



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**

ACTION MINUTES

FEBRUARY 20, 2018

4:00 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 – 4:00 P.M.

CALL TO ORDER

Mayor Matas called the Closed Session to order at 4:00 P.M.

ROLL CALL

Present:

Council Members: Russell Betts, Joe, McKee, Yvonne Parks

Mayor Pro Tem: Anayeli Zavala

Mayor: Scott Matas

PUBLIC COMMENTS

There were no public comments.

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

CLOSED SESSION

1. **CONFERENCE WITH LEGAL COUNSEL – POTENTIAL INITIATION OF LITIGATION**
Pursuant to Government Code Section 54956.9: (one potential case)
2. **CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION**
(Paragraph (1) of subdivision (d) of Section 54956.9) Name of case: Sungrow Consulting v. City of Desert Hot Springs, et al., Riverside County Superior Court Case No. PSC1800747.
3. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
Significant exposure to litigation pursuant to subdivision (d)(2) of Section 54956.9: (1 case). The facts and circumstances involve issues pertaining a certain developer who has threatened litigation against the City, although no formal claim has been filed.
4. **PUBLIC EMPLOYEE PERFORMANCE EVALUATION:**
Pursuant to Government Code Section 54954.5(e)
City Manager
5. **PUBLIC EMPLOYEE PERFORMANCE EVALUATION:**
Pursuant to Government Code Section 54954.5(e)
City Attorney

PRESENTATIONS - 5:30 P.M.

Mayor Matas presented Certificates of Recognition to George Fisher and Bob Domingos for their many contributions to the City of Desert Hot Springs.

6. **Heroic Efforts Recognition**
Mayor, Scott Matas

Mayor Matas presented a Certificate of Recognition to Dane Kristopher Starmer in recognition of his heroic actions during a traffic collision incident that occurred on September 28, 2017.

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

The presentation was continued to March 6, 2018.

RECESS

The City Council recessed at 5:48 P.M.

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
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 February 20, 2018 Regular meeting agenda, approve the Consent Calendar Items except for Items 13 and 14, 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

Eddie Johnson announced that he was being honored at the Riverside County Date Festival.

Jeff Horton gave various VFW Post announcements.

Brad Anderson spoke regarding the Coachella Valley Mosquito and Vector Control District.

Michael Tennent spoke regarding the General Plan.

Susan Miller expressed concerns.

CITY MANAGER REPORT

Charles Maynard, City Manager, responded to inquiries regarding the status of the General Plan Update.

Danny Porras, Community Development Director, explained the different components of the General Plan Update.

Dale Mondary, Chief of Police, reported on the city's crime statistics.

Eddy Moore, Cal Fire Division Chief, reported on recent fire incidents.

Charles Maynard, City Manager, announced that the Chief of Police would be a recipient of an award from the Unforgettables Foundation.

MAYOR AND COUNCIL MEMBER REPORTS

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

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

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

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

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

PUBLIC HEARINGS:

8. **Amendment to Conditional Use Permit (CUP 04-16) to: 1) Allow Cannabis Manufacturing Within the Previously Approved Building; and 2) An Amendment to Development Agreement (DA 02-16) to Also Include Cannabis Manufacturing, Distribution, and Testing - For The 2.52 Acre Site Located on the Southwest Corner of Cabot Road and San Jacinto Lane (Applicant: Vets Leaf Inc.)**

Community Development Director, Daniel Porras, P.E.

- Recommendation:**
- 1) Staff Report;
 - 2) Entertain Questions of Staff from City Council;
 - 3) Open the Public Hearing;
 - 4) Take Testimony from Applicant;
 - 5) Take Public Testimony;
 - 6) Opportunity for Applicant Rebuttal;
 - 7) Close the Public Hearing;

- 8) City Council discussion and questions to Staff; and
- 9) Consider a recommendation from the Planning Commission for approval of the Amendment to Conditional Use Permit (CUP 04-16) to also allow for cannabis manufacturing, distribution, and testing and an amendment to the Development Agreement (DA 02-16) to allow the 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.

Danny Porras, Community Development Director, presented the staff report and responded to questions.

Mayor Matas opened the Public Hearing.

Council Member Betts requested that the language for Condition No. 108 concerning wastewater disposal be clarified for areas where it would not be applicable.

Ryan Fingerhut introduced himself as a representative for the Applicant.

There was no public testimony.

Mayor Matas closed the Public Hearing.

A discussion ensued.

Action: McKee moved to approve staff recommendation and that the space dedicated to extraction be deducted from any prior square footage tax calculations, motion seconded by Betts, motion carried 3/2 by the following vote:

A discussion ensued regarding the taxation of manufacturing.

Mayor Pro Tem Zavala stated that she would be voting opposed due to the unresolved taxation on manufacturing matter.

<u>Vote:</u>	AYES: 3 - Betts, Matas, McKee
Passed	NOES: 2 - Zavala, Parks

9. [An Ordinance Amending Chapter 17.180 to Include Special Dispensary Entitlements in Certain Circumstances](#)

City Attorney, Jennifer A. Mizrahi

- Recommendation:**
- 1) Staff Report;
 - 2) Entertain Questions from the City Council to Staff;
 - 3) Open the Public Hearing;
 - 4) Take Testimony of those in Favor;
 - 5) Take Testimony of those Opposed;
 - 6) Take Testimony of those in a neutral position;
 - 7) Close the Public Hearing;

- 8) City Council discussion; and
- 9) The Planning Commission unanimously recommends to City Council that the City Council introduce and read by title only, 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.

Charles Maynard, City Manager, requested that the City Council postpone action regarding "tasting rooms" and "hotels" in order to study the matter further.

Action: McKee moved to bring back "tasting rooms" and "hotels" in 30 days, motion seconded by Parks, motion carried 5/0 by the following vote:

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

Jennifer Mizrahi, City Attorney, presented the staff report; noted that No. 5 under "Light Manufacturing Facilities" of the proposed ordinance should read "off-site sales;" and responded to questions.

A discussion ensued.

Mayor Matas opened the Public Hearing.

Larry Loren inquired about distributors sending their product out to be tested without a distribution license.

Mark McKinney spoke on behalf of Alan Cooper, the license holder for CUP 14-14, inquired whether the proposed Ordinance would limit or expand their current dispensary license.

Andrew Milks, Brown Dog Dispensary, asked why were non-volatile extraction processes excluded but bakery items were allowed.

Ryan Fingerhut stated his understanding of State and City licensing issues regarding distribution.

Guy Edwards requested that there be clarity regarding a regular dispensary and commercial uses for bakery component.

Mayor Matas closed the Public Hearing.

A discussion ensued.

Action: Betts moved to approve staff recommendation to allow a Special Dispensary Conditional Use Permit for Light Manufacturing in the commercial zone consistent with existing dispensary licenses; that Staff make the change administratively without requiring a separate CUP process; that edits be made to "Item 5 - Off-Site Marijuana Sales" to add language regarding marijuana products versus regular merchandize products; and adding an Item 7 regarding odor control, motion seconded by McKee, motion carried 5/0 by the following vote:

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

ADMINISTRATIVE CALENDAR:

10. (Successor Agency) Resolution Approving Purchase and Sale Agreement and Joint Escrow Instructions With The Richard Feenstra and Sue Feenstra Joint Living Trust With Respect to the Real Property Located at 66098 and 66108 Pierson Boulevard (APNs 639-232-035, -036, -037, -038)

Deputy City Manager, Luke Rainey

Recommendation: Adopt a Resolution of the Successor Agency to the former Redevelopment Agency of the City of Desert Hot Springs approving Purchase and Sale Agreement and Joint Escrow Instructions ("Purchase and Sale Agreement") between the Successor Agency to the former Desert Hot Springs Redevelopment Agency and The Richard Feenstra and Sue Feenstra Joint Living Trust with respect to the real property located at 66098 and 66108 Pierson Boulevard, Desert Hot Springs, California (APNs 639-232-035, -036, -037, -038) and approving certain related actions.

Doria Wilms, Management Analyst to the City Manager, presented the Staff report.

Action: Zavala moved to approve staff recommendation and adopt *Resolution No. SA-2018-002*, motion seconded by Parks, motion carried 3/2 by the following vote:

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

11. Policy Regarding Use of Compliance Plan (With Associated Form)

City Attorney, Jennifer A. Mizrahi

Recommendation: 1) Review and adopt the proposed amended "Policy for Use of Code Compliance Plan" ("Policy"); and
2) Review and approve for use the form "Conditions of Compliance and Compliance Plan" ("Compliance Plan") attached to the Policy, with authorization to the City Manager and the City Attorney to make such amendments to the Policy and the Compliance Plan/Form as they may deem necessary from time to time in their discretion.

Jennifer Mizrahi, City Attorney, presented the staff report.

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)

12. Palm Springs International Airport Commission Nomination

City Clerk, Jerryl Soriano, CMC

Recommendation: Consider a nomination to the Palm Springs International Airport Commission for a two year term.

Jerryl Soriano, City Clerk, presented the Staff report.

Action: McKee moved to nominate Council Member Yvonne Parks to the Palm Springs International Airport Commission, motion seconded by Betts, motion carried 5/0 by the following vote:

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

Staff was directed to bring back a proposed ordinance to provide a stipend for intergovernmental committees that do not provide compensation.

CONSENT CALENDAR:

13. City Council Regular Meeting Minutes: February 6, 2018

City Clerk, Jerryl Soriano, CMC

Recommendation: Approve Minutes as presented; or as corrected.

Council Member McKee stated a correction to Item 7 that Section 12.24.080 (a) should read "...with approval by the City Council."

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

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

14. Second Reading and Adoption of an Ordinance Regulating the Use and Operation of Dog Parks

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, adding Chapter 12.24 "Dog Park Regulations" to Title 12 "Streets, Sidewalks And Public

Places” and amending Section 9.04.040 (“Animals In Public Parks”) of Chapter 9.04 (“General Offenses”) of Title 9 (“Public Peace and Welfare”) of the Desert Hot Springs Municipal Code (“DHSMC”) to regulate the use and operation of public dog parks.

Jennifer Mizrahi, City Attorney, stated corrections to Section 12.24.070 (C).

Action: McKee moved to approve staff recommendation and adopt *Ordinance No. 652* with corrections to Section 12.24.070 (C), motion seconded by Zavala, motion carried / by the following vote:

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

15. [Payment Register and City Council Expenditures Report for the Month of December 2017](#)

Deputy City Manager, Luke Rainey

Recommendation: Receive and file.

16. [Contracts Management Report as of February 20, 2018](#)

Deputy City Manager, Luke Rainey

Recommendation: Receive and file.

[PUBLIC COMMENTS](#)

None.

[ADJOURN](#)

Mayor Matas adjourned the meeting at 8:00 P.M.

Jerryl Soriano, CMC, City Clerk