

MINUTES OF THE SPECIAL MEETING  
OF THE LA PALMA CITY COUNCIL

June 26, 2018

CALL TO ORDER: Mayor Goedhart called the Special Meeting of the La Palma City Council to order at 7:05 p.m. in the Council Chambers of La Palma City Hall, 7822 Walker Street, La Palma, California.

PLEDGE OF ALLEGIANCE: Mayor Goedhart

ROLL CALL: Council Members

Council Members present: Council Member Flachmeier, Mayor Goedhart, Mayor Pro Tem Goodman, Council Member Kim, and Council Member Steggell

Councilmembers absent: None

City Officials present: Laurie Murray, City Manager  
Emily Webb, Assistant City Attorney  
Mike Belknap, Community Services Director  
Scott Hutter, Planning Manager  
Sea Shelton, Administrative Services Director  
Ron Wilkerson, Police Captain  
Kimberly Kenney, Deputy City Clerk

ORAL COMMUNICATIONS

Larry Herman, a La Palma resident, addressed the City Council regarding pavement concerns at Orangethorpe Avenue and Valley View Street that need to be addressed; and a request to have the Kiwani's Club \$5 pancake breakfast for the City's July 4th Run for Fun event on the City website.

Renee Buchanan, a La Palma resident, addressed the City Council regarding the noise concerns of Walmart adjacent to her residence; opposition to existing block wall height; support for installation of a higher wall; and that the delivery truck traffic causes vibrations equal to an earthquake.

City Manager Murray responded that Staff has been working on this issue over the last several months; that a scheduled meeting will take place with the Store Manager, Walmart Corporate, the Property Owner, the Fire Department, the City Engineer, the

Police Department, and Staff to work on a resolution to address this issue; that the Police Department is enforcing the 7:00 a.m. start time and residents should see increased enforcement over the next two weeks.

Mayor Goedhart added that the Police Department is writing tickets; Police Captain Wilkerson noted that Patrol Staff and Watch Commanders have been briefed on the issues and will be directed to increase their presence in the mornings to resolve the issues; City Manager Murray further noted that staff is looking at the truck idling and fence height issues; Planning Manager Hutter also noted that during the time of the shopping center's construction in 1969, the wall height requirement was removed as a recommendation from the Subdivision Committee at that time; and that the City looks forward to working with residents to resolve this issue.

Mary Paningsoro, a La Palma resident, addressed the City Council regarding the noise concerns of the Walmart adjacent to her residence; truck idling concerns; permanent parking concerns; and that residents were told they could put increase the wall height up to 8 feet tall.

Christine Barnes, a La Palma resident, addressed the City Council regarding joining Los Alamitos in their opposition to being a Sanctuary City.

Mayor Goedhart reported that the City Council reviewed the legislation last year; that La Palma is not a Sanctuary City; that Senate Bill 54 (SB 54 Sanctuary State bill) does not impact local Police operations; that Police Chief Kim noted that SB 54 doesn't change police operations and La Palma is not affected; that the Los Alamitos Police Chief noted that SB 54 did not impact their policing operations either; and that the City Council supports not getting involved as there is a federal lawsuit against SB 54 and prefers to allow the process to work itself out through the court system.

## PUBLIC HEARING

1. Introduction and First Reading of an Ordinance Amending City Zoning Code Sections 44-10, 44-44, 44-139, 44-403 and 44-731 Pertaining to the Definitions and Regulations of Allowable Cannabis Land Uses in the General Industrial Zoning District and the Industrial Overlay; and the Introduction and First reading of an Ordinance of the City Council of the City of La Palma, California Adding a New Chapter 15.00 to the La Palma Municipal Code Regulating Commercial Cannabis Activity
  - a) Mayor Goedhart opened the Public Hearing at 7:20 p.m.
  - b) Receive Staff Report

City Manager Murray introduced the Item.

City Manager Murray introduced Matt Eaton from HdL Companies, who gave a presentation on the overview of effective Cannabis policy; commercial cannabis business types; safety & security plans; odor mitigation; product safety; addressing public concerns through regulation; and fees and revenues of cannabis cultivation.

City Manager Murray gave a presentation on the Community's concerns including prior Council actions; the paradigm shift of legalization of cannabis in 20 States plus District of Columbia; personal cultivation; youth access and anti-drug campaigns; proposal excluding retail storefront component; the local private school not being in the zoning district and that students do no walk in the area designated; banking abilities; and odor mitigation.

Police Captain Wilkerson gave a presentation on the lack of adverse impacts of this business type for the La Palma Police Department (LPPD); that it is not anticipated that it would require additional Police staffing or impact operations; that this business would be treated like any other high end business; and that the LPPD would continue its youth education programs opposing drug use.

City Manager Murray continued the presentation on the City having no Liability for these commercial businesses; that the City's financial forecast remains stable well into the future ensuring fiscal solvency; that the proposal is a business decision that will allow for revenue diversification as a business decision; the enhanced services this revenue could provide; and the Community outreach and upcoming survey from the community on this proposal.

Planning Manager Hutter gave a presentation on the Zoning Ordinance that would allow uses for cannabis cultivation and manufacturing processes.

Mayor Goedhart asked for clarification of the difference between allowing cannabis sales versus having a storefront dispensary.

Mr. Eaton explained that a dispensary is storefront with walk up sales, and a non-storefront will allow for phone orders and delivery; that this zoning would allow a special license for a non-storefront orders and delivery, but exclude any storefront retail.

Planning Manager Hutter continued his presentation on the Ordinance's areas designated for this zone; the prohibited uses; the location and design standards; requirements for Conditional Use Permits, Development Agreements, and a Master Sign Plan; required security measures; required order mitigation; operating hours; laboratory conduct; addressing proper

manufacturing procedures; approval process; limited signage requirements; the application process; and the public comment received regarding the proposed Ordinance.

City Manager Murray gave a presentation on the new Chapter 15 of the La Palma Municipal Code that would regulate the cultivation, processing, manufacturing, testing, sale, delivery, distribution, and transportation of cannabis and cannabis products in a responsible manner to protect the health, safety, and welfare of the residents of the City of La Palma and to enforce the rules and regulations consistent with State of California law. She closed the presentation by reporting that a statistical survey, with City Council approval, can provide direction on the issue of cannabis and that the City Council can use the results to make strategic decisions based on the consensus of a broad representative sampling of the community.

c) City Council Comments and Questions

Discussion ensued regarding the Police Department not seeing an additional burden on current LPPD workload; that the LPPD viewed this as any other high value business just as electronics or jewelry that currently exist; concerns as to whether there were consultations with the Consultant regarding the public safety impact; that the Federal Drug Administration (FDA) has approved cannabis for medicinal use and the potential for the Drug Enforcement Agency (DEA) to declassify it from the Schedule 1 list of drugs very soon; details of the inventory tracking system called METRC required by the State that allows cannabis inventory to be tracked at the beginning stages of growth all the way through to the end product and distribution; that the State will have access to the information along with LPPD; that part of this proposal was for the City to control time, place, and manner instead of a citizen driven initiative.

Assistant City Attorney Webb noted that the proposed Ordinance would establish the frame work for a cannabis business; that it is still possible for a citizen initiative to occur.

Further discussion ensued regarding an explanation of retail sales vs. non-storefront license being designed with no physical location store front and purchases made by internet or call in with inventory transported from the facility to the purchasers location; that these are credit card orders or digital orders with no cash transactions; whether the proposed Ordinance has to allow retail cannabis sales; that at the local level, the City Council can have any controls in place including no sales and delivery; and that the City Council can choose to only allow cultivation and manufacturing.

d) Public Input:

Carlos Alcaino, a La Palma resident, addressed the City Council regarding his opposition to the proposal.

Darryl Powers, a La Palma resident, addressed the City Council regarding his support for the proposal.

Richard Daum, a La Palma resident, addressed the City Council regarding concerns about strong odors as occurred in the City of Carpinteria; and recommended financial oversight for revenues from this business type.

Mr. Eaton responded to the odor concerns regarding Carpinteria, that those odor problems are a result of outdoor growth and noted La Palma's proposal has no outdoor growth and includes required odor control mitigation.

Jean Culver, a La Palma resident, addressed the City Council regarding her opposition to the proposal.

Sharon Nix, a La Palma resident, addressed the City Council regarding her appreciation to the residents for their participation at this meeting and her opposition to the proposal.

Gary MacNamara, a La Palma resident, addressed the City Council regarding his opposition to the proposal.

Wendy Moonier, a La Palma resident, addressed the City Council regarding the FDA's recent approval of cannabis for use in two forms of epilepsy only; and her opposition to the proposal.

Robert Carruth, a La Palma resident, addressed the City Council regarding his opposition to the proposal; support for a transparent process; and opposition to having a survey conducted after the proposed ordinance was drafted.

Keith Nelson, a La Palma resident, addressed the City Council regarding his opposition to the drafting of this ordinance by a consultant; support for having citizen committee involvement in this decision; and support for prolonging a decision until more research is conducted.

Marion Astle, a La Palma resident, addressed the City Council regarding her opposition to the proposal.

Abe Waheed, a La Palma resident, addressed the City Council regarding his opposition to opioids; support for medicinal cannabis; and support to pose this proposition to the citizens for a vote.

Glen Lynwood, a La Palma resident, addressed the City Council regarding his opposition to the proposal.

Renee Buchanan, a La Palma resident, addressed the City Council regarding the inability to get municipal code compliance with the Walmart business adjacent to her residence and how La Palma plans to get a cannabis business to follow the City Code with this record.

Jerry Lomeli, a La Palma resident, addressed the City Council regarding enforcement concerns if the Ordinance is approved; support for slowing the process down; odor mitigation concerns; support for the city-wide survey; and appreciation for the residents who came to this meeting.

Christine Barnes, a La Palma resident, addressed the City Council regarding her support for medicinal cannabis for cancer patients; and opposition to the proposal.

Russell Lobue, a La Palma resident, addressed the City Council regarding his opposition to the proposal.

Patricia Palacio, a La Palma resident, addressed the City Council regarding her appreciation for City staff during her recent residential fire and opposition to the proposal.

Lawtton Test, a La Palma resident, addressed the City Council regarding his support for the proposal.

Mr. Waheed, addressed the City Council regarding the medical benefits of cannabis and his opposition to the proposal.

Renee Lukacs, a La Palma resident, addressed the City council regarding letting the residents vote on the proposal.

Mayor Goedhart requested to take a short recess at 9:48 p.m.

Mayor Goedhart reconvened the City Council at 9:56 p.m. with all members present and continued with Public Input.

Glen Call, a La Palma resident, addressed the City Council regarding opposition to the proposal and support for medicinal cannabis.

Debra Sumrow, a La Palma resident, addressed the City Council regarding her opposition to the proposal and whether nearby residences would have to declare that a cannabis business is near their properties.

Frances Ferrar, a La Palma resident, addressed the City Council regarding her opposition to the proposal; and support to let the residents of La Palma vote on the proposal.

Mr. Lobue announced his support for approval of a city-wide survey to help the City Council make a better decision for the La Palma community.

Darryl Powers, addressed the City Council regarding increasing property values of La Palma regardless of the rising crime rate.

Ms. Ferrar asked the City Council to attach a survey to the Neighborhood Watch flyer.

Mr. Lobue added that he serves as an executive member of the North Orange County Chamber of Commerce and that pot shops have affected neighboring businesses.

e) Mayor Goedhart closed the Public Hearing at (10:14 p.m.)

Mayor Goedhart requested that Staff address the concerns brought forward. City Manager Murray responded that the odor problem in Carpinteria is a result of outdoor growth; that regulatory audits will be handled by HdL; that the consultant does not work in the cannabis industry and only works on the government and legislative side; that the City Manager is not the sole decision maker, but as the applications come in, they will be reviewed by the Consultant and staff, with the City Council making the final approval; and that the proposed business types are primarily wholesale businesses; and she asked the consultant, Mr. Eaton to address the Colorado Crime rates; and that any potential UUT exemption would be addressed during negotiation of the development agreement.

Mr. Eaton also clarified that Police Chief Kim has consulted with his organization on safety issues; that there is no statistical increase in crime rates in Colorado and Washington as reported by the Police Officers Association and Sheriff's in both states; and in the City of Denver for the past three consecutive years, the crime associated with a licensed businesses is less than one-half of one percent.

Council Member Steggell announced that she will be unable to make the July 17 City Council meeting; voiced her opposition to the proposal; that she was instrumental in getting "In God We Trust" on the Council Chambers wall; that as a founder of the La Palma Community Foundation, she noted her part of the every 15 minute program against drug and substance abuse; that La Palma already spoke when residents voted against legalizing cannabis; that the City should not spend money on a survey to get the same response it did at tonight's meeting; that as a realtor, cannabis businesses have to be listed on real estate documents; and that she took offense to the comment by the public who stated that the City squanders money as this City Council has never squandered any City money and that includes Staff as well; and that it is disappointing to hear derogatory comments as those from residents without facts to support those statements.

Council Member Steggell made a motion to table this proposal until after La Palma residents give their input. Council Member Kim seconded the motion.

Council Member Kim announced his support for the motion and for the resident survey; noted support for having a broader public engagement process; support for the model used in the Zoning workings of splitting the City into three meetings for a workshop - one during the day, one during the evening, and one on a Saturday so everyone has an opportunity to speak; support to delay the second reading of this proposed Ordinance until Council Member Steggell is able to attend the meeting and partake in the vote as every member's vote is important to this proposal; and inquired about placing this measure on the ballot, but asked about the cost.

City Manager Murray responded that the City estimated the cost of Measure JJ at \$50,000, but that it was approximately \$40,000 to place the measure on the ballot.

Council Member Kim continued by noting that the statistical survey is about \$20,000 and with additional funds, a vote of the people through a ballot measure would give the City Council precise direction; and that he is open to any other suggestions that would provide more public engagement opportunity.

Mayor Goedhart asked for clarification of the original motion. City Manager Murray stated the motion was to table the item until citizen input was received.

Council Member Kim asked the City Council if his proposal - as a friendly amendment to the original motion - was acceptable to other Council



Members and clarified that he opposed this from the beginning as it was too premature to move forward with an ordinance without getting full community input.

Mayor Goedhart asked how to move forward with a motion and still hear the other Council Member's positions on the proposal; and asked if a substitute motion could also be made.

Assistant City Attorney Webb responded that there can always be discussion on the motion prior to the vote; that there can be a substitute motion that could be taken up first; and that discussion can be had at any period prior to or after the motion is made.

Mayor Pro Tem Goodman commented that he was happy to see the public participation in the matter; that the City Council has not yet made a decision, but in the past meeting what he voted on was to continue the discussion; that his personal feelings do not get in the way of making what is a business and revenue decision; that he has done an enormous amount of research on the cannabis industry; and that he is happy to consider all of the recommendations.

Council Member Flachmeier responded that although she was appointed and not elected, she still has a responsibility to all residents of La Palma; that her personal opinions will not impact the voice of the residents in the community; that she heard the voice of those residents who spoke that were opposed to the proposal; that she agrees with Council Member Kim's friendly amendment to the motion, to delay this and get public input; and that all have a right to be heard and have a say as to what happens in their city.

Mayor Goedhart announced his support for the public interaction and involvement; gave an overview of the City's financial struggles since 2012 and concerns at that time whether the City would have a future or not; that because of decisions made and the approval of Measure JJ, the City is not in a position of desperation; that this is an appropriate discussion to have for the future and what type of City do we want; that in the past couple of months we learned that a major sales tax producer is being sold; that in prior years, when a major tax producer was lost, the City was fortunately able to retain them – and that along with cuts in staff, salary, and benefits and with the approval of Measure JJ, the City is now in a better position to survive; that when campaigning, he heard over and over the need to bring new businesses and revenue into town; that this is an opportunity because of the November 2016 vote that the City Council had to look at it; it is a source of revenue that had to be considered; that the City Council listens to the residents; and that based on our current situation and the comments

made tonight, the City is not ready for this proposal as there are too many issues; that he suggests to table the matter for the foreseeable future; that if a future City Council wants to address it, they have the information from tonight's presentation and Staff's work; but at this time the City is not ready for the proposed uses; that La Palma does not need the revenue right now; that if a future City Council wants to bring the matter back that they should do a survey at that time; and that his desire is to end this process now.

Council Member Kim withdrew his second from the original motion.

Mayor Goedhart made a motion to table the item indefinitely and not consider the proposal. The motion was seconded by Council Member Kim.

Assistant City Attorney Webb responded that the intent is the same, but technically the language for the motion would have to include to table the item to a date uncertain.

Mayor Goedhart noted that he did not want to table the item to a date uncertain. City Manager Murray asked for a moment to confer with the Assistant City Attorney Webb; after the sidebar, City Manager Murray announced that Mayor Goedhart's original substitute motion to table the item indefinitely was acceptable.

Discussion ensued regarding the effort that was done on this project was effective; that the work will be kept; that the Ordinances have been drafted and research has been done on the project; and that the item will be placed on a shelf unless a future City Council brings it forward.

The motion carried on the following vote:

AYES: Council Member Flachmeier, Mayor Goedhart, Mayor Pro Tem Goodman, Council Member Kim, and Council Member Steggell

NOES: None

- f) Introduce and conduct the first reading of an Ordinance of the City Council of the city of La Palma, California amending City Zoning Code Sections 44-10, 44-44, 44-139, 44-403 and 44-731 pertaining to the definitions and regulations of allowable cannabis land uses in the General Industrial Zoning District and the Industrial Overlay.

The Item was tabled and not considered.

- g) Introduce and conduct first reading of an Ordinance of the City Council of the City of La Palma, California adding a new Chapter 15.00 to the La Palma Municipal Code regulating commercial cannabis activity.

The Item was tabled and not considered.

- h) Authorize the City Manager to proceed with a statistical survey to gain an understanding of La Palma residents' views with respect to commercial cannabis businesses.

The Item was tabled and not considered.

### OTHER BUSINESS

City Manager Murray reported that because the July 3, 2018, City Council meeting is cancelled, the next Regular Meeting is scheduled for July 17, 2018; and invited the public to attend the July 4 Fitness Run for Fun.

### ADJOURNMENT

Mayor Goedhart thanked all present for their attendance and adjourned the Special Meeting of the City Council at 10:33 p.m.

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Gerard Goedhart  
Mayor

Attest:

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Kimberly Kenney  
Deputy City Clerk