning Ordinance (ZO) text amendment that specifically identifies hookah and vape shops/lounges as a use. It was initially requested that this use be studied for inclusion in the B3 district, or a more intense district, as a conditional use as the ZO does not currently specifically address smoking-related uses such as hookah lounges or vape/tobacco stores. There is a general concern with hookah lounges that they function less as a smoking lounge for patrons, like a cigar bar functions, and have more characteristics of a night club or an unauthorized after-hours establishment or "blind pig" where illegal alcohol consumption and other activities occur. Additionally, an increase in traffic, noise, loitering, and violence have been expressed as general concerns.

Zoning Ordinance

Currently, the ZO does not specifically address tobacco-related uses such as hookah lounges or vape/tobacco stores as a specific land use. Based on a May 13 memo provided by the Law Department to City Council, it appears that the Buildings, Safety Engineering, and Environmental Department (BSEED) has been administering hookah lounges under the existing specific land use of "stores of a generally recognized retail nature," which are permitted as a by-right retail, service, and commercial use in the following zoning districts when the use does not include a drive-up or drive-through facility: B2 through B6, M1 through M4, PCA, TM, SD1, SD2, and SD4. Given the specificity in the way the ZO treats many other uses (there are approximately 300 specific land uses

in the ZO), especially those that may be problematic, CPC staff believes it would be appropriate to amend the ZO to address hookah lounges or vape/tobacco stores as a specific land use, instead of continuing to administer these uses under general retail.

Smoking Lounge Ordinance and Business Licensing – MDHHS

In our research regarding the proposed ZO text amendment, we have been made aware of concerns of the Michigan Department of Health and Human Services (MDHHS) that the City of Detroit does not currently require a business license for hookah lounges. This is something that several Metro Detroit communities that have had problems with hookah lounges have required through the adoption of smoking lounge ordinances. Therefore, in addition to the proposed ZO text amendment, CPC staff will also be providing future information on a potential smoking lounge ordinance and business license requirement that would supplement the proposed ZO text amendment.

SUMMARY OF RESEARCH

Census North American Industry Classification System

Unfortunately, CPC staff could not locate any national or state resources on zoning best practices for regulating hookah and vape shops/lounges that we could consider or model. This may be due to the relatively small-scale or newness of these uses. However, the U.S. Census Bureau provides a North American Industry Classification System (NAICS) that is a valuable standardized resource for considering uses and how they may relate to local zoning controls. The NAICS structure indicated in the below tables has been incorporated into the proposed ZO text amendment, specifically for use categories; we note that the NAICS does not have any index entry for cigar bars/lounges. The NAICS classifies hookah lounges and vape shops as two separate uses:

2022 NAICS	
713990	All Other Amusement and Recreation Industries
link	This industry comprises establishments (except amusement parks and arcades; gambling industries; golf courses and country clubs; skiing facilities; marinas; fitness and recreational sports centers; and bowling centers) primarily engaged in providing recreational and amusement services.
	Corresponding Index Entry
	Hookah lounges (except primarily selling food and beverages)

459991	Tobacco, Electronic Cigarette, and Other Smoking Supplies Retailers
	This U.S. industry comprises establishments primarily engaged in retailing cigarettes, electronic cigarettes, cigars, tobacco, pipes, and other smokers'
<u>link</u>	supplies.
	Corresponding Index Entries
	Vape shops, Cigar stores, Cigarette stands, Electronic cigarette stores, Smokers'
	supply stores, Tobacco stores

Cigar Bars vs. Tobacco Specialty Retail Stores – P.A. No. 188 of 2009

In Michigan under Public Act No. 188 of 2009, known as Michigan's Smoke-Free Indoor Air Law, there are only a few types of establishments or locations where tobacco smoking is legal:

- 1. Cigar Bars that have a State approved exemption*
- 2. Tobacco Specialty Retail Stores (hookah lounges) that have a State approved exemption*
- 3. The gaming floors only of the three Detroit casinos

- 4. Any tribal-owned establishment
- 5. Personal residences (unless HUD Housing or prohibited by landlord)

*It is important to note that "exemption" is not a newly created status for establishments or applicants but refers to an establishment that was in existence prior to the Public Act No. 188 of 2009 effective date of May 1, 2010. Per the MDHHS, there is a maximum number of 300 exemptions that will ever occur within the State of Michigan: 100 for Cigar Bars and 200 for Tobacco Specialty Retail Stores. These exemptions may be purchased and located within any jurisdiction within the state. This maximum number of 200 Tobacco Specialty Retail Stores is important to note as without local restrictions, there is the potential from the state's perspective for up to 200 Tobacco Specialty Retail Stores to be located within any jurisdiction, including Detroit.

From the above list of five, only Cigar Bars and Tobacco Specialty Retail Stores would be subject to the proposed text amendment given the concerns with hookah lounges. Under the Public Act, there are some key differences between Cigar Bars and Tobacco Specialty Retail Stores:

Cigar Bars

- Public Act No. 188 of 2009 does not require that an exempt Cigar Bar have either a food, liquor, or restaurant license. Rather, there is no specific mention in P.A. 188 that an exempt Cigar Bar cannot have a food, liquor, or restaurant license.
- MCL 333.12601 (1)(d) defines Cigar Bar as "an establishment or area within an establishment that is open to the public and is designated for the smoking of cigars, purchased on the premises or elsewhere." Unlike exempt Tobacco Specialty Retail Stores, P.A. 188 does not specifically prohibit an exempt Cigar Bar from having a food, liquor, or restaurant license.

Tobacco Specialty Retail Stores (Includes Hookah)

- MCL 333.12601 (1)(u) defines Tobacco Specialty Retail Store as "an establishment in which the primary purpose is the retail sale of tobacco products and smoking paraphernalia, and in which the sale of other products is incidental. Tobacco Specialty Retail Store does not include a tobacco department or section of a larger commercial establishment or any establishment with any type of liquor, food, or restaurant license." Food, liquor, and restaurant licenses are specifically prohibited.
- The owner of a Tobacco Specialty Retail Store may allow customers to bring prepacked or single-service style to-go food into the Tobacco Specialty Retail Store. Specifically, patrons are allowed to personally purchase food at a licensed food establishment that has a different address than the Tobacco Specialty Retail Store for personal consumption at the Tobacco Specialty Retail Store.

Research Item 1. Existing Detroit Establishments – MDHHS

The MDHHS has provided a list of establishments in Detroit that possess either a Cigar Bar or Tobacco Specialty Retail Store (hookah lounge) exemption to Public Act No. 188 of 2009. Cigar Bars and Tobacco Specialty Retail Stores provided in the MDHHS list of existing Detroit establishments are grouped by the MDHHS into three categories based on their annual exemption status:

- 1. Establishments that have had their State exemption approved for use in 2022 (Green)
- 2. Establishments that have not had their State exemption approved for use in 2022 and are in the process of completing build-outs for potential MDHHS approval, or the MDHHS has yet to review the establishment's renewal affidavit (Yellow)

3. Establishments that have not had their State exemption approved for use in 2022 and the earliest they could possibly be approved is January 2023 (Red)

All establishments must submit for their exemption renewal on an annual basis no later than February 21 of each year. Establishments that have not had their State exemption approved for use in 2022 (2 and 3 above) are permitted to operate as a non-tobacco smoking cigar bar or tobacco specialty retail store with no tobacco smoking permitted until their exemption is approved for use.

Summary of MDHHS	List of Existing De	troit Establishmen	ts	
	TSRS (Hookah)	Cigar Bar	Zoning District	Council District
Exemption Not Approved for 2022	7	3	B4 - 4 B2 - 3 B5 - 1 SD4 - 1 R1 - 1	D2 - 4 D6 - 2 D5 - 2 D4 - 1
Exemption Approved for 2022	1	3	B5 - 2 B4 - 1 R2 - 1	D5 - 3 D6 - 1
Application/Renewal In Process for 2022	3	11	B4 - 4 B2 - 3 B5 - 2 B3 - 2 B6 - 1 M4 - 1	D2 - 5 D6 - 3 D5 - 2 D4 - 2 D7 - 1 D3 - 1
Hookah Lounge Totals (Cigar Excl.)	10	N/A	B2 - 5 B4 - 4 B5 - 1	D2 - 5 D4 - 2 D7 - 1 D6 - 1 D5 - 1

CPC staff findings:

- Exemption Not Approved for 2022: Of these establishments, seven are hookah lounges (TSRS). All seven hookah lounges are zoned either B2, B4, or B5.
- Exemption Approved for 2022: Of these establishments, one is a hookah lounge zoned B4.
- Application/Renewal In Process for 2022: Of these establishments, three are hookah lounges zoned either B2 or B4.
- Hookah Lounge Totals: Of the 10 hookah lounges, five are zoned B2, four are zoned B4, and one is zoned B5. Only one of these lounges has an exemption approved for use in 2022 (B4).
- As indicated in Attachment 1, cigar bar exemptions are indicated for two sites with residential zoning (Detroit Golf Club and Abick's Bar) and one with M4 industrial zoning (Bayview Yacht Club). Private clubs must adhere to the tobacco-smoking prohibition of P.A. No. 188 of 2009, or receive a State exemption.
- Establishments Not Listed.
 - Google Maps indicates over 20 "hookah lounges" within Detroit. Seven of the establishments indicated on Google Maps are included in the MDHHS's list, with only one establishment having an exemption approved for 2022 (Take Out Hookah Lounge, 1400 Gratiot Avenue- B4).
 - Other establishments may not be included in MDHHS's list as they are strictly a retail store that does not actually offer indoor smoking but may still loosely refer to

their business as a "hookah lounge", and therefore would not be required to have an approved exemption. Or they may be operating illegally as a hookah lounge with indoor smoking without a State approved exemption to our knowledge (Lounge 31, 14404 Gratiot Avenue- B4).

• The proposed text amendment seeks to address this nuance that certain retail stores may loosely refer to their business as a "hookah lounge" without actually containing an MDHHS-regulated indoor smoking lounge through the proposed addition of multiple specific land uses that could be administered to address this nuance.

Research Item 2. Model Metro Detroit Zoning Ordinance Requirements

The MDHHS has also provided CPC staff with smoking lounge ordinances from nine Metro Detroit communities that they believe could be used as a model for Detroit. Of the nine Metro Detroit model smoking lounge ordinances provided by the MDHHS for guidance, five municipalities, Canton Township, Dearborn, Dearborn Heights, West Bloomfield Township, and Ypsilanti Township specifically address smoking lounges in their zoning ordinances. Below are CPC staff's findings related to the five zoning ordinances reviewed for this use. These findings directly inform the structure of the proposed Detroit ZO text amendment.

CPC staff findings:

- Definitions. "Smoking Lounge" is the preferred term used for State approved smoking lounges (cigar bars or hookah lounges), this term also matches each community's "smoking lounge ordinance" business license requirement. Using the same term between the ZO code chapter and business license requirement code chapter assists in administration of both requirements as it should be clear that both chapters apply to smoking lounges.
- Districts Permitted. There is not consistency between how and where the five model municipalities permit smoking lounges. Canton Township and Dearborn Heights permit smoking lounges as a by-right or conditional use in multiple zoning districts, while Dearborn, West Bloomfield Township, and Ypsilanti Township only permit smoking lounges as a conditional use in one intermediate zoning district (B-3 General Business/B-B Community).
- Use Standards. There is some consistency between how four of the five model municipalities permit smoking lounges as a conditional use. While Dearborn may appear to have the most comprehensive set of use standards, many of the requirements included in their ZO would likely be better suited in the business license requirement chapter as they are operational requirements that should be tied to the license, rather than a one-time review requirement that would be of interest to the CPC or other land use administrators.
- Lastly, there is consistency between the four municipalities in that setbacks are required for smoking lounges from certain low intensity uses and other smoking lounges, and affirmation that minimum parking is required in order to try to mitigate potential impacts on adjacent neighborhoods.

Research Item 3. Model Business License Ordinance Requirements – MDHHS

Below are CPC staff's findings related to smoking lounge ordinances adopted by the same five municipalities that specifically address smoking lounges in their zoning ordinances. These regulations are contained in code chapters that are separate from each community's zoning ordinance code chapter. CPC staff will be providing future information on a draft text amendment to the 2019 Detroit City Code that would constitute a new smoking lounge ordinance and business requirement for Detroit that would work alongside this proposed ZO text amendment, which, again, is something the MDHHS is strongly encouraging for permitting and enforcement purposes.

CPC staff findings:

- Three of the five municipalities provide a maximum number of smoking lounge licenses that may be issued. Dearborn's maximum is flexible at 15 total with additional permitted by City Council. A cap on the maximum number of smoking lounge licenses is something that could be considered for Detroit, though this has not been expressed as a desire to-date.
- All municipalities provide some restriction on hours of operation, generally being closed to the public between 1am/2am and 8am/10am daily. Employees are permitted on the site during non-public hours.
- Dearborn permits take-out only food to be brought into smoking lounges. This is the only
 municipality that specifically permits this in their smoking lounge ordinance.
- Four of the five municipalities have a similar mechanical ventilation requirement, which refers to ventilation being supplied and exhausted per the Michigan Mechanical Code, and prohibits recirculation and natural ventilation.
- Additional operational regulations are consistently required for signage that prohibits loitering, minors on the premises, and other functions. These functions are also consistently addressed as prohibited activities: minors, alcoholic liquor, nudity, and controlled substances.
- Constant visual or video monitoring is something that is consistently required.
- Provisions for exterior lighting and ensuring patrons do not park in adjacent or neighboring
 parking lots or residential areas is also something that could be considered, though this may
 be impossible to determine and enforce if vehicles parked in certain off-site areas are
 patrons of a smoking lounge, or not.
- Outdoor activities are consistently restricted in the five municipalities. Three of the five prohibit any outdoor activities and require all doors and windows to remain closed. Dearborn and Dearborn Heights permit some outdoor activities, such as smoking in outdoor patio areas. In any case, outdoor activities within any parking areas are prohibited.
- Penalties and enforcement are consistent as a misdemeanor with a maximum \$500 fine and/or maximum 90 days in jail. Model ordinance penalties will be reviewed for consistency with existing 2019 Detroit City Code penalties.

SUMMARY OF PROPOSED ZO AMENDMENTS

The proposed text amendment would affect six parts of the ZO that all relate to specifically addressing uses not currently addressed:

- 1. Zoning Districts
- 2. Use Regulations
- 3. Development Standards
- 4. Nonconformities
- 5. Definitions

Based on the nuances between retail stores that may only sell hookah or vape products and stores that may have a lounge component in addition to selling products, at least three ZO specific land use terms should be added to address uses that may occur together:

- 1. Smoking Lounge: an establishment, such as a hookah lounge or cigar bar, which has a State issued smoking ban exemption certificate and that allows smoking on the premises of tobacco and non-tobacco products, excluding marijuana.
- 2. Tobacco Specialty Retail Store: an establishment which has a State issued smoking ban exemption certificate, with the primary purpose being the retail sale of tobacco products,

non-tobacco smoking products, and smoking paraphernalia, and that allows smoking on the premises of tobacco and non-tobacco products, excluding marijuana.

3. Tobacco Retail Store: an establishment which does not have a State issued smoking ban exemption certificate, with the primary purpose being the retail sale of tobacco products, non-tobacco smoking products, and smoking paraphernalia, excluding marijuana.

For the above three uses, only 1 and 2 would be permitted to be combined as both are required to have a State issued smoking ban exemption certificate to qualify. However, smoking lounges would not be required to sell the three types of products listed in 2 as this is under a separate definition. In this case, smoking lounge would be an indoor recreation/entertainment use, where tobacco specialty retail store, or tobacco retail store, would be a sales-oriented retail use. Lastly, marijuana should be excluded from the above three uses to avoid any confusion that these regulations apply to any type of marijuana establishments, which are addressed separately in the Code.

1. Zoning Districts (Proposed Use Table)

Highlighted below is a summary of where each of the three proposed uses would be permissible:

		R	esi	ide	enti	ial			Bu	sin	ess	;		Ind	us	tria	ıl			Sp	eci	ial	and	Ov	/er	lay		Standards
Use Category	Specific Land Use	R F 1 2	R F 2 3	R F 3 4	R	R F 5 6	R E	3 E	3 B 2 3	B 4	B 5	B 6	M 1	M 2	M 3	M 4	M 5	P D	P 1	P C	P C A	T	PV R1	V 5 D 1		5 S D D 2 3	S S D D 4 5	General (Art. XII, Div. 2) Specific (Art. XII, Div. 3)
	Arcade								С	с	С	С	R	R	R	R		L		R	R	R			C	>		CU; P; SPC: Sections 50- 12-213, 50-12- 515
	Cabaret							C	c	C/ R	C R	C/ R	с	с	С	С		L		(C/ R	С			C	;	с	RU: SPC; Section 50-12- 218
	Casinos and casino complexes																	L									F	
Recreation/entertainment.	Firearms target practice range, indoor								С	С	С	С	С	С	С	С	С	L										P; Section 50- 12-224
indoor	Pool hall								С	с	R	R	R	R	R	R		L			R	R		С	; c	;		CU; P; SPC; Section 50-12- 305
	Recreation, indoor commercial and health club							F	R R	R	R	R	R	R	R	R		L			R	R	R	R	R P	ł	R	Section 50-12- 308
	Smoking lounge								C	C	R	R								1	C			C		2	C	SPC; Section 50-12-324
	Theater and concert café, excluding drive-in theaters								R	с	R		R	R	R	R		L			R	R		C R		R		Section 50-12- 317

		Residential							в	usi	ne	ss			Ind	ust	rial	I			Sp	eci	al a	nd	٥v	erla	ay			Standards
Use Category	ategory Specific Land Use		R 2	R 3	R 4	R 5	R 6	B 1	B 2	B 3	В 4	B 5	B 6	M 1	M 2	M 3	M 4	M 5	P I D	> 1 (N	r P I R	W 1	S D 1	S D 2	S D 3	S D 4	S D 5	General (Art. XII, Div. 2) Specific (Art. XII, Div. 3)
	Pawnshop										С			С	С	С	С		L			C	>							P; RU; SPC; GRT; Section 50-12-302
	Pet shop								R	R	R	R	R	R	R	R	R		L			F	2		R	R				Section 50-12- 303
	Precious metal and gem dealers										С	с	с	R	R	R	R		L		0		;		С	С				SPC; Section 50-12-304
	Produce or food markets, wholesale												R	R	R	R	R		L			F	2							
	Specially designated distributor's (SDD) or specially designated merchant's (SDM) establishment								С	с	С	с	с	С	с	с	с		L		(>			с	с		с		CU; P; SPC; Section 50-12- 314
	Storage or killing of poultry or small game for direct, retail sale on the premises or for wholesale trade												R		R	R	R	R	L											Section 50-12- 315
Retail sales	Tobacco Retail Store/Tobacco Specialty Retail Store									<u>C</u>	C	R	R								<u>(</u>	2			<u>C</u>	C		C		<u>SPC; Section</u> 50-12-324
and service; sales-oriented	Trailer coaches or boat sale or rental, open air display										С		R	R	R	R	R		L			F	2							GRT
(cont'd)	Trailers, utility—sales, rental, or service; moving truck/trailer rental lots										С		R	R	R	R	R		L			F	2							
	Used goods dealer										С	С	С	R	R	R	R		L		(;		С	С				SPC; Section 50-12-320
	All other										С	С	С	С	С	С	С		L			C	;					С		

2. Use Regulations

Proposed use regulations would address three items:

- 1. Required Spacing Regulations for all three uses
- 2. New Specific Use Standards for all three uses
- 3. Addressing Smoking Lounges as an accessory use to golf courses and private clubs (minor text additions to each use not included below)

Regulations regarding spacing of retail, service, and commercial uses would be as follows (full list of use types not included):

Use Type	Minimum Distance from Same Use Type (Existing or Approved)	Minimum Distance from Other Use Types (Existing or Approved)	Comment
Smoking lounge	<u>1,000 feet</u>	 <u>Elementary, middle, or high school:</u> <u>1,000 feet;</u> <u>Park, playlot, playfield, playground,</u> <u>recreation center, youth activity center:</u> <u>1,000 feet</u> 	<u>Section 50-</u> <u>12-324</u>
<u>Tobacco retail</u> store/Tobacco specialty retail store	<u>1,000 feet</u>	 <u>Elementary, middle, or high school:</u> <u>1,000 feet;</u> <u>Park, playlot, playfield, playground,</u> <u>recreation center, youth activity center:</u> <u>1,000 feet</u> 	<u>Section 50-</u> <u>12-324</u>

NEW Sec. 50-12-324. - Smoking lounges; tobacco retail stores; or tobacco specialty retail stores. Smoking lounges, tobacco retail stores, and tobacco specialty retail stores shall be subject to the spacing provisions of Section 50-12-131 of this Code and to the following requirements:

- 1) Points of vehicular ingress and egress shall be determined by the Department of Public Works Traffic Engineering Division;
- 2) Outdoor activities involving smoking shall be prohibited;
- 3) Smoking lounges and tobacco specialty retail stores shall be licensed in accordance with Chapter TBD of this Code, *Smoking Lounges*;
- 4) Smoking lounges and tobacco specialty retail stores shall be physically separated from any areas of the same or adjacent establishments in which smoking is prohibited by state law and where smoke does not infiltrate into those nonsmoking areas. "Physically separated" shall mean an area that is enclosed on all sides by any combination of solid windows, walls, or doors that extend from the floor to the ceiling;
- 5) In the PR District, smoking lounges are permitted when incidental to, accessory to, and on the same zoning lot as a private club; and
- 6) Smoking lounges are permitted when incidental to, accessory to, and on the same zoning lot as a golf course when located within a club house building.

3. Development Standards

Off-street parking regulations (minimum parking requirements) would be as follows:

Use Category	Specific Land Use	Off-Street Parking Spaces Required, Minimum. (References are to square feet of gross floor area unless otherwise indicated.)	Maximum Distance (feet)			
	Arcade	1 per 100 square feet	100			
	Cabaret	3 (minimum) + 1 per 100 square feet for each 100 square feet <u>in excess of</u> 1,000	100			
	Casino or casino complex	See provisions for SD5 District in Section 50-11-337	300			
	Firearms target practice range, indoor	1 per 2 employees + 1 per target lane	100			
	Pool hall	1 per 250 square feet or 1 per pool table, whichever is greater	100			
Recreation and entertainment, indoor	Recreation, indoor commercial and health club	Schedule C, where 1 space per 200 square feet of gross floor area is deemed by the Planning and Development Department to be inappropriate	Where Schedule C does not apply, 100; except <u>where</u> developed under the "school building adaptive reuses" provision as defined in Section 50-16-381; same lot			
	Smoking lounge	<u>1 per 100 square feet</u>	<u>100</u>			
	Theater and concert café	1 per 4 seats	500			
	All other	1 per 100 square feet	100			

Use Category	Specific Land Use	Off-Street Parking Spaces Required, Minimum. (References are to square feet of gross floor area unless otherwise indicated.)	Maximum Distance (feet)
	Bake shop	See Schedule B	100
	Firearm's dealership	See Schedule B	100
	Kennel, commercial	Schedule B	100
	Motor vehicles, new or used, salesroom or sales lot	2 spaces + 1 per 800 square feet of floor area over 1,600 square feet, or 2 spaces + 1 per 2,400 square feet of lot area, whichever is greater	100
	Motorcycles, retail sales, rental or service	2 spaces + 1 per 800 square feet of floor area over 1,600 square feet	100
	Pawnshop	Schedule B	100
Retail sales and	Pet Shop	Schedule B	100
service (sales- oriented)	Precious Metals and Gem Dealers, and Used Goods Dealers	Schedule B	100
	Specially designated distributor's (SDD) or specially designated merchant's (SDM) establishment	Schedule B	100
	Stores of a generally recognized retail nature whose primary business is the sale of new merchandise	Schedule B	100
	Tobacco retail store/Tobacco specialty retail store	Schedule B	<u>100</u>
	Trailer coaches or boat sales or rental open air display	2 spaces + 1 per 800 square feet of floor area over 1,600 square feet	100
	Trailers, utility—sales, rental, or service; moving truck/trailer rental lots	2 spaces + 1 per 800 square feet of floor area over 1,600 square feet	100
	All other	See Schedule B	100

4. Nonconformities

ZO Sec. 50-15-30. - Change of nonconforming use to other nonconforming use.

- a) A nonconforming use may be changed to another nonconforming use only where reviewed and approved by the Board of Zoning Appeals in accordance with the procedures that are specified in Section 50-2-67 of this Code, except, that a nonconforming use may not be changed to any of the following:
 - (12) Smoking lounges;
 - (13) Tobacco retail stores; and
 - (14) Tobacco specialty retail stores.

5. Proposed Definitions

- 1. Smoking Lounge: An establishment that has a State issued smoking ban exemption certificate and that allows smoking on the premises of tobacco and non-tobacco products as defined in Chapter TBD of 2019 Detroit City Code.
 - a. Use Category: Recreation and entertainment, indoor
- 2. Tobacco Retail Store: A retail establishment that does not have a State issued smoking ban exemption certificate and the primary purpose is the retail sale of tobacco products as defined by the Tobacco Products Tax Act, MCL 205.422; nontobacco smoking products as

defined in Section TBD of the 2019 Detroit City Code; and smoking paraphernalia. Tobacco retail store does not include a larger commercial establishment that contains a tobacco department or section, or any establishment with any type of liquor, food, or restaurant license.

a. Use Category: Retail sales and service, sales-oriented

- 3. Tobacco Specialty Retail Store: An establishment that does have a State issued smoking ban exemption certificate and the primary purpose is the retail sale of tobacco products as defined by the Tobacco Products Tax Act, MCL 205.422; non-tobacco smoking products as defined in Section TBD of the 2019 Detroit City Code; and smoking paraphernalia, and that allows smoking on the premises of tobacco and non-tobacco products. Tobacco specialty retail store does not include a tobacco department or section of a larger commercial establishment or any establishment with any type of liquor, food, or restaurant license.
 - a. Use Category: Retail sales and service, sales-oriented

PRELIMINARY CONCLUSION/ADDITIONAL SECTIONS TO AMEND

Given the specificity in the way the ZO treats many uses, especially those that may be problematic, CPC staff believes it would be appropriate to amend the ZO to address hookah lounges as a specific land use, instead of continuing to administer as general retail. Staff will provide a recommendation incorporating the results of the public hearing at a future meeting. In addition to the proposed ZO text amendment, CPC or city staff will also be providing future information on a potential smoking lounge ordinance and business license requirement that would supplement the proposed ZO text amendment. This can also be considered at a future CPC and/or Council meeting/public hearing.

Since the first draft of the proposed ZO text amendment ordinance was completed on June 22, which was the required date for public inspection of the draft ordinance, we have been made aware through continued meetings with the MDHHS, Council Member Benson, and others, that CPC staff should pursue separating the specific land use of smoking lounge, which currently includes both hookah lounges and cigar bars, into two separate land uses, such as hookah lounge and cigar bar, which could be regulated differently by the ZO. This separation requires additional research and amendments to additional sections not included in the current draft ordinance. Therefore, an additional public hearing, possibly on August 4, should occur to incorporate and consider these changes.

Attachments: CM Benson Hookah Lounge memo Public Hearing Notice Draft Hookah Text Amendment Ordinance 6/22/2022

cc: Antoine Bryant, Director, PDD Karen Gage, PDD Greg Moots, PDD Scott Withington, Health Dept. David Bell, Director, BSEED Jayda Philson, BSEED James Ribbron, Director, BZA Conrad Mallett, Corp. Counsel Kimberly James, Law Daniel Arking, Law