

MINUTES

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

May 15, 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 Markovich
Vice Mayor / Vice Chair Hernandez
Mayor / Chair Garcia

ABSENT: Council / Agency Member Guerrero
Council / Agency Member Sanchez

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 Mayor Garcia.

4. PRESENTATIONS

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

B. Proclamation – CalFresh Awareness Month Proclamation

The mayor presented a Proclamation in regards to CalFresh Awareness for the month of May.

Carmen Lopez from the Department of Public Social Services accepted the Proclamation, and spoke about the Cal Fresh program.

5. PUBLIC COMMENTS - NONE

**MAYOR GARCIA GAVE DIRECTION TO MOVE ITEM 6, COUNCIL COMMENTS TO THE -
END OF THE AGENDA WITH NO OPPOSITION**

6. CITY COUNCIL COMMENTS - NONE

7. CITY MANAGER REPORT (information only)

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

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 Markovich, and seconded by Vice Mayor Hernandez to waive full text reading of all Resolutions and Ordinances by single motion.

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

A. Approval of the Local Agency Investment Fund (LAIF) for the Month of March 2018

Presented by the Financial Director

The City Council is requested to approve the Local Agency Investment Fund (LAIF) Report for the month of March 2018 in the amount of \$4,114,542.70.

Motion: It was moved by Council Member Markovich and seconded by Vice Mayor Hernandez to approve the Local Agency Investment Fund (LAIF) Report for the month of March 2018 in the amount of \$4,114,542.70. The motion carried (3-0-2) by the following roll call vote.

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

B. Approval of the City Demands and Payroll Including Cash and Investment Report for the Month of March 2018

Presented by the Finance Director

The City Council is requested to approve the Demands and Payroll in the amount of \$1,224,971.04 including Cash and Investment Report by Fund for the month of March 2018.

Motion: It was moved by Council Member Markovich, and seconded by Vice Mayor Hernandez to approve the Demands and Payroll in the amount of \$1,224,971.04 including Cash and Investment Report by Fund for the month of March 2018. The motion carried (3-0-2) by the following roll call vote.

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

C. Consideration to Review and Approve the Draft Minutes of March 13, 2017 and April 17, 2018, for the Regular Meetings 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 March 13, 2017 and April 17, 2018.

Motion: It was moved by Council Member Markovich, and seconded by Vice Mayor Hernandez to review and approve the City Council / Agency Draft Minutes for March 13, 2017 and April 17, 2018. The motion carried (3-0-2) by the following roll call vote.

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

D. Approve Resolution No. 18-16 to make an election to receive payments pursuant to Health and Safety Code Section 33607.5 and 33607.7 for City-Wide Redevelopment Project, Commercial-Industrial Redevelopment Project, Commercial Industrial Redevelopment Project/82 Annex, and Commercial Industrial Redevelopment Project/3rd Annex

Presented by Finance Director

The City Council is requested to approve a Resolution No. 18-16 to make an election to receive payments pursuant to Health and Safety Code Section 33607.5 and 33607.7 for the City-Wide Redevelopment Project, Commercial-Industrial Redevelopment Project, Commercial Industrial/82 Annex, and Commercial Industrial/3rd Annex.

Motion: It was moved by Council Member Markovich, and seconded by Vice Mayor Hernandez to approve a Resolution No. 18-16 to make an election to receive payments pursuant to Health and Safety Code Section 33607.5 and 33607.7 for the City-Wide Redevelopment Project, Commercial-Industrial Redevelopment Project, Commercial Industrial/82 Annex, and Commercial Industrial/3rd Annex. The motion carried (3-0-2) by the following roll call vote.

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

11. PUBLIC HEARING

A. Approval of Commercial Cannabis Permit No. CCP18-0019 and 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; The 420 Club; Genius Distribution; Go Cudahy, LLC.; Daniel & Goliath; Davina; and Herbal Dragon)

Presented by City Manager

The City Council is requested to:

1. Consider the Planning Commission's recommendation to approve Commercial Cannabis Permit No. CCP18-0019 allowing commercial cannabis activities including manufacturing, cultivation, distribution and delivery within a currently vacant approximately 70,000 square foot building located at 4916 Cecelia Street, pursuant to the findings presented in this staff report;

2. Adopt Resolution No. 18-17, approving the issuance of Commercial Cannabis Permit No. CCP18-0019 to allow a Commercial Cannabis Facility for the Site located at 4916 Cecelia Street;
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 Nos. DA18-019C, DA18-012C, DA18-016C, DA18-018C, DA18-020C, DA18-021C, DA18-022C at its publicly noticed, May 15, 2018 City Council meeting and authorize the Mayor to execute said Agreements on behalf of the City;
7. Introduce Ordinance No. 676 for the First Reading by title only, approving the DA by and between the City and Cuper Development, an individual Limited Liability Company, Corporation;
8. Introduce Ordinance No. 677 for the First Reading by title only, approving the DA by and between the City and The 420 Club, an individual Limited Liability Company, Corporation;
9. Introduce Ordinance No. 678 for the First Reading by title only, approving the DA by and between the City and Genius Distribution, an individual Limited Liability Company, Corporation;
10. Introduce Ordinance No. 679 for the First Reading by title only, approving the DA by and between the City and Go Cudahy, an individual Limited Liability Company, Corporation;
11. Introduce Ordinance No. 680 for the First Reading by title only, approving the DA by and between the City and Daniel & Goliath, an individual Limited Liability Company, Corporation;
12. Introduce Ordinance No. 681 for the First Reading by title only, approving the DA by and between the City and Davina, an individual Limited Liability Company, Corporation; and
13. Introduce Ordinance No. 682 for the First Reading by title only, approving the DA by and between the City and Herbal Dragon, an individual Limited Liability Company, Corporation.

MAYOR GARCIA OPENED PUBLIC HEARING

Ian Bogdanoff, Mentioned his disappointment in attending the meeting because he thought the meeting was regarding dispensaries, and mentioned residents' stance against dispensaries. He went on to suggest that the number of cannabis applicants is excessive as they can bring a variety of alternative development programs with the proper research.

Carmen Beltran, expressed her concern over elderly and youth population being exposed to these development projects. She urged to look for other development opportunities, and focus on improving City parks. She went on to mention that the approval of cultivation should be taken

to the voters of Cudahy.

Motion: It was moved by Vice Mayor Hernandez, and seconded by Council Member Markovich to approve Commercial Cannabis Permit No. CCP18-0019 and 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; The 420 Club; Genius Distribution; Go Cudahy, LLC.; Daniel & Goliath; Davina; and Herbal Dragon). The motion carried (3-0-2) by the following roll call vote.

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

B. Approval of Commercial Cannabis Permit No. CCP18-0008 and Development Agreement No. DA18-008C (Location: 8630 Wilcox Ave., Applicant: Four Star Manufacturing)

Presented by City Manager

The City Council is requested to:

1. Consider the Planning Commission's recommendation to approve Commercial Cannabis Permit No. CCP18-0008 to allow commercial cannabis activities including, manufacturing, cultivation, distribution and delivery within a currently vacant 67,000 square foot building, pursuant to the findings presented in this staff report;
2. Adopt Resolution No. 18-18, approving the issuance of Commercial Cannabis Permit No. CCP18-0008 to allow a Commercial Cannabis Facility for the Site located at 8630 Wilcox Ave;
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. DA18-008C publicly noticed May 15, 2018 City Council meeting and authorize the Mayor to execute said Agreements on behalf of the City; and
7. Introduce Ordinance No. 683 for the First Reading by title only, approving the DA by and between the City and Four Star Manufacturing, individual Limited Liability Company, Corporation.

MAYOR GARCIA OPENED PUBLIC HEARING

Ian Bogdanoff, pointed out that the contemplated business sites have the potential to be subdivided into a business and park, rather than for the purposes of cannabis cultivation. He concluded his comments by advising Council to analyze all perspectives and options before

making a decision.

Javier Flores, spoke against the City Manager for allowing cannabis cultivation sites to develop. He expressed his concern over the saturation of cannabis sites. He spoke against the alleged apathy Council Members and staff have toward residents' opinions, and concluded his comments by reminding Council he is speaking to defend his city.

Edin Enamorado, argued cannabis does not kill people, and further argued the hypocrisy of people who are against cannabis and not other drugs, all the while ignoring cannabis' medicinal benefits. He went on to highlight the progress the City has made in becoming one of California's safest cities.

Motion: It was moved by Mayor Garcia, and seconded by Vice Mayor Hernandez to approve of Commercial Cannabis Permit No. CCP18-0008 and Development Agreement No. DA18-008C (Location: 8630 Wilcox Ave., Applicant: Four Star Manufacturing). The motion carried (3-0-2) by the following roll call vote.

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

C. Approval of Commercial Cannabis Permit No. CCP18-0007 and Development Agreement No. DA18-007C (Location: 8205 Wilcox Ave., Applicant: Leading Grow Solutions)

Presented by City Manager

The City Council is requested to:

1. Consider the Planning Commission's recommendation to approve Commercial Cannabis Permit No. CCP18-0007 to allow commercial cannabis activities including, manufacturing, cultivation, distribution and delivery within a currently vacant 25,500 square foot building, pursuant to the findings presented in this staff report;
2. Adopt Resolution No. 18-19, approving the issuance of Commercial Cannabis Permit No. CCP18-0007 to allow a Commercial Cannabis Facility for the Site located at 8205 Wilcox Ave;
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. DA18-007C publicly noticed May 15, 2018 City Council meeting and authorize the Mayor to execute said Agreements on behalf of the City; and
7. Introduce Ordinance No. 684 for the First Reading by title only, approving the DA by and

between the City and Leading Grow Solutions, individual Limited Liability Company, Corporation.

MAYOR GARCIA OPENED PUBLIC HEARING

Carmen Beltran, urged the Council to be transparent with all finances related to cannabis development. She asked for an independent committee that will deal with cannabis revenue.

Motion: It was moved by Council Member Markovich, and seconded by Vice Mayor Hernandez to approve of Commercial Cannabis Permit No. CCP18-0007 and Development Agreement No. DA18-007C (Location: 8205 Wilcox Ave., Applicant: Leading Grow Solutions). The motion carried (3-0-2) by the following roll call vote.

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

D. Approval of Commercial Cannabis Permit No. CCP18-0003 and Development Agreement Nos. DA18-003C and DA18-009C (Location: 4959 Patata St., Applicant: NVUS, LLC and E-Labs)

Presented by City Manager

The City Council is requested to:

1. Consider the Planning Commission's recommendation to approve Commercial Cannabis Permit No. CCP18-0003 to allow commercial cannabis activities including, manufacturing, cultivation, distribution and delivery within an existing 40,916 square foot building, pursuant to the findings presented in this staff report;
2. Adopt Resolution No. 18-20, approving the issuance of Commercial Cannabis Permit No. CCP18-0003 to allow a Commercial Cannabis Facility for the Site located at 4959 Patata Street;
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 Nos. DA18-003C and DA18-009C publicly noticed May 15, 2018 City Council meeting and authorize the Mayor to execute said Agreements on behalf of the City; and
7. Introduce Ordinance Nos. 685 and 686 for the First Reading by title only, approving the DA by and between the City and NVUS, LLC and E-Labs, individual Limited Liability Company, Corporation.

MAYOR GARCIA OPENED PUBLIC HEARING

Ian Bogdanoff, expressed his concern over the message cannabis cultivation sites would send to the City youth.

Marcos Oliva, argued eleven applicants is excessive given the size of the City. He went on to question where certain financial projections were concluded, as well as how many applicants the City is projected to approve. He also expressed his concern over the proximity between residential areas and the contemplated cultivation sites.

Carmen Beltran, expressed her concern over Colorado's increase in violence and homeless numbers, and the likelihood that could happen in Cudahy. She went on to express her concerns over the negative effects cultivation sites will have on the youth and residents.

Motion: It was moved by Council Member Markovich, and seconded by Vice Mayor Hernandez to Commercial Cannabis Permit No. CCP18-0003 and Development Agreement Nos. DA18-003C and DA18-009C (Location: 4959 Patata St., Applicant: NVUS, LLC and E-Labs). The motion carried (3-0-2) by the following roll call vote.

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

12. BUSINESS SESSION

- A. Consideration to Approve and Authorize the City Manager to Purchase GEM Light-Utility Electric Vehicles from Yale Chase Equipment and Services, Inc. through the National Joint Powers Alliance Cooperative Agreement (NJPA)

Presented by Human Resources Manager

The City Council is requested to approve and authorize the City Manager to purchase GEM light-utility electric vehicles from Yale Chase Equipment and Services, Inc. through the National Joint Powers Alliance (NJPA) Cooperative Agreement.

Motion: It was moved by Council Member Markovich and seconded by Vice Mayor Hernandez to approve and authorize the City Manager to purchase GEM light-utility electric vehicles from Yale Chase Equipment and Services, Inc. through the National Joint Powers Alliance (NJPA) Cooperative Agreement. The motion carried (3-0-2) by the following roll call vote.

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

- B. Approve Resolution No. 18-21, Resolution No. FA18-01 and Resolution No. SA18-03 to establish a Debt Management Policy for City of Cudahy, Cudahy Financing Authority, and City of Cudahy as Successor Agency

Presented by Finance Director

DURING HIS PRESENTATION THE FINANCE DIRECTOR ANNOUNCED THAT ONLY RESOLUTION NO. 18-21 AND RESOLUTION NO. SA 18-03 WERE TO BE PRESENTED BEFORE THE COUNCIL AS THE MEETING WAS ANNOUNCED AS A CITY COUNCIL AND HOUSING AUTHORITY. IT WAS NOT CONVENED AS CUDAHY FINANCING AUTHORITY.

The City Council is requested to approve a Resolution No. 18-21, Resolution No. FA 18-01, and Resolution No. SA18-03 to establish a Debt Management Policy for the City of Cudahy, Cudahy Financing Authority and City of Cudahy as Successor Agency.

Motion: It was moved by Mayor Garcia, and seconded by Council Member Markovich to approve a Resolution No. 18-21, and Resolution No. SA 18-03 to establish a Debt Management Policy for the City of Cudahy, and City of Cudahy as Successor Agency. The motion carried (3-0-2) by the following roll call vote.

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

13. COUNCIL DISCUSSION – NONE

RECESS TO CLOSED SESSION

Deputy City Attorney Martin De Los Angeles recessed the Regular Meeting to Closed Session at 8:01 p.m.

14. CLOSED SESSION

Closed Session Pursuant to Government Code Section 54956. – Conference with Real Property Negotiator

Location of Property: Successor Agency-owned lands in the City of Cudahy

City's Negotiator(s): City Manager Jose E. Pulido

Party Negotiating with: Joseph Yung (Yung &Co. / Colonial Capital Limited)

Under Discussion: Potential disposition of Successor Agency Lands

RECONVENE TO OPEN SESSION

Deputy City Attorney Martin de Los Angeles reconvened the Regular Meeting in Open Session at 8:16 p.m.

15. CLOSED SESSION ANNOUNCEMENT

Deputy City Attorney Martin de Los Angeles reported out that three out of five members were present, and in regards to the closed session matter, direction was given, but no final action was taken.

16. ADJOURNMENT

The City Council / Agency meeting was adjourned at 8:17 p.m.

Chris Garcia
Mayor

ATTEST:

Richard Iglesias
Deputy City Clerk