



AMENDED A G E N D A

CITY OF SEASIDE
CITY COUNCIL

REGULAR MEETING
Council Chamber
440 Harcourt Avenue
Thursday, February 15, 2018
7:00 PM

PLEASE TURN OFF YOUR CELL PHONES UPON ENTERING THE MEETING

1. **CALL TO ORDER**

2. **ROLL CALL – ESTABLISHMENT OF QUORUM**

Ralph Rubio	Mayor
Dennis Alexander	Council Member
Jason Campbell	Council Member
David R. Pacheco	Council Member
Kayla Jones	Council Member

3. **INVOCATION AND PLEDGE OF ALLEGIANCE**

4. **REVIEW OF AGENDA**

If there are any items that arose after the 72-hour posting deadline, this is the point in the meeting where a vote may be taken to add the item to the agenda. (A 2/3-majority vote is required).

5. **PUBLIC COMMENT**

Members of the public wishing to address the City Council on matters within the jurisdiction of the City of Seaside, but not on this agenda, including Presentations and Consent Calendar items, may do so during the Public Comment period for up to three minutes. Public Comments on specific agenda items are heard under that item. For the public record, please state your name.

6. **PUBLIC AGENCY COMMUNICATIONS**

This is a time specifically set aside for representatives of public agencies to make brief comments of general interest to the City Council and the community.

7. **PRESENTATIONS**

A. **PROCLAMATION DECLARING FEBRUARY 2018 AS BLACK HISTORY MONTH IN THE CITY OF SEASIDE**

B. **PROCLAMATION AFFIRMING THE CITY OF SEASIDE'S COMMITMENT AGAINST HARASSMENT**

C. PRESENTATION ACCEPTING THE DONATION OF TWO ELECTRIC BICYCLES FROM BMW MONTEREY

PURPOSE: To accept the donation of two electric bicycles from BMW Monterey as a compliment to City efforts incorporating bicycles into City operations and enhance engagement with our Community.

RECOMMENDATION: That the City Council receive the presentation and accept the donation.

D. PRESENTATION OF FEBRUARY 2018 HOUSE OF THE MONTH

E. CSUMB SUSTAINABLE CITIES - STUDENT GIS PROJECTS

8. CONSENT CALENDAR

The Consent Calendar includes routine items that can be approved with a single motion and vote. A member of the City Council or a member of the public may request that any time be pulled from the Consent Calendar for separate consideration.

A. APPROVE MINUTES OF FEBRUARY 1, 2017

RECOMMENDATION: It is recommended that the minutes be reviewed and approved.

B. APPROVE AND FILE CITY CHECKS

PURPOSE: It is requested that the City Council approve and file the accounts payable and wired payments made during the period of January 20, 2018 through February 5, 2018. In addition, approval of the payroll and benefits checks, direct deposits and wired payments related to the period of February 1, 2018 is requested. Total Accounts Payable and Payroll for the above referenced period is \$1,417,537.51.

RECOMMENDATION: It is recommended that the checks be approved and filed.

C. APPROVE MAYOR'S YOUTH FUND CONTRIBUTION REQUEST FROM SEASIDE HIGH SCHOOL BOYS SOCCER

PURPOSE: The purpose of this agenda item is to consider a request from Seaside High School Boys Soccer Program for a donation of Three Thousand Dollars (\$3000.00) from the Mayor's Youth Fund for the cost associated with purchasing new uniforms and new equipment (balls, cones, nets, etc.).

RECOMMENDATION: Staff recommends that the City Council approve the request.

D. APPROVE A MAYOR'S YOUTH FUND CONTRIBUTION REQUEST FROM SEASIDE HIGH SCHOOL SWIM TEAM

PURPOSE: The purpose of this agenda item is a request from the Seaside High School Swim Team for a donation of Three Thousand Dollars (\$3,000.00) from the Mayor's Youth Fund for the costs associated with purchasing replacement swim equipment, parkas, fins,

kick boards and other safety equipment for the team.

RECOMMENDATION: It is recommended that the City Council approve this request.

E. APPROVE APPLICATION FOR A NEW ANNUAL BINGO LICENSE FOR FAITH VISIONS GROUP

PURPOSE: The purpose of this item is to provide the City Council an opportunity to review and approve a new annual bingo license application from the Faith Visions Group to conduct bingo games at the Oldemeyer Center in the City of Seaside.

RECOMMENDATION: It is recommended that the City Council approve the new application for an annual Bingo License for Faith Visions Group to conduct bingo games at the Oldemeyer Center, 986 Hilby Ave., Seaside.

F. APPROVE A RESOLUTION AUTHORIZING THE FIRE CHIEF TO SIGN AN AGREEMENT WITH CALIFORNIA STATE UNIVERSITY MONTEREY BAY FOR THE STORAGE OF RESERVE (BACK-UP) FIRE APPARATUS ON THE UNIVERSITY CAMPUS.

PURPOSE: The purpose of this item is to provide the City Council an opportunity to review, discuss and consider authorizing the Fire Chief to sign an agreement with California State University Monterey Bay for the storage of reserve (back-up) fire apparatus on the University campus.

RECOMMENDATION: It is recommended that the City Council approve authorizing the Fire Chief to sign an agreement with California State University Monterey Bay for the storage of reserve (back-up) fire apparatus on the University campus.

G. APPROVAL OF APPOINTMENTS TO BOARDS, COMMISSIONS, AND COMMITTEES

PURPOSE: That the City Council accept the recommendations from the Council Subcommittee and make appointments to the Homeless Committee, Environmental Committee and Community Development Advisory Committee.

RECOMMENDATION: That the Council approve the recommendations for appointments.

9. PUBLIC HEARING

A. CONSIDERATION OF AN ORDINANCE AMENDNDING TITLE 17 OF THE ZONING CODE TO ADD EMERGENCY SHELTERS AS A PERMITTED LAND USE IN THE COMMUNITY COMMERCIAL (CC) ZONING DISTRICT AND ON LANDS LOCATED WITHIN CENSUS TRACT 137. (FIRST READING, ROLL CALL VOTE)

PURPOSE: A request to amend Title 17 (Zoning Code) of the Seaside Municipal Code to allow emergency shelters as a permitted land use in the Community Commercial Zoning District and within Census Tract 137 and to establish specific development and operating standards to regulate the use.

RECOMMENDATION: City staff recommends the City Council conduct the first reading of the proposed emergency shelter text amendments and pass to print the draft ordinance as presented.

B. ADOPTION OF AN ORDINANCE MODIFYING CHAPTER 17 OF THE SEASIDE MUNICIPAL CODE TO CLEAN-UP ZONING RELATED TO CANNABIS RELATED USES

PURPOSE: In October 2017, City Council adopted an ordinance that allows Cannabis and Cannabis related uses in certain zones and conditions. This ordinance adopted certain changes to the Seaside Zoning Ordinance (Chapter 17 SMC). The proposed changes are designed to bring those additions to the ordinance in compliance with State law.

RECOMMENDATION: That the City Council adopt the draft Ordinance.

C. ADOPTION OF AN ORDINANCE AMENDING ORDINANCE 1043 AMENDING REGULATIONS FOR CANNABIS ACTIVITIES IN SPECIFIED ZONES ALLOWING THREE ADDITIONAL DISPENSARY USE PERMITS AND AFFIRMING ZONING CHANGES AS PREVIOUSLY ADOPTED (SECOND READING - ROLL CALL VOTE)

PURPOSE: Adopt Ordinance amending Ordinance 1043 and Chapter 19 of the Seaside Municipal Code regulating cannabis activities as directed during the December 28, 2017 meeting.

RECOMMENDATION: Staff recommends that the City Council approve the second reading of the draft ordinance.

10. BUSINESS ITEMS

A. CONSIDER ALLOCATION OF FORT ORD WATER TO THE SEASIDE SENIOR LIVING PROJECT

PURPOSE: The Seaside Senior Living Project Development and Disposition agreement requires the allocation of forty (40) acre feet of water from the Fort Ord water allocation to the project. The recommended action formalizes the water allocation via resolution and will allow the applicant to pursue a "will-serve" letter from the Marina Coast Water District.

RECOMMENDATION: It is recommended that City Council adopt resolutions allocating forty (40) acre feet of water from the Fort Ord water allocation to the Seaside Senior Living Project.

B. CITY ACTIONS TO IMPLEMENT THE SEASIDE RESORT PROJECT

PURPOSE: The purpose of this item is to consider authorizing an Amendment to the Second Amended and Restated Disposition and Development Agreement with Monterey Bay Resort, LLC, a Nevada limited liability company ("Developer") and an Amendment to the Second Amended and Restated Ground Lease for the Bayonet and Black Horse golf courses ("Golf Courses") also with Monterey Bay Resort, LLC. Collectively, these actions are intended to further implement the Seaside Resort Project.

RECOMMENDATION: It is recommended that the City Council approve the following resolutions authorizing the two amendments.

A Resolution of the City Council of the City of Seaside: (I) authorizing the City to enter into an Amendment to the Second Amended and Restated Disposition and Development Agreement with Monterey Bay Resort, LLC, and (II) authorizing the City to enter into an Amendment to the Second Amended and Restated Ground Lease with Monterey Bay Resort, LLC.

C. CONSIDER A LEASE BETWEEN THE CITY OF SEASIDE AND CORONA RENTALS AKA KATHERINE D. CORONA AND AND RAYMOND K. CORONA, IN TRUST, AS CO-TRUSTEES OF "TRUST ONE-CORONA 1997 TRUST" FOR AN APPROXIMATELY 3,800 SQUARE FOOT SPACE LOCATED AT 656 BROADWAY AVENUE FOR USE AS A "FORWARD OPERATING BASE"

PURPOSE: To approve a lease for office and public outreach space at 656 Broadway Avenue in Seaside. This space will be used to house Economic Development as well as Planning staff in order to increase opportunities for public interaction and input on the various future and current projects in Seaside.

RECOMMENDATION: It is recommended that City Council approve the lease of 656 Broadway Avenue for the purpose of an office and outreach center.

11. MAYOR, CITY COUNCIL, CITY MANAGER AND CITY ATTORNEY COMMENTS AND REPORTS ON COMMITTEE ASSIGNMENTS

This is a time specifically set aside for members of the City Council, the City Manager and City Attorney to make brief comments of general interest to the community, make requests that items be added to future City Council meeting agendas as necessary and report on committee assignments.

12. ADJOURNMENT

Next Regularly Scheduled Meeting:
March 1, 2018
7:00 PM

The City of Seaside is committed to providing accessible facilities and accommodating people with disabilities in all of its services programs and activities. If special considerations are needed by any person to fully participate in this meeting, they are asked to contact the City Clerk at 899-6707 no fewer than two business days prior to the meeting to allow reasonable arrangements. The City Council chamber is equipped with a portable microphone and assisted listening devices are available at all meetings.

City Council Meetings that are held in the City Council Chambers are broadcast live to all Seaside residents on Comcast Channel 25 and U-verse Channel 99. Meetings are also available through live streaming at:

<http://cvp.telvue.com/player?id=T01629&video=52314&noplaylists=1&width=400&height=300>

Videos of past meetings are available on demand through the City's website: <http://www.ci.seaside.ca.us>

Agenda-related writings or documents provided during public meetings are available for public inspection during the meeting or from the office of the City Clerk. This agenda is posted in compliance with California Government Code

City of Seaside PROCLAMATION



Black History Month February 2018

WHEREAS, during Black History Month, we celebrate the many achievements and contributions made by African Americans to our economic, cultural, spiritual and political development; and

WHEREAS, the City of Seaside embraces its diversity and acknowledges the invaluable contributions of its African American residents and visitors as we celebrate Black History Month; and

WHEREAS, the City of Seaside was incorporated on October 13, 1954 and, less than a month later, on November 12, 1954, Richard Joyce and Jack Simon formed the first African American political caucus named the Civic Voters League, and later Ewalker James and Morris McDaniel and others formed the Citizens League for Progress; and

WHEREAS, civic minded individuals served in city government in many different roles including as Mayor: Oscar Lawson, Stephen Ross, Lance McClair, Don Jordan, and Jerry Smith; as Councilmen: Monroe Jones, Oscar Lawson, Theron Polite, Ian Oglesby, Mel Mason, and Darryl Choate; and Councilwomen: Pearl Carey, Ira Lively (after becoming the first female Seaside police officer), Helen Rucker and Current Council Woman Kayla Jones; as City Managers: Stanley Hall, Charles McNeely, and Tim Brown; as a member of the Seaside History Commission, Pope McDonald, and as a member of the Seaside Art Commission for 30 years, Walter Lee Avery for whom the City of Seaside Art Gallery is named; and

WHEREAS, Seaside, as a model of racial and ethnic accord within community with a reputation for championing civil and human rights, was visited by national civil rights leaders including Dr. Martin Luther King, Jr. as well as by Rosa Parks; and

WHEREAS, Seaside educator Dr. Charlie Mae Knight, who later became the first African American female California State Associate Superintendent of Instruction, spearheaded the 1966 to 1969 recruitment to the Monterey Peninsula Union School District of more than 70 African-American teachers and administrators including Henry Hutchins, Helen Rucker, Dr. Bettye Lusk, and Billie De Berry; along with the on-going contributions of many educators including, but not limited to teachers Lucille Standifer, Willie McCain, Mattye Effie McNeal, Myrtle Duffel, and Dr. Marie Sweet; Principals Mae Johnson, Dr. Gwendolyn and Ty Laster; and the first African American MPUSD Superintendent, Billie De Berry. Those elected as MPUSD Board Trustees included Sam Brown, Helen Rucker, Dr. Bettye Lusk, and Ira Lively, the first African American female elected to the board in 1979 and who was also an adjunct professor at Monterey Peninsula College; and

WHEREAS, eighty-six years ago, the NAACP was established locally and over the years has advocated for the civil and human rights of the larger Peninsula community, benefiting from the service of many including Mel Mason, Ruthie Watt, and current President Regina Mason; and

WHEREAS, Seaside residents who contributed to the field of sports and became professional athletes included NFL Philadelphia Eagles footballers Ron Johnson, Anthony Toney, and M. L. Carter, as was Herman Edwards (played with the Eagles from 1977 to 1985) who then went on to become Head Coach for the Kansas City

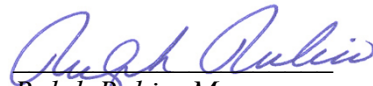
Chiefs, coach of the New York Jets, an ESPN analyst, and the newly named Head Coach for Arizona State University; and

WHEREAS, the National Pan Hellenic Council of Seaside, a coalition of African American sororities and fraternities, continues to organize events and provides scholarship money for youth throughout the Peninsula, and, beginning 1986, Delta Sigma Theta Sorority, Inc. under the leadership of Bobbie McDaniel, partnered with the City of Seaside to establish the 1st Dr. Martin Luther King, Jr. (annual) city-wide celebration, and which for the past 12 years has been supported by the NPHC Council with the coordination of Alice Jordan; and

WHEREAS, the Kiwanis Club of Seaside, formed in 1959, changed the face of Kiwanis by becoming the first predominately African American group, with Alice Jordan later serving as the first female African American Lt. Governor of Division 43 (the California, Nevada and Hawaii District); and

WHEREAS, after the founding of the Fort Ord Reuse Authority (FORA) in 1994, a group of community minded visionaries including Michael Houlemard, Executive Officer, Don Jordan, and Lance McClair, advocated for the creation of what is now California State University at Monterey Bay;

NOW THEREFORE, BE IT PROCLAIMED, that I, The Honorable Ralph Rubio, Mayor of the City of Seaside, on behalf of the City Council, do hereby proclaim February 2018 as Black History Month in the City of Seaside and recognize all the residents including ones who are not listed here, that have made an impact in the community and who work and serve to make Seaside an inclusive, supportive community for all, known for its historic legacy and on-going contributions to our overall quality of life.


Ralph Rubio, Mayor
February 15, 2018

City of Seaside PROCLAMATION



AFFIRMING THE CITY OF SEASIDE’S COMMITMENT TO A HARASSMENT FREE WORKPLACE

WHEREAS, *the U.S. Equal Employment Opportunity Commission established a Select Task Force to study harassment in the workplace and in June 2016 issued a “Report of the Co-Chairs of the EEOC Select Task Force on the Study of Harassment in the Workplace”; and*

WHEREAS, *according to the Report, up to 85% of women said they’ve experienced sexual harassment in the workplace; and*

WHEREAS, *time, energy, and resources are diverted from operations and the true cost of harassment includes decreased workplace performance and productivity, increased employee turnover, and reputational harm; and*

WHEREAS, *movements like the #metoo campaign demonstrate that harassment, bullying, and abuse are pervasive and have lasting effects on the victims; and*

WHEREAS, *the City of Seaside strives to create and to maintain a workplace which promotes teamwork, respect, and productivity; and*

WHEREAS, *it is City policy to provide a work environment free of harassment and to take all appropriate action to prevent, eliminate, and/or remedy a hostile or discriminatory work environment; and*

WHEREAS, *the City has developed and implemented a harassment, discrimination, and retaliation prevention policy; and is committed to harassment, discrimination and retaliation-free workplace.*

NOW THEREFORE, BE IT PROCLAIMED, *that I, The Honorable Ralph Rubio, Mayor of the City of Seaside, on behalf of the City Council, do hereby affirm the City of Seaside’s commitment to a harassment and discrimination-free workplace and is dedicated to the equal and harassment free treatment of all residents.*

Ralph Rubio, Mayor
February 8, 2018



**CITY OF SEASIDE
STAFF REPORT**

Item No.: 7.C.

TO: City Council

FROM: Craig Malin, City Manager

BY: Police Commander Nick Borges

DATE: February 15, 2018

**SUBJECT: PRESENTATION ACCEPTING THE DONATION OF TWO
ELECTRIC BICYCLES FROM BMW MONTEREY**

PURPOSE

To accept the donation of two electric bicycles from BMW Monterey as a compliment to City efforts incorporating bicycles into City operations and enhance engagement with our Community.

RECOMMENDATION

That the City Council receive the presentation and accept the donation.

BACKGROUND

BMW of Monterey Bay approached the Seaside Police Department to offer a donation of two electric bicycles for City use. This donation will assist the City with our goals to be a more sustainable and engaged community.

This action complements existing efforts to incorporate bicycles into police patrol as the Seaside Police Department has purchased and is in the process of implementing a new bicycle patrol to provide a different level of enforcement for hard to patrol areas, to assist with homeless encampments and to patrol during special events. This new patrol detail will be a positive impact to City efforts to revitalize the downtown area as it will encourage trained officers to have positive engagement, be present and visible in the commercial district.

City staff are also in the process of establishing a city-wide bike share program for residents and visitors to check in and out of various locations as well as establishing a City Staff bike corral which can be used by City Employees for field work which will contribute to our staff wellness plan keeping City employees healthier and more productive.

Going forward, the City has adopted the Complete Streets design standards which requires any new street designs to be modeled for access of all users, including pedestrians, bicyclist and motorists. Keep an eye out for new bike lanes throughout the City.

The City accepts the gracious donation from BMW Monterey as a compliment to City efforts incorporating bicycles into City operations and enhance engagement with our Community.

FISCAL IMPACT

ATTACHMENTS

Reviewed for Submission to the
City Council by:



Craig Malin, City Manager



DRAFT MINUTES

CITY OF SEASIDE
CITY COUNCIL

REGULAR MEETING
COUNCIL CHAMBER
Thursday, February 1, 2018
7:00 PM

1. **CALL TO ORDER**

Mayor Rubio called the meeting to order at 7:00 PM.

2. **ROLL CALL – ESTABLISHMENT OF QUORUM**

PRESENT: Alexander, Campbell, Jones, Pacheco, Rubio

ABSENT: None

3. **INVOCATION AND PLEDGE OF ALLEGIANCE**

Reverend Murray led the invocation and Council Member Campbell led the Pledge of Allegiance.

4. **REVIEW OF AGENDA**

No changes were requested.

5. **PUBLIC COMMENT**

Mayor Rubio invited comments from the public.

- Uli Siebeneick requested that the Council do something about the traffic on Monterey Road. He expressed frustration that over 200 people signed a petition acknowledging a traffic issue with no response from the City. Please enforce the gate closure of the Seaside High School as when the gate is closed, there are no issues.
- Ruthie Watts thanked the Mayor for attending the Coalition of High School Scholarships Forum.
- Peter Keiser invited staff to the Forty Days of life celebration and spoke against abortion and also requested that the city does not allow additional liquor nor cannabis in Seaside.
- Helen Rucker said she resents Mr. Keiser's comments that the majority of aborted babies are African Americans. She wanted it known that she resents the comment.
- Miriam Smith spoke to being harassed by police officers and that she has sent information to Council Members and hates to think that we are going back in time. She thinks that we should have a community friendly city, and wants to bring the matter forward. If you sleep in your car, inside of your driveway, that should not be a problem.
- Darleen Osley spoke to being accused of side swiping a car and disagrees with the report and spoke against Seaside Police assistance. She disagreed with the process that if an officer does something wrong, no one will know if there was any punishment and that it should be made public.

6. **PUBLIC AGENCY COMMUNICATIONS**

Fire Chief Dempsey spoke to the collaboration between the Seaside Fire Department and the Monterey Bay Area Chapter of the Red Cross on January 27th and reported the following impacts:

- 259 alarms installed
- 70 households visited
- 302 residents prepared
- 67 Red Cross and Community volunteers

- 10 Firefighters

Gloria Stearns notified the Council that the City of Seaside received an award from Cal Ed the California Economic Development Council in the category of economic development programs for the Sea Stars volunteer park cleanup program.

7. **PRESENTATIONS**

A. **SAFE ROUTES TO SCHOOL PLANNING GRANT**

City Engineer Rick Riedl announced that the City of Seaside teamed with City of Marina and TAMC have been awarded a planning grant for their Safe Routes to School application. Ariana Green from TAMC provided a brief presentation on the project that earned the award. Ms. Green explained that there is a history of bicycle and pedestrian injuries in the city over the last five years which this program is trying to address as well as finding ways to address childhood obesity. The team intends to partner with MPUSD and Monterey County office of education and develop safer opportunities to for youth to walk and bike to school. She outlined the project objectives including engaging the schools, walking the routes and working with stake holders to develop concept designs for actual improvements in the future. There will be a large education and encouragement program that will assist with setting up school pools to reduce school traffic. Community engagement will be a huge part of this process to ensure the concept plans are what the community both wants and needs. This is a two year grant, kicking off in April 2018 with plan adoption in Spring of 2020.

B. **PRESENTATION OF JANUARY 2018 HOUSE OF THE MONTH AWARD, 2017 HOUSE OF THE YEAR AWARD AND BUSINESS OF THE QUARTER**

Mayor Rubio and Neighborhood Improvement Program Chair Ray Bennett awarded the winners of the House of the Month for January 2018, the House of the Year for 2017 and the Business of the Quarter. Representatives from Montage Health and the County of Monterey thanked the City and spoke of the benefits to the community of the new Seaside Family Health Care Clinic.

C. **PRESENTATION OF THE 2018 ILLEGAL FIREWORKS OPERATION PLAN**

Chief Veloz presented the 2018 Fireworks Operations plan to the Council explaining the City of Seaside has a reinvigorated zero tolerance policy for illegal fireworks and she outlined the operation enhancements that will be in effect from May to July 2018. The plan includes several new education and enforcement mechanisms. She indicated staff will have a robust public outreach campaign to will include bilingual public services announcements, mailers, flyers and videos to educate residents and visitors of fireworks regulations and changes to enforcement including social hosting enforcements.

Public outreach will include the following:

- 911 reverse phone messages
- Neighborhood watch and business block watch flyers
- Generate list of known past fireworks violations locations for targeted enforcement prior to holiday
- Flyers given to all safe and sane vendors
- Promotion of the City's Tip Soft number and App which gives individuals the option to report illegal use, including uploading photos or videos
- Placement of Changeable Messaging Signs (CMS) boards in three locations starting June 20th
- Seaside's School Resource Officer will give presentations to High School and Middle Schools before the end of the school calendar in June

Enforcement will include the following:

- Coordination with PRVNT for possible intelligence for any illegal fireworks that are coming into the city.
- All holiday vacation days off have been canceled for July 4th for public safety staff.
- Two weeks surrounding 4th of July, there will be an overtime special assignment for a special firework patrol detail paying special attention to known areas
- Staff is expecting to issue numerous administrative citations
- Seaside fire department will use drones for monitoring fire hazards

The overall fiscal impact of the enforcement plan is \$23,000. Staff is planning to contract with Monterey College of Law for facilitation of the administrative hearings but costs are expected to be offset with fine revenues.

Council Member Pacheco spoke to the city-sponsored holiday event to provide an opportunity so the residents can go to a positive place for an organize activity and will highlight the city's alternative to the illegal fireworks. The event will range from late afternoon to early evening and spoke to the need to ensure the public knows that the City is serious about enforcement. He spoke in support of the funds that it raises for youth, but believes that the damage that is done by the noncompliance with illegal fireworks outweighs the benefit for the nonprofit organizations. Increasing the fine to \$2,500 will be a huge step forward, in combination of the other new enforcement efforts. Council Member Jones requested consideration of partnering with churches or non-profit organizations to shuttle people to the event. Council Member Campbell requested consideration of the use of Nail 'Em App, he spoke in support of the idea of the reverse 911 call and requested that the message be bilingual. Please consider a notice like door hangers and he echoed the strong effort that is needed and thanked the officers for their sacrifice of time off. Ms. Veloz spoke to the Nail'Em app which will duplicate what our Tip Line app will do. Mayor Pro Tem Alexander questioned Fire Chief Dempsey regarding the privacy of drone footage, to which the Fire Chief indicated the drone will fly over exclusively public areas and that staff will work with the City Attorney for compliance. Mayor Rubio spoke in support of the selection of enforcement tools that will create a deterrent.

D. RECEIVE PRESENTATION ON THE OUTCOMES FROM THE JANUARY 31, 2018 STRATEGIC PLANNING SESSION

City Manager Malin presented the results of the January 31, 2018 Strategic Planning Session. The resulting work plan included almost 100 objectives that all focused on achieving fiscal strength and improving quality of life. Categories included economic development and Jobs, modernizing operations, long range fiscal planning, revenue diversification and optimization, quality of life, public safety, community investment and 21st century engagement.

8. CONSENT CALENDAR

Council Member Pacheco recused himself from item F. Mayor Pro Tem Alexander requested to pull item D for presentation. Mayor Rubio requested comments from the public and had no requests to speak.

On motion by Mayor Pro Tem Dennis Alexander and seconded by Kayla Jones and passed by the following vote the City Council approved the Consent Calendar with the exception of item D and Council Member Pacheco was recused from item F.

RESULT:	Approved
MOVER:	Mayor Pro Tem Dennis Alexander
SECONDER:	Kayla Jones
AYES:	Ralph Rubio, Dennis Alexander, Jason Campbell, Dave Pacheco, Kayla Jones

NOES:	None
ABSENT:	None

A. APPROVE MINUTES OF DECEMBER 28, 2017 AND JANUARY 18, 2018

Action: Approved

B. APPROVE AND FILE CITY CHECKS

Action: Approved

C. APPROVE A MAYOR'S YOUTH FUND CONTRIBUTION REQUEST FROM SEASIDE PONY BASEBALL AND SOFTBALL

Action: Approved

D. APPROVE A MAYOR'S YOUTH FUND CONTRIBUTION REQUEST FROM SEASIDE HIGH SCHOOL LIFTING CLUB

Students from Seaside High school spoke to the benefits of the club and what the expenditures would be used for and to the need to encourage healthy life styles and safe lifting practices. Council Member Campbell spoke in support of the intent to strive for purchasing recycling rubber mats and thanked them for that effort.

On motion by Mayor Pro Tem Dennis Alexander and seconded by Council Member Dave Pacheco and passed by the following vote the City Council approved the request as presented.

RESULT:

Approved

MOVER: Mayor Pro Tem Dennis Alexander

SECONDER: Council Member Dave Pacheco

AYES: Ralph Rubio, Dennis Alexander, Jason Campbell, Dave Pacheco, Kayla Jones

NOES: None

ABSENT: None

E. APPROVE A MAYOR'S YOUTH FUND CONTRIBUTION REQUEST FROM THE BOYS & GIRLS CLUBS OF MONTEREY COUNTY

Action: Approved

F. APPROVE A FEE WAIVER REQUEST FROM THE LULAC COUNCIL NO. 2895 FOR THE USE OF A MEETING ROOM AT THE OLDEMAYER CENTER

Action: Approved

G. RESOLUTION APPROVING AN AMENDMENT TO THE PROFESSIONAL SERVICE AGREEMENT WITH VERDE DESIGN TO COMPLETE THE DESIGN FOR THE MULTI-FIELD AND SKATE PARK AT CUTINO PARK FOR AN AMOUNT NOT TO EXCEED TWO HUNDRED TWENTY THOUSAND FIVE HUNDRED EIGHTY DOLLARS (\$220,580)

Action: Approved Resolution 18-04

9. PUBLIC HEARING

A. INTRODUCTION OF AN ORDINANCE AMENDING ORDINANCE 1043 AMENDING REGULATIONS FOR CANNABIS ACTIVITIES IN SPECIFIED ZONES ALLOWING THREE ADDITIONAL DISPENSARY USE PERMITS AND AFFIRMING ZONING CHANGES AS PREVIOUSLY ADOPTED

Economic Development Manager Overmeyer provided an overview of the changes that were requested at the December 28, 2017 City Council meeting requiring amending our Municipal Code to add three additional dispensary permits, allow a total of 6 of each type of medical or adult and to reduce the buffer between dispensaries to 500 feet only on west Broadway and the buffer remains

for all other areas. This also is an opportunity to update formatting issues and modify the process to make improvements to the scoring process incorporating the Council, Planning Commission, Staff and Applicant comments made regarding the process. Mr. Overmeyer discussed the Planning Commission meeting, discussion and ultimate recommendation that the buffer stays at 1,000 feet.

Mr. Pacheco questioned Economic Development Manager Stearns asking her professional opinion of the impacts of having three dispensaries on Broadway to which she responded that it will increase the foot traffic on Broadway having diverse opportunities, which is the goal of a thriving downtown and she sees no negative impact to the downtown area. Council Member Jones questioned the 500 foot buffer and expressed concern with the total number of cannabis related permits that have been issued that it would become a green strip and overwhelms the area. Staff clarified that only three are allowed on Broadway itself and the others uses are prohibited from occupying storefront properties. She expressed concern that the initial three do not approve of the change of regulations. Council Member Campbell questioned the typical store front length of 25 feet, and does not believe that a 500 foot buffer would lead to saturation. Mayor Pro Tem Alexander spoke to positive impact it may have on safety that having many security guards in a smaller area may actually be an economy of scale and help increase the security of the downtown area. Mayor Rubio indicated that increase security around the back doors will increase the security of the alley ways and there may be a positive unintended consequence. He also spoke in support of competition.

Mayor Rubio invited comments from the public.

- John Stansbury, owners of the City Center, he spoke to the standards they have at their property and spoke in support of the WBUV intensification. His specialty is commercial retail and creating synergy is ultra-important for any industry. Competition creates choices for customers who have a myriad of backgrounds and there are so many purveyors. The concentration is consistent with efforts to activate and create a synergy. He spoke in Support of Sugar Leaf/Pharm house application moving forward.
- Danny Huynh based on the staff recommendation, he was in the top five, and was recommended by City staff, but on December 28th, he was bypassed, and the applicant below was left out, and one below them was chosen above him. He requested reconsideration of the Toke Med Application.
- Jill Wycoff, resident, believes that because they are all cash businesses it is a target for criminals. She questioned if the city has done any studies on how multiple dispensaries might affect the police ability to keep the city safe, including the staff and customers.
- Pastor Fred Meeks from Carpenter House Church spoke to the issues that churches have grave concerns as they counsel regularly with people who are impacted by Marijuana and issues of addiction.
- Leslie Anderson, resident and property owner in Seaside questioned the amount of resources that this will generate to cover the cost of additional police services.
- Gary Jackson spoke to comments he incurs when he tells people he works in Seaside that relate to Seaside having a high crime rate. In the last several years, he feels that it is safer and more engaging and without knowing the impact of three dispensaries, please do not increase it to six. There should be balance and the decision should not only be about revenue.
- Reginald Carter, Pharm House Sugar Leaf team, spoke to some comments made, explaining the difference between the stereotypical pot dealer and an upscale dispensary that is targeting upper middle class, educated people and not the lower drug culture type of vendors. This will be an investment that will activate the area and also bring foot traffic. Three new businesses that will bring building improvements that will bring more customers to the downtown area, and more tenants will come. He spoke to the concentration known as retail agglomeration, which ends up being better for business as well as for customers.
- Ron Lee, Owner of a Broadway Business, spoke to his tenant and cannabis applicant Toke Med was to get a permit and that the applications should have been selected in a fair

process. He requested reconsideration of the toke med application

- Jamie Rivard, The Reef applicant, provided a map of the census track for the city, and he spoke to the state law regarding concentration of business which will dilute the amount of money to be spent on security and is concerned that the state will enforce the regulations, that will negatively impact the applicants and the City. The census tracks outlines that the additional business will spend money for a license but may be denied at the state level.
- Ruthie Watts requested clarification that the Council direction was to open businesses that were elegant. Our reputation is not the best, and is concerned that it will not help with the reputation. We want businesses with class.
- Tyson Hunter, congratulated the Sea Stars contribution team. He also spoke to the retail type retail agglomeration, the consolation of a resource in areas that not only the retailers will see but the city as well as the citizens. The Citizens get a higher quality product, at competitive prices. The retailers get higher foot traffic. Trying to inject capital investment into the building, it benefits the City. When they are consolidated together everyone benefits across the board.
- Julia Sager she said that she moved here 1960 said she was ashamed that Seaside would consider this business use. She thinks there are other revenue sources, she has not seen improvement over the years, and to add this will exacerbate the police use.
- Kenneth Murray, Pastor of Ocean View Baptist Church hears the voice of the concerns, the changes of the law, but is astonished that we went from three to six, some that was based on the matrix, and some not. He holds two NA meetings at the church weekly, averaging 40 -70 people, people that are in recovery, trying to stay clean and sober and it's a hard task. It affects the one individual but also the family. It's going to be more of a problem than a solution.
- H.H. Lusk spoke in agreement with the other pastors that they are having challenges with users and counseling them and the impacts to their families. The problems that this will incur will be large. He is concerned with the vision for the city and the investment in Broadway will be opposite of the intention of the improvements.
- Sal Palma, Higher Level of care requested the Council not to allow the additional buffer modification. He spoke to his operating a permitted dispensary in Monterey County and has seen how the sales have been impacted by the new law. The sales have dropped 30% since the first of the year, due to a 30% tax being charged to the end user, and there is no regulation or enforcement on un-permitted deliveries in the county. Many of the customers are patronizing unpermitted delivery services that are not charging the taxes. Enforcement may come down at one point, but there are tough to enforce and currently operate with impunity.
- Sahan with Rare Earth reminded the Council that the total number of permits was always up for debate with the consideration that there would be more added in the future, but that possibility was always present. He presented data regarding numbers of facilities, and encouraged them to not underestimate the cannabis industry. He expressed disappointment with the insulation that he is affiliated with criminal activity.
- Janice Steibel spoke to the idea of capitalism and that yes, some business fail but it does not look good for a city to have closing businesses. She spoke in support of the Salinas Application process. Suggested following that model. She understands what Sahand said and the reputation of cannabis is that it is not a street drug. There will be people from the peninsula coming to seaside to make their purchases.

Council Member Campbell agreed that there are unknowns; however it is time that it becomes more acceptable in the community as it was approved legal by the state and by our Citizens. He spoke to San Francisco expunging the cannabis related criminal records. He believes that anything, not used in excess, is acceptable. He disagrees with the labeling that is occurring with those that use cannabis and he spoke in support of changes to the ordinance. Changes to the ordinance he was in support of cleaning up the application process. Happy with the six that were settled on.

Mayor Pro tem Alexander spoke to several comments made about people coming here to buy a legal substance and spoke in support of people coming to Seaside to buy legal items. He thinks that the buffer reduction will create vibrancy and security would be better. He requested clarification on the public comment that Crime in Colorado and Seattle increased to which Mr. Overmeyer indicated that there was an initial increase due to the influx of visitors but then there was a precipitous drop in violent crime and small increase in arrest for driving while illegally altered. Mr. Alexander questioned the comment about the dodging of taxes by the delivery services to which Mr. Overmeyer said it was a phenomenon of delivery services, not dispensaries and they are difficult to regulate. Mr. Alexander spoke in support of regulating an illegal activity to protect public safety and in support of the approval of six applications.

Mayor Rubio spoke to the personal nature of his position, being in recovery for 30 years, and there may be people with negative motives but when you take something from the shadows and shine the light, it improves things. He spoke to originally being opposed but in response to the public vote of 65% resident approval he is being responsive to the citizens. He has no problem with the staff recommendation and in support of the state and local regulations. The community has overwhelmingly voted in favor of the use, so he is supporting the business activity, even though he will not personally engage in the activity.

Council Member Pacheco spoke in support of West Broadway Improvements that he feels hope. He spoke in support of the previous direction approving six dispensaries and in support of staff recommendation and their professional opinion. He defended his section of the applicant The Reef because of the location that will improve a blighted building and he encouraged the selected applicants to continue to demonstrate their commitment to the community by staying involved and engaged.

Council Member Jones spoke to missing the previous meetings where the cannabis applications were approved due to illness. She spoke in support of the scoring matrix, but said that when the recommendations were made for businesses chosen, the justification did not make sense according to the scores. She also expressed disagreement with adding three additional permits, because there was an expectation of three for the application process, which impacts their projected revenues. She didn't think it was articulate adequately how or why the other three applicants were chosen. She spoke to the determination that was made to start with three and grow into six and requested that the Council reconsider the additional three dispensaries.

Mayor Pro Tem Alexander made a motion to approve the recommendation as presented and was seconded by Council Member Pacheco.

Council Member Campbell, speaking on the second, explained that all the applications were very good and strong and he made his decision to add more because of the quality of the applications.

Motion passes 4-1, Council Member Jones voting No.

B. INTRODUCTION OF UPDATES TO CHAPTER 17 OF THE SEASIDE MUNICIPAL CODE TO CLEAN-UP ZONING RELATED TO CANNABIS RELATED USES

Mr. Overmeyer presented the report explaining that In October 2017 the City Council adopted an ordinance that allows Cannabis and Cannabis related uses in certain zones and conditions. This ordinance adopted certain changes to the Seaside Zoning Ordinance (Chapter 17 SMC). The proposed changes are designed to bring those additions to the ordinance in compliance with State law. On question City Attorney Freeman reiterated that there are three use permits that are up for approval and there will be an addition of a development agreement that would come back before the council. Mayor Rubio invited questions from the public and had no request to speak.

RESULT:	Approved
MOVER:	Mayor Pro Tem Dennis Alexander
SECONDER:	Council Member Dave Pacheco
AYES:	Ralph Rubio, Dennis Alexander, Jason Campbell, Dave Pacheco, Kayla Jones
NOES:	None
ABSENT:	None

10. BUSINESS ITEMS

A. ADOPT A RESOLUTION MODIFYING THE 2017-18 FEE SCHEDULE TO INCREASE THE ADMINISTRATIVE CITATION FOR FIREWORKS VIOLATIONS TO \$2,500

City Manager Malin indicated that this was part of the increased deterrent method for enforcement of illegal fireworks. Mayor Rubio said he believes it will help with the enforcement of illegal fireworks. He invited comments from the Council and the public on the item and had no requests to speak.

RESULT:	Approved
MOVER:	Mayor Pro Tem Dennis Alexander
SECONDER:	Council Member Jason Campbell
AYES:	Ralph Rubio, Dennis Alexander, Jason Campbell, Dave Pacheco, Kayla Jones
NOES:	None
ABSENT:	None

11. MAYOR, CITY COUNCIL, CITY MANAGER AND CITY ATTORNEY COMMENTS AND REPORTS ON COMMITTEE ASSIGNMENTS

Council Member Jones reported on attending the League of CA Cities conference and was assigned to the Economic and Housing Policy Committee. She requested the City Manager to look into the rumor that CSUMB is switching their address to Marina and reach out to CSUMB to find the truth of the rumor. Council Member Campbell requested to review the Mayor's Youth Fund Policy. Mayor Pro Tem Alexander spoke to the Red Cross event and in support of the Fire Department. He further explained the direction that Seaside High has taken which has gotten them recognized by the New York Times as one of 8 forward thinking schools in the country and as a City we should be very proud of this. Council Member Campbell also requested that staff reconfigure the Planning Commission and Board of Architectural Review to streamline any development applications and that should come before the Council at the appropriate time. Mayor Rubio spoke to the pending applications before FORA for pending annexations,

12. ADJOURNMENT

On motion, the meeting was adjourned at 9:59 PM.

Respectfully submitted,

Lesley Milton-Rerig, City Clerk

Ralph Rubio, Mayor



**CITY OF SEASIDE
STAFF REPORT**

Item No.: 8.B.

TO: City Council

FROM: Craig Malin, City Manager

BY: Daphne Hodgson, Deputy City Manager Administrative Services

DATE: February 15, 2018

SUBJECT: APPROVE AND FILE CITY CHECKS

PURPOSE

It is requested that the City Council approve and file the accounts payable and wired payments made during the period of January 20, 2018 through February 5, 2018. In addition, approval of the payroll and benefits checks, direct deposits and wired payments related to the period of February 1, 2018 is requested. Total Accounts Payable and Payroll for the above referenced period is \$1,417,537.51.

RECOMMENDATION

It is recommended that the checks be approved and filed.

BACKGROUND

In accordance with Government Code Section 37208, at each City Council meeting the Council is provided a listing of the payroll and general checks issued since the last report so that it can inspect and confirm these checks. Each purchase has been reviewed and approved by the department making the purchase at the time of procurement. The invoice has been reviewed by the Finance Department prior to payment to ensure that it conforms to the approved budget.

Therefore, in accordance with Government Code Section 37208, the above referenced, and linked list of checks conforms to the approved budget and has been paid. These checks are submitted to the City Council for inspection and confirmation.

A description of the checks and wires exceeding \$10,000 are as follows:

- \$842,502.07 for payroll and benefits;
- \$18,868.75 to E2 Consulting Engineers for professional services for the Del Monte Lift Station; December, 2017.

- \$11,957.94 to Ford & Harrison, LLP for legal services during December, 2017 and January, 2018.
- \$25,598.00 to Mark Thomas & Company for WBUV consulting services for October/November, 2017.
- \$69,898.42 to Monterey Peninsula Engineering for Angelus Way pipe removal.
- \$136,332.94 to Torti Gallas and Partners, Inc. for professional services from September through December, 2017.
- \$44,294.82 to PG&E for collective city accounts - gas/electric consumption for January, 2017.
- \$35,112.34 to Verde Design, Inc. for Cutino Park improvements; December, 2017.
- \$12,454.00 to League of California Cities for membership dues for 2018.
- \$13,120.71 to Monterey County Petroleum for fuel for City vehicles during December 2017/January 2018.
- \$27,957.15 to Monterey County Sheriff for criminal justice information system; 7/1/17 - 9/30/17.
- \$16,784.04 to National Meter & Automation for water department smart meters/endpoints purchased during December, 2017.
- \$14,805.53 to Siemens Industry, Inc. for traffic light maintenance fees for October/November, 2017.

The remaining checks, totaling \$147,850.80 include payments to vendors for operating expenditures.

The Checks report is available on the City's website here:

<http://www.ci.seaside.ca.us/194/Check-Draft-Register>

FISCAL IMPACT

ATTACHMENTS

1. The Checks report is available on the City's website here:
<http://www.ci.seaside.ca.us/194/Check-Draft-Register>

Reviewed for Submission to the
City Council by:



Meeting Date: February 15, 2018

Craig Malin, City Manager



**CITY OF SEASIDE
STAFF REPORT**

Item No.: 8.C.

TO: City Council

FROM: Craig Malin, City Manager

BY: Nancy Towne, Recreation Services Director
Dan Meewis, Recreation Supervisor

DATE: February 15, 2018

**SUBJECT: APPROVE MAYOR'S YOUTH FUND CONTRIBUTION REQUEST
FROM SEASIDE HIGH SCHOOL BOYS SOCCER**

PURPOSE

The purpose of this agenda item is to consider a request from Seaside High School Boys Soccer Program for a donation of Three Thousand Dollars (\$3000.00) from the Mayor's Youth Fund for the cost associated with purchasing new uniforms and new equipment (balls, cones, nets, etc.).

RECOMMENDATION

Staff recommends that the City Council approve the request.

BACKGROUND

Seaside High School Boys Soccer Program is requesting a donation of Three Thousand Dollars (\$3000.00) from the Mayor's Youth Fund to cover the cost associated with purchasing new uniforms and new equipment (balls, cones, nets, etc.).

The Seaside High School Boys Soccer program is in a rebuild mode. Through their soccer program, the players are taught the importance of character, life skills and the importance of achieving excellence both at school and in the community.

A new part of their soccer program this year is the requirement of community service. Their student athletes have and will continue to volunteer at various events. The program would teach their young men to not only be outstanding student athletes, but also model citizens. Our program is looking to move away from purchasing cases of water bottles and Gatorade each game. By eliminating plastic bottles will help sustain and insure a healthy environment on our campus and others.

Based on the information provided in the application, the request meets the criteria for the Mayor's Youth Fund Policy. This is the first time that the Seaside High School Boys Soccer

Program is requesting a donation.

FISCAL IMPACT

This request would be funded by a donation from Green Waste Recovery Inc. to the Mayor's Youth Fund.

ATTACHMENTS

1. -MYF Seaside High School Boys Soccer 2018
 2. W-9 Seaside High School Boys Soccer 2018
-

Reviewed for Submission to the
City Council by:



Craig Malin, City Manager

<u>Individuals*</u>	25% of total cost of activity (not to exceed \$1,000.00)
Groups up to 20	up to \$1,500.00
Groups 21+	up to \$3,000.00

*Individual contributions must include an itemized list of all costs associated with the request including total cost of the activity.

In addition, funding will be limited to one contribution per year (every 12 months).

###

Mayor's Youth Fund Contribution Request

Prior to completing this request please review the attached contribution policy. All requests will be considered before the City Council and you will be notified of the specific date your item is placed on the agenda. Please return this completed form with necessary attachments to N. Towne, Recreation Services, City of Seaside, 440 Harcourt Avenue, Seaside, CA 93955.

Name of Organization: SEASIDE HIGH SCHOOL BOYS SOCCER

Name of Individual Submitting Request: ALEX JENNINGS

% Residents or Students of Seaside: 99%

#of Participants 25

Ages of Participants: 14-17

Mailing Address: _____

Phone Number: Home _____ Work 392-3530 x 2084
Cell _____

E-mail Address: AJENNINGS@MPUSD.K12.CA.US

Description of Event (Attach Additional Information as Necessary)

Description of how the use of the funds will be specifically used for youth groups activities/events and/or has a nexus to the goals of recycling, cleanup and/or "green" sustainability to insure a healthy environment. Attach additional information as necessary.

Description of how your participation in this event or activity benefits the City of Seaside. See Mayor's Youth Fund Contribution Policy.

*Total Amount Requested: (See Contribution limits)

\$ 3,000

Individual Requests: Please attach an itemized list of all expenses. Amount of donation may not exceed 25% of the total cost of the activity and not exceed \$1,000.00. Applications that are incomplete will be returned.

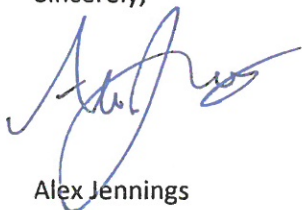
To whom it may concern,

Our Seaside High School Boys Soccer program is in rebuild mode. Through our soccer program, the players are taught the importance of character, life skills and the importance of achieving excellence both at school and in the community. A new part of the program this year is the requirement of community service, our student athletes have and will continue to volunteer at various events. We would like to teach these young men to not only be outstanding student athletes, but also model citizens.

Our current and upcoming fundraising efforts are targeted toward the purchasing of new uniforms. Unfortunately the soccer season in high school is during the winter, the wear and tear on the uniforms is a lot higher due to the rain and field conditions around the county (jersey stains, numbers falling off, etc.) These uniforms are thin and do not do much to keep the player warm. The contribution we request from you will be used specifically for the purchase of new equipment (balls, cones, nets, etc.) As it is well known that our field isn't the best, we feel that it is important to have the right equipment to teach proper technique to avoid injury of our players and others. Player safety is taken very seriously at our school, and would be very thankful for this contribution. If granted the funds will also be used to purchase water bottles for both Varsity and JV teams. Our program is looking to move away from purchasing cases of water and Gatorade each game. With the goal being to eliminate plastic water bottles to sustain and insure a healthy environment on our campus and others.

Any help financially would be appreciated to help continue the positive and safe rebuild of the Boys Soccer program.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Alex Jennings', with a stylized flourish at the end.

Alex Jennings

Boys Soccer Head Coach

Form W-9
(Rev. October 2007)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give form to the
requester. Do not
send to the IRS.

Print or type
See Specific Instructions on page 2

Name (as shown on your income tax return)

Monterey Peninsula Unified School District

Business name, if different from above

Check appropriate box: ☐ Individual sole proprietor ☐ Corporation ☐ Partnership

☐ Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶

☐ Other (see instructions) ▶

☐ Exempt
payee

Address (number, street, and apt. or suite no.)

700 PACIFIC ST

Requester's name and address (optional)

City, state, and ZIP code

MONTEREY CA 93940

List account number(s) here (optional)

Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number

or

Employer identification number

77-0320712

Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. citizen or other U.S. person (defined below).

Certification Instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payment other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

Sign
Here

Signature of
U.S. person ▶

Date ▶

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,



**CITY OF SEASIDE
STAFF REPORT**

Item No.: 8.D.

TO: City Council

FROM: Craig Malin, City Manager

BY: Nancy Towne, Recreation Services Director
Dan Meewis, Recreation Supervisor

DATE: February 15, 2018

**SUBJECT: APPROVE A MAYOR'S YOUTH FUND CONTRIBUTION REQUEST
FROM SEASIDE HIGH SCHOOL SWIM TEAM**

PURPOSE

The purpose of this agenda item is a request from the Seaside High School Swim Team for a donation of Three Thousand Dollars (\$3,000.00) from the Mayor's Youth Fund for the costs associated with purchasing replacement swim equipment, parkas, fins, kick boards and other safety equipment for the team.

RECOMMENDATION

It is recommended that the City Council approve this request.

BACKGROUND

The Seaside High School Swim Team is requesting a donation of Three Thousand Dollar (\$3,000.00) from the Mayor's Youth Fund to help cover the cost of purchasing replacement swim equipment, parkas, fins, kick boards and other safety equipment for the team. The swim team is available to any Seaside High School student regardless of their ability to swim. They provide free swim instruction before the swim season starts to any student who may not have the confidence in their ability to swim and compete. All Members of the swim team help in fundraising activities to enable to swimmers to travel to local swim meets to compete with local High Schools.

The Swim Team are strong recyclers and have recycle bins located at the pool for recycling water bottles and cans and all swimmers help with the maintenance and cleanup of the pool area after practice and each swim meet. They participate in the State Beach Cleanup that is help each year.

Based on the information provided in the application, the request meets the criteria for the

Mayor's Youth Fund Policy.

FISCAL IMPACT

This request would be funded by a donation from Green Waste Recovery Inc. to the Mayor's Youth Fund.

ATTACHMENTS

1. MYF SHS Swim Team 2018
 2. W-9 Seaside High School Swim Team
-

Reviewed for Submission to the
City Council by:



Craig Malin, City Manager

In addition, funding will be limited to one contribution per year (every 12 months).

Payment Process: If a contribution is approved by the City Council, payment will be made to the authorized organization or directly to the vendor selected by the authorized organization after submittal of a receipt or the presentation of actual invoices. This process is required in order to provide documentation required to meet municipal auditing standards.

###

Mayor's Youth Fund Contribution Request

Prior to completing this request please review the attached contribution policy. All requests will be considered before the City Council and you will be notified of the specific date your item is placed on the agenda. Please return this completed form with necessary attachments to Nancy Towne, Recreation and Community Activities Director, City of Seaside, 986 Hilby Avenue,, Seaside, CA 93955.

Name of Organization: Seaside High School Swim Team

Name of Individual: Coach Tessa Maura, Molly Fittro, Ken Fittro

% Residents or Students of Seaside: 90%

of Participants 50+

Ages: Freshmen through Senior High School Age

Address: 2200 Noche Buena. Seaside, CA 93955

Phone Number: Home 831 917-7111

E-mail Address: backstrider@aol.com

Description of Event (Attach Additional Information as Necessary)

The Seaside High School Swim Team provide an opportunity for students at Seaside High to compete as individuals and as a team. No student is turned away from the swim team all all levels of swimming ability are accepted and encouraged t participate. Those students who do not know how to swim are taught the fundamental of swimming. The Seaside High School Swim Team coaching staff believes that all students should know how to swim for recreational, social, health and most important for safety. Competition is encouraged but it is not the primary reason for having students at Seaside High School participate in this program.

Description of how the use of the funds will be specifically used for youth groups activities/events and/or has a nexus to the goals of recycling, cleanup and/or "green" sustainability to insure a healthy environment. (Attach Additional Information as Necessary)

The Seaside High School Swim Team is requesting a donation of \$3,000.00 to help pay for the replacement of swim equipment, parkas, fins, kick boards and other safety equipment needed for the pool as well as to help defray costs for transportation for the 2015 M.B.L. Swim meet to be held in Gilroy. Each participant of the Swim Team at Seaside High School helps raise funds each year and they work on a variety of activities to help defray cost. They are strong recyclers and have recycle bins located at the pool for recycling water bottles and cans and all swimmers are expected to help with the maintenance and cleanup of the pool area after practice and each swim meet. They also participate in the State Beach Cleanup that is held each year.

Other Funding Sources:

School Fund Raiser such as the annual Seaside High Food Day and the Seaside High Coupon Book Fundraiser,

*Amount Requested: (See Contribution) \$3,000.00

Please attach an explanation of what your particular event will do to benefit the City of Seaside. See Mayor's Youth Fund Contribution Policy.

Participant in the Seaside High School Swim Team benefits the City of Seaside in several ways. Youth that are engaged in positive activities have a stronger chance of becoming good citizens which ultimately helps the community as a whole. The Swim Team competes at several swim meets both locally and regionally. They are truly good-will ambassadors of their high school and their city.

Swimmers develop life skills such as discipline, goal-setting, and an increased sense of self-worth thorough their participation in the sport. It is one of the few sports that the participant competes individually and as a member of a team. It is a lifetime sport that can be continued after high school and offers a positive social outlet. Each year a significant number of Seaside high School swim team members go on to college and education is highly valued. There have been numerous Seaside High School Swim Team members who continued to swim competitively in college who have received swim scholarships. Many graduating successfully including one team member who complete his degree at West Point who now serves in the U.S. Army.

*Individual Recipients must include an itemized list of costs and total of all expenses associated with the request. Applications that are not complete will be returned.

SPARTANS

Seaside High School

SEASIDE HIGH SCHOOL
SWIM TEAM
2200 NOCHE BUENA AVE.
SEASIDE, CA 93955

Dear Mayor Rubio and Councilmen:

Attached is our application for a donation from the Mayor's Youth Fund for the Seaside High School Swim Team. We are hopeful that the city will consider our request to help pay for some of the costs associated with the swim team this year. The swim team competes each year with several local high schools. Our team accepts all students including those who do not know how to swim or are not particularly strong swimmers because we feel it is important that everybody knows how to swim. During the pre-season our coaches spend extra time working with those individual students so they feel competent to participant and compete.

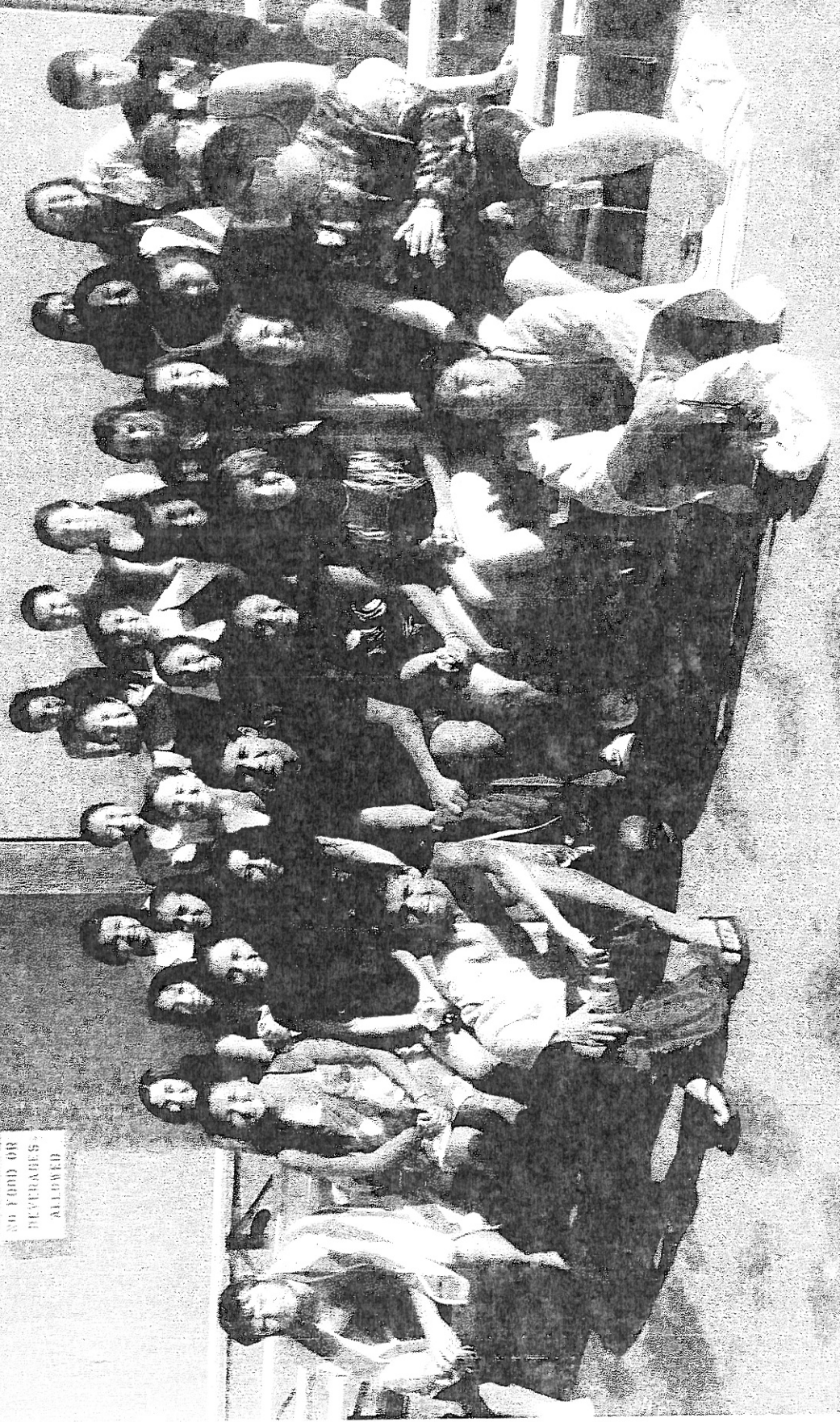
The members of the team raise funds each year but it is not enough to replace our equipment and to help pay for additional transportation costs for away meets. A donation of \$3,000 would be very helpful to us and we would appreciate whatever amount the City of Seaside can afford.

Thank you for considering our request. We have attached a copy of last year's swim team and if you have any questions please feel free to contact us.

Sincerely,

Coach Tessa, Molly and Ken
Seaside High School

NO FOOD OR
BEVERAGES
ALLOWED



**Request for Taxpayer
Identification Number and Certification**

Give Form to the
requester. Do not
send to the IRS.

Print or type
See Specific Instructions on page 2.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. <u>Monterey Peninsula Unified School District</u>	
2 Business name/disregarded entity name, if different from above	
3 Check appropriate box for federal tax classification; check only one of the following seven boxes: ☐ Individual/sole proprietor or single-member LLC ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate ☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner. ☐ Other (see instructions) ▶	
4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ (Applies to accounts maintained outside the U.S.)	
5 Address (number, street, and apt. or suite no.) <u>9 700 Pacific St.</u>	Requester's name and address (optional)
6 City, state, and ZIP code <u>Monterey, CA 93940</u>	
7 List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

Social security number	
OR	
Employer identification number	

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here

Signature of
U.S. person ▶

Date ▶

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at www.irs.gov/fw9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)
Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding?* on page 2.

By signing the filled-out form, you:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued).
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
- Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.



**CITY OF SEASIDE
STAFF REPORT**

Item No.: 8.E.

TO: City Council

FROM: Craig Malin, City Manager

BY: Daphne Hodgson, Deputy City Manager Administrative Services

DATE: February 15, 2018

**SUBJECT: APPROVE APPLICATION FOR A NEW ANNUAL BINGO LICENSE
FOR FAITH VISIONS GROUP**

PURPOSE

The purpose of this item is to provide the City Council an opportunity to review and approve a new annual bingo license application from the Faith Visions Group to conduct bingo games at the Oldemeyer Center in the City of Seaside.

RECOMMENDATION

It is recommended that the City Council approve the new application for an annual Bingo License for Faith Visions Group to conduct bingo games at the Oldemeyer Center, 986 Hilby Ave., Seaside.

BACKGROUND

Section 5.16 of the City of Seaside Municipal Code requires that every non-profit organization that conducts bingo games in the City have a Bingo License. The process requires that an application be submitted to the City Clerk with the payment of a \$52.00 fee. Each application is then reviewed by the City Council, which can issue, deny, or revoke the license. The license, if issued, is valid for a twelve-month period.

The Faith Visions Group has submitted an application and the appropriate fees for a new annual Bingo License. The group has provided the City with all of the required information. They have filed a Special Events Permit for use of the Oldemeyer Center and have provided the required fees, insurance and security.

FISCAL IMPACT

The Bingo license fees have been included in the City's revenues. There are no costs incurred from the approval of this item.

ATTACHMENTS

1. faith visions application.1-19-18
-

Reviewed for Submission to the
City Council by:



Craig Malin, City Manager

FINANCE DEPARTMENT440 Harcourt Avenue
Seaside, CA 93955Telephone (831) 899-6240
FAX (831) 899-6341
TDD (831) 899-6207**BINGO PERMIT APPLICATION**(pursuant to City of Seaside Municipal Code Section 5.16
and Penal Code section 326.5)DATE OF APPLICATION January 19, 2018NAME OF ORGANIZATION FAITH Visions GROUPBUSINESS ADDRESS 3069 Bostick Ave. MARINA PHONE 831. 601.4179LOCATION OF BINGO GAMES OLDEMEYER CENTERNON-PROFIT ORGANIZATION? YES ☒ NO ☐TAX EXEMPT CATEGORY 501(c)(3) DATE RECEIVED Jan 10, 2018
(If this an initial application, please attach copy of IRS Exemption Letter)INTENDED USE OF BINGO GAME PROCEEDS To advance the Gospel of Jesus
Christ through stewardship, education & economic
OFFICERS OF THE ORGANIZATION: growth

NAME	TITLE	PHONE
<u>Lave Tuia JR</u>	<u>President/Executive ofc</u>	<u>831. 869. 6099</u>
<u>Tamato Tuia</u>	<u>Director/Manager</u>	<u>831. 601. 4179</u>
<u>Connie Patana</u>	<u>Financial Officer</u>	<u>702. 409. 3745</u>

The above named organization agrees to abide by all the rules and regulations set forth in the Seaside Municipal Code, the State of California Penal Code, and the Federal and State Taxing authorities.

SIGNATURE [Signature] DATE 1/19/2018PRINT NAME Tamato Tuia PHONE 831. 601. 4179LICENSE FEE PAID \$ 52.00 CITY RECEIPT # 00238904DATE PAID 1-19-18



**CITY OF SEASIDE
STAFF REPORT**

Item No.: 8.F.

TO: City Council

FROM: Craig Malin, City Manager

BY: Brian Dempsey, Fire Chief

DATE: February 15, 2018

SUBJECT: APPROVE A RESOLUTION AUTHORIZING THE FIRE CHIEF TO SIGN AN AGREEMENT WITH CALIFORNIA STATE UNIVERSITY MONTEREY BAY FOR THE STORAGE OF RESERVE (BACK-UP) FIRE APPARATUS ON THE UNIVERSITY CAMPUS.

PURPOSE

The purpose of this item is to provide the City Council an opportunity to review, discuss and consider authorizing the Fire Chief to sign an agreement with California State University Monterey Bay for the storage of reserve (back-up) fire apparatus on the University campus.

RECOMMENDATION

It is recommended that the City Council approve authorizing the Fire Chief to sign an agreement with California State University Monterey Bay for the storage of reserve (back-up) fire apparatus on the University campus.

BACKGROUND

The Seaside Fire Department is an “all-hazards” agency, meaning we respond to all types of incidents. Certain incident types require specialty equipment and apparatus, and in order to carry out our mission this equipment must be at the ready at all times. Our current location was built in 1978 and at the time provided a sufficient amount of vehicle and equipment storage. Over the years as our mission has expanded we find ourselves in need of additional storage of fire apparatus, in particular reserve or back-up apparatus. Until recently, we stored one reserve pumper in a building in Marina off 2nd Ave.; this building has fallen into disrepair and we found storage of the apparatus to be unsafe and not secure.

In the next few months we will take delivery of a new Hazardous Materials vehicle from the California Office of Emergency Services, this delivery will create the need for an additional storage space. In discussions with the Chief of Police at CSUMB we were offered storage in a

building between 7th and 8th Avenues; the building is secure and in addition is surrounded by security fencing. We have use of this building until plans for its use or demolition are finalized. This allows us enough time to find or build a permanent location for our apparatus. CSUMB is offering this space at no cost to the City.

RISK MANAGEMENT REVIEW

The Deputy City Manager Daphne Hodgson has reviewed the agreement and approved to form.

FISCAL IMPACT

There is no fiscal impact to the City of Seaside.

ATTACHMENTS

1. Resolution
 2. Agreement
-

Reviewed for Submission to the
City Council by:



Craig Malin, City Manager

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEASIDE

AUTHORIZING THE FIRE CHIEF TO SIGN AN AGREEMENT WITH CALIFORNIA STATE UNIVERSITY MONTEREY BAY FOR THE STORAGE OF RESERVE (BACK-UP) FIRE APPARATUS ON THE UNIVERSITY CAMPUS.

WHEREAS, the Seaside Fire Department is an “all-hazards” agency, meaning we respond to all types of incidents. Certain incident types require specialty equipment and apparatus, and in order to carry out our mission this equipment must be at the ready at all times, and;

WHEREAS, our current location was built in 1978 and at the time provided a sufficient amount of vehicle and equipment storage, and;

WHEREAS, over the years as our mission has expanded we find ourselves in need of additional storage of fire apparatus, in particular reserve or back-up apparatus, and;

WHEREAS, until recently, we stored one reserve pumper in a building in Marina off 2nd Ave.; this building has fallen into disrepair and we found storage of the apparatus to be unsafe and not secure, and;

WHEREAS, in the next few months we will take delivery of a new Hazardous Materials vehicle from the California Office of Emergency Services, this delivery will create the need for an additional storage space, and;

WHEREAS, in discussions with the Chief of Police at CSUMB we were offered storage in a building between 7th and 8th Avenues; the building is secure and in addition is surrounded by security fencing, and;

WHEREAS, we have use of this building until plans for its use or demolition are finalized. This allows us enough time to find or build a permanent location for our apparatus, and;

WHEREAS, CSUMB is offering this space at no cost to the City.

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Seaside authorizes the Fire Chief to sign an agreement with California State University Monterey Bay for the storage of reserve (back-up) fire apparatus on the university campus.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Seaside duly held on the 15th day of February, 2018, by the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

Ralph Rubio, Mayor

ATTEST:

Lesley Milton-Rerig, City Clerk

FACILITY USE AGREEMENT

This Facility Use Agreement is made by and between the Board of Trustees of the California State University, on behalf of **California State University, Monterey Bay**, (hereinafter referred to as "**CSUMB**"), a state institution of higher education, located at 100 Campus Center, Seaside, CA 93955, and City of Seaside, on behalf of **City of Seaside Fire Department**, (hereinafter referred to as "**SFD**") with an office at 1635 Broadway Ave, Seaside, CA 93955.

PURPOSE

SFD desires to lease Building #4548 (previously "North Tree Fire Bldg.") and its proximal secured fenced area on the CSUMB campus located South of A Street, West of 8th Avenue, East of 7th Avenue and North of B Street, for the purpose of temporary storage of firefighting vehicles and equipment. **CSUMB** desires that this currently available and otherwise unused building and area be used for this temporary purpose. For the mutual benefit of both **SFD** and **CSUMB**, each agrees to the following terms and conditions.

SCOPE

1. **CSUMB** grants to **SFD** the temporary use of the designated areas as described above.
2. **SFD** may use the designated areas only for the temporary storage indicated above. The space is not to be used for vehicle washing, cleaning or repair/maintenance.
3. **SFD** agrees to completely vacate the designated areas within **seven (7) days notice** from CSUMB's Chief of Police to City of Seaside Fire Chief.
4. **SFD** is responsible for maintenance and cleanup of the designated areas including all associated costs. Cleanup should be performed as needed. Any waste generated by SFD shall be removed daily. Waste storage is prohibited. Use of **CSUMB** dumpsters by **SFD** is prohibited. Any spills of hazardous materials must be reported to Health and Safety within University Police immediately.
5. **SFD** retains responsibility for vehicles and equipment. **CSUMB** assumes no responsibility for loss or damage to any vehicles/equipment stored or operated by **SFD** or its employees.
6. **SFD** and its employees shall obtain and display campus parking permits for any vehicles parked outside of the designated fenced area.
7. **CSUMB** shall not charge a facility use fee to **SFD** for use of the designated areas.

INDEMNIFICATION

SFD shall hold harmless, indemnify, and defend the State of California, the Trustees of the California State University, the California State University, Monterey Bay, the University Corporation at Monterey Bay, and the officers, employees, volunteers and agents of each of them from and against any and all liability, loss, damage, expense, costs of every nature, and causes of actions arising out of or in connection with the use by **SFD** of said property under the terms of this agreement.

INSURANCE REQUIREMENTS

SFD agrees to maintain liability insurance to meet university requirements, and also agrees to name **CSUMB** as special endorsement. The State of California, Trustees of California State University, California State University, Monterey Bay, and the officers, employees, volunteers, and agents of each shall be named as special endorsement for each of the insurance provisions listed below. A letter of self-insured status or an endorsement and certificate of insurance are required, either of which includes a waiver of subrogation for Workers Comp.

SFD shall maintain limits no less than:

1. General Liability: \$1,000,000 per occurrence for bodily injury, personal liability, and property damage, \$3,000,000 aggregate;
2. Employer Liability: \$1,000,000;
3. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.

SFD must provide **CSUMB** with documentation of this liability insurance prior to commencement of the facility use.

NOTICE PROVISION

Any official notice or other correspondence which any party may or is required to give, shall be given by mail, or by confirmed email, to **SFD** and **CSUMB** at the addresses and emails listed below.

Brian Dempsey
Fire Chief
Seaside Fire Department
1635 Broadway Ave.
Seaside, CA 93955
831-899-6790
BDempsey@ci.seaside.ca.us

Art Evjen
Business and Support Services
California State University, Monterey Bay
100 Campus Center, Mountain Hall, #B
Seaside, CA 93955-8001
831-582-3394
aevjen@csumb.edu

Earl Lawson
Chief of Police
California State University, Monterey Bay
100 Campus Center, Valley Hall, Suite F
Seaside, CA 93955-8001
831-582-3062
elawson@csumb.edu

TERMINATION

CSUMB may terminate this Agreement for any reason, upon seven (7) days prior written notice. **SFD** may terminate this Agreement at any time prior to **CSUMB** terminating the Agreement.

IN WITNESS WHEREOF, the parties have caused this AGREEMENT to be executed as of the day and year signed below.

City of Seaside Fire Department

Brian Dempsey, Fire Chief

Date

California State University, Monterey Bay

Earl Lawson, Chief of Police

Date

Arthur J. Evjen, Director, Business Support Services

Date



**CITY OF SEASIDE
STAFF REPORT**

Item No.: 8.G.

TO: City Council

FROM: Craig Malin, City Manager

BY: Lesley Milton-Rerig, City Clerk

DATE: February 15, 2018

**SUBJECT: APPROVAL OF APPOINTMENTS TO BOARDS, COMMISSIONS,
AND COMMITTEES**

PURPOSE

That the City Council accept the recommendations from the Council Subcommittee and make appointments to the Homeless Committee, Environmental Committee and Community Development Advisory Committee.

RECOMMENDATION

That the Council approve the recommendations for appointments.

BACKGROUND

The Commissions, Committees and Boards are City Council appointed advisory bodies that serve as an important link between the City Council and Community by providing direct involvement in policy-making and communication of vital information.

According to Seaside Municipal Code 2.14.040, the Mayor with advice and consent of the City Council, shall make appointments to Commissions, Committees and Boards. As directed by Council, the Mayor and a rotating Council Member meet with all applicants prior to appointment. The City Manager designates Department Heads or other staff members to act as staff liaison to committees including to regularly attend meetings of advisory bodies to provide technical support.

City staff has submitted multiple advertisements inviting applications for positions on all City of Seaside Boards and Commissions and has listed the Board and Commission openings on the City website and posted vacancies on all of the Public Notice boards. Vacancies have also been posted on City social media accounts. Communications were sent to all existing applicants as well as existing Board, Commission and Committee members regarding vacancies.

The Mayor and Council Member Campbell met with all applicants to discuss their applications on February 9, 2018 as shown on the attached schedule. Staff coordinated with each applicant regarding possible meeting times. As a result, the following appointments are recommended for the following commissions and terms:

MEMBER NAME	COMMISSION	VACANCIES	TERM	EXPIRATION
Kira Elisher	Homeless Committee	7	3 Years	February 2021
Sahsa Allen	Homeless Committee	7	3 Years	February 2021
Kenneth Murray	Homeless Committee	7	3 Years	February 2021
Kristin Molle	Environmental Committee	5	3 Years	February 2021
Paul Elfky	Environmental Committee	5	3 Years	February 2021
Laura Murphy	Environmental Committee	5	3 Years	February 2021

In addition to these appointments, Staff was approached by two existing commissioners requesting to be appointed to alternate Committees. The following appointments are requested for existing members:

- Natalia Molina has requested to be transferred from the Neighborhood Improvement Program Committee to the Homeless Committee with an appointment expiration date of February 2021
- Zeke Rivera has requested to be transferred from the Environmental Committee to the Community Development Advisory Committee with an appointment expiration date of February 2020

FISCAL IMPACT

There is no fiscal impact associated with this item.

ATTACHMENTS

1. Commission Interview schedule
2. Applications

Reviewed for Submission to the
City Council by:



Craig Malin, City Manager

Interviews for Advisory Body Vacancies

February 8, 2018

Council Subcommittee: Mayor Rubio, Council Member Campbell

of Vacancies Board

	Art and History Commission
	Neighborhood Improvement Program
1	Planning Commission
1	Board of Architectural Review
2	Community Development Advisory Committee
	Parks and Recreation Commission
9	Homeless Committee
5	Environmental Committee

Time	Applicant Name	Board Applied For
4:00 PM	Kira Elisher	Homeless Committee
4:20 PM	Kristin Molle	Environmental Committee
4:40 PM	Sasha Allen	Environmental or Homeless
5:00 PM	Reverend Kenneth Murray	Homeless Committee - Call In 224-9488
5:20 PM	Paul Elfky	Environmental Committee
5:30 PM	Laura Murphy	Environmental Committee

Not Able to Make Interview Time

Molly Fittro	Homeless Committee
Alessandro Tani	Homeless Committee

Special Requests to Consider

Natalia Molina	Transfer from NIPC to Homeless Committee
Zeke Rivera	Transfer from Environmental to CDAC



City of Seaside

City Clerk's Office

Application for Appointment to a City Board/Commission/Committee

City Clerk's Office

JAN 19 2018

Received
City Clerk's Date Stamp

FORM IS FILLABLE ONLINE - IF FILLING BY HAND, PLEASE PRINT CLEARLY

To serve on: The Homeless Committee

Board/Commission/Committee

Name: Kira Elischer

Address: [REDACTED]

Occupation: Cancer thriver unemployed (previously Interior design and aesthetics)

Telephone: [REDACTED] Primary

Email: [REDACTED] Alternate

Background/Education/Experience/Special Skills : B.F.A From California College of the Arts

Licensed Aesthetician, Certified Yoga teacher, Master organizer and project development/management

Excellent people skills, Seaside homeless community they are a part of my community around and on my street daily

Are you willing to file Statements of Economic Interest (Form 700)?

☒ YES ☐ NO

Are you able to attend meetings during business hours?

☒ YES ☐ NO

(NOTE: Most Boards and Commissions meet **after 5:00 p.m.**)

Other information or comments : I'm local and know the usual character's on the streets, many are mentally ill and pose a danger to our citizens. In addition the filthy smells, defecation, proliferation of garbage in the community as a result of neglecting the homeless can be addressed and our community can change. I am willing to support this improvement.

I will accept the office in the event I am appointed.

Signature

Date

Please return Application to: Seaside City Clerk, 440 Harcourt Avenue, Seaside, CA 93955

City Clerk Office Hours: 8:00 am to 5:00 pm Monday thru Friday

♦ Telephone (831) 899-6707 ♦ Fax (831) 899-6201

Please continue to the next page



City of Seaside
City Clerk's Office

City Clerk's Office

JAN 31 2018

Received

City Clerk's Date Stamp

Application for Appointment
to a City Board/Commission/Committee

FORM IS FILLABLE ONLINE - IF FILLING BY HAND, PLEASE PRINT CLEARLY

To serve on: Environmental / Homeless Board/Commission/Committee

Name: Sasha Allen

Address: [REDACTED]

Occupation: Realtor

[REDACTED] Primary

Email: [REDACTED]

Background/Education/Experience/Special Skills: 15 yrs Customer Service, Retail, Realtor, School site Council (Highland Elementary)

Are you willing to file Statements of Economic Interest (Form 700)?

☒ YES ☐ NO

Are you able to attend meetings during business hours?

☒ YES ☐ NO

(NOTE: Most Boards and Commissions meet **after 5:00 p.m.**)

Other information or comments :

I will accept the office in the event I am appointed.

[REDACTED]

Signature

2/1/18

Date

Please return Application to: Seaside City Clerk, 440 Harcourt Avenue, Seaside, CA 93955

City Clerk Office Hours: 8:00 am to 5:00 pm Monday thru Friday

♦ Telephone (831) 899-6707 ♦ Fax (831) 899-6201



City of Seaside
City Clerk's Office

Application for Appointment
to a City Board/Commission/Committee

City Clerk's Office

FEB 07 2018

Received

City Clerk's Date Stamp

FORM IS FILLABLE ONLINE - IF FILLING BY HAND, PLEASE PRINT CLEARLY

To serve on: Environmental Committee

Board/Commission/Committee

Name: Kristin Molle

Address:

Occupation: Educator

Telephone: Primary

Email: Alternate

Background/Education/Experience/Special Skills : I have a Masters degree in Biology with a focus on Community

Based Conservation. I have worked at the Monterey Bay Aquarium educating the public about actions everyone can take to live sustainably and reduce our negative impacts on the environment. I've also led grant-funded nature hikes for children at Toro Park.

Are you willing to file Statements of Economic Interest (Form 700)?

☒ YES ☐ NO

Are you able to attend meetings during business hours?

☐ YES ☒ NO

(NOTE: Most Boards and Commissions meet **after 5:00 p.m.**)

Other information or comments : There are many actions we can take that, collectively, will make a positive impact on the environment. It's up to the City of Seaside to provide that leadership and organization so our collective efforts are focused, and our community and fellow residents understand why the work we put in now will help the future our kids grow up in.

I will accept the office in the event I am appointed.

Signature

2/7/2018

Date

Please return Application to: Seaside City Clerk, 440 Harcourt Avenue, Seaside, CA 93955

City Clerk Office Hours: 8:00 am to 5:00 pm Monday thru Friday

♦ Telephone (831) 899-6707 ♦ Fax (831) 899-6201



City of Seaside

City Clerk's Office

Application for Appointment to a City Board/Commission/Committee

City Clerk's Date Stamp

FORM IS FILLABLE ONLINE - IF FILLING BY HAND, PLEASE PRINT CLEARLY

To serve on: Environmental Committee

Board/Commission/Committee

Name: Paul Richard Oelfke

Address:

Occupation: Police Officer - Monterey Police Department

Telephone: Primary

Email: Alternate

Background/Education/Experience/Special Skills :

Bachelor of Arts Degree in Sociology, Law, Criminology and Deviance - University of Minnesota

Are you willing to file Statements of Economic Interest (Form 700)?

☒ YES ☐ NO

Are you able to attend meetings during business hours?

☒ YES ☐ NO

(NOTE: Most Boards and Commissions meet **after 5:00 p.m.**)

Other information or comments :

I will accept the office in the event I am appointed.

2/8/18

Date

Please return Application to: Seaside City Clerk, 440 Harcourt Avenue, Seaside, CA 93955

City Clerk Office Hours: 8:00 am to 5:00 pm Monday thru Friday

◆ Telephone (831) 899-6707 ◆ Fax (831) 899-6201



City of Seaside

City Clerk's Office

Application for Appointment to a City Board/Commission/Committee

City Clerk's Office

FEB 08 2018

Received
City Clerk's Date Stamp

FORM IS FILLABLE ONLINE - IF FILLING BY HAND, PLEASE PRINT CLEARLY

To serve on: Environmental Committee

Board/Commission/Committee

Name: Laura Murphy

Address: [REDACTED]

Occupation: Field Scientist

Telephone: [REDACTED] Primary

Email: [REDACTED] Alternate

Background/Education/Experience/Special Skills : M.S. Soil Science, UC Davis 2009; 8 years in plant pathology, food safety, irrigation and nutrient management research at UC Extension, Salinas; now working at Resource Conservation

District for Monterey County; active in local park group (Beta-Capra); personally and professionally concerned with environment.

Are you willing to file Statements of Economic Interest (Form 700)?

☒ YES ☐ NO

Are you able to attend meetings during business hours?

☐ YES ☒ NO

(NOTE: Most Boards and Commissions meet after 5:00 p.m.)

Other information or comments :

I will accept the office in the event I am appointed.

Signature

Date

Please return Application to: Seaside City Clerk, 440 Harcourt Avenue, Seaside, CA 93955

City Clerk Office Hours: 8:00 am to 5:00 pm Monday thru Friday

♦ Telephone (831) 899-6707 ♦ Fax (831) 899-6201

Print Form

Please continue to the next page

Page 1 of 2



**CITY OF SEASIDE
STAFF REPORT**

Item No.: 9.A.

TO: City Council

FROM: Craig Malin, City Manager

BY: Craig Malin, City Manager

DATE: February 15, 2018

SUBJECT: CONSIDERATION OF AN ORDINANCE AMENDNDING TITLE 17 OF THE ZONING CODE TO ADD EMERGENCY SHELTERS AS A PERMITTED LAND USE IN THE COMMUNITY COMMERCIAL (CC) ZONING DISTRICT AND ON LANDS LOCATED WITHIN CENSUS TRACT 137. (FIRST READING, ROLL CALL VOTE)

PURPOSE

A request to amend Title 17 (Zoning Code) of the Seaside Municipal Code to allow emergency shelters as a permitted land use in the Community Commercial Zoning District and within Census Tract 137 and to establish specific development and operating standards to regulate the use.

RECOMMENDATION

City staff recommends the City Council conduct the first reading of the proposed emergency shelter text amendments and pass to print the draft ordinance as presented.

BACKGROUND

In 2007, the State of California passed Senate Bill 2 (SB 2), also known as the Housing Authority Act. SB 2 became effective January 1, 2008, and codified in California Government Code Section 65583, requires that local jurisdictions include within their Housing Element updates policies to facilitate opportunities for emergency shelters. This new law further seeks to lessen government constraints by establishing in the Housing Element and Zoning Code where this use is allowed by right in either a Zoning District and/or Overlay District. Being allowed by right would not require any type of discretionary use permit. This step would reduce local barrier that private emergency shelter developers/providers must typically deal with in order to provide such facility in the community. The identified zone(s) and/or Overlay District for emergency shelters shall include sufficient capacity to accommodate the need for emergency shelters identified in paragraph, except that each local government shall identify a zone or zones that can accommodate at least one year-round emergency

shelter. The local government may identify additional zones where emergency shelters are permitted with a conditional use permit. The local government shall also demonstrate that existing or proposed permit processing, development, and management standards are objective and encourage and facilitate the development of, or conversion to, emergency shelters. Emergency shelters may only be subject to those development and management standards that apply to residential or commercial development within the same zone except that a local government may apply written, objective standards that include all of the following:

- (i) The maximum number of beds or persons permitted to be served nightly by the facility.
- (ii) Off-street parking based upon demonstrated need, provided that the standards do not require more parking for emergency shelters than for other residential or commercial uses within the same zone.
- (iii) The size and location of exterior and interior onsite waiting and client intake areas.
- (iv) The provision of onsite management.
- (v) The proximity to other emergency shelters, provided that emergency shelters are not required to be more than 300 feet apart.
- (vi) The length of stay.
- (vii) Lighting.
- (viii) Security during hours that the emergency shelter is in operation.

The City is currently coordinating with the State Housing and Community Development (HCD) on the City's 2014-2019 Housing Element Update, as required by State Law. The Draft 2014-2019 Housing Element will be included as part of the 2040 Seaside General Plan Update. In review of the Draft Housing Element, HCD has provided a letter dated November 9, 2017 (See Attachment 2) indicating in Paragraph 2 that the Draft Housing Element meets most of the statutory requirements of State housing element law (GC, Article 10.6) except for the establishment of a zoning process to permit year-round emergency shelters without discretionary action pursuant to Government Code (GC) Section 65583(a)(4)(A). The following policy has been included as Program 8 in the updated Housing Element to address Emergency Shelters mandates:

Housing Opportunities for Special Needs Residents

Emergency Shelters: Define emergency shelters consistent with State law. Permit

emergency shelters by right in the Mixed Use Low, Mixed Use High, and Residential High, and/or Employment areas via a non-discretionary administrative procedure. Establish development and performance standards for emergency shelters that will be equivalent to similar uses in the same zone.

The areas currently designated as Community Commercial would be designated as Mixed Use Low and High in the updated General Plan. Census Tract 137 would include a mixture of Mixed Use Low and High, Neighborhood High, and Neighborhood General. Map showing location of the Community Commercial and Census Tract 137 Overlay District is provided as Attachment 3. The range of densities within the Neighborhood High and Neighborhood General would be consistent with a shelter use. Furthermore, Census Tract 137 is an area of the City that can provide a transition between the cities commercial, higher density core and its single family residential neighborhoods. The letter from HCD indicates that the Housing Element will comply with housing element law once the City has completed the zoning amendment to add emergency shelters as a permitted use in the Draft Ordinance provided as Attachment 1. As noted, above both the CC zone and Census Tract 137 would be consistent with the subsequent change in the land use designation to Mixed Use Low and High, Neighborhood High, and Neighborhood General that would occur under the 2040 General Plan Update.

PROPOSED CHANGES

The proposed refinements to support Emergency Shelters as a permitted use in the Community Commercial Zoning District and Census Tract 137 to ensure compliance with SB 2 are outlined below. The proposed changes are denoted by ~~strikethrough type~~ for language that is deleted and underline type for new language.

1. Table 2-4 Uses Allowed Uses and Permit Requirements for Commercial Uses

*** Change made to include Emergency Shelters as Permitted (P) in CC Zone**

TABLE 2-4 (continued) Allowed Land Uses and Permit Requirements for Commercial Zones	P	Permitted Use, Zoning Clearance required					
	MUP	Minor Use Permit required (see Section 17.52.070)					
	UP	Use Permit required (see Section 17.52.070)					
	S	See cited Section for permit requirement					
	—	Use not allowed					
LAND USE (1)	PERMIT REQUIRED BY ZONE						Specific Use Regulations
	CD	CMX	CC	CRG	CA	CH	

RESIDENTIAL

Emergency/transitional shelter	—	UP	P	—	—	—	17.42.090
Home occupation	P	P	P	P	—	—	17.42.110
Mixed use project residential component	MUP(2)	MUP(2)	UP(2)	UP(2)	—	—	17.42.120
Residential care facility, 7 or more clients	—	—	UP	—	—	—	

Live Work

-

UP

UP

UP

2. CHAPTER 17.22 – OVERLAY ZONES

* Add new language listed below:

17.22.050 – EMERGENCY SHELTER OVERLAY

-

A. Purpose. This Section provides zoning designation where an emergency shelter can be permitted without a discretionary permit.

-

B. Applicability. The Emergency Shelter overlay is applied to areas of Census tract 137.

-

C. Development standards. Proposed development standards for an Emergency Shelter that is permitted within the Emergency Shelter Overlay Zone is listed under Section 17.52.100.D

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3. CHAPTER 17.52.100 – EMERGENCY SHELTERS

A. **Applicability.** Emergency shelters shall comply with the requirements of this Section, where allowed by Article 2 (Zones, Permitted Land Uses, and Zoning Standards).

B. Limitations on location.

1. **Category 1 shelter.** A shelter for families and/or single women with children may be established with a Use Permit in the RS-8 and RS-12 zones.
2. **Category 2 shelter.** A shelter for single men and single women may be approved with a Use Permit in the RM zone.
3. **Category 3 Shelter.** An emergency shelter shall be a permitted use in the Community Commercial Zone and Census Tract 137.
4. **Flexibility.** The Commission may allow temporary emergency shelters for the homeless in zones other than those listed in Subsections B.1 and B.2 if the site meets all applicable criteria,

and the proposal is deemed an "exceptional project" as determined by the Commission.

C. Application processing and monitoring. A Use Permit application for a temporary emergency shelter for the homeless shall be processed in compliance with Section 17.62.070 (Use Permits and Minor Use Permits). A pre-application conference shall be held to:

1. Determine the nature of the proposal;
2. Ensure that it complies with the intent of this Chapter; and
3. Offer specific comments and direction.

D. Development and operating standards for Category 1 and Category 2 Shelters

1. A family shelter or shelter for single women with children should be located near public facilities and transportation facilities.
2. Shelters for single persons should be located near transportation facilities.
3. Each shelter shall have an on-site resident manager.
4. Residents shall not be required to participate in any religious or philosophical ritual, service, meetings, or rites as a condition of eligibility for being housed in a shelter.
5. The exteriors of the shelter shall be upgraded, fenced and landscaped, and maintained as required by the Commission.
6. No more than 16 persons shall be allowed at any shelter location, including the on-site manager.
7. Single women may be housed in a shelter for single women with children.
8. Each shelter shall comply with Title 24 of the State Code, all state building regulations, the Uniform Building Code and all related codes (per pages IV, V, and VI of the UBC), and the

Uniform Housing Code.

E. Emergency shelters permitted by right for homeless in the CC Zone and Census Tract 137.

Any application for an emergency shelter facility located in the Census Tract 137, that meets the following performance, development, design and managerial standards shall not require a discretionary permit, per Section 65583(a)(4) of the California Government Code:

- a. Emergency shelters shall obtain and maintain in good standing all required licenses, permits and approvals from City, County, State and Federal agencies or departments and demonstrate compliance with all appliance building and fire codes.
- b. The emergency shelter shall conform to all property development standards of the zoning district in which it is located, except as modified by these performance standards.
- c. The length of stay of an individual client shall not exceed six (6) months within a twelve (12) month period.
- d. The maximum number of beds for emergency shelters shall be fifty (50) unless a major conditional use permit approved to permit additional beds.
- e. External lighting shall be provided for security purposes. The lighting shall be stationary and directed away from adjacent properties and the public right-of way.
- f. No more than one emergency shelter shall be permitted within a radius of 300 feet from another such shelter when measured from the closest property lines. An exception to this separation requirement may be granted if significant physical features act as barriers from said sensitive uses, such as a freeway, railroad right-of-way.
- g. Parking facilities shall be designed to provide one space per staff member. A secured area for bicycle parking shall be provided for use by staff and client, commensurate with demonstrated need, but no less than a minimum of four (4) bicycle spaces.
- h. A client waiting and intake area shall be provided as interior space and contain a minimum of ten (10) square feet per bed provided at the facility, and a minimum size of 100 square feet of floor area.
- i. Outdoor charitable food distribution shall be conducted entirely on private property in a

covered area, during times that are approved by the City, and shall not block accessible pathways.

- j. No signs are present on the property relating to its use as a shelter for the homeless.
- k. Donation/collection bins and areas shall be screened from public view and shall be open to the public between the hours of 9:00 a.m. to 6:00 p.m. A sign stating hours of operation shall be placed in a clear, visible location and shall be no larger than 15 square feet.
- l. Adequate storage for personal belongings shall be provided.
- m. The city may inspect the facilities during business hours for compliance with the management plan and any other applicable regulations and standards.
- n. A minimum of one-staff person or agent shall be on-duty and awake when the facility is in operation.
- o. Management Plan: The applicant or operator shall submit a management and operation plan for the Emergency Shelter review and approval by the Planning Manager prior to approval of a business license. The Plan shall include, but not be limited to, the following:

1.Security

2.Staff training

3.Neighborhood relations

4.Pet Policy

5.Client intake process

6.List of services provided

7. Facility maintenance

8. Refuse control

9. Amenities, such as hours of operation, cooking/dining facilities, laundry facilities and activity policies.

10. Anti-discrimination policies

The plan may be reviewed as needed by the City with revisions made by the operator.

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F. Findings required for approval. Use Permit approval for a Category 1 and Category 2 shall require that the Commission first make the following findings, in addition to those required for Use Permits by Section 17.62.070:

1. Adequate parking is available for the type of shelter proposed;
2. The project will have no adverse impact on the surrounding neighborhood;
3. There is not an overconcentration of shelters for the homeless in the surrounding areas in that neighborhood and in the City; and
4. The proposed homeless shelter is consistent with the Housing Element of the General Plan.

G. Conditions of approval. The approval of a Use Permit for a Category 1 and Category 2 temporary emergency shelter for the homeless shall include the following conditions of approval, in addition to any other conditions deemed necessary by the Commission based on the specific proposal.

1. All plans for modifications to existing structures or proposed additions shall be submitted to the Building Official, the Fire Marshal, and the Health Officer for review and approval.

2. The applicant shall meet with the Crime Prevention Officer for recommendations regarding the safety of the tenants.
3. The applicant shall comply with all applicable federal, state, and county regulations relating to the operation of the shelter.
4. The maximum number of persons allowed in the existing shelter, following any modifications or additions, shall be established by the Building Official and the Fire Marshal. The maximum occupancy of a single person or dormitory facility shall be based on a minimum 100 square feet of superficial floor area per person.
5. The applicant shall file with the Director, for review and approval, a list of house rules relating to the operation of the shelter.
6. The Use Permit is subject to continuing jurisdiction of the Commission and subject to review in six months and as determined thereafter.

H. Inspections and monitoring.

1. **Inspections.** Prior to opening, the facility shall be inspected by the following persons or their representatives:
 - a. Health Officer;
 - b. Building Official;
 - c. Fire Marshal; and
 - d. Crime Prevention Officer.
2. **Monitoring.** The Commission shall review the operation of the shelter and its compliance with the Use Permit at the end of the first six months of operation and as determined thereafter, and upon receipt of continuing complaints from the neighborhood where the facility is located.

- I. **Facility additions.** Except for shelters that do not require a discretionary permit, Board of Architectural Review approval is required for any proposed addition to a shelter, subject to Section

17.62.030 (Architectural Review).

ENVIRONMENTAL REVIEW

The proposal is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) Pursuant to Section 15061(b)(3) of Division 6 of Title 14 of said act.

RECOMMENDED ACTIONS

1. Open the public hearing and take testimony on the Draft Ordinance regarding the text amendments to the Zoning Code.
2. Pass to print the Draft Ordinance as presented for adoption at a second reading on March 1, 2018.

FISCAL IMPACT

ATTACHMENTS

1. Draft Ordinance
 2. Department of Housing and Urban Development Letter
 3. Map
-

Reviewed for Submission to the
City Council by:

A handwritten signature in blue ink, appearing to read 'Craig Malin', is written over a horizontal line.

Craig Malin, City Manager

ORDINANCE NO. 18-XX

AN ORDINANCE OF THE CITY OF SEASIDE

APPROVING TEXT AMENDMENTS TO TITLE 17 OF THE SEASIDE MUNICIPAL CODE AND MAKING AN ENVIRONMENTAL DETERMINATION OF EXEMPTION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

THE CITY COUNCIL OF THE CITY OF SEASIDE DOES ORDIAN AS FOLLOWS:

WHEREAS, in 2007, the State of California passed Senate Bill 2 (SB2), the “Emergency Shelter Act,” to clarify and strengthen housing element law to ensure local zoning facilitates emergency in accordance with Government Code Sections 65580 – 65589.8; and

WHEREAS, SB2 became effective January 1, 2008 and requires all California cities to address their local homeless needs by designating a zone/zones and/or overlay district where emergency shelters are allowed by right; and

WHEREAS, the 2015-2019 Draft Housing Element Program 8 proposes to amend the Zoning Code to permit emergency shelters without discretionary action in the Community Commercial zoned areas; and

WHEREAS, a site analysis in the 2015-2019 Housing Element concludes that there is sufficient capacity in the Community Commercial Zoning District and within Census Tract 137 to accommodate the need for emergency shelters by right in the City of Seaside, and

WHEREAS, the City of Seaside has evaluated land uses and zoning opportunities and constraints within the Community Commercial zone and Census Tract 137 to determine that sufficient capacity is available to provide an emergency shelter in compliance with SB2 while ensuring that adequate development standards are in place to best meet the necessary requirements of SB2 while balancing community safety needs and resources; and

WHEREAS, in accordance with Section 17.74.050 of the Seaside Municipal Code, it is the responsibility of the City Council to consider and weigh the merits of proposed text amendments to the Seaside Municipal Code and the public input received on the proposed text amendments in relation to the policies, standards and intent of the Seaside General Plan and Seaside Municipal Code; and

WHEREAS, on December 13, 2017, the Seaside Planning Commission held a public hearings to provide the City Council with a recommendation on the proposed text amendments and considered all oral comments and written information concerning the proposed Ordinance in making its recommendation to the City Council; and

WHEREAS, On February 15,, 2017, the Seaside City Council introduced the first reading of the draft Ordinance and considered oral comments and written information concerning this Ordinance at a duly noticed public hearing; and

WHEREAS, the adoption of a Emergency Shelter Ordinance is categorically exempt

from the California Environmental Quality Act (CEQA) pursuant to Section 15061.b.3 of the CEQA Guidelines because adoption of this zoning ordinance is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment, and this project does not have the potential for causing a significant effect on the environment; and

NOW, THEREFORE, on the basis of the record thereof the City Council hereby ordains as follows:

SECTION 1. With respect to the amendment to the Seaside Municipal Code the City Council finds as follows:

1. The proposed text amendments are necessary and appropriate to comply with the requirements of State Law (California Government Code Section 65583). The proposed text amendments are internally consistent with the General Plan and will implement Housing Element Program 8 and bring the City into compliance with the State's housing element law, Government Code Section 65580- 65589.8. Since the General Plan identifies the need to facilitate emergency shelters in the Community Commercial zoning district and other compatible locations in the City, the addition of the SB2 emergency shelter overlay within Census Tract 137 is also consistent with the General Plan.
2. The proposed text amendments will not adversely affect the public health, safety, and welfare in that the proposed development standards and the Census Tract 137 Overlay District are designed to locate emergency shelters near services and compatible uses, public transportation, and to ensure emergency shelters are operated and managed so they are safe and compatible with adjacent uses.

SECTION 2. SB2 Overlay Zone. The City Council hereby amends Section 17.14.B – Table 2-4, adds new Section 17.22.050, and amends Section 17.52.100 of Title 17 of the Seaside Municipal Code to support Emergency Shelters as a permitted use in the Community Commercial Zoning District and Census Tract 137 as outlined below to ensure compliance with SB 2. The proposed changes are denoted by ~~striketrough type~~ for language that is deleted and underline type for new language.

1. Table 2-4 Uses Allowed Uses and Permit Requirements for Commercial Uses
*** Change made to include Emergency Shelters as Permitted (P) in CC Zone**

TABLE 2-4 (continued) Allowed Land Uses and Permit Requirements for Commercial Zones	P	Permitted Use, Zoning Clearance required					
	MUP	Minor Use Permit required (see Section 17.52.070)					
	UP	Use Permit required (see Section 17.52.070)					
	S	See cited Section for permit requirement					
	—	Use not allowed					
LAND USE (1)	PERMIT REQUIRED BY ZONE						Specific Use Regulations
	CD	CMX	CC	CRG	CA	CH	

RESIDENTIAL

Emergency/transitional shelter	—	UP	P	—	—	—	17.42.090
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Home occupation	P	P	P	P	—	—	17.42.110
Mixed use project residential component	MUP(2)	MUP(2)	UP(2)	UP(2)	—	—	17.42.120
Residential care facility, 7 or more clients	—	—	UP	—	—	—	
<u>Live Work</u>		<u>UP</u>	<u>UP</u>	<u>---</u>	<u>---</u>	<u>UP</u>	

2. CHAPTER 17.22 – OVERLAY ZONES

* Add new language listed below to establish SB2 Overlay zone where emergency shelters can be established without a discretionary permit.

17.22.050 – EMERGENCY SHELTER OVERLAY

- A. Purpose. This Section provides zoning designation where an emergency shelter can be permitted without a discretionary permit.
- B. Applicability. The Emergency Shelter overlay is applied to areas of Census tract 137.
- C. Development standards. Proposed development standards for an Emergency Shelter that is permitted within the Emergency Shelter Overlay Zone is listed under Section 17.52.100.D

3. CHAPTER 17.52.100 – EMERGENCY SHELTERS

* Amend text to provide development standards for emergency shelters in compliance with State Law.

- A. **Applicability.** Emergency shelters shall comply with the requirements of this Section, where allowed by Article 2 (Zones, Permitted Land Uses, and Zoning Standards).
- B. **Limitations on location.**
1. **Category 1 shelter.** A shelter for families and/or single women with children may be established with a Use Permit in the RS-8 and RS-12 zones.
 2. **Category 2 shelter.** A shelter for single men and single women may be approved with a Use Permit in the RM zone.
 3. **Category 3 Shelter.** An emergency shelter shall be a permitted use in the community commercial zone and Census Track 137.
 4. **Flexibility.** The Commission may allow temporary emergency shelters for the homeless in zones other than those listed in Subsections B.1 and B.2 if the site meets all applicable criteria, and the proposal is deemed an "exceptional project" as determined by the Commission.
- C. **Application processing and monitoring.** A Use Permit application for a temporary emergency shelter for the homeless shall be processed in compliance with Section 17.62.070 (Use Permits and Minor Use Permits). A pre-application conference shall be held to:
1. Determine the nature of the proposal;
 2. Ensure that it complies with the intent of this Chapter; and
 3. Offer specific comments and direction.

D. Development and operating standards for Category 1 and Category 2 Shelters

1. A family shelter or shelter for single women with children should be located near public facilities and transportation facilities.
2. Shelters for single persons should be located near transportation facilities.
3. Each shelter shall have an on-site resident manager.
4. Residents shall not be required to participate in any religious or philosophical ritual, service, meetings, or rites as a condition of eligibility for being housed in a shelter.
5. The exteriors of the shelter shall be upgraded, fenced and landscaped, and maintained as required by the Commission.
6. No more than 16 persons shall be allowed at any shelter location, including the on-site manager.
7. Single women may be housed in a shelter for single women with children.
8. Each shelter shall comply with Title 24 of the State Code, all state building regulations, the Uniform Building Code and all related codes (per pages IV, V, and VI of the UBC), and the Uniform Housing Code.

E. Emergency shelters permitted by right for homeless in the CC Zone and Census Track 137.

Any application for an emergency shelter facility located in the Census Track 137, that meets the following performance, development, design and managerial standards shall not require a discretionary permit, per Section 65583(a)(4) of the California Government Code:

- a. Emergency shelters shall obtain and maintain in good standing all required licenses, permits and approvals from City, County, State and Federal agencies or departments and demonstrate compliance with all applicable building and fire codes.
- b. The emergency shelter shall conform to all property development standards of the zoning district in which it is located, except as modified by these performance standards.
- c. The length of stay of an individual client shall not exceed six (6) months within a twelve (12) month period.
- d. The maximum number of beds for emergency shelters shall be fifty (50) unless a major conditional use permit approved to permit additional beds.
- e. External lighting shall be provided for security purposes. The lighting shall be stationary and directed away from adjacent properties and the public right-of way.
- f. No more than one emergency shelter shall be permitted within a radius of 300 feet from another such shelter when measured from the closest property lines. An exception to this separation requirement may be granted if significant physical features act as barriers from said sensitive uses, such as a freeway, railroad right-of-way.
- g. Parking facilities shall be designed to provide one space per staff member. A secured area for bicycle parking shall be provided for use by staff and client, commensurate with demonstrated need, but no less than a minimum of four (4) bicycle spaces.
- h. A client waiting and intake area shall be provided as interior space and contain a minimum of ten (10) square feet per bed provided at the facility, and a minimum size of 100 square feet of floor area.

- i. Outdoor charitable food distribution shall be conducted entirely on private property in a covered area, during times that are approved by the City, and shall not block accessible pathways.
 - j. No signs are present on the property relating to its use as a shelter for the homeless.
 - k. Donation/collection bins and areas shall be screened from public view and shall be open to the public between the hours of 9:00 a.m. to 6:00 p.m. A sign stating hours of operation shall be placed in a clear, visible location and shall be no larger than 15 square feet.
 - l. Adequate storage for personal belongings shall be provided.
 - m. The city may inspect the facilities during business hours for compliance with the management plan and any other applicable regulations and standards.
 - n. A minimum of one-staff person or agent shall be on-duty and awake when the facility is in operation.
 - o. Management Plan: The applicant or operator shall submit a management and operation plan for the Emergency Shelter review and approval by the Planning Manager prior to approval of a business license. The Plan shall include, but not be limited to, the following:
 1. Security
 2. Staff training
 3. Neighborhood relations
 4. Pet Policy
 5. Client intake process
 6. List of services provided
 7. Facility maintenance
 8. Refuse control
 9. Amenities, such as hours of operation, cooking/dining facilities, laundry facilities and activity policies.
 10. Anti-discrimination policies
- The plan may be reviewed as needed by the City with revisions made by the operator.

F. Findings required for approval. Use Permit approval for a Category 1 and Category 2 shall require that the Commission first make the following findings, in addition to those required for Use Permits by Section 17.62.070:

1. Adequate parking is available for the type of shelter proposed;
2. The project will have no adverse impact on the surrounding neighborhood;
3. There is not an overconcentration of shelters for the homeless in the surrounding areas in that neighborhood and in the City; and
4. The proposed homeless shelter is consistent with the Housing Element of the General Plan.

G. Conditions of approval. The approval of a Use Permit for a Category 1 and Category 2 temporary emergency shelter for the homeless shall include the following conditions of approval, in addition to any other conditions deemed necessary by the Commission based on the specific proposal.

1. All plans for modifications to existing structures or proposed additions shall be submitted to the Building Official, the Fire Marshal, and the Health Officer for review and approval.
2. The applicant shall meet with the Crime Prevention Officer for recommendations regarding the safety of the tenants.
3. The applicant shall comply with all applicable federal, state, and county regulations relating to the operation of the shelter.
4. The maximum number of persons allowed in the existing shelter, following any modifications or additions, shall be established by the Building Official and the Fire Marshal. The maximum occupancy of a single person or dormitory facility shall be based on a minimum 100 square feet of superficial floor area per person.
5. The applicant shall file with the Director, for review and approval, a list of house rules relating to the operation of the shelter.
6. The Use Permit is subject to continuing jurisdiction of the Commission and subject to review in six months and as determined thereafter.

H. Inspections and monitoring.

1. **Inspections.** Prior to opening, the facility shall be inspected by the following persons or their representatives:
 - a. Health Officer;
 - b. Building Official;
 - c. Fire Marshal; and
 - d. Crime Prevention Officer.
2. **Monitoring.** The Commission shall review the operation of the shelter and its compliance with the Use Permit at the end of the first six months of operation and as determined thereafter, and upon receipt of continuing complaints from the neighborhood where the facility is located.

- I. **Facility additions.** Except for shelters that do not require a discretionary permit, Board of Architectural Review approval is required for any proposed addition to a shelter, subject to Section 17.62.030 (Architectural Review).

SECTION 5. SB2 Overlay Zone. The City Council hereby amends is Zoning Code and Official Map to establish the SB2 Overlay Zone, as shown in Exhibit A.

SECTION 6. Severability.

A. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the Ordinance, including the application of such part or provision to other persons or circumstances, shall not be affected thereby and shall continue in full force and effect. To this end, provisions of this Ordinance are severable.

B. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentences, clauses or phrases even if certain parts are held to be unconstitutional, invalid or unenforceable.

SECTION 7. Legal Construction. The provisions of this Ordinance shall be construed as necessary to effectively carry out its purposes, which are hereby found and declared to be in furtherance of public health, safety, and welfare.

SECTION 8. Effective Date. This Ordinance shall become effective thirty (30) days after its final passage and adoption at a duly noticed public hearing for the second reading of the proposed text amendments.

SECTION 9. Certification of Passage. The City Clerk shall certify to the adoption of this Ordinance and shall, within thirty (30) days after passage, publish a summary of this Ordinance in accordance with Section 36933 of the Government Code of State of California with the names of City Council members voting for and against it.

INTRODUCED at a regular meeting of the City Council of the City of Seaside on the 15th day of February, 2018, and

PASSED AND ADOPTED by the City Council of the City of Seaside on the ____ day of _____, 2018, by the following roll call vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

APPROVED:

Ralph Rubio, Mayor

ATTEST:

Lesley Milton-Rerig, City Clerk

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov



November 9, 2017

Mr. Craig Malin, City Manager
City of Seaside
440 Harcourt Avenue
Seaside, CA 93955

Dear Mr. Malin:

RE: Review of the City of Seaside's 5th Cycle (2015-2023) Draft Housing Element

Thank you for submitting the City of Seaside's draft housing element update received for review on September 11, 2017, along with revisions to the draft received on November 2, 6, 7 and 8, 2017. Pursuant to Government Code (GC) Section 65585(b), the Department is reporting the results of its review. Our review was facilitated by a telephone conversation on October 12, 2017 with Ms. Gloria Stearns, Economic Development Program Manager, Mr. Rick Medina, Senior Planner, Ms. Sharon Mikesell, Administrative Analyst, and Ms. Veronica Tam, the City's consultant.

The draft element meets most of the statutory requirements of State housing element law (GC, Article 10.6). However, the Department cannot find the element in full compliance until the City amends zoning to permit year-round emergency shelters without discretionary action pursuant to GC Section 65583(a)(4)(A). Program 8, identified in the previous element, committed the City to amend the zoning ordinance to permit emergency shelters in the CC zone without discretionary action within one year from adoption of the 4th cycle housing element. As noted in the current element on page 106, Program 8 has not been implemented. The element will comply with housing element law once the City has completed the zoning amendment and submitted the adopted element to the Department pursuant to GC Section 65585(g).

Senate Bill 375 (Chapter 728, Statutes of 2008) amended GC Section 65588(e)(4) to require a jurisdiction that failed to adopt its housing element within 120 calendar days from the statutory due date to revise its element every four years until adopting at least two consecutive revisions by the applicable due dates. The City of Seaside did not meet the deadline; therefore, it is subject to the four-year revision requirement until the City has adopted at least two consecutive updated revisions by the applicable due dates.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City must continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available and considering and incorporating comments where appropriate.

For your information, some other elements of the general plan must be updated on or before the next adoption of the housing element. The safety and conservation elements of the general plan must include analysis and policies regarding fire and flood hazard management (GC Section 65302(g)). Also, the land-use element must address disadvantaged communities (unincorporated island or fringe communities within spheres of influence areas or isolated long established legacy communities). Additional information can be obtained from these two Technical Advisories issued by the Governor's Office of Planning and Research at:

http://opr.ca.gov/docs/SB244_Technical_Advisory.pdf

http://opr.ca.gov/docs/Final_6.26.15.pdf.

Also, on January 6, 2016, HCD released a Notice of Funding Availability (NOFA) for the Mobilehome Park Rehabilitation and Resident Ownership Program (MPRROP). This program replaces the former Mobilehome Park Resident Ownership Program (MPROP) and allows expanded uses of funds. The purposes of this new program are to loan funds to facilitate converting mobilehome park ownership to park residents or a qualified nonprofit corporation, and assist with repairs or accessibility upgrades meeting specified criteria. This program supports housing element goals such as encouraging a variety of housing types, preserving affordable housing, and assisting mobilehome owners, particularly those with lower-incomes. Applications are accepted over the counter beginning March 2, 2016 through June 30, 2018. Further information is available on the Department's website at:

<http://www.hcd.ca.gov/grants-funding/active-funding/mprrp.shtml#application>.

The Department appreciates the hard work and dedication of Gloria Sterns, Rick Medina, Sharon Mikesell, and Veronica Tam, the City's consultant, in preparation of the housing element and looks forward to receiving Seaside's adopted housing element. If you have any questions or need additional technical assistance, please contact Tom Brinkhuis, of our staff, at (916) 263-6651.

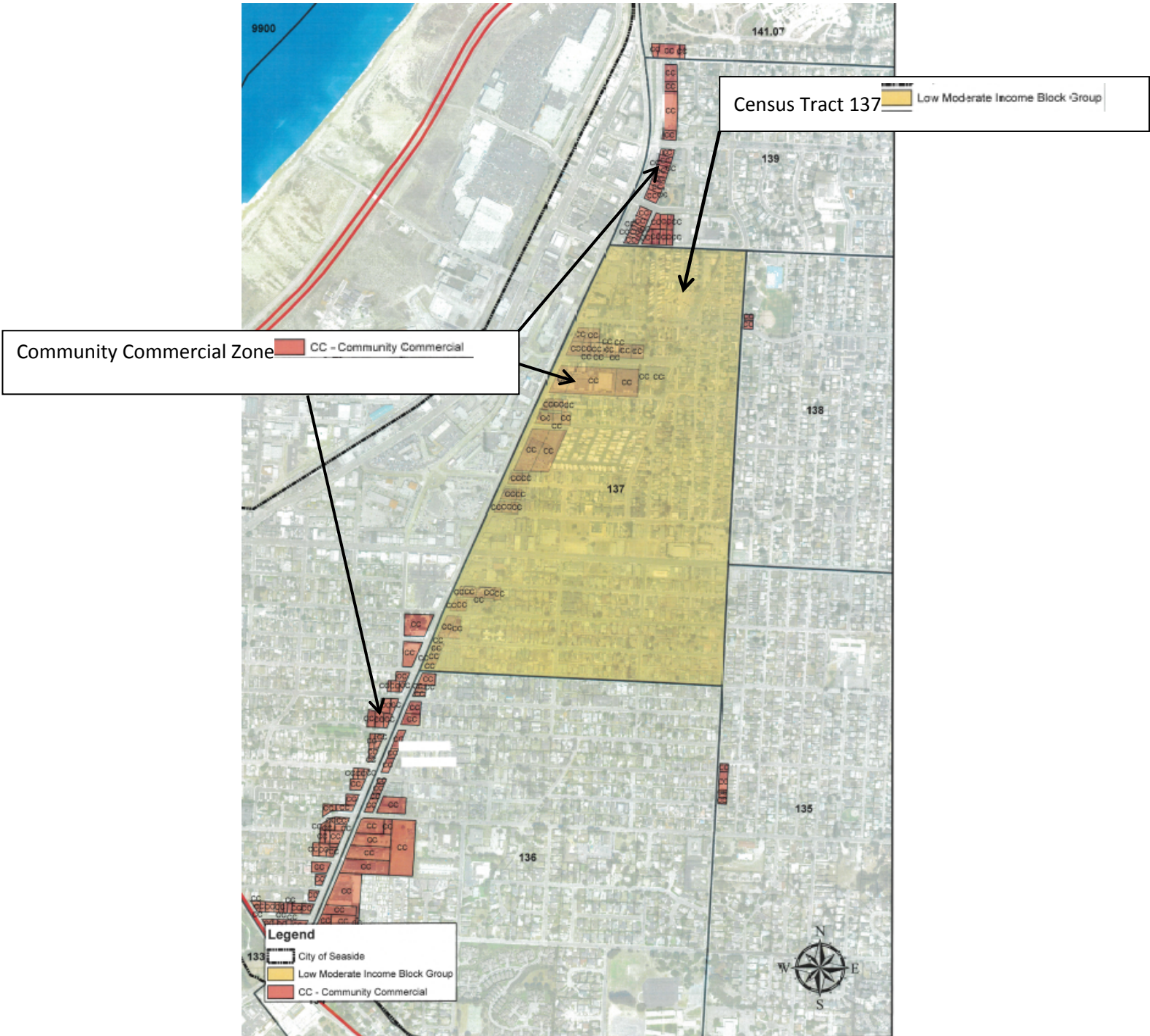
Sincerely,



Jennifer Seeger
Assistant Deputy Director

Attachment 3

Community Commercial and Census Tract 137 Overlay Map





**CITY OF SEASIDE
STAFF REPORT**

Item No.: 9.B.

TO: City Council

FROM: Craig Malin, City Manager

BY: Kurt Overmeyer, Economic Development Manager

DATE: February 15, 2018

**SUBJECT: ADOPTION OF AN ORDINANCE MODIFYING CHAPTER 17 OF
THE SEASIDE MUNICIPAL CODE TO CLEAN-UP ZONING
RELATED TO CANNABIS RELATED USES**

PURPOSE

In October 2017, City Council adopted an ordinance that allows Cannabis and Cannabis related uses in certain zones and conditions. This ordinance adopted certain changes to the Seaside Zoning Ordinance (Chapter 17 SMC). The proposed changes are designed to bring those additions to the ordinance in compliance with State law.

RECOMMENDATION

That the City Council adopt the draft Ordinance.

BACKGROUND

On October 21st, 2017 City Council adopted an ordinance creating Chapter 19 in the Seaside Municipal Code (SMC) and making changes to Chapter 17 SMC. The City Attorney upon further review after the ordinance passed noted that the Zoning changes section of the ordinance used the word "shall" rather than "is" to describe these amendments to the Zoning Ordinance. In an effort to ensure the enforceability and accuracy of the zoning changes presented with the cannabis ordinance, the attached ordinance adopting changes to the existing Zoning Ordinance will be required. These changes are:

- Replacing " Shall be amended" with "is Amended"
- Adopts specific amendments to the zoning table and adds the corresponding level of review (UP for dispensaries, MUP for non-retail/testing uses, and P for testing labs).
- Clarifies the CMX and MX zones.
- Clarifies the "Future Mixed-Use High and Low" areas.
- Removes all reference to Use Permits being from one year and not inuring any property

- rights.
- Requires that all cannabis related uses have a Development/Operating Agreement with the City outlining all conditions of use and requiring the operator to abide by all conditions at all times.

FISCAL IMPACT

The expected fiscal impact of allowing Adult Use and Medical Use Cannabis is greater than \$150,000 annual increased revenue to the General Fund.

ATTACHMENTS

1. Zoning Ordinance Amendment
-

Reviewed for Submission to the
City Council by:



Craig Malin, City Manager

ORDINANCE NO.

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SEASIDE
AMENDING TITLE 17 OF THE SEASIDE MUNICIPAL CODE ALLOWING
CANNABIS ACTIVITIES AS A USE ALLOWED SUBJECT TO A
CONDITIONAL USE PERMIT IN THE CRG, MX, CH, AND CMX ZONES, AND
ESTABLISHING CONDITIONS AND A DEVELOPMENT AGREEMENT TO
PROTECT THE PUBLIC HEALTH, SAFETY & WELFARE.**

WHEREAS, in 1996, California voters approved Proposition 215 (codified at Health and Safety Code section 11362.5 and titled the "Compassionate Use Act of 1996"), which provides criminal immunity for patients and primary caregivers for the cultivation and possession of cannabis if a doctor has recommended the cannabis for Medical purposes; and

WHEREAS, in 2004, Senate Bill 420 was enacted (codified at Health and Safety Code section 11362.7 *et seq.* and titled the "Medical Marijuana Program Act") to clarify the scope of the Compassionate Use Act of 1996. The Medical Marijuana Program Act allows cities and other governing bodies to adopt and enforce laws consistent with its provisions; and

WHEREAS, neither the Compassionate Use Act of 1996 nor the Medical Marijuana Program Act provided an effective statewide regulatory system for the Medical cannabis industry, and this lack of uniform regulation created uncertainty about the legality of Medical cannabis activities and endangered the safety of end users who have not had the benefit of a monitored supply chain for Medical cannabis, quality control, testing or labeling requirements; and

WHEREAS, the purpose of citywide regulation of Medical cannabis dispensaries is to regulate the cultivation, manufacturing, research, testing, and sale and distribution of cannabis in the interest of patients who qualify to obtain, possess and use cannabis for Medical purposes under state law, and to provide safe Medical cannabis product and inventory; and

WHEREAS, in 2011, Assembly Bill 2650 was enacted (codified at Health and Safety Code section 11362.768 affirming that cities can adopt ordinances that restrict the location and establishment of Medical marijuana collectives, cooperatives, and dispensaries; and

WHEREAS, in *City of Riverside v. Inland Empire Patients Health and Wellness Center, Inc.* (2013) 56 Cal.4th 729, the California Supreme Court concluded that nothing in the Compassionate Use Act or the Medical Marijuana Program Act precludes a local jurisdiction from regulating or prohibiting facilities that distribute Medical marijuana; and

WHEREAS, in 2015, Assembly Bills 243 and 266 and Senate Bill 643 were enacted (codified at Business and Professions Code section 19300 *et seq.* and titled the "Medical Marijuana Regulation and Safety Act"). These bills also amended provisions of the Medical Marijuana Program Act related to the cultivation of Medical marijuana; and

WHEREAS, the Medical Marijuana Regulation and Safety Act establishes a comprehensive regulatory framework for Medical cannabis in California (including production, transportation and sale of Medical cannabis), requires establishment of uniform state minimum health and safety standards, testing standards, mandatory product testing, and security requirements at dispensaries and during transport of the product, and provides criminal immunity for licensees; and

WHEREAS, the Medical Marijuana Regulation and Safety Act preserves local control in a number of ways: (1) by requiring Medical cannabis businesses to obtain both a state license and a local license or permit to operate legally in California, (2) by terminating the ability of a Medical cannabis business to operate if its local license or permit is terminated, (3) by authorizing local governments to enforce state law in addition to local ordinances, if they request that authority and it is granted by the relevant state agency, (4) by providing for civil penalties for unlicensed activities, and continuing to apply applicable criminal penalties under existing law, and (5) by expressly protecting local licensing practices, zoning ordinances, and local actions taken under local constitutional police power; and

WHEREAS, Proposition 64, The Adult Use of Marijuana Act, was passed by the voters November 8, 2016; and

WHEREAS, the Adult Use of Marijuana act provides local agencies authority to reasonably regulate the cultivation, testing, sale and research and development of cannabis for Adult recreational use; and

WHEREAS, the City of Seaside wishes to amend the Seaside Municipal Code to regulate cannabis activities in a manner that protects the public health, safety and general welfare of the community, and in ensures that the interest of patients who qualify to obtain, possess and use marijuana for Medical purposes, consistent with the Compassionate Use Act of 1996, the Medical Marijuana Program Act, Medical Marijuana Regulation and Safety Act and Proposition 64; and

WHEREAS, the City of Seaside has a compelling interest in protecting public health, safety, and welfare of its citizens, residents, visitors and businesses by developing and implementing performance and operating standards for cannabis businesses; and

WHEREAS, nothing in this Ordinance shall be deemed to conflict with federal law as contained in the Controlled Substances Act, 21 U.S.C. § 841 or to license any activity that is prohibited under said Act except as mandated by State law; and

WHEREAS, nothing in this Ordinance shall be construed to (1) allow persons to engage in conduct that endangers others or causes a public nuisance; or (2) allow any activity relating to the sale, distribution, possession or use of cannabis that is illegal under state law; and compliance with the requirements of this Ordinance shall not provide a defense to criminal prosecution under any applicable law;

NOW, THEREFORE, THE COUNCIL OF THE CITY OF SEASIDE DOES ORDAIN AS FOLLOWS:

SECTION 1. Amending Zoning Ordinance Permitting Cannabis Dispensaries in certain zones:

A. Section 17.14.030, Table 2-4 is amended as follows:

The term “Medical marijuana dispensaries” is revised to read “Medical cannabis and Adult cannabis dispensaries”, and the categories of CMX, MX, CC and CRG are designated with the letters “up” to designate that a CUP is required for such uses in these zones. The terms “Cannabis research and development, cannabis manufacturing, and cannabis related processing” are added, and the categories of CH, CC, CMX and MX are designated with the letters “MUP” to designate that a Minor Use Permit is required for such uses in these zones. The term “Cannabis cultivation” is added, and the category MX is designated with the letters “MUP” and an asterisks that reads “Only facing the alleyway between Broadway Ave. and Olympia St. and Olympia St.” The term “Cannabis Testing” is added, and the categories of CH, CMX, MX, CC, CA and CH are designated with the letter “P” to designate that this use is permitted by right in these zones.

B. Section 17.20.30 B., West Broadway Urban Village Specific Plan Area, is amended by adding the following sentence: “Cannabis Medical and Adult usage dispensaries shall be permitted land uses in this Specific Plan Area subject to obtaining a Conditional Use Permit in accordance with Chapter 17.56.”

C. Section 17.52.150 is deleted in its entirety.

D. Section 17.62.070 H is amended by adding the following sentence: “Any Use Permit granted for any Medical or Adult Cannabis Dispensary shall include as a condition the

obtaining of a Development/Operating Agreement with the City which shall require periodic review of performance and compliance as deemed appropriate by the City.”

SECTION 2. Effective date. This Ordinance shall take effect thirty (3) days after its final passage and adoption by the Council.

INTRODUCED at a regular meeting of the City Council of the City of Seaside held on _____, 2018.

PASSED AND ADOPTED as an Ordinance of the City Council of the City of Seaside at a regular meeting of the City Council held on _____, 2018, by the following vote:

Ayes: Council members

Noes: Council members

Absent: Council members

Abstain: Council members

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney



**CITY OF SEASIDE
STAFF REPORT**

Item No.: 9.C.

TO: City Council

FROM: Craig Malin, City Manager

BY: Kurt Overmeyer, Economic Development Manager

DATE: February 15, 2018

**SUBJECT: ADOPTION OF AN ORDINANCE AMENDING ORDINANCE 1043
AMENDING REGULATIONS FOR CANNABIS ACTIVITIES IN
SPECIFICED ZONES ALLOWING THREE ADDITIONAL
DISPENSARY USE PERMITS AND AFFIRMING ZONING CHANGES
AS PREVIOUSLY ADOPTED (SECOND READING - ROLL CALL
VOTE)**

PURPOSE

Adopt Ordinance amending Ordinance 1043 and Chapter 19 of the Seaside Municipal Code regulating cannabis activities as directed during the December 28, 2017 meeting.

RECOMMENDATION

Staff recommends that the City Council approve the second reading of the draft ordinance.

BACKGROUND

On October 21st, 2017 City Council adopted Chapter 19 of the Seaside Municipal Code, which allowed for Adult and Medical Cannabis Related Uses including retail dispensaries, manufacturing, processing, testing and cultivation. The ordinance was implemented and a number of applicants for retail dispensaries applied, were scored and came to City Council for approval on December 28th, 2017. City Council requested that staff develop a revised ordinance that would allow for 6 total locations rather than the 3 provided in the original ordinance.

Staff also reviewed policies and procedures related to scoring and ranking applications. While the process achieved a fair scoring methodology, staff learned through the process that some additions and modifications would make this process more effective, transparent and understandable in the future.

The initial ordinance included a provision that limited all Use Permits and Minor Use Permits to one year subject to an administrative review, and that they did not convey a land use right. The City Attorney has advised that we should change this to be in compliance with state law. In order to ensure that the City could enforce laws and conditions, applicants will also be required to execute a Development/Operating Agreement with the City and that this agreement must be in full force in order to operate.

With the goal of satisfying the requested changes from City Council as well as to clean up those elements of the ordinance that could improve the scoring and ranking process and compliance with State law, the following key changes are being presented:

- Increases the number of licenses from 3 medical and 3 adult to 6 of each.
- Increases the number of allowable locations from 3 to 6.
- Reduces the buffer between dispensary locations for properties located in the West Broadway Urban Village (WBUV) Specific Plan and those properly zoned parcels that are immediately adjacent to the WBUV from 1,000 to 500 feet (this accommodates all but one of the applications approved by City Council for continuing towards a Use Permit at locations proposed in their application).
- Maintains a buffer of 1,000 feet at all other locations.

Scoring Criteria Changes:

- Provides that financial projections should be based on the local trade area and use a market study to create projections.
- Allows the Director of Finance to apply a reasonableness standard to the projections and capitalization numbers provided by the applicant and to adjust their score accordingly.
- Separates Community Benefit from Neighborhood Compatibility and clarifies what constitutes a Community Benefit by requiring specific commitments.
- Provides points for owners and principal employees in the application.
- Provides points for neighborhood compatibility that rely both on property owners and on businesses/tenants/residents, with property owners weighted slightly higher than businesses/tenants/residents.
- Separates points for Security and Safety into separate categories.
- Provides a definition of minimum standards for an "adequate" score in both categories.
- Allows the Police Chief to define additional measures that would result in a score of "exemplary."

State Law Compliance:

- Removed paragraph limiting Use Permits conveyance of land use rights and the annual review.
- Strengthened language around the Development/Operating Permit and the review process.

Staff presented the draft changes to the Planning Commission on January 24, 2018 where the Commission recommended that all provisions in the draft ordinance be adopted except the reduction of the buffer for the West Broadway Urban Village and adjacent properly zoned

parcels.

The City Council can chose to adopt the changes as recommended by the Commission or to adopt the draft ordinance as recomended by staff. Planning Commission changes are listed in red in the attached draft ordinance.

FISCAL IMPACT

Allowing Commercial Adult Use and Medical Use Cannabis Related Use Could Generate Revenues in Excess of \$150,000 Per Year.

ATTACHMENTS

1. Amendments to the Cannabis Ordinance
 2. Ordinance as Recommended by Planning Commission
-

Reviewed for Submission to the
City Council by:



Craig Malin, City Manager

ORDINANCE NO.

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SEASIDE
AMENDING CHAPTER 19 WHICH REGULATES COMMERCIAL CANNABIS
ACTIVITIES TO REVISE AND CLARIFY PERMITTED ACTIVITIES
ESTABLISHED IN THIS CHAPTER**

This ordinance seeks to revise and clarify existing Chapter 19 of the City of Seaside Municipal Code which establishes regulations commercial medical and adult cannabis activities, including cultivation, dispensaries, manufacturing, testing, transportation, and distribution.

WHEREAS, on or about [date] the City of Seaside added Chapter 19 titled COMMERCIAL CANNABIS ACTIVITIES to the Seaside Municipal Code to regulate and enforce cannabis activities in a manner that protects the public health, safety and general welfare of the community; and

WHEREAS, the City of Seaside has determined that certain provisions in that Chapter are in need of revision and clarification in order to ensure compliance with state laws and regulations.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF SEASIDE DOES ORDAIN AS FOLLOWS:

SECTION 1. Purpose and Intent. It is the purpose and intent of this Ordinance to revise and clarify authorized cannabis businesses including dispensaries and cannabis cultivation, research, testing, processing and sales, in a manner that will preserve the public peace, health, safety, and general welfare of the citizens and residents of, and travelers through the City of Seaside as authorized by law. This Ordinance does not regulate the zoning provisions that create specific locations where cannabis businesses may be permitted by Use Permit, but only focuses on regulation of this activity where it is otherwise appropriately zoned and permitted. This Ordinance does not regulate or modify any provision of Chapter 5 of the Seaside Municipal Code relating to business license taxation, deferring to that Chapter to establish any such taxes on cannabis business operations as may be permitted by law.

SECTION 2. Revisions to Chapter 19.

1. Table of Contents. The list of contents for Chapter 19 are revised and renumbered as follows:

19.01 Definitions

19.02 Cannabis Dispensaries and Operating Standard

19.03 Commercial Cannabis Cultivation and Operating Standard

19.04 Commercial Cannabis Testing, Manufacturing, and Research and Development Operating Standard

19.05 Cannabis Transport and Distribution

19.06 Public Hearing

19.07 Ranking and Allocation Procedure and Criteria

19.08 Enforcement

19.09 Appeals Process

19.10 Severability

1. 19.01 Definitions is deleted in its entirety, and in its place the following provisions shall be inserted:

“19.01. Definitions: The following words or phrases, whenever used in this Chapter, shall be given the following definitions:

A. “Bureau” means the Bureau of Medical Marijuana Regulation within the California Department of Consumer Affairs.

B. “Cannabinoid” or “phytocannabinoid” means a chemical compound that is unique to and derived from cannabis.

C. “Medical cannabis” or “Medical cannabis product” means a product containing cannabis, including, but not limited to, concentrates and extractions, intended to be sold for use by medical cannabis patients in California pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code. For the purposes of this Title, “medical cannabis” does not include “industrial hemp” as defined by Section 81000 of the Food and Agricultural Code or Section 11018.5 of the Health and Safety Code.

D. “Adult cannabis” or “Adult cannabis product” means a product containing cannabis, including, but not limited to, concentrates and extractions, intended to be sold for use by adults in California pursuant to the Adult Use of Marijuana Act of 2016 (Proposition 64), found at Section 11362.1 of the Health and Safety Code. For the

purposes of this Title, “Medical cannabis” does not include “industrial hemp” as defined by Section 81000 of the Food and Agricultural Code or Section 11018.5 of the Health and Safety Code.

E. “Commercial cannabis activity” means the cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, transporting, distribution, on-site consumption or sale of Medical or Adult cannabis or a Medical or Adult cannabis product.

F. “Cannabis concentrate” means manufactured cannabis that has undergone a process to concentrate the cannabinoid active ingredient, thereby increasing the product’s potency.

G. “Canopy” means all areas occupied by any portion of a cannabis plant, inclusive of all vertical planes, whether contiguous or noncontiguous on any one site.

H. “Certificate of accreditation” means a certificate issued by an accrediting body to a licensed testing laboratory, entity, or site to be registered in the state.

I. “Cultivation” means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of Medical or Adult cannabis. Within the definition of cultivation, the following specific License Types, corresponding to state cultivator license types set forth in California Business and Professions Code section 19332(g).

J. “Delivery” means the commercial transfer of Medical or Adult cannabis, or Medical or Adult cannabis products from a dispensary, up to an amount allowed by the Bureau, to a primary caregiver, qualified patient or adult as defined in Section 11362.7 of the California Health and Safety Code, or a testing laboratory.

K. “Dispensary” means a facility where Medical cannabis, Medical cannabis products, Adult cannabis, Adult cannabis products or devices for the use of Medical or Adult cannabis or Medical or Adult cannabis products are offered, either individually or in any combination, for retail sale, including an establishment that delivers Medical cannabis and Medical cannabis products as part of a retail sale.

L. “Distribution” means the procurement, sale, and transport of Medical or Adult cannabis and Medical or Adult cannabis products between entities licensed pursuant to this chapter.

M. “Edible cannabis product” means manufactured cannabis that is intended to be used, in whole or in part, for human consumption, including, but not limited to, chewing gum. An edible cannabis product is not considered food as defined by Section 109935 of the California Health and Safety Code or a drug as defined by Section 109925 of the California Health and Safety Code.

N. “Greenhouse” means a fully enclosed permanent structure with climate control, such as heating and ventilation capabilities and supplemental artificial lighting, and that uses a combination of natural and supplemental artificial lighting for cultivation.

O. “Identification card” has the same definition as in Section 11362.7 of the California Health and Safety Code, as it may be amended.

P. “Licensee” means a person issued a state license under Chapter 3.5 (commencing with Section 19300) of the California Business and Professions Code, to engage in a commercial Medical or Adult cannabis activity.

Q. “Licensing authority” means the state agency responsible for the issuance, renewal, or reinstatement of a license for commercial Medical or Adult cannabis activities, or the state agency authorized to take disciplinary action against the license.

R. “Manufactured cannabis” or “cannabis product” means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, an edible product, or a topical product.

S. “Manufacturing site” means a location that produces, prepares, propagates, or compounds manufactured Medical or Adult cannabis or Medical or Adult cannabis products, directly or indirectly, by extraction methods, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and is owned and operated by a licensee for these activities.

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

U. “One ownership” and “owner” have the same definition as set forth in Chapter 21.06 of this Title.

V. “Permittee” means a person issued a commercial cannabis permit under Chapter 7.90.

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

X. “Primary caregiver” has the same definition as in Section 11362.7 of the California Health and Safety Code, as it may be amended.

Y. “Public park” means an area created, established, designated, or maintained by the a special district, a County, the State, or the Federal government for public play, recreation, or enjoyment or for the protection of natural resources and features at the site.

Z. “Qualified patient” has the same definition as in Section 11362.7 of the California Health and Safety Code, as it may be amended.

AA. “State” means the State of California.

BB. “State license,” “license,” or “registration” means a state license issued pursuant to California Business & Professions Code Sections 19300, *et seq.*

CC. “Testing laboratory” means a facility, entity, or site in the state that offers or performs test of Medical cannabis or Medical cannabis products and that is both of the following:

1. Accredited by an accrediting body that is independent from all other persons involved in the Medical cannabis industry in the state; and
2. Registered with the California State Department of Public Health.

DD. “Transport” means the transfer of Medical cannabis or Medical cannabis products from the permitted business location of one licensee to the permitted business location of another licensee, for the purposes of conducting commercial Medical cannabis activity authorized pursuant to the California Business & Professions Code Sections 19300, *et seq.*

2. 19.02 Cannabis Dispensaries and Operating Standard

Section 19.02.010 is deleted in its entirety, and in its place the following provisions shall be inserted:

“19.02.010 Cannabis Dispensaries

A. The City Manager shall issue valid permits for operation of adult or medical cannabis operations in such numbers as authorized by the City Council. Initially that number shall be no more than six (6) valid dispensaries of each type.

B. Whenever possible, adult and medical cannabis dispensaries shall be located paired with and operated adjacent to a dispensary of the other type. An adult dispensary shall be collocated with a medical dispensary when possible.

C. No cannabis dispensary of any type shall be located within 600 feet of any public or private school providing instruction in any grade Kindergarten through 12, but not including any home schooling, and shall be located in a commercial or industrial zone as approved in Chapter 17, the Zoning Ordinance, of the Seaside Municipal Code.

D. Dispensaries not located in the West Broadway Urban Village Specific Plan or immediately adjacent parcels shall not be located within one thousand (1000) feet of another dispensary unless adjacent to a collocated dispensary of the opposite type as set

forth in B. above. Those located in the West Broadway Urban Village Specific Plan shall not be located within five hundred (500) feet of another dispensary unless adjacent to a collocated dispensary of the opposite type as set forth in B. above.”

Section 19.02.020 is deleted in its entirety and is replaced with the following provisions:

“19.02.020 Eligibility Requirement

A. No person shall own any interest or maintain any position, including employee, with a Dispensary other than that of a member convicted of any of the following crimes within the time limit specified:

1. Homicide, at any point in the past.
2. Any serious felony listed in Penal Code section 1192.7(c) or 667.5(c) within the past 10 years.
3. Penal Code sections 243 through 247, except for 243 (a), which essentially include various forms of assault and battery within the past 10 years.
4. Health and Safety Code violations of sections 11357(d) or (e), or 11361, or Articles 1, 3, 5, 6 or 7 of Chapter 6 of Division 10 of the Health and Safety Code relating to certain possession of concentrated cannabis or sale on school grounds within the past 10 years.
5. Health and Safety Code violation of section 11358, 11359, and 11360 relating to illegal cultivation, importation, or sale of marijuana plants within the past 3 years.

B. Such other information deemed necessary including background investigation and a LiveScan Background check of the applicant, for the City Manager to determine compliance with the City's Municipal Code.

C. All applicants shall pay a dispensary permit application fee, a permit fee, and all inspection fees that may be required as part of the application process, as specified by Resolution in the City's Master Fee Schedule.

D. Each applicant for a dispensary permit application shall submit Notarized, written authorization from the property owner(s) that a Commercial Cannabis Business may be operated at the proposed site, and clearance from the City Planning Department showing that the location proposed is legally authorized in the Zoning Ordinance.

E. The name and address of Managers or responsible agents of the Commercial Cannabis Business shall be supplied, which shall be updated not less frequently than annually or upon any change of Manager or responsible agent at any time.”

Section 19.02.030 Operation Plan is deleted in its entirety and the following provisions are substituted in its place:

A. All applicants must provide a plan of operations that will describe how the dispensary will operate consistent with State Law and the provisions of this Chapter including but not limited to implementation of controls to ensure medical or adult cannabis will be dispensed only to qualified adults, and qualified patients and primary caregivers as appropriate. Dispensaries shall comply with Health and Safety Code Sections [11362.7](#) et seq. and any other state laws that may be adopted concerning Medical or Adult Cannabis, California’s Medical Marijuana Regulation and Safety Act, the Adult Use of Marijuana Act, the Attorney General’s Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use, and any other applicable City laws or regulations, and shall pay all applicable state or local taxes. Dispensaries shall also comply with the operating standards set forth in this Section.

B. Medical Dispensaries may consist only of Members. Medical Dispensaries may only obtain Medical Cannabis from, and supply Medical Cannabis to, their Members.

C. No person other than a Member may Cultivate Medical Cannabis on behalf of a Dispensary.

D. The scale or Cultivation by or on behalf of a Medical Dispensary shall be proportional to its Member load as defined by the State of California.

E. Medical Cannabis Dispensaries may not admit any person as a Member without first verifying his or her status as a qualified patient or primary caregiver as defined by state law, and shall immediately cancel the membership of any person who diverts Medical Cannabis for non-medical use or in any manner not permitted by this Chapter or State law.

F. Physicians’ recommendations shall be verified by the Medical Dispensary prior to granting membership and at least every twelve (12) months thereafter, and a physical or digital record shall be kept of such verification. No Medical Cannabis may be dispensed except to a Member and pursuant to a recommendation that is no more than twelve (12) months old, unless the recommendation expressly states that it has a longer term or does not expire.

G. Non-Diversion. Medical dispensaries shall take all practicable steps necessary to prevent and deter diversion of Medical Cannabis to non-Members. Dispensaries must limit access to Medical Cannabis, Medical Cannabis Products and Edibles to authorized personnel only, and must maintain an inventory management system that accounts for all Medical Cannabis, Medical Cannabis Products and Edibles.

H. Adult Dispensaries must comply with all aspects of the Adult Use of Marijuana Act and must receive a license from the State prior to start of operations, and shall maintain license throughout operations.”

Section 19.02.040 Dispensing is hereby deleted in its entirety and replaced with the following provisions:

“Section 19.02.040 Dispensing.

A. A Medical Dispensary may not dispense to any person who is not a Member, and may not dispense to anyone without first verifying membership.

B. A Medical Dispensary may not provide more Medical Cannabis to an individual than is necessary for that person’s personal medical use and pursuant to any physician’s directive.

C. A Medical Dispensary may not distribute free samples for promotional purposes outside of the Dispensary premises.

D. No Medical Dispensary shall dispense Medical Marijuana from more than one (1) location in the City of Seaside.

E. No owner of a Medical Dispensary in the City shall open a second dispensary in the City; except that medical dispensaries and colocated or adjacent Adult dispensaries may have the same ownership.”

19.02.050 Members and Employees is hereby deleted in its entirety and replaced with the following provisions:

“Section 19.02.050 Members and Employees of Medical Dispensaries

A. All employees and volunteers of Medical Dispensaries must be at least 18 years of age and qualified to be in the facility.

B. Medical Dispensaries may not admit any person under 18 years of age to membership without written authorization of a parent or legal guardian. Any Member under 18 years of age shall be accompanied by a parent or legal guardian at all times that

such person is at the Dispensary. This requirement may not be transferred to any other adult orally or in writing.

C. All owners and operators of a Medical Dispensary must hold a valid and current Use Permit and Cannabis Development/Operating Agreement from the City of Seaside as required by provisions of this chapter.”

Section 19.02.06 Adult Dispensaries is hereby deleted in its entirety and replaced with the following provisions:

“**19.02.060 Adult Dispensaries.** All Adult Dispensary facilities shall comply with all state and local laws and regulations, including Chapter 17 and this Chapter 19.

A. No Adult Dispensary may dispense to any person not 21 years of age or older.

B. No Adult Dispensary may distribute free samples for promotional purposes outside of the interior of the Dispensary premises.

C. No Adult Dispensary shall dispense cannabis from more than one (1) location in the City of Seaside, except that, subject to State requirements, it may have a collocated or adjacent Medical and Adult location as set forth in section 19.02.010 above.

D. No owner of any Adult Dispensary in the City shall own or possess any ownership interest in a second Adult Dispensary in the City, except the owner of an Adult Dispensary may also own or possess an ownership interest in a collocated or adjacent Medical dispensary as set forth in section 19.02.010 above.

E. All Adult Dispensaries shall hold a valid and current Use Permit and Cannabis Development/Operating Agreement from the City of Seaside as required by provisions of this chapter.”

Section 19.02.070 Security is hereby deleted in its entirety and replaced with the following provisions:

“**19.02.070 Security.** A security plan, as a separate document, outlining the proposed security arrangements to deter and prevent unauthorized entrance into areas containing Medical or Adult Cannabis or Medical or Adult Cannabis products, and theft of Medical or Adult Cannabis or Medical or Adult Cannabis products at the dispensary, in accordance with minimum security measures required by State law and the requirements herein shall be created by applicant and approved by the City prior to commencement of any operations at any dispensary. The security plan shall be reviewed and approved by the Police Department and the Office of the City Manager and shall be exempt from disclosure as a public record pursuant to Government Code Section 6255(a).

A. Dispensaries shall provide adequate security and lighting on-site to ensure the safety of persons and protection of the premises from theft and other crimes at all times. Exterior lighting shall be of sufficient intensity to illuminate all areas of the parking lot or adjacent areas, if any. Such lighting shall comply with the provisions Seaside Municipal Code section 17.30.070.

B. Dispensaries must maintain adequate security guards and surveillance camera coverage of their entire grounds to an extent sufficient to ensure the safety of persons and deter crime. Surveillance cameras must be maintained in good condition, and use a format approved by the City Manager or his/her designee, which results in adequate quality, color rendition and resolution to allow the ready identification of any individual on the premises. The surveillance cameras shall be operated 24 hours per day, seven (7) days per week whether the facility is open or not. The areas to be covered by the security cameras include, but are not limited to, dispensing areas, storage areas, cultivation areas, all doors, parking lots, anyplace where new product is delivered and any other area determined by the City Manager or his/her designee to be appropriate. Surveillance footage must be retained for a period of 90 days and made available to the Seaside Police Department at any time promptly upon request without the necessity of a warrant or subpoena.

C. Dispensaries must be equipped with an alarm system that is operated and monitored by a security company licensed by and in good standing with the California Department of Consumer Affairs. Alarms shall be maintained and in good working condition at all times and able to be manually triggered by employees.

D. In order to prevent unauthorized entry during non-business hours, a Dispensary shall either secure all points of entry with bars, retractable, folding or sliding metal gates, or metal rollup or accordion doors, none of which may be visible from the exterior, or provide at least one security guard at all times during those hours.

E. Any security guards employed by Dispensaries shall be licensed and possess a valid Department of Consumer Affairs "Security Guard Card" at all times. Security personnel may not be armed while on duty.

F. All Medical or Adult Cannabis, Medical or Adult Cannabis Products and Edibles, except for small amounts used for display purposes and samples for immediate sale, shall be securely stored in a locked area at all times, and all access to such areas shall be locked and under the control of staff at all times.

G. Dispensaries shall make transactions with payment methods other than cash when feasible. All cash received, except that needed for retail customer transactions, shall be kept in a secure receptacle such as a drop safe or similar type of safe.

H. Dispensaries shall notify the Seaside Police Department and any licensing authority within 24 hours after discovering any of the following:

1. Significant discrepancies identified during inventory;
2. Diversion, theft, loss, or any criminal activity involving the dispensary or any agent or employee of the dispensary;
3. The loss or unauthorized alteration of records related to Medical or Adult Cannabis, registered qualifying patients, primary caregivers, or dispensary employees or agents; or
4. Any other breach of security.”

Section 19.02.080 Signage is hereby deleted in its entirety and replaced with the following provisions:

“**19.02.080 Signage.** Signs shall be posted at Dispensaries as set forth following:

A. Signs shall be posted as appropriate at the entrance to any Dispensary that includes the following language. The required text shall be of sufficient size to be easily read from a distance of five feet and illuminated at night

FOR MEDICAL:

This Dispensary only provides Medical Cannabis to its members 18 years or older who must have a legally recognized California Medical Cannabis Identification Card or a verifiable, written recommendation from a physician for Medical Cannabis.

FOR ADULT:

This Dispensary only provides Cannabis to adults 21 years age or older who qualify under the Adult Use of Marijuana Act and applicable state law. No person under the age of 21 may enter or loiter within 50 feet of this facility. Providing cannabis products to those under 21 is illegal and shall be prosecuted to the fullest extent of the law.

B. A sign shall be posted in a conspicuous location inside the dispensary advising:

FOR MEDICAL:

This Dispensary is registered in accordance with the laws of the City of Seaside. The sale of marijuana and the diversion of marijuana for non-medical purposes are violations of State law. The use of marijuana may impair a person’s ability to drive a motor vehicle or operate heavy machinery.

FOR ADULT:

This Dispensary is registered in accordance with the laws of the City of Seaside. The sale of marijuana and the diversion of marijuana to persons under the age of 21 are

violations of State law. The use of marijuana may impair a person's ability to drive a motor vehicle or operate heavy machinery.

C. No Cannabis products or graphics describing Cannabis shall be visible from the exterior of the property.

D. Signage for a Dispensary shall comply with Seaside Municipal Code 17.40.”

Section 19.02.090 Delivery is hereby deleted in its entirety and replaced with the following provisions:

“19.02.090 Delivery. If the Dispensary operations are proposed to include delivery, all employees of a Dispensary delivering Medical or Adult cannabis or Medical or Adult Cannabis products shall carry a copy of the documentation listed below when making deliveries. This information shall be provided upon request to law enforcement officers and to employees of state and local agencies enforcing this Chapter or other local laws and regulations. Deliveries from Dispensaries are not permitted in jurisdictions that prohibit such deliveries.

A. A copy of the dispensary's current permits, licenses, and entitlements authorizing them to provide delivery services, including permission to delivery in jurisdictions other than the City if that is the intent of the delivery;

B. The employee's government-issued identification;

C. A copy of the delivery request; and

D. Chain of custody records for all goods being delivered.”

Section 19.02.100 Neighborhood Compatibility is hereby deleted in its entirety and replaced with the following provisions:

“19.02.100 Neighborhood Compatibility.

A. Dispensaries shall be operated in a manner that ensures neighborhood compatibility, and the owner of such facility shall take all steps necessary to ensure that customers, vendors, or others visiting the facility do not create neighborhood disturbances or nuisances.

B. Dispensaries shall provide the Police Department and all residents and property owners within 100 feet with the current name, phone number, secondary phone number and e-mail address of an on-site responsible staff person to whom notice of any operating problems associated with the establishment may be reported. This information shall be updated as necessary to keep it current. Dispensaries shall encourage neighbors to call

this person to try to solve any operating problems. Such calls may be anonymous and need not include an identity of the caller or number.

C. All Dispensaries shall have an on-site manager responsible for overall operation at all times they are open, and shall provide the Police Department with contact information for all such persons, including telephone number, street address and e-mail address. Dispensaries shall also provide the Police Department with the current name and phone numbers of at least one 24-hour-on-call manager. This information shall be updated as necessary to keep it current.

D. Dispensaries shall take all reasonable steps to discourage and correct objectionable conditions that constitute a public or private nuisance in parking areas, sidewalks, alleys and areas surrounding the premises and adjacent properties. Such conditions include, but are not limited to: smoking; creating a noise disturbance; drinking; loitering; littering; urinating or defecating, and production of graffiti.

E. Dispensary will be of an architectural and visual quality and character which harmonizes with, and enhances, the surrounding area, and the design will avoid unduly large or obtrusive signs, un-landscaped parking areas, unduly bright or garish lighting, or design features which encourage loitering as determined by the Zoning Administrator.

F. Dispensaries will ensure that adequate litter receptacles will be provided and maintained where appropriate.

G. Where the dispensary or delivery only dispensary is in proximity to residential uses, it will be limited in hours of operation, and designed and operated so as to avoid disruption of residents' sleep.

H. No Cannabis or Cannabis odors shall be detectable by sight or smell outside of a permitted facility.

I. Dispensaries shall ensure all graffiti is removed from property and parking lots under their control within 24 hours of its appearance.

J. Dispensaries shall operate only between the hours of 9:00 a.m. and 10:00 p.m.”

Section 19.02.110 Consumption of Medical Cannabis, tobacco, or alcohol is hereby deleted in its entirety and replaced with the following provisions:

“19.02.110 Consumption of Cannabis, tobacco, or alcohol.

A. Smoking of Cannabis is prohibited at Dispensaries, including areas in and around the facility, except as noted herein.

B. Sale, smoking, or consumption of tobacco products is prohibited at Dispensaries.

C. Sale, possession, or consumption of alcoholic beverages at Dispensaries is prohibited, and Dispensaries shall prohibit any person in possession of an alcoholic beverage from entering or remaining on the premises.

D. This subdivision does not prohibit the testing of Medical or Adult Cannabis Products by staff of a Dispensary or the use of tinctures or topical Medical Cannabis Products that do not have intoxicating effects.”

Section 19.02.120 Regulatory Fees; Seller’s Permit is hereby deleted in its entirety and replaced with the following provisions:

“19.02.120 Regulatory Fees, Seller’s Permit. In addition to any other required conditions and mitigation measures approved by the City or State, all of the following conditions shall apply to all permits for a Medical or Adult Cannabis dispensary:

A. The Cannabis Dispensary shall allow access to Dispensary facilities and records if requested by the City, its officers, or agents, and shall pay for an annual inspection and submit to other inspections from the City or its officers to verify compliance with all relevant rules, regulations, and conditions.

B. The applicant, owner, and all permittees agree to submit to, and pay for, inspections of the operations and relevant records or documents necessary to determine compliance with this Chapter from any enforcement officer of the City or their designee.

C. Any person operating a Medical or Adult Cannabis Dispensary shall obtain a valid and fully executed Commercial Medical or Adult Cannabis permit pursuant to this Chapter of the Seaside Municipal Code prior to commencing operations, and must maintain such permit in good standing at all times in order to continue operations.

D. Upon implementation of state regulations pursuant to California Business and Professions Code Section 19320, a valid license from the State shall be required to operate any Commercial Medical Cannabis activity.

E. The owner shall post or cause to be posted on site a copy of the Use Permit, the Cannabis Development/Operating Agreement, and all required City, County and state permits and licenses required to operate the Dispensary. Such posting shall be in a central location, visible to the patrons, at the operating site, and in all vehicles that deliver or transport marijuana.

F. The owner shall be responsible for ensuring that all Commercial Medical Cannabis activities at the site operate in good standing with all permits and licenses

required by the Seaside Municipal Code and State law. Failure to take appropriate action to evict or otherwise remove permittees and persons conducting Commercial Medical Cannabis activities at the site who do not maintain permits or licenses in good standing with the City or State shall be grounds for the suspension or revocation of the required Development/Operating Agreement, and may constitute grounds for cancellation of the required Development/Operating Agreement pursuant to Section 17.80 of the Seaside Municipal Code.

G. Dispensaries shall comply with all physical accessibility requirements of the Americans With Disabilities Act.”

Section 19.03 Commercial Cannabis Cultivation and Operating Standard is hereby deleted in its entirety and replaced with the following provisions:

“19.03 Commercial Cannabis Cultivation and Operating Standards. It is hereby declared to be unlawful and a public nuisance for any person or persons owning in whole or in part, leasing, occupying, or having charge or possession of any legal parcel or premises within any zoning district in the City of Seaside to undertake any Cannabis operation regulated by Chapters 17 and 19 of the Seaside Municipal Code except as provided therein.

19.03.010. No Medical or Adult Cannabis at the premises or location shall be visible by the public from any public or other private property outside the interior of the facility.

19.03.020 Cultivation. No Medical or Adult Cannabis shall be dispensed from a cultivation site and such cultivation sites shall not be open to the public. In no case shall a building intended for residential use be used for the cultivation of cannabis. The maximum size of any areas of cultivation shall not exceed any restrictions outlined in State law.

Security measures sufficient to restrict access to cultivation sites to only those persons allowed and intended to be there, and to deter trespass and theft of Medical or Adult Cannabis or Medical or Adult Cannabis products shall be provided and maintained. If on-site security is utilized, Security shall be licensed and possess a valid Department of Consumer Affairs "Security Guard Card" at all times.

Pesticides and fertilizers shall be properly labeled and stored to avoid contamination through erosion, leakage, or inadvertent damage from rodents, pests, or wildlife.

Water conservation measures, water capture systems, or grey water systems shall be incorporated in Medical Cannabis cultivation operations in order to minimize use of water where feasible.

A Minor Use Permit for Medical Cannabis cultivation shall not be granted by the City unless all of the following findings are made based on substantial evidence:

1. The cultivation, as proposed, will comply with all of the requirements of the State and City, and any additional conditions of license for the cultivation of Medical or Adult Cannabis.
2. The cultivation, as approved and conditioned, will not result in significant unavoidable impacts on the environment.
3. The cultivation includes adequate measures that minimize use of water for cannabis cultivation at the site.
4. The cultivation includes adequate measures to address the projected energy demand for cannabis cultivation at the site.
5. The cultivation includes adequate quality control measures to ensure cannabis cultivated at the site meets industry standards.
6. The cultivation includes adequate measures that address the federal enforcement priorities for cannabis activities including restricting access to minors, and ensuring that cannabis and cannabis products are not supplied to unlicensed and unpermitted persons within the State and not distributed out of state.
7. The applicant, property owner, and permittees agree to submit to, and pay for, inspections of the operations and relevant records or documents necessary to determine compliance with this Chapter from any enforcement officer of the City of Seaside or their designee.
8. Any person cultivating cannabis shall obtain a valid and fully executed Commercial Cannabis permit pursuant to Chapter 5.04 of the Seaside Municipal Code prior to commencing operations and must maintain such permit in good standing in order to continue operations.
9. The owner shall be responsible for ensuring that all Commercial Cannabis activities at the site operate in good standing with all permits and licenses required by State law. Failure to take appropriate action to evict or otherwise remove permittees and persons conducting Commercial Cannabis activities at the site who do not maintain permits or licenses in good standing with the City,

County or State may be grounds for seeking the suspension or revocation of a Use Permit pursuant to Section 17.80 of the Seaside Municipal Code.”

Section 19.04 Commercial Cannabis Testing, Manufacturing, and Research and Development Operating Standards is hereby deleted in its entirety and replaced with the following provisions:

“19.04 Commercial Cannabis Testing, Manufacturing, and Research and Development Operating Standards.

19.04.010 It is hereby declared to be unlawful and a public nuisance for any person or persons owning, in whole or in part, leasing, occupying, or having charge or possession of any legal parcel or premises within any zoning district in the City of Seaside to test, manufacture cannabis products, or to engage in research and development of cannabis except as provided for in this chapter.

19.04.020 No cannabis or cannabis products at the premises or location where any action governed by this Chapter takes place shall be visible to anyone outside the facility on public or other private property, nor shall Medical Cannabis or any product containing Medical Cannabis be visible from the exterior of any premises.

19.04.030 No Medical or Adult Marijuana shall be dispensed from a testing, manufacturing or research and development site and such sites shall not be open to the public. Security measures sufficient to restrict access to only those admitted to the site and to deter trespass and theft of Medical or Adult Cannabis or Medical or Adult Cannabis products shall be provided and maintained. If on-site security is utilized, Security shall be licensed and possess a valid Department of Consumer Affairs "Security Guard Card" at all times.

Hazardous materials shall be properly labeled and stored to avoid contamination through erosion, leakage, or inadvertent damage from rodents, pests, or wildlife.

19.04.040 A Minor Use Permit for testing, manufacturing and research and development of Cannabis and Cannabis products shall not be granted by the City unless all of the following findings are made based on substantial evidence:

1. The activity, as proposed, will comply with all of the requirements of the State and City, and any additional conditions of license for the testing, manufacturing, or research and development of Cannabis or Cannabis products, including approval of a Cannabis Development/Operating Agreement by and between the City and Owner.
2. The use, as approved and conditioned, will not result in significant unavoidable impacts on the environment.

3. The use includes adequate measures that minimize use of water at the site.
4. Any cultivation includes adequate quality control measures to ensure Cannabis cultivated at the site meets industry standards.
5. The use shall include adequate measures that address the federal enforcement priorities for Cannabis activities including restricting access to minors, and ensuring that Cannabis and Cannabis products are not supplied to unlicensed and unpermitted persons within the State and not distributed out of state.
6. The applicant, owner, and permittees agree to submit to, and pay for, inspections of the operations and relevant records or documents necessary to determine compliance with this Chapter from any enforcement officer of the City of Seaside or their designee.
7. Any person testing, manufacturing or performing research and development operations using Cannabis shall obtain a valid and fully executed commercial Cannabis Development/Operating Agreement prior to commencing operations and must maintain such Agreement in good standing in order to continue operations.
8. The owner shall be responsible for ensuring that all commercial Cannabis activities at the site operate in good standing with all permits and licenses required by State law. Failure to take appropriate action to evict or otherwise remove permittees and persons conducting commercial Cannabis activities at the site who do not maintain permits or licenses in good standing with the City, County or State may be grounds to commence an action to suspend or revoke the Minor Use Permit pursuant to Section 17.80 of the Seaside Municipal Code, or to revoke the required Cannabis Development/Operating Agreement.”

Section 19.05 Cannabis Transport and Distribution is hereby deleted in its entirety and replaced with the following provisions:

“19.05 Cannabis Transport and Distribution.

19.05.010 Cannabis transportation and distribution facilities shall comply with all of the following requirements:

A. Cannabis transportation and distribution facilities shall be located only in zoning districts that specifically provide for this use and where a Minor Use Permit allowing this use to be carried out on the property has been issued.

B. Cannabis and Cannabis products shall only be transported between permitted and licensed commercial Cannabis operations.

C. Prior to transporting Cannabis or Cannabis products, the transporter shall complete an electronic shipping manifest. The shipping manifest shall include unique identifier information from the cultivation source as required by City.

D. A physical copy of the shipping manifest shall be maintained during transportation and shall be made available upon request to law enforcement or any agents of the State or City charged with enforcement of this Chapter.

E. All Cannabis uses that require transport licenses under SB94 but that are not Transport and Distribution Only Businesses shall receive a license for transport from the State of California.

F. Distribution facilities shall maintain appropriate records of transactions and shipping manifests. An organized and clean method of storing and transporting Cannabis and Cannabis products shall be provided to maintain a clear chain of custody.

G. Security measures sufficient to restrict access to only those allowed on the site or in transportation vehicles and to deter trespass and theft of Cannabis or Cannabis products shall be provided and maintained. Security measures at distribution facilities shall include, but are not limited to, the following:

1. Prevention of individuals from loitering on the premises of the distribution facility if they are not engaging in activity expressly related to the operations of the distribution facility at the time;
2. All Cannabis and Cannabis products shall be stored in a secured and locked safe room, safe, or vault, and in such a manner as to prevent diversion, theft, and loss;
3. Appropriate security cameras shall be established on site and approved by City; and
4. Measures that provide for on-site security personnel meeting the requirements and standards contained within Chapter 19.02.070 of this Chapter along with approval from the Chief of Police.

H. The owner shall be responsible for ensuring that all commercial Cannabis activities at the site operate in accordance with all required permits and licenses required by the City and State. Failure to take appropriate action to evict or otherwise remove permittees and persons conducting commercial Medical Cannabis activities at the site who do not maintain permits or licenses in good standing with the City, County or State shall be grounds for the modification or revocation of the required Cannabis Development/Operating Agreement in accordance with this Chapter.

I. The transportation and distribution facilities and activities shall be maintained in accordance with the operating plans approved by the City.”

Section 19.06 Public Hearing is hereby deleted in its entirety and replaced with the following provisions:

“19.06 Public Hearing. Applications for dispensaries shall be subject to a noticed public hearing regarding the application in the same manner as provided in Seaside Municipal Code Section 17.78.020. The City Manager or designee shall be the investigating official referred to in Section 17.78.020 to whom the application shall be referred. In recommending the granting or denying of such permit and in granting or denying the same, the City Manager shall give particular consideration to the capacity, capitalization, and complaint history of the applicant and any other factors that in the City Manager's discretion he/she deems necessary to maintain the peace, order and welfare of the public.”

Section 19.07 Ranking and Allocation Procedure and Criteria is hereby deleted in its entirety and replaced with the following provisions:

“19.07.010 Ranking and Allocation Procedure and Criteria. In the event that multiple applications are submitted for any Cannabis activity that is restricted in number, the City Manager or designee shall use the following criteria for recommending to the City Council which applicant shall receive approval to operate.

A. Businesses seeking a license to operate a dispensary or cultivation operation must submit the following for evaluation:

1. Business Plan: Applicants shall submit a Business Plan to the City that outlines an operational and financial plan. The Business Plan should include the names and resumes of key staff, operations plan, financial plan, sales projections and market study. Applicants are encouraged to provide a specific, written plan for how their operation will benefit the community.
2. Security Plan: All applicants shall submit a Security Plan outlining how the business expects to address security issues at their location.
3. Property Owner Approval: Applicants shall submit proof of approval of the owner of the real property together with a Use Permit indicating the use is appropriate at this property, and a Cannabis Development/Operating Agreement applicable where the proposed dispensary will be located if approved. Applicants are not required to have a signed lease, but a letter from the property owner indicating that:
 - a. The property owner is aware of and approves the use being proposed.

- b. The property owner will lease the property to the Cannabis business owner for the related use upon approval of application.
- c. The property owner understands that Use Permits for Cannabis activities run with the land; however, a required Development/Operating Agreement that sets forth conditions of operation does not run with the land and can be required to be renewed annually.
- 4. Live Scan: All principal employees of any Cannabis related use must submit fingerprints for a background investigation through Live Scan and submit the results with their application.
- 5. Cannabis Knowledge Test: All principal employees of the Cannabis related use must take a Cannabis knowledge test. This test will be administered by the City and will measure the applicant's knowledge of State regulations regarding Cannabis laws, and general knowledge of the Cannabis business."

Section 19.08 Selection Criteria is hereby deleted in its entirety and replaced with the following provisions:

"19.08.010 Selection Criteria. General Eligibility Review: In the event that an applicant is unable to meet the following minimum eligibility criteria, their application shall be denied. Applicants will be evaluated on the following:

- A. Live Scan Fingerprint Results: Applicant must not have any criminal convictions that would result in ineligibility as defined in section 19.02.020.
- B. Application must be complete to be evaluated. Incomplete applications will be denied but may be resubmitted. New Application fees must be paid for resubmittal.
- C. Proposed location of business and proof of property owner's approval of use must be supplied.
- D. Applicant must agree to enter into a Cannabis Development/Operating Agreement with the City which is subject to annual review and approval which shall be discretionary with the City.
- E. Initial Ranking – The City shall open an application period of not less than 30 days to allow prospective Permittees to submit applications. Applicants will be evaluated on the following criteria:
 - a. Location of business. Locations north of Gigling Road, within the Broadway Urban Village plan area and/or within 2,500 feet of Highway 1 will receive 10 points. Locations outside these areas will receive 1 point.
 - b. Business Plan. A business plan that demonstrates prior successful business operations (which need not be Cannabis business related) at a similar scale of

annual revenue for at least two years and/or capitalization sufficient to insure at least one year of operation will receive five points as a base, with one additional point for every \$250,000 of projected annual revenue. Annual projected revenue should be derived from a market study that includes trade area analysis, actual sales of local similar businesses and should be based on a reasonably sized market area. Revenues and capitalization submitted will be reviewed for reasonableness and scores may be adjusted to meet a reasonableness test. A business plan without such demonstration will receive 1 point.

c. Local Enterprise. Applicants will receive two points for each principal employee that can demonstrate residency in the City of Seaside. A maximum of six points may be awarded in this category.

d. Community Benefit. Community benefit may include commitment to employing Seaside residents, commitment to working with Seaside-located businesses (including capital), commitment to sponsoring non-profits and/or other similar specific commitments within the Seaside community. A maximum of eight points will be awarded, with one point for every Seaside resident employee or specified annual commitment to of the applicant's choice to any non-profit within the community.

e. Neighborhood Compatibility. Applicants which demonstrate neighborhood support with a majority of property owners within 250 feet will receive three points. Applicants that demonstrate neighborhood support from a majority of tenants, residents and businesses within 250 feet will receive two points. Applicants which do not demonstrate neighborhood support with a majority of property owners and tenants, residents and businesses within 250 feet will receive zero points.

f. Security Plan. The Seaside Police Department will review the Security Plan and classify the Plan as inadequate, adequate or exemplary. Plans classified as inadequate will not be permitted to proceed. Plans classified as adequate will receive ten points. Plans classified as exemplary will receive twenty points. An adequate plan must demonstrate that all requirements in Seaside Municipal Code section 19.02.070 as well as any additional requirements that may be required by the State of California Bureau of Cannabis Control. Exemplary plans must demonstrate all requirements for an adequate plan plus additional measures as determined by the Chief of Police or designee.

g. Safety Plan. The Seaside Police Department will review the applicant's Safety Plan and classify the Plan as inadequate, adequate or exemplary. Plans classified as inadequate will not be permitted to proceed. Plans classified as adequate will receive ten points. Plans classified as exemplary will receive twenty points. Adequate plans will meet all requirements of the State of California Bureau of Cannabis Control for reducing harm and avoiding underage access. Exemplary plans must

demonstrate all requirements for an adequate plan plus additional measures as determined by the Chief of Police or designee.

h. From the initial ranking, up to twice as many qualified applicants as there are available licenses will be eligible for final testing and ranking as determined by the aggregate scores of the initial ranking.

F. Final Ranking. The qualified applicants after the initial ranking will be further rated on the following matters:

a. Cannabis Knowledge Test: All principle employees of the Cannabis related use must take a Cannabis Knowledge Test to demonstrate knowledge of state and local compliance standards.

b. The top applicants equal to the number of licenses available will be eligible to apply for a Use Permit and Development/Operating Agreement to engage in a commercial Cannabis business. Qualified applicants from the initial ranking may amend and combine their applications to optimize their scores. If following the opportunity to optimize scores, two or more applicants are tied, both applicants will proceed to the next step.

c. Use Permit. Applicants shall complete phases 1-3 prior to applying for a Use Permit and Development/Operating Agreement.

1. At the next available Planning Commission meeting, allowing time for Staff review, a public hearing for each top application shall be held to consider the application for a Use Permit for the proposed business location.

2. Members of the public, adjacent property owners and other interested parties will be given the opportunity to present concerns or support, and provide additional consideration for potential permit conditions.

3. Planning Commission will make a recommendation to City Council, including any conditions requested for final decision on awarding Use Permits and the Development/Operating Agreement.

4. At the next available City Council meeting, Planning Commission and Staff recommendations will be presented at a public hearing before the City Council for a final decision.

5. If an available permit is not filled for any reason and a business that qualified under phases 1-3 but was not selected to move forward in the process requests consideration for phase 4, consideration shall be granted in order of ranking.

d. State Cannabis Licenses and local Cannabis Development/Operating Agreements are annual in nature and may be revoked at any time for cause, subject to the appeals process outlined in Seaside Municipal Code section 19.10 for failure to comply

with all state laws and requirements and local ordinances and requirements, or for failure to comply with Conditions in the Development/Operating Agreement. Cannabis Development/Operating Agreements may automatically renew as long as the business has complied with all state and local ordinances and with Conditions of Approval, including the timely payment of all fees and taxes, in the sole discretion of the City.”

Section 19.09 Enforcement is hereby deleted in its entirety and replaced with the following provisions:

“Section 19.09.010 Enforcement. Violations of this Chapter shall constitute a misdemeanor and a public nuisance and may be enforced pursuant to the provisions of the Seaside Municipal Code or any other appropriate law or ordinance.

A. It shall be unlawful for any person to violate any provision, or to fail to comply with any of the requirements, of this Chapter. Any person violating any of the provisions or failing to comply with any of the mandatory requirements of this Chapter shall be guilty of a misdemeanor. No proof of knowledge, intent, or other mental state is required to establish a violation.

B. Any condition caused or allowed to exist in violation of any of the provisions of this Chapter shall be deemed a public nuisance and shall, at the discretion of City, create a cause of action for penalty pursuant to the Seaside Municipal Code.

C. Each and every violation of this Chapter, and each and every day such violation may occur, shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the City of Seaside or otherwise authorized by law. Additionally, as a public nuisance, any violation of this Chapter shall be subject to injunctive relief, disgorgement of any payment to the City of Seaside of any and all monies unlawfully obtained, costs of abatement, costs of restoration, costs of investigation, attorney fees, and any other relief or remedy available at law or equity. The City of Seaside may also pursue any and all remedies and actions available and applicable under state and local laws for any violations committed by the commercial Medical or Adult Cannabis activity or persons related thereto, or associated with, the commercial Medical or Adult Cannabis activity.”

Section 19.10 Appeals Procedure is hereby deleted in its entirety and replaced with the following provisions:

“Section 19.10 Appeals Procedure

Section 19.10.010. Procedure to Challenge Intent to Suspend or Revoke the Development/Operating Agreement. If the City Manager or his/her designee determines that grounds for suspension or revocation of the Cannabis

Development/Operating Agreement exist pursuant to section 19.09, the City Manager or his/her designee shall issue a written Notice of Intention to revoke or suspend the Development/Operating Agreement, along with such information as required herein. The Notice of Intention shall be served on the property owner, as reported on the latest equalized assessment roll, and shall also be served on permittees operating a Commercial Cannabis Activity on the property. The Notice of Intention shall be served by either personal delivery or by certified U.S. Mail, postage prepaid, return receipt requested. The Notice of Intention shall identify the property owner, permittees, name of business and location of the property, the intended action to be taken, the grounds for the action, the action necessary to abate the violation, the time limit for abatement compliance, and the right to challenge this intended action to a hearing officer. The Notice of Intention shall notify the owner and permittees of the opportunity to request a hearing before a Hearing Officer to present evidence as to why the Development/Operating Agreement should not be suspended or revoked and shall notify them of the 10-day deadline to submit a written request for a hearing.

The owner and permittees shall have ten (10) calendar days from the service of the Notice of Intention to submit a written request for a hearing before a Hearing Officer selected by the City Manager. Failure to submit the written request for a hearing shall be deemed a waiver of the right to challenge the suspension or revocation of the Development/Operating Agreement and a failure to exhaust administrative remedies. If the hearing is not timely requested, the City Manager or his/her designee may suspend or revoke the Use Permit in accordance with the Notice of Intention.

Upon receipt of a timely written request for a hearing, the City Manager or his/her designee shall appoint a hearing officer and set a date for a hearing to be held within 60 days of receipt of the request, unless an immediate threat to the public health, safety and welfare necessitates an earlier hearing date. Notice of the hearing, including the time, date, and location of the hearing, shall be served on the owner and permittees, such service to be accomplished by either personal delivery or by certified U.S. Mail, postage prepaid, return receipt requested.

19.10.020 Hearing of Matter:

The appointed Hearing Officer is authorized to conduct a hearing, receive evidence, administer oaths, rule on questions of law and the admissibility of evidence, prepare a record of the proceedings, and render decisions on the suspension or revocation of the Use Permit.

In any proceeding before a Hearing Officer, oral testimony offered as evidence shall be taken only on oath or affirmation, and the Hearing Officer, his/her clerk, or other

designee shall have the power to administer oaths and affirmations and to certify to official acts.

All parties to the hearing shall have the opportunity to testify, introduce exhibits, call and examine witnesses, and cross examine opposing witnesses on any matter relevant to the issues. The matter shall be informal and not proceed according to the Rules of Evidence. Determination of the true facts shall be the guiding principle in the hearing of the matter.

Within thirty (30) calendar days after the close of the hearing, the Hearing Officer shall issue a written decision, including a statement of the basis for the decision and findings of facts. The Hearing Officer's written decision shall constitute the final administrative decision of the City of Seaside.

In the event a civil action is initiated to obtain enforcement of the decision of the Hearing Officer, and judgment is entered to enforce the decision, the person against whom the order of enforcement has been entered shall be liable to pay the City's total costs of enforcement, including reasonable attorney fees and costs of the hearing.

If neither owner nor any permittee nor their authorized representatives appear at the noticed hearing, such failure to appear shall constitute an abandonment of the hearing request and a failure to exhaust administrative remedies.”

Section 19.11 Severability is hereby deleted in its entirety and replaced with the following provisions:

“**Section 19.11.010. Severability.** If any word, phrase, sentence, part, section, subsection, or other portion of this Chapter, or any application thereof to any person or circumstance is declared void, unconstitutional, or invalid for any reason, then such word, phrase, sentence, part, section, subsection, or other portion, or the prescribed application thereof, shall be severable, and the remaining provisions of this Chapter, and all applications thereof, not having been declared void, unconstitutional or invalid, shall remain in full force and effect. The City Council hereby declares that it would have passed this title, and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases had been declared invalid or unconstitutional.”

ORDINANCE NO.

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SEASIDE
AMENDING CHAPTER 19 WHICH REGULATES COMMERCIAL CANNABIS
ACTIVITIES TO REVISE AND CLARIFY PERMITTED ACTIVITIES
ESTABLISHED IN THIS CHAPTER**

This ordinance seeks to revise and clarify existing Chapter 19 of the City of Seaside Municipal Code which establishes regulations commercial medical and adult cannabis activities, including cultivation, dispensaries, manufacturing, testing, transportation, and distribution.

WHEREAS, on or about [date] the City of Seaside added Chapter 19 titled COMMERCIAL CANNABIS ACTIVITIES to the Seaside Municipal Code to regulate and enforce cannabis activities in a manner that protects the public health, safety and general welfare of the community; and

WHEREAS, the City of Seaside has determined that certain provisions in that Chapter are in need of revision and clarification in order to ensure compliance with state laws and regulations.

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF SEASIDE DOES
ORDAIN AS FOLLOWS:**

SECTION 1. Purpose and Intent. It is the purpose and intent of this Ordinance to revise and clarify authorized cannabis businesses including dispensaries and cannabis cultivation, research, testing, processing and sales, in a manner that will preserve the public peace, health, safety, and general welfare of the citizens and residents of, and travelers through the City of Seaside as authorized by law. This Ordinance does not regulate the zoning provisions that create specific locations where cannabis businesses may be permitted by Use Permit, but only focuses on regulation of this activity where it is otherwise appropriately zoned and permitted. This Ordinance does not regulate or modify any provision of Chapter 5 of the Seaside Municipal Code relating to business license taxation, deferring to that Chapter to establish any such taxes on cannabis business operations as may be permitted by law.

SECTION 2. Revisions to Chapter 19.

1. Table of Contents. The list of contents for Chapter 19 are revised and renumbered as follows:

19.01 Definitions

19.02 Cannabis Dispensaries and Operating Standard

19.03 Commercial Cannabis Cultivation and Operating Standard

19.04 Commercial Cannabis Testing, Manufacturing, and Research and Development Operating Standard

19.05 Cannabis Transport and Distribution

19.06 Public Hearing

19.07 Ranking and Allocation Procedure and Criteria

19.08 Enforcement

19.09 Appeals Process

19.10 Severability

1. 19.01 Definitions is deleted in its entirety, and in its place the following provisions shall be inserted:

“19.01. Definitions: The following words or phrases, whenever used in this Chapter, shall be given the following definitions:

A. “Bureau” means the Bureau of Medical Marijuana Regulation within the California Department of Consumer Affairs.

B. “Cannabinoid” or “phytocannabinoid” means a chemical compound that is unique to and derived from cannabis.

C. “Medical cannabis” or “Medical cannabis product” means a product containing cannabis, including, but not limited to, concentrates and extractions, intended to be sold for use by medical cannabis patients in California pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code. For the purposes of this Title, “medical cannabis” does not include “industrial hemp” as defined by Section 81000 of the Food and Agricultural Code or Section 11018.5 of the Health and Safety Code.

D. “Adult cannabis” or “Adult cannabis product” means a product containing cannabis, including, but not limited to, concentrates and extractions, intended to be sold for use by adults in California pursuant to the Adult Use of Marijuana Act of 2016 (Proposition 64), found at Section 11362.1 of the Health and Safety Code. For the

purposes of this Title, “Medical cannabis” does not include “industrial hemp” as defined by Section 81000 of the Food and Agricultural Code or Section 11018.5 of the Health and Safety Code.

E. “Commercial cannabis activity” means the cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, transporting, distribution, on-site consumption or sale of Medical or Adult cannabis or a Medical or Adult cannabis product.

F. “Cannabis concentrate” means manufactured cannabis that has undergone a process to concentrate the cannabinoid active ingredient, thereby increasing the product’s potency.

G. “Canopy” means all areas occupied by any portion of a cannabis plant, inclusive of all vertical planes, whether contiguous or noncontiguous on any one site.

H. “Certificate of accreditation” means a certificate issued by an accrediting body to a licensed testing laboratory, entity, or site to be registered in the state.

I. “Cultivation” means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of Medical or Adult cannabis. Within the definition of cultivation, the following specific License Types, corresponding to state cultivator license types set forth in California Business and Professions Code section 19332(g).

J. “Delivery” means the commercial transfer of Medical or Adult cannabis, or Medical or Adult cannabis products from a dispensary, up to an amount allowed by the Bureau, to a primary caregiver, qualified patient or adult as defined in Section 11362.7 of the California Health and Safety Code, or a testing laboratory.

K. “Dispensary” means a facility where Medical cannabis, Medical cannabis products, Adult cannabis, Adult cannabis products or devices for the use of Medical or Adult cannabis or Medical or Adult cannabis products are offered, either individually or in any combination, for retail sale, including an establishment that delivers Medical cannabis and Medical cannabis products as part of a retail sale.

L. “Distribution” means the procurement, sale, and transport of Medical or Adult cannabis and Medical or Adult cannabis products between entities licensed pursuant to this chapter.

M. “Edible cannabis product” means manufactured cannabis that is intended to be used, in whole or in part, for human consumption, including, but not limited to, chewing gum. An edible cannabis product is not considered food as defined by Section 109935 of the California Health and Safety Code or a drug as defined by Section 109925 of the California Health and Safety Code.

N. “Greenhouse” means a fully enclosed permanent structure with climate control, such as heating and ventilation capabilities and supplemental artificial lighting, and that uses a combination of natural and supplemental artificial lighting for cultivation.

O. “Identification card” has the same definition as in Section 11362.7 of the California Health and Safety Code, as it may be amended.

P. “Licensee” means a person issued a state license under Chapter 3.5 (commencing with Section 19300) of the California Business and Professions Code, to engage in a commercial Medical or Adult cannabis activity.

Q. “Licensing authority” means the state agency responsible for the issuance, renewal, or reinstatement of a license for commercial Medical or Adult cannabis activities, or the state agency authorized to take disciplinary action against the license.

R. “Manufactured cannabis” or “cannabis product” means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, an edible product, or a topical product.

S. “Manufacturing site” means a location that produces, prepares, propagates, or compounds manufactured Medical or Adult cannabis or Medical or Adult cannabis products, directly or indirectly, by extraction methods, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and is owned and operated by a licensee for these activities.

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

U. “One ownership” and “owner” have the same definition as set forth in Chapter 21.06 of this Title.

V. “Permittee” means a person issued a commercial cannabis permit under Chapter 7.90.

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

X. “Primary caregiver” has the same definition as in Section 11362.7 of the California Health and Safety Code, as it may be amended.

Y. “Public park” means an area created, established, designated, or maintained by the a special district, a County, the State, or the Federal government for public play, recreation, or enjoyment or for the protection of natural resources and features at the site.

Z. “Qualified patient” has the same definition as in Section 11362.7 of the California Health and Safety Code, as it may be amended.

AA. “State” means the State of California.

BB. “State license,” “license,” or “registration” means a state license issued pursuant to California Business & Professions Code Sections 19300, *et seq.*

CC. “Testing laboratory” means a facility, entity, or site in the state that offers or performs test of Medical cannabis or Medical cannabis products and that is both of the following:

1. Accredited by an accrediting body that is independent from all other persons involved in the Medical cannabis industry in the state; and
2. Registered with the California State Department of Public Health.

DD. “Transport” means the transfer of Medical cannabis or Medical cannabis products from the permitted business location of one licensee to the permitted business location of another licensee, for the purposes of conducting commercial Medical cannabis activity authorized pursuant to the California Business & Professions Code Sections 19300, *et seq.*

2. 19.02 Cannabis Dispensaries and Operating Standard

Section 19.02.010 is deleted in its entirety, and in its place the following provisions shall be inserted:

“19.02.010 Cannabis Dispensaries

A. The City Manager shall issue valid permits for operation of adult or medical cannabis operations in such numbers as authorized by the City Council. Initially that number shall be no more than six (6) valid dispensaries of each type.

B. Whenever possible, adult and medical cannabis dispensaries shall be located paired with and operated adjacent to a dispensary of the other type. An adult dispensary shall be collocated with a medical dispensary when possible.

C. No cannabis dispensary of any type shall be located within 600 feet of any public or private school providing instruction in any grade Kindergarten through 12, but not including any home schooling, and shall be located in a commercial or industrial zone as approved in Chapter 17, the Zoning Ordinance, of the Seaside Municipal Code.

D. Dispensaries ~~not located in the West Broadway Urban Village Specific Plan or immediately adjacent parcels~~ shall not be located within one thousand (1000) feet of another dispensary unless adjacent to a collocated dispensary of the opposite type as set

forth in B. above. ~~Those located in the West Broadway Urban Village Specific Plan shall not be located within five hundred (500) feet of another dispensary unless adjacent to a collocated dispensary of the opposite type as set forth in B. above.~~

Section 19.02.020 is deleted in its entirety and is replaced with the following provisions:

“19.02.020 Eligibility Requirement

A. No person shall own any interest or maintain any position, including employee, with a Dispensary other than that of a member convicted of any of the following crimes within the time limit specified:

1. Homicide, at any point in the past.
2. Any serious felony listed in Penal Code section 1192.7(c) or 667.5(c) within the past 10 years.
3. Penal Code sections 243 through 247, except for 243 (a), which essentially include various forms of assault and battery within the past 10 years.
4. Health and Safety Code violations of sections 11357(d) or (e), or 11361, or Articles 1, 3, 5, 6 or 7 of Chapter 6 of Division 10 of the Health and Safety Code relating to certain possession of concentrated cannabis or sale on school grounds within the past 10 years.
5. Health and Safety Code violation of section 11358, 11359, and 11360 relating to illegal cultivation, importation, or sale of marijuana plants within the past 3 years.

B. Such other information deemed necessary including background investigation and a LiveScan Background check of the applicant, for the City Manager to determine compliance with the City's Municipal Code.

C. All applicants shall pay a dispensary permit application fee, a permit fee, and all inspection fees that may be required as part of the application process, as specified by Resolution in the City's Master Fee Schedule.

D. Each applicant for a dispensary permit application shall submit Notarized, written authorization from the property owner(s) that a Commercial Cannabis Business may be operated at the proposed site, and clearance from the City Planning Department showing that the location proposed is legally authorized in the Zoning Ordinance.

E. The name and address of Managers or responsible agents of the Commercial Cannabis Business shall be supplied, which shall be updated not less frequently than annually or upon any change of Manager or responsible agent at any time.”

Section 19.02.030 Operation Plan is deleted in its entirety and the following provisions are substituted in its place:

A. All applicants must provide a plan of operations that will describe how the dispensary will operate consistent with State Law and the provisions of this Chapter including but not limited to implementation of controls to ensure medical or adult cannabis will be dispensed only to qualified adults, and qualified patients and primary caregivers as appropriate. Dispensaries shall comply with Health and Safety Code Sections [11362.7](#) et seq. and any other state laws that may be adopted concerning Medical or Adult Cannabis, California’s Medical Marijuana Regulation and Safety Act, the Adult Use of Marijuana Act, the Attorney General’s Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use, and any other applicable City laws or regulations, and shall pay all applicable state or local taxes. Dispensaries shall also comply with the operating standards set forth in this Section.

B. Medical Dispensaries may consist only of Members. Medical Dispensaries may only obtain Medical Cannabis from, and supply Medical Cannabis to, their Members.

C. No person other than a Member may Cultivate Medical Cannabis on behalf of a Dispensary.

D. The scale or Cultivation by or on behalf of a Medical Dispensary shall be proportional to its Member load as defined by the State of California.

E. Medical Cannabis Dispensaries may not admit any person as a Member without first verifying his or her status as a qualified patient or primary caregiver as defined by state law, and shall immediately cancel the membership of any person who diverts Medical Cannabis for non-medical use or in any manner not permitted by this Chapter or State law.

F. Physicians’ recommendations shall be verified by the Medical Dispensary prior to granting membership and at least every twelve (12) months thereafter, and a physical or digital record shall be kept of such verification. No Medical Cannabis may be dispensed except to a Member and pursuant to a recommendation that is no more than twelve (12) months old, unless the recommendation expressly states that it has a longer term or does not expire.

G. Non-Diversion. Medical dispensaries shall take all practicable steps necessary to prevent and deter diversion of Medical Cannabis to non-Members. Dispensaries must limit access to Medical Cannabis, Medical Cannabis Products and Edibles to authorized personnel only, and must maintain an inventory management system that accounts for all Medical Cannabis, Medical Cannabis Products and Edibles.

H. Adult Dispensaries must comply with all aspects of the Adult Use of Marijuana Act and must receive a license from the State prior to start of operations, and shall maintain license throughout operations.”

Section 19.02.040 Dispensing is hereby deleted in its entirety and replaced with the following provisions:

“Section 19.02.040 Dispensing.

A. A Medical Dispensary may not dispense to any person who is not a Member, and may not dispense to anyone without first verifying membership.

B. A Medical Dispensary may not provide more Medical Cannabis to an individual than is necessary for that person’s personal medical use and pursuant to any physician’s directive.

C. A Medical Dispensary may not distribute free samples for promotional purposes outside of the Dispensary premises.

D. No Medical Dispensary shall dispense Medical Marijuana from more than one (1) location in the City of Seaside.

E. No owner of a Medical Dispensary in the City shall open a second dispensary in the City; except that medical dispensaries and colocated or adjacent Adult dispensaries may have the same ownership.”

19.02.050 Members and Employees is hereby deleted in its entirety and replaced with the following provisions:

“Section 19.02.050 Members and Employees of Medical Dispensaries

A. All employees and volunteers of Medical Dispensaries must be at least 18 years of age and qualified to be in the facility.

B. Medical Dispensaries may not admit any person under 18 years of age to membership without written authorization of a parent or legal guardian. Any Member under 18 years of age shall be accompanied by a parent or legal guardian at all times that

such person is at the Dispensary. This requirement may not be transferred to any other adult orally or in writing.

C. All owners and operators of a Medical Dispensary must hold a valid and current Use Permit and Cannabis Development/Operating Agreement from the City of Seaside as required by provisions of this chapter.”

Section 19.02.06 Adult Dispensaries is hereby deleted in its entirety and replaced with the following provisions:

“**19.02.060 Adult Dispensaries.** All Adult Dispensary facilities shall comply with all state and local laws and regulations, including Chapter 17 and this Chapter 19.

A. No Adult Dispensary may dispense to any person not 21 years of age or older.

B. No Adult Dispensary may distribute free samples for promotional purposes outside of the interior of the Dispensary premises.

C. No Adult Dispensary shall dispense cannabis from more than one (1) location in the City of Seaside, except that, subject to State requirements, it may have a collocated or adjacent Medical and Adult location as set forth in section 19.02.010 above.

D. No owner of any Adult Dispensary in the City shall own or possess any ownership interest in a second Adult Dispensary in the City, except the owner of an Adult Dispensary may also own or possess an ownership interest in a collocated or adjacent Medical dispensary as set forth in section 19.02.010 above.

E. All Adult Dispensaries shall hold a valid and current Use Permit and Cannabis Development/Operating Agreement from the City of Seaside as required by provisions of this chapter.”

Section 19.02.070 Security is hereby deleted in its entirety and replaced with the following provisions:

“**19.02.070 Security.** A security plan, as a separate document, outlining the proposed security arrangements to deter and prevent unauthorized entrance into areas containing Medical or Adult Cannabis or Medical or Adult Cannabis products, and theft of Medical or Adult Cannabis or Medical or Adult Cannabis products at the dispensary, in accordance with minimum security measures required by State law and the requirements herein shall be created by applicant and approved by the City prior to commencement of any operations at any dispensary. The security plan shall be reviewed and approved by the Police Department and the Office of the City Manager and shall be exempt from disclosure as a public record pursuant to Government Code Section 6255(a).

A. Dispensaries shall provide adequate security and lighting on-site to ensure the safety of persons and protection of the premises from theft and other crimes at all times. Exterior lighting shall be of sufficient intensity to illuminate all areas of the parking lot or adjacent areas, if any. Such lighting shall comply with the provisions Seaside Municipal Code section 17.30.070.

B. Dispensaries must maintain adequate security guards and surveillance camera coverage of their entire grounds to an extent sufficient to ensure the safety of persons and deter crime. Surveillance cameras must be maintained in good condition, and use a format approved by the City Manager or his/her designee, which results in adequate quality, color rendition and resolution to allow the ready identification of any individual on the premises. The surveillance cameras shall be operated 24 hours per day, seven (7) days per week whether the facility is open or not. The areas to be covered by the security cameras include, but are not limited to, dispensing areas, storage areas, cultivation areas, all doors, parking lots, anyplace where new product is delivered and any other area determined by the City Manager or his/her designee to be appropriate. Surveillance footage must be retained for a period of 90 days and made available to the Seaside Police Department at any time promptly upon request without the necessity of a warrant or subpoena.

C. Dispensaries must be equipped with an alarm system that is operated and monitored by a security company licensed by and in good standing with the California Department of Consumer Affairs. Alarms shall be maintained and in good working condition at all times and able to be manually triggered by employees.

D. In order to prevent unauthorized entry during non-business hours, a Dispensary shall either secure all points of entry with bars, retractable, folding or sliding metal gates, or metal rollup or accordion doors, none of which may be visible from the exterior, or provide at least one security guard at all times during those hours.

E. Any security guards employed by Dispensaries shall be licensed and possess a valid Department of Consumer Affairs "Security Guard Card" at all times. Security personnel may not be armed while on duty.

F. All Medical or Adult Cannabis, Medical or Adult Cannabis Products and Edibles, except for small amounts used for display purposes and samples for immediate sale, shall be securely stored in a locked area at all times, and all access to such areas shall be locked and under the control of staff at all times.

G. Dispensaries shall make transactions with payment methods other than cash when feasible. All cash received, except that needed for retail customer transactions, shall be kept in a secure receptacle such as a drop safe or similar type of safe.

H. Dispensaries shall notify the Seaside Police Department and any licensing authority within 24 hours after discovering any of the following:

1. Significant discrepancies identified during inventory;
2. Diversion, theft, loss, or any criminal activity involving the dispensary or any agent or employee of the dispensary;
3. The loss or unauthorized alteration of records related to Medical or Adult Cannabis, registered qualifying patients, primary caregivers, or dispensary employees or agents; or
4. Any other breach of security.”

Section 19.02.080 Signage is hereby deleted in its entirety and replaced with the following provisions:

“**19.02.080 Signage.** Signs shall be posted at Dispensaries as set forth following:

A. Signs shall be posted as appropriate at the entrance to any Dispensary that includes the following language. The required text shall be of sufficient size to be easily read from a distance of five feet and illuminated at night

FOR MEDICAL:

This Dispensary only provides Medical Cannabis to its members 18 years or older who must have a legally recognized California Medical Cannabis Identification Card or a verifiable, written recommendation from a physician for Medical Cannabis.

FOR ADULT:

This Dispensary only provides Cannabis to adults 21 years age or older who qualify under the Adult Use of Marijuana Act and applicable state law. No person under the age of 21 may enter or loiter within 50 feet of this facility. Providing cannabis products to those under 21 is illegal and shall be prosecuted to the fullest extent of the law.

B. A sign shall be posted in a conspicuous location inside the dispensary advising:

FOR MEDICAL:

This Dispensary is registered in accordance with the laws of the City of Seaside. The sale of marijuana and the diversion of marijuana for non-medical purposes are violations of State law. The use of marijuana may impair a person’s ability to drive a motor vehicle or operate heavy machinery.

FOR ADULT:

This Dispensary is registered in accordance with the laws of the City of Seaside. The sale of marijuana and the diversion of marijuana to persons under the age of 21 are

violations of State law. The use of marijuana may impair a person's ability to drive a motor vehicle or operate heavy machinery.

C. No Cannabis products or graphics describing Cannabis shall be visible from the exterior of the property.

D. Signage for a Dispensary shall comply with Seaside Municipal Code 17.40.”

Section 19.02.090 Delivery is hereby deleted in its entirety and replaced with the following provisions:

“19.02.090 Delivery. If the Dispensary operations are proposed to include delivery, all employees of a Dispensary delivering Medical or Adult cannabis or Medical or Adult Cannabis products shall carry a copy of the documentation listed below when making deliveries. This information shall be provided upon request to law enforcement officers and to employees of state and local agencies enforcing this Chapter or other local laws and regulations. Deliveries from Dispensaries are not permitted in jurisdictions that prohibit such deliveries.

A. A copy of the dispensary's current permits, licenses, and entitlements authorizing them to provide delivery services, including permission to delivery in jurisdictions other than the City if that is the intent of the delivery;

B. The employee's government-issued identification;

C. A copy of the delivery request; and

D. Chain of custody records for all goods being delivered.”

Section 19.02.100 Neighborhood Compatibility is hereby deleted in its entirety and replaced with the following provisions:

“19.02.100 Neighborhood Compatibility.

A. Dispensaries shall be operated in a manner that ensures neighborhood compatibility, and the owner of such facility shall take all steps necessary to ensure that customers, vendors, or others visiting the facility do not create neighborhood disturbances or nuisances.

B. Dispensaries shall provide the Police Department and all residents and property owners within 100 feet with the current name, phone number, secondary phone number and e-mail address of an on-site responsible staff person to whom notice of any operating problems associated with the establishment may be reported. This information shall be updated as necessary to keep it current. Dispensaries shall encourage neighbors to call

this person to try to solve any operating problems. Such calls may be anonymous and need not include an identity of the caller or number.

C. All Dispensaries shall have an on-site manager responsible for overall operation at all times they are open, and shall provide the Police Department with contact information for all such persons, including telephone number, street address and e-mail address. Dispensaries shall also provide the Police Department with the current name and phone numbers of at least one 24-hour-on-call manager. This information shall be updated as necessary to keep it current.

D. Dispensaries shall take all reasonable steps to discourage and correct objectionable conditions that constitute a public or private nuisance in parking areas, sidewalks, alleys and areas surrounding the premises and adjacent properties. Such conditions include, but are not limited to: smoking; creating a noise disturbance; drinking; loitering; littering; urinating or defecating, and production of graffiti.

E. Dispensary will be of an architectural and visual quality and character which harmonizes with, and enhances, the surrounding area, and the design will avoid unduly large or obtrusive signs, un-landscaped parking areas, unduly bright or garish lighting, or design features which encourage loitering as determined by the Zoning Administrator.

F. Dispensaries will ensure that adequate litter receptacles will be provided and maintained where appropriate.

G. Where the dispensary or delivery only dispensary is in proximity to residential uses, it will be limited in hours of operation, and designed and operated so as to avoid disruption of residents' sleep.

H. No Cannabis or Cannabis odors shall be detectable by sight or smell outside of a permitted facility.

I. Dispensaries shall ensure all graffiti is removed from property and parking lots under their control within 24 hours of its appearance.

J. Dispensaries shall operate only between the hours of 9:00 a.m. and 10:00 p.m.”

Section 19.02.110 Consumption of Medical Cannabis, tobacco, or alcohol is hereby deleted in its entirety and replaced with the following provisions:

“19.02.110 Consumption of Cannabis, tobacco, or alcohol.

A. Smoking of Cannabis is prohibited at Dispensaries, including areas in and around the facility, except as noted herein.

B. Sale, smoking, or consumption of tobacco products is prohibited at Dispensaries.

C. Sale, possession, or consumption of alcoholic beverages at Dispensaries is prohibited, and Dispensaries shall prohibit any person in possession of an alcoholic beverage from entering or remaining on the premises.

D. This subdivision does not prohibit the testing of Medical or Adult Cannabis Products by staff of a Dispensary or the use of tinctures or topical Medical Cannabis Products that do not have intoxicating effects.”

Section 19.02.120 Regulatory Fees; Seller’s Permit is hereby deleted in its entirety and replaced with the following provisions:

“19.02.120 Regulatory Fees, Seller’s Permit. In addition to any other required conditions and mitigation measures approved by the City or State, all of the following conditions shall apply to all permits for a Medical or Adult Cannabis dispensary:

A. The Cannabis Dispensary shall allow access to Dispensary facilities and records if requested by the City, its officers, or agents, and shall pay for an annual inspection and submit to other inspections from the City or its officers to verify compliance with all relevant rules, regulations, and conditions.

B. The applicant, owner, and all permittees agree to submit to, and pay for, inspections of the operations and relevant records or documents necessary to determine compliance with this Chapter from any enforcement officer of the City or their designee.

C. Any person operating a Medical or Adult Cannabis Dispensary shall obtain a valid and fully executed Commercial Medical or Adult Cannabis permit pursuant to this Chapter of the Seaside Municipal Code prior to commencing operations, and must maintain such permit in good standing at all times in order to continue operations.

D. Upon implementation of state regulations pursuant to California Business and Professions Code Section 19320, a valid license from the State shall be required to operate any Commercial Medical Cannabis activity.

E. The owner shall post or cause to be posted on site a copy of the Use Permit, the Cannabis Development/Operating Agreement, and all required City, County and state permits and licenses required to operate the Dispensary. Such posting shall be in a central location, visible to the patrons, at the operating site, and in all vehicles that deliver or transport marijuana.

F. The owner shall be responsible for ensuring that all Commercial Medical Cannabis activities at the site operate in good standing with all permits and licenses

required by the Seaside Municipal Code and State law. Failure to take appropriate action to evict or otherwise remove permittees and persons conducting Commercial Medical Cannabis activities at the site who do not maintain permits or licenses in good standing with the City or State shall be grounds for the suspension or revocation of the required Development/Operating Agreement, and may constitute grounds for cancellation of the required Development/Operating Agreement pursuant to Section 17.80 of the Seaside Municipal Code.

G. Dispensaries shall comply with all physical accessibility requirements of the Americans With Disabilities Act.”

Section 19.03 Commercial Cannabis Cultivation and Operating Standard is hereby deleted in its entirety and replaced with the following provisions:

“19.03 Commercial Cannabis Cultivation and Operating Standards. It is hereby declared to be unlawful and a public nuisance for any person or persons owning in whole or in part, leasing, occupying, or having charge or possession of any legal parcel or premises within any zoning district in the City of Seaside to undertake any Cannabis operation regulated by Chapters 17 and 19 of the Seaside Municipal Code except as provided therein.

19.03.010. No Medical or Adult Cannabis at the premises or location shall be visible by the public from any public or other private property outside the interior of the facility.

19.03.020 Cultivation. No Medical or Adult Cannabis shall be dispensed from a cultivation site and such cultivation sites shall not be open to the public. In no case shall a building intended for residential use be used for the cultivation of cannabis. The maximum size of any areas of cultivation shall not exceed any restrictions outlined in State law.

Security measures sufficient to restrict access to cultivation sites to only those persons allowed and intended to be there, and to deter trespass and theft of Medical or Adult Cannabis or Medical or Adult Cannabis products shall be provided and maintained. If on-site security is utilized, Security shall be licensed and possess a valid Department of Consumer Affairs "Security Guard Card" at all times.

Pesticides and fertilizers shall be properly labeled and stored to avoid contamination through erosion, leakage, or inadvertent damage from rodents, pests, or wildlife.

Water conservation measures, water capture systems, or grey water systems shall be incorporated in Medical Cannabis cultivation operations in order to minimize use of water where feasible.

A Minor Use Permit for Medical Cannabis cultivation shall not be granted by the City unless all of the following findings are made based on substantial evidence:

1. The cultivation, as proposed, will comply with all of the requirements of the State and City, and any additional conditions of license for the cultivation of Medical or Adult Cannabis.
2. The cultivation, as approved and conditioned, will not result in significant unavoidable impacts on the environment.
3. The cultivation includes adequate measures that minimize use of water for cannabis cultivation at the site.
4. The cultivation includes adequate measures to address the projected energy demand for cannabis cultivation at the site.
5. The cultivation includes adequate quality control measures to ensure cannabis cultivated at the site meets industry standards.
6. The cultivation includes adequate measures that address the federal enforcement priorities for cannabis activities including restricting access to minors, and ensuring that cannabis and cannabis products are not supplied to unlicensed and unpermitted persons within the State and not distributed out of state.
7. The applicant, property owner, and permittees agree to submit to, and pay for, inspections of the operations and relevant records or documents necessary to determine compliance with this Chapter from any enforcement officer of the City of Seaside or their designee.
8. Any person cultivating cannabis shall obtain a valid and fully executed Commercial Cannabis permit pursuant to Chapter 5.04 of the Seaside Municipal Code prior to commencing operations and must maintain such permit in good standing in order to continue operations.
9. The owner shall be responsible for ensuring that all Commercial Cannabis activities at the site operate in good standing with all permits and licenses required by State law. Failure to take appropriate action to evict or otherwise remove permittees and persons conducting Commercial Cannabis activities at the site who do not maintain permits or licenses in good standing with the City,

County or State may be grounds for seeking the suspension or revocation of a Use Permit pursuant to Section 17.80 of the Seaside Municipal Code.”

Section 19.04 Commercial Cannabis Testing, Manufacturing, and Research and Development Operating Standards is hereby deleted in its entirety and replaced with the following provisions:

“19.04 Commercial Cannabis Testing, Manufacturing, and Research and Development Operating Standards.

19.04.010 It is hereby declared to be unlawful and a public nuisance for any person or persons owning, in whole or in part, leasing, occupying, or having charge or possession of any legal parcel or premises within any zoning district in the City of Seaside to test, manufacture cannabis products, or to engage in research and development of cannabis except as provided for in this chapter.

19.04.020 No cannabis or cannabis products at the premises or location where any action governed by this Chapter takes place shall be visible to anyone outside the facility on public or other private property, nor shall Medical Cannabis or any product containing Medical Cannabis be visible from the exterior of any premises.

19.04.030 No Medical or Adult Marijuana shall be dispensed from a testing, manufacturing or research and development site and such sites shall not be open to the public. Security measures sufficient to restrict access to only those admitted to the site and to deter trespass and theft of Medical or Adult Cannabis or Medical or Adult Cannabis products shall be provided and maintained. If on-site security is utilized, Security shall be licensed and possess a valid Department of Consumer Affairs "Security Guard Card" at all times.

Hazardous materials shall be properly labeled and stored to avoid contamination through erosion, leakage, or inadvertent damage from rodents, pests, or wildlife.

19.04.040 A Minor Use Permit for testing, manufacturing and research and development of Cannabis and Cannabis products shall not be granted by the City unless all of the following findings are made based on substantial evidence:

1. The activity, as proposed, will comply with all of the requirements of the State and City, and any additional conditions of license for the testing, manufacturing, or research and development of Cannabis or Cannabis products, including approval of a Cannabis Development/Operating Agreement by and between the City and Owner.
2. The use, as approved and conditioned, will not result in significant unavoidable impacts on the environment.

3. The use includes adequate measures that minimize use of water at the site.
4. Any cultivation includes adequate quality control measures to ensure Cannabis cultivated at the site meets industry standards.
5. The use shall include adequate measures that address the federal enforcement priorities for Cannabis activities including restricting access to minors, and ensuring that Cannabis and Cannabis products are not supplied to unlicensed and unpermitted persons within the State and not distributed out of state.
6. The applicant, owner, and permittees agree to submit to, and pay for, inspections of the operations and relevant records or documents necessary to determine compliance with this Chapter from any enforcement officer of the City of Seaside or their designee.
7. Any person testing, manufacturing or performing research and development operations using Cannabis shall obtain a valid and fully executed commercial Cannabis Development/Operating Agreement prior to commencing operations and must maintain such Agreement in good standing in order to continue operations.
8. The owner shall be responsible for ensuring that all commercial Cannabis activities at the site operate in good standing with all permits and licenses required by State law. Failure to take appropriate action to evict or otherwise remove permittees and persons conducting commercial Cannabis activities at the site who do not maintain permits or licenses in good standing with the City, County or State may be grounds to commence an action to suspend or revoke the Minor Use Permit pursuant to Section 17.80 of the Seaside Municipal Code, or to revoke the required Cannabis Development/Operating Agreement.”

Section 19.05 Cannabis Transport and Distribution is hereby deleted in its entirety and replaced with the following provisions:

“19.05 Cannabis Transport and Distribution.

19.05.010 Cannabis transportation and distribution facilities shall comply with all of the following requirements:

A. Cannabis transportation and distribution facilities shall be located only in zoning districts that specifically provide for this use and where a Minor Use Permit allowing this use to be carried out on the property has been issued.

B. Cannabis and Cannabis products shall only be transported between permitted and licensed commercial Cannabis operations.

C. Prior to transporting Cannabis or Cannabis products, the transporter shall complete an electronic shipping manifest. The shipping manifest shall include unique identifier information from the cultivation source as required by City.

D. A physical copy of the shipping manifest shall be maintained during transportation and shall be made available upon request to law enforcement or any agents of the State or City charged with enforcement of this Chapter.

E. All Cannabis uses that require transport licenses under SB94 but that are not Transport and Distribution Only Businesses shall receive a license for transport from the State of California.

F. Distribution facilities shall maintain appropriate records of transactions and shipping manifests. An organized and clean method of storing and transporting Cannabis and Cannabis products shall be provided to maintain a clear chain of custody.

G. Security measures sufficient to restrict access to only those allowed on the site or in transportation vehicles and to deter trespass and theft of Cannabis or Cannabis products shall be provided and maintained. Security measures at distribution facilities shall include, but are not limited to, the following:

1. Prevention of individuals from loitering on the premises of the distribution facility if they are not engaging in activity expressly related to the operations of the distribution facility at the time;
2. All Cannabis and Cannabis products shall be stored in a secured and locked safe room, safe, or vault, and in such a manner as to prevent diversion, theft, and loss;
3. Appropriate security cameras shall be established on site and approved by City; and
4. Measures that provide for on-site security personnel meeting the requirements and standards contained within Chapter 19.02.070 of this Chapter along with approval from the Chief of Police.

H. The owner shall be responsible for ensuring that all commercial Cannabis activities at the site operate in accordance with all required permits and licenses required by the City and State. Failure to take appropriate action to evict or otherwise remove permittees and persons conducting commercial Medical Cannabis activities at the site who do not maintain permits or licenses in good standing with the City, County or State shall be grounds for the modification or revocation of the required Cannabis Development/Operating Agreement in accordance with this Chapter.

I. The transportation and distribution facilities and activities shall be maintained in accordance with the operating plans approved by the City.”

Section 19.06 Public Hearing is hereby deleted in its entirety and replaced with the following provisions:

“19.06 Public Hearing. Applications for dispensaries shall be subject to a noticed public hearing regarding the application in the same manner as provided in Seaside Municipal Code Section 17.78.020. The City Manager or designee shall be the investigating official referred to in Section 17.78.020 to whom the application shall be referred. In recommending the granting or denying of such permit and in granting or denying the same, the City Manager shall give particular consideration to the capacity, capitalization, and complaint history of the applicant and any other factors that in the City Manager's discretion he/she deems necessary to maintain the peace, order and welfare of the public.”

Section 19.07 Ranking and Allocation Procedure and Criteria is hereby deleted in its entirety and replaced with the following provisions:

“19.07.010 Ranking and Allocation Procedure and Criteria. In the event that multiple applications are submitted for any Cannabis activity that is restricted in number, the City Manager or designee shall use the following criteria for recommending to the City Council which applicant shall receive approval to operate.

A. Businesses seeking a license to operate a dispensary or cultivation operation must submit the following for evaluation:

1. Business Plan: Applicants shall submit a Business Plan to the City that outlines an operational and financial plan. The Business Plan should include the names and resumes of key staff, operations plan, financial plan, sales projections and market study. Applicants are encouraged to provide a specific, written plan for how their operation will benefit the community.
2. Security Plan: All applicants shall submit a Security Plan outlining how the business expects to address security issues at their location.
3. Property Owner Approval: Applicants shall submit proof of approval of the owner of the real property together with a Use Permit indicating the use is appropriate at this property, and a Cannabis Development/Operating Agreement applicable where the proposed dispensary will be located if approved. Applicants are not required to have a signed lease, but a letter from the property owner indicating that:
 - a. The property owner is aware of and approves the use being proposed.

- b. The property owner will lease the property to the Cannabis business owner for the related use upon approval of application.
- c. The property owner understands that Use Permits for Cannabis activities run with the land; however, a required Development/Operating Agreement that sets forth conditions of operation does not run with the land and can be required to be renewed annually.
- 4. Live Scan: All principal employees of any Cannabis related use must submit fingerprints for a background investigation through Live Scan and submit the results with their application.
- 5. Cannabis Knowledge Test: All principal employees of the Cannabis related use must take a Cannabis knowledge test. This test will be administered by the City and will measure the applicant's knowledge of State regulations regarding Cannabis laws, and general knowledge of the Cannabis business."

Section 19.08 Selection Criteria is hereby deleted in its entirety and replaced with the following provisions:

"19.08.010 Selection Criteria. General Eligibility Review: In the event that an applicant is unable to meet the following minimum eligibility criteria, their application shall be denied. Applicants will be evaluated on the following:

- A. Live Scan Fingerprint Results: Applicant must not have any criminal convictions that would result in ineligibility as defined in section 19.02.020.
- B. Application must be complete to be evaluated. Incomplete applications will be denied but may be resubmitted. New Application fees must be paid for resubmittal.
- C. Proposed location of business and proof of property owner's approval of use must be supplied.
- D. Applicant must agree to enter into a Cannabis Development/Operating Agreement with the City which is subject to annual review and approval which shall be discretionary with the City.
- E. Initial Ranking – The City shall open an application period of not less than 30 days to allow prospective Permittees to submit applications. Applicants will be evaluated on the following criteria:
 - a. Location of business. Locations north of Gigling Road, within the Broadway Urban Village plan area and/or within 2,500 feet of Highway 1 will receive 10 points. Locations outside these areas will receive 1 point.
 - b. Business Plan. A business plan that demonstrates prior successful business operations (which need not be Cannabis business related) at a similar scale of

annual revenue for at least two years and/or capitalization sufficient to insure at least one year of operation will receive five points as a base, with one additional point for every \$250,000 of projected annual revenue. Annual projected revenue should be derived from a market study that includes trade area analysis, actual sales of local similar businesses and should be based on a reasonably sized market area. Revenues and capitalization submitted will be reviewed for reasonableness and scores may be adjusted to meet a reasonableness test. A business plan without such demonstration will receive 1 point.

c. Local Enterprise. Applicants will receive two points for each principal employee that can demonstrate residency in the City of Seaside. A maximum of six points may be awarded in this category.

d. Community Benefit. Community benefit may include commitment to employing Seaside residents, commitment to working with Seaside-located businesses (including capital), commitment to sponsoring non-profits and/or other similar specific commitments within the Seaside community. A maximum of eight points will be awarded, with one point for every Seaside resident employee or specified annual commitment to of the applicant's choice to any non-profit within the community.

e. Neighborhood Compatibility. Applicants which demonstrate neighborhood support with a majority of property owners within 250 feet will receive three points. Applicants that demonstrate neighborhood support from a majority of tenants, residents and businesses within 250 feet will receive two points. Applicants which do not demonstrate neighborhood support with a majority of property owners and tenants, residents and businesses within 250 feet will receive zero points.

f. Security Plan. The Seaside Police Department will review the Security Plan and classify the Plan as inadequate, adequate or exemplary. Plans classified as inadequate will not be permitted to proceed. Plans classified as adequate will receive ten points. Plans classified as exemplary will receive twenty points. An adequate plan must demonstrate that all requirements in Seaside Municipal Code section 19.02.070 as well as any additional requirements that may be required by the State of California Bureau of Cannabis Control. Exemplary plans must demonstrate all requirements for an adequate plan plus additional measures as determined by the Chief of Police or designee.

g. Safety Plan. The Seaside Police Department will review the applicant's Safety Plan and classify the Plan as inadequate, adequate or exemplary. Plans classified as inadequate will not be permitted to proceed. Plans classified as adequate will receive ten points. Plans classified as exemplary will receive twenty points. Adequate plans will meet all requirements of the State of California Bureau of Cannabis Control for reducing harm and avoiding underage access. Exemplary plans must

demonstrate all requirements for an adequate plan plus additional measures as determined by the Chief of Police or designee.

h. From the initial ranking, up to twice as many qualified applicants as there are available licenses will be eligible for final testing and ranking as determined by the aggregate scores of the initial ranking.

F. Final Ranking. The qualified applicants after the initial ranking will be further rated on the following matters:

a. Cannabis Knowledge Test: All principle employees of the Cannabis related use must take a Cannabis Knowledge Test to demonstrate knowledge of state and local compliance standards.

b. The top applicants equal to the number of licenses available will be eligible to apply for a Use Permit and Development/Operating Agreement to engage in a commercial Cannabis business. Qualified applicants from the initial ranking may amend and combine their applications to optimize their scores. If following the opportunity to optimize scores, two or more applicants are tied, both applicants will proceed to the next step.

c. Use Permit. Applicants shall complete phases 1-3 prior to applying for a Use Permit and Development/Operating Agreement.

1. At the next available Planning Commission meeting, allowing time for Staff review, a public hearing for each top application shall be held to consider the application for a Use Permit for the proposed business location.

2. Members of the public, adjacent property owners and other interested parties will be given the opportunity to present concerns or support, and provide additional consideration for potential permit conditions.

3. Planning Commission will make a recommendation to City Council, including any conditions requested for final decision on awarding Use Permits and the Development/Operating Agreement.

4. At the next available City Council meeting, Planning Commission and Staff recommendations will be presented at a public hearing before the City Council for a final decision.

5. If an available permit is not filled for any reason and a business that qualified under phases 1-3 but was not selected to move forward in the process requests consideration for phase 4, consideration shall be granted in order of ranking.

d. State Cannabis Licenses and local Cannabis Development/Operating Agreements are annual in nature and may be revoked at any time for cause, subject to the appeals process outlined in Seaside Municipal Code section 19.10 for failure to comply

with all state laws and requirements and local ordinances and requirements, or for failure to comply with Conditions in the Development/Operating Agreement. Cannabis Development/Operating Agreements may automatically renew as long as the business has complied with all state and local ordinances and with Conditions of Approval, including the timely payment of all fees and taxes, in the sole discretion of the City.”

Section 19.09 Enforcement is hereby deleted in its entirety and replaced with the following provisions:

“Section 19.09.010 Enforcement. Violations of this Chapter shall constitute a misdemeanor and a public nuisance and may be enforced pursuant to the provisions of the Seaside Municipal Code or any other appropriate law or ordinance.

A. It shall be unlawful for any person to violate any provision, or to fail to comply with any of the requirements, of this Chapter. Any person violating any of the provisions or failing to comply with any of the mandatory requirements of this Chapter shall be guilty of a misdemeanor. No proof of knowledge, intent, or other mental state is required to establish a violation.

B. Any condition caused or allowed to exist in violation of any of the provisions of this Chapter shall be deemed a public nuisance and shall, at the discretion of City, create a cause of action for penalty pursuant to the Seaside Municipal Code.

C. Each and every violation of this Chapter, and each and every day such violation may occur, shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the City of Seaside or otherwise authorized by law. Additionally, as a public nuisance, any violation of this Chapter shall be subject to injunctive relief, disgorgement of any payment to the City of Seaside of any and all monies unlawfully obtained, costs of abatement, costs of restoration, costs of investigation, attorney fees, and any other relief or remedy available at law or equity. The City of Seaside may also pursue any and all remedies and actions available and applicable under state and local laws for any violations committed by the commercial Medical or Adult Cannabis activity or persons related thereto, or associated with, the commercial Medical or Adult Cannabis activity.”

Section 19.10 Appeals Procedure is hereby deleted in its entirety and replaced with the following provisions:

“Section 19.10 Appeals Procedure

Section 19.10.010. Procedure to Challenge Intent to Suspend or Revoke the Development/Operating Agreement. If the City Manager or his/her designee determines that grounds for suspension or revocation of the Cannabis

Development/Operating Agreement exist pursuant to section 19.09, the City Manager or his/her designee shall issue a written Notice of Intention to revoke or suspend the Development/Operating Agreement, along with such information as required herein. The Notice of Intention shall be served on the property owner, as reported on the latest equalized assessment roll, and shall also be served on permittees operating a Commercial Cannabis Activity on the property. The Notice of Intention shall be served by either personal delivery or by certified U.S. Mail, postage prepaid, return receipt requested. The Notice of Intention shall identify the property owner, permittees, name of business and location of the property, the intended action to be taken, the grounds for the action, the action necessary to abate the violation, the time limit for abatement compliance, and the right to challenge this intended action to a hearing officer. The Notice of Intention shall notify the owner and permittees of the opportunity to request a hearing before a Hearing Officer to present evidence as to why the Development/Operating Agreement should not be suspended or revoked and shall notify them of the 10-day deadline to submit a written request for a hearing.

The owner and permittees shall have ten (10) calendar days from the service of the Notice of Intention to submit a written request for a hearing before a Hearing Officer selected by the City Manager. Failure to submit the written request for a hearing shall be deemed a waiver of the right to challenge the suspension or revocation of the Development/Operating Agreement and a failure to exhaust administrative remedies. If the hearing is not timely requested, the City Manager or his/her designee may suspend or revoke the Use Permit in accordance with the Notice of Intention.

Upon receipt of a timely written request for a hearing, the City Manager or his/her designee shall appoint a hearing officer and set a date for a hearing to be held within 60 days of receipt of the request, unless an immediate threat to the public health, safety and welfare necessitates an earlier hearing date. Notice of the hearing, including the time, date, and location of the hearing, shall be served on the owner and permittees, such service to be accomplished by either personal delivery or by certified U.S. Mail, postage prepaid, return receipt requested.

19.10.020 Hearing of Matter:

The appointed Hearing Officer is authorized to conduct a hearing, receive evidence, administer oaths, rule on questions of law and the admissibility of evidence, prepare a record of the proceedings, and render decisions on the suspension or revocation of the Use Permit.

In any proceeding before a Hearing Officer, oral testimony offered as evidence shall be taken only on oath or affirmation, and the Hearing Officer, his/her clerk, or other

designee shall have the power to administer oaths and affirmations and to certify to official acts.

All parties to the hearing shall have the opportunity to testify, introduce exhibits, call and examine witnesses, and cross examine opposing witnesses on any matter relevant to the issues. The matter shall be informal and not proceed according to the Rules of Evidence. Determination of the true facts shall be the guiding principle in the hearing of the matter.

Within thirty (30) calendar days after the close of the hearing, the Hearing Officer shall issue a written decision, including a statement of the basis for the decision and findings of facts. The Hearing Officer's written decision shall constitute the final administrative decision of the City of Seaside.

In the event a civil action is initiated to obtain enforcement of the decision of the Hearing Officer, and judgment is entered to enforce the decision, the person against whom the order of enforcement has been entered shall be liable to pay the City's total costs of enforcement, including reasonable attorney fees and costs of the hearing.

If neither owner nor any permittee nor their authorized representatives appear at the noticed hearing, such failure to appear shall constitute an abandonment of the hearing request and a failure to exhaust administrative remedies.”

Section 19.11 Severability is hereby deleted in its entirety and replaced with the following provisions:

“**Section 19.11.010. Severability.** If any word, phrase, sentence, part, section, subsection, or other portion of this Chapter, or any application thereof to any person or circumstance is declared void, unconstitutional, or invalid for any reason, then such word, phrase, sentence, part, section, subsection, or other portion, or the prescribed application thereof, shall be severable, and the remaining provisions of this Chapter, and all applications thereof, not having been declared void, unconstitutional or invalid, shall remain in full force and effect. The City Council hereby declares that it would have passed this title, and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases had been declared invalid or unconstitutional.”



**CITY OF SEASIDE
STAFF REPORT**

Item No.: 10.A.

TO: City Council

FROM: Craig Malin, City Manager

BY: Kurt Overmeyer, Economic Development Manager

DATE: February 15, 2018

**SUBJECT: CONSIDER ALLOCATION OF FORT ORD WATER TO THE
SEASIDE SENIOR LIVING PROJECT**

PURPOSE

The Seaside Senior Living Project Development and Disposition agreement requires the allocation of forty (40) acre feet of water from the Fort Ord water allocation to the project. The recommended action formalizes the water allocation via resolution and will allow the applicant to pursue a "will-serve" letter from the Marina Coast Water District.

RECOMMENDATION

It is recommended that City Council adopt resolutions allocating forty (40) acre feet of water from the Fort Ord water allocation to the Seaside Senior Living Project.

BACKGROUND

In August of 2016, City Council adopted a Development and Disposition Agreement that envisioned a assisted living and memory care facility to be constructed by Seaside Senior Living, LLC. at the "Shopette" site located at the intersection of Monterey Road and Coe Avenue. Over the past several months, the applicant has performed on the tasks required to move the project forward, including the purchase of the property from the City which was completed in January 2018. One key provision of the DDA is that the City of Seaside agreed to allocate 40 acre feet from the Fort Ord water allocation to the project.

The attached resolutions will formalize the allocation of water to the project. This will allow the developer to apply for a "will-serve" letter from the Marina Coast Water District (MCWD) and is one of the key remaining steps in moving the project towards full construction.

FISCAL IMPACT

The construction of this project will result in significant new property tax revenues.

ATTACHMENTS

1. WATER RESOLUTION NO

Reviewed for Submission to the
City Council by:



Craig Malin, City Manager

RESOLUTION NO. 18-_____

WHEREAS, the City of Seaside has a total water allocation of 1,012 acre-feet from the former Fort Ord; and

WHEREAS, the City has issued 289.64 acre-feet of water for residential, commercial and institutional development on the former Fort Ord properties; and

WHEREAS, the City has entered into a Development and Disposition Agreement requiring the allocation of 40 acre-feet of the former Fort Ord water supply to the Seaside Senior Living, LLC project; and

WHEREAS, the City desires a “Memory Care” and Assisted Living Project on the property subject to the aforementioned Development and Disposition Agreement; and

NOW THEREFORE BE IT RESOLVED, by the City Council of the City of Seaside allocate forty (40) acre-feet of water from the former Fort Ord water supply to the Seaside Senior Living, LLC project.

PASSED AND ADOPTED at the regular meeting of the City Council of the City of Seaside, State of California, duly held on the 15th day of February 2018, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Hon. Ralph Rubio, Mayor
City of Seaside

ATTEST:

Lesley Milton, City Clerk



**CITY OF SEASIDE
STAFF REPORT**

Item No.: 10.B.

TO: City Council

FROM: Craig Malin, City Manager

BY: Craig Malin, City Manager

DATE: February 15, 2018

**SUBJECT: CITY ACTIONS TO IMPLEMENT THE SEASIDE RESORT
PROJECT**

PURPOSE

The purpose of this item is to consider authorizing an Amendment to the Second Amended and Restated Disposition and Development Agreement with Monterey Bay Resort, LLC, a Nevada limited liability company ("Developer") and an Amendment to the Second Amended and Restated Ground Lease for the Bayonet and Black Horse golf courses ("Golf Courses") also with Monterey Bay Resort, LLC. Collectively, these actions are intended to further implement the Seaside Resort Project.

RECOMMENDATION

It is recommended that the City Council approve the following resolutions authorizing the two amendments.

A Resolution of the City Council of the City of Seaside: (I) authorizing the City to enter into an Amendment to the Second Amended and Restated Disposition and Development Agreement with Monterey Bay Resort, LLC, and (II) authorizing the City to enter into an Amendment to the Second Amended and Restated Ground Lease with Monterey Bay Resort, LLC.

BACKGROUND

At its December 7, 2017 meeting, the City Council approved a Second Amended and Restated Disposition and Development Agreement, and a Second Amended and Restated Ground Lease for the Blackhorse and Bayonet golf courses, both with Monterey Bay Resort, LLC.

Both documents included as conditions precedent to their effectiveness certain requirements relating to bonds secured by the golf courses. Those conditions needed to be included because the documents contemplated that a part of the golf course land on which a golf clubhouse (which is to be renovated) is located be sold to Monterey Bay Resort, LLC under the disposition and development agreement rather than leased under the ground lease.

City staff and Monterey Bay Resort, LLC have concluded that such bond-related conditions cannot be timely satisfied, and desire that those bond-related conditions be removed, and the golf clubhouse land moved from the disposition and development agreement back to the ground lease.

Monterey Bay Resort, LLC has also requested that the deadline for satisfying the conditions precedent and for the closing of the sale of hotel/resort land in the documents be extended from February 28, 2018 to March 31, 2018, which is a more realistic deadline.

ENVIRONMENTAL REVIEW

Section 1. Staff considered the potential environmental impacts of retaining ownership of the clubhouse and leasing it to Monterey Bay Resorts, and extending the term for performance, and has concluded that these changes have no possibility to have a significant impact on the environment, and thus are exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15061(B)(3) of the State CEQA Guidelines (14 Cal. Code Regs. Sec. 15000, et. seq.). Further, the environmental impacts of the underlying project were fully assessed in a Final Environmental Impact Report, which was previously certified, along with four addenda thereto. Therefore, no further environmental analysis is required for the actions contemplated. The documents, staff reports, technical studies, appendices, plans, specification, and other materials that constitute the record of proceedings on which this determination is based are on file and available for public inspection during normal business hours in the Office of the City Clerk / Clerk of the Board, Seaside City Hall, 440 Harcourt Avenue, Seaside, CA 93955, who serves as the custodian of these records.

FISCAL IMPACT

The sale of the Golf Clubhouse property would have produced a total of approximately \$650,537 in revenue to the City, which would not have been subject to sharing with the Affected Taxing Entities.

The amendments result in land for a renovated Golf Clubhouse being put back under the Second Amended and Restated Ground Lease so that it is leased to the developer, not sold to the developer; consequently, those sales revenues will not be received by the City.

SUBSEQUENT ACTIONS

Subsequent to adoption of the Council Resolution, staff will present to the Oversight Board for its consideration the matters described in the Staff Report for the December 7, 2017 City

Council meeting described as Actions to Implement for Seaside Resort Project.

ATTACHMENTS

1. CC Reso Authorizing City to enterinto Amendment to Amended & Restated Ground Lease
 2. Amendment to Second Amended and Restated DDA
 3. Amendment to Second Amended and Restated Ground Lease
-

Reviewed for Submission to the
City Council by:



Craig Malin, City Manager

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEASIDE: (I) AUTHORIZING THE CITY TO ENTER INTO AN AMENDMENT TO THE SECOND AMENDED AND RESTATED DISPOSITION AND DEVELOPMENT AGREEMENT WITH MONTEREY BAY RESORT, LLC, AND (II) AUTHORIZING THE CITY TO ENTER INTO AN AMENDMENT TO THE SECOND AMENDED AND RESTATED GROUND LEASE WITH MONTEREY BAY RESORT, LLC

RECITALS:

A. On December 7, 2017, the City approved a Second Amended and Restated Disposition and Development Agreement with Monterey Bay Resort, LLC, and a Second Amended and Restated Lease with Monterey Bay Resort, LLC for the Blackhorse and Bayonet golf courses.

B. Both documents included as conditions precedent to their effectiveness certain requirements relating to bonds secured by the golf courses. Those conditions needed to be included because the documents contemplated that a part of the golf course land on which a golf clubhouse is located (and which is to be renovated) be sold to Monterey Bay Resort, LLC under the disposition and development agreement rather than leased under the ground lease.

C. City staff and Monterey Bay Resort, LLC have concluded that such bond-related conditions cannot be timely satisfied, and desire that those bond-related conditions be removed, and the golf clubhouse land moved from the disposition and development agreement back to the ground lease.

D. Monterey Bay Resort, LLC has also requested that the deadline for satisfying the conditions precedent and for the closing of the sale of hotel/resort land in the documents be extended from February 28, 2018 to March 31, 2018, which is a more realistic deadline.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SEASIDE HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The City approves the Amendment to the Second Amended DDA by and between the City and Monterey Bay Resort, LLC, in the form attached hereto as Exhibit "A" and the Amendment to the Second Amended and Restated Lease in the form attached hereto as Exhibit "B", and authorizes the Mayor to execute them.

Section 3. The City finds that the two amendments are exempt from the California Environmental Quality Act because they do not alter the project described therein and consequently have no environmental impacts.

PASSED, APPROVED AND ADOPTED by the City Council at a meeting held on the
_____ day of _____, 2018.

Ralph Rubio, Mayor

ATTEST:

Lesley Milton-Rerig, City Clerk

EXHIBIT "A"

**FORM OF AMENDMENT TO SECOND AMENDED AND RESTATED DISPOSITION
AND DEVELOPMENT AGREEMENT**

(Attached.)

EXHIBIT "B"

**FORM OF AMENDMENT TO SECOND AMENDED AND RESTATED GROUND
LEASE**

(Attached.)

**AMENDMENT TO SECOND AMENDED AND RESTATED
DISPOSITION AND DEVELOPMENT AGREEMENT**

THIS AMENDMENT TO SECOND AMENDED AND RESTATED DISPOSITION AND DEVELOPMENT AGREEMENT (the "Amendment") is dated _____, 2018 and is entered into by and between the CITY OF SEASIDE, a California municipal corporation ("City") and MONTEREY BAY RESORT, LLC, a Nevada limited liability company ("Developer").

RECITALS

A. City and Developer entered into a Second Amended and Restated Disposition and Development Agreement dated December 7, 2018 (including all exhibits thereto, the "DDA"). Capitalized terms used but not defined in the Amendment shall have the meanings ascribed thereto in the DDA.

B. City and Developer desire to amend the DDA to extend the deadline therein for satisfaction of conditions precedent to the effectiveness of the DDA, remove land on which is located a golf/resort clubhouse and make conforming changes to various provisions of the DDA.

NOW, THEREFORE, in consideration of the foregoing recitals, and other consideration, the adequacy of which is hereby acknowledged, City and Developer hereby agree as follows:

1. Recital D of the DDA is hereby amended to provide as follows:

D. Developer desires to acquire from City the property that was conveyed by the Successor Agency back to the City, as described in Recital C above, which is the property that is described on Attachment No. 1 attached hereto (collectively, the "Property"), and develop, construct and operate thereon a development that will include the following (collectively, the "Project"): (i) a hotel component (the "Hotel Component"); (ii) a timeshare (or other residential, including condominiums) component as described in Section 2.1.1 below (the "Timeshare Component"), (iii) a residential lot component (the "Residential Component") as described on Attachment No. 2 attached hereto and on adjacent property leased by City to Developer; (iv) demolition of the existing golf clubhouse on such leased property and construction of a new clubhouse to serve the Golf Courses and the Hotel Component, Timeshare Component, and Residential Component ("Golf/Resort Clubhouse Component") in accordance with the Scope of Development attached hereto as Attachment No. 2, all subject to the Entitlement Conditions (defined in Section 1.1.22 below). The Property will be conveyed to Developer in phases (each, a "Phase") as described more particularly on Attachment No. 1-B. As used herein, the term "Phase" means the development of Improvements on the land for the Phase, the land for the Phase, or both, as appropriate given the context in which such term is used.

2. Section 1.1.34 of the DDA is hereby amended to read in full as follows:

1.1.34 Golf Course Lease shall mean the Second Amended and Restated Golf Course Lease dated as of December 7, 2017 between the City and Developer, as amended by an Amendment to Second Amended and Restated Golf Course Lease dated _____, 2018, concerning the Golf Courses, as amended from time to time.

3. Section 1.1.38 of the DDA is hereby amended to read in full as follows:

1.1.38 Improvements shall mean and include: (i) with respect to the Hotel Phase and Golf Clubhouse Phase, all grading to be done, as well as all buildings, structures, fixtures, excavation, parking, landscaping, and other work, construction, demolition, rehabilitation, alterations and improvements of whatsoever character to be done by Developer pursuant to this Agreement for such Phase, and (ii) with respect to the Timeshare Phase and Residential Phase, all road and utility infrastructure and other similar horizontal subdivision improvements, including for each of (i) and (ii) all on and off-Property improvements required by the Entitlement Conditions.

4. Section 1.1.49 of the DDA is hereby amended to read in full as follows:

1.1.49 Property shall mean the entirety of the Property being sold to Developer under this Agreement, as more specifically described in Attachment No. 1 and Attachment No. 1-A hereto and as depicted on the Site Plan attached as Attachment No. 1-A. The Property is located within the City, and consists of the Hotel Phase, the Timeshare Phases (consisting of Phases A1, A2, A3, B1, B2, B3, B4, C1 and C2), the Residential Phases (consisting of Phases I, II, III, IV, V-A, V-B and VI), and a Golf/Resort Clubhouse Phase, all as described on Attachment 1-B hereto.

5. The first paragraph of Section 2.1.1 of the DDA is hereby amended to read in full as follows:

2.1.1 Purpose of the Agreement; Proposed Development. The purpose of this Agreement is to provide for the disposition of the Property to Developer, and the development thereon of a hotel project, timeshare project units and residential lots project in the following phases: The "Hotel Phase" shall consist of the development of a hotel with one or more buildings containing a minimum of 275 guest rooms and up to an aggregate of 330 guest rooms and adjacent or subterranean parking on the two parcels of land described as the Hotel Phase land on Attachment No. 1, which Hotel Phase may be acquired and developed in up to three stages as described in Section 5.2 below; the "Timeshare Phase" shall consist of the development of a project with a minimum of 170 and a maximum of 225 or as permitted by Entitlements "timeshare" or "interval" units, fractional units, residential units (which may or may not be subject to a formal condominium regime) or lots, other legal forms of ownership permitted by applicable law, or any combination thereof permitted by the Entitlements and Project Conditions on the three parcels of land described as the Timeshare Phase

land on Attachment No. 1, the “Residential Phases” shall collectively consist of the development of 125 single family residential lots (30 of which residential lots have been acquired by the predecessor to Developer and are not being acquired by Developer in this Agreement) on the nine parcels of land described as the Residential Phase land on Attachment No. 1, and the “Golf/Resort Clubhouse Phase” shall consist of the demolition of the existing golf clubhouse on the Golf Course property leased to Developer and the development of a new Golf/Resort Clubhouse, all as more particularly described in the Scope of Development attached hereto as Attachment No. 2.

6. Section 2.7 of the DDA is hereby amended to read in full as follows:

2.7 Conditions Precedent. The effectiveness of this Restated DDA is conditioned upon the occurrence of the following on or before March 31, 2018:

(i) reimbursement by Seaside Resort Development, LLC (“SRD”) of City costs incurred in connection herewith and in connection with that certain Second Amended and Restated Golf Course Lease between City and Developer (“Second Restated Lease”), (ii) the effectiveness of the assignment of the First Restated DDA by SRD to Developer pursuant to that certain Assignment and Assumption Agreement between Seaside Resort Development, LLC and Developer (and delivery of reasonable evidence to the City that such assignment has occurred, such as an estoppel executed by SRD and Developer to the City certifying that the assignment has occurred); (iii) the effectiveness of the assignment by B&B of that certain Amended and Restated Ground Lease dated December 15, 2005 between B&B and the City, and the delivery of reasonable evidence thereof to City (such as an estoppel executed by B&B and Developer to the City certifying that the assignment has occurred); (iv) the execution of the Master Taxing Entity Agreement (compensation agreement) under California Health & Safety Code Section 38180(f), acceptable to the City, by all Taxing Entities; (v) approval by the Oversight Board of the Successor Agency’s conveying the Property to the City and of the Successor Agency’s executing an assignment, assumption and administration agreement with the City with respect to the First Restated DDA; (vi) the approval of such Oversight Board decisions by the California Department of Finance (“DOF”) or the failure of the DOF to request review (or extend the time for review) within the applicable time period required by law; and (vii) the written assignment and assumption by B&B and Developer of the Financing Agreement for bonds relating to the golf courses. City hereby consents to the assignments described above subject to such conditions. Upon the effectiveness of this Restated DDA, this Restated DDA shall supersede the First Restated DDA.

7. Section 5.2.6 of the DDA is hereby amended to read in full as follows:

5.2.6 City may terminate this Agreement if any or all of the Hotel Component Phases are not acquired by March 31, 2018. None of the Hotel Component Phases shall be purchased with Takedown Credits, notwithstanding anything to the contrary in this Restated DDA, and any Timeshare Component land used for

Hotel Stages One and Two are part of the property that must be acquired by March 31, 2018.

8. Section 5.5(v) of the DDA is hereby amended to read in full as follows:

5.5(v) except as provided in Section 3.7.2 and except for the purchase of land for Stage One, Stage Two and the Final Hotel Stage, delivery to the City of evidence acceptable to the City Manager that all permits and governmental approvals for the development of the applicable Phase in accordance with this Agreement will have been issued, all development-related fees for the applicable Phase or portion will have been paid, and there would be no delinquent Entitlement Conditions to the issuance of any such approvals or permits;

9. Section 5.5.6 of the DDA is hereby deleted.

10. Attachment No. 1-B of the DDA is hereby amended to read in full as follows:

Attachment No. 1-B Phases of the Project. The Property shall be conveyed to Developer in the Phases identified on that certain Vesting Tentative Map (as modified in connection with the development of Residential Phases IV and V) prepared by Bestor Engineers, Inc. and approved by the City, and with respect to the Golf/Resort Clubhouse Phase, as identified on Attachment 1-B. If such Tentative Map is amended or replaced, or any other subdivision of the Property is approved, then the Parties shall replace this Attachment No. 1-B with a new Attachment No. 1-B that is modified accordingly.

Hotel Phase (currently two parcels)

Timeshare (or Condominium) Phases I, II, III, IV, V, VI, VII, VIII, IX

Residential Phases I, II, III, IV, V-A, V-B, VI

Golf/Resort Clubhouse Phase (on leased land)

11. The portion of Attachment No. 2 of the DDA entitled "Reconstruction of the Golf Clubhouse" is hereby amended to read in full as follows:

Attachment No. 2 **Reconstruction of the Golf Clubhouse**. The existing golf clubhouse will be demolished and a reconstructed Golf/Resort Clubhouse will be built in approximately the same location.

The reconstructed Golf/Resort Clubhouse will include a restaurant and bar, men's and women's locker rooms, golf retail shop, management office space, an employee lounge area and other facilities and amenities such as fitness, pool and spa facilities, originally planned to be included in or adjacent to the hotel, that Developer may elect to include in the reconstructed clubhouse rather than at the hotel (see Hotel Component section above).

The golf course operations will continue in a manner similar to existing conditions.

The existing cart sheds for the golf courses are located immediately north of the golf clubhouse. New cart storage will be included in the basement of the reconstructed golf clubhouse. The existing cart sheds will no longer be needed and will be removed.

12. Table 1 of Attachment 2 of the DDA is hereby amended to read in full as follows:

Table 1 Proposed Subdivision

Parcel or Lot Number	Approximate Size
Hotel Parcel	17.6
Timeshare Parcel A	6.5
Timeshare Parcel B	9.2
Timeshare Parcel C	3.5
Residential Lots	43.6
Monterey Road ROW	3.1
Golf Clubhouse Site	<u>To be determined</u>
Golf Maintenance Building Site	2.0
Golf Course Remainder Parcel	292.3

Note: The GNote: The Golf Course Remainder Parcel will remain in City ownership; it is leased to Developer under the Golf Course Lease.

13. Attachment No. 1A is hereby deleted from the DDA.

14. Section 25 of Attachment 3 to the DDA (Schedule of Performance) is hereby amended to read in full as follows:

25. Close of Escrow for all Hotel Phases/Stages and record Memorandum of DDA	March 31, 2018
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15. The DDA is hereby ratified.

IN WITNESS WHEREOF, the Parties have entered into this Amendment as of the day and year first above written.

CITY:

CITY OF SEASIDE

By: _____
Ralph Rubio, Mayor

APPROVED AS TO FORM:

RICHARDS, WATSON & GERSHON
Special Counsel to the City

By: _____
Bruce Galloway

DEVELOPER:

MONTEREY BAY RESORT, LLC,
a Nevada limited liability company

By: _____
Print Name: _____
Title: _____

AMENDMENT TO SECOND AMENDED AND RESTATED GROUND LEASE

This AMENDMENT TO SECOND AMENDED AND RESTATED GROUND LEASE ("Amendment") is dated as of _____, 2018 by and between the CITY OF SEASIDE ("City"), and MONTEREY BAY RESORT, LLC, a Nevada limited liability company ("Tenant").

RECITALS

A. City and Tenant entered into a Security Amended and Restated Ground Lease dated December 7, 2017 (the "Lease"), which included conditions preceding to its effectiveness and a deadline for satisfaction of such conditions.

B. City and Tenant desire to amend the Lease to extend the deadline for satisfaction of such conditions, add land on which a golf clubhouse is located, and make changes to various provisions of the Lease consistent with the foregoing.

NOW THEREFORE, the parties hereto agree as follows:

1. Section 1(c) of the Lease is hereby amended to read in full as follows:

"Assignment Date" means the effective date of the assignment of the Initial Lease from B&B to Tenant (the "Lease Assignment"), which assignment (under the governing agreement between B&B and Tenant) is conditioned upon: (a) the approval, execution and delivery of this Restated Lease by Landlord and Tenant; (b) the approval, execution and delivery of a Second Amended and Restated DDA between the City and Tenant (or an affiliate of Tenant approved by the City) ("Restated DDA"); (c) the execution and delivery by B&B and Tenant of the instrument assigning the Initial Lease and delivery of reasonable evidence thereof to City; such as an estoppel executed by B&B and Tenant (or affiliate of Tenant) certifying that such instrument has been executed and is effective (all of which are to occur on or before March 31, 2018), and (d) satisfaction of the conditions to the effectiveness of the Restated DDA; provided, however, that the City Manager may, in writing, reasonably extend such deadline if Tenant delivers reasonable evidence to the City Manager that items (c) and (d) are reasonably likely to occur within the requested extension period.

2. Section 2(f) of the Lease is hereby amended to read in full as follows:

2(f) Conditions Precedent; Termination for DDA Default/Termination. The effectiveness of this Lease is conditioned upon the occurrence of the Assignment Date on or before March 31, 2018, and Tenant submitting a certified inventory of personal property to City for attachment as in Exhibit "B" hereto by such date; provided, however, that the City Manager may in writing reasonably extend such deadline if Tenant delivers reasonable evidence to the City Manager that the Assignment Date is reasonably likely to occur within the requested extension period. City may terminate this Lease by written notice to Tenant upon any default by Tenant (or Tenant affiliate) under the Restated DDA with respect to

Stage One, Stage Two, the Final Hotel Stage or the Golf/Resort Clubhouse Phase (as defined/described in the Restated DDA) which is not cured within the express cure period, if any, in the Restated DDA for such default, and upon any termination of the Restated DDA in accordance with its terms prior to the sale of all of Stage One, Stage Two, the Final Hotel Stage or Golf/Resort Clubhouse Phase land.

3. Section 14(a)(i)(1) of the Lease is hereby amended to read in full as follows:

14(a)(i)(1) Limitation of Uses. The Tenant's use and operation of the Leased Premises shall be limited to the following uses: (A) the sale to golfers of licenses to use the Golf Courses; (B) the incidental retail sale of food, beverages, and refreshments (sale of beverages may including the sale of alcoholic beverages on the Leased Premises so long as Tenant complies with applicable state and local laws and obtains all required permits/licenses prior to such sale); (C) the incidental sale or rental of golfing equipment, golfing instruction, golfing clothing, video cassettes, books, magazines, toys, novelties, merchandise and souvenirs of a type customarily sold or rented at or in conjunction with golf courses; and weddings, car shows, exhibitions and other recreational uses intended (in Tenant's reasonable business judgment) to support the Hotel Operator's efforts to increase occupancy at the Resort Complex enhance the stature of the Golf Courses, or improve the profitability of the Golf Courses while not diluting the stature of the Golf Courses. Areas of the Golf/Resort Clubhouse will be public and will serve the Golf Courses. Limited areas of the Golf/Resort Clubhouse approved by the City in writing (not to be unreasonably withheld) need not be solely dedicated to the service of the Golf Courses, and are referred to herein as "Clubhouse Private Areas." The foregoing restrictions of this Section 14(a)(i)(1) do not apply to Clubhouse Private Areas.

4. Section 14(a)(v) of the Lease is hereby amended to read in full as follows:

14(a)(v) Coordination of Operations with Hotel Project. Tenant shall coordinate operations of the Golf Courses and Golf/Resort Clubhouse with the operators of the Hotel Project in accordance with the terms and conditions of an operating agreement ("Operating Agreement"). The Operating Agreement shall be between Tenant and the developers, operators or owners of the Hotel Project, and the City shall be named as a third-party beneficiary of the Operating Agreement for the purpose of enforcing the Operating Agreement in the event of non-compliance by the parties thereto. Tenant shall not enter into an Operating Agreement, and no Operating Agreement shall be effective, without first obtaining the written approval of the City, which approval shall not unreasonably be withheld. Further, no amendments to the Operating Agreement relating to any of the subjects listed in Exhibit "E", and no other agreements or amendments thereto relating to any of the subjects listed in Exhibit "E", shall be effective without the prior approval of the City, which approval shall not unreasonably be withheld. The Operating Agreement shall run with the land, shall bind the Parties thereto and their respective successors and assigns, and the term of the Operating Agreement shall

expire on the seventy-fifth (75th) anniversary of the Assignment Date. All business matters between Tenant and the owners or operators of the Hotel Project shall be conducted in a commercially reasonable manner. The City and the parties to the Operating Agreement shall meet to discuss Operating Agreement issues, and issues under other agreements relating to the subjects listed in Exhibit "E," at least every ten (10) years. The forgoing provisions of this subsection 14(a)(v), as appropriately modified, shall be included as a term in the Operating Agreement. Tenant's implementation of an Operating Agreement, or any other agreement relating to the subjects listed in Exhibit "E" between Tenant and the owners or operator of the Hotel Project, prior to approval by the City shall constitute an Event of Material Default. Tenant agrees to diligently negotiate in good faith and in a timely manner the terms and conditions of the Operating Agreement and other agreements supporting the creation of a Resort Complex through cooperation between the Golf Courses, Golf/Resort Clubhouse and Hotel Project, and the failure to promptly do so within ten (10) days after written notice from the City of such failure shall also constitute an Event of Material Default.

5. Section 14(a)(vi) of the Lease is hereby amended to read in full as follows:

14(a)(vi) Qualified Operator. Successful operation and management of the Golf Courses and Golf/Resort Clubhouse is critical to the overall success of the Golf Courses and the Resort Complex, and the qualifications and identity of such operator are of particular concern to the community and the City. Therefore, the Golf Courses and Golf/Resort Clubhouse shall be managed and operated only by the Tenant or by a third-party operator approved by the City ("Qualified Operator"). The Qualified Operator shall have the necessary financial capability to manage the Golf Courses and Golf/Resort Clubhouse and the reputation, experience, and qualifications for managing Golf Courses and Golf/Resort Clubhouse of the quality required under this Restated Lease. The Tenant shall submit for the City's approval the identity of any proposed Qualified Operator and any proposed management agreement between Tenant and such Qualified Operator. The Tenant shall also submit such additional information about the background, experience, and financial condition of any proposed Qualified Operator as is reasonably necessary for the City to determine whether the proposed Qualified Operator meets the standard set forth in this subsection (vi).

6. Section 14(a)(xv)(2)(F) of the Lease is hereby amended to read in full as follows:

14(a)(xv)(2)(F) Tenant shall operate the Golf Courses and Golf/Resort Clubhouse consistent with good water conservation practices to the extent commercially reasonable in light of the cost involved and the quality standards required under Section 14(a)(ii) of this Restated Lease. Disputes arising over whether Tenant is complying with the requirements of this Section 14(a)(xv)(2)(F) shall be resolved through arbitration in accordance with Section 22(k) of this Restate Lease and Tenant shall not be in default under this Restated Lease so long as Tenant abides by the decision of the arbitrator.

7. Section 15(a) of the Lease is hereby amended to read in full as follows:

15(a) Ownership of Improvements. During the Lease Term, all newly constructed Improvements shall be and remain the property of the Tenant subject to the terms and limitations of this Restated Lease; provided, however, that Tenant, subject to approval by the City within its sole discretion, may quitclaim fee title to Improvements to the City (which Improvements shall remain part of the Leased Premises and subject to the obligations of Tenant under this Restated Lease), except that any Improvements financed in whole or in part by the City shall become the property of the City (in fee title) upon completion of such Improvements and any Improvements which were financed by the Redevelopment Agency of the City of Seaside and which became the Property of the City under the terms of the Initial Lease shall remain the property of the City. Tenant (and such affiliate, as applicable) shall have no right to waste, destroy, demolish or remove the Improvements or renovated/replaced Golf/Course Clubhouse except as specifically provided for in this Restated Lease, or the Restated DDA or otherwise approved in writing by the City. Upon the expiration of the Lease Term or upon the earlier termination of this Restated Lease pursuant to the provisions hereof, all Improvements shall become the property of the City. The Tenant shall have the exclusive right to claim all depreciation, amortization, cost recovery allowances, credits, and other tax benefits arising from all Improvements during the Lease Term.

8. The Property described on the attached Exhibit "A" is hereby deleted from Exhibit "H" to the Lease (Exhibit H describes certain property excluded from the leased premises). The foregoing change adds the Golf/Resort Clubhouse Property to the Lease.

9. Exhibit "I" to the Lease (Form of Memorandum of Lease) is amended by restated Recital A thereof as follows:

"A. Landlord and Tenant executed that certain Second Amended and Restated Ground Lease dated December 7, 2017, and amended it by an Amendment to Second Amended and Restated Ground Lease dated _____, 2018 (the "Lease") affecting the land in the City of Seaside, California described on Exhibit "A", which became effective on _____, 2018."

10. The Lease is hereby ratified.

IN WITNESS WHEREOF, this Amendment has been executed by the undersigned as of the date first written above.

CITY:

CITY OF SEASIDE

TENANT:

MONTEREY BAY RESORT, LLC

By: _____
Ralph Rubio, Mayor

By: _____
Print Name: _____
Title: _____

ATTEST:

Lesley Milton, City Clerk

APPROVED AS TO FORM:

Richards, Watson & Gershon
Special Counsel to City

Bruce Galloway

EXHIBIT "A"

GOLF/RESORT CLUBHOUSE PROPERTY

GOLF CLUBHOUSE LAND:

That certain real property situate in Rancho Noche Buena, in the County of Monterey, State of California, being a portion of that certain 380.31 acre parcel of land shown as Parcel 1 as per map filed for record in Volume 26, Page 28 of Surveys in the office of the county recorder of said county described as follows:

Beginning at a point that bears South 29° 36' 22" West, 2,765.92 feet from the most Northerly corner of said Parcel 1; thence

1. North 87° 22' 26" East, 255.91 feet; thence
2. South 02° 37' 34" East, 232.98 feet; thence
3. Easterly, 71.27 feet along the arc of a non-tangent curve to the left having a radius of 217.00 feet whose center bears North 32°10' 09" East; through a central angle of 18° 49' 00"; thence nontangentially
4. South 02° 37' 34" East, 60.02 feet; thence
5. South 87° 22' 26" West, 192.50 feet; thence
6. South 02° 37' 34" East, 27.36 feet; thence
7. South 87° 22' 26" West, 127.50 feet; thence
8. North 02° 37' 34" West, 350.77 feet; to the Point of Beginning containing 2.09 acres, more or less.

Bearings cited herein are referenced to said Volume 26, Page 28 of Surveys.



**CITY OF SEASIDE
STAFF REPORT**

Item No.: 10.C.

TO: City Council

FROM: Craig Malin, City Manager

BY: Kurt Overmeyer, Economic Development Manager

DATE: February 15, 2018

**SUBJECT: CONSIDER A LEASE BETWEEN THE CITY OF SEASIDE
AND CORONA RENTALS AKA KATHERINE D. CORONA AND AND
RAYMOND K. CORONA, IN TRUST, AS CO-TRUSTEES OF "TRUST
ONE-CORONA 1997 TRUST" FOR AN APPROXIMATELY 3,800
SQUARE FOOT SPACE LOCATED AT 656 BROADWAY AVENUE
FOR USE AS A "FORWARD OPERATING BASE"**

PURPOSE

To approve a lease for office and public outreach space at 656 Broadway Avenue in Seaside. This space will be used to house Economic Development as well as Planning staff in order to increase opportunities for public interaction and input on the various future and current projects in Seaside.

RECOMMENDATION

It is recommended that City Council approve the lease of 656 Broadway Avenue for the purpose of an office and outreach center.

BACKGROUND

In an effort to better serve Seaside, staff has been working to find ways to increase the availability of staff to interact with the community regarding current and future development projects. By providing more information, more opportunities for input and more engagement, it is expected that projects will better mesh with community priorities and that the community will have more opportunities to influence the outcomes of economic development and planning efforts. City offices are also near capacity and as internal capacity is improved, more space will be required.

After considerable due diligence and exploring every possible option, staff is recommends that the City enter into a lease with the Corona Rental Company for a ~3,800 square foot facility

located at 656 Broadway. The property owner has recently improved the facade and will build out the space to allow the City to occupy the structure temporarily while maintaining a retail look and feel. The property owner has also started construction on a new ADA compliant restroom facility that will serve the leased space as well as a similarly sized space adjacent that is currently vacant.

The space will be set up as both an office and a "design center" where the various development projects will show off their designs and allow community input. Staff will also work with local arts and entertainment groups to ensure that the space is activated to catalyze neighboring uses and interest.

FISCAL IMPACT

The annual cost of the lease will be \$32,760. The City has received \$25,000 from the Petrovich Development Company (Main Gate Developer) that will be used to offset this cost.

ATTACHMENTS

1. CoronaLEASE
-

Reviewed for Submission to the
City Council by:



Craig Malin, City Manager

COMMERCIAL LEASE AGREEMENT

THIS LEASE (The "Lease") is dated as of _____, 2017, and is entered into by and between CORONA RENTALS (AKA KATHERINE D. CORONA and RAYMOND K. CORONA, in trust, as co-Trustees of "TRUST ONE-CORONA 1997 TRUST" AND KATHERINE D. CORONA and RAYMOND K. CORONA, in trust, as co-Trustees of "TRUST TWO-CORONA 1997 TRUST", DBA CORONA RENTALS), hereinafter called "Lessor or Landlord," hereby leases to

hereinafter called "lessee or tenant" those certain premises herein called "premises or property" in the County of Monterey, State of California, described as follows:

A store building and appurtenant parking commonly known as 656 BROADWAY AVENUE, Seaside, California 93955.

ARTICLE I - TERM OF LEASE

Original Term

Section 1.01. This lease shall be for a term of ONE year(s) commencing _____, 2017 and ending _____, 2017 unless sooner terminated as herein provided.

Extended Term

Section 1.02. Should Lessee fully and faithfully perform all the terms and conditions of this lease for the full term specified in Section 1.01 of this lease, Lessee may extend this lease for a further term of ONE year(s) commencing on expiration of the full term specified in Section 1.01 of this lease, by giving Lessor written notice of Lessee's desire to do so at least three (3) months prior to the expiration of the term specified in Section 1.01.

This option is person and non-assignable by Lessee and any assignment of this lease by Lessee shall terminate the option herein contained.

Hold Over

Section 1.03. Should Lessee hold over and continue in possession of said premises after expiration of the term of this lease or any extension thereof, Lessee's continue occupancy of said premises shall be considered a month-to-month tenancy subject to all the terms and conditions of this lease.

ARTICLE 2 - RENT

Minimum Rent

Section 2.01. Lessee agrees to pay to Lessor a fixed minimum rental for the use and occupancy of said premises \$2730.00 per month, payable on the first day of each month and every month commencing _____ 2017, at such place as Lessor may from time to time designate by written notice delivered to Lessee. And the first month's rent shall be payable with the execution of this lease.

This tenant shall not be required to deposit a security deposit or last month's rent with Landlord, upon execution hereof.

On the Third (3rd) anniversary date of this lease the rental shall be increased or decreased by the percentage cost of living increase or decreased shown on the San Francisco Region all items Bureau of Labor Statistics Index or such other Index which may supersede said Index.

If any monthly payment of rent or any portion thereof remains unpaid more than FIVE (5) days after the date it becomes due, Lessor shall be entitled to a ONE-TIME late charge equal to 4% of each such overdue amount or \$100.00, whichever is greater, for each of such monthly payments that are not timely or fully paid. The parties hereby agree that such late charges represent a fair and reasonable estimate of the costs Tenant will incur by reason of such late payment. Acceptance of such late charge by Landlord shall in no event constitute a waiver of any default by Tenant with respect to such overdue amount, nor prevent the exercise of any of the other rights and remedies granted hereunder.

ARTICLE 3 - USE OF THE PREMISES

Permitted Use

Section 3.01. Said premises shall, during the term of this lease and any extension thereof, be used by Tenant for public assembly purposes.

Insurance Hazards

Section 3.02. Lessee shall not commit or permit the commission of any acts on said

premises nor use or permit the use of said premises in any manner that will increase the existing rates for or cause the cancellation of any fire, liability or other insurance policy insuring said premises or the improvements on said premises. Lessee shall, at his own cost and expense, comply with any and all requirements of Lessor's insurance carriers necessary for the continued maintenance at reasonable rates of fire and liability insurance policies on said premises and the improvements on said premises.

Waste or Nuisance

Section 3.03. Lessee shall not commit or permit the commission by others of any waste on said premises; Lessee shall not maintain, commit, or permit the maintenance of commission of any nuisance as defined in Section 3479 of the California Civil Code on said premises; and Lessee shall not use or permit the use of said premises for any unlawful purpose.

Compliance with Law

Section 3.04. Lessee shall at Lessee's own cost and expense comply with all statutes, ordinances, regulations and requirements of all governmental entities, both federal and state and county or municipal relating to Lessee's use and occupancy of said premises whether such statutes, ordinances, regulations and requirements be now in force or hereinafter enacted.

The judgment of any court of competent jurisdiction, or the admission by Lessee in a proceeding brought against Lessee by any government entity, that Lessee has violated such statute, ordinance, regulation, or requirement shall be conclusive as between Lessor and Lessee and shall be ground for the termination of this lease by Lessor.

ARTICLE 4 - TAXES, UTILITIES AND SECURITY

Payment of Utility Charges

Section 4.01. Lessee shall pay, and hold Lessor and the property of Lessor free and harmless from, all charges for the furnishing of water, potable water, fire suppression water, gas, electricity, telephone - fax -cell service, any and all sewer fees, waste water services, and other public utilities to said premises during the term of this lease or any extension thereof and for janitorial services and the removal of garbage and rubbish from said premises during the term of this lease or any extension thereof. In the event Landlord contracts for any utilities, Tenant shall pay Tenant's reasonable share thereof as determined by Landlord, on a monthly basis within ten (10) days after Landlord gives written notice to Tenant of the amount due.

Security Measures

Tenant hereby acknowledges that the Rent payable to Landlord does not include cost of guard service or other security measures, and that Landlord shall have no obligation whatsoever to provide same. Lessee assumes all responsibility for the protection of the Premises, Tenant, its agents and invitees and their property from the acts of third parties.

Personal Property Taxes

Section 4.02. Lessee shall pay before they become delinquent, all taxes, assessments, or other charges levied or imposed by any governmental entity on the trade fixtures, appliances, furniture, merchandise and other personal property placed by Lessee in, on, or about said premises including, without limiting the generality of the other terms used in this section, any shelves, counters, vaults, vault doors, wall safes, partitions, fixtures, machinery, plant equipment, office equipment, television or radio antennas, or communication equipment brought on said premises by Lessee.

Real Property Taxes

Section 4.03. Lessee shall pay to Lessor the amount of any real property taxes and assessments which may be levied which exceed the amount levied for the year of 2018 in which excess caused by Lessee to be levied.

ARTICLE 5 - ALTERATIONS AND REPAIRS

Conditions of Premises

Section 5.01. Lessee accepts said premises, as well as the improvements thereon and the facilities appurtenant thereto, in their present condition and stipulates with Lessor that said premises as well as the improvements thereon and the facilities appurtenant thereto are in good, clean, safe and tenantable condition as of the date of this lease. Lessee further agrees with and represents to Lessor that said premises have been inspected by Lessee and that he/she has been assured by means independent of Lessor of any agent of Lessor of the truth of all facts material to this lease and that said premises are being leased by Lessee as a result of his/her inspection and investigation and not as a result of any representations made by Lessor or any agent of Lessor.

Maintenance by Lessor

Section 5.02. Lessor shall, at his own cost and expense, maintain in good condition and repair the exterior roof, exterior walls, except window glass and except as hereinafter

provided, structural supports, and the foundation of said premises, provided, however, that Lessor shall not be liable for any damages to Lessee or the property of Lessee resulting from Lessor's failure to make any repairs required by this section unless written notice of the need for such repairs has been given to Lessor by Lessee and Lessor has failed for a period of ninety

(90) days after receipt of the notice, unless prevented by causes not the fault of the Lessor, to make the needed repairs; provided, further, that Lessor shall promptly be reimbursed by Lessee for the full cost of any repairs made pursuant to this section required because of the negligence or other fault, other than normal and proper use, of Lessee or his/her employees or agents or sublessees, if any.

Maintenance by Lessee

Section 5.03. Except as otherwise expressly provided in Section 5.02 of this lease, Lessee shall at his own cost and expense keep and maintain all portions of said premises as well as all improvements on said premises and all facilities appurtenant to said premises in good order and repair and in as safe and clean a condition as they were when received by Lessee from Lessor, reasonable wear and tear expected.

Maintenance of Window Glass

Section 5.04. Lessee shall, at his own cost and expense, repair and replace any glass in any window on said premises that become broken regardless of cause, including window glass that is broken by fire, by act of God, by fault of Lessee, or by fault of some employee or agent of Lessee. Furthermore, Lessee shall at his own cost and expense at all times during the term of this lease carry adequate plate glass insurance on the glass in all windows on said premises to perform the repair and replacement requirements of this section. Should Lessee fail to repair or replace any glass broken in a window or fail to maintain adequate plate glass insurance on the glass in windows on said premises, Lessor may replace or repair the broken glass or secure such insurance and Lessee will promptly reimburse Lessor for the cost thereof and pay Lessor interest as such costs at the rate of ten (10%) per annum from the date the costs were incurred by Lessor to the date they are reimbursed to Lessor by Lessee, and paid in full a month before the end of the lease.

Review of Plans and Permits

Landlord shall not be deemed to have reviewed any plans, drawings or specifications of Tenant from an engineering or technical standpoint, and Landlord shall have no liability whatsoever to Tenant or any third party based on or arising out of any patent or latent

defect in the design or construction of Work, whether or not such defect is actually known or apparent to Landlord.

Alterations and Liens

Section 5.05. Lessee shall not make or permit any other person to make any alterations to said premises or make any improvements thereon on facilities appurtenant thereto without the written consent of the Lessor first had and obtained. Water fountains, inflatable bounce houses, and water beds are not permitted. Lessee shall keep the premises free and clear from any and all liens, claims, and demands for work performed, materials furnished, or operations conducted on said premises at the instance or request of Lessee. Furthermore, any and all alterations, additions, improvements and fixtures, except furniture and trade fixtures, made or placed in or on said premises by Lessee or any other person shall on expiration or sooner termination of this lease become the property of Lessor and remain on said premises; provided, however that Lessor shall have the option on expiration or sooner termination of this lease of requiring Lessee, at Lessee's sole cost and expense, to remove any or all such alterations, additions, improvements, or fixtures from said premises. Furthermore, alterations must remain that are attached to ceilings/floors/walls, such as; fans, lights, air conditioning, heating, water heater floors, sinks, toilet, of bathroom fixtures, or attached built in furniture.

Inspection by Lessor

Section 5.06. Lessee shall permit Lessor or Lessor's agents, representatives, or employees to enter said premises at all reasonable times for the purpose of inspection said premises to determine whether Lessee is complying with the terms of this lease and for the purpose of doing other lawful acts that may be necessary to protect Lessor's interest in said premises under this lease or to perform Lessor's duties under this lease.

Surrender of Premises

Section 5.07. On expiration of sooner termination of this lease, or any extensions or renewals of this lease, Lessee shall promptly surrender and deliver said premises to Lessor in as good condition as they are now at the date of this lease, reasonable wear and tear and repairs herein required to be made by Lessor excepted.

ARTICLE 6 - INDEMNITY AND INSURANCE

Section 6.01. Lessee agrees to indemnify and hold Lessor and the property of Lessor, including said premises, free and harmless from any and all claims, liability, loss, damage, or expenses resulting from Lessee's occupation and use of said premises specifically including,

without limitation, and claim, liability, loss, or damage arising by reason of:

(a) The death or injury of any person or persons including Lessee or any person who is an employee or agent of Lessee, or by reason of the damage to or destruction of any property, including property owned by Lessee or any person who is an employee or agent of Lessee, and caused or allegedly caused by either the condition of said premises, or some act or omission of Lessee or some agent, contractor, employee, servant, sublessee, or concessionaire of Lessee on said premises;

(b) Any work performed on said premises or materials furnished to said premises at the instance or request of Lessee or any agent or employee of Lessee; and

(c) Lessee's failure to perform any provision of this lease or to comply with any requirement of law or any requirement imposed on Lessor or the leased premises by any duly authorized governmental agency or political subdivision.

Liability Insurance

Section 6.02. Lessee shall, at his/her own cost and expense, secure within ten (10) days and maintain during the entire term of this lease and any renewals or extensions of such term a broad form comprehensive coverage policy of public liability insurance issued by an insurance company acceptable to Lessor and insuring Lessor against loss or liability caused by or connected with Lessee's occupation and use of said premises under this lease in amounts not less than:

(a) Two Million Dollars (\$2,000,000.00) for injury to or death of one person and, subject to such limitation for the injury or death of one person, of not less than Four Million Dollars (\$4,000,000.00) for injury or death to two or more persons as a result of any one accident or incident; and

(b) Two Million Dollars (\$2,000,000.00) for damage to or destruction of any property of others. All public liability insurance and property damage insurance shall insure performance by Tenant of the indemnity provision of this Lease.

(c) Lessor shall be named as additional insured on each insurance policy required by this Section, and such policies shall contain cross liability endorsements. It is agreed that said insurance to be furnished by Lessee shall insure Lessors, as individuals on a business package policy, as additional insureds as their interest may appear due to ownership of property and improvements including the building.

Increase in Insurance Coverage

Section 6.03. If, in the good faith opinion of Landlord, the amount of public liability and property insurance coverage at that time is not comparable to the insurance typically required by landlords of property similar to the Property, Tenant shall increase the insurance coverage as required by Landlord.

Insurance Certificate

Section 6.04. Tenant shall deliver to Landlord a certificate of insurance, and if requested by Landlord complete and correct copy of each insurance policy, for all insurance required by this Section 6. All insurance policies required by express provisions of this Lease shall be nonassessable and shall contain language to the effect that (a) any loss shall be payable notwithstanding act or negligence of Landlord that might otherwise result in the forfeiture of the insurance, (b) that the insurer waives the right of subrogation against Landlord, and (c) the policies are primary and non-contributing with any insurance that may be carried by Landlord.

Notice of Cancellation of Insurance

Section 6.05. Each insurance policy required by this Section 6 shall contain a provision that it cannot be cancelled or materially changed for any reason unless 30 days' prior written notice of such cancellation or change is given to Landlord in the manner required by this Lease for service of notices on Landlord by Tenant.

ARTICLE 7 - TRADE FIXTURES

Installation and Removal of Trade Fixtures

Section 7.01. Lessee shall have the right at any time and from time to time during the term of this lease and any renewal or extension of such term, at Lessee's sole cost and expense, to install or affix in, to, or on said premises such items, herein called "trade fixtures," for use in Lessee's trade or business as Lessee may, in his/her sole discretion, deem advisable. Any and all such trade fixtures that can be removed without structural damage to said premises or any building or improvements on said premises shall, subject to Section 7.02 of this lease, remain the property of the Lessee and may be removed by Lessee at any time or times prior to the expiration or sooner termination of this lease.

Trade Fixtures as Security for Lease

Section 7.02. As security for the faithful performance of all the terms, conditions and covenants of this lease to be performed by Lessee, Lessee hereby grants to Lessor a security interest in all trade fixtures and equipment owned by Lessee and now or hereafter placed on said premises by Lessee. Any right or rights of removal of trade fixtures given Lessee by the provision of Section 7.01 of this lease shall be exercisable only if, at the time of the removal, Lessee is not in default in performance of this lease. Lessee may, however, at any time he is not in default in performance of this lease, trade in or replace any trade fixture free of the security interest created by this section and this security interest will then attach to the item that replaced such trade fixture. On default in performance of any obligation of this lease to be performed by Lessee, Lessor shall immediately have as to the trade fixtures the remedies provided to a secured party under the Uniform Commercial Code as enacted in California.

Unremoved Trade Fixtures

Section 7.03. Any trade fixtures described in this Article that are not removed from said premises by Lessee within thirty days (3) days after the expiration or sooner termination, regardless of cause, of this lease shall be deemed abandoned by Lessee and shall automatically become the property of Lessor as owner of the real property to which they are affixed and not simply because of the lien described in Section 7.02 of this lease.

ARTICLE 8 - DESTRUCTION AND CONDEMNATION

Partial Destruction

Section 8.01. Should said premises or the building on said premises be partially destroyed by any cause not the fault of Lessee or any person in or about said premises with the consent, express or implied, of Lessee, this lease shall continue in full force and effect and Lessor, at Lessor's own cost and expense, shall promptly commence the work of repairing and restoring said premises to their prior condition providing such work can be accomplished within ninety (90) working days at a cost not exceeding forty-five percent (45%) of the total replacement cost of said premises, Lessor may at Lessor's option either:

- (a) Continue this lease in full force and effect by repairing and restoring, at Lessor's own cost and expense, said premises to their former condition; or
- (b) Terminate this lease by giving Lessee written notice of such termination.

Total Destruction

Section 8.02. Should said premises or the building on said premises be so far destroyed by any cause not the fault of Lessee or any person in or about said premises with the consent, express or implied, of Lessee that they cannot be repaired or restored to their former condition within ninety (90) working days or at a cost not exceeding forty-five (45% of the total replacement cost of said premises, Lessor may at Lessor's option either:

(a) Continue this lease in full force and effect by repairing and restoring, at Lessor's own cost and expense, said premises to their former condition; or

(b) Terminate this lease by giving Lessee written notice of such termination.

Insurance Proceeds

Section 8.03. Any insurance proceeds received by Lessor because of the total or partial destruction of said premises or the building on said premises shall be the sole property of Lessor, free from any claims of Lessee, and may be used by the Lessor for whatever purpose Lessor may desire.

Abate of Rent

Section 8.04. Should Lessor elect under Section 8.02 of this lease or be required under Section 8.01 of this lease to repair or restore said premises to their former condition following partial or full destruction of said premises or the building on said premises:

(a) Lessee shall not be entitled to any damages for any loss or inconvenience sustained by Lessee by reason of making of such repairs and restoration;

(b) Lessor shall have the full right to enter said premises and take possession of so much of said premises, including the whole of said premises, as may be reasonable necessary to enable Lessor promptly and efficiently to carry out the work of repair and restoration; and

(c) The minimum rent payable by Lessee to Lessor pursuant to Section 2.01 of this lease shall be abated to the extent and for the time Lessee is prevented from using the whole of said premises. If Lessee is able to use a portion of said premises for his operation, Lessor shall be entitled to a percentage of the rent specified in Section 3.01 as the square footage utilized by Lessee bears to the total square footage specified under this lease.

Condemnation

Section 8.05. In the event of the condemnation of said premises during the term of this lease, this lease shall without further notice terminate as of 12:01 AM on the date actual physical possession of the condemned property is taken by the condemner. All rent payable under this lease shall be prorated as of 12:01 AM on such date and a prompt and proper refund of rent shall be made. On the making of such rent adjustment, both Lessor and Lessee shall be released and discharged from any and all further obligations under this lease including the options contained therein.

Lessor's Power to Sell in Lieu of Condemnation

Section 8.06. Lessor, may, without any obligation or liability to Lessee and without affecting the validity or continuation of this lease other than as expressly provided in this Article, agree to sell or convey to the condemner, without first requiring that an action of proceeding for condemnation be instituted or tried, the portion of said premises sought by the condemner free from this lease and the rights of Lessee in said premises other than as provided in this Article.

Condemnation Award

Section 8.07. All compensation and damages award or paid for the condemnation of said premises or any portion of said premises or for any sale in lieu of condemnation as authorized by Section 8.0 of this lease, shall except as otherwise expressly provided in this section, belong to and be the sole property of Lessor; Lessee hereby assigning to Lessor any claim Lessee might have except for this provision against Lessor, the demised premises, or condemner for diminution in value of the leasehold estate created by this lease or the value of the unexpired term of this lease; provided, however, that Lessee is entitled to seek to recover from the condemner, but not from Lessor, for:

(1) The cost of removing any trade fixtures, furniture, or equipment from the portion of said premises taken by condemnation; and

(2) The value of any trade fixtures that could have been removed by Lessee on expiration of this lease.

ARTICLE 9 - DEFAULT, ASSIGNMENT AND TERMINATION

Subleasing or Assigning as Breach

Section 9.01. Lessee shall not encumber, assign, or otherwise transfer this lease, any right or interest in this lease, or any right or interest in said premises or any of the improvements that may now or hereafter be constructed or installed on said premises without the express written consent of Lessor first had and obtained. Neither shall Lessee sublet said premises or any part thereof or allow any other person, other than Lessee's agents, servants, and employees, to occupy said premises or any part thereof without the prior written consent of Lessor. A consent by Lessor to one assignment, one subletting, or one occupation of said premises by another person shall not be deemed to be a consent to any subsequent assignment, subletting, or occupation of said premises by another person. Any encumbrance, assignment, transfer or subletting without the prior written consent of Lessor, whether it be voluntary or involuntary, by operation of law or otherwise, is void and shall, at the option of Lessor terminate this lease. The consent of Lessor to any assignment of Lessee's interest in this lease or the subletting by Lessee of said premises or parts of said premises shall not be unreasonable withheld.

Abandonment by Lessee

Section 9.02. Should Lessee breach this lease and abandon said premises prior to the natural expiration of the term of this lease, Lessor may:

(a) Continue this lease in effect by not terminating Lessee's right to possession of said premises in which event Lessor shall be entitled to enforce all his/her rights and remedies under this lease, including the right to recover the rent specified in this lease as it becomes due under this lease; or

(b) Terminate this lease and recover from Lessee:

(1) The worth at the time off award of the unpaid rent which had been earned at the time of termination of the lease;

(2) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination of the lease until the time of award exceeds the amount of rental loss that Lessee proves could have been reasonably avoided;

(3) The worth at the time of award of the amount by which the unpaid rent for the balance of the term of this lease after the time of award exceeds the

amount of rental loss that Lessee proves could be reasonably avoided; and

- (4) Any other amount necessary to compensate Lessor for all detriment proximately caused by Lessee's failure to perform his/her obligations under this lease.

Default by Lessee

Section 9.03. Should Lessee default in the performance of any of the covenants, conditions or agreements contained in this lease, Lessee shall have breached the lease and Lessor may, in addition to the remedy specified in the subparagraph (b) of Section 9.02 of this lease, reenter and regain possession of said premises in the manner provided by the laws of unlawful detainer of the State of California then in effect.

Insolvency of Lessee

Section 9.04. The insolvency of Lessee is evidenced by a receiver being appointed to take possession of all or substantially all of the property of Lessee, or the making of a general assignment for the benefit of creditors by Lessee, shall terminate this lease and entitle Lessor to reenter and regain possession of said premises.

Cumulative Remedies

Section 9.05. The remedies given to Lessor in this Article shall not be exclusive but shall be cumulative and in addition to all remedies now or hereafter allowed by law or elsewhere provided in this lease.

Waiver of Breach

Section 9.06. The waiver of Lessor of any breach by Lessee of any of the provision of this lease shall not constitute a continuing waiver or a waiver of any subsequent breach by Lessee either of the same or another provision of this lease.

ARTICLE 10 - MISCELLANEOUS

Attorneys' Fees

Section 10.01. Should any litigation be commenced between the parties to this lease concerning said premises, this lease, or the rights and duties of either in relation thereto, the party, Lessor or Lessee, prevailing in such litigation shall be entitled, in addition to such other relief as may be granted in the litigation, to a reasonable sum as and for his/her attorney's fees in such litigation which shall be determined by the court in such litigation or in a separate action brought for the purpose.

Notices

Section 10.02. Except as otherwise expressly provided by law, any and all notices or other communications required or permitted by this lease or by law to be served on or given to either party hereto by the other party hereto shall be in writing and shall be deemed duly served and given when personally delivered to {any member of} the party to whom they are directed, or in lieu of such personal service when deposited in the United States mail, first-class postage prepaid, addressed to Lessee at 440 Harcourt Ave. Seaside, CA, 93955 or to Lessor at P. O. Box 125, Seaside, California, 93955 Seaside, California, 93955. Either party, lessee or Lessor, may change his address for the purpose of this section by giving written notice of such change to the other party in the manner provided in this section.

Binding on Heirs and Successors

Section 10.03. This lease shall be binding on and shall insure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto, Lessor and Lessee, but nothing in this section contained shall be constructed as a consent by Lessor to any assignment of this lease or any interest therein by Lessee except as provided in Article 9 of this lease.

Time of Essence

Section 10.04. Time is expressly declared to be the essence of this lease.

No Recording

Section 10.05. Tenant shall not record this Lease or any Memorandum of this Lease

Counterparts

Section 10.06. This lease may be executed in counterparts, all of which together shall constitute one and the same document.

Partial Invalidity

Section 10.07. Should any provision of this lease be held by a court of competent jurisdiction to be either invalid, void, or unenforceable, the remaining provisions of this lease shall remain in full force and effect unimpaired by the holding.

Sole and Only Agreement

Section 10.08. This instrument constitutes, the sole and only agreement between

Lessor and Lessee respecting said premises, the leasing of said premises to Lessee, or the lease term herein specified, and correctly sets forth the obligations of Lessor and Lessee to each other as of its date. Any agreements or representations respecting said premises or their leasing by Lessor to Lessee not expressly set forth in this instrument are null and void.

Amendments

Section 10.09. This lease may be modified only by a written instrument signed by both parties.

Construction of Lease

Section 10.10. This lease shall be construed fairly as to all parties and not in favor of or against any party, regardless of which party prepared this lease. Whenever the context requires, all words used in the singular will be construed to have been used in the plural, and vice versa, and each gender will include any other gender.

Effect of Delivery

Section 10.11. The delivery of any unexecuted draft of this lease shall not constitute an offer by the delivering party or otherwise bind the delivering party or create any enforceable rights in favor of the other party. This lease shall not be binding or enforceable unless and until it is executed and delivered by both Landlord and Tenant.

Landlord's Consents, Approvals and Other Acts

Section 10.12. Although Landlord is a governmental entity affiliated with the City of Seaside, none of landlord's consents, approvals or performance of obligations under this lease shall constitute consents, approvals or acts of the City.

No Brokers

Section 10.13. Landlord and Tenant each represent and warrant to the other that no person, firm, broker or finder in connection with this Lease is entitled to any commission in connection herewith. Landlord and Tenant hereby agree to indemnify, protect, defend and hold the other harmless from and against liability for compensation or charges that may be claimed by any broker, finder, or other similar party by reason of any dealings of the indemnifying party, including costs, expenses, attorneys' fees reasonably incurred with respect thereto.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Lease on
_____, 20____ at Seaside, California.

Lessor/Landlord

Lessee/Tenant(s)

Print Name_____ Print Name_____

Title: _____ Title: _____

Signature:_____ Signature:_____

WITNESS:

By: _____