

**MINUTES
CITY COUNCIL MEETING
MONDAY, AUGUST 15, 2016**

CALL TO ORDER Mayor Shoals called the meeting to order at 6:30 p.m. in the City Hall Council Chambers, 154 South Eighth Street, Grover Beach, California.

MOMENT OF SILENCE

FLAG SALUTE The flag salute was led by Mayor Shoals.

ROLL CALL

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

City Staff: City Manager Matthew Bronson, City Attorney Martin Koczanowicz, City Clerk Donna McMahan, Police Chief John Peters, Administrative Services Director Gayla Chapman, Community Development Director Bruce Buckingham, and Public Works Director/City Engineer Greg Ray were also present.

CLOSED SESSION ANNOUNCEMENTS

City Attorney Koczanowicz read the following announcement:

On Monday, August 1, 2016 after meeting in Closed Session regarding:

1. Conference with Real Property Negotiators
Pursuant to Government Code Section 54956.8
Property: APNs 060-206-024 & 060-263-034
Agency negotiator: City Manager Bronson
Negotiating party: County of San Luis Obispo
Under negotiation: Terms and conditions of potential lease, acquisition/purchase
2. Conference with Real Property Negotiators
Pursuant to Government Code Section 54956.8
Property: APNs 060-206-029 and 060-263-036
Agency negotiator: City Manager Bronson
Negotiating party: Union Pacific Railroad
Under negotiation: Terms and conditions of potential lease, acquisition/purchase
3. Public Employee Performance Evaluation
Pursuant to Government Code Section 54957
Employee: City Attorney

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

AGENDA REVIEW

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

CEREMONIAL CALENDAR

None at this time.

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

- A. Judith Bean, Grover Beach Rotary representative, described the group's service project held over the weekend that involved clean up efforts in Grover Beach. She invited interested residents to join the group on the second Saturday of each month as they focus clean up efforts on different parts of the city.

As President/CEO of the Arroyo Grande & Grover Beach Chamber of Commerce, Ms. Bean announced details of the upcoming Stone Soup Music Festival to be held August 27-28, 2016 at Ramona Garden Park and the surrounding streets.

- B. Sharon Brown, Grover Beach resident, described goals for the new school year that were presented at a recent meeting of staff and faculty of the Lucia Mar Unified School District.

PUBLIC HEARING

1. Introduction and First Reading of a Proposed Ordinance to Amend the Grover Beach Municipal Code Article III, Chapter 2.21, Article III, Chapter 17 and Article X, Chapter 4.20 Regarding Tobacco Regulations.

Mayor Shoals read the title to the foregoing item, declared the Public Hearing open, and deferred to staff for a report. Police Chief Peters provided an overview of recent legislation that amended state law regarding tobacco regulations and directly impacted sections of the Grover Beach Municipal Code. He outlined proposed amendments to the City's regulations regarding tobacco sales, use, definitions, and new minimum age requirements.

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

Kathleen Karle, Division Manager, San Luis Obispo County Public Health Department, spoke in support of the proposed ordinance.

Sharon Brown, Grover Beach resident, requested and received clarification regarding some of the terms and definitions in the proposed ordinance.

No further public comments were received and the Mayor closed the Public Hearing.

Action: It was moved by Council Member Shah and seconded by Council Member Nicolls to conduct first reading, by title only, of Ordinance No. 16-03, and schedule second reading and adoption for the next regular City Council meeting on Tuesday, September 6, 2016. The motion carried on the following roll call vote:

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

Ordinance No. 16-03: An Ordinance of the City Council of the City of Grover Beach Amending Article III, Chapter 2.21, Article III, Chapter 17 and Article X, Chapter 4.20 Amending Regulations Incorporating Definitions and New Minimum Age Requirements for Tobacco Uses. (First Reading only.)

CONSENT AGENDA

It was moved by Council Member Bright and seconded by Mayor Pro Tem Lee to approve Consent Agenda Item Nos. 2, 3, 4, 5, 6, 7, and 8, as recommended. The motion carried on the following roll call vote:

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

2. Treasurer's Report for the Period July 26, 2016 to August 10, 2016.

Action: Approved the Treasurer's Report as submitted.

3. Treasurer's Report for the 2015 Streets Bond Account - \$5,000,000 (Measure K-14: Grover Beach Street Rehabilitation; Safety Improvement Bond Measure) for the Period July 26, 2016 to August 10, 2016.

Action: Approved the Treasurer's Report as submitted.

4. **Treasurer's Report for the 2016 Streets Bond Account - \$8,000,000 (Measure K-14: Grover Beach Street Rehabilitation; Safety Improvement Bond Measure) for the Period July 26, 2016 to August 10, 2016.**

Action: Approved the Treasurer's Report as submitted.

5. **Minutes of the Regular City Council Meetings on June 6, 2016 and June 20, 2016.**

Action: Approved the minutes as submitted.

6. **Appropriation of Water Conservation Funds for City Hall Landscaping** - Amending the FY 17 Budget to provide additional funding for the drought-tolerant/water conserving demonstration garden recently completed at City Hall.

Action: Adopted Resolution No. 16-66.

Resolution No. 16-66: A Resolution of the City Council of the City of Grover Beach, California, Adopting the 3rd Amendment to the Annual Appropriation Resolution No. 16-48 to Provide \$5,500 in Water Conservation Funds to CIP Project 3263 Facility Improvements.

7. **Records Destruction Authorization for City Manager's Department Records** - Authorizing the destruction of certain records which are no longer required to be retained in the normal course and scope of operations.

Action: Adopted Resolution No. 16-67 authorizing the City Manager's Office to destroy records in accordance with the City's Records Retention Schedule.

Resolution No. 16-67: A Resolution of the City Council of the City of Grover Beach, California, Authorizing the Destruction of Certain City Manager's Office Records.

8. **Consideration to Allow Ygrene Works to Administer the Property Assessed Clean Energy (PACE) Program in the City** - Request by Ygrene Works to administer the Property Assessed Clean Energy (PACE) program in the City of Grover Beach allowing property owners to finance eligible energy/water efficiency and renewable energy projects.

Action: 1) Adopted Resolution No. 16-68 to allow Ygrene to administer the PACE Program using Community Facilities District No. 201401; 2) adopted Resolution No. 16-69 to allow Ygrene to administer the program using PACE; and 3) approved the Indemnification Agreement and authorized the Mayor to execute the Agreement on behalf of the City.

Resolution No. 16-68: Resolution of the City Council of the City of Grover Beach Consenting to Inclusion of Properties Within the City's Jurisdiction in the California Home Finance Authority Community Facilities District No. 2014-1 (Clean Energy) to Finance Renewable Energy Sources, Energy Efficiency and Water Conservation Improvements and Electric Vehicle Charging Infrastructure and Approving Associate Membership in the Joint Powers Authority Related Thereto.

Resolution No. 16-69: Resolution of the City Council of the City of Grover Beach Consenting to Inclusion of Properties Within the City's Jurisdiction in the California Home Finance Authority to Finance Renewable Energy Sources, Energy Efficiency and Water Conservation Improvements and Electric Vehicle Charging Infrastructure and Approving Associate Membership in the Joint Powers Authority Related Thereto.

REGULAR BUSINESS

9. **Authorization to Enter into a Consulting Services Agreement with Rick Engineering for Design Services Associated with the Grover Beach Train Station Expansion Project.**

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. Public Works Director/City Engineer Ray provided an overview of the proposed agreement for professional design engineering services to expand the train station site to the south and incorporate a bus passenger loading/unloading area, a bus passenger shelter, additional parking spaces, and relocating the existing ingress/egress to State Highway 1 further south on Highway 1. He then responded to questions from the Council.

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

Action: It was moved by Council Member Nicolls and seconded by Council Member Shah to: 1) adopt Resolution No. 16-70 authorizing the City to enter into a Consulting Services Agreement with Rick Engineering in the amount of \$188,660; and 2) authorize the Mayor to execute the agreement on behalf of the City based on final review of the Consulting Services Agreement by the City Attorney. The motion carried on the following roll call vote:

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

Resolution No. 16-70: Resolution of the City Council of the City of Grover Beach, California, Authorizing the City to Enter into a Consultant Services Agreement with Rick Engineering to Provide Professional Design Engineering Services Associated with the Grover Beach Train Station Expansion Project.

10 Update on the Grover Beach Lodge & Conference Center Project.

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. City Manager Bronson briefly described the hotel and conference center project and stated that the Council this evening would be receiving an update on the public improvements and hotel construction plans. Additionally, staff was seeking Council comments on the preliminary design and cost estimates for the conference center. He then introduced Craig Smith of CRSA Architecture.

Mr. Smith provided introductory comments regarding the design team, described the project site, and presented an alternate design concept for a separate conference facility.

Recess: At 7:15 p.m. the meeting recessed to resolve technical difficulties with regard to the presentation equipment.

Reconvene: At 7:20 p.m., the meeting reconvened with all Council Members present.

Mr. Smith continued his presentation utilizing a computerized three-dimensional video of the alternate design concept for the conference center. He described the proposed exterior spaces and landscape areas, the interior floor plan and atrium area, roof line, building materials, ventilation, lighting, and exterior elevations. He also noted the design goal of achieving a green building sustainability rating of LEED Silver Certification. Mr. Smith concluded his presentation with a cost analysis that indicated this alternate design concept would be less expensive than the original conference center design, and then responded to questions from the Council.

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

Additional discussion was held regarding the proposed design. Members of the Council thanked Mr. Smith for his work on the project and praised the revised design for the conference center portion of the lodge project.

Action: Upon unanimous consensus: 1) the Council agreed with the direction of the proposed architectural design concept presented by CRSA Architecture; 2) staff was authorized to continue working with the design consultant to further refine cost estimates through value engineering and potential grant opportunities; 3) the Council subcommittee and staff were authorized to continue meeting to address financing and maintenance issues associated with the project and to provide the Council with updates on the progress of those discussions and receive further Council direction, as needed; and 4) direction was provided for staff to bring additional information to the Council at a future meeting regarding project financing, as well as estimated project costs and the estimated financial benefits to the City.

11. Direction on Proposed Ordinance to Regulate Commercial Medical Marijuana Activities.

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. City Manager Bronson provided introductory remarks regarding development of an ordinance to regulate commercial medical marijuana activities. Community Development Director Buckingham outlined key issues that needed to be addressed in order to prepare a draft ordinance.

Discussion ensued, with staff responding to questions, regarding manufacturing, warehousing/distribution, and laboratory testing of medical marijuana; whether to establish a minimum distance from sensitive uses, such as schools or other sensitive land uses; whether to establish a maximum number of businesses and/or maximum allowable square footage for manufacturing, distribution, and testing facilities; and whether to allow only Level 1 manufacturing or both Level 1 and Level 2 manufacturing. Discussion then focused on similar issues relative to commercial cultivation and nurseries, as well as various options for how development permit applications could be processed. Additional discussion was held regarding the estimated revenue that may be generated from the proposed tax Measure L-16, if approved by the voters.

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

The following persons spoke in support of establishing local regulations for commercial medical marijuana activities and responded to questions from the Council regarding operational procedures for dispensaries and manufacturing:

- Damian Martin, legal counsel for Milkman Collective;
- Jay Frame, Pismo Beach resident;
- Cynthia Gonzalez, Elite Care; and
- Steven Weisman (did not state city of residence or business name of his company).

There were no further public comments received at this time. It was noted that there would be additional opportunities in the future to receive public comment as the ordinance was developed.

Action: Upon consensus of the City Council, the following direction was provided to assist staff with preparing an ordinance to establish land use and regulatory requirements with regard to commercial medical marijuana uses:

Manufacturing, warehousing/distribution, laboratory testing, cultivation, transportation, and dispensaries:

- allow in the industrial area located south of Farroll Road as part of an Overlay Zone; and
- include appropriate safety and odor control measures.

Commercial Cultivation & Nurseries:

- allow cultivation within a building, but not to be allowed outdoors;
- allow mixed-light grow facilities that provide for a combination of artificial and natural light;
- allow in the industrial area located south of Farroll Road as part of an Overlay Zone;
- include an increased setback, such as a 100 foot from residential zones, especially adjacent to Calvin Court; and
- include appropriate safety and odor control measures.

Personal Cultivation:

- include regulations to mitigate potential adverse impacts to surrounding properties;
- include standards for indoor cultivation only; and
- include a ministerial permit to assist staff with responding to code enforcement issues.

Development Permit Process:

- establish a two-step development permit process requiring an applicant: 1) obtain a Use Permit (discretionary permit) to determine approval of the proposed location and establish land use requirements; and 2) obtain a regulatory permit (ministerial permit) to demonstrate compliance with state law prior to opening the business and on an ongoing basis to ensure the business is operating in compliance with state and local laws.

Design Standards:

- include design standards for upgrading older industrial buildings.

Additionally:

For staff to research and report back to the Council on the following: 1) whether state law requires dispensaries be a minimum distance of 600 feet from public and private schools; 2) further information on Level 2 manufacturing for cannabis products and how businesses with Level 2 manufacturing for other products address similar health and safety concerns; and 3) further information on the auditing process for commercial cannabis businesses, such as “seed to sale” software.

It was noted that at such time recreational use may become legal, the Council will have the option of determining whether to amend the ordinance.

PULLED CONSENT AGENDA ITEMS

None at this time.

COUNCIL COMMITTEE REPORTS

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

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

Mayor Pro Tem Lee stated that he had no committee reports at this time.

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

Mayor Shoals reported on the meeting of the South San Luis Obispo County Sanitation District and outlined the terms of a recent settlement agreement with the Regional Water Quality Control Board.

COUNCIL COMMUNICATIONS

- A. Council Member Shah commented that she would be attending the next Channel Counties Division Quarterly Dinner meeting. She then thanked and commended the City Manager and City staff for the recent completion of curb repairs at the intersection of South 12th Street and Seabright Avenue.
- B. Council Member Nicolls commented on a recent news article on the Grover Beach Community Library.
- C. Mayor Pro Tem Lee commented on public notices issued by the City announcing scheduled street repair work and associated water outages. He also remarked that August 15 was City Hall Selfie Day.
- D. Council Member Bright described information recently received by the Council regarding Grover Beach Police Officer Hilary Napier being the recipient of the Police Department’s Life Saving Award. She congratulated Officer Napier for successfully handling the emergency situation.

CITY MANAGER'S REPORTS AND COMMENTS

City Manager Bronson provided verbal updates on the following items:

- *City-wide Light Maintenance Project* - Measure K-14 Local Street Rehabilitation Program continues with minor repairs and slurry seals scheduled to be completed on 60 City blocks;
- *Oak Park Boulevard Rehabilitation Project* - construction work will be conducted during weekdays and between the hours of 10:00 p.m. and 5:00 a.m.;
- *Municipal Broadband Network Project* - the notice soliciting bids was recently issued and staff anticipated scheduling Council consideration of awarding the contract in October; and
- *City Hall Selfie Day* - Grover Beach was among hundreds of cities across the country that earlier in the day had employees and City Hall visitors participating in the first National City Hall Selfie Day, sponsored by the organization Engaging Local Government Leaders (ELGL).

CITY ATTORNEY'S REPORTS AND COMMENTS

None at this time.

CLOSED SESSION

None at this time.

ADJOURNMENT

There being no further business to come before the City Council, Mayor Shoals adjourned the meeting at 10:16 p.m.

/s/ JOHN P. SHOALS, MAYOR

Attest:

/s/ DONNA L. McMAHON, CITY CLERK
(Approved at CC Mtg 10/17/2016)