



CITY COUNCIL REGULAR MEETING

**JOINT SAND CITY COUNCIL AND
SUCCESSOR AGENCY OF THE
REDEVELOPMENT AGENCY**

TUESDAY, OCTOBER 1, 2024

5:30 PM

AGENDA
JOINT SAND CITY COUNCIL AND SUCCESSOR AGENCY OF THE REDEVELOPMENT
AGENCY

City Council Regular Meeting - Tuesday, October 1, 2024
5:30 PM

THIS MEETING WILL BE HELD VIRTUALLY AND IN PERSON, IS COMPLIANT WITH ASSEMBLY BILL (“AB”) 2449, SIGNED INTO LAW ON SEPTEMBER 13, 2022, WHICH AMENDS GOVERNMENT CODE SECTION 54953 TO PROVIDE AUTHORITY FOR PUBLIC AGENCIES TO CONTINUE TO HOLD VIRTUAL MEETINGS AND REMAIN IN COMPLIANCE WITH THE BROWN ACT (GOV. CODE §§ 54950 ET SEQ.). TO PARTICIPATE IN THE ZOOM COUNCIL WEBINAR LIVE:

<https://us02web.zoom.us/j/88349100938>

Webinar ID: 883 4910 0938

**To participate telephonically by calling the number below:
(669) 900-6833**

Webinar ID: 883 4910 0938#

If prompted to enter a participant ID, press #

**TO PARTICIPATE IN PERSON:
City Hall Council Chamber
1 Pendergrass Way
Sand City, CA**

How to submit written Public Comments:

If any member of the public would like to provide written comments at the meeting, please do as set forth below.

Written: All comments received before 8:00 am the day of the meeting will be posted on the City’s website as “Correspondence” under the relevant agenda item and provided to the City Council members at the meeting. Please email your comments to: cityclerk@sandcityca.org.

Read Aloud During the Meeting: Email your comments to cityclerk@sandcityca.org. When the Mayor opens the public comment period for the relevant agenda item; please indicate the agenda item and title in your email subject line. If you want your comment read aloud, prominently write “Read Aloud at Meeting” at the top of the email and your comments will be read into the record (not to exceed three minutes at staff’s cadence).

DURING EACH MEETING, members of the public may participate by calling and speaking live during the designated time(s), subject to time limits that may be imposed pursuant to the Brown Act at the number provided above. Please use the "raise your hand" option on Zoom, and the City Clerk will call on your name.

1. ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. ANNOUNCEMENT BY MAYOR, CITY ATTORNEY, AND CITY MANAGER

4. COMMUNICATIONS

Members of the public may address the City Council/Successor Agency on matters not appearing on the City Council/Successor Agency Agenda at this time for up to three minutes. In order that the City Clerk may later identify the speaker in the minutes of the meeting, it is helpful if speakers state their names. Public comments regarding items on the scheduled agenda will be heard at the time the item is being considered by the City Council/Successor Agency. The City Council Chambers podium is equipped with a portable microphone for anyone unable to come to the podium. If you need assistance, please advise the City Clerk as to which item you would like to comment on and the microphone will be brought to you.

5. CONSENT CALENDAR

The Consent Agenda consists of routine items for which City Council approval can be taken with a single motion and vote. A Council member may request that any item be placed on the Regular Agenda for separate consideration.

- 5A. Approve the City Council Regular Meeting Minutes for May 2, 2023, May 16, 2023, and the Special Meeting Minutes and Regular Meeting Minutes for September 17, 2024
[Draft Minutes](#)

6. CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR

7. PUBLIC HEARING

- 7A. First Reading of an Ordinance Adding Chapter 18.102, "Commercial Cannabis Uses", Adding Section 18.19.030.B. to Chapter 18.19 "Conditional Uses", and Deleting Section 18.69.010, "Medical Marijuana Dispensaries, Delivery, Cultivation, and Sales" in its Entirety, and Amending Section 18.82.020 "Violations Unlawful", of Title 18, "Zoning", of the Sand City Municipal Code
[Staff Report](#)
[Draft Ordinance](#)
[Grant Agreement](#)

8. NEW BUSINESS

- 8A. Approve a Resolution Accepting Public Art and Approving Site Selection for the Craig Hubler Memorial
[Staff Report](#)

[Resolution](#)
[April 11, 2024 Email Application](#)
[Renderings](#)

- 8B. Discussion and Consideration of RFP for Planning and Execution of the Sand City West End Celebration
[Staff Report](#)
[Proposal and Proposed Budget](#)

9. COMMENTS BY COUNCILMEMBERS ON ITEMS OF INTEREST TO SAND CITY

10. ADJOURNMENT

The current agenda is available in PDF format on our website at:
www.sandcity.org

If you have a request for a disability-related modification or accommodation, including auxiliary aids or services, which will allow you to participate in a Sand City public meeting, please call the City Clerk at (831) 394-3054 extension 220, or give your written request to the City Clerk at 1 Pendergrass Way, Sand City, CA 93955 at least 48 hours prior to the scheduled meeting to allow the City Clerk time to arrange for the requested modification or accommodation.

**AGENDA ITEM
5A.**

Approve the City Council Regular Meeting Minutes for May 2, 2023, May 16, 2023, and the Special Meeting Minutes and Regular Meeting Minutes for September 17, 2024

MINUTES
JOINT SAND CITY COUNCIL AND SUCCESSOR AGENCY OF THE REDEVELOPMENT
AGENCY

Regular Meeting - Tuesday, May 2, 2023 5:30 PM

As allowed by Assembly Bill AB 2449, this meeting was conducted in person and by
teleconference.

Mayor Carbone called the meeting to order at 5:30 PM.

1. ROLL CALL

Present: Mayor Carbone
Vice Mayor Blackwelder
Councilmember Diaz
Councilmember Hawthorne
Councilmember Sofer

Staff: City Manager Vibeke Norgaard
Police Chief Brian Ferrante
Interim City Attorney Anthony Amara
City Clerk Kerry Lindstrom

2. PLEDGE OF ALLEGIANCE

Police Chief Brian Ferrante led the Pledge of Allegiance.

3. INVOCATION

Reverend Hellam made the invocation.

4. SWEARING IN OF COUNCILMEMBER MARILEE DIAZ

City Clerk Kerry Lindstrom conducted the swearing in of the new Councilmember of Sand City, Councilmember Marilee Diaz.

5. ANNOUNCEMENT BY MAYOR, CITY ATTORNEY, AND CITY MANAGER

Mayor Carbone announced:

- Mayor Carbone and Councilmember Sofer will attend a Women's Luncheon on Friday, May 5, 2023.
- Saturday, May 6, 2023, from 11:00 AM to 5:00 PM, the Cities of Sand City and Seaside will co-sponsor an event at the Oldemeyer Center, lunch provided.

City Manager Vibeke Norgaard announced:

- Roberto Moreno and City Manager Vibeke Norgaard interviewed candidates for the Finance position. New Public Works employee offered a conditional offer of employment, pending background check. The Police Chief negotiations have been finalized.
- Jayson Fann moving his installations to the lot next to The Independent and will be holding classes for the community in the Art Park.
- The City has been communicating with the Salvation Army regarding a mural for their wall.
- South of Tioga; striping is expected next week depending on the weather.
- Planning and the City Manager had a meeting with TAMC regarding the bike path and parking plan.

- The Parking Plan is expected to be finalized over the next few weeks.
- Website updates include housing element pieces that EMC has added to the website. A resident serving tab has been created and documents have been added related to the housing element that are useful to residents.
- Calabrese Park groundbreaking is expected in two weeks.
- Regarding West Bay, a meeting is being scheduled by the City Engineer. Biological monitoring will need to come first.

6. COMMUNICATIONS

No public comment received.

7. CONSENT CALENDAR

No public comment received.

Upon motion by Vice Mayor Blackwelder and seconded by Councilmember Hawthorne, Council voted 5-0 to approve the Consent Calendar.

7A. Approved Resolution SC 23-18 required by CALPERS regarding health care benefits for POA members and annuitants.

8. CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR

No items were pulled.

9. PRESENTATION

None.

10. PUBLIC HEARING

None.

11. NEW BUSINESS

11A. Amendment to Contract with EMC Planning for General Planning Services and Biological Construction Monitoring on West Bay Street Coastal Access Repair Project ***This item was moved to be heard immediately after Item 11D.***

11B. Approve a Resolution Adopting a Memorandum of Understanding with the Sand City Police Officer's Association and Authorizing the Appropriation of Funds

No public comment received.

Upon motion by Councilmember Hawthorne and seconded by Councilmember Sofer, Council voted 5-0 to approve Resolution SC 23-20 adopting a Memorandum of Understanding with the Sand City Police Officer's Association and authorizing the appropriation of funds.

11C. Approve a Resolution Ratifying an Employment Agreement for Chief of Police

No public comment received.

Upon motion by Councilmember Hawthorne and seconded by Vice Mayor

Blackwelder, Council voted 5-0 to approve Resolution SC 23-21 ratifying an employment agreement for Chief of Police.

- 11D. Approve a Resolution Authorizing the City Manager to Purchase Automated Camera System and Appropriate Funds

No public comment received.

Upon motion by Councilmember Sofer and seconded by Councilmember Hawthorne, Council voted 5-0 to approve Resolution SC 23-22 authorizing the City Manager to purchase automated camera system and appropriate funds.

- 11A. Amendment to Contract with EMC Planning for General Planning Services and Biological Construction Monitoring on West Bay Street Coastal Access Repair Project ***This item was moved to be heard immediately after Item 11D.***

No public comment received.

Upon motion by Vice Mayor Blackwelder and seconded by Councilmember Hawthorne, Council voted 5-0 to approve Resolution SC 23-19 approving an amendment to contract with EMC Planning for general planning services and biological construction monitoring on West Bay Street Coastal Access Repair Project.

12. CLOSED SESSION

- 12A. City Council/Successor Agency Board to Adjourn to Closed Session Regarding Public Employee Performance Evaluation (Government Code §54957) Title: City Manager Performance Evaluation

No public comment received.

- 12B. Re-adjourn to Open Session to report any action taken at the conclusion of Closed Session in accordance with California Government Code section 54957.1

City Manager Vibeke Norgaard reported no reportable action taken.

13. ADJOURNMENT

Council adjourned the meeting at approximately 6:50 PM.

Kerry Lindstrom, City Clerk

**MINUTES
JOINT SAND CITY COUNCIL AND SUCCESSOR AGENCY OF THE REDEVELOPMENT
AGENCY**

Regular Meeting - Tuesday, May 16, 2023 5:30 PM

As allowed by Assembly Bill AB 2449, this meeting was conducted in person and by
teleconference.

Mayor Carbone called the meeting to order at 5:30 PM.

1. ROLL CALL

Present: Mayor Carbone
Vice Mayor Blackwelder
Councilmember Diaz
Councilmember Hawthorne
Councilmember Sofer

Staff: City Manager Vibeke Norgaard
Commander Mike Mount
Interim City Attorney Adam Lindgren
Interim City Planner Zane Mortensen
City Clerk Kerry Lindstrom

2. PLEDGE OF ALLEGIANCE

Commander Mike Mount led the Pledge of Allegiance.

3. INVOCATION

Reverend Hellam made the invocation.

4. ANNOUNCEMENT BY MAYOR, CITY ATTORNEY, AND CITY MANAGER

The Mayor and City Manager made general announcements.

5. COMMUNICATIONS

No public comment received.

6. CONSENT CALENDAR

No public comment received.

Upon motion by Vice Mayor Blackwelder and seconded by Councilmember Sofer, Council voted to approve the Consent Calendar.

Motion carried 5-0 by the following vote:

AYES: Mayor Carbone, Vice Mayor Blackwelder, Councilmembers Diaz,
Hawthorne, and Sofer.
NOES: None.
ABSENT: None.
ABSTAIN: None.

6A. Approved of City Donation/Contribution for the 2023 Monterey

County Fair.

7. CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR

No items were pulled.

8. PRESENTATION

8A. EMC Housing Element Update from Ande Flower

Public comment received from Brian Clark.

The Council received EMC Housing Element update from Ande Flower.

8B. CalAm Presentation from Chris Cook of California American Water - 10 Minutes

Public comment received from Brian Clark.

The Council received a CalAm presentation from Chris Cook of California American Water.

8C. M1W Community Presentation from Mike McCullough, Director of External Affairs, Monterey One Water - 10 Minutes

No public comment received.

The Council received an M1W Community presentation from Mike McCullough, Director of External Affairs, Monterey One Water.

9. PUBLIC HEARING

None.

10. NEW BUSINESS

10A. Approve a Resolution Adopting a Salary Schedule Amendment for Miscellaneous Employees for the Fiscal Year 2022-2023

Public comment received from Mark Parker.

Upon motion by Vice Mayor Blackwelder and seconded by Councilmember Hawthorne, Council voted to approve Resolution SC 23-23 adopting a Salary Schedule Amendment for Miscellaneous Employees for the Fiscal Year 2022-2023.

Motion carried 5-0 by the following vote:

AYES: Mayor Carbone, Vice Mayor Blackwelder, Councilmembers Diaz, Hawthorne, and Sofer.

NOES: None.

ABSENT: None.

ABSTAIN: None.

10B. Comments by Councilmembers on Items of Interest to Sand City

City Manager Vibeke Norgaard made an announcement reminding everyone about the City BBQ on Saturday, May 20, 2023.

Councilmember Sofer announced she will be attending the Women's Ball in Carmel on Friday, May 19, 2023.

11. ADJOURNMENT

Council adjourned the meeting at 7:32 PM.

Kerry Lindstrom, City Clerk

MINUTES
JOINT SAND CITY COUNCIL AND SUCCESSOR AGENCY OF THE REDEVELOPMENT
AGENCY

City Council Special Meeting - Tuesday, September 17, 2024 5:00 PM
As allowed by Assembly Bill AB 2449, this meeting was conducted in person and by
teleconference.

Mayor Carbone called the meeting to order at 5:00 PM.

1. ROLL CALL

Present: Mayor Carbone
Vice Mayor Blackwelder
Councilmember Diaz
Councilmember Hawthorne
Councilmember Sofer

Staff: City manager Vibeke Norgaard
City Attorney Adam Lindgren
City Clerk Kerry Lindstrom

2. COMMUNICATIONS

No public comment received.

3. CLOSED SESSION

No public comment received.

City Council/Successor Agency Board to adjourn to Closed Session regarding:

3A. Conference with labor negotiators pursuant to Government Code §54957.6.
Negotiators: Vibeke Norgaard, City Manager, Adam Lindgren, City Attorney, and
Che Johnson, Attorney. Employee Organization: Police Officers Association

3B. Re-adjourn to Open Session to report any action taken at the conclusion of
Closed Session in accordance with Government Code §54957.1

4. ADJOURNMENT

Council adjourned the meeting approximately at 5:30 PM.

Kerry Lindstrom, City Clerk

**MINUTES
JOINT SAND CITY COUNCIL AND SUCCESSOR AGENCY OF THE REDEVELOPMENT
AGENCY**

City Council Regular Meeting - Tuesday, September 17, 2024 5:30 PM
As allowed by Assembly Bill AB 2449, this meeting was conducted in person and by
teleconference.

Mayor Carbone called the meeting to order at 5:30 PM.

1. ROLL CALL

Present: Mayor Carbone
Vice Mayor Blackwelder
Councilmember Diaz
Councilmember Hawthorne
Councilmember Sofer

Staff: City Manager Vibeke Norgaard
City Attorney Adam Lindgren
HR/Risk Manager Audrey Cray
City Clerk Kerry Lindstrom

2. PLEDGE OF ALLEGIANCE

Councilmember Diaz led the Pledge of Allegiance.

3. ANNOUNCEMENT BY MAYOR, CITY ATTORNEY, AND CITY MANAGER

City Attorney Adam Lindgren announced:

- The City Attorney's Office is keeping a close eye on bills the Governor will sign at the end of this month. Will give the Council a full update on new legislation.
- The City Attorney will be attending the League of California Cities Conference in October.

City Manager Vibeke Norgaard announced:

- South of Tioga project; the windows will be installed in October and framing will be completed in 4 weeks.
- Per Council direction, code enforcement is moving forward and letters have been issued to some businesses for violations.
- The ERP accounting software is on track to go live in October.
- 2024 West End Festival attendance was down slightly from 2023 with approximately 10,000 people attending in 2024 compared to 15,000 people attending in 2023.
- The Mural Festival is being held from September 28 through October 5, 2024 and ending with an art battle between 6 artists.
- The Candidates' Forum will be on October 2, 2024 starting at 6:00 PM in front of The Independent.

4. COMMUNICATIONS

Public comment received from Luke Kilpatrick, Jeff Bushnell, and Brian Clark.

5. CONSENT CALENDAR

No public comment received.

Upon motion by Vice Mayor Blackwelder and seconded by Councilmember Hawthorne, Council voted 5-0 to approved the Consent Calendar.

- 5A. Approved the City Council Regular Meeting Minutes for August 20, 2024.
- 5B. Approved a Proclamation Recognizing Stormwater Awareness Week September 23-27, 2024.
- 5C. Approved Resolution SC 24-61 approving a Joint Exercise of Powers Agreement and Cooperation Agreement with Monterey County and the Cities of Gonzales, Greenfield, Marina, and Sand City to undertake or to assist in the undertaking of essential activities pursuant to Title I of the Housing and Community Development Act of 1974, as Amended, for the period of July 1, 2025 through June 30, 2027.
- 5D. Accepted the City/Successor Agency Financial Reports from July 2024.

6. CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR

No items were pulled.

7. PRESENTATION

None.

8. PUBLIC HEARING

None.

9. NEW BUSINESS

- 9A. Presentation of Artists Renderings for the 2024 we.Mural Festival

Public comment received from Ben, Brian Clark, and Luke Kilpatrick.

Upon motion by Councilmember Hawthorne and seconded by Councilmember Diaz, Council voted 5-0 to approve the artists renderings for the 2024 we.Mural Festival.

- 9B. Approve a Resolution Approving a Revision to the Current Façade Improvement Program

Public comment received from Luke Kilpatrick, Ben, and Brian Clark.

Upon motion by Vice Mayor Blackwelder and seconded by Councilmember Diaz, Council voted 5-0 to approve Resolution SC 24-62 approving a revision to the current Façade Improvement Program.

- 9C. Consideration of Art Park Gate and Allocation of \$23,600 Contract with Saunders Sculpture Works Inc. ***This item was pulled to be considered at a future date uncertain.***

10. COMMENTS BY COUNCILMEMBERS ON ITEMS OF INTEREST TO SAND CITY

11. CLOSED SESSION

None.

12. ADJOURNMENT

Council adjourned the meeting at approximately 6:50 PM.

Kerry Lindstrom, City Clerk

AGENDA ITEM 7A.

First Reading of an Ordinance Adding Chapter 18.102, "Commercial Cannabis Uses", Adding Section 18.19.030.B. to Chapter 18.19 "Conditional Uses", and Deleting Section 18.69.010, "Medical Marijuana Dispensaries, Delivery, Cultivation, and Sales" in its Entirety, and Amending Section 18.82.020 "Violations Unlawful", of Title 18, "Zoning", of the Sand City Municipal Code



City of Sand City

STAFF REPORT

TO: Honorable Mayor and City Council
FROM: Vibeke Norgaard, City Manager; Brian Foucht, Contract Planner, EMC Planning Group
SUBJECT: Commercial Cannabis Business Ordinance – First Reading
DATE: October 1, 2024

BACKGROUND:

Commercial and medicinal cannabis businesses are currently prohibited within the City (Municipal Code Section 18.69.010).

In 2021 the City Council directed staff to prepare a draft Commercial Cannabis Ordinance, after extensive consideration at City Council meetings, a community survey, resident mailings, and the community stakeholder workshop. An initial draft ordinance was provided to the City Council in April, 2022. Subsequently, in October 2023, the City was awarded a Cannabis Retail Access Grant of \$115,000 from the State of California Department of Cannabis Control (DCC). The City received notification of approved contract documents (revised budget and schedule) on August 29, 2024 and received the fully executed Grant Agreement on September 24, 2024. (Attachment B).

DCC will now distribute to the City \$80,000, which is 80% of the City's award. The remaining 20% of the award, and \$15,000 of equity bonus funding, will be distributed after the City has established the cannabis retail licensing program and cannabis retail equity program. Expenses may be incurred until June, 2026.

Equity bonus funding is included in the grant to enable the City to hire a contractor to assist social equity applicants. Such applicants are defined as individuals who meet two of the following three criteria: (1) Low-Income; (2) a prior California Cannabis Arrest or Conviction; (3) ten years' cumulative residency in a Disproportionately Impacted Area.

Discussion:

The revised draft ordinance incorporates Council's prior direction to (1) limit the allowable areas in which to place cannabis retail businesses to the City's shopping centers; and (2) limit the ordinance to allow retail of cannabis and not allow manufacturing of cannabis related products. It also includes City standards for permitting and operation of licensed

Commercial Cannabis Business uses and seeks to ensure the public health and safety and, at the same time, streamline the City's process, as follows:

- Defines a Commercial Cannabis Business only as a storefront retail commercial use enabled via a Type 10 License from the State of California Department of Cannabis Control (DCC); i.e. the ordinance does not allow cultivation, processing, manufacture, wholesale, or warehousing or distribution unrelated to a storefront retail business;
- Includes definitions and requirements that are specific to storefront retail commercial uses;
- Limits retail commercial cannabis businesses to the Regional Commercial (C-4) Zoning District;
- Requires a Conditional Use Permit and Operator Permit issued by the City;
- Requires applicants for Conditional Use Permit and Operator Permit to submit applications to the City that document full compliance with all applicable DCC regulations;
- Requires Retail commercial cannabis uses only within an enclosed building;
- Enables delivery as part of Retail commercial business;
- Enables Local Law Enforcement oversight and inspections of storefronts and vehicles, including implementation of DCC License security requirements;
- Enables denial and revocation by the City Council of Operator Permit and CUP for violation of licensure requirements;
- Enables the City Manager to develop a Commercial Cannabis Retail permit process; and
- References an equity application consultant will provide assistance as needed.

The City of Sand City will use grant funds, following adoption of the ordinance, to:

- 1) Establish a local cannabis retailer licensing program as described in its application for grant funds; and
- 2) Enter into a contract with a qualified Equity Applicant Consultant for a not-to-exceed amount of \$15,000.00.

CEQA:

The proposed amendments are Exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Guideline Section 15061 (b) (3) due to a) operation of the ordinance, as required therein, in compliance with City of Sand City State of California Laws, Regulations and Guidelines; b) regulation of specific uses allowed by this ordinance; and c) the required operation of this ordinance to render potential environmental as de-minimis, with certainty that no environmental effects will result from operation of the ordinance.

RECOMMENDATION:

Staff recommends that the City Council:

1. Conduct the public hearing and discuss the proposed Ordinance;
2. Motion to waive full reading and introduce the attached Ordinance by title only;
3. Motion to approve the First Reading of the Ordinance and to waive future reading of the Ordinance;
4. Schedule the Second Reading and adoption of the Ordinance for the next regular Council meeting.

ATTACHMENTS:

- A. Draft Commercial Cannabis Business Ordinance
- B. Grant Agreement

**CITY OF SAND CITY
ORDINANCE NO SC 24-____, 2024**

**ORDINANCE OF THE CITY COUNCIL OF SAND CITY, STATE OF CALIFORNIA,
ADDING CHAPTER 18.102, "COMMERCIAL CANNABIS USES", ADDING SECTION
18.19.030.B. TO CHAPTER 18.19 "CONDITIONAL USES", AND DELETING
SECTION 18.69.010, "MEDICAL MARIJUANA DISPENSARIES, DELIVERY,
CULTIVATION, AND SALES" IN ITS ENTIRETY, AND AMENDING SECTION
18.82.020 "VIOLATIONS UNLAWFUL", OF TITLE 18, "ZONING", OF THE SAND
CITY MUNICIPAL CODE**

WHEREAS, in 1996, the voters of the State of California approved Proposition 215, which was codified as Health and Safety Code Section 11362.5 et seq., and entitled the Compassionate Use Act of 1996 ("CUA"), which intended to enable seriously ill Californians to legally possess, use, and cultivate cannabis for medical use under limited, specified circumstances; and

WHEREAS, in 2004, the California legislature enacted Senate Bill 420, the Medicinal Marijuana Program (the "MMP"), which, as codified in California Health and Safety Code Section 11362.7 et seq., was intended to clarify the CUA's scope and immunize from criminal prosecution, under specified state laws, certain activities and conduct related to the provision of medicinal cannabis to qualified patients; and

WHEREAS, on November 8, 2016, the voters of the State of California approved Proposition 64, entitled the "Control, Regulate and Tax Adult Use of Marijuana Act," which legalizes and regulates adult-use cannabis in California; and

WHEREAS, the State has established an integrated licensing and regulatory system for both medicinal and adult use cannabis businesses consistent with Propositions 215 and 64 entitled the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), codified in Business and Professions Code section 26000 et seq.; and

WHEREAS, Business and Professions Code section 26200 expressly recognizes the ability of cities to completely prohibit all medicinal and adult-use cannabis businesses or to allow and regulate such businesses; and

WHEREAS, the City has an existing citywide prohibition against all types of medicinal and commercial cannabis facilities and activity, codified in Section 18.69.010 of the Sand City Municipal Code, which the City now wishes to repeal; and

WHEREAS, the City applied for a Retail Access Grant (the "Grant") from the State of California Department of Cannabis Control which was awarded to the City in the amount of \$115,000.00, to be expended prior to June 30, 2026; and to which this Ordinance is subject to the terms and conditions of; and

WHEREAS, a key requirement of the Grant will mandate the City provide opportunities and assistance to "Equity Applicants", which are generally described as those who were disadvantaged by the prior criminalization of cannabis; and

WHEREAS, upon information and belief, the City Council finds that allowing a limited number of commercial cannabis businesses in the City, subject to regulation, will benefit

the local economy by providing jobs and opportunities to residents and Equity Applicants alike, while also providing other tangible community benefits, to be memorialized in a Community Benefit Agreement with approved commercial cannabis operators; and

WHEREAS, in order to protect the public health, safety, and welfare, the City desires to permit, commercial cannabis activity in the City subject to regulation as set forth in this ordinance; and

THE CITY COUNCIL OF THE CITY OF SAND CITY HEREBY ORDAINS AS FOLLOWS:

SECTION 1: Chapter 18.102 is hereby added to Title 18 of the Sand City Municipal Code to read in its entirety as follows:

18.102.010 - Purpose.

18.102.020 - Definitions.

18.102.030 – Permitted Cannabis Businesses.

18.102.040 – Requirements to Operate a Cannabis Business in the City.

18.102.050 - Location and Minimum Proximity Requirements.

18.102.060 - Application Procedures.

18.102.070 - Taxes.

18.102.080 – Appeals, Costs Of Enforcement, Liability and Indemnification.

18.102.010 - Purpose.

(a) The purpose of this section is to identify and establish standards for commercial cannabis uses that are conditionally permitted in certain Zoning Districts, but which have the potential to create significant effects on the community and surrounding properties. Furthermore, it is the purpose and intent of this section to:

- (1) Incorporate by reference applicable Medicinal and Adult Use Commercial Cannabis Regulations for “M” and “A”, Type 10 licenses, respectively, in effect on the date that this section becomes effective, and as may be amended from time to time;
- (2) Limit Commercial Cannabis Uses within the City of Sand City solely to storefront commercial retail uses for both “M” and “A” licenses, as defined in Business and Professions Code 26001(a), (ah), and (av);
- (3) Establish standards for the issuance of permits for retail commercial storefront cannabis uses by specifying the Zoning Districts wherein such uses may be located and the location of such uses in relation to other uses within the City of Sand City;
- (4) Assist law enforcement agencies in performing their duties effectively and in accordance with California law.

- (5) Acknowledge that, notwithstanding the enactment in California of the Medicinal and Adult-Use Cannabis Regulation and Safety Act (“MAUCRSA”), the authority under which the provisions of this Chapter are incorporated within the Municipal Code, all forms of cannabis cultivation, processing, manufacture, distribution, sale and use of cannabis is illegal under federal law, and the provisions of this Chapter grant limited immunity from local prosecution to those medical and nonmedical cannabis activities that do not violate the restrictions and limitations set forth in this Chapter and relevant California law.
- (6) Ensure that cannabis sold for medical and nonmedical purposes remains secure and does not find its way to minors or illicit markets.
- (7) This Section shall not apply to legal medical cannabis or recreational cannabis activities carried out exclusively for one’s personal use that does not involve or commercial activity otherwise regulated by this section.

18.102.020 - Definitions.

- (a) “Cannabis” means that plant and all derivatives as defined in Business and Professions Code section 26001(f) and California Health and Safety Code section 11018 as both may be amended from time to time. Any reference to cannabis or cannabis products shall include medicinal and nonmedicinal cannabis and medical and nonmedical cannabis products unless otherwise specified. .
- (b) “Cannabis Delivery” means the commercial transfer of cannabis or cannabis products to a customer pursuant to MAUCRSA or to a primary caregiver or qualified patient as defined in Section 11362.7 of the Health and Safety Code, as may be amended.
- (c) “Cannabis Commercial Retail Business” or “Retailer” means a use requiring solely a Type 10 License wherein cannabis is offered for retail sale solely within a fully enclosed building. Such uses may include delivery in accordance with applicable provisions of Department of Cannabis Control Regulations Section 15311, as may be amended, and in accordance with state and local laws and regulations.
- (d) “Cannabis license” means a “A” or “M” license issued by the State of California Department of Cannabis Control issued pursuant to MAUCRSA and in accordance with Department of Cannabis Control Regulations Section Chapter 3, Section 15400 et seq.
- (e) “Cannabis licensee” means a person issued a state license under MAUCRSA to engage in retail commercial cannabis sales and related activities.
- (f) “Cannabis products” means cannabis offered for retail sale by a Type 10 licensee in accordance with provisions of this Chapter.
- (g) “Child care center” shall have the same meaning as “day care center” in Health and Safety Code section 1596.76, as may be amended from time to time: means any child day care facility other than a family day care home, and includes infant

centers, preschools, extended day care facilities, and school age child care centers.

- (h) “Commercial cannabis uses” means only storefront retail commercial cannabis activities pursuant to the Medicinal and Adult-Use Cannabis Regulation and Safety Act (“MAUCRSA”), Business and Professions Code 26000 et seq, including retail, sale of cannabis or cannabis products.
- (i) “City Manager” means the City Manager or her/his designee.
- (j) “Medical cannabis” or “medicinal cannabis” means cannabis that is used for medicinal cannabis purposes in accordance with the Medicinal and Adult-Use Cannabis Regulation and Safety Act (“MAUCRSA”).
- (k) “Person” means an individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, tribe, or any other group or combination acting as a unit and includes the plural as well as the singular number.
- (l) “Premise(s)” means a leased or owned space within a fully enclosed building where the commercial retail cannabis use or activity is or will be conducted.
- (m) “Primary caregiver” shall have the same meaning as set forth in Health and Safety Code section 11362.7, as the same may be amended from time to time.
- (n) “Public place” means any publicly owned property or property on which a public entity has a right of way or easement.
- (o) “Operator” means the natural person or designated officer responsible for the operation of a retail commercial cannabis use.
- (p) “Retailer” means any premises that is a physical location within an enclosed building from which retail commercial cannabis activities are conducted facility, under a state cannabis license Type 10, or a state cannabis license type subsequently established equivalent to a Type 10.
- (q) “Final Authority” means the individual or official City body (the City Manager, Director, Council, Commission, or Board) and others as identified in the Sand City Municipal Code as having the responsibility and authority to approve or deny land use permit applications.
- (r) “Sale,” “sell,” and “to sell” shall have the same meaning as set forth in Business and Professions Code section 26001(ay) as the same may be amended from time to time: include any transaction whereby, for any consideration, title to cannabis or cannabis products is transferred from one person to another, and includes the delivery of cannabis or cannabis products pursuant to an order placed for the purchase of the same and soliciting or receiving an order for the same, but does not include the return of cannabis or cannabis products by a licensee to the licensee from whom the cannabis or cannabis product was purchased. .
- (s) “School” means any public or private school providing instruction to students in kindergarten or any grades 1 through 12.

- (t) “Youth center” shall have the same meaning as in Section 11353.1 of the Health and Safety Code, as may be amended from time to time: any public or private facility that is primarily used to host recreational or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club facilities, video arcades, or similar amusement park facilities.

18.102.030 – Permitted Cannabis Businesses.

- (a) Cannabis Retail Commercial Businesses Permitted Within the City. A maximum of two, (2) Type 10 Cannabis storefront retail businesses may operate within the City subject to the restrictions of this Chapter.
- (b) Cannabis Delivery Operations Based Outside the City Permitted. Cannabis delivery operations based outside of the City may deliver cannabis and cannabis products to customers and qualified patients and their caregivers within the City.

18.102.040 – Requirements to Operate a Cannabis Business in the City.

- (a) Any cannabis business allowed in the City shall obtain all of the following:
 - (1) A City business license.
 - (2) A Cannabis Storefront Commercial Retail Operating Permit on a form specified by the City Manager.
 - (3) A Conditional Use Permit pursuant to the procedure in Chapter 18.74 of this Code. Any Conditional Use Permit relating to the location of a retail storefront commercial cannabis business may be approved based on all of the following findings:
 - a. The proposed use is consistent with the General Plan and any applicable specific plan.
 - b. The design, location, size, and operating characteristics of the proposed activity would be compatible with the existing and future land uses in the vicinity.
 - c. The site is physically suitable for the type, density, and intensity of use being proposed, including access, utilities, and the absence of physical constraints.
 - d. The proposed project has been reviewed in compliance with the California Environmental Quality Act.
 - e. Conditions of approval require that the continuation of the retail storefront commercial cannabis use requires verification of annual license renewal by the Department of Cannabis Control within 30 days following approval of the renewal.
 - f. Conditions of Approval require the execution of a Community Benefit Agreement prior to issuance of a Business License for operation of a Retail Commercial cannabis business.

18.102.050 - Location and Minimum Proximity Requirements.

- (a) All storefront retail commercial cannabis uses operating within the City shall be located in Zoning District C-4.

- (b) Storefront retail commercial cannabis uses shall only be permitted in areas of the City in which such uses are permitted or conditionally permitted by the Zoning Ordinance of this Code.
- (c) Additionally, the following location and proximity requirements shall apply:
 - (1) No commercial cannabis use shall be located within six hundred feet (600') of a school, child care center, or youth center, as measured from the nearest property lines.
 - (2) No commercial cannabis use shall be located within two hundred feet (200') of a park or library, as measured from the nearest property lines.
- (d) The proximity requirements above may be waived by the City Council when the applicant can show that an actual impassible physical separation exists between land uses or parcels, such as a building, sound wall, major street or highway, such that no negative off-site impacts could occur that would result in harm or likely harm to the public health, safety, or welfare or the health, safety, or welfare of nearby resident or tenant, unless otherwise prohibited under state law.

18.102.060 - Application Procedures.

(a) Application Submittal, Review and Approval Procedures.

- (1) Solicitation of Applications. The City Manager will issue a notice soliciting applications to operate a storefront retail commercial cannabis business pursuant to this Chapter. Such notice will specify when the City will begin accepting applications and the deadline for receipt of applications.
- (2) Applications shall include a detailed description of proposed "A" and "M" Type 10 License operations sufficient to demonstrate compliance with and corresponding to relevant MAUCRSA provisions and Department of Cannabis Control Medicinal Adult Use Commercial Cannabis Regulations generally and, in particular, Chapters 1 "All Licenses" and Chapter 3 "Retailers" (Sections 15000 and 15400 et seq., respectively), as they may be amended. Descriptions shall reference and address each of the applicable sections contained within these Chapters.
- (3) Selection Process. The method for selecting the applicants that will be eligible to receive operator permits shall be set by resolution of the City Council. The City Manager shall be authorized to prepare any other necessary forms and adopt any necessary rules to implement the procedure guidelines and review criteria.
- (4) Six (6) Month Time Period to Seek Conditional Use Permit. An applicant has six (6) months from the selection of an application by the City Council to obtain a Conditional Use Permit pursuant to Section 18.102.040(a)(3). If an applicant fails to obtain a Conditional Use Permit during that time period, another qualified applicant may be selected and such applicant may be permitted six (6) months from the date of selection by the City Council as an operator to seek a Conditional Use Permit from the City Council.
- (5) State Licensing. Applicants who are granted an Operator Permit and Conditional Use Permit must obtain a state cannabis license prior to commencing

operations. If an applicant fails to obtain a state cannabis license within six (6) months of being granted an Operator Permit, said operator permit shall expire and the City may select another qualified applicant in accordance with the method outlined per the City Council resolution and such applicant will be permitted to seek a Conditional Use Permit from the City Council.

(6) Licensed owners and operators shall, within the required Operator Agreement, acknowledge and agree to enable and facilitate the Chief of Police and other federal, state or local law enforcement entity or regulatory agency entity to inspect any premises and delivery vehicles to ensure compliance with these regulations and to fully cooperate with any official criminal investigation including access to camera footage, documents, premise areas of any building within which commercial retail cannabis is conducted.

(b) Grounds for Rejection of Applications/Revocation, Modification, or Suspension of Conditional Use Permits and Operator Permits.

(1) The City Manager, or designee, has the authority and discretion to reject any application pursuant to this Chapter for reasons of inconsistency with the requirements of this Chapter.

(2) The City Council may suspend, modify, or revoke a Conditional Use Permit or Operator Permit based on, but not limited to the following findings:

- a. Entitlements for establishment of a Commercial Retail Cannabis Business are based on false or misleading statements to the City made by an applicant, partner, or investor.
- b. Any owner, operator, investor, partner, or agent has been convicted of a felony, crime of moral turpitude, has been found by any State or local jurisdiction to have violated the provisions of MAUCRSA, or once formally notified by the City Manager or designee of such convictions or violations by an employee, an owner or operator maintains the ongoing permanent or temporary employment by such persons.
- c. Any owner, operator, investor, partner, or agent has had a cannabis-related license or approval revoked from another jurisdiction within the previous year.
- d. Failure to comply with any provisions of this article, the Zoning Code, state law, or any other applicable laws or regulations.
- e. Unpaid fees, fines, taxes, or administrative penalties.

- f. Facts or circumstances exist which indicate that the operation does or would very likely constitute a threat to public health, safety and/or welfare.
 - g. The cannabis business permittee has not been in regular and continuous operation in six (6) months since the date the City Council approved the application or the approved extension of the deadline from the City Manager or his or her designee.
 - h. The operation as proposed would violate any provision of state or local laws or regulations.
 - i. The operator fails to implement and maintain a safety and security plan in conformance with applicable Department of Cannabis Control Regulations contained in Chapter 1, Article 5 as they may be amended.
 - j. The operator willfully fails to comply with Laws and Regulations of the California Department of Justice Office of the Attorney General, Bureau of Firearms, as determined by the Chief of Police.
 - k. The operator has engaged in unlawful, fraudulent, unfair or deceptive business acts or practices.
 - l. The applicant's state license for the commercial cannabis operations is suspended or revoked. The City Council may reinstate the operator permit when documentation is received showing that the state license has been reinstated or reissued. It shall be within the City Council's sole discretion whether the City reinstates any permit after suspension or revocation of a state license.
 - m. State law permitting the use for which the permit was issued is amended or repealed resulting in the prohibition of such use, or the City receives credible information that the Federal government will commence enforcement measures against such businesses and/or local governments that permit such uses.
 - n. The applicant, owner, operator, partner or investor violates any agreement with the City, including City Business License, Conditional Use Permit, or Community Benefit Agreement.
- (c) Any cannabis business that does not have the applicable State license is prohibited within the City.

- (d) The City shall not issue any discretionary or ministerial permit, license, or other entitlement, which is sought pursuant to this article, including zoning clearance for a building permit, where the property upon which the use or structure is proposed is in violation of the Sand City Municipal Code, or any other local, state or federal law.
- (e) **Operator Qualifications.** All commercial cannabis operators must meet the following minimum qualifications. The City reserves the right to require additional qualifications through the application procedure.
 - (1) Commercial cannabis business operators must be twenty-one (21) years of age or older.
 - (2) Commercial cannabis business operators shall be subject to background search by the California Department of Justice and local law enforcement.
 - (3) No commercial cannabis business owner or operator may have a felony conviction, as specified in subdivision (c) of Section 667.5 of the Penal Code, and subdivision (c) of Section 1192.7 of the Penal Code. Operators may not have criminal convictions that substantially relate to the qualifications, functions, or duties of the business or profession, including a felony conviction involving fraud, deceit, or embezzlement or a criminal conviction for the sale or provision of illegal controlled substances to a minor.
 - (4) Commercial cannabis operators must meet the minimum qualifications established by the State for the storefront retail commercial license type.
- (f) **Cannabis Operator Application Procedure.**
 - (1) A person may apply to operate a cannabis business by filing an application with the City Manager on a form provided by the City, and in accordance with Section 18.102.060(a), Resolution of the City Council and this section (f).
 - (2) The City Manager, or his or her designee, may design application forms and procedures specific to storefront retail license, type M, including online permitting, and require inspections of proposed facilities before approving a commercial cannabis use under this Article.
 - (3) Operator applications shall be reviewed by City staff or qualified consultants, as designated by the City Manager. Such review may include a scoring or ranking system.
 - (4) Applications shall include a component on community benefits, the terms of which shall be set out and memorialized in a Community Benefit Agreement. Community benefits may include, but will not be limited to: in-kind donations; sponsorship of select community events; financial support for special community events such as fairs, afterschool programs, youth centers, local schools (whether public or private); school athletic programs; school clubs; community centers, homeless shelters, senior centers and/or senior living facilities, and/or parks and recreation programs or facility improvements.

18.102.070 - Taxes.

- (a) Commercial cannabis uses shall comply with any taxes that may be enacted by the City Council or voters and any additional regulations that may be promulgated in addition to all other current applicable state and local taxes.

18.102.080 – Appeals, Costs Of Enforcement, Liability and Indemnification.

- a) Any applicant aggrieved by any formal action taken by the City Manager regarding actions or determinations referenced in Section 18.102.060(b) may appeal to the City Council in writing within ten (10) days after the date of such actions. City Council actions on such appeals shall be final.

- (1) Appellants who file a timely written Notice of Appeal, on an appeal form created by the City Manager, will be entitled to an administrative hearing before the City Council.

- (2) Upon receipt by the City Clerk of a timely-filed Notice of Appeal pertaining to suspensions, revocations, or non-renewals the City Clerk shall forward such appeal to the City Council, who shall schedule a hearing within thirty days (30) days. In the event such hearing cannot be heard within that time period or a mutually agreed upon time with the appellant, then the City Clerk shall schedule the appeal to be heard within forty-five (45) days.

- (3) The appellant(s) listed on the written Notice of Appeal shall be notified in writing of the date, time, and location of the hearing at least ten (10) days before the date of the hearing (“notice of appeal hearing”).

- (4) At the date, time and location set forth in the Notice of Appeal hearing, the City Council shall hear and consider the testimony of the appellant(s), City staff, and/or their witnesses, as well as any documentary evidence properly submitted for consideration. The following rules shall apply at the appeal hearing:

- a. Appeal hearings are informal, and formal rules of evidence and discovery do not apply. However, rules of privilege shall be applicable to the extent they are permitted by law, and irrelevant, collateral, undue, and repetitious testimony may be excluded.

- b. The City bears the burden of proof to establish the grounds for nonrenewal, suspension, or revocation by a preponderance of evidence. Appellant(s) or Permittee(s) bear the burden of proof regarding denial of an Applicant's/Permittee's application.

- c. The issuance of the City Manager's notice constitutes prima facie evidence of grounds for the denial, nonrenewal, suspension or revocation.

- d. The City Council may accept and consider late evidence not submitted initially with the Notice of Appeal upon a showing by the appellant of good cause, provided, however, all evidence must be submitted at a minimum of twenty-four (24) hours prior to the set hearing start time. The City Council shall determine whether a particular fact or set of facts amount to good cause on a case-by-case basis.

- e. The appellant may bring a language interpreter to the hearing at their sole expense.

f. The City may, at its discretion, record the hearing by stenographer or court reporter, audio recording, or video recording. If the appellant requests from the City that a court reporter, stenographer, or videographer be used, appellant shall bear the costs of same and shall deposit such fees prior to commencement of the administrative hearing.

(5) If the appellant, or their legal representative, fails to appear at the appeal hearing, the City Council may cancel the appeal hearing and send a notice thereof to the appellant by certified, first class mail to the address(es) stated on the Notice of Appeal. A cancellation of a hearing due to non-appearance of the appellant shall constitute the appellant's waiver of the right to appeal and a failure to exhaust all administrative remedies. In such instances, the notice of decision is final and binding.

(6) Final Decision. Following the conclusion of the administrative hearing, the City Council shall issue a written decision within twenty (20) days which (i) determines if the action appealed from is affirmed or overturned and (ii) specifies the reasons for the decision.

(7) The written decision of the City Council shall provide that it is final and conclusive and is subject to the time limits and procedures set forth in California Code of Civil Procedure Sections 1094.5 and 1094.6 for judicial review.

(8) A copy of the written decision shall be served by certified, first class mail on the appellant. If the appellant is not the owner of the real property in which the cannabis business is located, or proposed to be located, a copy of the final decision may also be served on the property owner by first class mail to the address shown on the last equalized assessment roll. Failure of a person to receive a properly addressed final decision shall not invalidate any action or proceeding by the City pursuant to this Chapter.

- b) In any enforcement action brought pursuant to this Chapter, whether by administrative or judicial proceedings, each person who causes, permits, suffers, or maintains the unlawful cannabis use shall be liable for all costs incurred by the City, including, but not limited to, administrative costs, and any and all costs incurred to undertake, or to cause or compel any responsible person to undertake, any abatement action in compliance with the requirements of this Section. In any action by the agency having jurisdiction to abate unlawful cannabis uses under this Section, whether by administrative or judicial proceedings, the prevailing party shall be entitled to a recovery of the reasonable attorney's fees incurred. Recovery of attorneys' fees under this subdivision shall be limited to those actions or proceedings in which the City elects, at the initiation of that action or proceeding, to seek recovery of its own attorney's fees. In no action, administrative proceeding, or special proceeding shall an award of attorneys' fees to a prevailing party exceed the amount of reasonable attorney's fees incurred by the City in the action or proceeding.
- c) Liability and Indemnification. To the fullest extent permitted by law, any actions taken by a public officer or employee under the provisions of this article shall not become a personal liability of any public officer or employee of the City. To the

maximum extent permitted by law, the permittees under this article shall defend (with counsel acceptable to the City), indemnify and hold harmless the City of Sand City, the Sand City Council, and its respective officials, officers, employees, representatives, agents and volunteers (hereafter collectively called “City”) from any liability, damages, actions, claims, demands, litigation, loss (direct or indirect), causes of action, proceedings, or judgment (including legal costs, attorneys’ fees, expert witness or consultant fees, City Attorney or staff time, expenses or costs) (collectively called “action”) against the City to attack, set aside, void or annul, any cannabis-related approvals and actions and strictly comply with the conditions under which such permit is granted, if any. The City may elect, in its sole discretion, to participate in the defense of said action and the permittee shall reimburse the City for its reasonable legal costs and attorneys’ fees. Permittees shall be required to agree to the above obligations in writing.

SECTION 2: Title 18, Chapter 18.82, Section 18.82.030 Penalties is amended to provide as follows

- (a) Violations.
 - (2) Any violation of a term, condition, or the approved plans and specifications of any permit issued pursuant to this Title shall constitute a violation.
 - (3) Each and every day during any portion of which any violation is committed, continued, or allowed to continue shall be a separate offense.
- (b) Remedies. In addition to the revocation and suspension provisions in this Article and any available remedies under the law, the following remedies shall be available to the City or other enforcement agency regarding violations of this Article.
 - (1) Administrative enforcement pursuant to this Municipal Code.
 - (2) Civil enforcement pursuant to this Municipal Code.
 - (3) Criminal enforcement as a misdemeanor, if allowed under State law.
- (c) City Council may, by Resolution, adopt specific fines, fees, costs, and penalty amounts for violations and enforcement costs related to this article.

SECTION 3: Section 18.69.010 Medical Marijuana Dispensaries, Delivery, Cultivation, and Sales. is deleted in its entirety.

SECTION 4: “Commercial Retail Cannabis Business” is hereby added as item 27. to Division I Zoning Section 18.19.030.B.

SECTION 5: California Environmental Quality Act.

This ordinance would prohibit an activity, and is therefore exempt from the California Environmental Quality Act.

SECTION 6: Severance.

If any section, subsection, sentence, clause, or phrase of this Ordinance is, for any reason, held to be unconstitutional and invalid, such decision shall not affect the validity of the remaining portion of this Ordinance. The City Council hereby declares that it would have passed this ordinance and every section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clause, or phrase be declared unconstitutional or invalid.

SECTION 7: Effective Date

This Ordinance shall become effective thirty (30) days following its adoption.

PASSED AND ADOTPED, by the City Council of Sand City, this ____ day of October, 2024 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

APPROVED:

ATTEST:

Mayor

City Clerk

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER

101305

PURCHASING AUTHORITY NUMBER (If Applicable)

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

Department of Cannabis Control

CONTRACTOR NAME

City of Sand City

2. The term of this Agreement is:

START DATE

July 1, 2023

THROUGH END DATE

June 30, 2026

3. The maximum amount of this Agreement is:

\$115,000.00 - One Hundred and Fifteen Thousand Dollars and Zero Cents

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

Exhibits	Title	Pages
Exhibit A	Project Summary & Scope of Work	7
Attachment A1	Permitting Plan	6
Exhibit B	Budget Details	2
Exhibit B1	Budget Detail Justification	6
Exhibit C	Grant Agreement - Standard Terms & Conditions	8

Items shown with an asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.

These documents can be viewed at <https://www.dgs.ca.gov/OLS/Resources>

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

CONTRACTOR

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.) City of Sand City

CONTRACTOR BUSINESS ADDRESS

1 Pendergrass Way

CITY

Sand City

STATE ZIP

CA 93955

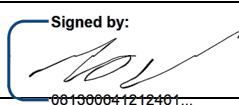
PRINTED NAME OF PERSON SIGNING

Vibeke Nordgaard

TITLE

City Manager

CONTRACTOR AUTHORIZED SIGNATURE

Signed by:

001300041212401...

DATE SIGNED

September 9, 2024

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME

Department of Cannabis Control

CONTRACTING AGENCY ADDRESS

2920 Kilgore Road

CITY

Rancho Cordova

STATE ZIP

CA 95670

PRINTED NAME OF PERSON SIGNING

Laura Barlow

TITLE

Operations Branch Chief

CONTRACTING AGENCY AUTHORIZED SIGNATURE

Barlow, Laura@Cannabis

Digitally signed by Barlow,
Laura@Cannabis
Date: 2024.09.23 17:08:15 -07'00'

DATE SIGNED

09/23/2024

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL

EXEMPTION (If Applicable)

Exhibit A – Scope of Work

Project Summary & Scope of Work

KEY PERSONNEL

RECIPIENT AND PROJECT INFORMATION

1. Department of Cannabis Control (DCC) hereby awards an Agreement to the Recipient for the project described herein:

City of Sand City

Retail Access Grant – City of Sand City

2. The Managers for this Agreement are:

FOR DCC:	FOR RECIPIENT (Required):
Name: Laura Barlow	Name: Vibeke Norgaard, City Manager
Division/Branch: Administration/ OGM	Organization: City of Sand City
Address: 2920 Kilgore Road	Address: 1 Pendergrass Way
City/State/Zip: Rancho Cordova, CA 95670	City/State/Zip: Sand City, CA 93955
Phone: 279-217-3610	Phone: 831-394-3054
Email Address: Grants@cannabis.ca.gov	Email Address: vibeke@sandcity.org

3. The Grant Administrative Contacts for this Agreement are:

FOR DCC:	FOR RECIPIENT (Required):
Name: Devin Gray	Name: Vibeke Norgaard, City Manager
Division/Branch:	Organization: City of Sand City
Address: 2920 Kilgore Road	Address: 1 Pendergrass Way
City/State/Zip: Rancho Cordova, CA 95670	City/State/Zip: Sand City, CA 93955
Phone: 279-217-3555	Phone: 831-394-3054
Email Address: Retailaccessgrants@cannabis.ca.gov	Email Address: vibeke@sandcity.org

Exhibit A: Scope of Work

Executive Summary

The Cannabis Local Jurisdiction Retail Access Grant Program provides funding to local jurisdictions that do not currently have a local cannabis retailer licensing program to assist them in developing and implementing a program and issuing permits pursuant to the program.

Instructions: *Provide an executive summary paragraph summarizing how grant funds will be utilized. Outline the specific steps the jurisdiction will take to establish a local cannabis retailer licensing program and to issue retailer licenses pursuant to the program.*

Funds will be utilized to facilitate the transition of Sand City's draft cannabis ordinance to an approved ordinance to allow for official acceptance of commercial cannabis permits. Specific steps include but are not limited to researching other local jurisdictions approved ordinances, legal review, council review and approval, document development, permit journey map development, advertisement, website notifications, staffing expenses related to facilitation of this process and grant management. In addition, the City will identify an equity technical assistance provider to contract services to that will help develop a journey map for equity applicants to support permitting efficiency and licensing success to ensure compliance with the municipal code and State regulations.

Jurisdiction Program Details

A. *Provide a detailed description of the status of cannabis retail licensing within your jurisdiction.*

The City does not have an approved commercial cannabis ordinance, therefore, no permitting is being conducted. At this time there are NO cannabis retail licenses within the City.

B. *Describe in detail the specific steps your jurisdiction has taken, if any, to develop a local cannabis retailer licensing program. If your local jurisdiction has not taken any action on the establishment of a retailer program, please say so.*

The City of Sand City initiated a commercial cannabis survey in 2021 to collect feedback from the community to help inform a proposed cannabis program. Until that time, the City of Sand City had not allowed for commercial cannabis retail, manufacturing, or cultivation. In that region, the cities of Seaside, Del Rey Oaks, and Marina, and the County of Monterey (unincorporated areas of Carmel, Big Sur, Moss Landing, et al.) had allowed commercial cannabis operations. Therefore, based on the feedback from the survey, City Council gave staff direction to draft a cannabis ordinance. The ordinance is sound with additional support needed from compliance and industry experts to help round out its discussion of equity, public safety, auditing, inspection, and additional areas as to not leave any gaps. The ordinance's initial iteration has been completed and only minor modifications are anticipated.

Goals and Intended Outcomes

List the goals and intended outcomes of this funding opportunity as they apply to your jurisdiction's anticipated local retail licensing program. Goals should explain how funding will be utilized to establish a cannabis retailer licensing program and to describe how the jurisdiction will issue retailer licenses. The intended outcome(s) should describe the specific change(s) or result(s) that may occur when the goal is achieved. Also, include which budget line items from your revised budget will be tied to these goals. At a minimum, the following goals should be addressed, additional goals may also be added:

Goal 1. Develop and implement a local cannabis retailer licensing program.
Insert goal description. How does this goal support the grant? How will it be accomplished?

Funding will be used to develop the infrastructure for development and implementation of a cannabis retailer program. Some steps anticipated will include: passing an ordinance that keeps the public and operators safe while allowing commercial cannabis retail operations; developing a new module for permitting retail cannabis applications within the City's permit processing system.

Budget Line Item	Action	Intended Outcome
A1 FY2024-25 FY2025-26	The police chief will 1) review and 2) implement the ordinance to ensure public health and safety is a core focus and it is in line with other regulatory practices for public safety administration.	An approved ordinance and procedures that keeps the public and operators safe while allowing commercial cannabis retail operations. July – Sept 2024.
A2 FY2023-24	City Manager will coordinate with City staff (Police Chief, City Attorney, Planning staff) to ensure that the future program is consistent with the City Council's vision.	A draft ordinance for cannabis retail that is the product of interdepartmental coordination. July 1, 2023 – June 30, 2024
A2 FY 2024-25	City Manager facilitate the final approval of the ordinance, all process approvals, and to make the program available to the public.	An adopted ordinance for cannabis retail that has been properly reviewed and approved by City administration. Oct – Nov. 2024
A3 FY2024-25 FY2025-26	Finance specialist will facilitate grant management, permit fee structure review, invoicing and all expense tracking as it relates to this grant.	Close out of the Retail Access Grant by the performance period end date and timely milestone reporting. This will happen

		throughout the lifecycle of the grant. July 01, 2024– June 30, 2026
B1 FY2023-24	City Attorney will draft an ordinance to support the City Council vision for retail cannabis permit licensing	A draft ordinance sufficient for City Council review enabling protocols for permit issuance. June 30, 2024
B1 FY2024-25	Attorneys will review the ordinance for legality and consistency with the Municipal code; City attorney will complete and present an ordinance to the City Council for adoption.	A final draft and adopted ordinance that is compliant with State and local laws. August- Sept. 2024
B2 FY2024-25	City planning staff will facilitate the initial research and drafting of all ordinance information. They will also review and help facilitate the approval of permit applications. This same team will produce the documents necessary to administer the program such as permit applications, journey maps, etc.	Approved ordinance, permit application, website updates, journey map, and intake facilitation. Ordinance will be passed and become effective Oct – Dec 2024
B3 FY2024-25	iWorQ will work with the City to modify the permit software to add a module for commercial cannabis permit tracking and facilitation.	A new module for permitting commercial cannabis applications. July – Sept 2024.

Goal 2. Provide technical assistance for equity applicants and licensees
Insert goal description. How does this goal support the grant? How will it be accomplished?

A technical assistance provider will provide ongoing support of new applicants to ensure they understand the municipal code, process to licensing, and how to maintain compliance.

Budget Line Item	Action	Intended Outcome
D1 FY2024-25 FY2025-26	A technical assistance provider to be identified that will provide support to equity applicants to ensure they understand the municipal code, licensing process, and how to ensure compliance.	100% compliant operators and an efficient licensing process. Consultant will be hired Oct – Dec. 2024
B3 and D1 FY2024-25	Establish and a commercial cannabis module within iWorQ permitting system	A case management system that can effectively and

FY2025-26	that can reference and record individual applications, including those of equity applicants, from application through approval.	efficiently manage the necessary data for annual audits and permitting to ensure the City can be responsive to the State's inquiries for renewal. The iWorQ tracking system will include specific, discrete tracking of all equity applications. July – Sept 2024;
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Goal 3. Issue Retail Licenses.

Insert goal description. How does this goal support the grant? How will it be accomplished?

City planning staff will be the first line of communication for incoming operators who wish to apply for a local cannabis retail permit. They will facilitate the site inspections, certificate of occupancies, etc. to ensure the operator is on track to licensure. The goal will be an efficient licensing process that is streamlined and organized. iWorQ will be used to administer and track the permits. It will serve as a mainframe for document housing and communication with the applicant.

Budget Line Item	Action	Intended Outcome
B2 FY2024-24	City planning staff will be the first line of communication for incoming operators who wish to apply for a local cannabis retail permit. They will facilitate the site inspections, certificate of occupancies, etc. to ensure the operator is on track to licensure.	An efficient licensing process will be in place. Oct.-Dec 2024
B3 FY2024-25	iWorQ will be used to administer and track the permits. It will serve as a mainframe for document housing and communication with the applicant.	Organized permitting process will be in place Oct – December 2024
D1 FY2024-25 FY2025-26	Technical assistance provider will be available to support all applicants and equity applicants, in particular, as needed.	All applicants who feel supported by the City throughout the permitting process. October 2024 – March 2026

Goal 4. Support Equity Retail Applicants and Licensees (if applicable)

Insert goal description. How does this goal support the grant? How will it be accomplished?

A TA provider will be hired to provide Technical Assistance to equity operators so that they can ensure compliance.

Budget Line Item	Action	Intended Outcome
D1 FY2024-25 FY2025-26	An equity TA provider will be hired to provide Technical Assistance to equity operators.	Provide TA to help equity applicants to navigate the State licensing system and ensure local compliance. October 2024 – March 2026

Attachment A: Permitting Plan

Instructions: Review the Attachment A: Permitting Plan (DCC-2626) form, enclosed, that you submitted with your original grant application. The Permitting Plan describes your local jurisdiction's plan to establish a cannabis retailer licensing program. This Permitting Plan will be incorporated into the Grant Agreement as part of the Scope of Work. If you have any changes to the original Permitting Plan, please make the changes on the enclosed Permitting Plan form. For any changes made to the Permitting Plan, describe in detail the change and the reason/justification for the change in the space below. If your original Permitting Plan was vague or lacked detail, please take this opportunity to add additional clarification.

Are you making any changes to the Attachment A: Permitting Plan submitted with your original grant application?

☒ Yes
☐ No

If "Yes", describe the changes below in detail with justification:

The application, grant approval and grant agreement processes required more time than originally planned when submitting the initial timeline. The City anticipates accepting the first cannabis retail license/permit application by October 2024 with the grant closeout remaining June 30, 2026, and the final closeout report completed by December 1, 2026. The timeline dates for FY 2024-25 and 2025-26 have been adjusted accordingly.

Attachment A: Permitting Plan

The Permitting Plan (DCC-2626) describes the local jurisdiction's plan to establish a cannabis retailer licensing program. If selected for a grant award, this Permitting Plan will be incorporated into the Grant Agreement as the Scope of Work.

Anticipated Local Cannabis Retail Licensing Program

What type(s) of cannabis retail activity will the jurisdiction allow? (Select all that apply)

- ☒ Retail Storefront
- ☒ Retail Non-storefront (Delivery)

Will the jurisdiction allow adult-use, medicinal, or both adult-use and medicinal commercial cannabis activities?

- ☐ Adult-use only
- ☐ Medicinal only
- ☒ Both adult-use and medicinal

How will the jurisdiction license cannabis retail businesses?

- ☐ Through the existing non-cannabis business license process (**eligible for priority review**)
- ☒ Through a new cannabis-specific licensing process

Will the jurisdiction limit the number of cannabis retail licenses available?

- ☒ Yes
- ☐ No

If the jurisdiction plans to limit the number of retail licenses available, approximately how many licenses will be made available? (*Please enter a whole number for each, not a range.*)

of storefront retail licenses: TBD – Based on zoning

of non-storefront (delivery) retail licenses: TBD – Based on zoning

If the jurisdiction plans to limit the number of retail licenses available, how do you propose to issue the licenses? (Select one)

- ☐ Competitive
- ☒ First-come, first-serve
- ☐ Lottery

☐ Other: Click or tap here to enter text.

Will your program license only cannabis retail business projects that are eligible for a categorical exemption under the California Environmental Quality Act (CEQA)?

☒ Yes (**eligible for priority review**)

☐ No

Anticipated Equity Program (If Applicable)

Will the jurisdiction's cannabis retail licensing program contain provisions to assist equity applicants?

☒ Yes (**eligible for priority review**)

☐ No

How will the jurisdiction assist equity businesses? (Select all that apply)

☐ Financial assistance

☐ Application fee waivers

☐ License fee waivers

Please describe: Click or tap here to enter text.

☒ Technical assistance (*select one or more of the following*):

☐ Legal guidance

☐ Financial guidance

☒ Assistance with local and state license applications

☐ Compliance training

☐ Other: Click or tap here to enter text.

How will "equity" be defined?

☐ The jurisdiction has already completed an equity assessment. Provide a link or attach a copy: Click or tap here to enter text.

☐ The jurisdiction will complete an equity assessment.

☒ The jurisdiction will adopt the state's definition of "qualified equity applicant or licensee"

(CCR Title 4, §15014.1(a)).

Will the jurisdiction limit the number of equity licenses available to cannabis retail businesses?

☐ Yes

☒ No

If the jurisdiction plans to limit the number of equity licenses available, approximately how many licenses will be made available? (*Please enter a whole number for each, not a range.*)

of storefront retail licenses: Click or tap here to enter text.

of non-storefront (delivery) retail licenses: Click or tap here to enter text.

Local Cannabis Retail Permitting Plan

Completed Efforts

What steps have already been taken, if any, to develop a local cannabis retail licensing program?

The City of Sand City initiated a commercial cannabis survey in 2021 to collect feedback from the community to help inform a proposed cannabis program. Until that time, the City of Sand City had not allowed for commercial cannabis retail, manufacturing, or cultivation. In that region, the cities of Seaside, Del Rey Oaks, and Marina, and the County of Monterey (unincorporated areas of Carmel, Big Sur, Moss Landing, et al.) had allowed commercial cannabis operations. Therefore, based on the feedback from the survey, City Council gave staff direction to draft a cannabis ordinance. The ordinance is sound with additional support needed from compliance and industry experts to help round out its discussion of equity, public safety, auditing, inspection, and additional areas as to not leave any gaps.

New Activities: Program Development

Will the establishment of a local cannabis retail licensing program require the adoption of a new ordinance or a change to existing ordinances?

☒ Yes. Has an ordinance already been drafted? ☒ Yes ☐ No

☐ No. Please explain: Click or tap here to enter text.

What specific steps will you take to establish a local cannabis retailer licensing program? (Select all that you plan to do)

☐ Draft an ordinance, resolution, or regulations allowing the establishment of cannabis retail businesses within the jurisdictional boundaries of the jurisdiction

- ☒ Adopt an ordinance, resolution, or regulations allowing the establishment of cannabis retail businesses within the jurisdictional boundaries of the jurisdiction
- ☒ Hire staff and/or contractors
- ☐ Hold community outreach meetings and engagement events
- ☒ Conduct surveys or otherwise solicit input
- ☐ Form a stakeholder workgroup or technical advisory committee
- ☒ Consult local jurisdictions with existing cannabis programs
- ☐ Conduct economic studies
- ☐ Conduct environmental reviews
- ☒ Develop application forms and/or an online application portal
- ☒ Other: Click or tap here to enter text.

Estimated Timeline

Utilize the chart below to provide an estimated timeline for the steps that you anticipate taking to establish the local cannabis retailer licensing program. The established timeline should include the steps marked in the question above and, if applicable, the establishment of the equity program.

Date	Event
October - June: FY 2023-24; QTRs 2 - 4	Prepare a draft ordinance for adoption by the City Council to enable issuance of City permits for licensing retail cannabis operators.
July – September: FY 2024-25; QTR 1	Internal infrastructure planning for permit CRM module implementation through iWorQs. Staff will initiate discussion with iWorQ to prepare a path forward for independent tracking and monitoring of cannabis permit workflow.
October – December: FY 2024-25; QTR 2	Analysis and review of other successful CA programs to inform the finalization of a permit application, renewal application, and fill in any missing elements of the existing draft ordinance.
October – December: FY 2024-25; QTR 2	Security and public safety implementation planning to identify any public safety

	implications and prepare a plan for monitoring.
October – December: FY 2024-25; QTR 2	Hire cannabis equity consultants to assist potential applicants who qualify for additional technical assistance. Provision of assistance anticipated to begin October 1, 2024
July – September: FY 2024-25; QTR 1	Ordinance final review by City attorney for green light on applications. Program team will take final ordinance to City Council for approval in this time period.
October – December: FY 2024-25; QTR 2	Begin to accept cannabis permit applications.
July – September: FY 2024-25; QTR 1 October – December: FY 2024-25; QTR 2 January – March: FY 2024-25; QTR 3 April – June: FY 2024-25; QTR 4 July – September: FY 2025-26; QTR 1 October – December: FY 2025 – 26; QTR 2 January – March: FY 2025-26; QTR 3 April – June: FY 2025-26; QTR 4 close-out	Milestone reports and progress meetings with program team. Check in with iWorQ to mitigate any necessary changes to CRM.
October – December: FY 2024-25; QTR 2	Approve first cannabis permit authorizing operations (certificate of occupancy, inspections, State License confirmation)
June 30, 2026	Final project close out report and final invoice.

When do you anticipate accepting your first cannabis retail license/permit application?

Date: 10/30/2024

How long do you expect it will take to process each license application, from application submission to license issuance?

Proposed timeline in months: 1.5 months: Includes Interdepartmental application review, building, fire code, security inspections, tenant improvement plan review and

building permit if required, final inspection and occupancy approval, business license issuance.

When do you anticipate issuing your first cannabis retail business license within your jurisdiction?

Date: 11/15/2024

Staffing and Resources

Will you utilize existing staff, hire new staff, or use a contractor/consultant to operate your cannabis retail licensing program? (Select all that apply & enter the number of anticipated full-time equivalent positions for each)

- ☒ Utilize existing staff – # of positions: 3
- ☐ Hire new staff (permanent) – # of positions: TBD
- ☐ Hire new staff (temporary) – # of positions: TBD
- ☒ Use a contractor/consultant – # of positions: 2

How many staff members, including contractors, will you need to operate your cannabis retail licensing program on an ongoing basis?

Total number of full-time equivalent positions: Currently, at least 5 people, not including those needed to facilitate the rollout of the program and application management. The positions yet to be determined will provide new temporary and permanent staff. This will be based on the number of applications received and the increased workflow which is not anticipated to be substantial due to the limited number of licenses that will be available relative to zoning restrictions.

Exhibit B

Budget Details

Department of Cannabis Control, Retail Access Grant Program

Budget Expenditure Form (DCC-2639)	
Jurisdiction Name:	Sand City
Total Funding Awarded:	\$115,000.00
Total Funding Received:	
Total Funding Budgeted:	\$115,000.00
Total Funding Expended:	

	Retailer Licensing Program Costs															
	Retailer Licensing Program Personnel Costs															
	Personnel Classification	Role in Project Description	FY 23-24 Base Position Costs	FY 23-24 Percentage of Time	FY 23-24 Total	FY 23-24 Actual Expenditures	FY 24-25 Base Position Costs	FY 24-25 Percentage of Time	FY 24-25 Total	FY 24-25 Actual Expenditures	FY 25-26 Base Position Costs	FY 25-26 Percentage of Time	FY 25-26 Total	FY 25-26 Actual Expenditures	Total Budget Amount	Total Grant Expenditures
A1	Chief of Police	Safety assessment and review					\$139,005.00	5%	\$6,950.25		\$139,005.00	5%	\$6,950.25		\$13,900.50	
A2	City Manager	Ordinance drafting and review	\$215,251.00	2%	\$4,305.02	\$4,305.02	\$215,251.00	4%	\$8,610.04		\$215,251.00	2%	\$4,305.02		\$17,220.08	\$4,305.02
A3	Finance Specialist	Budget development, grant management, and expense tracking.					\$84,590.00	6%	\$5,075.40		\$84,590.00	6%	\$5,075.40		\$10,150.80	
A12																
														Retailer Licensing Program Personnel Costs Total	\$41,271.38	\$4,305.02

	Other Costs	Description of Other Costs	FY 23-24 Budget Amount	FY 23-24 Actual Expenditures	FY 24-25 Budget Amount	FY 24-25 Actual Expenditures	FY 25-26 Budget Amount	FY 25-26 Actual Expenditures			Total Budget Amount	Total Grant Expenditures
B1	City Attorney - Contracted Services	Drafting of ordinance, council support for an estimate of 40 hours	\$8,787.00	\$8,787.00	\$4,041.62						\$12,828.62	\$8,787.00
B2	City Planning Staff - Contracted Services	Ordinance drafting and oversight of iWorQ software migration process for new use. Funding will also be used for contractor time speaking to potential operators, finding their needs, evaluating if the system in place will work, and delivering findings to Council.	\$3,450.00	\$3,450.00	\$30,000.00		\$6,450.00				\$39,900.00	\$3,450.00
B3	iWorQ software cannabis module development	Integration of cannabis permitting module in existing City CRM. This will help with independent tracking of cannabis operations as specific information will need to be captured to maintain compliance with State regulatory departments.			\$6,000.00						\$6,000.00	
Retailer Licensing Program Other Costs Total											\$58,728.62	\$12,237.00

Equity Program Costs (if applicable)															
Equity Program Personnel Costs															
Personnel Classification	Role in Project Description	FY 23-24 Base Position Costs	FY 23-24 Percentage of Time	FY 23-24 Total	FY 23-24 Actual Expenditures	FY 24-25 Base Position Costs	FY 24-25 Percentage of Time	FY 24-25 Total	FY 24-25 Actual Expenditures	FY 25-26 Base Position Costs	FY 25-26 Percentage of Time	FY 25-26 Total	FY 25-26 Actual Expenditures	Total Budget Amount	Total Grant Expenditures
Equity Program Personnel Costs Total															
Equity Program Other Costs															
Other Costs	Description of Other Costs	FY 23-24 Budget Amount	FY 23-24 Actual Expenditures			FY 24-25 Budget Amount	FY 24-25 Actual Expenditures			FY 25-26 Budget Amount	FY 25-26 Actual Expenditures			Total Budget Amount	Total Grant Expenditures
D1	Technical Assistance For Equity Applicants (Contracted)	Contractor will provide TA to potential equity applicants to help navigate the State licensing system and maintain local compliance. This budget will be used to support applicants who qualify for equity at the State level.				\$12,000.00				\$3,000.00				\$15,000.00	
Equity Program Other Costs Total														\$15,000.00	
Totals		FY 23-24 Budget Total	FY 23-24 Expenditure Total			FY 24-25 Budget Total	FY 24-25 Expenditure Total			FY 25-26 Budget Total	FY 25-26 Expenditure Total			Total Grant Budget Amount	Total Grant Expenditures
		\$16,542.02	\$16,542.02			\$72,677.31				\$25,780.67			Retailer Licensing Program Costs Total	\$100,000.00	\$16,542.02
													Equity Program Costs Total	\$15,000.00	
													Grand Total	\$115,000.00	\$16,542.02

Exhibit B1
Budget Detail Justification

Fiscal Year 2023-2024

A. Retailer Licensing Program Personnel Costs

Budget Line Item	Personnel Title & Classification	Annual Salary/Rate	Percentage of time	Cost
A2	City Manager	\$ 215,251.00	2%	\$ 4,305.02
TOTAL				\$4,305.02

Detailed Personnel Justification

A2. City Manager: The City Manager will coordinate with the City Police Chief, Finance Manager and Planning Department to ensure the City Council's vision is met with the proposed Program. The City Manager will add items as needed to the City Council agendas, prepare staff reports and meet with Councilmembers to address any concerns.

B. Retailer Licensing Program Other Costs

For FY 23-24, provide other costs related to the retailer licensing program, list the budget line item from the Budget Expenditure Form, a detailed description of the cost, and the FY 23-24 cost amount.

Budget Line Item	Description	Cost
B1	City Attorney - Contracted Services-Drafting of ordinance, council support for an estimate of 30 hours	\$ 8,787.00
B2	City Planning Staff - Contracted Services-Ordinance drafting and oversight of iWorQ software migration process for new use. Funding will also be used for contractor time speaking to potential operators, finding their needs, evaluating if the system in place will work, and delivering findings to Council.	\$ 3,450.00
TOTAL		\$12,237.00

Detailed "Other Costs" Justification

B1. City Attorney (Contracted Services): The City Attorney will research current laws regarding cannabis licensing and retail and draft an ordinance that meets all guidelines and requirements. Approximately 30 hours will be required for this task.

B2. City Planning Staff: Planning Staff Scope of work:

- Ordinance Revision: \$3,450

The Planning Staff Scope of Work is required because the City does not currently have an approved ordinance to accept cannabis permits. Based on recent changes in regulations and based on best practices in other cities of similar size and scope, the ordinance will be prepared in draft form for internal review. Planning staff will work with the City Attorney to complete and review the draft ordinance in preparation for City Council consideration.

C. Equity Program Personnel Costs

None

D. Equity Program Other Costs

None

Fiscal Year 2024-2025

A. Retailer Licensing Program Personnel Costs

For FY 24-25, for each staff for the retailer licensing program, list the corresponding budget line item from the Budget Expenditure Form, the title and classification, the annual salary/rate, the percentage of time the personnel costs will be incurred, and the total cost. Include all individuals in training, and technical and support staff. If staff has not be hired yet, list the anticipated hiring timeline in the detailed personnel justification below.

Budget Line Item	Personnel Title & Classification	Annual Salary/Rate	Percentage of time	Cost
A1	Chief of Police	\$ 139,005.00	5%	\$ 6,950.25
A2	City Manager	\$ 215,251.00	4%	\$ 8,610.04
A3	Finance Specialist	\$ 84,590.00	6%	\$ 5,075.40
TOTAL				\$20,635.69

Detailed Personnel Justification

A1. Chief of Police: The Chief of Police will review the ordinance and licensing program to analyze the best methods of ensuring the retail cannabis operations fall within security guidelines and he/she will analyze and stipulate the need for any necessary requirements for security personnel.

A2. City Manager: The City Manager will coordinate with the City Police Chief, Finance Manager and Planning Department to ensure the City Council's vision is met with the proposed Program. The City Manager will add items as needed to the City Council agendas, prepare staff reports and meet with Councilmembers to address any concerns regarding the permit and license process.

A3. Finance Specialist: The Finance Manager will set up separate accounts, track all Program costs and manage the licensing Program.

B. Retailer Licensing Program Other Costs

For FY 24-25, provide other costs related to the retailer licensing program, list the budget line item from the Budget Expenditure Form, a detailed description of the cost, and the FY 24-25 cost amount.

Budget Line Item	Description	Cost
B1	City Attorney - Contracted Services-Drafting of ordinance, council support for an estimate of 10 hours	\$ 4,041.62
B2	City Planning Staff - Contracted Services-Ordinance drafting and oversight of iWorQ software migration process for new use. Funding will also be used for contractor time speaking to potential operators, finding their needs, evaluating if the system in place will work, permit processing, and delivering findings to Council.	\$ 30,000
B3	iWorQ software cannabis module development-Integration of cannabis permitting module in existing City CRM. This will help with independent tracking of cannabis operations as specific information will need to be captured to maintain compliance with State regulatory departments.	\$ 6,000.00
TOTAL		\$40,041.62

Detailed "Other Costs" Justification

B1. City Attorney (Contracted Services): The City Attorney will complete and present an ordinance to the City Council that meets all guidelines and requirements and will review license application procedures for consistency with the ordinance and for City Council approval. Approximately 10 hours will be needed for these tasks.

B2. City Planning Staff: Planning Staff Scope of work:

- Ordinance Revision: \$1,500
- Permit Application Development: \$5,500
- iWorQ Contract Administration for Module Development: \$2,500
- Applicant Support and overall administration costs: \$8,000
- Permit Review: \$12,500

The Planning Staff Scope of Work is required because the City does not currently have an ordinance enabling permits for cannabis licenses. Based on recent changes in regulations and based on best practices in other cities of similar size and scope, the draft ordinance will be completed, sent to City Council for approval, and then enforced citywide. Planning staff will work with the City Attorney regarding City Council approval of the ordinance. Thereafter Planning staff will prepare written application guidelines and procedures for issuance of permits for City Council approval and arrange resources necessary to administer a cannabis program. These resources include technical assistance including equity assistance contractor(s) and a permit tracking system. iWorQ is a

software the City currently uses, thus the City will add a cannabis permit processing and reporting component to track applications distinct from other City permit functions. Planning Staff will work with an iWorQ consultant to advise and monitor the development and use of this tool. Once in place, Planning Staff will support application submission, front desk services for applicants, technical assistance for incoming operators, and permit review.

B3. iWorQ Software: This is an estimate based on a software technicians’ standard hourly rate for technical assistance and module development. This set aside will ensure approximately 40 hours of IT support to do the integration work necessary for the cannabis customization. This estimate is based on similar work done in other California cities.

C. Equity Program Personnel Costs
None

D. Equity Program Other Costs
For FY 24-25, provide other costs related to the equity program, list the budget line item from the Budget Expenditure Form, a detailed description of the cost, and the FY 24-25 cost amount.

Budget Line Item	Description	Cost
D1	Technical Assistance for Equity Applicants (Contracted)	\$12,000
TOTAL		\$12,000

Detailed “Other Costs” Justification

D1. Technical Assistance for Equity Applicants: This figure represents about 58 hours of technical assistance for equity applicants. A third-party consultant or in-house staff will support equity applicants to navigate the permitting process, connecting to other TA providers such as accountants, real estate agents, and support communications with the State. This estimate is based on work done in another California city where their equity program required many hours of one-on-one support to ensure applicants could be successful.

Fiscal Year 2025-2026

A. Retailer Licensing Program Personnel Costs
For FY 25-26, for each staff for the retailer licensing program, list the corresponding budget line item from the Budget Expenditure Form, the title and classification, the annual salary/rate, the percentage of time the personnel costs will be incurred, and the total cost. Include all individuals in training, and technical and support staff. If staff has not be hired yet, list the anticipated hiring timeline in the detailed personnel justification below.

Budget Line Item	Personnel Title & Classification	Annual Salary/Rate	Percentage of time	Cost
A1	Chief of Police	\$ 139,005.00	5%	\$ 6,950.25
A2	City Manager	\$ 215,251.00	2%	\$ 4,305.02
A3	Finance Specialist	\$ 84,590.00	6%	\$ 5,075.40
TOTAL				\$16,330.67

Detailed Personnel Justification

A1. Chief of Police: The Chief of Police will review implementation of the ordinance regarding safety and security requirements and recommend any amendments to adopted application guidelines and procedures to ensure the retail cannabis operations fall within security protocols. He/she will assess the need for and stipulate any additional security enhancements.

A2. City Manager: The City Manager will coordinate with the City Police Chief, Finance Manager and Planning Department to ensure the City Council's vision is met with the proposed Program. The City Manager will add items as needed to the City Council agendas, prepare staff reports and meet with Councilmembers to address any concerns regarding the permit and license process.

A3. Finance Specialist: The Finance Manager will set up separate accounts, track all Program costs and manage the licensing Program.

B. Retailer Licensing Program Other Costs

For FY 25-26, provide other costs related to the retailer licensing program, list the budget line item from the Budget Expenditure Form, a detailed description of the cost, and the FY 25-26 cost amount.

Budget Line Item	Description	Cost
B2	City Planning Staff - Contracted Services- Funding will also be used for contractor time speaking to potential operators, finding their needs, evaluating if the system in place will work, and delivering findings to Council.	\$ 6, 450.00
TOTAL		\$6,450.00

Detailed "Other Costs" Justification

B2. City Planning Staff: Planning Staff Scope of work:

- Applicant Support and overall administration costs: \$2,500
- Permit Review: \$3,950

Planning Staff will support application submission, front desk services for applicants, technical assistance for incoming operators, and permit review.

C. Equity Program Personnel Costs
None

D. Equity Program Other Costs
For FY 25-26, provide other costs related to the equity program, list the budget line item from the Budget Expenditure Form, a detailed description of the cost, and the FY 25-26 cost amount.

Budget Line Item	Description	Cost
D1	Technical Assistance for Equity Applicants (Contracted)	\$3,000.00
TOTAL		\$3,000

Detailed “Other Costs” Justification

D1 Technical Assistance for Equity Applicants: This figure represents 14 hours of technical assistance for equity applicants. A third-party consultant or in-house staff will support equity applicants with navigating the permitting process, connecting to other TA providers such as accountants, real estate agents, and support communications with the State. This estimate is based on work done in another California city where their equity program required many hours of one-on-one support to ensure applicants could be successful.

Exhibit C

Standard Terms and Conditions

This Cannabis Local Jurisdiction Retail Access Grant Program, Phase I Agreement ("Grant Agreement") is by and between [local jurisdiction] ("Grantee"), and the Department of Cannabis Control ("DCC"), hereinafter jointly referred to as the "Parties" or individually as the "Party." Unless otherwise specified in these Terms and Conditions, all definitions, rules, guidelines, and requirements specified in the Cannabis Local Jurisdiction Retail Access Grant Program Guidelines, Phase I (Grant Guidelines) issued in August 2023 shall apply to this Agreement.

1. Approval

This Agreement is of no force or effect until signed by both parties. Grant funds may not be used for expenditures that occur outside of the grant program expenditure period of July 1, 2023, through June 30, 2026.

2. Agreement Execution

Unless otherwise prohibited by state law, regulation, or Department of Cannabis Control (DCC) or Grantee policy, the parties agree that an electronic copy of a signed Agreement, or an electronically signed Agreement, has the same force and legal effect as an Agreement executed with an original ink signature. The term "electronic copy of a signed Agreement" refers to a transmission by facsimile, electronic mail, or other electronic means of a copy of an original signed Agreement in a portable document format. The term "electronically signed Agreement" means an Agreement that is executed by applying an electronic signature using technology approved by all parties.

3. Representation on Authority of Parties/Signatories

Each person signing this Agreement represents and warrants that they are duly authorized and has legal capacity to execute and deliver this Agreement. Each Party represents and warrants to the other that the execution and delivery of this Agreement and the Performance of such Party's obligations hereunder have been duly authorized and that this Agreement is a valid and legal agreement binding on such Party and enforceable in accordance with its terms.

4. Assignment

This Agreement is not assignable by the Grantee.

5. Governing Law and Consent to Jurisdiction

This Agreement is governed by and will be interpreted in accordance with the State of California without regard to its conflict of laws rules. Each party hereby irrevocably consents to the exclusive jurisdiction and venue of any state court located within Sacramento County, State of California in connection with any matter arising out of this Agreement.

6. State and Federal Law

It is the responsibility of the Grantee to know and understand which State, Federal, and local laws, regulations, and ordinances are applicable to this Agreement and the Project, as described in Exhibit A. The Grantee shall be responsible for observing and complying with all applicable State and Federal laws and regulations. Failure to comply may constitute a material breach.

7. Grantee Commitments

The Grantee accepts and agrees to comply with all terms, provisions, and conditions of this Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by the Grantee in the application, documents, amendments, and communications in support of its request for funding.

8. Grantee – Representations and Warranties

Grantee represents and warrants that:

- A. Grantee is an eligible applicant as set forth in the Grant Guidelines;
- B. It is not a party to any agreement, written or oral, creating obligations that would prevent it from entering into this Agreement or satisfying the terms herein;
- C. All of the information in its grant application and all materials submitted to the DCC are true and accurate;
- D. Grantee's governing body has authorized the Grantee to enter into this Agreement and has designated by title the individual authorized to sign the Agreement on behalf of Grantee.

9. Performance and Assurances

The Grantee agrees to perform or cause to be performed all Project work as described in the Scope of Work, and to apply grant funds awarded in this Agreement only to eligible Project uses and costs.

10. Funding Contingency Clause

The funding for this Agreement is allocated pursuant to the Local Jurisdiction Retail Access Grant Funding. Grantee agrees that the DCC's obligation to pay any sum under this Agreement is contingent upon availability of funds disbursed from the Local Jurisdiction Retail Access Grant Funding. If there is insufficient funding, the DCC shall have the option to either:

- A. Terminate this Agreement, whereby no party shall have any further obligations or liabilities under this Agreement, or
- B. Negotiate an Agreement amendment with Grantee to reduce the grant award and scope of work to be provided under this Agreement.

11. Indemnification, Warranty and Disclaimer, Limitation of Liability

Grantee shall defend, indemnify, and hold harmless DCC, its agents or assigns, from and against all claims, damages, and liabilities (including reasonable attorneys' fees) arising from this Agreement due to Grantee's breach of this Agreement or the Grantee's negligence or willful misconduct. UNDER NO CIRCUMSTANCES WILL THE STATE OF CALIFORNIA, DCC, ITS AGENTS OR EMPLOYEES BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES THAT ARISE FROM THIS AGREEMENT.

12. Integration

This Agreement (including the exhibits hereto and any documents explicitly incorporated by reference, and any written amendments hereof executed by the Parties) constitutes the entire Agreement between the Parties related to this grant award and supersedes all prior agreements and understandings, oral and written, between the Parties with respect to the grant award described herein.

13. Severability

If any term of this Agreement is to any extent invalid, illegal, or unenforceable such term shall be excluded to the extent of such invalidity, illegality, or unenforceability; all other terms shall remain in full force and effect.

14. Contractors and Consultants

The Grantee assumes full responsibility for its obligation to pay its Contractors and Consultants. The Grantee is responsible to ensure that any and all contractors and consultants it engages to carry out activities under this Agreement shall have the proper licenses and certificates required in their respective disciplines. The Grantee's use of

contractors and consultants shall not affect the Grantee's responsibilities under this Agreement.

15. No Third-Party Rights

This Agreement creates no rights in and grants no remedies to any third party as a beneficiary of this Agreement.

16. Non-Discrimination Clause

The Grantee agrees that during the performance of this Agreement, it will not discriminate, harass, or allow harassment or discrimination against any employee or applicant for employment based on race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. The Grantee agrees to require the same of all contractors and consultants retained to carry out the activities under this Agreement.

The Grantee agrees that during the performance of this Agreement, the evaluation and treatment of its employees and applicants for employment are free from discrimination and harassment. The Grantee will comply with the provisions of the Fair Employment and Housing Act (Government Code section 12990 et seq.) and the applicable regulations promulgated there under (California Code of Regulations, Title 2, section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. The Grantee will give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining unit or other Agreement. The Grantee must include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.

17. Union Activities

Grantee acknowledges that Government Code Section 16645.2 applies to this Agreement. Pursuant to Government Code Section 16645.2, Grantee certifies that none of the grant award will be used to assist, promote, or deter union organizing. If Grantee makes expenditures to assist, promote, or deter union organizing, it shall maintain records sufficient to show that no portion of the grant award was used for those expenditures. Grantee shall provide those records to the Attorney General upon request.

18. Disputes

The Grantee must continue with the responsibilities under this Agreement during any dispute. In the event of a dispute, the Grantee must file a "Notice of Dispute" with the DCC Office of Grants Management (OGM), identified in Exhibit A, or designee within ten (10) calendar days of discovery of the problem. The Notice of Dispute must contain the Agreement number. Within ten (10) calendar days of receipt of the Notice of Dispute, the DCC Office of Grants Management (OGM) or designee must meet with the Grantee for the purpose of resolving the dispute. In the event of a dispute, the language contained within this Agreement shall be interpreted as to its fair meaning and not strictly for or against any Party.

19. Termination for Convenience

This Agreement may be terminated by either party upon written notice. Notice of termination must be delivered to the other party at least thirty (30) calendar days prior to the intended date of termination. Notice of termination does not nullify obligations already incurred prior to the date of termination. In the event of Termination for Convenience of this Agreement by DCC, DCC must not recapture all eligible costs and non-cancellable obligations incurred by the Grantee as of the date of termination.

20. Termination for Cause

Either party may terminate this Agreement for cause in the event of a material breach of this Agreement, provided that the non-breaching party provides written notice of the material breach and ten (10) calendar days to cure the breach. If the breach is not cured to the satisfaction of the non-breaching party within ten (10) calendar days of receipt of notice, this Agreement shall automatically terminate and DCC shall not recapture from the Grantee all eligible documented costs.

incurred up to the date of the notice of termination, including all non-cancellable obligations.

21. Acceptable Failure to Perform; Force Majeure.

The Grantee shall not be liable for any failure to perform as required by this Agreement, to the extent such failure to perform is caused by any of the following: labor disturbances or disputes of any kind, accidents, or the inability to obtain any required government approval to proceed, civil disorders, acts of aggression, acts of God, energy or other conservation measures, failure of utilities, mechanical breakdowns, materials shortages, disease, pandemics, or similar occurrences.

A. If by reason of force majeure Grantee's performance hereunder is delayed or prevented,

then the performance by Grantee may be extended for the amount of time of such delayer prevention. The term “force majeure” shall mean any fire, flood, earthquake, or public disaster, strike, labor dispute or unrest, embargo, riot, war, insurrection or civil unrest, any act of God, any act of legally constituted authority, or any other cause beyond the Grantee’s control which would excuse Grantee’s performance as a matter of law.

- B. Grantee agrees to provide the DCC written notice of an event of force majeure under this Agreement within ten (10) calendar days of the commencement of such event and within ten (10) calendar days after the termination of such event, unless the force majeure prohibits Grantee from reasonably giving notice within this period. Grantee will give such notice at the earliest possible time following the event of force majeure.

22. Material Breach

A material breach for purposes of this Agreement shall include, but not be limited to:

- A. Failure to timely furnish the progress reports or other documents requested by DCC relating to the Grantee’s compliance with this Agreement.
- B. Material misstatements in any information provided to DCC as part of the application process or after this Agreement is signed.
- C. Use of Grant funds not in accordance with the Budget or Project Plan.
- D. Funds are not expended by the date established by DCC.
- E. Funds are used for an ineligible purpose.
- F. Failure to comply with applicable State and Federal laws.
- G. Failure to demonstrate progress toward the establishment of a local cannabis retailer licensing program as measured by the specific criteria in the Program Plan.

In the event of a material breach of this Agreement, DCC shall provide in writing a Notice of Breach to the Grantee. The Grantee shall have ten (10) calendar days from receipt of the notice to cure the breach or such longer period as mutually agreed to in writing between the Parties. If Grantee fails to cure the breach within the prescribed timeframe, DCC may do any of the following:

- A. Suspend payments.
- B. Recapture funds disbursed.
- C. Terminate the agreement.
- D. Take any other action deemed necessary to protect its interests.

23. Recapture

DCC may recapture funds disbursed in the following circumstances:

- A. Funds are not expended by the date established by DCC.
- B. Funds are used for an ineligible purpose, including costs and fees related to litigation, payment of fines or other penalties incurred for violations related to unlicensed commercial cannabis activity, and other prohibited uses as determined by DCC.
- C. The use of funds does not comply with the application plan submitted to, and approved

by, DCC.

- D. The local jurisdiction has failed to demonstrate progress toward permitting commercial cannabis retail businesses, as measured by the specific criteria provided in the plan.
- E. The local jurisdiction has not complied with or is not in compliance with Item 1115-102-0001 of Section 2.00 of the Budget Act of 2022 or DCC's Grant Guidelines.

Grantee shall notify DCC of grant funds disbursed but not expended by the date established by DCC within the Agreement. DCC shall provide Grantee with instructions on how to return the funds. Under all other circumstances, DCC shall notify Grantee of the circumstance, the amount to be recaptured and provide Grantee with instructions as to how to return funds.

24. Publicity and Acknowledgement

The Grantee agrees that it will acknowledge DCC's support whenever projects funded, in whole or in part, by this Agreement are publicized in any news media, brochures, publications, audiovisuals, presentations or other types of promotional material and in accordance with the Statement of Work attached to this Agreement. The Grantees may not use DCC's logo.

25. News Releases/Public Conferences

The Grantee agrees to notify DCC in writing at least two (2) business days before any news releases or public conferences are initiated by the Grantee or its Contractors/Consultants regarding the Project.

26. Amendments

Changes to the Scope of Work, Budget, Project term, or funding amount must be requested in writing to DCC Office of Grants Management (OGM) no less than sixty.

(60) calendar days prior to the requested implementation date. Any changes are subject to DCC approval and, at its discretion, DCC may choose to accept or deny any changes. If accepted and after negotiations are concluded, the agreed upon changes will be made and become part of this Agreement. No amendments are possible if the Agreement is expired.

27. Reporting Requirements

Grantee must be able to demonstrate to the satisfaction of the DCC that the grant funds were expended for eligible uses and consistent with the activities identified in its application and under the Grant Agreement. The Grantee agrees to comply with all reporting requirements specified in the Grant Guidelines and Application Instructions incorporated by reference to this Agreement.

28. Records, Inspection and Audit

Grantee must maintain books, records, subcontracts, and other material relative to the Project and retain such books, records, subcontracts and other material detailing the expenditure of all grant funds for a period of seven (7) years after the end of the Grant Term. Grantee must require that such books, records, subcontracts, and other material are subject at all reasonable times (at a minimum during normal business hours) to inspection, copying, and audit by DCC and the California State Auditor. The Grantee must allow and must require its contractors to allow interviews during normal business hours of any employees who might reasonably have information related to such records. The Grantee agrees to include a similar duty regarding audit, interviews, and records retention in any contract or subcontract related to the performance of this Agreement. The provisions of this section survive the termination of this Agreement.

29. Equipment

Purchase of equipment not included in the approved Budget requires prior approval. The Grantee must comply with applicable state requirements regarding the use, maintenance, disposition, and reporting of equipment.

30. Confidential and Public Records

The Grantee and DCC understand that each party may come into possession of information and data which may be deemed confidential or proprietary by the person or organization furnishing the information or data. Such information or data may be subject to disclosure under the California Public Records Act (PRA) (Gov. Code, § 7920.000 et seq.). DCC has the sole authority to determine whether the information is releasable. Each party agrees to maintain such information as confidential and notify the other party of any requests for release of information.

31. Conflict of Interest

Grantees are subject to State conflict-of interest laws. The Grantee certifies that its officers, directors, agents, representatives, and employees are in compliance with applicable State and federal conflict of interest laws and will remain in compliance for the useful life of the Project. Public entities are required to have adopted conflict of interest codes and may be required to provide documentation of those codes to DCC.

32. Independent Actor

The Grantee and its agents and employees, in the performance of this Agreement, shall act in an independent capacity and not as officers, employees, or agents of DCC.

33. Undisbursed Funds Interest

The Grantee is not entitled to interest earned on undisbursed funds.

34. Sections and Other Headings

The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

35. Notice

Within thirty (30) calendar days of the effective date of this Agreement, Grantee shall notify the DCC, in writing, of the name, address, phone number, and email of its contact person for future communication relating to this Agreement. In addition, Grantee agrees to immediately inform the DCC of any changes to the name, address, phone number, and email of its contact person. Unless otherwise specified in this Agreement, any notice required or permitted to be given under this Agreement to the DCC shall be emailed to RetailAccessGrants@cannabis.ca.gov.

36. Closeout

The Agreement will be closed out after the completion of the Project or project term, receipt and approval of the final report, and resolution of any performance or compliance issues.

37. Executive Order N-6-22

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine whether the grantee is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this agreement. The State shall provide the grantee advance written notice of such termination, allowing the grantee at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.

**AGENDA ITEM
8A.**

**Approve a Resolution Accepting Public Art
and Approving Site Selection for the Craig
Hubler Memorial**



City of Sand City

STAFF REPORT

TO: Honorable Mayor and City Council
FROM: Vibeke Norgaard, City Manager
SUBJECT: Consideration of Acceptance of Public Art and Site Selection - Memorial for Craig Hubler
DATE: October 1, 2024

DISCUSSION:

Former Councilmember Craig Hubler

Craig Hubler served as a City of Sand City Councilmember for approximately 20 years starting in 1989. Mr. Hubler was an artist who began his artistic career in 1976 at the age of fourteen where he worked at the Monterey Sculpture Studio. He also served as the Sand City Arts Committee Chair and was instrumental in the creation of the Sand City West End Celebration. Mr. Hubler recently passed away. Craig's son, Taylor Hubler, has applied to the City to donate a piece of art in his father's memory.

Procedure for Art Donations

According to the City's public art policy (adopted by the City Council in May of 2020) ("Art Policy"), applications to donate art are to initially be considered by the Sand City Arts Committee which determines whether to recommend that Council accept a donation of the artwork. If the Committee's recommendation is to accept the work, the Arts Committee is also responsible for proposing a site for the art to be installed.

The Arts Committee met on September 16, 2024, and recommended that Council accept the proposed artwork and that the work be placed in the City's community garden. If Council follows the Arts Committee's recommendation and accepts the donation of art, the Public Works Department will ensure that the proposed location for display of the art will not interfere with the use of the garden or create a safety hazard.

Under the policy, before the art is accepted, the donor will be required to fill out an art donation agreement, the artist will be requested to execute a Waiver of Proprietary Rights. Once donated, the City-owned artwork becomes the responsibility of the City.

The Proposed Artwork

The image of the proposed artwork and description is attached to this staff report. The piece is proposed to be designed, built, and installed by Taylor Hubler, Fred Saunders, and Charles "Larry" Fischer.

- Taylor Hubler is Craig Hubler's oldest son, growing up in his father's workshops and learning the art of metal fabrication. This will be his second publicly displayed art piece, with a rock climber for the Sanctuary Rock Gym as his first.
- Fred Saunders was Craig's former business partner and was a lifelong friend. Fred operates Sculpture Works in Sand City and has a prolific catalog as a fabricator and artist.
- Charles Fischer is the founder of the Monterey Sculpture Works, a bronze foundry that was foundational for Monterey's art culture. Charles was a mentor and close friend to Craig and his family.

As stated in the application and on the attached renderings, the proposed piece is:

“a wood, steel, and bronze sculpture in the style matching Craig's own. It is a bell made out of an old welding gas cylinder, the bottom cut off and a ring welded to the top. The bell will have no clapper or mallet. The bell has two bronze bands flowed onto its surface and a bronze cypress tree attached to the face of it. It is suspended between two wooden railroad ties by a steel rod. The rod has a ring welded to it and secured to the ring on the bell. The rod also has two bronze bands. The piece's design currently has it standing 4' high, and is 38" across the face and about 9" deep. The two railroad ties are expected to be sunk into the ground by 3' to secure the piece, and the rod will be attached in a way to prevent theft of the bell. The whole piece will have natural patinas and colors but will be coated in a clear coat to protect from corrosion. The two railroad ties will need to be sunk down into the ground in a way to prevent subsidence and shifting.”

The family is requesting that the art be displayed at its installation site for “at least the lifetime of Craig's children, and that if it should need to be moved that a new site be identified, approved by his family, and used until the last of his children have passed away.”

CEQA: This action does not constitute a "project" as defined by the California Environmental Quality Act (CEQA) guidelines section 15378.

RECOMMENDATION: Staff recommends Council:

1. Follow the Arts Committee's recommendation and approve a resolution to accept the donated art.
2. Approve the community garden as a potential site for the art piece if confirmed by the Public Works Department as feasible and safe.

ATTACHMENTS:

1. Resolution
2. April 11, 2024 email application
3. Renderings

**CITY OF SAND CITY
RESOLUTION SC 24-____, 2024**

**RESOLUTION OF THE CITY COUNCIL OF SAND CITY ACCEPTING PUBLIC ART AND
APPROVING SITE SELECTION FOR THE CRAIG HUBLER MEMORIAL**

WHEREAS, Craig Hubler served as a City of Sand City Councilmember for approximately 20 years starting in 1989; and

WHEREAS, Mr. Hubler was an artist who began his artistic career in 1976 at the age of fourteen where he worked at the Monterey Sculpture Studio. He also served as the Sand City Arts Committee Chair and was instrumental in the creation of the Sand City West End Celebration; and

WHEREAS, Mr. Hubler recently passed away and Craig's son, Taylor Hubler, has applied to the City to donate a piece of art in his father's memory; and

WHEREAS, according to the City's public art policy, adopted by the City Council in May of 2020, ("Art Policy") applications to donate art are to be considered by the Sand City Arts Committee which sets forth a series of criteria the Committee shall use to consider a donation request and requires that the Committee make a recommendation to Council; and

WHEREAS, the Arts Committee met on September 16, 2024, to consider the donation request and recommended to Council that it accept the artwork and that it be displayed in the City's Community Garden, if feasible.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Sand City does hereby:

1. Accept the donated art.
2. Approve the community garden as the site for the art piece if confirmed by the City Engineer and Public Works Manager as feasible and safe.

PASSED AND ADOPTED by the City Council of the City of Sand City this ____, day of October 2024 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Mary Ann Carbone, Mayor

ATTEST:

DATED: _____

Kerry Lindstrom, City Clerk

Vibeke Norgaard

From: Taylor Hubler <tchubler85@gmail.com>
Sent: Thursday, April 11, 2024 9:37 PM
To: Anastazia Aziz
Cc: Vibeke Norgaard
Subject: Re: Craig Hubler Memorial Art Piece

Hello and thank you for helping with this.

I'm sorry this took me so long but I wanted to make some phone calls, do more design work, and I had some technical difficulty.

If I need to write a more official letter I will but here is my submission according to your guidelines.

a. Photo, plans, model or other visual representation of proposed artwork.

The photos of my design are attached. This design may change in specific details but the overall concept and size should stay the same.

b. Proposed location of the artwork.

I do not have a specific location picked out at this time. I am hoping that Sand City can offer help in selecting one. I propose a place where the piece can be easily found, located, visited, and appreciated. It will also need a location that allows two post holes of about three to four feet deep about two feet apart and large enough for each to hold a 7 inch by 9 inch wooden railroad tie.

c. Statement of reason for donation, loan or lease.

This piece is to honor Craig Hubler, his service as a city council member in Sand City, his contributions as an artist, and his life.

d. Description of the artwork, including year of creation, medium, dimensions, weight, finish, color, and system for mounting or displaying the artwork.

The piece is a wood, steel, and bronze sculpture in the style matching Craig's own. It is a bell made out of an old welding gas cylinder, the bottom cut off and a ring welded to the top. The bell will have no clapper or mallet. The bell has two bronze bands flowed onto its surface and a bronze cypress tree attached to the face of it. It is suspended between two wooden railroad ties by a steel rod. The rod has a ring welded to it and secured to the ring on the bell. The rod also has two bronze bands. The piece's design currently has it standing 4' high, and is 38" across the face and about 9" deep. The two railroad ties are expected to be sunk into the ground by 3' to secure the piece, and the rod will be attached in a way to prevent theft of the bell. The whole piece will have natural patinas and colors but will be coated in a clear coat to protect from corrosion.

e. Any special maintenance, mounting or display requirements.

The two railroad ties will need to be sunk down into the ground in a way to prevent subsidence and shifting. The family is requesting a spot where a bench can be installed next to the piece, but this is not a requirement. It shouldn't need any special maintenance.

f. Name of Artist and, if possible, Artist's biography.

The piece will be designed, built, and installed by Taylor Hubler, Fred Saunders, and Charles "Larry" Fischer.

Taylor Hubler is Craig Hubler's oldest son, growing up in his father's workshops and learning the art of metal fabrication. This will be his second publicly displayed art piece, with a rock climber for the Sanctuary Rock Gym as his first.

Fred Saunders was Craig's former business partner and was a lifelong friend. Fred currently owns and operates Sculpture Works in Sand City and has a prolific catalog as a fabricator and artist.

Charles Fischer is the founder of the now gone Monterey Sculpture Works, a bronze foundry that was foundational for Monterey's art culture. Charles was a mentor and close friend to Craig and his family.

I will be asking both Fred and Charles to write better bios.

g. A statement of the approximate value of the artwork.

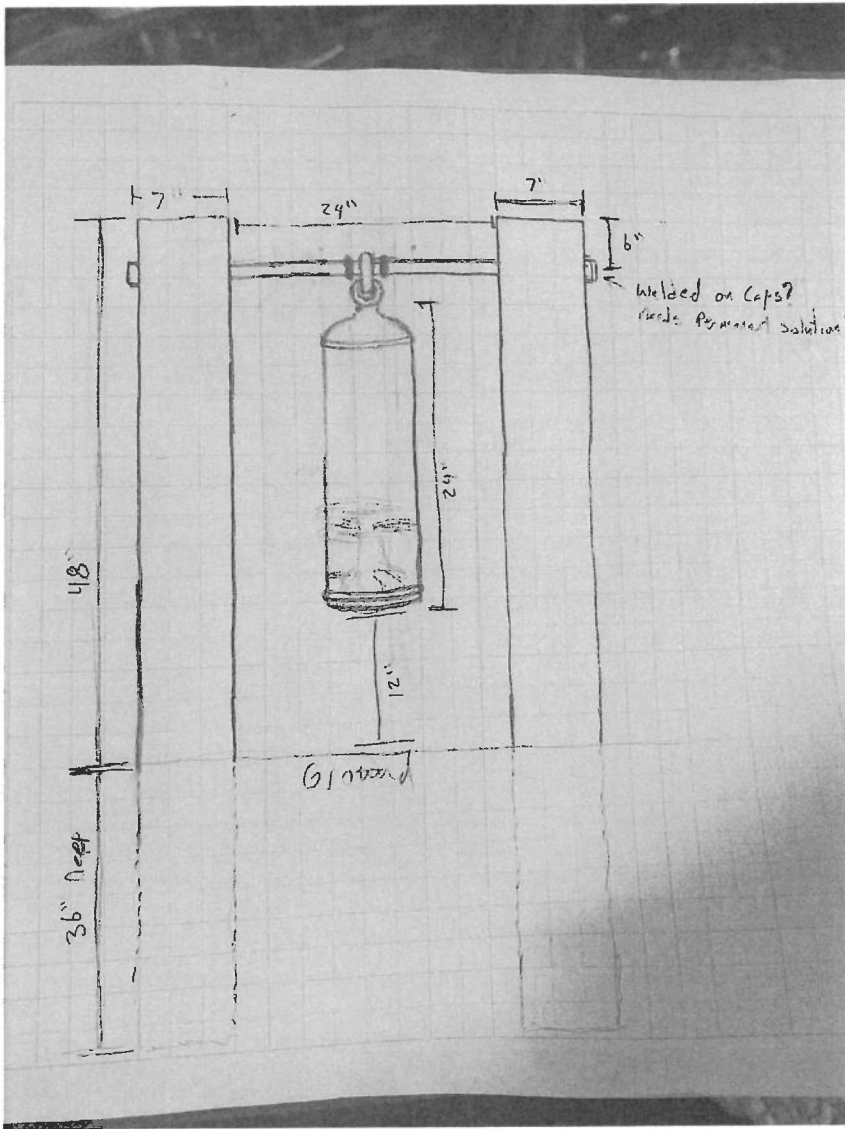
The value is unclear at this time because materials have not yet been purchased or priced. It is, of course, priceless to Craig's family and friends.

h. Whether donation, lease or loan is proposed, and the length of any proposed lease or loan.
This will be donated.

i. Whether the art, if donated, is donated with any restrictions.

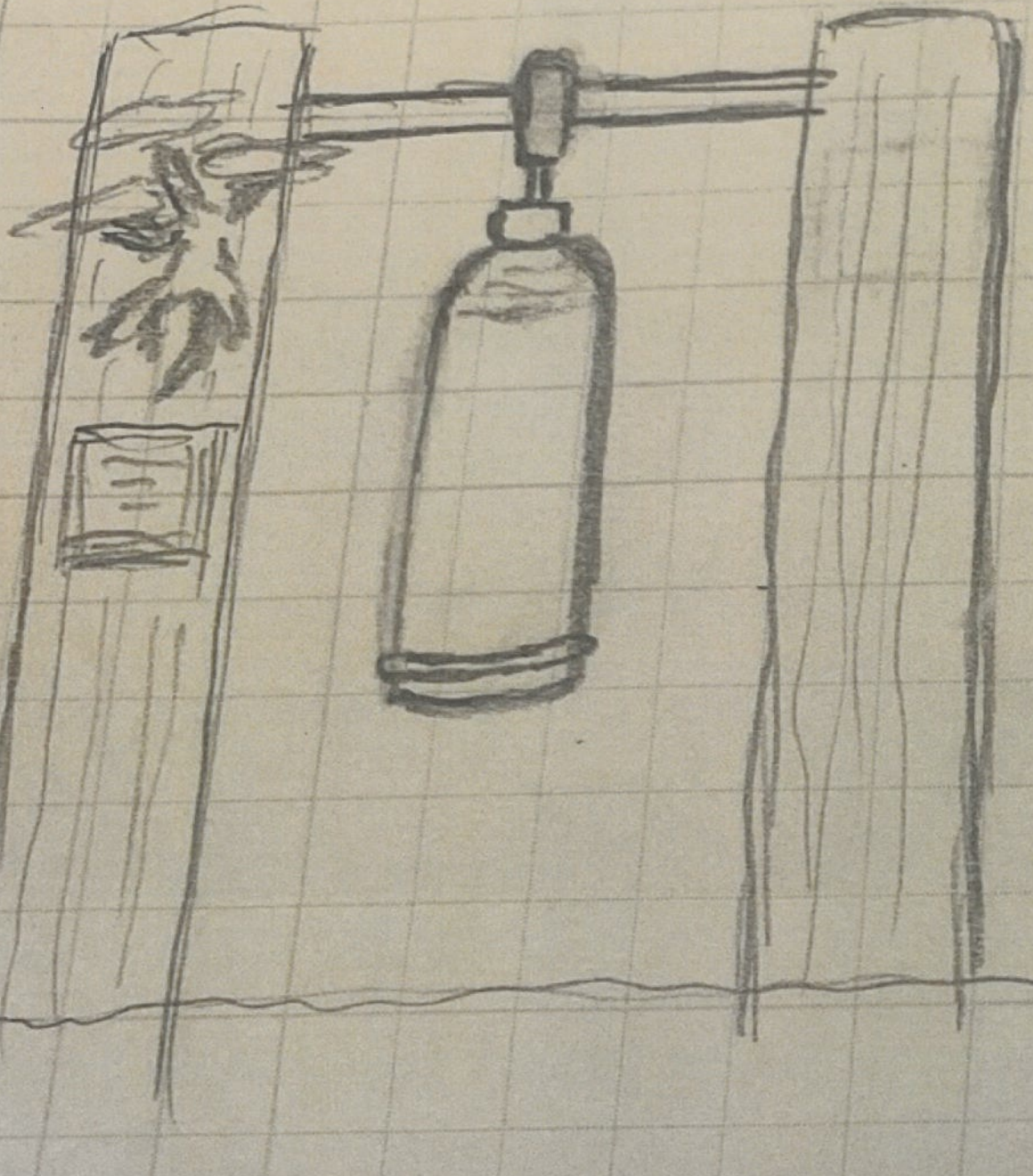
Only that it should be displayed at its installation site for at least the lifetime of Craig's children, and that if it should need to be moved that a new site be identified, approved by his family, and used until the last of his children have passed away.

Thank You,
Taylor Hubler



Customer: _____

Contact: _____



**AGENDA ITEM
8B.**

**Discussion and Consideration of RFP for
Planning and Execution of the Sand City
West End Celebration**



City of Sand City

STAFF REPORT

TO: Honorable Mayor and City Council
FROM: Vibeke Norgaard, City Manager
SUBJECT: Discussion and Consideration of RFP for Planning and Execution of the Sand City West End Celebration
DATE: October 1, 2024

BACKGROUND/DISCUSSION:

At the City Council meeting on September 17, 2024, the Council requested that staff add an item to the October 1, 2024 agenda in order for Council to consider whether to issue a Request for Proposals (RFP) for services for the management and execution of the City's West End Celebration (WEC).

Steve Vagnini of SLV Management has coordinated the festival for the past 14 years. The event has been a great success – the 2023 West End festival drew over 15,000 people to Sand City and the 2024 WEC drew approximately 10,000 on the weekend of August 24-25, 2024.

The City budgeted \$85,000 for the 2023 WEC. The event raised revenues of \$31,740 through donations, sponsorships and other sources such as vendor fees. The revenues resulted in a total net cost to the City for the 2023 West End Celebration of \$53,165, including a \$27,500 services agreement fee to Mr. Vagnini.

In 2024, the City budgeted \$95,000 for the 2024 WEC, an increase of \$10,000 in part due to Mr. Vagnini's proposal to train an intern to be a successor for future WEC events. Mr. Vagnini's proposal and budget for 2024 is attached hereto as **Exhibit A**. Mr. Vagnini announced to Council at the November 7, 2023 meeting that he planned to retire at an undefined time. Mr. Vagnini's 2024 budget projected revenue of \$49,500, resulting in the total projected cost to the City for the 2024 of \$45,500. The final accounting of the 2024 WEC is still being computed as the final invoices are still being received.

CEQA:

This action does not constitute a "project" as defined by the California Environmental Quality Act (CEQA) guidelines section 15378.

FISCAL IMPACT:

There is no fiscal impact associated with the decision whether to issue an RFP.

RECOMMENDATION:

Discuss and direct the City Manager whether or not to issue an RFP for services for the 2025 West End Celebration

ATTACHMENTS:

1. SLV Management 2024 Proposal and Proposed Budget



October 27, 2023

City of Sand City
Mayor Carbone and City Council c/o City Manager Vibeke Norgaard
1 Pendergrass Way
Sand City, Ca 93955

RE: West End Celebration 2024 Proposal

Dear Mayor Carbone and Members of the City Council,

This letter serves as my formal proposal to the Sand City Council to once again serve as the Event Coordinator of the West Annual Celebration. My involvement with the West End Celebration goes back 21 years as the music coordinator - during the last 13 years I have served in the capacity as overall coordinator.

During this time the West End Celebration has evolved into one of the most highly anticipated events in Monterey County drawing over 15,000 people to the West End Celebration over the weekend.

My proposal is that I serve under the same terms as last year with the following changes.

- 1) Last year's West End Celebration Budget was for \$85,000 in Expenses with a Net Budget of \$45,000 after Revenues. This included a new charge of \$5,600 for Event insurance and a \$1,500 decline in my fee to offset the insurance costs. To put this into perspective the total Budget for 2018 was \$85,000.
- 2) I am not asking for a change in my fee however I am asking that the Expense Budget be increased by \$10,000 to \$95,000 to be offset by an increase of \$5,000 in revenues through a slight increase in vendor fees. This will increase the net budget to \$50,000 however It is always my goal to reduce that figure to a break-even point that will be accomplished though securing more and larger sponsors.
- 3) The reason for the increase in expenses is threefold
 - a. Increase in costs due to inflation
 - b. Producer for 3rd stage has been providing entertainment at a nominal fee and now seeks funding
 - c. Funding for an intern position that will begin a succession plan for my ultimate replacement

I look forward to working again on next year's West End Celebration and hope that I can reach a quick reply so that I can begin working on securing new sponsors.

Sincerely yours,

Stephen L. Vagnini

Attachment: Proposed 2024 West End Celebration Budget

2024
WEST END CELEBRATION PROPOSED BUDGET

EXPENSES

Advertising

Mtry County Weekly (Print and web ads :	\$5,300.00	
The Herald (print and web ads)	\$1,000.00	
Radio (Mapleton and KRML)	\$500.00	
TV Ads (KION)	\$500.00	
Design By Glass (Advertising and design	\$3,000.00	
Design Bt Glass (Web site, press release	\$1,500.00	
Chidlaw Bus Tails	\$3,500.00	
Total Advertising		\$15,300.00

Printing \$750.00

Postage \$400.00

\$1,150.00

Event Coordinator \$26,000.00

Intern \$5,000.00

Misc/Supplies/Licenses \$1,400.00

\$32,400.00

Saturday & Sunday

Entertainment (includes sound and st
\$30,000.00 **\$30,000.00**

Infrastructure

Tables/Chairs \$2,000.00

Golden State Portabl \$5,000.00

Volunteer Expenses \$1,050.00

Security Fencing \$0.00

Security \$2,500.00

Insurance \$5,600.00

Generator

Total **\$16,150.00**

TOTALS **\$95,000.00**

REVENUES

Donations \$20,000.00

Artist Fees \$20,000.00

Food Vendor Fees \$9,000.00

T-Shirt Sales \$300.00

ATM \$200.00

TOTAL REVENUE **\$49,500.00**

Total Cost after Revenue **\$45,500.00**

Overtime **- \$7,500.00**

2024
WEST END CELEBRATION PROPOSED BUDGET

Sponsors

Renewal	\$1,500.00
PG&E	\$2,500.00
Cal AM	\$2,500.00
Mechanics	\$2,500.00
EMC	\$750.00
Pebble Beach	\$500.00
Bella Mare	\$250.00
Jacobson EKN	\$1,000.00
	\$11,500.00