


5. Approve and authorize City Manager to execute an Agreement with the ICMA Retirement Corporation (ICMA-RC) to become the City's sole 457(b) Deferred Compensation Plan provider for City Employees, and authorize City Manager to execute extensions to the agreement at the City's option.
6. WARRANTS: Approve Nos. 00115606 through 00115823 totaling \$1,005,709.59.

IV. CONSENT CALENDAR ITEMS REMOVED FOR SEPARATE DISCUSSION: None

V. PUBLIC HEARINGS:

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1. Duly noticed public hearing to consider Zone Change 18-02 adopting an Ordinance repealing Section 18.08.140 (Cultivation of marijuana prohibited) of Chapter 18.08 (General Regulations) of Title 18 (Zoning) and adding Chapter 18.22 (Commercial Cannabis Activity) to Title 18 (Zoning) relating to commercial cannabis activities; and consider a resolution of the City Council of the City of La Habra, Orange County, California adding Section 3.66 and 3.67 to the Master Schedule of Fees pertaining to the processing of Commercial Cannabis Activity Applications. Pursuant to the provisions of the California Environmental Quality Act ("CEQA") (California Public Resources Code Sections 21000 et seq.) and State CEQA guidelines (Sections 15000 et seq.) has determined that the Ordinance is exempt pursuant to Section 15061(b)(3) of Title 14 the California Code of Regulations.

Deputy Director of Community and Economic Development Carlos Jaramillo presented the staff report. He reviewed the passage of Proposition 64 by California voters on November 8, 2016, which enacted the Adult Use of Marijuana Act (Act). He stated that the State advised cities that existing ordinances that prohibited cannabis activities but did not call out adult use, were at risk of a finding that the existing ordinance was insufficient to prohibit the state from issuing licenses permitting adult use cannabis activities within those communities. He reviewed previous interim urgency ordinances approved by City Council prohibiting any type of cannabis use in the City. He noted that the current urgency ordinance is due to expire on November 10, 2018, previous instruction by City Council to City staff regarding potential cannabis activity in the City, and staff actions/investigations conducted. He explained cannabis distribution warehouse requirements, allowances, enforcement, and the Cannabis Task Force activities. He introduced La Habra Police Lieutenant Henderson to speak regarding a recent staff visit to a cannabis distribution facility.

La Habra Police Lieutenant Henderson spoke regarding the November 2017 staff visit to the cannabis distribution facility in West Sacramento. He described the cannabis distribution center's security measures and safety measures; the fact there had been no negative impact to the surrounding community; confirmed a decreased crime; and the track and trace system for cannabis distribution to retail facilities.

Council discussion included: identified Commercial Cannabis Activities be limited to the industrial zones specifically in the M-1, M-1 PUD, and PCI zones, which are normally located away from residential zones; confirmed the proposed ordinance was modeled after best practices based on the West Sacramento distribution facility and other Southern California cities who have adopted cannabis ordinances; modification of the CUP via the proposed ordinance; using caution and starting with issuing only two permits; the process to add to the number of permits in the future; clarification that only cannabis distribution is being addressed in the proposed ordinance; state

law regarding cannabis businesses distance of 600 feet from schools, daycare centers, and youth centers; clarification that staff added churches and parks to be included in the 600 foot distance requirement; external appearance of cannabis distribution businesses, their lack of identification, and lack of any odors to the public; La Habra Police Department preparedness if a burglary took place at a cannabis distribution business; inclusion of distance from parks and churches being consistent with exclusion zones of other adult type of businesses regarding zoning; churches located in warehouse areas currently versus after cannabis distribution facility is established; Conditional Use Permits; potential to increase in the amount of permits to four and remove proximity to churches; clarification that the proposed cannabis distribution centers will only be delivering to licensed cannabis dispensary businesses located outside the City; process of becoming an approved cannabis distribution center business; and approaching the cannabis business in phases.

Mayor Shaw opened the public hearing at 7:29 p.m.

The following spoke in support of cannabis in the City of La Habra:

- Chad LaChance, 551 Corona Street, stated he has been in the cannabis industry for seven years and operates a license medical dispensary in the City of San Diego. He opposed limiting the permits to only two.
- Chris Egger, Community Relations and Public Affairs Director for the Longwith Group, 111 North Harbor Boulevard in Fullerton. spoke in favor of a regulatory environment for cannabis in La Habra.
- Attorney Randall Longwith with the Longwith Group, 111 North Harbor Boulevard in Fullerton, identified the services of the Longwith Group and described their services to other cities. He commented regarding the restrictions around churches and indicated it could be limited to pre-existing churches. He offered his company's services to the City of La Habra.
- Mike Simpkins, River Distribution representative, 3121 Evergreen Avenue, West Sacramento, described the briefly the business of distribution. He commended City Council for their work on the proposed ordinance.

The following spoke in opposition to cannabis in the City of La Habra:

- Karen Cyrus, 221 West Whittier Boulevard, spoke regarding being approached by aggressive cannabis retailers to rent space in her building.

Mayor Shaw explained that her retail property is not zoned for retail cannabis business under the proposed ordinance.

Councilmember Beamish clarified that retail cannabis businesses are not legal in La Habra. Karen Cyrus was referred her to Police Chief Price and/or the Community Preservation Division of the Community and Economic Development Department if she has any issues regarding potential illegal cannabis retailers in the future.

- Tim Aragon, La Habra resident, stated that he opposed drug use and opposed the look of cities that allow cannabis activities.

Mayor Shaw closed the public hearing at 7:44 p.m.

Moved by Councilmember Beamish, seconded by Mayor Shaw, and CARRIED UNANIMOUSLY (3-0) TO APPROVE FIRST READING OF **ORDINANCE NO. 1791** ENTITLED: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LA HABRA, COUNTY OF ORANGE, CALIFORNIA, APPROVING ZONE CHANGE 18-02 REPEALING SECTION 18.08.140 ("CULTIVATION OF MARIJUANA PROHIBITED") OF CHAPTER 18.08 ("GENERAL REGULATIONS") OF TITLE 18 ("ZONING") AND ADDING CHAPTER 18.22 ("COMMERCIAL CANNABIS ACTIVITY") TO TITLE 18 ("ZONING") OF THE LA HABRA MUNICIPAL CODE RELATING TO COMMERCIAL CANNABIS ACTIVITIES; AS MODIFIED TO EXCLUDE CHURCHES FROM THE 600 FOOT DISTANCE RESTRICTION AND INCREASE THE MAXIMUM NUMBER OF COMMERCIAL CANNABIS FACILITY CONDITIONAL USE PERMITS FROM TWO TO FOUR.

Said motion CARRIED by the following roll call vote:

AYES: Mayor Shaw, Mayor Pro Tem Blazey, Councilmember Beamish
NOES: NONE
ABSTAIN: NONE
ABSENT: Councilmember Gomez, Councilmember Espinoza

Moved by Mayor Shaw, seconded by Councilmember Beamish, and CARRIED UNANIMOUSLY 3-0 TO APPROVE AND ADOPT **RESOLUTION NO. 5836** ENTITLED: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA HABRA, ORANGE COUNTY, CALIFORNIA ADDING SECTION 3.66 AND 3.67 TO THE MASTER SCHEDULE OF FEES PERTAINING TO THE PROCESSING OF COMMERCIAL CANNABIS ACTIVITY APPLICATIONS.

Said motion CARRIED by the following roll call vote:

AYES: Mayor Shaw, Mayor Pro Tem Blazey, Councilmember Beamish
NOES: NONE
ABSTAIN: NONE
ABSENT: Councilmember Gomez, Councilmember Espinoza

Councilmember Beamish received clarification from staff that after the second reading of the ordinance at the April 16, 2018 City Council Meeting, a facts sheet will be placed on the City's website explaining that applications for cannabis distribution center businesses will be accepted within the next 30 days.

 **VI. CONSIDERATION ITEMS:**

1. Consider legislative review of Senate Bill 1033 (SB 1033) and Senate Constitutional Amendment 10 (SCA 10).

Rob Ferrier presented the staff report.

Council discussion included: clarification of Senate Bill 1033 regarding potential pension costs to the City of La Habra if an employee leaves for a higher paying job at another city; identified SCA 10 as inconsistent with the City's platform regarding local control of pensions by giving control to the voters; confirmation that the legislative analyst has not issued a report regarding any of the five Senate bills; the lack of fiscal impact information; confirmation that additional time could be asked for regarding the letters of support that have already gone out on the other three bills