

MINUTES SPECIAL CITY COUNCIL/SUCCESSOR AGENCY/PUBLIC FINANCE AUTHORITY MEETING AGENDA October 5, 2020

1. **CALL TO ORDER 6:00PM** *Meeting conducted via Zoom webinar.*

Council Members Present: Ramsey, Adkisson, Singleton

Others Present: City Manager Marissa Trejo, Assistant City Manager Sean Brewer, City Attorney Mario Zamora, Chief of Police Darren Blevins, Financial Services Director Jasmin Bains, City Treasurer James Vosburg, Administrative Analyst Mercedes Garcia, and City Clerk/Assistant to the City Manager Shannon Jensen

Council Members Absent: Lander, Stolz

Others Absent: Greg DuPuis

*Motion by Singleton, Second by Adkisson to Approve the Agenda for the Special Meeting of October 5, 2020. Motion **Approved** by a 3/0 Majority Voice Vote. (Lander and Stolz – Absent).*

2. **AWARDS, PRESENTATIONS, APPOINTMENTS AND PROCLAMATIONS (NONE)**

3. **CITIZEN COMMENTS**

The following individual(s) submitted electronic comment(s):

Anonymous – wrote in expressing concern over City Attorney charges to review agenda items.

4. **PUBLIC HEARINGS**

1. Council Consideration of a Development Agreement Between the City of Coalinga and Casey Dalton to Facilitate the Development and/or Use of the Property at 150 W. Durian as a Medical and/or Recreational Cannabis Dispensary and On-Site Consumption Lounge and Related Environmental Considerations
Sean Brewer, Assistant City Manager

Assistant City Manager Sean Brewer gave a brief overview of the item.

City Attorney Mario Zamora gave an overview of the Development Agreement, while highlighting some of the specifics:

- the property shall be developed into a medical and/or recreational retail cannabis facility and on-site consumption lounge;
- the Developer shall fully develop the property so that it may be open to the public within one (1) year;
- the Developer will indemnify the City from any claims for damages stemming from any legal enforcement action against the City in relation to the development of the property; and
- with adoption of the Agreement, the City agrees that during the term of the Agreement, other than the existing cannabis retail facility located at 286 Coalinga Plaza, it will not grant any conditional use permits or commercial cannabis regulatory permits for operation in the City for a period of ten (10) years or when the City population exceeds twenty-four thousand (24,000), not including the state facilities, or there is any three-month period where the property is not open seventy-five percent (75%) of normal operating hours.

Councilman Adkisson asked if Have-A-Heart went out of business, would the City be able to issue a new permit for a new dispensary?

Mr. Zamora explained the Agreement would allow a dispensary to move in and operate at the Have-A-Heart location, however, the Agreement would not allow a new permit to be issued for an alternate location.

Councilman Singleton expressed opposition to the language restricting the issuance of any new permits within a 10-year period.

Mayor Pro-Tem Ramsey opened the Public Hearing for comments.

Applicant Casey Dalton explained the operator she plans to bring in is a world-wide operator with name recognition. This operator had some concerns with Coalinga. Coalinga's small population would mean not as many customers. The operator found that Have-A-Heart was only making about 2 million instead of the 8 million that was originally reported. Also, Fresno recently approved 14 dispensaries and in comparison, Fresno has a much higher population therefore customer base, with better freeway access. Mrs. Dalton believes this would be a win-win opportunity with world-wide recognition for the City of Coalinga.

Councilman Adkisson asked Mrs. Dalton when she planned to open?

Mrs. Dalton stated they are aiming for a late December opening. At the latest, the first week in January. The dispensary and lounge will allow us to be a fully integrated business. We are growing plants in the ground now and this will allow us to offer our products at a much lower price. Customers will be able to show their Coalinga ID and will be given a discount.

City Manager Marissa Trejo asked if Mrs. Dalton knew how much cannabis tax the new business would pay to the City?

Mrs. Dalton explained they would expect more traffic into the store with higher sales because the customers will have access to the lounge. It is hard to say, the unknown is, will our customers only be Coalinga residents, or will we also pull from surrounding areas given the customer will have access to this new lounge experience?

Paul Henderson, President of High Times stated they are currently in the process of completing the acquisition of the Have-A-Heart dispensary. If approved by the City, we will be converting the store into a 'High Times' store, which will be the first one in the world. High Times has been around for 45 years and is the most recognized, global, brand in the world of cannabis. We are currently transitioning the brand from media and events into retail and this is one of the first stores we are doing. We are getting ready to dump a lot of money into marketing to try to draw more people into the City. Mr. Henderson expressed some concern over a second dispensary locating just 100 feet from their store which could potentially dilute the profits for both. We hope the end result will be good for both companies.

Councilman Singleton asked Mrs. Dalton if there was a reason why you chose this location? The location is right by the library and is in the pathway the high school kids use when they take their lunch.

Mrs. Dalton explained there was a lot of thought that went into choosing that location. The Police Chief at the time had recommended the downtown area as a good local since the Police Department would be able to respond to calls for service much faster than if located on the outskirts of the town. We thought this was a great opportunity when this property came up for sale since it was so close to Have-A-Heart and thought we would be able to double-down with security. It was the same thought as having two banks next door to each other, you have two security guards and are stronger together. We are abiding by any state laws for the distance of any sensitive use.

Councilman Adkisson asked if all the same rules will apply as they do with a dispensary and no one will be able to see into the lounge?

Mrs. Dalton said yes, that is correct. We have also been working with the Chief of Police to develop some additional barrier to help block the view from the park and library to the storefront, such as poles with netting for growing climbing plants or perhaps large potted plants.

Councilman Adkisson reminded everyone that Ocean Grown has brought millions of dollars into the City.

Mayor Pro-Tem Ramsey stated that Mrs. Dalton has been a great partner and hopes to continue that relationship.

Councilman Singleton agrees; however, he is concerned that Coalinga will end up being a 'cannabis city'.

Seeing no other comments, Mayor Pro-Tem Ramsey closed the Public Hearing.

*Motion by Adkisson, Second by Ramsey to Approve a Development Agreement between the City of Coalinga and Casey Dalton to Facilitate the Development and/or Use of the Property located at 150 W. Durian Ave. as a Medical and/or Recreational Cannabis Dispensary and On-Site Consumption Lounge and Related Environmental Considerations. Motion **Approved** by Roll-Call 2/1 Majority Vote. Singleton – Voted NO. (Lander and Stolz – Absent).*

5. CONSENT CALENDAR (NONE)

6. ORDINANCE PRESENTATION, DISCUSSION AND POTENTIAL ACTION ITEMS (NONE)

7. ANNOUNCEMENTS

City Manager's Announcements:

City Manager Marissa Trejo announced the Monthly Chief's Breakfast will be resuming tomorrow, Tuesday, October 6, 2020 at 9:00am at Café 101. The meetings will continue the first Tuesday of the month at 9:00am.

Council Member's Announcements:

None

Mayor's Announcements:

None

8. FUTURE AGENDA ITEMS

None

9. CLOSED SESSION (NONE)

10. CLOSED SESSION REPORT

None

11. ADJOURNMENT 6:42PM

Ron Lander, Mayor

Shannon Jensen, City Clerk

November 5, 2020

Date