



AGENDA
CITY COUNCIL OF THE CITY OF MORENO VALLEY
MORENO VALLEY COMMUNITY SERVICES DISTRICT
CITY AS SUCCESSOR AGENCY FOR THE
COMMUNITY REDEVELOPMENT AGENCY OF
THE CITY OF MORENO VALLEY
MORENO VALLEY HOUSING AUTHORITY
BOARD OF LIBRARY TRUSTEES

March 20, 2018

REGULAR MEETING – 6:00 PM

City Council Study Sessions

Second Tuesday of each month – 6:00 p.m.

City Council Meetings

Special Presentations – 5:30 P.M.

First & Third Tuesday of each month – 6:00 p.m.

City Council Closed Session

Will be scheduled as needed at 4:30 p.m.

City Hall Council Chamber – 14177 Frederick Street

Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, in compliance with the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to Guy Pegan, ADA Coordinator, at 951.413.3120 at least 72 hours before the meeting. The 72-hour notification will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

Dr. Yxstian A. Gutierrez, Mayor

Victoria Baca, Mayor Pro Tem
David Marquez, Council Member

Jeffrey J. Giba, Council Member
Ulises Cabrera, Council Member

AGENDA
CITY COUNCIL OF THE CITY OF MORENO VALLEY
March 20, 2018

CALL TO ORDER - 5:30 PM

SPECIAL PRESENTATIONS

1. City Council Proclamation of March 31, 2018 as César Chávez Day
2. City Council Proclamation recognizing April as Moreno Valley Senior Veterans' Month

**AGENDA
JOINT MEETING OF THE
CITY COUNCIL OF THE CITY OF MORENO VALLEY
MORENO VALLEY COMMUNITY SERVICES DISTRICT
CITY AS SUCCESSOR AGENCY FOR THE
COMMUNITY REDEVELOPMENT AGENCY OF THE
CITY OF MORENO VALLEY
MORENO VALLEY HOUSING AUTHORITY
AND THE BOARD OF LIBRARY TRUSTEES**

***THE CITY COUNCIL RECEIVES A SEPARATE STIPEND FOR CSD
MEETINGS***

**REGULAR MEETING – 6:00 PM
MARCH 20, 2018**

CALL TO ORDER

Joint Meeting of the City Council, Community Services District, City as Successor Agency for the Community Redevelopment Agency, Housing Authority and the Board of Library Trustees - actions taken at the Joint Meeting are those of the Agency indicated on each Agenda item.

PLEDGE OF ALLEGIANCE

INVOCATION

Pastor Sharon Philpot, Cornerstone Christian Fellowship

ROLL CALL

INTRODUCTIONS

PUBLIC COMMENTS ON MATTERS ON THE AGENDA WILL BE TAKEN UP AS THE ITEM IS CALLED FOR BUSINESS, BETWEEN STAFF'S REPORT AND CITY COUNCIL DELIBERATION (SPEAKER SLIPS MAY BE TURNED IN UNTIL THE ITEM IS CALLED FOR BUSINESS.)

PUBLIC COMMENTS ON ANY SUBJECT NOT ON THE AGENDA UNDER THE JURISDICTION OF THE CITY COUNCIL

Those wishing to speak should complete and submit a BLUE speaker slip to the Sergeant-at-Arms. There is a three-minute time limit per person. All remarks and questions shall be addressed to the presiding officer or to the City Council.

JOINT CONSENT CALENDARS (SECTIONS A-D)

All items listed under the Consent Calendars, Sections A, B, C, and D are considered to be routine and non-controversial, and may be enacted by one motion unless a member of the City Council, Community Services District, City as Successor Agency for the Community Redevelopment Agency, Housing Authority or the Board of Library Trustees requests that an item be removed for separate action. The motion to adopt the Consent Calendars is deemed to be a separate motion by each Agency and shall be so recorded by the City Clerk. Items withdrawn for report or discussion will be heard after public hearing items.

A. CONSENT CALENDAR-CITY COUNCIL

- A.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- A.2. MINUTES - CITY COUNCIL - CLOSED SESSION - MAR 6, 2018 4:30 PM

Recommendation: Approve as submitted.

- A.3. MINUTES - CITY COUNCIL - REGULAR MEETING - MAR 6, 2018 6:00 PM

Recommendation: Approve as submitted.

- A.4. MAYORAL APPOINTMENT TO THE PARKS, COMMUNITY SERVICES AND TRAILS COMMITTEE (Report of: City Clerk)

Recommendation:

1. Receive and confirm the Mayoral appointment as follows:

Parks, Community Services and Trails Committee

<u>Name</u>	<u>Position</u>	<u>Term</u>
Barbara McCarthy	Member	Ending 06/30/2019

- A.5. REQUEST FOR CITY SPONSORSHIP OF 2018 CINEMA CULTURAS FILM FEST (Report of: City Clerk)

Recommendations: That the City Council:

1. Consider a request for City Sponsorship of the 2018 Cinema Culturas Film Fest.

2. Approve the City sponsorship of \$9,179 as set forth in the Fiscal Impact section of this report.

A.6. LIST OF PERSONNEL CHANGES (Report of: Human Resources)

Recommendation:

1. Ratify the list of personnel changes as described.

A.7. AUTHORIZATION TO AWARD CONTRACT TO HDL COMPANIES FOR CANNABIS CONSULTING SERVICES (Report of: Financial & Management Services)

Recommendations:

1. That the City Council award a contract to HDL Companies (HdL) to provide consulting services to conduct cannabis regulatory compliance inspections, financial audits compliance and investigations services related to cannabis related businesses.
2. Authorize the City Manager to execute the Agreement, subject to approval as to form by the City Attorney, and subsequent amendments to the Agreement including the authority to approve purchase orders in accordance with the terms of the Agreement not to exceed \$167,250 for the first-year and if the contract is extended each year thereafter for \$281,000 annually for years two through five for a maximum contract of \$1,291,250, provided sufficient funding appropriations have been approved by the City Council.
3. Approve the budget amendments as set forth in the fiscal impact section of this report.

A.8. PA16-0002 – ACCEPT DEVELOPMENT IMPACT FEE (DIF) IMPROVEMENT CREDIT AGREEMENT #D18-001 FOR THE INDIAN STREET COMMERCE CENTER LOCATED AT THE SOUTHWEST CORNER OF INDIAN STREET AND GROVE VIEW ROAD. DEVELOPER: MORENO INDIAN, LLC (Report of: Public Works)

Recommendations:

1. Accept and approve the Development Impact Fee Improvement Credit Agreement #D18-001 (DIF Agreement) for PA16-0002 improvements.
2. Authorize the City Manager to execute the DIF Agreement.

- A.9. SECOND READING OF MUNICIPAL CODE AMENDMENTS TO MODIFY PROVISIONS IN TITLE 9 REGARDING TEMPORARY USE PERMITS, AND MOBILE VENDING AND TITLE 12 REGARDING MOBILE VENDING (Report of: Community Development)

Recommendations: That the City Council:

1. Conduct second reading by title only and Adopt Ordinance No. 931. An Ordinance of the City Council of the City of Moreno Valley, California, approving a Municipal Code Amendment to Title 9, Section 9.02.150, regarding Temporary Use Permit regulations; and further approving a Municipal Code Amendment to Title 12, adding new subsection 12.02.016, Restriction by Merchandise, with regard to Mobile Vending regulations.

B. CONSENT CALENDAR-COMMUNITY SERVICES DISTRICT

- B.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- B.2. MINUTES - STUDY SESSION OF MAR 6, 2018 4:30 PM (See A.2)

Recommendation: Approve as submitted.

- B.3. MINUTES - REGULAR MEETING OF MAR 6, 2018 6:00 PM (See A.3)

Recommendation: Approve as submitted.

C. CONSENT CALENDAR - HOUSING AUTHORITY

- C.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- C.2. MINUTES - STUDY SESSION OF MAR 6, 2018 4:30 PM (See A.2)

Recommendation: Approve as submitted.

- C.3. MINUTES - REGULAR MEETING OF MAR 6, 2018 6:00 PM (See A.3)

Recommendation: Approve as submitted.

D. CONSENT CALENDAR - BOARD OF LIBRARY TRUSTEES

- D.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- D.2. MINUTES - STUDY SESSION OF MAR 6, 2018 4:30 PM (See A.2)

Recommendation: Approve as submitted.

- D.3. MINUTES - REGULAR MEETING OF MAR 6, 2018 6:00 PM (See A.3)

Recommendation: Approve as submitted.

E. PUBLIC HEARINGS

Questions or comments from the public on a Public Hearing matter are limited to five minutes per individual and must pertain to the subject under consideration.

Those wishing to speak should complete and submit a GOLDENROD speaker slip to the Sergeant-at-Arms.

- E.1. Commercial Cannabis Land Use Ordinance (Title 9) and Fee and Application Process Resolutions (Report of: Community Development)

Recommendation 1 (Title 9 Land Use Ordinance): That the City Council:

1. **FIND** that PEN17-0157 (Municipal Code Amendment for Commercial Cannabis Land Uses Regulations) qualifies for an exemption under the California Environmental Quality Act (CEQA) per provisions put forth in Senate Bill 94 "Medicinal and Adult Use Cannabis Regulation and Safety Act" exempting adoption of an ordinance, rule or regulation by a local jurisdiction that will require subsequent discretionary permits, licenses or other authorization, and
2. **INTRODUCE** by title only and conduct the first reading of Ordinance _____ entitled "An Ordinance of the City Council of the City of Moreno Valley, California, amending sections 9.02.030 "Permitted Uses" and 9.15.030 "Definitions" and adding Section 9.09.290 "Commercial Cannabis Activities" to Title 9 of the Moreno Valley Municipal Code, establishing land use regulations for operation of commercial cannabis dispensaries, testing, cultivation, manufacturing, microbusinesses, distribution centers and related cannabis activities."

Recommendation 2 (Fee and Application Process Resolutions): That the City Council:

1. **APPROVE** Resolution No. 2018-____ entitled “A Resolution of the City Council of the City of Moreno Valley California, amending the fee schedule to include commercial cannabis permit application fees for Fiscal Year 2017-18.”
2. **APPROVE** Resolution No. 2018- ____ entitled “A Resolution of the City Council of the City of Moreno Valley California, approving the initial procedure for permit applications to operate a commercial cannabis business under Chapter 5.05 of Title 5 of the City Municipal Code.”

F. ITEMS REMOVED FROM CONSENT CALENDARS FOR DISCUSSION OR SEPARATE ACTION

G. GENERAL BUSINESS - NONE

H. REPORTS

H.1. CITY COUNCIL REPORTS ON REGIONAL ACTIVITIES
(Informational Oral Presentation - not for Council action)

March Joint Powers Commission (JPC)

Riverside County Habitat Conservation Agency (RCHCA)

Riverside County Transportation Commission (RCTC)

Riverside Transit Agency (RTA)

Western Riverside Council of Governments (WRCOG)

Western Riverside County Regional Conservation Authority (RCA)

School District/City Joint Task Force

Southern California Association of Governments (SCAG)

H.2. CITY MANAGER'S REPORT
(Informational Oral Presentation - not for Council action)

H.3. CITY ATTORNEY'S REPORT
(Informational Oral Presentation - not for Council action)

CLOSING COMMENTS AND/OR REPORTS OF THE CITY COUNCIL, COMMUNITY SERVICES DISTRICT, CITY AS SUCCESSOR AGENCY FOR THE COMMUNITY REDEVELOPMENT AGENCY, HOUSING AUTHORITY AND THE BOARD OF LIBRARY TRUSTEES.

ADJOURNMENT

PUBLIC INSPECTION

The contents of the agenda packet are available for public inspection on the City's website at www.moval.org and in the City Clerk's office at 14177 Frederick Street during normal business hours.

Any written information related to an open session agenda item that is known by the City to have been distributed to all or a majority of the City Council less than 72 hours prior to this meeting will be made available for public inspection on the City's website at www.moval.org and in the City Clerk's office at 14177 Frederick Street during normal business hours.

CERTIFICATION

I, Pat Jacquez-Nares, City Clerk of the City of Moreno Valley, California, certify that 72 hours prior to this Regular Meeting, the City Council Agenda was posted on the City's website at: www.moval.org and in the following three public places pursuant to City of Moreno Valley Resolution No. 2007-40:

City Hall, City of Moreno Valley
14177 Frederick Street

Moreno Valley Library
25480 Alessandro Boulevard

Moreno Valley Senior/Community Center
25075 Fir Avenue

Pat Jacquez-Nares, CMC & CERA
City Clerk

Date Posted: March 15, 2018

TO:

FROM: Pat Jacquez-Nares, City Clerk

AGENDA DATE: March 20, 2018

TITLE: CITY COUNCIL PROCLAMATION OF MARCH 31, 2018 AS
CÉSAR CHÁVEZ DAY

RECOMMENDED ACTION

CITY COUNCIL GOALS

None

CITY COUNCIL STRATEGIC PRIORITIES

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs

ATTACHMENTS

None

APPROVALS

TO:

FROM: Pat Jacquez-Nares, City Clerk

AGENDA DATE: March 20, 2018

TITLE: CITY COUNCIL PROCLAMATION RECOGNIZING APRIL
AS MORENO VALLEY SENIOR VETERANS' MONTH

RECOMMENDED ACTION

CITY COUNCIL GOALS

None

CITY COUNCIL STRATEGIC PRIORITIES

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs

ATTACHMENTS

None

APPROVALS

**MINUTES
JOINT MEETING OF THE
CITY COUNCIL OF THE CITY OF MORENO VALLEY
MORENO VALLEY COMMUNITY SERVICES DISTRICT
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COMMUNITY REDEVELOPMENT AGENCY OF THE
CITY OF MORENO VALLEY
MORENO VALLEY HOUSING AUTHORITY
BOARD OF LIBRARY TRUSTEES**

**CLOSED SESSION – 4:30 PM
March 6, 2018**

CALL TO ORDER

The Closed Session of the City Council of the City of Moreno Valley, Moreno Valley Community Services District, City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley, and Housing Authority was called to order at 4:33 p.m. by Mayor Gutierrez in the Council Chamber located at 14177 Frederick Street, Moreno Valley, California.

Mayor Gutierrez announced that the City Council receives a separate stipend for CSD meetings.

ROLL CALL

Council:	Dr. Yxstian A. Gutierrez	Mayor
	Victoria Baca	Mayor Pro Tem
	David Marquez	Council Member
	Ulises Cabrera	Council Member
	Jeffrey J. Giba*	Council Member
		* Attended via teleconference

PUBLIC COMMENTS ON MATTERS ON THE AGENDA ONLY

Mayor Gutierrez opened the public comments portion of the meeting for items listed on the agenda only. There being no members of the public to come forward to speak, he closed the public comments.

CLOSED SESSION

City Attorney Koczanowicz announced that the City Council would recess to Closed Session to discuss the items as listed on the agenda and that staff did not anticipate any reportable action.

The Closed Session will be held pursuant to Government Code:

Minutes Acceptance: Minutes of Mar 6, 2018 4:30 PM (CONSENT CALENDAR-CITY COUNCIL)

1 SECTION 54956.9(d)(2) - CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION (One Case)

Mayor Gutierrez recessed the Council to the City Manager's Conference Room, Second Floor, City Hall for their Closed Session at 4:34 p.m.

Mayor Gutierrez reconvened the City Council in the Council Chamber from their Closed Session at 5:31 p.m.

REPORT OF ACTION FROM CLOSED SESSION, IF ANY, BY CITY ATTORNEY

City Attorney Koczanowicz announced there was no reportable action taken in Closed Session.

ADJOURNMENT

There being no further business to come before the City Council, the Closed Session was adjourned at 5:32 p.m.

Submitted by:

Pat Jacquez-Nares, CMC & CERA, City Clerk
Secretary, Moreno Valley Community Services District
Secretary, City as Successor Agency for the Community
Redevelopment Agency of the City of Moreno Valley
Secretary, Moreno Valley Housing Authority

Approved by:

Dr. Yxstian Gutierrez, Mayor
President, Moreno Valley Community Services District
Chairperson, City as Successor Agency for the Community
Redevelopment Agency of the City of Moreno Valley
Chairperson, Moreno Valley Housing Authority

**MINUTES
CITY COUNCIL REGULAR MEETING OF THE CITY OF MORENO VALLEY
March 6, 2018**

CALL TO ORDER - 5:30 PM

SPECIAL PRESENTATIONS

1. Business Spotlight
 - a) Menchie's Frozen Yogurt
 - b) One Love Barber Shop

Minutes Acceptance: Minutes of Mar 6, 2018 6:00 PM (CONSENT CALENDAR-CITY COUNCIL)

**MINUTES
JOINT MEETING OF THE
CITY COUNCIL OF THE CITY OF MORENO VALLEY
MORENO VALLEY COMMUNITY SERVICES DISTRICT
CITY AS SUCCESSOR AGENCY FOR THE
COMMUNITY REDEVELOPMENT AGENCY OF THE
CITY OF MORENO VALLEY
MORENO VALLEY HOUSING AUTHORITY
BOARD OF LIBRARY TRUSTEES**

**REGULAR MEETING – 6:00 PM
March 6, 2018**

CALL TO ORDER

The Joint Meeting of the City Council, Community Services District, City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley, Moreno Valley Housing Authority and the Board of Library Trustees was called to order at 6:03 p.m. by Mayor Gutierrez in the Council Chamber located at 14177 Frederick Street.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Frank Wright.

INVOCATION

Venerable Ethkandawaka Saddhajeewa, Sambuddhaloka Buddhist Vinara

ROLL CALL

Council:	Dr. Yxstian A. Gutierrez	Mayor
	Victoria Baca	Mayor Pro Tem
	David Marquez	Council Member
	Ulises Cabrera	Council Member
	Jeffrey J. Giba*	Council Member
	* Attended via teleconference	

INTRODUCTIONS

Staff:	Pat Jacquez-Nares	City Clerk
	Marshall Eyerman	Chief Financial Officer/City Treasurer
	Martin Koczanowicz	City Attorney
	Tom DeSantis	City Manager
	Allen Brock	Assistant City Manager
	Mike Lee	Economic Development Director

Minutes Acceptance: Minutes of Mar 6, 2018 6:00 PM (CONSENT CALENDAR-CITY COUNCIL)

Rick Sandzimier
 David Kurylowicz
 Abdul Ahmad
 Kathleen Sanchez
 Mel Alonzo
 Michael Wolfe

Acting Community Development Director
 Chief of Police
 Fire Chief
 Human Resources Director
 Parks and Community Services Director
 Public Works Director/City Engineer

PUBLIC COMMENTS ON ANY SUBJECT NOT ON THE AGENDA UNDER THE JURISDICTION OF THE CITY COUNCIL

Daryl Terrell

1. Proposed an initiative that provides higher education training for residents.

Bob Palomarez

1. Commended the City on the Bloomberg Challenge.
2. Recited a quote by Ghandi.

Kendrick Rivas

1. Requested that the City Council revert back to the twelve day posting period.
2. Called for the City Council to untable the item adding additional Council Members.

Martin Cabrera Jr.

1. Discussed the importance of health.

Roy Bleckert

1. Disappointed to hear that Commissioner Lowell resigned from the Planning Commission.
2. Suggested that the Planning Commission be reduced to five members.
3. Recommended that the General Plan Amendment be implemented quickly.
4. Invited Daryl Terrell to the Moreno Valley School District to impart his education initiative.
5. Upset with the Moreno Valley School District's consistently low rating.

Rafael Bruqueras

1. Agreed with the previous comments by Bob Palomarez and Roy Bleckert.
2. Noted that leadership requires people with vision.
3. Mentioned that Commissioner Lowell and Mayor Gutierrez have vision.
4. Expressed his belief that the City staff is talented.
5. Stated that the residents want progress.
6. Professed his opposition to the recall against Mayor Pro Tem Baca.

Natalie Sanchez

1. Concerned with the traffic congestion and traffic safety at the schools.
2. Troubled with the increasing rent prices.

Louise Palomarez

1. Concurred with the statements made by Bob Palomarez and Rafael Bruqueras.

2. Opposed to the recalls.

JOINT CONSENT CALENDARS (SECTIONS A-D)

Item No. A.11 was pulled for separate vote by staff. Mayor Gutierrez opened the Consent Agenda items for public comments, where were received from Kendrick Rivas (Supports Item Nos. A.13 and A.15), Rafael Brugueras (Supports Item Nos. A.6, A.8, and A.11) and Louise Palomarez (Supports Item No. A.15).

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Victoria Baca, Mayor Pro Tem
SECONDER:	David Marquez, Council Member
AYES:	Dr. Yxstian A. Gutierrez, Victoria Baca, David Marquez, Ulises Cabrera, Jeffrey J. Giba

A. CONSENT CALENDAR-CITY COUNCIL

A.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances

A.2. City Council - Closed Session - Jan 9, 2018 4:00 PM

Recommendation: Approve as submitted.

A.3. City Council - Special Meeting - Jan 9, 2018 5:00 PM

Recommendation: Approve as submitted.

A.4. City Council - Study Session - Jan 9, 2018 6:00 PM

Recommendation: Approve as submitted.

A.5. City Council - Regular Meeting - Feb 20, 2018 6:00 PM

Recommendation: Approve as submitted.

A.6. MAYORAL APPOINTMENTS FOR THE ARTS COMMISSION AND PARKS, COMMUNITY SERVICES AND TRAILS COMMITTEE (Report of: City Clerk)

Recommendation:

1. Receive and confirm the slate of Mayoral appointments as follows:

Arts Commission

<u>Name</u>	<u>Position</u>	<u>Term</u>
Shaz Hunter	Member	Remaining 3-Month Term

Minutes Acceptance: Minutes of Mar 6, 2018 6:00 PM (CONSENT CALENDAR-CITY COUNCIL)

Ending 06/30/2018 and
Full 3-year Term Ending 06/30/2021

Parks, Community Services and Trails Committee

<u>Name</u>	<u>Position</u>	<u>Term</u>
Christopher Melendrez	Member	Ending 06/30/2019

- A.7. COUNCIL DISCRETIONARY EXPENDITURE REPORTS FOR FISCAL YEAR 2017/2018 AS OF JULY 1, 2017 THROUGH JANUARY 31, 2018 (Report of: City Clerk)

Recommendation:

1. Receive and file the Fiscal Year 2017/2018 Council Discretionary Expenditure Report as of July 1, 2017 through January 31, 2018.

- A.8. LIST OF PERSONNEL CHANGES (Report of: Human Resources)

Recommendation:

1. Ratify the list of personnel changes as described.

- A.9. PAYMENT REGISTER - DECEMBER 2017 (Report of: Financial & Management Services)

Recommendation:

1. Receive and file the Payment Register.

- A.10. 2961: General Plan Annual Report Resolution No. 2018-09 (Report of: Community Development)

Recommendations:

1. **CERTIFY** that the General Plan Annual Report qualifies as an exempt project in accordance with Section 15061 of the California Environmental Quality Act (CEQA) Guidelines.
2. **APPROVE** Resolution No. 2018-09, a Resolution of the City Council of the City of Moreno Valley, California approving the General Plan Annual Report and directing staff to submit the report to the State Office of Planning and Research and the State Department of Housing and Community Development by April 1, 2018

- A.11. Item No. A.11 was removed for separate vote by staff and moved to Item No. F1.

- A.12. 2813: APPROVE A MITIGATED NEGATIVE DECLARATION FOR THE SAN TIMOTEO FOOTHILL NEIGHBORHOOD FLOOD PROTECTION Ordinance No. 931 (Report of: Public Works)

Recommendation: That the City Council:

1. Approve a Mitigated Negative Declaration (MND) for the San Timoteo Foothill Neighborhood Flood Protection-Moreno Master Drainage Plan Storm Drain Lines K-1 and K-4 Project.

- A.13. AUTHORIZATION TO AWARD THE CONSTRUCTION CONTRACT NO. 2018-20 TO LEONIDA BUILDERS INC. FOR THE CYCLE 1 ACTIVE TRANSPORTATION PROGRAM CITYWIDE SAFE ROUTES TO SCHOOL PEDESTRIAN FACILITY IMPROVEMENTS PROJECT NO. 801 0063 (Report of: Public Works)

Council Member Cabrera requested that Item No. A.13 be discussed further.

Public Works Director/City Engineer Wolfe provided the report.

Council Member Cabrera remarked that the funds for the improvements are grant funds and therefore not from the General Fund.

Recommendations:

1. Award a construction contract no. 2018-20 to Leonida Builders, Inc., 15821 Live Oak Springs Canyon Road, Santa Clarita, CA 91387, for the Cycle 1 Active Transportation Program Citywide Safe Routes to School Pedestrian Facility Improvements.
2. Authorize the City Manager to execute a contract to Leonida Builders, Inc.
3. Authorize the issuance of a Purchase Order for Leonida Builders, Inc. in the amount of \$1,385,896.05 (\$1,205,127 bid amount plus 15% contingency) when the contract has been signed by all parties.
4. Authorize the Public Works Director to execute any subsequent related change orders to the contract with Leonida Builders, Inc. up to, but not exceeding, the total contingency of \$180,769.05 subject to the approval of the City Attorney.

- A.14. P13-078 (TRACT 31592) – APPROVE FINAL MAP 31592 LOCATED ALONG COVEY ROAD EAST OF PERRIS BOULEVARD. DEVELOPER: KB HOME CALIFORNIA LLC (Report of: Public Works)

Recommendations:

1. Approve Tract Map 31592 for P13-078.
2. Authorize the City Clerk to sign the map and transmit said map to the County Recorder's Office for recordation.

- A.15. REPAIRS TO ARTERIAL STREET SEGMENTS THROUGHOUT MORENO VALLEY (Report of: Public Works)

Council Member Cabrera asked for a brief report on Item No. A.15.

Public Works Director/City Engineer Wolfe provided the report.

Council Member Cabrera lauded staff for their work.

Council Member Giba inquired as to which districts the street segments are located in.

Public Works Director/City Engineer Wolfe noted that all the street segments are located South of the 60 freeway.

Council Member Giba noted that a previous map prepared by former City Engineer Ansari indicated severe street degradation located North of the 60 freeway.

Public Works Director/City Engineer Wolfe remarked that he hadn't viewed the map and indicated that the streets listed may require a different type of improvement.

Council Member Giba stated that previous City Engineers worked to ensure road improvements were made to different areas throughout the city.

City Manager DeSantis mentioned that as a testament to Public Works staff's professionalism they didn't factor street location in determining the proposed improvements, but rather focused on the extent of degradation.

Recommendation:

1. Receive and file this report.

B. CONSENT CALENDAR-COMMUNITY SERVICES DISTRICT

- B.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- B.2. MINUTES - CLOSED SESSION MEETING OF JAN 9, 2018 (SEE A.2)

Recommendation: Approve as submitted.

- B.3. MINUTES - SPECIAL MEETING OF JAN 9, 2018 (SEE A.3)

Recommendation: Approve as submitted.

- B.4. MINUTES - STUDY SESSION MEETING OF JAN 9, 2018 (SEE A.4)

Recommendation: Approve as submitted.

- B.5. MINUTES - REGULAR MEETING OF JAN 20, 2018 (SEE A.5)

Recommendation: Approve as submitted.

C. CONSENT CALENDAR - HOUSING AUTHORITY

- C.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- C.2. MINUTES - CLOSED SESSION MEETING OF JAN 9, 2018 (SEE A.2)

Recommendation: Approve as submitted.

- C.3. MINUTES - SPECIAL MEETING OF JAN 9, 2018 (SEE A.3)

Recommendation: Approve as submitted.

- C.4. MINUTES - STUDY SESSION MEETING OF JAN 9, 2018 (SEE A.4)

Recommendation: Approve as submitted.

- C.5. MINUTES - REGULAR MEETING OF JAN 20, 2018 (SEE A.5)

Recommendation: Approve as submitted.

D. CONSENT CALENDAR - BOARD OF LIBRARY TRUSTEES

- D.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- D.2. MINUTES - CLOSED SESSION MEETING OF JAN 9, 2018 (SEE A.2)

Recommendation: Approve as submitted.

- D.3. MINUTES - SPECIAL MEETING OF JAN 9, 2018 (SEE A.3)

Recommendation: Approve as submitted.

- D.4. MINUTES - STUDY SESSION MEETING OF JAN 9, 2018 (SEE A.4)

Recommendation: Approve as submitted.

- D.5. MINUTES - REGULAR MEETING OF JAN 20, 2018 (SEE A.5)

Recommendation: Approve as submitted.

E. PUBLIC HEARINGS

Chief Financial Officer/City Treasurer Eyerman provided the report.

Mayor Gutierrez opened the Public Hearing at 6:50 p.m.

Kendrick Rivas supports the item.

There being no further comments in support or opposition, Mayor Gutierrez closed the Public Hearing at 6:51 p.m.

- E.1. PUBLIC HEARING TO ADOPT SUBSTANTIAL AMENDMENT #2 TO THE FISCAL YEAR 2017-2018 ACTION PLAN FOR CDBG GRANT FUNDS (Report of: Financial & Management Services)

Recommendations: That the City Council:

1. Conduct a Public Hearing to allow public comment on the proposed Substantial Amendment #2 to the FY 2017-2018 Annual Action Plan.
2. Review and adopt the proposed Substantial Amendment #2 to the FY 2017-2018 Annual Action Plan.

3. Authorize a budget amendment as set forth in the fiscal impact section and authorize the Chief Financial Officer to allocate grant funds between HUD-approved grant activities

RESULT: APPROVED [UNANIMOUS]
MOVER: Ulises Cabrera, Council Member
SECONDER: Victoria Baca, Mayor Pro Tem
AYES: Dr. Yxstian A. Gutierrez, Victoria Baca, David Marquez, Ulises Cabrera, Jeffrey J. Giba

F. ITEMS REMOVED FROM CONSENT CALENDARS FOR DISCUSSION OR SEPARATE ACTION

- F.1. MUNICIPAL CODE AMENDMENT TO MODIFY PROVISIONS IN TITLE 9 REGARDING TEMPORARY USE PERMITS, TITLE 12 REGARDING MOBILE VENDING, AND AN AMENDMENT TO PARKS AND COMMUNITY SERVICES POLICY #8.1 REGARDING MOBILE VENDING (Report of: Community Development)

Acting Community Development Director Sandzimier provided the report.

Mayor Gutierrez inquired as to the standard practice of issuing health permits.

Council Member Cabrera asked regarding the requirements imposed on mobile food trucks.

Assistant City Manager Brock remarked on the stipulations enforced on mobile food trucks.

Council Member Cabrera requested that in the future they may want to establish limits on the number of mobile food trucks operating within the City.

City Attorney Koczanowicz declared that the approved motion included all of the recommendations.

Recommendations: That the City Council:

1. **INTRODUCE** and read by title only Ordinance No.931: An Ordinance of the City Council of the City of Moreno Valley, California, approving a Municipal Code Amendment to Title 9, Section 9.02.150, regarding Temporary Use Permit regulations; and further approving a Municipal Code Amendment to Title 12, adding new sub Section 12.02.016, Restriction by Merchandise, with regard to Mobile Vending regulations and schedule second reading and adoption for the next Council Meeting.

2. **APPROVE** an amendment to Parks and Community Services Policy #8.1, Vending in City Parks and Facilities, adding provisions for approved mobile food facilities to operate within City parks and facilities.

RESULT: APPROVED [UNANIMOUS]
MOVER: Victoria Baca, Mayor Pro Tem
SECONDER: Ulises Cabrera, Council Member
AYES: Dr. Yxstian A. Gutierrez, Victoria Baca, David Marquez, Ulises Cabrera, Jeffrey A. Giba

COUNCIL MEMBER GIBA DISCONNECTED AND NO LONGER PARTICIPATED IN THE MEETING AT 7:03 P.M.

G. GENERAL BUSINESS - NONE

H. REPORTS

H.1. CITY COUNCIL REPORTS ON REGIONAL ACTIVITIES

(Informational Oral Presentation - not for Council action)

March Joint Powers Commission (JPC)

Mayor Pro Tem Baca provided the following report:

Tonight, I'm providing an update from the recent March Joint Powers Commission meeting held on February 28th. In that meeting, the Commission approved an amendment to the lease with the US Veterans Initiative. The amendment allows US Vets time to transition several veterans to alternative housing because they are not eligible for entry to the new permanent facility.

Riverside County Habitat Conservation Agency (RCHCA) - None

Riverside County Transportation Commission (RCTC)

Mayor Pro Tem Baca provided the following report:

RCTC continues to focus on rail safety using the Operation Lifesaver program. With the 91/Perris Valley Line now operating and more rail connectivity on the way, it is important to spread the word about rail safety. Some reminders to keep you safe around rail - only cross railroad tracks at a designated public crossing.

Railroad property is private property. It is illegal to be there unless you are at a designated public crossing. It can take a mile or more to stop a train. Trains overhang the tracks at least three feet in both directions. Be aware that freight trains do not always follow set schedules. Lastly, never walk or drive around lowered gates at a crossing, and do not cross the tracks until the lights have stopped flashing.

Riverside Transit Agency (RTA)

Council Member Marquez reported the following:

RTA will be enhancing 24 bus shelters on their system including locations in Moreno Valley. The shelters will remain in service as crews renovate them with a fresh new look. Look for these improvements beginning this month.

In addition, RTA's ridership during 2018 is off to a positive start with January boardings totaling 655,600, a four percent increase compared to the same month a year ago. The increase is partly due to strong ridership on the new CommuterLink Route 200, which serves Disneyland and a 14 percent increase in ridership on all CommuterLink express routes. Other likely contributing factors include rising gas prices, good weather, enhanced bus service, and more college students riding as part of the U-Pass and Go-Pass programs.

Western Riverside Council of Governments (WRCOG)

Mayor Gutierrez reported the following:

Items covered at the WRCOG Executive Committee meeting on March 5, 2018 include:

The Regional Cancer Treatment Task Force mission includes promotion of existing regional cancer care resources and the identification of resource barriers and gaps. Key findings of the Task Force include 26% of cancer patients travelling 50 miles or more to receive treatment and 87% of providers referring patients outside of the area. Next steps include raising awareness for local cancer resources, changing care perceptions, attracting new providers, and creating a funding program for low income patients.

The Beyond Fund Program Round 1 provided \$153,294 to the City of Moreno Valley for items including water station installation, materials/supplies for Safe Routes to School events, replacement of 38 computers at the employment resource center and bike rack installation. Round 2 provides \$161,049 for active transportation projects such as the installation of bicycle and pedestrian facilities from Bay Avenue to Cottonwood Street, community engagement projects such as a community clean-up event and enhanced quality of life efforts including a Healthy Moreno Valley Student Campaign.

A University of Redlands study found that automation and recent advances in robotics and artificial intelligence will disrupt the existing economy and greatly impact retail, hospitality, logistics and transportation jobs in the region. The concern is that the speed of automation could lead to unemployment and an inability of the economy to create new jobs. The study recommends that the regional economy reduce its exposure to new industries with high automation probability.

Western Riverside County Regional Conservation Authority (RCA) - None

School District/City Joint Task Force - None

Southern California Association of Governments (SCAG) - None

H.2. CITY MANAGER'S REPORT

(Informational Oral Presentation - not for Council action)

City Manager DeSantis addressed some of the comments made by the public. In his opinion he sees no decrease in development activity and concurrently sees no need for downsizing the Planning Commission. He notified the resident who voiced her concern regarding student safety that she will be contacted by Public Works staff. He relayed his excitement that Bloomberg Philanthropies named Moreno Valley a Champion City. He reported that he met with the Hispanic Chamber of Commerce. He mentioned that Moreno Valley Utility is expanding its solar power generation capability by constructing panels at City Hall. He reminded everyone about the Springtastic Festival on March 31, 2018.

H.3. CITY ATTORNEY'S REPORT

(Informational Oral Presentation - not for Council action)

City Attorney Koczanowicz notified the City Council that the two commercial cannabis Ordinances will be placed on the March 20, 2018 agenda.

CLOSING COMMENTS AND/OR REPORTS OF THE CITY COUNCIL, COMMUNITY SERVICES DISTRICT, CITY AS SUCCESSOR AGENCY FOR THE COMMUNITY REDEVELOPMENT AGENCY, HOUSING AUTHORITY AND THE BOARD OF LIBRARY TRUSTEES.

Council Member Marquez

1. Remarked that he will be attending the National League of Cities Conference in Washington D.C.
2. Attended the 100th birthday party of a resident.

Council Member Cabrera

1. Addressed the difference between the arterial road repairs and the slurry seals.
2. Noted projects taking place later in the year, including the skate park, and replacement of the turf at Community Park.
3. Informed every one of the new owners of the mall.
4. Remarked that the Homeless to Work Initiative is a success.
5. Mentioned the upcoming Food Truck Festival that will coincide with Moval Rocks.
6. Touched upon the Art Walk scheduled for June 02, 2018 which will include a Chalk Art Festival, pet adoptions, and live music.
7. Excited about the Latin Film Festival returning to Moreno Valley.
8. Announced that staff is working on starting a community garden.
9. Expressed his joy with the City's success so far, in the Bloomberg Mayor's Challenge.

10. Reminded everyone of the Food Bank that takes place on Redlands Boulevard.
11. Prompted everyone to be generous and to assist people.
12. Invited the public to discuss their issues with the City Council and to provide solutions.

Mayor Pro Tem Baca

1. Notified everyone that she attended the following events, the 6th Annual Reading Festival, Wake Up Moval, the 2018 Moreno Valley Police Department's Volunteer Appreciation Dinner and the Adelante breakfast held that morning.

Mayor Gutierrez

1. Mayor Gutierrez remarked that he attended the 2018 Moreno Valley Police Department's Volunteer Appreciation Dinner and was moved by their dedication.
2. Noted that he attended a Healthy Engagement Festival with Moreno Valley Unified School District.
3. Recognized the recent appointees to the Arts Commission and the Parks, Community Services and Trails Committee.
4. Remarked that he and Council Member Cabrera advocate for repairs to the arterial streets.
5. Thanked staff for their work on the food truck ordinance.
6. Thrilled with being selected a Champion City by Bloomberg Philanthropies.
7. Excited for the Economic Development Team to get started on the Earn While You Learn Initiative.
8. Reminded every one of the upcoming Citywide Telephone Town Hall to occur on March 29, 2018 at 6:00 p.m.
9. Announced that a food bank, operating with CDBG funds, is located at the old Toys R' Us, to assist those in need.

ADJOURNMENT

There being no further business to come before the City Council, Mayor Gutierrez adjourned the meeting at 7:29 p.m.

Submitted by:

Pat Jacquez-Nares, CMC & CERA, City Clerk,
Secretary, Moreno Valley Community Services District
Secretary, City as Successor Agency for the Community
Redevelopment Agency of the City of Moreno Valley
Secretary, Moreno Valley Housing Authority
Secretary, Board of Library Trustees

Approved by:

Dr. Yxstian Gutierrez, Mayor
President, Moreno Valley Community Services District
Chairperson, City as Successor Agency for the Community
Redevelopment Agency of the City of Moreno Valley
Chairperson, Moreno Valley Housing Authority
Chairperson, Board of Library Trustees



Report to City Council

TO: Mayor and City Council

FROM: Pat Jacquez-Nares, City Clerk

AGENDA DATE: March 20, 2018

TITLE: MAYORAL APPOINTMENT TO THE PARKS, COMMUNITY SERVICES AND TRAILS COMMITTEE

RECOMMENDED ACTION

Recommendation:

1. Receive and confirm the Mayoral appointment as follows:

Parks, Community Services and Trails Committee

<u>Name</u>	<u>Position</u>	<u>Term</u>
Barbara McCarthy	Member	Ending 06/30/2019

CITY COUNCIL GOALS

Advocacy. Develop cooperative intergovernmental relationships and be a forceful advocate of City policies, objectives, and goals to appropriate external governments, agencies and corporations.

CITY COUNCIL STRATEGIC PRIORITIES

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs

ATTACHMENTS

1. Barbara McCarthy redacted

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	
City Attorney Approval	<u>✓ Approved</u>	3/15/18 4:27 PM
City Manager Approval	<u>✓ Approved</u>	3/15/18 11:08 AM

JAN 16 2018
KNDJ

CITY CLERK
MORENO VALLEY
RECEIVED

18 JAN 16 PM 2:51

For City Clerk's Use
Stamp Date and Time Received



City of Moreno Valley

Boards and Commissions

Membership Application Form

Name: Barbara McCarthy

Home Address: [REDACTED] MV CA 92555

How long have you resided in Moreno Valley? 35 yrs

CONFIDENTIAL INFORMATION

Home Phone No.: <u>[REDACTED]</u>	Driver's License No.: <u>[REDACTED]</u>
Work Phone No.: <u>—</u>	Email Address: <u>[REDACTED]</u>
Cell Phone No.: <u>—</u>	Date of Birth: <u>[REDACTED]</u>

Employer Name: Retired Position: _____

Address: _____

Board or Commission applying for*: 1st Choice Parks, Community Services and Trails

2nd Choice _____ Committee

*If applying for the Accessibility Appeals Board, please indicate which position you are applying for:
 Physically Challenged Person Person Experienced in Construction Public Member

*If applying for the Utilities Commission, please indicate which position you are applying for:
 Public Member Customer of Moreno Valley Utility Business Customer of Moreno Valley Utility

Why do you wish to serve on this Board and/or Commission?
To represent the east end of MV and support our local parks and trails.

List any education, training, or special skills, you have which may be relevant or of particular benefit to this Board and/or Commission:
BS in Business Admin, former board member of Trailseekers of Moreno Valley, Inc.

Explain briefly your understanding of what this Board and/or Commission does, including its powers and limitations.
This Committee considers matters pertaining to parks and trails within MV.

What do you hope to accomplish by your participation?
To support the community in the parks and recreation and trails system.

Attachment: Barbara McCarthy redacted (3016 : Mayoral Appointment)

List any employment, volunteer work, or membership in a service/community organization that you have served on, or are now a member of. Please provide the name(s) of the agency (ies), contact person, and dates served:

former board member of Trailseekers of MV, Inc 1996-~~2006~~ 2010

What other areas of interest do you have in our City government?

none

Would you be available for meetings during the day or evening?

Pursuant to Resolution 2016-42 all board and commission members must be registered voters of the City of Moreno Valley.

I authorize the City of Moreno Valley to obtain and review, on a confidential basis, such information regarding me as may be contained in the California State Summary Criminal History and in records of the California Department of Motor Vehicles. Yes No (The application shall not be considered if the NO box is checked.)

I hereby agree to attend all board or commission meetings, unless excused, and understand that I may be removed for lack of attendance, pursuant to Municipal Code, Subsection 2.06.010(C) which states, "If a member is absent without advance permission of the board or commission or of the appointing authority, from three consecutive regular meetings or from 25% of the duly scheduled meetings of the board or commission within any fiscal year, the membership shall thereupon become vacant and shall be filled as any other vacancy."

CERTIFICATE OF APPLICANT: I certify that all statements in this application are true and complete to the best of my knowledge. I understand that any false statements of material fact will subject me to disqualification or dismissal if appointed. I release the City of Moreno Valley from any liability for the use of the aforesaid information.


Signature

1/12/18
Date

Please Note: Applications will be kept on file for potential future vacancies for one year after the application submittal date. Applications are accepted year-round. All applications are public record; personal information may be redacted to protect applicants' privacy.

Attachment: Barbara McCarthy redacted (3016 : Mayoral Appointment)



Report to City Council

TO: Mayor and City Council

FROM: Pat Jacquez-Nares, City Clerk

AGENDA DATE: March 20, 2018

TITLE: REQUEST FOR CITY SPONSORSHIP OF 2018 CINEMA CULTURAS FILM FEST

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Consider a request for City Sponsorship of the 2018 Cinema Culturas Film Fest.
2. Approve the City sponsorship of \$9,179 as set forth in the Fiscal Impact section of this report.

SUMMARY

This report recommends that the City Council review a request for City sponsorship of the 5th Annual Cinema Culturas Film Fest celebrating contemporary Latino film, local heritage and community. The Film Fest is scheduled to be held in Fall 2018 at Harkins Theatres at the Moreno Valley Mall. Cinema Culturas is requesting a sponsorship of \$5,379 (which will be paid directly to Harkins Theatre for Rental and Insurance fees) and \$3,800 for in-kind support services. Payment of costs for the Harkins Theatre will guarantee free admission for Moreno Valley residents. In-kind support will be provided by the City as follows:

Gala & Festival Photographer	\$1,500.00
Gala video & Festival recording & editing	\$1,500.00
Promo video	\$800.00

DISCUSSION

The Cinema Culturas Film Fest/Inland Empire (CCFFIE) is an annual event committed to promoting the artistic, academic, and professional advancement of Hispanics and providing a forum for the richness and variety of all cultures, Spanish-speaking and non-Spanish speaking, in the Inland Empire and Southern California.

CCFFIE held its 4th Annual Film Fest in Moreno Valley in October 2017 with the assistance of a \$5,379 sponsorship approved by the City Council on August 15, 2017. The \$5,379 secured use of Harkins Theatres for the entire duration of the three day film fest.

To build on the momentum of the first Film Fest in Moreno Valley and continue to showcase Hispanic films, CCFFIE is requesting \$5,379 in sponsorship support for the cost of the theatre rental at Harkins Theatres, which will provide for free admission for Moreno Valley residents, and \$3,800 in in-kind support from the City. The additional in-kind support will assist in the marketing effort which will make the event even more successful. A copy of the sponsorship application is attached.

According to information provided by Cinema Cultruas, the Film Fest will showcase award-winning contemporary Mexican films and co-productions with Latin American countries, the U.S., and Europe, providing a local forum with a global vision. The program will include feature-length films, documentaries, shorts, and animated films. Community components of CCFFIE include an annual student film competition showcasing the best films of local students and offering film workshops to local youth. A copy of the 2017 program is attached.

The proposed sponsorship of this cultural event supports two of the six top priorities identified in the Momentum MoVal Strategic Plan: Economic Development and Beautification, Community Engagement, and Quality of Life.

ALTERNATIVES

1. Consider the request by Cinema Culturas for the 5th Annual Film Fest to include the \$5,379 for theatre rental and the in-kind marketing support valued at \$3,800, and approve a budget adjustment of \$5,379 in support of this event.

Staff recommends this alternative as the requested funding will support keeping an important and specialized cultural event to the Moreno Valley community.

2. Provide alternate direction to staff.

FISCAL IMPACT

Should the City Council approve the requested \$9,179 sponsorship total value, the \$5379 funding for the theatre rental would be provided from the General Fund balance.

Description	Fund	GL Account No.	Type (Rev/Exp)	FY 18/19 Budget	Proposed Adjustments	FY 18/19 Amended Budget
General Fund	GF	1010-10-01-10010-620199	Exp	\$62,000	\$5,379	\$67,379

NOTIFICATION

None.

PREPARATION OF STAFF REPORT

Prepared By:
Shanna Palau
Management Analyst

Department Head Approval:
Pat Jacquez-Nares
City Clerk

CITY COUNCIL GOALS

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

Community Image, Neighborhood Pride and Cleanliness. Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

ATTACHMENTS

- 1. Application - Sponsorship Request 2018 City of Moreno Valley
- 2. Budget 2018 Latino Film Festival
- 3. Board members Cinema Culturas (2)
- 4. Non profit IRStaxid
- 5. Program2017

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	3/12/18 1:03 PM
City Attorney Approval	<u>✓ Approved</u>	3/12/18 3:32 PM
City Manager Approval	<u>✓ Approved</u>	3/15/18 11:20 AM



City of Moreno Valley
Sponsorship Application Request – Local Events – Regional Events

Applications must be filed at least 60 days prior to the event. All applications must be accompanied by a Special Event Permit and Application.

Application Information

1. Organization Name (if any): Cinema Culturas Institute for the Arts
2. Non-Profit Federal Tax Identification Number: 81-0695016
3. Event Title: Cinema Culturas Latino Film Festival 2018
4. Event Description: A weekend celebration of Award-winning films Local
5. Event Date: Nov 2-4, 2018 Start Time: 12 pm End Time: 11 pm
6. Event will take place: [] City Park [] City Facility [] On a Public Street [x] Other: HARKINS Movie Theatre, Moreno Valley
7. Is this a fund-raising event? [] Yes [x] No
8. Provide information on the budget for this event:
Expected Income: \$ 0
Expected Expenses: \$ 48,000
Expected Net Profit: \$ 0
Expected Attendance: 2,500
Entry Cost Charged to Participant: \$ 10 general public, local student films a
9. Funding Sources: Local businesses & Academic Institutions be free of charge
10. Amount of Funding: \$48,000

- Attach a detailed copy of your event budget.
Attach a list of the organization's Board Members including telephone numbers.
Attach a copy of your organization's non-profit IRS tax status.
Request for parade must include a proposed parade route.
Request for park use must include a detailed diagram of park site.

I certify that all statements on this request are true and complete to the best of my knowledge.

Signature: [Signature] Title: President
Individual Name: Dr. Cony Martinez Daytime Phone: 951-544-2959
Mailing Address: P.O. Box 51954, Riverside Evening Phone: 951-544-2959
E-Mail Address: cinemaculturas@gmail.com 92517 Fax Number: 0

To be Completed by the City of Moreno Valley

Received by: _____ Date Received: _____
Authorized by: _____ Date Authorized: _____

Attachment: Application - Sponsorship Request 2018 City of Moreno Valley (2999 : REQUEST FOR CITY SPONSORSHIP OF 2018 CINEMA



P.O. BOX 51954
Riverside, Ca 92517
www.cinematiculturas.com

Latino Film Festival Cinema Culturas 2018

City of Moreno Valley

Budget

Theater Rental & Insurance (Harkins in Moreno Valley)	\$5,379.00
Gala Reception (catering service)	\$5,000.00
Gala & Festival Photographer	\$1,500.00
Gala video & Festival recording & editing	\$1,500.00
Photographer for printed program	\$300.00
Promo video	\$800.00
Gala Movie Rental Fee & Film Posters for theater	\$1500.00
Gala decorations:	\$1,000.00
Gala Program Printing	\$2,500.00
Festival Program (for general public)	\$1,500.00
Gala Venue Rental Fee	\$1,000.00
Travel, hotel, meals, transportation 5 directors/actors	\$3,750.00
Screening & shipping fee of festival films	\$3,271.00
Special screenings in the community to promote festival	\$1,500.00
Promotional Material Expenses leading to festival	\$2,000.00
Committee for film competition	\$2,000.00
Recognition plaques for Best films & Student films	\$1,000.00
Seniors film workshops, a component of the festival	\$2,500.00
Operating fees	\$10,00.00
Total:	\$48,000.00



CINEMA CULTURAS INSTITUTE FOR THE ARTS

(A non-profit organization)

Board of Directors

Founder/ President- Dr. Cony Martinez

951-544-2959

Vice President- Martin Rafael Martinez

0115216383805496

Treasurer- Juan Miguel Castro

6086588145

Secretary- Dr. Kendall Smith

951-259-2029

Letter 947

For important information about your responsibilities as a tax-exempt organization, go to www.irs.gov/charities. Enter "4221-PC" in the search bar to view Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, which describes your recordkeeping, reporting, and disclosure requirements.

If we indicated at the top of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

If we indicated at the top of this letter that you're required to file Form 990/990-EZ/990-N, our records show you're required to file an annual information return (Form 990 or Form 990-EZ) or electronic notice (Form 990-N, the e-postcard). If you don't file a required return or notice for three consecutive years, your exempt status will be automatically revoked.

Organizations exempt under IRC Section 501(c)(3) are further classified as either public charities or private foundations. We determined you're a public charity under the IRC Section listed at the top of this letter.

We're pleased to tell you we determined you're exempt from federal income tax under Internal Revenue Code (IRC) Section 501(c)(3). Donors can deduct contributions they make to you under IRC Section 170. You're also qualified to receive tax deductible bequests, devises, transfers or gifts under Section 2055, 2106, or 2522. This letter could help resolve questions on your exempt status. Please keep it for your records.

Dear Applicant:

Employer Identification Number: 81-0695016
DLN:
17053253310026
Contact Person: CHRIS BROWN
Contact Telephone Number: (877) 829-5500
Accounting Period Ending: December 31
Public Charity Status: 170(b)(1)(A)(vi)
Form 990/990-EZ/990-N Required: Yes
Effective Date of Exemption: March 2, 2016
Contribution Deductibility: Yes
Addendum Applies: No

ID# 31503

CINEMA CULTURAS INSTITUTE FOR THE ARTS
C/O MARIA CONY MARTINEZ
PO BOX 51954
RIVERSIDE, CA 92517

OCT 26 2016

Date:

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

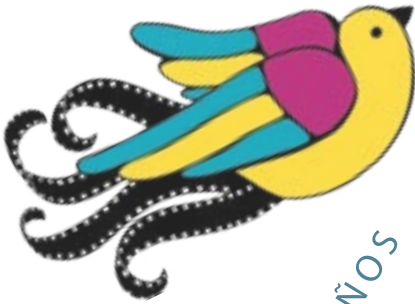
DEPARTMENT OF THE TREASURY

Attachment: Non profit IRStaxid (2999 : REQUEST FOR CITY SPONSORSHIP OF 2018 CINEMA CULTURAS FILM FEST)

FOURTH ANNUAL

Cinema Culturas

Film Festival



PERSIGUE TUS SUEÑOS FOLLOW YOUR DREAM

OCTOBER 27–29, 2017

Hosted by the City of Moreno Valley

Attachment: Program2017 (2999) : REQUEST FOR CITY SPONSORSHIP OF 2018 CINEMA CULTURAS

LETTER FROM OUR FOUNDER

This year's theme: Follow your dreams



In the midst of the many divisive narratives that, today, create disunity, promote hatred, and distort the reality of who we are, Cinema Culturas affirms our irrepressible vitality in our annual theme--Follow your dreams. Our message is one of hope, vision, and celebration of our rich diversity: our many cultures, traditions, beliefs, and ways of enduring, creating, loving. Above all, we celebrate the freedom to follow our dreams. Our Gala Film, Esteban, portrays one boy's pursuit of his dream.

The first time I saw Esteban I knew it was going to be our selection for this year's Gala Film. It is a story about the tenacity and ingenuity of a little boy in Cuba who faces and surmounts obstacles to reach his dream of learning how to play the piano. Esteban's pursuit of his dream transforms his

life and, ultimately, the lives of people in his community.

Hope, the generator of dreams, makes Cinema Culturas' fourth annual festival, hosted by the city of Moreno Valley, a special one. We are making history. This is the city's first film festival. Most important, the children of this community are seeing themselves reflected on the big screen for the first time. We are honored this year to showcase short films created by local students from the Moreno Valley School District and Val Verde School District, and we are delighted that their families, teachers, and community will be part of this unique experience.

I invite you to dream with us and to follow your dreams as we celebrate all the wonderful stories that this year's films unfold for us.

Dr. Cony Martínez, Founder & Director, Cinema Culturas

CARTA DE NUESTRA FUNDADORA & DIRECTORA GENERAL

El tema de este año: Persigue tus sueños

En medio de las muchas narrativas que hoy en día crean la desunión, promueven el odio y distorsionan la realidad de quiénes somos, Cinema Culturas afirma nuestra irrefrenable vitalidad en nuestro tema anual: persigue tus sueños. Nuestro mensaje es uno de esperanza, visión y celebración de nuestra rica diversidad: nuestras varias culturas, tradiciones, creencias y formas de perdurar, crear y amar. Sobre todo, celebramos la libertad de perseguir nuestros sueños. Nuestra película de la Noche de Gala, Esteban, ejemplifica perfectamente lo que significa perseguir nuestros sueños.

La primera vez que vi Esteban, supe que iba a ser nuestra selección para la Noche de Gala de este año. Es una historia de la tenacidad y el ingenio de un niño en Cuba que enfrenta y supera obstáculos para alcanzar su sueño de aprender a tocar el piano. La búsqueda del sueño de Esteban logra transformar su vida y, en última instancia, la vida de las personas en su entorno.

La esperanza, generadora de sueños, hace realidad la cuarta edición del festival anual Cinema Culturas, con sede este año en la ciudad de Moreno Valley. Estamos haciendo historia. Este es el primer festival de cine de la ciudad de Moreno Valley. No obstante, lo más importante es que los niños de esta comunidad se verán reflejados en la pantalla grande por primera vez en su propia ciudad. Este año tenemos el honor de exhibir cortometrajes realizados por estudiantes del Distrito Escolar de Moreno Valley y el Distrito Escolar de Val Verde. Estamos encantados de que sus familias, maestros y la comunidad sean parte de esta experiencia única.

Los invito a soñar con nosotros y perseguir sus sueños mientras celebramos todas las maravillosas historias que las películas de este año nos presentan.

Dra. Cony Martínez, Fundadora & Directora General, Cinema Culturas

PROMOTING U.S.-MEXICO RELATIONSHIPS



*Martín Martínez, Public Relations,
U.S. and General Coordinator, Mexico*



*Dr. Exequiel Ezcurra, Director, UC
Institute for Mexico and the U.S.,
UCR-Cinema Culturas Liaison, and
Chair, Cinema Culturas Board*

It is vital that Cinema Culturas continues working directly with multiple institutions in Mexico. General Coordinator Martín R. Martínez represents the various interests of Cinema Culturas and contributes to U.S.-Mexico cultural and educational ties.

For this reason, it is an honor to be collaborating directly with a key partner in the U.S., The University of California Institute for Mexico and the United States (UC Mexus).

As director of UC Mexus, Dr. Ezcurra has been one Cinema Culturas' key collaborators in its interdisciplinary projects. Dr. Ezcurra has been at the helm in generating interest and establishing relationships with some of Mexico's main institutions, such as the Ministry of Culture, Ministry of Health and leading universities. Most recently, in June 2017, UC Mexus and Cinema Culturas collaborated on the Latino Health Symposium Advancing Preventive Health Care & The Farmworker Community in collaboration with the University of California Riverside School of Medicine.

ADVISORY BOARD

Congressman Mark Takano
Honorary Board Member

Assemblyman José Medina
Honorary Board Member

Dr. Tomás Morales
President of CSUSB
Honorary Chair

Honorable Judge Raquel
Márquez

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Honorable Judge Sunshine Sykes
Honorary Board Member

Dr. Exequiel Ezcurra
Director of UC Mexus, Chair

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General Counsel- UFW
Honorary Board Member

Martín R. Martínez
General Coordinator, Mexico
Board Member

Mary Figueroa
Trustee Riverside, RCCD
Board Member

Dr. Cony Martínez
Executive Director

Dr. Carlos Cortés
Prof. Emeritus UCR
Arts, Culture & Film Advisor

FESTIVAL TEAM

Martin Martinez, Public
Relations

Diana Myers Hyatt, Marketing
& Design

Brenda Lorenzi, Gala Consultant

Dr. Kendall Smith, Editor

Stephanie Moreno, Assistant
Coordinator

Sandra Galeas, Gala Committee

Jesse Valenzuela, Community
Outreach

Tony Rizo, Multimedia Director

Interns: Connie Mejía, CSUSB

Elizabeth Hernández, MVC

Edgar Ortuño, UCR

Mireya Vera, MVC

WELCOME TO THIS YEAR'S FESTIVAL

This year's Cinema Culturas Film Festival, October 27-29, will be hosted for the first time by the City of Moreno Valley, a city that encourages "quality development in the community." In collaboration with the Mexican Institute of Cinematography, the film festival will bring a high-caliber cultural event to our local community, showcasing award-winning feature films, documentaries, shorts and animation.



We are honored to announce the Academy of Motion Picture Arts and Sciences as a collaborator in this year's event. Cinema Culturas and the Academy will co-present a screening of *The Ballad of Gregorio Cortez* (1982), October 29 at 2:00 pm at the Harkins Theater in Moreno Valley. Dr. Carlos Cortes will introduce the film and Director Robert Young. After the film, Dr. Cortes will lead a discussion and Q&A with the film's director, Robert Young.

The screening is part of the Academy's participation in Pacific Standard Time: LA/LA, a far-reaching and ambitious exploration of Latin American and Latino art in dialogue with the Los Angeles, taking place from September 2017 through January 2018 at more than 60 cultural institutions across Southern California. Pacific Standard Time is an initiative of the Getty.

You're invited to be part of this unique experience in celebrating the first film festival hosted by the City of Moreno Valley. We also look forward to seeing you at our exciting Gala Night on October 27, as well as the other festival events on October 28 and 29.



FESTIVAL PARTNER & PLATINUM SPONSOR



Special thanks to the City of Moreno Valley for hosting the Fourth Annual Cinema Culturas Film Festival.

We would like to thank Dr. Gutiérrez, Mayor of Moreno Valley, and Moreno Valley's City Council for hosting the first Latino film festival and bringing the art of cinema to the entire community of Moreno Valley.



From left to right: Councilman Jeffrey Giba, Mayor Pro Tem Victoria Baca, Mayor Yxstian Gutiérrez, Councilman Ulises Cabrera, Councilman David Márquez

Attachment: Program2017 (2999) : REQUEST FOR CITY SPONSORSHIP OF 2018 CINEMA CULTURAS

PARTNERSHIPS



INSTITUTO MEXICANO
DE CINEMATOGRAFÍA



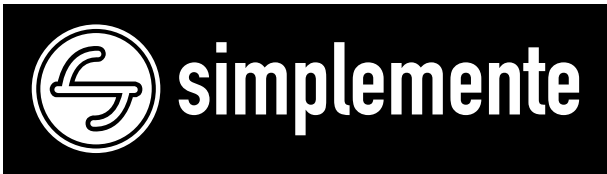
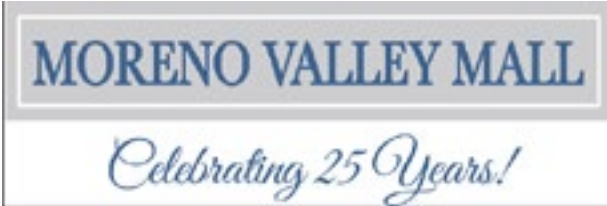
ACADEMY
OF MOTION PICTURE
ARTS AND SCIENCES

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COLLABORATORS



All events including Gala Night will be held at:
Harkins Theater, Moreno Valley Mall
22350 Town Circle, Moreno Valley



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2017

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GALA NIGHT

Friday, October 27 /
Viernes 27 de Octubre



GALA FILM: ESTEBAN

Harkins Theater, Moreno Valley

6:00 pm Film Fest Gala

7:30 pm Film: Esteban

ESTEBAN

Director: Jonal Cosculluela
Cuba/Spain / 2016 / 90 min.
Drama

Jury Award, Huelva International Film Festival, Spain; Audience Award, Huelva International Film Festival, Spain; UNICEF Award, International Festival for New Latin American Cinema in Havana, Cuba

The perseverance to achieve your dreams, viewed through the eyes of a nine-year-old boy. Esteban, who lives alone with his mother in Cuba, accidentally discovers his talent for music. Despite obstacles, his determination will transform his world and those around him.

Esteban es un niño de nueve años que descubre por casualidad su talento innato para la música. A pesar de las dificultades para alcanzar el sueño de convertirse en músico, su perseverancia transformará su mundo y el de quienes le rodean. El mensaje de Esteban es : No te des por vencido. "persigue tus sueños".

Friday, October 27

1:00 pm



EL VENDEDOR DE ORQUÍDEAS / THE ORCHID SELLER

Director: Lorenzo Vigas
Mexico / 2016 / 75 min.
Documentary

Eight-year-old Oswaldo Vigas, a renowned Venezuelan painter, returns to the towns where he was raised, searching for a painting that was lost during his teen years. While looking he is confronted with a chapter of his youth that marked him for the rest of his life and defined him as a human being and a creator. Oswaldo's search reveals the human side of one of the most influential artists of Latin America.

Oswaldo Vigas, un reconocido artista plástico venezolano, recorre a sus ochenta años los pueblos donde fue criado en busca de una pintura extraviada durante su adolescencia. De encontrarla podría completar, junto con su esposa Jeannine, una exposición que pre

inicios de su carrera. Esta búsqueda no sólo se convertirá en un viaje de regreso hacia sus primeras influencias artísticas, sino que durante la travesía, se verá confrontado a un capítulo de su juventud que lo marcó por el resto de su vida, definiéndolo como ser humano, y como creador. El vendedor de orquídeas nos permitirá descubrir la humanidad de uno de los artistas más influyentes de América Latina.

3:00 pm



MARGARITA

Director: Bruno Santamaría
Mexico / 2016 / 73 min
Documentary

A young filmmaker documents the life of a woman who lives in the streets of Mexico City, trying to gather the fragments of this singular person's stories, which move between lucidity and madness. The film portrays their encounter and developing relationship.

Un joven cineasta graba el documental de la vida de una mujer que vive en las calles de la ciudad de México. Al intentar reunir los fragmentos de las historias de aquel singular personaje que transita entre la lucidez y la locura, se muestra el desarrollo de una relación entre ambos: el retrato de un encuentro.

7:30 pm

ESTEBAN

Director: Jonal Cosculluela
Cuba/Spain / 2016 / 90 min.
Drama

See synopsis under Gala Night

Saturday, October 28

12 pm

SHORTS 2017



LOS AERONAUTAS / THE AERONAUTS

2017 Ariel Award Winner
Director: León Fernández
Mexico / 2015 / 11 min.
Animated short

A tribe survives in the middle of the desert on the meager pickings of a barren landscape. Soo'goh, the weakest member of the clan, seeks to overcome all obstacles and to reach the green pastures of the paradise that they all yearn for.

En medio de un desierto, una tribu sobrevive con lo poco que le da la tierra. Soo'goh, el más débil del clan, buscará librar los obstáculos para llegar a los vergeles del paraíso que todos anhelan.



ASCENSION

Directors: Samantha Pineda Sierra y Davy Giorgi

Mexico / 2015 / 10 min.

Animated short

Nisroc is a low class demon whose destiny is about to change by a mysterious epidemic that strikes hell city.

El destino de Nisroc, un pobre diablo, está a punto de cambiar cuando una misteriosa epidemia invade ciudad inferno.



ELENA Y LAS SOMBRAS / ELENA AND THE SHADOWS

Director: César Cepeda

Mexico / 2016 / 8 min.

Animated short

In an old Mexican neighborhood, Elena is alone in her world. Felix causes a miracle when it comes to life and shows you how to access other universes ; share with him those secret places that the child will recognize that your world can be longer and deeper than previously thought and that a blind child like Felix is much more than his visual impairment.

En una vieja vecindad mexicana, Elena está sola en su mundo. Félix provoca un milagro cuando llega a su vida y le

muestra cómo acceder a otros universos; compartir con él esos espacios secretos hará que la niña reconozca que su mundo puede ser más extenso y profundo de lo que creía, y que un niño ciego, como Félix, es mucho más que su discapacidad visual.



TALLER DE CORAZONES / THE HEARTS WORKSHOP

Director: León Fernández

Mexico / 2016 / 11 min.

Animated short

In the middle of a forest lies the workshop of Matías. With the best artisan abilities, the young man fixes broken, frozen hearts. But every night, when the workshop closes, mysterious sounds come out...Matías has a secret.

Matías tiene un taller de corazones. Con la habilidad del mejor artesano, el joven repara corazones rotos, corazones helados y corazones tristes. Pero todas las noches su taller se cierra dejando escapar misteriosos sonidos...Matías tiene un secreto.

1:00 pm

MARGARITA

Director: Bruno Santamaría

Mexico / 2016 / 73 min

Documentary

See Friday Oct 27, 3pm event for synopsis.



EL SUEÑO DEL MARA'AKAME / MARA'AKAME'S DREAM

3:00 pm

EL SUEÑO DEL MARA'AKAME / MARA'AKAME'S DREAM

Director: Federico Cecchetti
(Tsikuri Temai)

Mexico / 2015 / 90 min.

Drama

Nieri is a young Huichol Indian whose dream of travelling with his band to play a concert in Mexico City faces opposition by his father, who is a Mara'akame (Huichol shaman) and has different plans for his son. He must find the Blue Deer in his dreams in order to become a Mara'akame himself and learn this healing tradition. Nieri travels to Mexico City where he gets completely lost and finally finds his vision.

Nieri es un joven indígena huichol, cuyo sueño es viajar con su banda musical a tocar en un concierto en la gran ciudad de México. Pero su padre que es un Mara'akame (chamán huichol), tiene otros planes para él, pues debe seguir su tradición y encontrar al venado Azul en sus Sueños.

5:00 pm

EL VENDEDOR DE ORQUÍDEAS / THE ORCHID SELLER

Director: Lorenzo Vigas

Mexico / 2016 / 75 min.

Documentary

See Friday Oct 27, 1pm event for synopsis.



TODO LO DEMÁS / EVERYTHING ELSE

7:00 pm

TODO LO DEMÁS / EVERYTHING ELSE

Director: Natalia Almada

Mexico / 2016 / 90 min.

Drama

For 35 years Doña Flor has worked as a clerk in a government office, attending to dozens of people who sit across from her and hand her their documents. For 35 years she has been invisible to these people, a mere cog in the machine. She has grown so accustomed to this invisibility that she seems to have become invisible even to herself except for the brief pause at the pool each day where she watches the children swim and remembers her daughter. One morning Doña Flor awakens to find her cat has died in the night. Unable to accept the loss of her sole companion, Doña Flor tries to continue her routine as always, but the loss opens up the much deeper wound left by the downing of her daughter. She decides to swim seeking solace in the water, but finds herself paralyzed by fear. As Doña Flor faces her fear of the water, she also faces her fear of life. One day, in the shower room, another woman unexpectedly washes her back in a simple gesture of compassion that resuscitates her. Everything Else is a poetic and lyrical story about a woman's second coming of age as she reawakens to herself at sixty-three.

Todos los días, doña Flor atiende a gente de todos los extractos de la sociedad mexicana: ricos, pobres, educados y analfabetos. Revisa sus solicitudes para obtener

identificación para votar. Se sientan frente a ella, le dan sus documentos y esperan a que ella los acepte o los rechace. Doña Flor ejerce su poder burocrático en ellos. Al final de su jornada laboral, va a una pileta para ver a niños nadar. Se para en el borde de la pileta mientras el sonido de sus voces y el chapoteo la transportan a un pasado distante. Todo lo demás es un retrato de doña Flor, una burócrata de 63 años de la Ciudad de México que trabajó toda su vida en la misma oficina gubernamental. La película, una "narración observacional", se construye sobre la base de detalles y gestos que sumergen al espectador en la intimidad de una mujer que ha sido deshumanizada y alienada por la maquinaria burocrática. Todo lo demás entra en la vida de doña Flor mientras ella despierta y anhela ser visible una vez más.

9:00 pm



BELLAS DE NOCHE / BEAUTIES OF THE NIGHT

Director: María José Cuevas

Mexico / | 2016 / 91 min.

Documentary

This documentary is the first production of the filmmaker aría José Cuevas. The film shows a glimpse of the glory, sunset and resurgence of five of the main showgirls (vedettes) that triumphed in Mexico in the decades of the 1970s and 1980s. This film is an honest portrait of five women who

discover that there is more to life than what society values as "beauty" and "fame" as the protagonists defy the gender stereotypes of women and their role in society.

Plumas exóticas, altos tacones, lentejuelas, cuerpos esculturales, joyas, champaña: así suele recordarse el glamuroso mundo de las vedettes mexicanas ahora que aquellos cabarets, donde eran las indiscutibles reinas de la noche, ya no existen. Bellas de Noche comienza cuarenta años después de terminada la función. Filmado a lo largo de ocho años, desarrollando así una relación de complicidad y confianza entre la directora y las protagonistas, quienes fueron algunas de las más importantes estrellas de variedades en los años setenta y ochenta en México. El paso del tiempo, la juventud perdida, el espejismo de la fama, la posibilidad de la alegría, son asuntos a los que estas mujeres nos responden dignamente, encontrando así su propio camino para reinventarse con fuerza y perseverancia. De la desnudez de los cuerpos a la desnudez de las almas, esta película es el retrato, ya sin maquillaje, de cinco mujeres que atravesaron la noche hacia otras posibilidades de belleza, manteniendo siempre su independencia y libertad. Bellas de Noche es una película de inspiración universal, es una celebración de la vida a través de la voz femenina.

Sunday, October 29

12:00 pm

CINEMA CULTURAS STUDENT FILMS

45 min.

Followed by Q&A with students

Cinema Culturas is proud to showcase shorts films created by students from Midland Elementary and Valley View High School (Moreno Valley USD) and Val Verde High School (Val Verde USD). Short films from Midland Elementary courtesy of Latino Film Institute Youth Cinema Project. Short films from Val Verde High School are courtesy of Mr. Robert Del Campo, Movie Class/Teen Vision Productions. The screenings are free of charge to the public.

2:00 pm



THE BALLAD OF GREGORIO CORTEZ

THE BALLAD OF GREGORIO CORTEZ

105 min.

With an introduction by Prof. Carlos Cortés. Followed by discussion and Q&A with director Robert Young and Prof. Carlos Cortés.

Presented by the Academy of Motion Picture Arts and Sciences and Cinema Culturas. Special thanks to Rialto Pictures.

Challenging persistent stereotypes, The Ballad of Gregorio Cortez examines the nature of "foreignness" through the true story of Gregorio Cortez, a Mexican-American farmer accused in 1901 of murdering a Texas lawman. Edward James Olmos stars

as the legendary Cortez who eludes a large-scale search for two weeks. A film that has never been released on DVD is now restored to the big screen for a new audience to discover.

La temática de La Balada de Gregorio Cortez es un reto a los estereotipos presentes en la sociedad actual que examina la naturaleza de lo "extranjero" por medio de la historia de la vida real de Gregorio Cortez, un campesino mexicano-americano acusado injustamente de asesinar a un alguacil de Texas en 1901.

6:00 pm



ETIQUETA NO RIGUROSA / NO DRESS CODE REQUIRED

ETIQUETA NO RIGUROSA / NO DRESS CODE REQUIRED

92 min.

A couple in love from Baja California are in the middle of the preparations for a huge wedding, the only problem is that their marriage is not legal, since they are both male.

Es una película mexicana dirigida por la documentalista Cristina Herrera Bórquez. Trata sobre Víctor y Fernando, estilistas en la ciudad de Mexicali. Con ellos acude la alta sociedad mexicalense. Para la gente a su alrededor, eran una pareja encantadora hasta que decidieron casarse y convertirse en la primera pareja gay en el estado que luchaba por sus derechos en un lugar lleno de la homofobia y la desigualdad. Haciendo frente a una ola de críticas y atropellos del ayuntamiento, a través de su lucha, lograron despertar a los miembros de la sociedad Bajacaliforniana.

SILVER SPONSORS



BRONZE SPONSORS



Attachment: Program2017 (2999) : REQUEST FOR CITY SPONSORSHIP OF 2018 CINEMA CULTURAS

SPECIAL THANKS TO

Riverside County: Thomas C. Ketcham, Legislative Analyst

City of Moreno Valley:

Ulises Cabrera, Council member
Michelle Dawson, City Manager
Shanna Palau, Media & Communications
Pat Jaquez-Nares, City Clerk

California State University, San Bernardino:

Dr. Tomás D. Morales, President
Dean Terry Ballman, College of Arts and Letters

City of Perris: Mayor Michael M. Vargas & Mrs. Julie Vargas

Moreno Valley Unified School District:

Jesús M. Holguín, Member, Board of Education
Dr. Martinrex Kedziora, Superintendent
Gregg Solomon, Coordinator of Visual and Performing Arts

Latino Film Institute – Youth Cinema Project: Bodie Olmos

Moreno Valley Mall:

Donna Farrell, Senior General Manager
Tracie Plefka, Marketing Manager

Morgan Hyatt, festival artwork

Community Members:

Portia Burleson
Robert Del Campo
Alicia Espinoza
Sabina Hernández
Jesse Valenzuela

Volunteers:

Alexie Aguayo, CSU
Devin Henry, RCC
Mirna Chávez, MVC

4TH ANNUAL
CINEMA CULTURAS
 **FILM • FEST** 
INLAND EMPIRE

HOSTED BY
THE CITY OF MORENO VALLEY



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Report to City Council

TO: Mayor and City Council

FROM: Kathleen Sanchez, Human Resources Director

AGENDA DATE: March 20, 2018

TITLE: LIST OF PERSONNEL CHANGES

RECOMMENDED ACTION

Recommendation:

1. Ratify the list of personnel changes as described.

DISCUSSION

The attached list of personnel changes scheduled since the last City Council meeting are presented for City Council ratification.

Staffing of City positions ensures assignment of highly qualified and trained personnel to achieve Momentum MoVal priorities, objectives and initiatives.

FISCAL IMPACT

All position changes are consistent with appropriations previously approved by the City Council.

PREPARATION OF STAFF REPORT

Prepared By:
Denise Hansen
Executive Assistant

Department Head Approval:
Kathleen M. Sanchez
Human Resources Director

CITY COUNCIL GOALS

None

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

ATTACHMENTS

- 1. Personnel Changes 3.20.18

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	3/12/18 1:00 PM
City Attorney Approval	<u>✓ Approved</u>	3/09/18 1:57 PM
City Manager Approval	<u>✓ Approved</u>	3/12/18 1:18 PM

**City of Moreno Valley
Personnel Changes
March 20, 2018**

New Hires

Lilia Estrada, Senior Administrative Assistant
Parks & Community Services Department/Community Services Division

Angie Garcia, Senior Administrative Assistant
Fire Department/Office of Emergency Management

Promotions

None

Transfers

None

Separations

Rix Skonberg, Purchasing & Facilities Division Manager
Financial & Management Services Department/Purchasing & Facilities Division

Heather Knight, Recreation Program Leader
Parks & Community Services Department/Community Services Division

Eddie Torres, Recreation Program Leader
Parks & Community Services Department/Community Services Division

James Butler, Parks Maintenance Supervisor
Parks & Community Services Department/Parks Maintenance Division



Report to City Council

TO: Mayor and City Council

FROM: Marshall Eyerman, Chief Financial Officer

AGENDA DATE: March 20, 2018

TITLE: AUTHORIZATION TO AWARD CONTRACT TO HDL COMPANIES FOR CANNABIS CONSULTING SERVICES

RECOMMENDED ACTION

Recommendations:

1. That the City Council award a contract to HDL Companies (HdL) to provide consulting services to conduct cannabis regulatory compliance inspections, financial audits compliance and investigations services related to cannabis related businesses.
2. Authorize the City Manager to execute the Agreement, subject to approval as to form by the City Attorney, and subsequent amendments to the Agreement including the authority to approve purchase orders in accordance with the terms of the Agreement not to exceed \$167,250 for the first-year and if the contract is extended each year thereafter for \$281,000 annually for years two through five for a maximum contract of \$1,291,250, provided sufficient funding appropriations have been approved by the City Council.
3. Approve the budget amendments as set forth in the fiscal impact section of this report.

SUMMARY

On November 17, 2017, the City Council adopted Ordinance 926, which established the guidelines for the operation of cannabis related businesses within the City. In December, staff issued a request for proposal (RFP) for companies to provide proposals for consulting services to conduct cannabis regulatory compliance inspections, financial audits compliance and investigations related to the review of applications and the ongoing monitoring of cannabis related businesses within the City.

Through PlanetBids a notice of the RFP was sent to more than 200 potential vendors and public notice was provided through the Press Enterprise. Following a review of the proposals and the completion of an interview process, staff is recommending HdL Companies based on their qualifications and extensive experience within the cannabis industry.

The proposal was reviewed by the Finance Subcommittee on February 27, 2018.

DISCUSSION

With the adoption of Ordinance 926, which amended Section 5.05 of the Municipal Code a set of procedures have been established for cannabis related companies that wish to do business within the City. In December 2017, staff issued an RFP to solicit bids from companies to provide services for consulting services to conduct cannabis regulatory compliance inspections, financial audits compliance and investigations related to the review of applications and the ongoing monitoring of cannabis related businesses within the City. Five companies responded to the RFP and following a review of the proposals and the completion of an interview process, staff is recommending HdL Companies based on their qualifications and extensive experience within the cannabis industry.

Founded in 1983, HdL has been working with local governments throughout California on various tax and revenue issues. HdL is currently working with over 100 cities in California on cannabis related projects. HdL brings a unique range of experience that includes ordinance review, community outreach, merit-based application development and support, permitting processes, cost recovery studies, fiscal analysis and regulatory/financial compliance. Members of their team have been instrumental in the development of permitting and regulatory programs related to the cannabis industry in other states such as Colorado and Washington as well as within California cities that have had a long history with the cannabis industry like Oakland. Based on the response to the RFP the scope of services to be provided by HdL will include:

- Assisting in the implementation of the commercial cannabis ordinance for cannabis business.
- Develop the “best practices” that will ensure public safety and preserve the welfare and health of the City.
- Provide technical and policy expertise related to the operations of the cannabis industry and compliance with the Medical Cannabis and Safety Act (MCRSA), Adult User Marijuana Act (AUMA) SB94, the Medicinal Adult-Use Cannabis Regulations and Safety act (MAUCRSA) and all applicable local ordinances.
- Conduct compliance and financial audits as well as other regulatory functions deemed necessary by the City.
- Assist in the development of a tax measure, which may provide economic benefits while at the same time ensure long term stability for the cannabis business operators.

ALTERNATIVES

1. Award the contract to HDL Companies for Cannabis Consulting Services, authorize the City Manager to execute the contract and any additional amendments, and approve the recommended actions within this staff report. *This alternative is recommended since this will provide the resources to develop and operate the cannabis permitting program.*
2. Do not award the contract and provide staff with additional direction. *This alternative is not recommended since it would not allow for the necessary resources and expertise for the development and operation of the cannabis permitting program.*

FISCAL IMPACT

Costs for this service will ultimately be based on the number of businesses that apply to operate cannabis based businesses. The initial year will include application review and background checks along with regulatory compliance reviews and financial audits.

The proposed cost per application review is \$2,500 plus \$300 for background reviews. The annual monitoring is estimated at \$10,800 per applicant. Based on an estimated 35 applications and the issuance of 26 permits, the not to exceed fee shall be \$167,250 for the first-year and if the contract is extended each year thereafter for \$281,000 annually for years two through five for a maximum contract of \$1,291,250. Based on the timing of permit issuances, FY 2017/18 shall only include the review of applications.

FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22
\$167,250	\$281,000	\$281,000	\$281,000	\$281,000

The cost for HdL and City expenses will be covered through user fees adopted by the City Council and paid by the applicants and permittees. Based on an estimated 35 applications and the issuance of 26 permits, the following budget amendments are also being recommended.

City expenses covered by the new cannabis program annual permit fee, include compliance monitoring from police, fire, code enforcement, and the various support departments to ensure the cannabis business are operating properly within the applicable state and local laws and regulations.

Description	Fund	GL Account No.	Type (Rev/Exp)	FY 17/18 Proposed Budget	FY 18/19 Proposed Budget
Application Fees	General Fund	1010-Cannabis Section	Rev	\$248,326	\$12,500
Background Fees	General Fund	1010-Cannabis Section	Rev	\$11,700	\$1,500
Interview Fees	General Fund	1010-Cannabis Section	Rev	\$40,456	\$7,780
Permit Fees	General Fund	1010-Cannabis Section	Rev	\$0	\$1,517,248
Personnel and	General Fund	1010-Cannabis Section	Exp	\$300,482	\$1,539,028

Contract Services					
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NOTIFICATION

Request for Proposal was advertised through the Press Enterprise. Additional notification was provided through the publication of agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Brooke McKinney
Treasury Operations Division Manager

Department Head Approval:
Marshall Eyerman
Chief Financial Officer/City Treasurer

Concurred By:
Allen Brock
Assistant City Manager

Concurred By:
Martin Koczanowicz
City Attorney

CITY COUNCIL GOALS

Revenue Diversification and Preservation. Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

ATTACHMENTS

- 1. Hinderliter de Llamas & Associates

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	2/28/18 4:18 PM
City Attorney Approval	<u>✓ Approved</u>	3/09/18 2:01 PM
City Manager Approval	<u>✓ Approved</u>	3/12/18 12:58 PM

City of Moreno Valley

Proposal for Cannabis Consulting Services

January 25, 2018

Submitted by:
HdL Companies
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Attachment: Hinderliter de Lamas & Associates (2986 : AUTHORIZATION TO AWARD CONTRACT TO HDL COMPANIES FOR CANNABIS

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A. COVER LETTER

January 25, 2018

Purchasing Division
City of Moreno Valley
14177 Frederick Street
Moreno Valley, CA 92552

Thank you for the opportunity to present this proposal for Cannabis Services for the City of Moreno Valley. This includes providing consulting services and conducting Cannabis Regulatory Compliance Inspections and Financial Audits, Compliance and Investigations for the City.

Of interest to you and the City of Moreno Valley is our knowledgeable team of professionals who have direct experience establishing and implementing cannabis management programs for both medicinal and adult-use. Our team has over 33 years of direct experience establishing and implementing medicinal and adult-use cannabis regulatory and taxation programs which include establishing land-use regulations, permit processes, staffing plans, cost recovery fees, regulatory compliance, financial audits and law enforcement training. Additionally, our team has conducted over 10,000 cannabis compliance inspections and investigations in Colorado, California and Nevada.

Over the past two years, HdL has partnered with over 100 California agencies on cannabis-related consulting projects. Our experience includes ordinance review, community outreach, merit-based application development and support, permitting processes, cost recovery studies, fiscal analysis and regulatory/financial compliance reviews. Our staff has reviewed and processed over 1,000 applications in the last 2 years.

Founded in 1983, HdL has been providing professional consulting services to local governments throughout California for over 34 years. In 2015, HdL established a specialized Cannabis Services division with expert staff that has worked closely with the Department of Consumer Affairs, Department of Food and Agriculture, Department of Public Health and the California Department of Tax and Fee Administration (CDTFA), previously known as the State Board of Equalization, in the implementation of the Medical Cannabis Regulatory and Safety Act (MCRSA), Proposition 64 Adult Use Marijuana Act (AUMA) and most recently SB 94 Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA). In addition, our staff has partnered with the League of California Cities, Rural County Representatives of California, California State Association of Counties and the Police Chiefs Association to develop policy and regulatory strategies to manage the Cannabis Industry in California. We offer the resources and expertise to assist local agencies with the design and implementation of all aspects of their cannabis regulatory and taxation policies and programs.

What differentiates HdL from others?

1. HdL is the only firm with consultants that have significant government cannabis regulatory experience and taxation policy expertise in the implementation and development of cannabis management programs at the state, county and local level.
2. HdL cannabis team members have previous law enforcement experience and the capability to conduct background checks to thoroughly evaluate the quality of the applicants.

3. HdL is the only company that has developed proprietary software to review confidential financial information for cannabis businesses in California.
4. HdL staff have completed specialized training and have expertise in cannabis horticulture practices, manufacturing, dispensary management, land use issues and regulatory compliance.
5. HdL is the only firm that has an exclusive business affiliation with Nationwide Compliance Specialists (NCS) and their predictive analytics software to provide banks and regulatory agencies with real-time monitoring and alerts for cash-intensive businesses, including Marijuana-Related-Businesses (MRBs).
6. HdL has been recognized as the industry leader in developing and implementing cannabis management programs for local governments throughout California having partnered with over 100 jurisdictions to date for cannabis policy development and program management.

As President of Hinderliter, de Llamas and Associates (HdL), I will serve as the management contact on matters relating to this proposal and I am authorized to represent the firm proposing services in this response. I certify that all information in this response is accurate. I currently have over 25 years of experience working with local agencies. We agree to comply with the terms and conditions stated in the Request for Proposals with the exception of the additional indemnification language noted in Section J. My contact information is:

Andrew Nickerson, President
Hinderliter, de Llamas and Associates
 1340 Valley Vista Drive, Suite 200,
 Diamond Bar, California 91765
 Phone: 909.861.4335
 Email: anickerson@hdlcompanies.com

We look forward to the opportunity to partner with you to develop a strategy which meets your program needs.

Sincerely,



Andrew Nickerson
 President

B. PROJECT UNDERSTANDING

The regulation, compliance and taxation of Cannabis is complex and filled with challenging issues. Therefore, the objectives presented in this proposal are based on HdL's experience and the expectations and desired outcomes of the City. However, due to the ongoing evolution of the state's Medical Cannabis Regulation and Safety Act (MCRSA), the Adult Use Marijuana Act, Proposition 64 and SB 94, Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), HdL is agreeable to modifications to this scope of services as deemed necessary by both HdL and City staff. HdL's staff has over 34 years of experience developing, designing and reviewing cannabis-related regulatory programs for state and local agencies.

HdL understands the City of Moreno Valley is seeking a consultant to conduct cannabis regulatory compliance inspections and financial audits, compliance and investigations for the City. HdL has the experience to assist the City with these services. The firm has experience working with over 100 local agencies on all issues related to cannabis tax policies, regulatory ordinances, fiscal analysis, compliance reviews, financial audits and providing insight to ensure all state and local laws are followed. Our staff has reviewed and processed over 1,000 applications in the last 2 years which encompass reviewing retail stores (dispensaries), non-store front (delivery operations) cultivation, manufacturing, testing labs, and distribution facilities.

The Scope of Services to be provided by HdL shall include:

- Kick off meeting(s) with City Staff, City Sub Committees or Community Stakeholders;
- Assist in the implementation of commercial cannabis activity ordinance for cannabis businesses;
- Create the best practices that will ensure public safety, and preserve the welfare and health of the City of Moreno Valley;
- Provide City staff with technical and policy expertise related to the operations and understanding of the Cannabis Industry to ensure compliance with the Medical Cannabis and Safety Act (MCRSA), Adult Use Marijuana Act (AUMA), SB 94, the Medicinal Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), and all applicable local ordinances;
- Assist in the design if applicable the procedures and application requirements for a permittee selection process that will be used to invite, review, score, and provide recommendations on applicants to operate cannabis businesses in the City;
- Review and assist with ongoing implementation of cost recovery fees to recoup the City's cost for developing a regulatory program, reviewing all cannabis business applications and issuing cannabis business permits;
- Conduct compliance and financial audits as well as other regulatory functions deemed necessary by the City;
- Assist with the development of a tax measure and ordinance which may provide economic benefits but at the same time ensure long term stability for the cannabis business operators.

C. APPROACH AND MANAGEMENT PLAN

Founded in 1983, HdL Companies is a consortium of three companies established to maximize local government revenues by providing a variety of audits, analytical services and software products. Hinderliter, de Llamas & Associates (HdL) provides consulting and tax administration services for sales, use and transaction taxes, economic development and cannabis program management. HdL Coren & Cone provides audit and information services related to property taxes. HdL Software provides a variety of enterprise software processing tools for business licensing, code enforcement, animal control, building permits and tracking/billing of false alarms. HdL’s systematic and coordinated approach to revenue management and economic data analysis is currently being utilized by over 400 agencies in six states.

HdL Companies is a Corporate Partner of the League of California Cities and California State Association of Counties, and works extensively with the State Association of County Auditors, California Society of Municipal Finance Officers (CSMFO) and California Municipal Revenue and Tax Association (CMRTA) on anticipation and planning of programs to strengthen local government revenues.



In 2015, HdL established a cannabis services division with expert staff that works closely with the Department of Consumer Affairs, Department of Food and Agriculture, Department of Public Health and California Department of Tax and Fee Administration (formally The State Board of Equalization) in the implementation of the Medical Cannabis Regulatory and Safety Act (MCRSA) and Proposition 64 Adult Use Marijuana Act (AUMA) and most recently SB 94 Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA). In addition, our staff has partnered with the League of California Cities, CSAC, RCRC and Cal Police Chiefs Association to develop policy and regulatory strategies to manage the Cannabis Industry in California. We offer the resources and expertise to assist cities and counties with the design and implementation of all aspects of their regulatory and taxation policies and programs.

The firm currently employs over 70 employees with its corporate headquarters in Diamond Bar, CA and additional offices in San Dimas and Pleasanton.

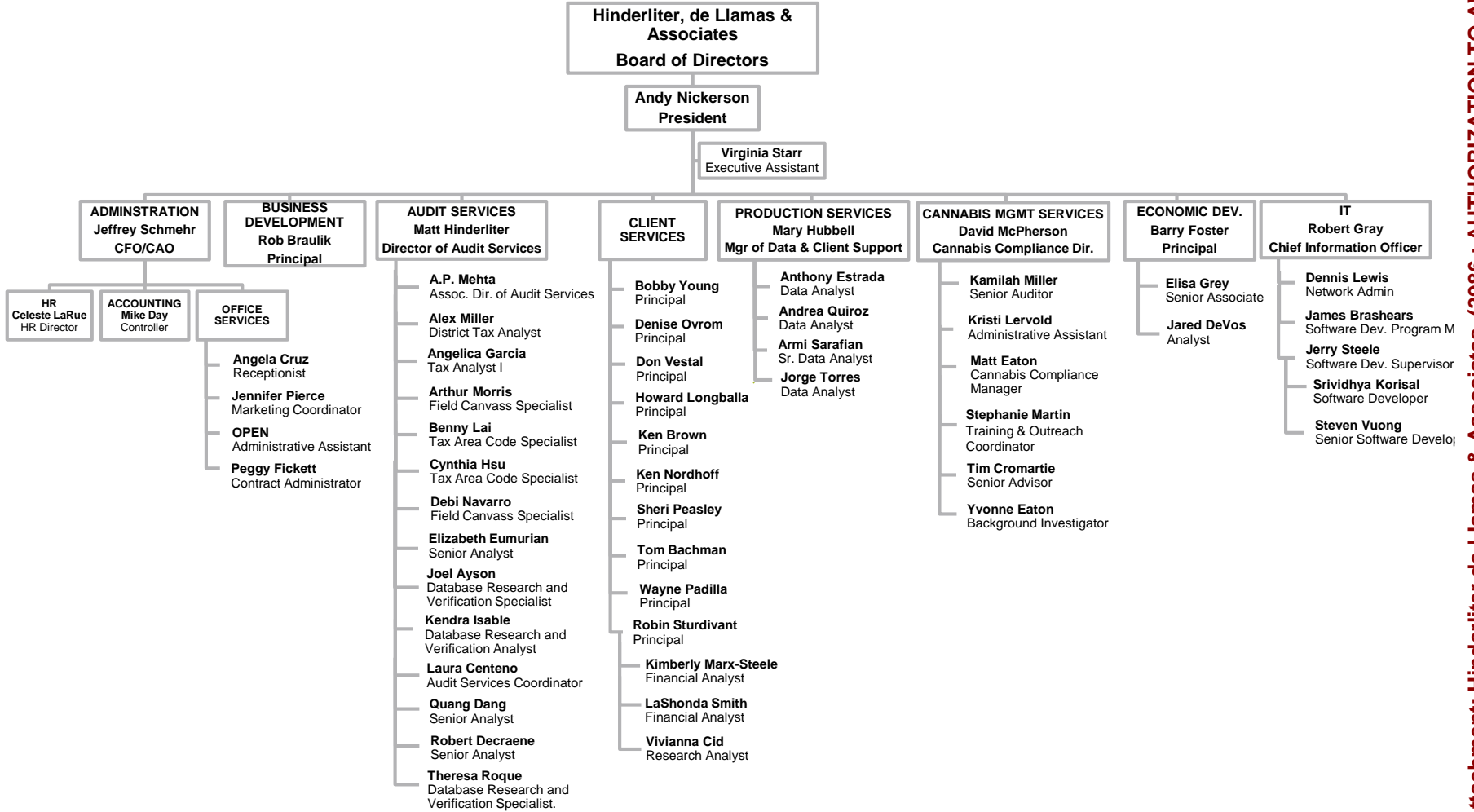
HdL’s Cannabis Management services are led by David McPherson, who is one of the state’s most recognized experts in cannabis policies, regulations and taxation strategies. When Mr. McPherson was the Revenue & Tax Administrator in the City of Oakland, he became a pioneer by being the first person in the Country to tax, regulate and audit the cannabis industry. He uses his experience of understanding horticulture, processing and dispensary operations to assist local and state agencies with developing cannabis policies for regulation, compliance, auditing and economic development. Another key member of the team is Matt Eaton, Cannabis Compliance Manager, who’s previous experience as a Supervisory Criminal Investigator with the Colorado Department of Revenue in the Marijuana Enforcement Division (MED) provided him the opportunity to conduct over 10,000 criminal investigations and compliance audits of marijuana-related businesses.

Our Cannabis Compliance team includes these team members:

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David McPherson – Cannabis Services Director
Matt Eaton – Cannabis Services Manager
Tim Cromartie – Cannabis Senior Advisor
Kami Miller – Senior Auditor
Mark Lovelace – Cannabis Policy Advisor
Stephanie Martin – Cannabis Outreach Coordinator
Elizabeth Eumurian – Senior Analyst

Please see HdL's organizational chart following this page.



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D. QUALIFICATIONS AND EXPERIENCE

Qualifications and Experience of Proposed Project Team

Our team of professionals has over 33 years of direct experience establishing and implementing medical and adult-use cannabis regulatory and taxation programs which include establishing land-use regulations, permit processes, staffing plans, cost recovery fees, structuring cannabis business tax fees, regulatory compliance, financial audits and law enforcement training. Our team has conducted over 10,000 cannabis compliance inspections and investigations in Colorado, California and Nevada. Our staff has reviewed and processed over 1,000 applications in the last 2 years.

1. Key Personnel

David McPherson, Cannabis Services Director (Project Manager)

David McPherson works with local agencies to prepare them to mitigate regulatory issues surrounding Proposition 64. Prior to joining the firm, David served 28 years in local government for the County of Orange and the cities of Newport Beach, San Jose and Oakland. David's experience as a law enforcement officer, compliance auditor, and tax administrator has provided him a wealth of experience that makes him uniquely qualified to manage HdL's Cannabis Management Program. While working for the City of Oakland, he became the first Tax Administrator in the Country to successfully tax, regulate and audit medical marijuana businesses. David has over 8 years of experience working with Cannabis regulatory programs.

David is one of the state's most recognized experts in cannabis regulatory policies, compliance implementation and tax policies. His unique knowledge in horticulture, processing and dispensary operations while working for the City of Oakland has made him one of the pioneers in creating a Cannabis Management Program. He uses his experience to assist local and state agencies in developing cannabis policies for regulation, compliance, auditing and economic development. He worked closely with the League of Cities and lobbyists on the development of the Medical Cannabis Regulation and Safety Act (MCRSA) and helped shaped SB94, the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).

David provides technical support on cannabis-related matters to the League of Cities, the Police Chief's Association, Rural County Representatives of California, and the California State Association of Counties. In addition, David is working collaboratively with the Department of Consumers Affairs, Department of Food & Agriculture, Department of Health Services and the California Department of Tax and Fee Administration (previously known as the State Board of Equalization) on the implementation of best practices for regulating the Cannabis Industry for local agencies.

A sampling of some of the agencies that David has worked with in the last two years include the Cities of Blythe, California City, Coachella, Culver City, Cotati, El Monte, Gonzales, Greenfield, Grover Beach, Hanford, King City, Long Beach, Marysville, Maywood, Moreno Valley, Pasadena, Port Hueneme, Riverside, San Bernardino, San Fernando, Thousand Oaks, Tracy, Ventura and Watsonville and the Counties of Inyo, Riverside, Santa Cruz, Contra Costa, Lake, Mendocino, Mono, Monterey, Placer, Riverside and Ventura.

David received his Bachelor's Degree in History from California State University, Fullerton and his Master's Degree in Public Administration from California State University, Long Beach. While at Long Beach, he was named "Future Urban Administrator of the Year".

Matt Eaton, Cannabis Services Manager

Matt Eaton is the Cannabis Services Manager at HdL and plays a critical role in implementing the Cannabis Compliance Program for local agencies. Prior to joining the firm, he was a progressive law enforcement professional with 29 years' experience conducting criminal/regulatory investigations and corporate/individual background investigations.

While working as a Supervisory Investigator at the Colorado Department of Revenue in the Marijuana Enforcement Division (MED) Matt managed Criminal Investigators and civilian staff in the Denver Metro and Longmont Field Offices. During his six-year tenure at the MED, he conducted approximately 10,000 criminal investigations and compliance reviews which included regulatory and financial investigations. In addition, he is a subject matter expert on track and trace systems. He understands the complexity of reviewing data to ensure businesses are in compliance with state and local regulations. Matt was also responsible for planning, developing and implementing report and field inspection protocols for the agency.

Matt also played an instrumental role in recommending changes to current regulations and identifying essential language for new legislation in the State of Colorado. Matt is well known for his ability to maintain working relationships with Cannabis Industry leaders and external stakeholders in resolving issues.

A sampling of some of the agencies that Matt has worked with in the last two years include the Cities of Blythe, California City, Carson, Costa Mesa, Desert Hot Springs, El Monte, Greenfield, Grover Beach, Long Beach, Pico Rivera, Salinas, San Fernando and Vallejo and the Counties of El Dorado, Monterey, Placer and Solano, Monterey and the Monterey Fire District.

Matt received his Bachelors of Science Degree from Biola University and currently maintains a Colorado Post Certificate. He has also served as an Adjunct Instructor teaching law enforcement principle related to criminology, correctional processes, procedural law, interviews, interrogations and criminal evidence at AIMS Community College in Greeley, Colorado.

Tim Cromartie, Cannabis Senior Advisor

Tim Cromartie is a Senior Advisor at HdL. His primary role is to address cannabis regulatory and tax policies at the state and local municipalities. Prior to joining the HdL team, Tim served as the legislative representative covering public safety issues for the League of California Cities with an emphasis on shaping legislation governing state and local regulation of marijuana. He has been actively involved in educating cities on changes in the law resulting from the Medical Cannabis Regulation and Safety Act, as well as Proposition 64, the Adult Use of Marijuana Act.

When these two Acts were merged into a single regulatory structure in 2017, Tim successfully advocated for clarification of local government's regulatory and enforcement authority in the cannabis context, and for related environmental safeguards in cultivation operations, protections against over-concentration of businesses, regulation of testing labs, and the inclusion of fire safety standards and a definition of volatile solvents in state law governing cannabis manufacturing operations. Since then he has been engaged in educating local governments on the more recent Medical and Adult Use Cannabis Regulation and Safety Act (MAUCRSA), as well as advocating for a reduction in the cumulative state tax rate for cannabis, improvements in the state's track-and-trace program, and the restoration of a statewide cultivation cap.

Prior to the League, he held a variety of positions in the Legislature and state government, including legislative representative for CalPERS Governmental Affairs, legislative director and public safety consultant to former state Senator Gloria Romero, and field representative for Congresswoman Barbara Lee during her term in the state Senate. He has a Bachelor of Arts degree in Political Science from the University of California at Berkeley and a degree from Hastings College of the Law.

Kami Miller, Cannabis Senior Auditor

Kami Miller is the Cannabis Senior Auditor at HdL who's primary role is to ensure cannabis compliance and identify the risk assessment in the supply chain process of each permitted business. Prior to joining the firm, she served three years as a Marijuana Compliance Manager for the Department of Public Behavior and Health (DPBH) for the State of Nevada. During this time Kami played a key role in Nevada's implementation of its Medical Marijuana Program in which she was responsible for statewide monitoring of medical marijuana facilities that included cultivation, production, testing labs and retail stores.

A sampling of some of the agencies that Kami has worked with in the last two years include the Cities of Blythe, Hanford, Port Hueneme, Maywood, Union City, Nevada City, Tracy, Vallejo, Watsonville and the County of Contra Costa.

While working as a Marijuana Compliance Manager for the DPBH for the State of Nevada, Kami managed compliance auditors and support staff in their Las Vegas Office. During her three-year tenure at the DPBH, she conducted approximately 1,000 compliance and financial inspections in which she developed the documentation for the inspection protocols in order to establish comprehensive reports. In addition, her experience in Nevada provided her the opportunity to learn the various track and trace systems that allowed her to develop industry chain practices for the Department of Taxation.

Kami received her Bachelor's degree in Business Administration in E-Commerce and Supply Chain Management from Tennessee State University.

Mark Lovelace, Cannabis Policy Advisor

Mark Lovelace has 16 years of broad experience in public policy, community engagement and advocacy and is recognized as a leader in advancing the statewide discussion of medical and adult-use cannabis as a policy issue in California.

Mark served on the Humboldt County Board of Supervisors from 2009 through 2016, where he was instrumental in developing a comprehensive approach to regulating cannabis, including a voter-approved tax on commercial cultivation and an innovative track and trace pilot program. Mark established and co-chaired the Medical Marijuana Working Group for the California State Association of Counties (CSAC) and helped draft CSAC's legislative platform for cannabis issues. Mark pioneered the first-ever six-county regional summit on cannabis issues in 2015, which resulted in the North Coast Counties Marijuana Policy Statement. His work and input were pivotal in guiding the development of SB 643 and AB 243, two components of the Medical Cannabis Regulation and Safety Act (MCRSA).

Mark has worked extensively with public agencies and statewide associations on cannabis issues, including CSAC, Rural County Representatives of California (RCRC), the Association of California Water Agencies, the North Coast Resource Partnership, California Department of Fish and Wildlife, the State Water Board, the North Coast Regional Water Board, the Bureau of Medical Cannabis Regulation, State legislators, the Department of Justice, Members of Congress and others. He has organized and led numerous presentations, workshops and panel discussions on cannabis issues and has been a sought-after speaker on the topic for government agencies, community organizations and cannabis industry groups.

A sampling of some of the agencies that Mark has worked with in the last three years include the Counties of Contra Costa, Humboldt, Inyo, Santa Cruz, Santa Barbara, Lake, Riverside, San Joaquin, Stanislaus and Yolo.

Mark received his Bachelor of Science Degree in Industrial and Product Design from California State University, San Jose. Prior to his time on the Board, he worked for many years as a respected advocate on land use, planning, development and environmental issues.

Stephanie Martin, Cannabis Outreach Coordinator

With over 28 years of diversified law enforcement experience, Stephanie has used her training and expertise to develop community-based partnerships, create and implement outreach programs and apply her communication skills for media relations. Stephanie’s public service career included working as a Police Officer, Program Manager, and Community Affairs Officer for the Manhattan Beach Police Department.

In these roles, Stephanie had supervisory responsibilities, managed budgets, performed training and interviewed/selected applicants. Stephanie also served as a DARE program coordinator for the City of Redondo Beach.

Stephanie has recently worked with California City, the City of Commerce, Long Beach and Maywood. She earned her Bachelor of Science degree from Chapman University in Orange California.

Elizabeth Eumurian, Cannabis Senior Analyst

Elizabeth Eumurian is a Senior Analyst in HdL’s Audit Department. Elizabeth previously worked for a large financial institution analyzing data for reporting anomalies and performing financial audits. She has also worked as a senior auditor in the entertainment industry. In this role, Elizabeth executed testing procedures for targeted audit programs, analyzed findings and prepared audit and compliance reports. Elizabeth has recently done work for Blythe, California City, Coachella, Desert Hot Springs, Perris, Long Beach and Vallejo.

She earned her Bachelor of Arts degree in History from California State University, Fullerton.

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SIMILAR PROJECTS

HdL has partnered with over 100 California agencies on cannabis-related projects in the last two years. Our scope of work includes all the requirements set forth in the City's Request for Proposals. Our services include ordinance development, community outreach, merit-based application development and support, permitting process, cost recovery, fiscal analysis, tax measures and regulatory/financial compliance reviews.

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Darlene Mata

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Suzi Merriam

Community Development Director
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E. STAFFING PLAN

Using a team approach, HdL will utilize its experts to deliver the services requested. HdL's Cannabis Management services are led by David McPherson, who is one of the state's most recognized experts in cannabis policies, regulations and taxation strategies. When Mr. McPherson was the Revenue & Tax Administrator in the City of Oakland, he became a pioneer by being the first person in the Country to tax, regulate and audit the cannabis industry. He uses his experience of understanding horticulture, processing and dispensary operations to assist local and state agencies with developing cannabis policies for regulation, compliance, auditing and economic development. Another key member of the team is Matt Eaton, Cannabis Compliance Manager, who's previous experience as a Supervisory Criminal Investigator with the Colorado Department of Revenue in the Marijuana Enforcement Division (MED) provided him the opportunity to conduct over 10,000 criminal investigations and compliance audits of marijuana-related businesses. Kami Miller is the Cannabis Senior Auditor at HdL who's primary role is to ensure cannabis compliance and identify the risk assessment in the supply chain process of each permitted business.

HdL's key personnel include:

David McPherson – Cannabis Services Director
 Matt Eaton – Cannabis Services Manager
 Tim Cromartie – Cannabis Senior Advisor
 Kami Miller – Senior Auditor
 Mark Lovelace – Cannabis Policy Advisor
 Stephanie Martin – Cannabis Outreach Coordinator
 Elizabeth Eumurian – Senior Analyst
 Kristi Lervold – Administrative Assistant

HdL staff has the capacity to perform the requested services for the City. HdL has provided similar services to other agencies and will complete the project within the budget and schedule to meet the City's requirements.

F. WORK PLAN AND SCHEDULE

The regulation, compliance and taxation of Cannabis is complex and filled with challenging issues. Therefore, the objectives presented in this proposal are based on HdL's experience and the expectations and desired outcomes of the City. However, due to the ongoing evolution of the state's Medical Cannabis Regulation and Safety Act (MCRSA), the Adult Use Marijuana Act, Proposition 64 and SB 94, Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), HdL is agreeable to modifications to this scope of services as deemed necessary by both HdL and City staff. HdL's staff has over 34 years of experience developing, designing and reviewing cannabis-related regulatory programs for state and local agencies.

Consulting Services for Cannabis Program

HdL staff will work collaboratively with City staff to provide conduct cannabis regulatory compliance inspections and financial audits, compliance and investigations for the City. The firm will provide the services listed below:

- Kick off meeting(s) with City Staff, City Sub Committees or Community Stakeholders;
- Assist in the implementation of commercial cannabis activity ordinance for cannabis businesses;
- Create the best practices that will ensure public safety, and preserve the welfare and health of the City of Moreno Valley;
- Provide City staff with technical and policy expertise related to the operations and understanding of the Cannabis Industry to ensure compliance with the Medical Cannabis and Safety Act (MCRSA), Adult Use Marijuana Act (AUMA), SB 94, the Medicinal Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), and all applicable local ordinances;
- Assist in the design if applicable the procedures and application requirements for a permittee selection process that will be used to invite, review, score, and provide recommendations on applicants to operate cannabis businesses in the City;
- Review and assist with ongoing implementation of cost recovery fees to recoup the City's cost for developing a regulatory program, reviewing all cannabis business applications and issuing cannabis business permits;
- Conduct compliance and financial audits as well as other regulatory functions deemed necessary by the City;
- Assist with the development of a tax measure and ordinance which may provide economic benefits but at the same time ensure long term stability for the cannabis business operators.

Objective 1: Provide Subject Matter Expertise and Technical Support

Subject matter expertise and technical support will begin upon the execution of a contract with the Consultant, and will include the following:

- HdL will hold a kick off meeting with City Staff, City Sub Committees or Community Stakeholders.
- HdL will work with City staff on issues related to cannabis tax policies and assist in the implementation of a commercial cannabis activity ordinance for cannabis businesses;

- Ensure proposed city ordinance complies with all state and local laws and conforms to the best practices to regulate the cannabis businesses in the City;
- Monitor MCRSA and AUMA policy development and provide feedback to City staff to ensure that the City follows any changes which may impact the development of the city's strategy to regulate and tax businesses which will be permitted in the City;
- Create the best practices that will ensure public safety and preserve the welfare and health of the City of Moreno Valley.

Objective 2: Application Development and Support

HdL will develop a multi-phased (tiered) merit-based application process for prospective businesses (including medicinal and adult-use retail, distribution, cultivation, processing, manufacturing, and testing).

HdL staff will work collaboratively with the City Council, City staff, public, stakeholders and policy makers in developing a cannabis business permit application and recommend fees for each phase of the process to ensure cost recovery of staff resources and consultant. HdL will develop the criteria to evaluate the application and permitting processes for prospective businesses.

Application Development and Submittal Requirements

In the past two years, HdL has developed a proprietary application process and has conducted reviews of over 1,000 cannabis business permit applications and is uniquely qualified to provide staff insight and support to anticipated issues and challenges with the application process.

Phase I will require each member of the applicant's team to complete the application materials, which will include a Live Scan form or alternative background requirements, Release and Authorization form and Disclosure and Acknowledgement form.

Prior to Phase II, HdL staff experienced with developing "best practices" for cannabis facility applications will collaborate with City staff to certify all information desired by the City is incorporated in the business application. HdL will review the City's ordinance requirements, the California Attorney General's Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use (2008), and new regulatory requirements established by MCRSA, AUMA and MAUCRSA. Furthermore, HdL will develop evaluation criteria to be used by City staff for the review process in accordance with the City's proposed regulatory ordinance. In addition to the documents and minimum standard requirements for filing the application, the Request for Permit Application (RFPA) will consider these seven (7) key components of the application.

The criteria we recommend for the City staff to use in the decision process will include the following but not be limited to these categories:

- Location of the proposed facility
- Articles of incorporation
- Live scan submissions
- Proof of capitalization
- Proof of insurance
- Business plan (includes building & construction, security plan and fire plan)
- Industry experience

Application Review and Initial Ranking

Based on HdL's understanding it is the City's desire to conduct the evaluation of the application process and not the Consultant. Therefore, HdL will educate staff on how to review applications to identify incomplete submissions, omissions background requirements for all business partners, and applications which do not conform to zoning requirements for their perspective permit. The highest quality applications should demonstrate a forward-thinking approach and deploy solutions that include green practices, sustainable energy and waste solutions and use of industry best practices. Consideration will be given to applications that address concerns the City may have regarding nuisance behavior, environmental issues, and product safety.

Criteria the City may want to use in evaluating and rating applications may include the following:

- Overall quality of the proposal including responsiveness and conformance to RFP requirements for content and format;
- Quality and appropriateness of proposed applicant team, professional experience and background of primary applicants and key sub lessees;
- Key personnel, project location, and other management staff with required experience and skills relevant to this project;
- Primary applicants experience and ability to manage operations of proposed facility, scheduling of work, cost estimating and budget management;
- Primary makeup of applicant's corporate board, and prior experience working with local government agencies;
- Patient tracking, product inventory management and recordkeeping;
- Quality and appropriateness of proposed site, business model, organization, and knowledge and experience working with specific legal codes and regulations;
- Transportation plan describing the procedures for safely and securely transporting cannabis products and currency;
- Applicants use, and implementation of solutions designed to reduce and address any actual or potential concerns of the City and its residents, and
- Any other additional information which the City would like to incorporate into the selection process which they deemed necessary.

Preliminary Results and Recommendations:

In Phase II of the application review process, all applications will be individually scored by designated City staff and the scores will be consolidated into a single results spreadsheet to allow for easy evaluation of outcomes. HdL recommends that all applicants that pass Phase II with a score of 80% or higher move onto Phase III of the application process.

All applicants from each category will be reviewed and rated based on ten (10) point categories. An applicant's score will be based on their ability to meet or exceed minimum requirements in the ten (10) categories. Applicants must provide information on how they plan to meet these point categories. Such action will become a mandatory condition of their permit. Failure to meet or comply with this requirement will subject applicants to penalties and/or revocation proceedings.

These categories include the following:

- | | |
|----------------------------|------------------------------------|
| 1. Final Proposed Location | 6. Labor and Employment Practices |
| 2. Business Plan | 7. Local Enterprise |
| 3. Community Benefits | 8. Neighborhood Compatibility Plan |
| 4. Enhanced Product Safety | 9. Qualifications of Principals |
| 5. Environmental Benefits | 10. Safety and Security Plan |

Facility Inspection and Interview Panel Support

HdL will assist city staff, if requested, to conduct site verification prior to Phase III. In addition, HdL staff will prepare panel interview questions to be used by City staff for the final ranking of applicants.

All applicants which meet the 80% criteria will advance to a panel interview phase. Prior to scheduling the panel interviews all proposed site locations will be inspected to determine if applicants have been operating prior to being issued a permit. Any applicants identified as having been in operation without a permit may be disqualified. If it is determined that an operation was pre-existing but failed to pay past taxes, such non-disclosure may cause the application to be disqualified from consideration. In addition, any misrepresentation, failure to disclose, or withholding of information pertinent to the application process such as prior operations, board and management composition, pre-constructed sites, gross receipts, length of time operating, etc. may result in disqualification.

Upon successful site inspection completion each applicant will be scheduled for a panel interview. The interview panel may consist of representatives from the following areas: City Management, Community Development, Finance, and Fire/Police. Please note it is HdL's recommendation that the City Attorney's Office not participate on this panel to remain neutral in case of an appeal or potential litigation.

Final Selection and Presentation to Council

- Following the objective ranking of the application materials and the interview panel scoring, City staff will bring forward for the City Council's consideration recommendations for issuing permits to the appropriate number of applicants or make a policy determination to have this done administratively.
- HdL will be available to assist City staff with responses to questions or to provide other assistance at City Council meetings.

Objective 3: Cost Recovery and Fiscal Analysis

Objective 3.1 Cost Recovery

Develop cost recovery fees to recover the City's costs associated with reviewing applications and issuing permits. This will include the initial application process, Conditional Use Permit if applicable and the annual regulatory permit.

Objective 3.2 Revenue Fiscal Analysis

Prepare a fiscal revenue report identifying tax options for the various types of cannabis businesses which will be operating in the City to develop a tax strategy which maximizes the

economic benefit for the City. HdL will then develop a tax ballot measure and ordinance which can be approved by the voters of the City of Moreno Valley.

Objective 4: Conduct Compliance Inspections and Financial Audits

Taxes and regulatory compliance are one of the biggest challenges the cannabis industry faces. Commercial cannabis operators often have a much higher tax burden than other sectors of the cannabis industry due to 280E rules and limited banking options. Thus, it can be tempting for them to look for creative ways to lower their tax liability. Since commercial cannabis business operations are primarily a cash transaction business, it is estimated that 30-35% of all revenue

related to cannabis businesses can go unreported if they are not routinely audited and regulated. In today's thriving cannabis economy, it is estimated that only 8% of cannabis businesses get audited, which leaves the opportunity for leakage or under reporting of taxes. Therefore, the

City's desire to maintain high accountability and oversight to manage the permittees through regulated compliance and financial audits will be of high priority with HdL, given their expertise in this area.

Objective 4.1 Conduct Compliance Audit

HdL will conduct quarterly compliance inspections to ensure that each cannabis business will comply with the following:

- Proper inventory management of product
- Correct use of RFID tags for any products on the premises
- Occupational badge requirements
- Business records retention
- Tax information records
- Lock standards and protocols
- Alarm system maintenance and safety standards
- Breach of limited access areas
- Video surveillance
- Camera map
- Video footage retention requirements
- Camera location and maintenance of surveillance equipment
- Transportation manifest
- Retail marijuana production management
- Waste disposal

- Marijuana infused products reasonable measures and precautions
- Ensure packaging and labeling requirements meet State requirements
- Other information as deemed necessary to ensure compliance with State and local law

Objective 4.2 Financial Audit

The financial audit will be conducted annually. The first phase of the financial audit will be a desk audit in which the tax returns and external reports are analyzed to verify the gross receipts reported, which shall be subject to a Commercial Cannabis Tax.

The second phase is a field audit where point of sale systems, accounting software and inventory reports are sampled to verify the information contained in the external reports.

Included in Phase II will be a field audit which will include a detailed check list of each of the key areas noted below, which is deemed essential to conducting a thorough financial audit. HdL will also be conducting a financial and compliance forensic audit of the cannabis business with the use of proprietary software to ensure there is no diversion of product or cash as part of this process.

- Notification letters will be sent to the Commercial Cannabis Business containing the pertinent information;
- List of initial financial information requested in the notification letter will be used for a desk audit for the periods under review;
- Results from the desk audit will direct the emphasis of the field process;
- Inventory Audit;
- Point of Sale Audit;
- Software Systems Audit; and
- Facility Audit

Objective 4.3 Compliance Review and Financial Audit Deliverables

It is the goal of HdL to provide the City with all the technical and subject matter expertise through the year to ensure proper oversight and management of the Commercial Cannabis Business. HdL wishes to create “best practices” for the City and the permittee to make sure they are following State and local law. As part of this objective, this proposal incorporates outreach and education for the City’s Police Department, City staff and the permittee.

As part of the quarterly compliance inspection, HdL will determine if the violation is an infraction subject to fine, suspension or revocation of the license. We will provide a recommendation to the City, showing how the problem can be mitigated to ensure compliance and that the appropriate action is taken on the permittee.

As part of the annual financial audit HdL will provide an initial audit finding letter to the Commercial Cannabis Business. The taxpayer will be given the appropriate time to respond or appeal the Final Determination Letter in accordance with the City ordinance. If a tax

assessment needs to be adjusted than a modified invoice will be sent out and the taxpayer will be given the appropriate time to pay the tax liability in accordance to the City ordinance.

PROPOSED PROJECT TIMELINE

March 5	Respondent Selection and Execution of Contract
March 12	Anticipated Start Date and Kick-Off Meeting
March 26	Develop Revenue Modeling
April 2	Provide State Rule Making Interpretation and Implementation to the City
April 9	Cannabis Permit Application review and processing
May 7	Conduct facility inspections
May 9	Develop Tax Measure Ordinance and Resolution
May 14	Provide Track and Trace System Evaluation and Monitoring (Or as TBD by the City)
May 21	Conduct Regulatory compliance with City License/Permits (Or as TBD by the City)
Jan 2	Conduct Compliance reviews and financial audits as determined by the City's issuance of regulatory business permit and approval of the Cannabis Tax by the Voters in Nov 2018. (Or as TBD by the City)

G. QUALITY CONTROL AND ASSURANCE

HdL maintains the highest quality control and assurance for all client's through the following procedures:

- Records for financial audits are requested to be via secure email or dropbox. HdL provides a secure link if an auditee needs it.
- All records are saved to a secure internal drive that is only accessible to approved HdL Cannabis Department employees.
- Any communication containing confidential information is sent via secure email (i.e. reports, inquiries, follow-up record requests, background check requests, etc.)
- Hard copy records are kept in a secure and locked office space.
- All employees of HdL sign a confidentiality agreement when hired.

H. ADDITIONAL RELEVANT INFORMATION

HdL has practical cannabis government expertise at the state, county and local level which makes HdL the only consulting firm in California that has this hands-on experience with policy issues, developing financial and regulatory ordinances, preparing fiscal analysis and tax measures to address the cannabis industry. HdL has special training in cannabis horticulture, dispensary management, manufacturing and possesses law enforcement experience to address public safety concerns. Our team has conducted over 10,000 cannabis compliance inspections and investigations in Colorado, California and Nevada.

HdL has been recognized as an industry leader, providing government solutions by industry professionals.

David McPherson, HdL's Cannabis Compliance Director, is one of the state's most recognized experts in cannabis policies, regulations and taxation strategies. He uses his experience dealing with the industry to assist local and state agencies in developing cannabis policies for regulation, compliance, auditing and economic development. Cannabis Compliance Manager Matt Eaton was a Supervisory Criminal Investigator with the Colorado Department of Revenue in the Marijuana Enforcement Division (MED) where he was responsible for conducting over 10,000 criminal investigations and compliance audits. Furthermore, he worked closely with local law enforcement agencies in the State of Colorado on Marijuana issues and provided special training. Kami Miller, Cannabis Senior Auditor, served three years as a Marijuana Compliance Manager for the Department of Public Behavior and Health (DPBH) for the State of Nevada. During this time Kami played a key role in Nevada's implementation of its Medical Marijuana Program in which she conducted over 1,000 compliance inspections and was responsible for statewide monitoring of medical marijuana facilities that included cultivation, production, testing labs and retail stores.

HdL understands the City's needs. Our professional team has direct experience with establishing and implementing both medicinal and adult-use cannabis regulatory programs which includes establishing land-use regulations, permit processes, developing state regulations, staffing plans, cost recovery fees, structuring marijuana business tax fees and training law enforcement agencies on how to develop criminal investigations.

We help our clients develop successful programs.

HdL provides subject matter and technical support to implement your agency's Cannabis Management Program. Services include working with agency staff on all issues related to cannabis tax policies, fiscal analysis, legislation, regulatory ordinances and providing best practices for compliance with state and local laws.

Implementing a successful application process for cannabis retail stores (dispensaries), cultivation, manufacturing, non-store front retailers (deliveries) and distribution facilities can be overwhelming. HdL works with agency staff to develop a comprehensive application process and assist City staff with application reviews and recommendations. HdL ensures the entire process is transparent and meets all legal standards set forth by the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) and all applicable local laws.

HdL assists agencies with developing cost recovery programs to recover costs associated with reviewing medicinal and adult-use cannabis business applications and issuing cannabis business permits. Our team prepares fiscal reports to present tax options for the various types of cannabis businesses which will be operating in your jurisdiction and develops strategies to maximize agency economic benefits and provides the cannabis business an opportunity for success.

We offer community outreach expertise.

HdL has given workshops and presentations for many professional organizations in the state. Recent cannabis-related presentations and workshops include:

- League of Cities – Economic Development Managers
- North Coast Regional Summit
- State Board of Equalization – Cannabis Traceability Workshop
- League of California Cities – City Manager Department Meeting 2016, 2017
- Placer County Chamber of Commerce
- California City Stakeholders Meeting
- San Bernardino City/County Conference – 2016, 2017
- State Board of Equalization – Marijuana Audit Training
- Central Valley Cities – City Attorney Association
- City of Banning Town Hall Community Meeting
- CATTCC – Bay Area Annual Conference
- CSFMO – Central Valley Chapter
- CSMFO – Channel Counties Chapter
- Bond Buyers Annual Conference
- California State Association of Counties – Orange County Chapter
- City of El Monte Council Workshop
- City of Lynwood Council Workshop
- League of California Cities Annual Conference – 2016, 2017
- County Administrative Officers Association
- CMRTA Annual Conference – 2016, 2017
- California Police Chiefs Association – Bay Area, Central CA and Southern CA
- CSMFO – Coachella Valley Chapter
- Solano County Board of Supervisors
- City of San Fernando City Council
- CSMFO Annual Conference 2017
- League City Managers Department Meeting 2017
- CMRTA Division 1 Chapter Meeting
- City of Blythe Council Workshop
- City of El Monte Council Workshop
- City of Cotati Council Workshop
- City of Pacifica Council Workshop
- City of Riverside Council Workshop
- California Police Chiefs Association Webinar
- City of San Carlos Council Workshop
- CSMFO Orange County Chapter Meeting
- County of Riverside Board of Supervisors Workshop
- Contract Cities Annual Conference
- CSAC Counties Cannabis Summit
- Motherlode County Auditors Meeting
- League of Cities SB 94 Webinar 2017
- City of Tracy Community and Public Outreach
- City of Culver City Ad Hoc Workshop
- Napa County Local Agencies Meeting
- City of Union City Community and Public Outreach
- City of Pico Rivera Cannabis Policy Workshop
- League of Cities Finance Institute
- City of San Bernardino Ad-Hoc Committee
- AGA Silicon Valley Chapter Seminar
- City of Sacramento Regulations and Compliance Workshop

I. ADDITIONAL REQUIRED STATEMENTS

1. The Request for Proposal shall be incorporated in its entirety as a part of our proposal.
2. The Request for Proposal and HdL's proposal will jointly become part of the Agreement for Professional Consultant Services for this project when fully executed by the Consultant and the Mayor or City Manager of Moreno Valley.
3. HdL's services to be provided, and fees therefore, will be in accordance with the City's Request for Proposal.
4. As requested, please see Section J Additions or Exceptions to the City's Request for Proposal for any exceptions that HdL takes from this Request for Proposal.
5. A summary that highlights the contents of this response can be found in Section B.
6. A statement of qualifications and listing of similar projects can be found on Page 12.
7. A statement of HdL's area of expertise and resumes can be found in Section D.
8. HdL does not have any possible conflicts of interest with any current clients or staff members in the City of Moreno Valley.
9. HdL's hourly rate schedule can be found in the Cost Proposal submitted with this response.
10. HdL's fees for services are "Not-to-Exceed" and includes estimated reimbursable expenses.
11. HdL will document and provide results of the work to the satisfaction of the City including field and final reports to complete the Agreement objectives.
12. HdL will not discriminate against any employee or applicant because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, ethnicity, status as disabled veteran or veteran of the Vietnam era.
13. HdL will abide by all federal laws and regulations notwithstanding any state or local laws and regulations. In case of conflict, the strictest shall be adhered to.
14. HdL has provided a proposed timeline for this project on Page 20.
15. HdL's Cost Proposal includes an itemized breakdown of expenses by proposed task and includes travel, administrative and other direct charges.
16. HdL's Cost Proposal includes a schedule of staff hourly rates for any optional work not included in this response.

J. ADDITIONS AND/OR EXCEPTIONS TO THE CITY'S RFP

HdL would prefer that the language below is incorporated into the City's contract.

CONSULTANT agrees to the following:

- i. *Indemnification for Professional Services.* CONSULTANT will save harmless and indemnify and at CITY's request reimburse defense costs for CITY and all its Officers, volunteers, employees and representatives from and against any and all suits, actions, or claims, or any character whatever, brought for, or on account of, any injuries or damages sustained by any person or property resulting or arising from any negligent or wrongful act, error or omission by CONSULTANT or any of CONSULTANT's officers, agents, employees, or representatives, in the performance of this Agreement, except for such loss or damage arising from CITY's sole negligence or willful misconduct.
- ii. *Indemnification for other Damages.* CONSULTANT indemnifies and hold CITY harmless from and against any claim, action, damages, costs (including, without limitation, attorney's fees), injuries, or liability, arising out of this Agreement, or its performance, except for such loss or damage arising from CITY's sole negligence or willful misconduct. Should CITY be named in any suit, or should any claim be brought against it by suit or otherwise, whether the same be groundless or not, arising out of this Agreement, or its performance, CONSULTANT will defend CITY (at CITY's request and with counsel satisfactory to CITY) and will indemnify CITY for any judgement rendered against it or any sums paid out in settlement or otherwise.
- iii. *Indemnification of Consultant.* Both parties understand and agree that nothing in this agreement constitutes advice by CONSULTANT to CITY to violate any existing law and, accordingly, this section does not obligate CONSULTANT to the extent that federal or state law may now, or subsequently, prohibit the actions recommended by CONSULTANT pursuant to this Agreement.



Report to City Council

TO: Mayor and City Council

FROM: Michael L. Wolfe, P.E., Public Works Director/City Engineer

AGENDA DATE: March 20, 2018

TITLE: PA16-0002 – ACCEPT DEVELOPMENT IMPACT FEE (DIF) IMPROVEMENT CREDIT AGREEMENT #D18-001 FOR THE INDIAN STREET COMMERCE CENTER LOCATED AT THE SOUTHWEST CORNER OF INDIAN STREET AND GROVE VIEW ROAD. DEVELOPER: MORENO INDIAN, LLC

RECOMMENDED ACTION

Recommendations:

1. Accept and approve the Development Impact Fee Improvement Credit Agreement #D18-001 (DIF Agreement) for PA16-0002 improvements.
2. Authorize the City Manager to execute the DIF Agreement.

SUMMARY

As part of the project conditions of approval, the developer will be constructing required DIF-related public improvements. Section 3.42.110 of the City's Municipal Code allows the developer to receive a credit for qualifying public improvements made to designated arterial street(s). Indian Street is a designated street in the City's DIF Nexus Study. The developer's maximum credit amount is based on the lower of the DIF Nexus Study Costs, the Engineer's Cost Estimate, and the DIF Fee Obligation.

DISCUSSION

Moreno Indian, LLC is approved to construct an approximate 436,350 square-foot warehouse building located at the southwest corner of Indian Street and Grove View Road. A vicinity map is attached to this staff report as Attachment 1. The City's Municipal Code, Chapter 3.42, "Commercial and Industrial Development Impact Fees" requires the developer to pay Development Impact Fees (DIF). The DIF covers the

developer's fair share of the costs to construct improvements that help mitigate the traffic impacts and burdens generated by the project on the City's network of arterial streets and traffic signals.

As part of the project conditions of approval, the developer will be constructing required DIF-related public improvements. Section 3.42.110 of the City's Municipal Code allows the developer to receive a credit for qualifying public improvements made to the designated arterial street(s). Indian Street is a designated street in the City's DIF Nexus Study. The developer of project PA16-0002 is required to construct public improvements on Indian Street.

The developer is eligible to receive DIF credits for specific improvements identified in the DIF Nexus Study for Indian Street. Qualifying DIF improvements include roadway excavation, pavement, base, curb and gutter, striping and traffic control.

Per the DIF Improvement Credit Agreement, the initial credit is the least of the DIF Nexus Study Costs, Engineer's Cost Estimate, and DIF Fee Obligation. Refer to Exhibit "C" – DIF Credit Calculation Table of the DIF Improvement Credit Agreement. The DIF Improvement Credit Agreement is attached to this Staff Report as Attachment 2. The maximum DIF Credit for this project is \$74,615.85 for the Arterial Street component of the DIF.

ALTERNATIVES

1. Approve and accept the recommended actions as presented in this staff report. *Staff recommends this alternative to help achieve the construction goals as identified within the DIF Nexus Study.*
2. Do not approve and do not accept the recommended actions as presented in this staff report. *Staff does not recommend this alternative as it would result in not achieving the construction goals as identified within the DIF Nexus Study.*

FISCAL IMPACT

There is no fiscal impact to the General Fund.

NOTIFICATION

Publication of agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Hoang Nguyen, P.E.
Associate Engineer

Department Head Approval:
Michael L. Wolfe, P.E.
Public Works Director/City Engineer

Concurred By:
Michael D. Lloyd, P.E.

Engineering Division Manager/Assistant City Engineer

CITY COUNCIL GOALS

Public Facilities and Capital Projects. Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

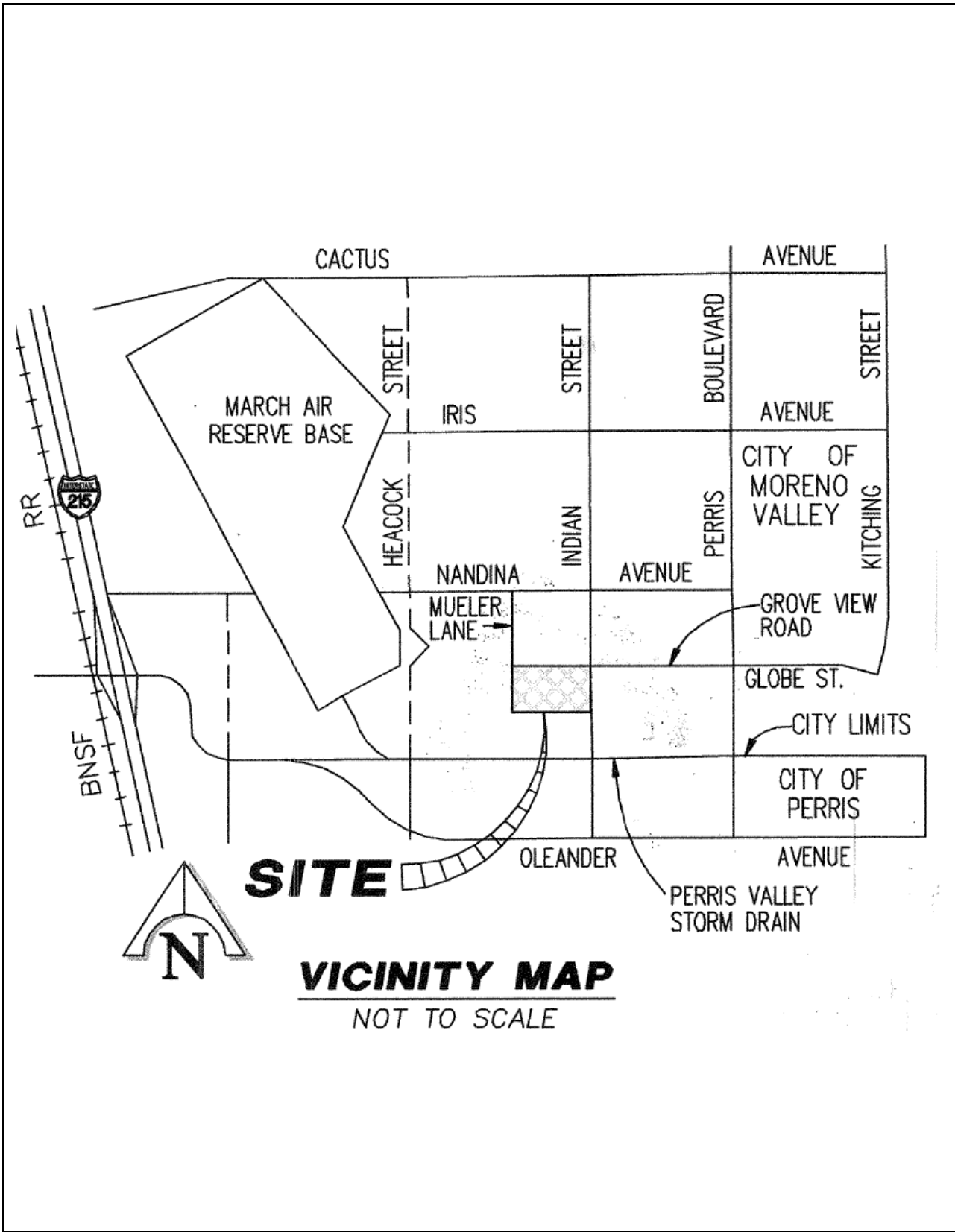
Objective 4.2: Develop and maintain a comprehensive Infrastructure Plan to invest in and deliver City infrastructure.

ATTACHMENTS

- 1. Vicinity Map - PA16-0002 DIF
- 2. DIF Improvement Credit Agreement D18-001 for PA16-0002

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	3/12/18 1:01 PM
City Attorney Approval	<u>✓ Approved</u>	3/12/18 3:02 PM
City Manager Approval	<u>✓ Approved</u>	3/15/18 11:09 AM



SITE
VICINITY MAP
 NOT TO SCALE

CITY OF MORENO VALLEY
 PUBLIC WORKS DEPARTMENT
 LAND DEVELOPMENT DIVISION

PA16-0002
 INDIAN STREET
 COMMERCE CENTER

Attachment: Vicinity Map - PA16-0002 DIF (2994 : PA16-0002 - ACCEPT DEVELOPMENT IMPACT FEE (DIF) IMPROVEMENT CREDIT

**DEVELOPMENT IMPACT FEES
IMPROVEMENT CREDIT AGREEMENT
NUMBER D18-001
PA16-0002
INDIAN STREET COMMERCE CENTER**

This Development Impact Fees Improvement Credit Agreement is made and entered into as of the date the City signs this Agreement, by and between the City of Moreno Valley, a municipal corporation, hereinafter referred to as "City" and the undersigned Developer, hereinafter referred to as "Developer."

RECITALS

WHEREAS, Developer and City have entered into an Agreement for Public Improvements (attached hereto as Exhibit "A"), dated February 2, 2018, which Agreement for Public Improvements sets forth all obligations of the Developer for Public Improvements that are a condition of approval for the above-titled development (hereinafter referred to as the "Project"), some of which may be eligible for Development Impact Fees (hereinafter referred to as "DIF") Credit under this Agreement; and

WHEREAS, the City of Moreno Valley Municipal Code Chapter 3.38 "Residential Development Impact Fees" and Chapter 3.42 "Commercial and Industrial Development Impact Fees" requires Developer to pay the DIF for projects identified in the most recently adopted DIF study (hereinafter referred to as "DIF Obligation") which covers the

Project's fair share of the costs to construct improvements that help mitigate the impacts and burdens on the City's local systems generated by the Project and that are necessary to provide City services and protect the safety, health, and welfare of residential and non-residential users; and

WHEREAS, certain improvements set forth in the Agreement for Public Improvements are also identified in the City's DIF Program as improvements that are to be funded from DIF, which identified improvements are set forth in Exhibit B attached hereto and hereby incorporated by reference and are hereinafter referred to as the DIF Improvements; and

WHEREAS, if the City or some other third party constructs the DIF improvements set forth in the Agreement for Public Improvements prior to Developer, then this Improvement Credit Agreement shall become null and void and the Developer shall be required to pay the full DIF Obligation of the Project; and

WHEREAS, the City and Developer now desire to enter into this Improvement Credit Agreement to provide a means by which the Developer may receive a Credit for required DIF improvements actually constructed by the Developer for the subject Project subject to the terms and limitations set forth in this Agreement.

NOW, THEREFORE, for the purposes set forth herein, and for good and valuable consideration, the adequacy of which is hereby acknowledged, Developer and City hereby agree as follows:

1.0 General Provisions.

1.1 Incorporation of Recitals. The Parties hereby affirm the facts and provisions set forth in the above Recitals and agree to their incorporation herein as though set forth in full.

1.2 Incorporation of the Agreement for Public Improvements. The Parties hereby affirm the terms, conditions and requirements set forth in the Agreement for Public Improvements (Exhibit "A") and agree to their incorporation herein as though set forth in full.

2.0 DIF Obligation.

2.1 Developer's DIF Obligation. Developer hereby agrees and accepts that, as of February 27, 2018, the Developer is obligated to pay DIF for the Project to City in the amount of four hundred forty three thousand four hundred seventy two and 69/100 dollars (\$443,472.69) (hereinbefore and hereinafter referred to as the "DIF Obligation").

2.2 Effect of Agreement. Notwithstanding anything in this Agreement, Developer acknowledges that the DIF Obligation is established by the provisions of the City of Moreno Valley Municipal Code Chapter 3.38 "Residential Development Impact Fees," or Chapter 3.42 "Commercial and Industrial Development Impact Fees," and that this Agreement does not alter, limit, increase or reduce the obligations under those code sections nor prevent City from adjusting or correcting the DIF Obligation amount to conform to the requirements of the Municipal Code.

3.0 DIF Credit Limitations.

3.1 Calculation of DIF Credit. Pursuant to City of Moreno Valley Municipal Code Sections 3.38.150 "Credit for Improvements Provided by Developers" (residential), or 3.42.110 "Credit for Improvements Provided by Developers" (commercial and industrial), and in accordance with the City's Development Impact Fee Credit and Reimbursement Policy, as adopted by the City Council on August 26, 2008, (the "Credit and Reimbursement Policy") and in consideration of Developer's obligations under the Conditions of Approval for the Project and the Agreement for Public Improvements to construct the DIF improvements, the maximum amount of DIF Credit that shall be applied by City to offset the DIF Obligation shall be as defined in Sections 4.0 of this Agreement and the Credit and Reimbursement Policy.

3.2 Effect of Agreement. Notwithstanding the foregoing, Developer acknowledges that the amounts of DIF Credits are established by the provisions of the City of Moreno Valley Municipal Code and the DIF Credit and Reimbursement Policy and this Agreement shall not prevent City from adjusting or correcting the DIF Credit amounts set forth in this Agreement to conform to the requirements of the Municipal Code and the Credit and Reimbursement policy.

4.0 DIF Credit

4.1 Maximum DIF Credit. City shall apply DIF Credit to offset, in whole or in part, the Project's DIF Obligation. The maximum amount of DIF Credit that shall be applied by City to offset the DIF Obligation shall be equal to the least of: (A) the City Engineer's Estimate of the actual cost of the DIF Improvements (hereinafter collectively referred to as "Engineer's Estimate"), or (B) project costs as identified in the

DIF study in effect at the time of the issuance of a building permit, or (C) the actual DIF Obligation. In no event shall a DIF Credit exceed the actual DIF Obligation.

4.2 DIF Credit Offset to DIF Obligation. The DIF Credit shall be applied at the time DIF obligation is due and payable. If the project is to be developed by phases, by specific units, or by specific buildings, DIF Credit shall be applied according to a Public Improvements Phasing Schedule approved by the City and attached and incorporated to this agreement.

4.3 Submittal Timeframe. The Developer shall submit to the City Engineer any and all documentation the Developer deems relevant in substantiating the claim for DIF Credit for the DIF Qualifying Improvements to be constructed by the Developer. Such documentation may include contracts, bids, estimates, or any other relevant documents pertaining to the actual cost of the Qualifying Improvements. The City Engineer shall take into consideration, but shall not be bound by, any such documentation submitted by the Developer in formulating the Engineer's Estimate. All such documentation shall be submitted by the Developer to the City Engineer no later than ninety (90) calendar days prior to the date for payment of DIF for the project. The City Engineer will use his or her best efforts and professional judgment in formulating an Engineer's Estimate and shall endeavor to provide said estimate to the Developer in writing within sixty (60) calendar days after submittal of the last document submitted by the Developer.

4.4 DIF Credit Calculation (completed by City).

As of the date hereof, the amount of DIF Credit for which Developer is potentially eligible is set forth in Exhibit C "DIF Credit Calculation Table" attached hereto and hereby incorporated by reference.

4.5 Reconciliation - Final DIF Credit. If the dollar amount of the actual DIF Credit is less than the amount of the actual unpaid DIF Obligation (hereinafter referred to as "DIF Balance"), the City shall notify the Developer in writing of the amount of the DIF Balance and Developer shall pay the DIF Balance to fully satisfy the DIF Obligation at the time DIF payments are due. If the dollar amount of the actual DIF Credit exceeds the amount of the actual DIF Obligation, Developer will be deemed to have fully satisfied the DIF Obligation. If the Developer has actually paid DIF and completed DIF Improvements, but has not received full DIF Credit for which the Developer would have been otherwise eligible under the DIF Credit and Reimbursement Policy, the Developer may be eligible for a Reimbursement Agreement, to the extent applicable, as provided in a separate Development Impact Fees Improvement Reimbursement Agreement.

4.6 Credit Transfer for Unfunded DIF Reimbursement Eligibility.

To the extent that Developer has Reimbursement Eligibility Amounts which are both unpaid and unfunded by the City and which have not expired under the ten (10) year limitation set forth in the Development Impact Fee Credit and Reimbursement Policy No. 3.24, Section F – Time Limitation, Developer may apply to receive partial or full DIF Credits for the same component of DIF on another development project within the City

owned or controlled by that Developer and which has received all necessary approvals, on a dollar for dollar basis. Written application shall be made to the City and Developer shall provide any and all documentation and other information the City may reasonably request. The City shall not unreasonably withhold approval of such a Credit Transfer.

5.0 No Interest. Developer shall not be entitled to any interest, or any other cost or time value adjustment, for DIF paid to the City whether or not subsequently credited under Section 4.6 or reimbursed.

6.0 Term of Agreement. For purposes of Reimbursement Eligibility and Credit Transfer, this Agreement shall remain in effect for a period not to exceed ten (10) years from the date of execution by the City.

7.0 General.

7.1 Assignment. Except as specifically set forth in this Agreement, this Agreement shall not be assigned by any Party without the prior written consent of the non-assigning Party, which consent shall not be unreasonably withheld. All assignees and successors in interest shall assume and become obligated to perform all obligations and be entitled to all benefits of the original Party.

7.2 Amendment. This Agreement may only be amended in writing signed by the Parties.

7.3 Law, Venue and Jurisdiction. This Agreement shall be governed by the laws of the State of California. Venue and Jurisdiction of all matters arising out, pertaining to, or in any way related to this Agreement shall be vested in the Superior Court of the State of California, in and for the County of Riverside, California.

7.4 Notices. Any notices to be given pursuant to this Agreement shall be in writing and delivered by First Class Mail addressed to the Parties as follows:

City: City Engineer
 City of Moreno Valley
 Post Office Box 88005
 Moreno Valley, California 92552-0805

Developer: Moreno, Indian, LLC
 c/o Sares-Regis Group
 18802 Bardeen Avenue
 Irvine, CA 92612

7.5 Entire Agreement. This Agreement is the final, complete and exclusive statement of the Agreement of the Parties with respect to the subject matter hereof and supersedes and replaces any prior oral or written agreements between the Parties addressing the same subject matter.

(SIGNATURE PAGE TO FOLLOW)

IN WITNESS WHEREOF, the Parties hereto have caused their authorized representatives to execute this Agreement.

CITY OF MORENO VALLEY,
a California municipal corporation

SRG Moreno Indian, L.P.
(Name of Developer)
a Delaware limited partnership
(legal capacity of Developer)

By: _____
City Manager

Its: _____

Date: _____

By:  _____

Its: AUTHORIZED AGENT

Date: 2/27/18

APPROVED AS TO FORM:

City Attorney

Date: _____

By: _____

Its: _____

Date: _____

SIGNING INSTRUCTION TO THE DEVELOPER:

All signatures on the Contract Agreement on behalf of the Developer must be acknowledged before a notary public. In the event that the Developer is a corporation, the president or vice-president plus the secretary of/or an assistant secretary of the corporation must sign. Corporate seal may be affixed hereto.

Attachment: DIF Improvement Credit Agreement D18-001 for PA16-0002 (2994 : PA16-0002 – ACCEPT DEVELOPMENT IMPACT FEE (DIF)

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Orange)

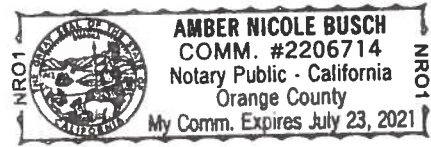
On February 27, 2018 before me, Amber Nicole Busch, Notary Public
(insert name and title of the officer)

personally appeared Patrick Russell,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature *Amber Nicole Busch* (Seal)



Attachment: DIF Improvement Credit Agreement D18-001 for PA16-0002 (2994 : PA16-0002 – ACCEPT DEVELOPMENT IMPACT FEE (DIF)

**DEVELOPMENT IMPACT FEES
IMPROVEMENT CREDIT AGREEMENT NO. D18-001
PA16-0002
INDIAN STREET COMMERCE CENTER**

EXHIBIT "A"

**PUBLIC IMPROVEMENT AGREEMENT
WITH BONDS**

(ATTACHED BEHIND THIS PAGE)

EXHIBIT "A"

**AGREEMENT FOR PUBLIC IMPROVEMENTS
FOR
PROJECT NO. PA16-0002**

This Agreement made and entered into by and between the City of Moreno Valley, State of California, hereinafter called City, and Moreno Indian, LLC, herein after called Developer, on the date the City signs this agreement.

WITNESSETH:

FIRST: Developer, for and in consideration of the approval by the City of the final map of that certain land division, or that certain other land development project, known as PA16-0002 agrees, at Developer's own expense, to furnish all labor, equipment and material necessary, and within TWENTY-FOUR (24) months from the date this Agreement is executed, to perform and complete in a good and workmanlike manner, all of the required improvements in accordance with those improvement plans for said project which have been approved by the City Engineer, and are on file in the office of the City Engineer, and to do all work incidental thereto in accordance with the standards set forth in City ordinances and regulations, and pay all costs of engineering necessary in connection therewith, which are expressly made a part of this Agreement. All of the above-required work shall be done under the inspection of and to the satisfaction of the City Engineer, and shall not be deemed complete until approved and accepted as complete by the City. Developer further agrees to guarantee the required improvements for a period of one year following acceptance by the City and during this one year period to repair and replace, to the satisfaction of the City Engineer, any defective work or labor done or defective materials furnished. Developer shall complete the improvements described in this paragraph pursuant to Section 66462, Government Code. Developer shall also complete any offsite improvements required as a condition of approval and with plans approved by the City Engineer at such time as the City acquires an interest in the land which will permit the improvements to be made, and the Developer waives the 120 day time limitation set forth in Section 66462.5, Government Code.

Security to guarantee the performance of this agreement shall be in the following amounts:

Faithful Performance security shall be in the sum of SEVEN HUNDRED THIRTY FOUR THOUSAND AND NO/100 Dollars (***\$734,000.00***). The estimated cost of said work and improvements, pursuant to the Preliminary Estimate of Cost labeled Exhibit A attached hereto.

Labor and Material security shall be in the sum of THREE HUNDRED SIXTY SEVEN THOUSAND AND NO/100 Dollars (***\$367,000.00***). The estimated cost securing payment of labor and materials is fifty (50) percent of the total cost estimate of the improvements.

Developer further agrees to guarantee the required improvements for a period of one year following acceptance by the City and during this one year period to repair and replace, to the satisfaction of the City Engineer, any defective work or labor done or defective materials furnished. Upon entering the warranty period, the City shall retain ten percent of the original faithful performance security. Developer reserves the right to substitute the form of security, in accordance with the Moreno Valley Municipal Code, at any time during the term of this agreement, subject to approval of the City Engineer and City Attorney.

SECOND: Developer agrees to file with City, prior to the date this Agreement is executed, a good and sufficient improvement security in an amount not less than the estimated cost of the work and improvements for the faithful performance of the terms and conditions of this Agreement, and good and sufficient security for payment of labor and materials in the amount prescribed by City ordinances and regulations to secure the claims to which reference is made in Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code of the State of California. Developer agrees to renew each and every said bond or bonds with good and sufficient sureties or increase the amounts of said bond or

Attachment: DIF Improvement Credit Agreement D18-001 for PA16-0002 (2994 : PA16-0002 – ACCEPT DEVELOPMENT IMPACT FEE (DIF)

**AGREEMENT FOR PROJECT NO. PA16-0002
PUBLIC IMPROVEMENTS**

Page 2 of 5

bonds, or both, within ten (10) days after being notified by the City Engineer that the sureties or amounts are insufficient. Notwithstanding any other provision herein, if Developer fails to take such action as is necessary to comply with said notice, he shall be in default of this Agreement unless all required improvements are completed within ninety (90) days of the date on which the City Engineer notified the Developer of the insufficiency of said bonds. Developer reserves the right to substitute the form of security in accordance with the City's Municipal Code at any time during the term of this agreement, subject to approval by the City Engineer and City Attorney.

THIRD: Developer agrees to pay to the City the actual cost of such inspection of the works and improvements as may be required by the City Engineer. Developer further agrees that, if suit is brought upon this Agreement or any bond guaranteeing the completion of the required improvements, all costs and reasonable expenses and fees incurred by the City in successfully enforcing such obligations shall be paid by Developer and guaranteed by the surety in addition to the face amount of the security, including reasonable attorney's fees, and that, upon entry of judgment, such costs, expenses and fees shall be taxed as costs and included in any judgment rendered.

FOURTH: To the furthest extent allowed by law, including California Civil Code Section 2782, Developer shall indemnify, hold harmless and defend City and each of its officers, officials, employees and agents from any and all claims, losses, liabilities, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including, but not limited to personal injury, death at any time and/or property damage) incurred by City or any other Person, and from any and all claims, demands and actions in law or equity (including attorney's fees and litigation expenses), arising or alleged to have arisen directly or indirectly out of the performance of this Agreement, including but not limited to the alleged acts or omissions of any contractor, subcontractor, employee or agent acting on behalf of Developer or the design of any improvements to be constructed pursuant to this Agreement or the use of any patent or patented article in the performance of this Agreement.

Developer's obligations to indemnify and hold City harmless shall apply in all instances except those claims caused by the active negligence, sole negligence, or willful misconduct of City or any of its officers, officials, employees or agents. Developer's obligations to defend the City and provide a legal defense (including the retention of attorneys acceptable to City and all legal costs and expenses) shall apply in all instances, except those claims arising out of the sole negligence or the willful misconduct of City or any of its officers, officials, employees or agents.

If Developer retains any contractor or subcontractor to perform any of the Work to be performed under this Agreement, Developer shall require each contractor or subcontractor to indemnify, hold harmless and defend City and each of its officers, officials, employees and agents in accordance with the terms of the preceding paragraphs.

Developer's obligations under his section shall survive the completion of any work to be performed by Developer, the City's inspection and/or acceptance of any work performed by Developer, as well as the termination or expiration of this Agreement.

Developer's provision of insurance, as required below, does not terminate, alter, limit or satisfy Developer's defense and indemnity obligations provided for herein.

FIFTH: Throughout the life of the Agreement, Developer shall pay for and maintain in full force and effect all policies of insurance required hereunder with an insurance company (ies) either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A-VII" in Best's Insurance Rating Guide, or (ii) as authorized by the City Manager or his/her designee. The following policies of insurance are required:

**AGREEMENT FOR PROJECT NO. PA16-0002
PUBLIC IMPROVEMENTS**

Page 3 of 5

(i) **COMMERCIAL GENERAL LIABILITY** insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01 and include insurance for "bodily injury," "property damage" and "personal and advertising injury" with coverage for premises and operations (including the use of owned and non-owned equipment), products and completed operations, and contractual liability (including, without limitation, indemnity obligations under the Contract) with limits of not less than \$1,000,000 per occurrence for bodily injury and property damage, \$1,000,000 per occurrence for personal and advertising injury, \$2,000,000 aggregate for products and completed operations and \$2,000,000 general aggregate.

(ii) **COMMERCIAL AUTOMOBILE LIABILITY** insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) form CA 00 01 and shall include coverage for "any auto" with limits of liability of not less than \$1,000,000 per accident for bodily and property damage. Commercial Automobile Liability coverage is required if automobiles are to be operated on city-owned property or within City right-of-way.

(iii) **WORKERS' COMPENSATION** insurance as required under the California Labor Code.

Developer shall be responsible for payment of any deductibles or self-insured retentions contained in any insurance policies required hereunder.

All policies of insurance required hereunder shall be endorsed to provide that the coverage shall not be cancelled, non-renewed, reduced in coverage or in limits except after thirty (30) calendar day written notice by certified mail, return receipt requested, has been given to the City. Upon issuance by the insurer, broker or agent of a notice of cancellation, non-renewal or reduction in coverage or limits, Developer shall furnish City with a new certificate and applicable endorsements for such policy(ies). In the event any policy(ies) is due to expire before the completion of the work, Developer shall provide a new certificate and all applicable endorsements evidencing renewal of such policy(ies) not less than 15 calendar days prior to the expiration date of the expiring policy(ies).

The General Liability and Automobile Liability insurance policies shall be written on an occurrence form and endorsed to name the City and its officers, officials, employees and agents as additional insured's. Such policy(ies) of insurance shall be endorsed so Developer's insurance shall be primary and no contribution shall be required of City. Any Workers' Compensation insurance policy shall contain a waiver of subrogation as to City, its officers, officials, employees and agents. Developer shall furnish City with the certificate(s) and applicable endorsements for all required insurance fourteen (14) days prior to the start of work. NOTE: A Certificate of Insurance is not acceptable. The Certificate of Insurance must be accompanied by the additional insured and primary insurance endorsements.

If Developer retains any contractor or subcontractor to perform any of the Work to be performed under this Agreement, Developer shall require each contractor or subcontractor to provide insurance protection in favor of City, its officers, officials, employees and agents in accordance with the terms of the Agreement. Any contractor or subcontractor performing work on behalf of Developer shall likewise be required to name City its officers, officials, employees and agents as additional insured's as required herein. Developer shall obtain certificates and endorsements from such contractors or subcontractors before the commencement of any work.

At any time during the Agreement, upon request of City, Developer shall immediately furnish City with a complete copy of any insurance policy required under this Agreement, including all endorsements, with said copy certified by the underwriter to be a true and correct copy of the original policy.

If at any time Developer fails to maintain the required insurance in full force and effect, all work permitted thereunder shall be discontinued immediately until notice is received by City that the required insurance has been restored to full force and effect and that the premiums therefore have been paid for a period

**AGREEMENT FOR PROJECT NO. PA16-0002
PUBLIC IMPROVEMENTS**

Page 4 of 5

satisfactory to City. Any failure by Developer to provide or maintain the required insurance shall be considered a material breach of the Agreement.

The fact that insurance is obtained by Developer shall not be deemed to release or diminish its liability, including but not limited to, liability under the indemnity provisions on this Agreement. Developer's duty to defend and indemnify City shall apply to all claims and liabilities, regardless of whether any insurance policies are applicable. The policy limits stated herein do not act as a limitation upon the amount of indemnification required to be provided by Developer.

SIXTH The Developer hereby grants to the City and/or to any authorized agent or employee of the City, the irrevocable permission to enter upon the lands of the above-referenced land division for the purpose of completing the improvements. This permission shall terminate in the event that the Developer has completed the work within the time specified or any extension thereof granted by the City.

SEVENTH: Developer agrees at all times, up to the completion and acceptance of the improvements by the City, to give good and adequate warning to the traveling public of each and every dangerous condition caused by the construction of the improvements, and to protect the traveling public from such defective or dangerous conditions. The Developer shall keep all traveled ways that are a part of, or affected by the construction of this project free and clear of mud, dirt and debris and shall provide twice monthly street sweeping service. A copy of the contract for street sweeping service shall be provided to the City. The Developer's obligation under this provision shall be secured by the bonds securing performance of this Agreement.

EIGHTH: The Developer, his agents and employees, shall give notice to the City Engineer at least 48 hours before beginning any work and shall furnish said City Engineer all reasonable facilities for obtaining full information with respect to the progress and manner of work.

NINTH: If the Developer, or his agents or employees, neglects, refuses, or fails to prosecute the work with such diligence as to insure its completion within the specified time, or within such extensions of time as have been granted by the City, or if the Developer violates, neglects, refuses, or fails to perform satisfactorily any of the provisions of the plans and specifications, he shall be in default of this Agreement and notice in writing of such default shall be served upon him. The City Council shall have the power, on recommendation by the City Engineer, to terminate all rights of the Developer because of such default. The determination by the City Engineer of the question as to whether any of the terms of the Agreement or specifications have been violated, or have not been performed satisfactorily, shall be conclusive upon the Developer, and any and all parties who may have any interest in the Agreement or any portion thereof. The foregoing provisions of this section shall be in addition to all other rights and remedies available to the City under law.

TENTH: It is further agreed by and between the parties hereto, including the surety or sureties on the bonds securing this Agreement that, in the event it is deemed necessary to extend the time of completion of the work contemplated to be done under this Agreement, extensions of time **may** be granted by the City from time to time, either at its own option, or upon request of Developer, and such extensions shall in no way affect the validity of this Agreement or release the surety or sureties on said bonds, Developer further agrees to maintain the aforesaid bonds in full force and effect during the terms of this Agreement, including any extensions of time as may be granted therein.

ELEVENTH: It is understood and agreed by the parties hereto that if any part, term or provision of this Agreement is by the courts held to be unlawful and void, the validity of the remaining portions shall not be affected and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular part, term or provision held to be invalid.

AGREEMENT FOR PROJECT NO. PA16-0002
PUBLIC IMPROVEMENTS

TWELFTH: In the event legal action is required to enforce the terms of the Agreement, the prevailing party shall be entitled to recover attorney's fees and costs, including expert fees.

THIRTEENTH: Any notice or notices required or permitted to be given pursuant to this Agreement shall be served on the other party by mail, postage prepaid, at the following addresses:

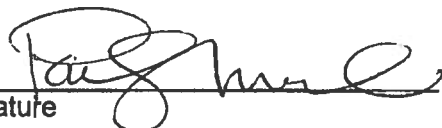
City:
City Engineer
P.O. Box 88005
14177 Frederick Street
Moreno Valley, CA 92552-0805

Developer:
Moreno Indian, LLC
c/o Sares-Regis Group
18802 Bardeen Avenue
Irvine, CA 92612

IN WITNESS WHEREOF Developer has affixed his name, address and seal.

Date approved by the City: 2/2/18

Moreno Indian, LLC
Developer

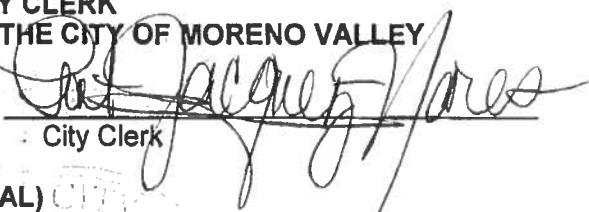
By: 
Signature
PATRICK RUSSELL
Print/Type Name
AUTHORIZED AGENT
Title

By: _____
Signature

Print/Type Name

Title

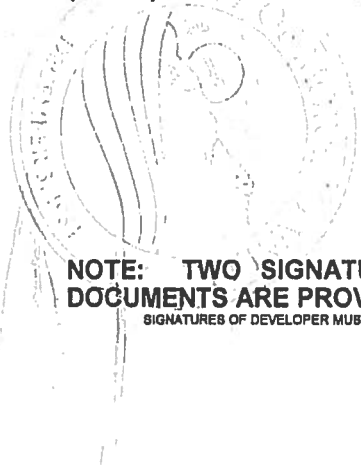
ATTEST:
CITY CLERK
OF THE CITY OF MORENO VALLEY

By: 
City Clerk


CITY OF MORENO VALLEY

By: 
City Engineer

(SEAL)



APPROVED AS TO FORM:
CITY ATTORNEY

Date: 1-29-18
By: 
City Attorney

NOTE: TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS UNLESS CORPORATE DOCUMENTS ARE PROVIDED THAT INDICATE OTHERWISE.

SIGNATURES OF DEVELOPER MUST BE EXECUTED IN QUADRUPPLICATE AND THE EXECUTION OF THE ORIGINAL COPY MUST BE ACKNOWLEDGED BEFORE A NOTARY
ORIGINAL - CITY CLERK; PINK - DEVELOPER; GREEN - SURETY; BLUE - PROJECT FILE

Attachment: DIF Improvement Credit Agreement D18-001 for PA16-0002 (2994 : PA16-0002 - ACCEPT DEVELOPMENT IMPACT FEE (DIF)

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Orange)

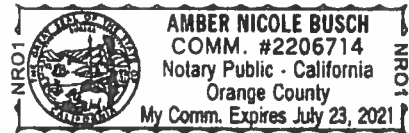
On January 16, 2018 before me, Amber Nicole Busch, Notary Public
(insert name and title of the officer)

personally appeared Patrick Russell,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature *Amber Nicole Busch* (Seal)



Attachment: DIF Improvement Credit Agreement D18-001 for PA16-0002 (2994 : PA16-0002 – ACCEPT DEVELOPMENT IMPACT FEE (DIF)

CITY OF MORENO VALLEY
LAND DEVELOPMENT DIVISION

Handwritten notes and initials: HMN

PROJECT: PA16-0002 MAP / LOT: N/A DATE: 5/31/2017

<u>IMPROVEMENT TYPE</u>		<u>SUBTOTALS</u>
STREET PAVEMENT SECTIONS	(Sheet 2 of 13)	\$137,000
OFF-SITE STREET IMPROVEMENTS	(Sheet 3 of 13)	\$135,000
BONDABLE STREET WORK ONLY	(Sheet 4 of 13)	\$138,000
MONUMENTS	(Sheet 4 of 13)	\$0
SPECIAL DISTRICTS	(Sheet 4 of 13)	\$0
MORENO VALLEY UTILITIES	(Sheet 4 of 13)	\$140,000
TRANSPORTATION IMPROVEMENTS	(Sheet 5 of 13)	\$10,000
TRAFFIC SIGNAL IMPROVEMENTS	(Sheet 5 of 13)	\$0
STORM DRAIN IMPROVEMENTS (City Maintained)	(Sheet 6-7 of 13)	\$21,000
STORM DRAIN IMPROVEMENTS (RCFC Maintained)	(Sheet 8-9 of 13)	\$4,000
PUBLIC WATER IMPROVEMENTS	(Sheet 12 of 13)	\$22,000
PUBLIC SEWER IMPROVEMENTS	(Sheet 13 of 13)	\$4,000

TOTAL COST (VALUE) OF IMPROVEMENTS = **\$611,000**

+20% CONTINGENCY = **\$122,200**

GRAND TOTAL = **\$733,200**

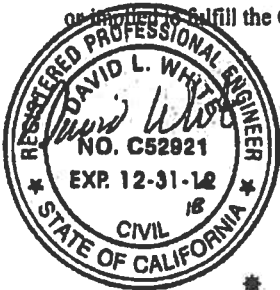
FAITHFUL PERFORMANCE SECURITY AMOUNT = **\$734,000**

LABOR & MATERIAL SECURITY AMOUNT = **\$367,000**

* The cost for securing payment of Labor and Materials is fifty (50) percent of the total cost estimate of the improvements.

ENGINEER OF RECORD STATEMENT OF ESTIMATE WORKSHEET

The construction items and their quantities as shown on the attached worksheet are accurate for the construction of the improvements required or intended to fulfill the Conditions of Approval for this project. The mathematical extensions, using the City of Moreno Valley's Unit Prices, are accurate for determining Bond Amounts and Fees.



David White
Huitt-Zollars

May 31, 2017

Prepared By

Date Prepared

* * * PLEASE READ INSTRUCTIONS BELOW * * *

- Quantities to be taken from and match exactly to the improvement plans.
- Bond Amounts are shown to the nearest \$1,000.00 (Rounded Up)
- For construction items not covered by this worksheet, the Engineer of Record is to provide his opinion of construction cost and use that unit cost. If City of Moreno Valley Unit Prices are determined to be too low in the opinion of the Engineer of Record, the higher cost as provided by the Engineer of Record should be used.

Attachment: DIF Improvement Credit Agreement D18-001 for PA16-0002 (2994 : PA16-0002 - ACCEPT DEVELOPMENT IMPACT FEE (DIF)

HMN

PROJECT: PA16-0002 MAP/LOT: N/A DATE: 5/31/2017

STORM DRAIN IMPROVEMENTS [City Maintained]

TYPE	QTY	UNIT	UNIT PRICE	TOTAL COST
PIPES				
24" Reinforced Concrete (R.C.P.) Pipe	13	L. F.	\$160.00	\$ 2,080.00
30" Reinforced Concrete (R.C.P.) Pipe		L. F.	\$180.00	\$.
36" Reinforced Concrete (R.C.P.) Pipe		L. F.	\$190.00	\$.
39" Reinforced Concrete (R.C.P.) Pipe		L. F.	\$200.00	\$.
42" Reinforced Concrete (R.C.P.) Pipe		L. F.	\$210.00	\$.
48" Reinforced Concrete (R.C.P.) Pipe		L. F.	\$250.00	\$.
54" Reinforced Concrete (R.C.P.) Pipe		L. F.	\$300.00	\$.
60" Reinforced Concrete (R.C.P.) Pipe		L. F.	\$350.00	\$.
66" Reinforced Concrete (R.C.P.) Pipe		L. F.	\$375.00	\$.
72" Reinforced Concrete (R.C.P.) Pipe		L. F.	\$414.00	\$.
78" Reinforced Concrete (R.C.P.) Pipe		L. F.	\$459.00	\$.
84" Reinforced Concrete (R.C.P.) Pipe		L. F.	\$505.00	\$.
90" Reinforced Concrete (R.C.P.) Pipe		L. F.	\$557.00	\$.
96" Reinforced Concrete (R.C.P.) Pipe		L. F.	\$613.00	\$.
102" Reinforced Concrete (R.C.P.) Pipe		L. F.	\$671.00	\$.
108" Reinforced Concrete (R.C.P.) Pipe		L. F.	\$724.00	\$.
114" Reinforced Concrete (R.C.P.) Pipe		L. F.	\$785.00	\$.
4" PVC Schedule 40		L. F.	\$25.00	\$.
4" PVC Schedule 80		L. F.	\$30.00	\$.
6" PVC Schedule 40		L. F.	\$30.00	\$.
6" PVC Schedule 80		L. F.	\$35.00	\$.
8" PVC Schedule 40		L. F.	\$40.00	\$.
8" PVC Schedule 80		L. F.	\$48.00	\$.
Reinforced Concrete Structure		L. F.	\$530.00	\$.
8' x 10' Reinforced Concrete Box (R.C.B.)		L. F.	\$1,200.00	\$.
8' x 12' Reinforced Concrete Box (R.C.B.)		L. F.	\$1,400.00	\$.
2 - 4' x 3' Reinforced Concrete Box (R.C.B.)		L. F.	\$600.00	\$.
3 - 4' x 2' Reinforced Concrete Box (R.C.B.)		L. F.	\$461.00	\$.
2 - 72" Reinforced Concrete (R.C.P.) Pipe		L. F.	\$840.00	\$.
Remove Existing Pipe	6	L. F.	\$50.00	\$ 300.00
			\$0.00	\$.
			\$0.00	\$.
			\$0.00	\$.
			\$0.00	\$.
MANHOLES				
Manhole No. 1 [per MVFE-320/321 Series / RCPC M8231 - pipes 33" or smaller]		EA	\$5,300.00	\$.
Manhole No. 2 [per MVFE-320/321 Series / RCPC M8232 - pipes 36" or larger]		EA	\$6,700.00	\$.
Manhole No. 3 [per MVFE-320/321 Series / RCPC M8233 - all R.C.B.'s]		EA	\$5,300.00	\$.
Manhole No. 4 [per MVFE-320/321 Series / RCPC M8234 - pipes 36" or larger w/ side inlet]		EA	\$6,700.00	\$.
Adjust Manhole (MH) to Grade		EA	\$460.00	\$.
			\$0.00	\$.
			\$0.00	\$.
CATCH BASINS				
Catch Basin (7') [per MVFE-300 Series]	1	EA	\$5,500.00	\$ 5,500.00
Catch Basin (10') [per MVFE-300 Series]		EA	\$6,000.00	\$.
Catch Basin (14') [per MVFE-300 Series]		EA	\$8,000.00	\$.
Catch Basin (21') [per MVFE-300 Series]		EA	\$12,500.00	\$.
Catch Basin (28') [per MVFE-300 Series]		EA	\$16,000.00	\$.
Local Depression [per MVFE-300A or APWA Std 313]	1	EA	\$535.00	\$ 535.00
18" x 18" Grated Basin		EA	\$2,100.00	\$.
24" x 24" Grated Basin		EA	\$2,500.00	\$.
Grated Catch Basin		EA	\$6,000.00	\$.
6" Wide Strip Basin		EA	\$3,000.00	\$.
Remove / Relocate Existing Catch Basin		EA	\$5,000.00	\$.
			\$0.00	\$.
			\$0.00	\$.
			\$0.00	\$.
			\$0.00	\$.
DRAINS				
Terrace Drain		S. F.	\$10.00	\$.
Down Drain		S. F.	\$10.00	\$.
Parkway Culvert (per MVSI-150A)		EA	\$3,500.00	\$.
Sidewalk Outlet (per MVSI-151A)		EA	\$1,400.00	\$.
Curb Drain (per MVSI-152)		EA	\$300.00	\$.
Concrete "V" Ditch		S. F.	\$10.00	\$.
			\$0.00	\$.
			\$0.00	\$.
			\$0.00	\$.
			\$0.00	\$.

Attachment: DIF Improvement Credit Agreement D18-001 for PA16-0002 (2994 : PA16-0002 - ACCEPT DEVELOPMENT IMPACT FEE (DIF)

FAITHFUL PERFORMANCE BOND

City of Moreno Valley
County of Riverside
State of California
(Government Code Section 66499.1)

Public Improvements <u>\$734,000</u>	Project No. <u>PA16-0002</u>
Bond No. <u>800018784</u>	Premium <u>\$9,175.00/1yr.</u>
Surety <u>Atlantic Specialty Insurance Company</u>	Principal <u>Moreno Indian, LLC</u>
Address <u>605 North Highway 169, Suite 800</u>	Address <u>18802 Bardeen Avenue</u>
City/Zip <u>Plymouth, MN 55441</u>	City/Zip <u>Irvine, CA 92612</u>

WHEREAS, the City of Moreno Valley, County of Riverside, State of California, and MORENO INDIAN, LLC, (hereinafter designated as "Principal") have entered into, or are about to enter into the attached agreement whereby Principal agrees to install and complete the above-designated public improvements, relating to PA16-0002, which agreement is hereby referred to and made a part hereof; and,

WHEREAS, said principal is required under the terms of said agreement to furnish bond for the faithful performance of said agreement;

NOW, THEREFORE, we the Principal, and Atlantic Specialty Insurance Company, as Surety, are held and firmly bound to the City of Moreno Valley in the penal sum of SEVEN HUNDRED THIRTY FOUR THOUSAND AND NO/100 Dollars (***\$734,000.00***), lawful money of the United States, for the payment of which sum will and truly to be made, we bind ourselves, our heirs, successors, executors and administrator, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the above bonded Principal, his or its heirs, executors, administrators, successors, or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and provisions in the said agreement and any alteration thereof made as therein provided on his or their part, to be kept and performed at the time and in the manner specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City of Moreno Valley, its officers, agents and employees, as therein stipulated, then this obligation shall become null and void; otherwise, it shall be and remain in full force and effect.

As part of the obligation secured hereby, and in addition to the face amount specified therefore, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by City in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

FAITHFUL PERFORMANCE BOND (Page 2 of 2)
PROJECT NO. PA16-0002

The surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the agreement or to the work to be performed thereunder or the specifications accompanying the same shall in anywise affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the agreement or to the work or to the specifications. Surety further stipulates and agrees that the provisions of Section 2845 of the Civil Code are not a condition precedent to Surety's obligations hereunder and are hereby waived by Surety.

When the work covered by the agreement is complete, the City Engineer will accept the work and thereupon the amount of the obligation of this bond is reduced by 90%, with the remaining 10% held as security for the one-year maintenance period provided for in the agreement(s).

IN WITNESS WHEREOF, this instrument has been duly executed by the Principal and Surety above named on January 11th, 2018.

NAME OF PRINCIPAL: Moreno Indian, LLC
Company Name

AUTHORIZED SIGNATURE(S): By _____
(See attached signature block)
Name _____ Title _____
Name _____ Title _____

NAME OF SURETY: Atlantic Specialty Insurance Company
Company Name

AUTHORIZED SIGNATURE: Rosa E. Rivas
Rosa E. Rivas ITS ATTORNEY-IN-FACT

ATTACH NOTARIAL ACKNOWLEDGMENT OF SIGNATURE OF PRINCIPAL AND ATTORNEY-IN-FACT.
BOND COMPANY - ATTACH POWER OF ATTORNEY

Approved as to form:
Date: 1-28-18
[Signature]
City Attorney
City of Moreno Valley

W:\MANAGEMENT ANALYST\Agreement Bond Packets\2018\PA16-0002\PA16-0002 - Faithful Performance Bond (rev4-20-17).doc


Attachment: DIF Improvement Credit Agreement D18-001 for PA16-0002 (2994 : PA16-0002 - ACCEPT DEVELOPMENT IMPACT FEE (DIF)

Bond No. 800018784
Faithful Performance Bond
City of Moreno Valley
Signature Block

MORENO INDIAN, LLC, a
Delaware limited liability company

By: SRG Moreno Indian, L.P., a
Delaware limited partnership
Its: Managing Member

By: SRG Investors, LLC, a
Delaware limited liability company
Its: General Partner

By: 
Name: PATRICK RUSSELL
Its: AUTHORIZED AGENT

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Orange

On January 16, 2018 before me, Amber Nicole Busch, Notary Public
(Insert name and title of the officer)

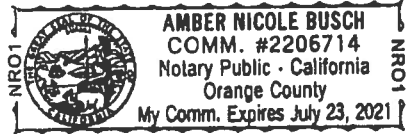
personally appeared Patrick Russell
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature *Amber Nicole Busch*

(Seal)



Attachment: DIF Improvement Credit Agreement D18-001 for PA16-0002 (2994 : PA16-0002 – ACCEPT DEVELOPMENT IMPACT FEE (DIF)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189



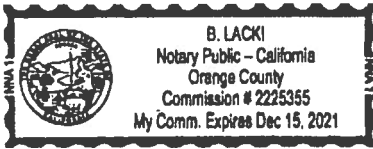
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Orange)
On JAN 11 2018 before me, B. Lacki, Notary Public,
Date Here Insert Name and Title of the Officer
personally appeared Rosa E. Rivas
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature B. Lacki
B. Lacki Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____
Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

Attachment: DIF Improvement Credit Agreement D18-001 for PA16-0002 (2994 : PA16-0002 – ACCEPT DEVELOPMENT IMPACT FEE (DIF)



Power of Attorney

KNOW ALL MEN BY THESE PRESENTS, that ATLANTIC SPECIALTY INSURANCE COMPANY, a New York corporation with its principal office in Plymouth, Minnesota, does hereby constitute and appoint: **Eugene T. Zondlo, Rosa E. Rivas, Edith Garibay**, each individually if there be more than one named, its true and lawful Attorney-in-Fact, to make, execute, seal and deliver, for and on its behalf as surety, any and all bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof; provided that no bond or undertaking executed under this authority shall exceed in amount the sum of: **sixty million dollars (\$60,000,000)** and the execution of such bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof in pursuance of these presents, shall be as binding upon said Company as if they had been fully signed by an authorized officer of the Company and sealed with the Company seal. This Power of Attorney is made and executed by authority of the following resolutions adopted by the Board of Directors of ATLANTIC SPECIALTY INSURANCE COMPANY on the twenty-fifth day of September, 2012:

Resolved: That the President, any Senior Vice President or Vice-President (each an "Authorized Officer") may execute for and in behalf of the Company any and all bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof, and affix the seal of the Company thereto; and that the Authorized Officer may appoint and authorize an Attorney-in-Fact to execute on behalf of the Company any and all such instruments and to affix the Company seal thereto; and that the Authorized Officer may at any time remove any such Attorney-in-Fact and revoke all power and authority given to any such Attorney-in-Fact.

Resolved: That the Attorney-in-Fact may be given full power and authority to execute for and in the name and on behalf of the Company any and all bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof, and any such instrument executed by any such Attorney-in-Fact shall be as binding upon the Company as if signed and sealed by an Authorized Officer and, further, the Attorney-in-Fact is hereby authorized to verify any affidavit required to be attached to bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof.

This power of attorney is signed and sealed by facsimile under the authority of the following Resolution adopted by the Board of Directors of ATLANTIC SPECIALTY INSURANCE COMPANY on the twenty-fifth day of September, 2012:

Resolved: That the signature of an Authorized Officer, the signature of the Secretary or the Assistant Secretary, and the Company seal may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing an Attorney-in-Fact for purposes only of executing and sealing any bond, undertaking, recognizance or other written obligation in the nature thereof, and any such signature and seal where so used, being hereby adopted by the Company as the original signature of such officer and the original seal of the Company, to be valid and binding upon the Company with the same force and effect as though manually affixed.

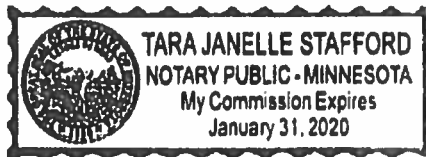
IN WITNESS WHEREOF, ATLANTIC SPECIALTY INSURANCE COMPANY has caused these presents to be signed by an Authorized Officer and the seal of the Company to be affixed this eighth day of December, 2014.



By *Paul J. Brehm*
Paul J. Brehm, Senior Vice President

STATE OF MINNESOTA
HENNEPIN COUNTY

On this eighth day of December, 2014, before me personally came Paul J. Brehm, Senior Vice President of ATLANTIC SPECIALTY INSURANCE COMPANY, to me personally known to be the individual and officer described in and who executed the preceding instrument, and he acknowledged the execution of the same, and being by me duly sworn, that he is the said officer of the Company aforesaid, and that the seal affixed to the preceding instrument is the seal of said Company and that the said seal and the signature as such officer was duly affixed and subscribed to the said instrument by the authority and at the direction of the Company.



Tara Janelle Stafford
Notary Public

I, the undersigned, Assistant Secretary of ATLANTIC SPECIALTY INSURANCE COMPANY, a New York Corporation, do hereby certify that the foregoing power of attorney is in full force and has not been revoked, and the resolutions set forth above are now in force.

Signed and sealed. Dated 11th day of January, 2018



James G. Jordan
James G. Jordan, Assistant Secretary

This Power of Attorney expires
October 1, 2019

Attachment: DIF Improvement Credit Agreement D18-001 for PA16-0002 (2994 : PA16-0002 - ACCEPT DEVELOPMENT IMPACT FEE (DIF)

MATERIAL AND LABOR BOND

City of Moreno Valley
County of Riverside
State of California
(Government Code Section 66499.2)

Public Improvements \$367,000 Project No. PA16-0002
Bond No. 800018784 Premium Included in Perf. Bond
Surety Atlantic Specialty Insurance Company Principal Moreno Indian, LLC
Address 605 North Highway 169, Suite 800 Address 18802 Bardeen Avenue
City/Zip Plymouth, MN 55441 City/Zip Irvine, CA 92612

WHEREAS, the City of Moreno Valley, County of Riverside, State of California, and MORENO INDIAN, LLC, (hereinafter designated as "Principal") have entered into, or are about to enter into the attached agreement whereby Principal agrees to install and complete the above-designated public improvements, relating to PA16-0002, which agreement is hereby referred to and made a part hereof; and,

WHEREAS, under the terms of said agreement, principal is required before entering upon the performance of the work, to file a good and sufficient payment bond with the City of Moreno Valley to secure the claims to which reference is made in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code of the State of California.

NOW, THEREFORE, we the Principal, and the undersigned as corporate Surety, are held and firmly bound unto the City of Moreno Valley and all contractors, subcontractors, laborers, material persons and other persons employed in the performance of the aforesaid agreement and referred to in the aforesaid Civil Code in the sum of THREE HUNDRED SIXTY SEVEN THOUSAND AND NO/100 Dollars (**\$367,000.00**), lawful money of the United States, for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor, that said Surety will pay the same in an amount not exceeding the amount hereinabove set forth, also in case suit is brought upon this bond, will pay, in addition to the face amount hereof, costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by City in successfully enforcing such obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies and corporations entitled to file claims under Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Attachment: DIF Improvement Credit Agreement D18-001 for PA16-0002 (2994 : PA16-0002 - ACCEPT DEVELOPMENT IMPACT FEE (DIF)

MATERIAL AND LABOR BOND (Page 2 of 2)
PROJECT NO. PA16-0002

Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the agreement or the specifications accompanying the same shall in any manner affect its obligation on this bond, and it does hereby waive notice of any such change, extension, alteration or addition. Surety further stipulates and agrees that the provision of Section 2845 of the Civil Code are not a condition precedent to the Surety's obligations hereunder and hereby waived by the Surety.

In witness whereof, this instrument has been duly executed by the Principal and Surety above named, on January 11th, 2018.

NAME OF PRINCIPAL: Moreno Indian, LLC
Company Name

AUTHORIZED SIGNATURE(S):

(See attached Signature Block)

Name Title

Name Title

NAME OF SURETY: Atlantic Specialty Insurance Company
Company Name

AUTHORIZED SIGNATURE: Rosa E. Rivas
Rosa E. Rivas, ITS ATTORNEY-IN-FACT

ATTACH NOTARIAL ACKNOWLEDGMENT OF SIGNATURE OF PRINCIPAL AND ATTORNEY-IN-FACT.
BOND COMPANY – ATTACH POWER OF ATTORNEY

Approved as to form:
Date: 1-28-18

City Attorney
City of Moreno Valley

W:\MANAGEMENT ANALYST\Agreement Bond Packets\2018\PA16-0002\PA16-0002 - Material Labor Bond (rev4-20-17).doc

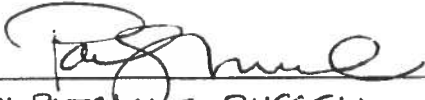
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Bond No. 800018784
Labor and Material Bond
City of Moreno Valley
Signature Block

MORENO INDIAN, LLC, a
Delaware limited liability company

By: SRG Moreno Indian, L.P., a
Delaware limited partnership
Its: Managing Member

By: SRG Investors, LLC, a
Delaware limited liability company
Its: General Partner

By: 
Name: PATRICK RUSSELL
Its: AUTHORIZED AGENT

Attachment: DIF Improvement Credit Agreement D18-001 for PA16-0002 (2994 : PA16-0002 – ACCEPT DEVELOPMENT IMPACT FEE (DIF)

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State of California
County of Orange

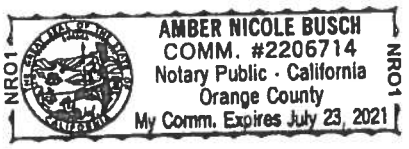
On January 16, 2018 before me, Amber Nicole Busch, Notary Public
(insert name and title of the officer)

personally appeared Patrick Russell
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature *Amber Nicole Busch* (Seal)



Attachment: DIF Improvement Credit Agreement D18-001 for PA16-0002 (2994 : PA16-0002 - ACCEPT DEVELOPMENT IMPACT FEE (DIF)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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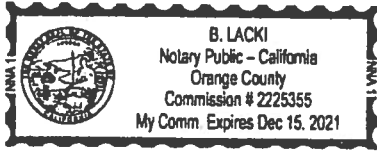
On JAN 11 2018 before me, B. Lacki, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Rosa E. Rivas
Name(s) of Signer(s)

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I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature B. Lacki
B. Lacki *Signature of Notary Public*

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____
Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
 Corporate Officer -- Title(s): _____
 Partner -- Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

Signer's Name: _____
 Corporate Officer -- Title(s): _____
 Partner -- Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

Attachment: DIF Improvement Credit Agreement D18-001 for PA16-0002 (2994 : PA16-0002 - ACCEPT DEVELOPMENT IMPACT FEE (DIF)



Power of Attorney

KNOW ALL MEN BY THESE PRESENTS, that ATLANTIC SPECIALTY INSURANCE COMPANY, a New York corporation with its principal office in Plymouth, Minnesota, does hereby constitute and appoint: **Eugene T. Zondlo, Rosa E. Rivas, Edith Garibay**, each individually if there be more than one named, its true and lawful Attorney-in-Fact, to make, execute, seal and deliver, for and on its behalf as surety, any and all bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof; provided that no bond or undertaking executed under this authority shall exceed in amount the sum of: **sixty million dollars (\$60,000,000)** and the execution of such bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof in pursuance of these presents, shall be as binding upon said Company as if they had been fully signed by an authorized officer of the Company and sealed with the Company seal. This Power of Attorney is made and executed by authority of the following resolutions adopted by the Board of Directors of ATLANTIC SPECIALTY INSURANCE COMPANY on the twenty-fifth day of September, 2012:

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Resolved: That the Attorney-in-Fact may be given full power and authority to execute for and in the name and on behalf of the Company any and all bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof, and any such instrument executed by any such Attorney-in-Fact shall be as binding upon the Company as if signed and sealed by an Authorized Officer and, further, the Attorney-in-Fact is hereby authorized to verify any affidavit required to be attached to bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof.

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IN WITNESS WHEREOF, ATLANTIC SPECIALTY INSURANCE COMPANY has caused these presents to be signed by an Authorized Officer and the seal of the Company to be affixed this eighth day of December, 2014.



By *Paul J. Brehm*
Paul J. Brehm, Senior Vice President

STATE OF MINNESOTA
HENNEPIN COUNTY

On this eighth day of December, 2014, before me personally came Paul J. Brehm, Senior Vice President of ATLANTIC SPECIALTY INSURANCE COMPANY, to me personally known to be the individual and officer described in and who executed the preceding instrument, and he acknowledged the execution of the same, and being by me duly sworn, that he is the said officer of the Company aforesaid, and that the seal affixed to the preceding instrument is the seal of said Company and that the said seal and the signature as such officer was duly affixed and subscribed to the said instrument by the authority and at the direction of the Company.



Tara Janelle Stafford
Notary Public

I, the undersigned, Assistant Secretary of ATLANTIC SPECIALTY INSURANCE COMPANY, a New York Corporation, do hereby certify that the foregoing power of attorney is in full force and has not been revoked, and the resolutions set forth above are now in force.

Signed and sealed. Dated 11th day of January, 2018

This Power of Attorney expires
October 1, 2019



James G. Jordan
James G. Jordan, Assistant Secretary

Attachment: DIF Improvement Credit Agreement D18-001 for PA16-0002 (2994 : PA16-0002 - ACCEPT DEVELOPMENT IMPACT FEE (DIF)

EXHIBIT "B"

ENGINEER'S ESTIMATE OF DIF IMPROVEMENTS
PA16-0002 - INDIAN STREET COMMERCE CENTER

Huitt-Zollars, Inc. INDIAN STREET				
CONSTRUCTION ITEM	QUANTITY	UNIT	UNIT PRICE	TOTAL
Clearing and grubbing	1	L.S.	2,000.00	2,000
Roadway Excavation	885	C.Y.	30.00	26,550
Aggregate Base Class II				
Thickness (ft.)	0.75			
Area (sf)	19,921	1008	Ton	50.00
				50,400
Asphalt Concrete				
Thickness (ft.)	0.45			
Area (sf)	19,921	672	Ton	85.00
				57,120
Curb and Gutter - 8"	455	L.F.	30.00	13,650
Striping	1	L.S.	10,000.00	10,000
Traffic Control	1	L.S.	25,000.00	25,000
			TOTAL	\$ 184,720.00

EXHIBIT "B"

EXHIBIT "C" – DIF Credit Calculation Table

Item	Process for DIF Credit Calculation	Streets	Traffic Signals	Police	Fire	Libraries	Parks	Public Facilities*	Interchange Improvements	2% Admin Fee	DIF Processing Fee
1	Engineer's Estimate	\$184,720.00	\$	\$	\$	\$	\$	\$	\$	\$	\$
2	Project costs as identified in DIF study	\$125,960.00	\$	\$	\$	\$	\$	\$	\$	\$	\$
3	Actual DIF Obligation	\$74,615.85	\$50,616.60	\$50,616.60	\$112,141.95	\$0	\$0	\$100,360.50	\$46,253.10	\$8,692.09	\$176.00
4	Developer's Credit Amount** - Least of Lines 1 2 & 3	\$74,615.85	\$	\$	\$	\$	\$	\$	\$	\$	\$

*may include, but not be limited to, City Hall, Corporate Yard, Animal Shelter, and/or maintenance equipment.

**credit amount shall not exceed obligation.

EXHIBIT "C"



Report to City Council

TO: Mayor and City Council

FROM: Richard J. Sandzimier, Community Development Director/
Planning Official

AGENDA DATE: March 20, 2018

TITLE: SECOND READING OF MUNICIPAL CODE
AMENDMENTS TO MODIFY PROVISIONS IN TITLE 9
REGARDING TEMPORARY USE PERMITS, AND MOBILE
VENDING AND TITLE 12 REGARDING MOBILE VENDING

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Conduct second reading by title only and Adopt Ordinance No. 931. An Ordinance of the City Council of the City of Moreno Valley, California, approving a Municipal Code Amendment to Title 9, Section 9.02.150, regarding Temporary Use Permit regulations; and further approving a Municipal Code Amendment to Title 12, adding new subsection 12.02.016, Restriction by Merchandise, with regard to Mobile Vending regulations.

SUMMARY

This report recommends adoption of Ordinance No. 931, introduced at the last City Council meeting, which will amend Title 9 regulations associated with Temporary Use Permits for merchandise sales, and amend Title 12 regulations for mobile vending within the City of Moreno Valley.

DISCUSSION

Consistent with Council's direction, staff drafted an Ordinance which, if adopted, would amend Chapter 9.02.150-3 of Title 9 with respect to Temporary Use Permits for merchandise sales outdoors or in mobile temporary enclosures in conjunction with established businesses, by increasing the allowed maximum number of calendar days per year from 18 to 36 days, and also providing buffering requirements for mobile food facilities used in conjunction with the merchandise sale event. Further, the Ordinance

will introduce provisions in Chapter 12.02.016 of Title 12, regulating mobile vending in proximity to established private businesses that sell similar products.

ALTERNATIVES

1. Conduct the second reading by title only and adopt Ordinance No.931.
2. Provide alternate direction to staff.

FISCAL IMPACT

There is no anticipated fiscal impact from the recommended action.

NOTIFICATION

Agenda was posted in accordance with the Brown Act.

PREPARATION OF STAFF REPORT

Prepared By:
Natalie Qaqish
Planning Intern

Department Head Approval:
Richard Sandzimier
Acting Community Development Director

CITY COUNCIL GOALS

Revenue Diversification and Preservation. Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

CITY COUNCIL STRATEGIC PRIORITIES

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs

Objective 1.1: Proactively attract high-quality businesses.

Objective 1.7: Promote small business development and entrepreneurship.

ATTACHMENTS

1. DraftMFFOrdinance

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	3/12/18 1:09 PM
City Attorney Approval	<u>✓ Approved</u>	3/14/18 4:38 PM
City Manager Approval	<u>✓ Approved</u>	3/15/18 11:11 AM

ORDINANCE NO. 931

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, AMENDING SECTION 9.02.150 OF TITLE 9, PLANNING AND ZONING, AND SECTION 12.02 OF TITLE 12, VEHICLES AND TRAFFIC, OF THE CITY OF MORENO VALLEY MUNICIPAL CODE ADDRESSING REGULATIONS FOR TEMPORARY USE PERMITS AND MOBILE VENDING/FOOD FACILITIES.

WHEREAS, the City Council amends the provisions of its Municipal Code from time to time to maintain consistency with state law and city practices; and

WHEREAS, the City Council conducted a Study Session on food trucks (aka mobile /vending food facilities “MFF”) on December 12, 2017, and directed staff to prepare and return with potential amendments to the City Municipal Code and applicable policies to specifically increase time allowances from 18 to 36 days for temporary use permits for merchandise sales, to introduce buffering regulations for MFF within shopping centers, and to expand allowances for MFF to provide daily services within City parks; and

WHEREAS, the City Council has determined that the proposed modifications to the current Municipal Code are in the best interests of the City; and

WHEREAS, pursuant to Section 21083 of the California Environmental Quality Act (CEQA) statutes and Section 15061 of the CEQA Guidelines, it has been determined that the amendments to the Municipal Code are exempt from further environmental review.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY DOES ORDAIN AS FOLLOWS:

SECTION 1. Section 12.02 is amended to add Sub-Section 12.02.016 as follows:

12.02.016 Restriction by merchandise.

No mobile vendors shall conduct business without a buffer of at least 200 feet from an established business on-site that sells similar products. Such commerce cannot be conducted during the time of operating hours of private businesses that sells similar products unless written consent from the established business(es) has been presented to the City of Moreno Valley.

SECTION 2. Section 9.02.50 D is amended to add the following new Sub-Section 4 and to renumber existing Sub-Sections D4-D9 as D5-D10:

4. No secondary vendors, incidental to the merchandise sale, shall conduct business without a buffer of at least 200 feet from any established business on-site that sells similar products unless written consent from the established business(es), for a lesser buffer, has been presented to the City of Moreno Valley.

SECTION 3. Chapter 9.02 is amended by deleting current Temporary Use Table 9.02.150-3 in its entirety and replaced with the following:

Temporary Uses Table 9.02.150-3

Permitted Temporary Uses (With a Temporary Use Permit)	Locations	Max. No. Days per Calendar Year
Commercial and noncommercial Christmas tree sales, and incidental sales of Christmas lights, tree stands and decorations, but excluding gift items	All zones	30
Mobile health clinic	All commercial and industrial districts	14
Merchandise sale - outdoors or in mobile or temporary enclosures - in conjunction with established businesses (see subsection D of this section)	All commercial districts	36 days per shopping or commercial center
Merchandise sale, outdoors or in mobile or temporary enclosures, sponsored by and on the premises of a bank, savings and loan association or credit union of merchandise typically financed by that institution in the normal course of its lending business (see subsection D of this section)	Banks, savings and loan associations and credit unions	12 days per shopping or commercial center
Real estate offices on the site of a proposed subdivision	All districts	n/a
Construction and security personnel offices on active construction sites	All districts	n/a
Temporary construction yards not located on active construction sites	All districts	n/a
Tent meetings	All districts	30
Commercial carnival, concert, exhibit, festival or similar event outdoors or in temporary enclosures	All commercial and industrial districts	14
Noncommercial carnival, fair, concert, exhibit, festival or similar; outdoors or in temporary enclosures	All districts	14
Pumpkin sales lots	All zones	30

Attachment: DraftMFOrdinance (3017 : PEN17-0158 Municipal Code Amendment)

Permitted Temporary Uses (With a Temporary Use Permit)	Locations	Max. No. Days per Calendar Year
Seasonal produce stands	All zones	120

SECTION 4. Findings.

Based on the entirety of the record, the City Council hereby finds that the Municipal Code amendments, as shown in this Ordinance are consistent with the adopted 2006 General Plan.. The City Council further finds that consideration and process of approval for the proposed amendments complies with provisions of the Municipal Code.

SECTION 5. Severability.

If any portion of this Ordinance, or application of any such provision to any person or circumstances, shall be held invalid, the reminder of this Ordinance to the extent it can be given effect, or the application of such provisions to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby, and to this extent the provisions of this Ordinance are severable.

SECTION 6. EFFECT OF ENACTMENT

Except as specifically provided herein, nothing contained in this ordinance shall be deemed to modify or supersede any prior enactment of the City Council which addresses the same subject addressed herein.

SECTION 7. NOTICE OF ADOPTION

Within fifteen days after the date of adoption hereof, the City Clerk shall certify to the adoption of this ordinance and cause it to be posted in three public places within the city.

SECTION 8. EFFECTIVE DATE

This ordinance shall take effect thirty (30) days after the date of adoption.

INTRODUCED at a regular meeting of the City Council on March 6, 2018 and PASSED, APPROVED, and ADOPTED by the City Council on ____ the following roll call vote, to wit:

- AYES: Council Members -
- NOES: Council Members -
- ABSENT: Council Members -
- ABSTAIN: Council Members -

3
Ordinance No.
Date Adopted:

ATTEST:

Mayor

Pat Jacquez-Nares, CMC & CERA, City Clerk

APPROVED AS TO FORM:

Martin D. Koczanowicz, City Attorney

Attachment: DraftMFFOrdinance (3017 : PEN17-0158 Municipal Code Amendment)

ORDINANCE JURAT

STATE OF CALIFORNIA)

COUNTY OF RIVERSIDE) ss.

CITY OF MORENO VALLEY)

I, Pat Jacquez-Nares, City Clerk of the City of Moreno Valley, California, do hereby certify that Ordinance No. YYYY-____ was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the ____ day of _____, YYYY, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

Attachment: DraftMFOrdinance (3017 : PEN17-0158 Municipal Code Amendment)



Report to City Council

TO: Mayor and City Council

FROM: Richard J. Sandzimier, Community Development Director/
Planning Official

AGENDA DATE: March 20, 2018

TITLE: COMMERCIAL CANNABIS LAND USE ORDINANCE
(TITLE 9) AND FEE AND APPLICATION PROCESS
RESOLUTIONS

RECOMMENDED ACTION

Recommendation 1 (Title 9 Land Use Ordinance): That the City Council:

1. **FIND** that PEN17-0157 (Municipal Code Amendment for Commercial Cannabis Land Uses Regulations) qualifies for an exemption under the California Environmental Quality Act (CEQA) per provisions put forth in Senate Bill 94 "Medicinal and Adult Use Cannabis Regulation and Safety Act" exempting adoption of an ordinance, rule or regulation by a local jurisdiction that will require subsequent discretionary permits, licenses or other authorization, and
2. **INTRODUCE** by title only and conduct the first reading of Ordinance _____ entitled "An Ordinance of the City Council of the City of Moreno Valley, California, amending sections 9.02.030 "Permitted Uses" and 9.15.030 "Definitions" and adding Section 9.09.290 "Commercial Cannabis Activities" to Title 9 of the Moreno Valley Municipal Code, establishing land use regulations for operation of commercial cannabis dispensaries, testing, cultivation, manufacturing, microbusinesses, distribution centers and related cannabis activities."

Recommendation 2 (Fee and Application Process Resolutions): That the City Council:

1. **APPROVE** Resolution No. 2018-____ entitled "A Resolution of the City Council of the City of Moreno Valley California, amending the fee schedule to include commercial cannabis permit application fees for Fiscal Year 2017-18."
2. **APPROVE** Resolution No. 2018- ____ entitled "A Resolution of the City Council

of the City of Moreno Valley California, approving the initial procedure for permit applications to operate a commercial cannabis business under Chapter 5.05 of Title 5 of the City Municipal Code.”

SUMMARY

This report presents recommended amendments and additions to the City’s Municipal Code regarding commercial cannabis activities in the City of Moreno Valley to:

- Add land use regulations in Title 9 of the Municipal Code for commercial cannabis dispensaries, testing, manufacturing, cultivation, distribution centers and microbusinesses and associated distribution and transportation activities. The amendment includes definitions in Chapter 9.15, Section 9.15.030 and the addition of commercial cannabis regulations in a new Section 9.09.290 of the Municipal Code entitled, “Commercial Cannabis Activity Regulations”; and
- Establish a related fee resolution to recover costs of providing services necessary for the review of application packets submitted by businesses, issuance of the associated permits and ongoing monitoring for commercial cannabis businesses; and
- Adopt a resolution establishing application processes for Commercial Cannabis Business Permits.

Appropriately established regulations enable enforcement by the City to ensure the health, safety and welfare of the City and its residents.

DISCUSSION

Background

The City Council initiated development of an ordinance for regulatory and land use cannabis operations in view of State law (Proposition 64 passed by California voters in 2016) which allowed adult-use recreational cannabis to be grown and distributed on a commercial basis in California since January 1, 2018. The Council directed staff to review and provide input about how the City can regulate cannabis business, land use and operations.

The regulations under consideration for potential applicants will require that a Conditional Use Permit be obtained and approved through the City Planning Commission. Only when a Conditional Use Permit, a City Commercial Cannabis Business Permit, and State license are issued will a commercial cannabis establishment be allowed to legally operate at an approved location within the City.

With appropriate local land use, regulatory, licensing, and enforcement controls identified in the subject ordinance put in place, the potential for negative effects on the community from this new industry of commercial cannabis dispensaries, cultivation,

manufacturing, distribution, microbusinesses and testing activities can be minimized and/or avoided. The proposed commercial cannabis land use ordinance provides land use enforcement controls to adequately mitigate negative effects of cannabis business activities on the community.

Two strategies addressed and recommended by the City Council at the October 10, 2017 study session meeting included:

- Amendment of Moreno Valley Municipal Code Title 5 to include establishment of cannabis licensing which would set out the regulatory authority of the City over such businesses that conduct commercial cannabis dispensary operations, testing, cultivation and manufacturing.
- Amendment of Moreno Valley Municipal Code Title 9 to specify the entitlement process, establish procedures (i.e. Conditional Use Permit) and include areas where various cannabis businesses could locate in the City.

Staff introduced a regulatory ordinance to City Council on October 24, 2017, which was approved thirty days after its second reading to add language for the commercial cannabis business licensing, permitting and operations process in Title 5 of the Municipal Code. Staff has now established Title 9 requirements to provide land use control and designate locations where cannabis activities could locate. The maximum amount of proposed commercial cannabis business activities to be conditionally permitted and licensed in the City will be twenty-six (26). Five (5) zoning districts have been identified and recommended as zones that would allow establishment of commercial cannabis businesses. If the ordinance is approved on March 20, 2018, the item would become law thirty (30) days after its second reading and adoption by the City Council.

On February 22, 2018, the Planning Commission recommended approval of the commercial cannabis land use ordinance to City Council by a vote of 3-1 (one absent). At the meeting, staff provided a detailed written staff report (Attachment 11) and a presentation that included an overview of the proposed Title 9 Municipal Code Amendments and additions. A general comment provided by the public and Commissioners at the meeting was that the ordinance included detailed and well thought out land use standards. Concerns by some members of the Planning Commission focused questions on impact to City services and abilities for enforcement of ordinance land use regulations and potential for cannabis costs outweighing cannabis benefits.

Project

The following subsections summarize important aspects of the Title 9 land use ordinance; information on Title 5 cannabis business permitting amendments and adoption of resolutions to establish cost recovery and the application processes for the Commercial Cannabis Business Permits .

Summary of Title 9 Land Use Ordinance Regulations

Development standards in the commercial cannabis Municipal Code Amendment and ordinance comply with State law, which allows recreational (Adult-Use) cannabis to be grown and distributed on a commercial basis in California since January 2018. In addition, the recommended commercial cannabis activity regulations are consistent with State requirements designed to protect specifically identified sensitive land uses by including provisions of a required 600 foot setback to sensitive land uses such as public or private schools, day care centers, youth centers and arcades. Other general development standards include establishment of cannabis operations in fully enclosed, permanent, secured structures and the prohibition of cannabis products consumed or ingested outside/inside of the business. Specific requirements that define building size, visibility, parking, lighting, signs/graphics site security and waste/storage of cannabis products and other potential public nuisance standards are included in the draft ordinance to provide further protection to the general public, existing businesses and the community.

Important aspects of the new commercial cannabis language and regulations as proposed in the attached City Council Ordinance are summarized in the following items.

Item 1. Limit Cannabis Land Use Activities to Specific Zoning Districts

The inclusion of Section 9.09.290 “Commercial Cannabis Activities” establishes land use regulations and provides for allowance and establishment of commercial cannabis businesses in the City, including dispensaries, testing, cultivation, manufacturing, distribution centers, microbusiness and related cannabis operations. Section 9.02.020, Table 9.02.020-1 of the Municipal Code includes “Commercial Cannabis Activities” as a land use category to allow cannabis testing, cultivation, and manufacturing uses as identified in Item 2 below.

The primary intent of the new ordinance standards is to prevent adverse impacts on adjacent properties or surrounding neighborhoods that might result from cannabis business activities. These include such regulations pertaining to visibility, insufficient on-site customer and employee parking, lighting, signage and graphics, site security, waste/storage disposal and other public nuisances such as odor control, loitering and graffiti abatement.

Item 2. Require Discretionary Approval of a Conditional Use Permit for all Cannabis Land Use Activities

The commercial cannabis Municipal Code Amendment ordinance sets forth regulations to limit cannabis operations to twenty-six (26) total businesses citywide. All 26 establishments would require approval of a Conditional Use Permit (CUP). The following provides a breakdown of the maximum commercial cannabis land use types allowed and the zoning districts that allow the uses:

- **Dispensaries** - A maximum of ten (10) cannabis dispensaries may be

conditionally permitted to establish in the City, only within the Community Commercial (CC), Neighborhood Commercial (NC), and Business Park - Mixed Use (BPX) zoning districts.

- **Testing** - A maximum of two (2) cannabis testing facilities may be conditionally permitted to establish in the City, only within the Business Park (BP), Business Park - Mixed Use (BPX), and Light Industrial (LI) zoning districts.
- **Cultivation** - A maximum of five (5) cultivation businesses may be conditionally permitted to establish in the City, only within the Business Park (BP), Business Park - Mixed Use (BPX), and Light Industrial (LI) zoning districts.
- **Manufacturing** - A maximum of five (5) manufacturing business may be conditionally permitted to establish in the City, only within the Business Park (BP), Business Park - Mixed Use (BPX), and Light Industrial (LI) zoning districts.
- **Microbusiness** - A maximum of two (2) cannabis microbusiness facilities may be conditionally permitted to establish in the City, only within the Business Park - Mixed Use (BPX) zoning districts.
- **Distribution Center** - A maximum of two (2) cannabis distribution centers may be conditionally permitted to establish in the City, within the Community Commercial (CC), Neighborhood Commercial (NC), Business Park (BP), Business Park - Mixed Use (BPX), and Light Industrial (LI) zoning districts.

The above activities would be limited to operate within a fully enclosed, secured and permanent structure and are not permitted without a CUP or outside of the appropriate zoning districts. The Planning Commission would be authorized to conditionally approve or deny a CUP application on a case by case basis subject to findings set forth for all conditional use permits within Section 9.02.060 of the Municipal Code.

Four (4) primary maps/exhibits have been completed, and are included as attachments to this staff report, to clearly show zoning districts and buffering requirements for commercial cannabis activities. Map 4 specifically provides information on the zoning districts and Specific Plan areas that may allow cannabis land use activities subject to the proposed ordinance regulations. The map also presents areas that would be eliminated from consideration, and a reduced acreage table, due to application of the required 600' buffer to cannabis uses from sensitive land uses addressed by the State. Additional information on the potential land areas available for cannabis land uses is included in Attachments 2 through 5 of this report.

Item 3. Establish General Development Standards for Cannabis Land Uses

General development standards for cannabis activities are contained in Section 9.09.294 of the ordinance. No cannabis product shall be smoked, eaten, or otherwise consumed or ingested on property outside of or within the business. The ordinance includes a prohibition to operate commercial cannabis activities in a building which

contains a residential dwelling unit. In addition, all City Fire, Police and Code Enforcement personnel shall have unlimited and unrestricted property access for inspections of commercial cannabis businesses and facilities during normal business hours.

The ordinance also regulates placement and buffer of cannabis businesses consistent with the State cannabis regulations. No license or CUP shall be granted to a commercial cannabis activity that would be within 600 feet of any school providing instruction in grades K-12, day care centers, youth centers or arcades that are in existence at the time license and/or CUP is approved. Horizontal distance between cannabis businesses and sensitive land uses is measured in a straight line from the property line of the sensitive land use to the closest property line of the lot on which the commercial cannabis activity will be located.

Item 4. Provide Specific Use Requirements for Cannabis Land Uses

Development standards are provided for the six (6) allowable commercial cannabis uses in the attached ordinance. These include limitations on building size, regulations with respect to visibility of cannabis plants, materials or products from a public right of way, regulations for signage/graphics, site security, storage and waste disposal. Parking requirements and lighting standards are included. With regard to building size, in no case shall the size of the commercial cannabis cultivation canopy within any single cultivation facility exceed 22,000 square feet. A commercial cannabis microbusiness is a commercial cannabis establishment that must engage in at least three commercial cannabis activities (excluding testing), which includes cultivation (limited to 10,000 square feet), manufacturing, distribution, and retail sales.

The ordinance includes public nuisance standards such as the following: odor control devices incorporated into the cannabis business site to include requirements for exhaust air filtration systems; ventilation; the prohibition of loitering; removal of graffiti; and, the more general requirement that commercial cannabis activities shall not adversely affect the health or safety of nearby residents. Controls are included to address potential for excessive creation of dust, glare, heat, noise, smoke, traffic, vibration, and hazards created due to use or storage of materials, processes, products, or wastes.

Item 5. Establish Revocation Standards for Cannabis Land Uses

The ordinance includes grounds for revocation of any conditionally permitted commercial cannabis land use activities if a licensee violates terms of the approved Conditional Use Permit (CUP). Ten (10) separate provisions are established in the commercial cannabis ordinance under new Municipal Code Section 9.09.296 "Grounds for Revocation" as the grounds for revocation of a commercial cannabis land use permit. All revocation proceedings shall be consistent with Municipal Code Section 9.02.260 "Revocation of approvals or permits" and shall be conducted through proper noticing and a public hearing and action by the Planning Commission, and if appealed, by the City Council.

Environmental Determination

A Municipal Code Amendment to adopt commercial cannabis land use regulations is exempt from the California Environmental Quality Act (CEQA) per provisions put forth in Senate Bill 94 “Medicinal and Adult Use Cannabis Regulation and Safety Act” exempting adoption of an ordinance, rule or regulation by a local jurisdiction that will require subsequent discretionary permits, licenses or other authorization subject to CEQA. All new cannabis businesses submitting a CUP application would be subject to requirements of CEQA including the development of an Initial Study to establish the appropriate environmental determination.

Establish Commercial Cannabis Application and Permit Fees

This staff report includes a resolution establishing application processes for Commercial Cannabis Business Permits. Exhibit A to the Resolution sets forth the initial application process.

The City of Moreno Valley is allowed to recover cost for certain services provided to and at the request of the public. Based on California statutes, cities are able to recover up to the full cost of services that are provided based on voluntary requests from the public. Stipulations included regarding the charging of fees require that any revenues collected related to the provision of these services can only be used to offset costs related to the performance and regulation of the requested services or activities. Also, the fees may not exceed the estimated reasonable cost of providing that service.

In November 2017, the City Council adopted Ordinance 926, which amended the Municipal Code to include a section related to the operation of cannabis related businesses within the City. At the Finance Subcommittee meeting on February 27, 2018, staff presented a description of the cost analysis process, information related to state statutes addressing the setting of fees and the preliminary draft report based on the completed cost analysis and the maximum cost recovery amounts. In order to pay for the cost of providing the services necessary for the review of application packets submitted by businesses and the issuance of the associated permits and ongoing monitoring, fees included in the attached resolution have been developed. These fees have been estimated based on the projected costs to provide the review and services required by Section 5.05 of the City of Moreno Valley Municipal Code. California statutes require that fees may only be set at levels to recover the costs associated with the provision of the specific services required by the public. In addition, a Resolution establishing the application processes for the CCBP is included for Council’s consideration and action. Once adopted the processes for applications for CCBPs will be in place, effective immediately.

ALTERNATIVES

1. Find that PEN17-0157 (Municipal Code Amendment for Commercial Cannabis Land Uses Regulations) qualifies for an exemption under the California

Environmental Quality Act (CEQA) per provisions put forth in Senate Bill 94 “Medicinal and Adult Use Cannabis Regulation and Safety Act” exempting adoption of an ordinance, rule or regulation by a local jurisdiction that will require subsequent discretionary permits, licenses or other authorization, and Introduce by title only and conduct the first reading of Ordinance _____ entitled “An Ordinance of the City Council of the City of Moreno Valley, California, amending sections 9.02.030 “Permitted Uses” and 9.15.030 “Definitions” and adding Section 9.09.290 “Commercial Cannabis Activities” to Title 9 of the Moreno Valley Municipal Code, establishing land use regulations for operation of commercial cannabis dispensaries, testing, cultivation, manufacturing, microbusinesses, distribution centers and related cannabis activities.” **Staff and the Planning Commission recommend this alternative as it will establish commercial Cannabis land use regulations in Title 9 and authorize appropriate fees to support services to implement the application/review process consistent with State of California and local Regulatory Ordinance requirements.**

2. Do not approve the recommended actions. **Staff does not recommend this alternative as it will not establish commercial cannabis land use regulations in Title 9 and authorize appropriate fees to support services to implement the application/review process consistent with State of California and local Regulatory Ordinance requirements.**
3. Provide alternative direction to staff.

FISCAL IMPACT

There are no fiscal impacts anticipated from the approval and adoption of the commercial cannabis land use ordinance in Title 9. The fiscal impact for the adoption of the user fees will be determined based on the number of permit applications that the City receives.

NOTIFICATION

An appropriate public hearing notice for this ordinance and Municipal code amendment was published in the local newspaper on March 9, 2018.

PREPARATION OF STAFF REPORT

Prepared By:
Mark Gross
Senior Planner

Inter-Departmental Approval:
Martin D. Koczanowicz
City Attorney

Concurred By:
Albert Armijo
Interim Planning Manager

Department Head Approval:
Richard J. Sandzimier
Acting Community Development Director

Inter-Departmental Approval:
Marshall Eyeran
Chief Financial Officer/City Treasurer

CITY COUNCIL GOALS

Revenue Diversification and Preservation. Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

Public Safety. Provide a safe and secure environment for people and property in the community, control the number and severity of fire and hazardous material incidents, and provide protection for citizens who live, work and visit the City of Moreno Valley.

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

CITY COUNCIL STRATEGIC PRIORITIES

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs

ATTACHMENTS

1. Zoning Map
2. Map 1 - Commercial
3. Map 2 - Industrial
4. Map 3 - All Zones
5. Map 4 - All Zones with Buffers
6. Newspaper Notice
7. Commercial Cannabis Land Use Ordinance
8. Exhibit A to Commercial Cannabis Ordinance - Permitted Uses Table
9. PC Staff Report (Excluding Attachments)
10. Draft PC Cannabis Minutes - 3-22-18
11. Finance Permit Application Fee Resolution
12. Exhibit A to Fee Resolution - Commercial Cannabis Permit Application Fees
13. Reso - Initial Application Proceduremdkfinal
14. Moreno Valley Application Procedure Guideline

APPROVALS

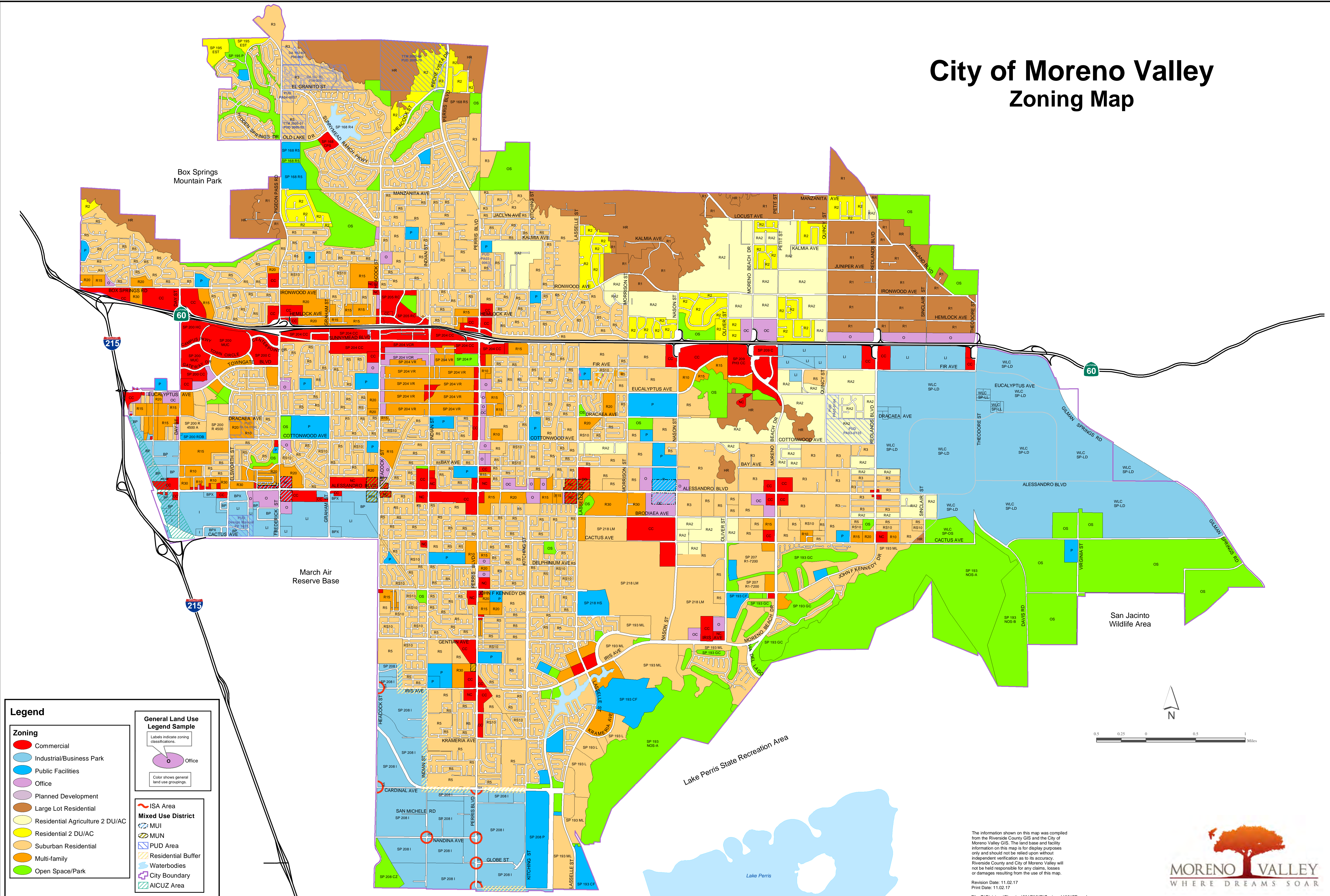
Budget Officer Approval ✓ Approved 3/14/18 6:05 PM

City Attorney Approval
City Manager Approval

✓ Approved
✓ Approved

3/14/18 4:28 PM
3/15/18 1:35 PM

City of Moreno Valley Zoning Map



Legend

Zoning

- Commercial
- Industrial/Business Park
- Public Facilities
- Office
- Planned Development
- Large Lot Residential
- Residential Agriculture 2 DU/AC
- Residential 2 DU/AC
- Suburban Residential
- Multi-family
- Open Space/Park

General Land Use Legend Sample

Labels indicate zoning classifications.

Color shows general land use groupings.

Mixed Use District

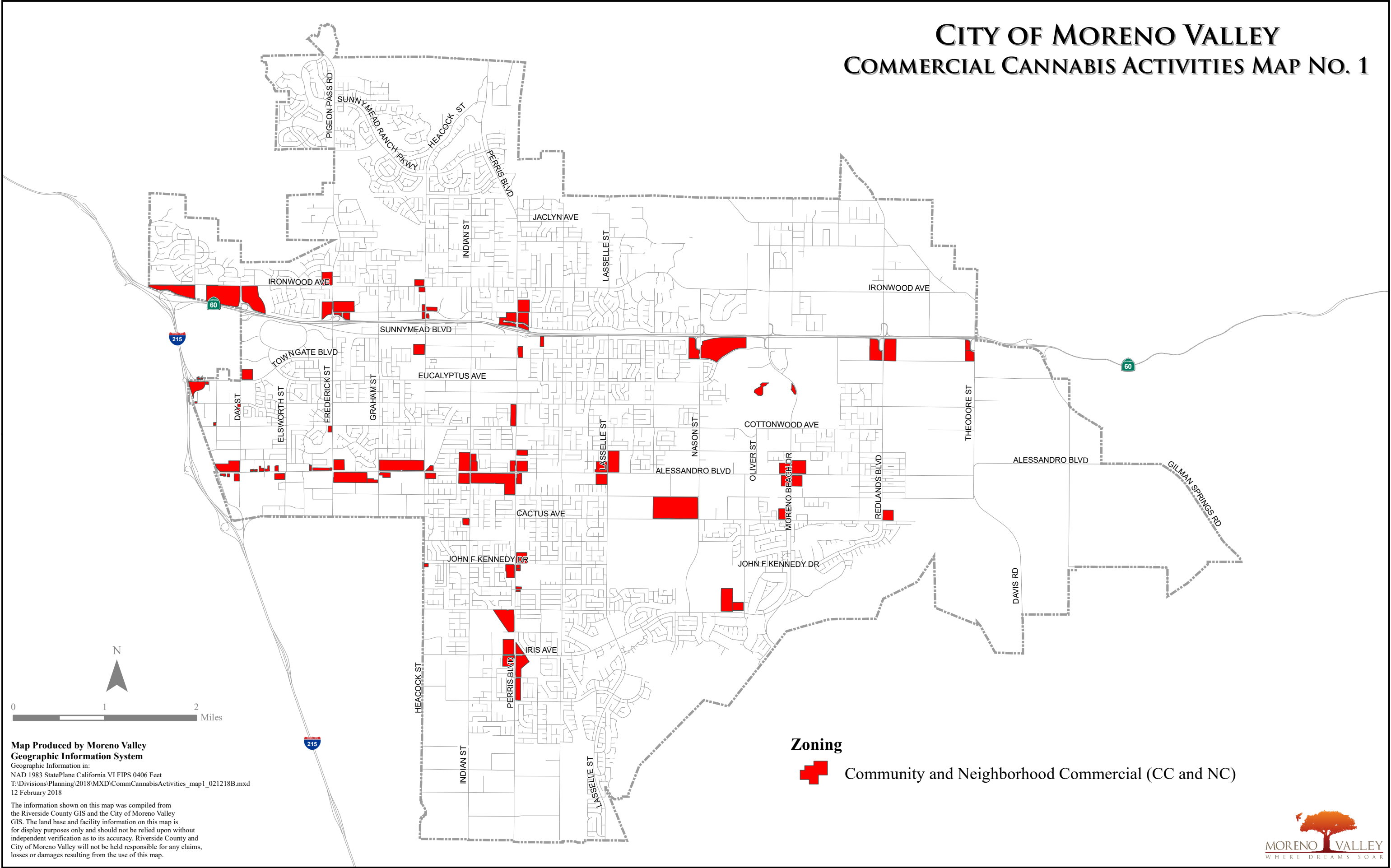
- ISA Area
- MUI
- MUN
- PUD Area
- Residential Buffer
- Waterbodies
- City Boundary
- AICUZ Area

The information shown on this map was compiled from the Riverside County GIS and the City of Moreno Valley GIS. The land base and facility information on this map is for display purposes only and should not be relied upon without independent verification as to its accuracy. Riverside County and City of Moreno Valley will not be held responsible for any claims, losses or damages resulting from the use of this map.

Revision Date: 11.02.17
 Print Date: 11.02.17
 File: T:\Divisions\Planning\2017\MXD\Zoning_110217D.mxd



CITY OF MORENO VALLEY COMMERCIAL CANNABIS ACTIVITIES MAP NO. 1



Map Produced by Moreno Valley
Geographic Information System

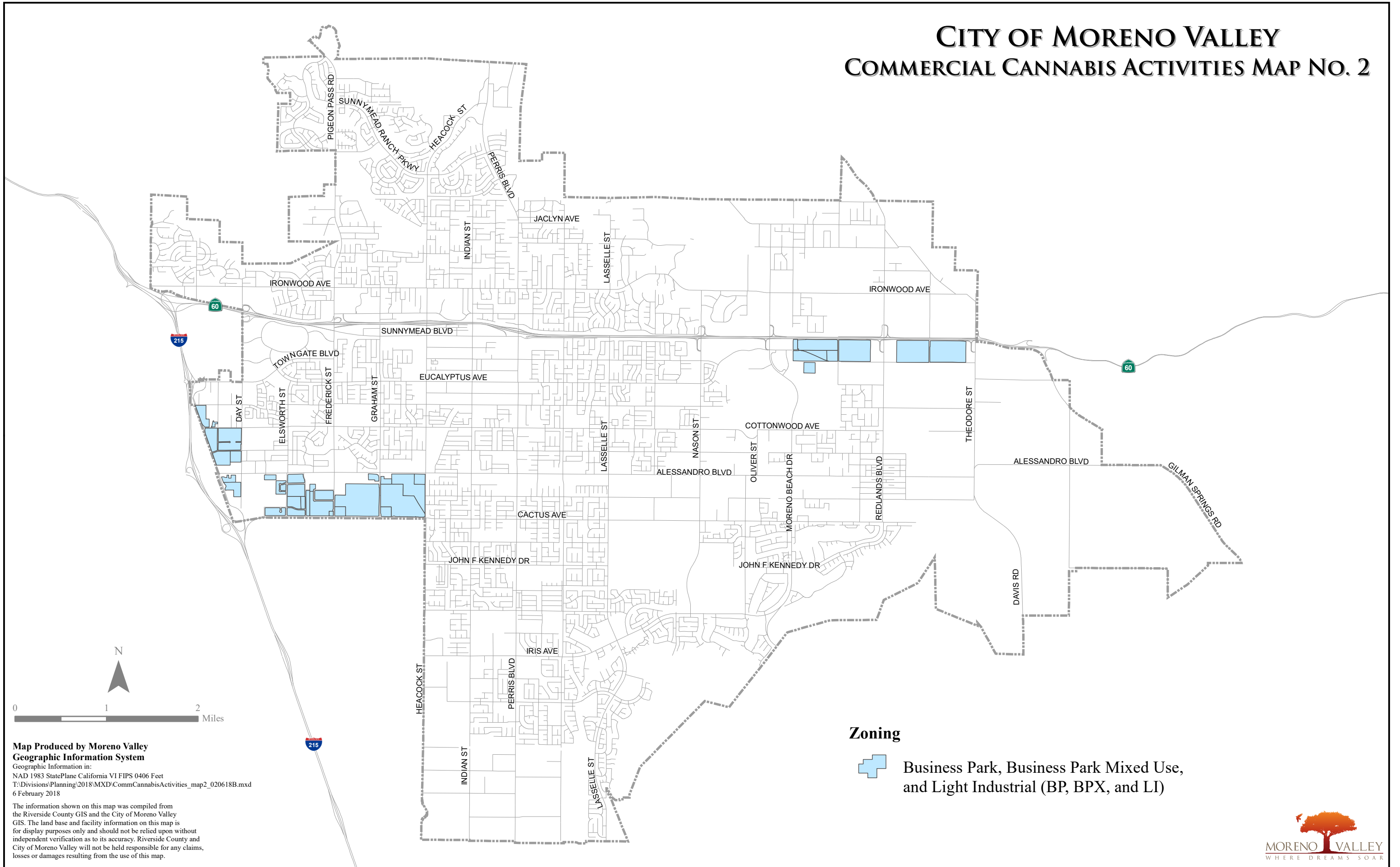
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12 February 2018

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Zoning
 Community and Neighborhood Commercial (CC and NC)



CITY OF MORENO VALLEY COMMERCIAL CANNABIS ACTIVITIES MAP NO. 2



Map Produced by Moreno Valley
Geographic Information System

Geographic Information in:
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6 February 2018

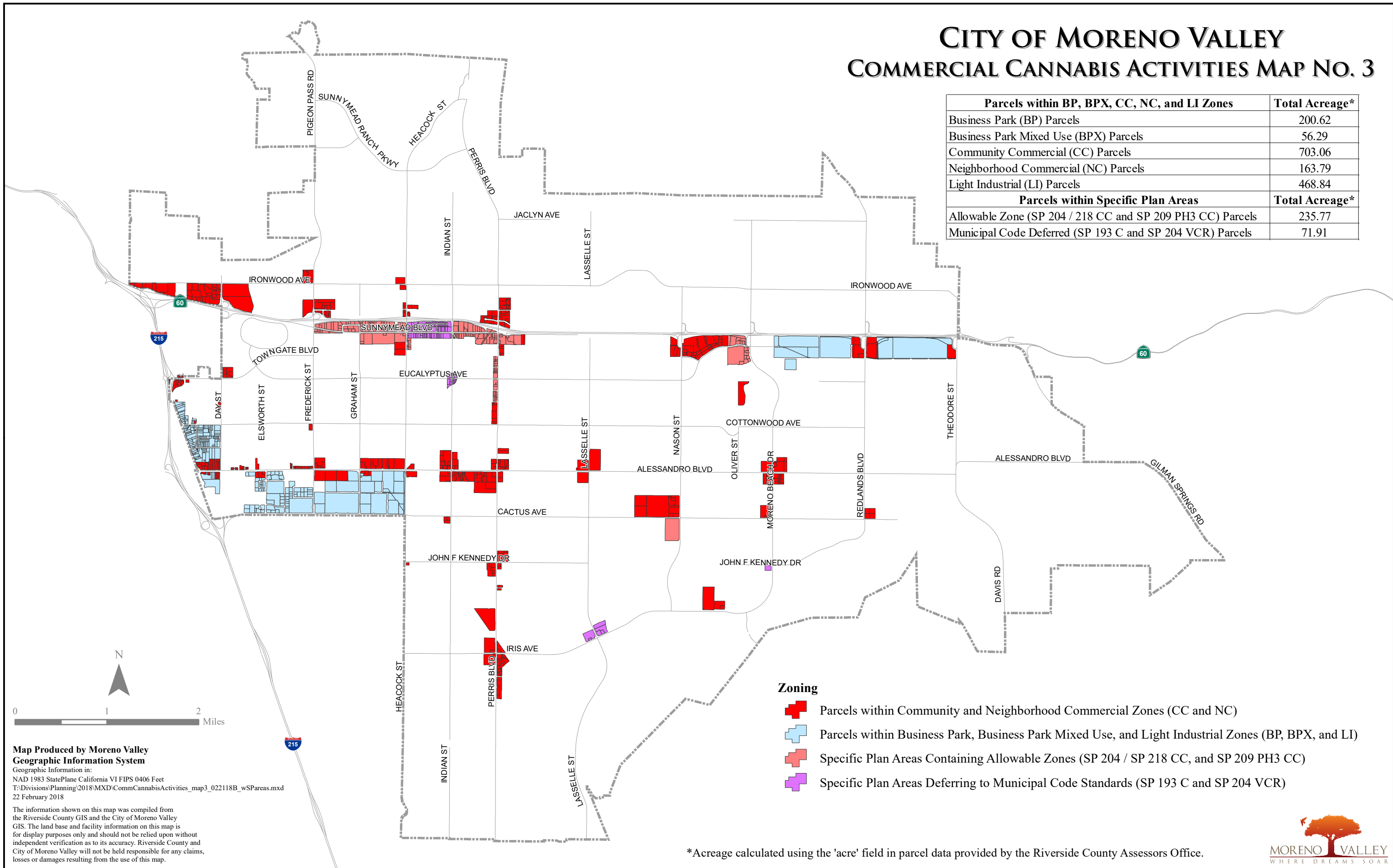
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Attachment: Map 2 - Industrial (3006 : Commercial Cannabis Land Use Ordinance, Business Permitting and Fee Resolution)

CITY OF MORENO VALLEY COMMERCIAL CANNABIS ACTIVITIES MAP NO. 3

Parcels within BP, BPX, CC, NC, and LI Zones	Total Acreage*
Business Park (BP) Parcels	200.62
Business Park Mixed Use (BPX) Parcels	56.29
Community Commercial (CC) Parcels	703.06
Neighborhood Commercial (NC) Parcels	163.79
Light Industrial (LI) Parcels	468.84
Parcels within Specific Plan Areas	Total Acreage*
Allowable Zone (SP 204 / 218 CC and SP 209 PH3 CC) Parcels	235.77
Municipal Code Deferred (SP 193 C and SP 204 VCR) Parcels	71.91



Zoning

- Parcels within Community and Neighborhood Commercial Zones (CC and NC)
- Parcels within Business Park, Business Park Mixed Use, and Light Industrial Zones (BP, BPX, and LI)
- Specific Plan Areas Containing Allowable Zones (SP 204 / SP 218 CC, and SP 209 PH3 CC)
- Specific Plan Areas Deferring to Municipal Code Standards (SP 193 C and SP 204 VCR)

Map Produced by Moreno Valley Geographic Information System
 Geographic Information in:
 NAD 1983 StatePlane California VI FIPS 0406 Feet
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 22 February 2018

The information shown on this map was compiled from the Riverside County GIS and the City of Moreno Valley GIS. The land base and facility information on this map is for display purposes only and should not be relied upon without independent verification as to its accuracy. Riverside County and City of Moreno Valley will not be held responsible for any claims, losses or damages resulting from the use of this map.

*Acreage calculated using the 'acre' field in parcel data provided by the Riverside County Assessors Office.

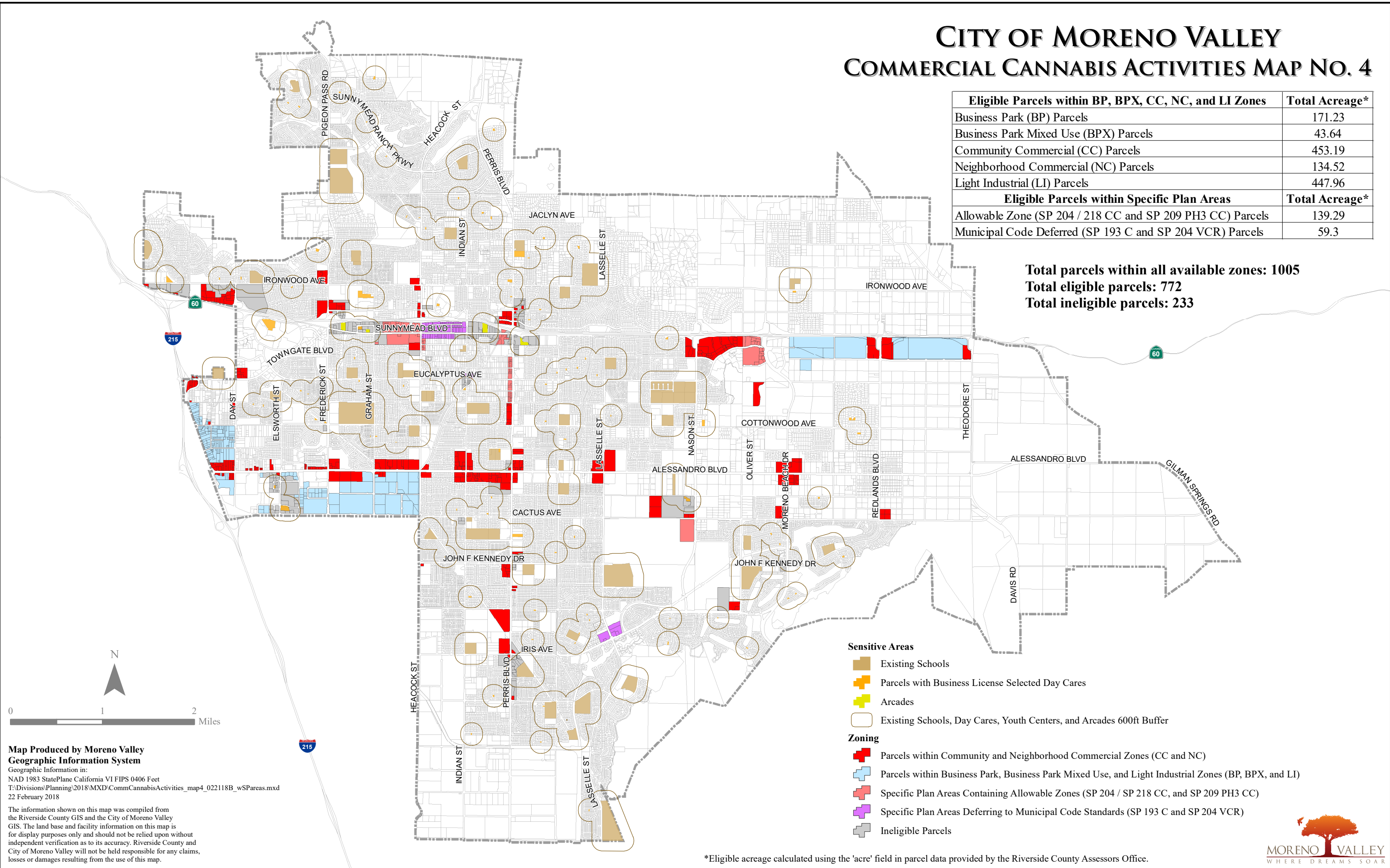


Attachment: Map 3 - All Zones (3006 : Commercial Cannabis Land Use Ordinance, Business Permitting and Fee Resolution)

CITY OF MORENO VALLEY COMMERCIAL CANNABIS ACTIVITIES MAP NO. 4

Eligible Parcels within BP, BPX, CC, NC, and LI Zones	Total Acreage*
Business Park (BP) Parcels	171.23
Business Park Mixed Use (BPX) Parcels	43.64
Community Commercial (CC) Parcels	453.19
Neighborhood Commercial (NC) Parcels	134.52
Light Industrial (LI) Parcels	447.96
Eligible Parcels within Specific Plan Areas	Total Acreage*
Allowable Zone (SP 204 / 218 CC and SP 209 PH3 CC) Parcels	139.29
Municipal Code Deferred (SP 193 C and SP 204 VCR) Parcels	59.3

Total parcels within all available zones: 1005
Total eligible parcels: 772
Total ineligible parcels: 233

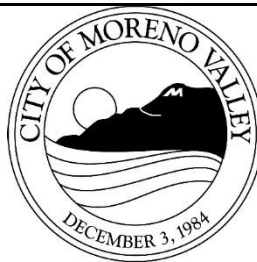


Map Produced by Moreno Valley Geographic Information System
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 22 February 2018

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*Eligible acreage calculated using the 'acre' field in parcel data provided by the Riverside County Assessors Office.





NOTICE OF CITY COUNCIL PUBLIC HEARING

THE CITY COUNCIL WILL CONSIDER A CITYWIDE AMENDMENT (PEN17-0157) TO THE CITY OF MORENO VALLEY MUNICIPAL CODE TITLE 9, ESTABLISHING LAND USE REGULATIONS FOR COMMERCIAL CANNABIS ACTIVITIES INCLUDING DISPENSARIES, TESTING, CULTIVATION, MANUFACTURING MICROBUSINESSES AND DISTRIBUTION CENTERS. CITY COUNCIL WILL ALSO CONSIDER AMENDMENTS TO TITLE 5 PERTAINING TO COMMERCIAL CANNABIS BUSINESSES PERMITTING PROCESS AND A RELATED FEE RESOLUTION

The proposed amendment Title 9 would add language in the Municipal Code to set forth land use regulations for commercial cannabis dispensaries, testing, cultivation, manufacturing, microbusinesses and distribution centers. Appropriately established regulations enable enforcement by the City of the regulations to ensure the health, safety and welfare of the City and its residents.

The adoption of the proposed Code amendment is exempt from the California Environmental Quality Act per provisions put forth in Senate Bill 94 "Medicinal and Adult Use Cannabis Regulation and Safety Act exempting adoption of an ordinance, rule or regulation by a local jurisdiction that will require subsequent discretionary permits, licenses or other authorization subject to CEQA. The City Council may consider appropriate modifications or alternatives to the recommended action or environmental determination.

Any person interested in the proposed project may speak on the project at the City Council public hearing. For additional information, contact Mark Gross, Senior Planner, at (951) 413-3206 or at the Community Development Department at 14177 Frederick Street, Moreno Valley, California, during normal business hours (7:30 a.m. to 5:30 p.m., Monday – Thursday and 7:30 a.m. to 4:30 p.m. on Fridays) or you may call (951) 413-3206 for further information.

If you challenge any of these items in court, you may be limited to raising only those issues you or someone else raised at the Public Hearing described in this notice, or in written correspondence delivered to the City Council or City Clerk on or before the following meeting date:

**Tuesday, March 20, 2018
6:00 P.M.
City Council Chamber
14177 Frederick Street.
Moreno Valley, CA 92552-0805**

Upon request and in compliance with the Americans with Disabilities Act of 1990, any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to Guy Pegan, ADA Coordinator, at 951.413.3120 at least 48 hours before the meeting. The 48-hour notification will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

Exhibit A

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, AMENDING SECTIONS 9.02.020 “PERMITTED USES” AND 9.15.030 “DEFINITIONS”, AND ADDING SECTION 9.09.290 “COMMERCIAL CANNABIS ACTIVITIES” TO TITLE 9 OF THE MORENO VALLEY MUNICIPAL CODE, ESTABLISHING LAND USE REGULATIONS FOR THE OPERATION OF COMMERCIAL CANNABIS DISPENSARIES, TESTING, CULTIVATION, MANUFACTURING, MICROBUSINESSES, DISTRIBUTION CENTERS, AND RELATED CANNABIS ACTIVITIES

WHEREAS, the City of Moreno Valley (“City”) has the authority and the responsibility to plan and regulate the use of property within the City under its police powers; and

WHEREAS, the City desires to maintain the quality of life and character of the City’s neighborhoods and to avoid placement of land uses that could result in negative consequences to property, social, and environmental values; and

WHEREAS, establishments that engage in the dispensing, testing, cultivation and manufacturing of cannabis products may, if not properly located and regulated, adversely affect the City’s interests for its continued economic growth and vitality; and

WHEREAS, permitting the dispensing, testing, cultivation and manufacturing of cannabis establishments without appropriate regulation and controls will have adverse impacts to the health, safety, and welfare of the City and its residents; and

WHEREAS, City Council recognizes that regulated and licensed commercial cannabis activity is permitted in the State of California, even though the Federal Controlled Substances Act, 21 U.S.C. Sections 801 et seq. classifies marijuana as a Schedule 1 Drug and makes it unlawful, under federal law, for any Person to cultivate, manufacture, distribute, dispense, or possess with intent to manufacture, distribute or dispense marijuana; and

WHEREAS, pursuant to the authority granted to the City by Article XI, Section 7 of the California Constitution, the City may make and enforce within its limits all local police, sanitary, and other ordinance and regulations not in conflict with general laws and has the police power to adopt regulations designed to promote the public convenience or the general prosperity, as well as regulations designed to promote public health and safety; and

WHEREAS, in November, 2016, Proposition 64 was approved by the voters in California (“The Adult Use Marijuana Act”) (“AUMA”) (codified as amendments to California Health and Safety Code, Business and Professions Code, Revenue and Taxation Code and Food and Agricultural Code), establishing a comprehensive system to legalize, control and regulate the cultivation, processing, manufacturing, distribution, testing, and sale of non-medical marijuana, including marijuana products, for use by adults 21 years of age and older, and to tax the commercial growth and retail sale of marijuana, as well as other marijuana related activities; and

WHEREAS, on June 27, 2017 Governor Jerry Brown signed the “Medical and Adult-Use Cannabis Regulations and Safety Act” (“MAUCRSA”) which further amends and in some parts supersedes prior statutory enactments; and

WHEREAS, comprehensive zoning regulations and regulations upon the use of land and property within the City lie within the City’s police power; and

WHEREAS, the City Council desires to establish reasonable zoning, land use controls and regulations on the operation of marijuana-related businesses, which land use regulations are intended in part to address the potential for negative impacts and nuisance impacts of marijuana-related businesses; and

WHEREAS, it is the intent of the City Council of Moreno Valley to maintain local control over these matters to the fullest extent permitted by law, and it is further City Council’s intention that nothing in this ordinance shall be construed, in any way, to expand or supersede state law controlling the rights to use, sell or possess marijuana; to engage in any public nuisance; to violate federal law, or to engage in any activity in relation to the cultivation, distribution, testing or consumption of marijuana that is otherwise illegal; and

WHEREAS, the City seeks to regulate cannabis dispensaries, testing, cultivation and manufacturing, subject to the usual application process for a Conditional Use Permit (CUP) and discretionary approval of such CUP by the Planning Commission of the City of Moreno Valley; and

WHEREAS, cannabis cultivation, manufacturing and testing shall be conditionally permitted only in the Business Park (BP), Business Park-Mixed Use (BPX) and Light Industrial (LI) zoning districts of the City, cannabis dispensaries shall be conditionally permitted only in the Community Commercial (CC), Neighborhood Commercial (NC), and Business Park-Mixed Use (BPX) zoning districts of the City, cannabis microbusinesses shall be conditionally permitted only in the Business Park-Mixed Use (BPX) zone and cannabis distribution centers shall be conditionally permitted in all five zoning districts; and

WHEREAS, it is the City's intent in adopting this Ordinance that no more than twenty-six (26) Conditional Use Permits (CUPs) for cannabis land use activities can be approved and active at any given time, which 26 permits shall be further specified to authorize, a maximum of ten (10) dispensaries, a maximum of two (2) testing facilities, a maximum of five (5) cultivation facilities, a maximum of two (2) microbusinesses, a maximum of two (2) distribution centers, and a maximum of five (5) manufacturing facilities; and

WHEREAS, this amendment of the Moreno Valley Municipal Code (MVMC) is exempt from environmental review under the California Environmental Quality Act (CEQA) Guidelines until July 1, 2019, as established with Senate Bill 94 "Medicinal and Adult-Use Cannabis Regulation and Safety Act, which exempts the adoption of a specified ordinance, rule or regulation by a local jurisdiction that requires subsequent discretionary review of permits, licenses, or other authorizations to engage in commercial cannabis activity; and

WHEREAS, a proper notice was processed in accordance with Section 9.02.200 of the MVMC for the scheduled February 22, 2018 public hearing of the Planning Commission regarding this matter, with publication in the Press Enterprise newspaper on February 10, 2018; and

WHEREAS, on February 22, 2018, the Planning Commission held a public hearing and considered the proposed Cannabis Land Use Ordinance; and

WHEREAS, a proper notice processed in accordance with Section 9.02.200 of the MVMC, for the scheduled March 20, 2018 City Council public hearing regarding this matter was published in the Press Enterprise newspaper on March 10, 2018; and

WHEREAS, on March 20, 2018, the City Council conducted the requisite public hearing and considered all available materials including public input on this Ordinance; and

WHEREAS, all legal prerequisites to the adoption of this Ordinance have occurred

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Moreno Valley as follows:

Section 1. RECITALS

That the above recitals are true and correct and are incorporated as though fully set forth herein.

Section 2. Findings

- A. Based upon substantial evidence presented to this City Council during the hearing on this Ordinance, including but not limited to: written and oral City staff reports, testimony presented at the public hearing, and the record from the public hearing, this City Council finds as follows:

1. **Conformance with General Plan Policies** – The proposed Ordinance is consistent with the General Plan, and its goals, objectives, policies and programs.

FACT: The Ordinance would add language within Title 9, Chapter 9.09 and a newly established Section 9.09.290 of the MVMC to regulate cannabis dispensing, testing, cultivation, manufacturing and related cannabis establishments as conditionally permitted land uses and provides a framework that may be used for enforcement of set regulations to ensure the desired public health safety and welfare of residents, businesses, visitors and other stakeholders in the City. The Ordinance would identify appropriate zoning districts for the various desired commercial cannabis land uses including cannabis testing, cultivation and manufacturing in the Business Park (BP), Business Park -Mixed Use (BPX) and Light Industrial (LI) zones, cannabis dispensaries within the Community Commercial (CC), Neighborhood Commercial (NC), and Business Park-Mixed Use (BPX) zones, cannabis microbusinesses in Business Park-Mixed Use (BPX) zone, and cannabis distribution centers in all five zoning districts. The Ordinance further establishes new specific development standards for commercial cannabis uses including, but not limited to, facility size, buffer distance requirements, signage, parking, public access, security, public nuisance considerations, and visibility. Commercial cannabis activities shall only be allowed as a conditionally permitted use after applicants have secured a properly processed Conditional Use Permit (CUP) through successful action of the Planning Commission, or City Council if warranted. The proposed Ordinance is consistent with, and does not conflict with existing goals, objectives, policies, and programs established within the General Plan.

2. **Health, Safety and Welfare** – The proposed Ordinance will not be detrimental to the public health, safety or general welfare.

FACT: State law under Proposition 64 established a comprehensive system to legalize, control and regulate the

cultivation, processing, manufacturing, distribution, testing, and sale of non-medical marijuana, including marijuana products, for use by adults 21 years and older. The purpose of this ordinance is to provide consistency with State Law and regulatory ordinance previously established within MVMC Title 5, and to regulate commercial cannabis activities that are conducted in accordance with State law in order to protect public health, safety and general welfare of residents, visitors, businesses and other stakeholders within the City.

This Ordinance specifies zoning districts that allow for cannabis dispensing, testing, cultivation and manufacturing establishments as a conditionally permitted land use and sets forth newly established Section 9.09.290 of the MVMC to discuss specific development regulations for cannabis testing, cultivation and manufacturing in the Business Park (BP), Business Park -Mixed Use (BPX) and Light Industrial (LI) land use districts, cannabis dispensaries within the Community Commercial (CC), Neighborhood Commercial (NC), and Business Park-Mixed Use (BPX) land use districts, cannabis microbusinesses in the Business Park-Mixed Use (BPX) land use district, and cannabis distribution centers in all five land use districts. This regulatory framework for commercial cannabis activities within the City is considerate of the City's desired interests for ensuring proper health, safety, and welfare. The establishment of clear and specific land use regulations and development standards enable the City to ensure proper enforcement of regulations.

3. Conformance with Municipal Code Regulations – The proposed Ordinance is consistent with the purposes and intent of this title.

FACT: The proposed Ordinance which amends Title 9 of the MVMC is consistent with the purposes and intent of previous amendments to Title 5 of the MVMC. Chapter 5.05 provides the regulation of commercial cannabis activity to implement the provisions of the Medicinal and Adult Use Cannabis Regulation and Safety Act (“MAUCRSA”) and to accommodate the needs of medically ill persons and provide access to cannabis for medicinal purposes and provide access for recreational adult-use for persons over the age of 21 as authorized by the Control, Tax & Regulation of the Adult Use Cannabis Act (“AUMA” or “Proposition 64” passed

by California voters in 2016), while imposing sensible regulations to protect the City 's residents, neighborhoods, and businesses from disproportionately negative impacts. Title 5 of the MVMC regulates the cultivation, processing, manufacturing testing, sale, delivery, distribution, and of cannabis and cannabis products in a responsible manner to protect the health, safety, and welfare of the residents of the City of Moreno Valley and enables enforcement of rules and regulations related to cannabis products and activities consistent with state law. MVMC Title 9 land use requirements set forth in this ordinance will establish where commercial cannabis businesses can be located.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MORENO VALLEY AS FOLLOWS:

Section 3. AMENDMENT TO TITLE 9, CHAPTER 9.15, SECTION 9.15.030 "DEFINITIONS" OF THE CITY OF MORENO VALLEY MUNICIPAL CODE

That Section 9.15.030 "Definitions" of the MVMC shall be amended to add the following definition:

- A. "Applicant" means an owner applying for a City Permit pursuant to this division
- B. "Cannabis" means all parts of the Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this division, "cannabis" does not mean "industrial hemp" as defined by Section 11018.5 of the Health and Safety Code.
- C. "Cannabis cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.
- D. "Cannabis dispensary" means any activity involving the retail sale of cannabis or cannabis products from a retailer.

E. "Cannabis distribution" means the procurement, sale, and transport of cannabis and cannabis products between licensees.

F. "Cannabis manufacturing" means a location that produces, prepares, propagates, or compounds cannabis or cannabis products, directly or indirectly, by extraction methods, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and is owned and operated by a person issued a valid commercial cannabis business permit for manufacturing from the City of Moreno Valley and, a valid state license as required for manufacturing of cannabis products.

G. "Cannabis testing" means a laboratory, facility, or entity that offers or preforms tests of cannabis or cannabis products and that is both: 1) accredited by an accrediting body that is independent from all other persons involved in commercial cannabis activity in the state; and 2) licensed by the Bureau of Cannabis Control.

H. "Cannabis micro-business" means a location with a combination of at least three of the following four commercial cannabis activities: manufacturing, cultivation (limited to 10,000 sq. ft.), distribution, and dispensary.

I. "Cannabis distribution center" means a location that provides the procurement, sale, and transport of cannabis and cannabis products between entities licensed by the state of California.

J. "Canopy" means all areas occupied by any portion of a cannabis plant, inclusive of all vertical planes, whether contiguous or noncontiguous on any one site.

K. "License" means a state license issued under this division, and includes A-license and an M-license, as well as a testing laboratory license.

L. "Licensee" means any person holding a license under this division, regardless of whether the license held is an A-license, M-license, or a testing laboratory license.

M. "Owner" means any of the following:

- (1) A person with an aggregate ownership interest of 20 percent or more in the person applying for a license or a licensee, unless the interest is solely a security, lien, or encumbrance.
- (2) The Executive Officer of a nonprofit or other entity.
- (3) A member of the board of directors of a nonprofit.
- (4) An individual who will be participating in the direction, control, or management of the person applying for a license or who has a financial interest in the business other than a fixed lease of real property

N. "Premises" means the designated structure or structures and land specified in the application that is owned, leased, or otherwise held under the control of the applicant or licensee where the commercial cannabis activity will be or is conducted. The premises shall be a contiguous area and shall only be occupied by one licensee unless the operator is granted a M-License and a A-License for the same type of activity and such operation is lawful under state and local laws, rules and regulations.

Section 4. AMENDMENT TO TITLE 9, CHAPTER 9.02, SECTION 9.02.020 "PERMITTED USES" OF THE CITY OF MORENO VALLEY MUNICIPAL CODE.

That Section 9.02.020, Table 9.02.020-1 of the MVMC, which is attached hereto as Exhibit "A," shall be amended to add "Commercial Cannabis Activities" as a land use category within Title 9 of the Municipal Code to allow cannabis testing, cultivation and manufacturing uses within the Business Park (BP), Business Park - Mixed Use (BPX) and Light Industrial (LI) zoning districts citywide with approval of a Conditional Use Permit (CUP). Cannabis dispensary uses are allowed only within the Community Commercial (CC), Neighborhood Commercial (NC), and Business Park - Mixed Use (BPX) zoning districts citywide with approval of a CUP. Distribution centers are allowed in all five zoning districts with approval of a CUP. Microbusinesses are the only use limited to one zoning district with approval of a CUP, which is Business Park - Mixed Use (BPX).

Section 5. AMENDMENT TO TITLE 9, CHAPTER 9.09, TO ADD SECTION 9.09.290 "COMMERCIAL CANNABIS ACTIVITY REGULATIONS" TO THE CITY OF MORENO VALLEY MUNICIPAL CODE.

That Section 9.09.290 shall be added to the Moreno Valley Municipal Code as follows:

ARTICLE 1. Section 9.09.290 of Title 9, is hereby added to the Moreno Valley Municipal Code under Specific Use Development Standards as follows:

Section 9.09.290. Commercial Cannabis Activities

- 9.09.291 Purpose and Intent
- 9.09.292 Applicability
- 9.09.293 Cannabis Business Locations and Use
- 9.09.294 General Development Standards
- 9.09.295 Specific Use Requirements
- 9.09.296 Grounds for Revocation

9.09.291 Purpose and Intent

A. Purpose - This section is intended to protect the public health, safety and welfare by ensuring that cannabis establishments, as defined in this Chapter and in Title 5, Chapter 5.05 of this Municipal Code, do not create an adverse impact on adjacent properties or surrounding neighborhoods by imposing sensible land use regulations in accordance with State law to protect the City's residents, neighborhoods, and businesses from direct negative impacts and/or secondary effects, including but not limited to, proximity to sensitive receptors or uses, visibility, insufficient on-site customer and employee parking, lighting, signage and graphics, site security, waste/storage disposal and public nuisances such as excessive noise and/or odor.

B. Intent - The intent of this section is to regulate and provide for the conditional use permitting of the following commercial cannabis business land uses:

1. Cannabis Dispensaries
2. Cannabis Testing
3. Cannabis Cultivation
4. Cannabis Manufacturing
5. Cannabis Distribution Centers
6. Cannabis Microbusinesses

9.09.292 Applicability

A. This Chapter of Title 9 sets forth land use development standards for cannabis dispensaries, testing laboratories/facilities, cultivation, manufacturing and related cannabis activities including the allowed location by zoning districts, placement of facilities including buffers, and maximum number of land use permits for cannabis businesses by type.

9.09.293 - Cannabis Business Locations and Use

A. Locations and Numbers of Permits by Land Use Type Allowed

A maximum of twenty-six (26) businesses with approved Conditional Use Permits for commercial cannabis activity will be allowed to operate in the City at any one time. Commercial cannabis land use activities may be allowed to establish in the City within the Business Park (BP), Business Park-Mixed Use (BPX), Light Industrial (LI), Community Commercial (CC), and Neighborhood Commercial (NC) zoning districts, with limitations, as follows.

1. Dispensaries – A maximum of ten (10) commercial cannabis dispensaries may be allowed to establish within the Community Commercial (CC), Neighborhood Commercial (NC) and Business Park-Mixed Use (BPX) zoning districts, with a properly secured conditional use permit approved through the Planning Commission.

2. Testing – A maximum of two (2) commercial cannabis testing facilities may be allowed to establish within Business Park (BP) Business Park-Mixed Use (BPX), and Light Industrial (LI) zoning districts, with a properly secured conditional use permit approved through the Planning Commission.
3. Cultivation – A maximum of five (5) commercial cannabis cultivation facilities may be allowed to establish within the Business Park (BP), Business Park-Mixed Use (BPX), and Light Industrial (LI) zoning districts, with a properly secured conditional use permit approved through the Planning Commission.
4. Manufacturing – A maximum of five (5) commercial cannabis manufacturing facilities may be allowed to establish within the Business Park (BP), Business Park-Mixed Use (BPX), and Light Industrial (LI) zoning districts, with a properly secured conditional use permit approved through the Planning Commission.
5. Microbusiness - A maximum of two (2) cannabis microbusiness facilities may be allowed to establish in the City, only within the Business Park - Mixed Use (BPX) zoning districts, with a properly secured conditional use permit approved through the Planning Commission.
6. Distribution Center - A maximum of two (2) cannabis distribution centers may be allowed to establish in the City, within the Community Commercial (CC), Neighborhood Commercial (NC), Business Park (BP), Business Park - Mixed Use (BPX), and Light Industrial (LI) zoning districts, with a properly secured conditional use permit approved through the Planning Commission

B. Conditional Use Permit Required

In order to lawfully operate, all commercial cannabis activities including dispensaries, testing laboratories, cultivation, microbusiness, distribution, and manufacturing facilities shall require an approved Conditional Use Permit as provided under Chapter 9.02, Section 9.02.060 of the Municipal Code, along with a valid Commercial Cannabis Business Permit and a valid State License.

9.09.294 General Development Standards

A. Placement and Buffer of Cannabis Businesses

1. No licensee under this division shall be located within a 600-foot radius of a public or private school providing instruction in kindergarten or grades 1 through

12, a day care center, a youth center or arcades that are in existence at the time the license is issued.

2. The distance specified in this section shall be the horizontal distance measured in a straight line from the property line of the school, day care center, youth center or arcade to the closest property line of the lot on which the dispensary, operator, establishment, or provider is to be located without regard to intervening structures.

B. General Business Requirements

1. No cannabis product shall be smoked, eaten, or otherwise consumed or ingested outside of or within the business.

2 No person shall cause or permit the sale, dispensing or consumption of alcoholic beverages or the sale of tobacco products on or within 50 feet of the premises of a cannabis business.

3. The cannabis licensee shall display its current valid Commercial Cannabis Business Permit under Chapter 5.05 of this Code and a CUP issued in accordance with this chapter inside the lobby or waiting area of the main entrance to the site. The permits shall be displayed at all times in a conspicuous place so that it may be readily seen by all persons entering the site.

4. It shall be unlawful to operate commercial cannabis activities in a building which contains a residence, or within a residential dwelling unit.

5. It shall be unlawful for any person to permit commercial cannabis cultivation, manufacturing, testing, distribution or sales at, on or within any real property that does not have a valid CUP approved for such use.

6. Any transfer of product or currency shall be identified in an individual security plan which is approved by the City.

7 All City Fire, Police and Code personnel shall have unlimited and unrestricted property access for inspections of commercial cannabis businesses and facilities during business hours.

9.09.295 Specific Use Requirements

A. Commercial Cannabis Cultivation

1. Commercial cannabis cultivation facilities shall require a properly secured Conditional Use Permit approved by the Planning Commission and will only be allowed in the Business Park (BP), Business Park-Mixed Use (BPX), and Light Industrial (LI) zoning districts.

2. The total area of the premises designated/used for the cultivation canopy shall not be more than twenty-two thousand (22,000) square feet for every Conditional Use Permit application approved.
3. Cannabis cultivation including all cannabis or marijuana plants at any stage of growth shall not be visible from the exterior of any structure, facility, or building containing cannabis cultivation. All cannabis cultivation must take place within a fully enclosed, secured and permanent structure. (with accommodations in place at all times to allow for and facilitate unlimited/unrestricted access throughout the premises by emergency service personnel).
4. Outdoor cannabis cultivation is prohibited in the City.
5. Only owners, agents, applicants, managers, employees, and volunteers of the cannabis cultivation licensee and agents or employees of the City are permitted to be onsite of any cultivation facility.
6. All cultivation areas in the building shall be separated from the main entrance and lobby, and shall be secured by a lock accessible only to managers and staff of the cannabis cultivation licensee (with accommodations in place at all times to allow for and facilitate unlimited/unrestricted access throughout the premises by emergency service personnel).
7. No cannabis cultivation licensee shall allow public access to the facility.
8. Each building with a cultivation area shall have an area designed for the secure transfer of cannabis from the cultivation area to a vehicle for transportation.
9. Each building containing cultivation shall have designated storage space for cannabis that has completed the cultivation process or is otherwise not being cultivated. Storage size will be determined on a case-by-case basis dependent on the submitted site plan and building canopy size in accordance with the City's building and conditional use permit regulations. The storage areas shall be separated from the main entrance and lobby and shall be secured by a lock accessible only to managers and staff of the cannabis cultivation licensee. (with accommodations in place at all times to allow for and facilitate unlimited/unrestricted access throughout the premises by emergency service personnel).
10. Any person(s) cultivating cannabis with the use of grow lights, fans, ventilation devices or any other electrical or mechanical equipment shall comply with all applicable building and fire code requirements adopted by the City of Moreno Valley, and shall obtain all necessary permits and prerequisite

inspections required for such installation prior to commercial use of the equipment and/or facility.

11. No person shall conduct any retail sales of any materials, goods or services produced at, used to produce, or otherwise available at the cannabis cultivation site.

12. All cultivation facilities shall be organized in orderly rows with aisles at least three (3) feet wide, and no more than eight (8) feet between an aisle and the next aisle or the aisle and the wall, and clear access shall be maintained to all exits unless the Planning Official, Building Official and Fire Marshal collectively determine that the business has provided an alternative, properly dimensioned floor plan that confirms equivalent access and clearance/separation between plants and the facility exits.

13. Cultivation operations shall be consistent with all other applicable Federal, State and local requirements, including all applicable provisions of Moreno Valley Municipal Code Chapter 5.

B. Commercial Cannabis Manufacturing

1. Commercial cannabis manufacturing facilities shall require a properly secured Conditional Use Permit and will only be allowed in the Business Park (BP), Business Park-Mixed Use (BPX), and Light Industrial (LI) zoning districts.

2. Only manufacturing facilities with a Type-6 State license (non-volatile) may be allowed to operate in the City.

3. Cannabis manufacturing, including all cannabis or marijuana raw materials and products shall not be visible from the exterior of any structure, facility, or building containing cannabis manufacturing. All cannabis manufacturing activities must take place within a fully enclosed, secured and permanent structure (with accommodations in place at all times to allow for and facilitate unlimited/unrestricted access throughout the premises by emergency service personnel).

4 Only owners, agents, applicants, managers, employees, and volunteers of the cannabis cultivation licensee and agents or employees of the City are permitted to be onsite of any cultivation facility.

5. All equipment, systems and manufacturing processes must meet or exceed all applicable local, county, state and federal requirements and regulations regarding air, water, health and safety, and handling, processing and storage of hazardous materials, solvents, gases and waste. No manufacturing facility shall commence operations or be issued any form of certificate of occupancy without first obtaining all required fire, environmental, health and safety, planning, and

building certificates, permits, inspections and other approvals required under the City's Municipal Code and all other applicable local, county, state and federal regulations.

6. A commercial cannabis manufacturing licensee shall (i) employ full time quality control personnel and (ii) establish standard operating procedures and batch records that comply with current Good Manufacturing Practices, as outlined by the State Department of Public Health and the U.S. Food and Drug Administration.

7. Commercial cannabis manufacturing licensee shall comply with sanitation standards equivalent to the California Retail Food Code (Part 7 (commencing with Section 113700) of Division 104 of the Health and Safety Code) for food preparation, storage, handling and sale of edible cannabis or marijuana products. Edible cannabis or marijuana products are deemed to be unadulterated food products.

8. No person shall conduct any retail sales of any goods or services from a commercial cannabis manufacturing site.

9. Manufacturing operations shall be consistent with all other applicable Federal, State and local requirements, including Moreno Valley Municipal Code Chapter 5.

C. Commercial Cannabis Testing

1. Commercial cannabis testing facilities shall require a properly secured Conditional Use Permit approved by the Planning Commission and will only be allowed in the Business Park (BP), Business Park-Mixed Use (BPX), and Light Industrial (LI) zoning districts.

2. No cannabis or marijuana raw materials, products, items being tested, or waste products from testing activities shall be visible from the exterior of any structure, facility, or building in which commercial cannabis testing is being conducted. All commercial cannabis testing must take place within a fully enclosed, secured and permanent structure (with accommodations in place at all times to allow for and facilitate unlimited/unrestricted access throughout the premises by emergency service personnel).

3. All entrances into the buildings on the laboratory site shall be locked at all times with entry controlled by the cannabis testing laboratory licensee's managers and staff (with accommodations in place at all times to allow for and facilitate unlimited/unrestricted access throughout the premises by emergency service personnel).

4. The laboratory site shall have a building with a main entrance that is clearly visible from the public street or sidewalk. The main entrance shall be maintained clear of barriers and other obstructions. Inside of the main entrance, there shall be a lobby which will be an area securely separated from the testing facilities.

5. All testing areas in any building on the laboratory site shall be separated from the main entrance and lobby, and shall be secured by a lock accessible only to managers and staff of the cannabis testing laboratory licensee (with accommodations in place at all times to allow for and facilitate unlimited/unrestricted access throughout the premises by emergency service personnel).

6. Each building with a testing area shall have an area designed for the secure transfer of cannabis raw materials and products from a transfer vehicle to and from the testing area.

7. Each building with a testing area shall have designated storage space for cannabis raw materials and products that have been tested or are waiting to be tested. Storage size will be determined on a case-by-case basis dependent on the submitted site plan and building canopy size in accordance with the City's building and conditional use permit regulations. The storage areas shall be separated from the main entrance and lobby, and shall be secured by a lock accessible only to managers and staff of the commercial cannabis testing laboratory licensee (with accommodations in place at all times to allow for and facilitate unlimited/unrestricted access throughout the premises by emergency service personnel).

8. No person shall conduct any retail sales of any cannabis goods or services on or from a permitted and licensed commercial cannabis testing laboratory site.

9. No plants shall be located in a commercial cannabis/marijuana testing facility.

10. No testing facility shall have more than one hundred pounds of raw marijuana and one hundred pounds of marijuana-infused products at any one time.

11. Testing operations shall be consistent with all other applicable Federal, State and local requirements, including Moreno Valley Municipal Code Chapter 5.

D. Commercial Cannabis Dispensaries

1. Commercial cannabis dispensary facilities shall require a properly secured Conditional Use Permit approved by the Planning Commission and will only be allowed in the Community Commercial (CC), Neighborhood Commercial (NC) and Business Park-Mixed Use (BPX) zoning districts.

2. No cannabis or marijuana raw materials or products shall be visible from the exterior of any structure, facility, or building in which commercial cannabis dispensaries are being conducted. All commercial cannabis dispensaries must take place within a fully enclosed, secured and permanent structure (with accommodations in place at all times to allow for and facilitate unlimited/unrestricted access throughout the premises by emergency service personnel).

3 A commercial cannabis dispensary shall have designated locked storage on the dispensary property, identified and approved as a part of the security plan, for after-hours storage of medicinal and adult use recreational cannabis and cannabis infused products. All cannabis and cannabis infused products shall be stored at the dispensary property in secured rooms that are completely enclosed or in a safe that is bolted to the floor (with accommodations in place at all times to allow for and facilitate unlimited/unrestricted access throughout the premises by emergency service personnel).

4. All entrances into a commercial cannabis dispensary's building shall include high visibility from the main front door exterior at all times with entry controlled by dispensary personnel.

5. A commercial cannabis dispensary shall not provide any form of delivery service. All distribution of cannabis must be conducted within the enclosed building areas of the dispensary property between the seller and buyer.

6. No person shall smoke, ingest, or otherwise consume cannabis in any form on, or within 20 feet of, the dispensary site

7. No commercial cannabis dispensary owner or employee shall 1) cause or permit the sale, distribution, or consumption of alcoholic beverages on the dispensary property; 2) hold or maintain a license from the State Division of Alcoholic Beverage Control for the sale of alcoholic beverages; or 3) operate a business on or adjacent to the dispensary property that sells alcoholic beverages. No alcoholic beverages shall be allowed or stored on the dispensary property.

8. Hours of operation for a cannabis dispensary shall be established on a case by case basis as conditioned under the Conditional Use Permit (CUP).

9. Commercial cannabis dispensary or distribution operations shall be consistent with all other applicable Federal, State and local requirements, including Moreno Valley Municipal Code Chapter 5.

E. Commercial Cannabis Distribution Centers

1. Cannabis distribution shall require a properly secured Conditional Use Permit approved by the Planning Commission within established zoning areas in the City that allow for cannabis uses, limited only to the Community Commercial (CC), Neighborhood Commercial (NC), Business Park-Mixed Use (BPX), Business Park (BP) and Light Industrial (LI) zoning use districts.
2. No cannabis or marijuana raw materials or products shall be visible from the exterior of any structure, facility, or building in which commercial cannabis operations are being conducted. All commercial cannabis uses and operations must take place within a fully enclosed, secured and permanent structure (with accommodations in place at all times to allow for and facilitate unlimited/unrestricted access throughout the premises by emergency service personnel).
3. Distribution of cannabis products shall only be conducted with a valid permit and according to activity permitted by State law.
4. There shall be no deliveries from the premises of cannabis or cannabis containing products except to another State or local licensed or permitted cannabis business.
5. A cannabis distribution licensee shall maintain a database and provide a list of the individuals and vehicles authorized to conduct transportation on behalf of the cannabis distribution licensee to the City.
6. Distribution operations shall be consistent with all other applicable Federal, State and local requirements, including Moreno Valley Municipal Code Chapter 5.

F. Commercial Cannabis Micro-businesses

1. Commercial cannabis microbusiness facilities shall require a properly secured Conditional Use Permit approved by the Planning Commission and will only be allowed in the Business Park-Mixed Use (BPX) zoning districts.
2. A Commercial cannabis micro-business facility shall include a combination of at least three of the following four activities: manufacturing, cultivation (limited to 10,000 sq. ft.), distribution and dispensary. Testing is not allowed.
3. No cannabis or marijuana raw materials or products shall be visible from the exterior of any structure, facility, or building in which allowable commercial cannabis uses are being conducted. All allowable commercial cannabis uses must take place within a fully enclosed, secured and permanent structure (with accommodations in place at all times to allow for and facilitate unlimited/unrestricted access throughout the premises by emergency service personnel).

4. A licensee conducting a commercial cannabis microbusiness shall meet all applicable operational requirements for Retail/Commercial Cannabis Dispensaries, Commercial Cannabis Cultivation, Commercial Cannabis Distribution and Commercial Cannabis Manufacturing activities.

5. The operator must hold a microbusiness (Type 12) license issued by the state Bureau of Cannabis Control.

6. A microbusiness operation shall be consistent with all other applicable Federal, State and local requirements, including Moreno Valley Municipal Code Chapter 5.

G. Building Size and Operation

1. The size and height of a building used for a commercial cannabis activity shall be governed by the permitted development standards of the underlying zoning district, and for commercial cannabis cultivation uses the interior space used for growing marijuana plants shall not exceed canopy size regulations set forth in State law, Chapter 6, Section 26061. In no case shall the size of the commercial cannabis canopy within any single facility exceed twenty-two thousand (22,000) square feet.

2. All operations conducted and equipment used must be in compliance with all applicable state and local regulations, including all building, electrical and fire codes.

3. Different types of commercial cannabis activities may not be located within the same building or structure without appropriate demising walls approved through the Community Development Department, Building Division and Fire Department, and each separate commercial cannabis activity must have distinct separate operating permits issued by the City and State, and CUP issued by the City.

4. An approved automatic fire sprinkler system, designed in compliance with California Fire Code is required in every building that houses a commercial cannabis business. This requirement is a minimum standard and does not preclude the City from imposing additional fire prevention measures as deemed necessary by the Fire Marshall on a case by case basis.

H. Visibility

1. All commercial cannabis activities shall take place within an enclosed structure.

2. From a public right of way, there should be no exterior evidence of commercial cannabis dispensing, cultivation, manufacturing or testing activities, except for any signage authorized as part of the CUP approval and separately issued signage permits. No raw materials, cannabis or cannabis infused products or marijuana plants shall be visible from the exterior of the building.

3. Exterior landscaping within ten (10) feet of a licensed premises shall be designed, installed and maintained free of locations which could reasonably be used by persons to conceal themselves and/or to enable undesirable activity. The design, and maintenance practices shall give appropriate consideration to both natural and artificial illumination.

I. Parking.

1. Parking requirements for commercial cannabis dispensary businesses shall be the same as parking requirements and restrictions for off-street parking that pertains to general retail establishments as described in Title 9, Table 9.11.040B-12 of the Moreno Valley Municipal Code.

2. Parking requirements for commercial cannabis cultivation businesses shall be the same as parking requirements and restrictions for off-street parking that pertains to general manufacturing establishments as described in Title 9, Table 9.11.040B-12 of the Moreno Valley Municipal Code.

3. Parking requirements for commercial cannabis testing labs shall be the same as parking requirements and restrictions for off-street parking that pertains to research and development establishments as described in Title 9, Table 9.11.040B-12 of the Moreno Valley Municipal Code.

4. Parking requirements for commercial cannabis manufacturing businesses shall be the same as parking requirements and restrictions for off-street parking that pertains to general manufacturing establishments as described in Title 9, Table 9.11.040B-12 of the Moreno Valley Municipal Code.

5. Parking for commercial cannabis distribution businesses shall be the same as parking requirements and restrictions for off-street parking that pertains to general manufacturing establishments as described in Title 9, Table 9.11.040B-12 of the Moreno Valley Municipal Code.

6. An additional two (2) secured parking spaces, identified on a plot plan and individual security plan approved by the City, shall be located convenient to the required secured area of each facility and be used by secured transfer vehicles involved in the couriering or dispensing of cannabis materials products to and from the facility and for use by any secured vehicle commissioned for the transfer of currency to and from the facility.

J. Lighting.

1. All lighting shall comply with the provisions of Section 9.08.100 of this Title, and determined in a security plan approved by the City, including fixture type, wattage illumination levels and shielding. This requirement does not address any potential lighting required under the individual security plans for the facility.

K. Signs and Graphics

1. Any commercial cannabis business shall be limited to one wall-mounted business identification sign per licensed premises and be in compliance with all other aspects of the City's sign regulations included in Chapter 9.12.

2. Signage shall be limited to the identification of the licensee's business name and shall contain no advertising of symbols, language, music, gestures, cartoon characters or other content elements known to appeal primarily to persons below the legal consumption age. The provisions of this section shall not apply to the placement of advertising signs inside a licensed premises and which are not visible by normal unaided vision from a public place, provided that such advertising signs do not advertise marijuana or marijuana products in a manner intended to encourage persons under the age of 21 years to consume marijuana or marijuana products.

3. Signage shall not extend above the highest point of a parapet wall or the lowest point of a sloping roof. In instances where both criteria are present, the regulation resulting in the lowest reasonable height shall govern.

4. A licensee shall post a sign, not less than 12 inches wide and 12 inches long, in a conspicuous place near each monitored building access location on the licensed premises, which sign shall be easily visible to all customers and employees and composed of letters not less than one inch in height, stating "All Activities Monitored and Recorded by Video Camera" or "These Premises are Being Digitally Recorded," or otherwise advising all persons entering the licensed premises that a video surveillance and camera recording system is in operation at the facility and recording all activity.

5. A licensee shall post a sign in a conspicuous place on the outside of the building, near the entry to the premises clearly and legibly posted indicating that smoking, ingesting, or consuming cannabis, marijuana, or alcohol on the licensed premises is prohibited.

L. Site Security

1. Security surveillance cameras and a video recording system must be installed to monitor all doors into and out of the buildings on the site, the parking lot, loading areas, and all exterior sides of the property adjacent to the public rights

of way. The cameras and recording system must be of adequate quality, color rendition, and resolution to allow the identification of any individual present on the site. The recording system must be capable of exporting the recorded video in standard MPEG formats to another common medium, such as a DVD or USB drive.

2. Professionally and centrally monitored fire, sprinkler, robbery, and burglar alarm systems must be installed and maintained in good working condition. The alarm system must include a private security company that is required to respond to every alarm.

M. Waste and Storage and Disposal

1. Waste, storage, and disposal of all marijuana and cannabis products shall meet all applicable state and local health regulations.

N. Public Nuisance Standards

1. Odor control devices and techniques shall be incorporated in all licensed premises to ensure that odors from cannabis or marijuana are not detectable offsite. Licensees shall provide a sufficient odor absorbing ventilation, exhaust or air filtration system so that odor generated inside the licensed premises that is distinctive to its operation is not detected outside of the premises, anywhere on adjacent property or public rights-of-way, on or about the exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within any other unit located inside the same building or other separate buildings on the licensed premises.

2. All ventilating equipment shall be directed to top story exhaust vents which face away from adjacent properties.

3. A licensee shall prohibit loitering by individuals outside the licensed premises, whether the loitering is occurring immediately outside the licensed premises facility or anywhere else on the property or parcel.

4. A licensee shall remove graffiti from the licensed premises within twenty-four (24) hours of its occurrence, or as requested by the City.

5. Commercial cannabis activity shall not adversely affect the health, safety, or general welfare of the nearby residents by creating dust, glare, heat, noise, smoke, traffic, vibration, or other impacts, and shall not be hazardous due to use or storage of materials, processes, products, or wastes.

9.09.296 Grounds for Revocation

A. Any of the following shall be grounds for revocation of a commercial cannabis land use permit based on evidence and following notice and public hearing pursuant to Section 9.02.260 “Revocation of Approvals or Permits” of the Moreno Valley Municipal Code:

1. Failure to comply with one or more conditions of approval of the Conditional Use Permit (CUP).
2. The land use permit was granted on the basis of false material or information, including written or oral communications, given willfully or negligently by the applicant.
3. The ownership or control of the commercial cannabis business has been transferred and/or sold, a land use permit issued pursuant to this Chapter has been transferred and/or sold, or the title of any parcels constituting the site on which the land use permit was originally issued has been transferred. New ownership would require a secured cannabis business permit/license in order for a CUP to remain valid, and is subject to the one year inactivity requirement included in Section 9.02.260(C)(2).
4. Any act or omission by an owner or licensee in violation of the provisions of this Chapter.
5. Any act or omission by an owner or licensee that results in the denial or revocation of the owner’s or licensee’s State license.
6. Any act or omission that results in the revocation of that owner’s or licensee’s commercial cannabis Business License Clearance under Title 5, Chapter 5.02 of the Moreno Valley Municipal Code.
7. An owner’s or licensee’s failure to take appropriate action to evict or otherwise remove persons conducting commercial cannabis activities who do not maintain the necessary permits or licenses in good standing with City or State.
8. Permit holder’s conviction for possession or delivery of any form of illegal drugs.
9. City or any other governmental agencies discovery of any form of illegal drugs, other than cannabis products regulated by this ordinance, on the licensed premises at any time.
10. Conduct of the commercial cannabis activities in a manner that constitutes a nuisance where the owner or licensee has failed to comply with reasonable conditions to abate the nuisance (e.g., odor).

Section 6. SEVERABILITY

The City Council declares that, should any provision, section, paragraph, sentence or word of this ordinance be rendered or declared invalid by any final court action in a court of competent jurisdiction or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences or words of this ordinance as hereby adopted shall remain in full force and effect.

Section 7. REPEAL OF CONFLICTING PROVISIONS

All the provisions of the Municipal Code as heretofore adopted by the City of Moreno Valley that are in conflict with the provisions of this ordinance are hereby repealed.

Section 8 .EFFECTIVE DATE

This ordinance shall take effect thirty (30) days after its second reading.

Section 9. CERTIFICATION

The City Clerk shall certify to the passage of this ordinance and shall cause the same to be published according to law.

Approved and Adopted this 20th day of March, 2018

Mayor of the City of Moreno Valley

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

ORDINANCE JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Pat Jacquez-Nares, City Clerk of the City of Moreno Valley, California, do hereby certify that Ordinance No. 2018-_____ was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 20th day of March, 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

Attachment: Commercial Cannabis Land Use Ordinance (3006 : Commercial Cannabis Land Use Ordinance,, Business Permitting and Fee

Permitted Uses Table 9.02.020-1

X - Indicates stated use is permitted subject to district requirements.
 C - Indicates stated use is allowed with a conditional use permit.
 ♦ - Indicates a use is permitted unless the use is located three hundred (300) feet or less from a residential zone or use, in which case the use is allowed with a conditional use permit. However, the expansion of an existing general manufacturing use is allowed without a conditional use permit regardless of its distance from residential zones or residential uses.
 A - Indicates a use is permitted with an adult business use permit, providing the requirements of Section 9.09.030 of this title are met.
 S - Indicates a use is permitted, providing the requirements of 9.09.280 (Smoke Shops) of this title are met. A conditional use permit is required if dictated by the distance criteria.
M - Indicates a use is allowed with a conditional use permit, providing the requirements of 9.09.290 (Commercial Cannabis Activities) of this title are met.

	Residential Zones												Mixed Use Overlay			Commercial & Office Zones					Industrial Zones				OS		
	HR	RR	R1	RA2	R2	R3	R5	RS10	R10	R15	R20	R30	MUN (9,11)	MUC (9,11)	MUI (8,10,11)	NC	CC	VC	OC	O	P	I	LI	BP		BPX	
Adult Businesses																	A		A	A		A	A	A	A		
Agricultural Uses—Crops Only	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Agricultural (involving structures)																						X					
Aircraft Landing Facilities																	C		C	C	C	C					
Ambulance Service																	♦				♦	X	X	X	X		
Amusement Parks, Fairgrounds																	♦					X					
Animal Raising (see Section 9.09.090 of this title)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Appliance and Electronic Repair Shops												X	X	X	X	X	X					X	X		X		
Arcades, Video Machines																♦	X	♦									
Athletic Clubs, Gymnasiums and Spas												X	X	X	X	X	X		X			X	X	X	X		
Auction Houses																	X								X		
Auditoriums												♦	♦	♦			♦	♦	♦	♦	♦	♦	♦	♦	♦	♦	
Auto Electronic Accessories and Installation																	X					X	X		X		
Automobile Fleet																						X	X				

Permitted Uses Table 9.02.020-1

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	Residential Zones												Mixed Use Overlay			Commercial & Office Zones					Industrial Zones				OS		
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Storage																											
Automobile, Motorcycle, Truck, Golf Cart, Recreational Vehicle and Boat Sales and Incidental Minor Repairs and Accessory Installations																	◆						X	X			
Auto Service Stations Accessory uses include convenience store and car wash Minor repairs to include auto/boat/motorcycle/RV (excludes major repair, paint, body work)																◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	
Automotive, Boat, Motorcycle and RV Repair—Minor (includes brake, muffler and tire installation and repair)																◆	X					X	X		X		
Automotive Paint and Body Repair—Major Engine Overhaul																	◆					X					
Auto Rentals																	X						X	X	X		

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	Residential Zones												Mixed Use Overlay			Commercial & Office Zones						Industrial Zones				OS	
	HR	RR	R1	RA2	R2	R3	R5	RS10	R10	R15	R20	R30	MUN (9.11)	MUC (9.11)	MUI (8,10,11)	NC	CC	VC	OC	O	P	I	LI	BP	BPX		
Auto Supply Stores													X	X	X	X	X						X	X		X	
Bakery Shops													X	X	X	X	X	X								X	
Bakery—Commercial																						X					
Banks—Financial Institutions													X	X	X	X	X	X	X	X					X	X	
Barber and Beauty Colleges													X	X	X	X	X		X	X				X	X		
Bars (Drinking Establishments)																											
Bars													C	C	C	C	C	C									
Bars, with Limited Live Entertainment													C	C	C	C	C	C									
Boat Sales New and Used Including Repairs and Accessory Installation																	♦						X				
Boarding and Rooming Houses									X	X	X	X	X	X													
Bowling Alley													♦	♦	♦	X	X										
Building Material Sales																											
With outdoor storage																							X	X			
Building Material Storage Yards																							X				
Bus, Rail and Taxi Stations																											
Business Equipment													X	X	X	X	X	X	X							X	

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	Residential Zones												Mixed Use Overlay			Commercial & Office Zones						Industrial Zones				OS					
	HR	RR	R1	RA2	R2	R3	R5	RS10	R10	R15	R20	R30	MUN (9,11)	MUC (9,11)	MUI (8,10,11)	NC	CC	VC	OC	O	P	I	LI	BP	BPX						
Sales (includes repairs)																															
Business Schools													X	X	X	X	X	X	X	X				X	X	X					
Business Supply Stores													X	X	X	X	X		X				X	X		X					
Cabinet Shop																							X	X	X	X					
Caretakers Residence ¹																♦	♦	C	♦	♦	♦	♦	♦	♦	♦	♦					
Car Wash																X	X						X								
Accessory to auto related use																♦	♦						X								
Catering Service													X	X	X	X	X	X							X	X					
Cemetery (Human or Pet) With or Without Accessory Mortuary and Cremation Services (Minimum 10-acre site required)	C	C	C	C	C	C	C	C	C	C	C	C																			
Churches ²	C	C	C	C	C	C	C	C	C	C	C	C	♦	♦	♦	♦	♦	C	♦	♦	♦	♦	♦	♦	♦	♦					
Clubs													♦	♦	♦	♦	♦	♦	♦	♦	♦	♦					C				
<i>Commercial Cannabis Activities¹⁷</i>																															
<i>Cultivation¹⁸</i>																											M	M	M		
<i>Dispensary¹⁹</i>																	M	M										M	M	M	
<i>Manufacturing²⁰</i>																												M	M	M	
<i>Testing²¹</i>																												M	M	M	
<i>Microbusiness²²</i>																														M	
<i>Distribution Center²³</i>																	M	M										M	M	M	
Commercial Radio or																															

Attachment: Exhibit A to Commercial Cannabis Ordinance - Permitted Uses Table (3006 : Commercial

Permitted Uses Table 9.02.020-1

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	Residential Zones												Mixed Use Overlay			Commercial & Office Zones					Industrial Zones					
	HR	RR	R1	RA2	R2	R3	R5	RS10	R10	R15	R20	R30	MUN (9.11)	MUC (9.11)	MUI (8,10,11)	NC	CC	VC	OC	O	P	I	LI	BP	BPX	OS

Television Stations																											
With on-site antenna																	♦						♦	♦	♦	♦	
Without on-site antenna																	X						X	X	X	X	
Communications Facilities (See Section 9.09.040 of this title)																											
Computer Sales and Repairs													X	X	X	X	X			X			X	X	X	X	
Contractors Storage Yard																							X				
Convalescent Homes/Assisted Living							C	C	C	C	C	C	♦	♦	♦	♦	♦	♦	♦	♦	♦						
Convenience Stores																											
With drive-through																X	X										
Without drive-through													X	X	X	X	X										
With alcohol sales													♦	♦	♦	♦	♦										
Convention Hall, Trade Show, Exhibit Building with Incidental Food Services															C		♦		♦		♦				♦	♦	
Copy Shops													X	X	X	X	X	X	X	X			X	X	X	X	
Country Club	C	C	C	C	C	C	C	C	C	C	C	C															
Dancing, Art, Music and Similar Schools													X	X	X	X	X	X	X	X				X	X	X	
Day Care Centers	C	C	C	C	C	C	C	C	C	C	C	C	♦	♦	♦	♦	♦	♦	♦	♦	♦		♦	♦	♦	♦	C
Delicatessens													X	X	X	X	X	X	X				X	X	X		

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Diaper Supply Service																											X				
Laundry with fleet storage																												X			
Disposal company																												X			
Drapery Shops													X	X	X	X	X	X													
Dressmaking Shops													X	X	X	X	X	X													
Driving School													X	X	X	X	X			X	X				X	X	X				
Drug Stores													X	X	X	X	X	X													
Dry Cleaning or Laundry																															
a. Dry Cleaning													X	X	X	X	X	X	X									X			
b. Laundromat													X	X	X	X	X	X	X												
c. Laundry Commercial																															
Emergency Shelters ¹⁴																			C		C	C	X				C				
Equestrian Centers, Riding Academies, Commercial Stables (including incidental sales of feed and tack)	C	C	C	C																◆								C			
Exterminators																					C							X	X	X	X
Farm Worker Housing									X	X	X	X																			
Feed and Grain Stores																	X	X	X												
Fire and Police Stations	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Floor Covering Stores (may include incidental repairs with installation service)													X	X	X	X	X											X			

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	Residential Zones												Mixed Use Overlay			Commercial & Office Zones						Industrial Zones				OS
	HR	RR	R1	RA2	R2	R3	R5	RS10	R10	R15	R20	R30	MUN (9,11)	MUC (9,11)	MUI (8,10,11)	NC	CC	VC	OC	O	P	I	LI	BP	BPX	
Kennel and Catteries	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C		♦	♦	♦	♦	C			
Laboratories (medical and dental)													X	X	X	X	X		X	X		X	X	X	X	
Libraries	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		X	X	X	
Liquor Stores													♦	♦		♦	♦									
Live/Work Unit (12)													X	X	X											
Locksmith Shops													X	X	X	X	X	X				X	X	X	X	
Lodge Halls and Similar Facilities													♦	♦	♦	♦	♦		♦					♦	♦	
Lumberyards																	X					X				
Mail Order House																	X					X	X	X	X	
Manufacturing and Assembly																										
a. Custom and light manufacturing indoor uses only (50,000 square feet or less), with light truck traffic, on-site and wholesaling of goods produced																						X	X	X	X	
b. Custom and light manufacturing indoor uses only (more than 50,000 square feet), with light truck traffic, on-site and wholesaling of goods produced																						X	X			

Permitted Uses Table 9.02.020-1

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 A - Indicates a use is permitted with an adult business use permit, providing the requirements of Section 9.09.030 of this title are met.
 S - Indicates a use is permitted, providing the requirements of 9.09.280 (Smoke Shops) of this title are met. A conditional use permit is required if dictated by the distance criteria.
M- **Indicates a use is allowed with a conditional use permit, providing the requirements of 9.09.290 (Commercial Cannabis Activities) of this title are met.**

	Residential Zones											Mixed Use Overlay			Commercial & Office Zones					Industrial Zones				OS		
	HR	RR	R1	RA2	R2	R3	R5	RS10	R10	R15	R20	R30	MUN (9,11)	MUC (9,11)	MUI (8,10,11)	NC	CC	VC	OC	O	P	I	LI		BP	BPX
c. General manufacturing with frequent truck traffic and/or outdoor equipment or storage																						X	X			
d. Retail sales of goods produced or warehoused on-site ³																						X	X	X	X	
Medical Clinics/Medical Care																										
Inpatient care												X	X	X	X	X		X	X			X	X	X	X	
Urgent care												X	X	X	X	X		X	X							
Medical device services and sales (retail), including, but not limited to, fittings for and sale of prosthetic and orthotic devices														X	X	X		X								
Medical equipment supply, including retail sales for in-home medical care, such as wheelchairs, walkers, and respiratory equipment														X	X	X		X								
Mobile Home Parks	C	C	C	C	C	C	C	C	C	C	C	C														

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Mobile Home Sales or Rentals (outdoor display)																	C									
Mortuaries																										
With cremation services																							X	X		
No cremation services			C	C	C	C	C	C	C	C	C				♦	♦	♦						X	X		
Museums	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Newspaper and Printing Shops													X	X	X	X	X					X	X	X	X	
Nightclubs														C	C		C									
Nursery, (Plant), Wholesale and Distribution	X	X	X	X																		X	X			X
Offices (administrative and professional)													X	X	X	X	X	X	X	X			X	X	X	
Open Air Theaters																					C					C
Orphanages	C	C	C	C	C	C	C	C	C	C	C															
Painting Contractor																						X	X			
Parcel Delivery Terminals																						X	X	X	X	
Parking Lot															C	C	X	X	C					X		
Parks and Recreation Facilities (public)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Personal Services (e.g., nail salons, spa facilities ¹⁵ , barber and													X	X	X	X	X	X	X						X	

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beauty shops, and tattoo parlors)																										
Pharmacy ⁴													X	X	X	X	X	X	X							X
Photo Studios													X	X	X	X	X	X	X							X
Plumbing Shops																	X									X
Plumbing Supply Stores for Contractors																							X	X		X
Pool Hall														♦		♦	♦									
Postal Services													X	X	X	X	X	X	X				X	X	X	X
Pottery Sales with Outdoor Sales													X	X	X	X	X	X				X				X
Public Administration, Buildings and Civic Centers													X	X	X	X	X	X	X	X	X	X	X	X	X	X
Public Utility Stations, Yards, Wells and Similar Facilities, Excluding Offices	C	C	C	C	C	C	C	C	C	C	C	C	♦	♦	♦	♦	♦	♦	♦	♦	♦	X	X	♦	♦	C
Racetracks																	C				C					
Record Store													X	X	X	X	X	X								
Recording Studio													X	X	X	X	X	X	X	X		X	X	X	X	
Recreational Facilities (Private) such as Tennis Club, Polo Club, with Limited Associated Incidental Uses	C	C	C	C	C	C	C	C	C	C	C	C	♦	♦	♦	♦	♦	♦								

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	Residential Zones												Mixed Use Overlay			Commercial & Office Zones						Industrial Zones				OS	
	HR	RR	R1	RA2	R2	R3	R5	RS10	R10	R15	R20	R30	MUN (9.11)	MUC (9.11)	MUI (8,10,11)	NC	CC	VC	OC	O	P	I	LI	BP	BPX		
Recycling, Large Collection Facility ⁵																	♦						X	X			
Recycling, Small Collection Facility													X	X	X	X	X	X									
Recycling Processing Centers																							X	X	X	X	
Refreshment Stands													X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Rental Service																											
Within an enclosed structure (furniture, office, party supplies)													X	X	X	X	X	X					X	X	X	X	
With outdoor storage and display (vehicles, equipment, etc.)																	♦	♦					X	X			
Research and Development													X	X	X					X	X		X	X	X	X	
Residential																											
Single-Family	X	X	X	X	X	X	X	X																			
Multiple-Family									X	X	X	X	X	X	X												
Manufactured home park (see mobile home parks)																											
Residential Care Facility (for seven or more persons)	C	C	C	C	C	C	C	C	C	C	C	C	C	C	X												

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Restaurants (Eating and Drinking Establishments)																											
Without entertainment													X	X	X	X	X	X	X							X	
With Limited Live entertainment													X	X	X	X	X	X	X								
With alcoholic beverage sales													X	X	X	X	X	X	X							X	
With outdoor seating ¹³													X	X	X	X	X	X	X							X	
Restaurants (fast-food)																											
With drive-through																◆	◆									◆	
Without drive-through													X	X	X	X	X									X	
Retails Sales													X	X	X	X	X	X									
Support Retail Sales													X	X	X				X							X	
Sandwich Shops ⁶													X	X	X	X	X	X	X	X ⁶							
Schools, Private	C	C	C	C	C	C	C	C	C	C	C	C	◆	◆	◆	◆	◆			◆	◆				◆	◆	
Senior Housing	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X					X	X						
Shoe Shine Stands													X	X	X	X	X		X	X					X	X	
Shoe Repair Shop													X	X	X	X	X	X									
Sign Shop													X	X	X	X	X	X					X	X	X	X	
Single room occupancy (SRO) facility												C	C	C	C		X										
Skating Rinks														X			X										
Smoke Shops ¹⁶																S	S	S	S								
Stationery Stores													X	X	X	X	X	X	X						X	X	
Statue Shop -Outdoor																	◆						X	X			

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	Residential Zones												Mixed Use Overlay			Commercial & Office Zones					Industrial Zones					
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display																										
Storage Lots and Mini-Warehouses																										
Indoor																	C						X			
Outdoor																	C						X			
Swim Schools/Center with Incidental Commercial Uses	C	C	C	C	C	C	C	C	C	C	C	C					X									
Taxidermist																	X						X	X		
Theaters (excludes open air)													X	X	X	X	X	X								
Tire Recapping																							X			
Trade and Vocational Schools													X	X	X		X		X	X				X	X	
Transfer, Moving and Storage Facilities																							X	X		
Truck Wash																							X	X		
Upholstery Shops																	X						X	X		X
Vehicle Storage Yards																										
Indoor																	X						X	X		
Outdoor																	C						X	X		
Vending Machine Service and Repair																							X	X	X	X
Veterinarian (including animal hospital)																										
All activities within an													X	X	X	X	X								X	X

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enclosed structure																											
With outdoor activities																	♦								♦	♦	
Weight Reduction Center													X	X	X	X	X	X	X								
Wholesale, Storage, and Distribution																											
All activities indoors (50,000 square feet or less)																							X	X	X	X	
All activities indoors (more than 50,000 square feet)																							X	X			
All activities outdoors																							X				
Retail sale of goods warehoused on-site ⁷																						X	X	X			
Wrecking Yard																							♦				

Notes:

- (1) Do not consider residential use per distance requirement.
- (2) The administrative plot plan process may be used to establish these uses in an existing building within any commercial or industrial zone, even if the project is located adjacent to residential uses or zones.
- (3) Retail is limited to fifteen (15) percent of gross floor area (see Section 9.05.040 of this title).
- (4) Permitted in the OC and VOR districts only as a support medical office facility.
- (5) Large collection facilities may be established within an existing building through the “tenant improvement” process if such building or tenant space occupied by the use is not located adjacent to a residential use or zone.

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	Residential Zones											Mixed Use Overlay			Commercial & Office Zones					Industrial Zones						
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- (6) Sandwich shops shall not have cooking hoods, nor shall they exceed five percent of the gross floor area of the complex where they are located.
- (7) Retail is limited to fifteen (15) percent of gross floor area (see Section 9.05.040 of this title).
- (8) In the MUI district, mixed use (commercial uses on first floor with office uses or residential uses on upper floors) are (a) required to on lots at street intersections and within 300 feet in any direction from a street intersection, as measured from the corner formed by the lot's property lines, and (b) are allowed, but not required on the other lots.
- (9) In the MUC and MUN districts, mixed use (commercial uses on first floor with office uses or residential uses on upper floors) are (a) required to on lots at street intersections and within 150 feet in any direction from a street intersection, as measured from the corner formed by the lot's property lines, and (b) are allowed, but not required on the other lots.
- (10) See Section 9.07.40 (Medical Use Overlay District)
- (11) See Section 9.09.260 (Mixed Use Development)
- (12) See Section 9.09.250 (Live-Work Development)
- (13) See Section 9.09.270 (Outdoor Dining)
- (14) Use is also permitted in the Moreno Valley Industrial Area Plan (SP 208)
- (15) For Spa Facilities refer to Title 11, Chapter 11.96 of the Municipal Code.
- (16) See Section 9.09.280.C (Smoke Shops) for distance requirements that require a Conditional Use Permit.
- (17) See Section 9.09.290 (Commercial Cannabis Activities) for all Commercial Cannabis Activities regulations.***
- (18) Per Section 9.09.293.A.3 (Cannabis Business Locations and Use) a maximum of five (5) cannabis cultivation businesses are allowed Citywide.***
- (19) Per Section 9.09.293.A.1 (Cannabis Business Locations and Use) a maximum of ten (10) cannabis dispensaries are allowed Citywide.***
- (20) Per Section 9.09.293.A.4 (Cannabis Business Locations and Use) a maximum of five (5) cannabis manufacturing businesses are allowed Citywide.***
- (21) Per Section 9.09.293.A.2 (Cannabis Business Locations and Use) a maximum of two (2) cannabis testing facilities are allowed Citywide.***
- (22) Per Section 9.09.293.A.5 (Cannabis Business Locations and Use) a maximum of two (2) cannabis microbusiness facilities are allowed Citywide.***
- (23) Per Section 9.09.293.A.6 (Cannabis Business Locations and Use) a maximum of two (2) cannabis distribution centers are allowed Citywide.***

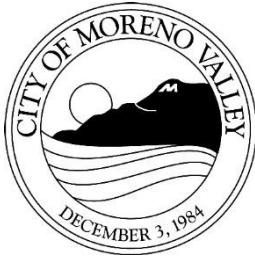
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Zoning District Key

HR	Hillside Residential District	MU	Mixed Use Overlay District
RR	Rural Residential District	MUN	Mixed-Use Neighborhood Overlay District
R1	Residential 1 District (40,000 square feet minimum lot size)	MUC	Mixed-Use Community Overlay District
RA2	Residential Agriculture 2 (20,000 square feet minimum lot size)	MUI	Mixed-Use Institutional Anchor Overlay District
R2	Residential 2 District (20,000 square feet minimum lot size)	NC	Neighborhood Commercial District
R3	Residential 3 District (10,000 square feet minimum lot size)	CC	Community Commercial District
R5	Residential 5 District (7,200 square feet minimum lot size)	VC	Village Commercial District
RS10	Residential Single-Family 10 District (4,500 square feet minimum lot size)	OC	Office Commercial District
R10	Residential 10 District (Up to 10 Dwelling Units per net acre)	O	Office District
R15	Residential 15 District (Up to 15 Dwelling Units per net acre)	P	Public District
R20	Residential 20 District (Up to 20 Dwelling Units per net acre)	I	Industrial District
R30	Residential 30 District (Up to 30 Dwelling Units per net acre)	LI	Light Industrial
		BP	Business Park District
		BPX	Business Park-Mixed Use District
		OS	Open Space District



PLANNING COMMISSION

STAFF REPORT

Meeting Date: February 22, 2018

COMMERCIAL CANNABIS LAND USE REGULATIONS

Case: PEN17-0157

Applicant: City of Moreno Valley

Owner: City of Moreno Valley

Representative: N/A

Location: City Wide

Case Planner: Mark Gross, Senior Planner

Council District: City Wide

SUMMARY

The proposed amendment would add language in Title 9 of the Municipal Code to set forth land use regulations for commercial cannabis dispensaries, testing, cultivation, manufacturing, distribution and combinations of activities as “microbusinesses”, and associated distribution and transportation activities. The amendment includes new definitions in Chapter 9.15, Section 9.15.030 and the addition of commercial cannabis regulations to the Municipal Code in a new Section 9.09.290 entitled, “Commercial Cannabis Activity Regulations.” Appropriately established regulations enable enforcement by the City of the regulations to ensure the health, safety and welfare of the City and its residents. The recommendations of the Planning Commission on this matter will be carried forward to the City Council in accordance with Section 9.02.050 of the City Municipal Code.

PROJECT DESCRIPTION

Background

Development of an ordinance for regulatory and land use cannabis operations was initiated by the City Council in view of State law (Proposition 64 passed by California voters in 2016) which allowed recreational (Adult-Use) cannabis to be grown and distributed on a commercial basis in California since January 1, 2018. The Council directed staff to review and provide input on how the City can regulate cannabis business and land use activities and operations.

Although State regulations have been in existence since the first of this year, commercial cannabis licenses and permits cannot be issued in the City for any commercial cannabis activity/business until appropriate land use regulations and entitlement procedures are put in place by the City. The regulations proposed and under consideration will require that a Conditional Use Permit be obtained through approval of the City Planning Commission by the applicant in addition to completing/securing the required State licensing. Only when the land use approvals (i.e. Conditional Use Permit), City Commercial Cannabis Business Permit, and State license are issued, will a commercial cannabis establishment be allowed to open doors and legally operate at an approved location within the City.

It is the intent that, with appropriate local land use, regulatory, licensing, and enforcement controls put in place, the potential for negative effects on the community from this new industry of commercial cannabis dispensaries, cultivation, manufacturing, distribution, microbusinesses and testing activities can be minimized and/or avoided.

The following two strategies to address the above concerns were forwarded to staff by the City Council at their October 10, 2017 Study Session:

- Amend Title 5 of the Moreno Valley Municipal Code to include establishment of cannabis licensing which would set out the regulatory authority of the City over such businesses that conduct commercial cannabis dispensary operations, testing, cultivation and manufacturing.
- Amend Title 9 of the Moreno Valley Municipal Code to specify the entitlement process, establish procedures (i.e. Conditional Use Permit) and include areas where various cannabis businesses could locate in the City.

On October 24, 2017, a regulatory Ordinance was introduced to City Council and approved thirty days after its second reading to add language for the licensing/permitting process in Title 5 of the Municipal Code. This included background checks on owners and operators, control of the proposed property or proof of landlord's consent and operating requirements for specific types of businesses, including dispensaries, cultivation, testing and manufacturing.

In addition to the regulatory ordinance under Title 5, a land use ordinance under Title 9 is required to designate locations and provide regulations for cannabis activities.

Proposed amendments to Title 9 of the Municipal Code both specify the entitlement process and provide regulations where Cannabis dispensaries, testing, cultivation, distribution facilities, microbusiness and manufacturing businesses could locate. This process evaluates the different types of the commercial cannabis activities, and based on potential impacts, policies of the General Plan and other related factors sets forth zoning and development regulations . All cannabis activities in the City will be subject to obtaining approval through the Planning Commission for a Conditional Use Permit (CUP) in addition to securing a separate State license through the State.

Five (5) zoning districts, as further described in Section 9.01.090 of the City Municipal Code, have been selected and are being recommended as zones that would allow establishment of commercial cannabis businesses, including the Business Park (BP), Business Park - Mixed Use (BPX), Light industrial (LI), Community Commercial (CC), and Neighborhood Commercial (NC) zoning districts. The maximum amount of proposed commercial cannabis business activities to be conditionally permitted and licensed in the City will be twenty-six (26). Further details of where cannabis activities can locate and a breakdown of the twenty-six businesses allowed in the five designated zoning districts are provided in the following sections of this report.

Language included in the attached Resolution provides the groundwork to allow for future commercial cannabis businesses to locate within the City of Moreno Valley. The establishment of cannabis regulations requires consideration and recommendation by the Planning Commission, followed by City Council deliberation and action on all required Municipal Code changes.

Project

The primary purpose of this Municipal Code Amendment is to establish standards for the regulation of cannabis business activities through land use restrictions and detailed development regulations and standards. The development standards comply with State law, which allows recreational (Adult-Use) cannabis to be grown and distributed on a commercial basis in California since January 2018. In part, the commercial cannabis activity regulations recommended are consistent with State requirements aimed to protect specifically identified sensitive land uses by including provisions of a required 600 foot setback in those cases. Specific requirements that define building size, visibility, parking, lighting, signs/graphics site security and waste/storage of cannabis products and other potential public nuisance standards are included in the draft ordinance to provide further protection to the general public, existing businesses and the community.

The proposed cannabis activities regulatory framework has been vetted through a comprehensive internal staff review including each City Department.

Important aspects of the new commercial cannabis language and regulations proposed in the attached draft City Council Ordinance are summarized as follows:

1. Limits Cannabis Activities to Specific Zoning Districts

The establishment of Section 9.09.290 “Commercial Cannabis Activities” sets the stage for the allowance and establishment of commercial cannabis businesses in the City, including dispensaries, testing, cultivation, distribution, microbusiness and manufacturing operations. Section 9.02.020, Table 9.02.020-1 of the Municipal Code includes “Commercial Cannabis Activities” as a land use category to allow cannabis testing, cultivation, distribution and manufacturing uses within the Business Park (BP), Business Park - Mixed Use (BPX) and Light Industrial (LI) zoning districts citywide with approval of a Conditional Use Permit (CUP). Cannabis dispensary and distribution uses are allowed only within the Community Commercial (CC), Neighborhood Commercial (NC), and Business Park - Mixed Use (BPX) zoning districts citywide with approval of a CUP. Of note, distribution centers are allowed in all five zoning districts with approval of a CUP. Cannabis microbusiness activities are limited to only one zoning district with approval of a CUP, which is Business Park - Mixed Use (BPX). Specific definitions for each cannabis activity are proposed to be included in Title 9, Chapter 9.15, Section 9.15.030 of the Municipal Code and would be consistent with definitions included within Title 5 of the Municipal Code.

The primary intent of the new standards is to allow cannabis businesses to establish in designated zoning districts and not create an adverse impact on adjacent properties or surrounding neighborhoods. Sensible zoning and land use controls have been developed in accordance with State law to protect the City’s residents, neighborhoods, and businesses from disproportionately negative impacts and secondary effects. This includes such regulations for visibility, insufficient on-site customer and employee parking, lighting, signage and graphics, site security, waste/storage disposal and other public nuisances (i.e. odor).

2. Cannabis Land Uses Activities require discretionary approval of a Conditional Use Permit

The proposed Municipal Code Amendment sets forth regulations to limit cannabis operations to twenty-six (26) total businesses citywide. All 26 establishments would be required to obtain approval of a Conditional Use Permit (CUP) through the City Planning Commission, and would only be allowed to locate within Business Park (BP), Business Park - Mixed Use (BPX) Light Industrial (LI), Community Commercial (CC), and Neighborhood Commercial (NC) zoning districts. A breakdown of the maximum commercial cannabis land use types allowed and the zoning districts that allow the uses are included below:

- **Dispensaries** - A maximum of ten (10) cannabis dispensaries are allowed to conditionally establish in the City, only within the Community Commercial (CC), Neighborhood Commercial (NC), and Business Park - Mixed Use (BPX) zoning districts.
- **Testing** - A maximum of two (2) cannabis testing facilities are allowed to conditionally establish in the City, only within the Business Park (BP), Business

Park - Mixed Use (BPX), and Light Industrial (LI) zoning districts.

- **Cultivation** - A maximum of five (5) cultivation businesses are allowed to conditionally establish in the City, only within the Business Park (BP), Business Park - Mixed Use (BPX), and Light Industrial (LI) zoning districts.
- **Manufacturing** - A maximum of five (5) manufacturing business are allowed to conditionally establish in the City, only within the Business Park (BP), Business Park - Mixed Use (BPX), and Light Industrial (LI) zoning districts.
- **Microbusiness** - A maximum of two (2) cannabis microbusiness facilities are allowed to conditionally establish in the City, only within the Business Park - Mixed Use (BPX) zoning districts.
- **Distribution Center** - A maximum of two (2) cannabis distribution centers are allowed to conditionally establish in the City, within the Community Commercial (CC), Neighborhood Commercial (NC), Business Park (BP), Business Park - Mixed Use (BPX), and Light Industrial (LI) zoning districts.

None of the above activities shall be permitted without a CUP or outside of the appropriate zoning districts. The Planning Commission is authorized to conditionally approve or deny a CUP application on a case by case basis and subject to findings being met as set forth for all conditional use permits within Section 9.02.060 of the Municipal Code.

Four maps have been completed, and included as attachments to this staff report, to clearly show zoning districts and buffer limitations for commercial cannabis activities. Map 1 provides all CC and NC zoning districts in the city not covered by a Specific Plan. Map 2 provides all BP, BPX and LI zoning districts in the City not covered by a Specific Plan. Map 3 provides all zoning districts and available acreage of where conditionally permitted commercial cannabis activities could potentially establish. Map 4 includes the required buffer of 600 feet from specific sensitive land uses, consistent with State regulations, which must be observed when siting commercial cannabis activities. The sensitive land uses include public or private schools providing K-12 instruction, day care centers, youth centers and arcades as queried through the Business License Division. Map 4 presents areas that would be eliminated from consideration and the reduced acreage table that results from application of the required 600' buffer. Based on the restricted Map 4, approximately 632 acres of land is available for commercial cannabis dispensary activities between the CC (453.19), NC (134.52) and BPX (43.64) zoning districts; approximately 663 acres of land is available for commercial cannabis cultivation, manufacturing or testing activities between the LI (447.96), BP (171.23) and BPX (43.64) zoning districts; approximately 44 acres of land is available for microbusinesses in BPX (43.64); and approximately 1,251 acres of land is available for commercial cannabis distribution centers between all the designated zoning districts. It is important to note that total acreage calculations on the attached GIS maps do not include Specific Plan areas, which may allow land uses based on underlying Municipal Code zoning districts in addition to the Specific Plan land use regulations.

3. Establishes General Development Standards for Cannabis Land Uses

General development standards for cannabis activities would be added as Section 9.09.294. This includes buffers consistent with the State cannabis regulations. No license or CUP shall be granted within 600 feet of a school providing instruction in grades K-12, day care centers, youth centers or arcades that are in existence at the time license and/or CUP is approved. The horizontal distance is measured in a straight line from the property line of the sensitive land use (e.g. school, day care center or youth center) to the closest property line of the lot on which the commercial cannabis activity will be located.

Additional commercial cannabis activity regulations are recommended in the proposed Ordinance as follows:

- No cannabis product shall be smoked, eaten, or otherwise consumed or ingested outside of or within the business.
- No person shall cause or permit the sale, dispensing or consumption of alcoholic beverages or the sale of tobacco products on or within 50 feet of the premises of a cannabis business.
- The cannabis licensee shall display its current valid Commercial Cannabis Business Permit under Chapter 5.05 of this Code and a CUP issued in accordance with this chapter inside the lobby or waiting area of the main entrance to the site. The permits shall be displayed at all times in a conspicuous place so that it may be readily seen by all persons entering the site.
- It shall be unlawful to operate commercial cannabis activities in a building which contains a residence, or within a residential dwelling unit.
- It shall be unlawful for any person to permit commercial cannabis cultivation, manufacturing, testing or sales at, on or within any real property that does not have a valid CUP approved for such use.
- All City Fire, Police and Code personnel shall have unlimited and unrestricted property access for inspections of commercial cannabis businesses and facilities during business hours.

4. Provides Specific Use Requirements for Cannabis Land Uses

Specific development requirements are provided for commercial cannabis dispensaries, testing, cultivation, distribution, microbusiness and manufacturing activities. These includes limitations on building size, regulations with respect to visibility of cannabis plants, materials or products from a public right of way, regulations for signage/graphics, site security, storage and waste disposal. Parking requirements and lighting standards are included. With regards to building size, in no case shall the size of the commercial

cannabis cultivation canopy within any single facility exceed 22,000 square feet. A microbusiness must engage in at least three of the four following commercial cannabis activities: cultivation (limited to 10,00 sq. ft.), manufacturing (with limitations), distribution, and retail sale.

Additionally, specific public nuisance standards are included in the ordinance. Odor control devices shall be incorporated into the cannabis business site to include requirements for exhaust air filtration systems, ventilation, the prohibition of loitering, removal of graffiti and the more general requirement that commercial cannabis activities shall not adversely affect the health or safety of nearby residents. This would include controls for the excessive creation of dust, glare, heat, noise, smoke, traffic, vibration, and hazards created due to use or storage of materials, processes, products, or wastes.

5. Provides Revocation Standards for Cannabis Land Uses

The draft ordinance includes a section to establish grounds for revocation of all conditionally permitted commercial cannabis land use activities if a licensee violates terms of the approved Conditional Use Permit (CUP). Any of the following items shall be grounds for revocation of a commercial cannabis land use permit:

- Failure to comply with one or more conditions of approval of the Conditional Use Permit (CUP).
- The land use permit was granted on the basis of false material or information, including written or oral communications, given willfully or negligently by the applicant.
- The ownership or control of the commercial cannabis business has been transferred and/or sold, a land use permit issued pursuant to this Chapter has been transferred and/or sold, or the title of any parcels constituting the site on which the land use permit was originally issued has been transferred. New ownership should require a secured cannabis business permit/license in order for a CUP to remain valid and is subject to the one year inactivity requirement included in Section 9.02.260(C)(3).
- Any act or omission by an owner or licensee in violation of the provisions of this Chapter.
- Any act or omission by an owner or licensee that results in the denial or revocation of the owner's or licensee's State license.
- Any act or omission that results in the revocation of that owner's or licensee's commercial cannabis Business License Clearance under Title 5, Chapter 5.02 of the Moreno Valley Municipal Code.
- An owner's or licensee's failure to take appropriate action to evict or otherwise remove persons conducting commercial cannabis activities who do not maintain

the necessary permits or licenses in good standing with City or State.

- Permit holder's conviction for possession or delivery of any form of illegal drugs.
- City or any other governmental agencies discovery of any form of illegal drugs, other than cannabis products regulated by this ordinance, on the licensed premises at any time.
- Conduct of the commercial cannabis activities in a manner that constitutes a nuisance where the owner or licensee has failed to comply with reasonable conditions to abate the nuisance (e.g., odor).

All revocation proceedings shall be consistent with Municipal Code Section 9.02.260 "Revocation of approvals or permits". Revocation of a Conditional Use Permit (CUP) shall be conducted through proper noticing and a public hearing through the Planning Commission, and if appealed, the City Council.

Conclusion

In summary, the proposed modifications to the Municipal Code would allow for up to twenty-six (26) total commercial cannabis businesses to be conditionally permitted in the City. This includes ten (10) dispensaries, two (2) testing facilities, five (5) cultivation facilities, five (5) manufacturing facilities, two (2) microbusinesses and two (2) distribution centers. The commercial cannabis land use, by type of activities, would be limited to five zoning districts, including Business Park (BP), Business Park- Mixed Use (BPX), Light Industrial (LI), Community Commercial (CC) and Neighborhood Commercial (NC). All legal/licensed cannabis operations would adhere to standards included in the newly established Section 9.09.290 "Commercial Cannabis Activity Regulations" of the Municipal Code, and would only be authorized with a properly processed and approved Conditional Use Permit (CUP) through the Planning Commission.

ENVIRONMENTAL

The adoption of the Municipal Code Amendment to establish commercial cannabis land use regulations is exempt from the California Environmental Quality Act (CEQA) per provisions put forth in Senate Bill 94 "Medicinal and Adult Use Cannabis Regulation and Safety Act exempting adoption of an ordinance, rule or regulation by a local jurisdiction that will require subsequent discretionary permits, licenses or other authorization subject to CEQA. All new cannabis businesses submitting a CUP application would be subject to requirements of CEQA including the development of an Initial Study to establish the appropriate environmental determination.

NOTIFICATION

Public notice was properly provided prior to this Planning Commission meeting. A half

page public hearing notice for this code amendment was published in the local newspaper on February 11, 2018. In addition, notices and reports were provided to outside sources based upon written notice to provide such information.

STAFF RECOMMENDATION

Staff recommends that the Planning Commission **APPROVE** Resolution No. 2018-09, and thereby recommend that the City Council:

1. **FIND** that PEN17-0157 (Municipal Code Amendment for Commercial Cannabis Land Uses Regulations) qualifies for an exemption under the California Environmental Quality Act (CEQA) per provisions put forth in Senate Bill 94 “Medicinal and Adult Use Cannabis Regulation and Safety Act exempting adoption of an ordinance, rule or regulation by a local jurisdiction that will require subsequent discretionary permits, licenses or other authorization, and
2. **APPROVE** the proposed amendments to Title 9 of the City Municipal Code (PEN17-0157) setting forth land use zoning and development regulations for commercial cannabis land use activities, included as Exhibit A and Exhibit B.

Prepared by:
Mark Gross
Senior Planner
Official

Approved by:
Richard J. Sandzimier
Community Development Director/ Planning

ATTACHMENTS

1. Map 1
2. Map 2
3. Map 3
4. Map 4
5. PC Newspaper Notice
6. Resolution 2018-09
7. Exhibit A - Draft Cannabis Ordinance
8. Exhibit B - Permitted Use Table
9. Zoning Map

**CITY OF MORENO VALLEY PLANNING COMMISSION
REGULAR MEETING
CITY HALL COUNCIL CHAMBER – 14177 FREDERICK STREET**

Thursday, February 22, 2018 at 7:00 PM

Cannabis Minutes Portion of the Minutes

VICE CHAIR KORZEC – Okay, on this one, the staff recommends that the Planning Commission approve Resolution 2018-09, and the Staff Report on this will be by Mark Gross.

3. Case:	PEN17-0157
Applicant:	City of Moreno Valley
Owner:	City of Moreno Valley
Representative:	N/A
Location:	City-wide
Case Planner:	Mark Gross
Council District:	City-wide
Proposal:	Commercial Cannabis Land Use Regulations

STAFF RECOMMENDATION

Staff recommends that the Planning Commission **APPROVE** Resolution No. 2018-00, and thereby recommend that the City Council:

1. **FIND** that PEN17-0157 (Municipal Code Amendment for Commercial Cannabis Land Use Regulations) qualifies for an exception under the California Environmental Quality Act (CEQA) per provisions at this point in time forth in Senate Bill 94 “medicinal and Adult Use Cannabis Regulation and Safety Act exempting adoption of an ordinance, rule or regulation by a local jurisdiction that will require subsequent discretionary permits, licenses or other authorization; and
2. **APPROVE** the proposed amendments to Title 9 of the City Municipal Code (PEN17-0157) setting forth land use zoning and development regulations for commercial cannabis land use activities, included as Exhibit A and Exhibit B.

SENIOR PLANNER MARK GROSS – Well good evening Vice-Chair Korzec and Members of the Planning Commission. Tonight we’re looking at a Draft Land Use Ordinance that is being presented to the Planning Commission for regulation of commercial cannabis activities in Moreno Valley and that includes dispensaries, testing, cultivation, manufacturing, microbusinesses, and distribution centers. We have

definitions for all of those uses in the proposed Ordinance that was part of your Staff Report as a draft. Now, a little bit of background that I want to provide on the actual subject; the City Council directed Staff to review and provide input on how the City can regulate and control cannabis business operations and legalization of cannabis products that are included in proposition 64, which is the State proposition that allowed for cannabis uses. So what we had a chance to do is there was a couple of areas that the City needed to pull together if we were going to move forward with cannabis operations or allowing for cannabis operations and one of those was a Regulatory Ordinance, the other was the Land Use Ordinance, which of course is before you this evening. Now the Regulatory Ordinance was actually passed late last year and the State, just to give you a little more background, I'm sure a lot of you know about this already, but the State, as of January 1, 2018, is issuing commercial cannabis licenses, and they provide for these licenses only if the local jurisdiction permits are secured first. So any licenses or conditional use permits would have to be secured. Now the ordinance includes five different land use districts and 26 conditionally permitted cannabis uses city-wide, all required in enclosed permanent structures, and I want to run through exactly what we are looking at as far as these 26 uses that we're looking at as far as the amounts. We have six different cannabis operations that we're looking at and, starting off with dispensaries, we're looking at 10 of those that may be allowed. I want to also give you information on where they would be allowed as far as the zoning districts and, for dispensaries, that would be community commercial, neighborhood commercial, and business-park mixed use zones. For testing, there would be a maximum of two that may be allowed within the business park, business-park mixed use, and the business park and the neighborhood commercial. Excuse me, let's go back and do a redo on that. Testing allows for a maximum of two, and that's in the business park, business-park mixed use and light industrial zones is what I wanted to say. For cultivation and manufacturing, there would be five each that would be allowed; five cultivation and five manufacturing, and that may be allowed within the business park, the business-park mixed use, and the light industrial zoning districts. For microbusinesses, which is a mix of dispensaries, cultivation, and possibly manufacturing, we're looking at a maximum of two that may be allowed within the business-park mixed use zones. Finally, for distribution centers, a maximum of two may be allowed in any of the five zoning districts that would be allowing commercial cannabis activities, and so we're looking at the five zoning districts, and I'll mention them here just so you're aware of these five districts. We're talking about neighborhood commercial, community commercial, business park, business-park mixed use, and light industrial. Those are the five areas that are open for these different uses as we've indicated. So, I want to talk a little bit about the ordinance, and then we're going to get into the map that is provided here. In fact, we have a number of maps that we've included, so we will be getting into those here in just one second, but what I want to talk about is just the ordinance itself. The ordinance does provide for 14 definitions, and these are all consistent with the Title 5, Regulatory Ordinance. It also provides for specific zoning districts as we've mentioned here. It provides for Conditional Use Permit requirements for all 26 proposed uses. It provides for general development standards. It provides for land use buffers, which we're going to get into in just a minute or two, and it also provides for grounds for revocation of cannabis businesses. Again, cannabis uses are required under a Conditional Use Permit, it would coming before this body, before the Planning Commission, and the Planning Commission would have a chance to review those permits and approve those permits. And, if there are violations of those permits, whether they be from just Conditions of Approval or operations, , there are revocation proceedings that are followed in the ordinance itself. So at this particular time I want to talk a little bit more about where some of the cannabis operations

be allowed, and I'm going to start with the maps that you see. They'll be about a series of five maps, and they go from very general to very specific, and so here we start off with a very specific map. This is the Zoning Map of the City, so you see all of the colors there. It includes zoning for every single property within the city, so that's the first one that we wanted to provide. Now this next map is just providing for possible opportunities or possible land that would be included in or land, I should say, that would be included in the community commercial and the neighbor commercial zones in the city. This does not include any specific plans, and we'll talk a little bit more about specific plans in a moment because we've added a little bit more information to some of these maps. So the maps that were originally in your packet just included areas that were not including specific plans but, as you'll see on the last map, we'll get into the specific plans and how they work. So we talked about community and neighborhood commercial areas, and these are potential areas that again could be for dispensary-type uses. So this next map that we're showing is actually showing land within the business park, the business-park mixed use, and the light industrial zones and, again, not including specific plans here. In these particular areas, these could be possibilities for, testing, manufacturing, and cultivation. This next map actually is providing...it does show all of the different zones that is allowing for cannabis activities, and what this does is it provides for potential acres and areas where all 26 commercial cannabis businesses could locate, , but this does not include any of the information that we have in our ordinance. Now the ordinance is going to include buffers and other requirements, and so this is just showing you the potential areas that we have. Now, for this next map, this is actually getting into the specifics. Here we actually include the 600 foot buffer that is a requirement of the ordinance, and that's consistent with State Regulations and, what we're talking about, and you can see the little bubbles all along and all around these sensitive land uses and, again, this is consistent with State Regulations. There is a buffer regulation of 600 feet from cannabis uses, and, and we're talking about items such as public and private schools, daycare centers, youth centers, arcades, and these...all of these items that you see up here were all queried through the Business License Division Records. Now when the 600 foot buffer is factored in, you have approximately 632 areas eligible for dispensary uses, 663 acres that is eligible for cultivation, manufacturing and testing, 44 acres possibly for microbusinesses, and 1251 acres for distribution centers The reason for the large amount for the distribution centers is the fact that, again, distribution centers would be allowed in every one of the five zoning districts that are allowing for cannabis operations. So what this map also includes is specific plan areas, and I want to talk a little bit about the specific plan areas because we have additional cannabis sites and acreage that was...that is provided....that could be provided and is provided in specific plans. Some of these areas include like zoning, where the commercial cannabis use is allowed in our ordinance. ...All of these specific plans that we include on this map are actually deferring to Municipal Code standards. We have specific plans in our city that either defer to the standards, or they just defer to the Municipal Code where the permitted uses is based on the Municipal Code standards. If the ordinance is approved, all of these uses or areas could actually defer to the Municipal Code and to what is allowed under cannabis operations. There are other specific plans that we did not include here that have their own permitted use tables and their own standards and those we didn't include because they would actually have to come in for a specific plan amendment to allow for cannabis land uses. What this does and what this shows, is when you factor in all the specific plan areas that are possible, the ones that are actually tiering over to the Municipal Code, you're looking at approximately another 200 acres that is possible for primarily commercial dispensary operations. So that's just a little bit of information on the maps themselves, and I want to talk just a little bit about some of the other

information, such as the environmental document for this project. The Cannabis Ordinance is exempt from the California Environmental Quality Act, and that's in conjunction with State Senate Bill 94. That's the medicinal and adult use cannabis regulation and safety act that exempts... the adoption of an ordinance by a local jurisdiction that is requires discretionary permits or licenses. Now the ordinance is requiring a City License and a Conditional Use Permit in this case, so that would allow for the appropriate environmental review and determination on a case by case basis. So as this body has a chance to review conditional use permits and the Staff works on the review of the environmental document, they would be able to determine through CEQA what the appropriate environmental document would be. Now there was notice on this particular item. It was published in the Press Enterprise Newspaper, and that was back on February 11, 2018. Before I get into a few other items, I did want to say that I did receive six calls actually in total on the item and most of the callers were determining if their property...they were looking at certain property to see if certain cannabis operations were allowed by this particular ordinance if this ordinance were to come into play, and it gets approved. So they were really interested in locations of where cannabis operations possibly could go. So we talked a little bit about the notice,, I do want to end with the fact that the Cannabis Ordinance is now requiring consideration tonight and recommendation by the Planning Commission and that would be followed by City Council deliberation and action on all required Municipal Code changes, and we're looking at possibly getting this on, at least our goal possibly would be getting it up for the middle of March to a City Council Meeting possibly on March 20, 2018, is what we're looking at, but that will be determined based on what we go through this evening. So that concludes Staff's Report, and we're able to answer any questions that you may have. Thank you very much.

PLANNING OFFICIAL RICK SANDZIMIER – Madam Chairman, if I may just take a second...Mark can I have the clicker? Mark did an excellent job going through this in some detail but because it's an important issue that you guys are considering tonight and the public is also focusing on some of these maps to possibly make some decisions, I just want to go back real quickly over these and just kind of show a little bit of a focus by the uses and to also indicate that some of these maps were not included in your Staff Report that was published last week. Some of these maps are newer and were just produced for this meeting this evening. So the first one I want to start with all of the red areas here, as Mark has indicated, are the community commercial zones and neighborhood commercial zones in which dispensaries and distribution facilities would be allowed so, if anybody is interested in which specific uses could occur in here, it's just dispensaries and just distribution facilities. While there's a lot of sites being shown up there, the number of recommended dispensaries is limited to 10, so only 10 dispensaries could occur in all those red areas. Some of them could be more concentrated. Some of them may be spread out. We don't know where they are going to come in and, as far as distribution facilities, we're recommending two distribution facilities. Some were in all of those red areas. The light blue areas represent the business park, business-park mixed use, and light industrial areas and, as Mark indicated, these are the areas in which cultivation, manufacturing, testing laboratories, and distribution facilities can be located. The one thing I'd like to point out is the microbusinesses, which we're only recommending two, would only be limited to those areas that are designated as business-park mixed use, which is only a small portion of this, and I apologize that I don't have a map that highlights just the business-park mixed use, but we could drilldown on that if anybody in the public wanted to call and ask specifics about that. The number of manufacturing locations would be five. Cultivation sites would be five. Testing laboratories is two. Microbusinesses is two and,

distribution is two city wide, and those two could be either in the blue area here or in the red areas that I showed before. This area is showing collectively all of those blue and red areas and, as Mark indicated, we overlaid the specific plans, and this is the new information that, as we drill down and we looked at the specific plan provisions, those...only those specific plans that have references to neighborhood commercial or community commercial were the ones that we wanted to make sure were clear to you and were clear to the public, and we would be making clear to the City Council who will be the ultimate decision-making body on this. We wanted to show this collectively. The other thing that I wanted to show is, if you look at this map, here there is an acreage table up in the top right corner, and so it gives you a sense of how much acreage is available in each of those zoning districts and then, once we apply the next map, which is the restricted areas, the 600 foot buffer, if you toggle between that matrix on this page and the matrix on the next page you'll see that in each of the categories, the amount of acreage goes down considerably. In some, it's a little more negligible, but in all there is a reduction in the amount of sites that would be available once you apply the buffers. The other thing that you can see, if you toggle between this map here and this map here, is the amount of color, so the amount of color what shows up on this map you can see disappears somewhat, I know it's a little bit difficult because you see a lot of pink up there, but the brighter colors disappear and gives you a visual representation of where the areas start to fall out because of those restrictions. So just wanted to make sure that people understood what the maps were trying to convey, and I think Mark did an excellent job in the presentation. The other stuff that's in your Staff Report that's available for the public to look at is the resolution, which documents all the reasons why we're doing this and then it goes into specific modifications that we'll be adding into our Municipal Code and, if you have any questions on any of those specifics, we're very happy to answer those tonight. The last thing I'll say is this has been a yeoman's effort to try and put all this stuff together in a short period of time. In addition to Mark, the Staff behind me, our city attorney's office, and others have been very active in making sure this is all pulled together, so we're here this evening to answer any questions. Thank you very much.

VICE CHAIR KORZEC – Any questions of Staff?

COMMISSIONER SIMS – I have some.

VICE CHAIR KORZEC – Go ahead.

COMMISSIONER SIMS – So thank you, Mark. You always seem to get the tough, the tough issues to present so, so I don't really understand some of the nuances between distribution and microbusiness and dispensary because I don't...but I guess I kind of get the sense of what those are, so I'm assuming that the dispensaries are the place where people can just come in and by product off the street?

PLANNING OFFICIAL RICK SANDZIMIER – That would be correct.

COMMISSIONER SIMS – So and then like a microbusiness would be like going to Hangar 24, and you can go and see how they make it and how they grow it, and you can just make a day of it. Go there. You couldn't do sampling, though.

SENIOR PLANNER MARK GROSS – Correct. There would be no sampling. In fact, in any of the uses, there wouldn't be anything associated with that.

COMMISSIONER SIMS – But you could see the whole kind of food chain of how this stuff is grown....

SENIOR PLANNER MARK GROSS – Right.

COMMISSIONER SIMS – Packaged, sold, that kind of thing.

SENIOR PLANNER MARK GROSS – Correct.

COMMISSIONER SIMS – The distribution I guess is...I have no idea of what...it seems like when you say distribution I think of logistics so you'd see truckloads of this coming in in boxes or what is this and then it goes out to the dispensaries or how is that...what is that kind of situation?

SENIOR PLANNER MARK GROSS – Well, as far as the distribution goes, it's really providing for...it could be providing for the procurement or transportation of cannabis or cannabis products between entities that really are licensed by the State of California, so they would all be licensed.

COMMISSIONER SIMS – And I, I get the hierarchy of how you take the 26 potential land, potential CUPs that would have to go in, and there's more of the cash-n-carry walk in, you get product, and walk out type thing. So that makes sense. How did the 26 come about? How was that picked as a number?

PLANNING OFFICIAL RICK SANDZIMIER – Let me try and address that. First before I address the number, I want to provide one clarification. In your description in the types of uses, you described the microbusinesses as a place where people could go and see how the product is grown and then packaged, and then manufactured. I'm not sure if you meant that literally or not, but I wanted to point out that there are actually restrictions based on the State Regulations and in our Municipal Code that would restrict the public from getting into these facilities, so our regulations are not intended to make these facilities a place where the public would go in and try and see or learn. They are actually intended to be very secure sites just to make sure we minimize that....

COMMISSIONER SIMS – So then help me understand what the difference is between a dispensary and a microbusiness.

PLANNING OFFICIAL RICK SANDZIMIER – The microbusiness is a place where there is actual cultivation going on. There is manufacturing, and there is some sort of a distribution or a dispensary, but you have to have three actual cannabis activities going on in the location, except for testing. Testing has to be done completely remote from any of those types of activities, so you would go into those places, but not with the intent to roam around and see how things are being done, so that's the clarification I'm trying to make, but you could see in a microbusiness all of those things being done. The other thing with the microbusiness is the size of the facility is limited based on how much cultivation is done is limited in particular. With regard to the 26 locations, we have tried to identify what a city of 52 square miles with population of 209,000/210,000 people would need. We're also looking at the amount of available land that is out there for this and then also what the market demands are. A lot of this will be dictated just based on market demands. So even if we put 26 out there and only five come in, we'll know that our number was maybe too high and, if we put out 26 and 52 come in and we know we're only half way there, that'll be an indicator. So we are testing the market with the

than oversaturating it and saying that you can put one of these types of activities anywhere in the city. We started with a place to kind of control the number. We've based it on research we've done with other jurisdictions. There are some jurisdictions that are not allowing any types of dispensaries. Possibly there are some that are focusing on cultivation. There are some that have opened up the doors similar to us and are allowing all these, but we did a lot of research, and so we tried to compare ourselves to what's going on in the industry and knowing that, most likely, as a new industry we're going to have to make some adjustments somewhere down the road but now this is the starting point. We started at one point with 22 and then the idea of distribution we thought that we'd miss that because distribution you're asking is a function that is needed to move product from one of the uses to the other and somebody may be interested in setting up a place where they are kind of the middle man, so we introduced two more to the 22 that we had and then the idea of microbusiness, which is a new entity in itself. We introduced that and added two of those, and that's how we got from 22 to 26, but our number has not fluctuated any more than the 22 to 26 range.

COMMISSIONER SIMS – Okay, thanks. So going on with the....I appreciate the clarification on that. The other....when I read through the....when I was looking through the resolution, so I'm not going to read all the whereas', but I'm going to read the pertinent ones that caught my eye. So I read whereas in November of 2016 Proposition 64 was approved by voters in California. So that was the Adult Use Marijuana Act, so there was a majority. It passed. And then Governor Brown, on June 27, 2017, they amended it...amended the Proposition 64, and he signed the Medical and Adult Use Cannabis Regulation Safety Act. Then I read down three more, whereas and then it goes the Planning Commission, and that's us, we're recognizes that regulating licensed commercial activity is permitted in the state, even though the Federal Control Substances Act, various sections, classifies marijuana as a schedule one drug and makes it unlawful under federal law. So I...this is...I don't know how to square that. So here we have the State saying it's okay we're....we're already adopted through amendments to Title 10 of the Municipal Code gives the City regulatory authority to license and regulate the sale of all this stuff for the cannabis activities. Now the Planning Commission is considering entitlement process for actual specification of location but how do we, as planning commissioners and the City, regulate when, even though our State says it's okay, but out United States say it's illegal...I just....how do we square that?

PLANNING OFFICIAL RICK SANDZIMIER – Let me describe the purpose of the whereas statements in the resolution. The intention in a resolution is to make sure that we're doing this in the light of day, so the whereas statements are basically reflecting those facts that are true. The language was also modeled after other resolutions and other ordinances that we examined at other jurisdictions. So we're trying to be consistent with what other jurisdictions have done in the whereas statements and the findings they have made. It is an interesting dilemma when you talk about what the federal regulations are restricting and what the State is allowing, but then there's power that's vested in a City to make its own regulations in the light of day, and this is where I'll turn it over to the city attorney to help me communicate that part.

ASSISTANT CITY ATTORNEY PAUL EARLY – Thank you. I think the short answer to your question is you can't. Federal Law does continue to prohibit and schedule marijuana as a Schedule 1 drug, and it's prohibited under Federal Law. Our State and a number of other states have decided that they feel differently about it and, City's that

follow State Law, many of them have joined on with the State. If you're concerned about city liability or personal liability to the feds, the city is not going to be engaging in any of these uses, so there's really no risk from the Federal Government to the City simply by identifying and allowing....identifying where these uses are going to be permitted or not under State Law. We're just following State Law Guidelines on that, but to the operators of these facilities, they remain under a cloud of enforcement under Federal Law and that's going to depend on the administration at the time, as far as how proactive they are going to be about enforcement of that or not, but how do we square the two? We can't. Currently, they are in conflict.

COMMISSIONER SIMS – Okay, thank you for that, and then the other...the other question is, is has Staff...I guess it goes to public policy as far as benefits to the City. Do the benefits to the City outweigh the necessity to approve these things? So, for instance, if we...I would assume there's sales tax or there's some kind of benefit that comes to the City by approving these...an additional type business, so there must be revenues. Has there been any kind of statistical analysis or economical analysis that would demonstrate that the benefits from revenue increases to the City would offset any of the costs that would come for enhanced regulations, staff investigatory enforcement from our cops and whatnot to make sure that this stuff....that, if this type of business and ordinance is approved, that it's a cost neutral to the City?

ASSISTANT CITY ATTORNEY PAUL EARLY – So this is more on the Regulatory Ordinance side of things and maybe we need to mention how those are...there's two different ordinances at play here, the regulatory ordinance that was already passed by the Council and may be amended in the future. That ordinance is what allows the business to operate. Think of it like a business license, but there's an application process. They owners are screened. They have a number of requirements on them. The application fee is quite substantial on that because it's designed, as you said, to cover all of those costs, including additional staffing, security, police, code enforcement, so all those things have been taken into consideration under the regulatory framework. This ordinance that is before the Planning Commission is subject only to the land use aspect of it. So if you think of it in terms of the cannabis business operator permit license as being a license issued to an individual operator, what's before you right now is more site specific. The Conditional Use Permit for that particular location and any Conditions that might be in addition to the Regulatory Ordinance that are going to apply to that particular location, so there are two separate ones in play, but the first one, the one that the Council's already adopted, does take into consideration those revenue neutral aspects to it. Apart and aside from that, it is possible that there will be additional revenue that's not revenue neutral. It's not designed to recover costs. It's simply revenue to the City. That could come in the form of sales tax revenue. It could also come in the form of additional special taxation that the voters may approve in the future specifically on these types of businesses, but those would not be to offset anything. Those would simply be revenue.

COMMISSIONER LOWELL – Yeah, I have a couple.

VICE CHAIR KORZEC – Go ahead.

COMMISSIONER LOWELL – I noticed that the WLC, World Logistics Specific Plan area is not an area that allows any type of cultivation use, distribution, testing. Is that something that is potentially amended in the Specific Plan for that side of that part of

town or is....that part of town is a pretty big part of town, and it looks like it was excluded.

SENIOR PLANNER MARK GROSS – Yeah that actually is in a one of the specific plans that does not defer over to the Municipal Code. They have their own individual regulations and permitted uses in that specific plan so, in order for that to open up, the Applicant would have to come in and would actually have to modify the specific plan. It would be a specific plan amendment to allow for that type of use if this ordinance was to pass. So it doesn't defer to the Code,they would have to look at their own specific plan and see what can be done, and that would be a specific plan amendment to allow for that use.

COMMISSIONER LOWELL – Thank you for that one. Is the permitting process to allow the dispensaries and other facilities, is that a stand-alone permit meaning that store has to be dedicated to that use or could say Target or Walmart or any other existing facility apply for a license to sell?

PLANNING OFFICIAL RICK SANDZIMIER – The answer is the cannabis activity requires a Conditional Use Permit. If an operation like Target wanted to come in and carve out some aspect of Target and say that this is an area we want to dedicate for cannabis activity, we would evaluate it based on the zoning in which it is and based on the proposal that is made, and then it will also have to go through the regulatory commercial cannabis licensing process, and it would also have to go through a State Licensing process, and so it would have to....it would basically have to go through all the same steps, but we did not make a distinction in this ordinance that is before you that it would have to be a stand-alone business. I think a general presumption is that most of them will be stand alone. You'll probably have a dispensary operating on its own, a cultivation or manufacturing facility that's operating on its own. A testing facility is one of those other areas that is kind of a grey area. I have talked to some other jurisdictions where the testing that is being done. There is all kinds of testing that could be taking place because it's kind of a laboratory, and they may add the commercial cannabis testing to one of the things that they do as an operation, so that's probably the more likely area that the testing lab would come in and do something in addition to cannabis, but I don't really imagine a Target or another shopping, but this is all new, so I don't know.

COMMISSIONER LOWELL – So it's a grey area that's going to be...

PLANNING OFFICIAL RICK SANDZIMIER – That would be a grey area, but it would also be evaluated based on the limit that we've had so, if we've had, 26 permits issued and each of the categories has been used up, somebody comes in and wants to add it to a Target or add it to another shop of some sort, it would still have to go through the same process.

COMMISSIONER LOWELL – Okay, now since you mentioned the number, the permit limit number, what is the process say all of our permits are sold? They are all occupied, every single one of them. Is there a waiting list? Say I want to come in and own my own shop, but all of them are used and would I come in and be the first on the list, would it go for X amount of months or years or is it a random lottery that you come in to apply for a permit and there just happens to be one available you get it?

PLANNING OFFICIAL RICK SANDZIMIER – So there's a couple things happening here, as the city attorney identified. There's a commercial cannabis business licensing process that will be done separately. What's in your purview this evening is the discussion about the Conditional Use Permits.

COMMISSIONER LOWELL – Correct.

PLANNING OFFICIAL RICK SANDZIMIER – So the Conditional Use Permits, we could get an application for 30 Conditional Use Permits. They could all come in. They could be evaluated. All 30 of them could be approved, but then only 26 of them would be authorized to go through the other process but, as long as they clear the hurdle to get Commercial Cannabis License and, as long as they get the State License, only 26 of those 30 CUPs that were issued would become effective. Now a Conditional Use Permit, as we have discussed with other projects that have come before you, has a life of 36 months. So that CUP would be good for 36 months to be exercised upon and, if during that 36 months the Applicant decides that they want to continue the life of that, there's a provision in the Code that allows for those sorts of permits to be extended, so to get an extension of time for another three years and so, if their slot hasn't opened, I guess somebody theoretically could try and keep their Conditional Use Permit active until the point where they do have a slot, but it's not guaranteed just because you got a CUP that you'll get a license.

ASSISTANT CITY ATTORNEY PAUL EARLY – Yeah, I think Rick mentioned or I mentioned the two, the City has two, but there also is a State License requirement here to, so you need all the licenses to operate; the State License, the City License, and the CUP. The CUP is only about the particular site that we're locating on, so a lot of the concerns you have are important and valid concerns that have been addressed and looked at in both the State and the City's licensing but aren't part of the Land Use Regulations that are in front of you tonight, so that's where there's....I know there's a lot of questions that you have that are or potentially are answered in the State and the Regulatory Licenses, but that's where they would be addressed, not here as far as locations where these would go.

COMMISSIONER LOWELL – Well what my concern is that I don't believe we have a maximum number of liquor stores or smoke shops, but we'll have a maximum number of cannabis industry facilities. So we've haven't really experienced a maxing out of permits yet. This would be the first, in my knowledge, CUP that could max out. So say all 26 permits are used, we're testing microbusiness distribution, all that and cultivation, say somebody does come down the line after all 26 are consumed or used, what's the process. Is there a waiting period? Do you just put your name on a list? Is it a lottery say somebody quits the business, fails, they go out of town, there's 25 of 26, so who governs who gets that last one? Is it just first come first serve?

PLANNING OFFICIAL RICK SANDZIMIER – Okay, so on the CUP, a similar process where things are regulated based on a certain number or maybe a saturation is ABC Licenses. So some of our uses that require a CUP because they are going to sell alcohol, you may have seen that kind of discussion where the Applicant comes in, and I think we had one just a couple of months ago where we have a Condition of Approval that says you've got a Conditional Use Permit that's approved, but that Conditional Use Permit alone does not allow you to sell alcohol or this establishment. You still have to secure your license through ABC. If you're not able to secure your license through ABC because it's an over-concentrated area, and they are not willing to issue a

because they haven't got a determination of convenience and, I can't remember the word right, but it's a necessity and convenience. So if you don't get that finding, you may not get an alcohol license, but you still have a valid CUP, and that valid CUP is still running with the property and allows that business owner to try and secure the other licenses or approvals that they would need, so that would be similar here. Like I said, you could have maybe 30, maybe 40 people who want to come in and want to get CUPs issued for cannabis activity. We could be bringing them all before the Planning Commission. The Planning Commission could look at all of them, and there would be a Conditions of Approval imposed on those in theory right now is what we're thinking through that, in order to operate that business, you'll still need to get the Commercial Cannabis License approved through the City, and you'll also have to get the State License, and those will become the Conditions of Approval associated with the CUP.

COMMISSIONER LOWELL – So the limiting number is on the City Business License, not the CUP. The CUP, we theoretically have an unlimited number of CUPs that can condition someone to potentially sell this product, but the 26 is on the other side on the City Business License side?

ASSISTANT CITY ATTORNEY PAUL EARLY – That's the way it's written, yes. It says a maximum of 26 businesses with approved Conditional Use Permits for Commercial Cannabis activity will be allowed to operate in the city at any one time.

COMMISSIONER LOWELL – Gotcha. I misunderstood. I had it the other way around. Alright, I also noticed that the microbusiness is the only business that has a size limit of 10,000 square feet. Are the facilities in industries size commercial restricted?

PLANNING OFFICIAL RICK SANDZIMIER – The commercial cultivation of cannabis is also limited by the State. Our understanding of the regulations to date and what we've written into our code limits that cultivation canopy to 22,000 square feet, and that's tied to the State. So those regulations that we put in there are trying to reflect what the State regulations are. If the State regulations change, our Code would still stay what it is unless they come back and we change the Code but, right now.....

COMMISSIONER LOWELL – Twenty-two thousand for cultivation is the...

PLANNING OFFICIAL RICK SANDZIMIER – Twenty-two thousand is the maximum size for....

COMMISSIONER LOWELL – We're not going to get a 400,000 square foot site huge warehouse coming in manufacturing all the cannabis for the entire country?

PLANNING OFFICIAL RICK SANDZIMIER – So that's an interesting question that we've, we've kind of wrestled with. It depends on how that 400,000 square foot facility is separated with demising walls and stuff, so somebody could come in, if you can get separate licenses approved and carve out the space so to speak so that you're still consistent with our regulations and the State regulations, you could have some concentration or consolidation of that.

COMMISSIONER LOWELL – Okay.

PLANNING OFFICIAL RICK SANDZIMIER – So that's a possibility, but we don't know how that's going to play out yet.

ASSISTANT CITY ATTORNEY PAUL EARLY – And State Licenses are issued one per individual, so you can't have a company come in and open up four different ones, but you could have six different people with separate licenses that we place under a single large roof. That's possible.

COMMISSIONER LOWELL – Okay. I have a few more, but I think that's it for now. Thank you.

VICE CHAIR KORZEC – Any other questions? Okay then let's move it forward to the Public Hearing and our speakers?

ADMINISTRATIVE ASSISTANT ASHLEY APARICIO – We have just the one, Rafael Brugueras.

VICE CHAIR KORZEC – Rafael Brugueras please.

SPEAKER RAFAEL BRUGUERAS – Good evening Chair, Commissioners, Staff, and Residents, what a topic that we're all learning at one time. I want to answer Mr. Sims question about this law. If we're only giving license in the State of California and Arizona or Nevada or any neighboring state does not have the same laws and marijuana crosses that line, I guess that's against the law. That's a federal law because now you're taking something that no one else wants. The other Federal Law is we don't know if they can come down from Washington and bust the warehouse down the street because that's federal law. Okay, there's the great side of it. That can happen because they have power over the State, okay Federal Law. Those are things that can happen. Okay, we mentioned the World Logistics Center tonight. God forbid that Iddo was standing right here and would apply to manufacture marijuana on his property. This building would be full right now with hundreds of people, but nobody here tonight is here to fight against marijuana. None of them are here tonight. Those are hypocrites because you could have large buildings instead that produce revenue and jobs and safety but, you know what, I hope tonight you approve it because the voters in this city want it. We want what they want. I want you to approve it tonight, so the opposition that comes here later. I want to look at them in their face and wonder why they were not here tonight to fight or ask questions. Nobody that's how this city...we have two faces in this city, but I know Iddo Benzeevi. I know his character. I know his heart. He would never stand up here and ever do that because not's the kind of man he is. That's an honorable man, and people ridicule him for what he wants to do for the better. See, see look at the evil and good tonight people. Tonight you get to see tonight....tonight you got to see it and feel it between good manufacturing warehouses, technology, and now we're talking about a field that we've never been in. That's okay. Vote on it. I want you to vote on it tonight and allow the staff because they are looking out for us. They are doing their very best to make sure that we don't get hurt. Please pass it tonight and let's do what we should have done in the first place.

VICE CHAIR KORZEC – Thank you. With no more speakers, we will close the Public Hearing, and we will now begin deliberations. Anyone want to go first?

COMMISSIONER SIMS – I personally don't understand the two-step process of.....maybe it's just because of the authority between the differences and the authorities between what City Council can approve with the ordinance and whatnot with the Title 5 versus Title 9, the purviews of what the Planning Commission do versus the

City Council. It would seem, though, that there should've been Title 5 prior to approving and giving the City authorization to regulate and go forward with this cannabis activities that they would've had the supplemental Title 9 analysis done to confirm that this was really something that the City is ready to do, but anyhow that's neither here I suppose. I...it's not for me to say with the State what is right and wrong. I personally have a belief that, if the federal law says it's not legal, I don't know....I have a hard time approving it. I personally do. It's just a....there's a lot of other City's that want to take the risk and go ahead. Maybe it's not a risk but to go forward and approve things and allow businesses to come in and State License them and Conditional Use Permits and so forth and so on it gets authorized, but Jeff Sessions' could come down and say that's it and all the money and effort that's at risk for those applicants to do that, but anyhow philosophically it just seems that there's a public policy issue that isn't settled for the entire country on this and I don't know.

COMMISSIONER LOWELL – I've always been one to believe that pot should be legalized, and we should tax the heck out of it and make a lot of revenue out of it to help balance our budget and fund some city projects and city facilities, state security, state police, federal budgets. However, I don't believe that we are up to the enforcement...I don't believe that enforcement is up to par to actively regulate consumption of it. When I was walking the districts last year and the year before, well not this, but walking neighborhoods for the district, you would be hard pressed to find a residence or neighborhood that didn't have pot smoke coming out of the windows. You walk around, and it smells, you can smell it everywhere. My concern with legalizing marijuana is...well it's already legalized in the state, but my concern with it is that, unlike alcohol, if somebody wants to have a beer or a glass of wine or some hard alcohol, you could do it and consume it yourself and somebody standing right next to you can't be adversely affected by you consuming it. However, if you are at home smoking marijuana, and you have a three-year-old like I do, they could get a contact high. They could get high just by being in the room with you, and that kind of scares me. Yesterday, we had a minor driving a car high, drove over a child near Vista Verde Middle School, and the kid more than likely will lose his leg. I do not think that our level of enforcement is up to snuff to allow distribution in the city. I don't think that the enforcement is up to what we are trying to do today. I'm in line with Mr. Sims over here that I don't think it's the right time to do this.

VICE CHAIR KORZEC – Well I, for once, disagree with you. I looked through all these regulations for the building of these, the landscaping that they can't have, the this, the that....there's so much thought that went into this document to prove that it's not just throwing out a dispensary out there. The regulations are amazing. I don't know who would want to have to do this to be honest with you. There's so many hoops you have to jump through, and I have to commend the City Staff on really buttoning this up. I thought it was incredibly thorough. I think it's a viable business. People of the state have voted on it. Other cities are doing it. I think you've done a phenomenal job of outlining this. It's not saying that we're going to get all these dispensaries. It's not saying we're going to have all of this. It's we're going to say anyone that wants to start this kind of business like any other business would have the opportunity to do it and, as much as we do smoke shops and we do all these other things, this is a viable business, and it's a new business, and they've certainly buttoned it up with the regulations. I spent hours going through those, and I was really impressed. I don't know how much time you did, but lots of time on that document, so I am going to vote to approve it.

COMMISSIONER LOWELL – Please don't misunderstand me. I do think that City Staff did a phenomenal job. What's before us is absolutely, it's rock solid. I really think you guys did an amazing job.

COMMISSIONER BAKER – You know I think we definitely need to regulate this. This is here whether we like it or not, and I think the Staff did a phenomenal job on putting this together, so I'm in favor of getting regulations in place to do it.

VICE CHAIR KORZEC – With that said, do we have a motion? Unless there are any more comments. Mr. Baker I think you have to make it.

COMMISSIONER BAKER – Okay, I move that we approve Resolution 2018-11 and also 2018-12 and thereby certify that this item is exempt from the provisions of the California Environmental Quality Act (CEQA) as a Class 32 Categorical Exemption and CEQA Guidelines Section 15332....I got the wrong deal don't it? I'm sorry.

VICE CHAIR KORZEC – It's okay.

COMMISSIONER BAKER – Okay, let's try it again. Okay, we're going to....I'm sorry about that. I recommend that the....or let's go this way the Planning Commission approve Resolution No. 2018-09 and thereby recommend that the City Council find PEN17-0157 Municipal Code Amendment for Commercial Cannabis Land Use Regulations qualifies for an exemption under the California Environmental Quality Act for provisions put forth in Senate Bill 94 Medical and Adult Use Cannabis Regulation and Safety Act exempting adoption of an Ordinance in rule of regulation by local jurisdiction that will require subsequent discretionary permits, license, and other authorization and also approve the proposed amendments to Title 9 of the City Municipal Code PEN17-15...chuck that...PEN7-0157 setting forth the Land Use Zoning and Development Regulations for Commercial Cannabis Land Use activities included in Exhibit A and Exhibit B.

COMMISSIONER LOWELL – I think that should be PEN17-0157.

COMMISSIONER BAKER – Okay, let's see the second time I read it wrong or?

COMMISSIONER LOWELL – I think you're good now.

ASSISTANT CITY ATTORNEY PAUL EARLY – It's okay as long as we have the resolution number correctly that's sufficient for your motion, as long as everything under there is what you're wanting to approve.

COMMISSIONER BAKER – Yep, yeah, you got it. Sorry.

VICE CHAIR KORZEC – It's okay. Okay, I can second that. Call for the vote.

Opposed – 2

Motion failed 2 – 2

PLANNING OFFICIAL RICK SANDZIMIER – So that vote is a tie. In the occurrence of a tie, the motion fails. So your options now, you can come up with another recommended action if you want and you can vote on that or the action that's been

taken this evening is an action that would have to be appealed in order to go to the City Council. We can go into some clarification on that if the city attorney would like to help me with that, but whenever an amendment to the zoning provisions of our code are acted on by this Planning Commission and, if the action is a recommendation to disapprove, and you didn't take an action to disapprove, but the effect of your vote is not carrying it forward. That's why I need some clarification from the attorney.

ASSISTANT CITY ATTORNEY PAUL EARLY – Alright, it's a unique special language. We had this once before on a different case where we had different language in the case of a non-approval, so we want to make sure we get it right this time, so my recommendation would be to take a short five-minute recess maybe and then come back so we can look at the code and make sure we're following the right procedure on this one.

VICE CHAIR KORZEC – Okay, right don't we reconvene at 9:00?

MEETING BREAK

VICE CHAIR KORZEC – And we're called back into order.

ASSISTANT CITY ATTORNEY PAUL EARLY – Good evening Madam Vice Chair, so I looked at a couple of the options here. I wanted to make sure I had them clear because the action that was taken was actually non-action. There was a motion to make a recommendation of approval. The motion failed to pass; however, that is not the same as a motion for disapproval passing, and our Code speaks to what would happen under the event of a motion for disapproval passing. It says that the result becomes final and becomes an appealable action. That's the situation we encountered last year, as you may recall. That's not what happened this evening. In my opinion, we just had a motion that failed. That's a non-action. If it were to be left at that, the City Council would be advised of the results of tonight's hearing and would move forward and take appropriate action based on that non-recommendation and based on whatever testimony and hearing that they receive on that date, so that's one option here before you. There are always the options for alternate motions. There are...I looked at whether or not we had the motion for reconsideration available to us. We do not because that can only be made by a member in the prevailing majority. We had no prevailing majority tonight so the only other option, if you did want to move forward with anything tonight, would be to reopen the Public Hearing. You could take some additional testimony, some additional that may be helpful to the Members of the Commission that might help sway their votes one way or the other and then a new motion could be made at that point, but you would open up the Public Hearing and take additional testimony in order to do that. With those options, I kind of leave it in your hands to decide how you want to move forward.

COMMISSIONER LOWELL – So tonight's action is ultimately a recommendation to City Council for them to take a final action on? We're not actually.....

ASSISTANT CITY ATTORNEY PAUL EARLY – Staff is looking for your recommendation for the Council to take final action on at a later time.

COMMISSIONER LOWELL – Okay.

ASSISTANT CITY ATTORNEY PAUL EARLY – However, if this board was to recommend disapproval, that would be...in that rare circumstance, that would be a final action of this board and would need to be appealed to the Council in order for the Council to hear it or for the Council to take it up on their own jurisdiction.

COMMISSIONER LOWELL – I don't know that we're going to have a majority vote on any one item.

VICE CHAIR KORZEC – I, I don't from just...go ahead.

COMMISSIONER SIMS – So I don't know how far we should deliberate or whatnot without...I have two substantive issues for why I voted no, one was....one issue is not as substantive as the other. The first one is the non, just an issue, is the diversions between Federal Law and what the what the State of California has done. I can get my mind wrapped around it because the City, in the answers that were given, the City assumes no risk of that. That's the individual business applicant and, if they get into the business and Jeff Sessions and his guys come and say you're done, you're done, and that's their risk. The other to me, the more substantive issue and I fully understand that what's in front of us with amendment of Title 9 is more Land Use and site specific for the specific uses of this proposed cannabis activity. To me, I just as a Commissioner, I don't disagree that this is a highly regulated....it was an outstanding job done in setting up regulations for this particular activities. My concern is, and I would like to hear more testimony from Staff about the effort went in when the Title 5 amendment went to Council indicating that there was economic benefit to the City sufficient enough that it would support any and all staffing, whether it's code enforcement or the PD that would have to regulate and force and take action for this. We're looking something here that the Council's approved, as far as to regulate. It's coming to us to specify for entitlement process, I just haven't in my, and maybe I missed it in the presentation, but I did not see it in the Staff Report. My ears didn't hear it or pick it up what is the fiscal responsibility to the City that it's going to be at least cost neutral. That's the benefits aren't outweighed by the costs, so but that's kind of where I'm at.

ASSISTANT CITY ATTORNEY PAUL EARLY – So if you'd like to obtain that info and consider it in you deliberations, your Vice Chair would need to reopen public testimony, Staff could provide whatever additional information they would need. You would then re-open up public testimony. The public would then have a chance, once again, to comment on any of the new information, close public testimony, redeliberate, and make a new motion.

VICE CHAIR KORZEC – What is your pleasure? Who would like to continue?

COMMISSIONER SIMS – I would like to hear the additional information.

VICE CHAIR KORZEC – Okay, as long as one person wants to hear it, I think let's reopen the Public Hearing on this, so....

PLANNING OFFICIAL RICK SANDZIMIER – Let me try and address the questions that Commissioner Sims brought up. Again, I want to preface it with the information that we're going to be providing is information that ultimately will be going to the City Council with regard to the fees that will be assessed on Commercial Cannabis Permit, but it is tied to the Land Use Regulations, and so we've been working very close between the Community Development Department, the Finance Department, the City Attorney's

office to make sure that Title 5 and Title 9 modifications work together. With regard to the fiscal questions, for example, the Conditional Use Permit fees. The Conditional Use Permit fees that will be assessed to this particular activity is going to be based on the Conditional Use Permit fees that we already have on the books, so it's approximately \$11,000.00 in terms of the fee. There's the \$3000.00 potential deposit that has to be made for the Environmental Analysis and that subsequent action, and then there some miscellaneous posting and public noticing fees, and then there is some Water Quality and Hydrology Study depending on what type of activity. Those fees are intended not to make the City money, but they are intended to cover the cost of the service that's provided to issue the Conditional Use Permit, to do the review of the analysis. It comes up between, I believe, \$16,000.00 and \$18,000.00 is what that element of a cost would be to an applicant. On the Commercial Cannabis permitting side, similar. The analysis is based, in part, on the total number of permits that we're recommending. So looking at 26 permits, our Finance Department has looked at that and tried to evaluate how much more police service would be necessary for that. What type of possible Code Enforcement Services would we need for that? What will the cost of those additional staffing be needed, and I think that's what you were eluding to earlier. There is also the administrative costs that are associate with processing, and so there are different components to that fee structure and that fee structure, I don't have the numbers before me, but I can tell you they are fairly substantial and one of the line items alone was somewhere between \$30,000.00 and \$50,000.00. I believe another one was like an \$8000.00 or \$9000.00 fee, and these are in addition to the CUP fee, so there's these line items in there that have been factored in, again, based on the total number of permits we'd issue, based on how much law enforcement services we would need and then, on top of that, these applicants would have to pay the fees to the State. So they are substantial fees and so, when we assess those fees, we also have to look at recovering our cost and then also making sure it is something that will generate the type of business activity, and so we believe that the fee structure is consistent with all of those factors, and that's about as much information I can give you. If you need more....and I'm sorry the other thing that's important, on the Commercial Cannabis Permit, different than the CUP. The CUP is a permit fee that is only one time when you get the CUP, but the Commercial Cannabis Licensing fee will be an annual fee, so that substantial fee will be paid every year because the cost for services will be born every year. We'll have to have a....if we have to have a police officer, the police officer isn't there just for the first year. He's there for the second year, third year, fourth year and so on, so I hope that provides more information to you. If you want any more detail and you want those specific line item numbers, I can tell you what those draft numbers are as of today but, again, that final number will be something that the City Council will consider based on what the action here is today in terms of if the total number stays at 26. The number is likely to be exactly the same unless some additional information comes but, if you change that number, then we may have to adjust those fees. So that's what I can share with you here.

COMMISSIONER SIMS – So besides the permitting fees, the annual permit fees and so forth, whatever those costs are, I get that there will be a suite of costs that have to be born up front manually to just do....that's part of the business expense for the individual property owner or business owner. Does it, as far as with the projections that the City has done, how's the revenue generated? Is it through sales tax? It goes to the State, and the City gets a certain percent or how is that?

PLANNING OFFICIAL RICK SANDZIMIER – The other revenue stream you're talking about, with regard to taxes, the discussion has occurred so far is that the City

likely be putting together a ballot measure that would have to go before the voters, and the voters would actually have to vote on a tax, so that's an additional revenue that has not been set yet, and it....I really can't give you much more information than that. I'd have to defer to our Finance Staff to find out how much revenue would be generated but that would be above and beyond just recovering the cost for our services. We can't make money on all the other fees we're talking about. We just have to be able to have full cost recovery with the fees I've described. The tax is additional money that the City would generate that could go into the general fund and could be used discretionary.

ASSISTANT CITY ATTORNEY PAUL EARLY – And without a vote, the City will still be getting, no matter what, it's regular sales tax income that it gets on any sales in the City.

COMMISSIONER SIMS – So the tax that the....go ahead.

ASSISTANT CITY MANAGER ALLEN BROCK – Allen Brock, assistant city manager for City of Moreno Valley. There will be sales tax on those items that are eligible for that that the City would participate, like any other commercial business, so there is a commercial or a commercial sales tax component that would be added to that. Also, with the business permit that Rick was mentioning earlier, there's also some fees built in there for auditing purposes that we will take ownership of to make sure that the businesses are in total compliance with the business permit portion, along with the CUP process, so I wanted to add those two items for you.

VICE CHAIR KORZEC – Any other questions? Okay, I will open this up again to public comment. Do we have anyone?

ADMINISTRATIVE ASSISTANT ASHLEY APARICIO – We have three. We have Orlando Montero, Rafael Brugueras, and Alfie Hernandez.

VICE CHAIR KORZEC – Okay, let's start with Orlando Montero please.

SPEAKER ORLANDO MONTERO – Planning Commissioners, thank you. I've been a member, a resident of the city for 18 years now, and I've seen the city go through different cycles. When March Air Force Base closed down, the city was economically depressed. It's coming back. I see this as an opportunity for the city to bring in more revenue. There's been a lot of missed opportunities in the past by this city, and it's here to stay. It's been passed by the State. It's not going anywhere else. It's time for us to take the bull by the horns and say okay it's here. It's us or our neighboring cities. Why not us? Why not bring the money into our city? Why not increase our Code Enforcement, increase our fire department or our police departments. Get more people on the staff. City Council is on board but, most importantly, and this is where I think Mr. Sims and Mr. Lowell you have to take this under consideration. It's been passed, and it's been put before the voters, and it passed overwhelmingly. If you vote against it, you're voting against the will of the people of this city. We voted for this. We want it, so keep that in mind when you're making that decision when you have another chance to vote on this. It's...the decision has been made by the people. That's who you're here to represent. You're here to represent us, and we've spoken loudly, okay, and as far as your concerns about taxation and regulation, I don't know if you've had a chance to look at the State Guidelines for licensing. They are overwhelming. I wouldn't want to go through it. It's like 500 pages or even probably closer to 1000 pages of regulations. It is the most cumbersome industry that you could get into, the most highly regulated. The City Ordinance alone is a little bit overwhelming for someone who wants to understand

this, so you have to take that into consideration. This is the most highly regulated business in this entire state, so that's all I have to say. Thank you.

VICE CHAIR KORZEC – Thank you Mr. Montero. Rafael Brugueras please.

SPEAKER RAFAEL BRUGUERAS – Good evening Vice Chair, Commissioners, Staff, Residents, and Guests. The one thing that it gave me an opportunity to think about what you said and what he said and what she said earlier and how she recommended how the Staff was doing. You know, the one thing that Moreno Valley is going to have advantage over is Colorado because we're going to do it right. Colorado made mistakes when they shut it out, and they learned the lesson the hard way. They should have figured it out before they allowed that to be dispensed out in their state. Their mistake is our victory in Moreno Valley. Our staff has done a heck of a job to prove to me of one in 210,000 people that live in our city that they are going to do the right thing. Now, you're going to have an opportunity in the future to set things in motion when it comes to the taxes or allowing people to come into our city to do business. You have an opportunity to set things because remember one thing that Rick mentioned, grey areas, I don't know because it's new, but you're going to have a chance to make it right. All seven of you....hopefully, next month it will be all seven of you up there to make it right, but today it's only four. We're going to take the tax money and everything that the State gives us back to make sure they recover their money, our money, and that we have money put aside, if it gets bad enough, that we hire deputies, additional deputies to help us in our city if it becomes a problem but, if we stay strong as a city and we follow our laws, we'll have less problems; really, we will. So let's be strong. Let's pass this. Let's get it through, so we can go to the next step. Remember you have the power in the future to say yay or nay or ask more and more and more questions.

VICE CHAIR KORZEC – Thank you Mr. Brugueras. Next, we have Alfie Hernandez.

SPEAKER ALFIE HERNANDEZ – Good evening Staff. Good evening Commission. My name is Alfie, and it seems like everyone is talking about the economic standpoint of this argument, but what about the medical aspect? I'm a former veteran United States Marine Corps. I got out of the Marine Corps with multiple sclerosis, and this is.....I've been on Avonex, which was an interferon, for a very long time, and I started receiving more adverse side effects from the Avonex, which was prescribed to me by our Federal Government. Then I came across cannabis, and cannabis helped me dramatically. The side effects of the Avonex prohibited me from going to work on Monday mornings because the side effects lasted almost 72 hours. With my cannabis, which is a natural medicine, I was able to medicate every day, still function at work, and still be a father. Under Avonex, I wasn't able to. We used to have a little ritual before I took my shot every Friday that dad was going to be sick for two days because I would get, my side effects would be fever-like symptoms. So I understand the economic aspect of the city, which is a plus, but there are a lot of patients out there in which this medicine is helping and by being in this area, I'm sure there will be easy access for these patients to get this medicine. Now I have or had children that were opiate addicts. If it wasn't for cannabis, which helped them get off opiates, this is a historic and not only that a medicine that is helping thousands of people across our country, maybe millions. We're not even talking about the world, so please consider your decisions. I understand there is an argument regarding federal prohibition. Well there was an alcohol prohibition, and we knocked that down state by state, as well, just as we are doing today. I know there was a concern about smell. The State has regulated that. I think all the businesses have to have some kind of air purification so that its neighbors cannot smell the cannabis.

floating through the air duct systems, so there are some places in place right now that will help out with these concerns but, most importantly, let us give the rights to the people of California who voted for this, and let's keep the federal government out of our business. I'm sure they got bigger no acute distress better problems that they can handle at the moment as we speak but, right now, let's let our State handle it and, as the attorney of our city addressed, it's not really a municipal issue, and we're far from that. The State can handle that. I'm sure Jerry Brown is ready for the Federal Government if they decide to come in our state, and that's all I'd like to say. Thank you.

VICE CHAIR KORZEC – Thank you Mr. Hernandez. If there are no more speakers, we will close this portion of the hearing, and we will go once again into deliberation. If there's no deliberation, I will....

COMMISSIONER SIMS – Well I, like I said, like I said, I have two issues. First was the federal, that's a...I can get past that. Now, as far as the....I appreciate the additional information about the economics of this. So kind of repeating what I think I heard was is that the permitting process and so forth that's going to be implemented by the City and the annual licensing fees to retain a business license for the cannabis operations will be substantial and that the...between those expenses, there's been an analysis that's been done to look at the cost side for staffing and whatever enforcement costs are that they'll be covered and potentially opportunities if there is a special tax or whatnot that the city, if that goes before a vote, would put additional revenues if needed to support enforcement of the regulations, so anyhow those were my two main concerns. I think they've been addressed.

VICE CHAIR KORZEC – Shall...would someone like to make a motion?

COMMISSIONER BAKER – Okay, I move that we approve Resolution 2018-09 and thereby recommend that the City Council find that PEN17-0157 Municipal Code Amendment for Commercial Cannabis Land Use Regulations qualifies for exemption under the California Environmental Quality Act provisions put forth in Senate Bill 94 Medicinal and Adult Use of Cannabis Regulation and Safety Act exempting adoption of an Ordinance Rule or Regulation by the local jurisdiction that will require subsequent discretionary permits, license, and other authorization. Then also approve the proposed amendments to Title 9 of the City Municipal Code PEN17-0157 setting forth Land Use Zoning and Development Regulations for Commercial Cannabis Land Use activities included as Exhibit A and also Exhibit B.

VICE CHAIR KORZEC – And I will second that. All for the vote.

Opposed – 1

Motion carries 3-1

VICE CHAIR KORZEC – Okay, moving on. Is there anything we have to say after this?

PLANNING OFFICIAL RICK SANDZIMIER – No. The wrap-up on this one, this is a recommendation that will go forward to the City Council. We do have a tentative target date to get to the City Council, which would be March 20, 2018. That would also be a properly noticed public hearing and then the recommendation of the Planning Commission would be included in the Staff Report, and the City Council will be taking an action on that.

VICE CHAIR KORZEC – Okay, thank you.

DRAFT

RESOLUTION NO. 2018-xx

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, AMENDING THE FEE SCHEDULE TO INCLUDE COMMERCIAL CANNABIS PERMIT APPLICATION FEES FOR FISCAL YEAR 2017-18.

WHEREAS, the City Council has in the past approved and adopted fee schedules for various services provided by the City for the benefit of a limited number of persons; and

WHEREAS, the cost of rendering such services should be borne by the beneficiaries of such service; and

WHEREAS, data supporting the estimated cost of providing said services has been made available to the City Council and to the public; and

WHEREAS, the City Council has duly considered at a duly noticed public hearing the question of whether or not to modify existing fees and establish new fees for such services, to provide more equitable cost recovery for such services; and

WHEREAS, at said hearing, the City Council duly considered all public comments which were made with respect to said question;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. The fee schedule attached as Exhibit "A" hereto is hereby approved and adopted and will amend the existing adopted fee schedule.
2. Where services are performed for the City by another governmental agency, the fees charged by the City shall be adjusted upward or downward to reflect fluctuations, if any, in the price which the City pays to the other government agency for such services. Such adjustments shall be made as the fluctuations occur if imposed upon the City without recourse.
3. All prior enactments of the City Council establishing fees for services, materials, impact and mitigation are hereby repealed to the extent that such enactments establish fees for services, materials and mitigation which are different than the fees established therefore by this Resolution, but shall otherwise remain in full force and effect.
4. All fees established by this Resolution shall, when collected, be paid to the City Treasurer for deposit into the General Fund of the City or into such special funds as may be otherwise required by law.

5. If any provision, clause, sentence or paragraph of this Resolution or the application thereof to any person or circumstances shall be held invalid, such invalidity shall not affect any other provision or application of the provisions of this Resolution which can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are hereby declared to be severable.

6. Each fee or charge set by this Resolution is for the specific process or service to which the fee or charge is related. When a process or service in addition thereto is requested or required, the appropriate additional fee or charge shall be imposed and collected only upon approval of the City Council.

7. When a fee or charge is indicated on a unit basis, a fee or charge for each such unit or portion of a unit associated with the requested or required process or service shall be imposed and collected.

8. If a deposit has been made on account of a fee or charge, and where the deposit is insufficient to pay the later-determined actual fee or charge, the balance due shall be paid to the City before any associated entitlement or permit is issued to the applicant. If the amount of the deposit exceeds the later-determined actual fee or charge, the overage shall be refunded to the applicant, except that an overage of one dollar or less shall not be refunded but shall be transferred to the General Fund of the City.

9. The fees approved, increased and established herein shall become effective March 21, 2018.

APPROVED AND ADOPTED this 20th day of March 2018.

Mayor of the City of Moreno Valley

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

2
Resolution No. 2018-xx
Date Adopted: March 20, 2018

Attachment: Finance Permit Application Fee Resolution [Revision 3] (3006 : Commercial Cannabis Land Use Ordinance,, Business Permitting

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Pat Jacquez-Nares, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2018-xx was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 20th day of March, 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

3
Resolution No. 2018-xx
Date Adopted: March 20, 2018

Attachment: Finance Permit Application Fee Resolution [Revision 3] (3006 : Commercial Cannabis Land Use Ordinance,, Business Permitting

COMMERCIAL CANNABIS PERMIT APPLICATION FEES

	<u>Unit</u>		<u>Proposed Fee</u>
Application Fee	Each	\$	9,551
Background			
Background Review - Owner/Principal	Each	\$	300 * Separate Live Scan is also required
Background Review - Employee	Each	\$	150 * Separate Live Scan is also required
Application - Interview Fee	Each	\$	1,556
Annual Permit Fee	Each	\$	58,356

Note: All fees subject to change

Attachment: Exhibit A to Fee Resolution - Commercial Cannabis Permit Application Fees (3006 :

RESOLUTION NO. 2018-xx

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, APPROVING THE INITIAL PROCEDURE FOR PERMIT APPLICATIONS TO OPERATE A COMMERCIAL CANNABIS BUSINESS UNDER CHAPTER 5.05 OF TITLE 5 OF THE CITY MUNICIPAL CODE

WHEREAS, the City of Moreno Valley is a General Law city organized pursuant to Article XI of the California Constitution; and

WHEREAS, pursuant to the authority granted the City by Article XI, Section 7 of the California Constitution, the City has the police power to adopt regulations designed to promote the public convenience or the general prosperity, as well as regulations designed to promote the public health and safety; and

WHEREAS, consistent with that authority the City Council lawfully adopted Ordinance 926 which became effective in December of 2017 and established a regulatory process for Commercial Cannabis Business Permits in the City by adding Chapter 5.05 to the Municipal Code; and

WHEREAS, Section 5.05.090 requires the City Council adopt by resolution the procedures to govern the Commercial Cannabis Business Permit Initial Application process; and

WHEREAS, Section 5.05.170 requires the City Council adopt by resolution a procedure guideline and review criteria by which the top applicants in each category of each commercial cannabis business will be evaluated during the Commercial Cannabis Business Permit Initial Application process;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. The Commercial Cannabis Business Initial Application Procedure, including the requirements under Chapters 5.05.090 and 5.05.170, attached as Exhibit "A" hereto is hereby approved as the governing document for the processing of such applications.

APPROVED AND ADOPTED this 20th day of March 2018.

Mayor of the City of Moreno Valley

ATTEST:

1
Resolution No. 2018-xx
Date Adopted: March 20, 2018

Attachment: Reso - Initial Application Proceduremckfinal (3006 : Commercial Cannabis Land Use Ordinance,, Business Permitting and Fee

City Clerk

APPROVED AS TO FORM:

City Attorney

RESOLUTION JURAT

STATE OF CALIFORNIA)

2
Resolution No. 2018-xx
Date Adopted: March 20, 2018

Attachment: Reso - Initial Application Proceduremdkfinal (3006 : Commercial Cannabis Land Use Ordinance,, Business Permitting and Fee

COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Pat Jacquez-Nares, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2018-xx was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 20th day of March, 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

3
Resolution No. 2018-xx
Date Adopted: March 20, 2018



2018 INITIAL APPLICATION PROCEDURE TO OPERATE A COMMERCIAL CANNABIS BUSINESS IN MORENO VALLEY

The initial application process to operate a Commercial Cannabis Business (“CCB”) in Moreno Valley will open on **April 2, 2018**. Applications will be available from PlanetBids (http://www.moval.org/rfps/bids_rfps.shtml). For additional questions regarding the application process please review the FAQ’s, at the Moreno Valley webpage: www.moval.org. This document outlines the application process, required materials, and other information necessary to operate a CCB in Moreno Valley. **To be considered, applications must be submitted by 4:00 PM on May 11, 2018.** Applicants are solely responsible for “on time” submission of their application online. The City will only consider applications that have been transmitted successfully through PlanetBids. Transmission of applications by any other means will not be accepted. Applicants shall be solely responsible to familiarize themselves with online application system in order to properly utilize the application management system, for ensuring the capability of their computer system to upload the required documents, and for the stability of their internet service to successfully submit their application. Failure of the Applicant to successfully submit electronic forms shall be at the Applicant’s sole risk and no relief will be given for late and/or improperly submitted proposals. Proposers experiencing any technical difficulties with the submission process may contact PlanetBids at (818) 992-1771. Questions of an operational nature may be directed to the City’s Purchasing Division at (951) 413-3190. Neither the City nor PlanetBids makes any guarantee as to the timely availability of assistance or any assurance that any given problem will be resolved by the application submission deadline. This application process is adopted pursuant to the Moreno Valley Municipal Code Section 5.05.010, 5.05.040, and 5.05.090. **PLEASE NOTE: Upon awarding the provisional CCB Permit, the Plot Plan/Conditional Use Permit (“CUP”) process will need to be completed, as both permits, the CCB and CUP, are needed to operate a CCB in the City of Moreno Valley. These permits will remain provisional until any combination of the three State Licensing Authorities have permitted your business to operate and the City of Moreno Valley has issued your business a Certificate of Occupancy.**

IT IS RECOMMENDED THAT BEFORE YOU APPLY YOU:

- Review the information to learn about the application process and which documents you will need.
 - Review the application in its entirety to ensure that it is complete and accurate.
 - Review the information regarding the commercial cannabis business permit application on the City webpage: http://www.moreno-valley.ca.us/rfps/bids_rfps.shtml which includes the following information:
 - Application procedure to Operate a Commercial Cannabis Business in Moreno Valley
 - Commercial Cannabis Business Permit Application Form
 - Employee/Owner Background Application Form and/or Live Scan
 - Limitations on City’s Liability and Certifications, Assurances and Warranties
 - Review the information regarding the commercial cannabis business permit process and requirements on the City webpage : www.moval.org
 - Local regulations governing Moreno Valley CCB’s: Moreno Valley Municipal Code (“MVMC”) Chapter 5.05 and Title 9 as it pertains to Cannabis Business Activities
 - Ordinance No. 926
 - Frequently Asked Questions
 - Review the information regarding the commercial cannabis business through the state of California
 - Medical and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA)
 - Any other state requirements
- (1) **Application Process: Evaluation and Ranking:** The selection process shall consist of the evaluation and ranking of the following required documents, which must be submitted electronically in PlanetBids:
- a. City of Moreno Valley Commercial Cannabis Business Permit Application Form and all attachments specified in those documents.

- b. City of Moreno Valley Commercial Cannabis Business Employee/Owner Background Application.
- c. City of Moreno Valley Limitations on City's Liability and Certifications, Assurances and Warranties. A completed form is required for each Employee/Owner.
- d. Copies of receipts for the payment of all applicable fees. Application Fees must be paid in full, prior to the application submittal in PlanetBids in order for your application to be considered.

Note: a separate application and fee is required for each category of CCB Permit.

For more information, see Evaluation and Selection Process section below in this procedure.

- (2) **CCB Permit Application:** Applicants must submit a completed and signed copy of the City of Moreno Valley Commercial Cannabis Business Permit Application Form and all attachments specified in those documents. A complete application will consist of the following information:
 - a. The City of Moreno Valley Commercial Cannabis Business Permit Application Form; and
 - b. All the information about the proposed Cannabis Business to be evaluated which is described in the Evaluation and Selection Process section below in this procedure.
- (3) **Employee/Owner Background Application:** As part of the Application Process, each employee/owner must undergo and pass a criminal background check or be subject to "good cause" denial per MVMC Section 5.05.070 (d) or 5.05.310(m). The background check fee per each employee/owner shall be **\$300** plus proof of Live Scan payment. Background checks are required to meet the minimum threshold qualifications pursuant to MVMC Section 5.05.090. Owners who do not meet criminal history eligibility requirements will be disqualified. Payment must be made by a certified check, cashier's check or money order made payable to the City of Moreno Valley. Please note the City will not accept cash and Application Fees are **non-refundable**.
- (4) **Limitations on City's Liability and Certifications, Assurances and Warranties:** This document must be signed and notarized and is required to be submitted with the two applications above.
- (5) **Application Fees:** A payment of **\$9,551 for the Permit Application Fee plus a \$300 Background Application check fee for each employee/owner and \$150 for each employee** must also be submitted to the Business License group of the Financial and Management Services Department located on the second floor of 14177 Frederick Street, Moreno Valley, CA 92553 (City Hall). **The Application Fees must be paid prior to the submission of the application. Receipts from the payment of fees, must be submitted with the application in PlanetBids.** Payment must be made by a certified check, cashier's check or money order made payable to the City of Moreno Valley. Please note the City will not accept cash or credit cards and Application Fees are **non-refundable**.

LATE AND/OR INCOMPLETE APPLICATIONS WILL NOT BE CONSIDERED

- **Amendments to the Application:** Applicants will not be allowed to make amendments to their application or to supplement their application in PlanetBids after May 11, 2018.

Notification: Based on the evaluation and selection process below, the individual designated as the CCB contact on the application will be notified by e-mail as to whether the application is advancing to the interview process.

Please note: Applicants will be required to obtain a "Plot Plan/Conditional Use Permit" from the Planning Division of the Community Development Department, to ensure that the applicant can receive the land use entitlement for the proposed business. Information as located on the City website at www.moreno-valley.ca.us/cdd/departament/divisions--planning.html.

EVALUATION AND SELECTION PROCESS:

The evaluation and selection process shall consist of the following:

1. Applications will be evaluated based on the following criteria (within the maximum points allowed):
 - Location (proof of ownership or a signed and notarized statement from the Property Owner allowing cannabis business operations) (200 Points)
 - Business Plan (400 Points)
 - Neighborhood Compatibility Plan (300 Points)
 - Safety and Security Plan (300 Points)
 - Air Quality Plan (100 Points)
 - Labor and Employment Plan (200 Points)
 - Community Benefits (300 Points)
 - Enhanced Product Safety (200 Points)
 - Environmental Benefits (200 Points)
 - Local Enterprise (200 Points)
 - Qualifications of Owners (300 Points)
2. Applications must score a minimum of 70% of points within each individual criterion and score a minimum overall score of 80% of the points to be eligible for consideration for the next step in the application process.
3. Eligible Applicants, which have a minimum overall score of 80%, will be scheduled for an interview. Notification of interviews will be sent via e-mail to the individual designated as the CCB contact on the application and will include the scheduled date and time for the interview. Prior to the start of the interview, a payment of **\$1,556 for the Permit Application – Interview Fee** must be submitted to the Business License group of the Financial and Management Services Department located on the second floor of 14177 Frederick Street, Moreno Valley, CA 92553 (City Hall). Payment must be made by a certified check, cashier's check or money order made payable to the City of Moreno Valley. Please note the City will not accept cash or credit cards and Permit Application – Interview Fees are **non-refundable**.
 - Interviews will not begin or be conducted without proof of payment of the Permit Application – Interview Fees.
 - Interviews will be scored on similar criteria to set 1 above.
4. CCB Applicants receiving a minimum final overall interview score of 80% will be placed in a pool of eligible applicants. Permits will be issued by lottery from the pool of eligible applications in each category. The number of permits will be limited based on the following uses:

Permit Category	Total Permits Available for Award
Cultivation	5
Distribution	2
Manufacturer (Types 6 Non-Volatile Only)	5
Microbusiness	2
Dispensary/Retailer	10
Testing Lab	2

DESCRIPTION OF EVALUATION CRITERIA:

- **Location.** Your application must include the address and a detailed description of the proposed location. (Proof of ownership, or a notarized letter of the owner's willingness to lease must be included. This section should also describe all sensitive uses described in within six hundred (600) feet of the proposed location from the property line of a K-12 school, daycare center and youth center. The CCB must be in the appropriate zoning and meet all the locational requirements as described in the Moreno Valley Municipal Code.
- **Business Plan.** With as much detail as possible, the Business Plan should describe:
 - Description of day-to-day operations which meet industry best practices for the specific type of permit in which they will be applying for in the City.
 - How the CCB will conform to local and state law. See MVMC Sections 5.05.040, 5.05.210, 5.05.270, 5.05.290, 5.05.310 and Ordinance 096.
 - How medical and adult-use will be tracked and monitored to prevent diversion.
 - A schedule for beginning operation, including a narrative outlining any proposed construction, improvements, and a timeline for completion.
 - Demonstrate the economic viability of the business in an evolving market place.

The Business Plan should also include:

- A **budget** for construction, operation, maintenance, compensation of employees, equipment costs, utility costs, and other operation costs. The budget must demonstrate sufficient capital in place to pay startup costs and at least three months of operating costs, as well as a description of the sources and uses of funds.
- **Proof of capitalization**, in the form of documentation of cash or other liquid assets on hand, Letters of Credit or other equivalent assets.
- A **pro forma** for at least three years of operation.
- **Neighborhood Compatibility Plan.** For the proposed location, your application should address how the CCB, including its exterior areas and surrounding public areas, will be managed, to avoid becoming a nuisance or having impacts on its neighbors and the surrounding community. Furthermore, a site plan (accurate, dimensioned and to-scale [minimum scale of 1/4"]) should be included for each potential location.
- **Safety and Security Plan.** For each proposed location, your application should include:
 - A detailed **safety plan**. This plan should describe the fire prevention, suppression, HVAC and alarm systems the facility will have in place. **It should include an assessment of the facility's fire safety by a qualified licensed fire prevention and suppression consultant.** An appropriate plan will have considered all possible fire, hazardous material, and inhalation issues/threats and will have both written and physical mechanisms in place to deal with each specific situation.
 - A detailed **security plan**. This plan should include a description and detailed schematic of the overall facility security. It should have details on operational security, including but not limited to general security policies for the facility, employee specific policies, training, sample written policies, transactional security, visitor security, 3rd party contractor security, and delivery security. In particular, applications should address ingress and egress access, perimeter security, product security (at all hours), internal security measures for access (area specific), types of security systems (alarms and cameras), and security personnel to be employed. **The security plan shall also include an assessment of site security by a qualified licensed security consultant.** Security plans will not be made public. City reserves the right to require additional or different security measures during the entitlement process. Qualification of a location for the CCB Permit is not per se approval of the Security Plan.

- A **floor plan** showing existing conditions. If changes are proposed as part of the project, then a proposed floor plan should also be submitted. The floor plan(s) should be accurate, dimensioned and to-scale (minimum scale of 1/4").
- **Air Quality Plan.** Must demonstrate the air circulation does not impact the employees' health and welfare nor those in the surrounding businesses.
- **Labor & Employment.** The application should describe to what extent the CCB will adhere to heightened pay and benefits standards and practices, including recognition of the collective bargaining rights of employees. Specific practices that are subject to consideration include the following:
 - Providing compensation to and opportunities for continuing education and training of employees/staff (applications should provide proof of the CCB policy and regulations to employees);
 - Providing a "living wage" to facility staff and employees. Wage scale should be provided in writing for all levels of employment at the facility. "Living Wage" shall mean 150% of the minimum wage mandated by California or Federal law, whichever is greater.
- **Community Benefits.** The application should describe benefits that the CCB would provide to the local community, such as employment for residents of the City, community contributions, or economic incentives to the City. Preference shall be provided to CCB's which ensure quality projects (appearance, sophistication, etc.) and which may provide to the revitalization to commercial areas that would benefit from significant reinvestment.
- **Enhanced Product Safety.** The application should state how the CCB will ensure enhanced consumer safety as required by State and/or local law.
- **Environmental Benefits.** The application should describe any proposed "green" business practices relating to energy and climate, water conservation, and materials and waste management.
- **Local Enterprise.** The application should state the extent to which the CCB will be a locally managed enterprise whose Owners reside within Moreno Valley and/or the County of Riverside.
- **Qualifications of Owners.** The application should include information concerning any special business experience or professional qualifications or licenses of Owners that would add to the number or quality of services that the CCB would provide, especially in areas related to medical cannabis, such as scientific or health care fields.

The City's Reservation of Right's

The City reserves the right to reject any and/or all applications, with or without any cause or reason. The City may also, modify, postpone, or cancel the request for permit applications without liability, obligation, or commitment to any party, firm, or organization and without a fee refund obligation. City also reserves its right to amend these procedures during the application process, no rights to the current process are bestowed on any applicant by the virtue of filing the application. In addition, the City reserves the right to request and obtain additional information from any candidate submitting a proposal. Late proposals WILL NOT BE ACCEPTED OR CONSIDERED.

Final Award of Permits

Successful Applicants will be required to obtain a "**Plot Plan/Conditional Use Permit**" from the Planning Division of the Community Development Department. Information as located on the City website at www.moreno-valley.ca.us/cdd/departament/divisions--planning.html.

Upon awarding the provisional CCB Permit, the Plot Plan/Conditional Use Permit (“CUP”) process will need to be completed, as both permits, the CCB and CUP, are needed to operate a CCB in the City of Moreno Valley. These permits will remain provisional and stayed until any combination of the three State Licensing Authorities have permitted your business to operate and the City of Moreno Valley has issued your business a Certificate of Occupancy.

A final CCB Permit (CCB Annual Permit) will only be issued following the receipt of the Conditional Use Permit, a State Permit, and issuance of a Certificate of Occupancy by the City of Moreno Valley Building Division.

Prior to the issuance of the CCB Annual Permit, payment of **\$58,356 for the CCB Annual Permit Fee** must be submitted to the Business License group of the Financial and Management Services Department located on the second floor of 14177 Frederick Street, Moreno Valley, CA 92553 (City Hall). Payment must be made by a certified check, cashier’s check or money order made payable to the City of Moreno Valley. Please note the City will not accept cash or credit cards and CCB Annual Permit Fees are **non-refundable**.

CONTACT:

All questions related to the CCB Application shall be submitted through PlanetBids. If you have any questions or would like an update on the status of your application following submission, please contact the numbers below:

Application and Permit	Conditional Use Permit	Certificate of Occupancy
Business License 951-413-3080	Planning Division 951-413-3206	Building Division 951-413-3350