

Mayor Shaw opened the public hearing at 7:10 p.m.

Thomas Clements, 23 Palermo Walk, Long Beach, spoke regarding having the overlay zone on his property, located at 2501 West Whittier Boulevard. He stated that the overlay zone restricts the use of and has a negative effect on his property. He noted that the subject property, 2601 West Whittier Boulevard, had the identical use as his property, but was not required to have the same overlay zone. He indicated that he would like the overlay zone to be removed from his property. He spoke in opposition to the \$5,000 fee to consider removing the overlay zone from his property. Mayor Shaw referred Mr. Clements to Deputy Director of Community and Economic Development Jaramillo.

City Manager Sadro noted that 2501 West Whittier Boulevard is not an address involved in this item regarding County Islands to be annexed into La Habra, and suggested having Mr. Clements speak with the Community Development Department staff regarding his concerns.

Mayor Shaw closed the public hearing at 7:15 p.m.

Moved by Mayor Shaw, seconded by Councilmember Beamish, and CARRIED UNANIMOUSLY (5-0) TO APPROVE FIRST READING OF **ORDINANCE NO. 1789** ENTITLED: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LA HABRA APPROVING ZONE CHANGE 17-01 FOR THE PLACEMENT OF A PRE-ZONE OF C-2 (COMMERCIAL) ONTO THE PROPERTIES ADDRESSED AS 2331 TO 2371 AND 2601 WEST WHITTIER BOULEVARD AND MAKING THE APPROPRIATE FINDINGS.

Said motion CARRIED by the following roll call vote:


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

NOES: NONE

ABSTAIN: NONE

ABSENT: NONE

## VI. CONSIDERATION:

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1. Consider the status update report on Cannabis Activities: Commercial Distribution Facilities and provide staff with direction on the proposed ordinance.

Deputy Director of Community and Economic Development Jaramillo presented the staff report assisted by Police Chief Price and Police Lieutenant Henderson. Deputy Director of Community and Economic Development Jaramillo explained staff's systematic approach to evaluate each type of cannabis activity separately and report to Council. He indicated that staff has been conducting site visits to facilities that are currently licensed and in operation, and have been discussing challenges and impacts of these operations with staff from some of those cities. He described the purpose of the ordinance, and recommended that the ordinance be restricted to allow only up to two Commercial Cannabis Distribution facilities at this time. He explained that the State regulators advise local governments to proceed slowly since it is easier to allow for additional licenses versus eliminating or reducing the number of licenses once issued. He stated that two consulting firms, HDL and MGO, were interviewed for possible assistance in development of regulation standards for commercial cannabis activities, review of and ranking of commercial cannabis applications, background investigations, and review of financial terms of a development agreement. He concluded that staff would incorporate Council's directions into the working draft.

He stated that once properly reviewed, the final draft would be forwarded to the Planning Commission for hearings.

Chief Price expressed his concerns regarding cannabis and stated that it is still illegal under Federal law. He noted that he was pleased after his review of the report regarding the site visit to the West Sacramento cannabis distribution site. He stated that he believes distribution sites would not have the negative impacts, as would dispensaries or local storefront sales. He indicated that dispensaries and local storefront sales may have unintended negative consequences. He indicated that he is supportive of City Council's direction regarding cannabis. He introduced Lieutenant Henderson to discuss the cannabis distribution site in West Sacramento.

Police Lieutenant Henderson described his discussion with the Assistant Chief of Police and City management staff of the City of West Sacramento regarding the cannabis distribution center that was established in the City of West Sacramento two years ago. He reported that there were no negative impacts and no increase in service calls relating to the cannabis distribution center. He stated that there was a noted decrease in crime in the area around the cannabis distribution center. He noted that the distribution center was located in an industrial area with an existing low crime rate, and had the addition of security cameras and armed security guards at the site. He described the distribution center building as a nondescript tilt up design with a secured entryway as in a high security courthouse. He indicated that should Council use the City of West Sacramento as a best practice example and approve distribution centers in the City of La Habra, he would not foresee any negative impacts.

Council discussion included: confirmation that the cannabis distribution center in the City of West Sacramento use unmarked fortified vans with GPS trackers, cameras, and remote stopping systems driven by teamster members to distribute throughout the State of California; expressed support of Police Chief Price's apprehension regarding cannabis; confirmation that the use of cannabis is now a legal activity in the State of California; Los Angeles Times article regarding Colorado Springs, Colorado not allowing cannabis, their loss of revenue, and how they are changing their view; support of the City of La Habra's measured approach to cannabis; potential revenues to the City; City's approach to protect the public and bring the City into compliance with the State; concern for children in La Habra; clarification regarding the urgency interim ordinance versus the draft ordinance to establish regulations for cannabis distribution facilities; purpose for proposing to allow only up to two Commercial Cannabis Distribution facilities at this time; and review of staff's proposed work schedule regarding evaluating cannabis distribution facilities, cannabis testing facilities, and cannabis medical dispensary facilities-home deliveries and reporting to Council.

Mayor Shaw invited the public to testify at 7:38 p.m. There was no public testimony.

Moved by Mayor Shaw, seconded by Councilmember Beamish, and CARRIED (3-2) TO RECEIVE AND FILE THIS CANNABIS ACTIVITIES COMMERCIAL DISTRIBUTION FACILITIES REPORT, AND DIRECT STAFF TO PROCEED AND OBTAIN INPUT FROM THE PLANNING COMMISSION AND BRING BACK TO CITY COUNCIL IN FEBRUARY 2018.

Said motion CARRIED by the following roll call vote:

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

