

Minutes of the Blythe City Council
May 30, 2017

The May 30, 2017 Special Meeting of the Blythe City Council was called to order at 6:00pm in the Council Chambers by Mayor DeConinck. Also in attendance were Vice Mayor Wade and Council Members Galvan, Reynolds and Egan. Staff in attendance included: City Manager Cosentini, City Clerk Crecelius, City Treasurer and Interim Finance Director Elms, Police Chief Wade, Planner Burrow and Public Works Director Baldizzone.

The Pledge of Allegiance was led by Mayor DeConinck.

REPORT FROM CLOSED SESSION: City Attorney Bettenhausen stated Council entered Closed Session at 5:00pm to discuss Item #1 Public Employee Appointment. Direction was given, no final action was taken.

CONSENT CALENDAR: *Items on the Consent Calendar are considered routine and will be enacted with one motion of the Council. If any item requires individual consideration, it will be removed from the consent calendar and acted upon separately.*

1. Posting of the Agenda.

The summary of agenda items were posted on the bulletin boards on the outside of the public entrance to the Council Chamber and near the inside entrance of the Council Chamber on Friday, May 26, 2017.

No public comment. Councilman Galvan moved approval of the Consent Calendar. The motion was seconded by Vice Mayor Wade with a unanimous ay vote.

NEW BUSINESS:

Cannabis Ordinance, Ordinance No. 883-17. City Manager Cosentini stated David McPherson our Cannabis consultant from HDL is also here with us this evening. The Fiscal impact is \$960,000- \$1.6 million which included 10 licenses. The number of licenses is now 16 but the revenue amount has not been updated to reflect the additional licenses. This started after the November 16th Election. My concern was not taking local control and having these businesses unregulated. I brought options to Council and Council directed staff to get a consultant. We found David McPherson with HDL. Council voted to authorize, regulate and tax recreation and medical marijuana with the option to drop the recreational side. We held a study session to discuss the Ordinance and dialed in on the location. We developed a point system for economic development. We put a radius 600 ft. around the required locations which include: daycares, schools and children's facilities. Due to safety issues the Council expanded that to include churches and parks. This created a zone for these types of businesses in the East side of town. There are some housekeeping items we need to address. Under Section 5.10.210 it references a Planning and Services Director. That should be amended to reference Planner.

David McPherson with HDL stated the Governor has a bill that may consolidate some of the regulations on medical and recreational marijuana. There could be some slight modifications as time goes on due to that. I would suggest referencing Planner or his/her designee in case titles change again.

Mayor DeConinck stated you have talked about revenue but not the cost. City Manager Cosentini stated we will need to see how the environment will change and may have to react to it but with authorization management and taxation you will have the resources to deal with the impacts.

David McPherson stated we have designed costs associated with the permit process. Then we looked at annual permit costs based on what all city departments need for resources to make the City whole.

Councilman Egan stated we are not allowed to regulate home growth. Is that how the other states handled it or is that unique to California? David McPherson stated it's unique to California. However Colorado allowed 99 plants and is now trying to bring that number down. Councilman Egan asked if any cities in Colorado banned it. David McPherson stated there was a percentage that did not authorize it. They now have the most challenges because they don't have clear rules in place to regulate it.

Councilman Egan asked if any states that have legalized it went back to overturn it. David McPherson stated no, but some states have modified things.

Councilman Reynolds asked why we are restricting the number of licenses to 16. City Manger Cosentini stated due to the controversy of this issue I was trying to seek a balance and not come out of the gate to fast. That is why we talked extensively about where to place these businesses and the philosophy chosen by the Council was to put them on the outskirts of town. It's out of sight and out of mind so it's less intrusive for the people who do not want it. The idea was to start slow, ease it into the community to show good faith that we can make this work well and safely. Once proven the thought was the community would feel more comfortable at looking at bigger numbers.

Vice Mayor Wade stated he received a letter today about an adult day care. How do we add that in? City Manager Cosentini stated it was at the discretion of the City Council as it's not required under the law. Vice Mayor Wade asked if changes could be made with the First reading. City Attorney Bettenhausen stated the second reading has to be of the same Ordinance as the First reading. If amendments are made in between the two readings the second reading would then become the first reading of the new Ordinance. The other option to Council is to adopt this ordinance after verbally making changes to it. Those changes would then be incorporated in the first reading of the Ordinance. Or you can direct staff to make changes and bring the changes back for a first reading.

Councilman Egan asked if there was a deadline we had to get this done by. City Attorney Bettenhausen stated there were no hard deadlines but the State intends to issue licenses by January 2018.

Vice Mayor Wade asked if we are rushing it if we don't even know what might happen with the trailer bill. David McPherson stated the trailer bill will not cause significant changes to this. It will be little tweaks that may start allowing bigger grows now instead of waiting until 2023. It will not restrict anything more than it is now. You may get into a situation where you have 4 licenses and 50 applicants. Council may decide to go back and allow more licenses so everyone who scored above an 80% gets a permit.

Councilman Egan asked if we have heard what position the County may be taking on this. David McPherson stated the County is looking at scenarios as to how many licenses they may issue and what kind of process to use. The City of Riverside is looking at it as well.

Vice Mayor Wade asked how HDL arrived at the dollar amounts. Mr. McPherson stated the City is already a client for property and sales tax. We evaluate the amount of time we spend and cost that out.

Mayor Deconinck stated as he understands it the County is looking into it but have not made any decisions yet and the City of Riverside has already said they are not doing it.

Vice Mayor Wade asked if the revenue was broken down by each license type. It was reported that information was not available. We wanted to be conservative because on an item such as the testing you may not give out any licenses or you may get 4 applicants. We can do some assumptions for those categories. But we didn't want to put in revenue for a business that may not come. Vice Mayor Wade asked what businesses he thought Blythe was suited for. Mr. McPherson stated growers would be most common due to your water and workforce. After growers are established the manufactures will follow.

City Manager Cosentini stated that any reference to delivery should be removed from the Ordinance.

City Manager Cosentini stated all ages in the Ordinance should reference 21, not 18 years of age.

Councilman Reynolds does not want a restriction on the number of licensees that can be issued.

Council Egan would like to have another Study Session to discuss this before moving forward.

Councilman Reynolds stated cultivation is farming. Do we restrict the number of alfalfa fields we allow, no its agriculture. Now all of a sudden we are saying we only want four when we don't restrict anyone else.

Councilman Egan agrees with opening up the licenses for the growth aspect of the business but not for dispensaries.

Councilman Reynolds would like to add another 600 ft. buffer zone around adult daycares. Mayor DeConinck would also like to include this in the Ordinance. Councilman Egan does not want to amend the zoning map.

Public comment. City Clerk Crecelius read into the record written communication received from Sheltering Wings opposing marijuana related businesses within 1,000 feet of both of their locations.

David Garcia is a City Attorney in LA County who wrote the first Ordinance for cannabis cultivation and manufacturing. I represent the cannabis farmers here. There is always a lag time between what the City can and wishes to collect. There are costs you won't know about until much later. What we came up with is a development fee. You would benefit from opening up the cultivation and manufacturing licenses to see how many good applicants you can get.

John Osborn of Palm Desert Ca stated from a development standpoint I agree with what has been said. If you don't limit it you may get a big developer that can make something work for everyone.

Steve Gregory stated we have put together a proposal for a cannabis cultivation center. The reason you are considering cannabis is taxes, revenues and economic development. Our proposal gives the City the ability to collect \$3-\$4 million in revenue.

David Harkin of Lake Elsinore stated I am a medical marijuana manufacture. I own a hemp manufacturing business and a farm in Spain that is imported through the FDA. I would like to help you work through this.

Jettie Townsend of 870 E. 14th Ave. addressed some concerns with the Ordinance.

Leslie Jessop-Watkins of 734 Riviera Dr. asked about amendments and when the Ordinance may be adopted.

Vice Mayor Wade asked Mrs. Watkins if the 1,000 ft. for Sheltering Wings was a request or a requirement. She reported they were still looking into it.

Council then engaged in a lengthy discussion of the amendments that should verbally be made to the Ordinance this evening.

Amendments to this Ordinance as directed by the City Council include:

Adding a 1,000 ft. radius around adult day care centers.

Not limiting the number of licenses that may be issued for cultivators and manufacturing.

Councilman Galvan excused himself from the meeting.

Addition of a cannabis master development agreement under the fee section of the Ordinance which would control the terms of development of a business park, facility or center.

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After discovery of theft, loss, other criminal activity business should notify the Police Department, not the City Manager. Notification should happen immediately but no later than 24 hours after discovery.

Signs posted at the business should say it can only be consumed in a private residence.

Complying with PVID laws, rules and regulations will be added to local regulations regarding agricultural discharge from cultivation.

Federal and State rules and regulations will be added to pesticide and fertilizer storage and discharge regulations.

All State and local rules and regulations should be added to Section I 1.

Wherever there is the word church it will be changed to state places of worship.

Councilman Egan moved approval of the first reading of Ordinance No. 883-17 as amended. The motion was seconded by Councilman Reynolds with a unanimous aye vote.

ORDINANCE NO. 883-17. AN ORDINANCE REPEALING AND REPLACING CHAPTER 17.63 E OF TITLE 17 OF THE BLYTHE MUNICIPAL CODE REGARDING COMMERCIAL CANNABIS DISPENSARIES, MEDICAL CANNABIS CULTIVATION AND ALL COMMERCIAL CANNABIS USES IN THE CITY, BY AMENDING TITLE 17.63 E ENTITLED "COMMERCIAL CANNABIS USES" AND CHAPTER 5.10 ENTITLED "COMMERCIAL CANNABIS ACTIVITY".

ORAL REPORTS: None

PUBLIC COMMENT: None

MEMBER COMMENT: None

ADJOURN:

The City Council meeting was adjourned at 8:42pm.

Joseph DeConinck, Mayor

ATTEST:

Mallory Crecelius, City Clerk