



City of West Hollywood  
California 1984

# City of West Hollywood

## Cannabis Program and Cannabis Consumption Lounges

# WEST HOLLYWOOD PROGRAM

- **40 Licenses**
  - Adult-Use Retail
  - Medical
  - Consumption Lounge (Smoking, Vaping, Edibles)
  - Consumption Lounge (Edible Only), with Ancillary Smoking
  - Delivery
  
- **Special Events Not Currently Allowed**
  
- **Merit Based Selection, *instead of First-Come First-Served, or Lottery***
  - **Business Plan, Design, Security, Experience, Innovation, Social Equity, Community Engagement, Operations**
  
- **Received 325 Applications for 40 Licenses, Top Scoring Applicants Announced in 2018**
  
- **7.25% Gross Receipts Tax on All Adult-Use Cannabis, No Tax on Medical**
  
- **Screening Fee of \$9,880 per application. If selected, additional application fee of \$4,035**

# LOUNGE EXAMPLES ORIGINAL CANNABIS CAFÉ (REOPENING AS HIGH TIMES CAFÉ)



- Standalone Lounge (no dispensary)
- Attached Restaurant
- Full Consumption Lounge (smoking allowed everywhere)
- Outdoor and Indoor Smoking

# LOUNGE EXAMPLES

## THE ARTIST TREE



- Lounge Attached to Dispensary
- Food Delivered in from Nearby Restaurant
- Lounge with Ancillary Smoking (smoking only allowed in 50% of the lounge)
- Smoking Indoors and Outside
- Regular Performances, Yoga Classes, Art Classes

# LOUNGE EXAMPLES THE ARTIST TREE



# OTHER UPCOMING LOUNGES

- Aeon Botanika (Opening Q4 2022)
  - Attached to Dispensary, Full Smoking Lounge, Completely Indoors, Treatment Rooms, Moroccan Theme
- Fantom Flower (Opening Q4 2022)
  - Standalone Lounge, Ancillary Smoking, Completely Indoors, Live Entertainment, Separate Downstairs Restaurant with Alcohol
- The Woods (Opening Q4 2022)
  - Attached to Dispensary, Ancillary Smoking, Indoors and Outdoors, Food Delivered From Adjacent Business, Tropical Garden with Koi Ponds
- PleasureMed (Opening Q1/Q2 2023)
  - Attached to Dispensary, Full Smoking Lounge, Completely Indoors, Attached Restaurant with Alcohol

# SIGNIFICANT LOCAL (WEHO) REGULATIONS

## Weho Specific Requirements:

- Educational Components (Staff and Customers)
- Ventilation/Filtration Systems (Odor Control)
- Security Integration Into Design
- Neighborhood Security Patrol
- Soundproofing Required

## Application Rating Components:

- Social Equity (Hiring, Pay, etc.)
- Design Quality
- Community Engagement

## Other Allowed Uses:

- Ancillary Cultivation and Manufacturing

# CHALLENGES

- Hours: State (10PM) v. Local (2AM)
  - West Hollywood would like to allow longer hours, but state regulations don't allow that
- Sale of Non-Cannabis Food and Drinks
  - State regulations don't allow non-cannabis food and beverages to be sold on-site. Can be delivered in.
- Patron Intoxication (education is key; educate new patrons on how much to consume), may lounges provide discounted rideshare
- Odor (Smoke) (High quality ventilation systems are key, requirements that outdoor areas be closed if they become problematic)
- "Left-overs" and "To-Go" Items (Should patrons be allowed to take their leftovers with them? West Hollywood allows this)
- Federal Tax Structure (Businesses can't write off their expenses, like other restaurants or bars, which makes profitability more difficult)



# CANNABIS AND HOSPITALITY INTEGRATION IN WEHO

*Cannabis is being integrated directly into hospitality uses, and also into the City's larger hospitality industry*

- Cannabis Businesses Adjacent to Hotels
- Located on Major Hospitality Streets (The Sunset Strip)
- Adjacent to Other Hospitality Uses (Bars, Restaurants, Entertainment Venues)
- Consumption Lounges as Restaurants and Entertainment Venues

# FINAL THOUGHTS

- West Hollywood wanted Consumption Lounges to be as high quality as other businesses in the City
- Significant regulations and license conditions related to odor, security, and business operations are important
- Very few complaints or issues with the businesses that have been open
- Popular consumption lounges can generate significant revenues
- Helps to draw people to nightlife areas
- Be flexible, willing to help the businesses, and make regulatory changes



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[www.weho.org/cannabis](http://www.weho.org/cannabis)

John Leonard, Director of Economic Development  
[jleonard@weho.org](mailto:jleonard@weho.org)