
De Novo Public Hearing
Planning Application 22-08
2490 Newport Boulevard

May 7, 2024
City Council



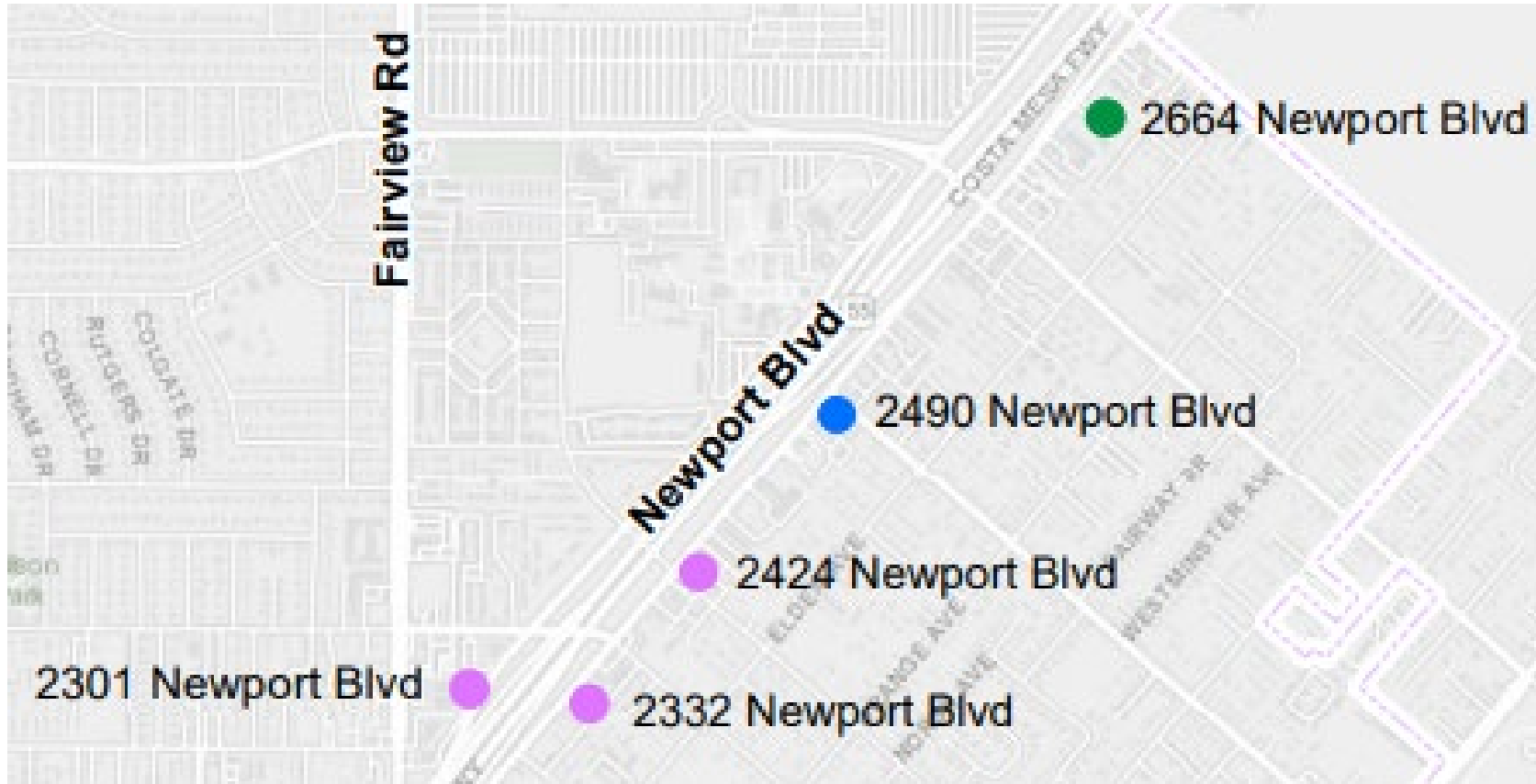
Newport Wellness

Conditional Use Permit (CUP) for:

- Cannabis storefront with delivery
- Bring commercial structure up to Code
- New facade
- New landscaping
- Construct parking lot
- Construct sidewalk

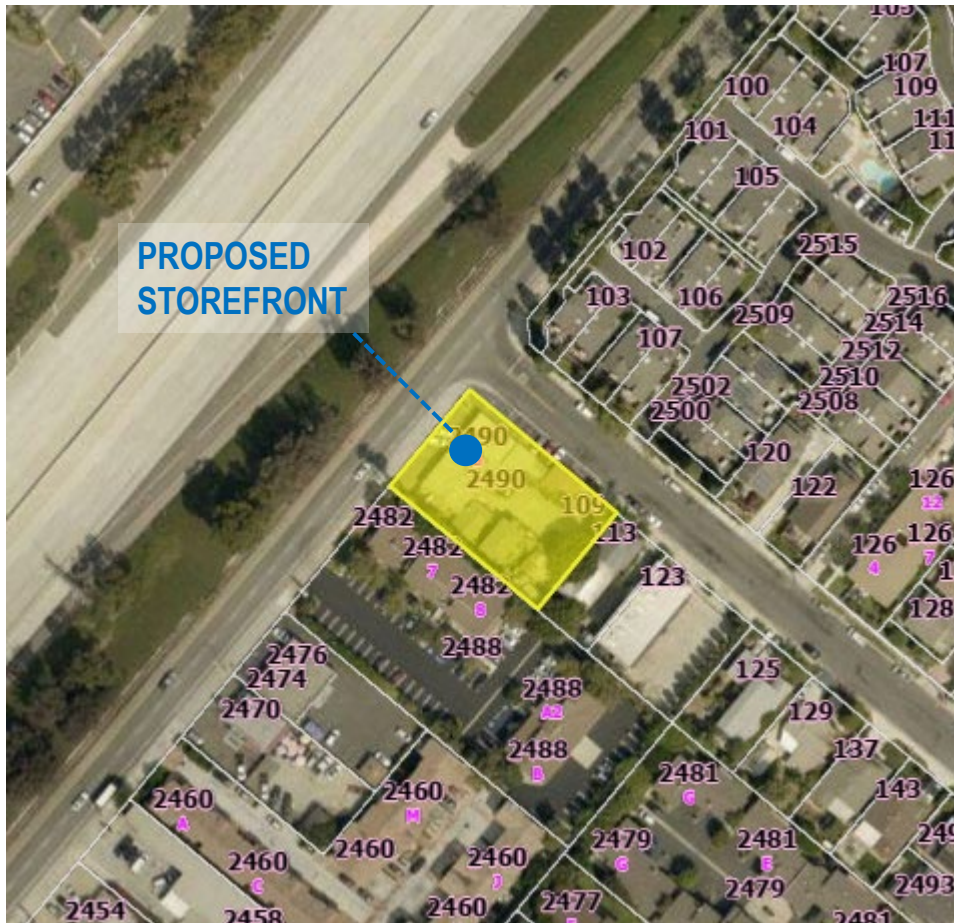


Cannabis Storefront CUP Context

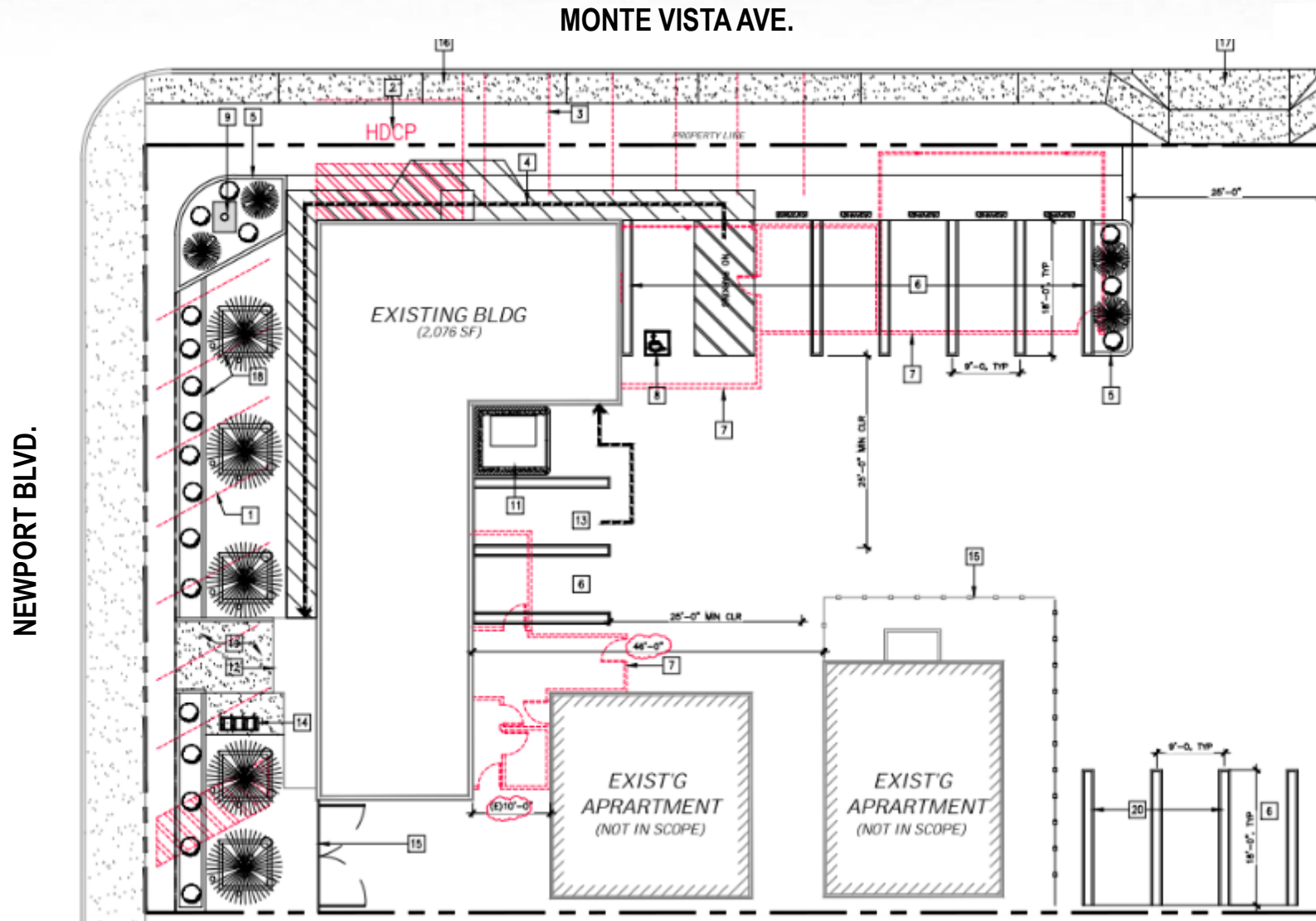


- Operating (10)
- Approved CUPs (12)
- Subject Property

Project Location and Zoning District

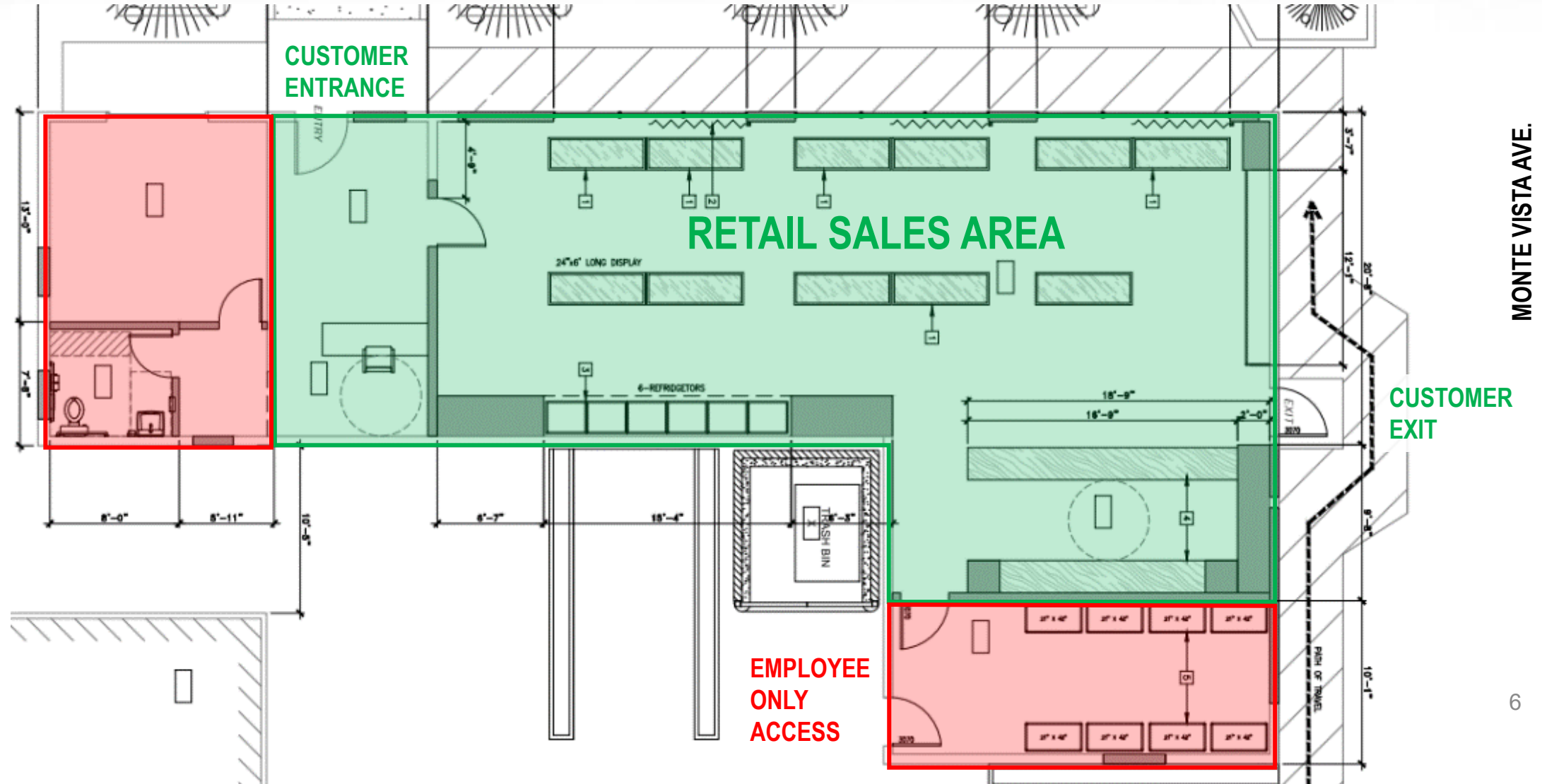


Conceptual Site Plan



Proposed Floor Plan

NEWPORT BOULEVARD

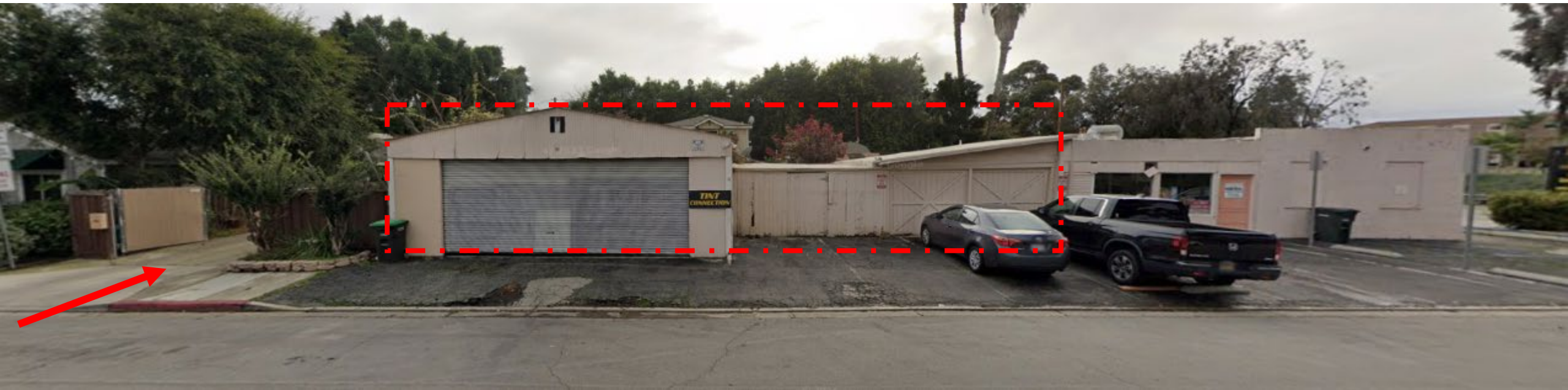


Existing and Proposed Conditions – Newport Blvd.



Existing Conditions – Monte Vista Ave.

- Commercial structure in red to be demolished (dashes)
- New parking lot to be accessed via Monte Vista driveway (arrow)
- New sidewalk and landscaping



Existing Conditions – Monte Vista Ave.



Existing and Proposed Conditions – Monte Vista Ave.



Measure Q Conditions of Approval

- Photometric study required in plan check
- Odor control
- Cannabis consumption is prohibited onsite
- Age restrictions for customers & employees
- 2-year Cannabis Business Permit renewal
- Changes in ownership/operation subject to City review and approval
- Recordkeeping and remitting taxes to City
- State license & compliance with all applicable State and local regulations



Site Specific Conditions of Approval

- New fence to separate commercial and residential uses, detailed photometric study
- Signs related to using consideration of neighbors
- Limiting the hours trash enclosure can be used (8 AM to 8 PM)
- Employee to monitor the parking lot
- If proposing to remove 24-hour security guard, Planning Commission shall review the proposal.
- Parking attendant during business hours for at least 3 months, staff determination to end attendant requirement.



De Novo Public Hearing

- On April 1, 2024, the Planning Commission decision was called up for City Council review
- A de novo public hearing means the review is new, it is not limited to the information previously presented to the Planning Commission and the City Council will exercise independent judgement and discretion
- City Council decision is final

Recommendation

Staff recommends that the City Council adopt a resolution to uphold the Planning Commission's decision and:

- Find the project categorically exempt from the provisions of the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15301 (Class 1; Existing Facilities)
- Approve Planning Application 22-08, subject to conditions of approval and code requirements

De Novo Public Hearing
Planning Application 22-08
2490 Newport Boulevard

May 7, 2024
City Council





NEWPORT WELLNESS LLC

COSTA MESA - 2024

PREMIUM CANNABIS
PURVEYORS

❖ APPLICANT SLIDES

❖ APPENDIX

OWNERSHIP TEAM

KEITH SCOTT – CEO

- Co-Founder of New Image Global
- 25 Yrs Regulated Industry Experience

STEPHAN WOODSON– OWNER

- Co-Founder of New Image Global
- 25 Yrs Regulated Industry Experience

KEITH SCOTT II – COO

- Costa Mesa Resident
- Head of Business Administrations
- COO of Royal M&D Cannabis
 - 6 Years Regulated Cannabis Experience

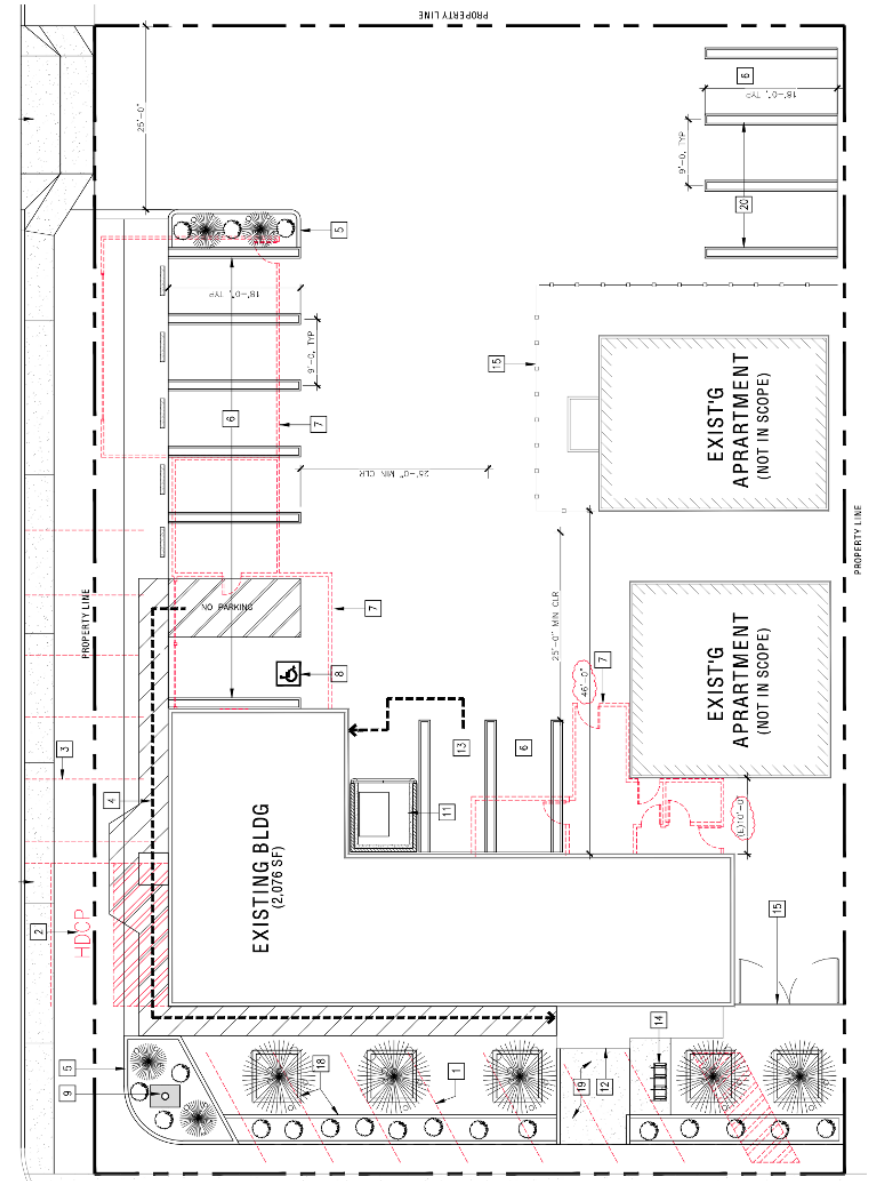
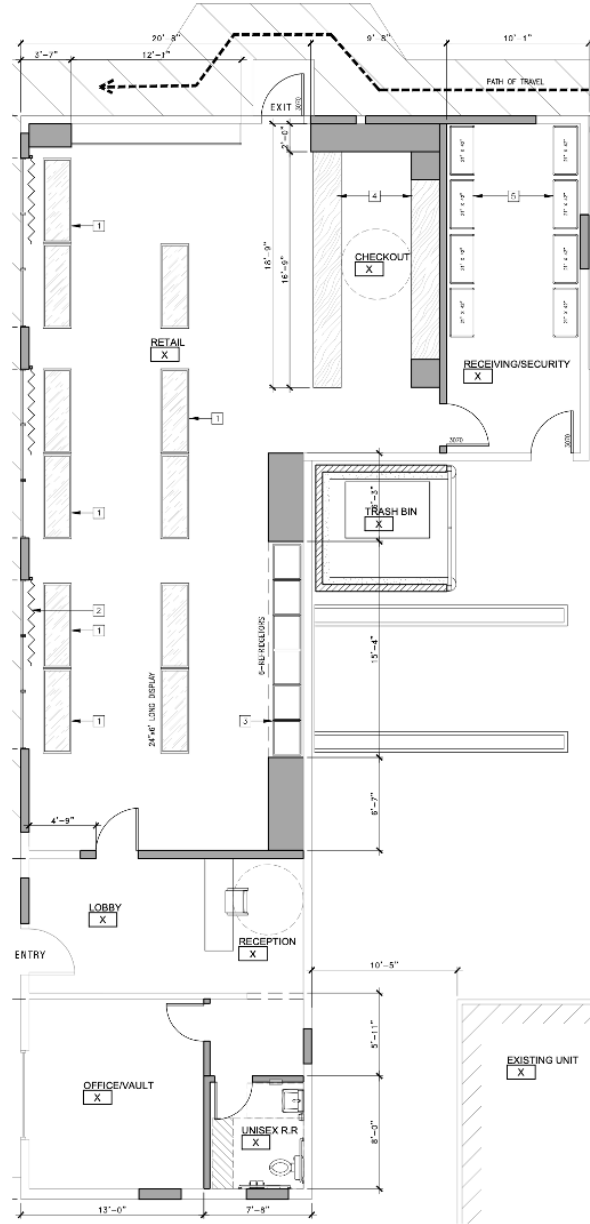


2490 NEWPORT
BLVD

NEWPORT WELLNESS LLC

COSTA MESA 2024

SITE & FLOOR PLANS



NEIGHBORHOOD IMPACT – SAFETY / SECURITY

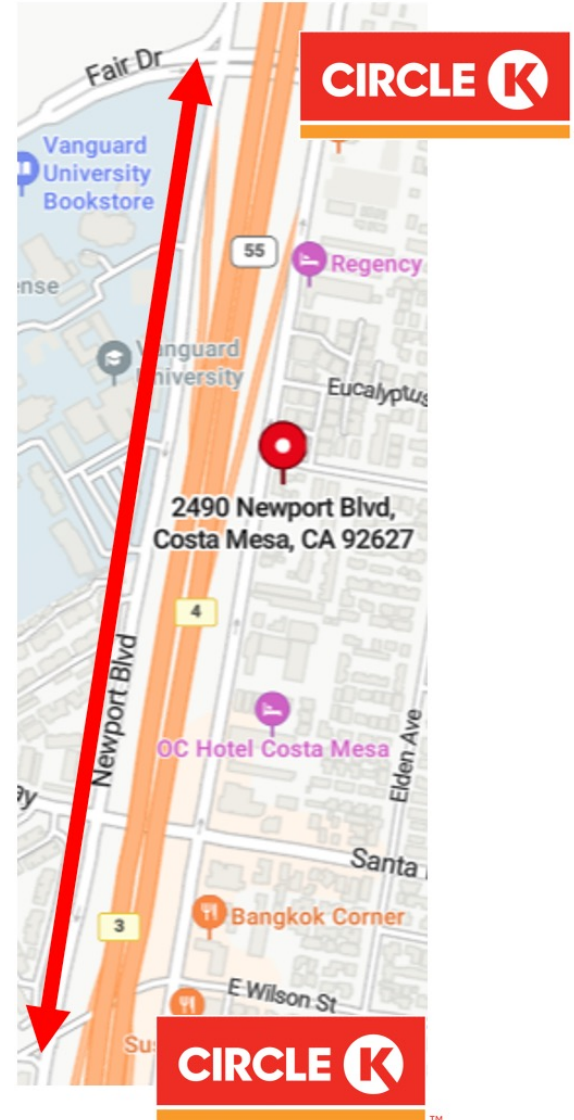
CALLS FOR SERVICE – April 2024 for 1 Year



Costa Mesa Communications
 2346 NEWPORT BLVD, COSTA MESA, CA
 APRIL 23, 2023 TO APRIL 22, 2024

Call Time	Event ID	Rpt #	Street	Nature	Business	Serv	Age
04/17/2024	2024035209		2346 NEWPORT BLVD	UNWANTED SUBJE	CIRCLE K MARKET	LAW	CMP
04/15/2024	2024034591		2346 NEWPORT BLVD	PANIC ALARM		LAW	CMP
04/01/2024	2024030495		2346 NEWPORT BLVD	P PATROL CHECK	CIRCLE K MARKET	LAW	CMP
03/31/2024	2024030111		2346 NEWPORT BLVD	P PATROL CHECK	SUSHI TOWN	LAW	CMP
03/28/2024	2024029046	24004368	2346 NEWPORT BLVD	T TRAFFIC STOP	CIRCLE K MARKET	LAW	CMP
03/22/2024	2024027119		2346 NEWPORT BLVD	SUSPICIOUS MAL	CIRCLE K MARKET	LAW	CMP
03/22/2024	2024026941	24004024	2346 NEWPORT BLVD	BATTERY REPORT	CIRCLE K MARKET	LAW	CMP
03/19/2024	2024025935		2346 NEWPORT BLVD	911 WIRELESS N		LAW	CMP
03/14/2024	2024024133		2346 NEWPORT BLVD	S SUBJECT STOP		LAW	CMP
02/29/2024	2024019657		2346 NEWPORT BLVD	P PATROL CHECK	CIRCLE K MARKET	LAW	CMP
02/28/2024	2024019619		2346 NEWPORT BLVD	PETTY THEFT	CIRCLE K MARKET	LAW	CMP
02/17/2024	2024015763		2346 NEWPORT BLVD	PETTY THEFT BE	CIRCLE K MARKET	LAW	CMP
02/15/2024	2024015098		2346 NEWPORT BLVD	S SUBJECT STOP		LAW	CMP
02/10/2024	2024013681		2346 NEWPORT BLVD	POLICE PUBLIC	CIRCLE K MARKET	LAW	CMP
02/10/2024	2024013670	24001987	2346 NEWPORT BLVD	INTOXICATED PE	CIRCLE K MARKET	LAW	CMP
02/10/2024	2024013644	24001986	2346 NEWPORT BLVD	INTOXICATED PE	CIRCLE K MARKET	LAW	CMP
01/31/2024	2024009952		2346 NEWPORT BLVD	S SUBJECT STOP	SUSHI TOWN	LAW	CMP
01/28/2024	2024008853		2346 NEWPORT BLVD	DISTURBANCE MA	CIRCLE K MARKET	LAW	CMP
01/27/2024	2024008666		2346 NEWPORT BLVD	TRANSIENT	CIRCLE K MARKET	LAW	CMP
01/26/2024	2024008185		2346 NEWPORT BLVD	DISTURBANCE MA	CIRCLE K MARKET	LAW	CMP
01/24/2024	2024007831	24001109	2346 NEWPORT BLVD	S SUBJECT STOP	CIRCLE K MARKET	LAW	CMP
01/20/2024	2024006530		2346 NEWPORT BLVD	THREAT REPORT	SUSHI TOWN	LAW	CMP
01/20/2024	2024006458		2346 NEWPORT BLVD	MEDICAL AID	CIRCLE K MARKET	LAW	CMP
01/18/2024	2024005517		2346 NEWPORT BLVD	PETTY THEFT	CIRCLE K MARKET	LAW	CMP
01/10/2024	2024003133	24000465	2346 NEWPORT BLVD	HIT AND RUN TC	CIRCLE K MARKET	LAW	CMP
01/06/2024	2024001820		2346 NEWPORT BLVD	T TRAFFIC STOP		LAW	CMP
01/05/2024	2024001527		2346 NEWPORT BLVD	WRONG WAY DRIV		LAW	CMP
01/04/2024	2024001082		2346 NEWPORT BLVD	WELFARE CHECK	CIRCLE K MARKET	LAW	CMP
12/28/2023	2023125982		2346 NEWPORT BLVD	OUT FOR INVEST	NEWPORT HAIR AN	LAW	CMP
12/28/2023	2023125908		2346 NEWPORT BLVD	PETTY THEFT	CIRCLE K MARKET	LAW	CMP
12/27/2023	2023125874		2346 NEWPORT BLVD	PETTY THEFT	CIRCLE K MARKET	LAW	CMP

~500 Police Calls



NATURE OF CALL

- Drugs Involved
- Drinking in Public
- Vandalism
- Overdose
- Lewd Conduct
- Petty Theft
- Disturbance
- Transient
- Unwanted Subject
- Threat Report
- Battery Report
- Suspicious Male
- Mental Person
- Counterfeit
- Identity Theft
- Domestic Violence
- Trash Scavenger
- Sex Crime

NEIGHBORHOOD IMPACT – SAFETY CONT'D

2021-2022 ORANGE COUNTY GRAND JURY REPORT

“POT LUCK” Santa Ana’s Monopoly on Licensed Retail Adult-Use Cannabis in Orange County



Key Findings Summary:

1. Crime Went Down
2. Illegal Pot Shops significantly reduced
3. Significant Tax Revenue Generated for Public Good



Cannabis Storefronts

Crime Analysis Unit
Costa Mesa Police Department



CALLS FOR SERVICE

January 01, 2022 - January 31, 2024

Dispensary	Location	2023	2024	Total
420 Central Newport Mesa	1990 Harbor Blvd	6	1	7
Off The Charts	2801 Harbor Blvd	5	1	6
Stiiizy	2710 Harbor Blvd	3	2	5
Nectar	2275 Newport Blvd	7	1	8
Mr. Nice Guy	1854 Newport Blvd	5	1	6
Catalyst	170 E 17th St	5	1	6
Secret Garden	2664 Newport Blvd	2	0	2
Mr. Nice Guy	2845 Harbor Blvd	1	0	1
South Coast Safe Access	2001 Harbor Blvd., Suite 101-103	1	0	1
Total	9 locations	35	7	42

*On November 23, 2022, 420 Central Newport Mesa (District 5) was the first dispensary to open in Costa Mesa.

*For 2022, there were no calls for service related to any of the dispensaries listed above.

NEIGHBORHOOD IMPACT – RESIDENTIAL PROXIMITY

14 CANNABIS STORES APPROVED IN SIMILAR PROXIMITY TO RESIDENTIAL

2490 Newport Blvd is 50 feet from GATED Residential

PA #	ADDRESS	NAME	Distance: PL - PL
21-14	1921 Harbor Blvd	High Seas	0 ft
21-17	2845 Harbor Blvd	Mr Nice Guy	50 ft (across st)
21-18	1854 Newport Blvd	Mr Nice Guy	90 ft
21-19	2710 Harbor Blvd	Stiizy	50 ft
21-29	170 E 17 th St	Catalyst	50 ft (across st)
21-31	167 Cabrillo	Native Garden	50 ft (across st)
21-37	2146 Newport Blvd	Off the Charts	30 ft
21-34	2332 Newport Blvd	Flower Factory	20 ft (across alley)
21-39	770 W 19 th st	Nebrina	0 ft
21-40	2664 Newport Blvd	Secret Garden	0 ft
22-02	1860 Newport Blvd	Newport Flower	0 ft
22-05	1505 Mesa Verde	SCCC	75 ft (across st)
22-07	2013 Newport Blvd	Strains	0 ft (across access)
21-21	2001 Harbor Blvd	South Coast Safe Access	50 ft (across st)

NEIGHBORHOOD IMPACT – SITE IMPROVEMENTS

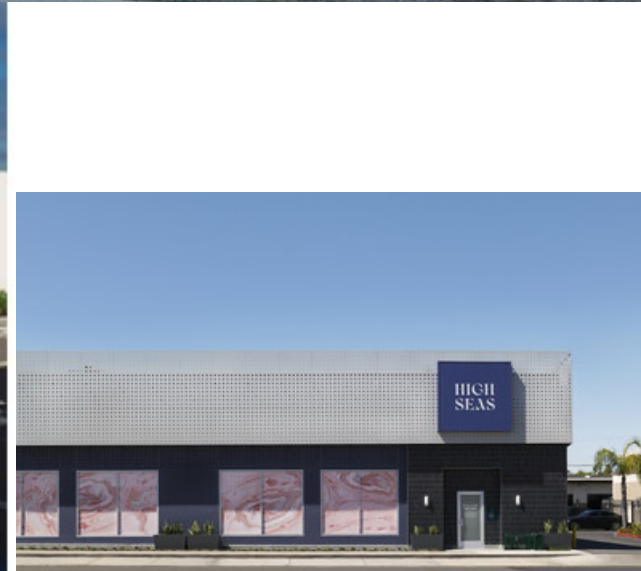


BEFORE

- Eliminates access off Newport Blvd
- Prevents cars backing onto Newport Blvd
- Poor existing view angle right turn from Monte Vista to NB Blvd



AFTER



NEIGHBORHOOD IMPACT – OUTREACH/FEEDBACK

Outreach Effort Secured Project Support

NEWPORT WELLNESS

COME JOIN US – Tuesday April 30 @ 4-7 pm
2490 Newport Blvd (Side Unit)



ABOUT NEWPORT WELLNESS

We are a Team of locals with cannabis industry experience, and a history of owning and operating businesses in Orange County.

We have developed thoughtful plans (Business, Operations and Security), reviewed and approved by the City. We have a security guard, odor control and a good neighbor policy. Our plans will modernize the property with an elegant retail look and feel.

We would like to invite you to come and meet the team, see our plans and offer you the chance to ask questions. We can talk about how we plan to add value to the neighborhood on issues with transients and quality of life issues.

QUESTIONS

Keith Scott 949.929.3340 kscott@newimageglobal.com

NEWPORT WELLNESS

Unete a nosotros – Martes 30 de Abril @ 4-7 pm
2490 Newport Blvd (Side Unit)



ACERCA DE NEWPORT WELLNESS

Somos un equipo de lugareños con experiencia en la industria del cannabis y un historial de propiedad y operación de negocios en el Condado de Orange.

Hemos desarrollado planes bien pensados (Negocios, Operaciones y Seguridad), revisados y aprobados por la Ciudad. Contamos con guardia de seguridad, control de olores y política de buen vecino. Nuestros planes modernizarán la propiedad con una apariencia y sensación de venta minorista elegante.

Nos gustaría invitarte a venir a conocer al equipo, ver nuestros planes y ofrecerte la oportunidad de hacer preguntas. Podemos hablar sobre cómo planeamos agregar valor al vecindario en temas relacionados con transeúntes y problemas de calidad de vida.

INFORMES

Keith Scott 949.929.3340 kscott@newimageglobal.com

27 Letters of Support

Resident - Owner

SUPPORT LETTER

I support the new Cannabis Retail Store located at 2490 Newport Blvd. Hours 7am to 10pm.

They will be making substantial improvements in the building, ending the unsafe practice of backing out onto Newport Blvd and improving the view angle for right turns off Monte Vista.

The security lighting and security guard are a welcomed additions to the neighborhood and this will help address issues associated with Newport Blvd.

RESIDENT BUSINESS

NAME: Matt Eimers
ADDRESS: 22 Monte Vista Ave
SIGNATURE: [Signature]

Business

SUPPORT LETTER

I support the new Cannabis Retail Store located at 2490 Newport Blvd. Hours 7am to 10pm.

They will be making substantial improvements in the building, ending the unsafe practice of backing out onto Newport Blvd and improving the view angle for right turns off Monte Vista.

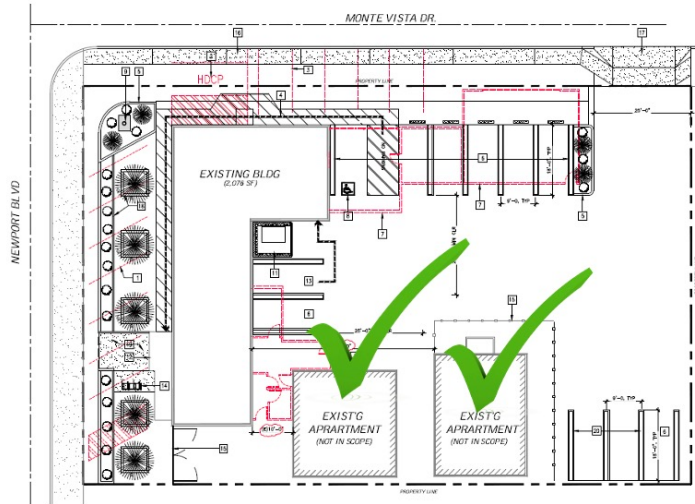
The security lighting and security guard are a welcomed additions to the neighborhood and this will help address issues associated with Newport Blvd.

RESIDENT BUSINESS

NAME: O.C. CHANG LLC
ADDRESS: 2474 NEWPORT BLVD, COSTA MESA, CA 92626
SIGNATURE: [Signature]

Outreach Summary

- 2 Street Team Canvas Dates
- Positive Feedback
- All had Newport Blvd concerns
- Most common questions:
 - When do you open?
 - Do you offer neighborhood discounts?
 - Are you hiring
- **Letters of Support:**
 - Residents walking dogs
 - From HOA owner
 - Business
 - Tenants

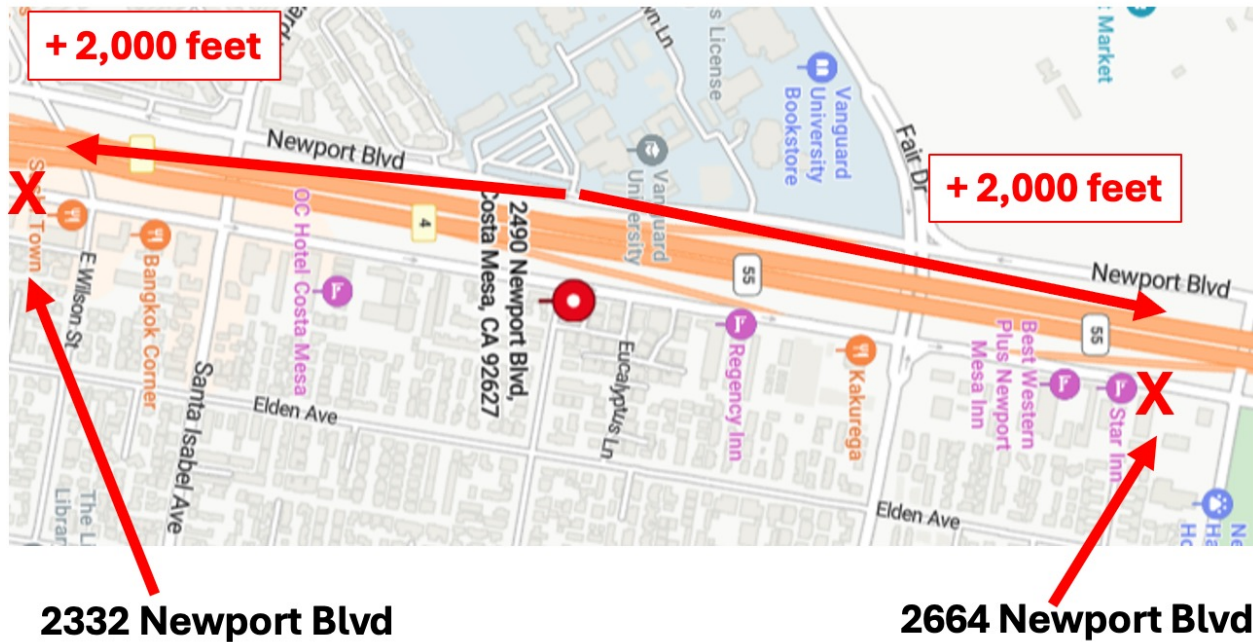


Most potentially impacted residents **SUPPORT**

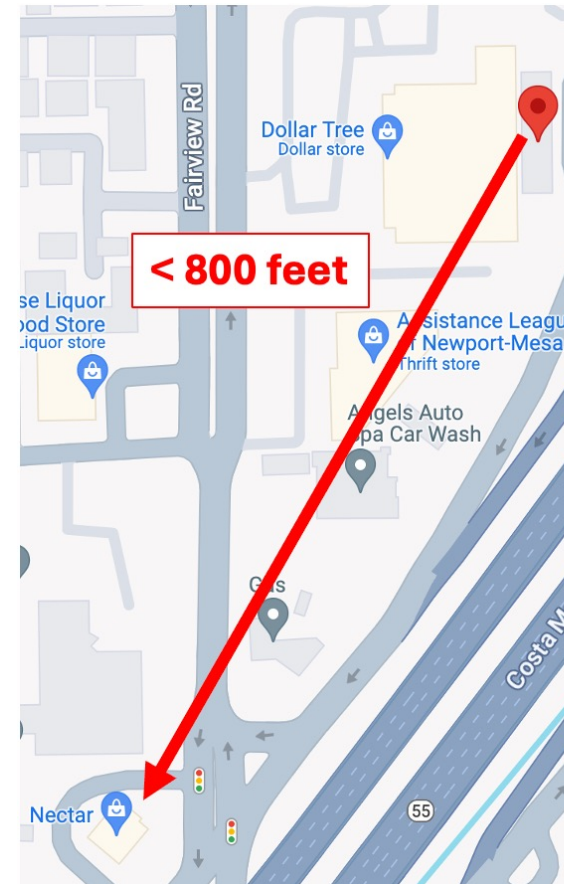
CANNABIS SATURATION – LOCATION PROXIMITY

PROPOSED PROJECT: 2490 NEWPORT BLVD

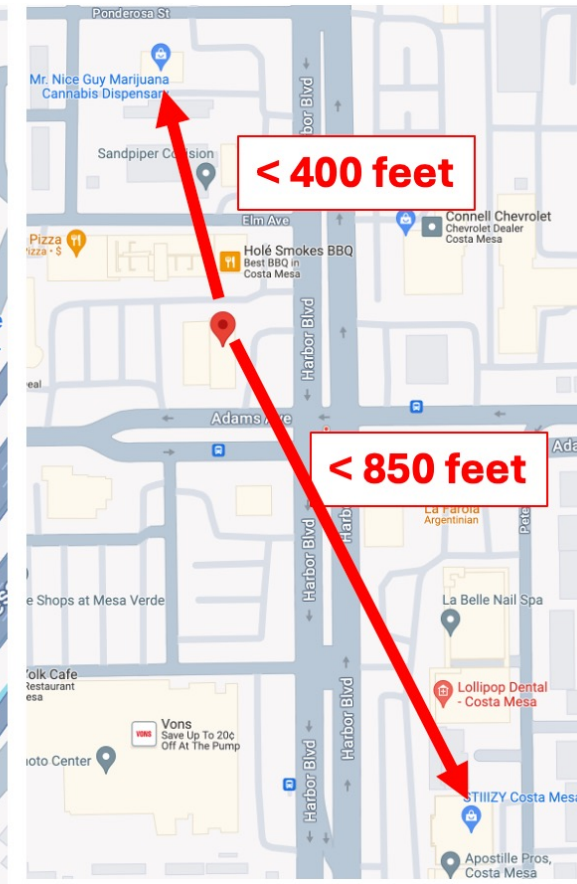
Nearest Approved Cannabis Store + 2,000 feet



NEWPORT BLVD (W)



HARBOR BLVD



GENERAL PLAN & LAND USE COMPATIBILITY

STAFF RECOMMENDED APPROVAL – PLANNING COMMISSION APPROVED



PLANNING COMMISSION

AGENDA REPORT

MEETING DATE: MARCH 25, 2024 ITEM NUMBER: PH-1

SUBJECT: PLANNING APPLICATION 22-08 FOR A RETAIL CANNABIS STOREFRONT BUSINESS WITH DELIVERY LOCATED AT 2490 NEWPORT BOULEVARD (NEWPORT WELLNESS)

FROM: ECONOMIC AND DEVELOPMENT SERVICES DEPARTMENT/
PLANNING DIVISION

PRESENTATION BY: MICHELLE HALLIGAN, SENIOR PLANNER

FOR FURTHER INFORMATION CONTACT: MICHELLE HALLIGAN
714-754-5608
MICHELLE.HALLIGAN@COSTAMESACA.GOV

RECOMMENDATION

Staff recommends the Planning Commission adopt a Resolution to:

1. Find that the project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15301 (Class 1) Existing Facilities; and
2. Approve Planning Application 22-08 subject to the conditions of approval as contained in the Resolution.

Finding: Granting the conditional use permit will not allow a use, density or intensity which is not in accordance with the general plan designation and any applicable specific plan for the property.

Facts in Support of Finding: The property has a General Plan land use designation of "Commercial Residential". The intent of this land use designation is to allow a mix of commercial and residential zones along Newport Boulevard. The use is consistent with General Plan policies related to providing a mixture of commercial goods, services, and employment opportunities; expanding the City's tax base; and promoting the incubation of specialized businesses. The City's General Plan sets forth long-term policies that guide future development, whereas the Zoning Ordinance implements general plan policies through detailed development regulations, such as specific use types and building standards. Therefore, in determining General Plan compliance for the proposed cannabis retail storefront use, a comparison of the proposed use with the use, density and intensity allowed by the applicable zoning district is required. In this case, the applicable zoning district is "Local Business District" (C1). A variety of commercial uses are allowed in the C1 zone, including a retail cannabis storefront, subject to a CUP. No additional square footage is proposed; therefore, the proposed use would not increase the floor area ratio (building intensity) or increase the number of residential units onsite (density).

GENERAL PLAN & LAND USE COMPATIBILITY #2

VAPE SHOP COULD LOCATE, BY RIGHT, WITHOUT ANY CONDITIONS ON HOURS, GUARD, ETC.

Smoking/vaping retailer. A smoke shop, electronic cigarette retailer, vapor cigarette retailer, or any other retail business that sells tobacco, electronic cigarettes, and related products primarily for off-site consumption. Smoking/vaping retailers shall not include food or beverage service, outdoor seating, or an indoor seating area greater than 100 square feet in area.

TABLE 13-30
CITY OF COSTA MESA LAND USE MATRIX

LAND USES	ZONES										
	R1	R2-MD	R2-HD	R3	AP	CL	C1	C2	C1-S1	TC ¹	MG
smoking and vaping uses)											
135b. Smoking/ vaping retailer (subject to chapter IX, article 19, smoking and vaping uses)	•	•	•	•	•	p ²	p ²	p ²	p ²	p ²	•



§ 13-200.81 Permitted and conditionally permitted uses.

(a) Smoking lounges and smoking/vaping retailers are subject to the review and approval procedures shown in Table 13-30 City of Costa Mesa Land Use Matrix and the operational and development standards contained in this article.

(b) Establishment of a smoking/vaping retail business within one thousand (1,000 feet) of a public or private primary or secondary educational school facility is strictly prohibited.

Notwithstanding the foregoing, the existing smoking/vaping retailers located at 891 W. Baker Street, Suite B-11 and 1175 Baker Street, Suite 10-D are legally nonconforming uses in accordance with Title 13, Chapter X of the Costa Mesa Municipal Code.

(c) Establishment of a smoking lounge business in the C1-S, PDC, and MP zones within 1,500 feet from another approved smoking lounge is strictly prohibited.

Notwithstanding the foregoing, the existing smoking lounges located at 2470 Newport Boulevard and 698 W. 19th Street are legally nonconforming uses in accordance with Title 13, Chapter X of the Costa Mesa Municipal Code. As legally nonconforming, the existing use may operate between the hours of 12:00 p.m. (noon) to 11:00 p.m. daily (within 500 feet of a residential zone).

(Ord. No. 15-10, § 2D, 9-15-15)



NEWPORT WELLNESS

Appendix

COUNCIL MEMBER CONCERNS

Harper

- Cannabis Saturation
- Proximity to Residential
- Proximity to Christian University & Fair
- Hours of Operation
- Increased Traffic
- Lack of Resident street Parking
- Business lighting

Proposal **PA-22-08** may significantly and negatively impact our residential community, which is already saturated with cannabis retail stores. The current proposed business is **within 100 feet of Laurel Point Townhomes**. Having children live so close to an adult only business raises serious safety concerns, as does the proposed business' proximity to a Christian University, and the Orange County Fairgrounds. They may be targeting our youth.

The anticipated hours of operation, **(7:00 AM-10:00 PM)** increased traffic, and proposed lighting are also objectionable. Nearby residents will hear retail business activity, consumers, and delivery trucks, and there is already a **serious lack of resident/street parking**. **Business lighting and signage** will shine directly into resident homes, disrupt personal enjoyment, and sleep. This is bound to negatively impact property values.

MARR

- Land Use Compatibility
- Compliance with General Plan

Land use compatibility of location + compliance with Costa Mesa's general Plan.

APPLICANT RESPONSE(S) #1

APPLICATION FOR REVIEW - - REASONS FOR REQUESTING REVIEW

Council Member Don Harper

REASONS

APPLICANT RESPONSE

<ul style="list-style-type: none">• Negative Impacts on Residential	<ul style="list-style-type: none">• Of important note, the 2 most potentially impacted residents on the site are both in support of the project. Those who should have the most impacts are not <u>concerned</u>• Public Records indicate Cannabis Retail Stores have low incidents of Police Calls for <u>Service</u>• Police Chief has shared at City Council meetings that there are no <u>issues</u>• There have been no residents going to <u>Planning</u> Commission or City Council with documented or specific issues. All are theoretical, hypothetical or demonstrate an individual position against cannabis in general
<ul style="list-style-type: none">• Cannabis Saturation	<ul style="list-style-type: none">• There are no regulatory numeric limits for current cannabis <u>applicants</u>• There are no separation buffers for current cannabis <u>applicants</u>• Process of developing the Cannabis Regulatory Scheme and outcome:<ul style="list-style-type: none">○ City Council polled residents to seek feedback on what elements to include in <u>ordinance</u>○ Developed a customized ordinance based on that poll, lengthy discussions with the industry and with <u>residents</u>○ That Ordinance was put to the <u>voters</u>○ 2 out of 3 supported○ The Applicant relied on this process and the outcome in selecting a property, paying fees, preparing the application and enduring the high carry costs of a long <u>process</u>• Distance to existing Cannabis Retail Stores<ul style="list-style-type: none">○ North on Newport Blvd: 2664 Newport is 0.4 miles / over 2,000 feet / <u>9 minute</u> walk○ South on Newport Blvd: 2332 Newport is 0.4 miles / 2,000 feet / <u>9 minute</u> walk○ Across Newport Blvd: 2301 Newport is 2,500 feet away, across 8 lanes of freeway
<ul style="list-style-type: none">• Proximity to Christian University	<ul style="list-style-type: none">• There are no State distance requirements to <u>Universities</u>• There are no City distance requirements to <u>Universities</u>• The only distance requirements for schools are K-12• There are no “youth centers” at the Christian University• Anyone traveling south on Newport Blvd from the Christian University would pass directly by 3 approved Cannabis Stores

APPLICANT RESPONSE(S) #1 CONT'D

<ul style="list-style-type: none"> • Hours of Operation 	<ul style="list-style-type: none"> • Cannabis Retail Store hours are restricted with a Conditional Use Permit • There are by right use options that would not <u>be have</u> hours conditioned and could operate earlier and later hours • An example is a Vape Shop, that could open earlier and stay open till midnight
<ul style="list-style-type: none"> • Increased Traffic 	<ul style="list-style-type: none"> • Staff used the International Traffic Engineer standard of a Pharmacy with Drive through to determine traffic <u>impacts</u> <ul style="list-style-type: none"> ○ The <u>City</u> has collected over \$1 million in Traffic Impact Fees ○ This project will pay a Traffic Impact Fee to mitigate <u>impacts</u> ○ Applicant does not agree there will be <u>impacts</u> • However, there are no reports of increased traffic associated with Cannabis Retail Stores • Simply drive by any of the open Cannabis Retail Stores and one can observe the lack of parking <u>issues</u> • By adding an additional Cannabis Retail Store, this would create fewer traffic issues
<ul style="list-style-type: none"> • Lack of Resident Street Parking 	<ul style="list-style-type: none"> • The Application has demonstrated an ability to park the project, as reviewed and approved by City Staff, we <u>has</u> determined to make a recommendation to support the approval of the CUP • The Applicant has heard of issues with street parking and has been monitoring the <u>issue</u> • If it is determined the parking issues are a result of the residential uses in proximity, what can be done to control this impact? Can we make sure all garages are not used for storage and are available for parking? This might alleviate the parking issue
<ul style="list-style-type: none"> • Business Lighting 	<ul style="list-style-type: none"> • Each Cannabis Business Application has been required to have a Lighting Engineer produce a Photometric Study, demonstrating how placement and strength of light and use science to indicate where light <u>is</u> and light is not • Please note, that this was a condition introduced by the planning commission. It was important to Commission to have enough light to support the Police Department's visual patrol and not adversely impact the residents of adjacent <u>businesses</u> • A by right use, like a vape shop, would have no such requirement • This project has utilized "Crime Prevention

APPLICANT RESPONSE(S) #2

Council Member Andrea Marr

<u>REASONS</u>	<u>APPLICANT RESPONSE</u>
• Land Use Compatibility of Location	• <u>STAFF:</u> <ul style="list-style-type: none">○ In the professional opinion of Staff, Staff recommended approval of the <u>project</u>○ Staff prepared Exhibit A:○ Includes Findings and supporting <u>facts</u> • <u>PLANNING COMMISSION:</u> <ul style="list-style-type: none">○ In the professional opinion of Staff, Staff recommended approval of the <u>project</u>○ Planning Commission voted to approve the Application
• Compliance with Costa Mesa's General Plan	• <u>STAFF:</u> <ul style="list-style-type: none">○ In the professional opinion of Staff, Staff recommended approval of the <u>project</u>○ Staff prepared Exhibit A:○ Includes Findings and supporting <u>facts</u>○ • <u>PLANNING COMMISSION:</u> <ul style="list-style-type: none">○ In the professional opinion of Staff, Staff recommended approval of the <u>project</u>○ Planning Commission voted to approve the Application
• Cannabis Ordinance Modifications, when the become final, will only be applied to future <u>Applications</u> and not applied to current <u>Applications</u>	• This Application came to Planning Commission before Ordinance modifications <u>finalized</u>

LOCATION PROXIMITY TO UNIVERSITY



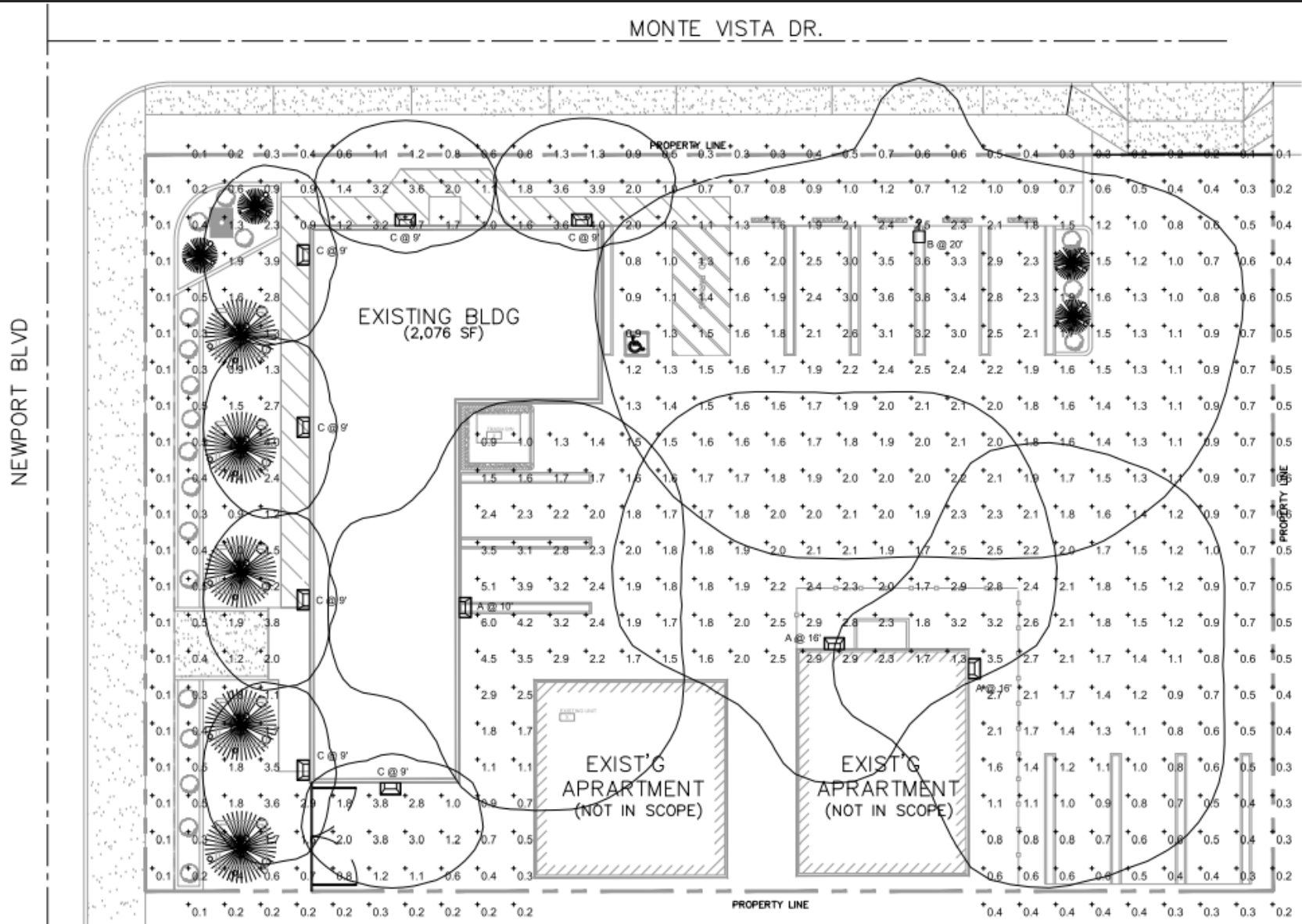
NOT K-12

Across:

- 2 SB Lanes Newport Blvd
- 4 SB Lanes 55
- 4 NB Lanes 55
- 1 Off Ramp
- 2 NB Lanes Newport Blvd



ENGINEERED LIGHTING PLAN



MEASURE Q CONFORMANCE & RELIANCE

APPLICANTS RELIED ON MEASURE Q



Ballot Measures-Q

Section 11

Full Text of Measure Q
City of Costa Mesa

The City Council for the City of Costa Mesa submits the following measure to the voters of the City for approval and enactment:

SECTION 1. Name.

This ballot measure shall be known and may be cited as "the City of Costa Mesa Retail Cannabis Tax and Regulation Measure" and shall be referred to herein as the "Measure."

SECTION 2. Purpose.

The purpose of the Measure is to amend Measure X to allow the City Council to adopt, and thereafter amend, by a 2/3 vote of the entire membership of the City Council, one or more ordinances to provide for the specific areas in the City within which City and state licensed cannabis retail storefront (dispensary) and non-storefront (delivery only) uses can be located; to provide minimum standards for future City regulation of these uses; and to impose a general tax on all retail and delivery cannabis businesses within the City, as well as on businesses making deliveries into the City if such deliveries are permitted by the City, at a rate of 4 to 7% of gross receipts. Nothing contained in this Measure is intended to limit, curtail or abrogate the City's power to impose greater restrictions or limitations on retail cannabis uses than those set forth herein.

Now, therefore, the People of the City of Costa Mesa do ordain as follows:

AN ORDINANCE OF THE PEOPLE OF THE CITY OF COSTA MESA, CALIFORNIA, TO AMEND MEASURE X BY AUTHORIZING THE CITY COUNCIL TO ADOPT AN ORDINANCE PERMITTING, REGULATING AND ESTABLISHING A GROSS RECEIPTS TAX OF BETWEEN 4 TO 7% ON THE RETAIL SALE AND DELIVERY OF CANNABIS WITHIN THE CITY AS EXPRESSLY LIMITED HEREIN.

SECTION 3. Uncodified ordinance.

The City Council of the City of Costa Mesa, pursuant to the procedures set forth in the Government Code and the City's Municipal Code and without prior approval of the electorate, may amend those provisions of Measure X that require a vote of the electorate as set forth in Ordinance No. 16-15, Section 8, "Future Changes", as amended and as codified in Chapters I and VI of Title 9 and/or Chapters IV and IX of Title 13 of the Municipal Code, by the adoption or amendment of one or more ordinances to permit, regulate and/or impose a gross receipts tax upon the retail sale, both storefront (dispensaries) and non-storefront (delivery), of cannabis within the City, provided that such ordinance or amendment is adopted by a two-thirds vote of the entire membership of the City Council and meets the following minimum standards:

- a) the premises of retail storefront uses may be permitted in the commercial zone only;
- b) the premises of retail non-storefront (delivery) uses may be permitted in both the commercial zone and in the Green Zone only;
- c) the premises of retail storefront uses must be located a minimum of 1,000 feet from existing and permitted child daycare locations, K-12 schools, playgrounds, and/or homeless shelters, all as defined in the Zoning Code or as may otherwise be defined by City regulation or ordinance;

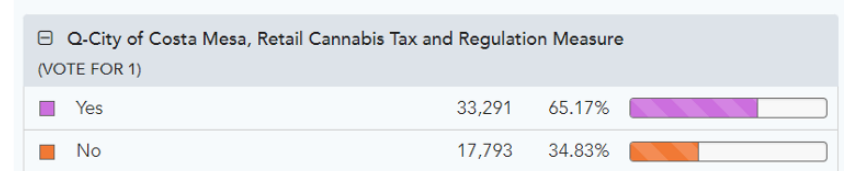


- **City Council determined distance Buffers from Sensitive Uses**
- **City Council considered, polled and determined not to include a buffer from Residential**
- **Ordinance modifications recently are not in effect, and not intended for existing Applications**

Costa Mesa City Council Meeting



2 of 3 Costa Mesa Voters Support



City Council determined Commercial Zone Only

LOCATION/ZONING MUN. CODE CONFORMANCE

§ 13-200.93 **Cannabis retail storefront and non-storefront uses.**

- (a) Cannabis retail storefront uses are prohibited in all zone districts within the city, except for the commercial zone districts.
- (b) Cannabis retail non-storefront uses are prohibited in all zone districts within the city, except for the commercial zone districts and within the Green Zone.
- (c) The following planning application shall be required for cannabis retail uses:
 - (1) A conditional use permit shall be required for retail storefronts and non-storefronts; and
 - (2) An amendment to the approved conditional use permit shall be required for existing licensed cannabis distribution or manufacturing businesses to operate a retail non-storefront under the existing business and within the same licensed premises. The amendment shall be processed as a minor conditional use permit.
- (d) A conditional use permit may be issued to allow the location of a retail cannabis use pursuant to subsections (a) and (b) of this section, subject to the following conditions:
 - (1) The requirements of Chapter III of this title have been met;
 - (2) The findings for granting conditional use permit pursuant to section 13-29(g) are met;
 - (3) The applicant obtains a cannabis business license for the location pursuant to Chapter VI of Title 9 of this Code; and
 - (4) The use is conducted in compliance with all applicable state and local laws.
- (e) No cannabis retail storefront use shall be located:
 - (1) Within 1,000 feet from a K-12 school, playground, child daycare, or homeless shelter, or within 600 feet from a youth center, that is in operation at the time of submission of a completed cannabis business permit application;

GENERAL PLAN COMPATIBLE — FINDINGS OF FACT

GENERAL PLAN CONFORMANCE STAFF FINDINGS OF FACT

The Costa Mesa General Plan establishes the long-range planning and policy direction that guides change and preserves the qualities that define the community. The 2015-2035 General Plan sets forth the vision for Costa Mesa for the next two decades. This vision

focuses on protecting and enhancing Costa Mesa's diverse residential neighborhoods, accommodating an array of businesses that both serve local needs and attract regional and international spending, and providing cultural, educational, social, and recreational amenities that contribute to the quality of life in the community. Over the long term, General Plan implementation will ensure that development decisions and improvements to public and private infrastructure are consistent with the goals, objectives, and policies contained in this Plan.

The following analysis evaluates the proposed project's consistency with applicable policies and objectives of the 2015-2035 General Plan.

1. **Policy LU-1.1:** *Provide for the development of a mix and balance of housing opportunities, commercial goods and services and employment opportunities in consideration of the need of the business and residential segments of the community.*

Consistency: The proposed project would provide commercial goods, employment opportunities, and housing on the subject property. Approval of the proposed use would result in the revitalization and reuse of a commercial space and allow nonconforming residential uses to remain. Although there are other cannabis storefronts in Costa Mesa, none of the approved cannabis storefront CUPs (including open storefronts), CUP applications in progress, or applications in the CBP phase are located within close proximity of the subject property.

2. **Objective LU-6B:** *Encourage and facilitate activities that expand the City's revenue base.*

Consistency: Retail cannabis uses are subject to a unique local tax that does not apply to other retail businesses in Costa Mesa. Retail cannabis uses are expected to generate increased tax revenues due to this seven-percent local tax on gross receipts. This revenue will then be used for community services and infrastructure improvements that serve the community.

3. **Policy LU-6.15:** *Promote unique and specialized commercial and industrial districts within the City which allow for incubation of new or growing businesses and industries.*

Consistency: The proposed use is part of the specialized cannabis industry that is very limited in Orange County. Out of 34 cities in the county, only three have cannabis storefronts—Costa Mesa, Santa Ana, and Stanton. Approval of this CUP would facilitate a business opportunity in a specialized and expanding industry along the City's commercial corridors.

4. **Policy LU-3.1:** *Protect existing stabilized residential neighborhoods, including mobile home parks (and manufactured housing parks), from the encroachment of incompatible or potentially disruptive land uses and/or activities.*

Consistency: The cannabis retail facility is proposed in an existing commercial building on a property that also contains two detached residential structures. Historic records indicate that the property was developed with commercial and residential structures prior to 1958. The proposed storefront would not result in the removal of the residential units. As conditioned, a new fence would be constructed to create a distinct separation between the residential units and storefront. Similar to other commercial properties located along Newport Boulevard, the subject property is located within relatively close proximity to other residential uses. As conditioned, the proposed use would be required to control odor, noise, limit trash enclosure access, and provide adequate security and parking lot monitoring to ensure compatibility between uses. The aforementioned cannabis operation controls exceed typical requirements for other retail uses.

5. **Policy N-2.9:** *Limit hours and/or attenuation of commercial/entertainment operations adjacent to resident and other noise sensitive uses in order to minimize excessive noise to these receptors.*

Consistency: The proposed cannabis storefront would be located on a site that has included both retail and residential uses since the 1950s, possibly earlier. With the proposed storefront use, parking lot activity and associated noise could be greater than past operations; however, conditions of approval requiring security features, parking lot monitoring, signage regarding noise, and limiting the hours the exterior trash enclosure are intended to ensure compatibility between the proposed use and residences.

FINDINGS

Pursuant to Title 13, Section 13-29(g), Findings, of the Costa Mesa Municipal Code, in order to approve the project, the Planning Commission must find that the evidence presented in the administrative record substantially meets specified findings as follows:

- *The proposed development or use is substantially compatible with developments in the same general area and would not be materially detrimental to other properties within the area.*

The subject site is located within a commercial zone (C1, Local Business District) where commercial development is specifically allowed to include retail uses. In addition, the property is located on one of the City's primary commercial corridors that is predominantly intended for commercial uses. Pursuant to the CMMC, cannabis retail storefronts are permitted uses in the C1 zone and are subject to extensive regulation (as described in this report). Additionally, the proposed cannabis retail storefront use is not located within 1,000 feet of a K-12 school, playground, licensed child daycare, homeless shelter, or youth center as defined in the CMMC.

GENERAL PLAN COMPATIBLE – FINDINGS OF FACT

FINDINGS

- A. The proposed project complies with Costa Mesa Municipal Code Section 13-29(g)(2) because:

Finding: The proposed development or use is substantially compatible with developments in the same general area and would not be materially detrimental to other properties within the area.

Facts in Support of Findings: The subject site is located within a commercial zone (C1, Local Business District) where commercial development is specifically allowed to include retail uses. In addition, the property is located on one of the City's primary commercial corridors that is predominantly intended for commercial uses. Pursuant to the CMMC, cannabis retail storefronts are permitted uses in the C1 zone and are subject to extensive regulation. Additionally, the proposed cannabis retail storefront use is not located within 1,000 feet of a K-12 school, playground, licensed child daycare, homeless shelter, or youth center as defined in the CMMC.

As proposed and conditioned, the storefront would operate in a manner that is compatible with developments in the area. Proposed and conditioned storefront operations include limiting the hours of operation to the hours between 7 AM and 10 PM, posting signs in the parking lot directing customers to use consideration, having a security guard onsite, having a staff member periodically monitor the parking lot, limiting the hours the trash enclosure can be used, and shielding security lighting down and away from residences.

City records indicate that the subject site has been used for both commercial and residential uses since the 1950s or earlier. The most recent previous commercial uses include auto parts retail and automobile window tinting. Staff observed deferred property and building maintenance as well as several nonconforming conditions such as parking in required setbacks. If approved, the applicant would invest in significant site improvements, including bringing a commercial structure up to current building codes, adding landscaped planters and trees, constructing a parking lot to meet Code design standards, adding a bike rack, and replacing chain-link fencing with high quality fencing and walls. Staff does not anticipate that the proposed use, as proposed and conditioned, would be materially detrimental to properties in the area.

Finding: Granting the conditional use permit will not be materially detrimental to the health, safety and general welfare of the public or otherwise injurious to property or improvements within the immediate neighborhood.

-4-

Facts in Support of Finding: The proposed cannabis retail storefront has the potential to improve safety through a significant remodel that includes bringing a commercial building up to current building codes, improving accessibility, replacing aging fencing and walls, adding security lighting, removing dilapidated structures, and removing parking from required setbacks and from encroaching into public rights-of-ways.

In addition, the proposed business would follow safety measures detailed in a professionally prepared security plan. The security plan was evaluated for compliance by the City's cannabis consultant, HdL. Measures designed to maintain safety at the site include, but are not limited to, security devices including window and door alarms, motion-detectors, limited access areas, and a monitored video surveillance system covering all exterior entrances, exits, exterior loading and unloading, and all interior limited access spaces. In addition, all employees must pass a live scan background check and obtain an identification badge from the City. The City and State requirements are designed to ensure that the proposed use would not be materially detrimental to the health, safety and general welfare of the public or be otherwise injurious to property or improvements within the immediate neighborhood.

**ONE YEAR USE AGREEMENT
JACK HAMMETT SPORTS COMPLEX &
RAIDERS FOOTBALL CLUB, LLC**

**City Council Meeting
Tuesday, May 7, 2024**



Background

- Las Vegas Raiders have approached the City regarding the use of Jack Hammett Sports Complex for a portion of their 2024 Summer Training Camp.
- Each year, collegiate and NFL teams conduct pre-season summer training camps to prepare for the upcoming season.



Over the Years: Use of Jack Hammett Sports Complex	
2010	University of Alabama football team: Use for Rose Bowl national championship game preparation
2014	University of Florida football team: Use for national championship game preparation
2017-2023	Los Angeles Chargers: 10-year use agreement for annual Summer Training Camps

Use Agreement

- The Raiders will have use of the Complex for:
 - **Training Camp Maintenance:** Maintenance of Fields 1-6 beginning **June 4, 2024** through the first day of Training Camp.
 - **Training Camp:** Use of Fields 1-6 from approximately **July 19, 2024**, through **August 11, 2024**.
 - **Potential Future Use:** Option to notify the City of interest in using fields in 2025, if available.
- The Raiders will provide the City:
 - A **\$165,000** use fee for use of Jack Hammett Sports Complex.
 - **\$600,000** in improvements to Fields 3 and 4 to current NFL standards.



Related Benefits

- **City-hosted Junior Training Camp** for kids ages 6 to 12.
- **100 tickets for local students** to attend an NFL pre-season game in southern California.
- Replacement of **fitness/weight training equipment** for Costa Mesa High School.
- A **Mobile Recreation Van** for recreation programs in underserved areas.
- A **\$10,000** donation to a local youth sports group.





Special Events Permit

- All details will be coordinated through the City's Special Events Permitting process, including:
 - ✓ The City will **work collaboratively with the community** and surrounding neighborhoods to ensure smooth parking and traffic controls.
 - ✓ The Raiders will be responsible for the costs related to the **development and implementation of all plans** and for the **rental** of necessary equipment.
 - ✓ Any requested public safety (Police and Fire) or other City staff necessary to support **security, traffic/parking management, etc.** will be charged per the City's event rate schedule.





Recommendations

- Approve and authorize the City Manager to execute a **Use Agreement** for the City's **Jack Hammett Sports Complex** for a portion of the **Raiders Football Club's** 2024 Summer Training Camp and related community benefits.
 - Authorize the City Manager, in coordination with City Attorney, to make any and all **additional amendments** to the Agreement, as needed, to **ensure compliance** with the NFL's Constitution and/or By-Laws and related requirements.
- 
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**PEDESTRIAN MASTER PLAN
GENERAL PLAN AMENDMENT – CIRCULATION ELEMENT**

Public Works Department

**City Council
May 7, 2024**





Pedestrian Master Plan

- Review and approve Draft Pedestrian Master Plan (PMP)
- General Plan Amendment – Circulation Element
 - Revise policies and recommendations to incorporate recommended policies outlined in the Draft PMP.





Background

- City Council approved an Active Transportation Plan (ATP) in June 2018.
 - Bicycle Facilities Map
 - Amendment to General Plan – Circulation Element to revise Conceptual Bicycle Master Plan and revise associated policies
- Staff secured \$125,000 in grant funding from SCAG to develop a PMP and City Council approved local match of \$75,000 for a PMP project.
- Subsequently, City Council identified Strategic Objective:
 - “Present the Pedestrian Master Plan update to the City Council for direction,” under the Council Goal to Advance Environmental Sustainability and Climate Resiliency.





Pedestrian Master Plan

- Provides General Plan policies and tools specific to improving the pedestrian experience to support the ATP vision for active transportation.
- Expands upon pedestrian opportunity zones developed in the ATP.
- Identifies pedestrian programs, a pedestrian improvement toolbox, and policy recommendations to improve the pedestrian environment.





PMP Objectives

1. Promote a pedestrian-friendly transportation system.
2. Create a safer place to walk.
3. Integrate pedestrian elements into the circulation system and land use planning.
4. Promote a culture of walking.
5. Promote the positive air quality, health, and economic benefits of walking.
6. Monitor, evaluate, and pursue funding for implementation of the plan.





Community Engagement

- Community outreach played central role in development of the draft PMP.
- Community members participated via:
 - ✓ 6 Walk Audits
 - ✓ 3 Community Workshops
 - ✓ 7 Active Transportation Committee Presentations
 - ✓ Project Survey – electronic and in-person
 - ✓ Online Mapping Tool

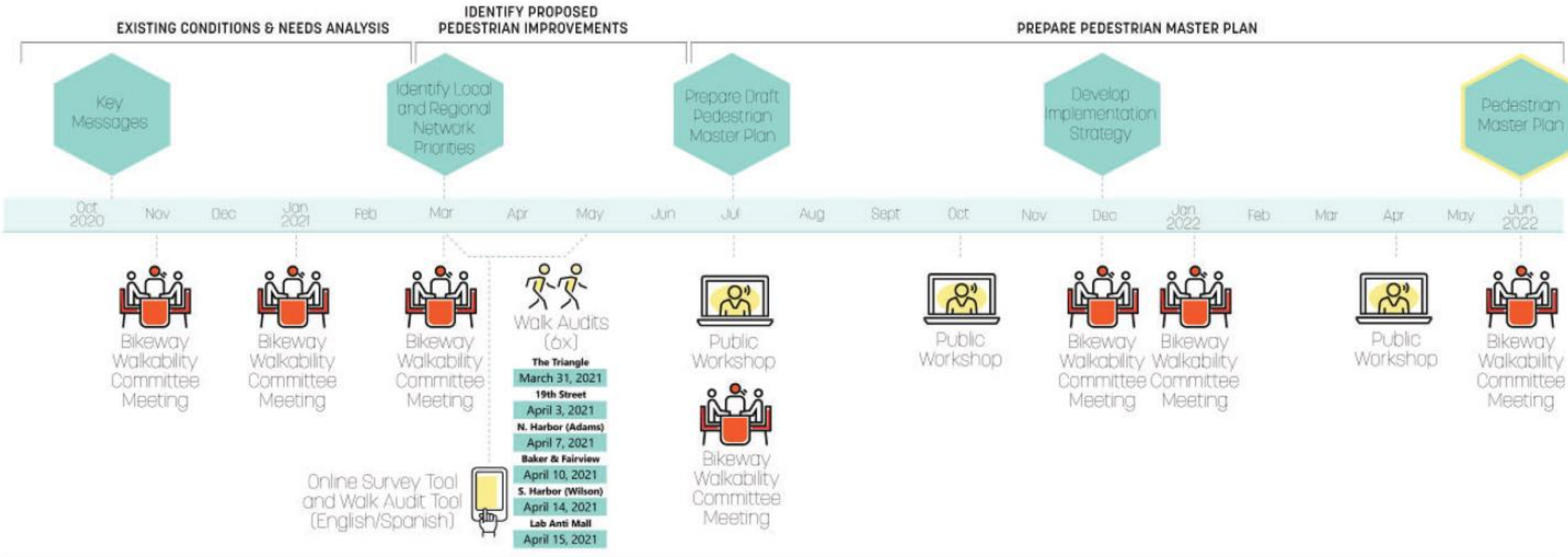


Community Engagement Timeline

Technical Milestones

Stakeholder Engagement

Communications



BrandingOutreach/
Marketing Strategy

- > Press Release
- > Social Media Messages
- > Flyer
- > Eblasts



Webpage



Components of the PMP

1. **Introduction:** provides plan overview and summary of City's policies and programs.
2. **Community Engagement:** discusses community participation in plan development.
3. **Existing Conditions:** documents planning context to the pedestrian environment.
4. **Policy Recommendations:** outlines policies and recommendations to create a pedestrian-friendly environment for users of all types, ages, and abilities.
5. **Pedestrian Infrastructure Toolbox:** provides treatment options to be considered for projects.
6. **Infrastructures Projects:** provides recommendations to help advance the PMP and ATP vision.
7. **Implementation Strategy:** provides a list of grant opportunities.





General Plan Amendment

- Update Circulation Element policies under Goals C-1 through C-12 to ensure PMP goals are considered and implemented as private and public projects are approved.
- Add long-term programs and policy recommendations to enhance the pedestrian environment.





Environmental Review

- Adoption of the PMP and proposed General Plan Amendment are exempt from the California Environmental Quality Act (CEQA) pursuant to:
 - Section 15262 (Feasibility and Planning Studies)
 - Section 15276 (Transportation Improvement and Congestion Management Program)
 - Section 15061(b)(3) (Common Sense Exemption)





Active Transportation Committee

- Draft PMP and proposed policies were reviewed by the ATC and at public workshops.
- ATC voted to recommend Draft PMP, as prepared, in June 2022 and voted to support Draft PMP in December 2023.
- ATC provided letter to Planning Commission in March 2024 in support of Draft PMP with provisions.





ATC Letter

1. Staff can incorporate the two documents identified for inclusion as appendices to the PMP.
2. Pedestrian treatments identified in the PMP can be included as part of the City's ongoing and proposed 5-year CIP.
3. Due to current staff workloads, staff cannot commit to preparing an Implementation Plan with a one-year timeline and adding more walk audits.
4. The upcoming Safe Routes to School Action Plan will significantly complement the PMP and include walk audits adjacent to schools.





Planning Commission

1. Draft PMP and proposed General Plan Amendment considered at the March 11 meeting.
2. Planning Commission recommended approval of:
 - Draft Pedestrian Master Plan,
 - General Plan Amendment, and
 - Finding the project exempt from CEQA.
3. Commissioners made individual suggestions for City Council consideration as outlined in the March 11 minutes which include:
 - General Plan Amendment includes several “Recommendations” and “Policies” per earlier Council approval. Commissioners suggested converting the following Recommendations to Policies: C-7.11, C-7.25, C-7.28, C-8.13, C-8.21, C-9.16, C-10.3.
 - Commissioners provided comments on pedestrian toolbox treatments regarding pedestrian crossing times, left turn signal phasing, driveways, crosswalks, pedestrian lighting, and speed feedback signs.





Recommendation

1. Find the project is exempt from the California Environmental Quality Act (CEQA).
2. Approve the Draft PMP as recommended by the City's Planning Commission.
3. Approve a General Plan Amendment to revise the Circulation Element to include new policies outlined in the PMP.





Questions?



TENANT PROTECTIONS ORDINANCE UPDATE

May 7, 2024



BACKGROUND

October 8, 2019 – Assembly Bill 1482 signed into law

- Delineated between At-fault vs. No-fault evictions

September 30, 2023 – Senate Bill 567 signed into law

- Effective on April 1, 2024
- Required owners to provide:
 - description of the substantial remodel to be completed
 - a copy of permits for intended work to tenants
 - an expected duration of the repairs or the expected date by which the property will be demolished.



BACKGROUND

November 7, 2023 – City Council adopted Urgency Ordinance No. 2023-04

- Immediately enacted the provisions of SB 567
- Requires property owners to notify the City within 72 hours of issuing a no-fault eviction
- Requires owners to pay relocation assistance equal to (one month) Fair Market Rent

Additional actions of the Council included:

- Authorization to hire two (2) Outreach Workers, (1) Code Enforcement Officer, as needed, and one (1) Senior Planner to assist owners and tenants through the no-fault eviction process.
- Allocation of \$250,000 to Jones & Mayer for legal-related services.
- Appropriation of \$300,000 to service providers to assist households facing eviction.

Community Outreach & Education

Outreach and education has been ongoing since the Ordinance's adoption:

- Mailed letters to property owners informing them of rights and responsibilities.
- Dedicated Tenant Protections webpage
 - FAQ
- Bilingual educational materials
 - Fact sheet
 - Resources Flyer
- Hosted educational workshops for tenants and property owners.
 - Spanish interpretation was available.
- Community partner outreach to distribute materials to schools, apartment associations, nonprofits, service providers, and local community leaders.

Current Eviction Data

Since adoption, the City has received 103 inquiries from tenants, landlords, and property managers.

- Of the 103 inquiries:
 - 55 were from tenants
 - 48 were property owners or their representatives
- The reasons for inquiries were as follows:
 - 64 general information
 - 28 regarding no-fault evictions
 - 11 regarding at-fault evictions
- The method of inquiries were as follows:
 - 57 were emails
 - 28 were in-person
 - 18 were calls

Spanish bilingual staff is available to assist Spanish-speaking individuals in any of the three methods of inquiry. Calls and emails are typically answered within 72 hours.



Current Eviction Data

- Since the adoption of the Ordinance, the City has received a total of 35 eviction notices.
 - 25 No-Fault Just Cause Eviction Notices
 - 10 At-Fault Just Cause Eviction Notices
- These eviction notices are categorized as follows:
 - No-Fault, Compliant – Eight(8) eviction notices.
 - No-Fault, Reissued – Thirteen (13) eviction notices.
 - Nine (9) of the reissued notices were deemed compliant upon the second review, and four (4) are currently under review.
 - No-Fault, Withdrawn – Four (4) eviction notices.
 - At-Fault – Ten (10) eviction notices.
- All evicted households were offered assistance by a City Outreach Worker.

Current Eviction Data

- For the six-month period following the adoption of the Tenant Protections Ordinance, there has been an approximate 50 percent reduction in the total number of eviction notices issued to residents than in the four (4) month period preceding the Ordinance.
- This data suggests that the adoption of the Ordinance, coupled with a robust community outreach and education strategy, helped educate landlords, property managers, and tenants to:
 - understand the law, obligations, and rights
 - reduce certain evictions inconsistent with State law from taking place.
- Previously approved staffing levels for this program will be re-evaluated in the context of the Fiscal Year 2024-25 Proposed Budget.

Recommendation

- Staff recommends the City Council receive and file this report.



QUESTIONS?



Procedural Overview

TESSA was updated to allow property owners to submit notices of no-fault evictions electronically.

1. A property owner serves their tenant a Notice of Termination of Tenancy (NTT) and submits a copy of the NTT to the City via TESSA within 72 hours.
2. Neighborhood Improvement staff reviews the NTT and either approves or forwards it to Development Services for further review.
3. Once forwarded to Development Services, the Senior Planner works with the Building Official to make a determination on the intended substantial rehabilitation.
4. Once a determination is made, the property owner is contacted by Neighborhood Improvement staff, informing them of the disposition of the NTT.

Cannabis Employee Badge Fee Reduction and Background Check Process

May 7, 2024
City Council



Background

- February 22, 2024: Mayor, Mayor Pro Tem, and Councilmember Gameros participate in a cannabis industry Zoom meeting; feedback that the background check and badge process is too costly and time consuming
- March 19, 2024: City Council directs staff to return with badge fee reduction and related background check/badge information
- April 2, 2024: City Council gives first reading to proposed amendments to the cannabis ordinances, including allowing employees of multiple businesses under the same ownership to have one City-issued badge
- May 7, 2024: City Council gives second reading to proposed amendments

Cannabis Employee Badge Fee Reduction

- Existing badge fee was based on full cost recovery following a ClearSource Financial Consulting study
- City Council direction was given to reduce fee from \$631 to \$306

Multiple-Facility Employee Badge

- 2nd reading: CMMC 9-496 (c) All employees must wear an identification badge while on the premises of the business, in a format authorized by the City Manager. Any person employed by a single employer at multiple locations in the City may be required to obtain only one identification badge.

Updating Badge Design

- Add applicable State license numbers to badges



Temporary Employee Badge

- CMMC 9-496(b) “No cannabis business or owner thereof may employ any person who has been convicted of a felony within the past 7 years, unless that felony has been dismissed, withdrawn, expunged or set aside pursuant to Penal Code section 1203.4, 1000 or 1385, or who is currently on probation or parole for the sale, distribution, possession or manufacture of a controlled substance...”
- CMPD: 6.5 percent do not pass the background check
- CAO: Business owner(s) could be found in violation of 9-496(b)
- If the City Council directs staff to create a temporary badge process, City Attorney would work with Code Enforcement to develop the program which may require Code amendments



DOJ/FBI Background Check Timeframe

- For applicants that rolled fingerprints between 1/1/23 and 3/27/24, of those that pass, **87 percent cleared within two weeks**
- 57 percent cleared within 24 hours
- 30 percent cleared between 24 hours to 2 weeks
- 5 percent cleared between 15 days to 4 weeks
- 2 percent cleared between 29 days to 6 weeks
- 6 percent cleared after more than 6 weeks
- CMPD: approximately 6.5 percent do not pass

Outsourcing Background Checks

- HdL provides background check services that do not meet CMMC requirements
- No fingerprinting
- No Live Scan: results are not updated when a new disposition occurs
- Requires an initial background check and an annual renewal background check
- HdL fees subject to change for initial and renewal background checks
- As HdL does not provide a full suite of services, Staff recommends the process remains as is

Recommendation

Staff recommends the City Council receive the presentation, hear public comment, and provide direction pertaining to topics in the staff report such as:

- Cannabis employee badge fee reduction
- Temporary employee badge
- Outsourcing background checks



Cannabis Employee Badge Fee and Research

May 7, 2024
City Council



APPOINTMENT TO VARIOUS CITY COMMITTEES BY COUNCIL MEMBER HARPER

City Council Meeting

MAY 7, 2024



RECOMMENDATION

Staff recommends Council Member Harper make appointments as follows:

1. Animal Services Committee - Make one (1) member appointment with a term expiration of April 2026. Council Member Harper may defer his nomination to the Council Liaison (Mayor Stephens).
2. Active Transportation Committee - Make one (1) member appointment with a term expiration of April 2026. Council Member Harper may defer his nomination to the Council Liaison (Council Member Reynolds).
3. Finance and Pension Advisory Committee - Make one (1) member appointment with a term expiration of April 2028. Council Member Harper may defer his nomination to the Council Liaison (Mayor Stephens, Alternate Council Member Marr).
4. Housing and Public Service Grants Committee - Make one (1) member appointment with a term expiration of April 2026. Council Member Harper may defer his nomination to the Council Liaison (Council Member Chavez).
5. Mobile Home Park Advisory Committee - Make one (1) Independent Citizen At-large appointment with a term expiration of April 2028. Council Member Harper may defer his nomination to the Council Liaison (Council Member Reynolds, Alternate Council Member Chavez).

