



**MINUTES OF A SPECIAL MEETING
NATIONAL CITY COUNCIL
CANNABIS WORKSHOP**

November 9, 2021

This meeting was conducted utilizing teleconferencing and electronic means consistent with State of California Assembly Bill No. 361, approved by Governor Newsom on September 16, 2021.

OPEN TO THE PUBLIC

CALL TO ORDER

The meeting was called to order at 4:33 p.m. by Mayor Sotelo-Solis.

ROLL CALL

Councilmembers present: Bush, Morrison (arrived at 5:12 p.m.), Rios, Rodriguez, and Sotelo-Solis.

Administrative Officials present: Raulston, Winney, Bell Jr., Chapel, Gamwell

Consultant: Kyle Tankard

PUBLIC COMMENT

Six (6) verbal comments were registered and heard: Janice Luna Reynoso, Alex Scherer, Michelle Luna Reynoso, Duke Valderrama, Laura Wilkinson, and Sara Ochoa.

Three (3) written comments were received and read into the record: Nancy Estolano, Zachary Gomez, and Jacqueline Reynoso.

CANNABIS WORKSHOP

1. Cannabis Workshop
 - a. Recap of June 15th Workshop
 - b. Application Survey Results
 - c. Report on Comparable Cities' Social Equity Program
 - d. Local / Social Equity components of Ordinance and Application
 - e. Cannabis Application
 - f. Development Agreement
 - g. Public Comment
 - h. Council Comments and Direction

2. Resolution of the City Council of the city of National City setting the number of commercial cannabis licenses authorized to operate in National City.
 - a. Public Comment
 - b. Council Comments and Direction

Mayor Sotelo-Solis introduced City Manager Raulston who introduced Economic Development Specialist Gamwell and Consultant Kyle Tankard. Ms. Gamwell and Mr. Tankard provided the PowerPoint presentation titled "Cannabis Workshop".

Councilmembers provided remarks, asked clarification questions, and Staff provided responses.

ACTION: Motion by Councilmember Rios, seconded by Councilmember Bush, to raise the threshold to 90% in Phase 2 of the application process.

Motion passed by unanimous vote.

ACTION: Motion by Councilmember Morrison, seconded by Councilmember Rios, to establish a Phase 3 selection process that is merit / points based, with the use of a lottery should there be a tie, with a timeframe to be defined.

Friendly amendment by Vice-Mayor Rodriguez to consider applicants with local ownership in a separate lottery pool to assure an applicant with local ownership is selected. Maker of the motion did not accept the friendly amendment.

Ayes: Morrison, Rios, Sotelo-Solis

Nays: Bush, Rodriguez

Motion passed by 3 to 2 votes.

ACTION: Motion by Councilmember Morrison, seconded by Councilmember Rios, to assign the timeframe of 60 days to the open application period.

Motion passed by unanimous vote.

ACTION: Motion by Mayor Sotelo-Solis, seconded by Councilmember Bush, to add 300 points (for a total of 500 points) to the community benefits and investment plan element of the merit-based evaluation, and thus increase the maximum score to a total of 3,000 points.

Friendly amendment by Councilmember Morrison to add 200 points (for a total of 400 points) to the community benefits and investment plan element, and to add 100 (for a total of 400 points) to the qualifications of owners element. Maker of the motion and seconder of the motion accepted the friendly amendment.

Friendly amendment by Vice-Mayor Rodriguez to merge the safety plan element and the security plan element into one element. Maker of the motion did not accept the friendly amendment.

Friendly amendment by Councilmember Bush to amend the points tally to add 100 points (for a total of 600 points) to the labor, equity, diversity, and inclusion plan element, to reduce by 50 points (for a total of 350 points) the safety plan element, and to reduce by 50 points (for a total of 350 points) the security plan element. Maker of the motion accepted the friendly amendment.

Mayor Sotelo-Solis asked for a restatement of the points tally for the application evaluation elements. City Clerk Molina stated the tallies as follows:

500 business experience

600 labor, equity, diversity, and inclusion plan

350 safety plan

350 security plan

400 qualifications of owners

300 neighborhood compatibility plan
400 community benefits and investment plan
100 proposed location
Total: 3,000 points

Motion passed by unanimous vote.

ACTION: Motion by Vice-Mayor Rodriguez, seconded by Councilmember Bush, to give an additional 20% point preference to applicants with local ownership, in Phase 2 of the application evaluation review process.

Substitute motion by Councilmember Rios, seconded by Councilmember Morrison, to give an additional 5% point preference to applicants with local ownership, and to dedicate two (2) licenses to applicants with local ownership that meet the 90% qualification threshold.

Friendly amendment to the substitute motion from Vice-Mayor Rodriguez to give an additional 10% point preference to applicants with local ownership, and to dedicate three (3) licenses to applicants with local ownership. Maker of the motion did not accept the friendly amendment.

Ayes: Morrison, Rios, Rodriguez, Sotelo-Solis
Nays: Bush
Motion passed by 4 to 1 vote.

ACTION: Motion by Councilmember Morrison, seconded by Councilmember Rios, to define local ownership as any resident who has lived in National City for at least four (4) years prior to 11/9/2021.

Substitute motion by Mayor Sotelo-Solis, second by Councilmember Bush, to define local ownership as any resident who has lived in National City for at least three (3) years prior to 11/9/2021.

Motion passed by unanimous vote.

ACTION: Motion by Councilmember Bush, seconded by Mayor Sotelo-Solis, to set the number of commercial cannabis licenses authorized to operate in National City to a maximum of six (6), and to preserve a minimum of one (1) license for a consumption lounge by an applicant that meets the 90% qualification threshold.

Ayes: Bush, Rios, Rodriguez, Sotelo-Solis
Nays: Morrison
Motion passed by 4 to 1 vote

ACTION: Motion by Vice-Mayor Rodriguez, seconded by Councilmember Bush, to amend the proposed Application Procedures and Guidelines at Section B, subsection 1 to add language to include ten (10) or more employees.

Ayes: Bush, Rios, Rodriguez, Sotelo-Solis
Nays: Morrison
Motion passed by 4 to 1 vote.

ACTION: Motion by Councilmember Bush, seconded by Councilmember Morrison, to amend the language in the proposed Ownership Acknowledgement Form to strike "at least 20% interest

individually” from the second paragraph, and to have the 51% interest threshold include collective ownership.

Friendly amendment by Councilmember Morrison that in a collective each individual holds at least a 10% interest. Maker of the motion accepted the friendly amendment.

Motion passed by unanimous vote.

ACTION: Motion by Councilmember Morrison, seconded by Councilmember Rios, to amend the proposed Ownership Acknowledgement Form to reflect the owners’ names, signatures, and ownership percentages.

Motion passed by unanimous vote.

ACTION: Motion by Mayor Sotelo-Solis, seconded by Councilmember Bush, to add language to the guidelines that states an applicant with a 10% ownership is not allowed to apply for a second permit.

Friendly amendment by Councilmember Morrison to direct staff to add language to address the concern of loopholes for duplicate applicants, and to identify where in the document the changes are made. Maker of the motion accepted the friendly amendment.

Motion passed by unanimous vote.

ACTION: Motion by Councilmember Bush, seconded by Vice-Mayor Rodriguez, to amend the proposed Application Procedures and Guidelines at Section B, subsection 9 to state “Describe plans to encourage 75% local hiring goal of National City residents.”

Friendly amendment by Councilmember Rios to state “Describe plans to encourage a minimum of 50% local hiring goal of National City residents.” Maker of the motion accepted the friendly amendment.

Motion passed by unanimous vote.

ADJOURNMENT

Mayor Sotelo-Solis adjourned to the Regular City Council Meeting: Tuesday, November 16, 2021, 6:00 p.m., via teleconference.

The meeting adjourned at 8:17 p.m.


Luz Molina, City Clerk

The foregoing minutes were approved at the Regular City Council Meeting: February 1, 2022.


Alejandra Sotelo-Solis, Mayor