



CITY OF DESERT HOT SPRINGS

**REGULAR MEETING OF THE CITY COUNCIL
And the City Council Serving as the Successor Agency to the
Redevelopment Agency Board**

DRAFT ACTION MINUTES

MARCH 6, 2018

4:30 P.M. – CLOSED SESSION

5:30 P.M. – PRESENTATIONS

6:00 P.M. – REGULAR SESSION

**CITY COUNCIL CHAMBERS
Carl May Community Center
11711 West Drive, Desert Hot Springs, California**

CLOSED SESSION - 4:30 P.M.

CALL TO ORDER

Mayor Matas called the Closed Session to order at 4:31 P.M.

ROLL CALL

Present:

Council Members: Russell Betts, Joe McKee, Yvonne Parks

Mayor Pro Tem: Anayeli Zavala (arrived after Roll Call)

Mayor: Scott Matas

PUBLIC COMMENTS

None.

CLOSED SESSION

Jennifer Mizrahi, City Attorney, announced the Closed Session items listed on the agenda.

1. **CONFERENCE WITH LEGAL COUNSEL – POTENTIAL INITIATION OF LITIGATION**
Pursuant to Government Code Section 54956.9: (3 potential cases)
2. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
Significant exposure to litigation pursuant to subdivision (e)(1) of Section 54956.9:
(1 case)

PRESENTATIONS - 5:30 P.M.

3. **Human Rights Committee Presentation**
Mayor, Scott Matas

Gary Gardner presented an overview, purpose, and vision of the Mayor's Committee on Human Rights; and responded to questions.

REGULAR SESSION - 6:00 P.M.

CALL TO ORDER

Mayor Matas called the Regular Session to order at 6:00 P.M.

ROLL CALL

Present:

Council Members: Russell Betts, Joe McKee, Yvonne Parks

Mayor Pro Tem: Anayeli Zavala (arrived after Roll Call)

Mayor: Scott Matas

INVOCATION

None.

PLEDGE OF ALLEGIANCE

Desert Hot Springs Scouts, Troop 1606, presented the colors and led the Pledge of Allegiance.

CITY ATTORNEY REPORT ON CLOSED SESSION

Jennifer Mizrahi, City Attorney, advised that there was no reportable action.

APPROVAL OF THE AGENDA

Action: McKee moved to approve the March 6, 2018 Regular Meeting agenda; and approve the Consent Calendar in its entirety, motion seconded by Zavala, motion carried 5/0 by the following vote:

Vote: AYES: 5 - Zavala, Parks, Betts, Matas, McKee
Passed NOES: 0 - (None)

PUBLIC COMMENTS

Diane Fitts Cline expressed concerns regarding water usage and cannabis facilities.

Donna Wardean spoke regarding Eddie Johnson who was honored at the Date Festival.

Eddie Johnson spoke regarding Veterans Park.

Irene Rodriguez, Cabots Pueblo Museum, gave various announcement including the Museum's new website.

Judy Shea spoke regarding the Mayor's Committee on Human Rights Committee; that the Senior Center needed handrails at the entrance; and signal timing at crosswalks.

Becky Hill requested that the City Council consider allowing food trucks in the future.

Mark Silver stated that his business manufactures cannabis edibles and inquired whether it could be allowed in the commercial zones.

Donna Wardean expressed concerns regarding safety on Palm Drive for the vision impaired.

CITY MANAGER REPORT

Danny Porras, Community Development Director, reported on Palm Drive corridor traffic and pedestrian safety improvements.

MAYOR AND COUNCIL MEMBER REPORTS

Council Member Betts reported on the various meetings and events he attended.

Council Member McKee reported on the various meetings and events he attended.

Council Member Parks reported on the various meetings and events she attended.

Mayor Pro Tem Zavala reported on the various meetings and events she attended.

Mayor Matas reported on the various meetings and events he attended.

ADMINISTRATIVE CALENDAR:

4. **Resolution to Continue Hearing Date to Annex and Assess 259 Homes Commonly Known as Rancho Del Oro to the City of Desert Hot Springs Landscape and Lighting Maintenance District No. 2 from April 3, 2018 to May 15, 2018**

Community Development Director, Daniel Porras, P.E.

Recommendation: Adopt a Resolution of the City Council continuing the Public Hearing Date for the Hearing to Annex and Assess Property to Landscape and Lighting Maintenance District No. 2 (Annexation No. 18, Zone 19) and to Levy Assessments on Such Property for Fiscal Year 2018-19 (Rancho del Oro) from April 3, 2018 to May 15, 2018.

Council Member Betts recused (owns property within the Subdivision).

Danny Porras, Community Development Director, presented the Staff report.

Action: Parks moved to approve staff recommendation and adopt *Resolution No. 2018-013*, motion seconded by McKee, motion carried 4/0 by the following vote:

Vote: AYES: 4 - Zavala, Parks, Matas, McKee
Passed NOES: 0 - (None)
RECUSED: 1 - Betts

5. **Approval of Mission Springs Water District Initiating Formation of Assessment District No. 17 of the Mission Springs Water District**

Deputy City Manager, Luke Rainey

Recommendation: Consider adoption of a Resolution of the City Council that does not object to the Mission Springs Water District initiation of proceedings for the construction of certain work pursuant to the provisions of the Municipal Government Act of 1913 for Assessment District No. 17 and additional Assessment Districts contained therein.

Council Member Betts expressed concerns at the quality of street re-paving from previous sewer projects.

Action: McKee moved to approve staff recommendation and adopt *Resolution No. 2018-014*, motion seconded by Parks, motion carried / by the following vote:

Vote: AYES: 5 - Zavala, Parks, Betts, Matas, McKee
Passed NOES: 0 - (None)

6. Resolution Setting Forth Certain Regulations Pertaining to Dispensaries

City Manager, Charles L. Maynard; Presented by Jennifer Mizrahi, City Attorney

Recommendation: Adopt a Resolution of the City Council of the City of Desert Hot Springs setting forth certain regulations pertaining to dispensaries.

Jennifer Mizrahi, City Attorney, presented the Staff report.

Following discussion, Jennifer Mizrahi, City Attorney, advised that language could be added to clarify that dispensary entitlements could be transferred once a dispensary is fully operational.

Mark Silver inquired if his cannabis manufacturing business was considered a light manufacturing facility. It was suggested that Mr. Silver meet with Staff.

Scott Harlow expressed concerns regarding non-transferability should a dispensary owner wish to pass his/her business to next of kin or spouse.

Marie Scott, Legal Counsel for Desert Harvest, referenced previously submitted correspondence in opposition.

Action: Zavala moved to approve staff recommendation and adopt *Resolution No. 2018-015* amended to include language to clarify that dispensary entitlements could be transferred once a dispensary is fully operational, motion seconded by McKee, motion carried 5/0 by the following vote:

Vote: AYES: 5 - Zavala, Parks, Betts, Matas, McKee
Passed NOES: 0 - (None)

7. Discussion Regarding Taxation of Marijuana Manufacturing

City Manager, Charles L. Maynard; Presented by Jennifer Mizrahi, City Attorney

Recommendation: Provide direction as the City Council deems appropriate, and direct Staff to come back with a Resolution or Ordinance memorializing same.

Jennifer Mizrahi, City Attorney, presented the Staff report.

A discussion ensued.

Andrew Milks inquired about delivery taxes as referenced in the "Comparison of Local Cannabis Taxes" chart that was included in the agenda packet.

Ryan Fingerhut spoke opposed to taxation of marijuana manufacturing.

Jason Elsasser spoke opposed to taxation of marijuana manufacturing.

A discussion ensued.

Action: Betts moved to that floor space designated and utilized for the manufacturing of cannabis, and gross receipts, would not be subject to taxation, motion seconded by McKee, motion carried 3/2 by the following vote:

A discussion ensued.

Vote: AYES: 3 - Betts, Matas, McKee
Passed NOES: 2 - Zavala, Parks

8. Award Professional Services Agreement for the Desert View Avenue Sidewalk Project

Community Development Director, Daniel Porras, P.E.

Recommendation: Authorize the City Manager to execute the Professional Services Agreement for the Desert View Avenue Sidewalk Project (SB 821) with Omnis Incorporated in an amount not to exceed \$43,650.00 with a contingency of \$4,365.00 (10%) for any additional work as approved by the City, which brings a total budget of \$48,015.00.

Danny Porras, Community Development Director, presented the staff report.

Action: Betts moved to approve staff recommendation, motion seconded by McKee, motion carried 5/0 by the following vote:

Vote: AYES: 5 - Zavala, Parks, Betts, Matas, McKee
Passed NOES: 0 - (None)

9. Award Professional Services Agreement for the ATP Cycle 3 – Palm Drive Bicycle and Pedestrian Improvement Project

Community Development Director, Daniel Porras, P.E.

Recommendation: Authorize the City Manager to execute the Professional Services Agreement for the ATP Cycle 3 – Palm Drive Bicycle and Pedestrian Improvement Project with Omnis Incorporated in an amount not to exceed \$68,000.00 with a contingency of \$6,800 (10%) for any additional work, as approved by the City, for a total amount not to exceed \$74,800.00.

A discussion ensued.

Action: McKee moved to approve staff recommendation, motion seconded by Zavala, motion carried 5/0 by the following vote:

Vote: AYES: 5 - Zavala, Parks, Betts, Matas, McKee
Passed NOES: 0 - (None)

10. County Service Area 152 (CSA 152) Budget and Proposed Assessment for Fiscal Year 18-19

Deputy City Manager, Luke Rainey

Recommendation: 1) Review the budget and assessment for County Service area 152; and
2) Adopt a Resolution of the City Council making its findings and establishing the rates for County Service Area 152 and fund the City's National Pollutant Discharge Elimination System (NPDES) Permit.

Danny Porras, Community Development Director, presented the staff report.

Action: McKee moved to approve staff recommendation and adopt *Resolution No. 2018-016*, motion seconded by Zavala, motion carried 5/0 by the following vote:

Vote: AYES: 5 - Zavala, Parks, Betts, Matas, McKee
Passed NOES: 0 - (None)

CONSENT CALENDAR:

11. Second Reading and Adoption of an Ordinance Amending Chapter 17.180 to Include Special Dispensary Entitlements in Certain Circumstances

City Clerk, Jerryl Soriano, CMC

Recommendation: Approve Second Reading, read by title only and adopt: "An Ordinance of the City Council of the City of Desert Hot Springs, California, amending Chapter 17.180 to include special dispensary entitlements in certain circumstances.

Ordinance No. 653

12. Second Reading and Adoption of an Ordinance Approving the Amended Development Agreement (DA No. 02-16) With TK Veterans LLC

Community Development Director, Daniel Porras, P.E.

Recommendation: Approve Second Reading, read by title only and adopt: "An Ordinance of the City Council approving Development Agreement No. 02-16 to allow additional ancillary uses for the project located at the southwest corner of Cabot Road and San Jacinto Lane in the I-L (Light Industrial) District. (APN: 665-030-037).

Ordinance No. 654

PUBLIC COMMENTS

None.

ADJOURN

Mayor Matas adjourned the meeting at 8:08 P.M.

Jerryl Soriano, CMC, City Clerk