

## MINUTES

### CUDAHY CITY COUNCIL REGUAR MEETING and CITY OF CUDAHY AS SUCCESSOR AGENCY and HOUSING SUCCESSOR AGENCY TO THE CUDAHY DEVELOPMENT COMMISSION JOINT MEETING

June 5, 2018 6:30 P.M.

#### 1. CALL TO ORDER

Mayor/Chair Member Garcia called the meeting to order at 6:31 p.m.

#### 2. ROLL CALL

PRESENT: Council / Agency Member Guerrero  
Council / Agency Member Markovich  
Council / Agency Member Sanchez (Arrived at 6:37 p.m.)  
Vice Mayor / Vice Chair Hernandez  
Mayor / Chair Garcia

ABSENT: None

ALSO PRESENT: City Manager Jose E. Pulido, Deputy Attorney Richard Gonzalez, Deputy Attorney Martin de los Angeles, Deputy City Clerk Richard Iglesias, Finance Director Steven Dobrenen, Parks and Recreation Coordinator Victor Santiago, and Administrative Aide Andres Rangel.

#### 3. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Council Member Markovich

**AFTER THE PLEDGE OF ALLEGIANCE, MAYOR GARCIA GAVE DIRECTION TO MOVE BUSINESS SESSION ITEM 12A AFTER PUBLIC COMMENTS WITH NO OPPOSITION**

#### 4. PRESENTATIONS

A. Rules of decorum presented by Mayor Chris Garcia and East Los Angeles County Sheriff's Department

#### 5. PUBLIC COMMENTS

Jack Guerrero, spoke against City Council approving a large number of cannabis sites. He protested the Council's effort to vacate his seat, explaining that Council's endeavor is not valid due to Council meeting cancellations restarting his absent counts.

Corina Menjivar, spoke against cannabis sites in the City of Cudahy arguing it will negatively affect the City's youth. She went on to speak against the City Council for allegedly prioritizing cannabis business over the community.

Maria Guillen, expressed her disappointment to the City Council for allegedly turning their backs on Council Member Guerrero. She went on to express her concerns over the lack of community

development efforts in the city, charging outside groups to use Lugo Park, and lack of council unity. She concluded her comments by asking youth to prioritize youth over the cannabis industry.

Pamela Munguia, spoke against the City Council for trying to vacate Council Member Guerrero's seat. She went on to speak against all council members, specifically citing certain council member absences.

Javier Flores, spoke against the City Council for allegedly being easily influenced over outside businesses and prioritizing them over the youth and community. He went on to tell Council they will regret how its decision will negatively affect Cudahy's youth, as well as arguing the City allegedly did not vote in favor of prop 64 last November.

Nai Huitziponochtli, spoke against Council Member Guerrero for his allegiances and prioritizing his state treasurer campaign over his responsibilities as a Council Member.

Marcos Covarrubias, spoke in favor of Council Member Guerrero and asked Council to respect Guerrero's seat due to his popularity with Cudahy residents. He went on to refute Nai's claims, arguing Council Member Guerrero supports and protects all residents.

Marcos Oliva, reminded Council there are appropriate routes to remove Council Members. He disagrees with the method Council will remove Council Member Guerrero. He concluded his comments by speaking against cannabis items on the agenda.

Crystal Keshwarz, blessed all members of the City Council.

Jonathan Klein, expressed his concerns for the City for all its recent struggles with anti-immigrant voices allegedly supporting Council Member Guerrero. He went on to argue the City deserves full time leadership to move the community forward, specifically through economic development and public safety.

**AFTER PUBLIC COMMENT WAS CLOSED, AND BUSINESS SESSION ITEM 12A WAS CONCLUDED, MAYOR GARCIA GAVE DIRECTION TO MOVE ITEM 6, COUNCIL COMMENTS TO THE END OF THE AGENDA WITH NO OPPOSITION**

## **6. CITY COUNCIL COMMENTS**

Council Member Sanchez, invited residents to the City's firework show at Cudahy Park on July 3<sup>rd</sup>. He went on to direct the City Manager to speak with Fernando Dominguez to help bring back the boxing program at Lugo Gym.

Vice Mayor Hernandez, directed City Manager to maintain Lugo Park, such as increasing security, opening the gate on east side of the field, clarifying field hours, ensuring water foundations work, and maintaining park swings. He went on to direct staff to look into creating a partnership with the YMCA to provide extracurricular classes for the City's youth during the summer. He concluded his comments by directing staff to bring back free meals for kids in the City.

## **7. CITY MANAGER REPORT (information only)**

## **8. REPORTS REGARDING AD HOC, ADVISORY, STANDING OR OTHER COMMITTEE MEETINGS**

Council Member Sanchez reported out from HUB Cities. He went on to suggest HUB cities can collaborate with Chuze Fitness and Cannabis companies to hire locally.

Vice Mayor Hernandez reported out from California Contract Cities Association in regards to the Annual Seminar he attended in May. He elaborated on steps the City can take to incorporate technology in City Hall and the community in an effort to become a smart city. He went on to report on SCAG. He concluded by announcing highlights out of the Council of Governments.

**AFTER COUNCIL MEMBERS REPORTED FROM THEIR RESPECTIVE AD HOC COMMITTEES, MAYOR GARCIA ASKED FOR A FIVE MINUTE RECESS WITH STAFF AND CITY ATTORNEY'S OFFICE WITH NO OPPOSITION.**

**AFTER THE RECESS WAS CONCLUDED, COUNCIL DETERMINED THAT THE TEXT FROM RESOLUTION NO. 18-25 FROM ITEM 12A WOULD BE READ BY DEPUTY CITY CLERK IN ITS ENTIRETY**

## **9. WAIVER OF FULL READING OF RESOLUTIONS AND ORDINANCES**

**Recommendation:** Approve the Waiver of Full Reading of Resolutions and Ordinances.

**Motion:** It was moved by Council Member Sanchez, and seconded by Mayor Garcia to waive full text reading of all Resolutions and Ordinances by single motion.

## **10. CONSENT CALENDAR (Items 10A through 10D)**

A. Adoption of Ordinance Nos. 676-682 by Second Reading, Approving Development Agreement (DA) Nos. DA18-019C, DA18-012C, DA18-016C, DA18-018C, DA18-020C, DA18-021C, and DA18-022C (Location: 4916 Cecelia Street, Applicants: CUPER Development, Limited Liability Company (LLC); The 420 Club, LLC; Genius Distribution, LLC; Go Cudahy, LLC; Daniel & Goliath, LLC; Davina, LLC; and Herbal Dragon, LLC)

Presented by the City Manager

The City Council is requested to:

1. Authorize the City Manager to allow a payment plan, if requested, for the Community Benefit Program as outlined in the Development Agreement (DA);
2. Allow the City Manager to select the alternative terms of payment of the Operating Fees, if requested, to begin accruing 90 days after the Effective Date of the DA rather than accrue beginning the month of the Effective Date of the DA;
3. Provide direction to City staff on whether to modify or not modify the DA to bind the operator to any future Cannabis Tax that may be imposed by the City and/or by a voter approved Cannabis Tax;
4. Approve DA Nos. DA18-019C, DA18-012C, DA18-016C, DA18-018C, DA18-020C, DA18-021C, DA18-022C and authorize the Mayor to execute said Agreements on behalf of the City;
5. Adopt Ordinance No. 676 by Second Reading, approving the DA by and between the City and Cuper Development, a Limited Liability Company (LLC);

6. Adopt Ordinance No. 677 by Second Reading, approving the DA by and between the City and The 420 Club, LLC;
7. Adopt Ordinance No. 678 by Second Reading, approving the DA by and between the City and Genius Distribution, LLC;
8. Adopt Ordinance No. 679 by Second Reading, approving the DA by and between the City and Go Cudahy, LLC;
9. Adopt Ordinance No. 680 by Second Reading, approving the DA by and between the City and Daniel & Goliath, LLC;
10. Adopt Ordinance No. 681 by Second Reading, approving the DA by and between the City and Davina, LLC; and
11. Adopt Ordinance No. 682 by Second Reading, approving the DA by and between the City and Herbal Dragon, LLC.

**Motion:** It was moved by Council Member Markovich and seconded by Mayor Garcia to adopt Ordinance Nos. 676-682 by Second Reading, Approving Development Agreement (DA) Nos. DA18-019C, DA18-012C, DA18-016C, DA18-018C, DA18-020C, DA18-021C, and DA18-022C (Location: 4916 Cecelia Street, Applicants: CUPER Development, Limited Liability Company (LLC); The 420 Club, LLC; Genius Distribution, LLC; Go Cudahy, LLC; Daniel & Goliath, LLC; Davina, LLC; and Herbal Dragon, LLC). The motion carried (3-0-0) by the following roll call vote.

AYES: Markovich, Hernandez, and Garcia  
 NOES: None  
 ABSENT: None  
 ABSTAIN: Sanchez

- B. Adoption of Ordinance No. 683 by Second Reading, Approving Development Agreement No. DA18-008C (Location: 8354-8360 Wilcox Ave., Applicant: Four Star Manufacturing, Limited Liability Company)

Presented by the City Manager

The City Council is requested to:

1. Authorize the City Manager to allow a payment plan, if requested, for the Community Benefit Program as outlined in the Development Agreement (DA);
2. Allow the City Manager to select the alternative terms of payment of the Operating Fees, if requested, to begin accruing 90 days after the Effective Date of the DA rather than accrue beginning the month of the Effective Date of the DA;
3. Provide direction to City staff on whether to modify or not modify the DA to bind the operator to any future Cannabis Tax that may be imposed by the City and/or by a voter approved Cannabis Tax;
4. Approve DA No. DA18-008C and authorize the Mayor to execute said Agreements on behalf of the City; and
5. Adopt Ordinance No. 683 by Second Reading, approving the DA by and between the City and Four Star Manufacturing, a Limited Liability Company (LLC).

**Motion:** It was moved by Council Member Markovich, and seconded by Mayor Garcia to adopt Ordinance No. 683 by Second Reading, Approving Development Agreement No. DA18-008C (Location: 8354-8360 Wilcox Ave., Applicant: Four Star Manufacturing, Limited Liability Company). The motion carried (3-0-0) by the following roll call vote.

AYES: Markovich, Hernandez, and Garcia  
NOES: None  
ABSENT: None  
ABSTAIN: Sanchez

C. Adoption of Ordinance No. 684, by Second Reading Approving Development Agreement No. DA18-007C (Location: 8205 Wilcox Ave., Applicant: Leading Grow Solutions, Limited Liability Company)

Presented by City Manager

The City Council is requested to:

1. Authorize the City Manager to allow a payment plan, if requested, for the Community Benefit Program as outlined in the Development Agreement (DA);
2. Allow the City Manager to select the alternative terms of payment of the Operating Fees, if requested, to begin accruing 90 days after the Effective Date of the DA rather than accrue beginning the month of the Effective Date of the DA;
3. Provide direction to City staff on whether to modify or not modify the DA to bind the operator to any future Cannabis Tax that may be imposed by the City and/or by a voter approved Cannabis Tax;
4. Approve DA No. DA18-007C and authorize the Mayor to execute said Agreements on behalf of the City; and
5. Adopt Ordinance No. 684 by Second Reading, approving the DA by and between the City and Leading Grow Solutions, a Limited Liability Company (LLC).

**Motion:** It was moved by Council Member Markovich, and seconded by Mayor Garcia to adopt Ordinance No. 684, by Second Reading Approving Development Agreement No. DA18-007C (Location: 8205 Wilcox Ave., Applicant: Leading Grow Solutions, Limited Liability Company). The motion carried (3-0-0) by the following roll call vote.

AYES: Markovich, Hernandez, and Garcia  
NOES: None  
ABSENT: None  
ABSTAIN: Sanchez

D. Adoption of Ordinance Nos. 685 and 686, by Second Reading Approving Development Agreement Nos. DA18-003C and DA18-009C (Location: 4959 Patata St., Applicant: NVUS, Limited Liability Company (LLC) and E-Labs, LLC)

Presented by City Manager

The City Council is requested to:

1. Authorize the City Manager to allow a payment plan, if requested, for the Community

Benefit Program as outlined in the Development Agreement (DA);

2. Allow the City Manager to select the alternative terms of payment of the Operating Fees, if requested, to begin accruing 90 days after the Effective Date of the DA rather than accrue beginning the month of the Effective Date of the DA;
3. Provide direction to City staff on whether to modify or not modify the DA to bind the operator to any future Cannabis Tax that may be imposed by the City and/or by a voter approved Cannabis Tax;
4. Approve DA Nos. DA18-003C and DA18-009C and authorize the Mayor to execute said Agreements on behalf of the City;
5. Adopt Ordinance No. 685 by Second Reading, approving the DA by and between the City and NVUS, LLC; and
6. Adopt Ordinance No. 686 by Second Reading, approving the DA by and between the City and E-Labs, LLC.

**Motion:** It was moved by Council Member Markovich, and seconded by Mayor Garcia to adopt Ordinance Nos. 685 and 686, by Second Reading Approving Development Agreement Nos. DA18-003C and DA18-009C (Location: 4959 Patata St., Applicant: NVUS, Limited Liability Company (LLC) and E-Labs, LLC). The motion carried (3-0-0) by the following roll call vote.

AYES: Markovich, Hernandez, and Garcia  
NOES: None  
ABSENT: None  
ABSTAIN: Sanchez

E. Adoption of Ordinance No. 675, by Second Reading Modifying and Enhancing Regulations Relating to the Abatement of Public Nuisances

Presented by City Prosecutor

The City Council is requested to adopt Ordinance No. 675 by Second Reading, modifying and enhancing regulations relating to the abatement of public nuisance [by repealing and deleting Chapters 8.16 (“Abatement of Nuisances”) and 15.20 (“Property Maintenance – Abatement of Nuisances”), and adopting a new Chapter 8.16 (“Public Nuisances”) of the Cudahy Municipal Code.

**Motion:** It was moved by Council Member Markovich, and seconded by Mayor Garcia to adopt Ordinance No. 675 by Second Reading, modifying and enhancing regulations relating to the abatement of public nuisance [by repealing and deleting Chapters 8.16 (“Abatement of Nuisances”) and 15.20 (“Property Maintenance – Abatement of Nuisances”), and adopting a new Chapter 8.16 (“Public Nuisances”) of the Cudahy Municipal Code. The motion carried (3-0-0) by the following roll call vote.

AYES: Markovich, Hernandez, and Garcia  
NOES: None  
ABSENT: None  
ABSTAIN: Sanchez

F. Consideration to Review and Approve the Draft Minutes of May 15, 2018, Regular Meeting and May 23, 2018, Special Meeting of the City Council and the Joint Meetings of the City of

Cudahy as Successor Agency and Housing Successor Agency to the Cudahy Development Commission

Presented by Deputy City Clerk

The City Council is requested to review and approve the City Council / Agency Draft Minutes for May 15, 2018 and May 23, 2018.

**Motion:** It was moved by Council Member Markovich, and seconded by Mayor Garcia to adopt to Review and Approve the Draft Minutes of May 15, 2018, Regular Meeting and May 23, 2018, Special Meeting of the City Council and the Joint Meetings of the City of Cudahy as Successor Agency and Housing Successor Agency to the Cudahy Development Commission. The motion carried (3-0-0) by the following roll call vote.

AYES: Markovich, Hernandez, and Garcia  
NOES: None  
ABSENT: None  
ABSTAIN: Sanchez

G. A Resolution of the City Council Fixing the Employer Contribution at an Equal Amount for Employees and Annuitants under the Public Employees' Medical and Hospital Care Act (PEMHCA)

Presented by Human Resources Manager

The City Council is requested to approve proposed Resolution No. 18-22 Fixing the Employer Contribution at an Equal Amount for Employees and Annuitants under the Public Employees' Medical and Hospital Care Act (PEMHCA).

**Motion:** It was moved by Council Member Markovich, and seconded by Mayor Garcia to approve proposed Resolution No. 18-22 Fixing the Employer Contribution at an Equal Amount for Employees and Annuitants under the Public Employees' Medical and Hospital Care Act (PEMHCA). The motion carried (3-0-0) by the following roll call vote.

AYES: Markovich, Hernandez, and Garcia  
NOES: None  
ABSENT: None  
ABSTAIN: Sanchez

## 11. PUBLIC HEARING

A. Development Review Permit No. 41.508 to allow the Proposed Interior Improvements and Exterior Façade Improvements for the Operation of a Gymnasium (Chuze Fitness) within the Community Commercial Zone, Pursuant to Section 20.68.100(27) of the City's Zoning Code located at 8017 Atlantic Avenue

Presented by Community Development Manager

The City Council is requested to adopt Resolution No. 18-23 approving Development Review Permit (DRP) No. 41.508 for proposed façade modifications and interior improvements to the former K-mart building within the existing Cudahy Plaza Shopping Center.

### MAYOR GARCIA OPENED PUBLIC HEARING

## NO PUBLIC COMMENT

## MAYOR CLOSED PUBLIC HEARING

**Motion:** It was moved by Vice Mayor Hernandez, and seconded by Council Member Sanchez to approve Resolution No. 18-23 approving Development Review Permit (DRP) No. 41.508 for proposed façade modifications and interior improvements to the former K-mart building within the existing Cudahy Plaza Shopping Center. The motion carried (4-0-0) by the following roll call vote.

AYES: Markovich, Sanchez, Hernandez, and Garcia  
NOES: None  
ABSENT: None  
ABSTAIN: None

B. Approval Commercial Cannabis Permit (CCP) No. CCP18-0006 and Ordinance No. 687, by First Reading, approving Development Agreement (DA) No. CCP18-0006 (Location: 8346 Salt Lake Avenue, Applicant: Medrec Pharmacy, Non-Profit Mutual Benefit Corporation).

Presented by City Manager

The City Council is requested to:

1. Consider the Planning Commission's recommendation to approve Commercial Cannabis Permit No. CCP18-0006 to allow commercial cannabis activities including, manufacturing, cultivation, and delivery within a currently vacant 12,289 square foot building, pursuant to the findings presented in this staff report;
2. Adopt Resolution No. 18-24, approving the issuance of Commercial Cannabis Permit No. CCP18-0007 to allow a Commercial Cannabis Facility for the Site located at 8346 Salt Lake Avenue;
3. Authorize the City Manager to allow a payment plan, if requested, for the Community Benefit Program as outlined in the Development Agreement (DA);
4. Allow the City Manager to select the alternative terms of payment of the Operating Fees, if requested, to begin accruing 90 days after the Effective Date of the DA rather than accrue beginning the month of the Effective Date of the DA;
5. Provide direction to City staff on whether to modify or not modify the DA to bind the operator to any future Cannabis Tax that may be imposed by the City and/or by a voter approved Cannabis Tax;
6. Approve DA No. DA18-006C publicly noticed June 5, 2018 City Council meeting and authorize the Mayor to execute said Agreements on behalf of the City; and
7. Introduce Ordinance No. 687 by First Reading by title only, approving the DA by and between the City and Medrec Pharmacy, a Non-Profit Mutual Benefit Corporation.

## MAYOR GARCIA OPENED PUBLIC HEARING

Pamela Munguia, spoke against item 11B, and the cannabis industry as a whole.

Laretta Medina, spoke against item 11B.



A resident, spoke against item 11B, and against Council for its support of cannabis businesses. She went on to speak against the council in general.

Javier Flores, spoke against 11B. He went on to speak against the Council and city staff for inviting cannabis businesses in the City.

Stephanie Beltran, asked how many commercial cannabis agreements have been approved.

Carmen Beltran, was surprised by how many commercial cannabis agreements have been approved, and are still planned to approve. She stressed the City should bring more businesses like the Chuze Fitness over cannabis businesses.

Covina Menjivar, spoke against item 11B, as well as the Council and anyone else who is in favor of item 11B.

Michelle Gessner, reminded residents that prop 64 passed statewide by 64% of the vote. She concluded her comments by speaking in favor of item 11B.

Susie de Santiago, believed the majority of voters in the City wanted cannabis businesses in the City. She also suggested to take appropriates to ensure cultivations are secured.

## **MAYOR CLOSED PUBLIC HEARING**

**Motion:** It was moved by Council Member Markovich, and seconded by Vice Mayor Hernandez to approve Commercial Cannabis Permit (CCP) No. CCP18-0006 and Ordinance No. 687, by First Reading, approving Development Agreement (DA) No. CCP18-0006 (Location: 8346 Salt Lake Avenue, Applicant: Medrec Pharmacy, Non-Profit Mutual Benefit Corporation). The motion carried (3-0-0) by the following roll call vote.

AYES: Markovich, Hernandez, and Garcia  
NOES: None  
ABSENT: None  
ABSTAIN: Sanchez

## **12. BUSINESS SESSION**

- A. Approve Proposed Resolution No. 18-25 of the City Council of the City of Cudahy Declaring Councilmember Jack Guerrero's Office Abandoned and Vacant Due to Consecutive Absences from Regular Meetings of the City Council in Accordance with Government Code Section 36513

Presented by City Attorney's Office

The City Council is requested to approve a proposed Resolution of the City Council Declaring Councilmember Jack Guerrero's Office Abandoned and Vacant Due to Consecutive Absences from Regular Meetings of the City Council in Accordance with Government Code Section 36513.

**Motion:** It was moved by Vice Mayor Hernandez and seconded by Council Member Markovich to approve proposed Resolution of the City Council Declaring Councilmember Jack Guerrero's Office Abandoned and Vacant Due to Consecutive Absences from Regular Meetings of the City Council in Accordance with Government Code Section 36513. The motion carried (4-0-0) by the following roll call vote.

AYES: Markovich, Sanchez, Hernandez, and Garcia

NOES: None  
ABSENT: None  
ABSTAIN: None

B. Approve Proposed Resolution No. 18-26 Pertaining to the City of Cudahy's General Municipal Election to be held Tuesday, November 6, 2018

Presented by Deputy City Clerk

The City Council is requested to:

1. Approve proposed Resolution No. 18-26 calling for and giving notice of a General Municipal Election to be held on Tuesday, November 6, 2018 for the election of three City Councilmembers;
2. Requesting consolidation of such election with the County of Los Angeles with any and all elections held on such date;
3. Requesting the County of Los Angeles to provide specific election administration services for such election;
4. Adopting regulations for candidates for elective office for such election regarding candidate statements; and
5. Providing for the determination of tie votes by lot unless the City Council adopts the provisions of Elections Code Section 15651(b) prior to the conduct of the election resulting in the tie vote.

**Motion:** It was moved by Council Member Markovich, and seconded by Vice Mayor Hernandez to Approve Proposed Resolution No. 18-26 Pertaining to the City of Cudahy's General Municipal Election to be held Tuesday, November 6, 2018. The motion carried (4-0-0) by the following roll call vote.

AYES: Markovich, Sanchez, Hernandez, and Garcia  
NOES: None  
ABSENT: None  
ABSTAIN: None

C. Preliminary Public Private Partnership Feasibility Assessment Agreement between the City of Cudahy, Colonial Capital Limited, and Joseph S. Yung & Co.

Presented by City Attorney's Office

Approve the form of the attached Preliminary Public Private Partnership Feasibility Assessment Agreement between the City of Cudahy, Colonial Capital Limited, and Joseph S. Yung & Co. and authorize the Mayor to execute said Agreement on behalf of the City.

**Motion:** It was moved by Vice Mayor Hernandez, and seconded by Council Member Sanchez to Approve the form of the attached Preliminary Public Private Partnership Feasibility Assessment Agreement between the City of Cudahy, Colonial Capital Limited, and Joseph S. Yung & Co. and authorize the Mayor to execute said Agreement on behalf of the City. The motion carried (4-0-0) by the following roll call vote.

AYES: Markovich, Sanchez, Hernandez, and Garcia

NOES: None  
ABSENT: None  
ABSTAIN: None

**13. COUNCIL DISCUSSION – NONE**

**14. CLOSED SESSION - NONE**

**15. ADJOURNMENT**

The City Council / Agency meeting was adjourned at 9:03 p.m.

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Chris Garcia  
Mayor

ATTEST:

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Richard Iglesias  
Deputy City Clerk