

City Council
Monday, October 02, 2017
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6. WARRANTS: Approve Nos. 00113239 through 00113548 totaling \$1,798,723.44.

IV. CONSENT CALENDAR ITEMS REMOVED FOR SEPARATE DISCUSSION:

III.5 Approve Amendment No. 1 to JMDiaz Inc. for the Professional Engineering Services Contract for the La Habra Union Pacific Rail Line Bikeway Project; and approve a budget appropriation from Measure M2 Fair Share of \$274,706 to fully fund the Project.

Traffic Manager Plotnik presented the staff report.

City Manager Sadro stated that a portion of the requested amendment includes a partnership between the City of Brea, Orange County Transportation Authority (OCTA), and Supervisor Shawn Nelson's Office to approach Union Pacific Railroad (UPRR) with a joint project proposal regarding a segment of the Union Pacific Rail Line that is still active and is located in the City of Brea, but is an extension of what comes into the City of La Habra.

Council discussion included: confirmation the JMDiaz agreement amendment is being presented for approval at the City of Brea's City Council meeting on October 3, 2017.

Robert Dale spoke in support of the amendment to JMDiaz, Inc. agreement. He thanked City Council for adopting the La Habra Bikeway Master Plan. He thanked Supervisor Shawn Nelson and OCTA for their assistance on the bike loop. He expressed his support for the La Habra Police Department's bike patrol unit.

Moved by Councilmember Blazey, seconded by Mayor Pro Tem Shaw, and CARRIED (4-0) TO APPROVE AMENDMENT NO. 1 TO JMDIAZ INC. FOR THE PROFESSIONAL ENGINEERING SERVICES CONTRACT FOR THE LA HABRA UNION PACIFIC RAIL LINE BIKEWAY PROJECT; AND APPROVE A BUDGET APPROPRIATION FROM MEASURE M2 FAIR SHARE OF \$274,706 TO FULLY FUND THE PROJECT.

Said motion CARRIED by the following roll call vote:

AYES: Mayor Espinoza, Mayor Pro Tem Shaw, Councilmember Blazey,
Councilmember Beamish

NOES: NONE

ABSTAIN: NONE

ABSENT: Councilmember Gomez

V. PUBLIC HEARINGS:

1. Duly noticed public hearing to consider an urgency interim ordinance of the City Council of the City of La Habra extending amended provisions of Title 18 (The Zoning Code) prohibiting the development of marijuana related uses for a final one (1) year period.

Deputy Director of Community and Economic Development Jaramillo reported that in 1996 the voters of California approved Proposition 215 the Medical Use of Marijuana Act with the La Habra voters opposing the Act 52 percent to 48 percent. He stated that the City Council placed measures into effect to prohibit medical marijuana facilities from establishing in La Habra. He reported that in, 2016, California voters approved Proposition 64 Adult Use of Marijuana Act

(AUMA) to legalize marijuana for recreational purposes and in La Habra the measure passed by 43 votes. He explained that on December 16, 2016, the City Council approved a moratorium prohibiting the development of marijuana related uses. He stated that Council extended the moratorium on January 17, 2017, which is to expire on November 10, 2017. He explained the purpose and need for the moratorium. He described the State regulations, the key components of SB 94, other Orange County Cities activities, and the 20 types of licenses for commercial adult-use and commercial medical cannabis activities. He stated that January 1, 2018, the State will issue temporary licenses; however, local approval is necessary before that State will issue any licenses. He stated that the 20 types of marijuana licenses are classified into six categories as follows: cultivation licenses (14 types); manufacturing licenses (2 types); testing license (1 type); retailer license (1 type); distributor license (1 type); and microbusiness license (1 type).

Council questions included: reviewed the six types marijuana licenses for medical and recreational use and the potential impacts; review of consultant cost; potential for recovery of some consultant costs with establishment of regulations; and clarification of time frame options for approval of the ordinance and potential modifications for local control.

City Attorney Jones recommended that Council establish the one-year moratorium extension to protect the City regarding state issues, licensing, and local control; and direct staff to come back to Council with a focused modification to the ordinance during that year. He added that an outside consultant assisting staff in drafting modifications is important so the modifications are legally enforceable and meet the expectations of the Council.

Mayor Espinoza opened the public hearing at 7:05 p.m.

There were no audience members who spoke in favor of the moratorium.

The following spoke in opposition to the moratorium:

Nick DeSimone, 9385 Randall Avenue, stated that medical marijuana dispensaries are a good revenue source and a positive and safe access is desired by residents.

Vanessa Luna, 10773 Avonbury Avenue, Whittier, spoke regarding the importance of access to medical cannabis, reviewed her history with and in support of medical cannabis.

Tony DeSimone, 9385 Randall Avenue, spoke in opposition to the moratorium. He stated that he has worked in the cannabis industry for over seven years as an entrepreneur specializing in cultivation, retail, and delivery. He stated that the residents of La Habra deserve safe legal access to their medication. He offered his full support and assistance to City officials if they chose the route of regulation. He submitted at the dais a data list of 1302 active physician recommendations currently held by citizens of La Habra.

Jonatan Cvetko, 501 Esplanade in Redondo Beach, California, part of the Los Angeles County Board of Supervisors Cannabis Advisory Committee and Co-Founder of Angeles Emeralds, spoke on behalf of Nick and Tony DeSimone. He spoke regarding a map that displays those La Habra residents who are currently receiving delivery of medical marijuana and stated that under Proposition 64 the City must allow reasonable access to medical marijuana which includes delivery services to La Habra residents from outside the City. He spoke regarding tax revenue at the State level. He offered his assistance in writing the ordinance.

Amy Leslie, 8311 Calmada Avenue, Whittier, spoke in opposition to the moratorium and the consultant cost. She spoke in favor of medicinal licensing and encouraged Council to allow medicinal licensing as soon as possible.

Alice Arreola, 14816 Bora Drive, La Mirada, spoke in opposition to the moratorium. She described her medical history and expressed her support for medical marijuana.

Greg Leslie, 8113 Calmada Avenue, Whittier, spoke in opposition to the moratorium. He spoke regarding the tax for the City and health benefits of medical marijuana. He submitted at the dais information regarding the tax benefits.

Shelly DeSimone, 9385 Randall Avenue, spoke in opposition to the moratorium. She expressed her concern regarding the loss of potential revenue from medical marijuana.

The following spoke neither in support of nor in opposition to the moratorium:

Lauren Fraser, 3145 Evergreen Avenue, West Sacramento, stated that she was neither for nor against the moratorium, but was representing the Cannabis Distribution Association and River Distributing. She shared input regarding previous statements made. She commented that the State does require local authorization in order to approve a State license. She spoke regarding the distribution process of cannabis.

Mayor Espinoza closed the public hearing at 7:23 p.m.

Councilmember Beamish commented regarding the benefits of medical marijuana; expressed support of licenses for medicinal use relating to testing, warehouse and distribution, and delivery in home; potential revenue from licenses for medical marijuana uses; opposed licensing marijuana for recreational use; potential time frame to extend the moratorium and supported a 60 day moratorium.

Councilmember Blazey concurred with supporting the investigation of the licensing for medical marijuana for testing, warehouse and distribution, and delivery in home; noted the importance of preparing the ordinance correctly and the time needed for staff to thoroughly investigate; noted La Habra has approximately 60,000 residents and expressed the importance of citizen input during future Council meetings regarding this issue.

Mayor Pro Tem Shaw concurred with Councilmembers Beamish and Blazey; spoke in favor of investigating the potential licensing for medical uses with low impact to the community; potential revenue benefits of certain aspects of medical marijuana; expressed concerns relating to the need for strict security, order control or monitoring, selling to licensed dispensaries, testing operations, and the quantity in possession while delivering to home.

Jason Bryant, with Bryant Government Affairs, spoke from the rear of the Chamber and not from the podium. He comments were inaudible.

City Manager Sadro clarified that Council was opposed to cultivation, recreation or medical dispensaries, microbusiness or manufacturing; but supported investigating for potential medical

marijuana licensing for testing, distribution, warehousing, home delivery, and perhaps medical dispensaries.

Mayor Espinoza indicated that she supported the potential licensing for medical uses.

Moved by Councilmember Beamish, seconded by Councilmember Blazey, and CARRIED (4-0) TO APPROVE THE FOLLOWING:

- a. ADOPT URGENCY INTERIM **ORDINANCE NO. 1786** ENTITLED: EXTENSION OF AN URGENCY INTERIM ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LA HABRA, CALIFORNIA, AMENDING PROVISIONS OF TITLE 18 (THE ZONING CODE) PROHIBITING THE DEVELOPMENT OF MARIJUANA RELATED USES FOR ONE FINAL YEAR; PURSUANT TO CALIFORNIA GOVERNMENT CODE 65858 PENDING A STUDY OF ZONING REGULATIONS THAT ARE NEEDED TO ALLEVIATE A CURRENT AND ACTUAL THREAT TO THE PUBLIC HEALTH, SAFETY, AND WELFARE OF THE COMMUNITY.
- b. AUTHORIZE THE CITY MANAGER TO RETAIN A CONSULTANT, IN AN AMOUNT NOT TO EXCEED \$100,000, TO ASSIST IN THE RESEARCH AND DEVELOPMENT OF STANDARDS FOR THE POSSIBLE ESTABLISHMENT OF MARIJUANA RELATED USES WITHIN THE CITY FOR CITY COUNCIL CONSIDERATION; AND
- c. APPROVE THE APPROPRIATION OF \$100,000 FROM THE CITY'S AVAILABLE GENERAL FUND BALANCE TO FUND THE COST OF A CONSULTANT TO ASSIST STAFF.

Said motion CARRIED by the following roll call vote:

AYES: Mayor Espinoza, Mayor Pro Tem Shaw, Councilmember Blazey,
Councilmember Beamish

NOES: NONE

ABSTAIN: NONE

ABSENT: Councilmember Gomez

Mayor Espinoza invited public testimony at 7:41 p.m.

Vanessa Luna, 10773 Avonbury Avenue, Whittier, suggested that the City reach out to other states for assistance.

Councilmember Beamish suggested that those in the audience who are "experts" to leave their information with the City Clerk, to allow staff to contact them as needed.

Jonatan Cvetko, Co-founder of Angeles Emeralds, stated that in order for the City to participate in the State of California tax revenue share, the City is required to approve both medical and recreational use of marijuana.

Nicholas DeSimone, 9385 Randall Avenue, inquired regarding the number of marijuana licenses for testing, distribution, and delivery that the City Council may issue. Councilmember Beamish indicated that information was not available at this time.

Councilmember Beamish reiterated his support of the medical marijuana testing, warehouse and distribution, and delivery to homes. He expressed that he did not support licensing for or revenue from recreational uses.

Councilmember Blazey reiterated the need for investigation of potential licensing of the medical marijuana testing, warehouse and distribution, and delivery to homes. He suggested placing the warehouse and distribution on the list to investigate prior to the testing and delivery.

Mayor Pro Tem Shaw confirmed that City staff has attended professional seminars regarding marijuana and will be attending the Association of California Cities Orange County (ACCOC) cannabis forum. He received clarification regarding marijuana cultivation.

Moved by Councilmember Beamish, seconded by Councilmember Blazey, and CARRIED (4-0) TO DIRECT STAFF TO INVESTIGATE THE PROS AND CONS REGARDING FUTURE OPPORTUNITIES RELATING TO PERMITTING THE WAREHOUSE AND DISTRIBUTION OF CANNIBUS FOR MEDICAL PURPOSES, TESTING OF CANNABIS FOR MEDICAL PURPOSES, DELIVERY OF CANNIBUS TO PATIENTS' HOMES FOR MEDICAL PURPOSES, AND MEDICAL CANNABIS DISPENSARIES; AND RETURN BACK TO COUNCIL NO LATER THAN 90 DAYS WITH A GOAL OF 60 DAYS.

Said motion CARRIED by the following roll call vote:

AYES: Mayor Espinoza, Mayor Pro Tem Shaw, Councilmember Blazey,
Councilmember Beamish

NOES: NONE

ABSTAIN: NONE

ABSENT: Councilmember Gomez

VI. CONSIDERATION ITEMS:

1. Consider an ordinance for adoption and read the title of the ordinance to amend Title 15 "Building and Construction" of the La Habra Municipal Code Chapter 15.46 adopting the 2017 County of Los Angeles Fire Code, and setting November 6, 2017, for a public hearing on the proposed ordinance.

Deputy Director of Community and Economic Development Jaramillo presented the staff report.

Mayor Espinoza invited the public to testify at 7:54 p.m. There was no public testimony.

There was no Council discussion.

Moved by Councilmember Beamish, seconded by Mayor Pro Tem Shaw, and CARRIED (4-0) TO APPROVE SETTING THE PUBLIC HEARING DATE OF NOVEMBER 6, 2017, IN THE COUNCIL CHAMBERS LOCATED AT 100 E. LA HABRA BOULEVARD, LA HABRA, CALIFORNIA FOR CONSIDERATION OF AN ORDINANCE ENTITLED: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LA HABRA AMENDING TITLE 15 "BUILDING AND CONSTRUCTION" OF THE LA HABRA MUNICIPAL CODE, CHAPTER 15.46, ADOPTING THE 2017 COUNTY OF LOS ANGELES FIRE CODE.