

A. PROPOSED ITEMS:

1. PROCEDURAL WAIVER: Waive reading in full of resolutions and ordinances and approval and adoption of same by reading title only.
2. Approve City Council Minutes of:
 - a. December 16, 2019
 - b. January 21, 2020
 - c. February 3, 2020
3. Approve denial of claim for Deborah Lopez for Bodily Injury.
4. Approve and authorize City Manager to renew the City's excess Workers' Compensation reinsurance with Safety National Casualty with a policy limit of \$50 million and a Self-Insured Retention (SIR) of \$1 million for all employees, including police employees, at an annual premium cost of \$109,896 for the period of March 20, 2020 through March 20, 2021.
5. WARRANTS: Approve Nos. 00124795 through 00124953 totaling \$3,311,101.76.

IV. **CONSENT CALENDAR ITEMS REMOVED FOR SEPARATE DISCUSSION:** None

Mayor Beamish stated that Consideration Item No. VI. 2 would be considered prior to the Public Hearing.


 V. **PUBLIC HEARINGS:**

1. Duly noticed public hearing to consider Zone Change 19-03 for an ordinance modifying La Habra Municipal Code Title 18 ("Zoning"), Chapter 18.22 ("Commercial Cannabis Activity") to allow for commercial non-storefront retailer cannabis facilities and modifications to existing development standards. The proposed modifications to Chapter 18.22 are exempt from the California Environmental Quality Act pursuant to Business and Professional Code Section 26055(h), "Without limiting any other statutory exemption or categorical exemption, Division 13 (commencing with Section 21000) of the Public Resources Code does not apply to the adoption of an Ordinance, rule, or regulation by a local jurisdiction that requires discretionary review and approval of permits, licenses, or other authorizations to engage in commercial cannabis activity. To qualify for this exemption, the discretionary review in any such law, ordinance, rule, or regulation shall include any applicable environmental review pursuant to Division 13 (commencing with Section 21000) of the Public Resources Code. This subdivision shall become inoperative to July 1, 2021."

Community and Economic Development Deputy Director Jaramillo presented the staff report. He noted a correction to Page 3, Paragraph 4 of Attachment 9, the draft ordinance included with the staff report, which incorrectly reflected a unanimous (5-0) vote by the Planning Commission in favor to recommend that City Council approve the zone change; and that it should be corrected to a vote of three ayes and one no (3-1).

City Council discussion included: confirmation of revenues received from the existing cannabis distribution center in the city; verification of two other companies, Canna America and Pinnacle Wellness, that were currently interested in opening cannabis distribution centers in the city; potential revenues from proposed non-storefront cannabis retailer cannabis facilities; number of testing facilities; public safety concerns; federal government tax enforcement of state-licensed cannabis operators; confirmation of the number vehicles currently making deliveries to the City from non-storefront cannabis retail distribution companies located outside of La Habra; recent police activity for cannabis related crimes in the City of Irvine and the City of Santa Ana; illegal cannabis product content concerns; and review of the number of distribution and testing facilities and permits in the city.

Mayor Beamish invited the public to testify at 7:06 p.m.

Dana Cisneros, Cannabis Corporate Law Firm, spoke in support of this item. She requested that the proposed number of licenses be increased from two to four. She noted that federal legalization of cannabis is expected within the next two to five years. She stated that the state enforces cannabis operators without a license.

Rick Casas, Chief Executive Officer of Medical Cannabis Education Center (MCEC), spoke regarding his interest in establishing a business in the City. He noted past and projected revenues from the current MCEC locations. He stated that his company does 80-120 deliveries per day south of the City of Fontana.

Marty Simonoff, Ad Hoc Fiscal Review Committee Member, Mayor of the City of Brea, and former police officer, spoke regarding City of Brea study session regarding commercial cannabis manufacturing activity discussions, and indicated the City had not taken any action.

City Attorney Jones confirmed that based on prior and current practices, the city had limited legal exposure if City Council approved this proposed item; even though it was considered illegal by the federal government.

Mayor Beamish closed the public hearing at 7:19 p.m.

Moved by Councilmember Shaw, seconded by Councilmember Beamish, AND FAILED (2-3) TO APPROVE FIRST READING OF THE ORDINANCE ENTITLED: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LA HABRA, COUNTY OF ORANGE, CALIFORNIA, APPROVING ZONE CHANGE 19-03 MODIFYING LA HABRA MUNICIPAL CODE TITLE 18 ("ZONING"), CHAPTER 18.22 ("COMMERCIAL CANNABIS ACTIVITY") TO ALLOW FOR COMMERCIAL NON-STOREFRONT RETAILER CANNABIS FACILITIES AND MODIFICATIONS TO EXISTING DEVELOPMENT STANDARDS WITH A LIMIT OF FOUR LICENSES.

Said motion FAILED by the following roll call vote:

AYES: Mayor Beamish, Councilmember Shaw

NOES: Mayor Pro Tem Espinoza, Councilmember Gomez, Councilmember Medrano,

ABSENT: NONE

ABSTAIN: NONE

Moved by Mayor Pro Tem Espinoza, seconded by Mayor Beamish, and CARRIED UNANIMOUSLY (5-0) TO APPROVE THE PROPOSED CITY OF LA HABRA GOALS AND OBJECTIVES FOR FISCAL YEAR 2020-2021.

Said motion CARRIED unanimously by the following roll call vote:

AYES: Mayor Beamish, Mayor Pro Tem Espinoza, Councilmember Gomez,
Councilmember Medrano, Councilmember Shaw

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

VII. MAYOR'S COMMUNITY CALENDAR:

Mayor Beamish made the following announcements:

- Walk for Water, in support of the Thirst Project, sponsored by the Washington Middle School Water Guardians – Saturday, March 7, 9:00 a.m. – 1:00 p.m. at Downey High School.
- La Habra Races - Saturday, March 16, beginning at 7:00 a.m. The event will feature a 5K, 1K Kiddy Run, and 50-Yard "Diaper Dash."
- La Habra Spring Family Eggstravaganza – Saturday, April 11, 8:00 a.m. – 12:00 p.m. at La Bonita Park.
- La Habra Community Survey for residents to provide service priorities in preparation for the Fiscal Year 2020-2021 City of La Habra Budget.

VIII. COMMENTS FROM STAFF: None

IX. COMMENTS FROM COUNCILMEMBERS:

Mayor Beamish and all City Councilmembers reported that they attended the La Habra Chamber of Commerce "State of the Community" held on Friday, February 21, 2020, at City Hall.

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Councilmember Medrano stated he would be participating in the La Habra Races and that he attended the La Habra High School Boys Soccer CIF Championships. He directed staff to report back to the City Council at a future meeting to consider the elimination of the need for cannabis testing, and limit warehousing licenses to three, in consideration of the two existing applicants. Councilmember Gomez concurred with Councilmember Medrano on his staff direction regarding cannabis.

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Councilmember Shaw thanked staff and others who were involved in the recent dedication ceremony for the Steven Anderson Place street sign.

Mayor Pro Tem Espinoza thanked the Ad Hoc Fiscal Review Committee Members for their dedication and hard work. She thanked the La Habra Council Parent Teacher Association (PTA) for surprising her with the upcoming "You Are a Star" Award recognition.

Mayor Beamish stated that he attended the La Habra High School Boys Soccer CIF Championships. He thanked the Ad Hoc Fiscal Review Committee Members for their dedication