

**MINUTES
CITY COUNCIL MEETING
MONDAY, MAY 15, 2017**

CALL TO ORDER Mayor Shoals called the meeting to order at 6:00 p.m. in the City Hall Council Chambers, 154 South Eighth Street, Grover Beach, California.

MOMENT OF SILENCE

FLAG SALUTE The flag salute was led by Santiago Rojas, a 9-year-old, 3rd grade student at Grover Beach Elementary School.

ROLL CALL

City Council: Council Members Jeff Lee, Barbara Nicolls, Debbie Peterson, Mayor Pro Tem Mariam Shah, and Mayor John Shoals were present.

City Staff: City Manager Matthew Bronson, City Attorney David Hale, Planner II Janet Reese, Police Chief John Peters, Administrative Services Director Gayla Chapman, Community Development Director Bruce Buckingham, Public Works Director/City Engineer Greg Ray, and Parks & Recreation Program Director Kathy Petker were also present.

Also present was Fire Chief Steve Lieberman, Five Cities Fire Authority.

CLOSED SESSION ANNOUNCEMENTS

City Attorney Hale read the following announcement:

On Monday, May 1, 2017 after meeting in Closed Session regarding:

1. Conference with Real Property Negotiators
Pursuant to Government Code Section 54956.8
Property: APN 060-206-029
Agency negotiator: City Manager Bronson
Negotiating party: Union Pacific Railroad
Under negotiation: Price and Terms and Conditions of Payment Regarding Lease or Acquisition

the City Council reconvened into open session and announced there were no reportable actions taken.

AGENDA REVIEW City Attorney Hale announced that Closed Session Item No. 1 was related to Agenda Item No. 7. Therefore, if needed, the Order of the Day should be amended to consider the Closed Session item prior to Agenda Item No. 7.

It was moved by Council Member Lee and seconded by Council Member Peterson that the Closed Session item be removed from the agenda, and for the agenda to be otherwise adopted.

Action: Upon unanimous consensus, the Council adopted the agenda as amended.

CEREMONIAL CALENDAR

1. **Proclamation Declaring the Week of May 15 - 21, 2017 as “National Police Week”.**

Council Member Nicolls read and presented the proclamation to Police Chief Peters.

2. **Proclamation Declaring May 21 - 27, 2017 as “National Public Works Week”.**

Council Member Lee read and presented the proclamation to Public Works Director / City Engineer Ray.

PUBLIC COMMUNICATIONS The Mayor opened the floor to any member of the public for comment on items of interest which were within the jurisdiction of the City Council, but were not listed on the agenda.

- A. Ron Arnoldsen, Grover Beach resident and former Mayor, commended the Public Works crew. He then expressed concerns regarding the recent meeting cancellation of the South San Luis Obispo County Sanitation District.

CONSENT AGENDA

It was moved by Council Member Nicolls and seconded by Mayor Pro Tem Shah to approve Consent Agenda Item Nos. 3, 4, and 5, as recommended. The motion carried on the following roll call vote:

AYES: Council Members Lee, Nicolls, Peterson, Mayor Pro Tem Shah, and Mayor Shoals.
NOES: Council Members - None.
ABSENT: Council Members - None.
ABSTAIN: Council Members - None.

3. Treasurer's Report for the Period April 21 – May 4, 2017.

Action: Approved the Treasurer's Report as submitted.

4. Treasurer's Report for the 2016 Streets Bond Account - \$8,000,000 (Measure K-14: Grover Beach Street Rehabilitation; Safety Improvement Bond Measure) for the Period April 21 – May 4, 2017.

Action: Approved the Treasurer's Report as submitted.

5. Minutes of the Special City Council Meeting on February 21, 2017 and the Regular City Council Meeting on February 21, 2017.

Action: Approved the minutes as submitted.

PUBLIC HEARING

6. Annual Master Fee Schedule Update.

Mayor Shoals read the title to the foregoing item, declared the Public Hearing open, and deferred to staff for a report. Administrative Services Director Chapman provided an overview of the proposed interim update to the Master Fee Schedule based upon the Consumer Price Index (CPI) to ensure that some or all of the costs for providing municipal services are borne by the recipients who benefit from the services through user fees.

Mayor Shoals invited comments from those in the audience who wished to be heard on this matter. No public comments were received and the Mayor closed the Public Hearing.

Upon question from the Council, staff provided clarification regarding fees for Business Tax Certificates, sign permits, facility rentals, and facility deposits.

Action: It was moved by Council Member Lee and seconded by Mayor Pro Tem Shah to adopt Resolution No. 17-24 amending the Master Fee Schedule to reflect cost increases based on the Consumer Price Index. The motion carried on the following roll call vote:

AYES: Council Members Lee, Nicolls, Peterson, Mayor Pro Tem Shah, and Mayor Shoals.
NOES: Council Members - None.
ABSENT: Council Members - None.
ABSTAIN: Council Members - None.

Resolution No. 17-24: A Resolution of the City Council of the City of Grover Beach Amending the Master Fee Schedule.

REGULAR BUSINESS

7. Award of Contract - 2016-1 Street Improvements (CIP 2295-4).

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. Public Works Director/City Engineer Ray provided an overview of the bids received for the next street improvement project, which would also include water and sewer upgrades, sidewalk, curb and gutter upgrades on select streets, as well as paving of residential streets.

Mayor Shoals invited comments from those in the audience who wished to be heard on this matter. No public comments were received at this time.

Upon question from the Council, Public Works Director/City Engineer Ray stated that the project would be funded by Measure K-14 bond proceeds, the Wastewater Fund, Water Fund, and Gas Tax Funds and that paving was estimated to be underway in August after the completion of curb, gutter and sidewalk improvements. He then provided a status update regarding construction documents for improvements on Long Branch Avenue.

Action: It was moved by Council Member Lee and seconded by Council Member Nicolls to: 1) adopt Resolution No. 17-25 awarding the contract for construction of CIP 2295-4 to V. Lopez Jr. & Sons General Engineering Contractors, Inc., in the amount of \$6,319,410; 2) authorize the City Manager to sign and affirm construction change orders up to an aggregate of \$640,000; and 3) authorize the Mayor to execute the contract on behalf of the City. The motion carried on the following roll call vote:

AYES: Council Members Lee, Nicolls, Peterson, Mayor Pro Tem Shah, and Mayor Shoals.
NOES: Council Members - None.
ABSENT: Council Members - None.
ABSTAIN: Council Members - None.

Resolution No. 17-25: Resolution of the City Council of the City of Grover Beach, California, Awarding the 2016-1 (CIP 2295-4) Street Rehabilitation and Repair Project Construction Contract.

Prior to discussion of Agenda Item Nos. 8 and 9, Council Member Peterson declared a conflict of interest due to both her residence and business being located within 500 feet of the subject property. She then stepped down from the dais and left the Council Chambers.

8. Second Reading and Adoption of Ordinance Nos. 17-05 and 17-06 Amending Article IX and Article III of the Grover Beach Municipal Code and Approval of a Local Coastal Program Amendment to Allow the Establishment, Operation, and Regulation of Commercial Medical Cannabis Uses.

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. Community Development Director Buckingham provided an overview of the proposed ordinances.

Mayor Shoals invited comments from those in the audience who wished to be heard on this matter.

The following persons spoke in support of allowing commercial medical cannabis uses within the city:

- Cynthia Gonzalez, Elite Care, suggested facilities be required to look like medical offices and be allowed to locate within commercial zones. She also expressed concerns with facilities being located only in the industrial areas; and
- Laurie Pipan, Grover Beach resident and business owner in the industrial area.

The following persons spoke in opposition to allowing commercial medical cannabis uses within the city, citing negative impacts to existing businesses; objecting to their business being located adjacent to cannabis businesses; expressing concerns with the federal classification of cannabis and enforcement, as well as concerns with regard to street widths and street conditions, availability of parking, wastewater discharge, an insufficient storm drain system, and increased traffic in residential areas; stated "medical" cards were easily obtained and cannabis was not being used for medicinal purposes; and requested that cannabis uses be restricted to a smaller area of the city and for dispensaries to be located in a commercial area instead of the industrial area:

- Greg Bass, Grover Beach resident;
- Susan Bass, Grover Beach resident;
- Roy Keeling, Grover Beach resident;
- Joe Stute, Grover Beach resident, submitted his comments in writing and related photos;
- Ron Perkins, Grover Beach resident;
- Karen Walsh, Grover Beach resident;
- Ron Arnoldsen, Grover Beach resident and former Mayor; and
- Paula Richardson, Grover Beach resident.

The following person also spoke:

- Debbie Peterson, speaking as a Grover Beach resident and business owner, questioned whether allowing a commercial medical cannabis clinic in an industrial area would be consistent with the proposed purpose and intent of the draft regulatory ordinance.

There being no further public comments received, Mayor Shoals closed the Public Hearing.

City Attorney Hale addressed concerns raised related to the classification of cannabis pursuant to federal regulations and emphasized that the City's ordinances addressed medical cannabis only for those 21 years of age or older.

Discussion ensued regarding the number of dispensaries, infrastructure conditions, and the applicable requirements that applicants would be subject to.

Mayor Shoals re-opened the Public Hearing to obtain clarification from previous speakers.

- Roy Keeling, Grover Beach resident, commented on federal law designed to combat organized crime;
- Ron Perkins, Grover Beach resident, reiterated his support of focusing City efforts on the close proximity to the ocean to generate hotel and sales tax revenue; and
- Greg Bass, Grover Beach resident, expressed concerns that an increase in the availability of cannabis products would increase its illegal possession by minors.

There being no further public comments received, Mayor Shoals again closed the Public Hearing.

Discussion ensued regarding the interface of the Coastal Industrial Commercial (CIC) zone and the adjacent Coastal Medium Density Residential (CR2) zone, and whether to revise the number of dispensaries allowed, amend the hours of operation for dispensaries, and/or limit the allowable area for cultivation based on square footage or water consumption.

Mayor Shoals spoke in support of taking an alternate approach regarding the location and the number of dispensaries to be allowed. He suggested initially permitting only two dispensaries in the Coastal Industrial (CI) and Industrial (I) zones and then later re-examining whether to expand the area to include the Coastal Industrial Commercial (CIC) zone.

Action: It was moved by Council Member Lee and seconded by Mayor Pro Tem Shah to: 1) amend the land use Ordinance to limit the number of dispensaries to two, limit the public hours of dispensaries from 9:00 a.m. to 7:00 p.m., and require a minimum 100-foot buffer from the Coastal Medium Density Residential (CR2) zone on Atlantic City Avenue to any commercial cannabis use, as measured from property line to property line; 2) conduct second reading, by title only, and adopt Ordinance No. 17-05, as amended, amending Article IX of the Grover Beach Municipal Code to allow the establishment of commercial medical cannabis uses. The motion carried on the following roll call vote:

AYES: Council Members Lee, Nicolls, Mayor Pro Tem Shah.
NOES: Mayor Shoals.
ABSENT: Council Members - None.
ABSTAIN: Council Members - None.
RECUSED: Council Member Peterson (*due to a conflict of interest*).

Ordinance No. 17-05: An Ordinance of the City Council of the City of Grover Amending Grover Beach Municipal Code Sections 2.40.020, 2.40.030, 6.10.020, and 9.10.020 of Article IX, and Adding Section 4.10.045 of Article IX, to Allow the Establishment of Commercial Cannabis Uses for the Cultivation, Manufacturing, Dispensation, Transportation, Distribution and Testing of Medical Marijuana and Medical Marijuana Products.

Action: It was moved by Council Member Lee and seconded by Mayor Shoals to: 1) amend the regulatory Ordinance to add the definition of "greenhouse"; 2) conduct second reading, by title only, and adopt Ordinance No. 17-06 amending Article III of the Grover Beach Municipal Code establishing regulations for commercial medical cannabis uses. The motion carried on the following roll call vote:

AYES: Council Members Lee, Nicolls, Mayor Pro Tem Shah, and Mayor Shoals.
NOES: Council Members - None.
ABSENT: Council Members - None.
ABSTAIN: Council Members - None.
RECUSED: Council Member Peterson (*due to a conflict of interest*).

Ordinance No. 17-06: An Ordinance of the City Council of the City of Grover Beach Repealing Chapter 1.2, Article III, Medical Marijuana Dispensaries, and Adding Chapter 18, Article III of the Grover Beach Municipal Code to Allow the Establishment, Operation and Regulations of Commercial Cannabis Uses for the Cultivation, Manufacturing, Dispensation, Transportation and Testing of Medical Marijuana and Medical Marijuana Products.

Action: It was moved by Council Member Lee and seconded by Council Member Nicolls to adopt Resolution No. 17-26 approving a Local Coastal Program Amendment. The motion carried on the following roll call vote:

AYES: Council Members Lee, Nicolls, Mayor Pro Tem Shah, and Mayor Shoals.
NOES: Council Members - None.
ABSENT: Council Members - None.
ABSTAIN: Council Members - None.
RECUSED: Council Member Peterson (*due to a conflict of interest*).

Resolution No. 17-26: A Resolution of the City Council of the City of Grover Beach Authorizing and Directing the Community Development Director to Submit the Local Coastal Implementation Amendment Associated with Ordinance No. 17-05 to the California Coastal Commission for Final Certification.

Recess: Upon consensus of the City Council, the meeting recessed at 8:12 p.m.
Reconvene: At 8:29 p.m., the meeting reconvened with all Council Members present, except for Council Member Peterson (*due to a conflict of interest as stated earlier in the meeting prior to Agenda Item No. 8*).

9. Implementation Actions for the Commercial Medical Cannabis Ordinances.

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. Community Development Director Buckingham provided an overview of potential implementation actions related to the anticipated receipt of Use Permit and Commercial Cannabis Permit applications for commercial cannabis businesses.

Mayor Shoals invited comments from those in the audience who wished to be heard on this matter.

Todd Mitchell, Grover Beach resident, stated that he had purchased a site on Highland Way and was aware of the required improvements that would need to be installed in order to operate a commercial medical cannabis business.

Jaime Kirk, Kirk Consulting, Atascadero resident, stated that a parking exception was important in order to utilize existing buildings.

Karen Walsh, Grover Beach resident, inquired on how to deal with recreational vehicles occupying on-street parking.

There being no further public comments received, Mayor Shoals closed the Public Hearing.

Action: Upon consensus of the Council, the following direction was provided to staff related to implementation of the Commercial Medical Cannabis Ordinances:

- **Application Fees:** All related costs should be borne by the applicant;
- **Application of Development Standards, Building and Fire Code Requirements, and Public Improvements:** Apply all Development Standards consistent with current practice; and
- **Use of Small Modular Buildings:** Preference on buildings that could be reused for future uses.

At this time Council Member Peterson returned to the dais.

PULLED CONSENT AGENDA ITEMS

None at this time.

COUNCIL COMMITTEE REPORTS

Council Member Lee reported on the meeting of the Integrated Waste Management Authority.

Council Member Nicolls stated that she had no committee reports at this time.

Mayor Pro Tem Shah reported on the meeting of Visit SLO CAL.

Mayor Shoals reported on the meetings of the San Luis Obispo Council of Governments, San Luis Obispo Regional Transit Authority, and South San Luis Obispo County Sanitation District.

Council Member Peterson stated that she had no committee reports at this time.

COUNCIL COMMUNICATIONS

- A. Council Member Peterson stated that she was approached by a group of dog owners who suggested the City establish a specific time during the day to allow dogs to be off-leash. City Manager Bronson stated that his previous city experimented with this concept and some cities have implemented such a program. Brief discussion was held on potentially having the Parks, Recreation & Beautification Commission discuss the concept of allowing dogs off-leash at specific times and provide input on which parks to allow the program.
- B. Council Member Nicholls announced details of the Tip-A-Cop event to be held at the South County Regional Center. Police Chief Peters provided additional information.
- C. Mayor Pro Tem Shah stated that she had received correspondence from a citizen expressing concerns regarding homelessness issues. City Manager Bronson responded that the topic would be scheduled for discussion on a future agenda.

CITY MANAGER'S REPORTS AND COMMENTS

City Manager Bronson stated that approximately 175 people attended the Parks and Recreation Department's Mother/Son event, two neighborhood meetings were held regarding the future street improvement project on Newport Avenue, and the tennis courts at Grover Heights had been resurfaced. In regards to the cypress tree at Ramona Garden Park, the arborist re-evaluated the tree, which included additional testing, and the original recommendation to remove the tree due to public safety concerns was unchanged. Additionally, the Parks, Recreation & Beautification Commission would be providing the Council with a recommendation for replacement of the tree.

CITY ATTORNEY'S REPORTS AND COMMENTS

None at this time.

CLOSED SESSION

As announced earlier in the meeting under Agenda Review, Closed Session Item No. 1 was cancelled.

1. Conference with Legal Counsel – Anticipated Litigation

~~A point has been reached where, in the opinion of the legislative body of the local agency on the advice of its legal counsel, based on existing facts and circumstances, there is a significant exposure to litigation against the local agency Pursuant to Government Code Section 54956.9(d)(2): One (1) potential case~~

ADJOURNMENT

There being no further business to come before the City Council, Mayor Shoals adjourned the meeting at 10:38 p.m.

/s/ JOHN P. SHOALS, MAYOR

Attest:

/s/ DONNA L. McMAHON, CITY CLERK
(Approved at CC Mtg 08/21/2017)

Respectfully submitted:

/s/ JANET REESE, PLANNER II