

CITY COUNCIL

Dennis Hoffman, Mayor
Jeffrey A. Tolley, Vice-Mayor
Bruce T. Roundy
William "Billy" Irvin
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CITY OFFICIALS

Jennifer Schmitke
City Clerk

Leticia Espinosa
City Treasurer

CITY OF ORLAND

INCORPORATED 1909

815 Fourth Street
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CITY MANAGER

Peter R. Carr

Meeting Place: Carnegie Center
912 Third Street
Orland CA 95963

AGENDA

ORLAND ECONOMIC DEVELOPMENT COMMISSION

Tuesday, May 10, 2022

Public comments are welcomed and encouraged in advance by emailing the City Clerk, jtschmitke@cityoforland.com or by phone at (530) 865-1610 by 5:00 p.m. on the day of the meeting. This meeting will be conducted pursuant to the provisions of the AB361 which suspends certain requirements of the Ralph M. Brown Act.

In an effort to protect public health and prevent the spread of COVID-19, the EDC meeting will also be teleconferenced using Zoom technology.

The public may participate in the meeting by telephone or access the meeting via Zoom.us

Call: 1(669) 900-9128 or
Webinar ID#: 872 6236 7899

1. CALL TO ORDER – 6:00 p.m.
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL
4. ORAL AND WRITTEN COMMUNICATIONS

A. Citizen Comments:

Members of the public wishing to address the Commission on any item(s) not on the agenda may do so at this time when recognized by the Chairperson; however, no formal action or discussion will be taken unless placed on a future agenda. Public is advised to limit discussion to one presentation per individual. While not required, please state your name and address for the record. **(Oral communications will be limited to three minutes).**

5. **CONSENT CALENDAR**

- A. Approval of Economic Development Commission minutes for March 8, 2022.
- B. Compliance with AB361.

6. ITEMS FOR DISCUSSION OR ACTION

A. ARPA Funds – (Verbal Update) Pete Carr, City Manager

B. Cannabis Business Consideration - Pete Carr, City Manager

C. Potential for Joint City Council - Economic Development Commission - Planning Commission Meeting (Discussion)

- Objective/Agenda
- Format

7. STAFF REPORTS

City Manager update on: General business and economic news

8. COMMISSIONER REPORTS

9. FUTURE AGENDA ITEMS

10. ADJOURN

CERTIFICATION: Pursuant to Government Code Section 54954.2(a), the agenda for this meeting was properly posted on May 5, 2022.

A complete agenda packet is available for public inspection during normal business hours at City Hall, 815 Fourth Street, Orland, CA.

In compliance with the Americans with Disabilities Act, the City of Orland will make available to members of the public any special assistance necessary to participate in this meeting. The public should contact the City Clerk's Office 865-1610 to make such a request. Notification 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

CITY OF ORLAND
ECONOMIC DEVELOPMENT COMMISSION MEETING
March 8, 2022

1. CALL TO ORDER

The meeting was called to order by Chairperson Lane at 6:01 pm.

2. PLEDGE OF ALLEGIANCE – led by Chairperson Lane.

3. ROLL CALL

Present: Ron Lane, David Allee, Russell Pierce, and Mathew Romano

Absent: None

Councilmembers: Bruce Roundy, Jeff Tolley

Staff: Pete Carr, Rebecca Pendergrass

4. ORAL AND WRITTEN COMMUNICATIONS

None

5. CONSENT CALENDAR

A. Approval of the February 8, 2022 minutes

B. Compliance with AB361

Moved by Commissioner Allee, seconded by Commissioner Romano, motion carried to approve the consent calendar as presented. 4-0-0-0 Ayes: Commissioners Pierce, Allee, Lane and Romano; Noes: None; Abstain: None; Absent: None. Motion carried.

6. ITEMS FOR DISCUSSION OR ACTION

A. Cannabis Business Consideration

Note: background information was emailed to the Commissioners on February 25, 2022.

City Manager Carr provided the Commission with a brief history regarding cannabis as a business amongst local surrounding cities and the City of Orland. The City of Willows and the City of Chico are permitting dispensaries to operate in their respective city. Creating conditions and zoning ordinances can assist in structuring how many dispensaries are allowed within the city limits and where they are located.

City Manager Carr stated that the Orland Police Department has strong opposition to the licensing of cannabis as a business in the City of Orland. He reminded the Commission that if a recommendation was made, this topic would then move on to the City Council for discussion.

City Manager Carr stated that dispensaries are usually found in more urban areas. However, some larger cities like Rancho Cordova have banned dispensaries within their town.

Commissioner Pierce asked for clarification on how much sales tax revenue would possibly be generated and if it would cover the expenses that come with permitting dispensaries. City Manager Carr stated that due to the State collecting a higher sales tax on Marijuana, it limits how much cities can tax in addition to. Chairperson Lane requested an update on Shasta Lake's experience thus far with their dispensaries as well as clarification on what constitutes cannabis related crime. Commissioner Allee asked the commission what the difference was between allowing the sale of alcohol in town versus the sale of marijuana when they are both legal substances.

Councilmember Bruce Roundy explained that there is past prejudice surrounding marijuana and the sale of it within the City. April Hine, Prevention Specialist, Glenn County Office of Education, explained the hazards and unknown consequences of allowing for dispensaries in town. Ms. Hine presented the Commission with the 2021 California Kids Health Survey which gauges use of substances amongst adolescents. Commissioner Romano requested that this topic be expanded at the next meeting to include revenue projections.

B. Use of ARPA Funds

City Manager Carr reminded the Commission that the City received funds from the American Rescue Plan Act (ARPA) for COVID relief to be utilized at the City's discretion within federal parameters. Mr. Carr explained that the previously approved designated funds for the traffic light at Commerce Lane and Newville is no longer needed due to the Maverik development covering the additional cost. The City Council will revisit the designation of these funds. City Manager Carr asked the Commission if they had any recommendations for Council.

Commissioner Romano suggested the funds be utilized to extend city services south to Road 16. Commissioner Lane asked about Vice Mayor Tolley's skate park project as well as possibly adding a bocce ball court. Vice Mayor Tolley shared information regarding the proposed skate park project and how it could help with economic development in the sense that it will bring people into town. Commissioner Pierce would like to see funds used for something that will continue to grow and bring in revenue such as a sports complex. Commissioner Romano additionally suggested the installation of EV charging stations in town.

Chairperson Lane asked if the focus should be about pulling people off I-5 or to service current residents to the best of the City's ability. After continued discussion the Commission decided the funds would be best utilized to help with infrastructure on Road 16 and the installation of EV charging stations in the downtown area.

Moved by Commissioner Allee, seconded by Chairperson Lane, motion carried to recommend to City Council to designate a portion of ARPA funds to extend infrastructure from Commerce Lane to Road 16 on the westside of town and install EV charging stations in the downtown area. 4-0-0-0 Ayes: Commissioners Pierce, Allee, Lane and Romano; Noes: None; Abstain: None; Absent: None. Motion carried.

Moved by Commissioner Romano, seconded by Chairperson Lane, motion carried to recommend to City Council to designate a portion of the ARPA funds to the streetscapes plan around the Honeybee Discovery Center. 3-1-0-0 Ayes: Commissioners Allee, Lane and Romano; Noes: Pierce; Abstain: None; Absent: None. Motion carried.

C. Overview of Westside Development: Issues and Opportunities
This item was previously discussed in agenda item 6.B.

7. STAFF REPORTS

City Manager update on:

A. General business and economic news

City Manager Carr informed the commission that Maverik and McDonald's have both submitted applications to the City. Fourth Street Ice cream just recently had their ribbon cutting. La Corona and Little Caesars are the most recent businesses to participate in the Façade Improvement Program. The City received a permit from US Bureau of Reclamation to allow the undergrounding of the canals at Linwood subdivision. Plans were submitted for Quiet Creek subdivision at the east end of Stony Creek Drive with the expectation that this project is a few years out.

8. COMMISSIONER REPORTS

Commissioner Pierce extended a thank you to the City for a new electrical panel for the lights at Bihler Field.

9. FUTURE AGENDA ITEMS

- Continued discussion on cannabis as a business.
- ARPA Funds Update

10. ADJOURN – 8:16 pm

Respectfully Submitted,

Rebecca Pendergrass, Staff Support

Ron Lane, Chairperson

**CITY OF ORLAND
ECONOMIC DEVELOPMENT COMMISSION
RESOLUTION NO. 2022-01
RESOLUTION TO IMPLEMENT TELECONFERENCING REQUIREMENTS
DURING A PROCLAIMED STATE OF EMERGENCY**

WHEREAS, the Ralph M. Brown Act requires that all meetings of a legislative body of a local agency be open and public and that any person may attend and participate in such meetings;

WHEREAS, the Brown Act allows for legislative bodies to hold meetings by teleconference, but imposes specific requirements for doing so;

WHEREAS, on March 17, 2020, in order to address the need for public meetings during the present public health emergency, Governor Newsom issued Executive Order No. N-29-20, suspending the Act's teleconferencing requirements; and

WHEREAS, on June 11, 2021, Governor Newsom issued Executive Order No. N-8-21, continuing the suspension of the Brown Act's teleconferencing requirements through September 30, 2021; and

WHEREAS, these Executive Orders allowed legislative bodies to meet virtually as long as certain notice and accessibility requirements were met; and

WHEREAS, the State Legislature amended the Brown Act through Assembly Bill No. 361 (AB 361) on September 16, 2021; and

WHEREAS, AB 361 amended the Brown Act so that a local agency may use teleconferencing without complying with the regular teleconferencing requirements of the Act, where the legislative body holds a meeting during a proclaimed state of emergency and makes certain findings; and

WHEREAS, Government Code section 54953 requires that the legislative body make additional findings every 30 days in order to continue such teleconferencing.

NOW THEREFORE, the City of Orland Economic Development Commission hereby finds, determines, declares, orders, and resolves as follows:

1. That the foregoing recitals are true and correct and incorporates them by this reference.
2. The City of Orland Economic Development Commission finds, by a majority vote, the following:
 - a. That there exists a proclaimed state of emergency; and

- b. State or local officials have imposed or recommended measures to promote social distancing.

3. This Resolution shall take effect May 10, 2022 and shall remain in effect for thirty (30) days thereafter (until July 12, 2022), provided the conditions set forth in Section 2 remain.

PASSED AND ADOPTED by the City of Orland Economic Development Commission this 10th day of May, 2022, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Ron Lane, Chairperson

ATTEST:

Jennifer Schmitke, City Clerk

By: _____

I, Jennifer Schmitke, City Clerk of the City of Orland, hereby certify that the attached is a true and correct copy of a Resolution duly made by the City of Orland Economic Development Commission at a regular meeting of said Commission, at Orland, California, on the 10th day of May 2022, the original of which is on file in my office and duly and regularly entered in the official records of proceedings of the City of Orland.

Dated: _____

Jennifer Schmitke, City Clerk

CITY OF ORLAND

CITY COUNCIL AGENDA ITEM #: 6.B.

MEETING DATE: May 10, 2022

TO: Honorable Members of the Economic Development Commission (EDC)
FROM: Pete Carr, City Manager
SUBJECT: **Cannabis Business Considerations** (Discussion/Action)

EDC will continue its consideration of the pros and cons of licensing cannabis businesses.

BACKGROUND

The Orland City Council explored the potential positive and negative impacts of licensing medical marijuana facilities in 2015, concluded by vote that it would no longer pursue the concept. At that time, relatively few cities were licensing dispensaries. In 2016, post-adoption by the voters of California of Prop 64, the Council reaffirmed this position in its clear direction to City Staff.

In recent months, recognizing the years of expanded licensing statewide and experience of many more cities, the EDC has been discussing updated considerations of licensing cannabis businesses, with particular focus on potential sales tax revenue and public safety impacts. The City Manager provided several resources for Commissioners to review including the Cal Cities Cannabis Licensing Guide. At its March 2022 meeting the Commission discussed the legal and regulatory framework, perspective of the Orland Police Department, and experience of selected other cities. Commission members expressed a desire for more time to review the articles and guide they had been provided. The Commission also asked the City Manager to continue the discussion with planning timelines, law enforcement costs of having dispensaries, and more insight into the experience of Shasta Lake City, said city being in our region, of similar size, on I-5, and similar in proximity to a much larger city.

DISCUSSION

The Orland Police Chief will be available to meet with the Commission at its July meeting; in the meantime, he has provided several pertinent articles Commissioners may find of value to review highlighting public safety issues with cannabis businesses, attached herewith.

City Manager is seeking more insight from the Shasta Lake City Manager, may have good information by meeting time.

Attachment:
Excerpts and links to pertinent articles

RECOMMENDATION

Continue discussion reflecting information from previous publications and attached articles, plus any other new information, inform City Staff if there are additional related topics you would like to explore. Note: Chief Vlach will plan to be with us July 12.

Fiscal Impact of Recommendation: None.

ATTACHMENT: Articles referenced by Orland Chief of Police Joe Vlach:

Mar 2022 NYTimes article:

<https://www.nytimes.com/2022/03/15/business/cannabis-dispensaries-oakland.html>

Excerpts:

- “But there are signs that all is not well here. Bullet holes etched by an assault rifle dot the entrance. Three security guards, dressed in military fatigues, screen customers as they pass through a metal detector. One of the guards, a former infantryman, wears a camouflage Kevlar vest and mirrored sunglasses. A 9-millimeter pistol and 50 rounds of ammunition are strapped to his waist. “It’s crazy to think we need all this war stuff to protect our business,” said the store’s owner, Alphonso Blunt, who is known as Tucky. “But that’s where we are today.” “
- “But for Mr. Blunt, legalization has not produced the boon some might expect. Since he opened his licensed store four years ago, Mr. Blunt has yet to generate a profit.”
- “Mr. Stephenson opened his dispensary on Fourth Street in downtown Oakland in 2006, 10 years after California legalized cannabis for medical use. His goal has long been to own a publicly traded cannabis company. But his store has been closed to customers for nearly two years, the result of theft, vandalism and an insurance company that he says treated him poorly because of his race.”
- “Broader legalization brought more customers, but not necessarily higher profits. The state and city impose steep taxes — which can total more than 30 percent of each sale. Some dispensaries take in about \$3 million in revenue annually, but their taxes and expenses leave little left over.”
- “Over one 24-hour period in November, the police said, they investigated more than a dozen reported burglaries of cannabis businesses across Oakland, including several in which the thieves were armed and one in which officers were shot at as they responded.”
- “The robberies and property damage are compounding the cannabis industry’s other challenges, such as high taxes.”
- “ “Why would I want to transition to the legal market if I know I am going to go broke?” said Chaney Turner, a member of the city’s Cannabis Regulatory Commission.”
- “In late November, business was looking up. The store’s finances had been stabilized. But then, a few days before Thanksgiving, Mr. Blunt’s store was robbed for the second time in 18 months. The thieves cleared out much of the store. “This,” he said, “is not sustainable.” “

Nov 2021 Forbes article

<https://www.forbes.com/sites/chrisroberts/2021/11/30/california-police-are-letting-legal-marijuana-business-get-robbed-cannabis-industry-claims/?sh=737fa20b69c4>

Excerpts:

- “In the past two weeks, at least 25 cannabis businesses—including retail storefronts as well as cultivation and distribution centers— in Oakland alone have been burglarized, with damages in excess of \$5 million.”
- “Cannabis business are being attacked,” as Amber Senter, a leading Oakland cannabis entrepreneur and social-equity advocate, said in an interview.
- “Senter led calls Monday for tax relief and increased police presence for legal marijuana businesses, who pay the highest city and state taxes of any merchants in the city.”
- “In an e-mail, a Oakland police spokesperson acknowledged that the department had received at least 20 reports of break-ins at marijuana businesses since mid-November, when the San Francisco dispensary was robbed. “We are aware of at least 20 cannabis operations where a burglary or attempt [sic] burglary was made last week,” spokesperson Paul Chambers wrote.

Dec 2021 MJBizDaily (legal cannabis industry publisher) article

<https://mjbizdaily.com/new-rash-of-california-cannabis-robberies-threaten-survival-of-some-businesses/>

Excerpts:

- "A spate of [violent robberies](#) targeting marijuana businesses in the San Francisco Bay Area last month have thrown into question the survival of several small businesses, with the combined losses of those operators estimated to be at least [\\$5 million](#)."
- "The crimes ranged from break-ins that resulted in minor damage to, in some instances, wild gunfights between criminals and security guards, according to media reports and sources."
- "The prime takeaway from the most recent rash of thefts and vandalizations, insiders said, is the fragility of the companies targeted and the fact that they're targeted with disturbing regularity by criminals looking to make an easy buck."
- "Cannabis businesses are being robbed year-round, but no one is talking about it," said Tucky Blunt, the owner of Oakland cannabis shop Blunts and Moore, which was one of the businesses hit last month."
- "I was safer, and had more money, (selling) on the street, illegally." "
- "I know 25 or so businesses that got hit ... and out of all those, the percentage I know that told me that they may not be able to reopen is about 50%," Blunt said. "That's scary." "
- "Blunt's store is one of several cannabis companies that criminals targeted at least twice, in 2020 and again last month. He reckoned his shop has been targeted by vandals or burglars 10 times since opening in 2018."
- "She also said criminals have learned that legal, lab-tested cannabis products bring high prices on the underground market. "People still have cash, but it's not like it was three or four years ago," Senter said. "But now, they're coming in and they're stealing branded product, because that has tremendous value." "

Apr 2022 SFist (San Francisco area digital publisher in blog format) article:

<https://sfist.com/2022/04/06/oakland-cannabis-delivery-dispensary-industry-plagued-by-crime-leaders-fear-loss-of-minority-business-owners/>

- Now, those who have successfully started their business ventures in the marijuana sector are running into even greater challenges for their [Oakland cannabis delivery and dispensary companies](#). Those challenges are especially pronounced in the Bay Area, where Oakland's dispensaries have been among the hardest hit.
- "It's been a kind of a rough two years in general. Our industry has experienced massive burglaries since 2020," Chaney told KQED
- Chaney continued, "The way that these burglaries happen is you have caravans of people that will roll up to a spot stealing whatever they can get their hands on: product, cash, electronics, whatever they could take, they took. Some have been more organized with people who actually have weapons. Some of these cannabis operations were targeted multiple times, and it hasn't stopped. People don't feel safe!"
- [KTVU reported that surveillance cameras showed a group of men with guns](#) using a crowbar to pry open a gate, kill the power, get through the front door, and take what they could. Tuesday, one or more of them returned, spending almost two hours clearing out what was left
- "If the robberies continue to happen, I think we'll lose more equity businesses. You can only be robbed so many times," Chaney told KQED.

Mar 2022 Crosstown (digital publisher) article:

<https://xtown.la/2022/03/28/cannabis-crime-los-angeles/>

Excerpts:

- "Just before closing time on Feb. 13, three men and a woman walked into California Cannabis Melrose Dispensary in [Larchmont](#) posing as customers. Once inside, two of the men pulled out handguns and held a worker at gunpoint while the gang took cash from the register and grabbed product off the shelves. They tossed their haul into a waiting car and sped off."
- "A month prior on Jan. 11, burglars attempted to break into the same dispensary through the front door, but the alarm went off before they could bust their way inside. Virgil Grant, the dispensary owner, said he's heard from police and others that thieves are "specifically targeting cannabis dispensaries." "
- "Over the past four months, there have been more reports of robberies, burglaries, assault with a deadly weapon and other crimes at Los Angeles dispensaries than during any other stretch since cannabis became available for retail sale four years ago."
- "Flush with a combination of cash and cannabis products (which can be readily resold), dispensaries make for a tempting target. "From my experience, the target is the money as well as the cannabis," said Capt. Lilian Carranza from the Los Angeles Police Department's gang and narcotics unit."
- "In many cases, the damage caused to the facility during the break-in exceeds the amount of product or cash that is stolen"
- "High costs of doing business - Cannabis retail dispensaries and cultivation operations in California are required to follow strict security requirements to operate legally. This includes having a comprehensive video surveillance system, a burglary alarm system, complying with lighting and storage regulations, and providing one or more security guards during business hours. Kiloh, who owns a dispensary in Los Angeles, said dispensary owners in the area now have armed security guards 24 hours a day, adding to their costs. "

(Older) May 2018 Study by IZA Institute of Labor Economics and the RAND Corporation

<https://docs.iza.org/dp11567.pdf>

ABSTRACT:

"This study offers new insight into the question by exploiting newly collected longitudinal data on local marijuana ordinances within California and thoroughly examining the extent to which counties that permit dispensaries experience changes in violent, property and marijuana use crimes using difference-in-difference methods. The results suggest no relationship between county laws that legally permit dispensaries and reported violent crime. We find a negative and significant relationship between dispensary allowances and property crime rates, although event studies indicate these effects may be a result of pre-existing trends. These results are consistent with some recent studies suggesting that dispensaries help reduce crime by reducing vacant buildings and putting more security in these areas. We also find a positive association between dispensary allowances and DUI arrests, suggesting marijuana use increases in conjunction with impaired driving in counties that adopt these ordinances, but these results are also not corroborated by an event study analysis."

(MUCH Older) 2009 White Paper by California Police Chief's Assn. on Medical MJ Dispensaries, but may find relevancy

https://www.counties.org/sites/main/files/file-attachments/medi_marijuana_cPCA_white_paper.pdf

Excerpt from executive summary:

"Marijuana dispensaries are commonly large money-making enterprises that will sell marijuana to most anyone who produces a physician's written recommendation for its medical use. These recommendations can be had by paying unscrupulous physicians a fee and claiming to have most any malady, even headaches. While the dispensaries will claim to receive only donations, no marijuana will change hands without an exchange of money. These operations have been tied to organized criminal gangs, foster large grow operations, and are often multi-million-dollar profit centers.

Because they are repositories of valuable marijuana crops and large amounts of cash, several operators of dispensaries have been attacked and murdered by armed robbers both at their storefronts and homes, and such places have been regularly burglarized. Drug dealing, sales to minors, loitering, heavy vehicle and foot traffic in retail areas, increased noise, and robberies of customers just outside dispensaries are also common ancillary byproducts of their operations. To repel store invasions, firearms are often kept on hand inside dispensaries, and firearms are used to hold up their proprietors. These dispensaries are either linked to large marijuana grow operations or encourage home grows by buying marijuana to dispense. And, just as destructive fires and unhealthy mold in residential neighborhoods are often the result of large indoor home grows designed to supply dispensaries, money laundering also naturally results from dispensaries' likely unlawful operations."