

**CITY COUNCIL
CITY OF WEST HOLLYWOOD
SPECIAL MEETING MINUTES
MONDAY, JULY 10, 2017
WEST HOLLYWOOD PARK PUBLIC MEETING ROOM - COUNCIL CHAMBERS
625 N. SAN VICENTE BOULEVARD**

5:00 P.M. – SPECIAL CITY COUNCIL MEETING AND STUDY SESSION

CALL TO ORDER: Mayor Heilman called the meeting to order at 5:01 p.m.

PLEDGE OF ALLEGIANCE: Amanda Hyde led the Pledge of Allegiance.

ROLL CALL:

PRESENT: Councilmember D’Amico, Councilmember Horvath, Councilmember Meister, Mayor Pro Tempore Duran, and Mayor Heilman.

ABSENT: None.

ALSO PRESENT: City Manager Arevalo, Deputy City Attorney Langer, City Clerk Quarker, and Administrative Specialist IV Poblador.

APPROVAL OF AGENDA:

Motion by Mayor Pro Tempore Duran to approved the July 10, 2017 Agenda, seconded by Councilmember Horvath and approved.

1. PUBLIC COMMENT:

MARV AUERBACH, WEST HOLLYWOOD, spoke regarding security in the Library and would like to see the Sheriff’s Department program expanded with more officers out in the field.

JEANNE DOBRIN, WEST HOLLYWOOD, spoke regarding the contract with Wells Fargo and divesting from them.

COUNCILMEMBER COMMENTS AND MEETING ATTENDANCE REPORTS:

Councilmember Meister stated that West Hollywood resident Heidi Schroeder passed away and requested that the meeting be adjourned in her memory.

Councilmember Horvath registered her NO vote on Item 2.D.

Mayor Heilman registered his NO vote on Item 2.D.

CITY MANAGER’S REPORT:

City Manager Arevalo addressed public comment regarding security at the Library comment, and stated that Staff will look into the matter.

FISCAL IMPACT ON CONSENT CALENDAR:

City Clerk Quarker stated that the fiscal impact on the Consent Calendar is \$1,000 in expenditures, (\$0) in potential revenue, and (\$0) in waived fees.

2. CONSENT CALENDAR:

ACTION: Approve the Consent Calendar: 2.A.,B.,C.,D.,E.,F.

Motion by Councilmember D'Amico, seconded by Councilmember Meister, and approved.

2.A. POSTING OF AGENDA:

SUBJECT: The agenda for the meeting of Monday, July 10, 2017 was posted at City Hall, Plummer Park, the Sheriff's Station, and at the West Hollywood Library on Wednesday, July 5, 2017.

RECOMMENDATION: Receive and file. Approved as part of the Consent Calendar.

2.B. APPROVAL OF MINUTES:

SUBJECT: The City Council is requested to approve the minutes of the prior Council meeting.

ACTION: Approve the minutes of June 19, 2017. Approved as part of the Consent Calendar.

2.C. APPROVAL OF DEMAND REGISTER NO. 806 [D. WILSON, L. QUIJANO]:

SUBJECT: The City Council shall approve or reject the Demand Register for period ending June 30, 2017 pursuant to Sections 37201 to 37210 of the Government Code of the State of California.

ACTION: Approve Demand Register NO. 806 and adopt Resolution No.17-4976, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST HOLLYWOOD APPROVING PAYMENT OF DEMANDS PRESENTED ON DEMAND REGISTER NO. 806." Approved as part of the Consent Calendar.

2.D. ORDINANCE NO. 17-1009 (2ND READING) "AN ORDINANCE OF THE CITY COUNCIL AMENDING TITLE 10, CHAPTER 10.08.240 OF THE WEST HOLLYWOOD MUNICIPAL CODE IMPLEMENTING DAYTIME PREFERENTIAL PARKING REGULATIONS ON THE 1000 BLOCKS OF EDINBURGH AND HAYWORTH AVENUES AND AMENDING THE WEST HOLLYWOOD MUNICIPAL CODE" [Y. QUARKER, M. CROWDER]:

SUBJECT: The City Council will waive further reading and adopt Ordinance No. 17-1009 amending Title 10, Chapter 10.08.240 of the West

Hollywood Municipal Code implementing daytime preferential parking regulations on the 1000 blocks of Edinburgh and Hayworth avenues and amending the West Hollywood Municipal Code.

ACTION: Waive further reading and adopt Ordinance No. 17-1009, "AN ORDINANCE OF THE CITY COUNCIL AMENDING TITLE 10, CHAPTER 10.08.240 OF THE WEST HOLLYWOOD MUNICIPAL CODE IMPLEMENTING DAYTIME PREFERENTIAL PARKING REGULATIONS ON THE 1000 BLOCKS OF EDINBURGH AND HAYWORTH AVENUES AND AMENDING THE WEST HOLLYWOOD MUNICIPAL CODE". **Approved as part of the Consent Calendar, with Councilmember Horvath and Mayor Heilman voting NO.**

- 2.E. ORDINANCE NO. 17-1010 (2ND READING) "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WEST HOLLYWOOD AMENDING TITLE 10, CHAPTER 10.08.250 OF THE WEST HOLLYWOOD MUNICIPAL CODE IMPLEMENTING DISTRICT 10 PREFERENTIAL PARKING REGULATIONS ON ROMAINE STREET BETWEEN OGDEN DRIVE AND GENESEE AVENUE AND AMENDING THE WEST HOLLYWOOD MUNICIPAL CODE" [Y. QUARKER, M. CROWDER]:**

SUBJECT: The City Council will waive further reading and adopt Ordinance No. 17-1010 amending Title 10, Chapter 10.08.250 of the West Hollywood Municipal Code implementing District 10 preferential parking regulations on Romaine Street between Ogden Drive and Genesee Avenue and amending the West Hollywood Municipal Code.

ACTION: Waive further reading and adopt Ordinance No. 17-1010, "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WEST HOLLYWOOD AMENDING TITLE 10, CHAPTER 10.08.250 OF THE WEST HOLLYWOOD MUNICIPAL CODE IMPLEMENTING DISTRICT 10 PREFERENTIAL PARKING REGULATIONS ON ROMAINE STREET BETWEEN OGDEN DRIVE AND GENESEE AVENUE AND AMENDING THE WEST HOLLYWOOD MUNICIPAL CODE ". **Approved as part of the Consent Calendar.**

- 2.F. NIGHTTIME TURN RESTRICTIONS REMOVAL ON GENESEE AVENUE AND SPAULDING AVENUE [S. DEWOLFE, J. KEHO, B. SIEGL, W. DAVIS]:**

SUBJECT: The City Council will consider the removal of the nighttime turn restrictions on Genesee Avenue and Spaulding Avenue.

ACTION: Approve the removal of the nighttime turn restrictions on Genesee Avenue and Spaulding Avenue. **Approved as part of the Consent Calendar.**

3. PUBLIC HEARINGS: None.

4. UNFINISHED BUSINESS: None.

5. NEW BUSINESS: None.

EXCLUDED CONSENT CALENDAR: None.

6. LEGISLATIVE: None.

THE CITY COUNCIL RECESSED AND RECONVENED AT 5:12 PM. TO A STUDY SESSION TO DISCUSS THE REGULATION OF CANNABIS IN THE CITY.

STUDY SESSION

CANNABIS STUDY SESSION WITH EXPERT PANELISTS [S. DEWOLFE, J. KEHO, J. HITTLEMAN]:

SUBJECT: *Question and answer (Q&A) style discussion with a panel of cannabis experts from California and Colorado to better understand how to regulate the use, sale, manufacturing, cultivation, transport, and licensing of cannabis in the City of West Hollywood.*

Moderator: Lauren Langer, Deputy City Attorney
Panelists: Amanda Ostrowitz, CannaRegs (Colorado)
Cat Packer, Drug Policy Alliance (California)
Trent Woloveck, TGS Management (Colorado)
Julia Sylva, Attorney (California)
Ginny Sawyer, City of Fort Collins (Colorado)

A. Introduction and Cannabis Legislative Update

Deputy City Attorney Langer provided background information on Proposition 64, which was passed by California voters on November 8, 2016. She spoke regarding the City's relationship with Medical Marijuana dispensaries and stated that Proposition 64 creates a new challenge for the City as it relates to recreational use of cannabis. She stated that the goal of the Study Session is to learn from the panelists experiences and gain information on what these uses look like, how they operate, how they are regulated and what the City can expect, so that Council can adopt the best regulations specific to West Hollywood. She also asked the panelists to provide information about how the California Cities can develop local regulations; while working in conjunction with the Department of Consumer Affairs, Department of Food and Agriculture and the Department of Public Health who are developing State regulations. Finally, she stated that the focus for the evening would be to discuss regulations specific to land use and businesses, so that the City can prepare for the legalized recreational sale and use of Cannabis; which begins January 1, 2018.

Staff Attorney Alison Regan spoke briefly regarding current legislation relating to this topic. She spoke regarding SB 94; a trailer Bill, signed by the Governor that has made some substantive changes to medical marijuana use and adult use and that the staff is tracking this Bill. She also spoke regarding AB 1578, which prohibits a state or local

agency from assisting a federal agency with enforcement of cannabis activity without a court order. She stated that the City of West Hollywood is in support of this Bill; however the League of California Cities and the California Police Chiefs Association have concerns and are in opposition to the Bill. She also provided information on AB 64 which deals with licensing and stated that Staff and the League of California Cities are monitoring this Bill as well.

Revenue Manager John Leonard spoke briefly regarding taxation of cannabis and stated that the City is currently looking at this option as something in the future; but that the current discussions regarding regulations are the priority for now.

B. Moderated Expert Panel

The Panelists introduced themselves and provided background on their particular field of expertise. They were asked to provide clarification, information, and to share their experience and best practices with Council and Staff regarding the following topics:

- Sales
- Distribution
- Consumption
- Manufacturing, Testing and Cultivation
- Security Requirements
- Federal Laws

C. Q&A – City Council and Expert Panelists

Council posed various questions to the Panelists regarding what types of products can be sold, merit-based licensing and priority points, as well as whether a Cap or Zone format is best when regulating businesses. They also asked specific questions relating to the relationship between the State and local jurisdictions as it relates to regulating cannabis and how banking issues and cash businesses will play a part in regulating the sales and distribution.

Council also inquired about testing sites and the Panelists agreed that these types of sites are needed, and that it would be something that the City should encourage and consider low fees and streamlined permitting process to attract them. The Panelists also encouraged Council and Staff to have a robust discussion surrounding delivery services and public consumption; as this will be an important issue for Cities.

Councilmember D'Amico spoke in support of manufacturing and infusions but expressed concern with extractions and suggested that we have the Fire Department provide a report on the pros and cons of this process.

In their closing remarks the Panelists offered suggestions to Council that included:

- The need for an educational component; and to ensure that any laws and regulations enacted do not effect lower-income or people of color

- When selecting Operators, have a filing deadline, a rating system that is fair and equitable, accept all applications submitted, and develop a well thought-out review process. The Panelist did not favor a lottery process
- Hear from the community early and work with Police and Fire from the very beginning
- Know the risks to municipalities as it relates to the current presidential administration's beliefs on the subject
- Know that the City won't get it right the first time. Colorado is still amending their regulations, but these regulations have helped shed light on the bad actors that aren't following the rules
- Remember that this was passed by the Voters of California; so local jurisdictions should move forward with plans to enact local laws

D. Public Comment

JEANNE DOBRIN, WEST HOLLYWOOD, expressed concern that proper regulation of cannabis would take place.

MARV AUERBACH, WEST HOLLYWOOD, spoke regarding his desire for more security at dispensaries.

ADAM GILLMAN, WEST HOLLYWOOD, spoke in support of expanding retail to incentivize dispensaries to better themselves via competition.

CINDY CAPOBIANCO, LOS ANGELES, spoke in support of opening the dialogue of cannabis, and has a cannabis business she is hoping to open in The Standard Hotel.

MELISSA BOLPERT, WEST HOLLYWOOD, spoke in support of leasing some space in The Standard Hotel.

ROBERT ROSENHECK, LOS ANGELES, spoke regarding his desire to do manufacturing and retail in West Hollywood.

ESTHER BAUM, WEST HOLLYWOOD, spoke in support of the usage of credit cards in cannabis sale transactions.

RUBEN HONIG, SANTA MONICA, spoke in support of delivery services, as it is more helpful for the patient.

JACKIE SUBECK, WEST HOLLYWOOD, spoke about on-site consumption and how her organization is starting a new type of license with the State for tourism and event on-site consumption.

DANI SHAKER, LOS ANGELES, spoke in support of on-site consumption and the revenue that will come in with adult use.

STEVE MARTIN, WEST HOLLYWOOD, spoke in support of the process that West Hollywood is doing to understand cannabis.

SHERRI FRANKLIN, LOS ANGELES, spoke regarding cultivation and using gray water, possibly partnering with cities.

BARRY KRAMER, WEST HOLLYWOOD, spoke in support of the process, and regarding licensing and zoning.

HAL LEWIS, NORTH HOLLYWOOD, thanked the Council and panel, and is in support of merit-based licensing, labs, on-site consumption, and delivery. He spoke in support of lozenges, tinctures, topicals, etc.

TALYSSA URIAS, LOS ANGELES, spoke regarding her business and hoping to get a license in West Hollywood for a cannabis bus.

TREY KING, WEST HOLLYWOOD, spoke in support of merit-based licensing, and shared that bitcoin startups exist to aid with cannabis banking.

WIL WICKE, WEST HOLLYWOOD, spoke in support of hosting manufacturing companies that produce edibles, and shared that his business cannot get a state license on January 1, 2018 unless he has a local license first.

AMBER LANE, WEST HOLLYWOOD, spoke in support of on-site consumption locations.

RUBEN JIMENEZ, WEST HOLLYWOOD, spoke in support of on-site consumption locations.

DANIEL FIELDS, FOUNTAIN VALLEY, spoke in support of taxation to bring in revenue to help the community.

AMANDA SMASH HYDE, WEST HOLLYWOOD, spoke regarding the upcoming Cannabis Education Forum happening next month and encouraged everyone to continue the conversation.

LARRY BLOCK, WEST HOLLYWOOD, spoke in support of regulation.

The following individuals did not wish to speak, but wanted to express their support for the Study Session: *Kim Watzman and Aldo Garcia*

E. Council Comments & Directions to Staff

Mayor Pro Tempore Duran state that this issue has a lot of moving parts and asked the City Manager to ensure that the Legal Services & Legislative Affairs Division and the City's Lobbyist are adding this issue to their work plan to keep Council informed of any pertinent legislation. He expressed concern with allowing the State to place limits and prohibitions that may affect what the Council wants to do in West Hollywood. He spoke

regarding taxation and stated that the City needs to ensure that it receives some public benefit that could be used for additional funding for Social Services.

Councilmember D'Amico spoke in favor of merit-based process for retailer applications and requested that Staff look at the benefits and costs to the City. He also spoke about the timeline to ensure that the City has adopted the required Ordinances before January 1, 2018, because he would not be in attendance for the November 20, 2017 meeting. Deputy City Attorney Langer spoke regarding the proposed timeline for the 1st and 2nd reading of the Ordinance being completed by December 4, 2017.

City Manager Arevalo stated that Staff will be bringing an update to Council on August 21, 2017 so that direction can be given before the Item goes before the Business License, Planning, and Public Safety Commissions.

Councilmember Horvath stated that her priority is safety. She stated that although the law was passed by Voters, there were residents that voted No, so she wants to ensure that their concerns are taken into consideration as well. She spoke regarding Safety relating to the banking system, labeling of products, enforcement, advertising, issues of second-hand smoke and consumption, testing, social justice issues and manufacturing.

Councilmember Meister asked the Deputy City Attorney to look into the legality of a local preference program.

Mayor Heilman stated that he understand that there are deadlines, but stated that the City needs to craft an ordinance that works for the West Hollywood community. He thanked everyone for their hard work on this issue, and thanked those that participated in the meeting.

ACTION: Council approved by consensus the following:

- Allow for the sale and adult use of cannabis in the City of West Hollywood
- Create a merit-based system, and direct staff to bring back a list and recommendations on the 7 categories of licenses
- Allow for on-site consumption and direct Staff to explore and provide information on the different types of uses
- Direct Staff to provide information for Council follow-up discussion on deliveries (parking/traffic enforcement, *pass-through issues, only allowing those with WeHo licenses to deliver?*); if revenue be siphoned into programs for education, homelessness, etc. and what would be the special taxes involved with that; and information on testing sites
- Take the Item to the Business License Commission, Planning Commission and Public Safety Commission before it comes back to Council for final Ordinance adoption

6. **ADJOURNMENT:** The City Council adjourned at 8:22 pm to an adjourned regular meeting, which will be held on Monday, July 17, 2017 at 6:00 P.M. at West Hollywood Park Public Meeting Room - Council Chambers.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of West Hollywood at a regular meeting held this 7th day of August, 2017 by the following vote:

AYES:	Councilmember:	D'Amico, Horvath, Meister, Mayor Pro Tempore Duran, and Mayor Heilman.
NOES:	Councilmember:	None.
ABSENT:	Councilmember:	None.
ABSTAIN:	Councilmember:	None.

JOHN HEILMAN, MAYOR

ATTEST:

YVONNE QUARKER, CITY CLERK