

Minutes of the Blythe City Council July 24, 2018

The July 24, 2018 Meeting of the Blythe City Council was called to order at 6:00pm in the Council Chambers by Mayor Reynolds. Also in attendance were Vice Mayor Egan and Council Members DeConinck, Rodriguez and Halby. Staff in attendance included: Interim City Manager and City Clerk Crecelius, Police Chief Wade, Public Works Director Baldizzone, Chief Building Official Garnica and Deputy City Attorney Collins participated via telephone.

The Pledge of Allegiance was led by Mayor Reynolds. The invocation was offered by Vice Mayor Egan.

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, July 20, 2018.

2. Approval of the Payroll Register.

Recommendation: Approve **7/24/18**, warrants numbered 50466 through 50491 and Direct Deposits numbered 42435 through 42492 in the amount of \$253,750.99.

3. Minutes of the July 10, 2018 City Council Meeting.

Recommendation: Approve the Minutes of the July 10, 2018 meeting.

4. Traffic Signal Rehabilitation Project.

Recommendation: Authorize the City Manager to enter into an agreement for the upgrade and repair of the City's traffic signal system and signalized intersections with Econolite Group Inc. and Nextel Systems Inc. in an amount not to exceed \$155,508.81 and authorize staff to make the appropriate budget adjustments for this project.

5. Adoption of an MOU for the Clerical/Para-Professional/Recreation Unit.

Recommendation: Adopt Resolution No. 2018-028, amending the terms of the Memorandum of Understanding between the City and Clerical/Para-Professional/Recreation Unit.

RESOLUTION NO. 2018-028. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLYTHE, CALIFORNIA ADOPTING AN ADDENDUM TO THE CLERICAL UNIT'S MEMORANDUM OF UNDERSTANDING FOR THE PERIOD OF JULY 1, 2018 THROUGH JUNE 30, 2019.

No public comment. Councilman DeConinck moved approval of the Consent Calendar. The motion was seconded by Vice Mayor Egan with a unanimous aye vote.

CONTINUED BUSINESS:

Monument Signs for Todd, Miller and Appleby Parks. Public Works Director Baldizzone stated in March of 2017 the City had an architect design a standard monument sign for all parks. The final design was approved by the Parks and Recreation Committee. After this approval staff looked for quotes to construct the monuments with no response. Staff then prepared a bid document for the project. No bids were received. Public Works then received a phone call from a sign company who was interested in the project, but missed the bid deadline. The City then worked with Brandt Group, Inc in obtaining a quote for this project. Brandt proposed some changes to the existing design. The monuments will be precast concrete instead of sandstone, the park name will in with

recessed lettering and the City's logo will be in steel. The quote received does not include site prep so Public Works will be responsible for grading, demolition of existing signs, excavation and compaction. Brandt is properly licensed for this work, insured, bondable and a California certified disabled veteran owned enterprise. Staff prepared the attached logo for the park monument signs. The project will be charged to the Art in Public Places fund. The original project was for monuments at Miller and Todd Parks, but we can also place a monument sign at Appleby Park. For three monuments the fiscal impact is \$37,050. For two monuments the fiscal impact is \$25,050.

Vice Mayor Egan asked if there would be an anti-graffiti coating. Public Works Director Baldizzone stated he would like to place a sign in Appleby Park, but it's the most vandalized park in the City. We had to close the bathroom in that park due to vandalism.

Vice Mayor Egan asked what else the Art in Public Places fund could be used for and if the welcome sign would qualify.

No public comment. Vice Mayor Egan moved approval of staff's recommendation to install signs at Miller and Todd Parks. The motion was seconded by Councilman Rodriguez with a unanimous aye vote.

Award of Comprehensive Fee Study, Full Cost Allocation Plan and Development Impact Fee Study. Interim City Manager Crecelius stated at Study Sessions held in April and May discussion was had on ways the City could increase revenue to address upcoming general fund shortfalls. As the City's fees for service have not been updated in a number of years, Staff was directed at the June 12th Council meeting to prepare a request for proposal for a comprehensive fee study, full cost allocation plan and development impact fee study. The fee study will review the City's current fee structure to determine if the fees as currently charged are generating enough revenue to recapture the cost of providing that service. The Cost Allocation Plan will take into account the staff time spent and staff members involved in the service to determine a fee that delivers full cost recovery. It is understood the market may not support full cost recovery in every instance, so the firm selected will do its best to present a fair fee schedule to the Council for adoption. The Development Impact Fee will outline a fee structure applicable to residential and commercial development. The City currently has adopted minimal Development Impact fees. The purpose of Development Impact fees is to address the City's future infrastructure needs. When it's time to expand the Water Treatment Plant, or build a new Fire Station for example, DIF fees would then be available for those projects. Staff received a total of five proposals from Clear Source Financial Consulting, Willdan Financial Services, MGT Consulting, Matrix Consulting Group and David Taussig and Associates. A sixth proposal received was deemed untimely and was not considered. Staff has conducted an in-depth review of all proposals and has determined that Willdan Financial Services was deemed the responsible bidder for the City Wide Fee Study and Full Cost Allocation Plan due to their price structure and institutional knowledge of the City from past projects. It was also determined that Matrix Consulting Group was the responsible bidder for the Development Impact Fee Study. It is recommended Council authorize the City Manager to enter into the City's standard

General Services Agreement with Willdan Financial Services in an amount not to exceed \$34,855 for the completion of a Comprehensive Fee Study and Full Cost Allocation Plan and a General Services Agreement with Matrix Consulting Group in an amount not to exceed \$36,500 for the development of a Development Impact Fee Study. It is further recommended Council authorize a loan to the General Fund from the Workers Compensation Internal Service fund in the amount of \$71,355 to fund this project. A note memorializing this loan will be prepared by Finance and brought to Council for ratification at a later date.

Councilman DeConinck asked what it costs to borrow the money. Interim City Manager Crecelius stated as we are borrowing it from our own fund, it's up to Council if you would like to charge interest or not. We are borrowing from the Workers Compensation fund which is an internal service fund supported by other City and enterprise funds and used to pay out workers compensation claims. There is a surplus in the fund so we can borrow from that fund and repay it if and when a fee study is adopted. The extra revenue generated from the fee study would be used to repay the loan.

Deputy City Attorney Collins stated the City does not have to charge interest on that loan.

No public comment. Vice Mayor Egan moved approval of staff's recommendation. The motion was seconded by Councilman DeConinck with a unanimous aye vote.

Addition of I-S Zone to Commercial Cannabis Activity Ordinance. Interim City Manager Crecelius stated as currently written, commercial cannabis businesses are allowed in three zones: General Commercial, Community Commercial and Industrial General. The businesses are also required to be outside of a 600 ft. radius around sensitive areas. Due to this, staff has received a number of inquiries from currently and potential cannabis applicants about possible zone changes/general plan amendments for their projects. As allowing cannabis in the I-S zone could spur development and streamline the application and development process, Council directed staff at the July 10th meeting to amend the Commercial Cannabis Ordinance to allow commercial cannabis businesses to operate in the I-S Zone. It is recommended Council conduct the first reading of Ordinance No. 890-18 by title only, waiving further reading.

No public comment. Vice Mayor Egan moved approval of the first reading of Ordinance No. 890-18. The motion was seconded by Councilman Rodriguez with a unanimous aye vote. City Clerk Crecelius read the title of the Ordinance into the record.

ORDINANCE NO. 890-18. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BLYTHE AMENDING MUNICIPAL CODE 17.63E.40 ("LOCATION OF COMMERCIAL CANNABIS BUSINESSES- ALL TYPES OTHER THAN DISPENSARIES: CULTIVATION, MANUFACTURING, TESTING AND DISTRIBUTORS") OF CHAPTER 17.63E ("COMMERCIAL CANNABIS RELATED USES AND ACTIVITY") OF TITLE 17 ("ZONING") OF THE BLYTHE MUNICIPAL CODE.

NEW BUSINESS:

Issuance of Commercial Cannabis Cultivation Permits to Low Desert Management Partners LLC and M&M Group, LLC. Interim City Manager Crecelius

stated Low Desert Management Partners, LLC submitted an application for cultivation at 3450 W. Hobsonway. The property is 13.44 acres in size with 2.94 acres zoned General-Commercial and 10.5 acres zoned Residential Mobile Home. Prior to 2011 the entire property was zoned General Commercial. In 2011 Council granted a zone change from General Commercial to Residential Mobile Home to allow for a proposed residential mobile home park project that never came to fruition. As RMH is not an allowable zone for Commercial Cannabis activity, the applicant will work on submittals requesting a zone change and general plan amendment. Staff will support this request as the original zone for this property was General Commercial. As 2.94 acres is zoned for Commercial Cannabis activity staff understands the applicants will start their cultivation operation on the 2.94 acres zoned General Commercial and phase in the rest of the property. Low Desert Management Partners, LLC has submitted the information required to pass the first three phases of the application process, including an in-depth interview with staff. They have completed the background investigation and there were no issues found which would preclude them from being issued a commercial cannabis license, therefore it is recommended Council issue a Commercial Cannabis Business Permit to Low Desert Management Partners, LLC for cultivation at 3450 W. Hobsonway. The applicants have completed the City's PRC Process. The next step in developing the property is pulling building permits. Construction of the project shall commence within one year from the date of this action by Council.

M&M Group, LLC submitted an application to build a 23,000 sq. ft. cultivation facility on a .95 acre parcel located on the North East corner of Florence Blvd. and Hobsonway. The property is zoned general commercial which is an allowable zone for commercial cannabis uses. M&M Group, LLC has submitted the information required to pass the first three phases of the application process, including an in-depth interview with staff. They have completed the background investigation and there were no issues found which would preclude them from being issued a commercial cannabis license, Therefore it is recommended Council issue a Commercial Cannabis Business Permit to the M&M Group, LLC for cultivation at APN 824-191-035. Once issued a Commercial Cannabis Permit, the next step in the development process for M&M Group is submittal of a PRC application. M&M Group will have 90 days from the date of award to submit their PRC application for conditions and shall be under construction within one year from issuance of a Commercial Cannabis Business Permit.

Councilman DeConinck asked what the applicant plans to do with the modular on the property.

Eli Owens with Low Desert Management stated originally they thought they had to be in operation by January 1st to receive a state license. They brought the modular units in as temporary facility. Now we are going to try to make them permanent and will do everything the City requires to do so. We have recently done work on the end unit so it looks nice on the corner.

No public comment. Councilman Rodriguez moved approval of staff's recommendation. The motion was seconded by Vice Mayor Egan with a unanimous aye vote.

Change of Micro-Business Location, El Rancho Verde, LLC. Interim City Manager Crecelius stated On March 13th Council issued a Commercial Cannabis Business Permit to El Rancho Verde, LLC for development of a Micro Business at 1936 E. Hobsonway. As development of this property could take up to two years, the El Rancho Verde Team began to look for alternatives to be operational as soon as possible. They have obtained a site at 836 E. Hobsonway located in the Albertsons shopping center. The plan is to open the Micro-business at this location while they develop a cultivation and manufacturing operation at 1936 E. Hobsonway. The proposed location meets the requirements of the Blythe Municipal Code. As currently written, the City's commercial cannabis ordinance allows for applicants to change locations both during the application process and after a license has been awarded. As it is typical for an applicant to go through the licensing process before spending funds developing a property they may not be issued a license for, the Ordinance allows the applicant the flexibility to change locations. A micro business is required to operate at least three license types. As the new location will not allow for cultivation, the applicants wish to include distribution in their Micro-Business permit along with their dispensary and manufacturing operations. It is recommended council approve a change in location for El Rancho Verde, LLC's Commercial Cannabis Micro-Business permit from 1936 E. Hobsonway to 836 E. Hobsonway along with the addition of distribution to the Micro-business contingent upon the proposal meeting all local and state requirements. The permit will be issued once the site has been inspected and a Certificate of Occupancy has been issued by the Building Department. The applicants have submitted PRC's for the development of both locations.

Vice Mayor Egan stated he is not in favor of this. One of the main reasons we approved this in the first place was their location, they owned it, knew what to do and were going to open quick. It's better to have these businesses in clusters. By breaking them up you are diminishing the revenue of the City and both businesses. You are not doing this in a vacuum, there are other players in the game. If you leap frog over your competition they may do the same and end up next to pizza studio. If we say yes we won't be able to say no to anyone else. They can do whatever they want on their plan, get approved and then change it. I don't want to step over the dollars to get the dimes. I think the best and most fair thing to do is to put your plan back in the mix, let others do the same and pick the best one. If it's as good as you say it is, it will still win. It's not fair to the other applicants. We've told others with almost the same plan no.

Councilman Halby stated Council is trying to make some money for the City by giving these licenses out. It gets businesses going quick, staff recommended it and it's allowed in this location.

Councilman DeConinck asked Vice Mayor Egan if he would be in favor of this if they put some type of guarantee that they would continue on the El Rancho property. I know they are going to run into some challenges at El Rancho. If there was some way to make sure it does get done then it's a win win.

Public comment. Tom Farrage of 470 N. 10th stated our intention is to be in East Blythe. There are delicate negotiations we can discuss in closed session. In working with The Holt

Group a utilities permit from Caltrans could take up to two years. We heard there was a sense of urgency in getting something opened. We started out of the box to make a win win situation. We signed a three year lease with a couple of 1 year options. But we can be open in 90-120 days and start paying taxes and creating our business. Our ultimate goal is to create a cannabis campus of 6-8 acres with everything in one spot. But 7th street needs help to. IN the interim this would be a win win situation for everybody. Have A Heart has an advantage over us due to being on a corner. They also have a product line ready to go. We need time to develop our product line. We would like to get more into the medicinal aspect. I don't think that in business there is a law against finding a competitive edge.

Vice Mayor Egan asked about the guarantee. Tom Farrage stated I am not sure how we can give you a guarantee. We own the property and it's in disarray. I am not going to leave it that way.

Councilman DeConinck asked Rob Holt how long it would take at the El Rancho. Rob Holt stated it has some serious problems. It has water and sewer problems and the pad is about 2 feet from the street.

Interim City Manager Crecelius stated we would not be able to discuss this in Closed Session; it does not meet the test.

Vice Mayor Egan stated this project no longer resembles your original proposal. It's not fair to the other applicants who had much better plans together and bigger resources. Some stood right where you are making almost the same proposal and we told them no. How will we stop anyone else from moving too?

Councilman Halby stated there are limited sites. If you want to make a move on these guys you are saying we will wait until next year to make any money for the City. That does not sound like the best move for the City.

Vice Mayor Egan said we are stepping over dollars to get dimes and there will be more money in the end.

Interim City Manager Crecelius stated I would like to circle back to Councilman DeConinck's request from some type of guarantee. If you would like some type of guarantee the easiest thing to do would be to give them 3 years to develop El Rancho while they operate at 7th street. If they haven't delivered El Rancho in 3 years, pull their dispensary license. Have them agree to do something in El Rancho within three years or risk looking their Micro-business license.

Councilman Halby stated the Ordinance as written allows for a change of location.

Councilman DeConinck stated when Walmart was looking at property on 95 a lot of work was done with Caltrans. That is available to you. The plans are designed and it's done. I got a permit from Caltrans for the new off-ramp in less than 6 months. I would like a time frame so if you are not done, your license is pulled.

Councilman Halby asked how many PRCs have been submitted. It was reported 6, but not all of them need a PRC.

Councilman DeConinck asked Rob Holt if they get started today, how soon do you think they would be done. Rob Holt stated Caltrans is a moving target. We will need to tear the building down. It would be optimistic to say you could do it in a year.

Tom Farrage stated adding time frames does not seem fair.

Councilman Rodriguez stated as long as El Rancho continues to show progress, we can extend the time frame. Within a few years something will be done or not.

Mayor Reynolds stated we are putting too many restrictions on this. They have a plan to open sooner.

Mike Farrage 1936 E. Hobsonway stated in a meeting you said we need time restrictions because nothing is going on. We want to open the 7th street project, get it open while at the same time working on the El Rancho project. If we can do it in a year, we will do it in a year. I want East Blythe done more than you do. We are not wavering from that. Let's keep it simple. We are going to do both; we have the money to do it. My word is my word and I am making that word right here.

Councilman DeConinck stated things happen. The key component is there was another party out there but we let you move forward on the El Rancho Project. I know you are going to run into some issues out there, but you were the ones that came to us with it. I would like to see something in place so we are all here doing the best we can. Have something in place to get both done. If you run into snags we are not going to shut you down if you are making progress. We are trying to move forward and the key was that development was going to happen out there. All I ask is for a guarantee. I will bend over backwards to help you with Caltrans.

Mike Farrage stated we came for the City's blessing. The City needs revenue. If you don't want us to do it Eric, shut us down and we will do what we always intended at El Rancho.

Councilman DeConinck asked if Mike would agree to three years to get El Rancho done.

Councilman Halby stated we should look at this again in March of 2020. If you haven't made good progress, we will have to talk to you about it.

Tom Farrage stated the cultivation and manufacturing operation at El Rancho will be done in 12-14 months. 7th street will be done as soon as possible.

Councilman DeConinck would like a written report or some type of updates on the project.

Councilman DeConinck moved approval of staff's recommendation along with review of their progress in March of 2020. The motion was seconded by Councilman Halby with aye votes from Reynolds, DeConinck, Rodriguez and Halby and a no vote from Egan.

Addendum to Conditions of Approval for Tentative Tract Map 34480. Interim City Manager Crecelius stated The Edgewater Land Development TTM was approved by the City Council in November of 2006 for development of a 46-lot residential subdivision on a 20-acre parcel located east of Riviera Drive on the west bank of the Colorado River. The existing map includes connection to the City's water and sewer systems and conditional development of a boat launch ramp and dock, and related vehicle parking area. The revised proposal includes 30 long lots with a minimum width of 55-feet, each with river frontage on the east and Riviera Drive on the west. The original map proposed development of the project in a single phase with all required site and infrastructure improvements to be completed concurrent with initial site development. The amended TTM includes development in two phases, with the southernmost nine lots to be completed as Phase 1, and the remaining 21 lots to be completed as Phase 2. As discussed with the City Council in a study session held on April 10th, Phase 1, development will be sited around the existing Riviera Drive alignment, and – subject to approval of the use of septic tanks for the lots by the Regional Water Quality Control Board and Riverside County Environmental Health Department – the first nine lots (numbers 22-30) will be served by individual septic tanks. Prior to any occupancy permit for the remaining 21 lots, realignment of Riviera Drive will be completed, and the lift station and force main for interconnection to the City's sewer system will be constructed, including connection of the Phase 1 properties to the sewer system. If approval for use of septic tanks cannot be obtained, the sewer interconnection improvements will be made as a part of the initial Phase 1 development. Other improvements included in the original TTM are retained in the amended map, including a 10-foot wide landscaped area with 6-foot decorative block or stucco wall along the entire length of the subdivision adjacent to Riviera Drive, and a 20-foot wide public easement along the entire eastern boundary fronting on the Colorado River, with a 10-foot wide public trail topped with decomposed granite or similar material. An optional boat ramp may be built on the northernmost lot (lot number 1) if all applicable agencies approve its construction. The existing rock armoring of the river bank along the property's eastern boundary will not be disturbed or altered in any way. As the Lead Agency under CEQA, the City of Blythe has completed review of the original TTM and certified an Initial Study and Mitigated Negative Declaration (IS/MND) for the project on November 14, 2006, when the General Plan Amendment (GPA), Zoning Change (ZC) and TTM were approved by the City Council. Part of the conditions of approval included a Mitigation Monitoring and Reporting Plan (MMRP) containing all of the environmental mitigation measures identified in the IS/MND. Jeff Harvey, the environmental consultant for this project has reviewed the proposed amendments to the TTM for consistency with CEQA. The analysis concludes that the proposed development

under the amended TTM is substantially the same as the currently approved TTM, Therefore the existing CEQA document does support the City's previous findings for the TTM at this location. The proposed variance to allow minimum lot widths of 55 ft. rather than the 65 ft. as defined in the City's zoning code is not included in the original TTM or CEQA document and does qualify as a new discretionally approval by Council. The proposed lot width variance does not create any additional adverse environmental impacts and completion of a standard negative declaration should be adequate documentation for CEQA compliance. Along with CEQA review, a lot width of 55ft would require council to consider a major variance which requires a public hearing with 10 day noticing requirement. It is recommend Council provide direction on the proposed Addendum to Conditions of Approval for Tentative Tract Map 34480 and authorize staff to prepare a development agreement memorializing the bonding and escrow requirements for the infrastructure improvements required for this development. If the City and Applicant agree to proceed with the proposed zoning variance, the required environmental documents will be prepared and circulated for review. Staff will then schedule a Public Hearing to discuss and adopt the variance along with adoption of the negative declaration for the zoning variance.

Councilman DeConinck asked if the road would be moved in phase I.

Scott McKhann stated all improvements would be done in phase II. Nine lots will be built in phase I. Phase II will include the infrastructure and remaining 21 lots. The first nine lots will be temporarily on septic. One the infrastructure is in those lots would hook up to sewer.

Public comment. Cheri Cobb of 1731 Riviera Dr. asked about the chemicals being sprayed in the area. It was reported it was due to a dust complaint. It's an additive to bind the soil.

Interim City Manager stated there are a few issues that need to be addressed before adoption. Staff will work with the applicant on those items. This item will be brought back in late September or early October for adoption.

Direction was provided to staff.

ORAL REPORTS:

Councilman DeConinck thanked Jason Brown and his crew for the Fireworks. He reported that Chuck Taylor passed away and spoke of some of his accomplishments.

Mayor Reynolds stated the Senior Girls Softball All-Stars team traveled to Missoula Montana. He would like to invite them to the next City Council Meeting. He also reported on the Blythe Wellness Express.

PUBLIC COMMENT:

Lindsay Holt of The Holt Group reported on some potential development in the City.

Mike Schneider discussed a project he is considering developing on Intake Blvd.

ADJOURN: The City Council meeting was adjourned at 8:00pm.

Dale Reynolds, Mayor

ATTEST:

Mallory Crecelius, City Clerk