



RIO DELL CITY COUNCIL AGENDA  
**REGULAR MEETING - 6:30 P.M.**  
**TUESDAY, MARCH 19, 2019**  
CITY COUNCIL CHAMBERS  
675 WILDWOOD AVENUE, RIO DELL

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***WELCOME** - By your presence in the City Council Chambers, you are participating in the process of representative government. Copies of this agenda, staff reports and other material available to the City Council are available at the City Clerk's office in City Hall, 675 Wildwood Avenue. Your City Government welcomes your interest and hopes you will attend and participate in Rio Dell City Council meetings often.*



*In compliance with the Americans with Disabilities Act (ADA), if you need special assistance to participate in this meeting, please contact the Office of the City Clerk at (707) 764-3532. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to the meeting. Assistance listening devices are now available for the hearing impaired. Please see the City Clerk for a receiver.*

- A. CALL TO ORDER
- B. ROLL CALL
- C. PLEDGE OF ALLEGIANCE
- D. CEREMONIAL MATTERS
- E. PUBLIC PRESENTATIONS

*This time is for persons who wish to address the Council on any matter not on this agenda and over which the Council has jurisdiction. As such, a dialogue with the Council or staff is not intended. Items requiring Council action not listed on this agenda may be placed on the next regular agenda for consideration if the Council directs, unless a finding is made by at least 2/3rds of the Council that the item came up after the agenda was posted and is of an urgency nature requiring immediate action. Please limit comments to a maximum of 3 minutes.*

- F. CONSENT CALENDAR

*The Consent Calendar adopting the printed recommended Council action will be enacted with one vote. The Mayor will first ask the staff, the public, and the Councilmembers if there is anyone who wishes to address any matter on the Consent Calendar. The matters removed from the Consent Calendar will be considered individually following action on the remaining consent calendar items.*

- 1) 2019/0319.01 - Approve Minutes of March 5, 2019 Regular Meeting  
**(ACTION)**

- 2) 2019/0319.02 - Approve Resolution No. 1415 -2019 Amending the Cannabis Activity Fees **(ACTION)** 17
- 3) 2019/0319.03 - Approve Resolution No. 1416 -2019 Amending the Operating and Capital Budget for FY 2018-19 to transfer appropriations for Sludge Dryer Repairs **(ACTION)** 22
- 4) 2019/0319.04 - Approve Resolution No. 1417-2019 Supporting the 2020 Census **(ACTION)** 25
- 5) 2019/0319.05 - Approve Resolution No. 1418-2019 Adopting a Local Equity Program Pursuant to the California Cannabis Equity Act of 2018 **(ACTION)** 29
- 6) 2019/0319.06 - Authorize Mayor to sign Letter of Recommendation for Appointment of Brett Watson to the California Coastal Commission **(ACTION)** 32
- 7) 2019/0319.07 - Approve Letter of Support for SB 5 Related to Economic Development **(ACTION)** 39
- 8) 2019/0319.08 - Approve Second Amendment to the City of Rio Dell City Manager Employment Agreement and Authorize Mayor to Sign **(ACTION)** 43
- 9) 2019/0319.09 - Receive & File Budget Calendar for FY 2019/20 Operating and Capital Budget **(ACTION)** 46
- 10) 2019/0319.10 - Receive and File Check Register for February 2019 **(ACTION)** 49

G. ITEMS REMOVED FROM THE CONSENT CALENDAR

H. REPORTS/STAFF COMMUNICATIONS

- 1) 2019/0319.11 - City Manager/Staff Update **(RECEIVE & FILE)** 54

I. SPECIAL PRESENTATIONS/STUDY SESSIONS

J. SPECIAL CALL ITEMS/COMMUNITY AFFAIRS

K. ORDINANCES/SPECIAL RESOLUTIONS/PUBLIC HEARINGS

1) 2019/0319.12 - Approve Second Reading (by title only) and Adopt Ordinance No. 373-2019 amending Section 5.40.250 of the Rio Dell Municipal Code related to cannabis taxation **(ACTION)** 60

3) 2019/0319.13 - Approve Second Reading (by title only) and Adopt Ordinance No. 374-2019 repealing Chapters 5.35 and 5.40 amending the City's Commercial Cannabis Land Use Regulations, Section 17.30.195 of the Rio Dell Municipal Code relating to retail sales, testing laboratories, distribution and cultivation on the Dinsmore Plateau **(ACTION)** 66

L. COUNCIL REPORTS/COMMUNICATIONS

M. ADJOURNMENT

*The next regular City Council meeting is scheduled for  
Tuesday, April 2, 2019 at 6:30 p.m.*

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REGULAR MEETING MINUTES  
MARCH 5, 2019**

The regular meeting of the Rio Dell City Council was called to order at 5:30 p.m. by Mayor Garnes.

ROLL CALL: Present: Mayor Garnes, Mayor Pro Tem Woodall, Councilmembers Richter and Wilson

Absent: Councilmember Strahan (excused)

Others Present: City Manager Knopp, Finance Director Kerrigan, Chief of Police Conner, Community Development Director Caldwell, Wastewater Superintendent Taylor and City Clerk Dunham

Absent: Water/Roadways Superintendent Jensen

**ANNOUNCEMENT OF ITEMS TO BE DISCUSSED IN CLOSED SESSION AS FOLLOWS**

Public Employee Performance Evaluation Title: City Manager

Mayor Garnes announced that there was nothing to report out from closed session.

**CEREMONIAL MATTERS**

Introduction and Swearing in of Police Officers Logan Mitchell and Crystal Landry

Chief of Police Conner introduced Officers Mitchell and Landry, provided a brief overview of their background, and said that they were currently in their 9<sup>th</sup> week of field training.

City Clerk Dunham continued by administering the Oath of Allegiance followed by the pinning of badges by family members.

**PUBLIC PRESENTATIONS**

**Nick Angeloff** provided a brief update on Chamber of Commerce activities and said things were moving along status quo. He noted that Garden Club activities would be starting up with the help of Mayor Pro Tem Woodall and commented that plans for the cannabis exhibition at the Chamber were coming along but the date was still to be determined. He also noted that there was an Arts Council meeting on Saturday that seemed to go well.

**Rick Pelren** addressed the Council regarding the Rio Dell Senior Exercise Group and said that for the past two years they have been fortunate enough to utilize Rio Dell Baptist Church basement for their exercise classes. He said that a few months ago, they found out

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That the space would no longer be available so they are looking for a building in the Rio Dell area where they can hold classes, three days a week. He asked for the City's help in getting the word out to the community in hopes of finding a replacement venue.

Community Development Director Caldwell asked how large of a space they needed.

Mr. Pelren said that a 20' x 20' or perhaps 20' x 25' space would be sufficient.

Nick Angeloff welcomed them to use the Chamber of Commerce office if they are unable to find another suitable location.

**Brett Watson**, Mayor of Arcata addressed the Council with a request for a letter of support for his appointment to the California Coastal Commission. He named the current list of sponsors and offered to send over a letter of interest and resume.

The council agreed to place the letter of support on the next regular City Council agenda.

#### **CONSENT CALENDAR**

Mayor Pro Tem Woodall asked if any councilmember, staff or member of the public, would like to remove any item from the consent calendar for separate discussion.

Mayor Garnes removed the minutes from the consent calendar for separate action.

Motion was made by Woodall/Wilson to approve the consent calendar including approval of Resolution No.1414-2019 amending the Operating and Capital Budget for FY 2018-19 to transfer appropriations for City Hall Janitorial Services; authorizing the City Manager to sign an agreement with Suddenlink for Fiber Internet Services; and approving a letter of support to the California Transportation Commission related to funding for the Last Chance Grade. Motion carried 4-0.

#### **ITEMS REMOVED FROM THE CONSENT CALENDAR**

##### Approve Minutes of February 19, 2019 Regular Meeting

Mayor Garnes said the reason for removing the minutes from the consent calendar was so that she could abstain from vote, as she was not present at the meeting.

Motion was made by Woodall/Wilson to approve the minutes of the February 19, 2019 regular meeting as submitted. Motion carried 3-0 with 1 abstention.

#### **REPORTS/STAFF COMMUNICATIONS**

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City Manager/Staff Update

City Manager Knopp provided an overview of the Staff Update as presented and added that during the recent storm event, the City experienced a Sanitary System Overflow (SSO) but that he was impressed and pleased to see how staff handled it. He noted that the public works department was filled with highly competent bodies and as a result, they were able to divert some of the SSO and satisfy the State Water Resources Control Board.

Wastewater Superintendent Long added that last Monday and Tuesday there was a significant amount of rainfall so the collection system simply could not handle all the water. He said that they brought in extra equipment and restricted as much of the SSO as possible. He said staff brainstormed and came up with a solution to make the most out of the situation.

Mayor Garnes commented that she watched them at work and that they had two vectors running to minimize the problem and commended the crew for doing an excellent job.

Councilmember Wilson noted that the drainage improvements done in the Belleview neighborhood helped significantly, as the backup of storm water into the sewer system on Spring St. was not nearly as bad during this storm event.

City Manager Knopp also reported that staff is working with Access Humboldt to install a camera in the Council Chambers for live audio recording of meetings. He said they came out, located, tested the fiber line, and were able to plug the camera into that line. He said that it would be important to implement sound management so councilmembers will have to speak clearly into their microphones in order for the system to work effectively. He said that Sound Advice was scheduled to come down and fix some of the equipment that has not been working properly. He said hopefully with the upgrades, the recordings could be integrated into the City's website.

Mayor Pro Tem Woodall referred to the Police Department staff report regarding the towing of abandoned or junk vehicles and asked if there is a way to recoup those charges.

Chief of Police Conner explained that with the exception of recreational vehicles (RV's) there is no cost to the City except for staff's time.

Councilmember Wilson referred to a previous report where a residence in town had an excess amount of vehicles and to avoid getting them towed, they moved them around to various locations. He asked if there is a way to alleviate that problem.

Chief Conner noted that they were able to have one of the vehicles towed and were attempting to track down others.

**ORDINANCES/SPECIAL RESOLUTIONS/PUBLIC HEARINGS**

Approve Second Reading (by title only) an Adopt Ordinance No. 372-2019 amending Chapter 13.05 Water Rates and Regulations of the Rio Dell Municipal Code incorporating language regarding obligations to reimbursement agreements

Community Development Director Caldwell provided a staff report and said as reported at the last meeting, this ordinance amendment relates to the new waterline and appurtenances installed by Glenn White, Precision Manufactured Developments, (PMD) Inc. at the Humboldt Rio Dell Business Park (HRDBP). He said the City Attorney suggested establishing a separate section related to Reimbursement Agreements. As such, staff incorporated the suggested changes in the Ordinance, which required renumbering some of the sections of the ordinance. A supplemental staff report was provided outlining the changes.

Mayor Garnes opened the public hearing to receive public comment on the proposed ordinance amendment. There being no public comment, the public hearing closed.

Motion was made by Wilson/Richter to approve the second reading (by title only) and adopt Ordinance No. 372-2019 amending Chapter 13.05 Water Rates and Regulations of the Rio Dell Municipal Code incorporating language regarding obligations to reimbursement agreements. Motion carried 4-0.

Introduction and first reading (by title only) of Ordinance No. 373-2019 amending Section 5.40.250 of the Rio Dell Municipal Code related to Cannabis Taxation

City Manager Knopp provided a staff report and said that some of the cannabis developers expressed concern regarding the City's cannabis taxes and whether they were competitive with other jurisdictions. At the January 15, 2019 City Council meeting, the Council directed staff to return with proposed amendments to the ordinance.

He noted that included in the packet was a regional comparison of cannabis taxes for the various cannabis related activities. He explained that the City set the initial tax rate for Commercial Cannabis Cultivation activity at \$2.00 per square foot and a tax of 2% of gross receipts for nurseries. The cannabis tax rate was approved by the voters at a rate of "not to exceed 10%" of gross receipts, with discretion of the City Council to change it from time to time. He said because the tax was not at a set rate, it discouraged potential investors due to the uncertainty of the tax rate in the future. He added that the proposed ordinance removes the ability of the Council to increase the applicable cannabis business tax rates, and that any increase in the rate after adoption of the ordinance, requires voter approval.

Councilmember Wilson said that the ordinance makes sense as proposed and questioned whether there is a set period of time in which the Council can change the rate before it has to go back to the voters.

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Mayor Pro Tem Woodall questioned the reason for basing the tax on gross sales as opposed to net sales.

Finance Director Kerrigan explained that it is set up that way because that is how the Federal and State does it and the City is just following how it is done at the larger regulatory agencies. In addition, because it is Schedule 1 or 2 type drug and illegal at the Federal level, the Internal Revenue Service (IRS) disallows any normal type business expense deductions. As such, the revenue must be based on gross revenues rather than net revenues.

Mayor Pro Tem Woodall asked if the Council has the discretion to charge on gross or net.

City Manager Knopp said that most other agencies are taxing on gross receipts and said it is complicated to have a tax regime based on net profit; the other limiting factor is that the ordinance states that it would be taxed on gross revenue.

Finance Kerrigan commented that the State wants to make cannabis businesses equal to other types of businesses.

Mayor Garnes opened the public hearing to receive public comment on the proposed ordinance.

**Nick Angeloff** noted that one of the concerns is that Rio Dell is imposing a 2% tax on gross receipts and \$2.00 per square foot on cultivation whereas the County and some of the other jurisdictions only charge on square footage of cultivation and nothing on gross receipts which doesn't make the City's tax rates competitive.

He also proposed that there be established a one-half or one percent Cannabis Occupancy (COT) Tax. He commented that he would also like to see a portion of the Transient Occupancy Tax (TOT) go to the Chamber but the COT would help the Chamber with marketing efforts and beautification of the City.

Councilmember Wilson asked if the COT would be an additional tax or part of the existing tax.

**Nick Angeloff** said that he was thinking that it would be an additional tax, although it would be at the discretion of the City Council to determine how it was established.

Consensus of the Council was to agenize the item for further discussion after talking to the City Attorney.



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City Manager Knopp noted that this is only the introduction and first reading of the ordinance so staff could consult with the City Attorney and have an opinion for the March 19<sup>th</sup> meeting.

**Nick Angeloff** agreed to propose a one-half percent Chamber Occupancy Tax (COT) on all dispensary sales.

**Charles Resin** addressed the Council and said that 45 years ago, the County was asked to include marijuana as an agricultural product and people were told to shut up. Now the Agricultural Commissioners thinks it would be wise to include it in their report because of the huge economic factor it brings to the County.

**Genoveve** began addressing the Council about flu season and flu vaccinations when Mayor Garnes informed her that she unfortunately missed the public presentation portion of the meeting and that the public hearing at this time is related to cannabis taxation.

**Stan White**, resident of 301 First Ave. and employee of Root 101 addressed the Council and thanked them for considering the tax revision. He stated that the State is having massive problems and is considering banning the cultivation tax all together and asked the Council to follow what is going on because it is changing daily. He said that one of the biggest problems with the County is that they have shut out the Mom and Pop farmers. He said the farmers went to bat for the bill, it came to the State, and they retroactively adopted the 2,500 square feet or under cultivation for craft cannabis farmers. Unfortunately, the County did not do the same and basically said that they did not care about the little guys; they wanted the big farmers and the revenue that went along with that. He encouraged the Council to allow cultivation permits as things progress at the HRDBP because there are tons of craft farmers that are not allowed to grow on their ranches without investing millions of dollars. He thanked the Council for considering the modification to the tax schedule and pointed out that the industry is not dying; it is changing. He said that the City should embrace it in a safe way that protects our kids and at the same time benefits the City. He added that he supports a Cannabis Occupancy Tax for the Chamber of Commerce.

There being further public comment, the public hearing was closed.

Motion was made by Richter/Woodall to approve introduction and first reading (by title only) of Ordinance No. 373-2019 amending Section 5.40.250 of the Rio Dell Municipal Code related to cannabis taxation and to continue consideration and adoption to the March 19, 2019 regular meeting. Motion carried 4-0.

Introduction and first reading (by title only) of Ordinance No. 374-2019 repealing chapters 5.35 and 5.40 amending the City's Commercial Cannabis Land Use Regulations, Section

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17.30.195 of the Rio Dell Municipal Code relating to retail sales, testing laboratories and cultivation on the Dinsmore Plateau

Community Development Director Caldwell provided a staff report and said at the January 3<sup>rd</sup> meeting, Mayor Pro Tem Woodall requested staff agenize a discussion regarding the City's cannabis regulations. At the meeting of January 15<sup>th</sup> there was brief discussion giving staff the direction to bring forward the proposed text amendments related to cannabis tax rates; the annual cannabis "A" and "M" fees; dispensaries and/or retail sales; testing laboratories; and cultivation on the Dinsmore Plateau. He explained that the amendments, with the exception of the taxes are land use issues and under the purview of the Planning Commission and as such requires the Planning Commission to consider and make any recommended changes to the City Council.

He noted that the Planning Commission considered the proposed amendments at their meeting of February 26, 2019, made a number of suggested changes and is recommending the City Council amend the City's Commercial Cannabis Land Use Regulations relating to retail sales, testing laboratories, cultivation on the Dinsmore Plateau and annual fees as suggested.

He continued with review of the proposed changes and explained that the City currently prohibits the retail sales of cannabis with the exception of the sale of cannabis goods appurtenant to one Health and Wellness Center at the HRDBP. However, the new State Regulations require that retailers be limited to just the sale of cannabis and cannabis goods and as such, the proposed amendments eliminate the sales at the Health and Wellness Center as currently allowed.

Community Development Director Caldwell noted that the Planning Commission is recommending that retail sales may be allowed in the Industrial Commercial (IC) designation at the Humboldt Rio Dell Business Park, and in the Town Center (TC) designation subject to a Conditional Use Permit. In addition, they recommend a Request for Proposal (RFP) provision for allowing discretion in reviewing and approving retail operators with regard to experience, financial capital, interior and exterior design and their Plan of Operation.

He noted that staff incorporated the majority of the State's regulations into the City's ordinance and explained that retail operators are subject to both local and State regulations. He said that one of the issues discussed by the Planning Commission had to do with the hours of operation for retailers. He said the State's regulations allow businesses to be open from 6:00 am to 10:00 p.m.; the Planning Commission and staff are recommending the hours be limited to the hours of 9:00 a.m. to 8:00 p.m. seven (7) days a week. They also recommended delivery services.

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Discussion continued regarding a potential cap on the number of dispensaries/retailers allowed in the Town Center (TC) and Industrial Commercial (IC) designations.

Community Development Director Caldwell noted that staff or the Planning Commission does not recommend a specific cap on the number of dispensaries although the City Council could certainly do so and the number could be established through the Conditional Use Permit (CUP) process.

Mayor Garnes suggested a cap of no more than three (3) dispensaries in the Town Center (TC) and pointed out that two (2) offers competition. She said it needs to be done responsibly and properly and establishing a cap of three (3) in the City proper does that.

Councilmember Richter agreed with a cap of three (3) dispensaries in the Town Center (TC) and asked for clarification if there would be no cap in the Industrial Commercial (IC) zone at the Humboldt Rio Dell Business Park (HRDBP).

Mayor Garnes said that she did not see the need to place a cap on dispensaries at the HRDBP and said that you can say that the strong will succeed and the weak will fail but the reality is that when businesses fail they do not always just close the doors, walk away and leave everything clean and shiny. She said she wants to see good, strong businesses and through the RFP process, the City can achieve that. She commented that if there were too many dispensaries in town, there would be no way to properly police them and make sure everything is being operated, as it should be.

Mayor Pro Tem Woodall questioned the service area for deliveries.

Community Development Director Caldwell explained that deliveries could be made anywhere in the state of California. He noted that currently the closest retail outlet is in Eureka. He said that the service area has been identified in the draft RFP and includes the communities of Hydesville, Carlotta, Scotia, Stafford, Ferndale and Loleta so the service area is quite large. Hopefully the retailers would be happy to deliver to those areas.

Mayor Pro Tem Woodall commented that she visited dispensaries in Eureka and Arcata and that she was impressed with the way they were set up. She said there were security guards at the door checking ID's and they resembled jewelry stores.

Community Development Director Caldwell pointed out that the majority of the customer base at retail outlets is over the age of 50.

Councilmember Wilson noted that he did not see any amendments to the fee schedule in the packet.

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Community Development Director Caldwell explained that there is a 14-day noticing requirement to amend fees so the fees would come back to the Council at the March 19<sup>th</sup> meeting.

Councilmember Wilson commented that one of the things that concerned him at the Planning Commission meeting was that there were more councilmembers present than members of the public. He said because of the Brown Act, Councilmembers could not comment or participate in the discussion. He indicated that one of the public members' present owned property on the plateau and the other two people were simply concerned citizens. He noted that he had hoped to see the City have a better handle on the development at the HRDBP before expanding business on this side of the river and expressed concern that the empty buildings in the Town Center should be filled with non-cannabis related businesses. He acknowledged that he was the minority voice in this process and fully expected the proposed ordinance to pass but he knows there are many citizens that voted for him that still do not want to see cannabis activities on this side of the river. He said that he is fine with the majority of the recommended amendments to the cannabis regulations but not with dispensaries/retail cannabis businesses on this side of the river. He added that he thought the RFP process was a good idea but his aversion with the retail sales is that they should be restricted to the HRDBP.

Mayor Garnes opened the public hearing to receive public comment on the proposed ordinance.

**Tom Bertain** said that he was opposed to retail cannabis sales for a number of reasons, one of which was the lack of parking in the downtown. He asked if the Planning Commission, the City Council, the City Manager, and the Community Development Director had considered anything beyond the undetermined revenue the tax would generate. He said that surely the City Council needs to determine the historical, social, cultural and immediate issues before passing this ordinance amendment. He commented that traffic, parking, and potential law enforcement should be studied before any decision is made.

**Nick Angeloff** asked for clarification regarding the Planning Commission's recommendation and said his understanding from the meeting was that the recommendation included allowing distribution on this side of the river.

Community Development Director Caldwell apologized for not including distribution as part of the recommendation and said for some reason it was not written in his notes. He also mentioned that he did receive a call from one of the businesses at the HRDBP who was disturbed that the City was considering allowing cannabis distribution on this side of the river. He pointed out that when he made the decision to invest in his business at the

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HRDBP it was with the understanding that distribution would not be permitted on this side of the river.

**Mike Ruiz**, owner of Red Eye Tattoo said that in addition to his business in town he also works at a legal cannabis facility in Eureka. He noted that they are set up for manufacturing, edibles, distribution, retail sales and consumption on site although they haven't jumped through all the hoops to be able to do all those activities. He said as a business owner he wanted to respond to the comment made by the Mayor about businesses coming in and leaving with the buildings a mess and assured the Council that he has witnessed several businesses come and go and buildings being abandoned and has not seen any issues with the condition in which they were left. He said that it would be against the City to deny the culture that comes from marijuana and encouraged the Council to let local businesses have a chance at the cannabis market including distribution and the production of cannabis infused edibles.

Community Development Director Caldwell pointed out that anybody can make application through the RFP process for a retail operation.

**Rick Pelren** suggested the City start small by only allowing one (1) dispensary and to vet the applicants thoroughly.

**David Renoza** said he was born and raised in Scotia and was present as a marketing person for a cannabis business that would like to open a dispensary in town. He commented that when he drives through Rio Dell he sees despair and from a marketing perspective, he would like to bring something positive to the City and see it prosper and grow to what it used to be. He encouraged the City Council to allow retail cannabis operations and to focus on beautifying the City.

**Morgan Dotson**, representing Hardcar addressed the Council and said they are a distribution company and that she teared up to hear that the City was considering allowing manufacturing on this side of the river. She said that competition is what drives them to do better. She noted that their drivers are often complimented for their professionalism and said she believes that bringing in competition only makes companies better. She commented that there is a company at the Humboldt Rio Dell Business Park (HRDBP) that wants to be the only distribution company here, which is not realistic. She noted that Hardcar is a professional company and in her opinion the best in the State. She said that they are the only company in California that provides cash services and takes it to the National Reserve.

She added that they are committed to helping veterans and was able to plant two (2) redwood trees today to honor them. She said their goal is to do research on PTSD to show how cannabis medicines can help veterans with the disorder. She added that they want to

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take Humboldt cannabis medicine and distribute it throughout the State and if there is only one (1) distributor that doesn't have the same goals or focus as Hardcar does, it limits what they and the community can do for veterans. She thanked the City Council for considering other distribution companies in Rio Dell.

Community Development Director Caldwell pointed out that there are actually three (3) approved distribution companies at the HRDBP and said that staff's recommendation would be to keep distribution restricted to the HRDBP until the park is built out.

Councilmember Richter stated that it was addressed at the Planning Commission level and that was the recommendation of the Commission and at this point, he would agree.

**Sharon Wolff** pointed out some of the history of Rio Dell and referred to the book written by Julio Rovai "Rio Dell after the Fire of 1928" which talked about the history of Rio Dell and the days of prohibition. She said the book is fascinating and encouraged everyone to read it. She said if the City Council decides to allow dispensaries in the downtown, she would suggest they build on the theme of the old west with facades depicting that theme because that is what makes Rio Dell unique.

**Nick Angeloff** clarified that the Planning Commission did recommend distribution centers be allowed in the Industrial Commercial (IC) and Community Commercial (CC) zones but not micro businesses at this time.

Councilmember Richter apologized if he miss-spoke and said that he understood distribution was recommended to be restricted to across the river until such time the area is built out.

**Stan White** commented that he is not suggesting that the City give the businesses here a one up but rather a fair and balanced consideration as to whether their business plan is worthy and there is adequate funding. He said he liked the idea of the old west theme and agreed that everyone should work together to make Rio Dell look better so everyone, even the naysayers can agree it was done professionally. He also suggested the City Council look into consumption on site and gives it serious consideration. He said that once the HRDBP is built out, one of the big things for the mom and pop shops would be micro-businesses so they could then go to the conventions, represent themselves and advertise their products. He agreed that the City needs to focus on build out of the HRDBP, as it seems to be stagnant at the present time.

Mayor Pro Tem Woodall asked what distributors do specifically.

Community Development Director Caldwell explained that distributors often purchase product from farms or manufacturers and distribute the product throughout the State.

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**Stan White** pointed out that by State law, everyone must use a distributor as no direct sales are allowed.

Mayor Pro Tem Woodall asked if anyone had expressed concern regarding dispensaries or distribution.

Community Development Director Caldwell commented that staff did not receive any comments or concerns regarding dispensaries; only distribution. He said should the Council want to support the Planning Commission's recommendation, staff would incorporate the changes in the ordinance and bring it back for consideration and possible adoption at the March 19<sup>th</sup> meeting.

Consensus of the Council was to incorporate those provisions as recommended by the Planning Commission.

Discussion continued regarding testing laboratories.

Community Development Director Caldwell explained that testing laboratories are very similar to other types of testing labs and that staff and the Planning Commission is recommending they be allowed in all commercial zones (TC, NC, CC) with a Conditional Use Permit (CUP).

Mayor Pro Tem Woodall asked if there are any certified testing laboratories in the County.

Community Development Director Caldwell indicated that Green Leaf Detective is located in Eureka and there is also a lab on Giuntoli Lane that is testing cannabis.

Community Development Director Caldwell commented the intent of the Planning Commission is to try to fill some of the vacant buildings down town and if testing labs help provide jobs and revenue for the City without impacting residential neighborhoods, the City should be in support of it.

Mayor Pro Tem Woodall stated for clarification that laboratories would only have relatively small quantities of product on site at any given time.

Community Development Director Caldwell explained that testing laboratories would probably have 8-10 samples with each sample at 3.5 grams and once that product is tested it is disposed of almost immediately as there is no longer any value in the product. He noted that testing labs and their security requirements are highly regulated by the State and those provisions were incorporated into the City' regulations.

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Mayor Garnes stated that she had no problem with allowing laboratories in the commercial zones as recommended, as they are no different from other types of testing labs.

Councilmember Wilson commented that he had no issue with laboratories noting that they could also test other things and there would be no traffic impact.

Community Development Director Caldwell pointed out that having a lab in the City would be the first one north of southern Humboldt. He said that one (1) lab, (Digi-Path) was approved to come in however; they were unable to reach an agreement with the Glenn White Group so pulled out. He said they have contracted with another lab (Litica Labs) and they hope to get started as soon as the building is completed.

Mayor Garnes called for public comment regarding testing laboratories in which no public comment was received.

The next topic of discussion had to do with cultivation on the Dinsmore Plateau.

Community Development Director Caldwell explained that currently commercial cannabis cultivation is limited to the HRDBP and a portion of the Mozzetti Ranch and must occur in secured lockable greenhouses that are designed to eliminate odors. He said the Planning Commission is recommending that cultivation be allowed on the Dinsmore Plateau with those same requirements and a Conditional Use Permit (CUP). He noted that they are also recommending that setbacks be at least 30 feet from any property line in the Natural Resources (NR) and Rural (R) zones and 300 feet from any residences and 1000 feet from any school. In addition, they are recommending that canopy size not be based on parcel size, consistent with the State's regulations and that leased parcels be a minimum of 5 acres.

He pointed out that this would eliminate hoop houses unless a locked fence could surround them. He also indicated that all the property owners on the Dinsmore Plateau, with the exception of one, have expressed interest in commercial cannabis cultivation.

Councilmember Wilson pointed out that only one landowner from the Dinsmore Plateau attended the Planning Commission meeting, which was disappointing. He said that the Dinsmore Plateau is similar to the HRDBP in that they are both somewhat isolated. He commented that many of the property owners on the Plateau already have greenhouses on site likely containing cannabis so questioned why they would want to offer to pay the City the tax if they do not have to.

Community Development Director Caldwell pointed out that all cultivation activities would require a Conditional Use Permit (CUP) so all of the neighbors would be notified within 300 feet and be invited to attend the meeting and provide input.



**RIO DELL CITY COUNCIL  
MARCH 5, 2019 MINUTES  
Page 14**

Mayor Pro Tem Woodall questioned the timeframe for securing licenses and whether they would have to wait until 2020 to grow if they do not have a state license.

Community Development Director Caldwell explained that they could possibly get an extension on their interim license through 2019.

Mayor Pro Tem Woodall noted that at the Planning Commission meeting there was some discussion regarding the cultivation of hemp.

Community Development Director Caldwell noted that James Cortazar expressed interest in hemp production but one of the concerns was the possibility of cross-pollination. He said it would need to be approved by the Humboldt County Agricultural Commissioner.

Mayor Pro Tem Woodall asked if the reason for not allowing outdoor open field cultivation was because of odor. Staff indicated that was the reason.

Mayor Garnes asked for clarification that once the Ordinance becomes effective, cultivation applications sit on the table pending approval of their State license.

Community Development Director Caldwell explained that 30 days after adoption of the Ordinance, a person could apply to the City followed by their application to the State, or the applications could be submitted concurrently.

Mayor Garnes called for public comment related to cultivation on Dinsmore Plateau.

**David Renoza** commented that there are a lot of growers out there that do not know what is going on so they are waiting and watching to see what happens before speaking up.

**Stan White** recommended greenhouses be inspected to make sure they are set up properly and said that cultivation farmers need to grow in secure greenhouses. He noted that hoop houses could be properly constructed inside greenhouses. He added that if the City decides to include hemp, then there need to be provisions to only allow female clones as there are a lot of problems with cross-pollination.

**Nick Angeloff** commented that the County has had good results with issuing abatement notices with regard to bringing growers into compliance.

City Manager Knopp commented that with regard to clandestine grows on Dinsmore Plateau or anywhere else in the City, it is not acceptable. He noted that the police department last summer did initiate a raid and eradicated 581 flowering plants and 358 babies. He wanted

**RIO DELL CITY COUNCIL  
MARCH 5, 2019 MINUTES  
Page 15**

to make it clear that the City is looking at illegal grows and will continue to take action on any illegal activity.

Mayor Garnes asked if there should be a limit on the number of distribution licenses.

Community Development Director Caldwell stated that the number could be determined as part of the RFP process and perhaps there could be a joint City Council/Planning Commission meeting with respect to review and consideration of the RFP's. He asked the Council to be mindful of the limited commercial properties in the City and carefully consider distribution applications through the RFP process.

Motion was made by Woodall/Richter to approve introduction and first reading (by title only) of Ordinance No. 374-2019 repealing Chapters 5.35 and 5.40 amending the City's Commercial Cannabis Regulations to (1) allow Retail Cannabis Sales in the Town Center zone; (2) allow Cannabis Testing Laboratories in the Town Center (TC), Neighborhood Center (NC) and the Community Commercial (CC) zones; (3) allow cultivation on the Dinsmore Plateau and modify the cultivation standards to eliminate canopy sizes based on parcel sizes for greenhouse cultivation; and (4) to allow Distribution in the Industrial Commercial (IC) and Community Commercial (CC) zones with the RFP process and to continue consideration and adoption to the meeting of March 19, 2019. Motion carried 3-1; Councilmember Wilson dissented.

## **COUNCIL REPORTS/COMMUNICATIONS**

Councilmember Wilson reported on his attendance at the Redwood Coast Energy Authority meeting and noted that they changed their meeting time from the third Monday to the fourth Thursday of each month. He said the big topic of discussion was related to PG&E's bankruptcy noting that customers rates would be going up to pay for the lawsuit and issues with the transmission lines.

He said on the subject of bio-mass, there was a group in attendance called "350.com" and they absolutely hate bio-mass. They made a proposal through the Citizens Advisory Committee to work toward having clean, renewable resources in Humboldt County by 2025 which a pretty aggressive goal. He said overall, they want to do away with the word "renewable" noting that the State considers bio-mass renewable. He noted that there would be public hearings to get feedback from the community regarding getting rid of bio-mass and creating 100% clean renewable energy such as solar.

Mayor Pro Tem Woodall reported on her attendance at the Humboldt Transit Authority meeting and said the main topic of discussion was re-zoning as far as public transit.

**RIO DELL CITY COUNCIL  
MARCH 5, 2019 MINUTES  
Page 16**

She said that she also attended the Redwood Region Economic Development Commission (RREDC) meeting as alternate on the Board and said that there were representatives present from the Humboldt County Growers Alliance who did a presentation on the status of cannabis, which was very informative. She said they also talked about their audit and everything looked good.

Mayor Garnes reported that on Thursday, she went to Sacramento and met with Governor Newsome regarding update of the City's Housing Element and said that he wants to engage with smaller communities so that grants and other funds are dispersed evenly. She said they also talked about prevailing wage requirements and how they are onerous for smaller jurisdictions. She added that he is working to solve housing issues throughout the State.

She said that she also attended the League of California Cities Regional meeting in Ukiah on Friday and they spent most of the meeting going over last year's business and preparing for next year's legislative bills to support.

**ADJOURNMENT**

Motion was made by Wilson/Richter to adjourn the meeting at 8:24 p.m. to the March 19, 2019 regular meeting. Motion carried 4-0.

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Debra Garnes, Mayor

Attest:

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Karen Dunham, City Clerk

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675 Wildwood Avenue  
Rio Dell, CA 95562  
(707) 764-3532



For Meeting of: **March 19, 2019**  
 Consent Item;  Public Hearing Item

To: City Council

From: Kevin Caldwell, Community Development Director



Through: Kyle Knopp, City Manager

Date: March 13, 2019

Subject: Annual Cannabis Fees

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**Recommendation:**

That the City Council:

1. Introduce the item for discussion/action;
2. Receive staff's report;
3. Open the public hearing, receive public input and deliberate; and
4. Adopt Resolution No. 1416<sup>5</sup>-2019 reducing the Annual Operating Fee from \$4,000 to \$2,000, eliminating the \$300 Renewal Application Fee and the \$100 Police Background Check Fee.

**Background and Discussion**

In December of 2016 the City Council adopted Resolution No. 1311-2016 establishing fees to cover the costs of permit administration, training, processing, monitoring and enforcement

associated with the Medical Commercial Cannabis Regulations. At the time, the recommended \$4,000 annual fee was staff's estimate to cover the costs of permit administration, training, processing, monitoring and enforcement associated with the Medical Commercial Cannabis Regulations. In February of 2018 the City Council amended the Commercial Cannabis Regulations to allow for both Medicinal (M) and Adult (A) cannabis activities in the City. As a compromise the City Council required operators who want to participate in the Adult (A) market are to pay the annual fee of \$4,000 for both the Medicinal (M) and Adult (A) market, a total of \$8,000 per year.

Operators and potential investors have expressed concerns regarding not only the City cannabis taxes, but the annual fees as well. Staff believes since most, if not all operators want access to the "A" market they are required to pay both an "A" and an "M" annual fee. As such, staff is recommending that the \$4,000 annual fee be reduced to \$2,000.

Staff is also recommending that the associated \$300 Renewal Application Fee and the \$100 Police Background check Fee. The Renewal Application Fee was originally intended to not only cover the cost of processing the Annual Operating Fee, but is was to augment the Annual Operating Fee to insure the costs of administering, monitoring and enforcement costs associated with the cannabis industry. Now that the State has issued the final cannabis regulations as a result of Proposition 64, staff does not anticipate having to attend as many out of area workshops and monitor changes as much.

As the Council is aware, the City eliminated the locally required background checks and deferred that task to the State as part of their license process. As such, staff is recommending eliminating that fee.

**Attachment 1:** Resolution No. 1416-2019 reducing the Annual Operating Fee from \$4,000 to \$2,000, eliminating the \$300 Renewal Application Fee and the \$100 Police Background Check Fee.

**RESOLUTION NO. 1415-2019**



**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIO DELL  
AMENDING CANNABIS ACTIVITY FEES:**

**WHEREAS** the City of Rio Dell is authorized by Article XIII of the California Constitution and the California Government Code to charge fees to cover the costs of permit administration, processing, monitoring and enforcement; and

**WHEREAS** in October of 2016 the City adopted Ordinance No. 348-2016 establishing Medical Commercial Cannabis Regulations; and

**WHEREAS** pursuant to Section 17.30.195(16) of the Rio Dell Municipal Code (RDMC), the Council may establish fees, taxes or other charges for a commercial cannabis activity permit by resolution or ordinance; and

**WHEREAS** in December of 2016 the City Council adopted Resolution No. 1311-2016 establishing fees to cover the costs of permit administration, processing, monitoring and enforcement associated with the Medical Commercial Cannabis Regulations; and

**WHEREAS** the fees were based on medical commercial activities; and

**WHEREAS** in February of 2018 the City Council amended the Commercial Cannabis Regulations to allow for both Medicinal (M) and Adult (A) cannabis activities in the City; and

**WHEREAS** operators who want to participate in the Adult (A) market are required to pay the annual fee of \$4,000 for both the Medicinal (M) and Adult (A) market; and

**WHEREAS** operators and potential investors have expressed concern about having to pay \$8,000 in annual licensing fees per activity (e.g. cultivation, manufacturing, processing, distribution, etc) in addition to the City's tax; and

**WHEREAS** the adoption of fees and charges for development projects are statutorily exempt from the California Environmental Quality Act (CEQA) pursuant to Section 21080(b)(8) of the Public Resources Code; and

**WHEREAS** Section 66016 of the California Government Code requires Cities to post a public Notice at least fourteen (14) days prior to the adoption of any new fees at a minimum of three (3) public places. The Public Notice was posted on March 4, 2019 at City Hall, the Rio Dell

Library, and the Post Office and on the Community Bulletin Board located at the City parking lot downtown and the City's website.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council approves and adopts the following:

1. The fees established herein are intended to cover the costs associated in developing, permitting, administrating and enforcing the City's Commercial Cannabis Land Use Regulations and the State's Medicinal and Adult-Use Cannabis Regulation and Safety Act; and
2. A duly noticed public hearing on the proposed fees was conducted in the manner prescribed by applicable provisions of State law; and
3. The adoption of fees and charges for development projects are statutorily exempt from the California Environmental Quality Act (CEQA) pursuant to Section 21080(b)(8) of the Public Resources Code

**NOW, THEREFORE, BE IT FURTHER RESOLVED** that the City Council approves and modifies the fees identified in Exhibit A.

**BE IT FURTHER RESOLVED** that this Resolution shall become effective upon approval and adoption by the City Council.

**I HEREBY CERTIFY** that the forgoing Resolution was PASSED, APPROVED and ADOPTED at a regular meeting of the City Council of the City of Rio Dell on March 19, 2019 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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Debra Garnes, Mayor

ATTEST:

I, Karen Dunham, City Clerk for the City of Rio Dell, State of California, hereby certify the above and foregoing to be a full, true and correct copy of Resolution No. 1415-2019 adopted by the City Council of the City of Rio Dell on March 19, 2019.

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Karen Dunham, City Clerk, City of Rio Dell

675 Wildwood Avenue  
 Rio Dell, CA 95562  
 (707) 764-3532



**Exhibit A  
 Cannabis Activity Fees  
 Resolution No. 1416-2019**

The following fees are for the Issuance, Administration, Monitoring and Enforcement of commercial cannabis activity permits within the City of Rio Dell.

<b>Initial Permit Fees. The following fees apply to the Initial Permit application:</b>	
Initial Application Fee	\$2,500
Annual Operating Fee <u>per License Type</u>	<del>\$4,000</del> <u>\$2,000</u>
<b>Renewal Permit Fees. The following fees apply to a Permit renewal application:</b>	
<del>Renewal Application Fee</del> _____	<del>\$300</del>
Annual Operating Fee <u>per License Type</u>	<del>\$4,000</del> <u>\$2,000</u>
<b>Administrative Permit Fees.</b>	
Transfer of Ownership	\$100
Change in Ownership Structure	\$100
<del>Police Department Review of Background Check</del>	<del>\$100</del>
Change of Location	\$50
Change in Mailing Address	\$50
Change in Trade Name	\$50
Modification of Premises	\$50





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*Rio Dell City Hall  
675 Wildwood Avenue  
Rio Dell, CA 95562  
(707) 764-3532  
cityofriodell.ca.gov*

March 19, 2019

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager

SUBJECT: Approval of Resolution No. 1416-2019 Amending the Operating and Capital Budget to Transfer Funds for the Repair of the Wastewater System's Sludge Dryer

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Approve Resolution No. 1416-2019.

BACKGROUND AND DISCUSSION

The City of Rio Dell's Wastewater Treatment Plant (WWTP) includes a sludge dryer at the end of the processing regimen for solids collected. These dried solids are diverted from landfills and are picked up by local farmers for distribution on agricultural lands.

The WWTP's sludge dryer is in need of repair for continued operation. The repairs need to be completed as soon as possible in order to avoid a potential break-down and subsequent emergency repair. Funds currently exist in the Wastewater budget that were programmed for I&I reduction, but that will remain unspent by the end of the fiscal year. Therefore it is recommended that the funds be transferred in order to cover this needed repair.

///



**RESOLUTION NO. 1416-2019  
A RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF RIO DELL  
AMENDING THE OPERATING AND CAPITAL BUDGET  
FOR THE FISCAL-YEAR 2018-2019 FOR  
TO TRANSFER FUNDS FOR UNANTICIPATED REPAIR**

**WHEREAS**, the City adopted Resolution 1389-2018 establishing the City’s Operating and Capital Budget for the Fiscal-Year 2018/19; and

**WHEREAS**, the City has approved its 2018/19 fiscal year Operating and Capital Budgets and have identified a needed transfer that should be included to update the 2018/19 fiscal-year budget; and

**WHEREAS**, from time to time it is recognized that transfers are necessary to cover the cost of needed repairs to equipment, in this case the wastewater system’s sludge dryer; and

**NOW THEREFORE BE IT RESOLVED**, that the City of Rio Dell City Council does hereby amend the City of Rio Dell 2018/19 Operating and Capital Budget with the following amendments:

From:	14 052 0000 9010	\$(21,874)
To:	6200 14 052 0000 9061	\$21,974

**PASSED AND ADOPTED** by the City Council of the Rio Dell on this 19<sup>th</sup> day of March 2019 by the following vote:

Ayes:  
Noes:  
Abstain:  
Absent:

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Debra Garnes, Mayor

ATTEST:

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Karen Dunham, City Clerk

**CITY OF RIO DELL  
REQUEST FOR BUDGET TRANSFER/ADJUSTMENT**

BT/ADJ# \_\_\_\_\_

Reso.# \_\_\_\_\_

DEPARTMENT: Wastewater DEPT# 08

DATE: 3/13/2019

**1.) REASON FOR BUDGET TRANSFER REQUEST**

- Transfer within Departmental Budget and Fund(s) <\$3,000 (with Finance Director Approval)
- Transfer within Departmental Budget & Fund(s) <\$10,000 (with City Mgr. & Finance Director Approval) 7\$10,000  
to CC
- Transfer between Departments through Contingency Item (with Council Approval)
- Increase/decrease Departmental Budget (with Council Approval)
- Increase/decrease Contingency Budget Amounts (with Council Approval)

**2.) TRANSFER FROM:**

FUND	ACCOUNT NAME	ACCOUNT NUMBER	AMOUNT
	<u>14 052 0000 9010</u>		<u>(41,874)</u>

**TRANSFER TO:**

FUND	ACCOUNT NAME	ACCOUNT NUMBER	AMOUNT
	<u>16200 14 052 0000 9061</u>		<u>41,874</u>

3.) In the space below, state (a) reason for transfer request, (b) reason why there are sufficient balances in affected accounts, and (c) why transfer cannot be delayed until next budget year.

(A) Sludge Dryer needs repairs for continued operation. (B) Delays in I and J projects likely not going to use to funds before fiscal years over. (C) repairs need to be completed as soon as possible to save on potential higher cost of break down emergency repair.

4.) Department Authorization: Date: 3/13/19 (Signed) Derek Taylor

5.) Account balances verified by Finance Director: Date: 3/19/19 (Signed) Breanne Kowig

6.)  /Approved     /Not Approved     /Recommended     /Not Recommended  
 City Manager    Date: 3/15/19 (Signed) [Signature]

7.)  /Approved     /Not Approved     /Recommended     /Not Recommended  
 /Tabled     /Modified     /Next Meeting  
 City Council    Date: \_\_\_\_\_ (Signed) \_\_\_\_\_



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*Rio Dell City Hall  
675 Wildwood Avenue  
Rio Dell, CA 95562  
(707) 764-3532  
cityofriodell.ca.gov*

March 19, 2019

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager

SUBJECT: Approval of Resolution No. 1417-2019 in Support of the 2020 US Census

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Approve Resolution 1417-2019.

BACKGROUND AND DISCUSSION

California cities can play an active role in helping to make the 2020 U.S. Census fair and accurate, especially for historically undercounted populations: racial and ethnic minorities, young children and renters. The 2010 census undercounted 95,000 (or 0.26 percent of) California residents. Though the overall count was an improvement from the previous undercounts (2.74 percent in 1990 and 1.52 percent in 2000), the rate of undercounted populations remains consistently high, and that has many cities concerned about getting an accurate account in the upcoming census. One of the main implications of a miscount is the loss of annual federal and state funding for local government as well as philanthropic funding for social programs and services. In addition, one or more Congressional seats given to California could be lost.

Obtaining an accurate and complete count poses challenges due to several factors. The housing affordability crisis has forced more Californians to move into hard-to-count unconventional housing and overcrowded dwellings or to become homeless. For the first time, the Census is a digital census and more than 75 percent of California households will be receiving an invitation to complete their census form online, even though many households lack broadband or digital literacy.

The California Census Office is hosting a kick-off event on April 2, 2019 at the State Capitol in Sacramento to jump-start the public awareness of the 2020 Census and they have requested for the League to encourage its members to adopt a resolution recognizing the importance of the 2020 U.S. Census.

///

**RESOLUTION NO. 1417-2019**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIO DELL  
SUPPORTING THE 2020 CENSUS**

**WHEREAS**, the U.S. Census Bureau is required by Article I, Section 2 of the U.S. Constitution to conduct an accurate count of the population every ten years; and

**WHEREAS**, the next enumeration will be April 1, 2020 and will be the first to rely heavily on online responses; and

**WHEREAS**, the primary and perpetual challenge facing the U.S. Census Bureau is the undercount of certain population groups; and

**WHEREAS**, that challenge is amplified in California, given the size of the state and the diversity of communities; and

**WHEREAS**, California has a large percentage of individuals that are considered traditionally hard to count; and

**WHEREAS**, these diverse communities and demographic populations are at risk of being missed in the 2020 Census; and

**WHEREAS**, California receives nearly \$77 billion in federal funding that relies, in part, on census data; and

**WHEREAS**, a complete and accurate count of California's population is essential; and

**WHEREAS**, the data collected by the decennial Census determines the number of seats each state has in the U.S. House of Representatives and is used to distribute billions of dollars in federal funds to state and local governments; and

**WHEREAS**, the data is also used in the redistricting of state legislatures, county boards of supervisors and city councils; and

**WHEREAS**, the decennial census is a massive undertaking that requires cross-sector collaboration and partnership in order to achieve a complete and accurate count; and

**WHEREAS**, California's leaders have dedicated a historic amount of funding and resources to ensure every Californian is counted once, only once and in the right place; and

**WHEREAS**, this includes coordination between tribal, city, county, state governments, community-based organizations, education, and many more; and

**WHEREAS**, U.S. Census Bureau is facing several challenges with Census 2020, including constrained fiscal environment, rapidly changing use of technology, declining response rates, increasingly diverse and mobile population, thus support from partners and stakeholders is critical; and

**WHEREAS**, California is kicking-off its outreach and engagement efforts in April 2019 for the 2020 Census; and

**WHEREAS**, the City Council of the City of Rio Dell in partnership with other local governments, the State, businesses, schools, and community organizations, is committed to robust outreach and communication strategies, focusing on reaching the hardest-to-count individuals;

**NOW, THEREFORE IT IS HEREBY RESOLVED, ORDERED AND FOUND** by the City Council of the City of Rio Dell as follows:

1. The City of Rio Dell recognizes the importance of the 2020 U.S. Census and supports helping to ensure a complete, fair, and accurate count of all Californians.

**PASSED AND ADOPTED** by the City Council of the City of Rio Dell, State of California, on March 19, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Debra Garnes, Mayor

ATTEST:

I, Karen Dunham, City Clerk for the City of Rio Dell, State of California, hereby certify the above and foregoing to be a full, true and correct copy of Resolution No. 1417-2019 approved and adopted by the City Council of the City of Rio Dell on March 19, 2019.

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Karen Dunham, City Clerk



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*Rio Dell City Hall  
675 Wildwood Avenue  
Rio Dell, CA 95562  
(707) 764-3532  
cityofriodell.ca.gov*

March 19, 2019

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager

SUBJECT: Adoption of Resolution No. 1418-2019 Related to the California Cannabis Equity Act of 2019

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Adopt the Resolution No. 1418-2019 creating the City of Rio Dell Local Equity Program, and direct staff to write and implement the program details of the City of Rio Dell's Local Equity Program in accord with the California Cannabis Equity Act of 2018.

BACKGROUND AND DISCUSSION

California Senate Bill 1294 (Bradford 2018), also known as the California Cannabis Equity Act of 2018, appropriated \$10 million in funding for a grant program to be administered by the Bureau of Cannabis Control (BCC). The notice of funding availability for this grant was released on March 1, 2019 and applications are due by April 1, 2019.

The minimum disbursement to eligible local jurisdictions is \$100,000 with potential for a greater amount based on a calculation performed by the BCC which is based on the number of state licenses within eligible jurisdictions.

To be eligible, the City must adopt or operate a local equity program. This resolution directs staff to develop the details of a local equity program that meets the standards set in the BCC's notice of funding availability, program guidelines, and SB 1294.

///



**RESOLUTION NO. 1418-2019**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIO DELL  
ADOPTING A LOCAL EQUITY PROGRAM PURSUANT TO THE CALIFORNIA  
CANNABIS EQUITY ACT OF 2018**

**WHEREAS**, the members of the California Legislature have recognized the need for equity grant funding; and,

**WHEREAS**, funding has been provided to the Bureau of Cannabis Control to provide grant funds to local governments pursuant to the California Cannabis Equity Act of 2018; and,

**WHEREAS**, the City of Rio Dell is located in Humboldt County California in the heart of a cannabis cultivation area known as the Emerald Triangle where decades of criminalized cannabis activity has occurred with numerous negative consequences; and,

**WHEREAS**, the City of Rio Dell recognizes the impact that the past criminalization of cannabis has had on Rio Dell residents and recognize the need for the creation of an equity program that provides assistance to local equity applicants and local equity licensees; and,

**WHEREAS**, the City of Rio Dell has determined that it will create a Local Equity Program and that it will use grant funding from the Bureau of Cannabis Control to assist local equity applicants and licensees through its local equity program for commercial cannabis activity;

**NOW, THEREFORE IT IS HEREBY RESOLVED, ORDERED AND FOUND** by the City Council of the City of Rio Dell as follows:

1. That the City of Rio Dell hereby adopts the Rio Dell Local Equity Program which focuses on inclusion and support of individuals and communities in Rio Dell's cannabis industry who are linked to populations or neighborhoods that were negatively or disproportionately impacted by cannabis criminalization.
2. The City Council of the City of Rio Dell hereby directs staff to take whatever action is necessary to write and implement the program details of the City of Rio Dell's Local Equity Program in accord with the California Cannabis Equity Act of 2018.
3. This resolution is effective immediately.

**PASSED AND ADOPTED** by the City Council of the City of Rio Dell, State of California, on March 19, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Debra Gaines, Mayor

ATTEST:

I, Karen Dunham, City Clerk for the City of Rio Dell, State of California, hereby certify the above and foregoing to be a full, true and correct copy of Resolution No. 1418-2019 approved and adopted by the City Council of the City of Rio Dell on March 19, 2019.

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Karen Dunham, City Clerk



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*Rio Dell City Hall  
675 Wildwood Avenue  
Rio Dell, CA 95562  
(707) 764-3532  
cityofriodell.ca.gov*

March 19, 2019

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager

SUBJECT: Authorize the Mayor to Sign a Letter of Recommendation for the Appointment of Brett Watson to the California Coastal Commission

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the Mayor to sign the attached letter.

BACKGROUND AND DISCUSSION

On Tuesday March 5, 2019, Brett Watson, Mayor of the City of Arcata, attended the Rio Dell City Council meeting and under public comment requested that the City Council endorse his bid to be appointed to the California Coastal Commission. The Council directed that Mayor Watson's endorsement be agendized.

Rio Dell is not in the Coastal Zone, however the City is encouraged to make endorsements for this seat that impacts the broader region. Ultimately the appointment will be made by Governor Newsom.

Staff has drafted a letter of support and Mayor Watson has also submitted a letter of interest and his resume for your consideration.

At this time no other request has been made to endorse other potential appointees.

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*Rio Dell City Hall  
675 Wildwood Avenue  
Rio Dell, CA 95562  
(707) 764-3532  
cityofriodell.ca.gov*



March 19, 2019

Ms. Mona Pasquil-Rogers  
Appointments Secretary  
Office of the Governor  
State Capitol, First Floor  
Sacramento, CA 94814

**RE: Letter of Support for the Appointment of Brett Watson to the California Coastal Commission.**

Dear Ms. Pasquil-Rogers,

The City Council of the City of Rio Dell has authorized me to sign this letter endorsing the appointment of the Mayor of the City of Arcata, Mr. Brett Watson, to the California Coastal Commission.

Mayor Watson is well qualified for this position having a strong background in natural resources as well as practical policymaking experience leading governmental agencies from the highest level. Mayor Watson earned his B.S. in Forestry in 2010 from Humboldt State University and has worked for United States Forest Service in both the Six Rivers National Forest and the Pacific Southwest Research Station as a researcher and Forestry Technician. Mayor Watson became a member of the Arcata City Council in April of 2017 and has served on numerous committees that balance economic development with environmental stewardship.

Arcata is a coastal city that sits on the northern end of Humboldt Bay, an area with a growing aquaculture industry where Mayor Watson has already been involved in decisions that balance environmentally responsible oyster farming practices with the sensitive ecosystem of this coastal estuary.

Based upon his balanced experience in natural resources, policymaking and his understanding of the dynamic Northcoast of California, we endorse the appointment of Mayor Brett Watson to the California Coastal Commission.

Sincerely,

Debra Garnes  
Mayor, City of Rio Dell

Brett M. Watson

Box 494, Arcata, CA 95518 · [REDACTED] · bwatson@cityofarcata.org

March 3<sup>rd</sup>, 2019

Rio Dell City Council  
675 Wildwood Ave  
Rio Dell, CA 95562

Dear Members of the Council,

I'm writing to request a letter of support for appointment to the North Coast District seat on the California Coastal Commission. I believe my experience on the Arcata City Council and my background in natural resources makes me a well-qualified candidate for this position.

While it's essential we continue to work to promote the health of our bay, I also understand the need for economic development. When the California Coastal Commission suspended permits for local oyster farmers in 2017, I sought out information from all sides of the issue to ensure I was making an informed decision when choosing to support responsible oyster farming practices that would significantly reduce the negative impacts to eel grass.


I believe it's important to find balance between preservation of our natural environment and deriving economic benefits from our lands in a responsible way. Humboldt Bay is a world-class example of this as we've successfully maintained a healthy bay while realizing the many economic benefits from oyster production, fishing, hunting, and various forms of recreation.

The North Coast has many challenges and opportunities ahead of us relating to coastal issues, e.g. offshore wind power and sea level rise, and I'm ready to work hard to represent our region on these issues. Thank you for your consideration.

Sincerely,

Brett Watson  
Mayor, City of Arcata

**Brett M. Watson**  
Box 494, Arcata, CA 95518  
bwatson@cityofarcata.org



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## **OBJECTIVE**

To apply my energy and experience to serve my community, while enhancing myself personally and professionally.

## **EDUCATION**

**B.S. degree in Forestry, Wildland Fire Management option, Environmental Ethics Minor,** Humboldt State University, Arcata, CA. May 2010.

**Attended Shasta College,** Redding, CA (2004-05) and **Mt. San Jacinto College,** San Jacinto, CA (2001-03). Completed general education and lower division coursework.

**Firefighter I Academy, Graduate,** Shasta College, Redding, CA. Dec. 2004

## **PERTINENT COMMUNITY SERVICE**

- **Council Member (Mayor for 2019):**
  - **City of Arcata**  
April 2017 – Present
  
- **Committee/Board Member:**
  - **Economic Development Committee:** City of Arcata  
August 2012 – 2017
  - **Zero Waste Humboldt**  
August 2014 – July 2016
  - **Arcata Main Street**  
December 2014 – December 2015
  
- **Chairperson:**
  - **Economic Development Committee:** City of Arcata  
January 2015 – January 2017
  
  - **Redwood Region Economic Development Commission**  
January 2019 – Present

## WORK EXPERIENCE

*Council Member (Mayor for 2019)*

**City of Arcata**

Arcata, CA Phone: [REDACTED]

April 2017 – Present

- Fulfill duties as part of Arcata’s legislative policy-making body, which determines not only the local laws that regulate community life, but also determines public policy and gives direction to the City Manager to administer the affairs of the city. Appoint city administrators, pass ordinances, develop and refine city budgets, make policy decisions, set priorities, allocate resources, and provide the framework for government operations. Work in partnership with Humboldt County officials and Humboldt State University representatives with the overall goal of collaboration and growth. Responsible for establishing policy, adopting an annual budget, and providing vision and goals to the City Manager. Adopt policy goals and objectives, establish priorities for public services; adopt/amend operating and capital budgets, approve contracts over \$25,000; adopt resolutions and ordinances and enact local laws; supervise appointed officials such as the City Manager and City Attorney; establish and appoint members to boards, commissions, committees, and task forces; provide direction to advisory bodies, determine best course of public policy, call special elections as necessary.

*Founder, CEO and President*

**Humboldt Manufacturing**

Arcata, CA Phone: [REDACTED]

Feb 2010 – Present

- Founder of a web portal e-Commerce business specializing in Humboldt made products, with an emphasis on community involvement and business ethics, while creating jobs locally. Operate autonomously in all facets of business, i.e., strategic planning, operations, merchandising, and marketing. Proficient in customer relations, brand positioning, revenue growth, financial management, driving operational excellence, business development, and price negotiations. Strong focus on customer satisfaction, loyalty, and follow up. Fulfill customer shipping needs and maintain timely correspondence with clients. Proficient in PayPal, Amazon Pay, Stripe transactions, FedEx, UPS, USPS services. Present to public at events and trade shows to increase brand awareness. Design and distribute promotional materials and marketing collateral. Maintain accurate customer accounts. Maintain company website with up-to-date product specifications and availability. Resolve customer complaints, and respond to customer inquiries on available stock and product performance in a timely fashion.

*Founder and Partner*

**HumBot707 Tech Solutions**

Arcata, CA Phone: [REDACTED]

May 2016 – Present

- Build and maintain websites using the WordPress content management system. Manage website hosting, security and maintenance for clients. Install and maintain broadband network infrastructure. Setup, maintain and repair Apple, PC, and smartphone devices.

*Lecturer -*

*\*Dendrology: Hoopa Campus;*

*\*Intro to Wildland Fire: Fortuna Campus*

**College of the Redwoods**

Multiple Sites, CA Phone: [REDACTED]

Fall 2014 – Spring 2015  
Supervisor: Dr. Tim Baker

- Designed and implemented curricula aimed at increasing students' technical and scientific knowledge of dendrology and wildland fire management. Presented curricula in a complete, clear, and differentiated manner in order to address diverse student needs and ability levels. Provided timely and in-depth feedback on assignments and strategies for improvement. Practiced classroom management techniques, reflected on teaching practices, and sought assistance for improvement. Developed and maintained professional interactions with teachers, administrators, and students on campus. Encouraged and modeled academic language and scientific knowledge in writing, speaking, and listening through direct instruction.

*Biological Technician (Research) GS-05*

**U.S.F.S. Pacific Southwest Research Station**

Redding, CA Phone: [REDACTED]

June 2010 – Jan 2011  
Supervisor: Martin Ritchie

- Provided technical assistance to professional and technical research personnel. Performed field inventory and biological support work. Maintained accuracy and attention to detail. Performed computations that require judgment and knowledge of the nature of the sources and use of the data. Surveyed for lichens, vascular plants, soils, down woody debris, and forest stands. Used botanical keys to identify plants located within sampling protocols. Assisted in the collection, handling, and preservation of specimens. Operated a variety of scientific instruments, data collection tools, and office machines including microscopes, data recorders, GPS units, measurement instruments, cameras, scanners, and computers. Assisted in locating field sites by using aerial photos, satellite imagery, maps and GPS equipment. Engaged in strenuous physical activity such as walking and climbing over steep, rugged terrain with a 45 pound pack, often covering significant distance and elevation.

*Forestry Technician (Fuels) GS-05*

**U.S.F.S. Six Rivers National Forest, Orleans Ranger District**

Orleans, CA Phone: [REDACTED]

May 2009 – Sep 2009  
Supervisor: Stan Pfister

- Conducted inspections of contractor work to determine acceptability, needed adjustments, or other contract action. Collected values for the documentation, analysis, and prediction of fire behavior and effects. Used Trimble GPS units to map and layout the Orleans Community Fuels Reduction project.

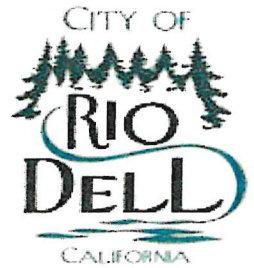


## **MEMBER OF CITY AND OTHER REGIONAL COMMITTEES**

- City Council Representative to the Humboldt Bay Municipal Water District, Water Quality Task Force (2017)
- City Council Representative to the Humboldt-Del Norte Hazardous Materials Response Joint Powers Authority (2017-Present)
- City Council Representative to the Humboldt County Indian Gaming Local Community Benefit Committee (2017-Present)
- Alternate City Council Representative to the League of California Cities, Redwood Empire Division Legislative Committee (2017-Present)
- Alternate City Council Representative to the League of California Cities, Redwood Empire Division Business Meetings (2017-Present)
- Chair and City Council Representative to the Redwood Region Economic Development Commission (RREDC) (2017-Present)
- City Council Liaison to the Arcata Chamber of Commerce (2017-2018)
- Alternate City Council Liaison to the Arcata Downtown Business Community - Arcata Main Street (2017-Present)
- City Council Representative to the Friends of the Arcata Marsh Board of Directors (2017-Present)
- At-large member of the Housing Trust Fund and Homelessness Solutions Committee (2018-Present)

## **OTHER COMMUNITY SERVICE**

- Arcata Marsh & Wildlife Sanctuary Volunteer
- Weekly "Tech with Brett" Facilitator helping seniors with technology needs at the Arcata Community Center
- Big Brother with Big Brothers Big Sisters of the North Coast



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*Rio Dell City Hall  
675 Wildwood Avenue  
Rio Dell, CA 95562  
(707) 764-3532  
cityofriodell.ca.gov*

March 19, 2019

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager

SUBJECT: Approve Letter of Support for SB 5 Related to Economic Development

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Approve letter of recommendation

BACKGROUND AND DISCUSSION

Since the elimination of redevelopment agencies in 2011, the Legislature has created several new tools that use tax increment financing, which include the formation of enhanced infrastructure financing districts (EIFD), affordable housing authorities, and community revitalization investment authorities (CRIA). While these new tools can be useful to local agencies, they are widely viewed as lacking sufficient financial capacity compared to what existed under former redevelopment agencies. The limited funding has resulted in few cities taking advantage of these new tools.

SB 5 (Beall/McGuire) would create a local-State partnership to provide up to \$2 billion annually to fund State approved affordable housing, infrastructure, and economic development projects that also support State policies to reduce greenhouse gas emissions, expand transit oriented development (TOD), address poverty, and revitalize neighborhoods.

With a projected multi-billion State budget surplus for the 2019/2020 fiscal year, now is the time for the State to restore more robust financing mechanisms that support local efforts to build more affordable housing, provide essential infrastructure, and create opportunities in underserved communities.

For more information, please review the attached California City Advocate newsletter article.

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March 19, 2019

The Honorable Mike McGuire  
California State Senate  
State Capitol Building, Room 5061  
Sacramento, CA 95814

**Re: SB 5 (Beall/McGuire) Local-State Sustainable Investment Incentive Program  
Notice of SUPPORT (As Introduced 12/03/2018)**

Dear Senator Beall and Senator McGuire:

The City of Rio Dell supports your SB 5 (Beall/McGuire), the Local-State Sustainable Investment Incentive Program.

The elimination of redevelopment in 2011 created a huge deficit in community revitalization resources throughout California, including an annual loss of \$1 billion in funding for low- and moderate-income housing.

SB 5 provides the opportunities for communities to access additional tax increment revenues to fund affordable housing, infrastructure, and economic development projects that advance state and local priorities, including reducing greenhouse gas emissions, expanding transit oriented development (TOD), addressing poverty, and revitalizing neighborhoods.

The City of Rio Dell commends you for recognizing the diversity of California cities and acknowledging the need for flexible funding to spur housing construction and revitalize communities.

The State of California has plenty of inflexible requirements of our city when it comes to housing and wastewater but provides no useful tools for economic development while State cash reserve levels set new records seemingly every year.

The time is right for the state to fill the void left by the elimination of redevelopment and provide more tools to support local efforts to build more affordable housing, provide essential infrastructure, and create opportunities in underserved communities. The City of Rio Dell applauds your leadership in this effort to give cities the tools they need to improve their communities.

For these reasons, the City of Rio Dell supports SB 5 (Beall/McGuire).

Sincerely,

Debra Garnes  
Mayor, City of Rio Dell

**SB 5 (Beall/McGuire) Post-Redevelopment Funding Proposal Set for Hearing March 20**  
*Cities Encouraged to Support Local-State Sustainable Investment Incentive Program*

Cities are encouraged to support SB 5, scheduled for hearing on March 20 in the Senate Governance and Finance Committee, which establishes an ongoing funding mechanism that would ultimately direct up to \$2 billion annually in support of local infill, transit oriented development, affordable housing and neighborhood revitalization projects.

Since the elimination of redevelopment cities have been looking for a replacement funding mechanism. While the state has created several tax increment tools—including Enhanced Infrastructure Financing Districts (EIFD), Community Revitalization Investment Authorities (CRIA), Affordable Housing Authorities (AHA) and others—all have their limitations, and are much less fiscally robust than the former tool. Senator Jim Beall (D-San Jose) and Senator Mike McGuire (D-Healdsburg), chairs of the Senate Committees on Transportation and Governance and Finance, have proposed SB 5 to fill the financing void by creating the Local-State Sustainable Investment Incentive Program.

Under SB 5, a city, county, or JPA, that has a financial commitment to a project, would apply for funding to a Sustainable Investment Incentive Committee, created by the bill. Eligible projects include:

- ✓ Housing development plans that propose construction of workforce and affordable housing, and support the construction of housing for all-income ranges consistent with adopted housing elements. 50% of the funds must be used to construct workforce and affordable housing.
- ✓ Transit-oriented development in priority locations that maximize density and transit use, and contribute to the reduction of vehicle miles traveled and greenhouse gas emissions.
- ✓ Infill development by rehabilitating, maintaining and improving existing infrastructure that supports infill development and appropriate reuse and redevelopment of previously developed, underutilized land that is presently served by transit, street, water, sewer, and other essential services, particularly in underserved areas, and to preserving cultural and historic resources.
- ✓ Promoting strong neighborhoods through supporting local community planning and engagement efforts to revitalize and restore neighborhoods, including repairing infrastructure and parks, rehabilitating and building housing, promoting public-private partnerships, supporting small businesses and job growth for affected residents.
- ✓ 20% of the overall funding for the program shall be set aside for counties with populations of less than 200,000.

How SB 5 Financing Works:

Under prior redevelopment law, when a city formed a redevelopment project area, a powerful financing mechanism was created because the property tax growth above the base year from affected counties, special districts and schools – in addition to a city’s—would flow to the redevelopment agency. Property tax growth from the school share of property tax, which can average half of local property taxes, was a major funding engine for redevelopment. When redevelopment agencies were eliminated in 2011, approximately \$2 billion in property tax was being diverted from school to redevelopment agencies. There was no financial impact on schools, however, because the state General Fund replaced these funds annually due to its funding obligations under Proposition 98.

One of the major challenges with the new financing mechanisms attached to recent tax increment tools (EIFD, CRIA, AHA, etc.) is that none of the growth of the county or special district’s share of property tax goes to the new district without agreement by the affected entities. And access to growth off the school share is currently prohibited. This is a major limitation. While cities can approach counties and special districts with various proposals, those entities have their own priorities, which often do not include funding urban revitalization, transit oriented development, affordable housing and other major projects within cities. Cities cannot approach school districts – and would likely never be able to absent a state approval process -- given the state’s funding obligation to schools under Prop. 98. SB 5 resolves this problem, and opens up major funding options, by creating a state approval mechanism to access growth off of the school share for local projects that match state priorities.

Other Features:

The Local-State Sustainable Investment Incentive Program is designed as an opt-in program, and no affected taxing entities are required to participate. Schools will be made whole by the state backfill mechanism in Proposition 98. Prevailing wages and skilled and trained workforce requirements apply.

State Oversight:

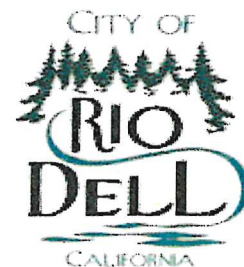
Creates the Sustainable Investment Incentive Committee review and approve or disapprove proposed projects comprised of the following:

- The Chair of the Strategic Growth Council.
- The Chair of the State Infrastructure and Economic Development Bank.
- The Chair of California Workforce Investment Board.
- Director of the California Housing and Community Development Department.
- Two people appointed by the Speaker of the Assembly.
- Two people appointed by the Senate Rules Committee.
- One public member appointed by the Governor that has a background in land use planning, local government, or community development or revitalization.

Each applicant receives financing pursuant to the program for any fiscal year is required to provide a report to the Committee. The Committee must also provide an annual report to the Joint Legislative Budget Committee.

Next Steps

SB 5 represents a major effort by the authors—chairs of the key Senate Transportation and Governance and Finance Committees—to restore a more viable funding option for urban revitalization and development projects going forward. There will, no doubt, be more steps in the journey back to establishing more robust financing options for community development, including broader discussions within the Legislature and with Governor Gavin Newsom. SB 5 is a great start. Cities are encouraged to send support letters.



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*Rio Dell City Hall  
675 Wildwood Avenue  
Rio Dell, CA 95562  
(707) 764-3532  
cityofriodell.ca.gov*

March 19, 2019

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager

SUBJECT: Approval of Second Amendment to the City of Rio Dell City Manager  
Employment Agreement and Authorization for the Mayor to Sign

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Approve the amendment and authorize the Mayor to sign.

BACKGROUND AND DISCUSSION

It is recommended that the City Council of the City of Rio Dell extend the City Manager's contract to August 21, 2021.

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**SECOND AMENDMENT TO CITY OF RIO DELL CITY MANAGER  
EMPLOYMENT AGREEMENT**

This Second Amendment to the City of Rio Dell City Manager Employment Agreement (hereinafter this “Second Amendment”) is made and entered this 19th day of March, 2019 (the “Effective Date”) by and between the CITY OF RIO DELL, a municipal corporation of the State of California, hereinafter referred to as “Employer” and KYLE KNOPP, hereinafter referred to as “Employee” or “City Manager”.

**RECITALS**

A. WHEREAS, Employer and City Manager have both executed that certain written agreement entitled City of Rio Dell City Manager Employment Agreement (hereinafter the “City Manager Employment Agreement”), with both Employer’s and City Manager’s execution date on July 21, 2014; and

B. WHEREAS, the expiration date of the City Manager Employment Agreement was extended through July 21, 2019, by way of that certain First Amendment to City of Rio Dell City Manager Employment Agreement (“First Amendment”) which was executed by Employer on December 29, 2016 and by Employee on December 6, 2016; and

C. WHEREAS, Employer and City Manager mutually intend to amend and modify the City Manager Employment Agreement as stated in this Second Amendment; and

D. WHEREAS, the City Council for the City of Rio Dell approved the modifications to the City Manager Employment Agreement recited in this Second Amendment at its duly noticed public meeting occurring on March 19, 2019.

NOW, THEREFORE, in consideration of the mutual covenants recited herein, Employer and City Manager agree to amend and modify the City Manager Employment Agreement as follows:

**AGREEMENT**

**1. Amendment to Section 2 of the City Manager Employment Agreement.**

The expiration of the term of the City Manager Employment Agreement shall be extended from July 21, 2019 to November 21, 2021.

2. **All Other Terms and Conditions Continue.** Except as modified by Section 1 of this Second Amendment, the terms and conditions of the City Manager Employment Agreement dated July 21, 2019 shall continue in full force and effect, with all Employee compensation, early termination severance provisions and benefits applicable to the extended term set at the amount(s) and pursuant to the schedule(s) recited in the City Manager Employment Agreement.

**EMPLOYEE**

\_\_\_\_\_  
Kyle Knopp  
City Manager

Date: \_\_\_\_\_

**EMPLOYER**

\_\_\_\_\_  
City of Rio Dell  
By: Debra Garnes, Mayor, City of Rio Dell

Date: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_  
Russell Gans  
City Attorney

Date: \_\_\_\_\_




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675 Wildwood Avenue  
Rio Dell, CA 95562  
(707) 764-3532  
(707) 764-5480 (fax)



**CITY OF RIO DELL  
STAFF REPORT  
CITY COUNCIL AGENDA  
March 19, 2019**

TO: Mayor and Members of the City Council  
THROUGH: Kyle Knopp, City Manager  
FROM: Brooke Kerrigan, Finance Director   
SUBJECT: Budget Calendar for FY 2019/20

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**RECOMMENDATION**

Receive and file FY 2019/20 Operating and Capital Budget Calendar Item

**BACKGROUND AND DISCUSSION**

The City's annual Operating and Capital Budget is generally adopted by June 30 of each fiscal year. The 2019/20 proposed budget calendar reflects this directive beginning in March 2019 and completed in June 2019.

**ATTACHMENTS:**

- FY 2019/20 Budget Calendar Scheduled Dates

# 2019/20 Proposed Budget Calendar

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## MARCH

- **Week of March 4 – March 8**
  - Development of proposed staffing plan
- **Week of March 11 – March 19**
  - Salary costs are calculated based on the proposed staffing plan
  - Revenue forecasting is completed
  - Budget worksheets are compiled
- **3/19 Tuesday, March 19 City Council Proposed Budget Calendar on Consent Calendar**
  - Agendize budget calendar
- **3/20 Wednesday, March 20**
  - Budget Packets Distributed to Department Heads/Supervisors

## APRIL

- **4/1 Monday, April 1 by 5:00 pm**
  - Department Heads/Supervisors turn in Budget Requests to Finance Director
- **4/3 Wednesday, April 3**
  - Staff budget discussions at regular staff meeting
  - Information compiled by Finance
  -
- **Week of April 8 - April 12**
  - City Manager meets with each Department Head
  - City Manager submits revised Departmental proposals to Finance
- **4/26 Friday, April 26**
  - Finance finishes preparing recommended budget for City Manager approval
- **Week of April 29 – May 3**
  - Final Preparations for Budget Workshop

# 2019/20 Proposed Budget Calendar

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## MAY

- **5/7 Tuesday, May 7 Budget Workshop**
  - Budget Study Session (4:00-6:00 pm)
- **5/14 Tuesday, May 14**
  - Budget Study Session (4:00-6:00 pm)
- **5/21 Tuesday, May 21 City Council Meeting**
  - City Manager presents the Recommended Operating and Capital Budget at regularly scheduled Council meeting
- **May 22 – May 31**
  - *Special budget meetings as necessary*

## JUNE

- **6/4 Tuesday, June 4 City Council Meeting**
  - City Public Hearing- City Manager presents the revised Recommended Operating and Capital Budget at regularly scheduled Council meeting
- *Special meetings as necessary*
- **6/18 Tuesday, June 18 City Council Meeting**
  - Special Presentation- Finance Director Presents the Final Operating and Capital Budget for Adoption Resolution No. \_\_\_\_\_

**City of Rio Dell  
Check Listing for City Council Meeting**

Ref#	Date	Vendor	Description	Amount
7724	2/06/2019	[0576] 101 AUTO PARTS	OIL FILTER; OIL, FITTINGS; VAC GAUGE; RING, LAMP, OIL & AIR FILTERS; OIL; WIPER BLADES, ANTIFREEZE, RETURN AIR FILTER; T-WAX CAR WASH, TWO SERPENTINE BELTS; FUEL FILTER, RETURN SERPENTINE BELT	546.73
7725	2/06/2019	[6038] ACCURATE TERMITE & PEST SOLUTIONS	BI-MONTHLY PEST CONTROL @ 675 WILDWOOD AVE, MONTHLY RODENT CONTROL @ 475 HILLTOP DR	275.00
7726	2/06/2019	[5235] ADVANTAGE FINANCIAL SERVICES	DOCSTAR USER LICENSES SYSTEM SOFTWARE	193.00
7727	2/06/2019	[3975] AT&T - 5709	FAX LINE EXPENSES FOR JANUARY 2019	41.74
7728	2/06/2019	[2293] CITY OF FORTUNA	LIVE SCANS FOR PRE-EMPLOYMENT, POLICE DISPATCH SERVICES FOR FEBRUARY 2019	2,273.00
7729	2/06/2019	[5127] DELTA DENTAL	DENTAL INSURANCE FOR MARCH 2019	2,299.26
7730	2/06/2019	[2889] EEL RIVER TRANSPORTATION & SALVAGE	TOWING SERVICES; BOB CAT; TRAILER DISPOSAL &	2,601.05
7731	2/06/2019	[5052] GHD, INC	ENGINEERING SERVICES FOR SRTS SAFETY IMPROVEM	5,516.00
7732	2/06/2019	[6486] GREEN TO GOLD ENTERPRISES LLC	PVC ANGLES, DRAIN0 42 OZ, PVC ANGLES, ADAPTERS, BUSHINGS; HYDRO FLOW PO	30.64
7733	2/06/2019	[2521] LEAGUE OF CALIF. CITIES	MEMBERSHIP DUES FOR CALENDAR YEAR 2019	2,550.00
7734	2/06/2019	[5734] LEWIS REDWOOD PRODUCTS	TWO REDWOOD SIGNS - ONE AT NO CHARGE	92.23
7735	2/06/2019	[2546] MERCER FRASER CO., INC.	LABOR & EQUIPMENT TO REMOVE DAMAGED LIGHT POL	740.00
7736	2/06/2019	[2551] MIRANDA'S ANIMAL RESCUE	ANIMAL CONTROL FOR JANUARY 2019	1,000.00
7737	2/06/2019	[5934] NORTH COAST JOURNAL	EMPLOYMENT ADVERTISEMENT FOR UTILITY WORKER, EMPLOYMENT ADVERTISEMENT FOR UTILITY WORKER I, EMPLOYMENT ADVERTISEMENT FOR CENSUS TAKER, EMPLOYMENT ADVERTISEMENT FOR CENSUS TAKER	260.00
7738	2/06/2019	[2569] NORTH COAST LABORATORIES, INC.	ACID DIGESTION; CONDUCTIVITY; HARDNESS; ICAP, BOD/NFR	666.00
7739	2/06/2019	[4393] NYLEX.net, Inc.	MONTHLY MAINTENANCE FOR FEBRUARY 15, 2019 THR	1,150.00
7740	2/06/2019	[3343] PITNEY BOWES RESERVE ACCOUNT	POSTAGE PURCHASE FOR RESERVE	400.00
7741	2/06/2019	[5973] PRECISION INTERMEDIA	MONTHLY WEB HOSTING FOR FEBRUARY 2019	30.00
7742	2/06/2019	[6292] ETHAN S PURVIS	REIMBURSEMENT FOR OVERPAYMENT ON INSURANCE DE	175.78
7743	2/06/2019	[6349] RECOLOGY EEL RIVER	GARBAGE BAGS FOR JANUARY 2019	331.68
7744	2/06/2019	[2659] RIO DELL PETTY CASH	STAMPS; VINEGAR; CAR BULB	34.32
7745	2/06/2019	[2662] RIO DELL/SCOTIA CHAMBER OF COMMERCE	REIMBURSEMENT FOR EQUIPMENT RENTAL RE: DAMAGE	504.00
7746	2/06/2019	[4525] SHERLOCK RECORDS MGMT	STORAGE SERVICE FOR JANUARY 2019	105.20
7747	2/06/2019	[5945] SUTHERLAND, MATTHEW	CUSTOMER DEPOSIT REFUND	38.46
7748	2/06/2019	[6359] SYAR INDUSTRIES, INC.	FOUR PALLETS EZ STREET	1,770.45
7749	2/06/2019	[6037] WELLS FARGO VENDOR FIN SERV	KYOCERA COPIER PAYMENT FOR FEBRUARY 2019	534.58
7750	2/06/2019	[2779] WILDWOOD SAW	HONDA RECOIL HOUSING	86.79
7751	2/06/2019	[2787] WYCKOFFS	ADAPTERS; VALVES; TEES; GALV STRAPS; PLASTIC	65.62

**City of Rio Dell  
Check Listing for City Council Meeting**

Ref#	Date	Vendor	Description	Amount
7752	2/13/2019	[3108] ACCUFUND, INC.	UPGRADE TO 6134; PROFESSIONAL SERVICES FOR 10	700.00
7753	2/13/2019	[5697] BIG FOOT NEW AND RECYCLED TREASURES	CUSTOMER DEPOSIT REFUND	152.85
7754	2/13/2019	[2301] MARK A. CLEMENTI, PH.D.	PRE-EMPLOYMENT PSYCHOLOGICAL EVALUATION	265.00
7755	2/13/2019	[2303] COAST CENTRAL CREDIT UNION	POA DUES FOR PPE 2/1/19	120.00
7756	2/13/2019	[2283] COASTAL BUSINESS SYSTEMS	DOCSTAR MAINTENANCE AGREEMENT 1/25/19 - 1/24/	1,647.00
7757	2/13/2019	[2889] EEL RIVER TRANSPORTATION & SALVAGE	TOWING SERVICES; BOBCAT; MATERIALS DISPOSAL;	3,379.10
7758	2/13/2019	[2385] EUREKA READYMIX	11.94 TONS SAND; 13.56 TONS 3/4 BASE ROCK	327.54
7759	2/13/2019	[2405] FORTUNA ACE HARDWARE	2 GAL DISTILLED WATER; 15' EXTENSION CORD; AD, 13 GAL & 45 GAL TRASH BAGS;	48.98
7760	2/13/2019	[5052] GHD, INC	ENGINEERING SERVICES FOR COUNCIL, STAFF & TAC	1,521.50
7761	2/13/2019	[6502] JOHNSON, DONNA	CUSTOMER DEPOSIT REFUND	117.92
7762	2/13/2019	[2570] NILSEN COMPANY	293 40# BAGS SOLAR SALT	1,389.11
7763	2/13/2019	[4338] QUILL CORPORATION	MONTHLY DESK PAD CALENDAR; CASH REGISTER 2 PL, LASER BUSINESS CARD STOCK; LEGAL FASTENER FOL, DELL BLACK TONER CARTRIDGE	392.57
7764	2/13/2019	[2694] SHELL OIL CO.	PD FUEL EXPENSES FOR JANUARY 2019, PW FUEL EXPENSES FOR JANUARY 2019, PD FUEL EXPENSES FOR FEBRUARY 2019	1,778.47
7765	2/13/2019	[2672] ST. JOSEPH HOSPITAL EUREKA	SART SANE EXAM ACUTE	1,800.00
7766	2/13/2019	[2319] SUDDENLINK	MONTHLY BROADBAND, INTERNET & PHONE SERVICE 2	832.12
7767	2/13/2019	[4908] THE MITCHELL LAW FIRM, LLP	LEGAL SERVICES FOR JAN 2019, LEGAL SERVICES FOR JAN 2019, LEGAL SERVICES FOR JAN 2019	1,970.32
7768	2/13/2019	[2481] VANTAGEPOINT TRANSFER AGENTS-304361	RETIREMENT FOR PPE 2/1/19	6,573.66
7769	2/13/2019	[6672] WEX BANK	FUEL EXPENSES FOR ADMIN CAR FEBRUARY 2019	31.55
7770	2/13/2019	[4310] CAMERON D YAPLE	CLOTHING ALLOWANCE REIMBURSEMENT	102.36
7771	2/21/2019	[5381] ALTERNATIVE BUSINESS CONCEPTS	MONTHLY MAINTENANCE & COPIER CHARGES FOR JANU	327.54
7772	2/21/2019	[2224] AQUA BEN CORPORATION	HYDROFLOC 851 275 GAL TOTE	2,975.40

**City of Rio Dell  
Check Listing for City Council Meeting**

Ref#	Date	Vendor	Description	Amount
7773	2/21/2019	[2237] BANK OF AMERICA BUSINESS CARD	AMAZON - TOSHIBA HANDSET, LCC - CREDIT FOR CANCELLATION OF NEW MAYORS & ADOBE PRO DC MONTHLY SUBSCRIPTION, NORTH COAST AOMD - ANNUAL BURN PERMIT, COSTCO - COFFEE; 4 PK LAMINATED TAPE; HOT CUP, LOST COAST OUTPOST - EMPLOYMENT, ADVERTISEMENT, CRAIGSLIST - EMPLOYMENT ADVERTISEMENT FOR UTILITY WORKER I, LODGING TO ATTEND LOCC NEW COUNCIL MEMBER ACA, LODGING TO ATTEND LOCC NEW COUNCIL MEMBERS AC, STAPLES - PRE-PRINTED RETURN ADDRESS ENVELOPE, LODGING TO, ATTEND QUARTERLY SCORE MEETING, LODGING TO ATTEND ANNUAL CSMFO CONFERENCE, SHELL OIL - FUEL, COSTCO - STORAGE BOXES, CHAMBERLAIN GROUP - FIVE GATE OPENERS, VISTA PRINT - BUSINESS CARDS, INTERVIEWS & INTERROGATION CLASS FOR THREE PO	2,706.83
7774	2/21/2019	[2293] CITY OF FORTUNA	LIVE SCAN FOR PRE-EMPLOYMENT	35.00
7775	2/21/2019	[5944] COLANTUONO, HIGHSMITH & WHATLEY, PC	LEGAL SERVICES FOR JANUARY/FEBRUARY 2019	1,085.00
7776	2/21/2019	[2411] DEARBORN NATIONAL LIFE INSURANCE CO	LIFE INSURANCE FOR MARCH 2019	315.00
7777	2/21/2019	[2340] DEPART OF JUSTICE ACCOUNTING OFFICE	BLOOD ALCOHOL ANALYSIS FOR JANUARY 2019	105.00
7778	2/21/2019	[2386] EUREKA RUBBER STAMP CO.	18 NAME TAGS W/ATTACHED PIN	229.48
7779	2/21/2019	[2405] FORTUNA ACE HARDWARE	FOUR GAL DISTILLED WATER, HINGE; RIVETS, THREE EACH SPRAY PAINT	48.74
7780	2/21/2019	[6486] GREEN TO GOLD ENTERPRISES LLC	BRASS 3/4" FHT & FHT SWIVEL; GILMOUR RUBBER H	30.98
7781	2/21/2019	[5359] DARRELL & SHARENA JAMES	CUSTOMER DEPOSIT REFUND	33.01
7782	2/21/2019	[3180] JENSEN, RANDY	CLOTHING ALLOWANCE REIMBURSEMENT	250.00
7783	2/21/2019	[5942] KEENAN & ASSOCIATES	HEALTH INSURANCE FOR MARCH 2019	19,355.65
7784	2/21/2019	[6524] MITCHELL, CASSI-MARIE & IRVIN MARTINEZ	CUSTOMER DEPOSIT REFUND	199.64
7785	2/21/2019	[6499] OCCUPATIONAL, ENVIRONMENTAL HEALTH & DRUG SCREENING	PRE-EMPLOYMENT EXAM & DRUG SCREEN PANEL	492.00
7786	2/21/2019	[2603] PG&E	UTILITY EXPENSES FOR JANUARY 2019	15,510.68
7787	2/21/2019	[4338] QUILL CORPORATION	BROTHER BLACK TONER CARTRIDGE & DRUM; PILOT P	217.67
7788	2/21/2019	[5545] RIVERWALK VETERINARY HOSPITAL	CANINE EXAM & MEDICATION	101.36
7789	2/21/2019	[5376] SCOTTY'S CUTTERS EDGE	SMALL GAS PUMP; TWO LAWN MOWERS	2,065.80
7790	2/21/2019	[6506] SICPA PRODUCTS SECURITY, LLC	ITSS FEES - CASH COLLECTED FOR CANNABIS (MAY	1,133.00
7791	2/21/2019	[6373] THATCHER COMPANY, INC.	ITSS FEES - CASH COLLECTED FOR CANNABIS (JANU	28.49
7792	2/21/2019	[2748] USA NORTH 811	THREE 330 G TOTE CONTAINER DEPOSIT REFUND	
7793	2/21/2019	[2787] WYCKOFFS	SODIUM BISULFITE 25% & CONTAINER DEPOSIT	118.93
			REGULATORY COSTS FOR CALIFORNIA UNDERGROUND F	
			400-B-AL CAMLOCK FITTING; 4" PVC COUPLING, F1, BUSHINGS	214.06

City of Rio Dell  
Check Listing for City Council Meeting

Ref#	Date	Vendor	Description	Amount
7794	2/28/2019	[3108] ACCUFUND, INC.	ANNUAL SOFTWARE SUPPORT PLUS MAINTENANCE & EN	6,327.50
7795	2/28/2019	[6320] ASBURY ENVIRONMENTAL SERVICES	USED OIL DISPOSAL	65.00
7796	2/28/2019	[2303] COAST CENTRAL CREDIT UNION	POA DUES FOR PPE 2/15/19	120.00
7797	2/28/2019	[2385] EUREKA READYMIX	2.82 TONS #3 ROCK; 2.61 TONS CRUSHED ROCK	77.81
7798	2/28/2019	[3385] EVANS MECHANICAL INC.	INSTALL NEW MAIN LIMIT & FILTER ON FURNACE	279.66
7799	2/28/2019	[4855] FRESHWATER ENVIRONMENTAL SERVICES	CONSULTING FOR CROSS CONNECTION CONTROL IMPL	1,710.00
7800	2/28/2019	[2423] GEORGE'S GLASS, INC	CONSULTING SERVICES FOR OERP ORIENTATION	434.05
7801	2/28/2019	[5052] GHD, INC	REPLACE WINDSHIELD ON 2017 FORD TAURUS	14,501.00
7802	2/28/2019	[6683] GOLDEN GATE POLYGRAPH SERVICES	ENGINEERING SERVICES FOR SRTS SAFETY IMPROVEM	525.00
7803	2/28/2019	[2437] HACH	ENGINEERING SERVICES FOR DRINKING WATER INFRA	
7804	2/28/2019	[2457] HUMBOLDT COUNTY CLERK-RECORDER	ENGINEERING SERVICES FOR WASTEWATER SYSTEM	
7805	2/28/2019	[2546] MERCER FRASER CO., INC.	PRE-EMPLOYMENT POLYGRAPH EXAM, PRE-EMPLOYMENT POLYGRAPH	
7806	2/28/2019	[2569] NORTH COAST LABORATORIES, INC.	EXAM	
7807	2/28/2019	[6100] NORTHERN CALIFORNIA GLOVE	HACH COMMUNICATION DONGLE	48.53
7808	2/28/2019	[5560] REDI-RENTS	MAP COPIES	16.00
7809	2/28/2019	[2693] SHELTON'S AUTO LUBE	8.89 TONS 1/2" SC 250 ASPHALT CONCRETE	858.46
7810	2/28/2019	[2709] STAPLES DEPT. 00-04079109	COLFORM QUANTL-TRAY	60.00
7811	2/28/2019	[5494] SUSAN E TOWNSEND	20 BOXES NITRILE BLACK PF EXAM GLOVES	189.63
7812	2/28/2019	[2481] VANTAGEPOINT TRANSFER AGENTS-304361	4" TRASH PUMP RENTAL, 2019 DEWALT 60 LB JACKHAMMER	830.02
7813	2/28/2019	[5166] VSP-VISION SERVICE PLAN	FULL OIL CHANGE SERVICE FOR 2017 FORD INTERCE	55.00
7814	2/28/2019	[2772] WENDT CONSTRUCTION, INC	DYMO LABEL PRINTER LABELS	32.54
7815	2/28/2019	[2787] WYCKOFFS	REFUND FOR OVER PAYMENT OF DENTAL & VISION IN	22.64
7816	2/28/2019	[4638] STITCH WITICH	RETIREMENT FOR PPE 2/15/19	6,422.31
7817	2/28/2019	[2757] US POSTMASTER	VISION INSURANCE FOR MARCH 2019	381.02
			DELIVER 1 LOAD EACH BASE ROCK, COLD MIX & SAN	180.00
			TWO EA PVC COMPRS COUPLINGS	9.87
			30 BLACK HATS WITH CITY LOGO & TITLE	414.60
			POSTAGE FOR UTILITY BILLING FOR THE MONTH OF	358.26
			<b>Total Checks/Deposits</b>	<b>128,959.74</b>
<b>Ref#</b>	<b>Date</b>	<b>Vendor</b>	<b>Description</b>	<b>Amount</b>
403-584	2/04/2019	ELECTRONIC FUNDS TRANSFER	EFT for EDD Payroll Taxes for PW Employee final check.	-141.61
97737	2/04/2019	ELECTRONIC FUNDS TRANSFER	EFT FOR EFTPS PAYROLL TAXES FOR PW FINAL PAY CHECK.	-319.06
1000101356	2/05/2019	WITHDRAWAL	DEPOSITED ITEM RETURNED	-2,700.00
637-888	2/11/2019	ELECTRONIC FUNDS TRANSFER	EFT FOR EDD PAYROLL TAXES FOR PPE 02/01/2019	-3,643.37

**City of Rio Dell  
Check Listing for City Council Meeting**

Ref#	Date	Vendor	Description	Amount
2401471	2/11/2019	ELECTRONIC FUNDS TRANSFER	EFT FOR EFTPS PAYROLL TAXES FOR PPE 02/01/2019	-12,786.04
9424187	2/19/2019	WITHDRAWAL	BANK ANALYSIS FEE FOR FEBRUARY 2019	-130.10
1000100935	2/19/2019	WITHDRAWAL	DEPOSITED ITEM RETURNED	-307.00
356273	2/20/2019	ELECTRONIC FUNDS TRANSFER	EFT FOR AFLAC INSURANCE FOR FEBRUARY 2019	-616.12
688-832	2/25/2019	ELECTRONIC FUNDS TRANSFER	EFT FOR EDD PAYROLL TAXES FOR PPE 02/15/2019	-3,163.56
4143433	2/25/2019	ELECTRONIC FUNDS TRANSFER	EFT FOR EFTPS PAYROLL TAXES FOR PPE 02/15/2019	-12,201.36
1000103516	2/28/2019	WITHDRAWAL	DEPOSITED ITEM RETURNED	-111.23
<b>Total EFT's/Bank Withdrawals</b>				<b>-36,119.45</b>
Ref#	Date	Vendor	Description	Amount
TRX TO PR	2/1/2019	TRANSFER FROM CHECK TO PAYROLL ACCOUNT	TRANSFER TO PAYROLL ACCOUNT FOR PW FINAL PAYCHECK	-1,760.52
TRX TO PR	2/5/2019	TRANSFER FROM CHECK TO PAYROLL ACCOUNT	TRANSFER TO PAYROLL ACCOUNT FOR PPE 02/01/2019	-32,924.31
TRX TO PR	2/19/2019	TRANSFER FROM CHECK TO PAYROLL ACCOUNT	TRANSFER TO PAYROLL ACCOUNT FOR PPE 02/15/2019	-32,366.88
<b>Total Transfer Between Accounts</b>				<b>-67,051.71</b>





## **Staff Update – 2019-03-19**

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### **City Council**

#### **City Manager**

Conducted a conference call with Terra-Gen on the use of Monument Road, as well as other calls with the County. Terra Gen expressed interest/willingness to study their use of the road and its potential impact.

Discussed application process for housing at the Danco Project with County officials and Danco Representatives.

Drafted and issued Winter 2019 Newsletter.

Attended Measure Z Meeting to advocate for City's grant.

Collected materials from 2-1-1 for distribution o the Police Department.

Multiple phone calls on the future of CalOrigin and Track and Trace in Rio Dell.

Conducted walk-through of contractors on 2019 asphalt project.

Discussion with Attorney on relationship with Water Board and dilution credits related to wastewater.

### **City Clerk**

#### **City Attorney**

#### **Human Resources, Risk & Training**

#### **Finance Department**

#### **Public Works Water**

1. Weekly water sampling for Eel River and Wells System.
2. Complete City Water Rights Reports to State
3. Start work on the Water System Annual Report to State
4. Water Leak on East Bridge and Meadowbridge
5. Weekly Safety Trainings and exercises
6. Monthly Water Meter Reading
7. Meter Re-reads



8. Work with Freshwater Environmental on Cross Connection Program
9. Work with Freshwater Environmental on California Environmental Reporting System (CERS) Report
10. Water Treatment Facilities Maintenance on Booster pump and Variable Speed Controller
11. Maintenance on Water Treatment Plant (Corp Yard) Clean up and Organization
12. Vehicle maintenance and install backup cameras on Service Vehicles

### **Public Works Wastewater**

- Sewer line jetting in the areas of First Ave and Wildwood.
- Cleaned up SSO area on painter St.
- Preparing for Annual Effluent testing: Chronic's
- Cleaning and Plant Beautification.
- OIT's are Studying for their Wastewater License going to be traveling for a training and to Redding for the test in April.
- Submitted Annual Self-Monitoring Report to the State.
- Grant For SSES/DBP has been pass through Technical Review and is now the Financial/Credit portion of the process.
- 2 sewer lateral inspection: 175 Davis , 1148 Miller Ct.

### **Public Works Streets, Buildings and Grounds**

#### Monday 2/25

- Checked for storm damage
- Cleaned drains
- Pumped water from Painter St. overflow

#### Tuesday 2/26

- Cleaned drains
- Pumped water from Painter St. overflow
- Patching on Ogle

#### Wednesday 2/27

- Patching on 2<sup>nd</sup> Ave., Riverside, and Fern
- Cleaned shop worked in yard

#### Thursday 2/28

- Jetted sewer line from fern lift station to Belleview

#### Friday 3/1

- Patched pot holes on Ogle
- Cleaned habitat site
- Cleaned and organized shop

#### Monday 3/4

- Water leak repair on East Bridge
- Cleaned, and camera lateral at 111 Monument
- Cleaned lateral on spring St.



**Tuesday 3/5**

- o Filled pot holes on Rigby, Riverside, Fern, Eeloa, Ogle
- o Checked hot spot manholes
- o Ran sewer jetter 1st and Elko to 1st and Columbus, and flushed Berkley manhole.

**Wednesday 3/6**

- o Checked manholes
- o Worked on projects in yard

**Thursday 3/7**

- o Patched pot holes on Ogle, Northwestern
- o Project in yard
- o Flushed main on riverside.

**Friday 3/8**

- o Mowed south gateway Cleaned shop

**Public Works City Engineer**

**Public Works Capital Projects**

**Police Department**

The Department had the following statistics for the period of February 27, 2019 to March 12, 2019. This period of time saw an average number of calls for service, but an above average number of reports and significantly greater number of arrests. One reason for the higher number of arrests is that the newer officers are improving their skills and making stops that are more likely to result in arrests than warnings.

Officer	Calls for Service	Reports	Arrests
Conner	13	5	2
Beauchaine	3	3	3
Carnahan	4850 Leave	4850 Leave	4850 Leave
Landry	28	11	6
Mitchell	35	9	7
Valk	1	1	0
Totals	83 (3 unassigned)	29	18
Averages	5.9 per day	14.5 per week	19 per week
2018 Yearly Average	5.1 per day	10.6 per week	3.6 per week

During the period of February 27 to March 12, 2019, the Department opened three new cases dealing with abandoned or junk vehicles. During the same time period, the Department did not close any cases. As of March 12, 2018, there were eight open junk vehicle cases. However, the majority of these cases will be closed in the very near future.

During the period of February 27 to March 12, 2019, there were three calls for service related to animal control issues. Two dogs were transported to Miranda's Rescue in that time frame.



Officers Landry and Mitchell are in their "shadow" training period. They will be accompanied this week by a training officer in plain clothes. The following week, they will be operating on their own, but scheduled to work the same shift as their training officer. Starting March 23, 2109, they are expected to begin working by themselves. The department will move to two, ten hour shifts per day. This will increase the hours of coverage by from one to five hours per day.

The Department served a Notice of Violation on the owners of a house on Willow Lane that has been used in the past in violation of the City's marijuana ordinances.

On February 28, 2019, Officer Landry made contact with a man parked in front of a house suspected of being used for selling drugs. The man was on probation with a search clause. A search of the man's car found a stolen, loaded handgun beneath the seat. The man was arrested and transported to jail without further incident.

On March 4, 2019, Sergeant Beauchaine saw a man who he knew did not have a valid driver's license. He made a traffic stop. The man admitted that there was a firearm in his truck. As the man was a convicted felon, Sergeant Beauchaine searched the truck and seized a rifle, ammunition, methamphetamine and a large amount of processed marijuana. The man was taken into custody and transported to the jail without incident.

Also on March 4, 2019, Officer Valk contacted a man who was violating a restraining order by hiding in his ex-girlfriend's car. When Officer Valk attempted to take the man into custody, he fled on foot. The next week, when the woman entered her home, she found her ex-boyfriend inside of her house. He threatened to burn her house down and made other threats against her life. He fled before Officer Landry arrived on scene. A request for his arrest has been transmitted to the other law enforcement agencies in Humboldt County. The incident report has been forwarded to the District Attorney's Office requesting the issuance of an arrest warrant for multiple violations of the restraining order as well as for stalking.

### **Community Development Department**

Framing Inspection 653 Rigby Avenue.

Hot Water Heater Inspection 555 Painter Street.

Keller Plan Check/Corrections.

DANCO Plan Check single family units. Common Building be reviewed by InterWest.

Meeting with Randy & Dawnita Hoisignton regarding potential cannabis cultivation at the former Mozzetti Ranch.

Service Panel Inspection 103 Douglas Street.

Heater and Hot Water Heater Inspection 270 Monument Road.



Complete Draft Cannabis Retail Sales RFP.

Framing/stairs Inspection 130 Webster Street.

Service Panel Inspection 149 Meadowbridge Drive.

Prepare DANCO "Will Serve" letter regarding water and sewer.

Meeting with Jessie Jeffries regarding Conditions of Approval, possible modification regarding fencing.

Prepare Staff Report regarding Cannabis Text Amendments, review State regulations regarding setbacks to schools.

Prepare Staff Report regarding Cannabis fees.

Responded to a number of inquiries regarding potential retail cannabis sales.

Review Fire Code regarding propane tanks, email to Shane Wilson requesting opinion.

Letter to property owner regarding unpermitted building.

### Intergovernmental

#### Humboldt-Rio Dell Business Park

### Council Priority Areas

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#### Street Work

Bid out for 2019 street work. Working with contractors, issuing addendums where necessary and conducting meetings.

#### River Access

Work with the CCC on a potential grant funded project to complete rough version of the Eel River Riparian Recreation Trail.

#### Habitat Parcel

Work could begin within the next two weeks dependent upon weather.

#### Code Enforcement



**Access Humboldt**

Work underway to repair audio system and coordinate audio with new video system.



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*Rio Dell City Hall  
675 Wildwood Avenue  
Rio Dell, CA 95562  
(707) 764-3532  
cityofriodell.ca.gov*

March 19, 2019

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager

SUBJECT: Discussion and Possible Action to Conduct Second Reading of Ordinance No. 373-2019 Amending Section 5.40.250 of the Rio Dell Municipal Code Related to Cannabis Taxation

IT IS RECOMMENDED THAT THE CITY COUNCIL:

1. Have staff introduce and conduct the second reading of Ordinance No. 373-2019 related to cannabis taxation.
2. Open the public hearing, receive public input and deliberate.
3. Approve Ordinance No. 373-2019

BACKGROUND AND DISCUSSION

On January 15, 2019 it was requested by the Council that staff return with a proposed Ordinance that would help to address concerns of competitiveness and reduce uncertainty for cannabis related developers. Rio Dell's cannabis tax is currently levied at 2% of gross receipts for all activities except cultivation which is levied at \$2.00 per square foot. The tax ordinance allows the Council to raise that tax by 2% per year or \$1.00 per square foot per year until a cap of 10% or \$5.00 per square foot is reached. Several cannabis developers have stated that the Council's ability to raise the tax creates a level of uncertainty that is difficult for investors to accept.

Staff has worked with the City Attorney to draft the attached proposed Ordinance. The proposed Ordinance attempts to lock in the current tax rates of 2% gross receipts or \$2.00 per square foot of cultivation and require any increases beyond this level to go to the voters.

Staff has also included a regional comparison of tax rates to better understand the City's competitiveness with other jurisdictions.

At your March 5<sup>th</sup> first reading of this Ordinance, the President of the Chamber of Commerce proposed a "Cannabis Occupancy Tax" wherein the Chamber of Commerce would be the beneficiary of "half a percent" of tax revenue from downtown dispensaries for beautification and promotion of the city. The City Attorney has been consulted and raised concerns with this proposal and recommends that if the Council wishes to proceed with this idea that the City and

the Chamber of Commerce enter into a formal agreement for services. At this time, assigning theoretical tax revenue or otherwise entering into a contract for non-existent tax revenue is not advised by staff. Staff recommends that the Chamber of Commerce engage cannabis businesses in an effort to get their voluntary participation with the Chamber.

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**Ordinance No. 373-2019**

**AND ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIO DELL  
AMENDING CHAPTER 5.40 OF TITLE 5 OF THE RIO DELL MUNICIPAL CODE  
RELATING TO THE CANNABIS BUSINESS TAX RATES**

**WHEREAS**, at the November 7, 2017 General Election, the voters of the City of Rio Dell passed and adopted Ordinance No. 354-2017, an ordinance adding Chapter 5.40 to Title 5 of the Rio Dell Municipal Code and creating a new business tax for commercial cannabis business;

**WHEREAS**, pursuant to Section 5.40.250, the cannabis business tax rate for Commercial Cannabis Cultivation Activity (as defined in Ordinance No. 354-2017) was approved by the voters at a rate of either (a) up to \$5.00 per square foot of permitted cultivation space or (b) up to 10% of gross receipts, as set from time-to-time by the Council in its discretion;

**WHEREAS**, the Council imposed an initial tax rate for Commercial Cannabis Cultivation Activity at the amount of \$2.00 per square foot of permitted space except nurseries, and imposed an initial tax of 2% of gross receipts for nurseries;

**WHEREAS**, pursuant to Section 5.40.250, the cannabis business tax rate for Other Commercial Cannabis Activity (as defined in Ordinance No. 354-2017) was approved by the voters at a rate not to exceed 10% of gross receipts, as set from time-to-time by the Council in its discretion;

**WHEREAS**, the Council imposed an initial tax rate for Other Commercial Cannabis Activity 2% of gross receipts;

**WHEREAS**, the approval range of applicable tax rates has discouraged potential investment in the City of Rio Dell due to the uncertainty of the applicable tax rate in the future; and

**WHEREAS**, the City Council desires to provide added certainty to potential investors by removing the ability of the Council to increase the applicable cannabis business tax rates within the range of rate approved by the voters, to set the tax at the currently imposed rates, and to require that any increase in the rate on and after the effective date of this Ordinance be approved by the voters.

**NOW THEREFORE, the City Council of the City of Rio Dell does ordain as follows:**

**Section 1.** The Rio Dell Municipal Code is hereby amended to add sections as set forth below.

**Section 2. Code Amendment.** Section 5.40.250 (Amount of business tax owed) is hereby amended by deleting subsection “A” (Tax Rate for Commercial Cannabis Cultivation Activity) and replacing subsection “A” of Section 5.40.250 as follows:

**A. Tax Rate for Commercial Cannabis Cultivation Activity.**

1. In addition to the business tax imposed under Chapter 5.05 of this Code and the requirements set forth therein, every person engaged in business involving Commercial Cannabis Cultivation Activity in the City shall pay a business tax shall pay a business tax at a rate of up to two dollars (\$2.00) per Square Foot or at a rate of up to ten percent (2%) of Gross Receipts, as set and determined by the Council, in its discretion, by ordinance.
2. Notwithstanding anything in Chapter 5.40 to the contrary, the City Council shall not increase the applicable maximum tax rate set forth in Subsection (A)(1), above, for persons engaged in business involving Commercial Cannabis Cultivation Activity without submitting the proposed increase to the voters. Notwithstanding the maximum tax rate imposed under Subsection (A)(1), above, the City Council may, in its discretion, at any time by ordinance, implement a lower tax rate for Commercial Cannabis Cultivation Activity or establish differing tax rates for different categories, including permit or license types, of Commercial Cannabis Cultivation Activity subject to the maximum rate.
3. The initial tax rates imposed upon persons engaged in business involving Commercial Cannabis Cultivation Activity shall be as follows:
  - (i) Two Dollars (\$2.00) per Square Foot for persons issued a permit or license, other than a permit of license to operate a Nursery, to engage in greenhouse, mixed-light, and/or indoor cultivation of Cannabis within the City of Rio Dell.
  - (ii) Two Percent (2%) of Gross Receipts for persons issued a permit or license to operate a Nursery within the City of Rio Dell.

**Section 3. Code Amendment.** Section 5.40.250 (Amount of business tax owed) is hereby amended by deleting subsection “B” (Tax Rate for Other Commercial Cannabis Activity) and replacing subsection “B” of Section 5.40.250 as follows:

**A. Tax Rate for Other Commercial Cannabis Activity.**

1. In addition to the business tax imposed under Chapter 5.05 of this Code and the requirements set forth therein, every person engaged in business involving Other Commercial Cannabis Activity in the City shall pay a business tax at a rate of up to two percent (2%) of Gross Receipts, as set and determined by the Council, in its discretion, by ordinance.
2. Notwithstanding anything in Chapter 5.40 to the contrary, the City Council shall not increase the applicable maximum tax rate set forth in Subsection (B)(1), above, for persons engaged in business involving Other Commercial Cannabis Activity without submitting the proposed increase to the voters. Notwithstanding the maximum tax rate imposed under Subsection (B)(1), above, the City Council may, in its discretion, at any time by ordinance, implement a lower tax rate for Other Commercial Cannabis Activity or establish differing tax rates for different categories, including permit or license types, of Commercial Cannabis Activity subject to the maximum rate.
3. The initial tax rate imposed upon persons engaged in business involving Other Commercial Cannabis Activity shall be Two Percent (2%) of Gross Receipts.

**Section 4. Severability.** 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 and words of this ordinance as hereby adopted shall remain in full force and effect.

**Section 5. Effective Date.** This Ordinance shall go into effect and be in full force and operation 30 days after its final passage and adoption.

### Cannabis Taxes Regional Comparison

	Cultivation by Sq. Ft.	Cultivation by weight	Manufacture	Distribution	Transportation	Laboratory Testing	Sales by Special Excise	Regular Sales Tax (medical exempt)
State Taxes	N/A	Flowers: \$9.25 oz. Leaves/Trim: \$2.75 oz.	N/A	N/A	N/A	N/A	15%	7.5% +
AB 286 (Pending)	N/A	Suspended through 2022	N/A	N/A	N/A	N/A	11%	7.5%+
County of Humboldt	\$1.00 Sq. Ft. Outdoors \$2.00 Sq. Ft. Mixed Light \$3.00 Sq. Ft. Indoor	N/A	N/A	N/A	N/A	N/A	N/A	County would receive its Bradley Burns and Measure Z Portion
County of Mendocino	2.5% Excise Tax (can be raised to 10%) with \$1,250-\$5,000 minimum depending on grow size.	N/A	\$2,500 Annually CPI Adjusted.	\$2,500 Annually CPI Adjusted.	\$2,500 Annually CPI Adjusted.	\$2,500 Annually CPI Adjusted.	\$2,500 Annually CPI Adjusted.	Normal Sales Tax (Recreational)
City of Arcata	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Normal Sales Tax (Recreational)
City of Eureka	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Normal Sales Tax (Recreational)
City of Cloverdale	4.5% up to 10%	N/A	4.5% up to 10%	4.5% up to 10%	4.5% up to 10%	4.5% up to 10%	4.5% up to 10%	Normal Sales Tax (Recreational)
City of Willits	\$10 per square foot.	N/A	4%	4%	4%	4%	6%	Normal Sales Tax (Recreational)
City of Santa Rosa	2% Gross Receipts or \$5.00 per sq. ft.		1%	N/A	N/A	N/A	3%	Normal Sales Tax (Recreational)
Rio Dell Taxes	\$0.00 to \$5.00 Sq. Ft. initially set at \$2.00 Sq. Ft. most methods or 0-10% initially set at 2% Gross Receipts	N/A	0-10% initially set at 2% Gross Receipts	0-10% initially set at 2% Gross Receipts	0-10% initially set at 2% Gross Receipts	0-10% initially set at 2% Gross Receipts	0-10% initially set at 2% Gross Receipts	City Would receive its Bradley Burns and Measure U portion.

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675 Wildwood Avenue  
Rio Dell, CA 95562  
(707) 764-3532



For Meeting of: March 19, 2019

Consent Item;  Public Hearing Item

To: City Council

From: Kevin Caldwell, Community Development Director 

Through: Kyle Knopp, City Manager

Date: March 11, 2019

Subject: Amendment of the Cannabis Regulations, Section 17.30.195 Rio Dell Municipal Code.

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**Recommendation:**

That the City Council:

1. Receive staff presentation of Council recommended changes to Draft Ordinance No. 374-2019 repealing Chapters 5.35 and 5.40 of the Rio Dell Municipal Code (RDMC) and amending the City's Commercial Cannabis Regulations to (1) allow retail sales in the Town Center (TC) designation with a Conditional Use Permit; (2) allow testing laboratories in the Town Center (TC), Community Commercial (CC) and Neighborhood Center (NC) designations with a Conditional Use Permit; (3) allow distribution facilities in the Community Commercial (CC) designation and the Industrial Commercial (IC) designation in the Eeloa Avenue neighborhood with a Conditional Use Permit; (4) allow cultivation on the Dinsmore Plateau with a Conditional Use Permit; (5) modifying the cultivation standards to eliminate canopy sizes based on parcel sizes for greenhouse cultivation and (6) to incorporate a number of State regulations regarding retail sales and including additional definitions and security measures.
2. Open the public hearing, receive public input and deliberate; and

3. Approve and adopt Ordinance No. 374-2019 repealing Chapters 5.35 and 5.40 of the Rio Dell Municipal Code (RDMC) and amending the City's Commercial Cannabis Regulations to (1) allow retail sales in the Town Center (TC) designation with a Conditional Use Permit; (2) allow testing laboratories in the Town Center (TC), Community Commercial (CC) and Neighborhood Center (NC) designations with a Conditional Use Permit; (3) allow distribution facilities in the Community Commercial (CC) designation and the Industrial Commercial (IC) designation in the Eeloa Avenue neighborhood with a Conditional Use Permit; (4) allow cultivation on the Dinsmore Plateau with a Conditional Use Permit; (5) modifying the cultivation standards to eliminate canopy sizes based on parcel sizes for greenhouse cultivation and (6) to incorporate a number of State regulations regarding retail sales and including additional definitions and security measures.

### **Background and Discussion**

Staff presented the Planning Commission's recommended amendments to the City Commercial Cannabis regulations at your meeting of March 5, 2019. The recommendations included (1) allowing retail sales in the Town Center (TC) designation; (2) allowing testing laboratories in the Town Center (TC), Community Commercial (CC) and Neighborhood Center (NC) designations; (3) allowing distribution facilities in the Community Commercial (CC) designation and the Industrial Commercial (IC) designation in the Eeloa Avenue neighborhood; (4) allowing cultivation on the Dinsmore Plateau; and (5) modifying the cultivation standards to eliminate canopy sizes based on parcel sizes for greenhouse cultivation. Staff has also included a number of State regulations regarding retail sales and some additional definitions and security measures.

As directed by Council, staff has incorporated language limiting retail sales in the Town Center (TC) designation up to three (3) businesses and soliciting proposals for retail operators through a Request For Proposal (RFP) process.

Staff has discovered that State regulations prohibit all commercial cannabis activities, including testing laboratories, within 600 feet from schools. As such, staff is recommending and included the following language:

*All retail, manufacturing, processing, testing and distribution cannabis activities shall not be located closer than 600 feet from a school providing instruction in kindergarten or any grades 1 through 12, day care center, or youth center that is in existence at the time of*

*application. The distance shall be measured in the same manner as provided in subsection (c) of section 11362.768 of the Health and Safety Code unless otherwise provided by law.*

As the Council is aware all cannabis cultivation activities are required to be no closer than 1,000 feet from schools.

**Attachments:**

Attachment 1: Ordinance No. 374-2019 repealing Chapters 5.35 and 5.40 amending the City's Commercial Cannabis Regulations to (1) allow retail sales in the Town Center (TC) designation with a Conditional Use Permit; (2) allow testing laboratories in the Town Center (TC), Community Commercial (CC) and Neighborhood Center (NC) designations with a Conditional Use Permit; (3) allow distribution facilities in the Community Commercial (CC) designation and the Industrial Commercial (IC) designation in the Eeloa Avenue neighborhood with a Conditional Use Permit; (4) allow cultivation on the Dinsmore Plateau with a Conditional Use Permit; (5) modifying the cultivation standards to eliminate canopy sizes based on parcel sizes for greenhouse cultivation and (6) to incorporate a number of State regulations regarding retail sales and including additional definitions and security measures.

Attachment 2: Map identifying 600 foot setback from school properties.

**ORDINANCE NO. 374-2019**



**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIO DELL REPEALING CHAPTERS 5.35 AND 5.40 OF THE RIO DELL MUNICIPAL CODE (RDMC) AND AMENDING THE CITY'S COMMERCIAL CANNABIS REGULATIONS TO (1) ALLOW RETAIL SALES IN THE TOWN CENTER (TC) DESIGNATION WITH A CONDITIONAL USE PERMIT; (2) ALLOW TESTING LABORATORIES IN THE TOWN CENTER (TC), COMMUNITY COMMERCIAL (CC) AND NEIGHBORHOOD CENTER (NC) DESIGNATIONS WITH A CONDITIONAL USE PERMIT; (3) ALLOW DISTRIBUTION FACILITIES IN THE COMMUNITY COMMERCIAL (CC) DESIGNATION AND THE INDUSTRIAL COMMERCIAL (IC) DESIGNATION IN THE EEOA AVENUE NEIGHBORHOOD WITH A CONDITIONAL USE PERMIT; (4) ALLOW CULTIVATION ON THE DINSMORE PLATEAU WITH A CONDITIONAL USE PERMIT; (5) MODIFYING THE CULTIVATION STANDARDS TO ELIMINATE CANOPY SIZES BASED ON PARCEL SIZES FOR GREENHOUSE CULTIVATION AND (6) TO INCORPORATE A NUMBER OF STATE REGULATIONS REGARDING RETAIL SALES AND INCLUDING ADDITIONAL DEFINITIONS AND SECURITY MEASURES.**

**WHEREAS**, California Government Code Section 65850, et seq. authorizes counties and cities to regulate land use, including agriculture, and to adopt and amend zoning ordinances for such purposes, and sets forth procedures governing the adoption and amendment of such ordinances; and

**WHEREAS**, on October 9, 2015 Governor Brown approved a package of three bills enacted by the legislature on September 11, 2015, SB 643, AB 243, and AB 266, providing for comprehensive, concurrent regulation and licensing by state and local governments of medical marijuana as an agricultural product, including its cultivation, processing, testing, manufacture, distribution, transportation, dispensing, and delivery; and

**WHEREAS**, pursuant to Section 11362.777, subsection (c)(3), "A city, county, or city and county's locally issued conditional permit requirements must be at least as stringent as the Department of Food and Agriculture's state licensing requirements"; and



**WHEREAS**, the state statutes establishing a regulated, legitimate basis for commercial cannabis economic activities under the authorization of state law provide an opportunity to bring unregulated activities into compliance with existing law and ameliorate adverse environmental impacts, while bringing it out of the shadows of an underground, black-market economy into a legitimate agricultural and commercial contributor to the local and state economy; and

**WHEREAS**, the City of Rio Dell has previously adopted a land use ordinance governing commercial cannabis activities consistent with the Medicinal and Adult-Use Cannabis Regulations and Safety Act (MAUCRSA); and

**WHEREAS** the City has reviewed and processed the proposed text amendments in conformance with Sections 65350 – 65362 of the California Government Code; and

**WHEREAS** the City has reviewed and processed the proposed amendment in conformance with Section 17.35.010 of the City of Rio Dell Municipal Code; and

**WHEREAS** the City Council finds that based on evidence on file and presented in the staff report that the proposed amendment is consistent and compatible with the General Plan and any implementation programs that may be affected; and

**WHEREAS** the proposed amendment has been processed in accordance with the applicable provisions of the California Government Code and the California Environmental Quality Act (CEQA); and

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Rio Dell finds that:

1. The proposed amendments are in the public interest; and
2. The proposed amendments are consistent with the General Plan and any applicable specific plan; and
3. The proposed amendments are Statutorily Exempt pursuant to Section 15061(b) (3) of the CEQA Guidelines, Title 14, Chapter 3 of the California Code of Regulations.

**BE IT FURTHER RESOLVED**, that the City Council of the City of Rio Dell does hereby ordain as follows:

## **Section 1**

Chapters 5.35 and 5.40 of the Rio Dell Municipal Code (RDMC) are hereby repealed.

## **Section 2**

**Section 17.30.195 Commercial Cannabis Land Use Regulations is hereby amended as follows.**

### **(1) Authority and Title**

This Section shall be known as the Commercial Cannabis Land Use Ordinance (CCLUO), which provides for the regulation of Commercial Cultivation, [Retail Sales](#), Processing, Manufacturing Distribution and testing of cannabis, as defined in this Code, located within the City of Rio Dell.

### **(2) Purpose and Intent**

The City of Rio Dell is focused on the development of the medical cannabis industry in an effort to better understand the effects of the plant and its constituent elements on various diseases. We encourage the businesses within the industry to focus their efforts towards the medical market and actively seek businesses that conduct medical research as associated with the cannabis industry. The efforts of the City to better understand the medical benefits of this plant will provide an environment in which research oriented businesses will thrive and encourage new and innovative researchers to locate in Rio Dell. In this light, the City of Rio Dell envisions a future for the Humboldt Rio Dell Business Park as a research center for the cannabis industry.

The purpose of this Section is to establish land use regulations concerning the commercial cultivation, [retail sales](#), processing, manufacturing, distribution and testing of cannabis for medicinal or adult use in order to limit and control such activity.

These regulations are intended to ensure the public health, safety and welfare of residents of the City of Rio Dell, visitors to the City, persons engaged in regulated commercial cannabis activities including their employees, neighboring property owners, and end users of medicinal or adult use cannabis; to protect the environment from harm resulting from cannabis activities, including but not limited to residential neighborhoods, schools, commercial areas; to ensure the security of state-regulated medicinal or adult use cannabis; and to safeguard against the diversion of state-regulated medicinal or adult use cannabis for purposes not authorized by law. To this end, these regulations identify where in the City the various types of commercial cannabis activities can occur, and specify what type of permit is required, the application process and the approval criteria that will apply.

This Section is not intended to supersede the provisions of Section 17.30.190 of this Code concerning cultivation of medical marijuana for personal use by patients or caregivers, or contravene Section 17.30.235 of this code or the provisions of Health and Safety Code section 11357, 11358, 11362.1, 11362.2, or 11362.5 with respect to the possession or cultivation of limited amounts of cannabis for personal use by qualified patients or persons 21 years of age or older.

### **(3) Applicability and Interpretation**

- (a) These regulations shall apply to the location and permitting of commercial cultivation, [retail sales](#), processing, manufacturing, distribution and testing of cannabis in zoning districts within which such use is authorized, as specified in this Section.
- (b) The commercial cultivation, [retail sales](#), processing, manufacturing, distribution and testing of cannabis within the jurisdiction of the City of Rio Dell shall be controlled by the provisions of this Section, regardless of whether those activities existed or occurred prior to the adoption of this Section.
- (c) Nothing in this Section is intended, nor shall it be construed, to exempt the commercial cultivation, [retail sales](#), processing, manufacturing, distribution and testing of cannabis from compliance with all other applicable zoning, and land use regulations, as well as compliance with any applicable state laws.
- (d) Nothing in this Section is intended, nor shall it be construed, to exempt the commercial cultivation, [retail sales](#), processing, manufacturing, distribution and testing of cannabis as defined herein, from any and all applicable local and state construction, electrical, plumbing, land use, water rights, waste water discharge, streambed alteration, or any other environmental, building or land use standards or permitting requirements.
- (e) Nothing in this Section is intended, nor shall it be construed, to preclude a landlord or property owner from limiting or prohibiting commercial cultivation, [retail sales](#), processing, manufacturing, distribution and testing of cannabis on private property.
- (f) The definitions in this Section are intended to apply solely to the regulations in this section.
- (g) Notwithstanding the fact that Health and Safety Code Section 11362.777 declares that cannabis is an agricultural product for purposes of that Section and the Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA), Business and Professions Code Section

19300, et. seq., the commercial cultivation of cannabis is a highly regulated specialty crop and cultivation and processing of that specialty crop shall not be allowed as a principal permitted use unless a Conditional Use Permit is first obtained from the City of Rio Dell, and the person engaged in such activity has obtained all state licenses and permits which may be required by the applicable state licensing authorities whenever such licenses become available.

- (h) With the exception of testing laboratories, all cannabis operators/licenseses are required to hold a Medical or “M” type State license. Cannabis operators/licenseses may hold an Adult or “A” type State license as well.

#### **(4) Release of Liability and Hold Harmless**

As a condition of approval for any Conditional Use Permit approved for the commercial cultivation, processing, manufacturing, testing, or distribution of cannabis as defined herein, the owner or permittee shall indemnify and hold harmless the City of Rio Dell and its agents, officers, elected officials, and employees for any claims, damages, or injuries brought by affected property owners or other third parties due to the commercial cultivation, processing, manufacturing, testing or distribution of cannabis and for any claims brought by any person for problems, injuries, damages, or liabilities of any kind that may arise out of the commercial cultivation, processing, manufacturing, testing or distribution of cannabis.

#### **(5) Violations, Penalties and Enforcement**

All of the remedies provided for in this Section shall be cumulative and not exclusive of remedies available for violations under any other Section of the Rio Dell Municipal Code, State law, including without limitation the Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA), and applicable federal law.

Any violation of this Section, including, but not limited to failure to obtain and maintain in good standing the required Conditional Use Permit specified in this Section, shall be, and the same hereby is declared to be, a public nuisance and unlawful and shall be subject to injunction, abatement or any other administrative, civil, or criminal remedy available to the City under the applicable state and City laws, including those set forth in Section 17.40.020 of the Rio Dell Municipal Code and any or all of the following:

- (a) Such person shall be subject to summary or administrative abatement of the nuisance by the City, and be subject to fines, civil penalties, fees and costs, including reasonable

attorney fees imposed by the City pursuant to the summary or administrative abatement procedures contained in the City Code or any other provisions of law;

- (b) Such person shall be guilty of a misdemeanor for each day such violation continues, and upon conviction thereof, shall be punished for each violation by a fine not to exceed one thousand dollars (\$1,000.00), or by imprisonment of not longer than six months, or both for each violation;
- (c) Such person shall be prosecuted in a civil action, criminal action, or both brought by the City. The City Attorney or other authorized legal representative may bring an action in a court of competent jurisdiction to enjoin or prosecute any nuisance violation of this chapter, or violation of any other ordinance of the City;
- (d) Each and every day that any such violation continues to exist shall constitute a continuing and separate offense.

#### **(6) Definitions**

[“Act” means the Medicinal and Adult-Use Cannabis Regulation and Safety Act](#)

“Area of Traditional Tribal Cultural Affiliation” means geographic areas of historic occupancy and traditional cultural use by local indigenous peoples (California Native American Tribes), as shown on the latest mapping prepared by the County of Humboldt Planning & Building Department, created from geographic information supplied by the Tribes of Humboldt County.

[“Branded merchandise” means clothing, hats, pencils, pens, key chains, mugs, water bottles, beverage glasses, notepads, lanyards, cannabis accessories, or other types of merchandise approved by the Bureau with the name or logo of a commercial cannabis business licensed pursuant to the Act. Branded merchandise does not include items containing cannabis or any items that are considered food as defined by Health and Safety Code section 109935](#)

“Cannabis” means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, or any other strain or varietal of the genus *Cannabis* that may exist or hereafter be discovered or developed that has psychoactive or medicinal properties, whether growing or not, including the seeds thereof. “Cannabis” also means cannabis as defined by Section 11018 of the Health and Safety Code as enacted by Chapter 1407 of the Statutes of 1972. For the purpose of this section, “cannabis” does not mean “industrial hemp” as defined by Section 81000 of the Food and Agriculture Code or Section 11018.5 of the Health and Safety Code.

“Cannabis Accessories” means any equipment, products or materials of any kind which are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, smoking, vaporizing, or containing marijuana, or for ingesting, inhaling, or otherwise introducing marijuana or marijuana products into the human body.

“Cannabis goods” means cannabis, including dried flower and products containing cannabis.

“Cannabis Testing and Research Laboratories” means a facility, entity, or site that offers or performs tests of cannabis or cannabis products licensed by the State of California pursuant to Business and Professions Code section 26000, et. seq., and businesses and research institutions engaged in the research of cannabis, cannabis products, or devices used for the medicinal or adult use of cannabis products at which no commercial cannabis cultivation or distribution, manufacture, dispensing, or sale of medical cannabis occurs.

“Commercial Cannabis Activity” means any activity involving the cultivation, retail sales, processing, distribution, manufacturing, testing, sale, or related activities, of cannabis for commercial purposes.

“Commercial Cannabis Cultivation” means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis, including nurseries, that is intended to be transported, processed, manufactured, distributed, dispensed, delivered, or sold in accordance with the Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA).

“Cultivation Area” the area encompassed by the perimeter surrounding the area within which cannabis plants are cultivated. Where plants are cultivated in separated pots, beds or plots, the cumulative total surface area of all such pots, beds or plots, and the surface area underneath the maximum anticipated extent of vegetative growth of cannabis plants to be grown in separate pots, beds or plots, used in combination for a single permitted cultivation operation.

“Cultivation License Types” means the following types of State cultivation licenses:

(a) Specialty Cottage:

- (1) "Specialty Cottage Outdoor" is an outdoor cultivation site with up to 25 mature plants.

(2) "Specialty Cottage Indoor" is an indoor cultivation site with 500 square feet or less of total canopy.

(3) "Specialty Cottage Mixed-Light Tier 1 and 2" is a mixed-light cultivation site with 2,500 square feet or less of total canopy.

(b) Specialty:

(1) "Specialty Outdoor" is an outdoor cultivation site with less than or equal to 5,000 square feet of total canopy, or up to 50 mature plants on noncontiguous plots.

(2) "Specialty Indoor" is an indoor cultivation site between 501 and 5,000 square feet of total canopy.

(3) "Specialty Mixed-Light Tier 1 and 2" is a mixed-light cultivation site between 2,501 and 5,000 square feet of total canopy.

(c) Small:

(1) "Small Outdoor" is an outdoor cultivation site between 5,001 and 10,000 square feet of total canopy.

(2) "Small Indoor" is an indoor cultivation site between 5,001 and 10,000 square feet of total canopy.

(3) "Small Mixed-Light Tier 1 and 2" is a mixed-light cultivation site between 5,001 and 10,000 square feet of total canopy.

(d) Medium:

(1) "Medium Outdoor" is an outdoor cultivation site between 10,001 square feet and one acre of total canopy.

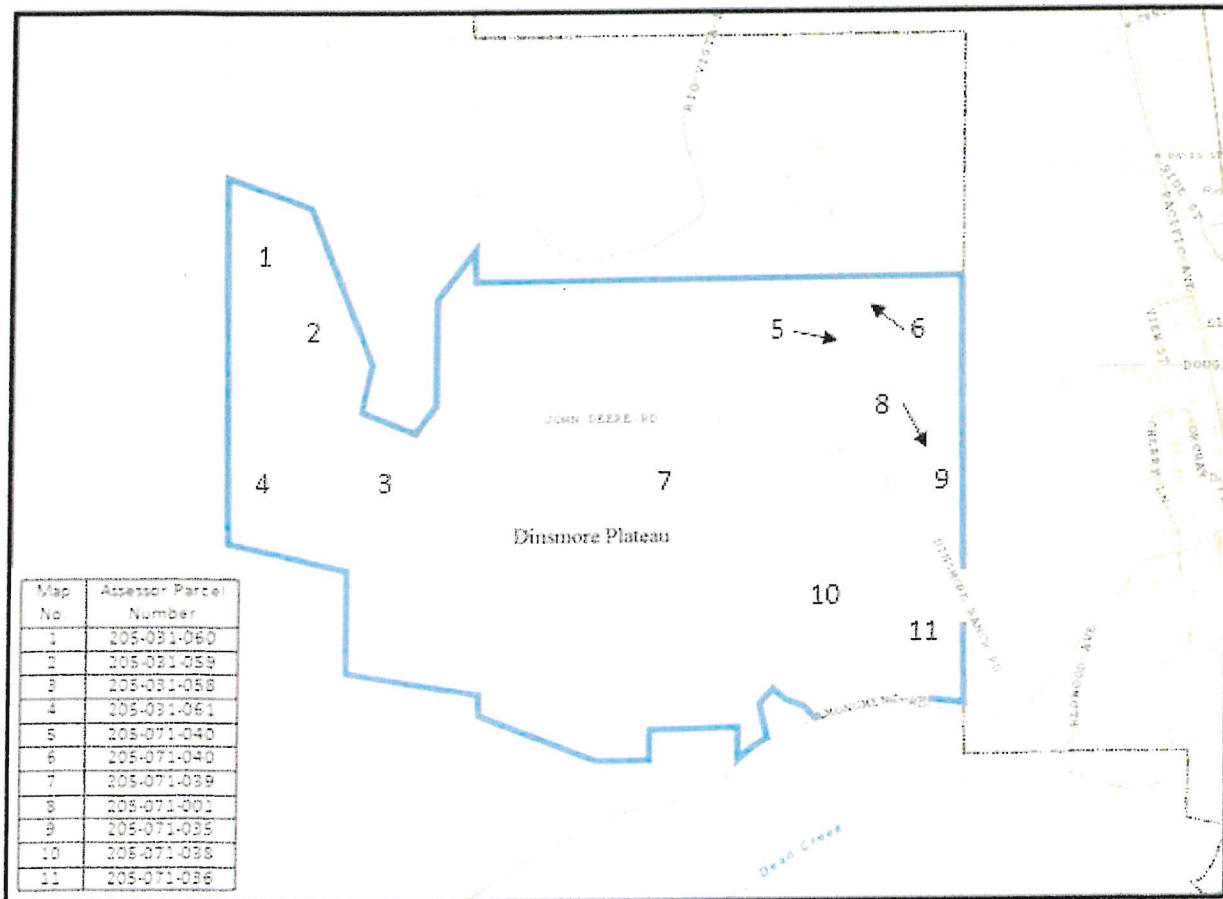
(2) "Medium Indoor" is an indoor cultivation site between 10,001 and 22,000 square feet of total canopy.

(3) "Medium Mixed-Light Tier 1 and 2" is a mixed-light cultivation site between 10,001 and 22,000 square feet of total canopy.

- (e) "Nursery" is a cultivation site that conducts the cultivation of cannabis solely as a nursery.
- (f) "Processor" is a site that conducts only trimming, drying, curing, grading, packaging or labeling of cannabis and nonmanufactured cannabis products.

"Cultivation site" means the location or a facility where cannabis is planted, grown, harvested, dried, cured, graded, or trimmed, or that does all or any combination of those activities, except where drying, curing, grading or trimming is otherwise prohibited.

"Dinsmore Plateau Area" is the area (parcels) shown in Figure 6-1, below:



**Figure 6-1**  
**Dinsmore Plateau Area**

"Distribution Facility" means the location or a facility where a person conducts the business of procuring cannabis from licensed cultivators or manufacturers for sale to licensed retailers, and



performs and coordinates the inspection, quality assurance, batch testing, storage, labeling, packaging and other related processes, as well as transportation to or from other licensees.

“Distributor” means a State recognized Type 11 licensed person or entity that conducts the business of procuring cannabis from licensed cultivators and/or manufacturers for sale to licensed retailers, and performs and coordinates the inspection, quality assurance, batch testing and other related processes as well as transportation to and from other licensees.

“Distributor Transport Only” means a State recognized Type 13 licensed person or entity that conducts the business transportation of cannabis products between licensed cultivators, manufacturers and distributors. Does not transport cannabis goods to a retailer except for immature live plants and seeds being transported from a licensed nursery.

“Extraction” means a process by which cannabinoids are separated from cannabis plant material through chemical or physical means.

“Flowering” means that a cannabis plant has formed a mass of pistils measuring greater than one half inch wide at its widest point.

“Greenhouse” means a structure, primarily of glass or clear poly-film or polycarbonate plastic, in which temperature and humidity can be controlled for the cultivation or protection of plants.

“Health and Wellness Center” means an establishment that offers health services for the body and mind, including but not limited to fitness, personal training, nutrition consulting, skin care services, massage, holistic and herbal therapies, therapeutic application ~~and retail sales of medical~~ cannabis products including oils, tinctures, sublingual’s, creams, lotions, pills, ~~suppositories~~, cosmetics, etc., ~~but excluding the sales of flowers, trim, leaf or cannabis infused edibles.~~

“Immature cannabis plant” or “immature plant” means a plant that is nonflowering and is shorter and narrower than 18 inches. For purposes of this division, this definition is applicable to retail activities.

“Indoor” means indoor cultivation using exclusively artificial lighting or a combination of artificial lighting and natural sunlight in a building with a glass, polycarbonate plastic or similar roof.

“Kief” means the resinous trichomes of cannabis that may accumulate in containers or be sifted from loose, dry cannabis flower with a mesh screen or sieve.

“Licensee” means a person issued a state license under the Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA) to engage in commercial cannabis activity.

“Limited-access area” means an area in which cannabis goods are stored or held and is only accessible to a licensee and its employees and authorized individuals.

“Manufacturing Facility” means a process whereby the raw agricultural product is transformed into a concentrate, an edible product, or a topical product, and the production, preparation, propagation, or compounding of 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.

“Manufacturing License Types” means the following license types available from the California Department of Public Health (CDPH):

- (a) “Type P,” for entities that only package or repackage medical cannabis products or label or relabel the cannabis product container. Entities that engage in packaging or labeling of their own product as part of the manufacturing process do not need to hold a separate Type P license. For purposes of section 19328 of the Business and Professions Code, a Type P license shall be subject to the same restrictions as a Type 6 license.
- (b) “Type N,” for manufacturers that produce edible products or topical products using infusion processes, or other types of medical cannabis products other than extracts or concentrates, and that do not conduct extractions. For purposes of section 19328 of the Business and Professions Code, a Type N license shall be subject to the same restrictions as a Type 6 license.
- (c) “Type 6,” for extractions using mechanical methods or nonvolatile solvents as defined by Section 40100 of the California Code of Regulations. A Type 6 licensee may also conduct infusion operations, or packaging and labeling of its own cannabis products on the licensed premises, provided that the infusion method is noted on the application form and that the relevant information pursuant to subsection (b) of Section 40128 of the California Code of Regulations is provided to the Department.
- (d) “Type 7,” for extractions using volatile solvents as defined by Section 40100 of the California Code of Regulations. A Type 7 licensee may also:

(1) Conduct extractions using nonvolatile solvents or mechanical methods on the licensed premises provided that the extraction process is noted on the application form and the relevant information is provided to the Department pursuant to subsection (b) of Section 40128 of the California Code of Regulations.

(2) Conduct infusion operations on the licensed premises, provided that the infusion method is noted on the application form and that the relevant information is provided to the Department pursuant to subsection (b) of Section 40128 of the California Code of Regulations.

(3) Conduct packaging and labeling of its own cannabis products.

[“Medicinal cannabis patient” includes both a qualified patient as defined in Health and Safety Code section 11362.7 and a person in possession of a valid identification card issued under Health and Safety Code section 11362.71](#)

“Microbusiness” means a State recognized Type 12 licensed facility host to several Commercial Cannabis Activities under a single license including cultivation on an area less than 10,000 square feet, distribution, manufacturing without use of volatile solvents, and retail sales.

“Mixed-Light” means cultivation of mature cannabis in a greenhouse, hoop-house, glasshouse, conservatory, hothouse or other similar structure using light deprivation and/or one of the artificial lighting models described below:

(1) “Mixed-light Tier 1” the use of artificial light at a rate of six watts per square foot or less;

(2) “Mixed-light Tier 2” the use of artificial light at a rate above six and below of equal to twenty-five watts per square foot.

“Nonmanufactured cannabis product” means flower, shake, kief, leaf and pre-rolls.

“Nursery” means a licensee that produces only clones, immature plants, seeds, and other agricultural products for retail or wholesale sale, used specifically for the planting, propagation, and cultivation of cannabis.

“Off-site Processing Facility” means the location or facility where cannabis is dried, cured, graded, trimmed, and/or packaged when conducted at premises separate from the cultivation site where the processed cannabis is grown and harvested.

“On-site Processing Facility” means the location or facility where cannabis is dried, cured, graded, trimmed, and/or packaged by or under the control of one or more licensed cultivators, when conducted at the same premises or Parcel which is host to the cultivation site(s) where the cannabis is grown and harvested.

“Outdoor” means outdoor open-field (not in a greenhouse) cultivation using no artificial lighting. Outdoor cultivation as defined herein is not allowed in the City of Rio Dell.

“Person” means an individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit and includes the plural as well as the singular number.

“Premises” means a legal parcel compliant with the Subdivision Map Act, or a leasehold interest in agricultural land for agricultural purposes of outdoor or mixed-light cultivation or processing of cannabis, or space in an industrial or commercial building for purposes of indoor cultivation, processing, manufacture, or distribution of cannabis.

“Pre-roll” means nonmanufactured cannabis products(s) rolled in paper.

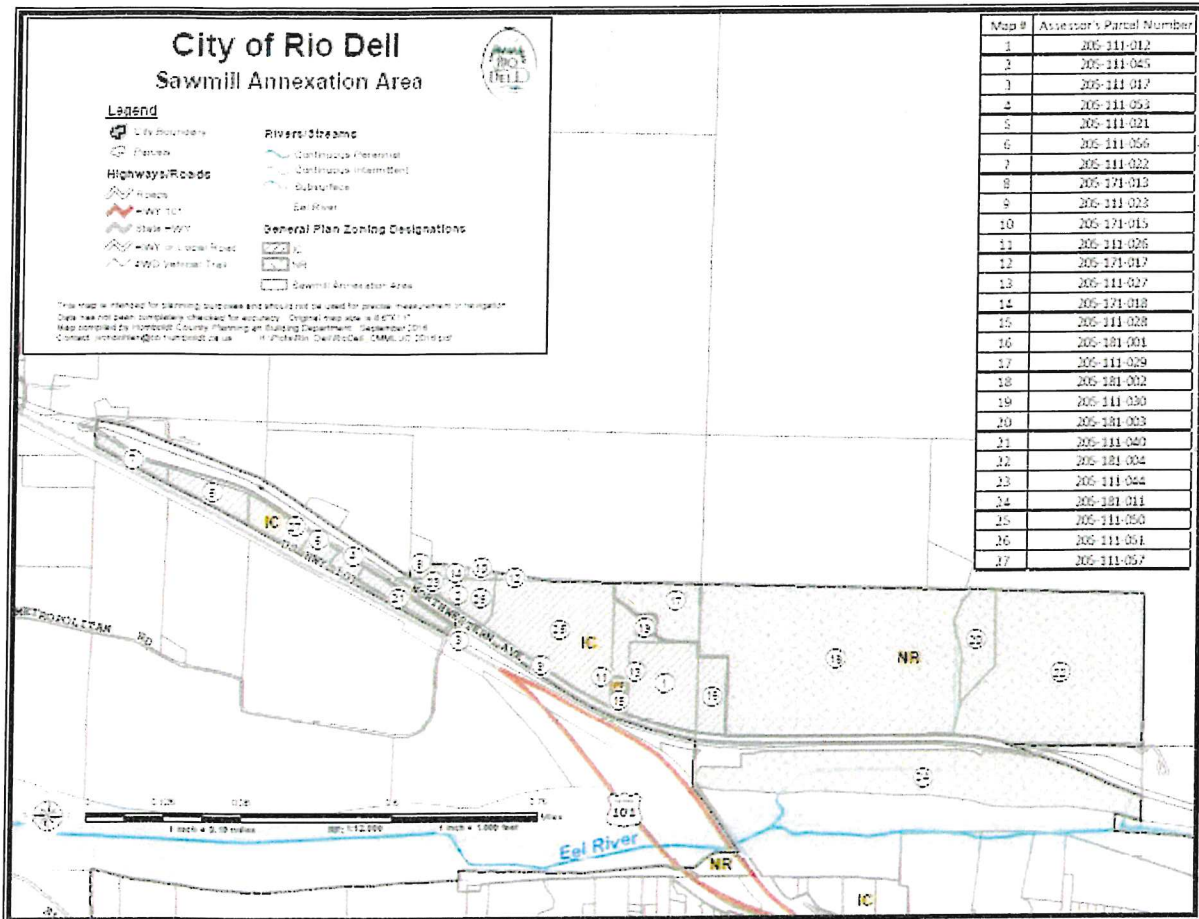
“Process”, “Processing”, and “Processes” means all activities associated with drying, curing, grading, trimming, storing, packaging and labeling of cannabis products.

“Processing Facility” means the location or facility where cannabis is dried, cured, graded, trimmed, and/or packaged.

“Propagation” means cultivation of immature, non-flowering cannabis plants.

“Retail area” means a building, room or other area that is open to the public, upon the licensed retailer or licensed Microbusiness premises authorized to engage in retail sales in which cannabis goods are sold or displayed.

“Sawmill Annexation Area” means the area north of the Eel River annexed into the City in 2008/2009, which area is shown on Figure ~~6-1~~ 6-2, below.



**Figure 6.1 6.2**  
**Sawmill Annexation Area**

“Renewable Energy Source” means electrical power provided by a renewable energy system and/or Grid Power, supplied from 100% renewable source.

“Renewable Energy System” means equipment for generating and supplying power without use of petroleum or other fossil fuels, and instead using appropriate technology including but not limited to: wind turbines, photovoltaic panels, and hydroelectric systems, in concert with private devices and systems for energy storage and distribution including batteries, grid inter-tie, or other means.

“Retailer” means a State recognized Type 10 licensed facility for the retail sale and delivery of cannabis to the public, whether for medicinal or adult use.

“Retailer Non-Storefront” means a State recognized Type 9 license for the retail sale and delivery of cannabis from a licensed premises that is not open to the public, whether for medicinal or adult use.

“State license” means a state license issued pursuant to the Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA).

“Testing Laboratory” means a State recognized Type 8 licensed facility, entity, or site in the state that offers or performs tests of cannabis or cannabis products with an ISO/IEC 17025 accreditation or equivalent recognized by the state.

“Tribal Cultural Resources” means sites, features, places, cultural landscapes, sacred places, and objects with cultural value to a California Native American tribe, including unique archaeological resources and historical resources as described under sections 21074, 21083.2(g), and 21084.1 of the Public Resources Code, respectively. Tribal Cultural Resource shall also include sites or resources identified by the tribe through an action of the Tribal Council or equivalent body.

## **(7) General Provisions**

This section applies to all cannabis related facilities and activities involved in the Commercial Cultivation, [Retail Sales](#), Processing, Manufacturing, Health and Wellness Centers, Testing or Distribution of cannabis as defined in this Section.

- (a) All cannabis related facilities and activities, including commercial cultivation, [retail sales](#), processing, manufacturing, Health and Wellness Centers, testing, or distribution of cannabis shall operate in compliance with this Section, as well as all applicable state and local laws and conditions as deemed appropriate by the Planning Commission and/or the City Council.
- (b) [All retail, manufacturing, processing, testing and distribution cannabis activities shall not be located closer than 600 feet from a school providing instruction in kindergarten or any grades 1 through 12, day care center, or youth center that is in existence at the time of application. The distance shall be measured in the same manner as provided in subsection \(c\) of section 11362.768 of the Health and Safety Code unless otherwise provided by law.](#)

Greenhouse and Mixed-Light commercial cultivation of cannabis shall be conducted entirely within a fully enclosed, secure and lockable greenhouse and shall be conditionally permitted

in the Industrial Commercial (IC) and Natural Resources (NR) designations located in the Sawmill Annexation area, [and the Rural \(R\) designation located on the Dinsmore Plateau area](#) pursuant to the “Greenhouse” and “Mixed-Light” ~~parcel size and~~ cultivation area provisions described in Table 8.1 and subject to the conditions and limitations set forth in this Section and as deemed appropriate by the Planning Commission and/or the City Council.

- (c) Indoor commercial cultivation of cannabis shall be conditionally permitted in the Industrial Commercial (IC) and Natural Resources (NR) designations located in the Sawmill Annexation area [and the Rural \(R\) designation located on the Dinsmore Plateau area](#) pursuant to the “Indoor” cultivation area provisions described in Table 8.1 and subject to the conditions and limitations set forth in this Section and as deemed appropriate by the Planning Commission and/or the City Council.
- (d) Processing Facilities accessory and appurtenant to on site cultivation for commercial cannabis shall be a conditionally permitted use in the Industrial Commercial (IC) and Natural Resources (NR) designations located in the Sawmill Annexation area, [and the Rural \(R\) designation located on the Dinsmore Plateau area](#) subject to a Conditional Use Permit and the conditions and limitations set forth in this Section and as deemed appropriate by the Planning Commission and/or the City Council.
- (e) Stand alone, independent Processing Facilities for commercial cannabis shall be a conditionally permitted use in the Industrial Commercial (IC) designation zoning district located in the Sawmill Annexation area, subject to a Conditional Use Permit and the conditions and limitations set forth in this Section and as deemed appropriate by the Planning Commission and/or the City Council.
- (f) Extraction manufacturing of commercial cannabis concentrates shall be a conditionally permitted use in the Industrial Commercial (IC) designation located in the Sawmill Annexation area, subject to a Conditional Use Permit and the conditions and limitations set forth in this Section and as deemed appropriate by the Planning Commission and/or the City Council.
- (g) Manufacturing of edibles (commercial kitchens) shall be a conditionally permitted use in the Industrial Commercial (IC), designation located in the Sawmill Annexation area subject to a Conditional Use Permit and the conditions and limitations set forth in this Section and as deemed appropriate by the Planning Commission and/or the City Council.

- (h) Wholesale Distribution Facilities for commercial cannabis shall be a conditionally permitted use in the Industrial Commercial (IC) designation located in the Sawmill Annexation area, the Industrial Commercial (IC) designation in the Eeloa Avenue area and the Community Commercial (CC) designation subject to a Conditional Use Permit and the conditions and limitations set forth in this Section and as deemed appropriate by the Planning Commission and/or the City Council. The City Council may at any time limit the number of distribution facilities in the Community Commercial (CC) designation.
- (i) Nurseries, as defined herein, producing commercial cannabis nursery products for retail sale, bulk wholesale sale or to supply retail nursery outlets shall be a conditionally permitted use in the Industrial Commercial (IC) and Natural Resources (NR) designation located in the Sawmill Annexation area and the Rural Residential (R) designation located on the Dinsmore Plateau area subject to a Conditional Use Permit and the conditions and limitations set forth in this Section and as deemed appropriate by the Planning Commission and/or the City Council.
- (j) Testing laboratories as herein defined shall be conditionally permitted in the Industrial Commercial (IC) designation located in the Sawmill Annexation area the Town Center (TC), Neighborhood Center (NC) and the Community Commercial (CC) zones subject to a Conditional Use Permit and the conditions and limitations set forth in this Section and as deemed appropriate by the Planning Commission and/or the City Council.
- (k) Other than as enumerated in this Section, the commercial cultivation, processing, manufacturing, testing or distribution and retail sales of cannabis in any other zoning district in the City of Rio Dell is prohibited.
- (l) Health and Wellness Centers as herein defined are allowed in the Industrial Commercial (IC) designation located in the Sawmill Annexation area and the Town Center (TC) designation subject to a Conditional Use Permit and the conditions and limitations set forth in this Section and as deemed appropriate by the Planning Commission and/or the City Council. ~~No more than one (1) Health and Wellness Center administering therapeutic application and retail sales of medical cannabis products, including oils, tinctures, sublingual's, creams, lotions, pills, suppositories, cosmetics, etc., but excluding the sales of flowers, trim, leaf or cannabis infused edibles shall be allowed.~~
- (m) Retail areas as herein defined may be allowed in the Industrial Commercial (IC) designation located in the Sawmill Annexation area and the Town Center (TC) designation subject to a Conditional Use Permit and the conditions and limitations set forth in this



Section and as deemed appropriate by the Planning Commission and/or the City Council. No more than three (3) retail establishments may be allowed in the Town Center (TC) designation. The City Council shall solicit proposals through a "Request For Proposal" process. The proposals will be evaluated at a minimum on the following elements:

- Experience
- Interior and Exterior Design
- Financial Capital
- Business Model/Plan of Operation

~~(h)~~ (n) The fact that an applicant possesses other types of state or county or city permits, licenses or other entitlements does not exempt the applicant from the requirement of obtaining a Conditional Use Permit from the City of Rio Dell to engage in the commercial cultivation, processing, manufacturing, testing or distribution of cannabis within the jurisdiction of the City.

~~(m)~~ (o) Every person engaged in any commercial cannabis activity within the City of Rio Dell that applies for and is issued a State license type marked "A" for adult use under Section 26050(b) of the California Business and Professions Code shall also apply for and obtain, prior to engaging in activity permitted under the "A" type State license, a State license type marked "M" for medicinal use for the same type of commercial cannabis activity within the City. Any such person shall comply with Section 5025 of Title 16 of the California Code of Regulations. This provision shall not apply to persons possessing a State testing laboratory license

(p) A Video Surveillance System as required by Section 5044 of the California Code of Regulations shall be installed in Manufacturing, Processing, Distribution, Testing and Retail facilities. The system shall comply with the following standards:

(i) Each licensed premises shall have a digital video surveillance system with a minimum camera resolution of 1280 × 720 pixels.

(ii) The video surveillance system shall at all times be able to effectively and clearly record images of the area under surveillance.

(iii) Each camera shall be permanently mounted and in a fixed location. Each camera shall be placed in a location that allows the camera to clearly record activity occurring within 20 feet of all points of entry and exit on the licensed premises, and allows for the clear and certain identification of any person and activities in all areas required to be filmed under subsection (iv) of this section.

(iv) Areas that shall be recorded on the video surveillance system include the following:

- (1) Areas where cannabis goods are weighed, packed, stored, loaded, and unloaded for transportation, prepared, or moved within the licensed premises;
- (2) Limited-access areas;
- (3) Security rooms;
- (4) Areas storing a surveillance-system storage device with at least one camera recording the access points to the secured surveillance recording area; and
- (5) Entrances and exits to the licensed premises, which shall be recorded from both indoor and outdoor vantage points.

(v) Licensed retailers authorized to engage in retail sales shall also record point-of-sale areas and areas where cannabis goods are displayed for sale on the video surveillance system. At each point-of-sale location, camera placement must allow for the recording of the facial features of any person purchasing or selling cannabis goods, or any person in the retail area, with sufficient clarity to determine identity.

(vi) Cameras shall record continuously 24 hours per day and at a minimum of 15 frames per second (FPS).

(vii) The physical media or storage device on which surveillance recordings are stored shall be secured in a manner to protect the recording from tampering or theft.

(viii) Surveillance recordings shall be kept for a minimum of 90 calendar days.

(ix) Surveillance recordings are subject to inspection by the City, and shall be kept in a manner that allows the City to view and obtain copies of the recordings at the licensed premises immediately upon request. The licensee shall also send or otherwise provide copies of the recordings to the City upon request within the time specified by the City.

(x) Recorded images shall clearly and accurately display the time and date. Time is to be measured in accordance with the standards issued by the United States National Institute of Standards and Technology.

(xi) The video surveillance system shall be equipped with a failure notification system that provides notification to the licensee of any interruption or failure of the video surveillance system or video surveillance-system storage device.

(xii) If multiple licensed premises are contained within the same building, a single video surveillance system covering the entire building may be used by all of the licensees under the following conditions:

- (1) Each applicant or licensee shall disclose on their premises diagram where the

- surveillance recordings are stored.
- (2) Each applicant or licensee shall include in their security operating procedures, submitted with the application an explanation of how the video surveillance system will be shared, including who is responsible for monitoring the video footage and storing any video recordings.
  - (3) All licensees shall have immediate access to the surveillance recordings to produce them pursuant to subsection (i) of this section.
  - (4) All licensees shall be held responsible and subject to discipline for any violations of the video surveillance requirements.

(q) Limited-Access areas as defined herein shall comply with the following standards:

(i) Licensees shall ensure that only employees of the licensee and other authorized individuals access the limited-access areas of the licensed premises.

(ii) For the purpose of this section, authorized individuals include outside vendors, contractors, or other individuals conducting business that requires access to the limited-access areas.

(iii) An individual who enters the limited-access area and is not employed by the licensee shall be escorted by an employee of the licensee at all times while within the limited-access area.

(iv) A licensee shall maintain a record of all authorized individuals who are not employees of the licensee who enter the limited-access areas. The record shall include the name of the individual, the company the individual works for, the reason the individual entered the limited-access area, the date, and the times the individual entered and exited the limited-access area. These records shall be made available to the Bureau immediately upon request.

(v) A licensee shall not receive consideration or compensation for permitting an individual to enter the limited-access areas.

(r) Entrances to all limited-access areas shall have a solid door and a lock meeting the requirements of section 5046 of this division. The door shall remain closed when not in use during regular business hours. A licensee shall ensure that the limited-access areas described in section 5042 of this division can be securely locked using commercial-grade, nonresidential door locks. A licensee shall also use commercial-grade, nonresidential door locks on all points of entry and exit to the licensed premises.

(s) An Alarm System as required by Section 5047 of the California Code of Regulations shall be installed in Manufacturing, Processing, Distribution, Testing and Retail facilities. The system shall comply with the following standards:

(i) A licensee shall maintain an alarm system as defined in Business and

Professions Code section 7590.1(n) at the licensed premises.

(ii) A licensee shall ensure a licensed alarm company operator or one or more of its registered alarm agents installs, maintains, monitors, and responds to the alarm system.

(iii) Upon request, a licensee shall make available to the City all information related to the alarm system, monitoring, and alarm activity.

(iv) If multiple licensed premises are contained within the same building, a single alarm system covering the entire building may be used by all of the licensees under the following conditions:

- (1) Each licensee shall include in their security operating procedures, submitted with the application an explanation of how the alarm system will be shared, including who is responsible for contracting with the alarm company.
- (2) All licensees shall have access to and be able to provide the information under subsection (iii) of this section.
- (3) All licensees shall be held responsible and subject to discipline for any violations of the alarm system requirements.

(t) Employee Badge Requirement: All agents, officers, or other persons acting for or employed by a licensee shall display a laminated or plastic-coated identification badge issued by the licensee at all times while engaging in commercial cannabis activity. The identification badge shall, at a minimum, include the licensee's "doing business as" name and license number, the employee's first name, an employee number exclusively assigned to that employee for identification purposes, and a color photograph of the employee that clearly shows the full front of the employee's face and that is at least 1 inch in width and 1.5 inches in height.

#### **(8) Cultivation, Locations, ~~Parcel Sizes~~ and Allowable Canopies**

The commercial cultivation of cannabis within the City shall be located in the Sawmill Annexation area and the Rural (R) designation located on the Dinsmore Plateau area in accordance with the following table:

**Table 8.1**

**Cultivation Locations, ~~Parcel Sizes~~ and Allowable Canopies**

**Greenhouse & Mixed-Light Cultivation**

**Industrial Commercial (IC) and Natural Resources (NR) Designations**

State License Type	Cultivation Type	Parcel Size	Allowable Canopy
Specialty	Greenhouse & Mixed Light	< 1 acre	1,000 sq. ft.
		1-2.49 acres	2,000 sq. ft.
		2.5-4.99 acres	5,000 sq. ft.
Small	Greenhouse & Mixed Light	5.0-19.99 acres	10,000 sq. ft.
Medium	Greenhouse & Mixed Light	≥ 20 acres	22,000 sq. ft.

State License Type	Allowable Canopy
<u>"Specialty Cottage"</u>	<u>2,500 sq. ft.</u>
<u>"Specialty"</u>	<u>5,000 sq. ft.</u>
<u>"Small"</u>	<u>10,000 sq. ft.</u>
<u>"Medium"</u>	<u>22,000 sq. ft.</u>

### Indoor Cultivation

Industrial Commercial (IC), and Natural Resources (NR) and Rural (R) Designations

State License Type	Allowable Canopy
<u>"Specialty Cottage"</u>	<u>500 sq. ft.</u>
"Specialty Indoor"	5,000 sq. ft.
"Small Indoor"	10,000 sq. ft.
"Medium Indoor"	22,000 sq. ft.

### Indoor Cultivation Natural Resources (NR) Designations

State License Type	Parcel Size	Allowable Canopy
<u>"Specialty Indoor"</u>	< 1 acre	1,000 sq. ft.
	1-1.99 acres	2,000 sq. ft.
	2.0-4.99 acres	5,000 sq. ft.
<u>"Small Indoor"</u>	5.0-9.99 acres	10,000 sq. ft.
<u>"Medium Indoor"</u>	≥ 10 acres	22,000 sq. ft.

## Nurseries

Industrial Commercial (IC), ~~and~~ Natural Resources (NR) and Rural (R) Designations

State License Type	Parcel Size	Allowable Canopy
Type 4, "Nursery"	N/A	N/A

(a) Cultivation activities may occur on leased premises for agricultural purposes pursuant to the exclusion from the Subdivision Map Act, Government Code Section 66412(k). The minimum parcel size for leased parcels shall be five (5) acres.

~~(a)~~ (b) Processing of cannabis that is cultivated pursuant to these regulations may occur at the cultivation site subject to the Processing Performance Standards and Employee Safety Practices enumerated in Section 17.30.195(10) thru 17.30.195(13) are met.

~~(b)~~ (c) Multiple applicants may obtain a Conditional Use Permit for greenhouse cultivation, mixed-light cultivation, or both, on one legal parcel so long as the cumulative cultivation area is within one contiguous cultivation footprint that does not exceed the total cultivation area size limits set forth in Table 8.1, Cultivation Locations, ~~Parcel Sizes~~ and Allowable Canopies.

~~(c)~~ (d) A combination of cultivation types may be allowed in the same zone (e.g. greenhouse and, mixed light cultivation, or indoor cultivation and processing). ~~that are for a total area equal to or less than the cultivated area size limit for the size of the underlying parcel.~~

### (9) Application Requirements for All CCLUO Conditional Use Permits:

- (a) A completed standard application form for a Conditional Use Permit with the required fee.
- (b) If the applicant is not the record title owner of parcel, written consent of the owner for the application with original signature and notary acknowledgement.
- (c) A **Site Plan** shall be submitted showing the entire parcel with dimensions, easements, existing and proposed buildings, parking and loading facilities, landscaping, trash and recycling facilities, stormwater facilities, including retention/detention facilities and setbacks from property lines. The plan shall be drawn to scale.
- (d) **Floor Plans** shall be submitted for existing and proposed buildings with dimensions and labeling identifying uses within the building(s). The plans shall be drawn to scale.

(e) A **Plan of Operations** shall be submitted that includes, describes and addresses the following:

(i) A complete project description including the proposed use(s), hours and days of operation, number of employees, and the duration (temporary, seasonal or permanent) of the operation.

(ii) The number of daily and/or weekly incoming and outgoing deliveries

(iii) A Security Plan that addresses the cultivation, [sales](#), storage, processing, manufacturing and testing of any cannabis, including but not limited to video monitoring and commercial alarm systems.

(iv) A Waste Management/Disposal Plan shall be submitted describing any produced wastes, including by-products, recycling, reusing, recovery, storage, diversion and handling and disposal.

(v) A description of the storage or use of any solvents, fertilizers, pesticides, fungicides, rodenticide, or herbicides.

(vi) A description of any discharge or emissions the operation will generate.

(vii) A description of any noise level increase as a result of the operation.

(viii) A description of the operation's use of public facilities such as roads, water or sewer systems.

(ix) A description of any proposed water source, storage, conservation and use; drainage, runoff and erosion control; watershed and habitat protection.

(f) ~~A Security Plan shall be submitted that includes, describes and addresses the following:~~  
~~(i) Security cameras shall be installed and maintained in good condition, and used in an on-going manner with at least 720 concurrent hours of digitally recorded documentation in a format approved by the Planning Commission. The cameras shall be in use 24 hours per day, 7 days per week. The areas to be covered by the security cameras shall include, but are not limited to, the public areas, processing areas, storage areas, employee areas, all doors and windows, and any other areas as determined to be necessary by the Planning Commission.~~

~~(ii) The facility shall be alarmed with an audible interior and/or exterior silent alarm system that is operated and monitored by a recognized security company, deemed acceptable by the Planning Commission. Any change in the security company shall be subject to the approval of the City Manager or his designee. All current contact information regarding the cannabis facility's security company shall be provided to the City Manager or designee.~~

- (g) **Tribal Consultation:** For any ground disturbing activities, acknowledge that the City will consult with the local Wiyot Tribe, including their Tribal Historic Preservation Officer (THPO) or other tribal representatives, before the approval of any Conditional Use Permit. During this process, the tribe may request that operations associated with the Conditional Use Permit be designed to avoid, minimize or mitigate impacts to Tribal Cultural Resources, as defined herein. Examples include, but are not limited to: conducting a site visit with the THPO or their designee to the existing or proposed cultivation site, requiring that a professional cultural resources survey be performed, or requiring that a tribal cultural monitor be retained during project-related ground disturbance within areas of sensitivity or concern.
- (h) **Community Relations:** Each cannabis facility shall provide the City Manager or designee with the name, phone number, facsimile number, and email address of an on-site community relations or staff person or other representative to whom the City can provide notice if there are operating problems associated with the cannabis facility or refer members of the public who may have any concerns or complaints regarding the operation of the cannabis facility. Each cannabis facility shall also provide the above information to its business neighbors located within 300 feet of the cannabis facility.
- (i) Consent to a minimum of at least one quarterly on-site compliance inspection, to be conducted by appropriate City officials during regular business hours (Monday – Friday, 9:00 am – 5:00 pm, excluding holidays). The applicant shall be required to pay the Inspection Fee in effect at that time.
- (j) The applicant or any of its officers, directors, owners or licensee shall be subject to the background checks related to the qualifications, functions or duties of the business required by the Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA). The City shall rely on the State in making disqualifying determinations regarding substantially related offenses pursuant to Section 26057 of the Business and Professions Code. (Ord. 365-2018)



(k) Compliance with the provisions of the Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA), all applicable state laws and City ordinances.

(l) All permittees subject to state licensure shall participate in local and state programs for “Track and Trace”, once available.

(m) Notification to State Licensing Authorities: The City shall notify the appropriate state licensing authority whenever a Conditional Use Permit has been revoked or terminated following the expiration of any appeal period, or if an appeal has been filed, following the final determination of the appeal.

(n) The operator of the permitted facility shall maintain valid license(s) issued by the appropriate state licensing authority or authorities as provided in MAUCRSA for the type of activity being conducted, as soon as such licenses become available.

(o) All operators shall maintain a current, valid business license at all times.

**(10) Performance Standards for all CCLUO Cultivation Operations:**

(a) No surface water withdrawals shall be allowed as part of any cultivation operations.

(b) No Timberland Conversion Permits or Exemptions as approved by the California Department of Forestry and Fire Protection (CAL-FIRE) shall be used to facilitate the cultivation of cannabis.

(c) The area of greenhouse, mixed-light cannabis cultivation shall be located as shown on the application site plan, set back at least ~~50~~ 30 feet from any property line in the Natural Resource (NR) and Rural (R) zones and 300 feet from any residences on an adjacent separately owned parcel and 1000 feet from any school. The setback required from associated property lines or residence(s) on adjacent privately-owned property may be waived or reduced with the express written consent of the owner(s) of the subject property.

(d) Cannabis cultivation is declared to be development, subject to compliance with Section 17.30.110, Environmentally Sensitive Habitat Area’s (ESHA’s). For purposes of this section, where enhanced, reduced, or modified watercourse or wetland setbacks have been agreed to by the operator and the RWQCB under enrollment pursuant to NCRWQB Order No. 2015-0023 and/or preparation of a Water Resources Protection Plan, these may control and supersede any setback applied pursuant to Section 17.30.110.

- ~~(d)~~ (e) Maintain enrollment in Tier 1, 2 or 3, certification with the North Coast Regional Water Quality Control Board Order No. 2015-0023, if applicable, or any substantially equivalent rule that may be subsequently adopted by the City of Rio Dell or other responsible agency.
- ~~(e)~~ (f) For cultivation areas for which no enrollment pursuant to NCRWQB Order No. 2015-0023, is required by that Order, compliance with the standard conditions applicable to all Tier 1 dischargers.
- ~~(f)~~ (g) The storage or use of any fertilizer, pesticide, fungicide, rodenticide, or herbicide shall be in compliance with the manufacture's recommendations and regulations administered by the State Department of Pesticide Regulation. Hazardous materials and wastes from agricultural businesses are regulated by the Humboldt County Environmental Health Division, which administers the Hazardous Materials program as one of the Certified Unified Program Agencies (CUPA). This includes the application, inspection, enforcement, and reporting under the program requirements and standards set by the California Environmental Protection Agency (CalEPA).
- ~~(g)~~ (h) Trucked water shall not be allowed as the primary water source. Water is to be sourced locally (on-site), except for emergencies. For purposes of this provision, "emergency" is defined as: "a sudden, unexpected occurrence demanding immediate action."
- ~~(h)~~ (i) Carbon filter fans or equivalent superior filters/scrubbers shall be required to eliminate odor discharges to neighboring properties from cultivation and processing facilities.
- ~~(i)~~ (j) A Waste Management/Disposal Plan shall be submitted describing any produced wastes, including by-products, recycling, reusing, recovery, storage, diversion and handling and disposal.
- ~~(j)~~ (k) Those cultivators using artificial lighting for mixed-light cultivation shall shield greenhouses so that little to no light escapes. Light shall not escape at a level that is visible from neighboring properties between sunset and sunrise. Should the City receive complaints that the lighting is out of alignment or not complying with these standards, within ten (10) working days of receiving written notification that a complaint has been filed, the applicant shall submit written verification that the lights' shielding and alignment has been repaired, inspected and corrected as necessary.
- ~~(k)~~ (l) Generators are only allowed as an emergency back-up power source. The noise produced by a generator used for cannabis cultivation shall not be audible from neighboring

residences. The decibel level for generators at the property line shall be no more than 60 decibels.

~~(H)~~ **(m)** Fuel shall be stored and handled in compliance with applicable state and local laws and regulations, and in such a way that no spillage occurs.

~~(m)~~ **(n)** Electricity for Indoor and Mixed Light cultivation activities shall be provided by any combination of the following:

(i) On-grid power with 42 percent renewable source.

(ii) Onsite zero net energy renewable source providing 42 percent of power.

(iii) Purchase of carbon offsets for any portion of power above 58 percent not from renewable sources.

(iv) Demonstration that the equipment to be used would be 42 percent more energy efficient than standard equipment, using 2014 as the baseline year for such standard equipment.

Purchase of carbon offset credits (for grid power procured from non-renewable producers) may only be made from reputable sources, including those found on Offset Project Registries managed the California Air Resources Board, or similar sources and programs determined to provide bona fide offsets recognized by relevant state regulatory agencies.

~~(n)~~ **(o)** Comply with all federal, state, and local laws and regulations applicable to California Agricultural Employers, including those governing cultivation and processing activities.

~~(e)~~ **(p)** Comply with any special conditions applicable to that permit or parcel which may be imposed as a condition of the required Conditional Use Permit.

**(11) Performance Standards for Manufacturing Activities:**

(a) Compliance with CAL/OSHA, OSHA regulations.

(b) Compliance with State and local building regulations, including the California Building Code (CBC) and the California Fire Code (CFC).

- (c) A Security Plan that addresses how the following measures shall be implemented or complied with:
- (i) Entrance to the extraction areas and any cannabis storage areas shall be locked at all times, and under the control of facility staff.
  - (ii) Cannabis shall be stored in buildings that are completely enclosed, and in a locked vault or safe, or other secured storage structure which is bolted to the floor or structure of the premises.
  - (iii) Windows and roof hatches of the premises shall be secured from the inside with effective means so as to prevent unauthorized entry, and shall be equipped with latches or a similar mechanism that may be released quickly from the inside to allow exit in the event of emergency in compliance with all applicable building provisions in the Code.
- (d) If using CO<sub>2</sub> in processing, a professional grade closed-loop CO<sub>2</sub> gas extraction system rated to a minimum of fifteen thousand (15,000) pounds per square inch (PSI) is required for every vessel in the system.
- (e) Extraction processes shall use a commercially manufactured professional grade closed-loop extraction system designed to recover the solvents and built to codes of recognized and generally accepted sound engineering practices, such as (i) The American Society of Mechanical Engineers (ASME); (ii) American National Standards Institute (ANSI); (iii) Underwriters Laboratories (UL); or (iv) The American Society for Testing and Materials (ASTM).
- (f) Volatile extraction operations shall occur in a spark-proof, explosion-proof room equipped with evacuation fans and lower explosive limit (LEL) detectors.
- (g) Carbon filter fans or equivalent superior filters/scrubbers shall be required to eliminate odor discharges to neighboring properties.
- (h) A Waste Management/Disposal Plan shall be submitted describing any produced wastes, including by-products, recycling, reusing, recovery, storage, diversion and handling and disposal.
- (i) Manufacturers of edibles shall comply with the regulations in the California Health and Safety Code, which includes the California Retail Food Code administered by the California

Department of Health Services - Food and Drug Branch, California Department of Food and Agriculture and the County Department of Environmental Health.

- (j) Comply with any special conditions applicable to that permit or parcel which may be imposed as a condition of the required Conditional Use Permit.

**(12) Performance Standards for Testing Laboratories**

- (a) Entrance to the lab area and any cannabis storage areas shall be locked at all times, and under the control of facility staff.
- (b) Cannabis shall be stored in a secured and locked room, vault or safe, or other secured storage structure which is bolted to the floor or structure of the premises.
- (c) Windows and roof hatches of the premises shall be secured from the inside with effective means so as to prevent unauthorized entry, and shall be equipped with latches or a similar mechanism that may be released quickly from the inside to allow exit in the event of emergency in compliance with all applicable building provisions in the California Building Code.
- (d) All laboratory testing facilities shall comply with Sections 19341 through 19345 of the California Business and Professions Code.
- (e) Comply with any special conditions applicable to that permit or parcel which may be imposed as a condition of the required Conditional Use Permit.

**(13) Performance Standards for ~~Health and Wellness Centers~~ [Retail Sales](#)**

- ~~(a) Health and Wellness Centers shall not sell or distribute cannabis flowers, trim, leaf or cannabis infused edibles.~~
- ~~(b) The facility shall be alarmed with an audible interior and exterior alarm system, unless waived for extenuating circumstances by the Planning Commission that is operated and monitored by a recognized security company, deemed acceptable by the Planning Commission. Any change in the security company shall be subject to the approval of the City Manager or his designee. All current contact information regarding the medical marijuana facility's security company shall be provided to the City.~~

~~(c) Security cameras shall be installed and maintained in good condition, and used in an on-going manner with at least 720 concurrent hours of digitally recorded documentation in a format approved by the Planning Commission. The cameras shall be in use 24 hours per day, 7 days per week. The areas to be covered by the security cameras shall include, but are not limited to, the public areas, processing areas, storage areas, employee areas, all doors and windows, and any other areas as determined to be necessary by the Planning Commission.~~

~~(d) Entrance to the any medical cannabis products storage areas shall be locked at all times, and under the control of facility staff.~~

~~(e) Medical cannabis products shall be stored in a secured and locked room, vault or safe, or other secured storage structure which is bolted to the floor or structure of the premises.~~

~~(f) The sale of any medical cannabis products shall be limited to qualified patients, as defined in Section 11362.7 of the Health and Safety Code.~~

~~(g) Medical cannabis may not be inhaled, smoked, eaten, ingested, vaped, or consumed at the premises and/or location.~~

~~(h) The sales of pipes, including water pipes and other paraphernalia are prohibited.~~

(a) Retail areas as herein defined may be allowed in the Industrial Commercial (IC) designation located in the Sawmill Annexation area and the Town Center (TC) designation subject to a Conditional Use Permit and the conditions and limitations set forth in this Section and as deemed appropriate by the Planning Commission and/or the City Council. In addition to the Conditional Use Permit required findings pursuant to Section 17.35.030 of the Rio Dell Municipal Code (RDMC), the following elements will be considered in reviewing and approving retail operations, including but not limited to:

- Experience
- Interior and Exterior Design
- Financial Capital
- Business Model/Plan of Operation

(b) Customer access to the licensed premises of a retailer with only an A-designation shall be limited to individuals who are at least 21 years of age.

(c) Customer access to the licensed premises of a retailer with only an M-designation shall be limited to individuals who are at least 18 years of age and have a valid physician's recommendation for medicinal cannabis, and individuals who are at least 21 years of age.

- (d) Customer access to the licensed premises of a retailer with both an A- designation and an M-designation may include persons identified in subsections (b) and (c) of this section.
- (e) Individuals shall be granted access to the retail area to purchase cannabis goods only after the retailer or an employee of the retailer has confirmed the individual's age and identity.
- (f) The licensed retailer or at least one employee shall be physically present in the retail area at all times when individuals who are not employees of the licensed retailer are in the retail area.
- (g) All sales of cannabis goods must take place within the retail area of the retailer's licensed premises, except for cannabis goods sold through delivery.
- (h) A licensed retailer shall only sell adult-use cannabis goods to individuals who are at least 21 years of age after confirming the customer's age and identity by inspecting a valid form of identification provided by the customer as required by subsection (j) of this section.
- (i) A licensed retailer shall only sell medicinal cannabis goods to individuals who are at least 18 years of age and possesses a valid physician's recommendation after confirming the customer's age, identity, and physician's recommendation as required by subsection (j) of this section.
- (j) Acceptable forms of identification include the following:
- (i) A document issued by a federal, state, county, or municipal government, or a political subdivision or agency thereof, including, but not limited to, a valid motor vehicle operator's license, that contains the name, date of birth, height, gender, and photo of the person;
  - (ii) A valid identification card issued to a member of the Armed Forces that includes the person's name, date of birth, and photo; or
  - (iii) A valid passport issued by the United States or by a foreign government.
- (k) A licensed retailer shall sell and deliver cannabis goods only between the hours of 9:00 a.m. Pacific Time and 8:00 p.m. Pacific Time.
- (l) Cannabis goods for inspection and sale shall only be displayed in the retail area.
- (m) Cannabis goods may be removed from their packaging and placed in containers to allow for customer inspection. The containers shall not be readily accessible to customers without assistance of retailer personnel. A container must be provided to the customer by the licensed retailer or its employees, who shall remain with the customer at all times that the

container is being inspected by the customer.

(n) Cannabis goods removed from their packaging for display shall not be sold, shall not be consumed, and shall be destroyed pursuant to section 5054 of the California Code of Regulations when the cannabis goods are no longer used for display.

(o) A licensed retailer shall not make any cannabis goods available for sale or delivery to a customer unless:

(i) The cannabis goods were received by the retail licensee from a licensed distributor or licensed microbusiness authorized to engage in distribution;

(ii) The licensed retailer has verified that the cannabis goods have not exceeded their best-by, sell-by, or expiration date if one is provided;

(iii) In the case of manufactured cannabis products, the product complies with all requirements of Business and Professions Code section 26130 and California Code of Regulations, Title 3, Division 8 and Title 17, Division 1, Chapter 13;

(iv) The cannabis goods have undergone laboratory testing as required by the Act;

(v) The batch number is labeled on the package of cannabis goods and matches the batch number on the corresponding certificate of analysis for regulatory compliance testing;

(vi) The packaging and labeling of the cannabis goods complies with Business and Professions Code Section 26120 and all applicable regulations within the California Code of Regulations, Title 3, Division 8 and Title 17, Division 1, Chapter 13.

(p) In addition to cannabis goods, a licensed retailer may sell only cannabis accessories as defined by Section 11018.2 of the California Health and Safety Code and licensee's branded merchandise. Licensed retailers may provide customers with promotional materials.

(q) A licensed retailer shall only sell live, immature cannabis plants and cannabis seeds if all of the following requirements are met:

(i) The plant is not flowering;

(ii) The plant or seed originated from a nursery that holds a valid license from the Department of Food and Agriculture or a licensed microbusiness authorized to engage in cultivation;

(iii) A label is affixed to the plant or package containing any seeds which states "This product has not been tested pursuant to the Medicinal and Adult-Use Cannabis Regulation and Safety Act."



(r) A licensed retailer may not sell any other live plants;

(s) A licensed retailer shall not apply nor use any pesticide, nor cause any pesticide to be applied nor used, on live plants.

(t) A licensed retailer shall not sell more than the amounts to a single adult use customer or a single medicinal cannabis patient or to a patient's primary caregiver purchasing medicinal cannabis on behalf of the patient in a single day than the amounts identified in Section 5409 of the California Code of Regulations.

(u) A licensed retailer shall only accept customer returns as allowed by Section 5410 of the California Code of Regulations.

(v) Except as provided by Section 5411(b) et. seq. of the California Code of Regulations a licensed retailer shall not provide free cannabis goods to any person and shall not allow individuals who are not employed by the licensed retailer to provide free cannabis goods to any person on the premises.

(w) A licensed retailer shall not accept, possess or sell cannabis goods that are not packaged as they will be sold at final sale, nor shall a licensed retailer package or label cannabis goods, except as provided by Section 5412(c) of the California Code of Regulations.

(x) All cannabis goods sold by a licensed retailer shall be in compliance with the packaging and exit packaging requirements found in Section 5413 of the California Code of Regulations.

(y) All deliveries of cannabis goods shall be in compliance with Sections 5415, 5415.1, 5416, 5417, 5418, 5419, 5420 and 5421 of the California Code of Regulations.

(z) A licensed retailer shall comply with Section 5422, Receiving Shipments of Inventory, Section 5423, Inventory Documentation, Section 5424, Inventory Reconciliation, Section 5426, Records and Section 5427, Retailer Premises to Retailer Premises Transfer of the California Code of Regulations.

**(14) Term of Conditional Use Permit.**

Any Conditional Use Permit issued pursuant to this section shall expire after one (1) year after date of issuance, and on the anniversary date of such issuance each year thereafter, unless the required compliance inspections have been conducted and the permitted site

has been found to comply with all conditions of approval and the [annual](#) renewal fee ~~and operation fee~~ submitted.

- (a) Permit Renewal. A Permit renewal application, renewal fee and operating fee must be submitted at least forty-five (45) days before the expiration of the Permit. Failure to submit a renewal application prior to the expiration date of the license will result in the automatic expiration of the Permit on the expiration date. A Permit may not be renewed if any violations of or non-compliance with the Permit or these regulations exists. Permit renewal is subject to the laws and regulations effective at the time of renewal, which may be substantially different than the regulations currently in place and may require the submittal of additional information to ensure the new standards are met.

**(15) Changes to Ownership or Modification to Premises.**

A Conditional Use Permit is non-transferable to another location and no transfer to another Owner or modifications to a permitted facility may be made except in accordance with these regulations.

- (a) Transfer of Ownership. A request for change in Permit ownership shall be submitted to the City at least sixty (60) days prior to the anticipated transfer, together with the required fee. Requests submitted less than sixty (60) days before the transfer will be processed only in the City's discretion and may be subject to an expedited processing fee. A new Owner(s) shall meet all requirements for applicants of an initial permit. The request shall include the following information:

- i. Identify information for the new Owner(s) and management as required by the initial permit application, including names and contact information and Section 17.30.195(i) of the Rio Dell Municipal Code; and
- ii. The specific date on which the transfer is to occur; and
- iii. Acknowledgement of full responsibility for complying with the existing permit and any conditions attached thereto.

- (b) Modifications to the Facility. Prior to making any modifications to a permitted facility, the permittee shall submit to the City, at least thirty (30) days in advance of initiating the modifications, a request for determination of City approvals, together with the appropriate

fee. The request shall contain a detailed description to allow the City to determine what, if any permits and/or other approvals are needed.

### **(16) Inspections**

Each permitted activity is subject to a minimum of at least one quarterly on-site compliance inspection, to be conducted by appropriate City officials during regular business hours (Monday – Friday, 9:00 am – 5:00 pm, excluding holidays). The applicant shall be required to pay the Inspection Fee in effect at that time.

If the inspector or other City official determines that the site does not comply with the conditions of approval, the inspector shall serve the permit holder with a written statement identifying the items not in compliance, and the action that the permit holder may take to cure the non-compliance, or file an appeal within ten (10) days of the date that the written statement is delivered to the permit holder. Personal delivery or mailing the written statement to the mailing address listed on the application by regular mail, plus three (3) days after date of mailing, shall constitute delivery. The permit holder may request a reinspection to determine whether or not the permit holder has cured all issues of non-compliance. Failure to request reinspection or to cure any items of noncompliance shall terminate the Conditional Use Permit and License, immediately upon the expiration of any appeal period, or final determination of the appeal if an appeal has been timely filed.

### **(17) Appeal of Inspection Determination**

Within ten (10) business days after delivery of the statement of non-compliance, the determination by the inspector that the site is or is not in compliance may be appealed by any interested party to the Planning Commission. The appeal shall be made, in writing, on a form provided by the City. The fee for filing the appeal is based on the adopted fee schedule in effect at the time of the appeal.

- (a) The appeal shall be heard by the Planning Commission within thirty (30) days following the filing of the appeal. The Planning Commission shall render a written ruling on the appeal within three (3) business days following the hearing.
- (b) The decision of the Planning Commission may be appealed to the City Council in accordance with Section 17.35.050 of the Rio Dell Municipal Code. If a timely appeal to the City Council is not filed, the ruling by the Planning Commission shall be final.

### **(18) Revocation by Operation of Law**

Any Conditional Use Permit issued under this Section shall be revoked by operation of law, and without prior notice to the permit holder, in the event the permitted activity is made illegal under the laws of the State of California.

The City shall notify any state license authority, as defined by the Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA), whenever the Conditional Use Permit and License has been revoked or terminated.

### **(19) Fees, Taxes and Other Charges**

The Council may establish fees, taxes or other charges for a commercial cannabis activity permit by resolution or ordinance. The failure to pay all applicable fees, taxes and other charges when due shall be a violation of the Section as contemplated by subsection 17.30.195(5), above.

### **Section 3. Severability**

If any provision of the ordinance is invalidated by any court of competent jurisdiction, the remaining provisions shall not be affected and shall continue in full force and effect.

### **Section 4. Limitation of Actions**

Any action to challenge the validity or legality of any provision of this ordinance on any grounds shall be brought by court action commenced within ninety (90) days of the date of adoption of this ordinance.

### **Section 5. CEQA Compliance**

The City Council has determined that the adoption of this ordinance is exempt from review under the California Environmental Quality Act (CEQA), subject to Section 15061 of the CEQA Guidelines. Due to the nature of the proposed code revisions, there is no evidence that any significant impact to the environment would occur as a result of adoption of the Ordinance.

### **Section 6. Effective Date**

This ordinance becomes effective thirty (30) days after the date of its approval and adoption.

**I HEREBY CERTIFY** that the forgoing Ordinance was duly introduced at a regular meeting of the City Council of the City of Rio Dell on March 5, 2019 and furthermore the forgoing Ordinance was passed, approved and adopted at a regular meeting of the City Council of the City of Rio Dell, held on the March 19, 2019 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Debra Garnes, Mayor

ATTEST:

I, Karen Dunham, City Clerk for the City of Rio Dell, State of California, hereby certify the above and foregoing to be a full, true and correct copy of Ordinance No. 374-2019 which was passed, approved and adopted at a regular meeting of the City Council of the City of Rio Dell, held on March 19, 2019.

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Karen Dunham, City Clerk, City of Rio Dell

## Eagle Prairie Elementary and Monument Middle School



### APPROXIMATE 600' SETBACK FROM SCHOOL

A 600' setback as defined by Section 11362.768 of the California Health and Safety Code is required by Sections 5026, 8102 and 40150 of the California Code of Regulations for all cannabis activities.

600' Required Setback from School March 2019