PLANNING COMMISSION AGENDA REPORT

MEETING DATE: MAY 12, 2014 **ITEM NUMBER: PH-4**

SUBJECT: **CODE AMENDMENT CO-14-01: AN AMENDMENT TO TITLE 13 OF THE COSTA MESA MUNICIPAL CODE RELATED TO SMOKING LOUNGES**

DATE: **MAY 5, 2014**

FROM: **PLANNING DEPARTMENT/DEVELOPMENT SERVICES DIVISION**

PRESENTATION BY: **MEL LEE, SENIOR PLANNER**

FOR FURTHER INFORMATION CONTACT: **MEL LEE, AICP (714) 754-5611**
mel.lee@costamesaca.gov

DESCRIPTION

The Costa Mesa Planning Commission will hold a public hearing to consider Code Amendment CO-14-01 related to Smoking Lounges. The amendments would define smoking lounges for hookah, cigars, and electronic cigarettes (also known as vapor lounges or vaping lounges) in Title 13 of the Costa Mesa Municipal Code, limit these types of uses to specific zoning districts within the City of Costa Mesa, and establish operating standards as described herein.

RECOMMENDATIONS

- Recommend that City Council find that the ordinance is exempt pursuant to Section 15061(b)(3) (General Rule) of CEQA because there is no possibility that the proposed amendment to the Zoning Code will have a significant effect on the environment.

- Recommend that City Council approve and give first reading to the ordinance.

BACKGROUND

Hookah Parlors

Hookah parlors (also commonly known as hookah lounges and hookah bars) currently operate within the City of Costa Mesa; specifically, three hookah parlors are currently located within the boundaries of Costa Mesa. Hookah parlors have not yet been formally defined or regulated within the Costa Mesa Municipal Code ("CMMC"). As outlined in Zoning Administrator Determination No. 11-1, hookah parlors have been subject to the same land use/zoning development standards in the CMMC as food/beverage establishments due to similar impacts such as noise and traffic generation, as well as parking impacts (see Attachment 2). Hookah parlors are currently permitted in zoning districts where eating and drinking establishments are permitted (i.e., commercially and industrially-zoned properties) and are subject to the same operational characteristics for eating and drinking establishments such as hours of operation (for example, they are required to close at 11:00 pm if they are located within 200 feet of residentially-zoned property).

Due to the problems associated with the existing hookah parlor operations in the City (noise, outdoor use of grills, and hours of operation beyond the 11:00 pm closing time established by City Codes for eating and drinking establishments), the City Council adopted Urgency Ordinance No. 13-09 on December 3, 2013, establishing a moratorium on new hookah parlors for 10 months and 13 days so that new regulations for the safe operation of these uses could be established.

Cigar Lounges

Like hookah parlors, cigar lounges are not formally defined or regulated within the CMMC. However, Section 13-30(d) allows uses not defined in the City's Land Use Matrix to be approved through a conditional use permit.

On September 13, 2004, the Planning Commission approved PA-04-32, a conditional use permit to establish a members-only cigar lounge at 750 W. 17th Street (Havanita's Cigar Lounge). According to City records, the lounge closed in December 2005. There is also a cigar lounge located at 2470 Newport Boulevard (Orange County Cigar Lounge), however, the City has no record of a conditional use permit for this use.

Electronic Cigarette (E-Cigarette) and Vapor (Vaping) Lounges

Electronic cigarettes, or "e-cigarettes" are battery-powered devices intended to emulate smoking a cigarette which allow the user to inhale vapor without producing fire, smoke, ash or carbon monoxide. They are usually designed to resemble traditional cigarettes and the liquids vaporized by the e-cigarette may contain nicotine, other chemicals, and flavoring, but do not contain tobacco. Electronic cigarettes come in many shapes and prices, ranging from the disposable types that can be purchased at convenience stores for a few dollars and resemble real cigarettes to the more complex vaporizers sold at "vapor stores," which can be hundreds of dollars. At vapor bars or e-cigarette lounges, patrons fill a tank with a flavored solution that may contain nicotine of various potencies and press a button that heats the solution into a vapor that is inhaled by the user.

Because the popularity of e-cigarettes is fairly new, their use, as well as the lounges in which various flavors can be sampled, are not currently regulated in the CMMC. The

Food and Drug Administration ("FDA") is currently considering extension of the Tobacco Control Act that would regulate the production and sale of electronic cigarettes, cigars and other tobacco products. However, if the Tobacco Control Act is extended to e-cigarettes, it will not limit the City's authority to regulate the use. Several establishments have opened in the City representing on their business license applications that they sell smoking-related accessories similar to "retail tobacco stores", but eventually establish (without City approval) "lounges" in which patrons can congregate in a relaxed social setting while they sample the different flavors available for these types of cigarettes (similar to hookah and cigar lounges).

ANALYSIS

The proposed ordinance would establish the following in the City's Zoning Code:

1. A comprehensive definition that would cover the types of smoking lounges described in the previous section of this report as well as retail tobacco shops;
2. The zoning district in which smoking lounges and retail tobacco shops would be permitted;
3. Specific operating requirements for smoking lounges: and
4. An amortization period for smoking lounges that do not conform to the proposed requirements.

Smoking Lounge Ordinances in Other Cities

In preparing the proposed ordinance for the CMMC, the City obtained similar ordinances from Santa Clara; Cypress; and Troy, Michigan. These ordinances were reviewed for provisions, regulations and standards that could be appropriate to the City of Costa Mesa.

The proposed ordinance would amend the following sections of Title 13 of the CMMC:

- Chapter 1 (General), Article 2, Section 13-6 (Definitions): the following definitions are proposed as follows:

  Retail Tobacco/Cigar/E-cigarette Shop. A tobacco retailer whose business exclusively or primarily involves the sale of tobacco products and related goods including, but not limited to, e-cigarette and vaping products.

  Smoking lounge. A business establishment that is dedicated, in whole or in part, to the smoking of tobacco or other substances including, but not limited to, establishments known variously as cigar lounges, hookah cafes/parlors, vapor bars, e-cigarette lounges, tobacco clubs or tobacco bars. This definition does not apply to retail stores or smoke shops where no customer smoking occurs on-site.

- Chapter 4 (City of Costa Mesa Land Use Matrix), Table 13-30: The land use matrix is proposed to be amended to allow smoking lounges to operate as a permitted use in the C1-S (Shopping Center District) zone. As defined in the Code, C1-S is "...intended for large commercial lots constructed as a unified and integrated development. It is the further purpose to provide a wide range of goods

and services on a community and regional scale." Examples of C1-S zoned properties include the following:

- Harbor Center at 2300 Harbor Boulevard;
- K-Mart Center at 2200 Harbor Boulevard; and
- 17TH Street Village at 241 and 267 E. 17th Street.

TABLE 13-30
CITY OF COSTA MESA LAND USE MATRIX

LAND USES	ZONES																				
	R1	R2MD	R2HD	R3	AP	CL	C1	C2	C1S[1]	TC[1]	MG	MP	PDRLD[1]	PDRMD[1]	PDRHD[1]	PDRNCM[1]	PDC[1]	PDI[1]	I&R[1]	I&RS[1]	P
131A. Retail: Tobacco/Cigar/E-Cigarette Shop)	•	•	•	•	•	P	P	P	P	P	•	•	•	•	•	•	P	P	•	•	•
135A. Smoking Lounge (subject to the requirements of CHAPTER IX, ARTICLE 19, SMOKING LOUNGES)	•	•	•	•	•	•	•	•	P	•	•	•	•	•	•	•	•	•	•	•	•

- • = Not Permitted; P = Permitted.

The proposed zoning districts identified above can accommodate smoking lounges and retail tobacco shops without the need of a conditional use permit to insure that the use is compatible with surrounding properties and uses.

Chapter 9 (Special Land Use Regulations), Article 19 (Smoking Lounges): Please note that Article 19 would be a new section to Chapter 9 with the following operating requirements for the use as proposed for the C1-S zone below.

- *Operating requirements for smoking lounges.* It is unlawful for any person to engage in, conduct, or carry on, in or upon any premises with in the city the business of a smoking lounge except in compliance with all of the following requirements:
  1. The business shall be owner-operated or otherwise exempt from the prohibition of smoking in the workplace set forth in Labor Code § 6404.5.
  2. No alcoholic beverages shall be sold or consumed on the premises.
  3. No persons under eighteen (18) years of age shall be permitted within the business.
  4. No live entertainment shall be permitted within the business.
  5. The business shall not operate between the hours of 2:00 am and 8:00 am.
  6. All business-related activities shall be conducted wholly within a building. No outdoor seating shall be permitted. Operation of outdoor barbeques or braziers or the lighting of coals or other heating devices shall not be permitted.

7. No admittance fee, cover charge or requirement of any charge or minimum payment as a condition of entry shall be permitted.
8. The interior of the business shall be maintained with adequate illumination to make the conduct of patrons within the premises readily discernable to persons of normal visual acuity.
9. Electronic game machines as described in Chapter 9, Article 5 of the Costa Mesa Municipal Code shall not be permitted anywhere within the business.
10. Adequate ventilation shall be provided for the heating of coals in accordance with all requirements imposed by the Costa Mesa Fire Department or as otherwise required by state or federal laws.
11. Parking shall be provided using the standard for establishments where food or beverages are served as described in Chapter 6, Article 2 of the Costa Mesa Municipal Code.
12. The occupancy shall not exceed the occupancy limit for the premises established by the City building official.
13. The business shall also be in conformity with all other city, state and federal laws.

- *Application to existing businesses*. Any smoking lounge lawfully existing on the effective date of this section which becomes a nonconforming use by reason of the adoption of this section shall cease operation, or otherwise be brought into full compliance with the provisions of this section, not later than either (i) one year following the effective date of this section, or (ii) six (6) months following the date of written notice, whichever is later (the "amortization period"), except that no lawfully existing smoking lounge shall be deemed to be nonconforming for failure to comply with the location and parking requirements established for such uses by this section unless said business is terminated for any reason or voluntarily discontinued for a period of sixty (60) consecutive calendar days or more following the effective date of this section. A smoking lounge which is not operational due to a fire, flood or natural disaster on the effective date of this section shall be deemed a "lawfully existing smoking lounge" for the purposes of this section provided such smoking lounge resumes operation within a period of not more than two (2) years from the date of said fire, flood or natural disaster which rendered such business nonoperational. Any such lawfully existing smoking lounge may continue to operate, provided said operation is in conformity with all other applicable city, state and federal laws, until the application pursuant to this section has been acted upon and the decision thereon has become final.
- *Rules and regulations*. The city may establish reasonable administrative rules and regulations to implement the provisions of this section. A copy of such rules and regulations shall be made available to applicants by the Development Services Department.
- *Penalty*. Any person violating or failing to comply with any of the provisions of this section is guilty of a misdemeanor and shall be subject to a fine of not to exceed one thousand dollars ($1,000.00) or by imprisonment not to exceed six (6) months, or by both such fine and imprisonment. Each such person is guilty of a separate offense for each and every day during any portion of which any violation of the provisions of the section is committed.

PUBLIC NOTICE

Code-required public notice was provided via the following methods:

1. Publication of a display ad in the local newspaper (Daily Pilot).
2. Notice of the public hearing was mailed to the following:
    - Existing hookah, cigar, and e-cigarette establishments in the City (see Attachment 3).

ENVIRONMENTAL DETERMINATION

The project has been reviewed for compliance with the California Environmental Quality Act (CEQA), the CEQA guidelines, and the City's environmental procedures, and has been found to be exempt pursuant to Section 15061(b)(3) (General Rule) of CEQA because there is no possibility that the proposed amendment to the Zoning Code will have a significant effect on the environment.

LEGAL REVIEW

The draft ordinance has been reviewed by the City Attorney's office.

CONCLUSION

As noted earlier, the proposed amendments will provide regulatory framework to ensure that future smoking lounges are operated in a manner that is compliant with applicable codes as well as compatible with surrounding properties and uses.

ALTERNATIVES

If the proposed ordinance is not recommended for adoption by the Planning Commission, the proposed ordinance could still be considered and adopted by the City Council. If the ordinance is not ultimately adopted by City Council, smoking lounges could continue with no formal regulation under the CMMC.

MEL LEE, AICP
Senior Planner

JERRY GUARRACINO, AICP
Interim Assistant Director Economic and Development Services

Distribution: Director of Economic & Development/Deputy CEO
Senior Deputy City Attorney
Public Services Director
City Engineer
Transportation Services Manager
Fire Protection Analyst
Staff (4)
File (2)

Distribution List – List of Known Hookah, Cigar, and E-Cigarette (Vaping) Establishments

Attachments:

1. Draft Ordinance
2. Zoning Administrator Determination No. 11-1 for Hookah Lounges
3. List of Known Hookah, Cigar, and E-Cigarette (Vaping) Establishments

ORDINANCE NO. 14-

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, AMENDING CHAPTER 1 (GENERAL) ARTICLE 2, SECTION 13-6 (DEFINITIONS); CHAPTER 4 (CITY OF COSTA MESA LAND USE MATRIX), TABLE 13-30; CHAPTER 9 (SPECIAL LAND USE REGULATIONS), ARTICLE 19 (SMOKING LOUNGES) OF TITLE 13 OF THE COSTA MESA MUNICIPAL CODE RELATING TO SMOKING LOUNGES

WHEREAS, the City Council of the City of Costa Mesa finds that there are currently no specific Zoning Code regulations with regard to hookah parlors, which have been shown to create problems for surrounding properties and uses including, but not limited to, loud music, drinking in public, large crowds milling outside of the site, and operating past the hours of operation allowed per Code; and

WHEREAS, like hookah parlors, cigar lounges are not formally defined or regulated within the Costa Mesa Zoning Code. However, Code Section 13-30(d) allows uses not defined in the City's Land Use Matrix to be approved through a Conditional Use Permit; and

WHEREAS, because the popularity of e-cigarettes is fairly new, their use, as well as the lounges in which various flavors can be sampled, are not regulated in the Costa Mesa Municipal Code. Several establishments have opened in the City representing on their business license applications that they sell accessories similar to retail tobacco store, but eventually establish (without City approval) lounges; and

WHEREAS, Section 6404.5 of the California Labor Code prohibits smoking of tobacco products in an enclosed space at a place of employment; and

WHEREAS, the definition of "Place of Employment" in Labor Code Section 6404.5 does not include retail or wholesale tobacco shops and private smokers' lounges. This allows tobacco smoking inside establishments where people work, eat and drink.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COSTA MESA DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1: Chapter 1 (General), Article 2, Section 13-6 (Definitions): the following definitions are added as follows:

Retail Tobacco/Cigar/E-cigarette Shop. A tobacco retailer whose business exclusively or primarily involves the sale of tobacco products and related goods, including, but not limited to, e-cigarette and vaping products.

Smoking lounge. A business establishment that is dedicated, in whole or in part, to the smoking of tobacco or other substances including, but not limited to, establishments known variously as cigar lounges, hookah cafes/parlors, vapor bars,

e-cigarette lounges, tobacco clubs or tobacco bars. This definition does not apply to retail stores or smoke shops where no customer smoking occurs on-site.

SECTION 2: Chapter 4 (City of Costa Mesa Land Use Matrix), Table 13-30: The land use matrix is proposed to be amended as shown in Exhibit A.

SECTION 3: Chapter 9 (Special Land Use Regulations), Article 19 (Smoking Lounges): Please note that this would be a new section to this chapter as proposed below.

ARTICLE 19. SMOKING LOUNGES

Sec. 13-200.80 PURPOSE

The purpose of this article is to promote the public health, safety, and general welfare of the City by regulating and providing operating standards for smoking lounges.

Sec. 13-200.81 OPERATING REQUIREMENTS FOR SMOKING LOUNGES

It is unlawful for any person to engage in, conduct, or carry on, in or upon any premises with in the city the business of a smoking lounge except in compliance with all of the following requirements:

1. The business shall be owner-operated or otherwise exempt from the prohibition of smoking in the workplace set forth in Labor Code § 6404.5.
2. No alcoholic beverages shall be sold or consumed on the premises.
3. No persons under eighteen (18) years of age shall be permitted within the business.
4. No live entertainment shall be permitted in such business.
5. The business shall not operate between the hours of 2:00 am and 8:00 am.
6. All business-related activities shall be conducted wholly within a building. No outdoor seating shall be permitted. Operation of outdoor barbeques or braziers or the lighting of coals or other heating devices shall not be permitted.
7. No admittance fee, cover charge or requirement of any charge or minimum payment as a condition of entry shall be permitted.
8. The interior of the business shall be maintained with adequate illumination to make the conduct of patrons within the premises readily discernable to persons of normal visual acuity.
9. Electronic game machines as described in Chapter 9, Article 5 of the Costa Mesa Municipal Code shall not be permitted anywhere within the business.
10. Adequate ventilation shall be provided for the heating of coals in accordance with all requirements imposed by the Costa Mesa Fire Department or as otherwise required by state or federal laws.
11. Parking shall be provided using the standard for establishments where food or beverages are served as described in Chapter 6, Article 2 of the Costa Mesa Municipal Code.
12. The occupancy shall not exceed the occupancy limit for the premises established by the City building official.

13. The business shall also be in conformity with all other city, state and federal laws.

Sec. 13-200.82 APPLICATION TO EXISTING BUSINESSES

Any smoking lounge lawfully existing on the effective date of this section which becomes a nonconforming use by reason of the adoption of this section shall cease operation, or otherwise be brought into full compliance with the provisions of this section, not later than either (i) one year following the effective date of this section, or (ii) six (6) months following the date of written notice, whichever is later (the "amortization period"), except that no lawfully existing smoking lounge shall be deemed to be nonconforming for failure to comply with the location and parking requirements established for such uses by this section unless said business is terminated for any reason or voluntarily discontinued for a period of sixty (60) consecutive calendar days or more following the effective date of this section. A smoking lounge which is not operational due to a fire, flood or natural disaster on the effective date of this section shall be deemed a "lawfully existing smoking lounge" for the purposes of this section provided such smoking lounge resumes operation within a period of not more than two (2) years from the date of said fire, flood or natural disaster which rendered such business nonoperational. Any such lawfully existing smoking lounge may continue to operate, provided said operation is in conformity with all other applicable city, state and federal laws, until the application pursuant to this section has been acted upon and the decision thereon has become final.

Sec. 13-200.83 RULES AND REGULATIONS

The city may establish reasonable administrative rules and regulations to implement the provisions of this section. A copy of such rules and regulations shall be made available to applicants by the Development Services Department.

Sec. 13-200.84 PENALTY

Any person violating or failing to comply with any of the provisions of this section is guilty of a misdemeanor and shall be subject to a fine of not to exceed one thousand dollars ($1,000.00) or by imprisonment not to exceed six (6) months, or by both such fine and imprisonment. Each such person is guilty of a separate offense for each and every day during any portion of which any violation of the provisions of the section is committed.

SECTION 4: ENVIRONMENTAL DETERMINATION. The code amendment has been reviewed for compliance with the California Environmental Quality Act (CEQA), the CEQA guidelines, and the City's environmental procedures, and has been found to be exempt pursuant to Section 15061 (b) (3) (General Rule) of the CEQA Guidelines, in that the City Council hereby finds that it can be seen with certainty that there is no possibility that the passage of this ordinance amending the zoning code will have a significant effect on the environment.

SECTION 5: INCONSISTENCIES. Any provision of the Costa Mesa Municipal Code or appendices thereto inconsistent with the provisions of this Ordinance, to the extent of such inconsistencies and no further, is hereby repealed or modified to that extent necessary to effect the provisions of this Ordinance.

SECTION 6: SEVERABILITY. If any provision or clause of this ordinance or the application thereof to any person or circumstances is held to be unconstitutional or

otherwise invalid by any court of competent jurisdiction, such invalidity shall not affect other provisions or clauses or applications of this ordinance which can be implemented without the invalid provision, clause or application; and to this end, the provisions of this ordinance are declared to be severable.

SECTION 7: PUBLICATION. This Ordinance shall take effect and be in full force thirty (30) days from and after the passage thereof, and prior to the expiration of fifteen (15) days from its passage shall be published once in the ORANGE COAST DAILY PILOT, a newspaper of general circulation, printed and published in the City of Costa Mesa or, in the alternative, the City Clerk may cause to be published a summary of this Ordinance and a certified copy of the text of this Ordinance shall be posted in the office of the City Clerk five (5) days prior to the date of adoption of this Ordinance, and within fifteen (15) days after adoption, the City Clerk shall cause to be published the aforementioned summary and shall post in the office of the City Clerk a certified copy of this Ordinance together with the names and member of the City Council voting for and against the same.

PASSED AND ADOPTED this _____ day of _____ 2014.

_____
JIM RIGHEIMER
Mayor of the City of Costa Mesa

ATTEST:

_____
City Clerk of the City of Costa Mesa

APPROVED AS TO FORM:

_____
City Attorney

STATE OF CALIFORNIA)
)ss
COUNTY OF ORANGE)

I, Brenda Green, City Clerk and ex-officio Clerk of the City Council of the City of Costa Mesa, hereby certify that the above foregoing Ordinance No. 14-___ as introduced and considered section by section at a regular meeting of said City Council held on the ____ day of _____, 2014, and thereafter passed and adopted as a whole at the regular meeting of said City Council held on the ____ day of _____, 2014, by the following roll call vote:

AYES:

NOES:

ABSENT:

IN WITNESS WHEREOF, I have hereby set my hand and affixed the Seal of the City of Costa Mesa this ___ day of _____, 2014.

_____
City Clerk
City Council of the City of Costa Mesa

EXHIBIT A

TABLE 13-30 CITY OF COSTA MESA LAND USE MATRIX																					
	ZONES																				
LAND USES	R1	R2MD	R2HD	R3	AP	CL	C1	C2	C1S[1]	TC[1]	MG	MP	PDRLD[1]	PDRMD[1]	PDRHD[1]	PDRNCM[1]	PDC[1]	PDI[1]	I&R[1]	I&RS[1]	P
131A. Retail: Tobacco/Cigar/E-Cigarette Shop)	•	•	•	•	•	P	P	P	P	P	•	•	•	•	•	•	P	P	•	•	•
135A. Smoking Lounge (subject to the requirements of CHAPTER IX, ARTICLE 19, SMOKING LOUNGES)	•	•	•	•	•	•	•	•	P	•	•	•	•	•	•	•	•	•	•	•	•

• = Not Permitted; P = Permitted.

Costa Mesa

ZONING ADMINISTRATOR DETERMINATION No. 11-1

SUBJECT: HOOKAH LOUNGES

CMMC SEC: CHAPTER V, ARTICLE 4
TABLES 13-30 AND 13-89

DATE: NOVEMBER 4, 2011

BACKGROUND

The Zoning Code defines an "establishment where food or beverages are served" as:

> *Any commercial use that sells prepared food and/or beverages for consumption on-site or off-site, either solely or in conjunction with an ancillary or complementary use.*

Hookah lounges sell prepared tobacco for on-site consumption in a lounge setting, sometimes in conjunction with beverage service (water, sodas, etc.). The tobacco is prepared with the use of a charcoal grill. Although the serving of food and beverages may not be the primary use of a hookah lounge, the operational characteristics associated with on-site tobacco preparation, service and consumption within a hookah lounge/bar is comparable to a food/beverage establishment.

Impacts may be related to noise, traffic, and parking (gathering of a number of people in one place, operating until the early hours of the morning, etc.) and these resulting impacts on residential and commercial neighbors can be similar to food/beverage-serving establishments.

As a relatively new use, hookah lounges are not specifically addressed in the Zoning Code. Consequently, it is important to clarify the classification of hookah lounges under the Land Use Matrix and parking requirements of the Zoning Code. CMMC 13-30 (d) gives staff the ability to review a use for its similarity to another listed use to determine how the use is processed, resulting in the following determination.

DETERMINATION

Hookah lounges shall be subject to the same development standards contained in CMMC 13-30 (which refers to Title 13, Chapter V, Article 4 *Establishments Where Food or Beverages are Served*) including, but not limited to zones where the use is permitted, hours of operation, provision of live entertainment, processing/approval of uses in proximity to residentially-zoned properties, etc. Additionally, standard conditions of approval, formulated for hookah lounges, will be applied to any new hookah lounges even if they are permitted uses.

Parking requirements will also be the same as for *Establishments Where Food and Beverages are Served* with more than 300 square feet of public area.

WILLA BOUWENS-KILLEEN, AICP
Zoning Administrator

ATTACHMENT 3

List of Known Hookah, Cigar, and E-Cigarette (Vapor) Establishments
As of April 29, 2014

VAP
2428 Newport Boulevard, Suite 5
Costa Mesa, CA 92627

VAP Vaporizers
3033 Bristol Street, Suite J
Costa Mesa, CA 92627

Vapor Craze
1779 Newport Boulevard
Costa Mesa, CA 92627

Vapor Labs LLC
2200 Harbor Boulevard, Suite C250
Costa Mesa, CA 92627

Bublyz Hookah Lounge
3033 Bristol Street, Suite F
Costa Mesa, CA 92626

Sultana Hookah Lounge
698 West 19th Street
Costa Mesa, CA 92627

Harbor Hookah Lounge
440 Fair Drive, Suite A
Costa Mesa, CA 92626

Orange County Cigar Lounge
2470 Newport Boulevard
Costa Mesa, CA 92627

Source: Costa Mesa Finance Department

PH-4

ORANGE COUNTY CIGARS

2740 Newport Boulevard, Costa Mesa, CA 92627

Date: May 12, 2014

To: City of Costa Mesa Planning Commission and City Council

From: Orange County Cigars

In May of 2008, Orange County Cigars opened its doors and started a new business in the City of Costa Mesa. This new business required many months of planning and improvements, investing a significant amount of money and complying with all city codes before Orange County Cigars was approved by the city planning commission and granted a city business license. Unfortunately, our timing to start a new business was not to our advantage, as our country was just beginning the ongoing economic recession. After 6 years of struggling to stay open and an impeccable record of zero community complaints, we find that our business is in serious jeopardy due to problems with hookah lounges and vape (e-cigarettes) stores.

Orange County Cigars is enjoyed by our local neighborhood and the surrounding communities. Orange County Cigars is located in an isolated free-standing building with no public health and safety effects to neighboring businesses. Orange County Cigars has never been cited for not complying with city ordinance and the store has never received a call for police service since opening its doors over 6 years ago. Orange County Cigars is operated by two owners and the business hours are from 12:00 noon to 10:00 pm.

We are asking the Costa Mesa Planning Commission and the City Council to consider classifying Orange County Cigars separately from hookah lounges and vape stores.

Thank you for your consideration.