

City of Corona

400 S. Vicentia Ave.
Corona, CA 92882



Minutes - Draft

Tuesday, February 13, 2018

3:30 PM

Council Chambers

Study Session

**CITY COUNCIL/SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE
CITY OF
CORONA/CORONA PUBLIC FINANCING AUTHORITY/CORONA UTILITY
AUTHORITY/CORONA
HOUSING AUTHORITY MEETING**

***Karen Spiegel, Mayor
Eugene Montanez, Vice Mayor
Randy Fox, Council Member
Dick Haley, Council Member
Jason Scott, Council Member***

Rollcall

1. Call To Order

Mayor Spiegel called the meeting to order at 3:31 p.m.

Agenda Items

2. [18-1464](#)

Discussion: U.S. Army Corps of Engineers Alcoa Dike
(Public Works)

Action: Discussion & Information

Paul Underwood addressed the Council on behalf of the US Army Corps of Engineers (ACOE) regarding the Alcoa Dike project and design changes.

Vice Mayor Eugene Montanez expressed his concerns on the purchase price to the County of Orange. . He requested clarification on the height and width of the dike. He mentioned the option made to the ARMY Corps and County was to move the dike higher or closer to Rincon and build the dike around it as it is a swamp property and it can flood.

Nelson Nelson, Public Works Director, stated that further discussion and updates on the proposed project would be presented to the full City Council during future City Council meetings. He noted that the City is obligated to pay for relocation per court having prior rights because we have utilities obligated to remove city facilities and the City will have betterment. He addressed that the process is still in discussion as it hasn't finalized

Mayor Spiegel discussed that it would be best to wait before moving forward until this get resolved.

Council Member Dick Haley inquired about Auburndale Street being opened and asked how much of the property is owned by ACOE. Mr. Underwood responded that most of it is owed by ACOE. Council Member Haley inquired on who would be the responsible one to take care of vegetation fires or floods should they occur. Mr. Underwood responded that their purpose is flood control.

Mr. Underwood addressed the Council by letting them know that he will be working with Mr. Nelson on this project.

Council Member Jason Scott addressed his concerns regarding the concrete wall shown on the diagram on Auburndale. He inquired about how the wall would be treated for graffiti.

Council Member Haley asked about the sliding gate and Mr. Underwood responded by saying it will be on an elaborate heavy-duty hinge essentially. He also asked Mr. Underwood if will be working with Mr. Nelson on the proposed project. Mr. Underwood reported that he would be working with Mr. Nelson with plan reviews and plan checks on the proposed project. Mr. Nelson noted that he

has the photos of the floodgate and what it will look once completed.

3. [18-1517](#) Discussion Regarding Prop 64 and Potential Regulation of Recreational Marijuana
- a. Staff Presentation
 - b. Presentation by Honestas Holdings, Inc.
 - c. Presentation by Main Street Strategy
 - d. Presentation by Emerald Management Group
 - e. Staff Conclusion
 - f. Public Comment
 - g. Action: Discussion & Direction

Discussion Regarding Prop 64 and Potential Regulation of Recreational Marijuana

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- g. Action: Discussion & Direction

City Attorney Dean Derleth provided a report on the item. He mentioned that Corona has long history on prohibiting marijuana dispensaries and related businesses. He noted that the City has closed down many marijuana dispensaries. Medicinal and Adult-use Cannabis Regulations and Safety Act (MAUCRSA) replaced Prop 64 and consolidated with medical marijuana regulations and safety act. He provided a brief history on the first prohibition which was adopted in 2006 and how it was one of the first published appellate court opinions related to enforcement of medical marijuana prohibition (Corona v Nauls in 2008). He discussed what Proposition 64 allows which includes personal use for those persons of 21 of age or older, possession, usage and cultivation. He provided an overview of the State licenses requirements. He also addressed City staff concerns with allowing marijuana dispensaries in Corona.

Joann Coletta, Community Development Director, provided an overview on how the Building Department would be involved for compliance with Building occupancy classification. She noted that the Building department wants to ensure the proper exiting of building during emergencies. She mentioned compliance with building occupancy classification for the indoor commercial cannabis grow facility, processing, testing facility, extraction facility. She reported that concerns would be ventilation, especially inside the building. She provided an overview on the building requirements for dispensaries. She addressed how current staffing levels are not sufficient for enforcement and how there would be increased inspections by Building and Fire inspector.

Police Chief Patton addressed the Council regarding concerns on three areas for the Police Department, primarily staffing concerns. He reported that it would require additional staff to be hired. He discussed the concern with crime for these potential businesses. He mentioned that there would be an increase of reporting of illegal businesses by the legal businesses. He also brought up The Colorado Experience statistics since marijuana became legal. He provided an overview on statistic from October 2017 from Cal Chief's report which directly dealt with Colorado. Marijuana traffic related deaths have increased by 66% since Colorado has legalized marijuana. He addressed how these concerns would primarily affect first responders such as Police and Fire Department.

Tom Moody, Department of Water and Power General Manager, addressed the concerns for electricity thefts and sewer systems impact. These would be the affects due to Cannabis business. He expressed his concerns on pollutants going into the sewer system and how introducing plants would bring bugs that would ruin the sewer systems. He noted that alcohol and oils would also be of major impact. He stated that Southern California Edison (SCE) and other agencies have dedicated teams for protection but also causes their staffing levels to increase. He discussed the concerns with the water and waste water system as it pertains to pollutant associated with nitrates and pesticides that would kill the waste water process and overall water quality. He reported that currently the State Water controllers do not have a lot of regulation component to help the water that would be of concern.

John Higginbotham, Assistant City Attorney, addressed the legal aspects on cannabis as it pertains the City. He reported that there would be enforcement costs, outside legal fees could be up to six figures. He discussed the variable costs and related concerns with hiring forensic compliance audits and expert witnesses, defending constitutional challenges, lawsuits, workers compensation and other costs. There are significant risks by having these types of businesses in town. He noted that the amount of efforts it would take to prove in a litigation case would take several years and cost a lot of money. Marijuana is still illegal in Federal law which will not change anytime soon.

Dean Derleth stated the question as to the why now question. He reported that there is time to learn from other cities on the regulations as time is on our side. There is value information to be gained by waiting and knowing the regulatory/inspection issues, development of State Law and regulate.

Council Member Haley addressed Fire Chief Duffy on the inspections and responsibilities of having to go back to a non-compliance businesses. Chief Duffy responded by saying that if there is reason given, a correction notice would be issued and department would return for additional inspection until the correction has been fixed. Chief Duffy stated that as a Fire Department they have responsibilities to inspect occupancy to ensure compliance in buildings.

Mayor Karen Spiegel asked if there are other cities moving forward with Proposition 64. She asked Chief Patton what the limit for under the influence of Marijuana was. Chief stated that you have to prove impairment during a field

sobriety test prior as part of being Under the Influence but as of right now State of California doesn't have set a nanogram.

Christopher Glue spoke on behalf of Doug Heldoorn, CEO for Honestas Holdings, Inc. addressed topic regarding Prop 64 and introduced his colleague Mila Hartfordy who provided information on Honestas Holdings, Inc. They are proposing how City of Corona will benefit from granting licenses in which the city might grant.

Dustin Moore from Main Street Strategies spoke on the Commercial Cannabis Pilot Program as they would like to be given the opportunity to establish responsible cannabis policy in city of corona. Their team wants to work along City of Corona as they are Committed to Building a Community Focused Plan & Partnership.

Randall Long spoke on behalf of Emerald Management Group which is a partner comprised of Industry Experts and Life Long Corona residents and Business Owners. They know which types of regulations work. He stated that regulation is a safer alternative and there is an allocation of State Taxes on Marijuana under prop 64. He provided a brief summary on the legalization of cannabis in the states, opiates addiction and deaths are down in percentage and teen usage has not increased.

Dean Derleth addressed the key points on speakers with respect to Honestas working closely with the City of Santa Ana. It's not that the businesses are the issues that will raise the concerns in our City. As for Main Street Strategies should still need an ordinance. By acting and getting initiative are bad policies. They were not aware of other city that was an initiative measures, however City of Colton was. He stated that Emerald Management brings up City of Santa Ana, however the numbers they are providing are just numbers not actual.

John Higginbotham stated that this is more of a causation vs correlation statistic and to be careful to these statistics presented.

Mayor Karen Spiegel inquired about what the projection to black market would be in Corona.

Council Member Jason Scott asked Chief Patton if he has heard anything from Santa Ana Police Department relating to cannabis in their City. Chief Patton stated that Santa Ana Police Departments current case load has been 15 cases since they started their marijuana businesses in town.

Mayor Karen Spiegel introduced the speakers that will speak in the following order.

Tim Lynch spoke in support of Regulation of Recreational Marijuana the topic of legal billboards.

Ken Pavia spoke in support of Regulation of Recreational Marijuana and the enormous tax opportunity to citizens.

David Morales spoke in support of Regulation of Recreational Marijuana and having Integrity and trusting Doug.

Trent Zepeda spoke in support of Regulation of Recreational Marijuana and how Doug would bring great business should it pass.

Jack Ryne spoke in support of Regulation of Recreational Marijuana as it serves as medicinal purposes to take advantage of this and again trust Doug.

Dustin Moore spoke in support of Regulation of Recreational Marijuana it would bring revenue to Cities.

Joe Morgan spoke in support of Regulation of Recreational Marijuana states he is not a fan of cannabis but stated that it is going to be happening.

Adam Owens spoke in support Regulation of Recreational Marijuana a Corona Resident and Principal at Emerald Management Group states he is all about doing business the right way.

Vice Mayor Montanez addressed his concerns over cannabis mainly the cash aspect. He stated it will be hard to enforce the sales and locations for retail in City and would need to be researched. He doesn't think it's an issue primarily with the retail side of cannabis. He recommended that the three presenters come up with plan to present to City on Cannabis in City of Corona.

Council Member Dick Haley reiterated the comment given by Dean which was not to do it for the money. All three presenters come up with coherent plan on bringing cannabis to City. Projected Revenue, asked Chief Patton and Fire Chief Duffy to find out what its truly going to cost. He does think it would bring great revenue and again asked both Chiefs to do search on obtaining marijuana within a small radius from where we are at.

Council Member Jason Scott thanked the presenters for their time in providing information on Cannabis as the revenue is his concern and as it is unknown for the City. Other aspects he is concerned are those of staffing concerns.

Mayor Karen Spiegel addressed concerns about Police and how the cash monies and other monies could be affected. She asked what will happen when it comes to State versus Federal. At this time, she is wanting to hold off with moving forward.

City Attorney Dean Derleth will be contact person or any future cannabis info.

Council Consensus was to not move forward at this time.

4. Public Comments

None

5. Adjournment

Mayor Spiegel adjourned the meeting at 6:28 p.m.