

**Minutes of the Blythe City Council Meeting
August 11, 2020**

The August 11, 2020 meeting of the Blythe City Council was called to order at 6:00pm in the Council Chambers by Mayor Reynolds. Also in attendance were Council Members DeConinck, Rodriguez and Halby. Vice Mayor Egan participated via teleconference. Staff in attendance included: Interim City Manager and City Clerk Crecelius, Finance Director and City Treasurer Elms, Police Chief Coe, Chief Building Official Brown and Deputy City Attorney Roberto.

The Pledge of Allegiance was led by Mayor Reynolds. The Invocation was led by Councilman Rodriguez.

REPORT FROM CLOSED SESSION:

Deputy City Attorney Roberto stated there was nothing to report.

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, August 7, 2020.

2. Approval of the Warrant Register.

Recommendation: Approve **08/11/2020**, warrants numbered 71979 through in the amount of \$458,326.99; **08/11/2020**, warrants numbered 72041 through 72087 in the amount of \$1,999,411.38; **08/11/2020**, Utility Billing Refund warrants numbered 72088 through 72098 in the amount of \$992.51; **08/11/2020**, warrants numbered 72099 through 72100 in the amount of \$386.00; **08/11/2020**, warrants numbered 72101 through 72110 in the amount of \$13,946.20; **08/11/2020**, warrants numbered 72111 through 72121 in the amount of \$17,510.00 and **08/11/2020**, warrants numbered 72122 through 72148 in the amount of \$67,695.42.

3. Approval of the Payroll Register.

Recommendation: Approve **8/11/2020**, warrants numbered 51797 through 51809 and Direct Deposits numbered 48047 through 48106 in the amount of \$222,790.65; **08/11/2020**, warrants numbered 51810 through 51815 in the amount of \$1,729.55; **08/11/2020**, warrants numbered 51816 through 51825 and Direct Deposits numbered 48107 through 48159 in the amount of \$189,472.76; **08/11/2020**, warrants numbered 51826 through 51827 in the amount of \$2,409.61 and **8/11/2020**, warrants numbered 51828 through 51832 and Direct Deposits numbered 48160 through 48265 in the amount of \$82,613.17.

4. Minutes of the July 14, 2020 City Council Meeting.

Recommendation: Approve the Minutes of the July 14, 2020 meeting.

5. City of Blythe Permits issued for the Month of July 2020.

Recommendation: Receive and file this monthly report.

6. City of Blythe Fire Department Monthly Activity Report for July 2020.

Recommendation: Receive and file this monthly report.

7. City of Blythe Police Department Monthly Activity Report for July 2020.

Recommendation: Receive and file this monthly report.

8. Addendum to the Third Amendment and Restatement of the CVAG JPA.

Recommendation: Authorize and approve the Mayor to execute the addendum to the Third Amendment and Restatement of the CVAG Joint Powers Agreement which establishes the Torres Martinez Desert Cahuilla Indians as formal members

9. Biennial Review of the Conflict of Interest Code.

Recommendation: Adopt Resolution No. 2020-038, directing the review of the Conflict of Interest Code for designated employees and Elected Officials.

RESOLUTION NO. 2020-038. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLYTHE, CALIFORNIA, DIRECTING THE REVIEW OF THE CONFLICT OF INTEREST CODE FOR DESIGNATED EMPLOYEES AND OFFICIALS.

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

PUBLIC HEARING:

Notice of Exemption- UKPE Development, LLC Interim City Manager Crecelius stated UPKE Development, LLC proposes to develop an indoor cannabis cultivation facility on a 0.36 acre parcel located at 360 S. Solano in Blythe. The proposed site is zoned General Commercial which allows for cannabis development. The project includes construction of a 4,000 sq. ft. warehouse building 20 feet high, divided into three rooms. The project site is level with little vegetation and no existing structures. Based upon review of the CEQA Guidelines, the City has determined that the proposed project qualifies for an Urban Infill Exemption from CEQA as it meets each of the five criteria set forth in the CEQA Guidelines, section 15332:

- (a) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.
- (b) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses.
- (c) The Site has no value as habitat for endangered, rare, or threatened species.
- (d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water supply.
- (e) The Site can be adequately served by all required utilities and public services.

Therefore, it is recommended after the Public Hearing Council adopt a Notice of Exemption for the UKPE Development, LLC indoor cultivation project and direct staff to file the Notice of Exemption with the County Clerk.

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

Initial Study and Negative Declaration for the West Valley Commercial Property General Plan Amendment and Zone Change. Interim City Manager Crecelius stated the proposed West Valley Commercial Property involves three parcels totaling approximately 182 acres located in western Blythe, bound on the north by Riverside Avenue, on the south by Hobsonway, on the west by Neighbors Boulevard, and on the east by Arrowhead Boulevard. The City's General Plan and zoning land use classification for these three parcels is currently designated Agriculture. The parcels have been in continual agricultural production since at least 1948. The applicants have proposed a General Plan Amendment and rezone to the General Commercial designation with a goal to attract new commercial development in this location although there are no proposed development plans at this time. As the Lead Agency under the California Environmental Quality Act, the City of Blythe had determined that an Initial Study and Negative Declaration is adequate documentation to satisfy CEQA requirements for this project, because the proposed project could not have a significant impact on the environment. The IS/ND is intended to provide the City Council with full disclosure of potential environmental effects of the project for uses as one basis of its decision on the proposed project. The IS/ND evaluates the proposed projects' potential effects on the following resources topics: Aesthetics, Agricultural resources, Air Quality and Greenhouse Gas, Biological Resources, Cultural Resources, Geology and Soils, Hazards and Hazardous Materials, Hydrology and Water Quality, Land Use and Planning, Mineral Resources, Noise, Population

and Housing, Public Services, Recreation, Transportation and Circulation, Tribal Cultural Resources and Utilities and Service Systems. The results of the Initial Study conclude that all potential impacts are less than significant. The Initial Study meets the requirements of the CEQA Statute and Guidelines, and the City of Blythe Guidelines for the Implementation of CEQA. Prior to approving the project, the City Council shall consider the proposed Negative Declaration together with any comments received during the public review process. The Environmental Review Process commenced July 1, 2020 and closed July 31, 2020 without comment. Therefore, after the public hearing it is recommended Council adopt Resolution No. 2020-034 approving the Initial Study and Negative Declaration prepared for General Plan Amendment 1901-001 and Zone Change 2008-001 and Adopt Resolution No. 2020-035 for General Plan Amendment No. 1901-001 and conduct the first reading by title only, waiving further reading of Ordinance No. 902-20 for Zone Change 2008-001.

Mayor Reynolds opened the public hearing.

Public Comment. Kenny Kalian of 149 Heflin Dr. stated I am across the street and never received any information. We have a lot of commercial land and empty buildings. I don't know what they have proposed; but I don't want to give a free ticket to change lands when we already have a lot of commercial land in this area. We don't need to take up farmland for commercial buildings.

John Osborne stated 157 of the 182 acres is under contract for a cannabis project, pending the zone change being approved. They do not want to move forward until the zoning is approved.

Councilman Halby asked why it states there is no proposed development if there is. Mr. Osborne said there isn't any development as they won't move forward unless this is approved.

Councilman Rodriguez moved approval of staff's recommendation. The motion was seconded by Councilman DeConinck with a unanimous aye vote. City Clerk Crecelius read the title of Ordinance No. 902-20 into the record.

RESOLUTION NO. 2020-034. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLYTHE CONTAINING FINDINGS IN SUPPORT OF APPROVAL OF A NEGATIVE DECLARATION FOR GENERAL PLAN AMENDMENT 1901-001 AND ZONE CHANGE 2008-001.

RESOLUTION NO. 2020-035. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLYTHE AMENDING THE GENERAL PLAN LAND USE DESIGNATION FROM A (AGRICULTURE) TO C-G (GENERAL COMMERCIAL) FOR 182 ACRES LOCATED IN WESTERN BLYTHE.

ORDINANCE NO. 902-20. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BLYTHE APPROVING ZONE CHANGE 2008-001 BEING A CHANGE OF ZONE FROM A (AGRICULTURE) TO C-G (GENERAL COMMERCIAL) FOR THE 182± ACRE WEST VALLEY COMMERCIAL PROPERTY.

Initial Study and Negative Declaration for the Realty Investment Team General Plan Amendment and Zone Change. Interim City Manager Crecelius stated The proposed Realty Investments project involves three parcels totaling approximately 20 acres located in eastern Blythe, bound on the north by Chanslorway, on the south by the extension of East Barnard Street, on the west by an agricultural field, and on the east by Intake Boulevard. The City's General Plan and zoning land use classification for these three parcels is currently designated Planned Development. The parcels have been in continual agricultural production since at least the 1950's. There is an existing house on the .87 acre parcel in the northwest corner of the project site and an existing storage shed on the 2.89 acre parcel located in the northeast corner of the project site. The applicant has proposed a General Plan Amendment and rezone to the General Commercial designation with a goal to attract new commercial development in this location. As the Lead Agency under the California Environmental Quality Act the City of Blythe had determined that an Initial Study and Negative Declaration is adequate documentation to satisfy CEQA

requirements for this project, because the proposed project could not have a significant impact on the environment. The IS/ND is intended to provide the City Council with full disclosure of potential environmental effects of the project for uses as one basis of its decision on the proposed project. The IS/ND evaluates the proposed projects' potential effects on the following resources topics: Aesthetics, Agricultural resources, Air Quality and Greenhouse Gas, Biological Resources, Cultural Resources, Geology and Soils, Hazards and Hazardous Materials, Hydrology and Water Quality, Land Use and Planning, Mineral Resources, Noise, Population and Housing, Public Services, Recreation, Transportation and Circulation, Tribal Cultural Resources and Utilities and Service Systems. The results of the Initial Study conclude that all potential impacts are less than significant. The Initial Study meets the requirements of the CEQA Statute and Guidelines, and the City of Blythe Guidelines for the Implementation of CEQA. Prior to approving the project, the City Council shall consider the proposed Negative Declaration together with any comments received during the public review. The Environmental Review Process commenced July 1, 2020 and closed July 31, 2020 without comment. Therefore, after the public hearing it is recommended Council adopt Resolution No. 2020-036 approving the Initial Study and Negative Declaration prepared for General Plan Amendment 2008-001 and Zone Change 1910-001, Resolution No. 2020-037 for General Plan Amendment 2008-001 and conduct the first reading by title only, waiving further reading of Ordinance No. 903-20 for Zone Change 1910-001.

Mayor Reynolds opened the Public Hearing.

Lindsay Holt of The Holt Group stated it is true both notices of determination state there are no proposed development plans for the property. Technically, there would have to be something submitted to the City for the environmental document to take that into consideration. As there were no development plans considered in the environmental documentation, once plans are submitted another environmental review will take place. To be a project under CEQA, it has to be submitted to the City.

Councilman Rodriguez moved approval of staff's recommendation. The motion was seconded by Vice Mayor Egan with a unanimous aye vote. City Clerk Crecelius read the title of Ordinance 903-20 into the record.

RESOLUTION NO. 2020-036. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLYTHE CONTAINING FINDINGS IN SUPPORT OF APPROVAL OF A NEGATIVE DECLARATION FOR GENERAL PLAN AMENDMENT 2008-001 AND ZONE CHANGE 1910-001.

RESOLUTION NO. 2020-037. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLYTHE AMENDING THE GENERAL PLAN LAND USE DESIGNATION FROM P-D (PLANNED DEVELOPMENT) TO C-G (GENERAL COMMERCIAL) FOR 20 ACRES LOCATED IN EASTERN BLYTHE.

ORDINANCE NO. 903-20. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BLYTHE APPROVING ZONE CHANGE 1910-001 BEING A CHANGE OF ZONE FROM P-D (PLANNED DEVELOPMENT) TO C-G (GENERAL COMMERCIAL) FOR THE 20± ACRE REALTY INVESTMENT TEAM PROPERTY.

Cannabis Dispensary License Conditionally issued to HAH 1, LLC. Interim City Manager Crecelius stated HAH 1, LLC applied for a commercial cannabis dispensary license in November 2017. A dispensary license was awarded to HAH 1, LLC by the City Council on March 13, 2018. The license was issued with the provision that a Certificate of Occupancy be obtained before the cannabis license would be issued. HAH 1, LLC started the development process for their proposed dispensary in 2018, shortly after they were issued the provisional license. In July 2019 HAH 1, LLC was issued building permits to construct a dispensary at 1894 E. Hobsonway. Construction commenced soon thereafter. In January 2020 an inspection for the site was conducted by the City's Building Official. When the City inspector arrived for a re-inspection in February, nobody was on site and the project looked to be abandoned. The building permit issued in 2019 has since expired. No requests to extend the permit have been made by HAH 1, LLC. Over the past six months the site has become a dumping ground for debris and vehicles, and a place

for the homeless to congregate. The building was left unsecured and is a regular call for service for police and code enforcement. City officials have made contact with agents for HAH 1, LLC and the construction company hired by HAH 1, LLC to inquire about the status and state of the property. In May, staff learned of a possible merger between HAH 1, LLC and Harvest Health and Recreation, Inc. At that time, staff was assured by an attorney representing HAH 1, LLC that no ownership interest in HAH 1, LLC had been transferred and stated "HAH 1, LLC continues its efforts to complete the buildout of the Blythe Dispensary". At the time of that correspondence, the HAH 1, LLC site had been vacant for 5 months. On August 5th, a crew arrived on site to clear some of the debris, remove a travel trailer left on site and board up the building. On or around July 23, 2020 a letter was mailed to the applicant and posted on site notifying HAH 1, LLC of this hearing. A Public Hearing Notice was also published in the Palo Verde Times on July 29, 2020. Due to the length of time HAH 1, LLC has had to obtain their Cannabis Dispensary License, compiled with the state of their construction site and the lack of progress made to develop their dispensary to obtain the necessary Certificate of Occupancy over the past eight months, it is recommended Council revoke the provisional cannabis license issued to HAH 1, LLC.

Public Comment. Ryan Kunkel, owner of 1894 E. Hobsonway apologized for the lack of communication and halt at that location. We did go through a merger. I am not here to offer excuses, but as of last Saturday a crew was sent down to clean and secure the property. We can have it completed in 3-6 months. I ask for a temporary timeframe of 3-6 months to try to get it open.

Councilman DeConinck asked for some guarantees.

Ryan Kunkel stated I am \$1.3 million into the project. We tore down the building when we probably didn't have to. I made poor choices in architects. I own the property outright and prefer to have a store there so the guarantee is mine. Previously I had a company to back me, today I stand before you financed by myself. Its more meaningful because it's me and my money and my property.

Interim City Manager asked him to elaborate on the merger and that he retains 100% ownership in this dispensary. Ryan Kunkel stated during the merger I kept my operation in Hawaii, San Bernardino, Blythe along with Iowa and my 5 stores in Washington.

Councilman DeConinck asked him why the project hasn't moved forward. Mr. Kunkel stated we went through a Merger on March 8th, negotiations for which started last summer. People involved in development with the company de-prioritized the construction of the Blythe store to open other stores. I am currently in litigation over some of these damages. There are several properties I owned that were de-prioritized. I was able to get them back and that is where we are at today. I believe there have been attempts to contact me, but they have all gone to my previous company. I should have reached out, but things were murky and I didn't know where I stood legally until recently. I believe I can get it open in short order. There was an outstanding bill with the contractor I made whole today.

Councilman Rodriguez would like to see more guarantees in writing to ensure what you are saying is correct. I would like to table this decision.

Councilman Halby stated if we are going to table this, I would recommend having another Council meeting in two weeks. The clock starts now if you want 3-6 months. I personally tired to reach out to you via Instagram last year, there was no response. The fact that you have not communicated with the City whatsoever is unacceptable.

Interim City Manager Crecelius stated two weeks from tonight is August 25th. Even if you choose to continue the hearing, I would recommend taking public comment tonight from anyone wishing to speak on this matter. I have one written public comment to read into the record.

Mayor Reynolds stated you have had the building permit since of July 2019. I have an issue with you not communicating with us. Here we are a year and a month later and we are at this point. I don't have an issue continuing the decision, but you need to give us guarantees before we give you an extension.

Councilman Halby asked for their status with CalTrans. Mr. Kunkel reported they built a new retaining wall and brand-new sidewalks.

Councilman DeConink stated I brought the CalTrans issues to your attention. He asked the City Attorney if there was a way to bond the project.

Councilman Halby stated I get it, sometimes we spread ourselves too thin. We want to see this project done and the quickest way now is to let you finish. The ball is in your court.

Councilman DeConinck stated we have other people waiting in line. We only gave two of these out.

Vice Mayor Egan wants this permanently on the agenda to review his progress. What can he tell us is going to happen in the next 30, 60, 90 days and if nothing happens, we can vote to rescind this. Give us a timeline. We want to see something happening, and progress on the site.

Ryan Kunkel stated a timeline could be prepared by Friday.

Chief Building Official Brown stated Mr. Kunkel would need to stop by Development Services to fill out paperwork to address his expired building permit.

City Clerk Crecelius read a written statement received by the Law Offices of Omar Figueroa on behalf of their Client Tavis Pollock. The letter states Mr. Pollock applied for one of the available dispensary licenses, and currently operates a cannabis distribution and manufacturing business in Blythe. It is their position the City would be best served by the revocation of the conditional license issued by Have a Heart and urge council to adopt staff's recommendation. They list the reasons outlined in the staff report. The explicable abandonment of the site and general lack of transparency by the owner illustrate Have A Heart has been disingenuous with the City. Council should be aware of the seller's agreement between Have a Heart and Core Competencies which lists Blythe as an asset. Mr. Kunkel has been named in a lawsuit and Blythe is not alone if suffering Have A Heart's charade. Other sites have been abandoned. Even if Have A Heart's intent is to complete the project, their financial ability to do so is called into question with their on-going legal problems and ability to pay leases in other areas. The City should not have to chase down Have A Heart. We believe Ryan Kunkel submitted an application to Blythe for a project he never intended to complete. His only intention was to win licenses and to sell off for a profit. His intentions to benefit himself and not the City is not good business and should not be rewarded.

Travis Pollock, owner of Flora Holding at 332 S. Lovekin stated it is blatant that Have A Heart has never had any plans of operating here. With the history of disregarding their projects in other communities and re-selling their operations multiple times further demonstrates they have no intention to operate here. I was the first operator to complete the local and state licensing in the City of Blythe and ranked second behind Have a Heart to be recommended for a retail license. It has not been easy with a manufacturing and distribution. A retail license would greatly help my business. I believe it has been shown it's in the best interest of the community to revoke the license, but when making the decision also keep in mind the operators who have been and have been supporting the City.

Leslie Jessop-Watkins of 117 E. Hobsonway stated there were many concerns with this vendor in the beginning and whether he should be awarded a license. Now those concerns have come to fruition in our community. I drive by that site between 4-6 time per day. I have personally called code enforcement when

it has been unsecured. I have seen homeless in there. The fact that we have gotten to this point to provoke change is the foundation of what you have to come with this provider. Please go back and reminisce about what you thought before and the concerns you had because they have come full circle and will only get worse.

Kim Kelly of 245 N. Main St. stated as someone who has invested in Blythe, I think it is outlandish to single out this building owner as he is working on it, it in comparison to all of the other blighted buildings. 90% of residents won't do anything. They will not clean up their weeds, do any repairs or anything to improve their property. As they have their building $\frac{3}{4}$ of the way done we should look at the bright side and be proud and welcome someone with experience. I believe giving them the time to finish would be the best bet.

Tiffany with the Law Offices Omar Figueroa made further public comment based on the letter submitted and previously read into the record.

The Public Hearing was continued to the next City Council meeting on August 25, 2020 at 6pm.

NEW BUSINESS:

Census 2020. Interim City Manager Crecelius stated as of yesterday, the City had a response rate of 48.2%. All responses to the 2020 Census must be received by September 30th. As we are hoping for a complete and accurate county of the City, we have a little over half the population that still needs to be counted. A complete count is necessary to ensure our community receives our fair share of federal dollars allocated based on Census data. It is also important to have accurate population data to attract and retain businesses and services important to our citizens. When trying to get new businesses to Blythe they always want population data. If half of our residents are not counted, that's very bad for us and our economic development. We have been struggling to get the information out due to Covid. To respond, please visit 2020census.gov.

No public comment. The item was received and filed.

Petition to Attract a Walmart Store to Blythe. Mayor Reynolds stated I have approached the City Manager with an idea to be a little more aggressive in getting a big box store. We are starting with Walmart. In 2017 I went to Bentonville Arkansas and met with some of their staff. I understand we are in a pandemic and this may be premature; but what I have in mind is starting a petition. We will be asking people to support our request to Walmart once again. I am tired of hearing thanks for your information and we will get back to you. We need to take a more aggressive approach. I give kudos to the stores that have stepped up and tried to fill the gap, but they are limited on shelf space. Whether I am re-elected or not, this must continue. I am here to help and will do whatever I can for the best opportunity for my community.

Councilman Halby stated people say stores like Halby's don't want Walmart. That is not true. We want Walmart, bring them on. There may have been other business owners against it, but it wasn't the Halby family.

Michelle VanDyke of 14271 W. Riverside Dr. thinks it's a great idea, but am concerned about what happened before. We were ready to issue permits and the lawsuit happened.

Vice Mayor Egan stated we need to have a goal of 20,000 signatures or more or we don't send it in. If we send in anything less than 20,000, we are going to reaffirm our decision to now come here.

The item was received and filed.

ORAL REPORTS: None

PUBLIC COMMENT:

Larry Williams of 1200 Wells Rd. stated for the past few weeks I have been going around getting people to register to vote. Everyone was talking about Walmart. I asked them what they think about Blythe. Do you feel safe, do the police bother you, do you have peace of mind? They all stated they feel safe, but the one thing we need is a Walmart. We live in the best city in America. When you look at all the chaos going on and defunding police, we don't want to defund police here. We want to fund the police. We need to let people know how unique Blythe is. We should change the name of Blythe to Serenity which means peace of mind. There is not one person in this town that does not have peace of mind when they leave their house. Serenity will tell the whole world what type of town this is. We need to promote Walmart to come here.

Ronnie Hasler provided an update on the Fairgrounds. We are working tirelessly to keep it going.

ADJOURN: The City Council meeting was adjourned at 7:23pm.

Dale Reynolds, Mayor

ATTEST:

Mallory Crecelius, City Clerk