



**CITY COUNCIL MEETING
MINUTES**

**July 5, 2017 7:00 PM
Council Chambers
400 N. Douty St.**

6:30 PM CALL TO ORDER CLOSED SESSION:

Mayor David Ayers called the closed session to order at 6:31 p.m.

ROLL CALL:

Present: Justin Mendes, Francisco Ramirez, Martin Devine, Sue Sorensen, David Ayers

PUBLIC COMMENT - CLOSED SESSION:

Comments from the public are limited to items on the agenda (GC54954.3a). A maximum of five minutes is allowed for each speaker.

There were no comments given.

CLOSED SESSION FOR DISCUSSION OF THE FOLLOWING:

Mayor Ayers adjourned to closed session at 6:32 p.m.

**A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - Government Code
Section 54956.9(d)(1)**

CASE NAME: San Joaquin Valley Environmental Defense Center v. City of Hanford

CASE NUMBER: Kings County No. 17C0142

**B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS - Government Code Section
54956.8**

Property: APN 007-350-028

Agency Negotiators: Darrel Pyle and Ty Mizote

Negotiating Party: Verizon Wireless

Under Negotiation: Terms and Price

7:00 PM CALL TO ORDER REGULAR SESSION:

Mayor Ayers called the regular meeting to order at 7:00 p.m.

ROLL CALL:

Attendee Name	Title	Status	Arrived
Martin Devine	Council Member	Present	7:00 PM
Sue Sorensen	Vice Mayor	Present	7:00 PM

David Ayers	Mayor	Present	7:00 PM
Francisco Ramirez	Council Member	Present	7:00 PM
Justin Mendes	Council Member	Present	7:00 PM

INVOCATION:

Police Chief Parker Sever provided the invocation.

FLAG SALUTE:

Mayor Ayers led the flag salute.

RECOGNITIONS/PROCLAMATIONS:

STAFF COMMUNICATIONS:

Police Chief Sever commented on the recent PAL boxer competitions and the hire of two new dispatchers. There were about 15 citations issued last night for illegal fireworks.

Public Works Director Lou Camara provided an update on street projects and future signal light installations.

Parks & Recreation Director Craig Miller commented on the summer activities and events.

Finance Director Paula Lofgren stated that they are working on closing out the end of the fiscal year.

PUBLIC COMMENT:

This is the time for citizens to comment on subject matters not on the agenda within the jurisdiction of the Hanford City Council or to comment on items listed under the Consent Calendar or to request an item from the Consent Calendar be pulled for discussion purposes. Comments related to General Business items or Public Hearing items will be heard at the time the item is discussed.

*A maximum of **five minutes** is allowed for each speaker. Please begin your comments by stating your name and providing your city of residence.*

Bob Ramos commented on the Brown Act. He questioned whether Council Member Ramirez had a valid driver license to be allowed to drive a city vehicle. Council Member Ramirez stated that he does have a valid license.

Mickey Stoddard stated that there are some open spaces that require a payment in order for people to use them. He also claimed that the school districts are not interested in allowing the cities to include their property as open space. Mr. Stoddard commented on the arbitrary equation of park space and that it is less than neighboring cities.

Mike Robinson stated that they planted some of the trees at Hidden Valley Park and that it was just Phase 1. He is opposed to the vacant land being sold.

CONSENT CALENDAR:

Consent Calendar items are considered routine and will be enacted in one motion. There will be no separate discussion of these matters unless a request is made and then the item will be removed from the Consent Calendar to be discussed and voted upon by a separate motion.

Motion to approve the Consent Calendar, except for the items pulled for separate consideration.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Justin Mendes, Council Member
SECONDER:	Sue Sorensen, Vice Mayor
AYES:	Devine, Sorensen, Ayers, Ramirez, Mendes

- A. City Clerk: Approve Minutes from the June 20, 2017 Meeting
- B. City Clerk: Deny claim for damages and direct the City Clerk to send out notification of such to Allissa Arvizu
- C. Public Works: Waive the second reading and adopt Ordinance 17-07 modifying water use regulations, deposits, services, and delinquencies.
- D. Public Works: Purchase of one 2018 Peterbilt 520 front loading refuse truck from Ruckstell California Sales Co., Inc., of Fresno, Ca., in the amount of \$302,768.45.
- E. Public Works: Purchase of replacement battery backup systems for traffic signal controllers in the amount of \$160,681.95 from JAM Services.
- F. Utilities and Engineering: Right of Way Acquisition for Public Street Purposes located at the southwest corner of Hanford Armona Road and 10-1/2 Avenue (APN 011-420-001).
- G. Utilities and Engineering: Right of Way Acquisition for Public Street Purposes located 246' north of Hanford Armona Road on the east side of Irwin Street (APN 012-231-036).

ITEMS PULLED FROM CONSENT CALENDAR:

- 1. Finance: Adopt Resolution 17-40-R authorizing investment of monies in the Local Agency Investment Fund and authorizing city officers to order deposit or withdrawal of monies in the Local Agency Investment Fund.

Council Member Mendes pulled this item for clarification. City Manager Darrel Pyle explained that this action is only identifying authorized individuals to order deposit or withdrawal of monies in the LAIF.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Justin Mendes, Council Member
SECONDER:	Martin Devine, Council Member
AYES:	Devine, Sorensen, Ayers, Ramirez, Mendes

PUBLIC HEARINGS:

- A. Community Development: Introduce and waive the first reading of Ordinance 17-08 approving MUNICIPAL CODE AMENDMENT No. 2017-02, a request by the City of Hanford to amend the Hanford Municipal Code repealing section 8.32.070 of Title 8, the addition of Chapter 5.56 to Title 5 establishing the business regulations for commercial cannabis businesses; an amendment to Chapter 17.08 to amend Table 17.080.030 adding commercial cannabis uses as conditional uses in the I-H zone and addition of Chapter 17.69 "Cannabis Related Uses and Activity" to further regulate cannabis uses.

Consultant David McPherson from HdL Companies discussed his background and qualifications on this subject.

Community Development Director Darlene Mata provided a Power Point presentation reviewing the City's objectives based on previous City Council meetings. Ms. Mata briefly discussed the potential permit issues that the City may face. She highlighted the proposed ordinance which would establish regulations for commercial cannabis operations and to allow cultivation, manufacturing, distribution, transportation, and laboratory testing as a conditional use in the Heavy Industrial zone. Dispensaries are still prohibited. A resolution would be adopted to establish the number of permits and fees for the application process, rather than be included in the ordinance. Staff is recommending a limitation on the number of permits because there is limited staff capacity to process cannabis permits, conditional use permits and environmental documents. Limiting the number of permits until a tax is passed is recommended because if it is not approved then the city has a limited ability to eliminate the use. The original recommendation included two commercial cultivation permits, two manufacturing permits, one lab, one transportation, and two distribution, but the current recommendation includes two cultivation, two manufacturing, two transportation, two lab testing, and two distribution for Freestanding Facilities, plus allow three Cannabis Campuses with each to include five permits in year one, 5 more permits in year 2, 10 more permits in year 3, and 10 more permits each year thereafter. Ms. Mata discussed the next steps for actions by the City Council and staff.

Ms. Mata recommended striking section 5.56.310(f) because it is redundant.

Council Member Mendes commented that he is concerned about there being enough energy to be provided to these facilities. Ms. Mata stated that the application process could include information showing how the applicant will have enough energy for their project and will more than likely be a part of the CUP process.

Council Member Ramirez expressed concern on water consumption at the facilities. Ms. Mata stated that staff would evaluate their water use and if it is significant then they could have mitigation requirements which would be similar to other projects.

Council Member Devine asked for clarification on the number of permits allowed for the campuses. Ms. Mata responded to his questions and comments.

Vice Mayor Sorensen inquired about some of the terminology in the ordinance and if section 5.56.290(g) regarding dispensing medical cannabis is necessary. She noted that some sections read "commercial medical cannabis" and others as "commercial cannabis" and would like that to be consistent. Staff agreed with her comments and suggestions to make those amendments.

Mayor Ayers asked about the application process for campuses. Ms. Mata and Mr. McPherson responded to his comments.

Mayor Ayers opened the public comments of the public hearing at 7:54 p.m.

Doug Verboon stated that the County created an ordinance 6 years ago regarding medical and recreational marijuana and distributed copies to the City Clerk and City Council. He also commented on state water restrictions and that water can only be used for food and fiber. He would like the City's ordinance to be in line with the County's ordinance.

Donna was concerned about the campus concept and if that would limit or impact businesses that want to come in. She would like to understand the commercial development and how the revenue will be generated for the City. She encouraged the City to do its due diligence and look at these companies closely.

Larry Thacker of Caliva is prepared for them to move forward and stated that they have a proven track record of its success as a business and being energy efficient. They see this as a partnership with the community and the City. They support a strong regulation and tax package.

Randi Knott of Genezen commented on their background and experience. She stated that they are energy and water efficient. Ms. Knott discussed their campus hybrid model.

Jose Rivas of Premium Extracts discussed their vision and that it will work with the community's vision as well. He thanked the Council for their consideration on this ordinance.

Fred Barnum of Green Coast Industries, an affiliate of Genezen, commented on their current project in Coalinga. He expressed his concern about any potential delays in approving the licenses and losing potential businesses to other cities. He also discussed the potential revenue for setting fees for conditional use permits and other permits.

Jackie McGowan, a consultant on behalf of Green Coast Industries, discussed the limitation of permits for the campus models and that it could hinder the success of these facilities.

Walter Greeves of Genezen discussed his personal medical history and the benefits of marijuana for him and others. He discussed Genezen's research and development of medical marijuana and expressed his concern about the limitation of permits for cultivation.

Tom Mann of Green Coast Industries discussed the potential property taxes and permit fees paid by these businesses. He encouraged the City to do their research and meet with those in the industry.

Dan Chin commented on the need for a new revenue stream for the City but once this is approved then you cannot undo the development. He does not oppose medical cannabis to be in the Heavy Industrial zone.

Dennis Fausone expressed his pleasure in this industry's contribution to the community and to put up their own funds for their development.

Dave Robinson, Kings County Sheriff, stated his opposition to this ordinance and that this is still an illegal substance by the federal government. The ordinance would not be in compliance with federal law. He stated that Hanford voters did not approve California legislation regarding marijuana three times over the last twenty years. He encouraged the Council to follow the will of the Hanford voters.

Bob Ramos would like the City to slow down on approving this ordinance and put it on a ballot for the voters to decide if they want the industry in Hanford.

Dr. Crystal Hernandez discussed patients that she has seen with the effects of marijuana. She also stated that the community does not want this here.

Steve Robinson discussed his disagreement with the findings on the environmental exemptions.

Cobin Hardcastle commented on the moral decision of approving the ordinance and the substance abuse connected to marijuana.

Mike Robinson opposed the ordinance and does not want Hanford to change.

Greg Kelly stated that he does not believe the cannabis industry is stable enough to be a reliable source of revenue and could eventually have a negative impact on the community.

Doug Verboon stressed that the pressure from the industry should not overshadow what the residents want.

Jeff Porterfield expressed his concern if the facilities close and how the loss of the revenue will hurt Hanford after it has become dependent on it.

Randi Knott discussed the pharmaceutical industry and the opioid epidemic. She noted that this is a wholesale business and the products would be distributed to other communities for sale.

Fred Barnum stated that with the investment their business would be making, then they would have no intention of walking away.

Donna commented on her concerns on potential monopolies.

Mayor Ayers closed the public comments of the public hearing at 9:00 p.m.

Ms. Mata clarified their use of stating "cannibas" and not "marijuana" and that is to be in line with the State's language. She discussed staff's extensive research on the proposed ordinance and number of permits.

Chief Sever responded that the 60 day application process allows staff and the consultant to vet the businesses for financial security.

Mr. McPherson stated that the ordinance was written with the community's quality of life in mind. The CEQA requirement could still be required for individual businesses, but CEQA is not applicable to the regulations that the ordinance is establishing.

Council Member Mendes stated that the revenue stream will help combat the problems the City has been facing for several years when there are no other options that the community or the majority of the City Council will support. He supported the proposed regulations.

Council Member Ramirez would like funds to be used for rehabilitation and commented on the positive impact from this ordinance. He agrees with staff's current recommendations.

Council Member Devine sees this as an opportunity to be a part of something bigger and to be in an industry that is growing. He would like to see more licensing added to what staff is recommending.

Vice Mayor Sorensen was cautious about how much revenue this could bring, but supported whatever amount it could bring. She agreed with Council Member Mendes' statements on the attempts the Council has made to find new revenue streams. Ms. Sorensen stated that her perception has changed and sees the benefits medical marijuana has brought to people that she knows.

Mayor Ayers agreed with the Council Members that they have had a long, sufficient period of time to review this subject. He believes that there is enough expertise to help the City properly regulate it.

Ms. Mata requested that sections 5.56.290(g) and 5.56.310(f) be deleted and to ensure that the term commercial medical cannabis is consistent throughout the ordinance, and that the term cannabis is used instead of marijuana.

Motion to introduce and waive the first reading of Ordinance 17-08 as amended.

Mayor Ayers called a recess at 9:22 pm.

Mayor Ayers reconvened the meeting at 9:31 p.m.

RESULT:	APPROVED AS AMENDED [UNANIMOUS]
MOVER:	Justin Mendes, Council Member
SECONDER:	Francisco Ramirez, Council Member
AYES:	Devine, Sorensen, Ayers, Ramirez, Mendes

GENERAL BUSINESS:

A. City Manager: Designation of voting delegate and alternates for the League of California Cities Annual Conference.

City Manager Darrel Pyle briefly discussed the item for the Council's review and consideration.

Motion to designate Council Member Ramirez as the voting delegate and Mayor Ayers as the alternate.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Justin Mendes, Council Member
SECONDER:	Francisco Ramirez, Council Member
AYES:	Devine, Sorensen, Ayers, Ramirez, Mendes

B. Finance: Adopt Amendments to the 2016-17 and 2017-18 Fiscal Years Biennial Budgets

City Manager Darrel Pyle discussed the increases in revenue and expenditures, as well as the proposed amendments. With the proposed amendments, there will be an additional appropriation of \$577,390 from the General Fund for FY2017-18. Mr. Pyle provided a handout demonstrating staff's commitment to reducing their budgets by 2% and being conservative on increased revenues to demonstrate the PERS obligation and impact on the General Fund over the upcoming years.

Staff responded to questions and comments by the City Council.

Motion to adopt as presented.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Sue Sorensen, Vice Mayor
SECONDER:	Francisco Ramirez, Council Member
AYES:	Devine, Sorensen, Ayers, Ramirez, Mendes

COUNCIL REPORTS/COMMENTS:

Council Member Mendes announced that LAFCO approved the annexation. KART is looking for a place to move and KCAG will do a study to help them find a location. The preference is to be downtown.

Vice Mayor Sorensen enjoyed the fireworks show, but the attendance seemed to be low. She and Council Member Ramirez spoke with the individual that wanted to participate at Thursday Night Market.

Mayor Ayers also attended the 4th of July celebration.

Mr. Pyle stated that staff will meet with the High School District as soon as the District staff has time. He will contact Mickey Stoddard to let him know.

COUNCIL FUTURE AGENDA ITEMS:

Council Member Mendes would like draft resolutions that would state what the City Council's intention are if any properties were to be sold and to identify what those funds would go towards. This discussion could be included with the goals and objectives update and related budget topics. The Council concurred to have this discussion.

ADJOURNMENT:

Mayor Ayers adjourned the meeting at 10:31 p.m.

Respectfully submitted,

Jennifer Gomez
City Clerk