

Gloria Olmos, Mayor/Chair
Richard Angel, Mayor Pro Tem/ Vice
Chair
Manuel Acosta, Councilmember/
Boardmember
Rudy Bojorquez, Councilmember/
Boardmember
Hector Delgado, Councilmember/
Boardmember



Rene Salas, City Manager/Executive
Director
Donna G. Schwartz, City
Clerk/Secretary
Anthony R. Taylor, City
Attorney/General Counsel
Masami Higa, Director of
Finance/Treasurer
Guillermo Arreola, Director of
Community Development
Ariana De La Cruz, Director of
Community Services

CITY OF SOUTH EL MONTE

REGULAR MEETING OF THE SOUTH EL MONTE CITY COUNCIL AND THE SUCCESSOR AGENCY TO THE SOUTH EL MONTE IMPROVEMENT DISTRICT

AGENDA

September 26, 2023, 6:00 PM
1415 Santa Anita Avenue, South El Monte, CA 91733

PUBLIC COMMENT

To participate during public comment via teleconference, see below:

Link: <https://us02web.zoom.us/j/86581711880>
Webinar ID: 865 8171 1880

Or call in: 1 669 900 6833, when prompted, enter 86581711880#

LIVE STREAMING OF MEETINGS

The City of South El Monte live streams the City Council Meetings over the Internet at <https://www.cityofsouthelmonte.org/129/City-Council-Agendas-Minutes> after the meetings, recordings are immediately posted. NOTE: Your attendance at this public meeting may result in the streaming and recording of your image and/or voice.

AMERICANS WITH DISABILITIES ACT

In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please call the City Clerk's office at (626) 652-3180 or (626) 652-3121 at least 72 hours prior to the meeting.

GENERAL COMMENT

Members of the public wishing to submit a general comment or a comment on an agenda item, can email dschwartz@soelmonte.org or call (626) 652-3180 to leave a voicemail message. All comments received an hour before the scheduled meeting will be read during public comment and made part of the record.

MEETINGS

The City Council holds regular meetings on the second and fourth Tuesday of every month. Regular meetings start at 6 p.m. in the Council Chambers at City Hall, 1415 Santa Anita Avenue, South El Monte, California. Special and Adjourned Regular meetings start time are to be determined.

POSTING LOCATIONS OF AGENDA AND/OR CANCELLATION NOTICES

Regular meeting agendas will be posted at least 72 hours before the meeting (GC 54954(a)(1)).

Agenda and Cancellation Notices can be viewed online and are also posted at the following three (3) locations: City Hall located at 1415 Santa Anita Avenue, Senior Center located at 1556 Central Avenue and the Community Center located at 1530 Central Avenue, South El Monte, California.

VIEWING OF AGENDA PACKETS

Full agenda packet can be viewed either at www.cityofsouthelmonte.org/129/City-Council-Agendas-Minutes or in the City Clerk's Office during normal business hours Monday through Thursday 7:00 a.m. to 5:30 p.m. Closed on Fridays and major holidays.

ISSUES RELATED TO AGENDA

For issues related to the agenda, including a disability-related accommodation necessary to participate in this meeting, please contact:

Donna G. Schwartz, CMC, City Clerk
Ph (626) 652-3180
Cell (626) 274-4842

Robert Molina, Interim Deputy City Clerk
Ph (626) 652-3121
Cell (626) 374-1998

AGENDA BEGINS ON THE FOLLOWING PAGE

1. ROLL CALL

Councilmembers: Acosta, Bojorquez, Delgado, Mayor Pro Tem Angel, and Mayor Olmos

2. PLEDGE OF ALLEGIANCE

Councilmember Bojorquez

3. INVOCATION

Pastor Benjamin Garrett, Faith Dominion Church

4. PRESENTATIONS

4.a. Presentation by Caitlin Sims, Manager of Local Programs, San Gabriel Valley Council of Governments (COG) on the COGs Programs and Initiatives

4.b. Presentation by James Chen, Director of San Gabriel Valley Service Center, Buddhist Tzu Chi Foundation on Resources Available to the Homeless

4.c. Sheriff's Department Report for the Months of July and August

4.d. Code Enforcement and Public Safety Department Report for the Months of July and August

5. APPROVAL OF THE AGENDA AND WAIVER OF FULL READING OF ORDINANCES

By motion of the City Council, this is the time to notify the public of any changes to the agenda, remove items from the consent calendar for individual consideration and/or rearrange the order of the agenda.

6. PUBLIC COMMENT

Speakers may provide public comments on any matter within the subject matter jurisdiction of the City Council, including items on the agenda. Each speaker will be limited to five minutes. Unless a majority of the Council objects, the Mayor may provide speakers more or less time to speak. All comments or queries shall be addressed to the Council as a body and not to any specific member thereof. Pursuant to Government Code Section 54954.2(a)(2), the Ralph M. Brown Act, no action or discussion by the City Council shall be undertaken on any item not appearing on the posted agenda, except to briefly provide information, ask for clarification, provide direction to staff, or schedule a matter for a future meeting.

7. CONSENT CALENDAR

Items on the consent calendar are considered to be routine and customary and are enacted by a single motion with the exception of items previously removed by a member of the City Council during "Approval of the Agenda" for individual consideration. Any items removed shall be individually considered immediately after taking action on the Consent Calendar.

CONSENT CALENDAR (CONTINUED)

7.a. CONSIDERATION AND APPROVAL OF THE REGULAR CITY COUNCIL MEETING MINUTES OF SEPTEMBER 12, 2023

Staff is requesting approval of Minutes for the September 12, 2023 Regular City Council meeting.

RECOMMENDED ACTION: Staff is requesting approval of Minutes for the September 12, 2023, Regular City Council meeting.

7.b. CONSIDERATION AND APPROVAL OF RESOLUTION NO. 23-89, APPROVING WARRANTS FOR THE PERIOD OF SEPTEMBER 13, 2023, THROUGH SEPTEMBER 26, 2023

Authorizing payment of City expenditures for the period of Sept 13, 2023 through September 26, 2023 totaling \$910,329.66.

RECOMMENDED ACTION: Staff recommends City Council adopt Resolution No. 23-89, authorizing payment of City expenditures.

7.c. ADOPTION OF ORDINANCE NO. 1268, AMENDING CHAPTER 5.26 OF TITLE 5 OF THE SOUTH EL MONTE MUNICIPAL CODE THEREBY AMENDING THE CITY'S CANNABIS REGULATIONS IN RELATION TO APPLICATION SELECTION CRITERIA, MAKE CLARIFICATION CHANGES, AND MAKE SUCH OTHER CHANGES IN ORDER TO IMPROVE THE ADMINISTRATION THEREOF

Adoption of an ordinance amending Chapter 5.26 of Title 5 of the South El Monte Municipal Code thereby amending the City's cannabis regulations in order to change application selection criteria, make clarification changes, and make such other changes in order to improve the administration thereof.

RECOMMENDED ACTION: Staff recommends City Council: Waive second reading and adopt Ordinance No. 1268, amending Chapter 5.26 of Title 5 of the South El Monte Municipal Code thereby updating and amending the City's cannabis regulations in order to amend application selection criteria, make clarification changes, and make such other changes in order to improve the administration thereof.

7.d. through 7.f. next page.

CONSENT CALENDAR (CONTINUED)

7.d. **CONSIDERATION AND APPROVAL OF RESOLUTION NO. 23-90, APPROVING PURCHASE OF SCANNING SERVICES WITH ECS IMAGING INC.**

The City Clerk's Office is currently undergoing a records retention project with ECS Imaging Inc. to enhance the department's capabilities of hosting and retaining scanned documents into Laserfiche. Staff is requesting to use ECS Imaging Inc. scanning services to scan all of the Planning Department's plans.

RECOMMENDED ACTION: Staff recommends City Council:

1. Adopt Resolution No. 23-90, approving professional scanning services from ECS Imaging, Inc. (ECS); and
2. Authorize City Manager or designee to accept the quote issued by ECS.

7.e. **CONSIDERATION AND APPROVAL OF RESOLUTION NO. 23-91, APPROVING AWARD OF PROFESSIONAL SERVICES AGREEMENT (PSA) TO TRANSTECH ENGINEERS, INC. FOR THE MERCED AVENUE GREENWAY PROJECT**

On July 20, 2023, a Request for Proposals (RFP) was solicited to provide construction management and construction inspection (CMCI) services for the Merced Avenue Greenway Project. The project includes roadway resurfacing, reconstruction of concrete curb ramps, sidewalks, curb, and gutter and the installation of decentralized Low Impact Development (LID) and Best Management Practices (BMPs) within the street right-of-way that slow, capture, treat, and infiltrate storm water runoff. Work also includes installation of striping and pavement markings to incorporate bike lanes on Merced Avenue between Rush Street and Lerma Road.

RECOMMENDED ACTION: Staff recommends City Council:

1. Adopt Resolution No. 23-91, awarding a PSA to Transtech Engineers, Inc. for construction management and construction inspection (CMCI) services, in an amount not to exceed \$856,225; and
2. Authorize the City Manager or designee to negotiate and execute the agreement.

7.f. next page.

CONSENT CALENDAR (CONTINUED)

7.f. **CONSIDERATION AND APPROVAL OF RESOLUTION NO. 23-92, APPROVING AMENDMENT NO. 1 TO AGREEMENT WITH ALESHIRE & WYNDER (A&W) FOR CITY ATTORNEY SERVICES**

Consideration of Resolution No. 23-92, Approving Amendment No. 1 to Agreement for city attorney services. In November of 2019, the City entered into an agreement with A&W for city attorney services. Amendment No. 1 is sought to adjust the current compensation.

RECOMMENDED ACTION: Staff recommends City Council:

1. Adopt Resolution No. 23-92, approving Amendment No. 1 to agreement with Aleshire & Wynder (A&W) for City Attorney Services; and
2. Authorize the City Manager to negotiate and execute agreement.

8. **PUBLIC HEARINGS - None**

9. **GENERAL BUSINESS**

9.a. **CONSIDERATION AND APPROVAL OF RESOLUTION NO. 23-93, APPROVING A MEMORANDUM OF AGREEMENT (MOA) BETWEEN THE CITY OF SOUTH EL MONTE AND U.S. ARMY CORPS OF ENGINEERS, LOS ANGELES DISTRICT FOR PROPOSED DEVELOPMENT OF PROPERTY LOCATED AT 825 LEXINGTON-GALLATIN ROAD ("PROPERTY")**

The U.S. Army Corps is considering the development of an approximate 21-acre vacant property. The property includes developing approximately ten acres (10.22) with an approximate 223,000 square foot industrial building, and dedicating approximately eleven (10.92) acres, with limited site preparation, to the City of South El Monte for future recreational uses, to be owned, managed and operated by the City of South El Monte as a public open space. Both sites will be designed to accommodate detention basin improvements.

RECOMMENDED ACTION: Staff recommends City Council:

1. Adopt Resolution No. 23-93, approving the MOA with U.S. Army Corps of Engineers, Los Angeles District for a proposed development approval process of property located at 825 Lexington-Gallatin Road ("Property"); and
2. Authorize the City Manager or designee to negotiate and execute the MOA.

GENERAL BUSINESS (CONTINUED)

10. COMMITTEE REPORTS, INCLUDING AB 1234 REPORTS

AB 1234, section 53232.3(d) requires Members of a legislative body to provide brief reports on meetings attended at the expense of the local agency (i.e., League of California Cities Conferences, ICSC conferences, etc.) at the next regular meeting of the legislative body.

11. CORRESPONDENCE

11.a. LETTER FROM THE SOUTH EL MONTE EMPLOYEES ASSOCIATION (SEMEA) REQUESTING SPONSORSHIP FOR THE ANNUAL SOUTH EL MONTE EMPLOYEE HOLIDAY RECOGNITION DINNER

The South El Monte Employees Association is requesting a \$2,500 sponsorship for the Annual South El Monte Employee Holiday Recognition Dinner, which includes acknowledgment of sponsorship signs placed on tables, venue, dinner.

RECOMMENDED ACTION: Staff recommends City Council discuss and consider sponsorship in the amount of \$2,500 for the Annual South El Monte Employee Holiday Recognition Dinner.

12. COUNCILMEMBERS' AGENDA - None

13. CLOSED SESSION

13.a. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Pursuant to Government Code Section 54956.9(d)(1) - (One Case)

Civil Action No. 2:23-cv-04022-SCW(MRWx): Phillip Killgore v. CITY OF SOUTH EL MONTE, a municipal corporation; GARVEYKCVN HOLINDGS LLC; AND DOES 1-10 INCLUSIVE

14. RECESS COUNCIL MEETING

15. ANNOUNCEMENT BY THE CITY CLERK (PRIOR TO CONVENING THE SUCCESSOR AGENCY MEETING)

Pursuant to Government Code Section 54952.3, Board Members do not receive any compensation or stipend for attending the Successor Agency meeting.

Successor Agency next page.

Successor Agency Meeting

16. CALL TO ORDER AND ROLL CALL

Board Members: Acosta, Bojorquez, Delgado, Vice Chair Angel, and Chair Olmos

17. APPROVAL OF AGENDA

This is the time for the Board to remove any items from the consent calendar for individual consideration, table, continue, add items, or to make a motion to rearrange the order of this agenda.

18. PUBLIC COMMENTS

Speakers may provide public comments on any matter within the subject matter jurisdiction of the Board, including items on the agenda. Each speaker will be limited to five minutes. Unless a majority of the Board objects, the Chair may provide speakers more or less time to speak. All comments or queries shall be addressed to the Board as a body and not to any specific member thereof. Pursuant to Government Code Section 54954.2(a)(2), the Ralph M. Brown Act, no action or discussion by the Board shall be undertaken on any item not appearing on the posted agenda, except to briefly provide information, ask for clarification, provide direction to staff, or schedule a matter for a future meeting.

19. CONSENT CALENDAR

Items on the Consent Calendar are considered to be routine and customary and are enacted by a single motion with the exception of items previously removed by a member of the Board during "Approval of the Agenda" for individual consideration. Any items removed shall be individually considered immediately after taking action on the Consent Calendar.

19.a. CONSIDERATION AND APPROVAL OF THE SUCCESSOR AGENCY MEETING MINUTES FOR JULY 25, 2023

Staff is requesting approval of the Minutes of the July 25, 2023 Successor Agency Meeting.

RECOMMENDED ACTION: Staff recommends the Board approve the Successor Agency Meeting Minutes of July 25, 2023.

20. EXECUTIVE DIRECTOR'S AGENDA - None

21. ADJOURNMENT OF SUCCESSOR AGENCY MEETING

22. RECONVENE AND ADJOURN COUNCIL MEETING

Tuesday, October 10, 2023, at 6:00 p.m.

I Donna G. Schwartz, hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted not less than 72 hours at the following locations: City of South El Monte City Hall, Senior Center and Community Center and made available at www.cityofsouthelmonte.org on this 21st day of September 2023.



City Clerk, CMC



City Council Agenda Report

Agenda Item No. 4.a.

DATE: September 26, 2023

TO: Honorable Mayor and Members of the City Council

APPROVED BY: Rene Salas, City Manager

SUBMITTED BY: Donna Schwartz, City Clerk

SUBJECT: Presentation by Caitlin Sims, Manager of Local Programs, San Gabriel Valley Council of Governments (COG) on the COGs Programs and Initiatives

SUMMARY:

RECOMMENDED ACTION:

FISCAL/FINANCIAL IMPACT:

DISCUSSION:

ATTACHMENT(S):

A. SGVCOG 2023 Update

2023 SGVCOG UPDATE

Presented By:

Caitlin Sims

Manager of Local Programs





What We Do

Meeting Common Needs
Local Answers
Quality of Life
Neighbors First

Meeting Common Needs

Implementing regional strategies that support our small and unique communities. Our programs maximize local dollars to comply with state laws.

Affordable Housing Incubator Program
Food Recovery Program
Upper LA River Watershed Management
Safe Clean Water Program Special Studies
Vehicle Miles Traveled Program





Local Answers

Securing State and Federal funding to support locally-based solutions to challenges.

Fire Prep SGV
SGV CARE Mobile Crisis
SGV Transit Feasibility Study
SGV Works
Tiny Home Bridge Housing

Quality of Life

Improving the safety, health, and livability for San Gabriel Valley residents.

57/60 Confluence Project
Alameda-Corridor East Project
ESGV Sustainable Multimodal Improvement Project
High Acuity & Substance Use Disorder Services
Fire Prep San Gabriel Valley
Measure M Subregional Program
Neighborhood Coyote Program
Open & Slow Streets
SGV Regional Bikeshare Program (GoSGV)
SoCalREN Public Agency & Multifamily Program





Neighbors First

Access to homes, jobs, and care for all residents, particularly our most vulnerable neighbors.

Broadbands Needs Assessment and Strategic Plan
 City Homelessness Programs
 SGV CARE Mobile Crisis
 Revolving Loan Fund
 SGV Works
 Tiny Home Bridge Housing
 Village 143 Donation Drives



2022-2023 Accomplishments

**Federal, state, and county
funding secured for SGV
projects and programs:**



**\$74
million**

2022-2023 Accomplishments

2800+
clients

served by SGVCOG's **regional homelessness programs** and **city pilot programs**



Re-launched the **GoSGV Bikeshare** program

105
units

of **interim tiny homes** for individuals and families experiencing homelessness



Broke ground on the **SR 57/60 Interchange Improvement Project** & Completed the **Fairway GS**



Workforce Development Program launched and has supported **51 participants** so far

2023-2024 Looking Ahead



Begin construction of the **Turnbull Canyon** and **Montebello Corridor Grade Separations**



Complete the **San Gabriel Valley Transit Feasibility Study**



Establish **three regional food recovery hubs** to reduce food insecurity in the region

2023-2024 Looking Ahead

60

home energy reviews to be provided as part of the **Efficient SGV Program**



Expand the **SGV Care Mobile Crisis Program** to 3+ additional cities



Complete construction of the **Diamond Bar Golf Course Project** and re-open the course



SGVCOG

San Gabriel Valley Council of Governments

Thank You

Do You Have Any Questions?

Contact us:

Csim@sgvcog.org





City Council Agenda Report

Agenda Item No. 4.b.

DATE: September 26, 2023

TO: Honorable Mayor and Members of the City Council

APPROVED BY: Rene Salas, City Manager

SUBMITTED BY: Donna Schwartz, City Clerk

SUBJECT: Presentation by James Chen, Director of San Gabriel Valley Service Center, Buddhist Tzu Chi Foundation on Resources Available to the Homeless

SUMMARY:

RECOMMENDED ACTION:

FISCAL/FINANCIAL IMPACT:

DISCUSSION:

ATTACHMENT(S):

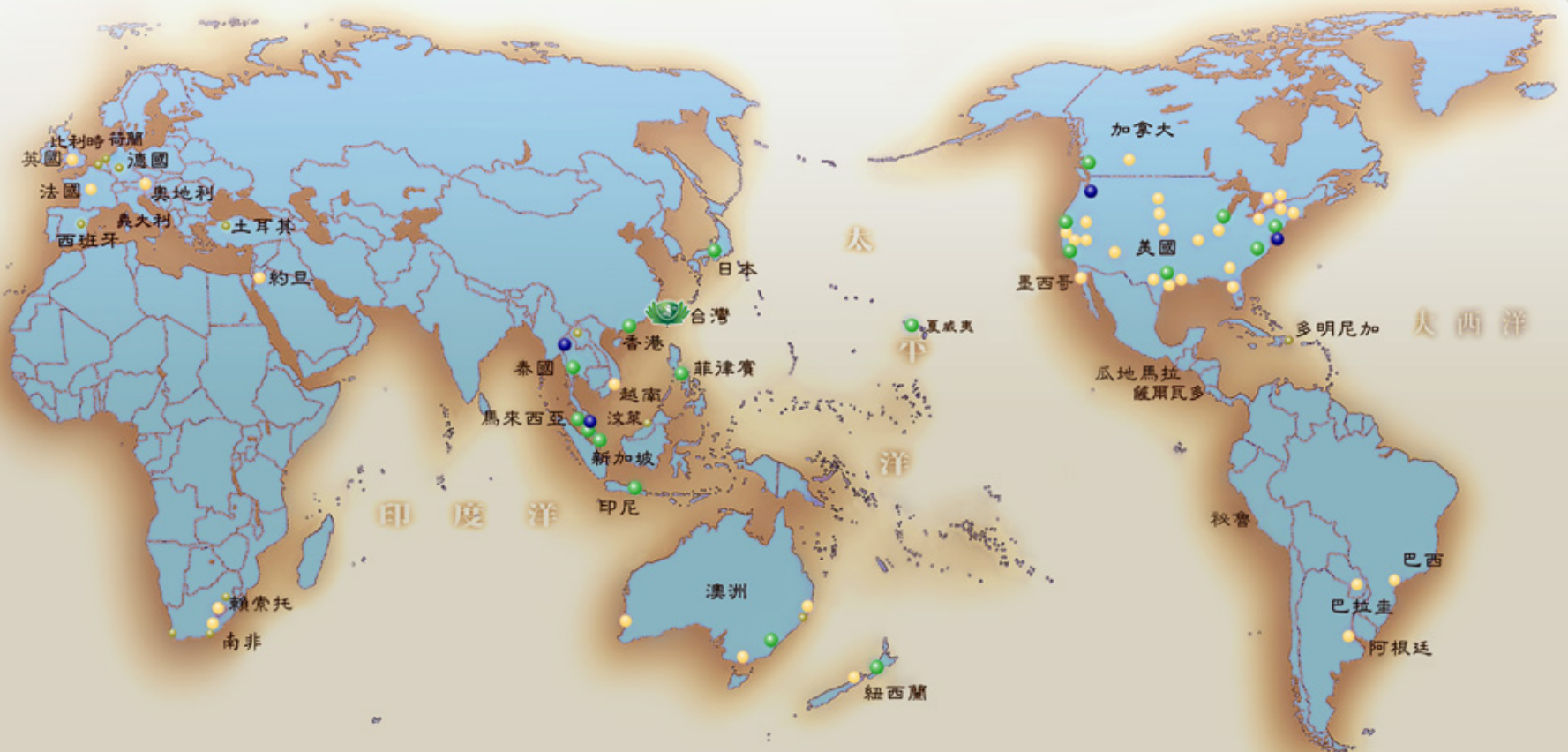
A. TCSGV Overview 2023



Tzu Chi San Gabriel Valley Service Center

**Director
James Chen
and
Yushan Tong**

**Tzu Chi Foundation, founded in 1966,
with offices in 60+ countries
and more than 10 millions donors,
has helped those in need around the world.**



From 30 Bamboo Banks to Great Love Around the World

Four Missions, Eight Footprints

1. Charity
2. Medicine
3. Education
4. Culture
5. Bone Marrow Donation
6. Environmental Protection
7. Community Volunteerism
8. International Relief

USA Headquarter



South El Monte Health Center



San Gabriel Valley Service Center



Food Pantry



Back-to-School Backpack Giveaway



Spark of Love



VITA



MPK Mass Shooting



Evette's Story



Catholic Girls' Schools in Haiti



Tijuana Tzu Chi Elementary School



Q & A



Website: TzuChi.us



City Council Agenda Report

Agenda Item No. 4.c.

DATE: September 26, 2023

TO: Honorable Mayor and Members of the City Council

APPROVED BY: Rene Salas, City Manager

SUBMITTED BY: Rene Salas, City Manager

SUBJECT: Sheriff's Department Report for the Months of July and August

SUMMARY:

RECOMMENDED ACTION:

FISCAL/FINANCIAL IMPACT:

DISCUSSION:

ATTACHMENT(S):

- A. July 2023 Presentation
- B. August 2023 Presentation

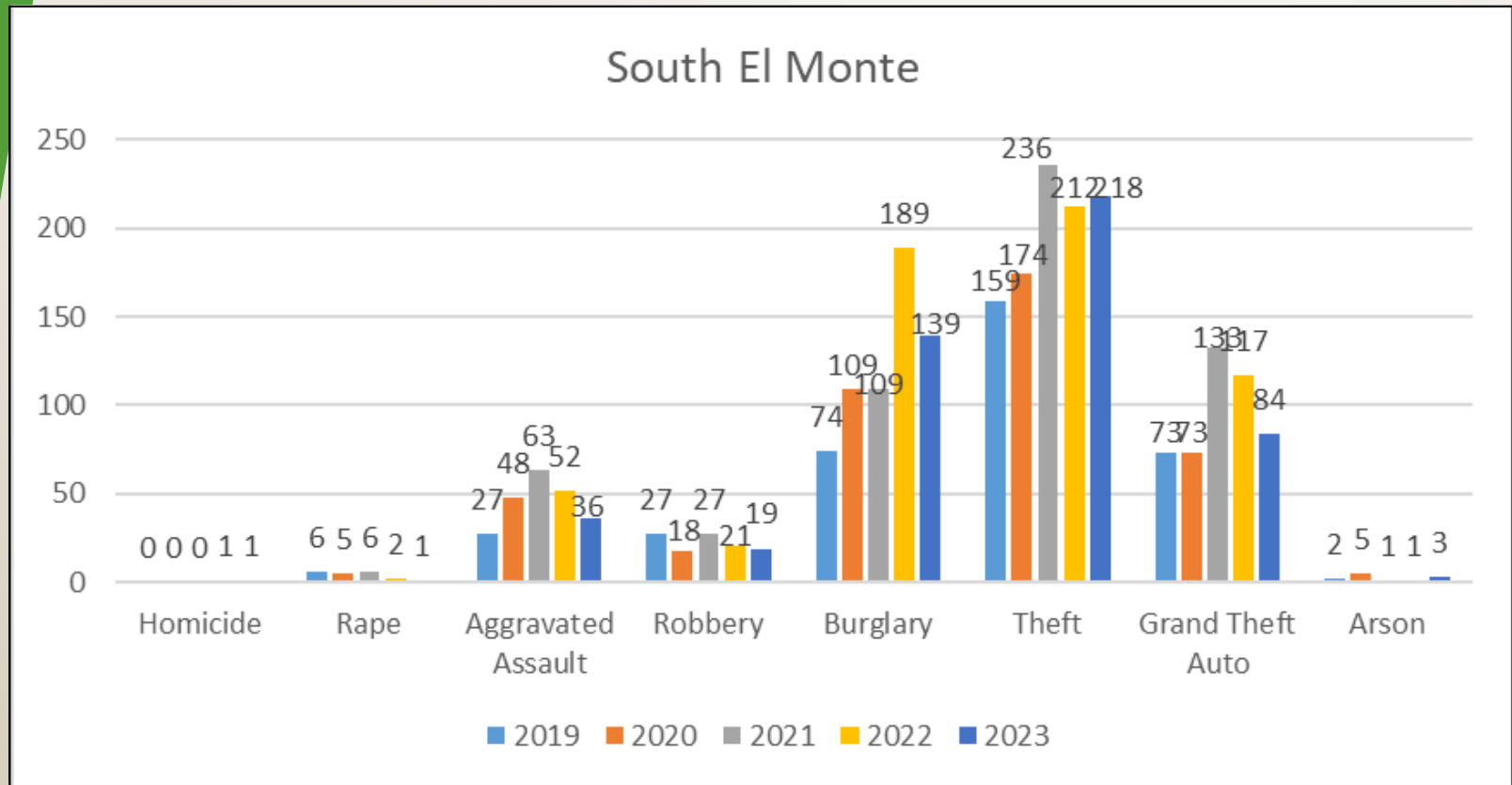
South El Monte July 2023

Crime Statistics



South El Monte

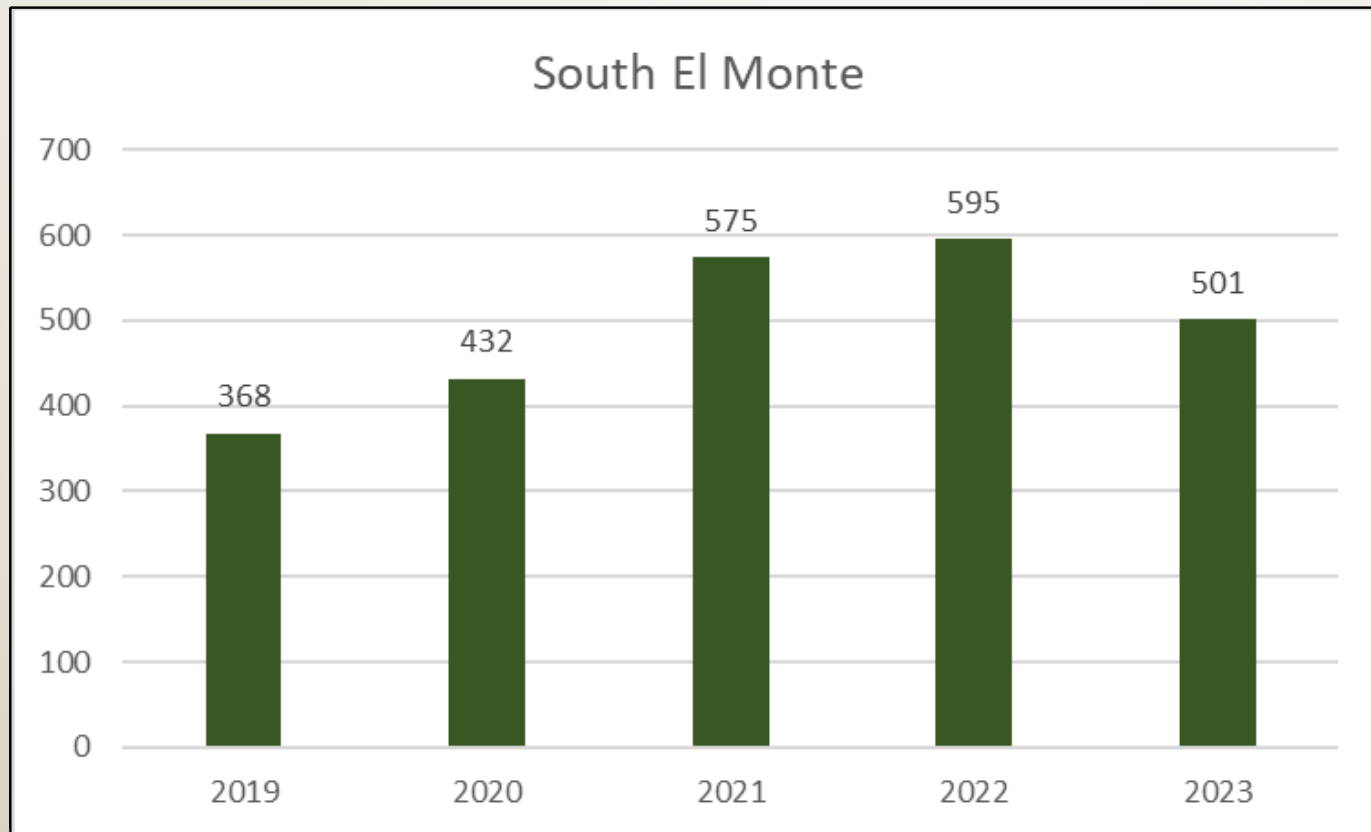
Part I Crime Statistics – July 2019-2023



South El Monte	1 yr % change	4 yr % change
Homicide	0%	NC
Rape	-50%	-83%
Aggravated Assault	-31%	33%
Robbery	-10%	-30%
Burglary	-26%	88%
Theft	3%	37%
Grand Theft Auto	-28%	15%
Arson	200%	50%
Total	-16%	36%

South El Monte

Part I Crime Statistics – July 2019-2023



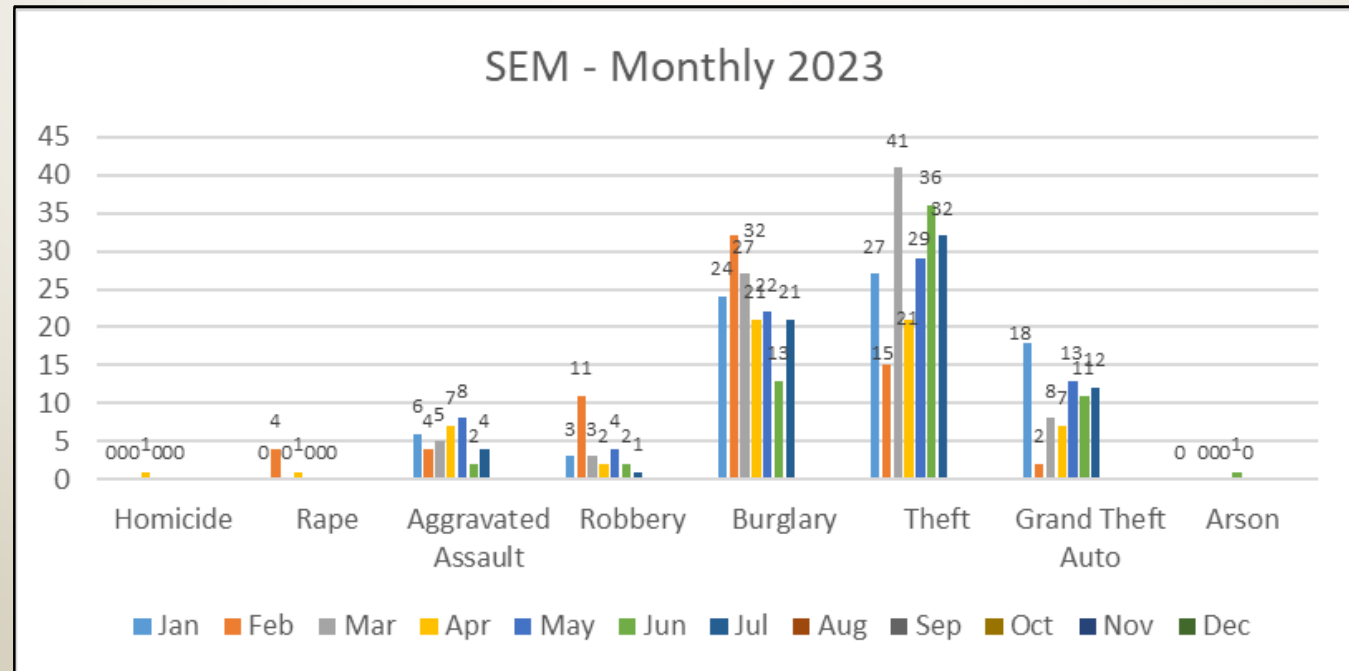
South El Monte

Part I Crime Statistics – Monthly Breakdown 2023 & Arrests

South El Monte	January	February	March	April	May	June	July	August	September	October	November	December	Total
Homicide	0	0	0	1	0	0	0						1
Rape	0	0	0	1	0	0	0						1
Aggravated Assault	6	4	5	7	8	2	4						36
Robbery	3	4	3	2	4	2	1						19
Burglary	24	11	27	21	22	13	21						139
Theft	27	32	41	21	29	36	32						218
Grand Theft Auto	18	15	8	7	13	11	12						84
Arson	0	2	0	0	0	1	0						3
Total	78	68	84	60	76	65	70	0	0	0	0	0	501

South El Monte	
Res Burg	15
Other Burg	124
Petty Theft	52
Grand Theft	95
Theft from Vehicle	71

Arrests	
2023	609
2022	753



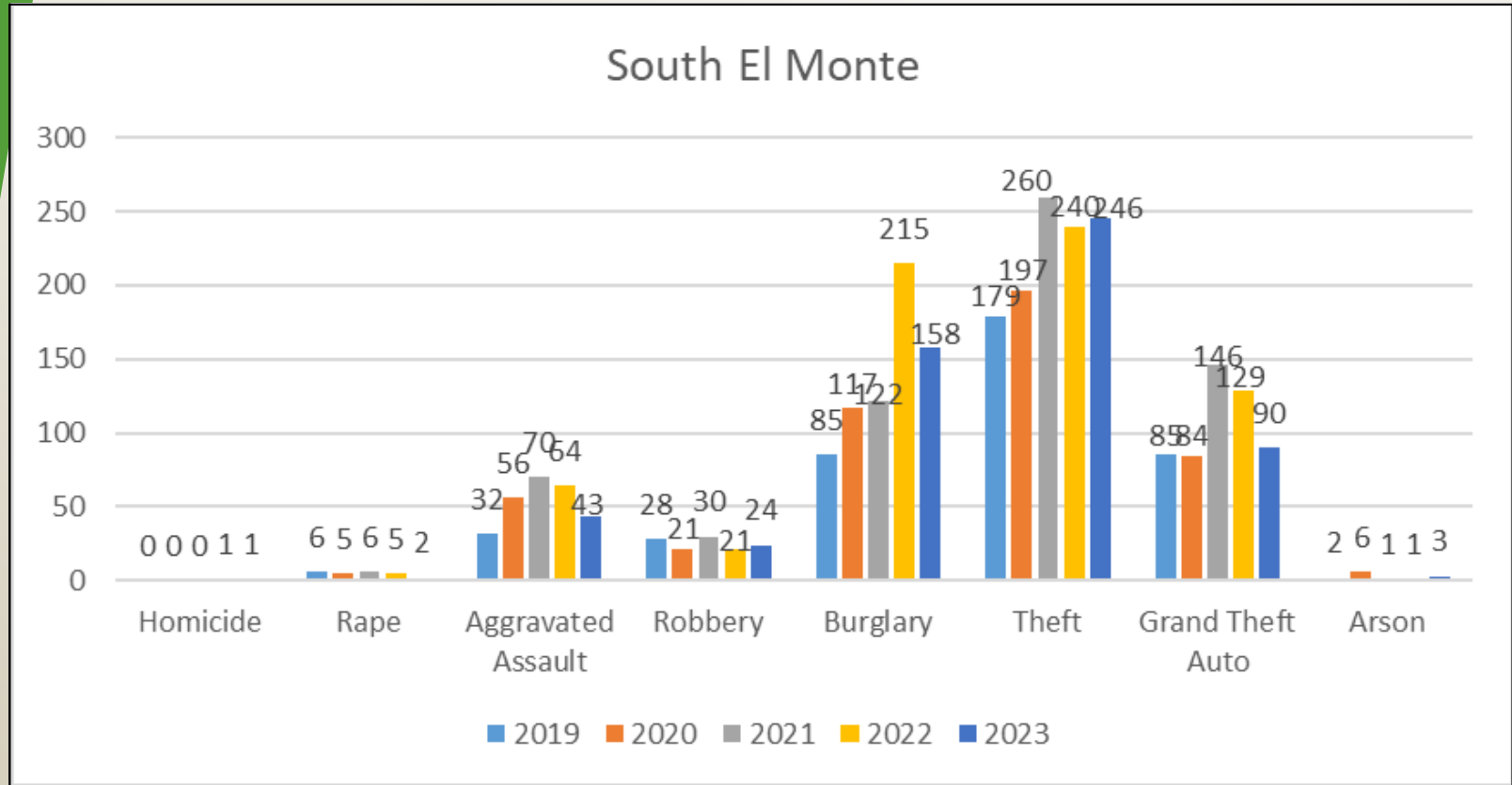
South El Monte August 2023

Crime Statistics



South El Monte

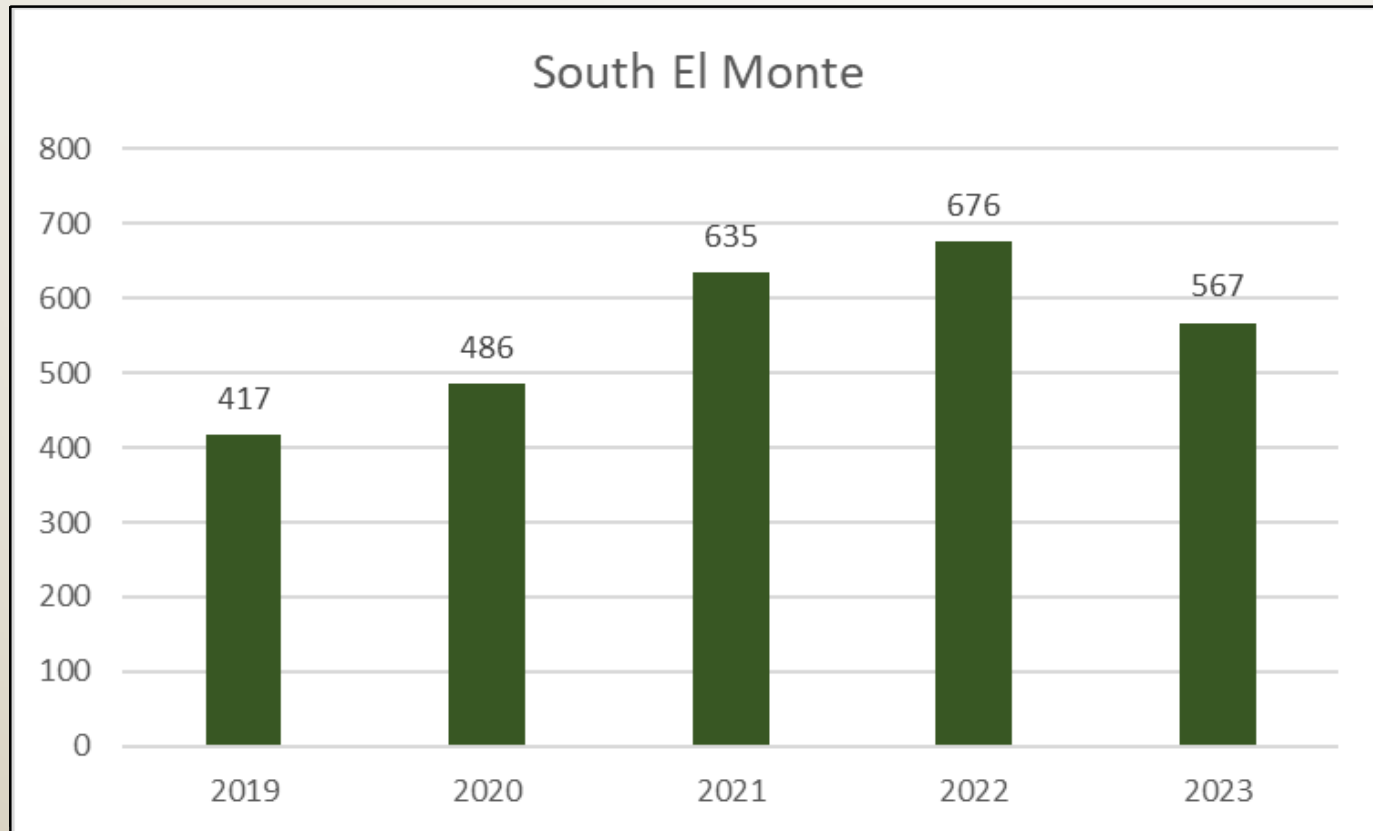
Part I Crime Statistics – August 2019-2023



South El Monte	1 yr % change	4 yr % change
Homicide	0%	NC
Rape	-60%	-67%
Aggravated Assault	-33%	34%
Robbery	14%	-14%
Burglary	-27%	86%
Theft	3%	37%
Grand Theft Auto	-30%	6%
Arson	200%	50%
Total	-16%	36%

South El Monte

Part I Crime Statistics – August 2019-2023



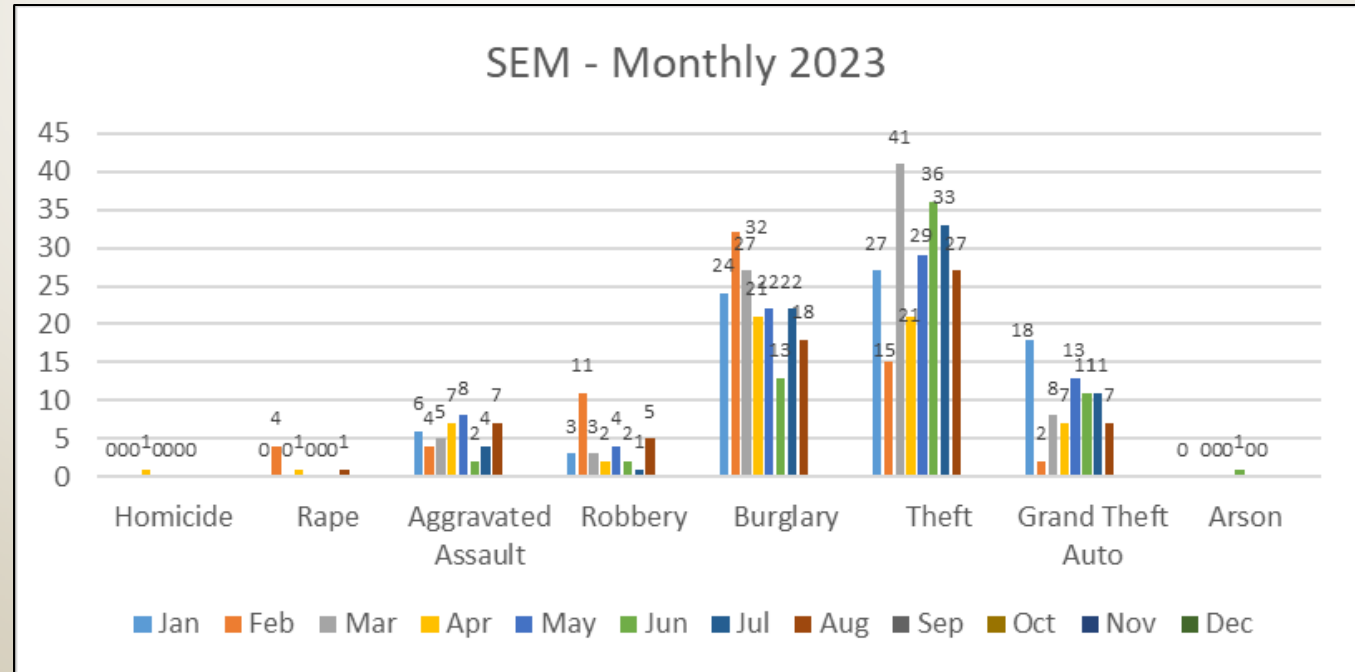
South El Monte

Part I Crime Statistics – Monthly Breakdown 2023 & Arrests

South El Monte	January	February	March	April	May	June	July	August	September	October	November	December	Total
Homicide	0	0	0	1	0	0	0	0					1
Rape	0	0	0	1	0	0	0	1					2
Aggravated Assault	6	4	5	7	8	2	4	7					43
Robbery	3	4	3	2	4	2	1	5					24
Burglary	24	11	27	21	22	13	22	18					158
Theft	27	32	41	21	29	36	33	27					246
Grand Theft Auto	18	15	8	7	13	11	11	7					90
Arson	0	2	0	0	0	1	0	0					3
Total	78	68	84	60	76	65	71	65	0	0	0	0	567

South El Monte	
Res Burg	20
Other Burg	138
Petty Theft	59
Grand Theft	107
Theft from Vehicle	80

Arrests	
2023	692
2022	821





City Council Agenda Report

Agenda Item No. 4.d.

DATE: September 26, 2023

TO: Honorable Mayor and Members of the City Council

APPROVED BY: Rene Salas, City Manager

SUBMITTED BY: Rene Salas, City Manager

SUBJECT: Code Enforcement and Public Safety Department Report for the Months of July and August

SUMMARY:

RECOMMENDED ACTION:

FISCAL/FINANCIAL IMPACT:

DISCUSSION:

ATTACHMENT(S):

A. Code Enforcement_Public Safety Report - July & August 2023

City of South El Monte

Public Safety Report



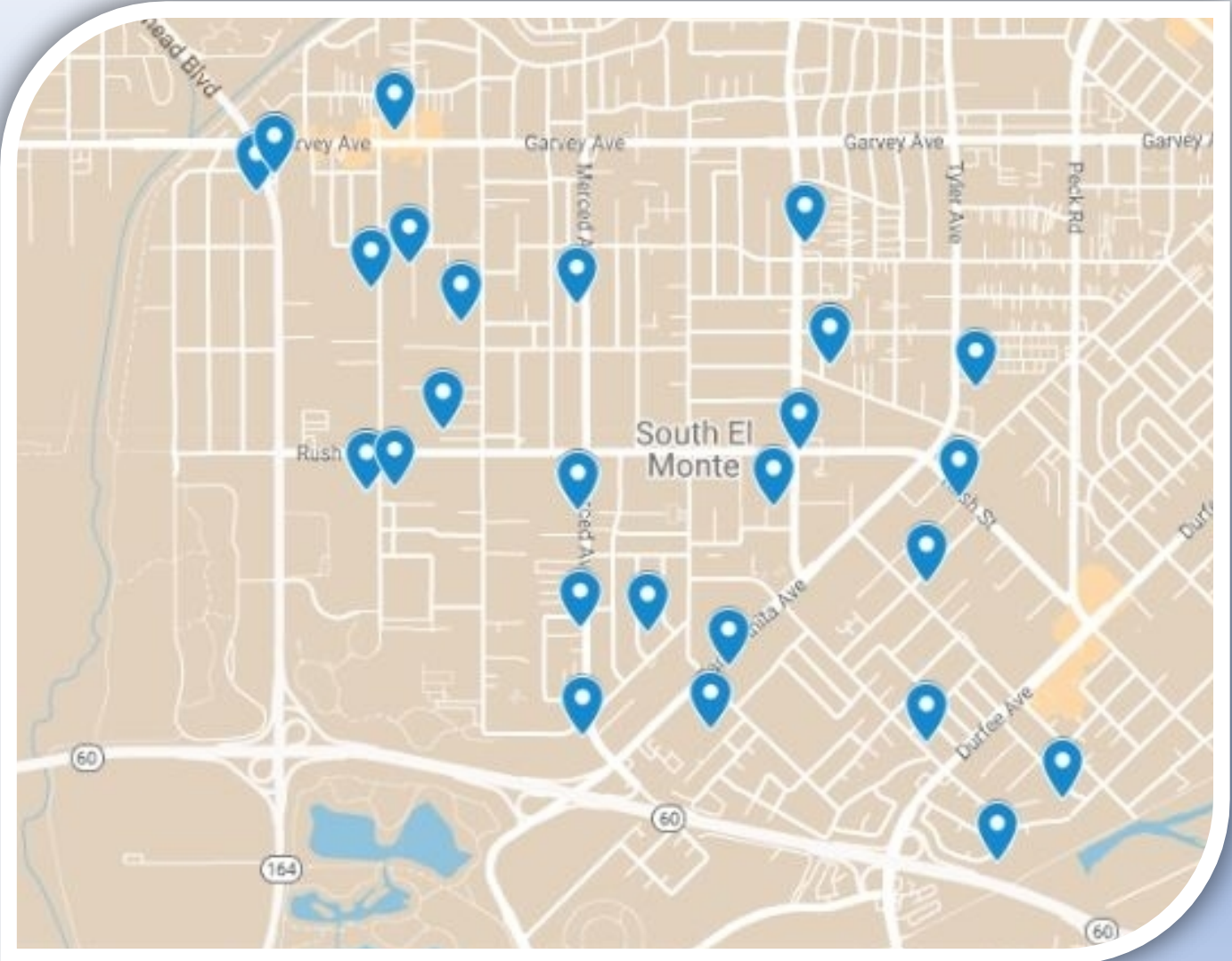
July & August 2023 Recap

Joe Martinez
Code Enforcement Supervisor

Code Cases by Location

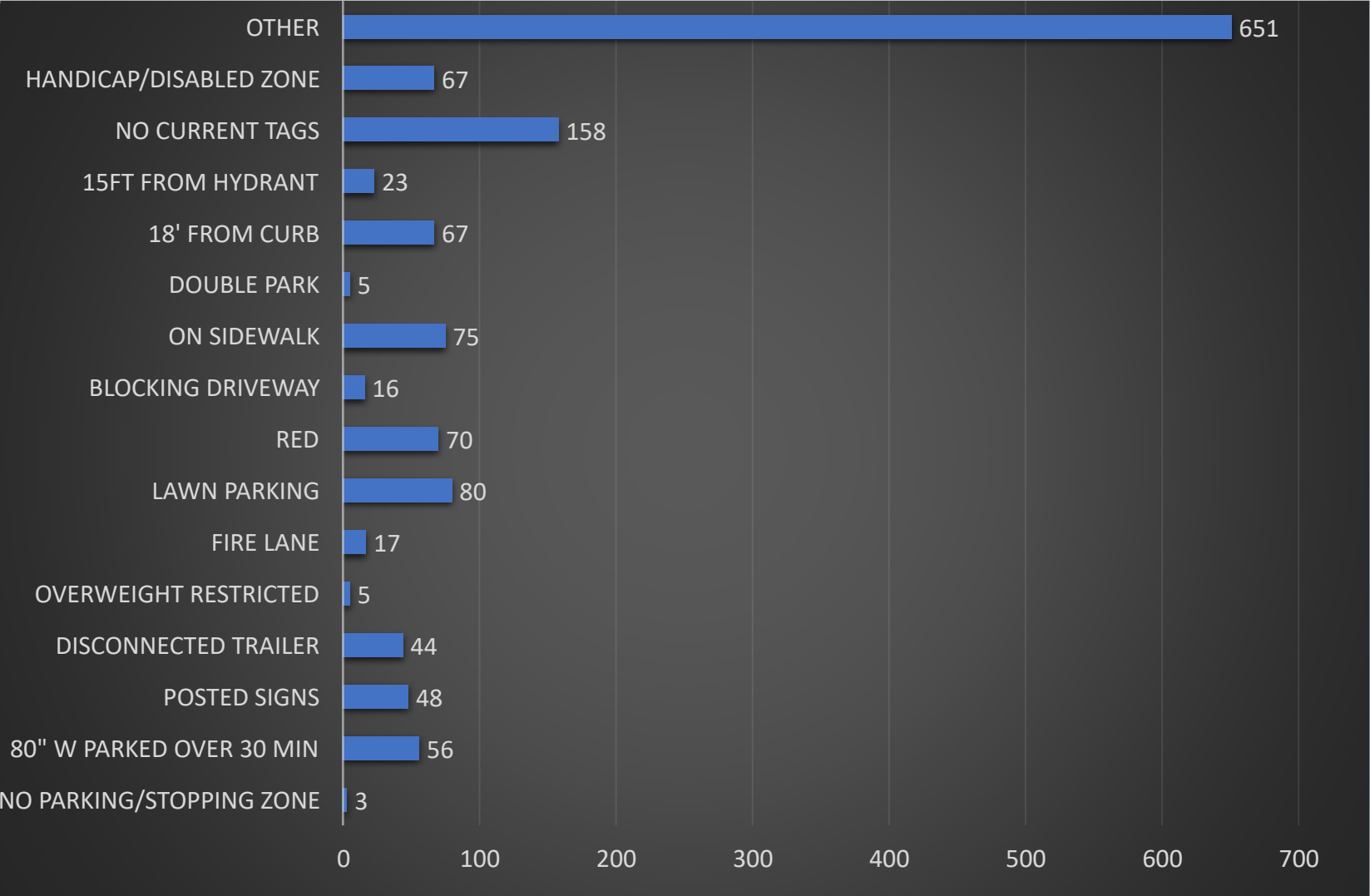
July & August - 154

Building Code.....	23
Health & Safety.....	8
Parking Citations.....	5
Street Vendors.....	4
Homeless	9
Property Maintenance.....	47
Streets/Public Places.....	25
Illegal Dumping/Bulk	6
Vehicle/Traffic.....	8
Business.....	18
Zoning	1

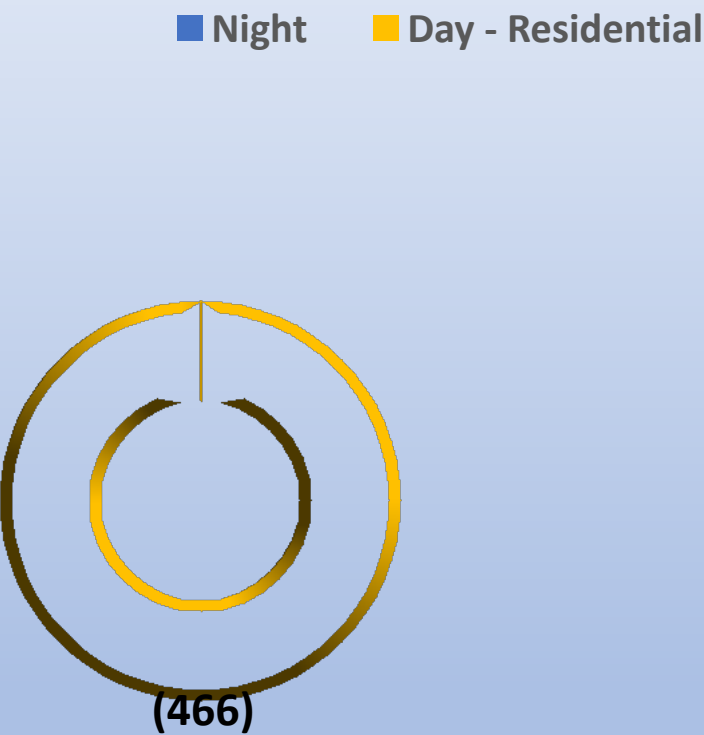


Parking Citations

July & August -

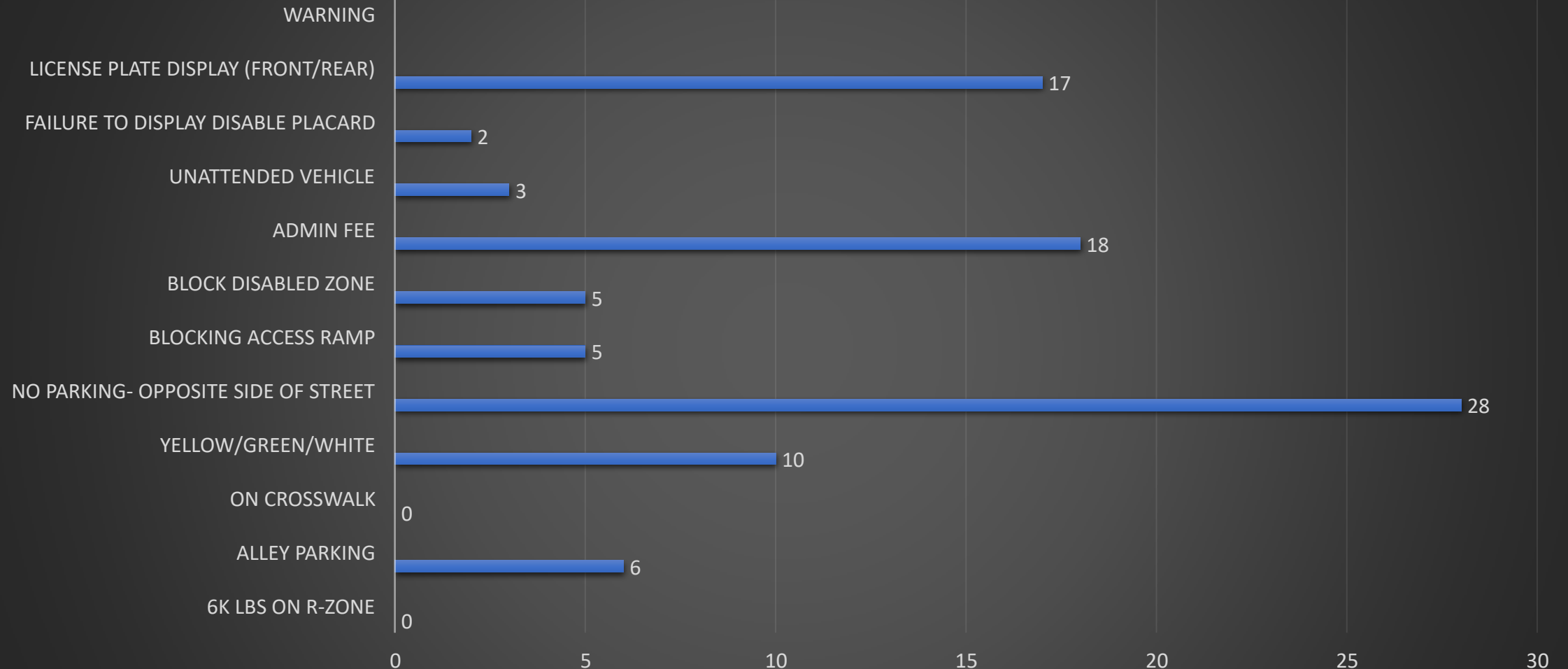


STREET SWEEPING – 466



Parking Citations

July & August– “Other”
(Count) defined:





4th of JULY Fireworks Update

33 Total Citations Issued

2 Citations issued BEFORE July 4th

31 Citations issued on July 4th

23 Citations have Paid

10 Citations are Unpaid/Refuse to sign

Illegal Fireworks Confiscated 7/4/2023





City Council Agenda Report

Agenda Item No. 7.a.

DATE: September 26, 2023

TO: Honorable Mayor and Members of the City Council

APPROVED BY: Rene Salas, City Manager

SUBMITTED BY: Donna Schwartz, City Clerk

SUBJECT: CONSIDERATION AND APPROVAL OF THE REGULAR CITY COUNCIL MEETING MINUTES OF SEPTEMBER 12, 2023

SUMMARY: Staff is requesting approval of Minutes for the September 12, 2023 Regular City Council meeting.

RECOMMENDED ACTION: Staff is requesting approval of Minutes for the September 12, 2023, Regular City Council meeting.

FISCAL/FINANCIAL IMPACT:

DISCUSSION:

ATTACHMENT(S):

A. Minutes

CITY OF SOUTH EL MONTE
REGULAR CITY COUNCIL MEETING MINUTES

Tuesday, September 12, 2023 - 6:00 PM
1415 Santa Anita Avenue, South El Monte, California 91733

Mayor Olmos called the meeting to order at 6:00 PM.

1. ROLL CALL

PRESENT: Councilmember(s): Acosta, Bojorquez, Delgado (Arrived at 6:03 PM),
Mayor Pro Tem Angel, and Mayor Olmos

ABSENT: Councilmember(s): None

STAFF PRESENT: Rene Salas, City Manager; Anthony R. Taylor, City Attorney; Masami Higa, Director of Finance; Guillermo Arreola, Director of Community Development; Donna G. Schwartz, City Clerk, and Robert Molina, Interim Deputy City Clerk.

STAFF ABSENT: Iyob Tessema, Interim Director of Human Resources and Paola Lara, Deputy City Clerk.

Zoom was provided for the Public to participate during public comment via teleconference.

2. PLEDGE OF ALLEGIANCE – Councilmember Manuel Acosta, led the Pledge of Allegiance.

3. INVOCATION – Pastor Patricia Garrett, Faith Dominion Church, offered the Invocation.

4. PRESENTATIONS

4.a. Marilyn Flores, PH.D., Superintendent/President, Rio Hondo College provided a PowerPoint on Services Provided by the College and upcoming Events.

4.b. Mayor Olmos and City Council presented a Certificate of Recognition, to Pastor Patricia Garrett's Mother, Mrs. Guadalupe Rubio Payan, Celebrating Her 100th Birthday.

4.c. Mayor Olmos and City Council presented Certificates of Recognition, to the 2023 City of South El Monte Internship Program Participants.

4.d. Mayor Olmos and City Council presented a \$500 Check from the City of South El Monte to Patty Marquez, Representative with Options Head Start South El Monte, which was Donated by KID-FIT, Preschool Health, and Fitness Organization in Memory of Linda Dempsey.

5. APPROVAL OF THE AGENDA AND WAIVER OF FULL READING OF ORDINANCES

Anthony R, Taylor, City Attorney, announced there was supplemental material provided for agenda item 7.g.

A motion was made by Councilmember Acosta, seconded by Mayor Pro Tem Angel to approve the agenda as amended. Motion passed 5-0, by the following vote:

AYES: Councilmember(s): Acosta, Bojorquez, Delgado, Mayor Pro Tem Angel, and Mayor Olmos

NAYS: Councilmember(s): None

6. PUBLIC COMMENT

Mayor Olmos opened public comment.

1. Sil Ruiz, South El Monte Library Librarian, announced how well the library Summer Reading Program went and encouraged grades K-12 to participate in the Bookmark Contest ending October 21, 2023.
2. Edwarda Saucedo, resident, voiced concern on the following: 1.8 million dollars Senator Rubio proposed for her 82 women and children in Potrero Middle School, Jets Football practicing at city facilities, Mass for Clementina Bernal, substation for Sheriffs, homeless behavior at Temple Park would like an ordinance on this, Measure CM, cannabis, Sheriffs dealing with drug users, mom's birthday and her health, Cielito Lindo property, section 8 homes, and Measure H. Acknowledged 911 and commended his nephew.
3. Dan Dischner, International Medication Systems (IMS), handed out a flyer to Council regarding information on Rextovy nasal spray noting it is an emergency treatment of known or suspected opioid overdose and spoke in support of agenda item 9.a.

Dianna Gomez, Senior Executive Assistant to the City Council provided a cake for Councilmembers Manuel Acosta and Rudy Bojorquez in celebration of their birthdays.

Mayor Olmos continued Public Comment.

4. Alicia Connaught, resident, asked for assistance with a neighbor who is placing items on her property.

City Manager asked Ms. Connaught to provide her name and number to the City Clerk and someone would contact her.

There being no further comments, Mayor Olmos closed public comment.

7. CONSENT CALENDAR

A motion was made by Councilmember Acosta, seconded by Mayor Pro Tem Angel to approve the Consent Calendar. Motion passed 5-0, by the following vote:

AYES: Councilmember(s): Acosta, Bojorquez, Delgado, Mayor Pro Tem Angel, and Mayor Olmos

NAYS: Councilmember(s): None

- 7.a. Approved the Minutes of the July 25, 2023, Regular City Council meeting.
- 7.b. Adopted Resolution No. 23-86, authorizing payment of City expenditures for the period of July 26, 2023, through September 12, 2023, totaling \$2,834,689.01.
- 7.c. Approved the 2023 "Christmas Wish Toy Giveaway" donation letter, authorization to include the City Councilmembers' signatures, and distribution of the donation letters to the South El Monte business community.
- 7.d. Approved authorization to solicit Request for proposals (RFP) for Tree Maintenance Services Citywide.
- 7.e. Approved authorization to solicit Request for proposals (RFP) for Professional Civil Engineering Services.
- 7.f. Approved authorization to solicit Request for proposals (RFP) for Architectural Design Services for New Temple Park Multi-purpose/Community Room, Snack Bar, and Restroom Rehabilitation.
- 7.g. Approved authorization to solicit Request for proposals (RFP) for Architectural Design Services for the South El Monte City Hall Restrooms Rehabilitation.

8. PUBLIC HEARINGS – None.

General Business next page.

9. GENERAL BUSINESS

9.a. CONSIDERATION AND APPROVAL OF ORDINANCE NO. 1268, AMENDING CHAPTER 5.26 OF TITLE 5 OF THE SOUTH EL MONTE MUNICIPAL CODE THEREBY AMENDING THE CITY'S CANNABIS REGULATIONS IN RELATION TO APPLICATION SELECTION CRITERIA, MAKE CLARIFICATION CHANGES, AND MAKE SUCH OTHER CHANGES IN ORDER TO IMPROVE THE ADMINISTRATION THEREOF

Mayor Olmos announced the item and Anthony R. Taylor, City Attorney, read the ordinance by title and presented the staff report.

A motion was made by Mayor Pro Tem Angel, seconded by Councilmember Delgado for discussion.

After lengthy discussion between Council and City Attorney regarding either changing or amending language, the consensus was to leave the ordinance as prepared by the City Attorney. Councilmember Delgado withdrew his motion.

Councilmember Acosta then seconded the motion made by Mayor Pro Tem Angel to waive first reading and introduce Ordinance No. 1268, amending Chapter 5.26 of Title 5 of the South El Monte Municipal Code thereby updating and amending the City's cannabis regulations in order to amend application selection criteria, make clarification changes, and make such other changes in order to improve the administration thereof and set adoption of said ordinance at the next regular city council meeting. Motion passed 3-1-1, by the following vote.

AYES: Councilmember(s): Acosta, Mayor Pro Tem Angel, and Mayor Olmos

NAYS: Councilmember(s): Delgado

ABSTAINED: Councilmember(s): Bojorquez

9.b. CONSIDERATION AND APPROVAL OF RESOLUTION NO. 23-87, APPROVING CONTRACT WITH RHOMBUS SYSTEMS INC. FOR PURCHASE OF SECURITY CAMERA SYSTEM

Mayor Olmos announced the item.

A motion was made by Councilmember Delgado, seconded by Councilmember Bojorquez to adopt Resolution No. 23-87, approving the purchase of a security camera system from Rhombus Systems, Inc. (Rhombus) and authorize City Manager or designee to accept the quote issued by Rhombus. Motion passed 5-0, by the following vote.

AYES: Councilmember(s): Acosta, Bojorquez, Delgado Mayor Pro Tem Angel, and Mayor Olmos

NAYS: Councilmember(s): None

GENERAL BUSINESS (CONTINUED)

9.c. DISCUSSION AND POTENTIAL DIRECTION REGARDING THE FIREWORKS FINES IN THE ADMINISTRATIVE FINE SCHEDULE

Mayor Olmos announced the item and Anthony R. Taylor, City Attorney, presented the staff report.

A motion was made by Councilmember Acosta, seconded by Mayor Pro Tem Angel to receive and file. Motion passed 5-0, by the following vote.

AYES: Councilmember(s): Acosta, Bojorquez, Delgado Mayor Pro Tem Angel, and Mayor Olmos

NAYS: Councilmember(s): None

9.d. CONSIDERATION OF RESOLUTION NO. 23-88, DECLARING THE CITY'S COMMITMENT TO INCREASING AWARENESS OF AND COMBATTING THE DANGERS OF FENTANYL DUE TO THE SIGNIFICANT MORTALITY AND MORBIDITY CAUSED IN THE CITY BY THE FENTANYL CRISIS

Mayor Olmos announced the item and Anthony R. Taylor, City Attorney, presented the staff report.

A motion was made by Councilmember Acosta, seconded by Mayor Pro Tem Angel to adopt Resolution No. 23-88, approving the resolution declaring the City's commitment to increasing awareness of and combatting the dangers of fentanyl due to the significant mortality and morbidity caused in the city by the fentanyl crisis. Motion passed 5-0, by the following vote.

AYES: Councilmember(s): Acosta, Bojorquez, Delgado Mayor Pro Tem Angel, and Mayor Olmos

NAYS: Councilmember(s): None

10. COMMITTEE REPORTS, INCLUDING AB 1234 REPORTS

Councilmember Acosta acknowledged the Summer Concerts ending thanking everyone who attended and announced he attendance at the following events: the new Night Market. City's Bike Ride, National Night Out event, Jets Opening Day ceremonies, the First Day of School at Dean L. Shively and New Temple schools and California Contract Cities Summit.

Councilmember Bojorquez announced his attendance at the following events and thanked staff for all their work throughout the Summer: National Night Out, Summer Concerts, Night Market, City's Bike Ride, Grand Parents Day event and the 911 Memorial ceremony.

COMMITTEE REPORTS, INCLUDING AB 1234 REPORTS (CONTINUED)

Councilmember Delgado announced his attendance at the National Night Out event thanking the LA County Sheriff's Department for donating the hamburgers, ICSC Conference, and the Night Market thanking all staff including the Public Works crew for all their hard work.

Mayor Pro Tem Angel announced his attendance at the following events: Night Market, Summer Concerts, 911 Memorial ceremony, National Night Out event thanking staff for all their hard work with these events, Jets Opening Day ceremonies and Epiphany Catholic School's First Day of School.

Mayor Olmos announced her attendance at the following events and thanked everyone who attended: National Night Out event, Summer Concerts, Night Market, 911 Memorial ceremony. Her attendance at San Gabriel Valley's Bike Ride, Jets Opening Day ceremonies, First Day of School for Epiphany Catholic School, California Contract Cities Summit, NALEO, ICSC and noted that SEACCA has many pets for adoption. Mayor. Olmos thanked Dianna Gomez, Senior Executive Assistant to the City Council and to all staff and departments for all their support.

11. CORRESPONDENCE

11.a. Correspondence from Spiritt Family Services, a Request for Sponsorship for Their Upcoming Reception and Casino Night, Friday, September 29, 2023

Mayor Olmos announced the item.

A Motion was made by Councilmember Delgado, seconded by Mayor Pro Tem Angel to approve a sponsorship of \$500. Motion passed 5-0, by the following vote.

AYES: Councilmember(s): Acosta, Bojorquez, Delgado Mayor Pro Tem Angel, and Mayor Olmos

NAYS: Councilmember(s): None

11.b. Correspondence from Valle Lindo School District Parent Teacher Organization (PTO) Request for 2023 Sponsorship

Mayor Olmos announced the item.

A Motion was made by Mayor Pro Tem Angel, seconded by Councilmember Delgado to approve a sponsorship of \$500. Motion passed 5-0, by the following vote.

AYES: Councilmember(s): Acosta, Bojorquez, Delgado Mayor Pro Tem Angel, and Mayor Olmos

NAYS: Councilmember(s): None

CORRESPONDENCE (CONTINUED)

11.c. Correspondence from Coach Paul Rodriguez, Mountain View High School Football Team, Request for Sponsorship Through a Community Sponsorship Program

Mayor Olmos announced the item.

A Motion was made by Councilmember Delgado, seconded by Mayor Pro Tem Angel to approve a sponsorship of \$500. Motion passed 4-1, by the following vote.

AYES: Councilmember(s): Bojorquez, Delgado Mayor Pro Tem Angel,
and Mayor Olmos

NAYS: Councilmember(s): Acosta

12. COUNCILMEMBERS' AGENDA

12.a. COUNCILMEMBER RUDY BOJORQUEZ

1. Discussion on adding a "safe zone" to city hall for internet transactions. Possibly creating a designated area at city hall for conducting private property transactions.

RECOMMENDATION: Discussion and/or Action.

Councilmember Bojorquez asked City Clerk to distribute a picture of Temple Stations safe zone to Council. Councilman Bojorquez feels a safe zone in the City would be nice to have for people to conduct business safely.

Anthony R. Taylor, City Attorney will contact the city's California Joint Power Insurance Authority (CJPIA) to see if there is any type of policy with regard to liability for use of city property for a safe zone.

12.b. COUNCILMEMBER HECTOR DELGADO

1. Discussion regarding a policy for employees arriving and leaving from work (clocking in/clocking out).

RECOMMENDATION: Discussion and/or Action.

Councilmember Delgado questioned if the city has a policy for employees clocking in and clocking out and would like to see employees held accountable to be at work on time.

12.a. continued on next page.

COUNCILMEMBERS' AGENDA (CONTINUED)

12.a. COUNCILMEMBER HECTOR DELGADO (CONTINUED)

1. Continued

City Manager Rene Salas stated employees are required to come in on time, currently there is no mechanism in place to clock in and out. This is something he would like to implement. He stated there are third party providers that offer systems that use key cards and is currently looking into a cost-effective system that other providers can offer that can be used in our facilities.

12.b. COUNCILMEMBER HECTOR DELGADO (CONTINUED)

2. Discussion on code enforcement scheduling on weekends. Rotation of all code enforcement and public safety personnel to allow for cross training.

RECOMMENDATION: Discussion and/or Action.

Councilmember Delgado would like to see better coverage on weekend pop up vendors, cross training, and a current weekend rotation schedule.

City Manager Rene Salas will provide Council with the new schedule that has been prepared due to shortage of staff.

13. CLOSED SESSION

At 8:50 p.m. Anthony R. Taylor, City Attorney, recessed Council into closed session.

13.a. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Government Code Section 54956.9(d)(1) - (One Case)

Civil Action No. 2:23-cv-04022-SCW(MRWx): Phillip Killgore v. CITY OF SOUTH EL MONTE, a municipal corporation; GARVEYKCVN HOLINDGS LLC; AND DOES 1-10 INCLUSIVE

13.b. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Pursuant to Government Code Section 54956.9(d)(2)

Claims by parties represented by the law firm of Morgan Lewis relating to clean up costs for BKK Landfill, West Covina

13.c. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Pursuant to Government Code Section 54957(b)

Title: City Attorney

At 9:38 p.m. Mayor Olmos reconvened the meeting with all Councilmembers present.

Anthony R. Taylor, City Attorney, announced City Council discussed Items 13.a. through 13.c., no reportable action.

14. ADJOURNMENT

At 9:38 p.m. Mayor Olmos adjourned the meeting in memory of Ernest Duran, brother of Mayor Olmos, Fernando Ledesma and Marco Montoya, South El Monte residents to a Regular City Council Meeting on Tuesday, September 26, 2023, at 6:00 p.m.

Donna G. Schwartz, CMC, City Clerk

Gloria Olmos, Mayor



City Council Agenda Report

Agenda Item No. 7.b.

DATE: September 26, 2023

TO: Honorable Mayor and Members of the City Council

APPROVED BY: Rene Salas, City Manager

SUBMITTED BY: Masami Higa, Director of Finance

SUBJECT: CONSIDERATION AND APPROVAL OF RESOLUTION NO. 23-89, APPROVING WARRANTS FOR THE PERIOD OF SEPTEMBER 13, 2023, THROUGH SEPTEMBER 26, 2023

SUMMARY: Authorizing payment of City expenditures for the period of Sept 13, 2023 through September 26, 2023 totaling \$910,329.66.

RECOMMENDED ACTION: Staff recommends City Council adopt Resolution No. 23-89, authorizing payment of City expenditures.

FISCAL/FINANCIAL IMPACT:

DISCUSSION:

ATTACHMENT(S):

- A. Resolution No. 23-89
- B. Council Meeting Warrant 092623

ATTACHMENT A

RESOLUTION NO. 23-89

A RESOLUTION OF THE SOUTH EL MONTE CITY COUNCIL
ALLOWING CERTAIN CLAIMS AND DEMANDS FOR THE
PERIOD OF SEPTEMBER 13, 2023, THROUGH SEPTEMBER
26, 2023, TOTALING \$910,329.66.

THE CITY COUNCIL OF THE CITY OF SOUTH EL MONTE DOES HEREBY RESOLVE,
DETERMINE, AND ORDER AS FOLLOWS:

SECTION 1: That in accordance with Section 37202 of the Government Code, the
Finance Director hereby certifies to the accuracy of the following demands and the availability of
funds for payment thereof.

Finance Director

SECTION 2: That the following claims and demands have been audited as required by
law and that the same are hereby allowed in the amount hereafter set forth.

	<u>CLAIMANT</u>	<u>CLAIM PERIOD</u>	<u>WARRANT #'S</u>	<u>AMOUNT</u>
FY 23/24	Electronic Warrants	9/13/23-9/26/23	DFT0001033	\$197,790.81
FY 23/24	Regular Warrants	9/13/23-9/26/23	12921-13001	\$414,422.62
Payroll	Manual Check	PPE 9/2/23	1565-1566	\$1,701.69
Payroll	Check	PPE 9/2/23	1567-1577	\$8,659.20
Payroll	Direct Deposit	PPE 9/2/23	4743-4851	\$148,576.36
Payroll	Manual Check	PPE 9/16/23	1578-1579	\$751.50
Payroll	Check	PPE 9/16/23	1580-1591	\$11,265.66
Payroll	Direct Deposit	PPE 9/16/23	4852-4948	\$127,161.82

TOTAL EXPENDITURES RESOLUTION NO. 23-89 \$910,329.66

PASSED, APPROVED, AND ADOPTED this 26th day of September 2023.

Gloria Olmos, Mayor

ATTEST:

Donna G. Schwartz, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF SOUTH EL MONTE)

I, Donna G. Schwartz, City Clerk of the City of South El Monte, do hereby certify that the foregoing Resolution, being Resolution No. 23-89, was duly passed and approved by the City Council of the City of South El Monte at a regular meeting of said Council held on the 26th day of September 2023, and that said Resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Donna G. Schwartz, City Clerk



South El Monte, CA

ATTACHMENT B

Warrant Register
Council Meeting 09/26/23

Account Number	Vendor Name	Payment Number	Payment Date	Description (Item)	Amount
01.0000.0000.2230	NATIONWIDE RETIREMENT SOLUTIONS	12921	09/11/2023	PPE 09/02/23	5,430.00
01.0000.0000.2270	STATE OF CA FRANCHISE TAX BOARD	12922	09/11/2023	A.R GARNISHMENT PPE 09/02/23	8.15
01.0100.1040.5922	OPTIONS FOR LEARNING	12923	09/12/2023	SPONSORSHIP DONATION/ HEAD START SEM	500.00
02.0170.1760.5535	ST. FRANCIS ELECTRIC, LLC	12924	09/18/2023	APR'23 ROUTINE	902.25
02.0170.1760.5535	ST. FRANCIS ELECTRIC, LLC	12924	09/18/2023	APR'23 CALL OUT	2,484.50
01.0150.1530.5430	A & C BILLARDS & BARSTOOLS	12925	09/20/2023	BRASS HOOKS INSTALLATIONS	230.77
01.0150.1540.5951	ABSOLUTE SECURITY INTERNATIONAL	12926	09/20/2023	8/19 & 8/26/ SPECIAL CLEANING RESERVATION	779.00
01.0000.0000.4554	ADRIANA YESCAS	12927	09/20/2023	8/29/23 DAMAGE DEPOSIT RFND/ MVD	50.00
01.0130.1330.5215	ADVANCED MICROCOMPUTING CONCEPTS,INC	12928	09/20/2023	SEPT'23 CLOUD SVCS	750.00
01.0130.1330.5215	ADVANCED MICROCOMPUTING CONCEPTS,INC	12928	09/20/2023	SEPT'23 OFFICE 365	5,311.00
01.0130.1330.5215	ADVANCED MICROCOMPUTING CONCEPTS,INC	12928	09/20/2023	SEPT'23 MANAGED SVCS	11,972.25
01.0160.1630.5520	AITAL CUSTOM GLASS & MIRROR INC	12929	09/20/2023	FRONT LEFT WINDOW REPAIR/ MCTR	875.00
01.0151.1543.5952	ALLIANT INSURANCE SERVICES	12930	09/20/2023	9/7 NIGHT MARKET EVENT INSURANCE	483.00
01.0140.1430.5406	AMAZON CAPITAL SERVICES, INC	12931	09/20/2023	NEW OFFICE CHAIR/ COMM DEVELOPMENT	345.62
01.0170.1020.5956	AMAZON CAPITAL SERVICES, INC	12931	09/20/2023	CITY CELL PHONE PROTECTION SUPPLIES	52.89
01.0150.1530.5406	AMAZON CAPITAL SERVICES, INC	12931	09/20/2023	CHANGE STATION SUPPLIES/ SENIOR SVCS	87.06
01.0100.1050.5406	AMAZON CAPITAL SERVICES, INC	12931	09/20/2023	BINDERS	13.77
01.0150.1530.5952	AMAZON CAPITAL SERVICES, INC	12931	09/20/2023	GIVEWAYS/ GRAND PARENTS DAY	392.28
01.0100.1050.5406	AMAZON CAPITAL SERVICES, INC	12931	09/20/2023	BINDERS	16.50
01.0160.1620.5520	AMAZON CAPITAL SERVICES, INC	12931	09/20/2023	WIRELESS PLUGS & REMOTES/ SCTR	49.59
01.0000.0000.4554	ANTONIO PLASCENCIA	12932	09/20/2023	8/26/23 DAMAGE DEPOSIT RFND/ AQUA CTR	500.00
01.0170.1520.5914	AREA D	12933	09/20/2023	ANNUAL CITY DUES MEMBERSHIP	1,277.76
01.0151.1543.5952	ARIANA GUTIERREZ	12934	09/20/2023	9/11 MEMORIAL CEREMONY BALLON GARLAND	225.00
01.0130.1460.5215	CITY OF DOWNEY	12935	09/20/2023	FY23-24 ANIMAL CTRL & SHELTERING SVCS	69,281.00
06.0300.3010.5430	DRIFTWOOD DAIRY, INC	12936	09/20/2023	MILK/ CI & CII NURTITION PRGM	276.93
06.0300.3020.5430	DRIFTWOOD DAIRY, INC	12936	09/20/2023	MILK/ CI & CII NURTITION PRGM	30.76
06.0300.3010.5430	DRIFTWOOD DAIRY, INC	12936	09/20/2023	MILK/ CI & CII NUTR PRGM	87.92
06.0300.3020.5430	DRIFTWOOD DAIRY, INC	12936	09/20/2023	MILK/ CI & CII NUTR PRGM	9.76
06.0300.3010.5430	DRIFTWOOD DAIRY, INC	12936	09/20/2023	MILK/ CI & CII NUTR PRGM	57.15
06.0300.3020.5430	DRIFTWOOD DAIRY, INC	12936	09/20/2023	MILK/ CI & CII NUTR PRGM	6.34
06.0300.3010.5430	DRIFTWOOD DAIRY, INC	12936	09/20/2023	MILK/ CI & CII NUTR PRGM	153.49
06.0300.3020.5430	DRIFTWOOD DAIRY, INC	12936	09/20/2023	MILK/ CI & CII NUTR PRGM	17.05
06.0300.3010.5430	DRIFTWOOD DAIRY, INC	12936	09/20/2023	MILK/ CI & CII NUTR PRGM	126.41
06.0300.3020.5430	DRIFTWOOD DAIRY, INC	12936	09/20/2023	MILK/ CI & CII NUTR PRGM	14.04
01.0151.1543.5952	ECOLAB PEST ELIM. DIVISION	12937	09/20/2023	8/31/23 PEST CONTROL/ KRUSE	3,500.00
01.0000.0000.4250	EDUARDO VALDEZ RETAMOZA & GLORIA RETAMOZA LIVING TRUST	12938	09/20/2023	INCORRECT PERMIT CHRG/ RES-ALT-23-009	250.00
01.0151.1543.5406	EL MONTE PRINTING	12939	09/20/2023	CHRISTMAS WISH DONATION LETTERS	414.54
01.0160.1670.5520	EWING IRRIGATION	12940	09/20/2023	IRRIGATION SUPPLIES/ MVD	128.90
01.0170.1750.5520	EWING IRRIGATION	12940	09/20/2023	SUN HATS/ LANDSCAPE	34.01
01.0160.1610.5520	EWING IRRIGATION	12940	09/20/2023	IRRIGATION STOCK	134.49
01.0170.1750.5520	EWING IRRIGATION	12940	09/20/2023	IRRIGATION STOCK	82.87
01.0160.1650.5520	EWING IRRIGATION	12940	09/20/2023	AERO PAINT FOOTBALL FIELD/ NTP	510.06
01.0160.1650.5520	EWING IRRIGATION	12940	09/20/2023	IRRIGATION REPAIR PARTS/ NTP	186.60
01.0160.1660.5520	EWING IRRIGATION	12940	09/20/2023	IRRIGATION REPAIR PARTS/ SHIVELY	1,437.07
01.0160.1640.5520	EWING IRRIGATION	12940	09/20/2023	POOL REPAIR SUPPLIES	51.83
01.0160.1670.5520	EWING IRRIGATION	12940	09/20/2023	CARSON RCLM LID ONLY/ MVD	134.13
01.0170.1750.5520	EWING IRRIGATION	12940	09/20/2023	SUN HATS/ LANDSCAPE	36.23

01.0160.1650.5520	EWING IRRIGATION	12940	09/20/2023	IRRIGATION REPAIRS/ NTP	57.24
01.0170.1740.5962	EWING IRRIGATION	12940	09/20/2023	PIPE WRENCH & ADJ CHANNEL LOCK	98.08
01.0170.1750.5505	GARVEY EQUIPMENT COMPANY	12941	09/20/2023	HEDGE TRIMMER- AIR & FUEL FILTER&SPARK PLUG	114.43
01.0170.1750.5505	GARVEY EQUIPMENT COMPANY	12941	09/20/2023	EQUIPMENT MNTC REPLACEMENTS	288.42
01.0170.1750.5505	GARVEY EQUIPMENT COMPANY	12941	09/20/2023	PUSH MOVER/ #5842 MUTIPLE REPAIR PARTS	514.63
01.0170.1750.5505	GARVEY EQUIPMENT COMPANY	12941	09/20/2023	TRACTOR MAINTENANCE PARTS	168.80
01.0170.1750.5505	GARVEY EQUIPMENT COMPANY	12941	09/20/2023	EQUIPMENT PARTS- TRIMMER & BLADES	327.44
01.0170.1770.5525	GARVEY EQUIPMENT COMPANY	12941	09/20/2023	POOL PUMP/ REPLACED MUFFLER	14.75
01.0170.1740.5962	GARVEY EQUIPMENT COMPANY	12941	09/20/2023	STRING TIMMER-BACKPACK & BLOWER/ PARK MTNC	1,026.43
01.0100.1050.5215	GOVERNMENT STAFFING SERVICES, INC.	12942	09/20/2023	8/21-8/24/23 MUNI TEMP/ HR ANALYST	3,000.00
01.0100.1050.5215	GOVERNMENT STAFFING SERVICES, INC.	12942	09/20/2023	8/28-9/7/23 MUNI TEMP SVCS/ HR ANALYST	6,000.00
01.0100.1050.5215	GOVERNMENT STAFFING SERVICES, INC.	12942	09/20/2023	8/28-9/7/23 MUNI TEMP SVCS/ HR DIRECTOR	10,000.00
01.0170.1740.5962	GRANT'S TRUE VALUE HARDWARE	12943	09/20/2023	LANDSCAPE- SMALL TOOLS	37.88
01.0160.1650.5520	GRANT'S TRUE VALUE HARDWARE	12943	09/20/2023	NTP KEYS	11.00
01.0170.1720.5406	GRANT'S TRUE VALUE HARDWARE	12943	09/20/2023	KEYS & KEY RINGS/ YARD	27.32
01.0151.1543.5952	GRANT'S TRUE VALUE HARDWARE	12943	09/20/2023	SUPPLIES/ KRUSE NIGHT BANNER	25.28
01.0160.1640.5520	GRANT'S TRUE VALUE HARDWARE	12943	09/20/2023	FLOATER ROPE REPAIR SUPP/ AQUA CTR	48.09
01.0170.1710.5520	GRANT'S TRUE VALUE HARDWARE	12943	09/20/2023	FLAGPOLE REPAIR SUPPLIES	7.79
01.0160.1620.5520	GRANT'S TRUE VALUE HARDWARE	12943	09/20/2023	AUTO DOOR SUPPLIES	44.17
01.0170.1710.5520	GRANT'S TRUE VALUE HARDWARE	12943	09/20/2023	AUTO DOOR REPAIR SUPPLIES	17.81
01.0160.1650.5520	GRANT'S TRUE VALUE HARDWARE	12943	09/20/2023	TIES FOR LIGHT POLE COVERS	76.98
01.0151.1543.5952	GRANT'S TRUE VALUE HARDWARE	12943	09/20/2023	BANNER SUPPLIES/ FARMER'S MARKET	5.82
01.0151.1543.5952	GRANT'S TRUE VALUE HARDWARE	12943	09/20/2023	SUPPLIES/ HANG BANNERS-KRUSE	11.54
01.0151.1543.5952	GUNNER CONCRETE	12944	09/20/2023	8/24 CONCRETE/ KRUSE PROPERTY	2,411.78
01.0151.1543.5952	GUNNER CONCRETE	12944	09/20/2023	CONCRETE/ KRUSE	2,258.31
01.0151.1543.5952	GUNNER CONCRETE	12944	09/20/2023	CONCRETE/ KRUSE	1,858.16
01.0170.1770.5525	HACKER EQUIPMENT CO., INC.	12945	09/20/2023	JCB TRACTOR SERVICE	1,709.77
01.0160.1640.5425	HASA INC.	12946	09/20/2023	8/21 POOL CHEMICALS	1,077.51
01.0160.1640.5425	HASA INC.	12946	09/20/2023	8/28 POOL CHEMICALS	402.83
01.0160.1640.5520	HASA INC.	12946	09/20/2023	9/5 POLL CHEMICAL DELIVERY	477.65
01.0170.1770.5525	HERC RENTALS INC	12947	09/20/2023	ARIEL LIFT RENTAL	918.47
06.0300.3010.5215	HUNTINGTON CULINARY	12948	09/20/2023	8/14-8/19/23 CI & CII NUTR PRGM	5,087.50
06.0300.3020.5215	HUNTINGTON CULINARY	12948	09/20/2023	8/14-8/18/23 CI & CII NUTR PRGM	393.25
06.0300.3010.5215	HUNTINGTON CULINARY	12948	09/20/2023	08/21-8/26/23/ CI & CII NUTR PRGM	5,087.50
06.0300.3020.5215	HUNTINGTON CULINARY	12948	09/20/2023	08/21-8/26/23/ CI & CII NUTR PRGM	393.25
06.0300.3010.5215	HUNTINGTON CULINARY	12948	09/20/2023	8/28-9/1/23 CI & CII NUTR PRGM	4,082.50
06.0300.3020.5215	HUNTINGTON CULINARY	12948	09/20/2023	8/28-9/1/23 CI & CII NUTR PRGM	393.25
06.0300.3010.5215	HUNTINGTON CULINARY	12948	09/20/2023	9/4-9/8/23 MEALS/ CI & CII NUTR PRGM	3,306.25
06.0300.3020.5215	HUNTINGTON CULINARY	12948	09/20/2023	9/4-9/8/23 MEALS/ CI & CII NUTR PRGM	314.60
01.0170.1770.5525	HYDRAULICS & GASKETS	12949	09/20/2023	PW#2 GRIP LANCE COUPLERS & WASHER TIPS	150.05
01.0170.1770.5525	INDUSTRIAL CLEANING SYSTEMS, INC.	12950	09/20/2023	PW#2 THERMAL RELIEF SWIVEL & INSPECTION	137.31
01.0170.1740.5962	INDUSTRIAL PIPE & STEEL	12951	09/20/2023	BOLT CUTTERS	52.40
01.0160.1640.5520	INDUSTRIAL PIPE & STEEL	12951	09/20/2023	LIFEGUARD CHAIR REPAIR SUPPLIES/ AQUA CTR	24.98
01.0160.1610.5520	INNER-COOL CORP	12952	09/20/2023	AC MOTOR #3 MOTOR/ CCTR	112.00
01.0151.1543.5952	JCL TRAFFIC SERVICES	12953	09/20/2023	9/7/23 40 BARRIER RENTAL	600.00
01.0151.1543.5952	JCL TRAFFIC SERVICES	12953	09/20/2023	TURNING ARROWS/ ROAD CLOSURE	137.43
01.0151.1543.5952	JCL TRAFFIC SERVICES	12953	09/20/2023	TRAFFIC DETOR SIGNS	344.53
01.0000.0000.4508	JENSY AVILA	12954	09/20/2023	TENNIS CLASS REIMB/ N. AVILA	99.00
01.0160.1640.5425	LESLIE'S POOL SUPPLIES INC.	12955	09/20/2023	POOL SUPPLIES	427.09
01.0000.0000.4250	LONG H THAI	12956	09/20/2023	INCORRECT PERMIT REFUND/ RES-NEW-22-004	3,688.12
01.0100.1050.5934	LUIS A ALVAREZ	12957	09/20/2023	8/24 LIVESCAN REIMB	25.00
01.0000.0000.4554	MARIA JUAREZ	12958	09/20/2023	9/2/23 DAMAGE DEPOSIT RFND/ MVD	50.00
01.0000.0000.4235	MARTHA SEIJAS	12959	09/20/2023	ELECTRICAL PERMIT REFUND/ RES-ELC-23-034	258.00
01.0000.0000.4240	MARTHA SEIJAS	12959	09/20/2023	MECHANICAL PERMIT REFUND/ RES-MEC-23-019	258.00
01.0000.0000.4245	MARTHA SEIJAS	12959	09/20/2023	PLUMBING PERMIT REFUND/ RES-PLM-23-021	258.00
01.0000.0000.4554	MARY DOWNING	12960	09/20/2023	8/20/23 DAMAGE DEPOSIT RFND/ MVD	50.00
01.0160.1620.5520	MID-VALLEY AUTOMATIC FIRE SYSTEMS	12961	09/20/2023	SEMI-ANNUAL HOOD & DUCT CLEANING	495.00

01.0160.1620.5520	MID-VALLEY AUTOMATIC FIRE SYSTEMS	12961	09/20/2023	SEMI-ANNUAL SERVICE/ SCTR	317.03
01.0160.1650.5520	MID-VALLEY AUTOMATIC FIRE SYSTEMS	12961	09/20/2023	SERMI-ANNUAL SVC RANGE & HOOD/ NTP	323.17
01.0160.1650.5520	MID-VALLEY AUTOMATIC FIRE SYSTEMS	12961	09/20/2023	QUARTERLY SVC HOOD & DUCT CLEANING/ NTP	425.00
01.0151.1543.5952	MISSION FENCE & PATIO BUILDERS	12962	09/20/2023	FENCING AROUND/ KRUSE FEED	830.25
01.0130.1310.5906	MOSS, LEVY & HARTZHEIM, LLP	12963	09/20/2023	INTERIM AUDIT WORK- YEAR END 6/30/23	9,000.00
44.0800.8020.5215	NADA BUS, INC.	12964	09/20/2023	9/1/23 TRANSPORTATION/ SENIOR EXCURSION	1,275.00
01.0170.1770.5525	NAPA AUTO PARTS	12965	09/20/2023	SMALL TOOLS/ GARAGE	45.38
01.0170.1770.6010	NORM REEVES FORD SUPERSTORE	12966	09/20/2023	2023 F-250 XL	63,293.10
01.0100.1050.5406	OFFICE DEPOT	12967	09/20/2023	CREDIT MEMO/ FILE FOLDERS	(184.89)
01.0120.1210.5406	OFFICE DEPOT	12967	09/20/2023	CHARGER CABLE	19.83
01.0120.1210.5406	OFFICE DEPOT	12967	09/20/2023	STORAGE BOXES	24.96
01.0120.1210.5406	OFFICE DEPOT	12967	09/20/2023	STAMPS/ CITY CLERK	38.58
01.0100.1020.5406	OFFICE DEPOT	12967	09/20/2023	CHALL SUPPLIES	255.25
01.0100.1020.5405	OFFICE DEPOT	12967	09/20/2023	ADMIN OFFICE SUPPLIES	131.79
44.0800.8020.5215	PACIFIC COAST SIGHTSEEING TOURS & CHARTERS INC	12968	09/20/2023	8/11/23 COMM SVCS EXCLUSION	875.50
01.0151.1545.5210	PARTY PRONTO	12969	09/20/2023	8/24 SUMMER CONCERT EQUIP RENTAL	1,397.00
01.0130.1330.5932	PASADENA CONSULTING GROUP LLC	12970	09/20/2023	AUG'23 - AUG'24 E FILING SYSTEM	3,610.00
01.0000.0000.4554	PERLA LEDESMA	12971	09/20/2023	8/20/23 DAMAGE DEPOSIT RFND/ AQUA CTR	500.00
01.0170.1740.5435	PREMIER JANITORIAL SERVICES	12972	09/20/2023	ALL PURPOSE CLEANER/ ALL BLDG'S	31.97
01.0160.1640.5520	PREMIER JANITORIAL SERVICES	12972	09/20/2023	POOL LOCKER ROOM SUPPLIES	1,278.86
01.0160.1640.5520	PREMIER JANITORIAL SERVICES	12972	09/20/2023	POOL LOCKER ROOM SUPPLIES	463.05
01.0151.1545.5210	PREMIER JANITORIAL SERVICES	12972	09/20/2023	7/13/23 PORTABLE RSTRM RENTAL/ SUMMER CONCERT	734.27
01.0151.1545.5210	PREMIER JANITORIAL SERVICES	12972	09/20/2023	7/27/23 PORTABLE RSTRM/ SUMMER CONCERT	734.27
01.0151.1545.5210	PREMIER JANITORIAL SERVICES	12972	09/20/2023	8/10/23 PORTABLE RSTRM RENTAL/ SUMMER CONCERT	734.27
01.0151.1545.5210	PREMIER JANITORIAL SERVICES	12972	09/20/2023	8/24 PORTABLE RSTRM RENTAL/ SUMMER CONCERT	734.27
01.0151.1543.5952	PREMIER JANITORIAL SERVICES	12972	09/20/2023	9/7/23 PORTABLE RSTRM RENTAL/ NIGHT MARKET	411.23
01.0100.1050.5914	PUBLIC AGENCY RISK MANAGEMENT ASSOCIATION	12973	09/20/2023	PUBLIC ENTITY MEMBERSHIP	300.00
01.0120.1210.5920	QUALITY CODE PUBLISHING	12974	09/20/2023	MUNICIPAL CODE SUPPLMENTS	1,662.00
01.0160.1610.5520	QUENCH USA, INC.	12975	09/20/2023	AUG'23 WATER FILTER/ CCTR	38.59
01.0160.1620.5520	QUENCH USA, INC.	12975	09/20/2023	SEPT'23 WATER FILTER/ SCTR	59.96
01.0160.1610.5520	QUENCH USA, INC.	12975	09/20/2023	SEPT'23 WATER FILTER/ CCTR	38.59
01.0000.0000.4554	RAMIRO ROBLEDO BENITEZ	12976	09/20/2023	8/27/23 DAMAGE DEPOSIT RFND/ MVD	50.00
01.0120.1210.5919	SAN GABRIEL VALLEY TRIBUNE	12977	09/20/2023	6/1/23 PUBLISH NOTICE/ SUMMARY ORD 1266	199.16
01.0120.1210.5919	SAN GABRIEL VALLEY TRIBUNE	12977	09/20/2023	6/1 PUBLISH NOTICE/ SUMMARY OF ORD 1267	199.16
01.0120.1210.5919	SAN GABRIEL VALLEY TRIBUNE	12977	09/20/2023	JUNE'23 LEGAL NOTICES/ RESIDENTIAL REHAB PJT	2,341.86
01.0120.1210.5919	SAN GABRIEL VALLEY TRIBUNE	12977	09/20/2023	6/9/23 PUBLIC NOTICE/ CDBG FY23-24	471.41
01.0120.1210.5919	SAN GABRIEL VALLEY TRIBUNE	12977	09/20/2023	6/16/23 PUBLIC NOTICE/ CDBG FY23-24	548.75
01.0120.1210.5919	SAN GABRIEL VALLEY TRIBUNE	12977	09/20/2023	6/22/23 PUBLIC NOTICE/ SUMM OF ORD 1267	177.76
01.0120.1210.5919	SAN GABRIEL VALLEY TRIBUNE	12977	09/20/2023	6/22/23 PUBLIC NOTICE/ SUMM OR ORD 1266	184.89
01.0120.1210.5919	SAN GABRIEL VALLEY TRIBUNE	12977	09/20/2023	7/7/23 PUBLIC NOTICE/ PH-GENERAL FEE SCHEDULE	241.97
01.0120.1210.5919	SAN GABRIEL VALLEY TRIBUNE	12977	09/20/2023	8/28-9/4 PUBLISH NOTICE/ BIDS-TRAFF SIGN IMPVMTS	2,760.41
01.0000.0000.4250	SEBASTIAN CUIEL	12978	09/20/2023	BLDG PERMIT INCORRECT CHR/ RES-DEM-23-023	250.00
01.0130.1310.5280	SECTRAN SECURITY INC.	12979	09/20/2023	SEPT'23 ARMORED SVCS	187.44
01.0160.1650.5520	SMARDAN SUPPLY	12980	09/20/2023	IRRIGATION SUPP/ NTP	46.05
44.0800.8040.5555	SOUTHEAST CONSTRUCTION PRODUCTS,INC	12981	09/20/2023	BUS SHELTER REPAIR SUPPLIES	(12.51)
02.0170.1760.5540	SOUTHEAST CONSTRUCTION PRODUCTS,INC	12981	09/20/2023	COUPLING- REPAID CONCRETE/ TYLER	40.46
02.0170.1760.5540	SOUTHEAST CONSTRUCTION PRODUCTS,INC	12981	09/20/2023	CONCRETE MIX/ ST & RD MTNC PRGM	439.15
02.0170.1760.5572	SOUTHEAST CONSTRUCTION PRODUCTS,INC	12981	09/20/2023	ACETONE THINNER & GREEN PAINT/ ST & RD MTNC PRGM	164.63
01.0151.1543.5952	SOUTHEAST CONSTRUCTION PRODUCTS,INC	12981	09/20/2023	CONCRETE SUPP/ KRUSE	819.76
01.0170.1750.5962	SOUTHEAST CONSTRUCTION PRODUCTS,INC	12981	09/20/2023	METAL BLADE/ POLE CUTTING	103.46
01.0160.1640.5520	SOUTHEAST CONSTRUCTION PRODUCTS,INC	12981	09/20/2023	STRAW HAT/ POOL CLEANING	57.88
01.0160.1660.5520	SOUTHEAST CONSTRUCTION PRODUCTS,INC	12981	09/20/2023	SHIVELY PLASTER SAND	479.98
01.0160.1650.5520	SOUTHEAST CONSTRUCTION PRODUCTS,INC	12981	09/20/2023	FOOTBALL FIELD SUPPLIES/ NTP	33.35
01.0151.1543.5952	SOUTHEAST CONSTRUCTION PRODUCTS,INC	12981	09/20/2023	2 WHISK BROOMS & ASPHALT GLUE/ KRUSE	74.41
01.0151.1543.5952	SOUTHEAST CONSTRUCTION PRODUCTS,INC	12981	09/20/2023	CONCRETE MIX FOR POLE/ KRUSE	17.31
01.0151.1542.5952	SOUTHEAST CONSTRUCTION PRODUCTS,INC	12981	09/20/2023	DUCT TAPE& KNEE PADS	64.66
01.0151.1542.5952	SOUTHEAST CONSTRUCTION PRODUCTS,INC	12981	09/20/2023	CLEAN UP SUPPLIES/ KRUSE-NIGHT MARKET	133.68

01.0170.1760.5540	SOUTHEAST CONSTRUCTION PRODUCTS,INC	12981	09/20/2023	SAND/ FIRE DEPT	159.99
01.0151.1543.5952	SOUTHEAST CONSTRUCTION PRODUCTS,INC	12981	09/20/2023	EXT WAND 24	18.69
01.0151.1543.5952	SOUTHEAST CONSTRUCTION PRODUCTS,INC	12981	09/20/2023	CONCRETE SUPPLIES/ KRUSE	105.40
02.0170.1760.5540	SOUTHEAST CONSTRUCTION PRODUCTS,INC	12981	09/20/2023	SLURRY SEAL STOCK	652.22
01.0151.1543.5952	SOUTHEAST CONSTRUCTION PRODUCTS,INC	12981	09/20/2023	RAPID SET GROUT/ CONCRETE	34.45
01.0151.1543.5952	SOUTHEAST CONSTRUCTION PRODUCTS,INC	12981	09/20/2023	ASPHALT SLURRY SUPPLIES	127.67
01.0151.1543.5952	SOUTHEAST CONSTRUCTION PRODUCTS,INC	12981	09/20/2023	RAPID SET GROUT/ KRUSE	137.81
01.0151.1543.5952	SOUTHEAST CONSTRUCTION PRODUCTS,INC	12981	09/20/2023	ARTIFICIAL GRASS/ KRUSE NIGHT	3,058.56
01.0160.1610.5520	SOUTHEAST CONSTRUCTION PRODUCTS,INC	12981	09/20/2023	MASON DRILL BIT 3/8X10X12	19.29
01.0170.1770.5525	SOUTHERN TIRE MART LLC	12982	09/20/2023	#31 NEW TIRES & ALIGNMENT	1,051.63
02.0170.1760.5535	ST. FRANCIS ELECTRIC, LLC	12983	09/20/2023	DURFEE & 60 EAST/ CALLOUT	492.50
01.0151.1543.5952	STILO ROLAS, INC	12984	09/20/2023	10/5/23 DJ SVCS/ NIGHT MARKET	800.00
01.0170.1770.5525	STOTZ EQUIPMENT	12985	09/20/2023	GATOR FILTER KIT	147.52
14.0440.4410.6015	STUDIO SPECTRUM, INC.	12986	09/20/2023	CAMERA #4/ COUNCIL CHAMBERS	6,788.61
02.0170.1760.5540	SUNBELT RENTALS, INC.	12987	09/20/2023	CONCRETE CART & CONCRETE	357.55
06.0300.3010.5430	SUPERIOR WAREHOUSE GROCERS	12988	09/20/2023	TORTILLAS/ CI & CII NUTR PRGM	21.55
06.0300.3020.5430	SUPERIOR WAREHOUSE GROCERS	12988	09/20/2023	TORTILLAS/ CI & CII NUTR PRGM	2.39
06.0300.3010.5430	SUPERIOR WAREHOUSE GROCERS	12988	09/20/2023	BREAD/ CI & CII NUTR PRGM	20.09
06.0300.3020.5430	SUPERIOR WAREHOUSE GROCERS	12988	09/20/2023	BREAD/ CI & CII NUTR PGRM	2.23
06.0300.3010.5430	SUPERIOR WAREHOUSE GROCERS	12988	09/20/2023	BREAD/ CI & CII NUTR PRGM	25.11
06.0300.3020.5430	SUPERIOR WAREHOUSE GROCERS	12988	09/20/2023	BREAD/ CI & CII NUTR PRGM	2.79
06.0300.3010.5430	SUPERIOR WAREHOUSE GROCERS	12988	09/20/2023	BREAD & FROZEN MEALS/ CI & CII NUTR PGRM	100.52
06.0300.3020.5430	SUPERIOR WAREHOUSE GROCERS	12988	09/20/2023	BREAD & FROZEN MEALS/ CI & CII NUTR PGRM	76.87
06.0300.3010.5430	SUPERIOR WAREHOUSE GROCERS	12988	09/20/2023	MULTIGRAIN BREAD/ CI & CII NUTR PRGM	112.43
06.0300.3020.5430	SUPERIOR WAREHOUSE GROCERS	12988	09/20/2023	MULTIGRAIN BREAD/ CI & CII NUTR PRGM	12.49
01.0100.1040.5921	THE SAUCE CREATIVE SERVICES CORP.	12989	09/20/2023	SEPT'23 NEWSLETTER	6,299.41
01.0100.1020.5215	TOWNSEND PUBLIC AFFAIRS	12990	09/20/2023	SEPT'23 CONSULTING SVCS	6,750.00
01.0170.1105.5215	TRANSTECH ENGINEERING, INC.	12991	09/20/2023	JUNE'23 ENGINEERING SVCS	14,220.00
01.0170.1105.5215	TRANSTECH ENGINEERING, INC.	12991	09/20/2023	JUNE'23 PLAN CHECK SVCS	4,270.53
01.0170.1105.5215	TRANSTECH ENGINEERING, INC.	12991	09/20/2023	JUNE'23 PJT MGMT #295	2,684.00
01.0140.1440.5215	TRANSTECH ENGINEERING, INC.	12991	09/20/2023	JUNE'23 BLDG STAFF & INDIVIDUAL SVCS	4,200.00
01.0170.1105.5215	TRANSTECH ENGINEERING, INC.	12991	09/20/2023	JUNE'23 PJT MGMT #407/ MERCED GREENWAY	2,625.00
02.0170.1760.5260	TRANSTECH ENGINEERING, INC.	12991	09/20/2023	JUNE'23 TRAFFIC ENG SVCS/ STARLITE TRAFFIC	62.50
01.0170.1105.5215	TRANSTECH ENGINEERING, INC.	12991	09/20/2023	JUNE'23 PJT MGMT SVCS #294	4,576.00
68.0900.9080.5974	TRANSTECH ENGINEERING, INC.	12991	09/20/2023	JUNE'23 PJT MGMT #140	16,984.00
02.0170.1760.5260	TRANSTECH ENGINEERING, INC.	12991	09/20/2023	JUNE'23 TRAFFICE ENGINEER SVCS	375.00
01.0170.1105.5215	TRANSTECH ENGINEERING, INC.	12991	09/20/2023	JUNE'23 PJT MGMT SVCS #296	4,545.00
07.0190.1930.5968	TRANSTECH ENGINEERING, INC.	12991	09/20/2023	JUNE'23 PJT MGMT #628	19,241.25
38.0900.9000.5974	TRANSTECH ENGINEERING, INC.	12991	09/20/2023	JUNE'23 PJT MGMT #294	46.75
01.0170.1105.5215	TRANSTECH ENGINEERING, INC.	12991	09/20/2023	JUNE'23 SIDEWALK REHAN REVIEW	2,750.00
02.0170.1760.5260	TRANSTECH ENGINEERING, INC.	12991	09/20/2023	JUNE'23 TRAFFIC ENG SVCS/ DURFEE & SA	90.00
02.0170.1760.5260	TRANSTECH ENGINEERING, INC.	12991	09/20/2023	JUNE'23 TRAFFIC ENG SVCS	560.00
02.0170.1760.5260	TRANSTECH ENGINEERING, INC.	12991	09/20/2023	JUNE'23 TRAFFIC ENG SVCS/ 1442 CHICO	532.50
02.0170.1760.5260	TRANSTECH ENGINEERING, INC.	12991	09/20/2023	JUNE'23 TRAFFIC ENGINEER SVCS	437.50
02.0170.1760.5260	TRANSTECH ENGINEERING, INC.	12991	09/20/2023	JUNE'23 TRAFFIC ENG SVCS	562.50
02.0170.1760.5260	TRANSTECH ENGINEERING, INC.	12991	09/20/2023	JUNE'23 TRAFFIC ENG SVCS	1,642.50
02.0170.1760.5260	TRANSTECH ENGINEERING, INC.	12991	09/20/2023	JUNE'23 TRAFFIC ENG SVCS	187.50
01.0130.1310.5215	TRUSAIC	12992	09/20/2023	SEPT'23 ACA MONTHLY	1,040.40
01.0150.1540.6015	TYLER TECHNOLOGIES, INC	12993	09/20/2023	PARK & REC/ PRINTER & CC READER	2,289.22
01.0150.1540.6015	TYLER TECHNOLOGIES, INC	12993	09/20/2023	PARK & REC/ CC READER CREDIT	(763.22)
01.0150.1540.6015	TYLER TECHNOLOGIES, INC	12993	09/20/2023	PARKS & REC/ TRAINING SESSIONS	2,080.00
01.0170.1720.5420	UNISHIELD	12994	09/20/2023	FIRST AID SUPPLIES/ YARD	238.75
01.0160.1640.5420	UNISHIELD	12994	09/20/2023	FIRST AID SUPPLIES/ POOL	142.61
01.0160.1620.5420	UNISHIELD	12994	09/20/2023	FIRST AID SUPPLIES/ SCTR	106.56
01.0160.1650.5420	UNISHIELD	12994	09/20/2023	FIRST AID SUPPLIES/ NTP	220.67
01.0000.0000.4250	VACCO INDUSTRIES, INC.	12995	09/20/2023	BUILDING PERMIT RFND/ INCORRECT VALUATIONS	16,871.23
01.0000.0000.4250	VAUGHN ELECTRIC INC	12996	09/20/2023	BLD'G PERMIT REFUND/ COM-ELC-23-010	396.50

01.0000.0000.4554	VICTOR M. REYES PAEZ	12997	09/20/2023	8/19/23 DAMAGE DEPOSIT RFND/ MVD	50.00
01.0170.1710.5520	WAXIE SANITARY SUPPLY	12998	09/20/2023	JANITORIAL SUPPLIES	5,878.95
01.0170.1740.5435	WAXIE SANITARY SUPPLY	12998	09/20/2023	BLUE RAGS CITYWIDE	436.33
01.0170.1740.5435	WAXIE SANITARY SUPPLY	12998	09/20/2023	JANITORIAL SUPPLIES	3,126.52
02.0170.1760.5520	WHITTIER FERTILIZER	12999	09/20/2023	GORILLA HAIR/ DURFEE MEDIAN	396.90
02.0170.1760.5520	WHITTIER FERTILIZER	12999	09/20/2023	GORILLA HAIR/ DURFEE MEIDAN	360.00
01.0160.1660.5520	WHITTIER FERTILIZER	12999	09/20/2023	4LB SPORTS MIX	374.85
01.0160.1660.5520	WHITTIER FERTILIZER	12999	09/20/2023	8 YRDS-WASHED SAND/ SHIVELY	650.48
01.0160.1660.5520	WHITTIER FERTILIZER	12999	09/20/2023	2 YRDS-SPORTS MIX RE-SEED/ SHIVELY	187.43
01.0160.1660.5520	WHITTIER FERTILIZER	12999	09/20/2023	SAND/ SHIVELY WATER LINE PROJECT	390.29
01.0160.1660.5520	WHITTIER FERTILIZER	12999	09/20/2023	DOUBLE SCREEN TOP SOIL/ SHIVELY	308.70
01.0160.1660.5520	WHITTIER FERTILIZER	12999	09/20/2023	STEER & SPORTS FIELD SEED	421.38
01.0151.1543.5952	WHITTIER FERTILIZER	12999	09/20/2023	GORILLA HAIR/ KRUSE	158.76
01.0150.1530.5952	WINNER INTERNATIONAL INC.	13000	09/20/2023	9/13/23 PROM EVENT/ DECORATIONS	131.79
01.0150.1530.5952	WINNER INTERNATIONAL INC.	13000	09/20/2023	TABLE CLOTH/ MEXICAN INDEPENDENCE LUNCHEON	39.69
01.0150.1530.5952	WINNER INTERNATIONAL INC.	13000	09/20/2023	9/13 BALLOONS/ PROM EVENT	27.01
01.0150.1530.5952	WINNER INTERNATIONAL INC.	13000	09/20/2023	HELIUM REFILLS/ SENIOR SVCS SPECIAL EVENTS	352.80
01.0170.1760.5545	WINZER	13001	09/20/2023	GRAFFITI REMOVER	713.13
01.0170.1760.5545	WINZER	13001	09/20/2023	GRAFFITI REMOVER	950.83
01.0170.1760.5545	WINZER	13001	09/20/2023	2 CASES GRAFFITI BUSTER	439.04
01.0000.0000.2020	CALPERS RETIREMENT	DFT0001033	09/07/2023	PPE 9/2/23 RATE PLAN 23047	2,293.19
01.0000.0000.2020	CALPERS RETIREMENT	DFT0001033	09/07/2023	PPE 9/2/23 RATE PLAN 685	9,980.38
01.0000.0000.2020	CALPERS RETIREMENT	DFT0001033	09/07/2023	PPE 9/2/23 RATE PLAN 27216	14,352.56
01.0000.0000.2205	DEPARTMENT OF THE TREASURY	DFT0001034	09/08/2023	PPE 9/2/23 FEDERAL	18,993.73
01.0000.0000.2215	DEPARTMENT OF THE TREASURY	DFT0001034	09/08/2023	PPE 9/2/23 FICA	26,890.86
01.0000.0000.2215	DEPARTMENT OF THE TREASURY	DFT0001034	09/08/2023	PPE 9/2/23 MEDICARE	6,288.94
01.0000.0000.2030	EMPLOYMENT DEVELOPMENT DEPT.	DFT0001035	09/08/2023	PPE 9/2/23 UI TAX WTHD'G	297.26
01.0000.0000.2030	EMPLOYMENT DEVELOPMENT DEPT.	DFT0001035	09/08/2023	PPE 9/2/23 TNG WTHD'G	14.89
01.0000.0000.2210	EMPLOYMENT DEVELOPMENT DEPT.	DFT0001035	09/08/2023	PPE 9/2/23 STATE WTHD'G	6,055.98
01.0000.0000.2270	EXPERT PAY - STATE DISBURSEMENT UNIT	DFT0001036	09/08/2023	CASE 200000002135289	780.50
01.0000.0000.2270	EXPERT PAY - STATE DISBURSEMENT UNIT	DFT0001036	09/08/2023	CASE 1457313	402.50
01.0000.0000.2270	EXPERT PAY - STATE DISBURSEMENT UNIT	DFT0001036	09/08/2023	CASE 200000002163990	359.00
01.0000.0000.2270	EXPERT PAY - STATE DISBURSEMENT UNIT	DFT0001036	09/08/2023	CASE 0980438	150.00
01.0170.1730.5720	SAN GABRIEL VALLEY WATER	DFT0001037	09/06/2023	7/25-8/22/23 1450 LIDCOMBE	313.90
01.0170.1730.5720	SAN GABRIEL VALLEY WATER	DFT0001038	09/06/2023	7/25-8/22/23 1556 IRRG CENTRAL	397.29
01.0170.1730.5720	SAN GABRIEL VALLEY WATER	DFT0001039	09/06/2023	7/25-8/22/23 1415 IRRG SANTA ANITA	715.28
01.0170.1730.5720	SAN GABRIEL VALLEY WATER	DFT0001040	09/06/2023	7/25-8/22/23 1341 ISLAND/ SANTA ANITA	50.63
01.0170.1730.5720	SAN GABRIEL VALLEY WATER	DFT0001041	09/06/2023	7/25-8/22/23 1530 IRRG CENTRAL	401.16
01.0170.1730.5720	SAN GABRIEL VALLEY WATER	DFT0001042	09/06/2023	7/25-8/22/23 1500 CENTRAL	657.11
01.0170.1730.5720	SAN GABRIEL VALLEY WATER	DFT0001043	09/06/2023	7/25-8/22/23 1819 CENTRAL	944.08
01.0170.1730.5720	SAN GABRIEL VALLEY WATER	DFT0001044	09/06/2023	7/25-8/22/23 1450 LIDCOMBE	5,503.15
01.0170.1730.5720	SAN GABRIEL VALLEY WATER	DFT0001045	09/06/2023	7/25-8/22/23 1402 IRR LERMA	3,693.59
02.0170.1760.5966	US BANK VOYAGER FLEET SYS	DFT0001046	09/11/2023	7/24-8/24/23 FUEL-CITY TRANSPORTATION	7,489.13
01.0000.0000.2224	WASHINGTON NATIONAL INSURANCE CO	DFT0001047	09/07/2023	SEPT'23 SUPPLEMENTAL LIFE	1,050.61
01.0151.1543.5952	HOME DEPOT CREDIT SERVICES	DFT0001048	08/28/2023	SPECIAL EVENT SUPPLIES	122.33
01.0151.1544.5430	HOME DEPOT CREDIT SERVICES	DFT0001048	08/28/2023	4TH OF JULY SUPPLIES	172.88
01.0160.1610.5520	HOME DEPOT CREDIT SERVICES	DFT0001048	08/28/2023	WHEELBARROW- CONCRETE	492.82
01.0160.1610.5520	HOME DEPOT CREDIT SERVICES	DFT0001048	08/28/2023	GLUE/ GYM FLOOR- CCTR	19.14
01.0160.1610.5520	HOME DEPOT CREDIT SERVICES	DFT0001048	08/28/2023	BOXING GYM DOOR SUPPLIES	57.61
01.0160.1610.5520	HOME DEPOT CREDIT SERVICES	DFT0001048	08/28/2023	A/C THERMOMETER	19.04
01.0160.1620.5520	HOME DEPOT CREDIT SERVICES	DFT0001048	08/28/2023	PLANTET & FUMIGATION/ PLANTS	198.32
01.0160.1630.5520	HOME DEPOT CREDIT SERVICES	DFT0001048	08/28/2023	FAUCET/ MCTR	246.78
01.0160.1630.5520	HOME DEPOT CREDIT SERVICES	DFT0001048	08/28/2023	BROKEN WINDOW REPAIR SUPP	47.32
01.0160.1640.5520	HOME DEPOT CREDIT SERVICES	DFT0001048	08/28/2023	LIFEGUARD CHAIRS/ PAINT SUPP- AQUA CTR	29.68
01.0160.1640.5520	HOME DEPOT CREDIT SERVICES	DFT0001048	08/28/2023	CHLORIN/ POOL	412.89
01.0160.1640.5520	HOME DEPOT CREDIT SERVICES	DFT0001048	08/28/2023	COOLING HAT/ POOL	27.54
01.0160.1640.5520	HOME DEPOT CREDIT SERVICES	DFT0001048	08/28/2023	FLOOR SQUEGEE/ POOL DECK	118.97

01.0160.1650.5520	HOME DEPOT CREDIT SERVICES	DFT0001048	08/28/2023	REFLECTORS/ NTP GATE PARKING LOT	20.84
01.0160.1650.5520	HOME DEPOT CREDIT SERVICES	DFT0001048	08/28/2023	OUTLET SUPPLIES/ SNACK BARS- NTP	74.11
01.0160.1660.5520	HOME DEPOT CREDIT SERVICES	DFT0001048	08/28/2023	JETS SNACK BAR/ KEYS- SHIVELY	8.75
01.0170.1710.5520	HOME DEPOT CREDIT SERVICES	DFT0001048	08/28/2023	PAINTING SUPP/ PUBLIC SFTY CTR	95.48
01.0170.1710.5520	HOME DEPOT CREDIT SERVICES	DFT0001048	08/28/2023	PLANTS/ CHALL	104.67
01.0170.1710.5520	HOME DEPOT CREDIT SERVICES	DFT0001048	08/28/2023	WATER FOUNTAIN REPAIR SUPP/ CHALL	113.51
01.0170.1710.5520	HOME DEPOT CREDIT SERVICES	DFT0001048	08/28/2023	PAINT SUPP/ PUBLIC SFTY CTR	667.95
01.0170.1710.5520	HOME DEPOT CREDIT SERVICES	DFT0001048	08/28/2023	PAINT SUPP/ PUBLIC SFTY CTR	176.30
01.0170.1710.5520	HOME DEPOT CREDIT SERVICES	DFT0001048	08/28/2023	INSECT KILLER SPRAY	15.37
01.0170.1710.5520	HOME DEPOT CREDIT SERVICES	DFT0001048	08/28/2023	PLANTS/ CHALL	39.56
01.0170.1720.5520	HOME DEPOT CREDIT SERVICES	DFT0001048	08/28/2023	SCREWS/ CITY YARD	124.06
01.0170.1720.5520	HOME DEPOT CREDIT SERVICES	DFT0001048	08/28/2023	CITY YARD GATE BUTTON	12.66
01.0170.1750.5962	HOME DEPOT CREDIT SERVICES	DFT0001048	08/28/2023	SMALL TOOLS/ LANDSCAPE	77.99
01.0170.1760.5540	HOME DEPOT CREDIT SERVICES	DFT0001048	08/28/2023	CAUTION TAPE	95.75
01.0170.1760.5540	HOME DEPOT CREDIT SERVICES	DFT0001048	08/28/2023	SUPPLIES/ FLAG POLES	197.57
01.0170.1760.5540	HOME DEPOT CREDIT SERVICES	DFT0001048	08/28/2023	WATER HOSE/ CHALL	27.54
02.0170.1760.5540	HOME DEPOT CREDIT SERVICES	DFT0001048	08/28/2023	OIL ABSORBER/ CHICO OIL SPILL	76.95
49.0490.4950.5994	PROVIDENT TITLE COMPANY	DFT0001049	08/10/2023	CALHOME BORROWER LOAN PAYMENT	68,000.00
02.0170.1760.5550	ATHENS SERVICES	DFT0001050	09/15/2023	SEPT'23 SWEEPER SVCS	6,140.00
01.0000.0000.2215	DEPARTMENT OF THE TREASURY	DFT0001051	09/15/2023	PPE 09/16/23 MEDICARE	13.26
01.0000.0000.2215	DEPARTMENT OF THE TREASURY	DFT0001051	09/15/2023	PPE 09/16/23 FEDERAL	56.70
01.0000.0000.2215	DEPARTMENT OF THE TREASURY	DFT0001052	09/15/2023	PPE 09/16/23 MEDICARE	10.34
01.0000.0000.2215	DEPARTMENT OF THE TREASURY	DFT0001052	09/15/2023	PPE 09/16/23 FICA	44.20
01.0000.0000.2030	EMPLOYMENT DEVELOPMENT DEPT.	DFT0001053	09/15/2023	PPE 09/16/23 UI TAX WTHD'G	9.15
01.0000.0000.2030	EMPLOYMENT DEVELOPMENT DEPT.	DFT0001053	09/15/2023	PPE 09/16/23 TNG WTHD'G	0.46
01.0170.1770.5950	JCB FINANCE, PROG. BANK OF THE WEST	DFT0001054	09/18/2023	SEPT'23 TRACTOR LEASE	1,694.67
01.0170.1730.5720	SAN GABRIEL VALLEY WATER	DFT0001055	09/15/2023	9/1-10/1/23 1900 N CENTRAL	108.44
01.0170.1730.5720	SAN GABRIEL VALLEY WATER	DFT0001056	09/15/2023	9/1-10/1/23 1415 N SANTA ANITA	72.79
02.0170.1760.5725	SOUTHERN CALIFORNIA EDISON	DFT0001057	09/13/2023	8/1-8/31/23 STREET LIGHTS	3,746.81
01.0170.1730.5710	SOUTHERN CALIFORNIA EDISON	DFT0001058	09/13/2023	8/1-8/31/23 2028 CENTRAL AVE	290.97
01.0170.1730.5710	SOUTHERN CALIFORNIA EDISON	DFT0001059	09/13/2023	8/29-9/7/23 1459 SANTA ANITA	190.22
02.0170.1760.5725	SOUTHERN CALIFORNIA EDISON	DFT0001060	09/13/2023	8/1-8/31/23 STREET LIGHTS	5,442.70
Grand Total					612,213.43

Authorization Signatures


For Rene Salas, City Manager



City Council Agenda Report

Agenda Item No. 7.c.

DATE: September 26, 2023

TO: Honorable Mayor and Members of the City Council

APPROVED BY: Rene Salas, City Manager

SUBMITTED BY: City Attorney

SUBJECT: ADOPTION OF ORDINANCE NO. 1268, AMENDING CHAPTER 5.26 OF TITLE 5 OF THE SOUTH EL MONTE MUNICIPAL CODE THEREBY AMENDING THE CITY'S CANNABIS REGULATIONS IN RELATION TO APPLICATION SELECTION CRITERIA, MAKE CLARIFICATION CHANGES, AND MAKE SUCH OTHER CHANGES IN ORDER TO IMPROVE THE ADMINISTRATION THEREOF

SUMMARY: Adoption of an ordinance amending Chapter 5.26 of Title 5 of the South El Monte Municipal Code thereby amending the City's cannabis regulations in order to change application selection criteria, make clarification changes, and make such other changes in order to improve the administration thereof.

RECOMMENDED ACTION: Staff recommends City Council: Waive second reading and adopt Ordinance No.1268, amending Chapter 5.26 of Title 5 of the South El Monte Municipal Code thereby updating and amending the City's cannabis regulations in order to amend application selection criteria, make clarification changes, and make such other changes in order to improve the administration thereof.

FISCAL/FINANCIAL IMPACT: The City does not expect any fiscal impact from this ordinance as currently there are no permitted cannabis retailers within the City. Staff will monitor the regulatory environment as it develops, and inform City Council of any fiscal impact when it can be reasonably estimated.

DISCUSSION: On September 12, 2023 the City Council of South El Monte introduced Ordinance 1268. See attached staff report regarding the first reading. Consistent with the City Council's direction at the meeting September 12, 2023, this item is now before the Council for approval.

ATTACHMENT(S):

- A. Ordinance No. 1268 re Cannabis Regulation
- B. Exhibit A to Ordinance No. 1268 - Cannabis Ordinance Amendment

- C. Ordinance No. 1260
- D. Agenda Item re Ord 1268 re Cannibus

ATTACHMENT A

ORDINANCE NO. 1268

AN ORDINANCE OF THE SOUTH EL MONTE CITY COUNCIL AMENDING CHAPTER 5.26 OF TITLE 5 OF THE SOUTH EL MONTE MUNICIPAL CODE THEREBY AMENDING THE CITY'S CANNABIS REGULATIONS IN RELATION TO APPLICATION SELECTION CRITERIA, MAKE CLARIFICATION CHANGES, AND MAKE SUCH OTHER CHANGES IN ORDER TO IMPROVE THE ADMINISTRATION THEREOF

WHEREAS, on November 8, 2022, the voters of the City of South El Monte adopted Ordinance No. 1260, which added Chapter 5.26 to Title 5 of the South El Monte Municipal Code ("SEMMC") and which authorized and taxes certain cannabis businesses within the City of South El Monte ("City"); and

WHEREAS, Section 14 of Ordinance No. 1260 and SEMMC Section 5.26.250 permit the City Council to amend the voter-approved cannabis regulations, provided that such amendments do not increase the adopted tax rate and, further, do not amend SEMMC Section 5.26.060; and

WHEREAS, by adoption of this Ordinance, the City Council does not intend to amend Chapter 5.26 of Title 5 of the SEMMC in manner that violates Section 14 of Ordinance No. 1260 and SEMMC Section 5.26.250; and

WHEREAS, the City Council desires to amend its cannabis business regulations provided in Chapter 5.26 of Title 5 of the SEMMC ("Chapter 5.26") so that the City is better able to administer thereof.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH EL MONTE DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Recitals. The recitals set forth above are incorporated herein by this reference.

SECTION 2. CEQA. The City Council finds that the amended ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to CEQA Regulations 15060(c)(3) and 15061(b)(3). Section 15060(c)(3) of the CEQA Guidelines, excludes from CEQA review, those activities that are not "projects" within the meaning of Section 15378 of the California Code of regulations. The amendment to the ordinance does not increase the number of cannabis businesses and it does not change any building regulations or requirements that could be an environmental impact. In addition, CEQA Guidelines Section 15061(b)(3) includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The amended ordinance makes changes to the City's cannabis regulations in order to improve the administration of the City's cannabis regulations and cannabis businesses. As such, it can be seen with a certainty that there will be no impact upon the environment due to the approval of the amended ordinance. Furthermore, the adoption of the amended ordinance is exempt from CEQA because the creation of a government funding mechanism which does not involve any commitment

to any specific project is not a "project" under CEQA pursuant to Public Resources Code Section 21080 and CEQA Guideline 15378(b)(4).

SECTION 3. Amendment to Chapter 5.26. Chapter 5.26 is hereby amended in its entirety as provided in Exhibit A of this Ordinance (For the purposes of Exhibit A, ~~strikethroughs~~ represent deletions and double underline represent additions).

SECTION 4. Severability. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or any part thereof is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsection, subdivision, paragraph, sentence, clause or phrase would be subsequently declared invalid or unconstitutional.

SECTION 5. Certification and publication. The ordinance shall take effect on January 1, 2023 and within (5) days after its passage, the City Clerk of the City of El Monte shall certify to the passage and adoption of this ordinance and to its approval by the Mayor and City Council and the Building Official shall cause the same to be filed with the California Building Standards Commission. And within (15) days after its passage, the City Clerk shall certify to the adoption of this ordinance and shall cause a summary of same to be published once in a newspaper of general circulation within the City of South El Monte.

PASSED, APPROVED, AND ADOPTED this __ day of __ 2023.

Gloria Olmos, Mayor

ATTEST:

Donna G. Schwartz, City Clerk

APPROVED AS TO FORM:

Anthony R. Taylor, City Attorney

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF SOUTH EL MONTE)

I, Donna G. Schwartz, City Clerk of the City of South El Monte, do hereby certify that the foregoing ordinance, being Ordinance No. 1268 was passed and approved by the City Council of the City of South El Monte at a regular meeting of said Council held on the ____ day of ___, 2023 by the following vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Donna G. Schwartz, City Clerk

EXHIBIT A – AMENDMENTS TO CHAPTER 5.25

PAGE 1 OF 37

Chapter 5.26 COMMERCIAL CANNABIS OPERATIONS REGULATORY PROGRAM**5.26.010 Purpose and intent.**

A. The purpose of this chapter is to establish a comprehensive set of regulations with an attendant regulatory permit applicable to the operation of certain types of commercial cannabis operations, while simultaneously establishing an express prohibition on certain other types of commercial cannabis operations.

B. The regulations for, and prohibitions on, specific types of commercial cannabis operations are enacted to preserve the public health, safety, and welfare of the residents and visitors of the city, consistent with the state's Compassionate Use Act of 1996, Medical Marijuana Program Act of 2003, Adult Use of Marijuana Act of 2016 MAUCRSA, and all applicable state laws governing commercial cannabis operations.

C. The issuance of a commercial cannabis operation permit shall constitute a revocable privilege and shall not create or establish any vested rights for the development or use of a property.

D. This chapter and any administrative regulations adopted pursuant to this chapter shall be known as the "commercial cannabis operations regulatory program" or the "program."

5.26.020 Commercial cannabis operation prohibited without city commercial cannabis operation permit.

It is unlawful to own, establish, operate, use, or permit the establishment or activity of a commercial cannabis operation, or to participate in commercial cannabis operations as an employee, contractor, agent, volunteer, or in any manner or capacity, other than as provided in this chapter and pursuant to both a current and valid city commercial cannabis operation permit, as well as the equivalent state license for such commercial cannabis operation as provided for by Section 26050 of the State Business and Professions Code, and as amended from time to time. The prohibition contained in this section shall include renting, leasing, or otherwise permitting a commercial cannabis operation to occupy or use a location, vehicle, or other mode of transportation.

5.26.030 Definitions.

As used in this chapter, the following words and phrases shall have the following meanings. Words and phrases not specifically defined below shall have the meanings ascribed to them elsewhere in this Code or shall otherwise be defined by common usage. For definitions of nouns, the singular shall also include the plural; for definitions of verbs, all verb conjugations shall be included. Any reference to state statutes includes any regulations promulgated thereunder and is deemed to include any successor or amended version of the referenced statute or regulatory provision.

"Adult use" (i.e., "recreational" or "non-medical") refers to activity involving cannabis or cannabis products, which is restricted to adults twenty-one years of age and older and who do not possess a physician's recommendation, in contrast to an activity involving medical cannabis or medical cannabis products.

“Alcohol or drug treatment facility” shall have the same definition as “alcoholism or drug abuse recovery or treatment facility” as defined in Section 11834.02(a) of the State Health and Safety Code, which currently defines the term as “any premises, place, or building that provides residential nonmedical services to adults who are recovering from problems related to alcohol, drug, or alcohol and drug misuse or abuse, and who need alcohol, drug, or alcohol and drug recovery treatment or detoxification services.” Further, “alcohol or drug treatment facility” shall also include such a facility that provides treatment for minors to the extent permitted by law.

“Applicant” means a person who files an application for a commercial cannabis operation permit under this chapter (and shall not include the owners or the managers of the applicant).

“Cannabis” means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “Cannabis” also means the separated resin, whether crude or purified, obtained from cannabis. “Cannabis” does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination.

“Cannabis concentrate” means cannabis that has undergone a process to concentrate one or more active cannabinoids, thereby increasing the product’s potency. Resin from granular trichomes from a cannabis plant is a concentrate for purposes of this chapter. A cannabis concentrate is not considered food, as defined by Section 109935 of the Health and Safety Code, or a drug, as defined by Section 109925 of the Health and Safety Code.

“Cannabis products” means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.

“City” means the city of South El Monte, state of California.

“City attorney” means the city of South El Monte city attorney, and includes his or her designee(s).

“City council” means the city council of the city of South El Monte.

“City manager” means the city of South El Monte city manager, and includes his or her designee(s).

“Code” means the city of South El Monte Municipal Code, as may be amended.

“Commercial cannabis operation” includes the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery, or sale (including retail and wholesale, and including medical-only and adult-use sales) of cannabis and cannabis products; except, as applicable, the activities provided in Section 5.26.220(A) or as preempted by state law.

“Commercial cannabis operation permit” shall mean a city permit issued pursuant to the procedures provided for in this chapter allowing the permit holder to operate a specific type of commercial cannabis operation in the city subject to the requirements of this chapter, state law, and the specific permit.

“County” means the county of Los Angeles, state of California.

“Cultivation” means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.

“Customer” means a natural person twenty-one years of age or over or a natural person eighteen years of age that is a qualified patient or primary caregiver.

“Day care center” means, a facility other than a family day care home, infant centers, toddler, preschool, and school age children licensed by the State Department of Social Services pursuant to Section 1596.951 of the State Health and Safety Code. Pursuant to the authority delegated by the state to the city under Section 26054(b) of the State Business and Professions Code, this definition of “day care center” under this chapter shall override the definition of “day care center” in MAUCRSA at Section 26001 of the State Business and Professions Code.

“Delivery” means the commercial transfer of cannabis or cannabis products to a customer, and includes the use of any technology platform owned and controlled by the same person making such use.

“Director” means the city of South El Monte community development director, and includes his or her designee(s).

“Distribution” means the procurement, sale, and transport of cannabis and cannabis products between entities licensed for and/or engaged in commercial cannabis operations under state law.

“Distributor” means a person engaged in distribution.

“Edible” means cannabis product that is intended to be used, in whole or in part, for human consumption, including, but not limited to, chewing gum, but excluding products set forth in Division 15 (commencing with Section 32501) of the Food and Agricultural Code. An edible cannabis product is not considered food, as defined by Section 109935 of the State Health and Safety Code, or a drug, as defined by Section 109925 of the State Health and Safety Code.

“Employee” means any person (whether paid or unpaid) who provides regular labor or regular services for a commercial cannabis operation, including, but not limited to, at the location of a commercial cannabis operation. The term “employee” includes managers and owners as used in this chapter.

“Extraction” means the process of obtaining cannabis concentrates from cannabis plants, including, but not limited to, through the use of solvents like butane, alcohol or carbon dioxide.

“Finance director” means the city of South El Monte finance director, and includes his or her designee(s).

“Fire chief” means the Los Angeles County fire department chief, and includes his or her designee(s).

“Gross receipts” means, except as otherwise specifically provided herein, whether designated as a sales price, royalty, rent, commission, dividend, or other designation, the total amount (including all receipts, cash, credits, and property of any kind or nature) received or payable for sales of goods, wares, or merchandise without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor, or service costs, interest paid or payable, losses, or any other expense whatsoever. However, the following shall be excluded from gross receipts:

1. Cash discounts where allowed and taken on sales;
2. Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;
3. Such part of the sale price of any property returned by purchasers to the seller as refunded by the seller by way of cash or credit allowances or return of refundable deposits previously included in gross receipts;
4. Receipts derived from the occasional sale of used, obsolete, or surplus trade fixtures, machinery, or other equipment used by the taxpayer in the regular course of the taxpayer’s business;
5. Cash value of sales, trades, or transactions between departments or units of the same business;
6. Whenever there are included within the gross receipts amounts which reflect sales for which credit is extended and such amount proved uncollectible in a given year, those amounts may be excluded from the gross receipts in the year they prove to be uncollectible; provided, however, if the whole or portion of such amounts excluded as uncollectible are subsequently collected, they shall be included in the amount of gross receipts for the period when they are recovered;
7. Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded when in excess of one dollar; and
8. Any proceeds resulting from a transfer or change of ownership or control in the business.

“Identification card” has the same definition as provided for in Section 11362.7(g) of the State Health and Safety Code, and as may be amended, defined as “a document issued by the [State Department of Health Services] that identifies a person authorized to engage in the medical use of cannabis and the person’s designated primary caregiver, if any.”

“Labeling” means any label or other written, printed, or graphic matter upon cannabis or a cannabis product, upon its container or wrapper, or that accompanies any cannabis or cannabis product.

“Labor peace agreement” means an agreement between a cannabis retailer and any bona fide labor

organization that, at a minimum, protects the city’s proprietary interests by prohibiting labor organizations and members from engaging in picketing, work stoppages, boycotts, and any other economic interference with a cannabis retailer. This agreement means that the cannabis retailer has agreed not to disrupt efforts by the bona fide labor organization to communicate with, and attempt to organize and represent, the cannabis retailer’s employees. The agreement shall provide a bona fide labor organization access at reasonable times to areas in which the cannabis retailer’s employees work, for the purpose of meeting with employees to discuss their right to representation, employment rights under state law, and terms and conditions of employment.

“Liquid assets” means assets that can be readily converted into cash. “Liquid assets” include, but are not limited to, the following: funds in checking or savings accounts, certificates of deposit, money market accounts, mutual fund shares, publicly traded stocks, and United States savings bonds. “Liquid assets” does not mean household items, furniture and equipment, vehicles, cannabis or cannabis products, business inventory, or real property and improvements thereto.

“Location” means any parcel of land, whether vacant or occupied by a building, group of buildings, or accessory buildings, and includes the buildings, structures, yards, open spaces, lot width, and lot area.

“Lighting” means the act of illuminating as well as the effect achieved by the arrangement of lights.

“LiveScan” means a system for inkless electronic fingerprinting and the automated background check developed by the California Department of Justice (“DOJ”) that involves digitizing fingerprints and electronically transmitting the fingerprint image data along with personal descriptor information to computers at the DOJ for completion of a criminal record check; or such other comparable inkless electronic fingerprinting and automated background check process as determined by the city council.

“Manager” means an employee responsible for management and/or supervision of a commercial cannabis operation, including, but not limited to, any: (1) manager or managing member or other officer of a limited liability company; or (2) president, chief executive officer, secretary, treasurer, chief financial officer, or other officer of a for profit corporation.

“Manufacture” or “manufacturing” means to compound, blend, extract, infuse, or otherwise make or prepare a cannabis product; includes the activities of a manufacturer.

“Manufacturer” means a person that conducts the production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container; includes the activity of manufacturing.

“Marijuana” has the same definition as provided for “cannabis” in this chapter.

“MAUCRSA” means the State Medicinal and Adult-Use Cannabis Regulation and Safety Act, codified at Section 11018 et seq., of the State Health and Safety Code, Section 26001 et seq., of

the State Business and Professions Code, Section 34010 of the State Revenue and Tax Code, and Section 81000 et seq., of the State Food and Agriculture Department Code, as may hereinafter be amended.

“Medical” refers to activity involving medical cannabis or medical cannabis products, in contrast to an activity involving adult-use cannabis or adult-use cannabis products.

“Medical cannabis” or “medical cannabis product” means cannabis or a cannabis product used in compliance with state law for medical purposes, pursuant to the Compassionate Use Act (Section 11362.5 of the State Health and Safety Code), the Medical Marijuana Program Act (Section 113262.7 et seq., of the State Health and Safety Code), and the MAUCRSA.

“Microbusiness” shall have the same definition as provided for in Section 26070 of the State Business and Professions Code, and as may be amended.

“Minor” means a person under twenty-one years of age.

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

“Operations officer(s)” shall refer to the director, the fire chief, the police chief, the finance director and the city manager, individually or collectively.

“Owner” means any of the following:

1. A person owning in the aggregate equity interests representing ten percent or more of the voting power of all outstanding equity in the applicant or a commercial permittee;
2. The president, chief executive officer, secretary, treasurer, or chief financial officer of a nonprofit applicant or permittee; or
3. A member of the board of directors of a nonprofit applicant or permittee.

Notwithstanding the above, every applicant and permittee must have at least one individual person designated as an “owner” for the purpose of compliance with this chapter, including the review and evaluation of any commercial cannabis operation permit application.

“Package” means any container or receptacle used for holding cannabis or cannabis products.

“Packaging” or “packages” means an activity involved with placing cannabis or cannabis products in a package.

“Park” means public land which has been designated for park or recreational activities, including, but not limited to, a park, playground, nature trails, swimming pool, athletic field, basketball court, tennis court, pedestrian or bicycle paths, beaches, open space, or similar public land within the city or which is under the control, operation or management of the city recreation and parks department. “Park” shall not include any youth center.

“Permittee” means a person issued a commercial cannabis operation permit by the city.

“Person” means any individual, firm, co-partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit.

“Person with an identification card” has the same definition as provided for in Section 11362.7(c) of the State Health and Safety Code, and as may be amended, defined as “an individual who is a qualified patient who has applied for and received a valid identification card pursuant to this article.”

“Physician’s recommendation” means a determination from a physician that a patient’s medical cannabis use is deemed appropriate and is recommended by the physician on the basis of the physician has determined that the patient’s health would benefit from the use of cannabis in the treatment of cancer, anorexia, AIDS, chronic pain, spasticity, glaucoma, arthritis, migraine, or any other illness for which cannabis provides relief, in strict accordance with Section 11362.5 of the State Health and Safety Code.

“Police chief” means the Los Angeles County sheriff, and includes his or her designee(s).

“Police department” means the Los Angeles County sheriff’s department.

“Premises” means the designated structure or structures and land specified in a commercial cannabis operation permit application that is owned, leased, or otherwise held under the control of the applicant or permittee where commercial cannabis operation will be or is conducted. The premises shall be a contiguous area and shall only be occupied by one permittee.

“Primary caregiver” has the same definition as provided for in Section 11362.7(d) of the State Health and Safety Code, and as may be amended, defined as “the individual, designated by a qualified patient or by a person with an identification card, who has consistently assumed responsibility for the housing, health, or safety of that patient or person.” A “primary caregiver” shall also meet the requirements of Section 11362.7(e) of the State Health and Safety Code, and as may be amended, which provide that a “primary caregiver shall be at least eighteen years of age, unless the primary caregiver is the parent of a minor child who is a qualified patient or a person with an identification card or the primary caregiver is a person otherwise entitled to make medical decisions under state law pursuant to Section 6922, 7002, 7050, or 7120 of the Family Code.”

“Qualified patient” has the same definition as provided for in Section 11362.7(f) of the State Health and Safety Code, and as may be amended, defined as “a person who is entitled to the protections of Section 11362.5, but who does not have an identification card issued pursuant to this article.”

“Religious institution” means any church, synagogue, mosque, temple, or building which is used primarily for religious worship, religious education, and related religious activities.

“Residentially zoned property” means any parcel of land located within the city zoned: R-1 (single-family residential zone), R-2 (multiple residential zone), or R-3 (multiple residential zone).

“Retailer” means a person engaged in the retail sale or delivery of cannabis or cannabis products to a customer. “Retailer” includes “retailer (medical-only)” and “retailer (medical/adult use).” “Retailer (medical-only)” refers to a retailer which is restricted by the terms of its commercial cannabis operation permit to engaging in the retail sale or delivery of medical cannabis or cannabis products as stated in Section 5.26.120(A). “Retailer (medical/adult-use)” refers to a retailer which is not so restricted by the terms of its commercial cannabis operation permit, and which accordingly may engage in the retail sale or delivery of medical or adult-use cannabis or cannabis products to a customer.

“Retail sale(s)” means any commercial cannabis operation involving the retail sale of cannabis or cannabis products from a retailer.

“Sale(s)” means any sale, exchange, or barter or other transaction for any consideration.

“School” means as evidenced by the State Department of Education school directory, a public school instructing children in grades kindergarten through grade 12, as authorized by the State Department of Education or a private school instructing children in grades kindergarten through grade 12 that has filed a verification of private school affidavit with the State Department of Education pursuant to Section 33190 of the State Education Code, excluding any private school in which education is primarily conducted in a private home. Pursuant to the authority delegated by the state to the city under Section 26054(b) of the State Business and Professions Code, this definition of “school” under this chapter shall override the definition of “school” used in MAUCRSA or Section 11362.768 of the State Health and Safety Code.

“Site” means the premises and actual physical location of a commercial cannabis operation, as well as its accessory structures and parking areas.

“State” means the state of California.

“Testing laboratory” or “testing” refers to a laboratory, facility, or entity that offers or performs tests on cannabis or cannabis products; includes the activity of laboratory testing.

“Youth center” means: (1) any public or private facility that is primarily used to host recreational or social activities for minors, such as private youth membership organizations or clubs, social service teenage club facilities; or (2) a park, playground, or recreational area specifically designed to be used by children that may have play equipment installed, including public grounds designed for athletic activities such as baseball, softball, soccer, or basketball or any facility located on a public or private school grounds, or on city, county, or parks. “Youth center” shall not include any private martial arts, yoga, ballet, music, or similar studio of this nature nor shall it include any private athletic training facility, pizza parlor, restaurant, video arcade, dentist office, or doctor’s office primarily serving children. Pursuant to the authority delegated by the state to the city under Section 26054(b) of the State Business and Professions Code, this definition of “youth center” under this chapter shall override the definition of “youth center” in MAUCRSA at Section 26001 of the State Business and Professions Code.

5.26.040 Prohibited commercial cannabis operations.

A. Commercial cannabis operations (including non-profit operations) within the city that involve the activities of non-storefront retailer (whether medical-only or medical/adult-use), cultivation, manufacturer, testing, distribution, or microbusiness are prohibited, including, but not limited to, commercial cannabis operations licensed by the state in the license classifications listed below as provided in Section 26050 of the State Business and Professions Code:

1. Type 1 = Cultivation; Specialty Outdoor; Small.
2. Type 1A = Cultivation; Specialty Indoor; Small.
3. Type 1B = Cultivation; Specialty Mixed Light; Small.
4. Type 1C = Cultivation; Specialty Cottage; Small.
5. Type 2 = Cultivation; Outdoor; Small.
6. Type 2A = Cultivation; Indoor; Small.
7. Type 2B = Cultivation; Mixed-light; Small.
8. Type 3 = Cultivation; Outdoor; Medium.
9. Type 3A = Cultivation; Indoor; Medium.
10. Type 3B = Cultivation; Mixed-Light; Medium.
11. Type 4 = Cultivation; Nursery.
12. Type 5 = Cultivation; Outdoor; Large.
13. Type 5A = Cultivation; Indoor; Large.
14. Type 5B = Cultivation; Mixed-Light; Large.
15. Type 6 = Manufacturer 1.
16. Type 7 = Manufacturer 2.
17. Type 8 = Testing.
18. Type 9 = Non-Storefront Retailer (Delivery Only).
19. Type 11 = Distributor.
20. Type 12 = Microbusiness.

B. The prohibition provided by above subsection A includes any similar activities authorized under new or revised state licenses, or any other state authorization, to allow any type, category or classification of cannabis commercial operations that involve the activities of non-storefront

retailer (Type 9, i.e., delivery only) (whether medical-only or medical/adult-use), cultivation, manufacturer, testing, distribution, microbusiness, or similar operations (including non-profit, collective or cooperative operations).

5.26.050 Permitted commercial cannabis operations.

A. Commercial cannabis operations (including non-profit operations) within the city which involve the activity of retailer (Type 10: medical-only and medical/adult-use) are allowed subject to issuance and maintenance of a valid and current city commercial cannabis operation permit, continuing adherence to this entire chapter and all applicable city and state regulations and laws, and issuance and maintenance of a valid and current equivalent state license type listed below, as provided for in Section 26050 of the State Business and Professions Code:

1. Type 10 = Retailer (Medical-Only; Medical/Adult-Use).

B. The requirements provided by above subsection A apply to any similar activities authorized under new or revised state licenses, or any other state authorization, to allow any type, category or classification of cannabis commercial operations that involve the activity of retailer (medical-only and medical/adult-use) or similar operations (including non-profit, collective or cooperative operations).

5.26.060 Maximum number of commercial cannabis operation permits.

A. The number of commercial cannabis operation permits for retailer (medical/adult-use) commercial cannabis operations based within the city shall be no more than one.

B. Notwithstanding subsection A of this section, if the city council opts, in its sole discretion, to reinstitute the application procedure after the first year following the operative date of this chapter pursuant to Section 5.26.070(H), then two additional retailer (medical/adult-use) commercial cannabis operation permits may be issued such that the maximum number of commercial cannabis operation permits for retailer (medical/adult-use) commercial cannabis operations based within the city shall be increased to no more than three retailers (medical/adult-use).

C. The number of commercial cannabis operation permits for non-storefront retailer (delivery only) (whether medical-only or medical/adult-use) (including retailers or microbusinesses engaged in delivery) commercial cannabis operations based outside the city to engage in delivery within the city shall be zero. However, should a court of competent jurisdiction, as a judicial remedy, order the city council to increase the maximum number of commercial cannabis operation permits for non-storefront retailer (delivery only) (including retailers or microbusinesses engaged in delivery) commercial cannabis operations based outside the city to engage in delivery within the city, the number of commercial cannabis operation permits for non-storefront retailer (delivery only) (including retailers or microbusinesses engaged in delivery) commercial cannabis operations based outside the city to engage in delivery within the city shall be no more than two.

D. The maximum number of commercial cannabis operation permits issued for retailer

(including medical-only and medical/adult use retailer, individually and collectively) commercial cannabis operations based within the city or non-storefront retailer (delivery only) (including retailers or microbusinesses engaged in delivery) based outside the city may not be amended by the city council or regulations promulgated by the city manager pursuant to this chapter. However, the city council may and shall increase the maximum number of commercial cannabis operation permits issued for retailer commercial cannabis operations based within the city or non-storefront retailer (delivery only) (including retailers or microbusinesses engaged in delivery) based outside the city: (1) if ordered to do so by a court of competent jurisdiction as a judicial remedy; or (2) by a vote of the people of the city.

5.26.070 Commercial cannabis operation permit application procedure.

A. Following the effective date of this chapter, the city manager, pursuant to Section 5.26.140, shall, as a ministerial duty, make available the necessary forms, adopt any necessary application rules for the submission, intake, review, and approval of applications for retailer (medical-only and medical/adult-use) commercial cannabis operations up to the maximum number of commercial cannabis operation permits authorized in Section 5.26.060.

B. The city manager shall, as a ministerial duty, cease acceptance of commercial cannabis operation permit applications for retailer (medical-only and medical/adult-use) commercial cannabis operations thirty days after making available the necessary forms and adopting any necessary application rules for the submission, intake, review, and approval of commercial cannabis operation permit applications for retailer (medical-only and medical/adult-use) commercial cannabis operations.

C. Within thirty days of ceasing the acceptance of commercial cannabis operation permit applications for retailer (medical-only and medical/adult-use) commercial cannabis operations, the city manager shall, as a ministerial duty, review timely submitted commercial cannabis operation permit applications for retailer (medical-only and medical/adult-use) commercial cannabis operations for the following minimum requirements:

1. Payment of an application fee established by resolution of the city council ~~within forty-five days following the effective date of this chapter~~ to cover all costs incurred by the city in the application process;

2. Sufficient evidence of the legal right to use the proposed property for the proposed use, ~~to include~~ ing, without limitation, a lease, sublease, purchase agreement, assignment of purchase agreement, or lease or purchase option, in the name of the applicant, which may include nominal consideration and be contingent upon issuance of a commercial cannabis operation permit or other approvals. The city shall only consider one applicant per property address or county assessor's identification number. In the event that more than one applicant applies for a commercial cannabis operation permit application at a given property address or a given county assessor's identification number, the city manager shall, as a ministerial duty, only accept the commercial cannabis operation permit application with the earliest effective date for the evidence of the legal right to use the proposed property for the proposed use in the name of the applicant;

3. Sufficient evidence to demonstrate that the proposed property complies with the

location and zoning requirements in Section 5.26.120;

4. Proof that an owner or owners of the applicant with an aggregate ownership interest of fifty percent or more has served as an owner or owners with an aggregate ownership interest of fifty percent or more of six or more other retailer (medical-only or medical/adult-use) commercial cannabis operations by a city, county, or state since at least January 1, 2022;

5. Proof of funds showing that the applicant has access and control of over five hundred thousand dollars in liquid assets (which such liquid assets having been under possession for at least ninety days prior to the date of the application submission under this section), which may be shown via a binding legal agreement in the name of the applicant such as a promissory note so long as said legal agreement is accompanied by a proof of funds in the name of a party to the agreement that demonstrates access and control of over five hundred thousand dollars in liquid assets under possession for at least ninety days prior to the date of the application submission under this section. Applicants and permittees shall not be required to show that the applicant or permittee has access and control of over five hundred thousand dollars in liquid assets except on initial application pursuant to this Section 5.26.070, a change in location application pursuant to Section 5.26.100, or an ownership transfer application pursuant to Section 5.26.100;

6. For an applicant with two or more employees, proof of a labor peace agreement between a bona fide labor organization and the applicant (the applicant shall provide the city with a copy of the labor peace agreement that contains the signatures of the union representative and the cannabis business). For applicants with less than two employees who have not yet entered into a labor peace agreement, the applicant shall provide a notarized statement indicating that the applicant will enter into and abide by the terms of a labor peace agreement within thirty days after employing two employees;

7. A set of plans, including a site development plan, floor plan(s), building elevations (all four sides), and a conceptual landscape plan with the percentage of landscaping in the parking lot, setback areas, and tree size and species;

8. Colored interior and elevation renderings;

9. A completed background check application and receipt for each owner and manager of the applicant pursuant to Section 5.26.110(H);

10. The following application components: (a) qualifications of the applicant's owners and managers, (b) business and operations plan, (c) security plan, (d) safety plan, (e) neighborhood compatibility plan, (f) labor and employment plan, and (g) community benefits plan; and

11. Disclosure of whether the applicant is applying for a commercial cannabis operation permit as a retailer (medical-only) or retailer (medical/adult-use).

The city manager shall, as a ministerial duty, reject any commercial cannabis operation permit application that fails to meet the minimum requirements contained in this subsection C, and applicants shall not have the right to supplement or amend their commercial cannabis operation permit applications.

D. Within sixty days of completing the application review under subsection C above, the city manager shall, as a ministerial duty, review and score any complete applications pursuant to the following objective review criteria according to the following quantitative evaluation scale, with retailer (medical-only) applicants ranked only against other retailer (medical-only) applicants and retailer (medical/adult-use) applicants ranked only against other retailer (medical/adult-use) applicants unless otherwise provided by administrative regulations promulgated pursuant to Section 5.26.140:

1. Qualifications of the Applicant's Owners and Managers—Two Hundred Fifty Points. The people of the city find that a proven track-record of for retailer commercial cannabis operations that successfully generate tax revenue carries out the purpose and intent of the program and are, therefore, critical for an applicant to demonstrate the qualifications of the applicant's owners and managers. Accordingly, one hundred fifty of the two hundred fifty points awardable under this subsection shall only be awarded, as a ministerial duty, if an owner or owners of the applicant with an aggregate ownership interest of fifty percent or more is currently at the time of application submission under this section an owner or owners with an aggregate ownership interest of fifty percent or more of a single licensed and lawfully operating retailer commercial cannabis operations (excluding any non-retailer microbusiness, cultivation, manufacturing, distribution, or other non-retailer commercial cannabis operation components) that has generated at least five million dollars in gross receipts in a consecutive six-month period in the year immediately preceding the date of the application submission under this section, as demonstrated by tax payment receipts from, tax filings to, or tax returns filed with a city, county, or state.

The remaining one hundred of the two hundred fifty points awardable under this subsection shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

a. Up to fifty points—A description of the applicant's owner and manager qualifications detailing any special business or professional qualifications or licenses of the applicant's owner and manager that would add to the quality of services that the retailer commercial cannabis operation would provide, including in areas related to cannabis, such as legal, finance, business ownership/administration, waste management, real estate development, scientific, or healthcare or wellness fields.

b. Up to fifty points—Documentation that the applicant's owners and managers have experience operating retailer commercial cannabis operations in any jurisdiction where retailer commercial cannabis operations are permitted.

2. Plans, Renderings, and Overall Location—Fifty Points. The fifty points awardable under this subsection shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

a. Up to ten points—A premises diagram in accordance with Section 5006 of Division 42 of Title 16 of the State Code of Regulations.

b. Up to ten points—A site development plan that provides information on existing conditions and proposed improvements to the site and how it meets or will meet the development standards outlined in this Code. Information on existing conditions shall

include:

- i. Exterior photographs showing all sides of any existing structure(s);
 - ii. Photographs of existing parking areas, landscaping, trash enclosure, and signage;
 - iii. Information on existing use on the site, including the addresses, uses, and square footages;
 - iv. Photographs of the existing site if the site is vacant; and
 - v. Photographs of adjacent properties for context.
- c. Up to ten points—A floor plan showing information on the existing layout and proposed layout of the building interior.
- d. Up to ten points—Building elevations that provide information on existing conditions and proposed improvements.
- e. Up to five points—A conceptual landscape plan with the percentage of landscaping in the parking lot, setback areas, and tree size and species.
- f. Up to five points—Colored interior renderings and exterior elevation renderings (for both existing and/or proposed improvements).

3. Business and Operations Plan—One Hundred Points. The one hundred points awardable under this subsection shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

- a. Up to ten points—A written description of the total square footage of the facility with estimated square footage of proposed uses.
- b. Up to ten points—A schedule for beginning operations, including a narrative outlining any proposed construction improvements and a timeline for completion.
- c. Up to ten points—A budget for construction, operation, maintenance, compensation of employees, equipment costs, utility costs, and other operating costs.
- d. Up to five points—A description of the sources(s) of capital and use(s) of capital.
- e. Up to ten points—Pro forma financial statements for at least three years of operation.
- f. Up to five points—A description of the type of products to be sold and the estimated quantity and value of product(s) to be sold.

- g. Up to five points—A description of marketing procedures and tactics.
 - h. Up to ten points—A description of day-to-day operations that should acknowledge both state and local laws and should be consistent with industry best practices.
 - i. Up to five points—A description of hours of operation and opening procedures.
 - j. Up to ten points—A description of cash handling procedures.
 - k. Up to ten points—A description of inventory control procedures to include identification of point-of-sale systems, and track and trace software.
 - l. Up to ten points—A description of transportation, loading and unloading, distribution, or delivery procedures.
- 4. Security Plan—One Hundred Points. The one hundred points awardable under this subsection shall be awarded, as a ministerial duty, pursuant to the following objective criteria:
 - a. Up to twenty points—The security plan shall be prepared by a professional security consultant.
 - b. Up to ten points—A premises security diagram.
 - c. Up to fifty points—A description of access control, inventory control, cash handling, and other security procedures and security equipment demonstrating compliance with the security requirements under this chapter.
 - d. Up to ten points—A description of the intrusion alarm and monitoring system including the name and contact information for the monitoring company.
 - e. Up to ten points—A description of the services of on-site security guards to include the: (i) number of security guards; (ii) hours security guards will be on site; (iii) locations where security will be positioned; and (iv) security guard responsibilities.
- 5. Safety Plan—One Hundred Points. The one hundred points awardable under this subsection shall be awarded, as a ministerial duty, pursuant to the following objective criteria:
 - a. Up to twenty points—The safety plan shall be prepared by a professional fire prevention and suppression consultant.
 - b. Up to ten points—A premises safety diagram to include: (i) a description/illustration of evacuation routes; and (ii) location of fire extinguishers and other fire suppression equipment.
 - c. Up to fifty points—A description of safety procedures, training for emergency situations, and safety equipment demonstrating compliance with the safety

requirements under this chapter.

d. Up to ten points—Identify all gases, pesticides, and chemicals to be used and their storage locations.

e. Up to ten points—A description of the firm alarm and monitoring system including the name and contact information for the monitoring company.

6. Neighborhood Compatibility Plan—One Hundred Points. The one hundred points awardable under this subsection shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

a. Up to forty points—A “Good Neighbor Policy” that: (i) includes policies and measures in place to protect adjacent uses from any potential impacts (e.g., noise, light, odor, traffic, etc.) related to the proposed cannabis business; and (ii) describes how the cannabis business and its operating characteristics will be proactively managed so the business is not detrimental to the public health, safety, convenience, or welfare of persons residing, working, visiting, or recreating in the surrounding area and will not result in the creation of a nuisance.

b. Up to twenty points—A description of odor mitigation practices to include: (i) identifying potential sources of odor; (ii) a description of odor control devices and techniques employed to ensure that odors from cannabis are not detectable beyond the permitted premises; and (iii) all proposed staff odor training and system maintenance.

c. Up to twenty points—A description of a waste management plan that includes waste disposal locations within the proposed premises and the applicant’s security measures and methods of rendering waste unusable and unrecognizable.

d. Up to twenty points—A description of efforts at sustainability/environmental impact mitigation.

7. Community Benefits Plan—~~One Hundred Points~~ Three Hundred Fifty Points. The people of the city find that monetary donations to local non-profit organizations, financial support of city sponsored activities or organizations, in kind donations to the city or other charitable organizations, and economic incentives to the city carry out the purpose and intent of the program and are, therefore, critical for an applicant to demonstrate an effective community benefits plan. Accordingly, ~~fifty-two hundred~~ of the three hundred fifty ~~one hundred~~ points awardable under this subsection shall only be awarded if the applicant pledges to voluntarily provide a public benefit to a public use (or a combination thereof), which is defined as a direct financial contribution equal to two percent of projected gross receipts of the applicant to a public school located within the city, a public park located within the city, and/or a public or nonprofit community organization serving the city or its residents. Beyond the above and as a ministerial duty, no further direct financial contributions shall be considered as part of an applicant’s community benefits plan.

The remaining ~~fifty-one hundred fifty~~ of the three hundred fifty ~~one hundred~~ points awardable under this subsection shall be awarded, as a ministerial duty, pursuant to the following objective

criteria:

a. Up to ~~twenty-five~~fifty points—A description of a social responsibility plan to include identification of a community liaison, plans to serve as a social equity business incubator, plans to aide and participate in the work of local non-profits, community-based organizations, civic organizations, or social services organizations.

b. Up to ~~twenty-five~~fifty points—A description of a plan to develop a public health outreach and educational program that outlines the risks of youth use of cannabis and that identifies resources available to youth related to drugs and drug addiction.

c. Up to fifty points – A proposal and description of any community benefits agreement proposed by the applicant pursuant to Section 5.26.130.

8. Labor and Employment Plan—Two Hundred Points. The people of the city find that a proven track-record of cannabis retailer operations with high labor standards and commitment to labor peace carries out the purpose and intent of the program and are, therefore, critical for an applicant to demonstrate an effective labor and employment plan. Accordingly, one hundred of the two hundred points awardable under this subsection shall only be awarded if the applicant provides documentation that the individual or natural person owner or owners of the applicant (disregarding any intervening or intermediary entity owner or owners of the applicant) with an aggregate ownership interest of fifty percent or more have entered into collective bargaining agreements with a labor organization that currently represents cannabis workers in the United States effective since at least July 1, 2021, inclusive of renewals (and remaining effective, inclusive of renewals, on the date of the application submission under this section) and such collective bargaining agreements accrete or automatically apply to all cannabis retailers permitted or licensed in the State after July 1, 2021 (notwithstanding the fact that employees of such cannabis retailers permitted or licensed in the state after July 1, 2021 (if any), have yet to have had an opportunity to recognize the labor organization that currently represents cannabis workers in the United States), by the individual or natural person owner or owners of the applicant (disregarding any intervening or intermediary entity owner or owners of the applicant) with an aggregate ownership interest of ninety percent or more referenced above.

The remaining one hundred of the two hundred points awardable under this subsection shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

a. Up to ten points—An organizational chart of showing owners, managers, and employees.

b. Up to ten points—A description of the owner's and manager's roles in day-to-day operations and decisions.

c. Up to ten points—A description of the number of employees, title/position, and their respective responsibilities.

d. Up to fifteen points—A description of compensation to employees, opportunities for continuing education, and employee training.

e. Up to fifteen points—A description of whether the cannabis business is committed to offering employees a living wage.

f. Up to fifteen points—A description of benefits provided to employees such as health care, vacation, and medical leave, to the degree they are offered as part of employment.

g. Up to fifteen points—A description of a plan to recruit employees from socially and economically disadvantaged backgrounds.

h. Up to ten points—A description of a plan to have at least fifty percent of employee positions filled and hours worked by employees residing in the city.

E. Upon timely receipt of a commercial cannabis operation permit application, the city manager shall conduct background checks in accordance with Section 5.26.110(H). Following review and scoring of applications completed pursuant to objective review criteria under subsection D, the city manager shall, as a ministerial duty, recommend that the city council issue commercial cannabis operation permits to applicants in order of their rank under subsection D up to the maximum number of commercial cannabis operation permits authorized in Section 5.26.060. The city council shall consider the city manager's recommendations, and may conduct its own independent review and scoring of applications completed pursuant to objective review criteria under subsection D and substitute such review and scoring for that of the city manager in whole or in part if it sees fit to do so, and shall thereupon, as a ministerial duty, issue commercial cannabis operation permits to applicants in order of their rank under subsection D up to the maximum number of commercial cannabis operation permits authorized in Section 5.26.060. For the initial iteration of the application process pursuant to this section, the number of commercial cannabis operation permits issued shall be no more than the maximum number of Commercial Cannabis Operation Permits authorized in Section 5.26.060(A) ~~two retailers (medical-only) and one retailer (medical/adult use) commercial cannabis operation permits~~. In the event of a tie in the order of ranking under subsection D between one or more applicants up to the maximum number of commercial cannabis operation permits authorized in Section 5.26.060, the city council shall, as a ministerial duty, break the tie and issue commercial cannabis operation permits to the applicants with the highest scoring application component in the following order: (1) qualifications of the applicant's owners and managers; (2) community benefits plan; (3) labor and employment plan; (43) security plan; (54) safety plan; ~~(5) community benefits plan~~; (6) neighborhood compatibility plan; (7) business and operations plan; and (8) plans, renderings, and overall location. In the event of a tie on all application components between one or more applicants up to the maximum number of commercial cannabis operation permits authorized in Section 5.26.060, the city manager shall ~~not hold a public lottery, but rather~~ arrange for the tied applicants to provide public presentations before the city council, after which the city council shall publicly rank the applicants pursuant to ranking sheets prepared by the city manager that achieve a forced ranking based on all of the objective review criteria and quantitative evaluation scale in subsection D, and the city council shall issue commercial cannabis operation permits to applicants in order of their rank up to the maximum number of commercial cannabis operation permits available following the city manager's/city council's original ranking and issuance of commercial cannabis operation permits and the limits contained in Section 5.26.060. However, the city council shall not issue a commercial cannabis operation permit to any applicant with an applicant, owner, or manager that:

1. Provided false or misleading information on the applicant’s commercial cannabis operation permit application;

2. Has been convicted of (or pled no contest to) “an offense that is substantially related to the qualifications, functions, or duties of the business or profession for which the application is made” as that term is defined in Section 26057(b)(4) of the State Business and Professions Code; or

3. Has been sanctioned by a licensing authority or a city, county, or state for unlicensed commercial cannabis operations or has had a license suspended or revoked under MAUCRSA in the three years immediately preceding the date the application was submitted.

F. Any decision of the city council under this Section 5.26.070 shall be a final administrative decision not subject to administrative appeal under any provisions of this chapter or any provisions of this Code but, rather, subject to judicial review and remedies.

G. In the event that: (1) the number of ~~active, operating retailer (medical-only or medical/adult-use) commercial cannabis operations and~~ issued commercial cannabis operation permits falls below the maximum number of commercial cannabis operation permits for retailer (medical-only or medical/adult-use) commercial cannabis operations authorized in Section 5.26.060; or (2) the city council is ordered to increase the maximum number of commercial cannabis operation permits issued for retailer (medical-only or medical/adult-use) commercial cannabis operations by a court of competent jurisdiction as a judicial remedy (e.g., if a court of competent jurisdiction orders the city council to make commercial cannabis operation permits available for non-storefront retailer (delivery only) (including retailers or microbusinesses engaged in delivery) commercial cannabis operations based outside the city to engage in delivery within the city), the city manager shall, as a ministerial duty, within thirty days reinstitute the application procedure under this Section 5.26.070, subject to the maximum number of commercial cannabis operation permits authorized and available ~~(not allocated to an active, lawfully operating retailer)~~ for issuance pursuant to Section 5.26.060. However, if the city council determines to not issue any permits pursuant to Section 5.26.070(I), then the city manager shall not be required to reinstitute the application procedure provided herein unless directed to do so by a majority of the city council. ~~For the purpose of this section, a retailer (medical-only or medical/adult-use) commercial cannabis operation shall be considered operating if: (1) upon initial issuance of commercial cannabis operation permit (or approval of a change in location pursuant to Section 5.26.100), the retailer commercial cannabis operation commences lawful operations within twenty four months; or (2) following initial commencement of lawful operations, the retailer commercial cannabis operation does not cease or abandon operations for one hundred eighty consecutive or cumulative days in any one year period.~~

H. Additionally, pursuant to Section 5.26.060(B), at any time after the first year following ~~during the second year from~~ the operative date of this chapter, the city council may, by resolution or minute action, reinstitute the application procedure under this section for the purpose of considering issuance of one additional retailer (medical/adult-use) commercial cannabis operation permits up to the maximum provided, ~~in which case the maximum number of commercial cannabis operation permits for retailer (adult-use/medical) commercial cannabis operations based in the city shall increase from one to two as stated~~ in Section 5.26.060(B).

I. Notwithstanding anything to the contrary in this chapter, the city council is not required or obligated to issue any commercial cannabis operation permits to any applicants pursuant to this chapter if the city council determines that the issuance of such permits would be detrimental to the public health and safety.

5.26.080 Limitations on the city's liability.

To the fullest extent permitted by law, the city shall not assume any liability whatsoever with respect to having issued a commercial cannabis operation permit pursuant to this chapter or otherwise approving any retailer commercial cannabis operation. As a condition to the approval of any commercial cannabis operation permit, the applicant shall be required to meet all of the following conditions before they can receive a commercial cannabis operation permit:

A. Execution of an agreement, in a form approved by the city attorney, agreeing to indemnify, defend (at applicant's sole cost and expense), and hold the city, and its officers, officials, employees, representatives, and agents harmless, from any and all claims, losses, damages, injuries, liabilities, or losses which arise out of or which are in any way related to the city's issuance of the commercial cannabis operation permit, the city's decision to approve the retailer commercial cannabis operation, the process used by the city in making its decision, or the alleged violation of any federal, state, or local laws by the retailer commercial cannabis operation or any of its owners, managers, officers, employees, or agents.

B. Maintain insurance at coverage limits, and with conditions thereon determined necessary and appropriate from time to time by the city attorney.

C. Defend and indemnify the city, its elected and appointed officials, employees and attorneys for all costs and expenses, including, but not limited to, attorneys' fees and court costs, that the city may be required to pay as a result of any legal challenge related to the city's approval of the applicant's commercial cannabis operation permit, any matter arising from the operations of said cannabis business and/or related to the city's approval of retailer commercial cannabis operations. The city, at its sole discretion, may participate at its own expense in the defense of any such action, but such participation shall neither relieve nor increase any of the obligations imposed on the applicant hereunder.

D. Provides written authorization to the operations officers to conduct reasonable unannounced inspections of the location of the commercial cannabis operation at the reasonable discretion of the city, including, but not limited to, inspection of security, inventory, and written records and files pertaining to the commercial cannabis operation, for the purposes of ensuring compliance with this chapter and all laws of the city and the state.

5.26.090 Commercial cannabis operation permit term.

A. Subject to this section and Section 5.26.160, the term of each commercial cannabis operation permit shall be indefinite.

B. Upon the one-year anniversary of the date of issuance for each commercial cannabis operation permit and every year thereafter, the city manager shall conduct a performance review

of the permittee to assess compliance with the requirements of this chapter and state law. Within thirty days of the conclusion of the annual performance review of the permittee, the city manager shall issue a letter of compliance or noncompliance outlining all items to be corrected to ensure full compliance, which shall include deadlines for completion of such items. The city manager may revise such deadlines if he or she determines that additional time is needed to complete such items. ~~In the event of any noncompliance, the permittee shall have sixty days to remedy such noncompliance. However, in the event such noncompliance items cannot be reasonably remedied within sixty days, such noncompliance items shall not constitute a serious material violation of any law and/or any rule, regulation, and/or standard adopted pursuant to this chapter subject to suspension or revocation under Section 5.26.160 if the permittee commences correction of such noncompliance items within sixty days and thereafter diligently prosecutes correction of such noncompliance items to completion.~~

C. The permittee shall pay a fee in an amount to be set by the city council via resolution to cover the costs of conducting the performance review, together with any costs incurred by the city to administer the program created under this chapter.

5.26.100 Change in location—Transfer—Updated application information.

A. A permittee may change the business location specified in a commercial cannabis operation permit upon submission and approval of a change in location application promulgated, as a ministerial duty, by the city manager pursuant to regulations adopted under Section 5.26.140 ~~within one hundred eighty days following the effective date of this chapter.~~ The permittee shall pay an application fee established by resolution of the city council to cover all costs incurred by the city in the review and processing of change in location applications. The city manager shall process such change in location applications as a ministerial duty within thirty days of receipt.

B. An owner of a commercial cannabis operation permit shall not transfer ownership or control of such commercial cannabis operation permit to another person unless and until the permittee and transferee obtain an amendment to the commercial cannabis operation permit that is approved by the city council upon recommendation from the city manager stating that the permit may be transferred. A permittee may change the ownership specified in a commercial cannabis operation permit upon submission and approval of a change in ownership application promulgated, as a ministerial duty, by the city manager pursuant to regulations adopted under Section 5.26.140 ~~within one hundred eighty days following the effective date of this chapter.~~ The permittee shall pay an application fee established by resolution of the city council to cover all costs incurred by the city in the review and processing of change in ownership applications. The city manager shall process such change in ownership applications as a ministerial duty within thirty days once the city manager reasonably determines that the transferee passed the background check required for owners and meets all other requirements of this chapter.

C. Notwithstanding subsection B, during the first three years following the issuance of a commercial cannabis operation permit, the city manager shall not process any application to change the ownership or control of a commercial cannabis operation permit that results in the permittee altering its ownership composition in a manner that would result in the permittee not being entitled to points it was awarded when the permittee was an applicant pursuant to Section 5.26.070. For example, if a permittee received one hundred points when it was an applicant for

providing documentation that the individual or natural person owner or owners of the applicant (disregarding any intervening or intermediary entity owner or owners of the applicant) with an aggregate ownership interest of ninety percent or more have entered into a collective bargaining agreement with a labor organization that currently represents cannabis workers in the United States effective since at least July 1, 2021, inclusive of renewals (and remaining effective, inclusive of renewals, on the date of the application submission under this section), the city manager shall not process or authorize any change in ownership or control of the permittee if the change would result in the permittee being unable to continue to satisfy the aforementioned criteria subsequent to its approval.

D. Notwithstanding subsection B, no commercial cannabis operation permit may be transferred when the city manager has notified the permittee that its commercial cannabis operation permit has been or may be suspended or revoked.

E. Any attempt to transfer a commercial cannabis operation permit either directly or indirectly in violation of this section is hereby declared void, and such an unpermitted transfer shall be deemed a ground for revocation of the permit.

F. An applicant or permittee shall notify the city manager or designee(s) within fifteen calendar days of any ~~material~~ change in the information provided in the applicant or permittee's commercial cannabis operation permit application or any change in status of compliance with the provisions of this chapter, including any change in ownership or management.

5.26.110 General operating standards and restrictions.

A commercial cannabis operation shall operate in conformance with the following minimum standards, and such standards shall be deemed to be part of the conditions on the permit for a commercial cannabis operation to ensure that its operation is in compliance with state law and this Code, and to mitigate any potential adverse impacts of the commercial cannabis operation on the public health, safety or welfare.

Additional minimum standards may be adopted from time to time either by resolution or ordinance ~~from~~ of the city council, or by the city manager pursuant to Section 5.26.140.

A. State Standards. All state requirements and regulations that govern the operation of a commercial cannabis operation, including, but not limited to, ones related specifically to certain types of commercial cannabis operations, shall apply as minimum requirements and regulations and requirements for commercial cannabis operations within the city of South El Monte, in addition to the requirements and regulations of this chapter and this Code.

B. Security.

1. General. All cannabis, cannabis products and cash present or kept at the premises shall be securely stored against both unauthorized access as well as theft.

2. Security Cameras.

a. Security cameras shall be installed and maintained in good condition, with

at least ninety days of digitally recorded documentation in a format approved by the city manager and the police chief.

b. The camera and recording system must be of adequate quality, color rendition, and resolution to allow the identification of any individual present at the site of the commercial cannabis operation.

c. The cameras shall be in continuous use twenty-four hours per day, seven days per week.

d. The recording system must be capable of exporting the recorded video in standard MPEG formats to another common medium approved by the city manager, such as DVD and/or a USB drive.

e. The areas to be covered by the security cameras include, but are not limited to, the storage areas, operation areas, all doors and windows, the parking lot, all exterior sides of the property adjacent to the public rights-of-way, and any other areas as determined by the city manager and police chief.

f. Remote log-in information will be provided to the operations officers to allow them to view live and recorded security camera images remotely at any time.

3. Alarm System. The location of the commercial cannabis operation shall be alarmed with a centrally-monitored fire and burglar alarm system, and monitored by an alarm company properly licensed by the State Department of Consumer Affairs Bureau of Security and Investigative Services in accordance with Section 7590, et seq., of the State Business and Professions Code and whose agents are properly licensed and registered under applicable law.

4. Locked Entrances. All entrances into the building housing a commercial cannabis operation shall be locked from the exterior at all times with entry controlled by employees.

5. Windows. All windows on the building that houses the commercial cannabis operation shall be secured against entry from the outside.

6. No employee shall refuse, impede, obstruct or interfere with an inspection conducted pursuant to the authorizations provided by this chapter.

C. Odors.

1. A commercial cannabis operation shall have an air treatment system that ensures off-site odors shall not result from its activities.

2. This requirement at a minimum means that the commercial cannabis operation shall be designed to provide sufficient odor absorbing ventilation and exhaust systems so that any odor generated inside the location of the commercial cannabis operation is not detected outside the building, on adjacent properties or public rights-of-way, or within any other unit located within the same building as the commercial cannabis operation, if the use only occupies a portion of a building.

D. Authorizations.

1. The operations officers shall have the right to enter all areas of the commercial cannabis operation from time to time unannounced for the purpose of making reasonable inspections to observe and enforce compliance with this chapter and all laws of the city and state.

2. Recordings made by security cameras required pursuant to this chapter shall be made available to the operations officers upon verbal request; no search warrant or subpoena shall be needed to view the recorded materials.

E. Records.

1. Commercial cannabis operations shall maintain on site the following records either in paper or electronic form:

a. The full name, address, and telephone numbers of the owner and lessee of the property.

b. The name, date of birth, address, and telephone number of each employee of the commercial cannabis operation; the date each was hired; and the nature of each employee's participation in the commercial cannabis operation.

c. Copies of all required state licenses.

d. An inventory record documenting the dates and amounts of cannabis and cannabis products received at the site, the daily amounts of cannabis and cannabis products on the site, and the daily amounts of cannabis and cannabis products leaving the site for any reason, including, but not limited to, being sold, delivered, or distributed.

e. A written accounting of all expenditures, costs, revenues and profits of the commercial cannabis operation, including, but not limited to, cash and in-kind transactions.

f. A copy of all insurance policies related to the operation of the commercial cannabis operation.

g. A copy of the commercial cannabis operation's most recent year's financial statement and tax return.

h. Proof of a valid and current permit issued by the city in accordance with this chapter, and the equivalent state of California license to operate the commercial cannabis operation. Every commercial cannabis operation shall display at all times during business hours the city permit issued pursuant to the provisions of this chapter, and the equivalent state license, in a conspicuous place so that it may be readily seen by all persons entering the location of the commercial cannabis operation.

2. All records required to be maintained by the commercial cannabis operation must be maintained for no less than seven years and are subject to immediate inspection (consistent with requirements pertaining to qualified patient confidentiality pursuant to applicable state and federal

law) upon a lawful written request by an operation officer.

3. A commercial cannabis operation shall report any loss, damage, or destruction of these records to the operation officers within twenty-four hours of the loss, damage, or destruction.

F. Site Management.

1. Commercial cannabis operations shall not result in a nuisance or adversely affect the health, welfare, or safety of nearby persons by creating dust, glare, heat, noise, noxious gases, odors, smoke, traffic, vibration, or other impacts, or be hazardous due to use or storage of materials, processes, products or waste. The permittee shall promptly and diligently both prevent as well as eliminate conditions on the site of the commercial cannabis operation that constitute a nuisance.

2. A permittee shall maintain the exterior of the site, including any parking lots under the control of the permittee, free of litter, debris, and trash.

3. The commercial cannabis operation permittee shall properly store and dispose of all waste generated on the site, including chemical and organic waste, in accordance with all applicable laws and regulations.

4. Notwithstanding any provisions of this Code to the contrary, the commercial cannabis operation permittee shall remove all graffiti from the site and parking lots under the control of the commercial cannabis operation permittee within seventy-two hours of its application.

G. State Board of Equalization Seller's Permit Required.

1. Commercial cannabis operations must obtain a seller's permit from the State Board of Equalization as applicable.

2. Such permit shall be displayed in a conspicuous place so that it may be readily seen by all persons entering the location of the commercial cannabis operation.

H. Employees.

1. All employees must submit to fingerprinting and criminal background checks by the city.

a. No employee convicted within the last ten years of a felony substantially related to the qualifications, functions or duties of an employee of a commercial cannabis operation (such as a felony conviction for distribution of controlled substances, money laundering, racketeering, etc.) shall be employed by a commercial cannabis operation, unless such employee has obtained a certificate of rehabilitation (expungement of felony record) under state law or under a similar federal statute or state law where the expungement was granted.

b. At the request of the commercial cannabis operation, the city manager and police chief shall determine the applicability of this section to a potential employee within

a reasonable period of time after a written request has been made to the city manager and police chief for such determination.

2. All employees must possess a valid government issued (or equivalent) form of identification containing an identifying photograph of the employee, the name of the employee, the date of birth of the employee, and the residential address of the employee. Color copies of such identification shall be maintained at the location of the commercial cannabis operation. A valid state driver's license will satisfy this requirement.

I. Cannabis Transfer Between Permitted Operations Only. A commercial cannabis operation shall not transfer cannabis or cannabis products to or from another commercial cannabis operation, unless both operations are in possession of all required state and local licenses and permits.

J. Commercial Cannabis Operation Signage.

1. Signs on the premises shall not obstruct the entrance or the video surveillance system. The size, location, and design of any signage must conform to the sign provisions in this Code.

2. Business identification signage shall be limited to that needed for identification only, consisting of a single window sign or wall sign that shall comply with the appropriate sign requirements within the applicable zoning district.

K. Prohibited Personal Activities.

1. Cannabis Use. No person shall smoke, ingest, or otherwise consume cannabis in any form on, or within twenty feet of, the site of the commercial cannabis operation.

2. Alcohol Use. No person shall possess, consume, or store any alcoholic beverage on the site of the commercial cannabis operation.

L. No Minors. No minor shall be an employee of, or participate in, a commercial cannabis operation in any capacity, including, but not limited to, as a manager, employee, contractor, adviser, or volunteer.

M. Exterior Lighting. The exterior of the premises upon which the commercial cannabis operation is operated shall be equipped with and, at all times between sunset and sunrise, shall remain illuminated with fixtures of sufficient intensity and number to illuminate every portion of the property with an illumination level of not less than one foot-candle as measured at the ground level, including, but not limited to, landscaped areas, parking lots, driveways, walkways, entry areas, and refuse storage areas.

N. Building Design. A permittee must maintain the design of the buildings on the site in accordance with the plans that are approved by the city pursuant to this chapter and otherwise approved by the city. No permittee shall modify the buildings on the site contrary to the approved plans, without the approval of the city manager.

O. Nuisance. A permittee shall take all reasonable steps to discourage and correct conditions

that constitute a nuisance in parking areas, sidewalks, alleys and areas surrounding the premises and adjacent properties during business hours if related to the members of the subject commercial cannabis operation.

1. “Reasonable steps” shall include immediately calling the police department upon observation of the activity, and requesting that those engaging in activities that constitute a nuisance or are otherwise illegal to cease those activities, unless personal safety would be threatened in making the request.

2. “Nuisance” includes, but is not limited to, disturbances of peace, open public consumption of cannabis, alcohol or controlled substances, excessive pedestrian or vehicular traffic, including the formation of any pedestrian lines outside the building, illegal drug activity, harassment of those passing by, excessive littering, excessive loitering, illegal parking, excessive loud noises, especially late at night or early in the morning hours, lewd conduct or law enforcement detentions and arrests.

P. Upon and after receiving possession of a commercial cannabis operation permit as provided for in this chapter, a permittee shall:

1. Maintain continuing compliance with criminal background check requirements of this chapter by ensuring that:

a. Upon the hiring, association or retention of an employee by the commercial cannabis operation, the requirements of subsection H are immediately met for such employee by provision of appropriate documentation to the city manager; and

b. the city manager and police chief are immediately informed in writing of any felony conviction as described in subsection H for any current employee.

2. Maintain continuing compliance with all applicable insurance requirements, including, but not limited to, those imposed by the city and this chapter.

Q. Workforce Plan. A permittee shall implement a workforce plan that includes at least the following provisions:

1. Commitment for thirty percent of employees to be local hires; this local hiring requirement is satisfied when a permittee shows that it has either hired or made a good faith effort to hire bona fide residents of the city or persons that may establish residency after initial employment with the permittee;

2. Commitment to offer apprenticeships and/or compensation for continuing education in the field of commercial cannabis operations; and

3. Paying a living wage to employees. “Living wage” means compensation equivalent to twenty dollars per hour inclusive of benefits but excluding tips.

R. Exemption. The regulations contained in this chapter shall not apply to a commercial cannabis operation engaged in the following uses, as long as such use complies strictly with

applicable law, including this Code, regulating such use and the location of such use, including, but not limited to, Section 11362.5 of the State Health and Safety Code and Section 11362.71 et seq., of the State Health and Safety Code: A clinic licensed pursuant to Chapter 1 of Division 2 of the State Health and Safety Code; a health care facility licensed pursuant to Chapter 2 of Division 2 of the State Health and Safety Code; a residential care facility for persons with chronic life-threatening illness licensed pursuant to Chapter 3.01 of Division 2 of the State Health and Safety Code; a residential care facility for the elderly licensed pursuant to Chapter 3.2 of Division 2 of the State Health and Safety Code; and a residential hospice or a home health agency licensed pursuant to Chapter 8 of Division 2 of the State Health and Safety Code.

5.26.120 Retailer operating standards and restrictions.

A retailer commercial cannabis operation shall operate in conformance with both Section 5.26.110, as well as the following minimum standards, and such standards shall be deemed to be part of the conditions of the commercial cannabis operation permit for a retailer commercial cannabis operation to ensure that its operation is in compliance with state law and this Code, and to mitigate any potential adverse impacts of the commercial cannabis operation on the public health, safety or welfare.

Additional minimum standards may be adopted from time to time either by resolution or ordinance from the city council, or by the city manager pursuant to Section 5.26.140.

A. City Permit and State License. No person shall engage in retailer commercial cannabis operations without both a current and valid commercial cannabis operation permit and a current and valid equivalent state license as provided for under Section 26200 of the State Business and Professions Code, and as may be amended. Retailer (medical-only) commercial cannabis operations shall only sell, dispense, or provide medical cannabis or medical cannabis products to a qualified patient with a written physician's recommendation, a person with an identification card, or a primary caregiver with written documentation attesting to lawful status as a primary caregiver.

B. State Standards. All state requirements and regulations that govern retailer commercial cannabis operations, including, but not limited to, the regulations promulgated by the State Department of Cannabis Control, and as may be amended, shall apply as minimum requirements and regulations and requirements for retailer commercial cannabis operations within the city, in addition to the requirements and regulations of this chapter and this Code.

C. Location and Design Requirements. Pursuant to the authority delegated by the state to the city under Section 26054(b) of the State Business and Professions Code and overriding the location and design requirements contained in Section 26054(b) of the State Business and Professions Code, retailer commercial cannabis operations in the city shall be subject to the following location and design requirements:

1. Retailer commercial cannabis operations shall be a permitted use subject to this chapter on property: (1) located more than one thousand feet any retailer commercial cannabis operation permitted under this chapter, alcohol or drug treatment facility, day care center, religious institution, school, or youth center; (2) located more than one thousand feet from the city's jurisdictional boundary or any park or residentially zoned property; and (3) zoned C (commercial

zone) or C-M (commercial-manufacturing zone) including any overlay zone districts covering the C (commercial zone) or C-M (commercial-manufacturing zone).

2. The distances specified in subsection C shall be the horizontal distance measured in a straight line from the parcel line of the sensitive use to the closest parcel line of the lot on which the cannabis retailer is to be located without regard to intervening structures. The one thousand foot distance specified in subsection C may be reduced to as little as nine hundred feet by administrative regulation pursuant to Section 5.26.140 if necessary to allow for issuance of the number of commercial cannabis operation permits provided by this chapter.

3. Each retailer commercial cannabis operation shall:

a. Be constructed in a manner that prevents odors to surrounding uses, and promotes quality design and construction, and consistency with the surrounding properties. Odors from the cannabis retailer shall not be detectable from outside the premises and adequate odor control technology shall be utilized;

b. Be provided with adequate electricity, sewerage, disposal, water, fire protection, and storm drainage facilities for the intended purpose; and

c. Provide and maintain a neighborhood compatibility plan so the city manager or designee(s) may find that the cannabis retailer and its operating characteristics are not detrimental to the public health, safety, convenience, or welfare of persons residing, working, visiting, or recreating in the surrounding neighborhood and will not result in the creation of a nuisance.

D. Customers.

1. Prior to dispensing medical cannabis or medical cannabis products to a qualified patient, a retailer commercial cannabis operation shall verify the age and all necessary documentation of each customer to ensure the customer is not under the age of eighteen years and obtain verification from the recommending physician that the person requesting medical cannabis or medical cannabis products is a qualified patient, and shall maintain a copy of the physician recommendation, or identification card, as described in Section 11362.71 et seq., of the State Health and Safety Code, as may be amended from time to time, on site for period of not less than seven years.

2. Prior to dispensing cannabis or cannabis products to an adult-use customer, a retailer (medical/adult-use) commercial cannabis operation shall verify the age and all necessary documentation of each customer to ensure the customer is not under the age of twenty-one years.

E. Opaque Packaging. All cannabis or cannabis products sold to a customer shall be prohibited from leaving the site unless placed in opaque packaging which conceals the nature of the product from human vision.

F. Dispensing and Storage Areas. Entrance to the retailer sales floor and any storage areas shall be locked at all times, and under the control of employees.

G. Interior Lighting. The premises within which the commercial cannabis operation is operated shall be equipped with and, at all times during which is open to the public, shall remain illuminated with overhead lighting fixtures of sufficient intensity to illuminate every place to which members of the public or portions thereof are permitted access with an illumination of not less than two foot-candles as measured at the floor level.

H. Signs. A retailer commercial cannabis operation shall notify customers (verbally or by written agreement) and by posting a notice or notices conspicuously at least fifteen-point type within permitted premises that state as follows:

1. “The sale or diversion of cannabis or cannabis products without a license issued by persons entering the site, the city of South El Monte is a violation of state law and the South El Monte Municipal Code.”

2. “Secondary sale, barter, or distribution of cannabis or cannabis products purchased from a permittee is a crime and can lead to arrest.”

3. “Customers must not loiter in or near these premises and may not consume cannabis or cannabis products in the vicinity of this business or in any place not lawfully permitted. These premises and vicinity are monitored to ensure compliance.”

4. “WARNING: The use of cannabis or cannabis products may impair a person’s ability to drive a motor vehicle or operate heavy machinery.”

5. “CALIFORNIA PROP. 65 WARNING: Smoking of cannabis and cannabis-derived products will expose you and those in your immediate vicinity to cannabis smoke. Cannabis smoke is known by the State of California to cause cancer and reproductive harm.”

I. No Recommendations On Site. A retailer commercial cannabis operation shall not have a physician or any person licensed to recommend medical cannabis for medical use at the location of the retailer commercial cannabis operation to provide a recommendation or physician’s recommendation, for the use of medical cannabis.

J. Sanitation. A permittee shall establish and implement written procedures that maintain the highest industry standards of sanitation and cleanliness for the operation so as to ensure cannabis and cannabis products sold to the public are free of harmful contaminants.

K. Training. A permittee shall establish and implement written procedures that provide for the highest industry standards of training for employees.

L. Prohibited Activities. No cannabis cultivation, testing or manufacturing shall occur within the premises of the retailer operation.

M. No Alcohol. Retailer commercial cannabis operations shall not hold or maintain a license from the State Department of Alcoholic Beverage Control to sell alcoholic beverages, or operate a business that sells alcoholic beverages.

N. No Lounge or Café. Retailer commercial cannabis operations shall not operate as a lounge,

café or restaurant serving food or drinks for consumption on site. There shall be no seating area, tables, couches, or chairs for the gathering or congregating of members.

O. Age Restriction. Minors, except qualified patients or primary caregivers over the age of eighteen years old as verified customers, are prohibited from entering the location of the retailer cannabis operation.

P. Public Information. The permittee shall make available to customers a list of the rules and regulations governing medical cannabis use and consumption within the city and recommendations on sensible medical cannabis etiquette.

5.26.125 Delivery operating standards and restrictions.

A. Delivery shall comply with state law at all times.

B. Security plans developed pursuant to this chapter shall include provisions relating to vehicle security and the protection of employees and product during loading and in transit.

C. A commercial cannabis operation engaged in delivery shall facilitate the delivery of cannabis or cannabis products with a technology platform owned by or licensed to the delivery-only commercial cannabis operation engaged in delivery that uses point-of-sale technology to track and database technology to record and store the following information for each transaction involving the exchange of cannabis or cannabis products between the commercial cannabis operation engaged in delivery and customer:

1. The identity of the individual dispensing cannabis or cannabis products on behalf of the commercial cannabis operation engaged in delivery;

2. The identity of the customer receiving cannabis or cannabis products from the commercial cannabis operation engaged in delivery;

3. The type and quantity of cannabis or cannabis products dispensed and received;

4. The gross receipts charged by the commercial cannabis operation engaged in delivery and received by the individual dispensing cannabis or cannabis products on behalf of the commercial cannabis operation engaged in delivery for the cannabis or cannabis products dispensed and received; and

5. The location or address where the sale or retail sale took place or closed.

D. A commercial cannabis operation engaged in delivery shall maintain a database and provide a list of the individuals and vehicles authorized to conduct delivery, and a copy of the valid state driver's license issued to the driver of any such vehicle on behalf of the commercial cannabis operation engaged in delivery to the city manager.

E. Individuals making deliveries of cannabis or cannabis products on behalf of the commercial cannabis operation engaged in delivery shall maintain a physical copy of the delivery request (and invoice) and shall make it available upon the request of agents or employees of the

city requesting documentation.

F. During delivery, a copy of the commercial cannabis operation engaged in delivery's commercial cannabis operation permit and state license shall be in the vehicle at all times, and the driver shall make it available upon the request of agents or employees of the city requesting documentation.

G. A commercial cannabis operation engaged in delivery shall only permit or allow delivery of cannabis or cannabis products in a vehicle that is: (1) insured at or above the legal requirement in the state; (2) capable of securing (locking) the cannabis or cannabis products during transportation; (3) capable of being temperature controlled if perishable cannabis or cannabis products is being transported; and (4) does not display advertising or symbols visible from the exterior of the vehicle that suggest the vehicle is used for cannabis delivery or affiliated with a commercial cannabis operation engaged in delivery.

H. A commercial cannabis operation engaged in delivery shall facilitate deliveries with a technology platform owned by or licensed to the commercial cannabis operation engaged in delivery that uses global positioning system technology to track, and database technology to record and store the following information:

1. The time that the individual conducting delivery on behalf of the commercial cannabis operation engaged in delivery departed its premises.

2. The time that the individual conducting delivery on behalf of the commercial cannabis operation engaged in delivery completed delivery to the customer.

3. The time that the individual conducting delivery on behalf of the commercial cannabis operation engaged in delivery returned to its premises.

4. The route the individual conducting delivery on behalf of the commercial cannabis operation engaged in delivery traveled between departing and returning to its premises to conduct delivery.

5. For each individual delivery transaction, the identity of the individual conducting deliveries on behalf of the commercial cannabis operation engaged in delivery.

6. For each individual delivery transaction, the vehicle used to conduct delivery on behalf of the commercial cannabis operation engaged in delivery.

7. For each individual delivery transaction, the identity of the customer receiving cannabis or cannabis products from the commercial cannabis operation engaged in delivery.

8. For each individual delivery transaction, the type and quantity of cannabis or cannabis products dispensed and received.

9. For each individual delivery transaction, the gross receipts charged by the commercial cannabis operation engaged in delivery and received by the individual conducting deliveries on behalf of the commercial cannabis operation engaged in delivery for the cannabis or

cannabis products dispensed and received.

I. The individual making deliveries on behalf of the commercial cannabis operation engaged in delivery shall personally verify for each individual delivery transaction the identity of the customer receiving cannabis or cannabis products from the commercial cannabis operation engaged in delivery and: (1) for medical cannabis or medical cannabis products to a qualified patient, the age and all necessary documentation of each customer to ensure the customer is not under the age of eighteen years and obtain verification from the recommending physician that the person requesting medicinal cannabis or medicinal cannabis products is a qualified patient, and shall maintain a copy of the physician recommendation or identification card as described in Section 11362.71 et seq., of the State Health and Safety Code, as may be amended from time to time, on site for period of not less than seven years; or (2) for cannabis or cannabis products to an adult-use customer, age and all necessary documentation of each customer to ensure the customer is not under the age of twenty-one years.

5.26.130 Community benefit agreement.

The applicant may propose entering into a community benefit agreement in an amount and by terms set by city council resolution with the city setting forth the terms and conditions under which the facility will operate that is in addition to the requirements of this chapter, including, but not limited to, public outreach and education, community service, payment of fees and other charges as mutually agreed, and such other terms and conditions that will protect and promote the public health, safety, and welfare of the city and its residents and visitors.

5.26.140 Administration.

A. Consistently with stated requirements of this chapter (and in particular not to repeal or constructively repeal this chapter), in addition to any regulations adopted under state law, the city manager is authorized to establish any additional rules, regulations, and standards governing the issuance or denial of commercial cannabis operation permits, the ongoing operation of commercial cannabis operations and the city's oversight thereof, or concerning any other subject determined to be necessary to carry out the purposes of this chapter.

B. Such regulations shall be approved by resolution of the city council published on the city's website.

C. Regulations promulgated, by the city manager, shall become effective upon date of publication [on the city's website or posting at the location for the city council's meeting agendas](#). Commercial cannabis operations shall be required to comply with all state and local laws and regulations, including, but not limited to, any rules, regulations or standards adopted by the city manager.

5.26.150 Fees.

An application fee set by resolution of the city council shall be required for formal processing of every application made under this chapter. The city council is further authorized to pass resolutions [or ordinances](#) to recover any and all fees and costs incurred by the administration and

implementation of this chapter through an appropriate fee recovery mechanism to be imposed upon commercial cannabis operations.

5.26.160 Suspension and revocation.

A. The city manager is authorized to suspend and/or revoke a commercial cannabis operation permit issued pursuant to this chapter upon the determination through written findings of a failure to ~~materially~~ comply with any provision of this chapter, any commercial cannabis operation permit condition, or any agreement or covenant required or made pursuant to this chapter.

B. Notwithstanding subsection A, the city manager may suspend or revoke a commercial cannabis operation permit if any of the following occur:

1. The equivalent state license has been suspended or revoked by the state; or
2. Operations cease for more than one hundred eighty consecutive or cumulative days in any one-year period; or
3. Ownership is changed or transferred without complying with Section 5.26.100; or
4. The commercial cannabis operation fails to maintain required security camera recordings; or
5. The commercial cannabis operation fails to allow inspection of the security recordings, the activity logs, the records, or of the site by operations officers pursuant to this chapter.

6. The commercial cannabis operation fails to timely make the corrections required pursuant to Section 5.26.090.

7. The commercial cannabis operation fails to pay any fees required by this chapter.

C. Conditions (if any) of suspension or revocation are at the reasonable discretion of the city manager and may include, but are not limited to, a prohibition on all owners, managers and employees of the suspended or revoked commercial cannabis operation from operating within the city for a period of time set forth in writing and/or a requirement (when operations may resume, if at all, pursuant to the city manager's reasonable determination) for the holder of the suspended or revoked commercial cannabis operation permit to resubmit an application for a commercial cannabis operation permit pursuant to the requirements of this chapter.

5.26.170 Appeals.

Any decision regarding the city manager's suspension or revocation of a commercial cannabis operation permit pursuant to Section 5.26.160 may be appealed to the city council by a permittee or interested party as follows:

A. If the appellant wishes to appeal a decision to the city council, the appellant must file a

written appeal with the city clerk within ten calendar days of the decision. The written appeal shall specify the person making the appeal, the decision appealed from, state the reasons for the appeal, and include any evidence in support of the appeal which the applicant seeks to be considered by the city council.

B. Notice of the time and place of an appeal hearing shall be providing to the appellant within thirty days of receipt by the city clerk of the written appeal.

C. The appeal hearing shall be held within sixty days of the filing of the written appeal with the city clerk, unless the sixty-day time limit is waived by the appellant, or unless the city council continues the appeal hearing date for good cause and upon written notification to the appellant.

D. The city council shall review the facts of the matter, written documents submitted for review, the basis for making the decision which is under appeal, and then determine whether the appealed decision should be reversed or affirmed. The determination made shall be in writing, shall set forth the reasons for the determination, and shall be final.

E. The provisions of Section 1094.6 of the Code of Civil Procedure sets forth the procedure for judicial review of any final determination. Parties seeking such judicial review shall file such action within ninety days of a determination being made final.

5.26.180 Violations and penalties—Public nuisance.

A. Any ~~material~~ violation of the provisions of this chapter is punishable as a misdemeanor or an infraction, at the discretion of the city attorney, pursuant to Chapters 1.14 and 1.16 of this Code, except for as preempted by state law and ~~material~~ any violation of the provisions of this chapter is subject to administrative citation, at the reasonable discretion of the city, pursuant to Chapters 1.14 and 1.16 of this Code.

B. Public Nuisance Abatement.

1. Any commercial cannabis operation that is conducted in ~~material~~ violation of any provision of this chapter is hereby declared to constitute a public nuisance and, as such, may be abated or enjoined from further operation, in accordance with the procedures set forth in Chapter 8.36 of this Code.

2. All costs to abate such public nuisance, including attorneys' fees and court costs, shall be paid by the person causing the nuisance, including the commercial cannabis operation and the property owner where the nuisance is occurring.

C. The remedies described in this section are not mutually exclusive. Pursuit of any one remedy shall not preclude city from availing itself of any or all available administrative, civil, or criminal remedies, at law or equity.

D. Any ~~material~~ violation of the provisions of this chapter shall constitute a separate offense for each and every day during which such violation is committed or continued.

5.26.190 Service of notices.

Any notice required by this chapter is deemed issued and served upon the earliest date that either: the notice is deposited in the United States mail, postage pre-paid, addressed to the most recent mailing address provided to the city pursuant to the requirements of this chapter; or, the date upon which personal service of the notice is provided to a responsible party.

5.26.200 Prohibitions.

A. Any commercial cannabis operation in violation of this chapter, or any other applicable state law is expressly prohibited.

B. It is unlawful for any commercial cannabis operation in the city, or any agent, employee or representative of such commercial cannabis operation, to permit any breach of peace or any disturbance of public order or decorum by any tumultuous, riotous or disorderly conduct at the site of the commercial cannabis operation.

5.26.210 Nonconforming use.

No use which purports to have engaged in commercial cannabis operations of any nature prior to the enactment of this chapter shall be deemed to have been a legally established use under the provisions of this Code, or any other city ordinance, rule or regulation, and such use shall not be entitled to claim legal nonconforming status.

5.26.220 Exceptions.

A. To the extent that the following activities are permitted by state law, nothing in this chapter shall prohibit a person twenty-one years of age or older from:

1. Possessing, processing, purchasing, transporting, obtaining or giving away to persons twenty-one years of age or older, without compensation whatsoever, not more than twenty-eight and one-half grams of cannabis not in the form of concentrated cannabis;
2. Possessing, processing, purchasing, transporting, obtaining or giving away to persons twenty-one years of age or older, without compensation whatsoever, up to eight grams of cannabis in the form of concentrated cannabis;
3. Possessing, transporting, purchasing, obtaining, using, manufacturing, or giving away cannabis accessories to persons twenty-one years of age or older without compensation whatsoever; or
4. Engaging in the indoor cultivation of six or fewer live cannabis plants within a single private residence or inside an accessory structure located upon the grounds of a private residence that is fully enclosed and secured, to the extent such cultivation is authorized by Sections 11362.1 and 11362.2, of the State Health and Safety Code, as may be amended from time to time.

B. This chapter shall also not prohibit any commercial cannabis operations that the city is required by law to permit within its jurisdiction pursuant to state law.

5.26.230 Operative date.

This chapter shall be operative ten days after the date that the city council declares that a majority of the city's voters voting at the November 8, 2022, election have voted in favor of this chapter at such election.

5.26.240 Severability.

If any section, subsection, subdivision, sentence, clause, phrase, word, or portion of this chapter is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this chapter. The people of the city of South El Monte hereby declare that they would have adopted this chapter and each section, subsection, subdivision, sentence, clause, phrase, word, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, words or portions thereof be declared invalid or unconstitutional.

5.26.250 City council authority to amend.

The city council has the right and authority to amend this chapter, with the exception of Section 5.26.060 (which may only be amended: (i) if ordered to do so by a court of competent jurisdiction as a judicial remedy; or (ii) by a vote of the people of the city), to further its purposes and intent (including, but not limited to, amendment for more efficient administration as determined by the city council), in any manner that does not increase a tax rate, or otherwise constitute a tax increase for which voter approval is required by Article XIII C of the California Constitution, pursuant to Elections Code Section 9217.

5.26.260 City councilmember conflicts of interest.

Notwithstanding any other provision of this chapter, prior to participating in any decision relating to a cannabis business, each city councilmember shall do all of the following

- A. Disclose on the record any financial interest in the cannabis business that is subject to the decision.
- B. Disclose on the record any campaign contributions and benefits or gifts received from the cannabis business that is subject to the decision.
- C. Disclose on the record any ex parte communications that the city councilmember may have had with a cannabis business that is the subject of the decision.
- D. Each city councilmember shall warrant and represent, on the record and in a form approved by the city council, that they have complied with these requirements and all applicable law.

If it is later determined that a city councilmember has not complied with the above requirements or if it is determined that a city councilmember has violated applicable law, then the city councilmember is disqualified from all decisions relating to the cannabis business subject to the decision. The requirements of this Section 5.26.260 shall be in addition to any applicable law, including, without limitation, the California Political Reform Act and the related regulations of the Fair Political Practices Commission.

ATTACHMENT C

ORDINANCE NO. 1260

AN ORDINANCE (“ORDINANCE”) OF THE PEOPLE OF THE CITY OF SOUTH EL MONTE, CALIFORNIA, AMENDING CHAPTER 5.26 (CANNABIS ACTIVITIES) OF TITLE 5 OF THE SOUTH EL MONTE MUNICIPAL CODE TO ONLY PERMIT CANNABIS COMMERCIAL OPERATIONS THAT INVOLVE THE ACTIVITY OF RETAILER (MEDICAL/ADULT USE); REPEALING CHAPTER 17.31 OF TITLE 17 OF THE SOUTH EL MONTE MUNICIPAL CODE, RELATING TO CANNABIS ACTIVITY PROHIBITIONS; AMENDING SOUTH EL MONTE MUNICIPAL CODE SECTIONS 17.14.030, 17.16.030, AND 17.18.030(O), RELATING TO PERMITTED USES IN THE COMMERCIAL (C), COMMERCIAL-MANUFACTURING (C-M), AND MANUFACTURING (M) ZONES; ADDING SECTION 9.08.045 TO CHAPTER 9.08 OF TITLE 9 OF THE SOUTH EL MONTE MUNICIPAL CODE; AMENDING SOUTH EL MONTE MUNICIPAL CODE SECTION 5.04.045, RELATING TO BUSINESS LICENSE REQUIREMENTS FOR COMMERCIAL CANNABIS RETAILERS; AND APPROVING A GENERAL CANNABIS BUSINESS TAX BY ADDING CHAPTER 3.40 (CANNABIS BUSINESS TAX) TO TITLE 3 OF THE SOUTH EL MONTE MUNICIPAL CODE

WHEREAS, in 1996 State of California (“State”) voters approved Proposition 215, the Compassionate Use Act of 1996 (“CUA”), codified as Section 11362.5 of the State Health and Safety Code, to exempt certain patients and their primary caregivers from criminal liability under state law for the possession and cultivation of cannabis for medical purposes; and

WHEREAS, in 2003 the State legislature enacted Senate Bill 420, the Medical Marijuana Program Act (“MMPA”), codified as Sections 11362.7, *et seq.*, of the State Health and Safety Code, and as later amended, to clarify the scope of the CUA relating to the possession and cultivation of cannabis for medical purpose, and to authorize local governing bodies to adopt and enforce laws consistent with its provisions; and

WHEREAS, in October 2015, the State legislature adopted AB 266, AB 243, and SB 643, collectively referred to as the Medical Cannabis Regulation and Safety Act (“MCRSA”), which established a comprehensive regulatory and licensing scheme for commercial medical cannabis operations; and

WHEREAS, at the November 8, 2016 general election, the Control, Regulate and Tax Adult Use of Marijuana Act (“AUMA”) was approved by State voters as Proposition 64, which established a comprehensive regulatory and licensing scheme for commercial adult-use (recreational) cannabis operations, and which also legalized limited personal recreational cannabis use, possession, and cultivation; and

WHEREAS, on June 27, 2017 Governor Brown signed Senate Bill 94, the Medicinal and Adult Use Cannabis Regulation and Safety Act (“MAUCRSA”), which merged the regulatory regimes of MCRSA and AUMA; and

WHEREAS, under MAUCRSA the State began issuing licenses in 2018 for both medical and adult-use (recreational) cannabis businesses in twenty (20) different categories, which are found

in Section 26050 of the State Business & Professions Code, to include licensing categories cannabis cultivators, manufacturers, testers, retailers, distributors, and microbusinesses; and

WHEREAS, the MAUCRSA, through Section 26200(a)(1) of the State Business and Professions Code, provides local jurisdictions the right to completely prohibit the establishment or operation of any or all of the twenty (20) different categories of medical and recreational business operations to be licensed by the State under Section 26050 of the State Business and Professions Code; and

WHEREAS, the MAUCRSA, through Section 26055(d) of the State Business & Professions Code, provides that a State commercial cannabis license may not be issued to an applicant whose operations would violate the provisions of any local ordinance or regulation; and

WHEREAS, the MAUCRSA, through Section 26200(a)(1) of the State Business & Professions Code, provides local jurisdictions the right to adopt and enforce local ordinances to regulate any or all of the twenty (20) different categories of medical and adult-use business operations to be licensed by the State under Section 26050 of the State Business and Professions Code, including, but not limited to, local zoning and land use requirements; and

WHEREAS, the MAUCRSA, Section 26201 of the State Business and Professions Code, provides that any standards, requirements, and regulations regarding health and safety, environmental protection, testing, security, food safety, and worker protections established by the state for the twenty (20) different categories of medical and adult-use business operations to be licensed by the State under Section 26050 of the State Business and Professions Code shall be the minimum standards, and a local jurisdiction may establish additional standards, requirements, and regulations; and

WHEREAS, pursuant to the above-described express statutory authority and its police power, the City of South El Monte (the "City") now desires to amend Chapter 5.26 (Cannabis Activities) of Title 5 of the City Municipal Code to permit certain commercial adult-use cannabis uses (retail (medical / adult-use / non-medical) sales); and

WHEREAS, pursuant to the above-described express statutory authority and its police power, the City now desires to amend Chapter 5.26 (Cannabis Activities) of Title 5 of the City Municipal Code so as to expressly authorize the City Manager to issue administrative rules and regulations governing commercial cannabis uses within the City; and

WHEREAS, as part of this Ordinance, the City desires to impose a tax upon commercial cannabis operations, to be known as the "Cannabis Business Tax," pursuant to voter approval, so that every person engaged in conducting a commercial cannabis operation shall pay a cannabis business tax, regardless of whether such operation has a valid permit pursuant to the South El Monte Municipal Code; and

WHEREAS, pursuant to subdivision (b) of Section 2 of Article XIII C of the California Constitution and Section 53720 *et seq.* of the Government Code, the City Council is authorized to impose a general tax upon submission of such general tax to the voters of the City and approval by a

majority of the voters voting on the issue, at an election consolidated with a regularly scheduled general election for members of the City Council; and

WHEREAS, presently the City has no specific local tax on cannabis commercial operations; and

WHEREAS, MAUCRSA and AUMA do not preempt local taxation of commercial cannabis operations; and

WHEREAS, pursuant to Government Code Section 9222 and Government Code Sections 53720 *et seq.*, on August 2, 2022, the City Council approved this Ordinance for submittal to the voters of the City, and called a General Municipal Election for that purpose to be held on November 8, 2022, and consolidated with the Statewide General Election that will be held on the same date; and

WHEREAS, although the City does not desire nor intend by this Ordinance to allow any commercial cannabis uses in the City other than the medical cannabis retailers that may be permitted pursuant to Chapter 5.26 of the City's Municipal Code, the City does desire to seek voter approval for a broad cannabis tax that is applicable to permitted commercial cannabis uses, any unlawful or unpermitted commercial cannabis uses which may be in operation at any time, and any potential commercial cannabis uses that may be allowed in the future; and

WHEREAS, if this Ordinance is approved by a majority of voters, then this Ordinance will, among other amendments, amend the South El Monte Municipal Code to add a new Chapter 3.40 ("Cannabis Business Tax") to Title 3 (Revenue and Finance) of the South El Monte Municipal Code to enact the Cannabis Business Tax, which includes a "commercial cannabis tax" and a "commercial cannabis cultivation tax," as such terms are used in said Chapter 3.40; and

WHEREAS, the City desires and intends that revenue generated from said cannabis taxes can be spent for unrestricted general revenue purposes; and

WHEREAS, the City finds that this Ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to both the exemption provided by Section 26055(h) of the State Business and Professions Code as well as Sections 15060(c)(3) and 15061(b)(3) of the CEQA Guidelines; and

WHEREAS, nothing in this Ordinance shall be construed to allow any person to engage in conduct that endangers others or causes a public nuisance;

NOW, THEREFORE, THE PEOPLE OF THE CITY OF SOUTH EL MONTE, CALIFORNIA FIND AND ORDAIN AS FOLLOWS:

SECTION 1. FINDINGS. The people of the City of South El Monte hereby make the following findings:

- A. The recitals set forth above are all true and correct and are incorporated herein as findings of fact.
- B. The regulation of commercial cannabis activities established by this Ordinance amendment are to protect and promote the public health, safety and welfare, and are enacted pursuant to the authority granted to the City by State law.

- C. Tax revenue from commercial cannabis operations can provide funds for additional City services to promote and protect the general health and welfare of the citizens of the City.

SECTION 2. NEW CANNABIS REGULATIONS. Chapter 5.26 (Cannabis Activities) of Title 5 (Business Taxes, Licenses, and Regulations) of the City Municipal Code is hereby retitled and amended in its entirety to read as follows:

“CHAPTER 5.26 - COMMERCIAL CANNABIS OPERATIONS REGULATORY PROGRAM

Sec. 5.26.010 - Purpose and intent.

Sec. 5.26.020 - Commercial cannabis operation prohibited without City Commercial Cannabis Operation Permit.

Sec. 5.26.030 - Definitions.

Sec. 5.26.040 - Prohibited commercial cannabis operations.

Sec. 5.26.050 – Permitted commercial cannabis operations.

Sec. 5.26.060 - Maximum number of Commercial Cannabis Operation Permits.

Sec. 5.26.070 - Commercial Cannabis Operation Permit application procedure.

Sec. 5.26.080 - Limitations on the City’s liability.

Sec. 5.26.090 - Commercial Cannabis Operation Permit term.

Sec. 5.26.100 - Change in location; transfer; updated application information.

Sec. 5.26.110 - General operating standards and restrictions.

Sec. 5.26.120 - Retailer operating standards and restrictions.

Sec. 5.26.120.5 - Delivery operating standards and restrictions.

Sec. 5.26.130 – Community benefits agreement.

Sec. 5.26.140 - Administration.

Sec. 5.26.150 - Fees.

Sec. 5.26.160 - Suspension and revocation.

Sec. 5.26.170 – Appeals.

Sec. 5.26.180 – Violations and penalties; public nuisance.

Sec. 5.26.190 - Service of notices.

Sec. 5.26.200 - Prohibitions.

Sec. 5.26.210 - Nonconforming use.

Sec. 5.26.220 – Exceptions.

Sec. 5.26.230 – Operative date.

Sec. 5.26.240 – Severability.

Sec. 5.26.250 – City Council Authority to Amend.

Sec. 5.26.260 – City Councilmember Conflicts of Interest.

Sec. 5.26.010 - Purpose and intent.

- A. The purpose of this chapter is to establish a comprehensive set of regulations with an attendant regulatory permit applicable to the operation of certain types of commercial cannabis operations, while simultaneously establishing an express prohibition on certain other types of commercial cannabis operations.
- B. The regulations for, and prohibitions on, specific types of commercial cannabis operations are enacted to preserve the public health, safety, and welfare of the residents and visitors of the City, consistent with the State's Compassionate Use Act of 1996, Medical Marijuana Program Act of 2003, Adult Use of Marijuana Act of 2016 MAUCRSA, and all applicable State laws governing commercial cannabis operations.
- C. The issuance of a Commercial Cannabis Operation Permit shall constitute a revocable privilege and shall not create or establish any vested rights for the development or use of a property.
- D. This chapter and any administrative regulations adopted pursuant to this chapter shall be known as the "Commercial Cannabis Operations Regulatory Program" or the "Program".

Sec. 5.26.020 - Commercial cannabis operation prohibited without City Commercial Cannabis Operation Permit.

It shall be unlawful to own, establish, operate, use, or permit the establishment or activity of a commercial cannabis operation, or to participate in commercial cannabis operations as an employee, contractor, agent, volunteer, or in any manner or capacity, other than as provided in this chapter and pursuant to both a current and valid City Commercial Cannabis Operation Permit, as well as the equivalent State license for such commercial cannabis operation as provided for by Section 26050 of the State Business & Professions Code, and as amended from time to time. The prohibition contained in this section shall include renting, leasing, or otherwise permitting a commercial cannabis operation to occupy or use a location, vehicle, or other mode of transportation.

Sec. 5.26.030 - Definitions.

As used in this chapter, the following words and phrases shall have the following meanings. Words and phrases not specifically defined below shall have the meanings ascribed to them elsewhere in this Code or shall otherwise be defined by common usage. For definitions of nouns, the singular shall also include the plural; for definitions of verbs, all verb conjugations shall be included. Any reference to State statutes includes any regulations promulgated thereunder and is deemed to include any successor or amended version of the referenced statute or regulatory provision.

- A. "Adult use" (i.e., "recreational" or "non-medical") refers to activity involving cannabis or cannabis products, which is restricted to adults 21 years of age and older and who do not possess a physician's recommendation, in contrast to an activity involving medical cannabis or medical cannabis products.
- B. "Alcohol or drug treatment facility" shall have the same definition as "alcoholism or drug abuse recovery or treatment facility" as defined in Section 11834.02(a) of the State Health and Safety Code, which currently defines the term as "any premises, place, or building that provides residential nonmedical services to adults who are

recovering from problems related to alcohol, drug, or alcohol and drug misuse or abuse, and who need alcohol, drug, or alcohol and drug recovery treatment or detoxification services.” Further, “alcohol or drug treatment facility” shall also include such a facility that provides treatment for minors to the extent permitted by law.

- C. “Applicant” means a person who files an application for a Commercial Cannabis Operation Permit under this chapter. (and shall not include the owners or the managers of the applicant).
- D. “Cannabis” means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “Cannabis” also means the separated resin, whether crude or purified, obtained from cannabis. “Cannabis” does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination.
- E. “Cannabis concentrate” means cannabis that has undergone a process to concentrate one or more active cannabinoids, thereby increasing the product’s potency. Resin from granular trichomes from a cannabis plant is a concentrate for purposes of this division. A cannabis concentrate is not considered food, as defined by Section 109935 of the Health and Safety Code, or a drug, as defined by Section 109925 of the Health and Safety Code.
- F. “Cannabis products” means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.
- G. “City” means the City of South El Monte, State of California.
- H. “City Attorney” means the City of South El Monte City Attorney, and includes his/her designee(s).
- I. “City Council” means the City Council of the City of City of South El Monte.
- J. “City Manager” means the City of South El Monte City Manager, and includes his/her designee(s).
- K. “Code” means the City of South El Monte Municipal Code, and may be amended.
- L. “Commercial cannabis operation” includes the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery, or sale (including retail and wholesale, and including medical-only and adult-use sales) of cannabis and cannabis products; except, as applicable, the activities provided in Section 5.26.220(A) or as preempted by State law.
- M. “Commercial Cannabis Operation Permit” shall mean a City permit issued pursuant to the procedures provided for in this chapter allows the permit holder to operate a specific type of commercial cannabis operation in the City subject to the requirements of this chapter, State law, and the specific permit.

- N. "County" means the County of Los Angeles, State of California.
- O. "Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.
- P. "Customer" means a natural person twenty-one (21) years of age or over or a natural person eighteen (18) years of age that is a qualified patient or primary caregiver.
- Q. "Day care center" means, a facility other than a family day care home, infant centers, toddler, preschool, and school age children licensed by the State Department of Social Services pursuant to Section 1596.951 of the State Health and Safety Code. Pursuant to the authority delegated by the State to the City under Section 26054(b) of the State Business and Professions Code, this definition of "day care center" under this chapter shall override the definition of "day care center" in MAUCRSA at Section 26001 of the State Business and Professions Code.
- R. "Delivery" means the commercial transfer of cannabis or cannabis products to a customer, and includes the use of any technology platform owned and controlled by the same person making such use.
- S. "Director" means the City of South El Monte Community Development Director, and includes his/her designee(s).
- T. "Distribution" means the procurement, sale, and transport of cannabis and cannabis products between entities licensed for and/or engaged in commercial cannabis operations under State law.
- U. "Distributor" means a person engaged in distribution.
- V. "Edible" means cannabis product that is intended to be used, in whole or in part, for human consumption, including, but not limited to, chewing gum, but excluding products set forth in Division 15 (commencing with Section 32501) of the Food and Agricultural Code. An edible cannabis product is not considered food, as defined by Section 109935 of the State Health and Safety Code, or a drug, as defined by Section 109925 of the State Health and Safety Code.
- W. "Employee" means any person (whether paid or unpaid) who provides regular labor or regular services for a commercial cannabis operation, including, but not limited to, at the location of a commercial cannabis operation. The term "employee" includes managers and owners as used in this chapter.
- X. "Extraction" means the process of obtaining cannabis concentrates from cannabis plants, including but not limited to through the use of solvents like butane, alcohol or carbon dioxide.
- Y. "Finance Director" means the City of South El Monte Finance Director, and includes his/her designee(s).
- Z. "Fire Chief" means the City of Los Angeles County Fire Department Chief, and includes his/her designee(s).
- AA. "Gross receipts" means, except as otherwise specifically provided herein, whether designated as a sales price, royalty, rent, commission, dividend, or other designation, the total amount (including all receipts, cash, credits, and property of any kind or nature) received or payable for sales of goods, wares, or merchandise without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor, or service costs, interest paid or payable, losses, or any other expense

whatsoever. However, the following shall be excluded from gross receipts:

1. Cash discounts where allowed and taken on sales;
 2. Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser
 3. Such part of the sale price of any property returned by purchasers to the seller as refunded by the seller by way of cash or credit allowances or return of refundable deposits previously included in gross receipts;
 4. Receipts derived from the occasional sale of used, obsolete, or surplus trade fixtures, machinery, or other equipment used by the taxpayer in the regular course of the taxpayer's business
 5. Cash value of sales, trades, or transactions between departments or units of the same business
 6. Whenever there are included within the gross receipts amounts which reflect sales for which credit is extended and such amount proved uncollectible in a given year, those amounts may be excluded from the gross receipts in the year they prove to be uncollectible; provided, however, if the whole or portion of such amounts excluded as uncollectible are subsequently collected, they shall be included in the amount of gross receipts for the period when they are recovered
 7. Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded when in excess of one dollar; and
 8. Any proceeds resulting from a transfer or change of ownership or control in the business.
- BB. "Identification card" has the same definition as provided for in Section 11362.7(g) of the State Health and Safety Code , and as may be amended, defined as "a document issued by the [State Department of Health Services] that identifies a person authorized to engage in the medical use of cannabis and the person's designated primary caregiver, if any."
- CC. "Labeling" means any label or other written, printed, or graphic matter upon cannabis or a cannabis product, upon its container or wrapper, or that accompanies any cannabis or cannabis product.
- DD. "Labor peace agreement" means an agreement between a cannabis retailer and any bona fide labor organization that, at a minimum, protects the City's proprietary interests by prohibiting labor organizations and members from engaging in picketing, work stoppages, boycotts, and any other economic interference with a cannabis retailer. This agreement means that the cannabis retailer has agreed not to disrupt efforts by the bona fide labor organization to communicate with, and attempt to organize and represent, the cannabis retailer's employees. The agreement shall provide a bona fide labor organization access at reasonable times to areas in which the cannabis retailer's employees work, for the purpose of meeting with employees to

discuss their right to representation, employment rights under State law, and terms and conditions of employment.

- EE. “Liquid Assets” means assets that can be readily converted into cash. “Liquid assets” include, but are not limited to, the following: funds in checking or savings accounts, certificates of deposit, money market accounts, mutual fund shares, publicly traded stocks, and United States savings bonds. “Liquid assets” does not mean household items, furniture and equipment, vehicles, cannabis or cannabis products, business inventory, or real property and improvements thereto.
- FF. “Location” means any parcel of land, whether vacant or occupied by a building, group of buildings, or accessory buildings, and includes the buildings, structures, yards, open spaces, lot width, and lot area.
- GG. “Lighting” means the act of illuminating as well as the effect achieved by the arrangement of lights.
- HH. “Live scan” means a system for inkless electronic fingerprinting and the automated background check developed by the California Department of Justice (“DOJ”) that involves digitizing fingerprints and electronically transmitting the fingerprint image data along with personal descriptor information to computers at the DOJ for completion of a criminal record check; or such other comparable inkless electronic fingerprinting and automated background check process as determined by the City Council.
- II. “Manager” means an employee responsible for management and/or supervision of a commercial cannabis operation including but not limited to, any (i) manager or managing member or other officer of a limited liability company or (ii) president, chief executive officer, secretary, treasurer, chief financial officer, or other officer of a for profit corporation.
- JJ. “Manufacture” or “manufacturing” means to compound, blend, extract, infuse, or otherwise make or prepare a cannabis product; includes the activities of a manufacturer.
- KK. “Manufacturer” means a person that conducts the production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container; includes the activity of manufacturing.
- LL. “Marijuana” has the same definition as provided for “cannabis” in this chapter.
- MM. “MAUCRSA” means the State Medicinal and Adult-Use Cannabis Regulation and Safety Act, codified at Sections 11018 *et seq.* of the State Health and Safety Code, Sections 26001 *et seq.* of the State Business and Professions Code, Section 34010 of the State Revenue and Tax Code, and Sections 81000 *et seq.* of the State Food and Agriculture Department Code, as may hereinafter be amended.
- NN. “Medical” refers to activity involving medical cannabis or medical cannabis products, in contrast to an activity involving adult-use cannabis or adult-use cannabis products.
- OO. “Medical cannabis” or “medical cannabis product” means cannabis or a cannabis product used in compliance with state law for medical purposes, pursuant to the

Compassionate Use Act (Section 11362.5 of the State Health and Safety Code §), the Medical Marijuana Program Act (Sections 113262.7, *et seq.* of the State Health and Safety Code), and the MAUCRSA.

PP. “Minor” means a person under twenty-one (21) years of age.

QQ. “Owner” means any of the following:

1. A person owning in the aggregate equity interests representing ten (10) percent or more of the voting power of all outstanding equity in the applicant or a commercial permittee.
2. The president, chief executive officer, secretary, treasurer, or chief financial officer of a nonprofit applicant or permittee; or
3. A member of the board of directors of a nonprofit applicant or permittee.

Notwithstanding the above, every applicant and permittee must have at least one individual person designated as an “owner” for the purpose of compliance with this chapter, including the review and evaluation of any Commercial Cannabis Operation Permit application.

RR. “Microbusiness” shall have the same definition as provided for in Section 26070 of the State Business and Professions Code, and as may be amended.

SS. “Nursery” means a person that produces only clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of cannabis.

TT. “Operations Officer(s)” shall refer to the Director, the Fire Chief, the Police Chief, the Finance Director and the City Manager, individually or collectively.

UU. “Package” means any container or receptacle used for holding cannabis or cannabis products.

VV. “Packaging” or “packages” means an activity involved with placing cannabis or cannabis products in a package.

WW. “Park” means public land which has been designated for park or recreational activities, including but not limited to a park, playground, nature trails, swimming pool, athletic field, basketball court, tennis court, pedestrian or bicycle paths, beaches, open space, or similar public land within the City or which is under the control, operation or management of the City Recreation and Parks Department. “Park” shall not include any youth center.

XX. “Permittee” means a person issued a Commercial Cannabis Operation Permit by the City.

YY. “Person” means any individual, firm, co-partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit.

ZZ. “Person with an identification card” has the same definition as provided for in Section 11362.7(c) of the State Health and Safety Code, and as may be amended, defined as “an individual who is a qualified patient who has applied for and received a valid identification card pursuant to this article.”

- AAA. "Physician's recommendation" means a determination from a physician that a patient's medical cannabis use is deemed appropriate and is recommended by the physician on the basis of the physician has determined that the patient's health would benefit from the use of cannabis in the treatment of cancer, anorexia, AIDS, chronic pain, spasticity, glaucoma, arthritis, migraine, or any other illness for which cannabis provides relief, in strict accordance with Section 11362.5 of the State Health and Safety Code.
- BBB. "Police Chief" means the Los Angeles County Sheriff, and includes his/her designee(s).
- CCC. "Police Department" means the Los Angeles County Sheriff's Department.
- DDD. "Premises" means the designated structure or structures and land specified in a Commercial Cannabis Operation Permit application that is owned, leased, or otherwise held under the control of the applicant or permittee where commercial cannabis operation will be or is conducted. The premises shall be a contiguous area and shall only be occupied by one permittee."
- EEE. "Primary caregiver" has the same definition as provided for in Section 11362.7(d) of the State Health and Safety Code, and as may be amended, defined as "the individual, designated by a qualified patient or by a person with an identification card, who has consistently assumed responsibility for the housing, health, or safety of that patient or person". A "primary caregiver" shall also meet the requirements of Section 11362.7(e) of the State Health and Safety Code , and as may be amended, which provide that a "primary caregiver shall be at least 18 years of age, unless the primary caregiver is the parent of a minor child who is a qualified patient or a person with an identification card or the primary caregiver is a person otherwise entitled to make medical decisions under state law pursuant to Sections 6922, 7002, 7050, or 7120 of the Family Code."
- FFF. "Qualified patient" has the same definition as provided for in Section 11362.7(f) of the State Health and Safety Code , and as may be amended, defined as "a person who is entitled to the protections of Section 11362.5, but who does not have an identification card issued pursuant to this article."
- GGG. "Religious institution" means any church, synagogue, mosque, temple, or building which is used primarily for religious worship, religious education, and related religious activities.
- HHH. "Residentially zoned property" means any parcel of land located within the City zoned: R-1 (Single-Family Residential Zone), R-2 (Multiple Residential Zone), or R-3 (Multiple Residential Zone)
- III. "Retailer" means a person engaged in the retail sale or delivery of cannabis or cannabis products to a customer. "Retailer" includes "Retailer (Medical-Only)" and "Retailer (Medical/Adult Use)." "Retailer (Medical-Only)" refers to a retailer which is restricted by the terms of its Commercial Cannabis Operation Permit to engaging in the retail sale or delivery of medical cannabis or cannabis products as stated in Section 5.26.120(A). "Retailer (Medical/Adult-Use)" refers to a retailer which is not so restricted by the terms of its Commercial Cannabis Operation Permit, and which accordingly may engage in the retail sale or delivery of medical or adult-use cannabis or cannabis products to a customer.
- JJJ. "Retail sale(s)" means any commercial cannabis operation involving the retail sale

of cannabis or cannabis products from a retailer.

KKK. "Sale(s)" means any sale, exchange, or barter or other transaction for any consideration.

LLL. "School" means as evidenced by the State Department of Education school directory, a public school instructing children in grades kindergarten through 12, as authorized by the State Department of Education or a private school instructing children in grades kindergarten through 12 that has filed a verification of private school affidavit with the State Department of Education pursuant to Section 33190 of the State Education Code, excluding any private school in which education is primarily conducted in a private home. Pursuant to the authority delegated by the State to the City under Section 26054(b) of the State Business and Professions Code, this definition of "school" under this chapter shall override the definition of "school" used in MAUCRSA or Section 11362.768 of the State Health and Safety Code.

MMM. "Site" means the premises and actual physical location of a Commercial Cannabis Operation, as well as its accessory structures and parking areas

NNN. "State" means the State of California.

OOO. "Testing laboratory" or "testing" refers to a laboratory, facility, or entity that offers or performs tests on cannabis or cannabis products; includes the activity of laboratory testing.

PPP. "Youth center" means, (A) any public or private facility that is primarily used to host recreational or social activities for minors, such as private youth membership organizations or clubs, social service teenage club facilities, or (B) a park, playground, or recreational area specifically designed to be used by children that may have play equipment installed, including public grounds designed for athletic activities such as baseball, softball, soccer, or basketball or any facility located on a public or private school grounds, or on City, County, or parks. "Youth center" shall not include any private martial arts, yoga, ballet, music, or similar studio of this nature nor shall it include any private athletic training facility, pizza parlor, restaurant, video arcade, dentist office, or doctor's office primarily serving children. Pursuant to the authority delegated by the State to the City under Section 26054(b) of the State Business and Professions Code, this definition of "youth center" under this chapter shall override the definition of "youth center" in MAUCRSA at Section 26001 of the State Business and Professions Code.

Sec. 5.26.040 - Prohibited commercial cannabis operations.

A. Commercial cannabis operations (including non-profit operations) within the City that involve the activities of non-storefront retailer (whether medical-only or medical/adult-use), cultivation, manufacturer, testing, distribution, or microbusiness are prohibited, including but not limited to commercial cannabis operations licensed by the State in the license classifications listed below as provided in Section 26050 of the State Business and Professions Code:

1. Type 1 = Cultivation; Specialty Outdoor; Small.
2. Type 1A = Cultivation; Specialty Indoor; Small.
3. Type 1B = Cultivation; Specialty Mixed Light; Small.

4. Type 1C = Cultivation; Specialty Cottage; Small.
5. Type 2 = Cultivation; Outdoor; Small.
6. Type 2A = Cultivation; Indoor; Small.
7. Type 2B = Cultivation; Mixed-light; Small.
8. Type 3 = Cultivation; Outdoor; Medium.
9. Type 3A = Cultivation; Indoor; Medium.
10. Type 3B = Cultivation; Mixed-Light; Medium.
11. Type 4 = Cultivation; Nursery.
12. Type 5= Cultivation; Outdoor; Large.
13. Type 5A = Cultivation; Indoor; Large
14. Type 5B = Cultivation; Mixed-Light; Large.
15. Type 6 = Manufacturer 1.
16. Type 7 = Manufacturer 2.
17. Type 8 = Testing.
18. Type 9 = Non-Storefront Retailer (Delivery Only)
19. Type 11 = Distributor
20. Type 12 = Microbusiness.

- B. The prohibition provided by above subsection (A) includes any similar activities authorized under new or revised State licenses, or any other State authorization, to allow any type, category or classification of cannabis commercial operations that involve the activities of non-storefront retailer (Type 9, i.e., delivery only) (whether medical-only or medical/adult-use), cultivation, manufacturer, testing, distribution, microbusiness, or similar operations (including non-profit, collective or cooperative operations).

Sec. 5.26.050 - Permitted commercial cannabis operations.

- A. Commercial cannabis operations (including non-profit operations) within the City which involve the activity of retailer (Type 10; medical-only and medical/adult-use) are allowed subject to issuance and maintenance of a valid and current City Commercial Cannabis Operation Permit, continuing adherence to this entire chapter and all applicable City and State regulations and laws, and issuance and maintenance of a valid and current equivalent state license type listed below, as provided for in Section 26050 of the State Business and Professions Code:
1. Type 10 = Retailer (Medical-Only; Medical/Adult-Use).
- B. The requirements provided by above subsection (A) apply to any similar activities authorized under new or revised State licenses, or any other State authorization, to allow any type, category or classification of cannabis commercial operations that involve the activity of retailer (medical-only and medical/adult-use) or similar operations (including non-profit, collective or cooperative operations).

Sec. 5.26.060 -Maximum Number of Commercial Cannabis Operation Permits.

- A. The number of Commercial Cannabis Operation Permits for retailer (medical/adult-use) commercial cannabis operations based within the City shall be no more than one (1).
- B. Notwithstanding Subsection (A) of this Section, if the City Council opts, in its sole discretion, to reinstitute the application procedure after the first year following the operative date of this chapter pursuant to Section 5.26.070(H), then two (2) additional retailer (medical/adult-use) Commercial Cannabis Operation Permits may be issued such that the maximum number of Commercial Cannabis Operation Permits for retailer (medical/adult-use) commercial cannabis operations based within the City shall be increased to no more than three (3) retailers (medical/adult-use).
- C. The number of Commercial Cannabis Operation Permits for non-storefront retailer (delivery only) (whether medical-only or medical/adult-use) (including retailers or microbusinesses engaged in delivery) commercial cannabis operations based outside the City to engage in delivery within the City shall be zero (0). However, should a court of competent jurisdiction, as a judicial remedy, order the City Council to increase the maximum number of Commercial Cannabis Operation Permits for non-storefront retailer (delivery only) (including retailers or microbusinesses engaged in delivery) commercial cannabis operations based outside the City to engage in delivery within the City, the number of Commercial Cannabis Operation Permits for non-storefront retailer (delivery only) (including retailers or microbusinesses engaged in delivery) commercial cannabis operations based outside the City to engage in delivery within the City shall be no more than two (2).
- D. The maximum number of Commercial Cannabis Operation Permits issued for retailer (including medical-only and medical/adult use retailer, individually and collectively) commercial cannabis operations based within the City or non-storefront retailer (delivery only) (including retailers or microbusinesses engaged in delivery) based outside the City may not be amended by the City Council or regulations promulgated by the City Manager pursuant to this chapter. However, the City Council may and shall increase the maximum number of Commercial Cannabis Operation Permits issued for retailer commercial cannabis operations based within the City or non-storefront retailer (delivery only) (including retailers or microbusinesses engaged in delivery) based outside the City (i) if ordered to do so by a court of competent jurisdiction as a judicial remedy or (ii) by a vote of the People of the City.

Sec. 5.26.070 Commercial Cannabis Operation Permit application procedure.

- A. Following the effective date of this chapter, the City Manager, pursuant to Section 5.26.140, shall, as a ministerial duty, make available the necessary forms, adopt any necessary application rules for the submission, intake, review, and approval of applications for retailer (medical-only and medical/adult-use) commercial cannabis operations up to the maximum number of Commercial Cannabis Operation Permits authorized in Section 5.26.060.
- B. The City Manager shall, as a ministerial duty, cease acceptance of Commercial

Cannabis Operation Permit applications for retailer (medical-only and medical/adult-use) commercial cannabis operations thirty (30) days after making available the necessary forms and adopting any necessary application rules for the submission, intake, review, and approval of Commercial Cannabis Operation Permit applications for retailer (medical-only and medical/adult-use) commercial cannabis operations.

C. Within thirty (30) days of ceasing the acceptance of Commercial Cannabis Operation Permit applications for retailer (medical-only and medical/adult-use) commercial cannabis operations, the City Manager shall, as a ministerial duty, review timely submitted Commercial Cannabis Operation Permit applications for retailer (medical-only and medical/adult-use) commercial cannabis operations for the following minimum requirements:

1. Payment of an application fee established by resolution of the City Council within forty-five (45) days following the effective date of this chapter to cover all costs incurred by the City in the application process;
2. Sufficient evidence of the legal right to use the proposed property for the proposed use, to include a lease, sublease, purchase agreement, assignment of purchase agreement, or lease or purchase option, in the name of the applicant, which may include nominal consideration and be contingent upon issuance of a Commercial Cannabis Operation Permit or other approvals. The City shall only consider one applicant per property address or County Assessor's Identification Number. In the event that more than one applicant applies for a Commercial Cannabis Operation Permit application at a given property address or a given County Assessor's Identification Number, the City Manager shall, as a ministerial duty, only accept the Commercial Cannabis Operation Permit application with the earliest effective date for the evidence of the legal right to use the proposed property for the proposed use in the name of the applicant;
3. Sufficient evidence to demonstrate that the proposed property complies with the location and zoning requirements in Section 5.26.120;
4. Proof that an owner or owners of the applicant with an aggregate ownership interest of fifty (50) percent or more has served as an owner or owners with an aggregate ownership interest of fifty (50) percent or more of six or more other retailer (medical-only or medical/adult-use) commercial cannabis operations by a city, county, or state since at least January 1, 2022;
5. Proof of funds showing that the applicant has access and control of over \$500,000.00 in Liquid Assets (which such Liquid Assets having been under possession for at least ninety (90) days prior to the date of the application submission under this Section), which may be shown via a binding legal agreement in the name of the applicant such as a promissory note so long as said legal agreement is accompanied by a proof of funds in the name of a party to the agreement that demonstrates access and control of over \$500,000.00 in

Liquid Assets under possession for at least ninety (90) days prior to the date of the application submission under this Section. Applicants and permittees shall not be required to show that the applicant or permittee has access and control of over \$500,000.00 in Liquid Assets except on initial application pursuant to this Section 5.26.070, a change in location application pursuant to Section 5.26.100, or an ownership transfer application pursuant to Section 5.26.100;

6. For an applicant with two (2) or more employees, proof of a labor peace agreement between a bona fide labor organization and the applicant (the applicant shall provide the City with a copy of the labor peace agreement that contains the signatures of the union representative and the cannabis business). For applicants with less than two (2) employees who have not yet entered into a labor peace agreement, the applicant shall provide a notarized statement indicating that the applicant will enter into and abide by the terms of a labor peace agreement within thirty (30) days after employing two (2) employees;
7. A set of plans, including a site development plan, floor plan(s), building elevations (all four (4) sides), and a conceptual landscape plan with the percentage of landscaping in the parking lot, setback areas, and tree size and species;
8. Colored interior and elevation renderings;
9. A completed background check application and receipt for each owner and manager of the applicant pursuant to Section 5.26.110(H); and
10. The following application components: (a) Qualifications of the applicant's owners and managers; (b) business and operations plan; (c) security plan; (d) safety plan; (e) neighborhood compatibility plan; (f) labor and employment plan; and (g) community benefits plan.
11. Disclosure of whether the applicant is applying for a Commercial Cannabis Operation Permit as a retailer (medical-only) or retailer (medical/adult-use).

The City Manager shall, as a ministerial duty, reject any Commercial Cannabis Operation Permit application that fails to meet the minimum requirements contained in this Subsection (C), and applicants shall not have the right to supplement or amend their Commercial Cannabis Operation Permit applications.

- D. Within sixty (60) days of completing the application review under Subsection (C) above, the City Manager shall, as a ministerial duty, review and score any complete applications pursuant to the following objective review criteria according to the following quantitative evaluation scale, with retailer (medical-only) applicants ranked only against other retailer (medical-only) applicants and retailer (medical/adult-use) applicants ranked only against other retailer (medical/adult-use) applicants unless otherwise provided by administrative regulations promulgated pursuant to Section 5.26.140:

1. Qualifications of the applicant's owners and managers – 250 points

The People of the City find that a proven track-record of for retailer commercial cannabis operations that successfully generate tax revenue carries out the purpose and intent of the Program and are, therefore, critical for an applicant to demonstrate the qualifications of the applicant's owners and managers. Accordingly, 150 of the 250 points awardable under this Subsection (1) shall only be awarded, as a ministerial duty, if an owner or owners of the applicant with an aggregate ownership interest of fifty (50) percent or more is currently at the time of application submission under this Section an owner or owners with an aggregate ownership interest of fifty (50) percent or more of a single licensed and lawfully operating retailer commercial cannabis operations (excluding any non-retailer microbusiness, cultivation, manufacturing, distribution, or other non-retailer commercial cannabis operation components) that has generated at least \$5,000,000.00 in gross receipts in a consecutive six-month period in the year immediately preceding the date of the application submission under this Section, as demonstrated by tax payment receipts from, tax filings to, or tax returns filed with a city, county, or state.

The remaining 100 of the 250 points awardable under this Subsection (1) shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

- a. Up to 50 points – A description of the applicant's owner and manager qualifications detailing any special business or professional qualifications or licenses of the applicant's owner and manager that would add to the quality of services that the retailer commercial cannabis operation would provide, including in areas related to cannabis, such as legal, finance, business ownership / administration, waste management, real estate development, scientific, or healthcare or wellness fields.
- b. Up to 50 points – Documentation that the applicant's owners and managers have experience operating retailer commercial cannabis operations in any jurisdiction where retailer commercial cannabis operations are permitted.

2. Plans, renderings, and overall location – 50 points

The 50 points awardable under this Subsection (2) shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

- a. Up to 10 points – A premise diagram in accordance with Section 5006 of Division 42 of Title 16 of the State Code of Regulations.
- b. Up to 10 points – A site development plan that provides information on existing conditions and proposed improvements to the site and how it meets or will meet the development standards outlined in this Code. Information on existing conditions shall include:
 - i. Exterior photographs showing all sides of any existing structure(s);
 - ii. Photographs of existing parking areas, landscaping, trash enclosure, and signage;

- iii. Information on existing use on the site, including the addresses, uses, and square footages;
 - iv. Photographs of the existing site if the site is vacant; and
 - v. Photographs of adjacent properties for context.
 - c. Up to 10 points – A floor plan showing information on the existing layout and proposed layout of the building interior.
 - d. Up to 10 points – Building elevations that provide information on existing conditions and proposed improvements.
 - e. Up to 5 points – A conceptual landscape plan with the percentage of landscaping in the parking lot, setback areas, and tree size and species.
 - f. Up to 5 points – Colored interior renderings and exterior elevation renderings (for both existing and/or proposed improvements).
3. Business and operations plan – 100 points

The 100 points awardable under this Subsection (3) shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

- a. Up to 10 points – A written description of the total square footage of the facility with estimated square footage of proposed uses.
- b. Up to 10 points – A schedule for beginning operations, including a narrative outlining any proposed construction improvements and a timeline for completion.
- c. Up to 10 points – A budget for construction, operation, maintenance, compensation of employees, equipment costs, utility costs, and other operating costs.
- d. Up to 5 points – A description of the sources(s) of capital and use(s) of capital.
- e. Up to 10 points – Pro forma financial statements for at least three (3) years of operation.
- f. Up to 5 points – A description of the type of products to be sold and the estimated quantity and value of product(s) to be sold.
- g. Up to 5 points – A description of marketing procedures and tactics.
- h. Up to 10 points – A description of day-to-day operations that should acknowledge both state and local laws and should be consistent with industry best practices.
- i. Up to 5 points – A description of hours of operation and opening procedures.
- j. Up to 10 points – A description of cash handling procedures.
- j. Up to 10 points – A description of inventory control procedures to include

identification of point-of-sale systems, and track and trace software.

- k. Up to 10 points – A description of transportation, loading and unloading, distribution, or delivery procedures.

4. Security plan – 100 points

The 100 points awardable under this Subsection (4) shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

- a. Up to 20 points – The security plan shall be prepared by a professional security consultant.
- b. Up to 10 points – A premises security diagram.
- c. Up to 50 points – A description of access control, inventory control, cash handling, and other security procedures and security equipment demonstrating compliance with the security requirements under this chapter.
- d. Up to 10 points – A description of the intrusion alarm and monitoring system including the name and contact information for the monitoring company.
- e. Up to 10 points – A description of the services of on-site security guards to include the (i) number of security guards; (ii) the hours security guards will be on-site; (iii) locations where security will be positioned; and (iv) security guard responsibilities.

5. Safety plan – 100 points

The 100 points awardable under this Subsection (5) shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

- a. Up to 20 points – The safety plan shall be prepared by a professional fire prevention and suppression consultant.
- b. Up to 10 points – A premises safety diagram to include (1) a description / illustration of evacuation routes and (2) location of fire extinguishers and other fire suppression equipment.
- c. Up to 50 points – A description of safety procedures, training for emergency situations, and safety equipment demonstrating compliance with the safety requirements under this chapter.
- d. Up to 10 points – Identify all gases, pesticides, and chemicals to be used and their storage locations.
- e. Up to 10 points – A description of the firm alarm and monitoring system including the name and contact information for the monitoring company.

6. Neighborhood compatibility plan – 100 points

The 100 points awardable under this Subsection (6) shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

- a. Up to 40 points – A “Good Neighbor Policy” that (i) includes policies and measures in place to protect adjacent uses from any potential impacts (e.g., noise, light, odor, traffic, etc.) related to the proposed cannabis business and (ii) describes how the cannabis business and its operating characteristics will be proactively managed so the business is not detrimental to the public health, safety, convenience, or welfare of persons residing, working, visiting, or recreating in the surrounding area and will not result in the creation of a nuisance.
- b. Up to 20 points – A description of odor mitigation practices to include: (i) identifying potential sources of odor; (ii) a description of odor control devices and techniques employed to ensure that odors from cannabis are not detectable beyond the permitted premises; and (iii) all proposed staff odor training and system maintenance.
- c. Up to 20 points – A description of a waste management plan that includes waste disposal locations within the proposed premises and the applicant’s security measures and methods of rendering waste unusable and unrecognizable.
- d. Up to 20 points – A description of efforts at sustainability / environmental impact mitigation.

7. Community benefits plan – 100 points

The People of the City find that monetary donations to local non-profit organizations, financial support of City sponsored activities or organizations, in kind donations to the City or other charitable organizations, and economic incentives to the City carry out the purpose and intent of the Program and are, therefore, critical for an applicant to demonstrate an effective community benefits plan. Accordingly, 50 of the 100 points awardable under this Subsection (7) shall only be awarded if the applicant pledges to voluntarily provide a public benefit to a public use (or a combination thereof), which is defined as a direct financial contribution equal to two (2) percent of projected gross receipts of the applicant to a public school located within the City, a public park located within the City, and/or a public or nonprofit community organization serving the City or its residents. Beyond the above and as a ministerial duty, no further direct financial contributions shall be considered as part of an applicant’s community benefits plan.

The remaining 50 of the 100 points awardable under this Subsection (7) shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

- a. Up to 25 points – A description of a social responsibility plan to include identification of a community liaison, plans to serve as a social equity business incubator, plans to aide and participate in the work of local non-

profits, community- based organizations, civic organizations, or social services organizations.

- b. Up to 25 points – A description of a plan to develop a public health outreach and educational program that outlines the risks of youth use of cannabis and that identifies resources available to youth related to drugs and drug addiction.

8. Labor and employment plan – 200 points

The People of the City find that a proven track-record of cannabis retailer operations with high labor standards and commitment to labor peace carries out the purpose and intent of the Program and are, therefore, critical for an applicant to demonstrate an effective labor and employment plan. Accordingly, 100 of the 200 points awardable under this Subsection (8) shall only be awarded if the applicant provides documentation that the individual or natural person owner or owners of the applicant (disregarding any intervening or intermediary entity owner or owners of the applicant) with an aggregate ownership interest of fifty (50) percent or more have entered into collective bargaining agreements with a labor organization that currently represents cannabis workers in the United States effective since at least July 1, 2021, inclusive of renewals (and remaining effective, inclusive of renewals, on the date of the application submission under this Section) and such collective bargaining agreements accrete or automatically apply to all cannabis retailers permitted or licensed in the State after July 1, 2021 (notwithstanding the fact that employees of such cannabis retailers permitted or licensed in the State after July 1, 2021 (if any), have yet to have had an opportunity to recognize the labor organization that currently represents cannabis workers in the United States), by the individual or natural person owner or owners of the applicant (disregarding any intervening or intermediary entity owner or owners of the applicant) with an aggregate ownership interest of ninety (90) percent or more referenced above.

The remaining 100 of the 200 points awardable under this Subsection (8) shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

- a. Up to 10 points – An organizational chart of showing owners, managers, and employees.
- b. Up to 10 points – A description of the owner's and manager's roles in day-to-day operations and decisions.
- c. Up to 10 points – A description of the number of employees, title / position, and their respective responsibilities
- d. Up to 15 points – A description of compensation to employees, opportunities for continuing education, and employee training.
- e. Up to 15 points – A description of whether the cannabis business is committed to offering employees a living wage.

- f. Up to 15 points – A description of benefits provided to employees such as health care, vacation, and medical leave, to the degree they are offered as part of employment.
 - g. Up to 15 points – A description of a plan to recruit employees from socially and economically disadvantaged backgrounds.
 - h. Up to 10 points – A description of a plan to have at least 50% of employee positions filled and hours worked by employees residing in the City.
- E. Upon timely receipt of a Commercial Cannabis Operation Permit application, the City Manager shall conduct background checks in accordance with Section 5.26.110(H). Following review and scoring of applications completed pursuant to objective review criteria under Subsection (D), the City Manager shall, as a ministerial duty, recommend that the City Council issue Commercial Cannabis Operation Permits to applicants in order of their rank under Subsection (D) up to the maximum number of Commercial Cannabis Operation Permits authorized in Section 5.26.060. The City Council shall consider the City Manager's recommendations, and may conduct its own independent review and scoring of applications completed pursuant to objective review criteria under Subsection (D) and substitute such review and scoring for that of the City Manager in whole or in part if it sees fit to do so, and shall thereupon, as a ministerial duty, issue Commercial Cannabis Operation Permits to applicants in order of their rank under Subsection (D) up to the maximum number of Commercial Cannabis Operation Permits authorized in Section 5.26.060. For the initial iteration of the application process pursuant to this section, the number of Commercial Cannabis Operation Permits issued shall be no more than two (2) retailer (medical-only) and one retailer (medical/adult use) Commercial Cannabis Operation Permits. In the event of a tie in the order of ranking under Subsection (D) between one or more applicants up to the maximum number of Commercial Cannabis Operation Permits authorized in Section 5.26.060, the City Council shall, as a ministerial duty, break the tie and issue Commercial Cannabis Operation Permits to the applicants with the highest scoring application component in the following order: (1) Qualifications of the applicant's owners and managers; (2) labor and employment plan; (3) security plan; (4) safety plan; (5) community benefits plan; (6) neighborhood compatibility plan; (7) business and operations plan; and (8) plans, renderings, and overall location. In the event of a tie on all application components between one or more applicants up to the maximum number of Commercial Cannabis Operation Permits authorized in Section 5.26.060, the City Manager shall not hold a public lottery, but rather arrange for the tied applicants to provide public presentations before the City Council, after which the City Council shall publicly rank the applicants pursuant to ranking sheets prepared by the City Manager that achieve a forced ranking based on all of the objective review criteria and quantitative evaluation scale in Subsection (D), and the City Council shall issue Commercial Cannabis Operation Permits to applicants in order of their rank up to the maximum number of Commercial Cannabis Operation Permits available following the City Manager/City Council's original ranking and

issuance of Commercial Cannabis Operation Permits and the limits contained in Section 5.26.060. However, the City Council shall not issue a Commercial Cannabis Operation Permit to any applicant with an applicant, owner, or manager that:

1. Provided false or misleading information on the applicant's Commercial Cannabis Operation Permit application;
 2. Has been convicted of (or pled no contest to) "an offense that is substantially related to the qualifications, functions, or duties of the business or profession for which the application is made" as that term is defined in 26057(b)(4) of the State Business and Professions Code; or
 3. Has been sanctioned by a licensing authority or a city, county, or state for unlicensed commercial cannabis operations or has had a license suspended or revoked under MAUCRSA in the three (3) years immediately preceding the date the application was submitted.
- F. Any decision of the City Council under this Section 5.26.070 shall be a final administrative decision not subject to administrative appeal under any provisions of this chapter or any provisions of this Code but, rather, subject to judicial review and remedies.
- G. In the event that (1) the number of active, operating retailer (medical-only or medical/adult-use) commercial cannabis operations and issued Commercial Cannabis Operation Permits falls below the maximum number of Commercial Cannabis Operation Permits for retailer (medical-only or medical/adult-use) commercial cannabis operations authorized in Section 5.26.060 or (2) the City Council is ordered to increase the maximum number of Commercial Cannabis Operation Permits issued for retailer (medical-only or medical/adult-use) commercial cannabis operations by a court of competent jurisdiction as a judicial remedy (e.g., if a court of competent jurisdiction orders the City Council to make Commercial Cannabis Operation Permits available for non-storefront retailer (delivery only) (including retailers or microbusinesses engaged in delivery) commercial cannabis operations based outside the City to engage in delivery within the City), the City Manager shall, as a ministerial duty, within thirty (30) days reinstitute the application procedure under this Section 5.26.070, subject to the maximum number of Commercial Cannabis Operation Permits authorized and available (not allocated to an active, lawfully operating retailer) for issuance pursuant to Section 5.26.060. For the purpose of this Section, a retailer (medical-only or medical/adult-use) commercial cannabis operation shall be considered operating if (1) upon initial issuance of Commercial Cannabis Operation Permit (or approval of a change in location pursuant to Section 5.26.100), the retailer commercial cannabis operation commences lawful operations within twenty-four (24) months or (2) following initial commencement of lawful operations, the retailer commercial cannabis operation does not cease or abandon operations for one-hundred eighty (180) consecutive or cumulative days in any one (1) year period.
- H. Additionally, at any time during the second year from the operative date of this chapter, the City Council may, by resolution or minute action, reinstitute the application procedure under this Section 5.26.070 for the purpose of considering issuance of one additional retailer (medical/adult-use) Commercial Cannabis Operation Permit, in which case the maximum number of Commercial Cannabis

Operation Permits for retailer (adult-use/medical) commercial cannabis operations based in the City shall increase from one to two as stated in Section 5.26.060(B).

Sec. 5.26.080 - Limitations on the City's liability.

To the fullest extent permitted by law, the City shall not assume any liability whatsoever with respect to having issued a Commercial Cannabis Operation Permit pursuant to this chapter or otherwise approving any retailer commercial cannabis operation. As a condition to the approval of any Commercial Cannabis Operation Permit, the applicant shall be required to meet all of the following conditions before they can receive a Commercial Cannabis Operation Permit:

- A. Execution of an agreement, in a form approved by the City Attorney, agreeing to indemnify, defend (at applicant's sole cost and expense), and hold the City, and its officers, officials, employees, representatives, and agents harmless, from any and all claims, losses, damages, injuries, liabilities, or losses which arise out of or which are in any way related to the City's issuance of the Commercial Cannabis Operation Permit, the City's decision to approve the retailer commercial cannabis operation, the process used by the City in making its decision, or the alleged violation of any federal, State, or local laws by the retailer commercial cannabis operation or any of its owners, managers, officers, employees, or agents.
- B. Maintain insurance at coverage limits, and with conditions thereon determined necessary and appropriate from time to time by the City Attorney.
- C. Defend and indemnify the City, its elected and appointed officials, employees and attorneys for all costs and expenses, including but not limited to attorneys' fees and court costs, that the City may be required to pay as a result of any legal challenge related to the City's approval of the applicant's Commercial Cannabis Operation Permit, any matter arising from the operations of said cannabis business and/or related to the City's approval of retailer commercial cannabis operations. The City, at its sole discretion, may participate at its own expense in the defense of any such action, but such participation shall neither relieve nor increase any of the obligations imposed on the applicant hereunder.
- D. Provides written authorization to the Operations Officers to conduct reasonable unannounced inspections of the location of the commercial cannabis operation at the reasonable discretion of the City, including but not limited to inspection of security, inventory, and written records and files pertaining to the commercial cannabis operation, for the purposes of ensuring compliance with this chapter and all laws of the City and the State.

Sec. 5.26.090 - Commercial Cannabis Operation Permit term.

- A. Subject to this Section 5.26.090 and Section 5.26.160, the term of each Commercial Cannabis Operation Permit shall be indefinite.
- B. Upon the one (1) year anniversary of the date of issuance for each Commercial Cannabis Operation Permit and every year thereafter, the City Manager shall conduct

a performance review of the permittee to assess compliance with the requirements of this chapter and State law. Within thirty (30) days of the conclusion of the annual performance review of the permittee, the City Manager shall issue a letter of compliance or noncompliance outlining all items to be corrected to ensure full compliance. In the event of any noncompliance, the permittee shall have sixty (60) days to remedy such noncompliance. However, in the event such noncompliance items cannot be reasonably remedied within sixty (60) days, such noncompliance items shall not constitute a serious material violation of any law and/or any rule, regulation, and/or standard adopted pursuant to this chapter subject to suspension or revocation under Section 5.26.160 if the permittee commences correction of such noncompliance items within sixty (60) days and thereafter diligently prosecutes correction of such noncompliance items to completion.

- C. The permittee shall pay a fee in an amount to be set by the City Council via resolution to cover the costs of conducting the performance review, together with any costs incurred by the City to administer the Program created under this chapter.

Section 5.26.100 – Change in location; transfer, updated application information.

- A. A permittee may change the business location specified in a Commercial Cannabis Operation Permit upon submission and approval of a change in location application promulgated, as a ministerial duty, by the City Manager pursuant to regulations adopted under Section 5.26.140 within one-hundred eighty (180) days following the effective date of this chapter. The permittee shall pay an application fee established by resolution of the City Council to cover all costs incurred by the City in the review and processing of change in location applications. The City Manager shall process such change in location applications as a ministerial duty within thirty (30) days of receipt.
- B. An owner of a Commercial Cannabis Operation Permit shall not transfer ownership or control of such Commercial Cannabis Operation Permit to another person unless and until the permittee and transferee obtain an amendment to the Commercial Cannabis Operation Permit that is approved by the City Council upon recommendation from the City Manager stating that the permit may be transferred. A permittee may change the ownership specified in a Commercial Cannabis Operation Permit upon submission and approval of a change in ownership application promulgated, as a ministerial duty, by the City Manager pursuant to regulations adopted under Section 5.26.140 within one-hundred eighty (180) days following the effective date of this chapter. The permittee shall pay an application fee established by resolution of the City Council to cover all costs incurred by the City in the review and processing of change in ownership applications. The City Manager shall process such change in ownership applications as a ministerial duty within thirty (30) days once the City Manager reasonably determines that the transferee passed the background check required for owners and meets all other requirements of this chapter.
- C. Notwithstanding Subsection (B), during the first three years following the issuance of

a Commercial Cannabis Operation Permit, the City Manager shall not process any application to change the ownership or control of a Commercial Cannabis Operation Permit that results in the permittee altering its ownership composition in a manner that would result in the permittee not being entitled to points it was awarded when the permittee was an applicant pursuant to Section 5.26.070. For example, if a permittee received 100 points when it was an applicant for providing documentation that the individual or natural person owner or owners of the applicant (disregarding any intervening or intermediary entity owner or owners of the applicant) with an aggregate ownership interest of ninety (90) percent or more have entered into a collective bargaining agreement with a labor organization that currently represents cannabis workers in the United States effective since at least July 1, 2021, inclusive of renewals (and remaining effective, inclusive of renewals, on the date of the application submission under this Section), the City Manager shall not process or authorize any change in ownership or control of the permittee if the change would result in the permittee being unable to continue to satisfy the aforementioned criteria subsequent to its approval.

- D. Notwithstanding Subsection (B), no Commercial Cannabis Operation Permit may be transferred when the City Manager has notified the permittee that its Commercial Cannabis Operation Permit has been or may be suspended or revoked.
- E. Any attempt to transfer a Commercial Cannabis Operation Permit either directly or indirectly in violation of this Section 5.26.100 is hereby declared void, and such an unpermitted transfer shall be deemed a ground for revocation of the permit.
- F. An applicant or permittee shall notify the City Manager or designee(s) within fifteen (15) calendar days of any material change in the information provided in the applicant or permittee's Commercial Cannabis Operation Permit application or any change in status of compliance with the provisions of this chapter, including any change in ownership or management...

Sec. 5.26.110 - General operating standards and restrictions.

A commercial cannabis operation shall operate in conformance with the following minimum standards, and such standards shall be deemed to be part of the conditions on the permit for a commercial cannabis operation to ensure that its operation is in compliance with State law and this Code, and to mitigate any potential adverse impacts of the commercial cannabis operation on the public health, safety or welfare.

Additional minimum standards may be adopted from time to time either by resolution or ordinance from the City Council, or by the City Manager pursuant to Section 5.26.140.

- A. State Standards. All state requirements and regulations that govern the operation of a commercial cannabis operation, including but not limited to ones related specifically to certain types of commercial cannabis operations, shall apply as minimum requirements and regulations and requirements for commercial cannabis operations within the City of South El Monte, in addition to the requirements and regulations of this chapter and this Code.
- B. Security.

1. General. All cannabis, cannabis products and cash present or kept at the premises shall be securely stored against both unauthorized access as well as theft.
2. Security Cameras.
 - a. Security cameras shall be installed and maintained in good condition, with at least ninety (90) days of digitally recorded documentation in a format approved by the City Manager and the Police Chief.
 - b. The camera and recording system must be of adequate quality, color rendition, and resolution to allow the identification of any individual present at the site of the commercial cannabis operation.
 - c. The cameras shall be in continuous use 24 hours per day, 7 days per week.
 - d. The recording system must be capable of exporting the recorded video in standard MPEG formats to another common medium approved by the City Manager, such as DVD and/or a USB drive.
 - e. The areas to be covered by the security cameras include, but are not limited to, the storage areas, operation areas, all doors and windows, the parking lot, all exterior sides of the property adjacent to the public rights of way, and any other areas as determined by the City Manager and Police Chief.
 - f. Remote log-in information will be provided to the Operations Officers to allow them to view live and recorded security camera images remotely at any time.
3. Alarm System. The location of the commercial cannabis operation shall be alarmed with a centrally-monitored fire and burglar alarm system, and monitored by an alarm company properly licensed by the State Department of Consumer Affairs Bureau of Security and Investigative Services in accordance with Sections 7590, *et seq.* of the State Business and Professions Code, and whose agents are properly licensed and registered under applicable law.
4. Locked Entrances. All entrances into the building housing a commercial cannabis operation shall be locked from the exterior at all times with entry controlled by employees.
5. Windows. All windows on the building that houses the commercial cannabis operation shall be secured against entry from the outside.
6. No employee shall refuse, impede, obstruct or interfere with an inspection conducted pursuant to the authorizations provided by this chapter.

C. Odors.

1. A commercial cannabis operation shall have an air treatment system that ensures off-site odors shall not result from its activities.
2. This requirement at a minimum means that the commercial cannabis operation shall be designed to provide sufficient odor absorbing ventilation and exhaust systems so that any odor generated inside the location of the commercial cannabis operation is not detected outside the building, on adjacent properties or public rights-of-way, or within any other unit located within the same

building as the commercial cannabis operation, if the use only occupies a portion of a building.

D. Authorizations.

1. The Operations Officers shall have the right to enter all areas of the commercial cannabis operation from time to time unannounced for the purpose of making reasonable inspections to observe and enforce compliance with this chapter and all laws of the City and State.
2. Recordings made by security cameras required pursuant to this chapter shall be made available to the Operations Officers upon verbal request; no search warrant or subpoena shall be needed to view the recorded materials.

E. Records.

1. Commercial cannabis operations shall maintain on-site the following records either in paper or electronic form:
 - a. The full name, address, and telephone numbers of the owner and lessee of the property.
 - b. The name, date of birth, address, and telephone number of each employee of the commercial cannabis operation; the date each was hired; and the nature of each employee's participation in the commercial cannabis operation.
 - c. Copies of all required state licenses.
 - d. An inventory record documenting the dates and amounts of cannabis and cannabis products received at the site, the daily amounts of cannabis and cannabis products on the site, and the daily amounts of cannabis and cannabis products leaving the site for any reason, including but not limited to being sold, delivered, or distributed.
 - e. A written accounting of all expenditures, costs, revenues and profits of the commercial cannabis operation, including but not limited to cash and in-kind transactions.
 - f. A copy of all insurance policies related to the operation of the commercial cannabis operation.
 - g. A copy of the commercial cannabis operation's most recent year's financial statement and tax return.
 - h. Proof of a valid and current permit issued by the City in accordance with this chapter, and the equivalent State of California license to operate the commercial cannabis operation. Every commercial cannabis operation shall display at all times during business hours the City permit issued pursuant to the provisions of this chapter, and the equivalent State license, in a conspicuous place so that it may be readily seen by all persons entering the location of the commercial cannabis operation.
2. All records required to be maintained by the commercial cannabis operation must be maintained for no less than seven (7) years and are subject to immediate inspection (consistent with requirements pertaining to qualified patient confidentiality pursuant to applicable State and federal law) upon a

lawful written request by an Operation Officer.

3. A commercial cannabis operation shall report any loss, damage, or destruction of these records to the Operation Officers within twenty-four (24) hours of the loss, damage, or destruction.

F. Site Management.

1. Commercial cannabis operations shall not result in a nuisance or adversely affect the health, welfare, or safety of nearby persons by creating dust, glare, heat, noise, noxious gases, odors, smoke, traffic, vibration, or other impacts, or be hazardous due to use or storage of materials, processes, products or waste. The permittee shall promptly and diligently both prevent as well as eliminate conditions on the site of the commercial cannabis operation that constitute a nuisance.
2. A permittee shall maintain the exterior of the site, including any parking lots under the control of the permittee, free of litter, debris, and trash.
3. The Commercial Cannabis Operation permittee shall properly store and dispose of all waste generated on the site, including chemical and organic waste, in accordance with all applicable laws and regulations.
4. Notwithstanding any provisions of this code to the contrary, the Commercial Cannabis Operation permittee shall remove all graffiti from the site and parking lots under the control of the Commercial Cannabis Operation Permittee within 72 hours of its application.

G. State Board of Equalization Seller's Permit Required.

1. Commercial cannabis operations must obtain a Seller's Permit from the State Board of Equalization as applicable.
2. Such permit shall be displayed in a conspicuous place so that it may be readily seen by all persons entering the location of the commercial cannabis operation.

H. Employees.

1. All employees must submit to fingerprinting and criminal background checks by the City.
 - a. No employee convicted within the last ten years of a felony substantially related to the qualifications, functions or duties of an employee of a commercial cannabis operation (such as a felony conviction for distribution of controlled substances, money laundering, racketeering, etc.) shall be employed by a commercial cannabis operation, unless such employee has obtained a certificate of rehabilitation (expungement of felony record) under State law or under a similar federal statute or state law where the expungement was granted.
 - b. At the request of the commercial cannabis operation, the City Manager and Police Chief shall determine the applicability of this Section to a potential employee within a reasonable period of time after a written request has been made to the City Manager and Police Chief for such determination.
2. All employees must possess a valid government issued (or equivalent) form

of identification containing an identifying photograph of the employee, the name of the employee, the date of birth of the employee, and the residential address of the employee. Color copies of such identification shall be maintained at the location of the commercial cannabis operation. A valid State driver's license will satisfy this requirement.

I. Cannabis Transfer Between Permitted Operations Only.

A commercial cannabis operation shall not transfer cannabis or cannabis products to or from another commercial cannabis operation, unless both operations are in possession of all required State and local licenses and permits.

J. Commercial Cannabis Operation Signage.

1. Signs on the premises shall not obstruct the entrance or the video surveillance system. The size, location, and design of any signage must conform to the sign provisions in this Code.
2. Business identification signage shall be limited to that needed for identification only, consisting of a single window sign or wall sign that shall comply with the appropriate sign requirements within the applicable zoning district.

K. Prohibited Personal Activities.

1. Cannabis Use. No person shall smoke, ingest, or otherwise consume cannabis in any form on, or within 20 feet of, the site of the commercial cannabis operation.
2. Alcohol Use. No person shall possess, consume, or store any alcoholic beverage on the site of the commercial cannabis operation.

L. No Minors. No minor shall be an employee of, or participate in, a commercial cannabis operation in any capacity, including but not limited to, as a manager, employee, contractor, adviser, or volunteer.

M. Exterior Lighting. The exterior of the premises upon which the commercial cannabis operation is operated shall be equipped with and, at all times between sunset and sunrise, shall remain illuminated with fixtures of sufficient intensity and number to illuminate every portion of the property with an illumination level of not less than one foot-candle as measured at the ground level, including, but not limited to, landscaped areas, parking lots, driveways, walkways, entry areas, and refuse storage areas.

N. Building Design. A permittee must maintain the design of the buildings on the site in accordance with the plans that are approved by the City pursuant to this chapter and otherwise approved by the City. No permittee shall modify the buildings on the site contrary to the approved plans, without the approval of the City Manager.

O. Nuisance. A permittee shall take all reasonable steps to discourage and correct conditions that constitute a nuisance in parking areas, sidewalks, alleys and areas surrounding the premises and adjacent properties during business hours if related to the members of the subject commercial cannabis operation.

1. "Reasonable steps" shall include immediately calling the Police Department upon observation of the activity, and requesting that those engaging in activities that constitute a nuisance or are otherwise illegal to cease those activities, unless personal safety would be threatened in making the request.

2. "Nuisance" includes but is not limited to disturbances of peace, open public consumption of cannabis, alcohol or controlled substances, excessive pedestrian or vehicular traffic, including the formation of any pedestrian lines outside the building, illegal drug activity, harassment of those passing by, excessive littering, excessive loitering, illegal parking, excessive loud noises, especially late at night or early in the morning hours, lewd conduct or law enforcement detentions and arrests.
- P. Upon and after receiving possession of a Commercial Cannabis Operation Permit as provided for in this chapter, a permittee shall:
1. Maintain continuing compliance with criminal background check requirements of this chapter by ensuring that:
 - a. Upon the hiring, association or retention of an employee by the commercial cannabis operation, the requirements of Section 5.26 are immediately met for such employee by provision of appropriate documentation to the City Manager; and
 - b. the City Manager and Police Chief are immediately informed in writing of any felony conviction as described in 5.26.110(H) for any current employee.
 2. Maintain continuing compliance with all applicable insurance requirements, including, but not limited to, those imposed by City and this chapter.
- Q. Workforce Plan. A permittee shall implement a workforce plan that includes at least the following provisions:
1. Commitment for thirty percent (30%) of employees to be local hires; this local hiring requirement is satisfied when a permittee shows that it has either hired or made a good faith effort to hire bona fide residents of the City or persons that may establish residency after initial employment with the permittee;
 2. Commitment to offer apprenticeships and/or compensation for continuing education in the field of commercial cannabis operations; and
 3. Paying a living wage to employees. "Living wage" means compensation equivalent to \$20 per hour inclusive of benefits but excluding tips.
- R. Exemption. The regulations contained in this chapter shall not apply to a commercial cannabis operation engaged in the following uses, as long as such use complies strictly with applicable law, including this Code, regulating such use and the location of such use, including, but not limited to, Section 11362.5 of the State Health and Safety Code and Sections 11362.71 *et seq.* of the State Health And Safety Code: A clinic licensed pursuant to Chapter 1 of Division 2 of the State Health and Safety Code; a health care facility licensed pursuant to Chapter 2 of Division 2 of the State Health and Safety Code; a residential care facility for persons with chronic life-threatening illness licensed pursuant to Chapter 3.01 of Division 2 of the State Health and Safety Code; a residential care facility for the elderly licensed pursuant to Chapter 3.2 of Division 2 of the State Health and Safety Code; and, a residential hospice or a home health agency licensed pursuant to Chapter 8 of Division 2 of the State Health and Safety Code.

Sec. 5.26.120 – Retailer operating standards and restrictions.

A retailer commercial cannabis operation shall operate in conformance with both Section 5.26.110, as well as the following minimum standards, and such standards shall be deemed to be part of the conditions of the Commercial Cannabis Operation Permit for a retailer commercial cannabis operation to ensure that its operation is in compliance with State law and this Code, and to mitigate any potential adverse impacts of the commercial cannabis operation on the public health, safety or welfare.

Additional minimum standards may be adopted from time to time either by resolution or ordinance from the City Council, or by the City Manager pursuant to Section 5.26.140.

- A. City Permit and State License. No person shall engage in retailer commercial cannabis operations without both a current and valid Commercial Cannabis Operation Permit and a current and valid equivalent State license as provided for under Section 26200 of the State Business and Professions Code, and as may be amended. Retailer (medical-only) commercial cannabis operations shall only sell, dispense, or provide medical cannabis or medical cannabis products to a qualified patient with a written physician's recommendation, a person with an identification card, or a primary caregiver with written documentation attesting to lawful status as a primary caregiver.
- B. State Standards. All state requirements and regulations that govern retailer commercial cannabis operations, including but not limited to the regulations promulgated by the State Department of Cannabis Control, and as may be amended, shall apply as minimum requirements and regulations and requirements for retailer commercial cannabis operations within the City, in addition to the requirements and regulations of this chapter and this Code.
- C. Location and Design Requirements.

Pursuant to the authority delegated by the State to the City under Section 26054(b) of the State Business and Professions Code and overriding the location and design requirements contained in Section 26054(b) of the State Business & Professions Code, retailer commercial cannabis operations in the City shall be subject to the following location and design requirements:

- 1. Retailer commercial cannabis operations shall be a permitted use subject to this chapter on property (1) located more than one-thousand (1,000) feet any retailer commercial cannabis operation permitted under this chapter, alcohol or drug treatment facility, day care center, religious institution, school, or youth center, (2) located more than one-thousand (1,000) feet from the City's jurisdictional boundary or any park or residentially zoned property, and (3) zoned: C (Commercial Zone) or C-M (Commercial-Manufacturing Zone) including any overlay zone districts covering the C (Commercial Zone) or C-M (Commercial-Manufacturing Zone).
- 2. The distances specified in Subsection (C) shall be the horizontal distance measured in a straight line from the parcel line of the sensitive use to the closest parcel line of the lot on which the cannabis retailer is to be located without regard to intervening structures. The 1,000 foot distance specified in Subsection (C) may be reduced to as little as 900 feet by administrative

regulation pursuant to Section 5.26.140 if necessary to allow for issuance of the number of Commercial Cannabis Operation Permits provided by this chapter.

3. Each retailer commercial cannabis operation shall:
 - a. Be constructed in a manner that prevents odors to surrounding uses, and promotes quality design and construction, and consistency with the surrounding properties. Odors from the cannabis retailer shall not be detectable from outside the premises and adequate odor control technology shall be utilized;
 - b. Be provided with adequate electricity, sewerage, disposal, water, fire protection, and storm drainage facilities for the intended purpose; and
 - c. Provide and maintain a neighborhood compatibility plan so the City Manager or designee(s) may find that the cannabis retailer and its operating characteristics are not detrimental to the public health, safety, convenience, or welfare of persons residing, working, visiting, or recreating in the surrounding neighborhood and will not result in the creation of a nuisance.

D. Customers.

1. Prior to dispensing medical cannabis or medical cannabis products to a qualified patient, a retailer commercial cannabis operation shall verify the age and all necessary documentation of each customer to ensure the customer is not under the age of eighteen (18) years and obtain verification from the recommending physician that the person requesting medical cannabis or medical cannabis products is a qualified patient, and shall maintain a copy of the physician recommendation, or identification card, as described in Sections 11362.71 et seq. of the State Health and Safety Code, as may be amended from time to time, on site for period of not less than seven (7) years.
2. Prior to dispensing cannabis or cannabis products to an adult-use customer, a retailer (medical/adult-use) commercial cannabis operation shall verify the age and all necessary documentation of each customer to ensure the customer is not under the age of twenty-one (21) years.

- E. Opaque Packaging. All cannabis or cannabis products sold to a customer shall be prohibited from leaving the site unless placed in opaque packaging which conceals the nature of the product from human vision.
- F. Dispensing and Storage Areas. Entrance to the retailer sales floor and any storage areas shall be locked at all times, and under the control of employees.
- G. Interior Lighting. The premises within which the commercial cannabis operation is operated shall be equipped with and, at all times during which is open to the public, shall remain illuminated with overhead lighting fixtures of sufficient intensity to illuminate every place to which members of the public or portions thereof are permitted access with an illumination of not less than two foot-candles as measured

at the floor level.

- H. Signs. A retailer commercial cannabis operation shall notify customers (verbally or by written agreement) and by posting a notice or notices conspicuously at least 15-point type within permitted premises that state as follows:
1. "The sale or diversion of cannabis or cannabis products without a license issued by persons entering the site, the City of South El Monte is a violation of State law and the South El Monte Municipal Code."
 2. "Secondary sale, barter, or distribution of cannabis or cannabis products purchased from a permittee is a crime and can lead to arrest."
 3. "Customers must not loiter in or near these premises and may not consume cannabis or cannabis products in the vicinity of this business or in any place not lawfully permitted. These premises and vicinity are monitored to ensure compliance."
 4. "WARNING: The use of cannabis or cannabis products may impair a person's ability to drive a motor vehicle or operate heavy machinery."
 5. "CALIFORNIA PROP. 65 WARNING: Smoking of cannabis and cannabis-derived products will expose you and those in your immediate vicinity to cannabis smoke. Cannabis smoke is known by the State of California to cause cancer and reproductive harm."
- I. "No Recommendations On-site. A retailer commercial cannabis operation shall not have a physician or any person licensed to recommend medical cannabis for medical use at the location of the retailer commercial cannabis operation to provide a recommendation or physician's recommendation, for the use of medical cannabis.
- J. Sanitation. A permittee shall establish and implement written procedures that maintain the highest industry standards of sanitation and cleanliness for the operation so as to ensure cannabis and cannabis products sold to the public are free of harmful contaminants.
- K. Training. A permittee shall establish and implement written procedures that provide for the highest industry standards of training for employees.
- L. Prohibited Activities. No cannabis cultivation, testing or manufacturing shall occur within the premises of the retailer operation.
- M. No Alcohol. Retailer commercial cannabis operations shall not hold or maintain a license from the State Department of Alcoholic Beverage Control to sell alcoholic beverages, or operate a business that sells alcoholic beverages.
- N. No Lounge or Cafe. Retailer commercial cannabis operations shall not operate as a lounge, cafe or restaurant serving food or drinks for consumption on-site. There shall be no seating area, tables, couches, or chairs for the gathering or congregating of members.
- O. Age Restriction. Minors, except qualified patients or primary caregivers over the age of eighteen (18) years old as verified customers, are prohibited from entering the location of the retailer cannabis operation.
- P. Public Information. The permittee shall make available to customers a list of the rules and regulations governing medical cannabis use and consumption within the City and

recommendations on sensible medical cannabis etiquette.

Sec. 5.26.120.5 – Delivery operating standards and restrictions.

- A. Delivery shall comply with State law at all times.
- B. Security plans developed pursuant to this chapter shall include provisions relating to vehicle security and the protection of employees and product during loading and in transit.
- C. A commercial cannabis operation engaged in delivery shall facilitate the delivery of cannabis or cannabis products with a technology platform owned by or licensed to the delivery-only commercial cannabis operation engaged in delivery that uses point-of-sale technology to track and database technology to record and store the following information for each transaction involving the exchange of cannabis or cannabis products between the commercial cannabis operation engaged in delivery and customer:
 - 1. The identity of the individual dispensing cannabis or cannabis products on behalf of the commercial cannabis operation engaged in delivery;
 - 2. The identity of the customer receiving cannabis or cannabis products from the commercial cannabis operation engaged in delivery;
 - 3. The type and quantity of cannabis or cannabis products dispensed and received;
 - 4. The gross receipts charged by the commercial cannabis operation engaged in delivery and received by the individual dispensing cannabis or cannabis products on behalf of the commercial cannabis operation engaged in delivery for the cannabis or cannabis products dispensed and received; and
 - 5. The location or address where the sale or retail sale took place or closed.
- D. A commercial cannabis operation engaged in delivery shall maintain a database and provide a list of the individuals and vehicles authorized to conduct delivery, and a copy of the valid State driver's license issued to the driver of any such vehicle on behalf of the commercial cannabis operation engaged in delivery to the City Manager.
- E. Individuals making deliveries of cannabis or cannabis products on behalf of the commercial cannabis operation engaged in delivery shall maintain a physical copy of the delivery request (and invoice) and shall make it available upon the request of agents or employees of the City requesting documentation.
- F. During delivery, a copy of the commercial cannabis operation engaged in delivery's Commercial Cannabis Operation Permit and State license shall be in the vehicle at all times, and the driver shall make it available upon the request of agents or employees of the City requesting documentation.
- G. A commercial cannabis operation engaged in delivery shall only permit or allow delivery of cannabis or cannabis products in a vehicle that is (1) insured at or above

the legal requirement in the State; (2) capable of securing (locking) the cannabis or cannabis products during transportation; (3) capable of being temperature controlled if perishable cannabis or cannabis products is being transported; and (4) does not display advertising or symbols visible from the exterior of the vehicle that suggest the vehicle is used for cannabis delivery or affiliated with a commercial cannabis operation engaged in delivery.

- H. A commercial cannabis operation engaged in delivery shall facilitate deliveries with a technology platform owned by or licensed to the commercial cannabis operation engaged in delivery that uses global positioning system technology to track, and database technology to record and store the following information:
1. The time that the individual conducting delivery on behalf of the commercial cannabis operation engaged in delivery departed its premises.
 2. The time that the individual conducting delivery on behalf of the commercial cannabis operation engaged in delivery completed delivery to the customer.
 3. The time that the individual conducting delivery on behalf of the commercial cannabis operation engaged in delivery returned to its premises.
 4. The route the individual conducting delivery on behalf of the commercial cannabis operation engaged in delivery traveled between departing and returning to its premises to conduct delivery.
 5. For each individual delivery transaction, the identity of the individual conducting deliveries on behalf of the commercial cannabis operation engaged in delivery.
 6. For each individual delivery transaction, the vehicle used to conduct delivery on behalf of the commercial cannabis operation engaged in delivery.
 7. For each individual delivery transaction, the identity of the customer receiving cannabis or cannabis products from the commercial cannabis operation engaged in delivery.
 8. For each individual delivery transaction, the type and quantity of cannabis or cannabis products dispensed and received.
 9. For each individual delivery transaction, the gross receipts charged by the commercial cannabis operation engaged in delivery and received by the individual conducting deliveries on behalf of the commercial cannabis operation engaged in delivery for the cannabis or cannabis products dispensed and received.
- I. The individual making deliveries on behalf of the commercial cannabis operation engaged in delivery shall personally verify for each individual delivery transaction the identity of the customer receiving cannabis or cannabis products from the commercial cannabis operation engaged in delivery and (1) for medical cannabis or medical cannabis products to a qualified patient, the age and all necessary

documentation of each customer to ensure the customer is not under the age of eighteen (18) years and obtain verification from the recommending physician that the person requesting medicinal cannabis or medicinal cannabis products is a qualified patient, and shall maintain a copy of the physician recommendation or identification card as described in Sections 11362.71 *et seq.* of the State Health and Safety Code, as may be amended from time to time, on site for period of not less than seven (7) years or (2) for cannabis or cannabis products to an adult-use customer, age and all necessary documentation of each customer to ensure the customer is not under the age of twenty-one (21) years.

Sec. 5.26.130 – Community Benefit Agreement.

The applicant may propose entering into a community benefit agreement in an amount and by terms set by City Council resolution with the City setting forth the terms and conditions under which the facility will operate that is in addition to the requirements of this chapter, including, but not limited to, public outreach and education, community service, payment of fees and other charges as mutually agreed, and such other terms and conditions that will protect and promote the public health, safety, and welfare of the City and its residents and visitors.

Sec. 5.26.140 – Administration.

- A. Consistently with stated requirements of this chapter (and in particular not to repeal or constructively repeal this chapter), in addition to any regulations adopted under State law, the City Manager is authorized to establish any additional rules, regulations, and standards governing the issuance or denial of Commercial Cannabis Operation Permits, the ongoing operation of commercial cannabis operations and the City's oversight thereof, or concerning any other subject determined to be necessary to carry out the purposes of this chapter.
- B. Such regulations shall be approved by resolution of the City Council published on the City's website.
- C. Regulations promulgated, by the City Manager, shall become effective upon date of publication. Commercial cannabis operations shall be required to comply with all State and local laws and regulations, including but not limited to any rules, regulations or standards adopted by the City Manager.

Sec. 5.26.150 - Fees.

An application fee set by resolution of the City Council shall be required for formal processing of every application made under this chapter. The City Council is further authorized to pass resolutions to recover any and all fees and costs incurred by the administration and implementation of this chapter through an appropriate fee recovery mechanism to be imposed upon commercial cannabis operations.

Sec. 5.26.160 - Suspension and revocation.

- A. The City Manager is authorized to suspend and/or revoke a Commercial Cannabis Operation Permit issued pursuant to this chapter upon the determination through written findings of a failure to materially comply with any provision of this chapter, any Commercial Cannabis Operation Permit condition, or any agreement or covenant required or made pursuant to this chapter.

- B. Notwithstanding Subsection (A), the City Manager may suspend or revoke a Commercial Cannabis Operation Permit if any of the following occur:
1. The equivalent State license has been suspended or revoked by the State; or
 2. Operations cease for more than one hundred eight (180) consecutive or cumulative days in any one (1) year period; or
 3. Ownership is changed or transferred without complying with Section 5.26.100; or
 4. The commercial cannabis operation fails to maintain required security camera recordings; or
 5. The commercial cannabis operation fails to allow inspection of the security recordings, the activity logs, the records, or of the site by Operations Officers pursuant to this chapter.
- C. Conditions (if any) of suspension or revocation are at the reasonable discretion of the City Manager and may include, but are not limited to, a prohibition on all owners, managers and employees of the suspended or revoked commercial cannabis operation from operating within the City for a period of time set forth in writing and/or a requirement (when operations may resume, if at all, pursuant to the City Manager's reasonable determination) for the holder of the suspended or revoked Commercial Cannabis Operation Permit to resubmit an application for a Commercial Cannabis Operation Permit pursuant to the requirements of this chapter.

Sec. 5.26.170 – Appeals.

Any decision regarding the City Manager's suspension or revocation of a Commercial Cannabis Operation Permit pursuant to Section 5.26.160 may be appealed to the City Council by a permittee or interested party as follows:

- A. If the appellant wishes to appeal a decision to the City Council, the appellant must file a written appeal with the City Clerk within ten (10) calendar days of the decision. The written appeal shall specify the person making the appeal, the decision appealed from, state the reasons for the appeal, and include any evidence in support of the appeal which the applicant seeks to be considered by the City Council.
- B. Notice of the time and place of an appeal hearing shall be providing to the appellant within thirty (30) days of receipt by the City Clerk of the written appeal.
- C. The appeal hearing shall be held within sixty (60) days of the filing of the written appeal with the City Clerk, unless the 60 day time limit is waived by the appellant, or unless the City Council continues the appeal hearing date for good cause and upon written notification to the appellant.
- D. The City Council shall review the facts of the matter, written documents submitted for review, the basis for making the decision which is under appeal, and then determine whether the appealed decision should be reversed or affirmed. The determination made shall be in writing, shall set forth the reasons for the determination, and shall be final.
- E. The provisions of Section 1094.6 of the Code of Civil Procedure sets forth the procedure for judicial review of any final determination. Parties seeking such judicial review shall file such action within ninety (90) days of a determination being made final.

Sec. 5.26.180 – Violations and penalties; public nuisance.

- A. Any material violation of the provisions of this chapter is punishable as a misdemeanor or an infraction, at the discretion of the City Attorney, pursuant to Chapters 1.14 and 1.16 of this Code, except for as preempted by State law and material any violation of the provisions of this chapter is subject to administrative citation, at the reasonable discretion of the City, pursuant to Chapters 1.14 and 1.16 of this Code.
- B. Public Nuisance Abatement.
 - 1. Any commercial cannabis operation that is conducted in material violation of any provision of this chapter is hereby declared to constitute a public nuisance and, as such, may be abated or enjoined from further operation, in accordance with the procedures set forth in Chapter 8.36 of this Code.
 - 2. All costs to abate such public nuisance, including attorneys' fees and court costs, shall be paid by the person causing the nuisance, including the commercial cannabis operation and the property owner where the nuisance is occurring.
- C. The remedies described in this section are not mutually exclusive. Pursuit of any one remedy shall not preclude City from availing itself of any or all available administrative, civil, or criminal remedies, at law or equity.
- D. Any material violation of the provisions of this chapter shall constitute a separate offense for each and every day during which such violation is committed or continued.

Sec. 5.26.190 - Service of notices.

Any notice required by this chapter is deemed issued and served upon the earliest date that either: the notice is deposited in the United States mail, postage pre-paid, addressed to the most recent mailing address provided to the City pursuant to the requirements of this chapter; or, the date upon which personal service of the notice is provided to a responsible party.

Sec. 5.26.200 - Prohibitions.

- A. Any commercial cannabis operation in violation of this chapter, or any other applicable State law is expressly prohibited.
- B. It is unlawful for any commercial cannabis operation in the City, or any agent, employee or representative of such commercial cannabis operation, to permit any breach of peace or any disturbance of public order or decorum by any tumultuous, riotous or disorderly conduct at the site of the commercial cannabis operation.

Sec. 5.26.210 - Nonconforming use.

No use which purports to have engaged in commercial cannabis operations of any nature prior to the enactment of this chapter shall be deemed to have been a legally established use under the provisions of this Code, or any other City ordinance, rule or regulation, and such use shall not be entitled to claim legal nonconforming status.

Sec. 5.26.220 – Exceptions

- A. To the extent that the following activities are permitted by state law, nothing in this chapter shall prohibit a person twenty-one (21) years of age or older from:
 - 1. Possessing, processing, purchasing, transporting, obtaining or giving away to persons twenty-one (21) years of age or older, without compensation

whatsoever, not more than twenty-eight and one-half (28.5) grams of cannabis not in the form of concentrated cannabis;

2. Possessing, processing, purchasing, transporting, obtaining or giving away to persons twenty-one (21) years of age or older, without compensation whatsoever, up to eight grams of cannabis in the form of concentrated cannabis;
3. Possessing, transporting, purchasing, obtaining, using, manufacturing, or giving away cannabis accessories to persons twenty-one (21) years of age or older without compensation whatsoever; or
4. Engaging in the indoor cultivation of six (6) or fewer live cannabis plants within a single private residence or inside an accessory structure located upon the grounds of a private residence that is fully enclosed and secured, to the extent such cultivation is authorized by Sections 11362.1 and 11362.2, of the State Health and Safety Code, as may be amended from time to time.

- B. This chapter shall also not prohibit any commercial cannabis operations that the City is required by law to permit within its jurisdiction pursuant to State law.

Sec. 5.26.230 – Operative date.

This chapter shall be operative ten (10) days after the date that the City Council declares that a majority of the City's voters voting at the November 8, 2022, election have voted in favor of this chapter at such election.

Sec. 5.26.240 - Severability.

If any section, subsection, subdivision, sentence, clause, phrase, word, or portion of this chapter is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this chapter. The people of the City of South El Monte hereby declare that they would have adopted this chapter and each section, subsection, subdivision, sentence, clause, phrase, word, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, words or portions thereof be declared invalid or unconstitutional.

Sec. 5.26.250. City Council Authority to Amend.

The City Council has the right and authority to amend this chapter, with the exception of Section 5.26.060 (which may only be amended (i) if ordered to do so by a court of competent jurisdiction as a judicial remedy or (ii) by a vote of the People of the City), to further its purposes and intent (including but not limited to amendment for more efficient administration as determined by the City Council), in any manner that does not increase a tax rate, or otherwise constitute a tax increase for which voter approval is required by Article XIII C of the California Constitution, pursuant to Elections Code Section 9217.

Sec. 5.26.260. City Councilmember Conflicts of Interest.

Notwithstanding any other provision of this Chapter, prior to participating in any decision relating to a cannabis business, each city councilmember shall do all of the following

1. Disclose on the record any financial interest in the cannabis business that is subject to the decision.
2. Disclose on the record any campaign contributions and benefits or gifts received from the cannabis business that is subject to the decision.

3. Disclose on the record any ex parte communications that the city councilmember may have had with a cannabis business that is the subject of the decision.
4. Each city councilmember shall warrant and represent, on the record and in a form approved by the City Council, that they have complied with these requirements and all applicable law.

If it is later determined that a city councilmember has not complied with the above requirements or if it is determined that a city councilmember has violated applicable law, then the city councilmember is disqualified from all decisions relating to the cannabis business subject to the decision. The requirements of this Section 5.26.260 shall be in addition to any applicable law, including, without limitation, the California Political Reform Act and the related regulations of the Fair Political Practices Commission.”

SECTION 3. REPEAL OF CHAPTER 17.31. Chapter 17.31 of Title 17 of the City Municipal Code is hereby repealed in its entirety.

SECTION 4. AMENDMENT TO SECTION 17.18.030(O). Section 17.18.030(O) of Chapter 17.18 of Title 17 of the South El Monte Municipal Code is hereby repealed in its entirety.

SECTION 5. ADDITION OF SECTION 9.08.045. Section 9.08.045 shall be added to Chapter 9.08 of Title 9 of the South El Monte Municipal Code as follows:

“This Chapter shall not apply to a retailer commercial cannabis operation permitted pursuant to Chapter 5.26 of Title 5 of this Code.”

SECTION 6. AMENDMENT TO SECTION 17.14.030. Section 17.14.030 of Chapter 17.14 of Title 17 of the City Municipal Code is hereby amended by adding Subsection (S) as follows:

“Retailer commercial cannabis operations in accordance with Chapter 5.26 of Title 5 of this Code.”

SECTION 7. AMENDMENT TO SECTION 17.16.030. Section 17.16.030 of Chapter 17.16 of Title 17 of the City Municipal Code is hereby amended by adding Subsection (F) as follows:

“Retailer commercial cannabis operations in accordance with Chapter 5.26 of Title 5 of this Code.”

SECTION 8. SENSITIVE USES. The People of the City find that the definitions of the sensitive uses (alcohol or drug treatment facilities, day care centers, parks, religious institutions, schools, and youth centers) under the amendment to Chapter 5.26 of the City Municipal Code in this Ordinance are subject to some degree of interpretation. However, the People of the City also find that certainty regarding the identification of sensitive uses (alcohol or drug treatment facilities, day care centers, parks, religious institutions, schools, and youth centers) under the amendments to Chapter 5.26 of the City Municipal Code in this Ordinance is required to carry out the purpose and intent of the Ordinance so the that People, the City, and prospective applicants can clearly identify where and where not lawful retailer commercial cannabis operations under this Ordinance may be located. Accordingly and pursuant to the authority delegated by the State to the People of the City under Section 26054(b) of the State Business and Professions Code and overriding the location and design requirements contained in Section 26054(b) of the State Business and Professions Code, the sensitive uses established by resolution of the City Council (including alcohol or drug treatment facilities, day care centers, parks, religious institutions, schools, and youth centers) and only those sensitive uses shall be considered under the amendment to Section 5.26.070 of the City Municipal Code in this Ordinance for the purpose of the initial establishment of retailer commercial cannabis operations pursuant to the initial iteration of the retailer commercial cannabis operations application procedure

under the amendment to Section 5.26.070 of the City Municipal Code in this Ordinance (to include any review and scoring of any applications pursuant to the objective review criteria and quantitative evaluation scale under the amendment to Section 5.26.070 of the City Municipal Code in this Ordinance). Only following the initial iteration of the retailer commercial cannabis operations application procedure and the initial issuance of Commercial Cannabis Operation Permits under the amendment to Section 5.26.070 of the City Municipal Code in this Ordinance, and except as otherwise provided by the City Council resolution, may the City Manager designee reinterpret the list of sensitive uses for the purpose of subsequent iterations of the retailer commercial cannabis operations application procedure under the amendment to Section 5.26.070 of the City Municipal Code in this Ordinance and change in location applications under the amendment to Section 5.26.130 of the City Municipal Code in this Ordinance.

SECTION 9. AMENDMENT TO SECTION 5.04.045. Section 5.04.045 of Title 5 of the South El Monte Municipal Code is hereby amended to add “Retailer (Type 10) Commercial Cannabis Operations (Medical / Adult-Use / Non-Medical) in accordance with Chapter 5.26 of Title 5 of this Code” as a new item number 9 to the list of businesses, occupations, or other activities requiring licenses in the City as set forth in Los Angeles County Code Section 7.04.010 as amended by South El Monte Municipal Code Section 5.04.045, and to renumber existing items 9 through 45 of the list accordingly.

SECTION 10. ADDITION OF CHAPTER 3.40 (CANNABIS BUSINESS TAX). Chapter 3.40 (Cannabis Business Tax) is hereby added to Title 3 (Revenue and Finance) of the South El Monte Municipal Code, to read in its entirety as follows:

“CHAPTER 3.40 CANNABIS BUSINESS TAX

Section 3.40.010. Definitions.

Section 3.40.020. Tax.

Section 3.40.030. Operation of Tax.

Section 3.40.040. Returns and Remittances.

Section 3.40.050. Failure to Pay Tax.

Section 3.40.060. Refunds and Claims.

Section 3.40.070. Enforcement.

Section 3.40.080. Debts; Deficiencies; Determinations; Hearings.

Section 3.40.090. Operative Date.

Section 3.40.100. City Council Authority to Amend.

Section 3.40.110. City Councilmember Conflicts of Interest.

Sec. 3.40.010. Definitions.

The following definitions apply to this chapter unless the context clearly denotes otherwise. Terms not defined herein shall be given the definitions set forth in Chapter 5.26 of this Code.

- A. “Cannabis” shall have the meaning set forth in Section 5.26.030 of this Code.
- B. “Cannabis products” shall have the meaning set forth in Section 5.26.030 of this Code.

- C. "City" means the City of South El Monte.
- D. "Code" shall mean the South El Monte Municipal Code.
- E. "Commercial cannabis operation" shall have the meaning set forth in Section 5.26.030 of this Code. "Commercial cannabis activity" and "cannabis business" shall be synonymous with "commercial cannabis operation."
- F. "Cultivation" shall have the meaning set forth in Section 5.26.030 of this Code.
- G. "Delivery" shall have the meaning set forth in Section 5.26.030 of this Code.
- H. "Distribution" shall have the meaning set forth in Section 5.26.030 of this Code.
- I. "Distributor" shall have the meaning set forth in Section 5.26.030 of this Code.
- J. "Edible" shall have the meaning set forth in Section 5.26.030 of this Code.
- K. "City Manager" means the City's City Manager, or his or her designee.
- L. "Location" shall have the meaning set forth in Section 5.26.030 of this Code.
- M. "Manufacture" or "manufacturing" shall have the meaning set forth in Section 5.26.030 of this Code.
- N. "Manufactured cannabis" 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.
- O. "Manufacturer" shall have the meaning set forth in Section 5.26.030 of this Code.
- P. "Marijuana" has the same definition as "cannabis."
- Q. "Operation" means a "commercial cannabis operation."
- R. "Permit," or "local permit" means a Commercial Cannabis Operation Permit, as that term is defined in Section 5.26.030 of this Code.
- S. "Person" shall have the meaning set forth in Section 5.26.030 of this Code.
- T. "Proceeds" means total amount of gross revenue actually received or receivable by a commercial cannabis operation from all sales of goods of any kind, including but not limited to cannabis and cannabis products; the total amount of compensation actually received or receivable for the performance of any act or service whatever nature it may be, including but not limited to commercial cannabis activity, from which a charge is made or credit allowed, whether such service is done singly and/or as part of or in connection with the sale of materials; goods, wares or merchandise; discounts, rents, royalties, fees, commissions, dividends or other gains. Proceeds includes all receipts, cash, credits and property of any kind or nature, consideration of any nature, without any deduction therefrom on account of the cost of property sold, the cost of materials used, labor or services costs, interest paid or payable or losses or other expenses or deduction whatsoever. Excluded from Proceeds are any taxes required by law to be added to the purchase and collected from the consumer or purchaser, such part of the sales price of any property returned by the purchaser to the seller as refunded by the seller by way of cash or credit allowances or return of refundable deposits previously included in Proceeds. Proceeds may also exclude such other amounts that may be permitted by the City Manager as not being included in Proceeds pursuant to administrative rulings or instructions provided by the City Manager. "Proceeds" is intended to include all gross revenue of the commercial operation

whether for commercial cannabis activities or other activities (e.g., revenue from sales of other goods at the location).

- U. “Retailer” means a person engaged in the retail sale or delivery of cannabis or cannabis products to a customer. A retailer may be a storefront or non-storefront retailer.
- V. “Space utilized as cultivation area” shall mean any space or ground, floor or other surface area (whether horizontal or vertical) which is used during the cannabis germination, seedling, vegetative, pre-flowering, flowering and/or harvesting phases, including without limitation any space used for activities such as growing, planting, seeding, germinating, lighting, warming, cooling, aerating, fertilizing, watering, irrigating, topping, pinching, cropping, trimming, curing or drying cannabis or any such space available for or used for storing any products, supplies or equipment related to any such activities, no matter where such storage may take place or such storage space may be located. “Space used as cultivation area” shall include space used to cultivate cannabis plants on platforms and stack them in multiple layers on top of each other (i.e., vertical cultivation). “Space utilized as cultivation area” shall be calculated in square feet and measured using clearly identifiable and/or apparent boundaries, including all of the space within the boundaries. Such space may be noncontiguous but each unique area included in the total calculation shall be separated by an identifiable and/or apparent boundary, including but not limited to, interior walls, shelves, and greenhouse walls, nursery wall or canopy walls, hoop house walls, garden benches, hedgerows, fencing, garden beds, or garden plots. “Space used as cultivation area” includes space which is immediately available for the activities described herein even if not being used at the time of determination. The City Manager shall determine the “space utilized as cultivation area” during the initial Term of the operation, and at least annually thereafter.
- W. “Tax” means the commercial cannabis tax and commercial cannabis cultivation tax imposed by this chapter.
- X. “Term” means such term or period of time as may be designated by the City Manager for reporting or payment of tax, provided, however, that if no such term is designated, Term shall mean a calendar month (meaning that the annual tax shall be divided by 12 for the appropriate fiscal year). Notwithstanding the foregoing, the Term for payment of tax may be set on a monthly, quarterly, semi-annual or annual basis by the City Manager. Taxes may be prorated to the extent the City Manager provides for a term other than that specified above, to the extent a commercial cannabis operation commences on a date other than the first date of a Term, upon cessation of the business, or for other appropriate reasons.
- Y. “Testing laboratory” shall have the meaning set forth in Section 5.26.030 of this Code.

Sec. 3.40.020. Tax.

- A. Commercial Cannabis Tax (non-cultivation). Every person conducting a commercial cannabis operation other than cultivation in the City, regardless of whether such operation has a valid permit pursuant to this Code, shall pay, on a per-Term basis, a commercial cannabis tax (non-cultivation) of not more than eight percent (8%) of the proceeds of the commercial cannabis operation.
- B. Commercial Cannabis Cultivation Tax. Every person conducting a commercial cannabis operation involving cultivation in the City, regardless of whether such

operation has a valid permit pursuant to this Code, shall pay a maximum commercial cannabis cultivation tax of no more than twenty-five dollars (\$25) per square foot per fiscal year (July 1 to June 30) for space utilized as cultivation area. Notwithstanding the foregoing, taxes imposed on space utilized as cultivation area shall be adjusted annually on July 1 of each year, commencing July 1, 2023, after the date of imposition based on changes in the Consumer Price Index ("CPI") for all urban consumers in the Los Angeles-Long Beach-Anaheim areas (or similar index) as published by the United States Government Bureau of Labor Statistics for the prior calendar year; provided, however, no adjustment shall decrease any maximum tax imposed by this chapter.

- C. Purpose of Tax. The revenue generated by the commercial cannabis tax and the commercial cannabis cultivation tax may be spent for unrestricted general revenue purposes.
- D. Intent of Tax. The taxes provided for in this chapter do not authorize any commercial cannabis operation or use that is not otherwise expressly allowed by this Code. The taxes provided for in this chapter are intended to both allow the City to levy the taxes on commercial cannabis operations and uses that are authorized or allowed in the City as of the date of enactment of this chapter and to provide the City with the ability to levy the taxes on potential future commercial cannabis operations and uses that may after enactment of this chapter be allowed in the City by local ordinance or initiative. The taxes imposed by this chapter are in addition to all other applicable taxes imposed by this Code, including, but not limited to, the sales and use tax imposed by Chapter 3.04 of Title 3 and the business license fees imposed by Chapter 5.04 of Title 5.
- E. Automatic Maximum Rates. The tax rates of the commercial cannabis tax (non-cultivation) and the commercial cannabis cultivation tax shall automatically be set at the maximum rates specified in this chapter each July 1 unless established otherwise at a lower rate by resolution or ordinance of the City Council.
- F. Authority to Levy Tax at Lower than Maximum Authorized Rate. The City Council may, at any time, by resolution or ordinance and without voter approval, levy the tax at any rate lower than the maximum rate authorized by this chapter; provided, however, the maximum tax rate permitted to be levied without further voter approval shall be and remain the maximum tax rate set forth in this chapter.
- G. Future Exemptions, Exceptions, Penalties and Interest Permitted. The City Council may establish exemptions, incentives, or other reductions, and penalties and interest charges or determinations of tax due for failure to pay the tax in a timely manner, as otherwise allowed by this Code or California law. No action by the City Council under this section shall prevent it from later increasing the tax or removing any exemption, incentive, or reduction, and thereby restoring the maximum tax specified in this chapter.

Sec. 3.40.030. Operation of Tax.

- A. Failure to pay the taxes set forth in this chapter shall be subject to penalties, interest charges, and determinations of tax due as set forth in this chapter and as the City Council may establish, and the City may use any or all other enforcement remedies provided for in this Code, or pursuant to state law.
- B. The payment of the tax required pursuant to this chapter shall not be construed as authorizing the conduct or continuance of any illegal business or of a legal business

in an illegal manner. Nothing in this chapter shall be construed to authorize commercial cannabis operations.

- C. Taxes provided for hereunder are not sales or use taxes and shall not be calculated or assessed as such. The taxes shall not be separately identified or otherwise specifically assessed or charged to any individual, consumer or customer; rather, the taxes are imposed upon the commercial cannabis operation.
- D. The City Manager shall promulgate rules, regulations, and procedures to implement and administer this chapter to ensure the efficient and timely collection of the tax imposed by this chapter, including without limitation, formulation and implementation of penalties and interest to be assessed for failure to pay the tax as provided.

Sec. 3.40.040. Returns and Remittances.

The tax shall be due and payable as follows:

- A. Each person owing tax, within 45 days (or such other period as may be established by the City Manager) after the conclusion of each Term, shall prepare and submit a tax return to the City Manager. The tax return shall include all information necessary to determine the amount of tax owed for the subject Term, including the proceeds of the commercial cannabis operation (for all operations other than cultivation) and the total square footage of space utilized as cultivation area, for cultivation operations. At the time the tax return is filed, the full amount of the tax owed for the preceding term shall be remitted to the City. Where the Term is set on an annual basis, the City Manager may require prorated payments or estimated tax payments on more frequent intervals during the Term, as such intervals may be established by the City Manager.
- B. All tax returns shall be completed on forms provided by the City Manager.
- C. Tax returns and payments for all outstanding taxes owed the City are immediately due to the City Manager upon cessation of business of a commercial cannabis operation for any reason or upon sale of a commercial cannabis operation.
- D. Whenever any payment, statement, report, request or other communication received by the City Manager is received after the time prescribed by this section for the receipt thereof, but is in an envelope bearing a postmark showing that it was mailed on or prior to the date prescribed in this section for the receipt thereof, or whenever the City Manager is furnished substantial proof that the payment, statement, report, request, or other communication was in fact deposited in the United States mail on or prior to the date prescribed for receipt thereof, the City Manager may regard such payment, statement, report, request, or other communication as having been timely received. If the due date falls on a date the City Hall is closed, or on a Saturday, Sunday, or federal holiday, the due date shall be the next regular business day on which the City Hall is open to the public following the due date.
- E. Unless otherwise specified in this chapter, taxes shall be deemed delinquent if not paid on or before the due date pursuant to this section.
- F. The City Manager is not required to send a delinquency or other notice or bill to any person subject to payment of tax pursuant to this chapter, and failure to send such notice or bill shall not affect the validity of any tax or penalty due under this chapter.

Sec. 3.40.050. Failure to Pay Tax.

Any person who fails or refuses to pay any tax required to be paid pursuant to this chapter on or before the due date shall pay penalties and interest as follows:

- A. A penalty of no more than twenty-five percent (25%) of the amount of tax remaining unpaid (in addition to the amount of unpaid tax), plus interest on the unpaid tax calculated from the due date of the tax at a rate not to exceed twelve percent (12%) per year (or one percent (1%) per month), and these penalties and interest rates will automatically be set at the maximum amounts unless established otherwise as a lower amount by resolution of the City Council.
- B. Whenever a check is submitted in payment of a tax and the check is subsequently returned unpaid by the bank upon which the check is drawn, and the check is not redeemed prior to the due date, the taxpayer will be liable for the tax amount due plus penalties and interest as provided for in this section, as well as any other amount allowed under state law.
- C. The tax due shall be that amount due and payable from the operative date of this chapter.
- D. The City Manager may waive the penalties of up to twenty-five percent (25%) each imposed upon any person if:
 - 1. The person provides evidence satisfactory to the City Manager that failure to pay timely was due to circumstances beyond the control of the person and occurred notwithstanding the exercise of ordinary care and the absence of willful neglect, and the person paid the delinquent tax and accrued interest owed the City prior to applying to the City Manager for a waiver.
 - 2. The waiver provisions specified in this subsection shall not apply to interest accrued on delinquent tax, and a waiver shall be granted no more than once during any twenty-four month period for any given payor of commercial cannabis tax (non-cultivation), and no more than once during any five (5) year period for any given payor of commercial cannabis cultivation tax.

Sec. 3.40.060. Refunds and Claims.

- A. No refund or claim shall be made of any tax collected pursuant to this chapter, except as provided in this section.
- B. No refund of any tax collected pursuant to this chapter shall be made because of the discontinuation, dissolution, or other termination of an operation.
- C. Any person entitled to a refund of taxes paid pursuant to this chapter may elect in writing to have such refund applied as a credit against cannabis business taxes for the next term.
- D. Whenever the amount of any tax, penalty, or interest has been overpaid, paid more than once, or has been erroneously or illegally collected or received by the City under this chapter, such amount may be refunded to the claimant who paid the tax, provided that a written claim for refund is filed with the City Manager if the claim is equal to or less than \$5,000 and the City Council if the claim is more than \$5,000. Refund claims must be filed as set forth above within one year of the subject tax payment pursuant to Government Code Section 911.2. Each person requesting a refund or making a claim shall file the claim as provided herein. The submission of a written

claim, which shall be acted upon by the City Manager if less than or equal to \$5,000 or the City Council if more than \$5,000, shall be a prerequisite to suit thereon. (See Section 935 of the California Government Code). The City Manager, or the City Council where the claim is in excess of \$5,000, shall act upon the refund claim within the time period set forth in Government Code Section 912.4. If the City Council fails or refuses to act on a refund claim within the time prescribed by Government Section 912.4, the claim shall be deemed to have been rejected by the City Council on the last day of the period within which the City Council was required to act upon the claim as provided in Government Code Section 912.4. The City Manager or City Clerk or other officer charged with such duty shall give notice of the action in a form that substantially complies with that set forth in Government Code Section 913. To the extent allowed by law, nothing herein shall permit the filing of a claim on behalf of a class or group of taxpayers unless each member of the class has submitted a written claim as provided by this Section 3.40.060.

- E. The City Manager shall have the right and authority to examine and audit all the books and business records of the claimant in order to determine the eligibility of the claimant to the claimed refund. No claim for refund shall be allowed if the claimant therefor refuses to allow such examination of claimant's books and business records after request by the City Manager to do so. The authorization herein shall extend to any agent hired by the City to audit the books, including an independent auditor.
- F. In the event that the tax was erroneously paid and the error is attributable to the City, the entire amount of the tax erroneously paid shall be refunded to the claimant. If the error is attributable to the claimant, the City shall retain the amount set forth in this chapter from the amount to be refunded to cover expenses.
- G. The City Manager shall initiate a refund of any tax which has been overpaid or erroneously collected whenever the overpayment or erroneous collection is revealed by a City audit of tax receipts. In the event that the tax was erroneously paid and the error is attributable to the City, the entire amount of the tax erroneously paid shall be refunded to the claimant. If the error is attributable to the claimant, the City shall retain the amount set forth in this chapter from the amount to be refunded to cover expenses.

Sec. 3.40.070. Enforcement.

- A. It shall be the duty of the City Manager to enforce each and all of the provisions of this chapter.
- B. For purposes of administration and enforcement of this chapter generally, the City Manager, with the assistance of the City Attorney, may from time to time promulgate administrative rules and regulations.
- C. The City Manager shall have the power to audit and examine all books and records of operations as well as persons engaged in the conducting of an operation, including both state and federal income tax returns, California sales tax returns, logs, receipts, bank records, or other evidence documenting the proceeds of the operation and/or space utilized as cultivation area, or persons engaged in the conduct of an operation, for the purpose of ascertaining the amount of tax, if any, required to be paid by the provisions of this chapter, and for the purpose of verifying any statements or any item thereof when filed by any person pursuant to this chapter. If such operation or person, after written demand by the City Manager, refuses to make available for audit, examination or verification such books, records, or equipment as the City Manager

requests, the City Manager may, after full consideration of all information within the City Manager's knowledge concerning the operation and activities of the person so refusing, make a determination of tax due in the manner provided in Section 3.40.080.

- D. The City Manager shall have the power to enter upon the premises upon reasonable notice to the commercial cannabis operation at least once per Term for the purposes of determining space utilized as cultivation area, to review items requested in subsection C of this section or as otherwise needed for enforcement of this chapter.
- E. The conviction and punishment of any person for failure to pay the required tax shall not excuse or exempt such person from any civil action for the tax debt unpaid at the time of such conviction. No civil action shall prevent a criminal prosecution for any violation of the provisions of this chapter or of any state law requiring the payment of all taxes.
- F. Any person violating any provision of this chapter or any regulation or rule passed in accordance herewith, or knowingly or intentionally misrepresenting to any officer or employee of the City any material fact, either concerning the operation and administration of this chapter, or as provided for in this chapter, shall be deemed guilty of a misdemeanor. Notwithstanding the foregoing, the City Attorney/Prosecutor, in his or her discretion, may elect to charge and prosecute any violation as an infraction in lieu of a misdemeanor or to not charge and prosecute at all.

Sec. 3.40.080. Debts; Deficiencies; Determinations; Hearings.

- A. The amount of any tax, penalties, and interest imposed by this chapter shall be deemed a debt to the City, and any person conducting an operation without also making payment to the City of the taxes, penalties and interest imposed by this chapter shall be liable in an action in the name of the City in any court of competent jurisdiction for the full amount of the tax, and penalties and interest owed by such operation.
- B. If the City Manager is not satisfied that any statement filed as required by this chapter is correct, or that the amount of tax is correctly computed, the City Manager may compute and determine the amount to be paid and make a deficiency determination upon the basis of the facts contained in the statement or upon the basis of any information in his or her possession or that may come into his or her possession. One or more deficiency determinations of the amount of tax due for a period or periods may be made. When a person ceases or discontinues an operation, a deficiency determination may be made at any time within three years thereafter as to any liability arising from engaging in such business whether or not a deficiency determination is issued prior to the date the tax would otherwise be due.
- C. Under any of the following circumstances, the City Manager may make and give notice of a determination of the amount of tax owed by a person under this chapter:
 - 1. If the person has not filed any statement or return required by this chapter.
 - 2. If the person has not paid any tax due under the provisions of this chapter.
 - 3. If the person has not, after demand by the City Manager, filed a corrected statement or return, or furnished to the City Manager adequate substantiation of the information contained in a statement or return already filed, or paid any additional amount of tax due under this chapter.
 - 4. If the City Manager determines that the nonpayment of any tax due under this chapter is due to fraud, a penalty of twenty-five percent (25%) of the amount

of the tax shall be added thereto in addition to penalties and interest otherwise stated in this chapter.

5. The notice of determination shall separately set forth the amount of any tax known or estimated by the City Manager, after consideration of all information within his or her knowledge concerning the business and activities of the person assessed, to be due under this chapter, and such notice shall include the amount of any penalties or interest accrued on each amount to the date of the notice of determination.
6. The notice of determination shall be served upon the person either by handing it to him or her personally, or by a deposit of the notice in the United States mail, postage prepaid thereon, addressed to the person at the address of the location of the business appearing on the face of the business tax certificate issued under this Code or to such other address as such person shall register with the City Manager for the purpose of receiving notices provided under this chapter; or, should the person have no business tax certificate issued and should the person have no address registered with the City Manager for such purpose, then to such person's last known address. For the purposes of this section, a service by mail is complete at the time of deposit in the United States mail.

D. Within ten days after the date of service of a notice of determination of the amount of tax owed by a person under this chapter, or other determination of the City Manager pursuant to subsection (C)(5) of this section, the person may apply in writing to the City Manager for a hearing on the determination. If application for a hearing before the City is not timely made, the tax assessed by the City Manager shall become final. The procedures for such a hearing shall be conducted as required by law and as follows:

1. The City Council delegates its authority to conduct such a hearing on the determination to an independent hearing officer. The compensation of the hearing officer shall not depend on any particular outcome of the appeal. The hearing officer shall have full authority and duty to preside over the hearing on the determination in the manner set forth herein and as required by law.
2. Within 30 days of the receipt of any such application for hearing, the City Manager shall cause the matter to be set for hearing before the independent hearing officer, unless a later date is agreed to by the City Manager and the person requesting the hearing.
3. Notice of the hearing shall be given by the City Manager to the person requesting the hearing not later than five days prior to the date of the hearing. For good cause, the hearing officer may continue the administrative hearing from time to time. At the hearing, the applicant may appear and offer evidence to show why the determination of the City Manager should not be confirmed and fixed as the tax due or the other determination of the City Manager pursuant to subsection (C)(5). In conducting the hearing, the hearing officer shall not be limited by the technical rules of evidence. Failure of the person who applied for a hearing on the determination to appear shall not affect the validity of the proceedings or order issued thereon.
4. Upon conclusion of the hearing, or no later than 10 days after the conclusion of the hearing, the hearing officer shall determine and reassess the proper tax

to be charged or make such other determination as provided in subsection (C)(5) and shall give written notice to the person in the manner prescribed in this chapter for giving notice of determination, and the hearing officer shall submit its decision and the record to the City Clerk. The decision of the hearing officer shall be final.

5. The provisions of this section apply to any decision, deficiency determination, assessment, or other decision or ruling of the City Manager, except decisions made pursuant to Section 3.40.060 (Refunds and Claims). Any person aggrieved by any decision subject to this section shall comply with the hearing procedure of this section. Pursuant to Government Code Section 935(b), compliance with this section shall be a prerequisite to a suit thereon. To the extent allowed by law, nothing herein shall permit the filing of a claim or action on behalf of a class or group of taxpayers.

Sec. 3.40.090. – Operative date.

This chapter shall be operative ten (10) days after the date that the City Council declares that a majority of the City's voters voting at the November 8, 2022, election have voted in favor of this chapter at such election.

Sec. 3.40.100. City Council Authority to Amend.

The City Council has the right and authority to amend this chapter, to further its purposes and intent (including but not limited to amendment for more efficient administration as determined by the City Council), in any manner that does not increase a tax rate, or otherwise constitute a tax increase for which voter approval is required by Article XIII C of the California Constitution, pursuant to Elections Code Section 9217.

Sec. 3.40.110. City Councilmember Conflicts of Interest.

Notwithstanding any other provision of this Chapter, prior to participating in any decision relating to a cannabis business, each city councilmember shall do all of the following

1. Disclose on the record any financial interest in the cannabis business that is subject to the decision.
2. Disclose on the record any campaign contributions and benefits or gifts received from the cannabis business that is subject to the decision.
3. Disclose on the record any ex parte communications that the city councilmember may have had with a cannabis business that is the subject of the decision.
4. Each city councilmember shall warrant and represent, on the record and in a form approved by the City Council, that they have complied with these requirements and all applicable law.

If it is later determined that a city councilmember has not complied with the above requirements or if it is determined that a city councilmember has violated applicable law, then the city councilmember is disqualified from all decisions relating to the cannabis business subject to the decision. The requirements of this Section 3.40.110 shall be in addition to any applicable law, including, without limitation, the California Political Reform Act and the related regulations of the Fair Political Practices Commission."

SECTION 11. SEVERABILITY. If any provision, section, paragraph, sentence, phrase, or word of this Ordinance is, rendered or declared invalid, illegal, or unconstitutional by any final action in a court of competent jurisdiction or by reason of any preemptive legislation, such constitutionality, illegality or invalidity shall only affect such provision, section, paragraph, sentence, phrase, or word and shall not affect or impair any remaining provisions, sections, paragraphs, sentences, phrases, or words, or the application of this Ordinance to any other person or circumstance, and to that end, the provisions hereof are severable. It is hereby declared to the intent of the People of the City that this Ordinance would have been adopted had such unconstitutional, illegal or invalid provision, section, paragraph, sentence, phrase, or word not been included herein.

SECTION 12. APPROPRIATIONS LIMIT. Pursuant to Article XIII B of the California Constitution, the appropriations limit for the City of South El Monte is increased to the maximum extent over the maximum period of time allowed under the law consistent with the revenues generated by this tax.

SECTION 13. CONFLICTING MEASURES. The People of the City find and declare that the provisions of this Ordinance relating to the regulation and taxation of commercial cannabis operations in the City may conflict with one or more provisions of other initiative measures. It is the intent of the People that if this Ordinance receives a greater number of affirmative votes than a conflicting measure at the same election, this Ordinance shall prevail in its entirety over a conflicting measure.

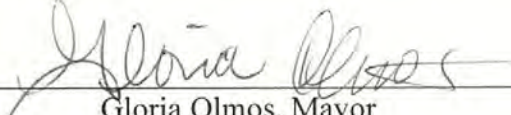
SECTION 14. AMENDMENT. Following the operative date of this Ordinance, the City Council may, pursuant to the procedures set forth in the State Government Code and the City Municipal Code and without prior approval of the electorate, amend this Ordinance including Chapter 5.26 (Cannabis Activities) of Title 5 (Business Taxes, Licenses, and Regulations) of the City Municipal Code, with the exception of Section 5.26.060 of the City Municipal Code, which may only be amended (i) if ordered to do so by a court of competent jurisdiction as a judicial remedy or (ii) by a vote of the People of the City.

SECTION 15. CEQA. The City Council finds that this Ordinance is not subject to the CEQA pursuant to both the exemption provided by Sections 15060(c)(3) and 15061(b)(3) of the CEQA Guidelines.

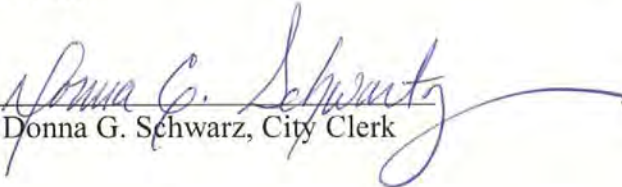
SECTION 16. OPERATIVE DATE. This Ordinance shall be operative 10 days after the date that the City Council declares that a majority of the City's voters voting at the November 8, 2022, election have voted in favor of a cannabis-related measure at such election.

SECTION 17. CERTIFICATION. The Mayor of the City of South El Monte is hereby authorized and ordered to attest to the adoption of the Ordinance by the voters of the City of South El Monte by signing where indicated below.

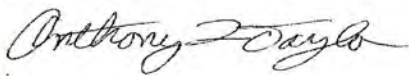
PASSED, APPROVED and ADOPTED by the People of the City of South El Monte, California voting on the 8th day of November 2022.


Gloria Olmos, Mayor

ATTEST:


Donna G. Schwarz, City Clerk

APPROVED AS TO FORM:


Anthony R. Taylor, City Attorney



City Council Agenda Report

Agenda Item No. 9.a.

DATE: September 12, 2023

TO: Honorable Mayor and Members of the City Council

APPROVED BY: Rene Salas, City Manager

SUBMITTED BY: City Attorney

SUBJECT: CONSIDERATION AND APPROVAL OF ORDINANCE NO. 1268, AMENDING CHAPTER 5.26 OF TITLE 5 OF THE SOUTH EL MONTE MUNICIPAL CODE THEREBY AMENDING THE CITY'S CANNABIS REGULATIONS IN RELATION TO APPLICATION SELECTION CRITERIA, MAKE CLARIFICATION CHANGES, AND MAKE SUCH OTHER CHANGES IN ORDER TO IMPROVE THE ADMINISTRATION THEREOF

SUMMARY: Staff is requesting City Council consider for adoption an ordinance amending Chapter 5.26 of Title 5 of the South El Monte Municipal Code thereby amending the City's cannabis regulations in order to change application selection criteria, make clarification changes, and make such other changes in order to improve the administration thereof.

RECOMMENDED ACTION: Staff recommends City Council:

1. Waive first reading and introduce Ordinance No. 1268, amending Chapter 5.26 of Title 5 of the South El Monte Municipal Code thereby updating and amending the City's cannabis regulations in order to amend application selection criteria, make clarification changes, and make such other changes in order to improve the administration thereof; and
2. Set adoption of said ordinance at the next regular city council meeting.

FISCAL/FINANCIAL IMPACT: The City does not expect any fiscal impact from this ordinance as currently there are no permitted cannabis retailers within the City. Staff will monitor the regulatory environment as it develops, and inform City Council of any fiscal impact when it can be reasonably estimated.

DISCUSSION: At the November 2022 election, the City's voters approved Ordinance No. 1260, which added Chapter 5.26 to the South El Monte Municipal Code ("SEMMC"). In relevant part, it authorized the establishment of a limited number of cannabis retailers (medical/adult-use) in the City through the "Commercial Cannabis Operations Regulatory

Program” and, further, established a tax on retailers. Ordinance No. 1260 also contained provisions permitting the City Council to make amendments without resubmission to the voters provided that the number of permits cannot be changed. This program permits one medical/adult-use cannabis retailer with the option to add another two permits in the second year of the program and, further, provides very detailed requirements on how the program operates and regulates cannabis businesses, including application selection criteria.

Pursuant to SEMMC Section 5.26.070(D), the program provides for application selection criteria and related weighting for cannabis permit applicants, which are currently as follows:

1. Qualifications of the Applicant’s Owners and Manager (250 points)
2. Plans, Renderings, and Overall Location (50 points)
3. Business and Operations Plan (100 points)
4. Security Plan (100 points)
5. Safety Plan (100 points)
6. Neighborhood Compatibility Plan (100 points)
7. Community Benefits Plan (100 points)
8. Labor and Employment Plan (200 points)

A new development occurred after the voters of the City approved the cannabis ordinance in November 2022. There is now a state proposition (entitled as “The Taxpayer Protection and Government Accountability Act”) that if approved by the voters of the State of California in November 2024 could potentially impact the City’s tax revenues that were included in the City’s cannabis measure that the voters approved in November of 2022. If the City brought in a cannabis business this year with the expectation that the tax revenues would be paid to the City every year going forward by that cannabis business to offset costs to the City for impacts to City resources, the City could potentially end up having a cannabis business with no tax revenues to offset adverse impacts from that cannabis business if the above state proposition passes, depending on how that state ballot measure will be interpreted as applying retroactively or not by the courts if it passes.

An option for the City Council is to amend the cannabis ordinance (as allowed under Section 5.26.250 of the voter approved city ordinance) so that a Community Benefit Agreement would result in the highest scoring for a cannabis business based on if that cannabis business will voluntarily obligate itself to pay for its impacts to the City even if the tax is no longer required based on if the above state proposition passes and if courts applied it retroactively (which is unknown at this time).

The proposed ordinance would revise Criteria 7 so that the total points that can be allocated is 300 points. It would also add a sub-criteria in Criteria 7 relating to community benefit proposals. As such, SEMMC Section 5.26.070(D)(7) would read as follows (~~strike through~~ is deleted language while underline is added language):

“Community Benefits Plan—~~One Hundred Points~~ Three Hundred Fifty Points. The people of the city find that monetary donations to local non-profit organizations, financial support of city sponsored activities or organizations, in kind donations to the city or other charitable organizations, and economic incentives to the city carry out the purpose and intent of the program and are, therefore, critical for an applicant to demonstrate an effective community benefits plan. Accordingly, ~~fifty-two hundred~~ of the ~~one three hundred fifty~~ three hundred fifty points awardable under this subsection shall only be awarded if the applicant pledges to voluntarily provide a public benefit to a public use (or a combination thereof), which is defined as a direct financial contribution equal to two percent of projected gross receipts of the applicant to a public school located within the city, a public park located within the city, and/or a public or nonprofit community organization serving the city or its residents. Beyond the above and as a ministerial duty, no further direct

financial contributions shall be considered as part of an applicant's community benefits plan.

The remaining ~~fifty-one hundred fifty~~ of the ~~one hundred-three hundred fifty~~ points awardable under this subsection shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

a. Up to ~~twenty-five~~ fifty points—A description of a social responsibility plan to include identification of a community liaison, plans to serve as a social equity business incubator, plans to aide and participate in the work of local non-profits, community-based organizations, civic organizations, or social services organizations.

b. Up to ~~twenty-five~~ fifty points—A description of a plan to develop a public health outreach and educational program that outlines the risks of youth use of cannabis and that identifies resources available to youth related to drugs and drug addiction.

c. Up to fifty points – A proposal and description of any community benefits agreement proposed by the applicant pursuant to Section 5.26.130.

Furthermore, SEMMC 5.26.070(E), in relevant part, provides as follows:

“... In the event of a tie in the order of ranking under subsection D between one or more applicants up to the maximum number of commercial cannabis operation permits authorized in Section 5.26.060, the city council shall, as a ministerial duty, break the tie and issue commercial cannabis operation permits to the applicants with the highest scoring application component in the following order: **(1) qualifications of the applicant's owners and managers; (2) labor and employment plan; (3) security plan; (4) safety plan; (5) community benefits plan; (6) neighborhood compatibility plan; (7) business and operations plan; and (8) plans, renderings, and overall location.** ...”

The proposed ordinance would move “community benefits plan” to a higher priority by reordering the above bolded text as follows: : “... (1) qualifications of the applicant's owners and managers; (2) community benefits plan; (3) labor and employment plan; (4) security plan; (5) safety plan; (6) neighborhood compatibility plan; (7) business and operations plan; and (8) plans, renderings, and overall location. ...”

The proposed ordinance would also make the following changes:

Amends various deadlines for the adoption of program fees. The current text provides that certain fees have to be adopted within a period of time. For example, application fees currently must be established within 45 days of the ordinance's effective date. The proposed ordinance would remove this time requirement, and other similar time requirements, so that the City has sufficient time to study and adopt the related fees.

Amends various deadlines for the creation of application forms. The current text also provides that certain applications forms must be created within a specified period of time. For example, the current text provides the application form for change of location must be created within 180 days of the ordinance's effective date. Similar to the fees, the proposed ordinance removes this deadline, and other similar time requirements so that the City has sufficient time to create the forms.

Amends deadlines relating to establishing certain regulations. The current ordinance sets specific deadlines for the establishment of certain regulations. For example, the city manager is required to create regulations for transfer of ownership or control within 180 days following the ordinance's effective date. The proposed ordinance would remove this 180 day deadline.

Amends various sections for consistency. The proposed ordinance makes other changes to the current text so that it is more consistent. For example, in one part of the ordinance, it references the maximum number of cannabis retailers as being 2, but the intended limit is 1 for the first year with the option of adding 2 additional permits in subsequent years. This proposed ordinance would make those provisions consistent.

Clarifies that Council is not required to select an applicant if approval of an application

would be detrimental to the public health and safety. The current ordinance is unclear whether Council may, for example, determine that all applicants as not meeting the criteria and, therefore, desires to not issue any permits. The proposed ordinance would give Council the option to not issue any permits, provided that Council finds that issuance of any permits would be detrimental to the health and safety of the City's residents.

Provides other changes relating to efficient administration and enforcement. The proposed ordinance makes changes to the current ordinance so that it can be more efficiently administered. For example:

1. The current ordinance provides that, on the one-year anniversary of the date of issuance of a permit (and every year thereafter), the city manager is required to conduct a performance review of the permittee. If there are any areas in which the permittee is noncompliant, the city manager is required to notify the permittee and the permittee has an automatic 60 days to remedy the noncompliance. The proposed ordinance would revise this so that the City Manager has the flexibility to provide deadlines to remedy noncompliance and is further able to revise the deadlines if additional time is needed.
2. Any adopted administrative regulations will be effective upon the date of publication on the City's website or posting at the location for the city council's meeting agendas.
3. Failure to make corrections required by SEMMC Section 5.26.090 and failure to pay required fees is a basis for suspension/revocation of the permit.

ATTACHMENT(S):

- A. Ordinance No. 1268 re Cannabis Regulation
- B. Exhibit A to Ordinance No. 1268 - Cannabis Ordinance Amendment
- C. Ordinance No. 1260

ATTACHMENT A

ORDINANCE NO. 1268

AN ORDINANCE OF THE SOUTH EL MONTE CITY COUNCIL AMENDING CHAPTER 5.26 OF TITLE 5 OF THE SOUTH EL MONTE MUNICIPAL CODE THEREBY AMENDING THE CITY'S CANNABIS REGULATIONS IN RELATION TO APPLICATION SELECTION CRITERIA, MAKE CLARIFICATION CHANGES, AND MAKE SUCH OTHER CHANGES IN ORDER TO IMPROVE THE ADMINISTRATION THEREOF

WHEREAS, on November 8, 2022, the voters of the City of South El Monte adopted Ordinance No. 1260, which added Chapter 5.26 to Title 5 of the South El Monte Municipal Code ("SEMMC") and which authorized and taxes certain cannabis businesses within the City of South El Monte ("City"); and

WHEREAS, Section 14 of Ordinance No. 1260 and SEMMC Section 5.26.250 permit the City Council to amend the voter-approved cannabis regulations, provided that such amendments do not increase the adopted tax rate and, further, do not amend SEMMC Section 5.26.060; and

WHEREAS, by adoption of this Ordinance, the City Council does not intend to amend Chapter 5.26 of Title 5 of the SEMMC in manner that violates Section 14 of Ordinance No. 1260 and SEMMC Section 5.26.250; and

WHEREAS, the City Council desires to amend its cannabis business regulations provided in Chapter 5.26 of Title 5 of the SEMMC ("Chapter 5.26") so that the City is better able to administer thereof.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH EL MONTE DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Recitals. The recitals set forth above are incorporated herein by this reference.

SECTION 2. CEQA. The City Council finds that the amended ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to CEQA Regulations 15060(c)(3) and 15061(b)(3). Section 15060(c)(3) of the CEQA Guidelines, excludes from CEQA review, those activities that are not "projects" within the meaning of Section 15378 of the California Code of regulations. The amendment to the ordinance does not increase the number of cannabis businesses and it does not change any building regulations or requirements that could be an environmental impact. In addition, CEQA Guidelines Section 15061(b)(3) includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The amended ordinance makes changes to the City's cannabis regulations in order to improve the administration of the City's cannabis regulations and cannabis businesses. As such, it can be seen with a certainty that there will be no impact upon the environment due to the approval of the amended ordinance. Furthermore, the adoption of the amended ordinance is exempt from CEQA because the creation of a government funding mechanism which does not involve any commitment

to any specific project is not a "project" under CEQA pursuant to Public Resources Code Section 21080 and CEQA Guideline 15378(b)(4).

SECTION 3. Amendment to Chapter 5.26. Chapter 5.26 is hereby amended in its entirety as provided in Exhibit A of this Ordinance (For the purposes of Exhibit A, ~~strikethroughs~~ represent deletions and double underline represent additions).

SECTION 4. Severability. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or any part thereof is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsection, subdivision, paragraph, sentence, clause or phrase would be subsequently declared invalid or unconstitutional.

SECTION 5. Certification and publication. The ordinance shall take effect on January 1, 2023 and within (5) days after its passage, the City Clerk of the City of El Monte shall certify to the passage and adoption of this ordinance and to its approval by the Mayor and City Council and the Building Official shall cause the same to be filed with the California Building Standards Commission. And within (15) days after its passage, the City Clerk shall certify to the adoption of this ordinance and shall cause a summary of same to be published once in a newspaper of general circulation within the City of South El Monte.

PASSED, APPROVED, AND ADOPTED this __ day of __ 2023.

Gloria Olmos, Mayor

ATTEST:

Donna G. Schwartz, City Clerk

APPROVED AS TO FORM:

Anthony R. Taylor, City Attorney

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF SOUTH EL MONTE)

I, Donna G. Schwartz, City Clerk of the City of South El Monte, do hereby certify that the foregoing ordinance, being Ordinance No. 1268 was passed and approved by the City Council of the City of South El Monte at a regular meeting of said Council held on the ____ day of ___, 2023 by the following vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Donna G. Schwartz, City Clerk

Chapter 5.26 COMMERCIAL CANNABIS OPERATIONS REGULATORY PROGRAM

5.26.010 Purpose and intent.

A. The purpose of this chapter is to establish a comprehensive set of regulations with an attendant regulatory permit applicable to the operation of certain types of commercial cannabis operations, while simultaneously establishing an express prohibition on certain other types of commercial cannabis operations.

B. The regulations for, and prohibitions on, specific types of commercial cannabis operations are enacted to preserve the public health, safety, and welfare of the residents and visitors of the city, consistent with the state’s Compassionate Use Act of 1996, Medical Marijuana Program Act of 2003, Adult Use of Marijuana Act of 2016 MAUCRSA, and all applicable state laws governing commercial cannabis operations.

C. The issuance of a commercial cannabis operation permit shall constitute a revocable privilege and shall not create or establish any vested rights for the development or use of a property.

D. This chapter and any administrative regulations adopted pursuant to this chapter shall be known as the “commercial cannabis operations regulatory program” or the “program.”

5.26.020 Commercial cannabis operation prohibited without city commercial cannabis operation permit.

It is unlawful to own, establish, operate, use, or permit the establishment or activity of a commercial cannabis operation, or to participate in commercial cannabis operations as an employee, contractor, agent, volunteer, or in any manner or capacity, other than as provided in this chapter and pursuant to both a current and valid city commercial cannabis operation permit, as well as the equivalent state license for such commercial cannabis operation as provided for by Section 26050 of the State Business and Professions Code, and as amended from time to time. The prohibition contained in this section shall include renting, leasing, or otherwise permitting a commercial cannabis operation to occupy or use a location, vehicle, or other mode of transportation.

5.26.030 Definitions.

As used in this chapter, the following words and phrases shall have the following meanings. Words and phrases not specifically defined below shall have the meanings ascribed to them elsewhere in this Code or shall otherwise be defined by common usage. For definitions of nouns, the singular shall also include the plural; for definitions of verbs, all verb conjugations shall be included. Any reference to state statutes includes any regulations promulgated thereunder and is deemed to include any successor or amended version of the referenced statute or regulatory provision.

“Adult use” (i.e., “recreational” or “non-medical”) refers to activity involving cannabis or cannabis products, which is restricted to adults twenty-one years of age and older and who do not possess a physician’s recommendation, in contrast to an activity involving medical cannabis or medical cannabis products.

“Alcohol or drug treatment facility” shall have the same definition as “alcoholism or drug abuse recovery or treatment facility” as defined in Section 11834.02(a) of the State Health and Safety Code, which currently defines the term as “any premises, place, or building that provides residential nonmedical services to adults who are recovering from problems related to alcohol, drug, or alcohol and drug misuse or abuse, and who need alcohol, drug, or alcohol and drug recovery treatment or detoxification services.” Further, “alcohol or drug treatment facility” shall also include such a facility that provides treatment for minors to the extent permitted by law.

“Applicant” means a person who files an application for a commercial cannabis operation permit under this chapter (and shall not include the owners or the managers of the applicant).

“Cannabis” means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “Cannabis” also means the separated resin, whether crude or purified, obtained from cannabis. “Cannabis” does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination.

“Cannabis concentrate” means cannabis that has undergone a process to concentrate one or more active cannabinoids, thereby increasing the product’s potency. Resin from granular trichomes from a cannabis plant is a concentrate for purposes of this chapter. A cannabis concentrate is not considered food, as defined by Section 109935 of the Health and Safety Code, or a drug, as defined by Section 109925 of the Health and Safety Code.

“Cannabis products” means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.

“City” means the city of South El Monte, state of California.

“City attorney” means the city of South El Monte city attorney, and includes his or her designee(s).

“City council” means the city council of the city of South El Monte.

“City manager” means the city of South El Monte city manager, and includes his or her designee(s).

“Code” means the city of South El Monte Municipal Code, as may be amended.

“Commercial cannabis operation” includes the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery, or sale (including retail and wholesale, and including medical-only and adult-use sales) of cannabis and cannabis products; except, as applicable, the activities provided in Section 5.26.220(A) or as preempted by state law.

“Commercial cannabis operation permit” shall mean a city permit issued pursuant to the procedures provided for in this chapter allowing the permit holder to operate a specific type of commercial cannabis operation in the city subject to the requirements of this chapter, state law, and the specific permit.

“County” means the county of Los Angeles, state of California.

“Cultivation” means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.

“Customer” means a natural person twenty-one years of age or over or a natural person eighteen years of age that is a qualified patient or primary caregiver.

“Day care center” means, a facility other than a family day care home, infant centers, toddler, preschool, and school age children licensed by the State Department of Social Services pursuant to Section 1596.951 of the State Health and Safety Code. Pursuant to the authority delegated by the state to the city under Section 26054(b) of the State Business and Professions Code, this definition of “day care center” under this chapter shall override the definition of “day care center” in MAUCRSA at Section 26001 of the State Business and Professions Code.

“Delivery” means the commercial transfer of cannabis or cannabis products to a customer, and includes the use of any technology platform owned and controlled by the same person making such use.

“Director” means the city of South El Monte community development director, and includes his or her designee(s).

“Distribution” means the procurement, sale, and transport of cannabis and cannabis products between entities licensed for and/or engaged in commercial cannabis operations under state law.

“Distributor” means a person engaged in distribution.

“Edible” means cannabis product that is intended to be used, in whole or in part, for human consumption, including, but not limited to, chewing gum, but excluding products set forth in Division 15 (commencing with Section 32501) of the Food and Agricultural Code. An edible cannabis product is not considered food, as defined by Section 109935 of the State Health and Safety Code, or a drug, as defined by Section 109925 of the State Health and Safety Code.

“Employee” means any person (whether paid or unpaid) who provides regular labor or regular services for a commercial cannabis operation, including, but not limited to, at the location of a commercial cannabis operation. The term “employee” includes managers and owners as used in this chapter.

“Extraction” means the process of obtaining cannabis concentrates from cannabis plants, including, but not limited to, through the use of solvents like butane, alcohol or carbon dioxide.

“Finance director” means the city of South El Monte finance director, and includes his or her designee(s).

“Fire chief” means the Los Angeles County fire department chief, and includes his or her designee(s).

“Gross receipts” means, except as otherwise specifically provided herein, whether designated as a sales price, royalty, rent, commission, dividend, or other designation, the total amount (including all receipts, cash, credits, and property of any kind or nature) received or payable for sales of goods, wares, or merchandise without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor, or service costs, interest paid or payable, losses, or any other expense whatsoever. However, the following shall be excluded from gross receipts:

1. Cash discounts where allowed and taken on sales;
2. Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;
3. Such part of the sale price of any property returned by purchasers to the seller as refunded by the seller by way of cash or credit allowances or return of refundable deposits previously included in gross receipts;
4. Receipts derived from the occasional sale of used, obsolete, or surplus trade fixtures, machinery, or other equipment used by the taxpayer in the regular course of the taxpayer’s business;
5. Cash value of sales, trades, or transactions between departments or units of the same business;
6. Whenever there are included within the gross receipts amounts which reflect sales for which credit is extended and such amount proved uncollectible in a given year, those amounts may be excluded from the gross receipts in the year they prove to be uncollectible; provided, however, if the whole or portion of such amounts excluded as uncollectible are subsequently collected, they shall be included in the amount of gross receipts for the period when they are recovered;
7. Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded when in excess of one dollar; and
8. Any proceeds resulting from a transfer or change of ownership or control in the business.

“Identification card” has the same definition as provided for in Section 11362.7(g) of the State Health and Safety Code, and as may be amended, defined as “a document issued by the [State Department of Health Services] that identifies a person authorized to engage in the medical use of cannabis and the person’s designated primary caregiver, if any.”

“Labeling” means any label or other written, printed, or graphic matter upon cannabis or a cannabis product, upon its container or wrapper, or that accompanies any cannabis or cannabis product.

“Labor peace agreement” means an agreement between a cannabis retailer and any bona fide labor

organization that, at a minimum, protects the city’s proprietary interests by prohibiting labor organizations and members from engaging in picketing, work stoppages, boycotts, and any other economic interference with a cannabis retailer. This agreement means that the cannabis retailer has agreed not to disrupt efforts by the bona fide labor organization to communicate with, and attempt to organize and represent, the cannabis retailer’s employees. The agreement shall provide a bona fide labor organization access at reasonable times to areas in which the cannabis retailer’s employees work, for the purpose of meeting with employees to discuss their right to representation, employment rights under state law, and terms and conditions of employment.

“Liquid assets” means assets that can be readily converted into cash. “Liquid assets” include, but are not limited to, the following: funds in checking or savings accounts, certificates of deposit, money market accounts, mutual fund shares, publicly traded stocks, and United States savings bonds. “Liquid assets” does not mean household items, furniture and equipment, vehicles, cannabis or cannabis products, business inventory, or real property and improvements thereto.

“Location” means any parcel of land, whether vacant or occupied by a building, group of buildings, or accessory buildings, and includes the buildings, structures, yards, open spaces, lot width, and lot area.

“Lighting” means the act of illuminating as well as the effect achieved by the arrangement of lights.

“LiveScan” means a system for inkless electronic fingerprinting and the automated background check developed by the California Department of Justice (“DOJ”) that involves digitizing fingerprints and electronically transmitting the fingerprint image data along with personal descriptor information to computers at the DOJ for completion of a criminal record check; or such other comparable inkless electronic fingerprinting and automated background check process as determined by the city council.

“Manager” means an employee responsible for management and/or supervision of a commercial cannabis operation, including, but not limited to, any: (1) manager or managing member or other officer of a limited liability company; or (2) president, chief executive officer, secretary, treasurer, chief financial officer, or other officer of a for profit corporation.

“Manufacture” or “manufacturing” means to compound, blend, extract, infuse, or otherwise make or prepare a cannabis product; includes the activities of a manufacturer.

“Manufacturer” means a person that conducts the production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container; includes the activity of manufacturing.

“Marijuana” has the same definition as provided for “cannabis” in this chapter.

“MAUCRSA” means the State Medicinal and Adult-Use Cannabis Regulation and Safety Act, codified at Section 11018 et seq., of the State Health and Safety Code, Section 26001 et seq., of

the State Business and Professions Code, Section 34010 of the State Revenue and Tax Code, and Section 81000 et seq., of the State Food and Agriculture Department Code, as may hereinafter be amended.

“Medical” refers to activity involving medical cannabis or medical cannabis products, in contrast to an activity involving adult-use cannabis or adult-use cannabis products.

“Medical cannabis” or “medical cannabis product” means cannabis or a cannabis product used in compliance with state law for medical purposes, pursuant to the Compassionate Use Act (Section 11362.5 of the State Health and Safety Code), the Medical Marijuana Program Act (Section 113262.7 et seq., of the State Health and Safety Code), and the MAUCRSA.

“Microbusiness” shall have the same definition as provided for in Section 26070 of the State Business and Professions Code, and as may be amended.

“Minor” means a person under twenty-one years of age.

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

“Operations officer(s)” shall refer to the director, the fire chief, the police chief, the finance director and the city manager, individually or collectively.

“Owner” means any of the following:

1. A person owning in the aggregate equity interests representing ten percent or more of the voting power of all outstanding equity in the applicant or a commercial permittee;
2. The president, chief executive officer, secretary, treasurer, or chief financial officer of a nonprofit applicant or permittee; or
3. A member of the board of directors of a nonprofit applicant or permittee.

Notwithstanding the above, every applicant and permittee must have at least one individual person designated as an “owner” for the purpose of compliance with this chapter, including the review and evaluation of any commercial cannabis operation permit application.

“Package” means any container or receptacle used for holding cannabis or cannabis products.

“Packaging” or “packages” means an activity involved with placing cannabis or cannabis products in a package.

“Park” means public land which has been designated for park or recreational activities, including, but not limited to, a park, playground, nature trails, swimming pool, athletic field, basketball court, tennis court, pedestrian or bicycle paths, beaches, open space, or similar public land within the city or which is under the control, operation or management of the city recreation and parks department. “Park” shall not include any youth center.

“Permittee” means a person issued a commercial cannabis operation permit by the city.

“Person” means any individual, firm, co-partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit.

“Person with an identification card” has the same definition as provided for in Section 11362.7(c) of the State Health and Safety Code, and as may be amended, defined as “an individual who is a qualified patient who has applied for and received a valid identification card pursuant to this article.”

“Physician’s recommendation” means a determination from a physician that a patient’s medical cannabis use is deemed appropriate and is recommended by the physician on the basis of the physician has determined that the patient’s health would benefit from the use of cannabis in the treatment of cancer, anorexia, AIDS, chronic pain, spasticity, glaucoma, arthritis, migraine, or any other illness for which cannabis provides relief, in strict accordance with Section 11362.5 of the State Health and Safety Code.

“Police chief” means the Los Angeles County sheriff, and includes his or her designee(s).

“Police department” means the Los Angeles County sheriff’s department.

“Premises” means the designated structure or structures and land specified in a commercial cannabis operation permit application that is owned, leased, or otherwise held under the control of the applicant or permittee where commercial cannabis operation will be or is conducted. The premises shall be a contiguous area and shall only be occupied by one permittee.

“Primary caregiver” has the same definition as provided for in Section 11362.7(d) of the State Health and Safety Code, and as may be amended, defined as “the individual, designated by a qualified patient or by a person with an identification card, who has consistently assumed responsibility for the housing, health, or safety of that patient or person.” A “primary caregiver” shall also meet the requirements of Section 11362.7(e) of the State Health and Safety Code, and as may be amended, which provide that a “primary caregiver shall be at least eighteen years of age, unless the primary caregiver is the parent of a minor child who is a qualified patient or a person with an identification card or the primary caregiver is a person otherwise entitled to make medical decisions under state law pursuant to Section 6922, 7002, 7050, or 7120 of the Family Code.”

“Qualified patient” has the same definition as provided for in Section 11362.7(f) of the State Health and Safety Code, and as may be amended, defined as “a person who is entitled to the protections of Section 11362.5, but who does not have an identification card issued pursuant to this article.”

“Religious institution” means any church, synagogue, mosque, temple, or building which is used primarily for religious worship, religious education, and related religious activities.

“Residentially zoned property” means any parcel of land located within the city zoned: R-1 (single-family residential zone), R-2 (multiple residential zone), or R-3 (multiple residential zone).

“Retailer” means a person engaged in the retail sale or delivery of cannabis or cannabis products to a customer. “Retailer” includes “retailer (medical-only)” and “retailer (medical/adult use).” “Retailer (medical-only)” refers to a retailer which is restricted by the terms of its commercial cannabis operation permit to engaging in the retail sale or delivery of medical cannabis or cannabis products as stated in Section 5.26.120(A). “Retailer (medical/adult-use)” refers to a retailer which is not so restricted by the terms of its commercial cannabis operation permit, and which accordingly may engage in the retail sale or delivery of medical or adult-use cannabis or cannabis products to a customer.

“Retail sale(s)” means any commercial cannabis operation involving the retail sale of cannabis or cannabis products from a retailer.

“Sale(s)” means any sale, exchange, or barter or other transaction for any consideration.

“School” means as evidenced by the State Department of Education school directory, a public school instructing children in grades kindergarten through grade 12, as authorized by the State Department of Education or a private school instructing children in grades kindergarten through grade 12 that has filed a verification of private school affidavit with the State Department of Education pursuant to Section 33190 of the State Education Code, excluding any private school in which education is primarily conducted in a private home. Pursuant to the authority delegated by the state to the city under Section 26054(b) of the State Business and Professions Code, this definition of “school” under this chapter shall override the definition of “school” used in MAUCRSA or Section 11362.768 of the State Health and Safety Code.

“Site” means the premises and actual physical location of a commercial cannabis operation, as well as its accessory structures and parking areas.

“State” means the state of California.

“Testing laboratory” or “testing” refers to a laboratory, facility, or entity that offers or performs tests on cannabis or cannabis products; includes the activity of laboratory testing.

“Youth center” means: (1) any public or private facility that is primarily used to host recreational or social activities for minors, such as private youth membership organizations or clubs, social service teenage club facilities; or (2) a park, playground, or recreational area specifically designed to be used by children that may have play equipment installed, including public grounds designed for athletic activities such as baseball, softball, soccer, or basketball or any facility located on a public or private school grounds, or on city, county, or parks. “Youth center” shall not include any private martial arts, yoga, ballet, music, or similar studio of this nature nor shall it include any private athletic training facility, pizza parlor, restaurant, video arcade, dentist office, or doctor’s office primarily serving children. Pursuant to the authority delegated by the state to the city under Section 26054(b) of the State Business and Professions Code, this definition of “youth center” under this chapter shall override the definition of “youth center” in MAUCRSA at Section 26001 of the State Business and Professions Code.

5.26.040 Prohibited commercial cannabis operations.

A. Commercial cannabis operations (including non-profit operations) within the city that involve the activities of non-storefront retailer (whether medical-only or medical/adult-use), cultivation, manufacturer, testing, distribution, or microbusiness are prohibited, including, but not limited to, commercial cannabis operations licensed by the state in the license classifications listed below as provided in Section 26050 of the State Business and Professions Code:

1. Type 1 = Cultivation; Specialty Outdoor; Small.
2. Type 1A = Cultivation; Specialty Indoor; Small.
3. Type 1B = Cultivation; Specialty Mixed Light; Small.
4. Type 1C = Cultivation; Specialty Cottage; Small.
5. Type 2 = Cultivation; Outdoor; Small.
6. Type 2A = Cultivation; Indoor; Small.
7. Type 2B = Cultivation; Mixed-light; Small.
8. Type 3 = Cultivation; Outdoor; Medium.
9. Type 3A = Cultivation; Indoor; Medium.
10. Type 3B = Cultivation; Mixed-Light; Medium.
11. Type 4 = Cultivation; Nursery.
12. Type 5 = Cultivation; Outdoor; Large.
13. Type 5A = Cultivation; Indoor; Large.
14. Type 5B = Cultivation; Mixed-Light; Large.
15. Type 6 = Manufacturer 1.
16. Type 7 = Manufacturer 2.
17. Type 8 = Testing.
18. Type 9 = Non-Storefront Retailer (Delivery Only).
19. Type 11 = Distributor.
20. Type 12 = Microbusiness.

B. The prohibition provided by above subsection A includes any similar activities authorized under new or revised state licenses, or any other state authorization, to allow any type, category or classification of cannabis commercial operations that involve the activities of non-storefront

retailer (Type 9, i.e., delivery only) (whether medical-only or medical/adult-use), cultivation, manufacturer, testing, distribution, microbusiness, or similar operations (including non-profit, collective or cooperative operations).

5.26.050 Permitted commercial cannabis operations.

A. Commercial cannabis operations (including non-profit operations) within the city which involve the activity of retailer (Type 10: medical-only and medical/adult-use) are allowed subject to issuance and maintenance of a valid and current city commercial cannabis operation permit, continuing adherence to this entire chapter and all applicable city and state regulations and laws, and issuance and maintenance of a valid and current equivalent state license type listed below, as provided for in Section 26050 of the State Business and Professions Code:

1. Type 10 = Retailer (Medical-Only; Medical/Adult-Use).

B. The requirements provided by above subsection A apply to any similar activities authorized under new or revised state licenses, or any other state authorization, to allow any type, category or classification of cannabis commercial operations that involve the activity of retailer (medical-only and medical/adult-use) or similar operations (including non-profit, collective or cooperative operations).

5.26.060 Maximum number of commercial cannabis operation permits.

A. The number of commercial cannabis operation permits for retailer (medical/adult-use) commercial cannabis operations based within the city shall be no more than one.

B. Notwithstanding subsection A of this section, if the city council opts, in its sole discretion, to reinstitute the application procedure after the first year following the operative date of this chapter pursuant to Section 5.26.070(H), then two additional retailer (medical/adult-use) commercial cannabis operation permits may be issued such that the maximum number of commercial cannabis operation permits for retailer (medical/adult-use) commercial cannabis operations based within the city shall be increased to no more than three retailers (medical/adult-use).

C. The number of commercial cannabis operation permits for non-storefront retailer (delivery only) (whether medical-only or medical/adult-use) (including retailers or microbusinesses engaged in delivery) commercial cannabis operations based outside the city to engage in delivery within the city shall be zero. However, should a court of competent jurisdiction, as a judicial remedy, order the city council to increase the maximum number of commercial cannabis operation permits for non-storefront retailer (delivery only) (including retailers or microbusinesses engaged in delivery) commercial cannabis operations based outside the city to engage in delivery within the city, the number of commercial cannabis operation permits for non-storefront retailer (delivery only) (including retailers or microbusinesses engaged in delivery) commercial cannabis operations based outside the city to engage in delivery within the city shall be no more than two.

D. The maximum number of commercial cannabis operation permits issued for retailer

(including medical-only and medical/adult use retailer, individually and collectively) commercial cannabis operations based within the city or non-storefront retailer (delivery only) (including retailers or microbusinesses engaged in delivery) based outside the city may not be amended by the city council or regulations promulgated by the city manager pursuant to this chapter. However, the city council may and shall increase the maximum number of commercial cannabis operation permits issued for retailer commercial cannabis operations based within the city or non-storefront retailer (delivery only) (including retailers or microbusinesses engaged in delivery) based outside the city: (1) if ordered to do so by a court of competent jurisdiction as a judicial remedy; or (2) by a vote of the people of the city.

5.26.070 Commercial cannabis operation permit application procedure.

A. Following the effective date of this chapter, the city manager, pursuant to Section 5.26.140, shall, as a ministerial duty, make available the necessary forms, adopt any necessary application rules for the submission, intake, review, and approval of applications for retailer (medical-only and medical/adult-use) commercial cannabis operations up to the maximum number of commercial cannabis operation permits authorized in Section 5.26.060.

B. The city manager shall, as a ministerial duty, cease acceptance of commercial cannabis operation permit applications for retailer (medical-only and medical/adult-use) commercial cannabis operations thirty days after making available the necessary forms and adopting any necessary application rules for the submission, intake, review, and approval of commercial cannabis operation permit applications for retailer (medical-only and medical/adult-use) commercial cannabis operations.

C. Within thirty days of ceasing the acceptance of commercial cannabis operation permit applications for retailer (medical-only and medical/adult-use) commercial cannabis operations, the city manager shall, as a ministerial duty, review timely submitted commercial cannabis operation permit applications for retailer (medical-only and medical/adult-use) commercial cannabis operations for the following minimum requirements:

1. Payment of an application fee established by resolution of the city council ~~within forty-five days following the effective date of this chapter~~ to cover all costs incurred by the city in the application process;

2. Sufficient evidence of the legal right to use the proposed property for the proposed use, ~~to include~~ ing, without limitation, a lease, sublease, purchase agreement, assignment of purchase agreement, or lease or purchase option, in the name of the applicant, which may include nominal consideration and be contingent upon issuance of a commercial cannabis operation permit or other approvals. The city shall only consider one applicant per property address or county assessor's identification number. In the event that more than one applicant applies for a commercial cannabis operation permit application at a given property address or a given county assessor's identification number, the city manager shall, as a ministerial duty, only accept the commercial cannabis operation permit application with the earliest effective date for the evidence of the legal right to use the proposed property for the proposed use in the name of the applicant;

3. Sufficient evidence to demonstrate that the proposed property complies with the

location and zoning requirements in Section 5.26.120;

4. Proof that an owner or owners of the applicant with an aggregate ownership interest of fifty percent or more has served as an owner or owners with an aggregate ownership interest of fifty percent or more of six or more other retailer (medical-only or medical/adult-use) commercial cannabis operations by a city, county, or state since at least January 1, 2022;

5. Proof of funds showing that the applicant has access and control of over five hundred thousand dollars in liquid assets (which such liquid assets having been under possession for at least ninety days prior to the date of the application submission under this section), which may be shown via a binding legal agreement in the name of the applicant such as a promissory note so long as said legal agreement is accompanied by a proof of funds in the name of a party to the agreement that demonstrates access and control of over five hundred thousand dollars in liquid assets under possession for at least ninety days prior to the date of the application submission under this section. Applicants and permittees shall not be required to show that the applicant or permittee has access and control of over five hundred thousand dollars in liquid assets except on initial application pursuant to this Section 5.26.070, a change in location application pursuant to Section 5.26.100, or an ownership transfer application pursuant to Section 5.26.100;

6. For an applicant with two or more employees, proof of a labor peace agreement between a bona fide labor organization and the applicant (the applicant shall provide the city with a copy of the labor peace agreement that contains the signatures of the union representative and the cannabis business). For applicants with less than two employees who have not yet entered into a labor peace agreement, the applicant shall provide a notarized statement indicating that the applicant will enter into and abide by the terms of a labor peace agreement within thirty days after employing two employees;

7. A set of plans, including a site development plan, floor plan(s), building elevations (all four sides), and a conceptual landscape plan with the percentage of landscaping in the parking lot, setback areas, and tree size and species;

8. Colored interior and elevation renderings;

9. A completed background check application and receipt for each owner and manager of the applicant pursuant to Section 5.26.110(H);

10. The following application components: (a) qualifications of the applicant's owners and managers, (b) business and operations plan, (c) security plan, (d) safety plan, (e) neighborhood compatibility plan, (f) labor and employment plan, and (g) community benefits plan; and

11. Disclosure of whether the applicant is applying for a commercial cannabis operation permit as a retailer (medical-only) or retailer (medical/adult-use).

The city manager shall, as a ministerial duty, reject any commercial cannabis operation permit application that fails to meet the minimum requirements contained in this subsection C, and applicants shall not have the right to supplement or amend their commercial cannabis operation permit applications.

D. Within sixty days of completing the application review under subsection C above, the city manager shall, as a ministerial duty, review and score any complete applications pursuant to the following objective review criteria according to the following quantitative evaluation scale, with retailer (medical-only) applicants ranked only against other retailer (medical-only) applicants and retailer (medical/adult-use) applicants ranked only against other retailer (medical/adult-use) applicants unless otherwise provided by administrative regulations promulgated pursuant to Section 5.26.140:

1. Qualifications of the Applicant's Owners and Managers—Two Hundred Fifty Points. The people of the city find that a proven track-record of for retailer commercial cannabis operations that successfully generate tax revenue carries out the purpose and intent of the program and are, therefore, critical for an applicant to demonstrate the qualifications of the applicant's owners and managers. Accordingly, one hundred fifty of the two hundred fifty points awardable under this subsection shall only be awarded, as a ministerial duty, if an owner or owners of the applicant with an aggregate ownership interest of fifty percent or more is currently at the time of application submission under this section an owner or owners with an aggregate ownership interest of fifty percent or more of a single licensed and lawfully operating retailer commercial cannabis operations (excluding any non-retailer microbusiness, cultivation, manufacturing, distribution, or other non-retailer commercial cannabis operation components) that has generated at least five million dollars in gross receipts in a consecutive six-month period in the year immediately preceding the date of the application submission under this section, as demonstrated by tax payment receipts from, tax filings to, or tax returns filed with a city, county, or state.

The remaining one hundred of the two hundred fifty points awardable under this subsection shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

a. Up to fifty points—A description of the applicant's owner and manager qualifications detailing any special business or professional qualifications or licenses of the applicant's owner and manager that would add to the quality of services that the retailer commercial cannabis operation would provide, including in areas related to cannabis, such as legal, finance, business ownership/administration, waste management, real estate development, scientific, or healthcare or wellness fields.

b. Up to fifty points—Documentation that the applicant's owners and managers have experience operating retailer commercial cannabis operations in any jurisdiction where retailer commercial cannabis operations are permitted.

2. Plans, Renderings, and Overall Location—Fifty Points. The fifty points awardable under this subsection shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

a. Up to ten points—A premises diagram in accordance with Section 5006 of Division 42 of Title 16 of the State Code of Regulations.

b. Up to ten points—A site development plan that provides information on existing conditions and proposed improvements to the site and how it meets or will meet the development standards outlined in this Code. Information on existing conditions shall

include:

- i. Exterior photographs showing all sides of any existing structure(s);
 - ii. Photographs of existing parking areas, landscaping, trash enclosure, and signage;
 - iii. Information on existing use on the site, including the addresses, uses, and square footages;
 - iv. Photographs of the existing site if the site is vacant; and
 - v. Photographs of adjacent properties for context.
- c. Up to ten points—A floor plan showing information on the existing layout and proposed layout of the building interior.
- d. Up to ten points—Building elevations that provide information on existing conditions and proposed improvements.
- e. Up to five points—A conceptual landscape plan with the percentage of landscaping in the parking lot, setback areas, and tree size and species.
- f. Up to five points—Colored interior renderings and exterior elevation renderings (for both existing and/or proposed improvements).

3. Business and Operations Plan—One Hundred Points. The one hundred points awardable under this subsection shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

- a. Up to ten points—A written description of the total square footage of the facility with estimated square footage of proposed uses.
- b. Up to ten points—A schedule for beginning operations, including a narrative outlining any proposed construction improvements and a timeline for completion.
- c. Up to ten points—A budget for construction, operation, maintenance, compensation of employees, equipment costs, utility costs, and other operating costs.
- d. Up to five points—A description of the sources(s) of capital and use(s) of capital.
- e. Up to ten points—Pro forma financial statements for at least three years of operation.
- f. Up to five points—A description of the type of products to be sold and the estimated quantity and value of product(s) to be sold.

- g. Up to five points—A description of marketing procedures and tactics.
 - h. Up to ten points—A description of day-to-day operations that should acknowledge both state and local laws and should be consistent with industry best practices.
 - i. Up to five points—A description of hours of operation and opening procedures.
 - j. Up to ten points—A description of cash handling procedures.
 - k. Up to ten points—A description of inventory control procedures to include identification of point-of-sale systems, and track and trace software.
 - l. Up to ten points—A description of transportation, loading and unloading, distribution, or delivery procedures.
- 4. Security Plan—One Hundred Points. The one hundred points awardable under this subsection shall be awarded, as a ministerial duty, pursuant to the following objective criteria:
 - a. Up to twenty points—The security plan shall be prepared by a professional security consultant.
 - b. Up to ten points—A premises security diagram.
 - c. Up to fifty points—A description of access control, inventory control, cash handling, and other security procedures and security equipment demonstrating compliance with the security requirements under this chapter.
 - d. Up to ten points—A description of the intrusion alarm and monitoring system including the name and contact information for the monitoring company.
 - e. Up to ten points—A description of the services of on-site security guards to include the: (i) number of security guards; (ii) hours security guards will be on site; (iii) locations where security will be positioned; and (iv) security guard responsibilities.
- 5. Safety Plan—One Hundred Points. The one hundred points awardable under this subsection shall be awarded, as a ministerial duty, pursuant to the following objective criteria:
 - a. Up to twenty points—The safety plan shall be prepared by a professional fire prevention and suppression consultant.
 - b. Up to ten points—A premises safety diagram to include: (i) a description/illustration of evacuation routes; and (ii) location of fire extinguishers and other fire suppression equipment.
 - c. Up to fifty points—A description of safety procedures, training for emergency situations, and safety equipment demonstrating compliance with the safety

requirements under this chapter.

d. Up to ten points—Identify all gases, pesticides, and chemicals to be used and their storage locations.

e. Up to ten points—A description of the firm alarm and monitoring system including the name and contact information for the monitoring company.

6. Neighborhood Compatibility Plan—One Hundred Points. The one hundred points awardable under this subsection shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

a. Up to forty points—A “Good Neighbor Policy” that: (i) includes policies and measures in place to protect adjacent uses from any potential impacts (e.g., noise, light, odor, traffic, etc.) related to the proposed cannabis business; and (ii) describes how the cannabis business and its operating characteristics will be proactively managed so the business is not detrimental to the public health, safety, convenience, or welfare of persons residing, working, visiting, or recreating in the surrounding area and will not result in the creation of a nuisance.

b. Up to twenty points—A description of odor mitigation practices to include: (i) identifying potential sources of odor; (ii) a description of odor control devices and techniques employed to ensure that odors from cannabis are not detectable beyond the permitted premises; and (iii) all proposed staff odor training and system maintenance.

c. Up to twenty points—A description of a waste management plan that includes waste disposal locations within the proposed premises and the applicant’s security measures and methods of rendering waste unusable and unrecognizable.

d. Up to twenty points—A description of efforts at sustainability/environmental impact mitigation.

7. Community Benefits Plan—~~One Hundred Points~~ Three Hundred Fifty Points. The people of the city find that monetary donations to local non-profit organizations, financial support of city sponsored activities or organizations, in kind donations to the city or other charitable organizations, and economic incentives to the city carry out the purpose and intent of the program and are, therefore, critical for an applicant to demonstrate an effective community benefits plan. Accordingly, ~~fifty-two hundred~~ of the three hundred fifty ~~one hundred~~ points awardable under this subsection shall only be awarded if the applicant pledges to voluntarily provide a public benefit to a public use (or a combination thereof), which is defined as a direct financial contribution equal to two percent of projected gross receipts of the applicant to a public school located within the city, a public park located within the city, and/or a public or nonprofit community organization serving the city or its residents. Beyond the above and as a ministerial duty, no further direct financial contributions shall be considered as part of an applicant’s community benefits plan.

The remaining ~~fifty-one hundred fifty~~ of the three hundred fifty ~~one hundred~~ points awardable under this subsection shall be awarded, as a ministerial duty, pursuant to the following objective

criteria:

a. Up to ~~twenty-five~~fifty points—A description of a social responsibility plan to include identification of a community liaison, plans to serve as a social equity business incubator, plans to aide and participate in the work of local non-profits, community-based organizations, civic organizations, or social services organizations.

b. Up to ~~twenty-five~~fifty points—A description of a plan to develop a public health outreach and educational program that outlines the risks of youth use of cannabis and that identifies resources available to youth related to drugs and drug addiction.

c. Up to fifty points – A proposal and description of any community benefits agreement proposed by the applicant pursuant to Section 5.26.130.

8. Labor and Employment Plan—Two Hundred Points. The people of the city find that a proven track-record of cannabis retailer operations with high labor standards and commitment to labor peace carries out the purpose and intent of the program and are, therefore, critical for an applicant to demonstrate an effective labor and employment plan. Accordingly, one hundred of the two hundred points awardable under this subsection shall only be awarded if the applicant provides documentation that the individual or natural person owner or owners of the applicant (disregarding any intervening or intermediary entity owner or owners of the applicant) with an aggregate ownership interest of fifty percent or more have entered into collective bargaining agreements with a labor organization that currently represents cannabis workers in the United States effective since at least July 1, 2021, inclusive of renewals (and remaining effective, inclusive of renewals, on the date of the application submission under this section) and such collective bargaining agreements accrete or automatically apply to all cannabis retailers permitted or licensed in the State after July 1, 2021 (notwithstanding the fact that employees of such cannabis retailers permitted or licensed in the state after July 1, 2021 (if any), have yet to have had an opportunity to recognize the labor organization that currently represents cannabis workers in the United States), by the individual or natural person owner or owners of the applicant (disregarding any intervening or intermediary entity owner or owners of the applicant) with an aggregate ownership interest of ninety percent or more referenced above.

The remaining one hundred of the two hundred points awardable under this subsection shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

a. Up to ten points—An organizational chart of showing owners, managers, and employees.

b. Up to ten points—A description of the owner's and manager's roles in day-to-day operations and decisions.

c. Up to ten points—A description of the number of employees, title/position, and their respective responsibilities.

d. Up to fifteen points—A description of compensation to employees, opportunities for continuing education, and employee training.

e. Up to fifteen points—A description of whether the cannabis business is committed to offering employees a living wage.

f. Up to fifteen points—A description of benefits provided to employees such as health care, vacation, and medical leave, to the degree they are offered as part of employment.

g. Up to fifteen points—A description of a plan to recruit employees from socially and economically disadvantaged backgrounds.

h. Up to ten points—A description of a plan to have at least fifty percent of employee positions filled and hours worked by employees residing in the city.

E. Upon timely receipt of a commercial cannabis operation permit application, the city manager shall conduct background checks in accordance with Section 5.26.110(H). Following review and scoring of applications completed pursuant to objective review criteria under subsection D, the city manager shall, as a ministerial duty, recommend that the city council issue commercial cannabis operation permits to applicants in order of their rank under subsection D up to the maximum number of commercial cannabis operation permits authorized in Section 5.26.060. The city council shall consider the city manager's recommendations, and may conduct its own independent review and scoring of applications completed pursuant to objective review criteria under subsection D and substitute such review and scoring for that of the city manager in whole or in part if it sees fit to do so, and shall thereupon, as a ministerial duty, issue commercial cannabis operation permits to applicants in order of their rank under subsection D up to the maximum number of commercial cannabis operation permits authorized in Section 5.26.060. For the initial iteration of the application process pursuant to this section, the number of commercial cannabis operation permits issued shall be no more than the maximum number of Commercial Cannabis Operation Permits authorized in Section 5.26.060(A) ~~two retailers (medical-only) and one retailer (medical/adult use) commercial cannabis operation permits~~. In the event of a tie in the order of ranking under subsection D between one or more applicants up to the maximum number of commercial cannabis operation permits authorized in Section 5.26.060, the city council shall, as a ministerial duty, break the tie and issue commercial cannabis operation permits to the applicants with the highest scoring application component in the following order: (1) qualifications of the applicant's owners and managers; (2) community benefits plan; (3) labor and employment plan; (43) security plan; (54) safety plan; ~~(5) community benefits plan~~; (6) neighborhood compatibility plan; (7) business and operations plan; and (8) plans, renderings, and overall location. In the event of a tie on all application components between one or more applicants up to the maximum number of commercial cannabis operation permits authorized in Section 5.26.060, the city manager shall ~~not hold a public lottery, but rather~~ arrange for the tied applicants to provide public presentations before the city council, after which the city council shall publicly rank the applicants pursuant to ranking sheets prepared by the city manager that achieve a forced ranking based on all of the objective review criteria and quantitative evaluation scale in subsection D, and the city council shall issue commercial cannabis operation permits to applicants in order of their rank up to the maximum number of commercial cannabis operation permits available following the city manager's/city council's original ranking and issuance of commercial cannabis operation permits and the limits contained in Section 5.26.060. However, the city council shall not issue a commercial cannabis operation permit to any applicant with an applicant, owner, or manager that:

1. Provided false or misleading information on the applicant’s commercial cannabis operation permit application;

2. Has been convicted of (or pled no contest to) “an offense that is substantially related to the qualifications, functions, or duties of the business or profession for which the application is made” as that term is defined in Section 26057(b)(4) of the State Business and Professions Code; or

3. Has been sanctioned by a licensing authority or a city, county, or state for unlicensed commercial cannabis operations or has had a license suspended or revoked under MAUCRSA in the three years immediately preceding the date the application was submitted.

F. Any decision of the city council under this Section 5.26.070 shall be a final administrative decision not subject to administrative appeal under any provisions of this chapter or any provisions of this Code but, rather, subject to judicial review and remedies.

G. In the event that: (1) the number of ~~active, operating retailer (medical-only or medical/adult-use) commercial cannabis operations and~~ issued commercial cannabis operation permits falls below the maximum number of commercial cannabis operation permits for retailer (medical-only or medical/adult-use) commercial cannabis operations authorized in Section 5.26.060; or (2) the city council is ordered to increase the maximum number of commercial cannabis operation permits issued for retailer (medical-only or medical/adult-use) commercial cannabis operations by a court of competent jurisdiction as a judicial remedy (e.g., if a court of competent jurisdiction orders the city council to make commercial cannabis operation permits available for non-storefront retailer (delivery only) (including retailers or microbusinesses engaged in delivery) commercial cannabis operations based outside the city to engage in delivery within the city), the city manager shall, as a ministerial duty, within thirty days reinstitute the application procedure under this Section 5.26.070, subject to the maximum number of commercial cannabis operation permits authorized and available ~~(not allocated to an active, lawfully operating retailer)~~ for issuance pursuant to Section 5.26.060. However, if the city council determines to not issue any permits pursuant to Section 5.26.070(I), then the city manager shall not be required to reinstitute the application procedure provided herein unless directed to do so by a majority of the city council. ~~For the purpose of this section, a retailer (medical-only or medical/adult-use) commercial cannabis operation shall be considered operating if: (1) upon initial issuance of commercial cannabis operation permit (or approval of a change in location pursuant to Section 5.26.100), the retailer commercial cannabis operation commences lawful operations within twenty four months; or (2) following initial commencement of lawful operations, the retailer commercial cannabis operation does not cease or abandon operations for one hundred eighty consecutive or cumulative days in any one year period.~~

H. Additionally, pursuant to Section 5.26.060(B), at any time after the first year following ~~during the second year from~~ the operative date of this chapter, the city council may, by resolution or minute action, reinstitute the application procedure under this section for the purpose of considering issuance of one additional retailer (medical/adult-use) commercial cannabis operation permits up to the maximum provided, ~~in which case the maximum number of commercial cannabis operation permits for retailer (adult-use/medical) commercial cannabis operations based in the city shall increase from one to two as stated~~ in Section 5.26.060(B).

I. Notwithstanding anything to the contrary in this chapter, the city council is not required or obligated to issue any commercial cannabis operation permits to any applicants pursuant to this chapter if the city council determines that the issuance of such permits would be detrimental to the public health and safety.

5.26.080 Limitations on the city's liability.

To the fullest extent permitted by law, the city shall not assume any liability whatsoever with respect to having issued a commercial cannabis operation permit pursuant to this chapter or otherwise approving any retailer commercial cannabis operation. As a condition to the approval of any commercial cannabis operation permit, the applicant shall be required to meet all of the following conditions before they can receive a commercial cannabis operation permit:

A. Execution of an agreement, in a form approved by the city attorney, agreeing to indemnify, defend (at applicant's sole cost and expense), and hold the city, and its officers, officials, employees, representatives, and agents harmless, from any and all claims, losses, damages, injuries, liabilities, or losses which arise out of or which are in any way related to the city's issuance of the commercial cannabis operation permit, the city's decision to approve the retailer commercial cannabis operation, the process used by the city in making its decision, or the alleged violation of any federal, state, or local laws by the retailer commercial cannabis operation or any of its owners, managers, officers, employees, or agents.

B. Maintain insurance at coverage limits, and with conditions thereon determined necessary and appropriate from time to time by the city attorney.

C. Defend and indemnify the city, its elected and appointed officials, employees and attorneys for all costs and expenses, including, but not limited to, attorneys' fees and court costs, that the city may be required to pay as a result of any legal challenge related to the city's approval of the applicant's commercial cannabis operation permit, any matter arising from the operations of said cannabis business and/or related to the city's approval of retailer commercial cannabis operations. The city, at its sole discretion, may participate at its own expense in the defense of any such action, but such participation shall neither relieve nor increase any of the obligations imposed on the applicant hereunder.

D. Provides written authorization to the operations officers to conduct reasonable unannounced inspections of the location of the commercial cannabis operation at the reasonable discretion of the city, including, but not limited to, inspection of security, inventory, and written records and files pertaining to the commercial cannabis operation, for the purposes of ensuring compliance with this chapter and all laws of the city and the state.

5.26.090 Commercial cannabis operation permit term.

A. Subject to this section and Section 5.26.160, the term of each commercial cannabis operation permit shall be indefinite.

B. Upon the one-year anniversary of the date of issuance for each commercial cannabis operation permit and every year thereafter, the city manager shall conduct a performance review

of the permittee to assess compliance with the requirements of this chapter and state law. Within thirty days of the conclusion of the annual performance review of the permittee, the city manager shall issue a letter of compliance or noncompliance outlining all items to be corrected to ensure full compliance, which shall include deadlines for completion of such items. The city manager may revise such deadlines if he or she determines that additional time is needed to complete such items. ~~In the event of any noncompliance, the permittee shall have sixty days to remedy such noncompliance. However, in the event such noncompliance items cannot be reasonably remedied within sixty days, such noncompliance items shall not constitute a serious material violation of any law and/or any rule, regulation, and/or standard adopted pursuant to this chapter subject to suspension or revocation under Section 5.26.160 if the permittee commences correction of such noncompliance items within sixty days and thereafter diligently prosecutes correction of such noncompliance items to completion.~~

C. The permittee shall pay a fee in an amount to be set by the city council via resolution to cover the costs of conducting the performance review, together with any costs incurred by the city to administer the program created under this chapter.

5.26.100 Change in location—Transfer—Updated application information.

A. A permittee may change the business location specified in a commercial cannabis operation permit upon submission and approval of a change in location application promulgated, as a ministerial duty, by the city manager pursuant to regulations adopted under Section 5.26.140 ~~within one hundred eighty days following the effective date of this chapter.~~ The permittee shall pay an application fee established by resolution of the city council to cover all costs incurred by the city in the review and processing of change in location applications. The city manager shall process such change in location applications as a ministerial duty within thirty days of receipt.

B. An owner of a commercial cannabis operation permit shall not transfer ownership or control of such commercial cannabis operation permit to another person unless and until the permittee and transferee obtain an amendment to the commercial cannabis operation permit that is approved by the city council upon recommendation from the city manager stating that the permit may be transferred. A permittee may change the ownership specified in a commercial cannabis operation permit upon submission and approval of a change in ownership application promulgated, as a ministerial duty, by the city manager pursuant to regulations adopted under Section 5.26.140 ~~within one hundred eighty days following the effective date of this chapter.~~ The permittee shall pay an application fee established by resolution of the city council to cover all costs incurred by the city in the review and processing of change in ownership applications. The city manager shall process such change in ownership applications as a ministerial duty within thirty days once the city manager reasonably determines that the transferee passed the background check required for owners and meets all other requirements of this chapter.

C. Notwithstanding subsection B, during the first three years following the issuance of a commercial cannabis operation permit, the city manager shall not process any application to change the ownership or control of a commercial cannabis operation permit that results in the permittee altering its ownership composition in a manner that would result in the permittee not being entitled to points it was awarded when the permittee was an applicant pursuant to Section 5.26.070. For example, if a permittee received one hundred points when it was an applicant for

providing documentation that the individual or natural person owner or owners of the applicant (disregarding any intervening or intermediary entity owner or owners of the applicant) with an aggregate ownership interest of ninety percent or more have entered into a collective bargaining agreement with a labor organization that currently represents cannabis workers in the United States effective since at least July 1, 2021, inclusive of renewals (and remaining effective, inclusive of renewals, on the date of the application submission under this section), the city manager shall not process or authorize any change in ownership or control of the permittee if the change would result in the permittee being unable to continue to satisfy the aforementioned criteria subsequent to its approval.

D. Notwithstanding subsection B, no commercial cannabis operation permit may be transferred when the city manager has notified the permittee that its commercial cannabis operation permit has been or may be suspended or revoked.

E. Any attempt to transfer a commercial cannabis operation permit either directly or indirectly in violation of this section is hereby declared void, and such an unpermitted transfer shall be deemed a ground for revocation of the permit.

F. An applicant or permittee shall notify the city manager or designee(s) within fifteen calendar days of any ~~material~~ change in the information provided in the applicant or permittee's commercial cannabis operation permit application or any change in status of compliance with the provisions of this chapter, including any change in ownership or management.

5.26.110 General operating standards and restrictions.

A commercial cannabis operation shall operate in conformance with the following minimum standards, and such standards shall be deemed to be part of the conditions on the permit for a commercial cannabis operation to ensure that its operation is in compliance with state law and this Code, and to mitigate any potential adverse impacts of the commercial cannabis operation on the public health, safety or welfare.

Additional minimum standards may be adopted from time to time either by resolution or ordinance ~~from~~ of the city council, or by the city manager pursuant to Section 5.26.140.

A. State Standards. All state requirements and regulations that govern the operation of a commercial cannabis operation, including, but not limited to, ones related specifically to certain types of commercial cannabis operations, shall apply as minimum requirements and regulations and requirements for commercial cannabis operations within the city of South El Monte, in addition to the requirements and regulations of this chapter and this Code.

B. Security.

1. General. All cannabis, cannabis products and cash present or kept at the premises shall be securely stored against both unauthorized access as well as theft.

2. Security Cameras.

a. Security cameras shall be installed and maintained in good condition, with

at least ninety days of digitally recorded documentation in a format approved by the city manager and the police chief.

b. The camera and recording system must be of adequate quality, color rendition, and resolution to allow the identification of any individual present at the site of the commercial cannabis operation.

c. The cameras shall be in continuous use twenty-four hours per day, seven days per week.

d. The recording system must be capable of exporting the recorded video in standard MPEG formats to another common medium approved by the city manager, such as DVD and/or a USB drive.

e. The areas to be covered by the security cameras include, but are not limited to, the storage areas, operation areas, all doors and windows, the parking lot, all exterior sides of the property adjacent to the public rights-of-way, and any other areas as determined by the city manager and police chief.

f. Remote log-in information will be provided to the operations officers to allow them to view live and recorded security camera images remotely at any time.

3. Alarm System. The location of the commercial cannabis operation shall be alarmed with a centrally-monitored fire and burglar alarm system, and monitored by an alarm company properly licensed by the State Department of Consumer Affairs Bureau of Security and Investigative Services in accordance with Section 7590, et seq., of the State Business and Professions Code and whose agents are properly licensed and registered under applicable law.

4. Locked Entrances. All entrances into the building housing a commercial cannabis operation shall be locked from the exterior at all times with entry controlled by employees.

5. Windows. All windows on the building that houses the commercial cannabis operation shall be secured against entry from the outside.

6. No employee shall refuse, impede, obstruct or interfere with an inspection conducted pursuant to the authorizations provided by this chapter.

C. Odors.

1. A commercial cannabis operation shall have an air treatment system that ensures off-site odors shall not result from its activities.

2. This requirement at a minimum means that the commercial cannabis operation shall be designed to provide sufficient odor absorbing ventilation and exhaust systems so that any odor generated inside the location of the commercial cannabis operation is not detected outside the building, on adjacent properties or public rights-of-way, or within any other unit located within the same building as the commercial cannabis operation, if the use only occupies a portion of a building.

D. Authorizations.

1. The operations officers shall have the right to enter all areas of the commercial cannabis operation from time to time unannounced for the purpose of making reasonable inspections to observe and enforce compliance with this chapter and all laws of the city and state.

2. Recordings made by security cameras required pursuant to this chapter shall be made available to the operations officers upon verbal request; no search warrant or subpoena shall be needed to view the recorded materials.

E. Records.

1. Commercial cannabis operations shall maintain on site the following records either in paper or electronic form:

a. The full name, address, and telephone numbers of the owner and lessee of the property.

b. The name, date of birth, address, and telephone number of each employee of the commercial cannabis operation; the date each was hired; and the nature of each employee's participation in the commercial cannabis operation.

c. Copies of all required state licenses.

d. An inventory record documenting the dates and amounts of cannabis and cannabis products received at the site, the daily amounts of cannabis and cannabis products on the site, and the daily amounts of cannabis and cannabis products leaving the site for any reason, including, but not limited to, being sold, delivered, or distributed.

e. A written accounting of all expenditures, costs, revenues and profits of the commercial cannabis operation, including, but not limited to, cash and in-kind transactions.

f. A copy of all insurance policies related to the operation of the commercial cannabis operation.

g. A copy of the commercial cannabis operation's most recent year's financial statement and tax return.

h. Proof of a valid and current permit issued by the city in accordance with this chapter, and the equivalent state of California license to operate the commercial cannabis operation. Every commercial cannabis operation shall display at all times during business hours the city permit issued pursuant to the provisions of this chapter, and the equivalent state license, in a conspicuous place so that it may be readily seen by all persons entering the location of the commercial cannabis operation.

2. All records required to be maintained by the commercial cannabis operation must be maintained for no less than seven years and are subject to immediate inspection (consistent with requirements pertaining to qualified patient confidentiality pursuant to applicable state and federal

law) upon a lawful written request by an operation officer.

3. A commercial cannabis operation shall report any loss, damage, or destruction of these records to the operation officers within twenty-four hours of the loss, damage, or destruction.

F. Site Management.

1. Commercial cannabis operations shall not result in a nuisance or adversely affect the health, welfare, or safety of nearby persons by creating dust, glare, heat, noise, noxious gases, odors, smoke, traffic, vibration, or other impacts, or be hazardous due to use or storage of materials, processes, products or waste. The permittee shall promptly and diligently both prevent as well as eliminate conditions on the site of the commercial cannabis operation that constitute a nuisance.

2. A permittee shall maintain the exterior of the site, including any parking lots under the control of the permittee, free of litter, debris, and trash.

3. The commercial cannabis operation permittee shall properly store and dispose of all waste generated on the site, including chemical and organic waste, in accordance with all applicable laws and regulations.

4. Notwithstanding any provisions of this Code to the contrary, the commercial cannabis operation permittee shall remove all graffiti from the site and parking lots under the control of the commercial cannabis operation permittee within seventy-two hours of its application.

G. State Board of Equalization Seller's Permit Required.

1. Commercial cannabis operations must obtain a seller's permit from the State Board of Equalization as applicable.

2. Such permit shall be displayed in a conspicuous place so that it may be readily seen by all persons entering the location of the commercial cannabis operation.

H. Employees.

1. All employees must submit to fingerprinting and criminal background checks by the city.

a. No employee convicted within the last ten years of a felony substantially related to the qualifications, functions or duties of an employee of a commercial cannabis operation (such as a felony conviction for distribution of controlled substances, money laundering, racketeering, etc.) shall be employed by a commercial cannabis operation, unless such employee has obtained a certificate of rehabilitation (expungement of felony record) under state law or under a similar federal statute or state law where the expungement was granted.

b. At the request of the commercial cannabis operation, the city manager and police chief shall determine the applicability of this section to a potential employee within

a reasonable period of time after a written request has been made to the city manager and police chief for such determination.

2. All employees must possess a valid government issued (or equivalent) form of identification containing an identifying photograph of the employee, the name of the employee, the date of birth of the employee, and the residential address of the employee. Color copies of such identification shall be maintained at the location of the commercial cannabis operation. A valid state driver's license will satisfy this requirement.

I. Cannabis Transfer Between Permitted Operations Only. A commercial cannabis operation shall not transfer cannabis or cannabis products to or from another commercial cannabis operation, unless both operations are in possession of all required state and local licenses and permits.

J. Commercial Cannabis Operation Signage.

1. Signs on the premises shall not obstruct the entrance or the video surveillance system. The size, location, and design of any signage must conform to the sign provisions in this Code.

2. Business identification signage shall be limited to that needed for identification only, consisting of a single window sign or wall sign that shall comply with the appropriate sign requirements within the applicable zoning district.

K. Prohibited Personal Activities.

1. Cannabis Use. No person shall smoke, ingest, or otherwise consume cannabis in any form on, or within twenty feet of, the site of the commercial cannabis operation.

2. Alcohol Use. No person shall possess, consume, or store any alcoholic beverage on the site of the commercial cannabis operation.

L. No Minors. No minor shall be an employee of, or participate in, a commercial cannabis operation in any capacity, including, but not limited to, as a manager, employee, contractor, adviser, or volunteer.

M. Exterior Lighting. The exterior of the premises upon which the commercial cannabis operation is operated shall be equipped with and, at all times between sunset and sunrise, shall remain illuminated with fixtures of sufficient intensity and number to illuminate every portion of the property with an illumination level of not less than one foot-candle as measured at the ground level, including, but not limited to, landscaped areas, parking lots, driveways, walkways, entry areas, and refuse storage areas.

N. Building Design. A permittee must maintain the design of the buildings on the site in accordance with the plans that are approved by the city pursuant to this chapter and otherwise approved by the city. No permittee shall modify the buildings on the site contrary to the approved plans, without the approval of the city manager.

O. Nuisance. A permittee shall take all reasonable steps to discourage and correct conditions

that constitute a nuisance in parking areas, sidewalks, alleys and areas surrounding the premises and adjacent properties during business hours if related to the members of the subject commercial cannabis operation.

1. “Reasonable steps” shall include immediately calling the police department upon observation of the activity, and requesting that those engaging in activities that constitute a nuisance or are otherwise illegal to cease those activities, unless personal safety would be threatened in making the request.

2. “Nuisance” includes, but is not limited to, disturbances of peace, open public consumption of cannabis, alcohol or controlled substances, excessive pedestrian or vehicular traffic, including the formation of any pedestrian lines outside the building, illegal drug activity, harassment of those passing by, excessive littering, excessive loitering, illegal parking, excessive loud noises, especially late at night or early in the morning hours, lewd conduct or law enforcement detentions and arrests.

P. Upon and after receiving possession of a commercial cannabis operation permit as provided for in this chapter, a permittee shall:

1. Maintain continuing compliance with criminal background check requirements of this chapter by ensuring that:

a. Upon the hiring, association or retention of an employee by the commercial cannabis operation, the requirements of subsection H are immediately met for such employee by provision of appropriate documentation to the city manager; and

b. the city manager and police chief are immediately informed in writing of any felony conviction as described in subsection H for any current employee.

2. Maintain continuing compliance with all applicable insurance requirements, including, but not limited to, those imposed by the city and this chapter.

Q. Workforce Plan. A permittee shall implement a workforce plan that includes at least the following provisions:

1. Commitment for thirty percent of employees to be local hires; this local hiring requirement is satisfied when a permittee shows that it has either hired or made a good faith effort to hire bona fide residents of the city or persons that may establish residency after initial employment with the permittee;

2. Commitment to offer apprenticeships and/or compensation for continuing education in the field of commercial cannabis operations; and

3. Paying a living wage to employees. “Living wage” means compensation equivalent to twenty dollars per hour inclusive of benefits but excluding tips.

R. Exemption. The regulations contained in this chapter shall not apply to a commercial cannabis operation engaged in the following uses, as long as such use complies strictly with

applicable law, including this Code, regulating such use and the location of such use, including, but not limited to, Section 11362.5 of the State Health and Safety Code and Section 11362.71 et seq., of the State Health and Safety Code: A clinic licensed pursuant to Chapter 1 of Division 2 of the State Health and Safety Code; a health care facility licensed pursuant to Chapter 2 of Division 2 of the State Health and Safety Code; a residential care facility for persons with chronic life-threatening illness licensed pursuant to Chapter 3.01 of Division 2 of the State Health and Safety Code; a residential care facility for the elderly licensed pursuant to Chapter 3.2 of Division 2 of the State Health and Safety Code; and a residential hospice or a home health agency licensed pursuant to Chapter 8 of Division 2 of the State Health and Safety Code.

5.26.120 Retailer operating standards and restrictions.

A retailer commercial cannabis operation shall operate in conformance with both Section 5.26.110, as well as the following minimum standards, and such standards shall be deemed to be part of the conditions of the commercial cannabis operation permit for a retailer commercial cannabis operation to ensure that its operation is in compliance with state law and this Code, and to mitigate any potential adverse impacts of the commercial cannabis operation on the public health, safety or welfare.

Additional minimum standards may be adopted from time to time either by resolution or ordinance from the city council, or by the city manager pursuant to Section 5.26.140.

A. City Permit and State License. No person shall engage in retailer commercial cannabis operations without both a current and valid commercial cannabis operation permit and a current and valid equivalent state license as provided for under Section 26200 of the State Business and Professions Code, and as may be amended. Retailer (medical-only) commercial cannabis operations shall only sell, dispense, or provide medical cannabis or medical cannabis products to a qualified patient with a written physician's recommendation, a person with an identification card, or a primary caregiver with written documentation attesting to lawful status as a primary caregiver.

B. State Standards. All state requirements and regulations that govern retailer commercial cannabis operations, including, but not limited to, the regulations promulgated by the State Department of Cannabis Control, and as may be amended, shall apply as minimum requirements and regulations and requirements for retailer commercial cannabis operations within the city, in addition to the requirements and regulations of this chapter and this Code.

C. Location and Design Requirements. Pursuant to the authority delegated by the state to the city under Section 26054(b) of the State Business and Professions Code and overriding the location and design requirements contained in Section 26054(b) of the State Business and Professions Code, retailer commercial cannabis operations in the city shall be subject to the following location and design requirements:

1. Retailer commercial cannabis operations shall be a permitted use subject to this chapter on property: (1) located more than one thousand feet any retailer commercial cannabis operation permitted under this chapter, alcohol or drug treatment facility, day care center, religious institution, school, or youth center; (2) located more than one thousand feet from the city's jurisdictional boundary or any park or residentially zoned property; and (3) zoned C (commercial

zone) or C-M (commercial-manufacturing zone) including any overlay zone districts covering the C (commercial zone) or C-M (commercial-manufacturing zone).

2. The distances specified in subsection C shall be the horizontal distance measured in a straight line from the parcel line of the sensitive use to the closest parcel line of the lot on which the cannabis retailer is to be located without regard to intervening structures. The one thousand foot distance specified in subsection C may be reduced to as little as nine hundred feet by administrative regulation pursuant to Section 5.26.140 if necessary to allow for issuance of the number of commercial cannabis operation permits provided by this chapter.

3. Each retailer commercial cannabis operation shall:

a. Be constructed in a manner that prevents odors to surrounding uses, and promotes quality design and construction, and consistency with the surrounding properties. Odors from the cannabis retailer shall not be detectable from outside the premises and adequate odor control technology shall be utilized;

b. Be provided with adequate electricity, sewerage, disposal, water, fire protection, and storm drainage facilities for the intended purpose; and

c. Provide and maintain a neighborhood compatibility plan so the city manager or designee(s) may find that the cannabis retailer and its operating characteristics are not detrimental to the public health, safety, convenience, or welfare of persons residing, working, visiting, or recreating in the surrounding neighborhood and will not result in the creation of a nuisance.

D. Customers.

1. Prior to dispensing medical cannabis or medical cannabis products to a qualified patient, a retailer commercial cannabis operation shall verify the age and all necessary documentation of each customer to ensure the customer is not under the age of eighteen years and obtain verification from the recommending physician that the person requesting medical cannabis or medical cannabis products is a qualified patient, and shall maintain a copy of the physician recommendation, or identification card, as described in Section 11362.71 et seq., of the State Health and Safety Code, as may be amended from time to time, on site for period of not less than seven years.

2. Prior to dispensing cannabis or cannabis products to an adult-use customer, a retailer (medical/adult-use) commercial cannabis operation shall verify the age and all necessary documentation of each customer to ensure the customer is not under the age of twenty-one years.

E. Opaque Packaging. All cannabis or cannabis products sold to a customer shall be prohibited from leaving the site unless placed in opaque packaging which conceals the nature of the product from human vision.

F. Dispensing and Storage Areas. Entrance to the retailer sales floor and any storage areas shall be locked at all times, and under the control of employees.

G. Interior Lighting. The premises within which the commercial cannabis operation is operated shall be equipped with and, at all times during which is open to the public, shall remain illuminated with overhead lighting fixtures of sufficient intensity to illuminate every place to which members of the public or portions thereof are permitted access with an illumination of not less than two foot-candles as measured at the floor level.

H. Signs. A retailer commercial cannabis operation shall notify customers (verbally or by written agreement) and by posting a notice or notices conspicuously at least fifteen-point type within permitted premises that state as follows:

1. “The sale or diversion of cannabis or cannabis products without a license issued by persons entering the site, the city of South El Monte is a violation of state law and the South El Monte Municipal Code.”

2. “Secondary sale, barter, or distribution of cannabis or cannabis products purchased from a permittee is a crime and can lead to arrest.”

3. “Customers must not loiter in or near these premises and may not consume cannabis or cannabis products in the vicinity of this business or in any place not lawfully permitted. These premises and vicinity are monitored to ensure compliance.”

4. “WARNING: The use of cannabis or cannabis products may impair a person’s ability to drive a motor vehicle or operate heavy machinery.”

5. “CALIFORNIA PROP. 65 WARNING: Smoking of cannabis and cannabis-derived products will expose you and those in your immediate vicinity to cannabis smoke. Cannabis smoke is known by the State of California to cause cancer and reproductive harm.”

I. No Recommendations On Site. A retailer commercial cannabis operation shall not have a physician or any person licensed to recommend medical cannabis for medical use at the location of the retailer commercial cannabis operation to provide a recommendation or physician’s recommendation, for the use of medical cannabis.

J. Sanitation. A permittee shall establish and implement written procedures that maintain the highest industry standards of sanitation and cleanliness for the operation so as to ensure cannabis and cannabis products sold to the public are free of harmful contaminants.

K. Training. A permittee shall establish and implement written procedures that provide for the highest industry standards of training for employees.

L. Prohibited Activities. No cannabis cultivation, testing or manufacturing shall occur within the premises of the retailer operation.

M. No Alcohol. Retailer commercial cannabis operations shall not hold or maintain a license from the State Department of Alcoholic Beverage Control to sell alcoholic beverages, or operate a business that sells alcoholic beverages.

N. No Lounge or Café. Retailer commercial cannabis operations shall not operate as a lounge,

café or restaurant serving food or drinks for consumption on site. There shall be no seating area, tables, couches, or chairs for the gathering or congregating of members.

O. Age Restriction. Minors, except qualified patients or primary caregivers over the age of eighteen years old as verified customers, are prohibited from entering the location of the retailer cannabis operation.

P. Public Information. The permittee shall make available to customers a list of the rules and regulations governing medical cannabis use and consumption within the city and recommendations on sensible medical cannabis etiquette.

5.26.125 Delivery operating standards and restrictions.

A. Delivery shall comply with state law at all times.

B. Security plans developed pursuant to this chapter shall include provisions relating to vehicle security and the protection of employees and product during loading and in transit.

C. A commercial cannabis operation engaged in delivery shall facilitate the delivery of cannabis or cannabis products with a technology platform owned by or licensed to the delivery-only commercial cannabis operation engaged in delivery that uses point-of-sale technology to track and database technology to record and store the following information for each transaction involving the exchange of cannabis or cannabis products between the commercial cannabis operation engaged in delivery and customer:

1. The identity of the individual dispensing cannabis or cannabis products on behalf of the commercial cannabis operation engaged in delivery;

2. The identity of the customer receiving cannabis or cannabis products from the commercial cannabis operation engaged in delivery;

3. The type and quantity of cannabis or cannabis products dispensed and received;

4. The gross receipts charged by the commercial cannabis operation engaged in delivery and received by the individual dispensing cannabis or cannabis products on behalf of the commercial cannabis operation engaged in delivery for the cannabis or cannabis products dispensed and received; and

5. The location or address where the sale or retail sale took place or closed.

D. A commercial cannabis operation engaged in delivery shall maintain a database and provide a list of the individuals and vehicles authorized to conduct delivery, and a copy of the valid state driver's license issued to the driver of any such vehicle on behalf of the commercial cannabis operation engaged in delivery to the city manager.

E. Individuals making deliveries of cannabis or cannabis products on behalf of the commercial cannabis operation engaged in delivery shall maintain a physical copy of the delivery request (and invoice) and shall make it available upon the request of agents or employees of the

city requesting documentation.

F. During delivery, a copy of the commercial cannabis operation engaged in delivery's commercial cannabis operation permit and state license shall be in the vehicle at all times, and the driver shall make it available upon the request of agents or employees of the city requesting documentation.

G. A commercial cannabis operation engaged in delivery shall only permit or allow delivery of cannabis or cannabis products in a vehicle that is: (1) insured at or above the legal requirement in the state; (2) capable of securing (locking) the cannabis or cannabis products during transportation; (3) capable of being temperature controlled if perishable cannabis or cannabis products is being transported; and (4) does not display advertising or symbols visible from the exterior of the vehicle that suggest the vehicle is used for cannabis delivery or affiliated with a commercial cannabis operation engaged in delivery.

H. A commercial cannabis operation engaged in delivery shall facilitate deliveries with a technology platform owned by or licensed to the commercial cannabis operation engaged in delivery that uses global positioning system technology to track, and database technology to record and store the following information:

1. The time that the individual conducting delivery on behalf of the commercial cannabis operation engaged in delivery departed its premises.

2. The time that the individual conducting delivery on behalf of the commercial cannabis operation engaged in delivery completed delivery to the customer.

3. The time that the individual conducting delivery on behalf of the commercial cannabis operation engaged in delivery returned to its premises.

4. The route the individual conducting delivery on behalf of the commercial cannabis operation engaged in delivery traveled between departing and returning to its premises to conduct delivery.

5. For each individual delivery transaction, the identity of the individual conducting deliveries on behalf of the commercial cannabis operation engaged in delivery.

6. For each individual delivery transaction, the vehicle used to conduct delivery on behalf of the commercial cannabis operation engaged in delivery.

7. For each individual delivery transaction, the identity of the customer receiving cannabis or cannabis products from the commercial cannabis operation engaged in delivery.

8. For each individual delivery transaction, the type and quantity of cannabis or cannabis products dispensed and received.

9. For each individual delivery transaction, the gross receipts charged by the commercial cannabis operation engaged in delivery and received by the individual conducting deliveries on behalf of the commercial cannabis operation engaged in delivery for the cannabis or

cannabis products dispensed and received.

I. The individual making deliveries on behalf of the commercial cannabis operation engaged in delivery shall personally verify for each individual delivery transaction the identity of the customer receiving cannabis or cannabis products from the commercial cannabis operation engaged in delivery and: (1) for medical cannabis or medical cannabis products to a qualified patient, the age and all necessary documentation of each customer to ensure the customer is not under the age of eighteen years and obtain verification from the recommending physician that the person requesting medicinal cannabis or medicinal cannabis products is a qualified patient, and shall maintain a copy of the physician recommendation or identification card as described in Section 11362.71 et seq., of the State Health and Safety Code, as may be amended from time to time, on site for period of not less than seven years; or (2) for cannabis or cannabis products to an adult-use customer, age and all necessary documentation of each customer to ensure the customer is not under the age of twenty-one years.

5.26.130 Community benefit agreement.

The applicant may propose entering into a community benefit agreement in an amount and by terms set by city council resolution with the city setting forth the terms and conditions under which the facility will operate that is in addition to the requirements of this chapter, including, but not limited to, public outreach and education, community service, payment of fees and other charges as mutually agreed, and such other terms and conditions that will protect and promote the public health, safety, and welfare of the city and its residents and visitors.

5.26.140 Administration.

A. Consistently with stated requirements of this chapter (and in particular not to repeal or constructively repeal this chapter), in addition to any regulations adopted under state law, the city manager is authorized to establish any additional rules, regulations, and standards governing the issuance or denial of commercial cannabis operation permits, the ongoing operation of commercial cannabis operations and the city's oversight thereof, or concerning any other subject determined to be necessary to carry out the purposes of this chapter.

B. Such regulations shall be approved by resolution of the city council published on the city's website.

C. Regulations promulgated, by the city manager, shall become effective upon date of publication [on the city's website or posting at the location for the city council's meeting agendas](#). Commercial cannabis operations shall be required to comply with all state and local laws and regulations, including, but not limited to, any rules, regulations or standards adopted by the city manager.

5.26.150 Fees.

An application fee set by resolution of the city council shall be required for formal processing of every application made under this chapter. The city council is further authorized to pass resolutions [or ordinances](#) to recover any and all fees and costs incurred by the administration and

implementation of this chapter through an appropriate fee recovery mechanism to be imposed upon commercial cannabis operations.

5.26.160 Suspension and revocation.

A. The city manager is authorized to suspend and/or revoke a commercial cannabis operation permit issued pursuant to this chapter upon the determination through written findings of a failure to ~~materially~~ comply with any provision of this chapter, any commercial cannabis operation permit condition, or any agreement or covenant required or made pursuant to this chapter.

B. Notwithstanding subsection A, the city manager may suspend or revoke a commercial cannabis operation permit if any of the following occur:

1. The equivalent state license has been suspended or revoked by the state; or
2. Operations cease for more than one hundred eighty consecutive or cumulative days in any one-year period; or
3. Ownership is changed or transferred without complying with Section 5.26.100; or
4. The commercial cannabis operation fails to maintain required security camera recordings; or
5. The commercial cannabis operation fails to allow inspection of the security recordings, the activity logs, the records, or of the site by operations officers pursuant to this chapter.

6. The commercial cannabis operation fails to timely make the corrections required pursuant to Section 5.26.090.

7. The commercial cannabis operation fails to pay any fees required by this chapter.

C. Conditions (if any) of suspension or revocation are at the reasonable discretion of the city manager and may include, but are not limited to, a prohibition on all owners, managers and employees of the suspended or revoked commercial cannabis operation from operating within the city for a period of time set forth in writing and/or a requirement (when operations may resume, if at all, pursuant to the city manager's reasonable determination) for the holder of the suspended or revoked commercial cannabis operation permit to resubmit an application for a commercial cannabis operation permit pursuant to the requirements of this chapter.

5.26.170 Appeals.

Any decision regarding the city manager's suspension or revocation of a commercial cannabis operation permit pursuant to Section 5.26.160 may be appealed to the city council by a permittee or interested party as follows:

A. If the appellant wishes to appeal a decision to the city council, the appellant must file a

written appeal with the city clerk within ten calendar days of the decision. The written appeal shall specify the person making the appeal, the decision appealed from, state the reasons for the appeal, and include any evidence in support of the appeal which the applicant seeks to be considered by the city council.

B. Notice of the time and place of an appeal hearing shall be providing to the appellant within thirty days of receipt by the city clerk of the written appeal.

C. The appeal hearing shall be held within sixty days of the filing of the written appeal with the city clerk, unless the sixty-day time limit is waived by the appellant, or unless the city council continues the appeal hearing date for good cause and upon written notification to the appellant.

D. The city council shall review the facts of the matter, written documents submitted for review, the basis for making the decision which is under appeal, and then determine whether the appealed decision should be reversed or affirmed. The determination made shall be in writing, shall set forth the reasons for the determination, and shall be final.

E. The provisions of Section 1094.6 of the Code of Civil Procedure sets forth the procedure for judicial review of any final determination. Parties seeking such judicial review shall file such action within ninety days of a determination being made final.

5.26.180 Violations and penalties—Public nuisance.

A. Any ~~material~~ violation of the provisions of this chapter is punishable as a misdemeanor or an infraction, at the discretion of the city attorney, pursuant to Chapters 1.14 and 1.16 of this Code, except for as preempted by state law and ~~material~~ any violation of the provisions of this chapter is subject to administrative citation, at the reasonable discretion of the city, pursuant to Chapters 1.14 and 1.16 of this Code.

B. Public Nuisance Abatement.

1. Any commercial cannabis operation that is conducted in ~~material~~ violation of any provision of this chapter is hereby declared to constitute a public nuisance and, as such, may be abated or enjoined from further operation, in accordance with the procedures set forth in Chapter 8.36 of this Code.

2. All costs to abate such public nuisance, including attorneys' fees and court costs, shall be paid by the person causing the nuisance, including the commercial cannabis operation and the property owner where the nuisance is occurring.

C. The remedies described in this section are not mutually exclusive. Pursuit of any one remedy shall not preclude city from availing itself of any or all available administrative, civil, or criminal remedies, at law or equity.

D. Any ~~material~~ violation of the provisions of this chapter shall constitute a separate offense for each and every day during which such violation is committed or continued.

5.26.190 Service of notices.

Any notice required by this chapter is deemed issued and served upon the earliest date that either: the notice is deposited in the United States mail, postage pre-paid, addressed to the most recent mailing address provided to the city pursuant to the requirements of this chapter; or, the date upon which personal service of the notice is provided to a responsible party.

5.26.200 Prohibitions.

A. Any commercial cannabis operation in violation of this chapter, or any other applicable state law is expressly prohibited.

B. It is unlawful for any commercial cannabis operation in the city, or any agent, employee or representative of such commercial cannabis operation, to permit any breach of peace or any disturbance of public order or decorum by any tumultuous, riotous or disorderly conduct at the site of the commercial cannabis operation.

5.26.210 Nonconforming use.

No use which purports to have engaged in commercial cannabis operations of any nature prior to the enactment of this chapter shall be deemed to have been a legally established use under the provisions of this Code, or any other city ordinance, rule or regulation, and such use shall not be entitled to claim legal nonconforming status.

5.26.220 Exceptions.

A. To the extent that the following activities are permitted by state law, nothing in this chapter shall prohibit a person twenty-one years of age or older from:

1. Possessing, processing, purchasing, transporting, obtaining or giving away to persons twenty-one years of age or older, without compensation whatsoever, not more than twenty-eight and one-half grams of cannabis not in the form of concentrated cannabis;
2. Possessing, processing, purchasing, transporting, obtaining or giving away to persons twenty-one years of age or older, without compensation whatsoever, up to eight grams of cannabis in the form of concentrated cannabis;
3. Possessing, transporting, purchasing, obtaining, using, manufacturing, or giving away cannabis accessories to persons twenty-one years of age or older without compensation whatsoever; or
4. Engaging in the indoor cultivation of six or fewer live cannabis plants within a single private residence or inside an accessory structure located upon the grounds of a private residence that is fully enclosed and secured, to the extent such cultivation is authorized by Sections 11362.1 and 11362.2, of the State Health and Safety Code, as may be amended from time to time.

B. This chapter shall also not prohibit any commercial cannabis operations that the city is required by law to permit within its jurisdiction pursuant to state law.

5.26.230 Operative date.

This chapter shall be operative ten days after the date that the city council declares that a majority of the city's voters voting at the November 8, 2022, election have voted in favor of this chapter at such election.

5.26.240 Severability.

If any section, subsection, subdivision, sentence, clause, phrase, word, or portion of this chapter is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this chapter. The people of the city of South El Monte hereby declare that they would have adopted this chapter and each section, subsection, subdivision, sentence, clause, phrase, word, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, words or portions thereof be declared invalid or unconstitutional.

5.26.250 City council authority to amend.

The city council has the right and authority to amend this chapter, with the exception of Section 5.26.060 (which may only be amended: (i) if ordered to do so by a court of competent jurisdiction as a judicial remedy; or (ii) by a vote of the people of the city), to further its purposes and intent (including, but not limited to, amendment for more efficient administration as determined by the city council), in any manner that does not increase a tax rate, or otherwise constitute a tax increase for which voter approval is required by Article XIII C of the California Constitution, pursuant to Elections Code Section 9217.

5.26.260 City councilmember conflicts of interest.

Notwithstanding any other provision of this chapter, prior to participating in any decision relating to a cannabis business, each city councilmember shall do all of the following

- A. Disclose on the record any financial interest in the cannabis business that is subject to the decision.
- B. Disclose on the record any campaign contributions and benefits or gifts received from the cannabis business that is subject to the decision.
- C. Disclose on the record any ex parte communications that the city councilmember may have had with a cannabis business that is the subject of the decision.
- D. Each city councilmember shall warrant and represent, on the record and in a form approved by the city council, that they have complied with these requirements and all applicable law.

If it is later determined that a city councilmember has not complied with the above requirements or if it is determined that a city councilmember has violated applicable law, then the city councilmember is disqualified from all decisions relating to the cannabis business subject to the decision. The requirements of this Section 5.26.260 shall be in addition to any applicable law, including, without limitation, the California Political Reform Act and the related regulations of the Fair Political Practices Commission.

ATTACHMENT B

ORDINANCE NO. 1260

AN ORDINANCE (“ORDINANCE”) OF THE PEOPLE OF THE CITY OF SOUTH EL MONTE, CALIFORNIA, AMENDING CHAPTER 5.26 (CANNABIS ACTIVITIES) OF TITLE 5 OF THE SOUTH EL MONTE MUNICIPAL CODE TO ONLY PERMIT CANNABIS COMMERCIAL OPERATIONS THAT INVOLVE THE ACTIVITY OF RETAILER (MEDICAL/ADULT USE); REPEALING CHAPTER 17.31 OF TITLE 17 OF THE SOUTH EL MONTE MUNICIPAL CODE, RELATING TO CANNABIS ACTIVITY PROHIBITIONS; AMENDING SOUTH EL MONTE MUNICIPAL CODE SECTIONS 17.14.030, 17.16.030, AND 17.18.030(O), RELATING TO PERMITTED USES IN THE COMMERCIAL (C), COMMERCIAL-MANUFACTURING (C-M), AND MANUFACTURING (M) ZONES; ADDING SECTION 9.08.045 TO CHAPTER 9.08 OF TITLE 9 OF THE SOUTH EL MONTE MUNICIPAL CODE; AMENDING SOUTH EL MONTE MUNICIPAL CODE SECTION 5.04.045, RELATING TO BUSINESS LICENSE REQUIREMENTS FOR COMMERCIAL CANNABIS RETAILERS; AND APPROVING A GENERAL CANNABIS BUSINESS TAX BY ADDING CHAPTER 3.40 (CANNABIS BUSINESS TAX) TO TITLE 3 OF THE SOUTH EL MONTE MUNICIPAL CODE

WHEREAS, in 1996 State of California (“State”) voters approved Proposition 215, the Compassionate Use Act of 1996 (“CUA”), codified as Section 11362.5 of the State Health and Safety Code, to exempt certain patients and their primary caregivers from criminal liability under state law for the possession and cultivation of cannabis for medical purposes; and

WHEREAS, in 2003 the State legislature enacted Senate Bill 420, the Medical Marijuana Program Act (“MMPA”), codified as Sections 11362.7, *et seq.*, of the State Health and Safety Code, and as later amended, to clarify the scope of the CUA relating to the possession and cultivation of cannabis for medical purpose, and to authorize local governing bodies to adopt and enforce laws consistent with its provisions; and

WHEREAS, in October 2015, the State legislature adopted AB 266, AB 243, and SB 643, collectively referred to as the Medical Cannabis Regulation and Safety Act (“MCRSA”), which established a comprehensive regulatory and licensing scheme for commercial medical cannabis operations; and

WHEREAS, at the November 8, 2016 general election, the Control, Regulate and Tax Adult Use of Marijuana Act (“AUMA”) was approved by State voters as Proposition 64, which established a comprehensive regulatory and licensing scheme for commercial adult-use (recreational) cannabis operations, and which also legalized limited personal recreational cannabis use, possession, and cultivation; and

WHEREAS, on June 27, 2017 Governor Brown signed Senate Bill 94, the Medicinal and Adult Use Cannabis Regulation and Safety Act (“MAUCRSA”), which merged the regulatory regimes of MCRSA and AUMA; and

WHEREAS, under MAUCRSA the State began issuing licenses in 2018 for both medical and adult-use (recreational) cannabis businesses in twenty (20) different categories, which are found

in Section 26050 of the State Business & Professions Code, to include licensing categories cannabis cultivators, manufacturers, testers, retailers, distributors, and microbusinesses; and

WHEREAS, the MAUCRSA, through Section 26200(a)(1) of the State Business and Professions Code, provides local jurisdictions the right to completely prohibit the establishment or operation of any or all of the twenty (20) different categories of medical and recreational business operations to be licensed by the State under Section 26050 of the State Business and Professions Code; and

WHEREAS, the MAUCRSA, through Section 26055(d) of the State Business & Professions Code, provides that a State commercial cannabis license may not be issued to an applicant whose operations would violate the provisions of any local ordinance or regulation; and

WHEREAS, the MAUCRSA, through Section 26200(a)(1) of the State Business & Professions Code, provides local jurisdictions the right to adopt and enforce local ordinances to regulate any or all of the twenty (20) different categories of medical and adult-use business operations to be licensed by the State under Section 26050 of the State Business and Professions Code, including, but not limited to, local zoning and land use requirements; and

WHEREAS, the MAUCRSA, Section 26201 of the State Business and Professions Code, provides that any standards, requirements, and regulations regarding health and safety, environmental protection, testing, security, food safety, and worker protections established by the state for the twenty (20) different categories of medical and adult-use business operations to be licensed by the State under Section 26050 of the State Business and Professions Code shall be the minimum standards, and a local jurisdiction may establish additional standards, requirements, and regulations; and

WHEREAS, pursuant to the above-described express statutory authority and its police power, the City of South El Monte (the "City") now desires to amend Chapter 5.26 (Cannabis Activities) of Title 5 of the City Municipal Code to permit certain commercial adult-use cannabis uses (retail (medical / adult-use / non-medical) sales); and

WHEREAS, pursuant to the above-described express statutory authority and its police power, the City now desires to amend Chapter 5.26 (Cannabis Activities) of Title 5 of the City Municipal Code so as to expressly authorize the City Manager to issue administrative rules and regulations governing commercial cannabis uses within the City; and

WHEREAS, as part of this Ordinance, the City desires to impose a tax upon commercial cannabis operations, to be known as the "Cannabis Business Tax," pursuant to voter approval, so that every person engaged in conducting a commercial cannabis operation shall pay a cannabis business tax, regardless of whether such operation has a valid permit pursuant to the South El Monte Municipal Code; and

WHEREAS, pursuant to subdivision (b) of Section 2 of Article XIII C of the California Constitution and Section 53720 *et seq.* of the Government Code, the City Council is authorized to impose a general tax upon submission of such general tax to the voters of the City and approval by a

majority of the voters voting on the issue, at an election consolidated with a regularly scheduled general election for members of the City Council; and

WHEREAS, presently the City has no specific local tax on cannabis commercial operations; and

WHEREAS, MAUCRSA and AUMA do not preempt local taxation of commercial cannabis operations; and

WHEREAS, pursuant to Government Code Section 9222 and Government Code Sections 53720 *et seq.*, on August 2, 2022, the City Council approved this Ordinance for submittal to the voters of the City, and called a General Municipal Election for that purpose to be held on November 8, 2022, and consolidated with the Statewide General Election that will be held on the same date; and

WHEREAS, although the City does not desire nor intend by this Ordinance to allow any commercial cannabis uses in the City other than the medical cannabis retailers that may be permitted pursuant to Chapter 5.26 of the City's Municipal Code, the City does desire to seek voter approval for a broad cannabis tax that is applicable to permitted commercial cannabis uses, any unlawful or unpermitted commercial cannabis uses which may be in operation at any time, and any potential commercial cannabis uses that may be allowed in the future; and

WHEREAS, if this Ordinance is approved by a majority of voters, then this Ordinance will, among other amendments, amend the South El Monte Municipal Code to add a new Chapter 3.40 ("Cannabis Business Tax") to Title 3 (Revenue and Finance) of the South El Monte Municipal Code to enact the Cannabis Business Tax, which includes a "commercial cannabis tax" and a "commercial cannabis cultivation tax," as such terms are used in said Chapter 3.40; and

WHEREAS, the City desires and intends that revenue generated from said cannabis taxes can be spent for unrestricted general revenue purposes; and

WHEREAS, the City finds that this Ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to both the exemption provided by Section 26055(h) of the State Business and Professions Code as well as Sections 15060(c)(3) and 15061(b)(3) of the CEQA Guidelines; and

WHEREAS, nothing in this Ordinance shall be construed to allow any person to engage in conduct that endangers others or causes a public nuisance;

NOW, THEREFORE, THE PEOPLE OF THE CITY OF SOUTH EL MONTE, CALIFORNIA FIND AND ORDAIN AS FOLLOWS:

SECTION 1. FINDINGS. The people of the City of South El Monte hereby make the following findings:

- A. The recitals set forth above are all true and correct and are incorporated herein as findings of fact.
- B. The regulation of commercial cannabis activities established by this Ordinance amendment are to protect and promote the public health, safety and welfare, and are enacted pursuant to the authority granted to the City by State law.

- C. Tax revenue from commercial cannabis operations can provide funds for additional City services to promote and protect the general health and welfare of the citizens of the City.

SECTION 2. NEW CANNABIS REGULATIONS. Chapter 5.26 (Cannabis Activities) of Title 5 (Business Taxes, Licenses, and Regulations) of the City Municipal Code is hereby retitled and amended in its entirety to read as follows:

“CHAPTER 5.26 - COMMERCIAL CANNABIS OPERATIONS REGULATORY PROGRAM

Sec. 5.26.010 - Purpose and intent.

Sec. 5.26.020 - Commercial cannabis operation prohibited without City Commercial Cannabis Operation Permit.

Sec. 5.26.030 - Definitions.

Sec. 5.26.040 - Prohibited commercial cannabis operations.

Sec. 5.26.050 – Permitted commercial cannabis operations.

Sec. 5.26.060 - Maximum number of Commercial Cannabis Operation Permits.

Sec. 5.26.070 - Commercial Cannabis Operation Permit application procedure.

Sec. 5.26.080 - Limitations on the City’s liability.

Sec. 5.26.090 - Commercial Cannabis Operation Permit term.

Sec. 5.26.100 - Change in location; transfer; updated application information.

Sec. 5.26.110 - General operating standards and restrictions.

Sec. 5.26.120 - Retailer operating standards and restrictions.

Sec. 5.26.120.5 - Delivery operating standards and restrictions.

Sec. 5.26.130 – Community benefits agreement.

Sec. 5.26.140 - Administration.

Sec. 5.26.150 - Fees.

Sec. 5.26.160 - Suspension and revocation.

Sec. 5.26.170 – Appeals.

Sec. 5.26.180 – Violations and penalties; public nuisance.

Sec. 5.26.190 - Service of notices.

Sec. 5.26.200 - Prohibitions.

Sec. 5.26.210 - Nonconforming use.

Sec. 5.26.220 – Exceptions.

Sec. 5.26.230 – Operative date.

Sec. 5.26.240 – Severability.

Sec. 5.26.250 – City Council Authority to Amend.

Sec. 5.26.260 – City Councilmember Conflicts of Interest.

Sec. 5.26.010 - Purpose and intent.

- A. The purpose of this chapter is to establish a comprehensive set of regulations with an attendant regulatory permit applicable to the operation of certain types of commercial cannabis operations, while simultaneously establishing an express prohibition on certain other types of commercial cannabis operations.
- B. The regulations for, and prohibitions on, specific types of commercial cannabis operations are enacted to preserve the public health, safety, and welfare of the residents and visitors of the City, consistent with the State's Compassionate Use Act of 1996, Medical Marijuana Program Act of 2003, Adult Use of Marijuana Act of 2016 MAUCRSA, and all applicable State laws governing commercial cannabis operations.
- C. The issuance of a Commercial Cannabis Operation Permit shall constitute a revocable privilege and shall not create or establish any vested rights for the development or use of a property.
- D. This chapter and any administrative regulations adopted pursuant to this chapter shall be known as the "Commercial Cannabis Operations Regulatory Program" or the "Program".

Sec. 5.26.020 - Commercial cannabis operation prohibited without City Commercial Cannabis Operation Permit.

It shall be unlawful to own, establish, operate, use, or permit the establishment or activity of a commercial cannabis operation, or to participate in commercial cannabis operations as an employee, contractor, agent, volunteer, or in any manner or capacity, other than as provided in this chapter and pursuant to both a current and valid City Commercial Cannabis Operation Permit, as well as the equivalent State license for such commercial cannabis operation as provided for by Section 26050 of the State Business & Professions Code, and as amended from time to time. The prohibition contained in this section shall include renting, leasing, or otherwise permitting a commercial cannabis operation to occupy or use a location, vehicle, or other mode of transportation.

Sec. 5.26.030 - Definitions.

As used in this chapter, the following words and phrases shall have the following meanings. Words and phrases not specifically defined below shall have the meanings ascribed to them elsewhere in this Code or shall otherwise be defined by common usage. For definitions of nouns, the singular shall also include the plural; for definitions of verbs, all verb conjugations shall be included. Any reference to State statutes includes any regulations promulgated thereunder and is deemed to include any successor or amended version of the referenced statute or regulatory provision.

- A. "Adult use" (i.e., "recreational" or "non-medical") refers to activity involving cannabis or cannabis products, which is restricted to adults 21 years of age and older and who do not possess a physician's recommendation, in contrast to an activity involving medical cannabis or medical cannabis products.
- B. "Alcohol or drug treatment facility" shall have the same definition as "alcoholism or drug abuse recovery or treatment facility" as defined in Section 11834.02(a) of the State Health and Safety Code, which currently defines the term as "any premises, place, or building that provides residential nonmedical services to adults who are

recovering from problems related to alcohol, drug, or alcohol and drug misuse or abuse, and who need alcohol, drug, or alcohol and drug recovery treatment or detoxification services.” Further, “alcohol or drug treatment facility” shall also include such a facility that provides treatment for minors to the extent permitted by law.

- C. “Applicant” means a person who files an application for a Commercial Cannabis Operation Permit under this chapter. (and shall not include the owners or the managers of the applicant).
- D. “Cannabis” means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “Cannabis” also means the separated resin, whether crude or purified, obtained from cannabis. “Cannabis” does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination.
- E. “Cannabis concentrate” means cannabis that has undergone a process to concentrate one or more active cannabinoids, thereby increasing the product’s potency. Resin from granular trichomes from a cannabis plant is a concentrate for purposes of this division. A cannabis concentrate is not considered food, as defined by Section 109935 of the Health and Safety Code, or a drug, as defined by Section 109925 of the Health and Safety Code.
- F. “Cannabis products” means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.
- G. “City” means the City of South El Monte, State of California.
- H. “City Attorney” means the City of South El Monte City Attorney, and includes his/her designee(s).
- I. “City Council” means the City Council of the City of City of South El Monte.
- J. “City Manager” means the City of South El Monte City Manager, and includes his/her designee(s).
- K. “Code” means the City of South El Monte Municipal Code, and may be amended.
- L. “Commercial cannabis operation” includes the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery, or sale (including retail and wholesale, and including medical-only and adult-use sales) of cannabis and cannabis products; except, as applicable, the activities provided in Section 5.26.220(A) or as preempted by State law.
- M. “Commercial Cannabis Operation Permit” shall mean a City permit issued pursuant to the procedures provided for in this chapter allows the permit holder to operate a specific type of commercial cannabis operation in the City subject to the requirements of this chapter, State law, and the specific permit.

- N. "County" means the County of Los Angeles, State of California.
- O. "Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.
- P. "Customer" means a natural person twenty-one (21) years of age or over or a natural person eighteen (18) years of age that is a qualified patient or primary caregiver.
- Q. "Day care center" means, a facility other than a family day care home, infant centers, toddler, preschool, and school age children licensed by the State Department of Social Services pursuant to Section 1596.951 of the State Health and Safety Code. Pursuant to the authority delegated by the State to the City under Section 26054(b) of the State Business and Professions Code, this definition of "day care center" under this chapter shall override the definition of "day care center" in MAUCRSA at Section 26001 of the State Business and Professions Code.
- R. "Delivery" means the commercial transfer of cannabis or cannabis products to a customer, and includes the use of any technology platform owned and controlled by the same person making such use.
- S. "Director" means the City of South El Monte Community Development Director, and includes his/her designee(s).
- T. "Distribution" means the procurement, sale, and transport of cannabis and cannabis products between entities licensed for and/or engaged in commercial cannabis operations under State law.
- U. "Distributor" means a person engaged in distribution.
- V. "Edible" means cannabis product that is intended to be used, in whole or in part, for human consumption, including, but not limited to, chewing gum, but excluding products set forth in Division 15 (commencing with Section 32501) of the Food and Agricultural Code. An edible cannabis product is not considered food, as defined by Section 109935 of the State Health and Safety Code, or a drug, as defined by Section 109925 of the State Health and Safety Code.
- W. "Employee" means any person (whether paid or unpaid) who provides regular labor or regular services for a commercial cannabis operation, including, but not limited to, at the location of a commercial cannabis operation. The term "employee" includes managers and owners as used in this chapter.
- X. "Extraction" means the process of obtaining cannabis concentrates from cannabis plants, including but not limited to through the use of solvents like butane, alcohol or carbon dioxide.
- Y. "Finance Director" means the City of South El Monte Finance Director, and includes his/her designee(s).
- Z. "Fire Chief" means the City of Los Angeles County Fire Department Chief, and includes his/her designee(s).
- AA. "Gross receipts" means, except as otherwise specifically provided herein, whether designated as a sales price, royalty, rent, commission, dividend, or other designation, the total amount (including all receipts, cash, credits, and property of any kind or nature) received or payable for sales of goods, wares, or merchandise without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor, or service costs, interest paid or payable, losses, or any other expense

whatsoever. However, the following shall be excluded from gross receipts:

1. Cash discounts where allowed and taken on sales;
 2. Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser
 3. Such part of the sale price of any property returned by purchasers to the seller as refunded by the seller by way of cash or credit allowances or return of refundable deposits previously included in gross receipts;
 4. Receipts derived from the occasional sale of used, obsolete, or surplus trade fixtures, machinery, or other equipment used by the taxpayer in the regular course of the taxpayer's business
 5. Cash value of sales, trades, or transactions between departments or units of the same business
 6. Whenever there are included within the gross receipts amounts which reflect sales for which credit is extended and such amount proved uncollectible in a given year, those amounts may be excluded from the gross receipts in the year they prove to be uncollectible; provided, however, if the whole or portion of such amounts excluded as uncollectible are subsequently collected, they shall be included in the amount of gross receipts for the period when they are recovered
 7. Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded when in excess of one dollar; and
 8. Any proceeds resulting from a transfer or change of ownership or control in the business.
- BB. "Identification card" has the same definition as provided for in Section 11362.7(g) of the State Health and Safety Code , and as may be amended, defined as "a document issued by the [State Department of Health Services] that identifies a person authorized to engage in the medical use of cannabis and the person's designated primary caregiver, if any."
- CC. "Labeling" means any label or other written, printed, or graphic matter upon cannabis or a cannabis product, upon its container or wrapper, or that accompanies any cannabis or cannabis product.
- DD. "Labor peace agreement" means an agreement between a cannabis retailer and any bona fide labor organization that, at a minimum, protects the City's proprietary interests by prohibiting labor organizations and members from engaging in picketing, work stoppages, boycotts, and any other economic interference with a cannabis retailer. This agreement means that the cannabis retailer has agreed not to disrupt efforts by the bona fide labor organization to communicate with, and attempt to organize and represent, the cannabis retailer's employees. The agreement shall provide a bona fide labor organization access at reasonable times to areas in which the cannabis retailer's employees work, for the purpose of meeting with employees to

discuss their right to representation, employment rights under State law, and terms and conditions of employment.

- EE. “Liquid Assets” means assets that can be readily converted into cash. “Liquid assets” include, but are not limited to, the following: funds in checking or savings accounts, certificates of deposit, money market accounts, mutual fund shares, publicly traded stocks, and United States savings bonds. “Liquid assets” does not mean household items, furniture and equipment, vehicles, cannabis or cannabis products, business inventory, or real property and improvements thereto.
- FF. “Location” means any parcel of land, whether vacant or occupied by a building, group of buildings, or accessory buildings, and includes the buildings, structures, yards, open spaces, lot width, and lot area.
- GG. “Lighting” means the act of illuminating as well as the effect achieved by the arrangement of lights.
- HH. “Live scan” means a system for inkless electronic fingerprinting and the automated background check developed by the California Department of Justice (“DOJ”) that involves digitizing fingerprints and electronically transmitting the fingerprint image data along with personal descriptor information to computers at the DOJ for completion of a criminal record check; or such other comparable inkless electronic fingerprinting and automated background check process as determined by the City Council.
- II. “Manager” means an employee responsible for management and/or supervision of a commercial cannabis operation including but not limited to, any (i) manager or managing member or other officer of a limited liability company or (ii) president, chief executive officer, secretary, treasurer, chief financial officer, or other officer of a for profit corporation.
- JJ. “Manufacture” or “manufacturing” means to compound, blend, extract, infuse, or otherwise make or prepare a cannabis product; includes the activities of a manufacturer.
- KK. “Manufacturer” means a person that conducts the production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container; includes the activity of manufacturing.
- LL. “Marijuana” has the same definition as provided for “cannabis” in this chapter.
- MM. “MAUCRSA” means the State Medicinal and Adult-Use Cannabis Regulation and Safety Act, codified at Sections 11018 *et seq.* of the State Health and Safety Code, Sections 26001 *et seq.* of the State Business and Professions Code, Section 34010 of the State Revenue and Tax Code, and Sections 81000 *et seq.* of the State Food and Agriculture Department Code, as may hereinafter be amended.
- NN. “Medical” refers to activity involving medical cannabis or medical cannabis products, in contrast to an activity involving adult-use cannabis or adult-use cannabis products.
- OO. “Medical cannabis” or “medical cannabis product” means cannabis or a cannabis product used in compliance with state law for medical purposes, pursuant to the

Compassionate Use Act (Section 11362.5 of the State Health and Safety Code §), the Medical Marijuana Program Act (Sections 113262.7, *et seq.* of the State Health and Safety Code), and the MAUCRSA.

PP. “Minor” means a person under twenty-one (21) years of age.

QQ. “Owner” means any of the following:

1. A person owning in the aggregate equity interests representing ten (10) percent or more of the voting power of all outstanding equity in the applicant or a commercial permittee.
2. The president, chief executive officer, secretary, treasurer, or chief financial officer of a nonprofit applicant or permittee; or
3. A member of the board of directors of a nonprofit applicant or permittee.

Notwithstanding the above, every applicant and permittee must have at least one individual person designated as an “owner” for the purpose of compliance with this chapter, including the review and evaluation of any Commercial Cannabis Operation Permit application.

RR. “Microbusiness” shall have the same definition as provided for in Section 26070 of the State Business and Professions Code, and as may be amended.

SS. “Nursery” means a person that produces only clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of cannabis.

TT. “Operations Officer(s)” shall refer to the Director, the Fire Chief, the Police Chief, the Finance Director and the City Manager, individually or collectively.

UU. “Package” means any container or receptacle used for holding cannabis or cannabis products.

VV. “Packaging” or “packages” means an activity involved with placing cannabis or cannabis products in a package.

WW. “Park” means public land which has been designated for park or recreational activities, including but not limited to a park, playground, nature trails, swimming pool, athletic field, basketball court, tennis court, pedestrian or bicycle paths, beaches, open space, or similar public land within the City or which is under the control, operation or management of the City Recreation and Parks Department. “Park” shall not include any youth center.

XX. “Permittee” means a person issued a Commercial Cannabis Operation Permit by the City.

YY. “Person” means any individual, firm, co-partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit.

ZZ. “Person with an identification card” has the same definition as provided for in Section 11362.7(c) of the State Health and Safety Code, and as may be amended, defined as “an individual who is a qualified patient who has applied for and received a valid identification card pursuant to this article.”

- AAA. "Physician's recommendation" means a determination from a physician that a patient's medical cannabis use is deemed appropriate and is recommended by the physician on the basis of the physician has determined that the patient's health would benefit from the use of cannabis in the treatment of cancer, anorexia, AIDS, chronic pain, spasticity, glaucoma, arthritis, migraine, or any other illness for which cannabis provides relief, in strict accordance with Section 11362.5 of the State Health and Safety Code.
- BBB. "Police Chief" means the Los Angeles County Sheriff, and includes his/her designee(s).
- CCC. "Police Department" means the Los Angeles County Sheriff's Department.
- DDD. "Premises" means the designated structure or structures and land specified in a Commercial Cannabis Operation Permit application that is owned, leased, or otherwise held under the control of the applicant or permittee where commercial cannabis operation will be or is conducted. The premises shall be a contiguous area and shall only be occupied by one permittee."
- EEE. "Primary caregiver" has the same definition as provided for in Section 11362.7(d) of the State Health and Safety Code, and as may be amended, defined as "the individual, designated by a qualified patient or by a person with an identification card, who has consistently assumed responsibility for the housing, health, or safety of that patient or person". A "primary caregiver" shall also meet the requirements of Section 11362.7(e) of the State Health and Safety Code , and as may be amended, which provide that a "primary caregiver shall be at least 18 years of age, unless the primary caregiver is the parent of a minor child who is a qualified patient or a person with an identification card or the primary caregiver is a person otherwise entitled to make medical decisions under state law pursuant to Sections 6922, 7002, 7050, or 7120 of the Family Code."
- FFF. "Qualified patient" has the same definition as provided for in Section 11362.7(f) of the State Health and Safety Code , and as may be amended, defined as "a person who is entitled to the protections of Section 11362.5, but who does not have an identification card issued pursuant to this article."
- GGG. "Religious institution" means any church, synagogue, mosque, temple, or building which is used primarily for religious worship, religious education, and related religious activities.
- HHH. "Residentially zoned property" means any parcel of land located within the City zoned: R-1 (Single-Family Residential Zone), R-2 (Multiple Residential Zone), or R-3 (Multiple Residential Zone)
- III. "Retailer" means a person engaged in the retail sale or delivery of cannabis or cannabis products to a customer. "Retailer" includes "Retailer (Medical-Only)" and "Retailer (Medical/Adult Use)." "Retailer (Medical-Only)" refers to a retailer which is restricted by the terms of its Commercial Cannabis Operation Permit to engaging in the retail sale or delivery of medical cannabis or cannabis products as stated in Section 5.26.120(A). "Retailer (Medical/Adult-Use)" refers to a retailer which is not so restricted by the terms of its Commercial Cannabis Operation Permit, and which accordingly may engage in the retail sale or delivery of medical or adult-use cannabis or cannabis products to a customer.
- JJJ. "Retail sale(s)" means any commercial cannabis operation involving the retail sale

of cannabis or cannabis products from a retailer.

KKK. "Sale(s)" means any sale, exchange, or barter or other transaction for any consideration.

LLL. "School" means as evidenced by the State Department of Education school directory, a public school instructing children in grades kindergarten through 12, as authorized by the State Department of Education or a private school instructing children in grades kindergarten through 12 that has filed a verification of private school affidavit with the State Department of Education pursuant to Section 33190 of the State Education Code, excluding any private school in which education is primarily conducted in a private home. Pursuant to the authority delegated by the State to the City under Section 26054(b) of the State Business and Professions Code, this definition of "school" under this chapter shall override the definition of "school" used in MAUCRSA or Section 11362.768 of the State Health and Safety Code.

MMM. "Site" means the premises and actual physical location of a Commercial Cannabis Operation, as well as its accessory structures and parking areas

NNN. "State" means the State of California.

OOO. "Testing laboratory" or "testing" refers to a laboratory, facility, or entity that offers or performs tests on cannabis or cannabis products; includes the activity of laboratory testing.

PPP. "Youth center" means, (A) any public or private facility that is primarily used to host recreational or social activities for minors, such as private youth membership organizations or clubs, social service teenage club facilities, or (B) a park, playground, or recreational area specifically designed to be used by children that may have play equipment installed, including public grounds designed for athletic activities such as baseball, softball, soccer, or basketball or any facility located on a public or private school grounds, or on City, County, or parks. "Youth center" shall not include any private martial arts, yoga, ballet, music, or similar studio of this nature nor shall it include any private athletic training facility, pizza parlor, restaurant, video arcade, dentist office, or doctor's office primarily serving children. Pursuant to the authority delegated by the State to the City under Section 26054(b) of the State Business and Professions Code, this definition of "youth center" under this chapter shall override the definition of "youth center" in MAUCRSA at Section 26001 of the State Business and Professions Code.

Sec. 5.26.040 - Prohibited commercial cannabis operations.

A. Commercial cannabis operations (including non-profit operations) within the City that involve the activities of non-storefront retailer (whether medical-only or medical/adult-use), cultivation, manufacturer, testing, distribution, or microbusiness are prohibited, including but not limited to commercial cannabis operations licensed by the State in the license classifications listed below as provided in Section 26050 of the State Business and Professions Code:

1. Type 1 = Cultivation; Specialty Outdoor; Small.
2. Type 1A = Cultivation; Specialty Indoor; Small.
3. Type 1B = Cultivation; Specialty Mixed Light; Small.

4. Type 1C = Cultivation; Specialty Cottage; Small.
5. Type 2 = Cultivation; Outdoor; Small.
6. Type 2A = Cultivation; Indoor; Small.
7. Type 2B = Cultivation; Mixed-light; Small.
8. Type 3 = Cultivation; Outdoor; Medium.
9. Type 3A = Cultivation; Indoor; Medium.
10. Type 3B = Cultivation; Mixed-Light; Medium.
11. Type 4 = Cultivation; Nursery.
12. Type 5= Cultivation; Outdoor; Large.
13. Type 5A = Cultivation; Indoor; Large
14. Type 5B = Cultivation; Mixed-Light; Large.
15. Type 6 = Manufacturer 1.
16. Type 7 = Manufacturer 2.
17. Type 8 = Testing.
18. Type 9 = Non-Storefront Retailer (Delivery Only)
19. Type 11 = Distributor
20. Type 12 = Microbusiness.

- B. The prohibition provided by above subsection (A) includes any similar activities authorized under new or revised State licenses, or any other State authorization, to allow any type, category or classification of cannabis commercial operations that involve the activities of non-storefront retailer (Type 9, i.e., delivery only) (whether medical-only or medical/adult-use), cultivation, manufacturer, testing, distribution, microbusiness, or similar operations (including non-profit, collective or cooperative operations).

Sec. 5.26.050 - Permitted commercial cannabis operations.

- A. Commercial cannabis operations (including non-profit operations) within the City which involve the activity of retailer (Type 10; medical-only and medical/adult-use) are allowed subject to issuance and maintenance of a valid and current City Commercial Cannabis Operation Permit, continuing adherence to this entire chapter and all applicable City and State regulations and laws, and issuance and maintenance of a valid and current equivalent state license type listed below, as provided for in Section 26050 of the State Business and Professions Code:
1. Type 10 = Retailer (Medical-Only; Medical/Adult-Use).
- B. The requirements provided by above subsection (A) apply to any similar activities authorized under new or revised State licenses, or any other State authorization, to allow any type, category or classification of cannabis commercial operations that involve the activity of retailer (medical-only and medical/adult-use) or similar operations (including non-profit, collective or cooperative operations).

Sec. 5.26.060 -Maximum Number of Commercial Cannabis Operation Permits.

- A. The number of Commercial Cannabis Operation Permits for retailer (medical/adult-use) commercial cannabis operations based within the City shall be no more than one (1).
- B. Notwithstanding Subsection (A) of this Section, if the City Council opts, in its sole discretion, to reinstitute the application procedure after the first year following the operative date of this chapter pursuant to Section 5.26.070(H), then two (2) additional retailer (medical/adult-use) Commercial Cannabis Operation Permits may be issued such that the maximum number of Commercial Cannabis Operation Permits for retailer (medical/adult-use) commercial cannabis operations based within the City shall be increased to no more than three (3) retailers (medical/adult-use).
- C. The number of Commercial Cannabis Operation Permits for non-storefront retailer (delivery only) (whether medical-only or medical/adult-use) (including retailers or microbusinesses engaged in delivery) commercial cannabis operations based outside the City to engage in delivery within the City shall be zero (0). However, should a court of competent jurisdiction, as a judicial remedy, order the City Council to increase the maximum number of Commercial Cannabis Operation Permits for non-storefront retailer (delivery only) (including retailers or microbusinesses engaged in delivery) commercial cannabis operations based outside the City to engage in delivery within the City, the number of Commercial Cannabis Operation Permits for non-storefront retailer (delivery only) (including retailers or microbusinesses engaged in delivery) commercial cannabis operations based outside the City to engage in delivery within the City shall be no more than two (2).
- D. The maximum number of Commercial Cannabis Operation Permits issued for retailer (including medical-only and medical/adult use retailer, individually and collectively) commercial cannabis operations based within the City or non-storefront retailer (delivery only) (including retailers or microbusinesses engaged in delivery) based outside the City may not be amended by the City Council or regulations promulgated by the City Manager pursuant to this chapter. However, the City Council may and shall increase the maximum number of Commercial Cannabis Operation Permits issued for retailer commercial cannabis operations based within the City or non-storefront retailer (delivery only) (including retailers or microbusinesses engaged in delivery) based outside the City (i) if ordered to do so by a court of competent jurisdiction as a judicial remedy or (ii) by a vote of the People of the City.

Sec. 5.26.070 Commercial Cannabis Operation Permit application procedure.

- A. Following the effective date of this chapter, the City Manager, pursuant to Section 5.26.140, shall, as a ministerial duty, make available the necessary forms, adopt any necessary application rules for the submission, intake, review, and approval of applications for retailer (medical-only and medical/adult-use) commercial cannabis operations up to the maximum number of Commercial Cannabis Operation Permits authorized in Section 5.26.060.
- B. The City Manager shall, as a ministerial duty, cease acceptance of Commercial

Cannabis Operation Permit applications for retailer (medical-only and medical/adult-use) commercial cannabis operations thirty (30) days after making available the necessary forms and adopting any necessary application rules for the submission, intake, review, and approval of Commercial Cannabis Operation Permit applications for retailer (medical-only and medical/adult-use) commercial cannabis operations.

- C. Within thirty (30) days of ceasing the acceptance of Commercial Cannabis Operation Permit applications for retailer (medical-only and medical/adult-use) commercial cannabis operations, the City Manager shall, as a ministerial duty, review timely submitted Commercial Cannabis Operation Permit applications for retailer (medical-only and medical/adult-use) commercial cannabis operations for the following minimum requirements:
1. Payment of an application fee established by resolution of the City Council within forty-five (45) days following the effective date of this chapter to cover all costs incurred by the City in the application process;
 2. Sufficient evidence of the legal right to use the proposed property for the proposed use, to include a lease, sublease, purchase agreement, assignment of purchase agreement, or lease or purchase option, in the name of the applicant, which may include nominal consideration and be contingent upon issuance of a Commercial Cannabis Operation Permit or other approvals. The City shall only consider one applicant per property address or County Assessor's Identification Number. In the event that more than one applicant applies for a Commercial Cannabis Operation Permit application at a given property address or a given County Assessor's Identification Number, the City Manager shall, as a ministerial duty, only accept the Commercial Cannabis Operation Permit application with the earliest effective date for the evidence of the legal right to use the proposed property for the proposed use in the name of the applicant;
 3. Sufficient evidence to demonstrate that the proposed property complies with the location and zoning requirements in Section 5.26.120;
 4. Proof that an owner or owners of the applicant with an aggregate ownership interest of fifty (50) percent or more has served as an owner or owners with an aggregate ownership interest of fifty (50) percent or more of six or more other retailer (medical-only or medical/adult-use) commercial cannabis operations by a city, county, or state since at least January 1, 2022;
 5. Proof of funds showing that the applicant has access and control of over \$500,000.00 in Liquid Assets (which such Liquid Assets having been under possession for at least ninety (90) days prior to the date of the application submission under this Section), which may be shown via a binding legal agreement in the name of the applicant such as a promissory note so long as said legal agreement is accompanied by a proof of funds in the name of a party to the agreement that demonstrates access and control of over \$500,000.00 in

Liquid Assets under possession for at least ninety (90) days prior to the date of the application submission under this Section. Applicants and permittees shall not be required to show that the applicant or permittee has access and control of over \$500,000.00 in Liquid Assets except on initial application pursuant to this Section 5.26.070, a change in location application pursuant to Section 5.26.100, or an ownership transfer application pursuant to Section 5.26.100;

6. For an applicant with two (2) or more employees, proof of a labor peace agreement between a bona fide labor organization and the applicant (the applicant shall provide the City with a copy of the labor peace agreement that contains the signatures of the union representative and the cannabis business). For applicants with less than two (2) employees who have not yet entered into a labor peace agreement, the applicant shall provide a notarized statement indicating that the applicant will enter into and abide by the terms of a labor peace agreement within thirty (30) days after employing two (2) employees;
7. A set of plans, including a site development plan, floor plan(s), building elevations (all four (4) sides), and a conceptual landscape plan with the percentage of landscaping in the parking lot, setback areas, and tree size and species;
8. Colored interior and elevation renderings;
9. A completed background check application and receipt for each owner and manager of the applicant pursuant to Section 5.26.110(H); and
10. The following application components: (a) Qualifications of the applicant's owners and managers; (b) business and operations plan; (c) security plan; (d) safety plan; (e) neighborhood compatibility plan; (f) labor and employment plan; and (g) community benefits plan.
11. Disclosure of whether the applicant is applying for a Commercial Cannabis Operation Permit as a retailer (medical-only) or retailer (medical/adult-use).

The City Manager shall, as a ministerial duty, reject any Commercial Cannabis Operation Permit application that fails to meet the minimum requirements contained in this Subsection (C), and applicants shall not have the right to supplement or amend their Commercial Cannabis Operation Permit applications.

- D. Within sixty (60) days of completing the application review under Subsection (C) above, the City Manager shall, as a ministerial duty, review and score any complete applications pursuant to the following objective review criteria according to the following quantitative evaluation scale, with retailer (medical-only) applicants ranked only against other retailer (medical-only) applicants and retailer (medical/adult-use) applicants ranked only against other retailer (medical/adult-use) applicants unless otherwise provided by administrative regulations promulgated pursuant to Section 5.26.140:

1. Qualifications of the applicant's owners and managers – 250 points

The People of the City find that a proven track-record of for retailer commercial cannabis operations that successfully generate tax revenue carries out the purpose and intent of the Program and are, therefore, critical for an applicant to demonstrate the qualifications of the applicant's owners and managers. Accordingly, 150 of the 250 points awardable under this Subsection (1) shall only be awarded, as a ministerial duty, if an owner or owners of the applicant with an aggregate ownership interest of fifty (50) percent or more is currently at the time of application submission under this Section an owner or owners with an aggregate ownership interest of fifty (50) percent or more of a single licensed and lawfully operating retailer commercial cannabis operations (excluding any non-retailer microbusiness, cultivation, manufacturing, distribution, or other non-retailer commercial cannabis operation components) that has generated at least \$5,000,000.00 in gross receipts in a consecutive six-month period in the year immediately preceding the date of the application submission under this Section, as demonstrated by tax payment receipts from, tax filings to, or tax returns filed with a city, county, or state.

The remaining 100 of the 250 points awardable under this Subsection (1) shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

- a. Up to 50 points – A description of the applicant's owner and manager qualifications detailing any special business or professional qualifications or licenses of the applicant's owner and manager that would add to the quality of services that the retailer commercial cannabis operation would provide, including in areas related to cannabis, such as legal, finance, business ownership / administration, waste management, real estate development, scientific, or healthcare or wellness fields.
- b. Up to 50 points – Documentation that the applicant's owners and managers have experience operating retailer commercial cannabis operations in any jurisdiction where retailer commercial cannabis operations are permitted.

2. Plans, renderings, and overall location – 50 points

The 50 points awardable under this Subsection (2) shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

- a. Up to 10 points – A premise diagram in accordance with Section 5006 of Division 42 of Title 16 of the State Code of Regulations.
- b. Up to 10 points – A site development plan that provides information on existing conditions and proposed improvements to the site and how it meets or will meet the development standards outlined in this Code. Information on existing conditions shall include:
 - i. Exterior photographs showing all sides of any existing structure(s);
 - ii. Photographs of existing parking areas, landscaping, trash enclosure, and signage;

- iii. Information on existing use on the site, including the addresses, uses, and square footages;
 - iv. Photographs of the existing site if the site is vacant; and
 - v. Photographs of adjacent properties for context.
 - c. Up to 10 points – A floor plan showing information on the existing layout and proposed layout of the building interior.
 - d. Up to 10 points – Building elevations that provide information on existing conditions and proposed improvements.
 - e. Up to 5 points – A conceptual landscape plan with the percentage of landscaping in the parking lot, setback areas, and tree size and species.
 - f. Up to 5 points – Colored interior renderings and exterior elevation renderings (for both existing and/or proposed improvements).
3. Business and operations plan – 100 points

The 100 points awardable under this Subsection (3) shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

- a. Up to 10 points – A written description of the total square footage of the facility with estimated square footage of proposed uses.
- b. Up to 10 points – A schedule for beginning operations, including a narrative outlining any proposed construction improvements and a timeline for completion.
- c. Up to 10 points – A budget for construction, operation, maintenance, compensation of employees, equipment costs, utility costs, and other operating costs.
- d. Up to 5 points – A description of the sources(s) of capital and use(s) of capital.
- e. Up to 10 points – Pro forma financial statements for at least three (3) years of operation.
- f. Up to 5 points – A description of the type of products to be sold and the estimated quantity and value of product(s) to be sold.
- g. Up to 5 points – A description of marketing procedures and tactics.
- h. Up to 10 points – A description of day-to-day operations that should acknowledge both state and local laws and should be consistent with industry best practices.
- i. Up to 5 points – A description of hours of operation and opening procedures.
- j. Up to 10 points – A description of cash handling procedures.
- k. Up to 10 points – A description of inventory control procedures to include

identification of point-of-sale systems, and track and trace software.

- k. Up to 10 points – A description of transportation, loading and unloading, distribution, or delivery procedures.

4. Security plan – 100 points

The 100 points awardable under this Subsection (4) shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

- a. Up to 20 points – The security plan shall be prepared by a professional security consultant.
- b. Up to 10 points – A premises security diagram.
- c. Up to 50 points – A description of access control, inventory control, cash handling, and other security procedures and security equipment demonstrating compliance with the security requirements under this chapter.
- d. Up to 10 points – A description of the intrusion alarm and monitoring system including the name and contact information for the monitoring company.
- e. Up to 10 points – A description of the services of on-site security guards to include the (i) number of security guards; (ii) the hours security guards will be on-site; (iii) locations where security will be positioned; and (iv) security guard responsibilities.

5. Safety plan – 100 points

The 100 points awardable under this Subsection (5) shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

- a. Up to 20 points – The safety plan shall be prepared by a professional fire prevention and suppression consultant.
- b. Up to 10 points – A premises safety diagram to include (1) a description / illustration of evacuation routes and (2) location of fire extinguishers and other fire suppression equipment.
- c. Up to 50 points – A description of safety procedures, training for emergency situations, and safety equipment demonstrating compliance with the safety requirements under this chapter.
- d. Up to 10 points – Identify all gases, pesticides, and chemicals to be used and their storage locations.
- e. Up to 10 points – A description of the firm alarm and monitoring system including the name and contact information for the monitoring company.

6. Neighborhood compatibility plan – 100 points

The 100 points awardable under this Subsection (6) shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

- a. Up to 40 points – A “Good Neighbor Policy” that (i) includes policies and measures in place to protect adjacent uses from any potential impacts (e.g., noise, light, odor, traffic, etc.) related to the proposed cannabis business and (ii) describes how the cannabis business and its operating characteristics will be proactively managed so the business is not detrimental to the public health, safety, convenience, or welfare of persons residing, working, visiting, or recreating in the surrounding area and will not result in the creation of a nuisance.
- b. Up to 20 points – A description of odor mitigation practices to include: (i) identifying potential sources of odor; (ii) a description of odor control devices and techniques employed to ensure that odors from cannabis are not detectable beyond the permitted premises; and (iii) all proposed staff odor training and system maintenance.
- c. Up to 20 points – A description of a waste management plan that includes waste disposal locations within the proposed premises and the applicant’s security measures and methods of rendering waste unusable and unrecognizable.
- d. Up to 20 points – A description of efforts at sustainability / environmental impact mitigation.

7. Community benefits plan – 100 points

The People of the City find that monetary donations to local non-profit organizations, financial support of City sponsored activities or organizations, in kind donations to the City or other charitable organizations, and economic incentives to the City carry out the purpose and intent of the Program and are, therefore, critical for an applicant to demonstrate an effective community benefits plan. Accordingly, 50 of the 100 points awardable under this Subsection (7) shall only be awarded if the applicant pledges to voluntarily provide a public benefit to a public use (or a combination thereof), which is defined as a direct financial contribution equal to two (2) percent of projected gross receipts of the applicant to a public school located within the City, a public park located within the City, and/or a public or nonprofit community organization serving the City or its residents. Beyond the above and as a ministerial duty, no further direct financial contributions shall be considered as part of an applicant’s community benefits plan.

The remaining 50 of the 100 points awardable under this Subsection (7) shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

- a. Up to 25 points – A description of a social responsibility plan to include identification of a community liaison, plans to serve as a social equity business incubator, plans to aide and participate in the work of local non-

profits, community- based organizations, civic organizations, or social services organizations.

- b. Up to 25 points – A description of a plan to develop a public health outreach and educational program that outlines the risks of youth use of cannabis and that identifies resources available to youth related to drugs and drug addiction.

8. Labor and employment plan – 200 points

The People of the City find that a proven track-record of cannabis retailer operations with high labor standards and commitment to labor peace carries out the purpose and intent of the Program and are, therefore, critical for an applicant to demonstrate an effective labor and employment plan. Accordingly, 100 of the 200 points awardable under this Subsection (8) shall only be awarded if the applicant provides documentation that the individual or natural person owner or owners of the applicant (disregarding any intervening or intermediary entity owner or owners of the applicant) with an aggregate ownership interest of fifty (50) percent or more have entered into collective bargaining agreements with a labor organization that currently represents cannabis workers in the United States effective since at least July 1, 2021, inclusive of renewals (and remaining effective, inclusive of renewals, on the date of the application submission under this Section) and such collective bargaining agreements accrete or automatically apply to all cannabis retailers permitted or licensed in the State after July 1, 2021 (notwithstanding the fact that employees of such cannabis retailers permitted or licensed in the State after July 1, 2021 (if any), have yet to have had an opportunity to recognize the labor organization that currently represents cannabis workers in the United States), by the individual or natural person owner or owners of the applicant (disregarding any intervening or intermediary entity owner or owners of the applicant) with an aggregate ownership interest of ninety (90) percent or more referenced above.

The remaining 100 of the 200 points awardable under this Subsection (8) shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

- a. Up to 10 points – An organizational chart of showing owners, managers, and employees.
- b. Up to 10 points – A description of the owner's and manager's roles in day-to-day operations and decisions.
- c. Up to 10 points – A description of the number of employees, title / position, and their respective responsibilities
- d. Up to 15 points – A description of compensation to employees, opportunities for continuing education, and employee training.
- e. Up to 15 points – A description of whether the cannabis business is committed to offering employees a living wage.

- f. Up to 15 points – A description of benefits provided to employees such as health care, vacation, and medical leave, to the degree they are offered as part of employment.
 - g. Up to 15 points – A description of a plan to recruit employees from socially and economically disadvantaged backgrounds.
 - h. Up to 10 points – A description of a plan to have at least 50% of employee positions filled and hours worked by employees residing in the City.
- E. Upon timely receipt of a Commercial Cannabis Operation Permit application, the City Manager shall conduct background checks in accordance with Section 5.26.110(H). Following review and scoring of applications completed pursuant to objective review criteria under Subsection (D), the City Manager shall, as a ministerial duty, recommend that the City Council issue Commercial Cannabis Operation Permits to applicants in order of their rank under Subsection (D) up to the maximum number of Commercial Cannabis Operation Permits authorized in Section 5.26.060. The City Council shall consider the City Manager's recommendations, and may conduct its own independent review and scoring of applications completed pursuant to objective review criteria under Subsection (D) and substitute such review and scoring for that of the City Manager in whole or in part if it sees fit to do so, and shall thereupon, as a ministerial duty, issue Commercial Cannabis Operation Permits to applicants in order of their rank under Subsection (D) up to the maximum number of Commercial Cannabis Operation Permits authorized in Section 5.26.060. For the initial iteration of the application process pursuant to this section, the number of Commercial Cannabis Operation Permits issued shall be no more than two (2) retailer (medical-only) and one retailer (medical/adult use) Commercial Cannabis Operation Permits. In the event of a tie in the order of ranking under Subsection (D) between one or more applicants up to the maximum number of Commercial Cannabis Operation Permits authorized in Section 5.26.060, the City Council shall, as a ministerial duty, break the tie and issue Commercial Cannabis Operation Permits to the applicants with the highest scoring application component in the following order: (1) Qualifications of the applicant's owners and managers; (2) labor and employment plan; (3) security plan; (4) safety plan; (5) community benefits plan; (6) neighborhood compatibility plan; (7) business and operations plan; and (8) plans, renderings, and overall location. In the event of a tie on all application components between one or more applicants up to the maximum number of Commercial Cannabis Operation Permits authorized in Section 5.26.060, the City Manager shall not hold a public lottery, but rather arrange for the tied applicants to provide public presentations before the City Council, after which the City Council shall publicly rank the applicants pursuant to ranking sheets prepared by the City Manager that achieve a forced ranking based on all of the objective review criteria and quantitative evaluation scale in Subsection (D), and the City Council shall issue Commercial Cannabis Operation Permits to applicants in order of their rank up to the maximum number of Commercial Cannabis Operation Permits available following the City Manager/City Council's original ranking and

issuance of Commercial Cannabis Operation Permits and the limits contained in Section 5.26.060. However, the City Council shall not issue a Commercial Cannabis Operation Permit to any applicant with an applicant, owner, or manager that:

1. Provided false or misleading information on the applicant's Commercial Cannabis Operation Permit application;
 2. Has been convicted of (or pled no contest to) "an offense that is substantially related to the qualifications, functions, or duties of the business or profession for which the application is made" as that term is defined in 26057(b)(4) of the State Business and Professions Code; or
 3. Has been sanctioned by a licensing authority or a city, county, or state for unlicensed commercial cannabis operations or has had a license suspended or revoked under MAUCRSA in the three (3) years immediately preceding the date the application was submitted.
- F. Any decision of the City Council under this Section 5.26.070 shall be a final administrative decision not subject to administrative appeal under any provisions of this chapter or any provisions of this Code but, rather, subject to judicial review and remedies.
- G. In the event that (1) the number of active, operating retailer (medical-only or medical/adult-use) commercial cannabis operations and issued Commercial Cannabis Operation Permits falls below the maximum number of Commercial Cannabis Operation Permits for retailer (medical-only or medical/adult-use) commercial cannabis operations authorized in Section 5.26.060 or (2) the City Council is ordered to increase the maximum number of Commercial Cannabis Operation Permits issued for retailer (medical-only or medical/adult-use) commercial cannabis operations by a court of competent jurisdiction as a judicial remedy (e.g., if a court of competent jurisdiction orders the City Council to make Commercial Cannabis Operation Permits available for non-storefront retailer (delivery only) (including retailers or microbusinesses engaged in delivery) commercial cannabis operations based outside the City to engage in delivery within the City), the City Manager shall, as a ministerial duty, within thirty (30) days reinstitute the application procedure under this Section 5.26.070, subject to the maximum number of Commercial Cannabis Operation Permits authorized and available (not allocated to an active, lawfully operating retailer) for issuance pursuant to Section 5.26.060. For the purpose of this Section, a retailer (medical-only or medical/adult-use) commercial cannabis operation shall be considered operating if (1) upon initial issuance of Commercial Cannabis Operation Permit (or approval of a change in location pursuant to Section 5.26.100), the retailer commercial cannabis operation commences lawful operations within twenty-four (24) months or (2) following initial commencement of lawful operations, the retailer commercial cannabis operation does not cease or abandon operations for one-hundred eighty (180) consecutive or cumulative days in any one (1) year period.
- H. Additionally, at any time during the second year from the operative date of this chapter, the City Council may, by resolution or minute action, reinstitute the application procedure under this Section 5.26.070 for the purpose of considering issuance of one additional retailer (medical/adult-use) Commercial Cannabis Operation Permit, in which case the maximum number of Commercial Cannabis

Operation Permits for retailer (adult-use/medical) commercial cannabis operations based in the City shall increase from one to two as stated in Section 5.26.060(B).

Sec. 5.26.080 - Limitations on the City's liability.

To the fullest extent permitted by law, the City shall not assume any liability whatsoever with respect to having issued a Commercial Cannabis Operation Permit pursuant to this chapter or otherwise approving any retailer commercial cannabis operation. As a condition to the approval of any Commercial Cannabis Operation Permit, the applicant shall be required to meet all of the following conditions before they can receive a Commercial Cannabis Operation Permit:

- A. Execution of an agreement, in a form approved by the City Attorney, agreeing to indemnify, defend (at applicant's sole cost and expense), and hold the City, and its officers, officials, employees, representatives, and agents harmless, from any and all claims, losses, damages, injuries, liabilities, or losses which arise out of or which are in any way related to the City's issuance of the Commercial Cannabis Operation Permit, the City's decision to approve the retailer commercial cannabis operation, the process used by the City in making its decision, or the alleged violation of any federal, State, or local laws by the retailer commercial cannabis operation or any of its owners, managers, officers, employees, or agents.
- B. Maintain insurance at coverage limits, and with conditions thereon determined necessary and appropriate from time to time by the City Attorney.
- C. Defend and indemnify the City, its elected and appointed officials, employees and attorneys for all costs and expenses, including but not limited to attorneys' fees and court costs, that the City may be required to pay as a result of any legal challenge related to the City's approval of the applicant's Commercial Cannabis Operation Permit, any matter arising from the operations of said cannabis business and/or related to the City's approval of retailer commercial cannabis operations. The City, at its sole discretion, may participate at its own expense in the defense of any such action, but such participation shall neither relieve nor increase any of the obligations imposed on the applicant hereunder.
- D. Provides written authorization to the Operations Officers to conduct reasonable unannounced inspections of the location of the commercial cannabis operation at the reasonable discretion of the City, including but not limited to inspection of security, inventory, and written records and files pertaining to the commercial cannabis operation, for the purposes of ensuring compliance with this chapter and all laws of the City and the State.

Sec. 5.26.090 - Commercial Cannabis Operation Permit term.

- A. Subject to this Section 5.26.090 and Section 5.26.160, the term of each Commercial Cannabis Operation Permit shall be indefinite.
- B. Upon the one (1) year anniversary of the date of issuance for each Commercial Cannabis Operation Permit and every year thereafter, the City Manager shall conduct

a performance review of the permittee to assess compliance with the requirements of this chapter and State law. Within thirty (30) days of the conclusion of the annual performance review of the permittee, the City Manager shall issue a letter of compliance or noncompliance outlining all items to be corrected to ensure full compliance. In the event of any noncompliance, the permittee shall have sixty (60) days to remedy such noncompliance. However, in the event such noncompliance items cannot be reasonably remedied within sixty (60) days, such noncompliance items shall not constitute a serious material violation of any law and/or any rule, regulation, and/or standard adopted pursuant to this chapter subject to suspension or revocation under Section 5.26.160 if the permittee commences correction of such noncompliance items within sixty (60) days and thereafter diligently prosecutes correction of such noncompliance items to completion.

- C. The permittee shall pay a fee in an amount to be set by the City Council via resolution to cover the costs of conducting the performance review, together with any costs incurred by the City to administer the Program created under this chapter.

Section 5.26.100 – Change in location; transfer, updated application information.

- A. A permittee may change the business location specified in a Commercial Cannabis Operation Permit upon submission and approval of a change in location application promulgated, as a ministerial duty, by the City Manager pursuant to regulations adopted under Section 5.26.140 within one-hundred eighty (180) days following the effective date of this chapter. The permittee shall pay an application fee established by resolution of the City Council to cover all costs incurred by the City in the review and processing of change in location applications. The City Manager shall process such change in location applications as a ministerial duty within thirty (30) days of receipt.
- B. An owner of a Commercial Cannabis Operation Permit shall not transfer ownership or control of such Commercial Cannabis Operation Permit to another person unless and until the permittee and transferee obtain an amendment to the Commercial Cannabis Operation Permit that is approved by the City Council upon recommendation from the City Manager stating that the permit may be transferred. A permittee may change the ownership specified in a Commercial Cannabis Operation Permit upon submission and approval of a change in ownership application promulgated, as a ministerial duty, by the City Manager pursuant to regulations adopted under Section 5.26.140 within one-hundred eighty (180) days following the effective date of this chapter. The permittee shall pay an application fee established by resolution of the City Council to cover all costs incurred by the City in the review and processing of change in ownership applications. The City Manager shall process such change in ownership applications as a ministerial duty within thirty (30) days once the City Manager reasonably determines that the transferee passed the background check required for owners and meets all other requirements of this chapter.
- C. Notwithstanding Subsection (B), during the first three years following the issuance of

a Commercial Cannabis Operation Permit, the City Manager shall not process any application to change the ownership or control of a Commercial Cannabis Operation Permit that results in the permittee altering its ownership composition in a manner that would result in the permittee not being entitled to points it was awarded when the permittee was an applicant pursuant to Section 5.26.070. For example, if a permittee received 100 points when it was an applicant for providing documentation that the individual or natural person owner or owners of the applicant (disregarding any intervening or intermediary entity owner or owners of the applicant) with an aggregate ownership interest of ninety (90) percent or more have entered into a collective bargaining agreement with a labor organization that currently represents cannabis workers in the United States effective since at least July 1, 2021, inclusive of renewals (and remaining effective, inclusive of renewals, on the date of the application submission under this Section), the City Manager shall not process or authorize any change in ownership or control of the permittee if the change would result in the permittee being unable to continue to satisfy the aforementioned criteria subsequent to its approval.

- D. Notwithstanding Subsection (B), no Commercial Cannabis Operation Permit may be transferred when the City Manager has notified the permittee that its Commercial Cannabis Operation Permit has been or may be suspended or revoked.
- E. Any attempt to transfer a Commercial Cannabis Operation Permit either directly or indirectly in violation of this Section 5.26.100 is hereby declared void, and such an unpermitted transfer shall be deemed a ground for revocation of the permit.
- F. An applicant or permittee shall notify the City Manager or designee(s) within fifteen (15) calendar days of any material change in the information provided in the applicant or permittee's Commercial Cannabis Operation Permit application or any change in status of compliance with the provisions of this chapter, including any change in ownership or management...

Sec. 5.26.110 - General operating standards and restrictions.

A commercial cannabis operation shall operate in conformance with the following minimum standards, and such standards shall be deemed to be part of the conditions on the permit for a commercial cannabis operation to ensure that its operation is in compliance with State law and this Code, and to mitigate any potential adverse impacts of the commercial cannabis operation on the public health, safety or welfare.

Additional minimum standards may be adopted from time to time either by resolution or ordinance from the City Council, or by the City Manager pursuant to Section 5.26.140.

- A. State Standards. All state requirements and regulations that govern the operation of a commercial cannabis operation, including but not limited to ones related specifically to certain types of commercial cannabis operations, shall apply as minimum requirements and regulations and requirements for commercial cannabis operations within the City of South El Monte, in addition to the requirements and regulations of this chapter and this Code.
- B. Security.

1. General. All cannabis, cannabis products and cash present or kept at the premises shall be securely stored against both unauthorized access as well as theft.
2. Security Cameras.
 - a. Security cameras shall be installed and maintained in good condition, with at least ninety (90) days of digitally recorded documentation in a format approved by the City Manager and the Police Chief.
 - b. The camera and recording system must be of adequate quality, color rendition, and resolution to allow the identification of any individual present at the site of the commercial cannabis operation.
 - c. The cameras shall be in continuous use 24 hours per day, 7 days per week.
 - d. The recording system must be capable of exporting the recorded video in standard MPEG formats to another common medium approved by the City Manager, such as DVD and/or a USB drive.
 - e. The areas to be covered by the security cameras include, but are not limited to, the storage areas, operation areas, all doors and windows, the parking lot, all exterior sides of the property adjacent to the public rights of way, and any other areas as determined by the City Manager and Police Chief.
 - f. Remote log-in information will be provided to the Operations Officers to allow them to view live and recorded security camera images remotely at any time.
3. Alarm System. The location of the commercial cannabis operation shall be alarmed with a centrally-monitored fire and burglar alarm system, and monitored by an alarm company properly licensed by the State Department of Consumer Affairs Bureau of Security and Investigative Services in accordance with Sections 7590, *et seq.* of the State Business and Professions Code, and whose agents are properly licensed and registered under applicable law.
4. Locked Entrances. All entrances into the building housing a commercial cannabis operation shall be locked from the exterior at all times with entry controlled by employees.
5. Windows. All windows on the building that houses the commercial cannabis operation shall be secured against entry from the outside.
6. No employee shall refuse, impede, obstruct or interfere with an inspection conducted pursuant to the authorizations provided by this chapter.

C. Odors.

1. A commercial cannabis operation shall have an air treatment system that ensures off-site odors shall not result from its activities.
2. This requirement at a minimum means that the commercial cannabis operation shall be designed to provide sufficient odor absorbing ventilation and exhaust systems so that any odor generated inside the location of the commercial cannabis operation is not detected outside the building, on adjacent properties or public rights-of-way, or within any other unit located within the same

building as the commercial cannabis operation, if the use only occupies a portion of a building.

D. Authorizations.

1. The Operations Officers shall have the right to enter all areas of the commercial cannabis operation from time to time unannounced for the purpose of making reasonable inspections to observe and enforce compliance with this chapter and all laws of the City and State.
2. Recordings made by security cameras required pursuant to this chapter shall be made available to the Operations Officers upon verbal request; no search warrant or subpoena shall be needed to view the recorded materials.

E. Records.

1. Commercial cannabis operations shall maintain on-site the following records either in paper or electronic form:
 - a. The full name, address, and telephone numbers of the owner and lessee of the property.
 - b. The name, date of birth, address, and telephone number of each employee of the commercial cannabis operation; the date each was hired; and the nature of each employee's participation in the commercial cannabis operation.
 - c. Copies of all required state licenses.
 - d. An inventory record documenting the dates and amounts of cannabis and cannabis products received at the site, the daily amounts of cannabis and cannabis products on the site, and the daily amounts of cannabis and cannabis products leaving the site for any reason, including but not limited to being sold, delivered, or distributed.
 - e. A written accounting of all expenditures, costs, revenues and profits of the commercial cannabis operation, including but not limited to cash and in-kind transactions.
 - f. A copy of all insurance policies related to the operation of the commercial cannabis operation.
 - g. A copy of the commercial cannabis operation's most recent year's financial statement and tax return.
 - h. Proof of a valid and current permit issued by the City in accordance with this chapter, and the equivalent State of California license to operate the commercial cannabis operation. Every commercial cannabis operation shall display at all times during business hours the City permit issued pursuant to the provisions of this chapter, and the equivalent State license, in a conspicuous place so that it may be readily seen by all persons entering the location of the commercial cannabis operation.
2. All records required to be maintained by the commercial cannabis operation must be maintained for no less than seven (7) years and are subject to immediate inspection (consistent with requirements pertaining to qualified patient confidentiality pursuant to applicable State and federal law) upon a

lawful written request by an Operation Officer.

3. A commercial cannabis operation shall report any loss, damage, or destruction of these records to the Operation Officers within twenty-four (24) hours of the loss, damage, or destruction.

F. Site Management.

1. Commercial cannabis operations shall not result in a nuisance or adversely affect the health, welfare, or safety of nearby persons by creating dust, glare, heat, noise, noxious gases, odors, smoke, traffic, vibration, or other impacts, or be hazardous due to use or storage of materials, processes, products or waste. The permittee shall promptly and diligently both prevent as well as eliminate conditions on the site of the commercial cannabis operation that constitute a nuisance.
2. A permittee shall maintain the exterior of the site, including any parking lots under the control of the permittee, free of litter, debris, and trash.
3. The Commercial Cannabis Operation permittee shall properly store and dispose of all waste generated on the site, including chemical and organic waste, in accordance with all applicable laws and regulations.
4. Notwithstanding any provisions of this code to the contrary, the Commercial Cannabis Operation permittee shall remove all graffiti from the site and parking lots under the control of the Commercial Cannabis Operation Permittee within 72 hours of its application.

G. State Board of Equalization Seller's Permit Required.

1. Commercial cannabis operations must obtain a Seller's Permit from the State Board of Equalization as applicable.
2. Such permit shall be displayed in a conspicuous place so that it may be readily seen by all persons entering the location of the commercial cannabis operation.

H. Employees.

1. All employees must submit to fingerprinting and criminal background checks by the City.
 - a. No employee convicted within the last ten years of a felony substantially related to the qualifications, functions or duties of an employee of a commercial cannabis operation (such as a felony conviction for distribution of controlled substances, money laundering, racketeering, etc.) shall be employed by a commercial cannabis operation, unless such employee has obtained a certificate of rehabilitation (expungement of felony record) under State law or under a similar federal statute or state law where the expungement was granted.
 - b. At the request of the commercial cannabis operation, the City Manager and Police Chief shall determine the applicability of this Section to a potential employee within a reasonable period of time after a written request has been made to the City Manager and Police Chief for such determination.
2. All employees must possess a valid government issued (or equivalent) form

of identification containing an identifying photograph of the employee, the name of the employee, the date of birth of the employee, and the residential address of the employee. Color copies of such identification shall be maintained at the location of the commercial cannabis operation. A valid State driver's license will satisfy this requirement.

L. Cannabis Transfer Between Permitted Operations Only.

A commercial cannabis operation shall not transfer cannabis or cannabis products to or from another commercial cannabis operation, unless both operations are in possession of all required State and local licenses and permits.

J. Commercial Cannabis Operation Signage.

1. Signs on the premises shall not obstruct the entrance or the video surveillance system. The size, location, and design of any signage must conform to the sign provisions in this Code.
2. Business identification signage shall be limited to that needed for identification only, consisting of a single window sign or wall sign that shall comply with the appropriate sign requirements within the applicable zoning district.

K. Prohibited Personal Activities.

1. Cannabis Use. No person shall smoke, ingest, or otherwise consume cannabis in any form on, or within 20 feet of, the site of the commercial cannabis operation.
2. Alcohol Use. No person shall possess, consume, or store any alcoholic beverage on the site of the commercial cannabis operation.

L. No Minors. No minor shall be an employee of, or participate in, a commercial cannabis operation in any capacity, including but not limited to, as a manager, employee, contractor, adviser, or volunteer.

M. Exterior Lighting. The exterior of the premises upon which the commercial cannabis operation is operated shall be equipped with and, at all times between sunset and sunrise, shall remain illuminated with fixtures of sufficient intensity and number to illuminate every portion of the property with an illumination level of not less than one foot-candle as measured at the ground level, including, but not limited to, landscaped areas, parking lots, driveways, walkways, entry areas, and refuse storage areas.

N. Building Design. A permittee must maintain the design of the buildings on the site in accordance with the plans that are approved by the City pursuant to this chapter and otherwise approved by the City. No permittee shall modify the buildings on the site contrary to the approved plans, without the approval of the City Manager.

O. Nuisance. A permittee shall take all reasonable steps to discourage and correct conditions that constitute a nuisance in parking areas, sidewalks, alleys and areas surrounding the premises and adjacent properties during business hours if related to the members of the subject commercial cannabis operation.

1. "Reasonable steps" shall include immediately calling the Police Department upon observation of the activity, and requesting that those engaging in activities that constitute a nuisance or are otherwise illegal to cease those activities, unless personal safety would be threatened in making the request.

2. "Nuisance" includes but is not limited to disturbances of peace, open public consumption of cannabis, alcohol or controlled substances, excessive pedestrian or vehicular traffic, including the formation of any pedestrian lines outside the building, illegal drug activity, harassment of those passing by, excessive littering, excessive loitering, illegal parking, excessive loud noises, especially late at night or early in the morning hours, lewd conduct or law enforcement detentions and arrests.
- P. Upon and after receiving possession of a Commercial Cannabis Operation Permit as provided for in this chapter, a permittee shall:
1. Maintain continuing compliance with criminal background check requirements of this chapter by ensuring that:
 - a. Upon the hiring, association or retention of an employee by the commercial cannabis operation, the requirements of Section 5.26 are immediately met for such employee by provision of appropriate documentation to the City Manager; and
 - b. the City Manager and Police Chief are immediately informed in writing of any felony conviction as described in 5.26.110(H) for any current employee.
 2. Maintain continuing compliance with all applicable insurance requirements, including, but not limited to, those imposed by City and this chapter.
- Q. Workforce Plan. A permittee shall implement a workforce plan that includes at least the following provisions:
1. Commitment for thirty percent (30%) of employees to be local hires; this local hiring requirement is satisfied when a permittee shows that it has either hired or made a good faith effort to hire bona fide residents of the City or persons that may establish residency after initial employment with the permittee;
 2. Commitment to offer apprenticeships and/or compensation for continuing education in the field of commercial cannabis operations; and
 3. Paying a living wage to employees. "Living wage" means compensation equivalent to \$20 per hour inclusive of benefits but excluding tips.
- R. Exemption. The regulations contained in this chapter shall not apply to a commercial cannabis operation engaged in the following uses, as long as such use complies strictly with applicable law, including this Code, regulating such use and the location of such use, including, but not limited to, Section 11362.5 of the State Health and Safety Code and Sections 11362.71 *et seq.* of the State Health And Safety Code: A clinic licensed pursuant to Chapter 1 of Division 2 of the State Health and Safety Code; a health care facility licensed pursuant to Chapter 2 of Division 2 of the State Health and Safety Code; a residential care facility for persons with chronic life-threatening illness licensed pursuant to Chapter 3.01 of Division 2 of the State Health and Safety Code; a residential care facility for the elderly licensed pursuant to Chapter 3.2 of Division 2 of the State Health and Safety Code; and, a residential hospice or a home health agency licensed pursuant to Chapter 8 of Division 2 of the State Health and Safety Code.

Sec. 5.26.120 – Retailer operating standards and restrictions.

A retailer commercial cannabis operation shall operate in conformance with both Section 5.26.110, as well as the following minimum standards, and such standards shall be deemed to be part of the conditions of the Commercial Cannabis Operation Permit for a retailer commercial cannabis operation to ensure that its operation is in compliance with State law and this Code, and to mitigate any potential adverse impacts of the commercial cannabis operation on the public health, safety or welfare.

Additional minimum standards may be adopted from time to time either by resolution or ordinance from the City Council, or by the City Manager pursuant to Section 5.26.140.

- A. City Permit and State License. No person shall engage in retailer commercial cannabis operations without both a current and valid Commercial Cannabis Operation Permit and a current and valid equivalent State license as provided for under Section 26200 of the State Business and Professions Code, and as may be amended. Retailer (medical-only) commercial cannabis operations shall only sell, dispense, or provide medical cannabis or medical cannabis products to a qualified patient with a written physician's recommendation, a person with an identification card, or a primary caregiver with written documentation attesting to lawful status as a primary caregiver.
- B. State Standards. All state requirements and regulations that govern retailer commercial cannabis operations, including but not limited to the regulations promulgated by the State Department of Cannabis Control, and as may be amended, shall apply as minimum requirements and regulations and requirements for retailer commercial cannabis operations within the City, in addition to the requirements and regulations of this chapter and this Code.
- C. Location and Design Requirements.

Pursuant to the authority delegated by the State to the City under Section 26054(b) of the State Business and Professions Code and overriding the location and design requirements contained in Section 26054(b) of the State Business & Professions Code, retailer commercial cannabis operations in the City shall be subject to the following location and design requirements:

- 1. Retailer commercial cannabis operations shall be a permitted use subject to this chapter on property (1) located more than one-thousand (1,000) feet any retailer commercial cannabis operation permitted under this chapter, alcohol or drug treatment facility, day care center, religious institution, school, or youth center, (2) located more than one-thousand (1,000) feet from the City's jurisdictional boundary or any park or residentially zoned property, and (3) zoned: C (Commercial Zone) or C-M (Commercial-Manufacturing Zone) including any overlay zone districts covering the C (Commercial Zone) or C-M (Commercial-Manufacturing Zone).
- 2. The distances specified in Subsection (C) shall be the horizontal distance measured in a straight line from the parcel line of the sensitive use to the closest parcel line of the lot on which the cannabis retailer is to be located without regard to intervening structures. The 1,000 foot distance specified in Subsection (C) may be reduced to as little as 900 feet by administrative

regulation pursuant to Section 5.26.140 if necessary to allow for issuance of the number of Commercial Cannabis Operation Permits provided by this chapter.

3. Each retailer commercial cannabis operation shall:
 - a. Be constructed in a manner that prevents odors to surrounding uses, and promotes quality design and construction, and consistency with the surrounding properties. Odors from the cannabis retailer shall not be detectable from outside the premises and adequate odor control technology shall be utilized;
 - b. Be provided with adequate electricity, sewerage, disposal, water, fire protection, and storm drainage facilities for the intended purpose; and
 - c. Provide and maintain a neighborhood compatibility plan so the City Manager or designee(s) may find that the cannabis retailer and its operating characteristics are not detrimental to the public health, safety, convenience, or welfare of persons residing, working, visiting, or recreating in the surrounding neighborhood and will not result in the creation of a nuisance.

D. Customers.

1. Prior to dispensing medical cannabis or medical cannabis products to a qualified patient, a retailer commercial cannabis operation shall verify the age and all necessary documentation of each customer to ensure the customer is not under the age of eighteen (18) years and obtain verification from the recommending physician that the person requesting medical cannabis or medical cannabis products is a qualified patient, and shall maintain a copy of the physician recommendation, or identification card, as described in Sections 11362.71 et seq. of the State Health and Safety Code, as may be amended from time to time, on site for period of not less than seven (7) years.
2. Prior to dispensing cannabis or cannabis products to an adult-use customer, a retailer (medical/adult-use) commercial cannabis operation shall verify the age and all necessary documentation of each customer to ensure the customer is not under the age of twenty-one (21) years.

- E. Opaque Packaging. All cannabis or cannabis products sold to a customer shall be prohibited from leaving the site unless placed in opaque packaging which conceals the nature of the product from human vision.
- F. Dispensing and Storage Areas. Entrance to the retailer sales floor and any storage areas shall be locked at all times, and under the control of employees.
- G. Interior Lighting. The premises within which the commercial cannabis operation is operated shall be equipped with and, at all times during which is open to the public, shall remain illuminated with overhead lighting fixtures of sufficient intensity to illuminate every place to which members of the public or portions thereof are permitted access with an illumination of not less than two foot-candles as measured

at the floor level.

- H. Signs. A retailer commercial cannabis operation shall notify customers (verbally or by written agreement) and by posting a notice or notices conspicuously at least 15-point type within permitted premises that state as follows:
1. "The sale or diversion of cannabis or cannabis products without a license issued by persons entering the site, the City of South El Monte is a violation of State law and the South El Monte Municipal Code."
 2. "Secondary sale, barter, or distribution of cannabis or cannabis products purchased from a permittee is a crime and can lead to arrest."
 3. "Customers must not loiter in or near these premises and may not consume cannabis or cannabis products in the vicinity of this business or in any place not lawfully permitted. These premises and vicinity are monitored to ensure compliance."
 4. "WARNING: The use of cannabis or cannabis products may impair a person's ability to drive a motor vehicle or operate heavy machinery."
 5. "CALIFORNIA PROP. 65 WARNING: Smoking of cannabis and cannabis-derived products will expose you and those in your immediate vicinity to cannabis smoke. Cannabis smoke is known by the State of California to cause cancer and reproductive harm."
- I. "No Recommendations On-site. A retailer commercial cannabis operation shall not have a physician or any person licensed to recommend medical cannabis for medical use at the location of the retailer commercial cannabis operation to provide a recommendation or physician's recommendation, for the use of medical cannabis.
- J. Sanitation. A permittee shall establish and implement written procedures that maintain the highest industry standards of sanitation and cleanliness for the operation so as to ensure cannabis and cannabis products sold to the public are free of harmful contaminants.
- K. Training. A permittee shall establish and implement written procedures that provide for the highest industry standards of training for employees.
- L. Prohibited Activities. No cannabis cultivation, testing or manufacturing shall occur within the premises of the retailer operation.
- M. No Alcohol. Retailer commercial cannabis operations shall not hold or maintain a license from the State Department of Alcoholic Beverage Control to sell alcoholic beverages, or operate a business that sells alcoholic beverages.
- N. No Lounge or Cafe. Retailer commercial cannabis operations shall not operate as a lounge, cafe or restaurant serving food or drinks for consumption on-site. There shall be no seating area, tables, couches, or chairs for the gathering or congregating of members.
- O. Age Restriction. Minors, except qualified patients or primary caregivers over the age of eighteen (18) years old as verified customers, are prohibited from entering the location of the retailer cannabis operation.
- P. Public Information. The permittee shall make available to customers a list of the rules and regulations governing medical cannabis use and consumption within the City and

recommendations on sensible medical cannabis etiquette.

Sec. 5.26.120.5 – Delivery operating standards and restrictions.

- A. Delivery shall comply with State law at all times.
- B. Security plans developed pursuant to this chapter shall include provisions relating to vehicle security and the protection of employees and product during loading and in transit.
- C. A commercial cannabis operation engaged in delivery shall facilitate the delivery of cannabis or cannabis products with a technology platform owned by or licensed to the delivery-only commercial cannabis operation engaged in delivery that uses point-of-sale technology to track and database technology to record and store the following information for each transaction involving the exchange of cannabis or cannabis products between the commercial cannabis operation engaged in delivery and customer:
 - 1. The identity of the individual dispensing cannabis or cannabis products on behalf of the commercial cannabis operation engaged in delivery;
 - 2. The identity of the customer receiving cannabis or cannabis products from the commercial cannabis operation engaged in delivery;
 - 3. The type and quantity of cannabis or cannabis products dispensed and received;
 - 4. The gross receipts charged by the commercial cannabis operation engaged in delivery and received by the individual dispensing cannabis or cannabis products on behalf of the commercial cannabis operation engaged in delivery for the cannabis or cannabis products dispensed and received; and
 - 5. The location or address where the sale or retail sale took place or closed.
- D. A commercial cannabis operation engaged in delivery shall maintain a database and provide a list of the individuals and vehicles authorized to conduct delivery, and a copy of the valid State driver's license issued to the driver of any such vehicle on behalf of the commercial cannabis operation engaged in delivery to the City Manager.
- E. Individuals making deliveries of cannabis or cannabis products on behalf of the commercial cannabis operation engaged in delivery shall maintain a physical copy of the delivery request (and invoice) and shall make it available upon the request of agents or employees of the City requesting documentation.
- F. During delivery, a copy of the commercial cannabis operation engaged in delivery's Commercial Cannabis Operation Permit and State license shall be in the vehicle at all times, and the driver shall make it available upon the request of agents or employees of the City requesting documentation.
- G. A commercial cannabis operation engaged in delivery shall only permit or allow delivery of cannabis or cannabis products in a vehicle that is (1) insured at or above

the legal requirement in the State; (2) capable of securing (locking) the cannabis or cannabis products during transportation; (3) capable of being temperature controlled if perishable cannabis or cannabis products is being transported; and (4) does not display advertising or symbols visible from the exterior of the vehicle that suggest the vehicle is used for cannabis delivery or affiliated with a commercial cannabis operation engaged in delivery.

- H. A commercial cannabis operation engaged in delivery shall facilitate deliveries with a technology platform owned by or licensed to the commercial cannabis operation engaged in delivery that uses global positioning system technology to track, and database technology to record and store the following information:
1. The time that the individual conducting delivery on behalf of the commercial cannabis operation engaged in delivery departed its premises.
 2. The time that the individual conducting delivery on behalf of the commercial cannabis operation engaged in delivery completed delivery to the customer.
 3. The time that the individual conducting delivery on behalf of the commercial cannabis operation engaged in delivery returned to its premises.
 4. The route the individual conducting delivery on behalf of the commercial cannabis operation engaged in delivery traveled between departing and returning to its premises to conduct delivery.
 5. For each individual delivery transaction, the identity of the individual conducting deliveries on behalf of the commercial cannabis operation engaged in delivery.
 6. For each individual delivery transaction, the vehicle used to conduct delivery on behalf of the commercial cannabis operation engaged in delivery.
 7. For each individual delivery transaction, the identity of the customer receiving cannabis or cannabis products from the commercial cannabis operation engaged in delivery.
 8. For each individual delivery transaction, the type and quantity of cannabis or cannabis products dispensed and received.
 9. For each individual delivery transaction, the gross receipts charged by the commercial cannabis operation engaged in delivery and received by the individual conducting deliveries on behalf of the commercial cannabis operation engaged in delivery for the cannabis or cannabis products dispensed and received.
- I. The individual making deliveries on behalf of the commercial cannabis operation engaged in delivery shall personally verify for each individual delivery transaction the identity of the customer receiving cannabis or cannabis products from the commercial cannabis operation engaged in delivery and (1) for medical cannabis or medical cannabis products to a qualified patient, the age and all necessary

documentation of each customer to ensure the customer is not under the age of eighteen (18) years and obtain verification from the recommending physician that the person requesting medicinal cannabis or medicinal cannabis products is a qualified patient, and shall maintain a copy of the physician recommendation or identification card as described in Sections 11362.71 *et seq.* of the State Health and Safety Code, as may be amended from time to time, on site for period of not less than seven (7) years or (2) for cannabis or cannabis products to an adult-use customer, age and all necessary documentation of each customer to ensure the customer is not under the age of twenty-one (21) years.

Sec. 5.26.130 – Community Benefit Agreement.

The applicant may propose entering into a community benefit agreement in an amount and by terms set by City Council resolution with the City setting forth the terms and conditions under which the facility will operate that is in addition to the requirements of this chapter, including, but not limited to, public outreach and education, community service, payment of fees and other charges as mutually agreed, and such other terms and conditions that will protect and promote the public health, safety, and welfare of the City and its residents and visitors.

Sec. 5.26.140 – Administration.

- A. Consistently with stated requirements of this chapter (and in particular not to repeal or constructively repeal this chapter), in addition to any regulations adopted under State law, the City Manager is authorized to establish any additional rules, regulations, and standards governing the issuance or denial of Commercial Cannabis Operation Permits, the ongoing operation of commercial cannabis operations and the City's oversight thereof, or concerning any other subject determined to be necessary to carry out the purposes of this chapter.
- B. Such regulations shall be approved by resolution of the City Council published on the City's website.
- C. Regulations promulgated, by the City Manager, shall become effective upon date of publication. Commercial cannabis operations shall be required to comply with all State and local laws and regulations, including but not limited to any rules, regulations or standards adopted by the City Manager.

Sec. 5.26.150 - Fees.

An application fee set by resolution of the City Council shall be required for formal processing of every application made under this chapter. The City Council is further authorized to pass resolutions to recover any and all fees and costs incurred by the administration and implementation of this chapter through an appropriate fee recovery mechanism to be imposed upon commercial cannabis operations.

Sec. 5.26.160 - Suspension and revocation.

- A. The City Manager is authorized to suspend and/or revoke a Commercial Cannabis Operation Permit issued pursuant to this chapter upon the determination through written findings of a failure to materially comply with any provision of this chapter, any Commercial Cannabis Operation Permit condition, or any agreement or covenant required or made pursuant to this chapter.

- B. Notwithstanding Subsection (A), the City Manager may suspend or revoke a Commercial Cannabis Operation Permit if any of the following occur:
1. The equivalent State license has been suspended or revoked by the State; or
 2. Operations cease for more than one hundred eight (180) consecutive or cumulative days in any one (1) year period; or
 3. Ownership is changed or transferred without complying with Section 5.26.100; or
 4. The commercial cannabis operation fails to maintain required security camera recordings; or
 5. The commercial cannabis operation fails to allow inspection of the security recordings, the activity logs, the records, or of the site by Operations Officers pursuant to this chapter.
- C. Conditions (if any) of suspension or revocation are at the reasonable discretion of the City Manager and may include, but are not limited to, a prohibition on all owners, managers and employees of the suspended or revoked commercial cannabis operation from operating within the City for a period of time set forth in writing and/or a requirement (when operations may resume, if at all, pursuant to the City Manager's reasonable determination) for the holder of the suspended or revoked Commercial Cannabis Operation Permit to resubmit an application for a Commercial Cannabis Operation Permit pursuant to the requirements of this chapter.

Sec. 5.26.170 – Appeals.

Any decision regarding the City Manager's suspension or revocation of a Commercial Cannabis Operation Permit pursuant to Section 5.26.160 may be appealed to the City Council by a permittee or interested party as follows:

- A. If the appellant wishes to appeal a decision to the City Council, the appellant must file a written appeal with the City Clerk within ten (10) calendar days of the decision. The written appeal shall specify the person making the appeal, the decision appealed from, state the reasons for the appeal, and include any evidence in support of the appeal which the applicant seeks to be considered by the City Council.
- B. Notice of the time and place of an appeal hearing shall be providing to the appellant within thirty (30) days of receipt by the City Clerk of the written appeal.
- C. The appeal hearing shall be held within sixty (60) days of the filing of the written appeal with the City Clerk, unless the 60 day time limit is waived by the appellant, or unless the City Council continues the appeal hearing date for good cause and upon written notification to the appellant.
- D. The City Council shall review the facts of the matter, written documents submitted for review, the basis for making the decision which is under appeal, and then determine whether the appealed decision should be reversed or affirmed. The determination made shall be in writing, shall set forth the reasons for the determination, and shall be final.
- E. The provisions of Section 1094.6 of the Code of Civil Procedure sets forth the procedure for judicial review of any final determination. Parties seeking such judicial review shall file such action within ninety (90) days of a determination being made final.

Sec. 5.26.180 – Violations and penalties; public nuisance.

- A. Any material violation of the provisions of this chapter is punishable as a misdemeanor or an infraction, at the discretion of the City Attorney, pursuant to Chapters 1.14 and 1.16 of this Code, except for as preempted by State law and material any violation of the provisions of this chapter is subject to administrative citation, at the reasonable discretion of the City, pursuant to Chapters 1.14 and 1.16 of this Code.
- B. Public Nuisance Abatement.
 - 1. Any commercial cannabis operation that is conducted in material violation of any provision of this chapter is hereby declared to constitute a public nuisance and, as such, may be abated or enjoined from further operation, in accordance with the procedures set forth in Chapter 8.36 of this Code.
 - 2. All costs to abate such public nuisance, including attorneys' fees and court costs, shall be paid by the person causing the nuisance, including the commercial cannabis operation and the property owner where the nuisance is occurring.
- C. The remedies described in this section are not mutually exclusive. Pursuit of any one remedy shall not preclude City from availing itself of any or all available administrative, civil, or criminal remedies, at law or equity.
- D. Any material violation of the provisions of this chapter shall constitute a separate offense for each and every day during which such violation is committed or continued.

Sec. 5.26.190 - Service of notices.

Any notice required by this chapter is deemed issued and served upon the earliest date that either: the notice is deposited in the United States mail, postage pre-paid, addressed to the most recent mailing address provided to the City pursuant to the requirements of this chapter; or, the date upon which personal service of the notice is provided to a responsible party.

Sec. 5.26.200 - Prohibitions.

- A. Any commercial cannabis operation in violation of this chapter, or any other applicable State law is expressly prohibited.
- B. It is unlawful for any commercial cannabis operation in the City, or any agent, employee or representative of such commercial cannabis operation, to permit any breach of peace or any disturbance of public order or decorum by any tumultuous, riotous or disorderly conduct at the site of the commercial cannabis operation.

Sec. 5.26.210 - Nonconforming use.

No use which purports to have engaged in commercial cannabis operations of any nature prior to the enactment of this chapter shall be deemed to have been a legally established use under the provisions of this Code, or any other City ordinance, rule or regulation, and such use shall not be entitled to claim legal nonconforming status.

Sec. 5.26.220 – Exceptions

- A. To the extent that the following activities are permitted by state law, nothing in this chapter shall prohibit a person twenty-one (21) years of age or older from:
 - 1. Possessing, processing, purchasing, transporting, obtaining or giving away to persons twenty-one (21) years of age or older, without compensation

whatsoever, not more than twenty-eight and one-half (28.5) grams of cannabis not in the form of concentrated cannabis;

2. Possessing, processing, purchasing, transporting, obtaining or giving away to persons twenty-one (21) years of age or older, without compensation whatsoever, up to eight grams of cannabis in the form of concentrated cannabis;
3. Possessing, transporting, purchasing, obtaining, using, manufacturing, or giving away cannabis accessories to persons twenty-one (21) years of age or older without compensation whatsoever; or
4. Engaging in the indoor cultivation of six (6) or fewer live cannabis plants within a single private residence or inside an accessory structure located upon the grounds of a private residence that is fully enclosed and secured, to the extent such cultivation is authorized by Sections 11362.1 and 11362.2, of the State Health and Safety Code, as may be amended from time to time.

- B. This chapter shall also not prohibit any commercial cannabis operations that the City is required by law to permit within its jurisdiction pursuant to State law.

Sec. 5.26.230 – Operative date.

This chapter shall be operative ten (10) days after the date that the City Council declares that a majority of the City's voters voting at the November 8, 2022, election have voted in favor of this chapter at such election.

Sec. 5.26.240 - Severability.

If any section, subsection, subdivision, sentence, clause, phrase, word, or portion of this chapter is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this chapter. The people of the City of South El Monte hereby declare that they would have adopted this chapter and each section, subsection, subdivision, sentence, clause, phrase, word, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, words or portions thereof be declared invalid or unconstitutional.

Sec. 5.26.250. City Council Authority to Amend.

The City Council has the right and authority to amend this chapter, with the exception of Section 5.26.060 (which may only be amended (i) if ordered to do so by a court of competent jurisdiction as a judicial remedy or (ii) by a vote of the People of the City), to further its purposes and intent (including but not limited to amendment for more efficient administration as determined by the City Council), in any manner that does not increase a tax rate, or otherwise constitute a tax increase for which voter approval is required by Article XIII C of the California Constitution, pursuant to Elections Code Section 9217.

Sec. 5.26.260. City Councilmember Conflicts of Interest.

Notwithstanding any other provision of this Chapter, prior to participating in any decision relating to a cannabis business, each city councilmember shall do all of the following

1. Disclose on the record any financial interest in the cannabis business that is subject to the decision.
2. Disclose on the record any campaign contributions and benefits or gifts received from the cannabis business that is subject to the decision.

3. Disclose on the record any ex parte communications that the city councilmember may have had with a cannabis business that is the subject of the decision.
4. Each city councilmember shall warrant and represent, on the record and in a form approved by the City Council, that they have complied with these requirements and all applicable law.

If it is later determined that a city councilmember has not complied with the above requirements or if it is determined that a city councilmember has violated applicable law, then the city councilmember is disqualified from all decisions relating to the cannabis business subject to the decision. The requirements of this Section 5.26.260 shall be in addition to any applicable law, including, without limitation, the California Political Reform Act and the related regulations of the Fair Political Practices Commission.”

SECTION 3. REPEAL OF CHAPTER 17.31. Chapter 17.31 of Title 17 of the City Municipal Code is hereby repealed in its entirety.

SECTION 4. AMENDMENT TO SECTION 17.18.030(O). Section 17.18.030(O) of Chapter 17.18 of Title 17 of the South El Monte Municipal Code is hereby repealed in its entirety.

SECTION 5. ADDITION OF SECTION 9.08.045. Section 9.08.045 shall be added to Chapter 9.08 of Title 9 of the South El Monte Municipal Code as follows:

“This Chapter shall not apply to a retailer commercial cannabis operation permitted pursuant to Chapter 5.26 of Title 5 of this Code.”

SECTION 6. AMENDMENT TO SECTION 17.14.030. Section 17.14.030 of Chapter 17.14 of Title 17 of the City Municipal Code is hereby amended by adding Subsection (S) as follows:

“Retailer commercial cannabis operations in accordance with Chapter 5.26 of Title 5 of this Code.”

SECTION 7. AMENDMENT TO SECTION 17.16.030. Section 17.16.030 of Chapter 17.16 of Title 17 of the City Municipal Code is hereby amended by adding Subsection (F) as follows:

“Retailer commercial cannabis operations in accordance with Chapter 5.26 of Title 5 of this Code.”

SECTION 8. SENSITIVE USES. The People of the City find that the definitions of the sensitive uses (alcohol or drug treatment facilities, day care centers, parks, religious institutions, schools, and youth centers) under the amendment to Chapter 5.26 of the City Municipal Code in this Ordinance are subject to some degree of interpretation. However, the People of the City also find that certainty regarding the identification of sensitive uses (alcohol or drug treatment facilities, day care centers, parks, religious institutions, schools, and youth centers) under the amendments to Chapter 5.26 of the City Municipal Code in this Ordinance is required to carry out the purpose and intent of the Ordinance so the that People, the City, and prospective applicants can clearly identify where and where not lawful retailer commercial cannabis operations under this Ordinance may be located. Accordingly and pursuant to the authority delegated by the State to the People of the City under Section 26054(b) of the State Business and Professions Code and overriding the location and design requirements contained in Section 26054(b) of the State Business and Professions Code, the sensitive uses established by resolution of the City Council (including alcohol or drug treatment facilities, day care centers, parks, religious institutions, schools, and youth centers) and only those sensitive uses shall be considered under the amendment to Section 5.26.070 of the City Municipal Code in this Ordinance for the purpose of the initial establishment of retailer commercial cannabis operations pursuant to the initial iteration of the retailer commercial cannabis operations application procedure

under the amendment to Section 5.26.070 of the City Municipal Code in this Ordinance (to include any review and scoring of any applications pursuant to the objective review criteria and quantitative evaluation scale under the amendment to Section 5.26.070 of the City Municipal Code in this Ordinance). Only following the initial iteration of the retailer commercial cannabis operations application procedure and the initial issuance of Commercial Cannabis Operation Permits under the amendment to Section 5.26.070 of the City Municipal Code in this Ordinance, and except as otherwise provided by the City Council resolution, may the City Manager designee reinterpret the list of sensitive uses for the purpose of subsequent iterations of the retailer commercial cannabis operations application procedure under the amendment to Section 5.26.070 of the City Municipal Code in this Ordinance and change in location applications under the amendment to Section 5.26.130 of the City Municipal Code in this Ordinance.

SECTION 9. AMENDMENT TO SECTION 5.04.045. Section 5.04.045 of Title 5 of the South El Monte Municipal Code is hereby amended to add “Retailer (Type 10) Commercial Cannabis Operations (Medical / Adult-Use / Non-Medical) in accordance with Chapter 5.26 of Title 5 of this Code” as a new item number 9 to the list of businesses, occupations, or other activities requiring licenses in the City as set forth in Los Angeles County Code Section 7.04.010 as amended by South El Monte Municipal Code Section 5.04.045, and to renumber existing items 9 through 45 of the list accordingly.

SECTION 10. ADDITION OF CHAPTER 3.40 (CANNABIS BUSINESS TAX). Chapter 3.40 (Cannabis Business Tax) is hereby added to Title 3 (Revenue and Finance) of the South El Monte Municipal Code, to read in its entirety as follows:

“CHAPTER 3.40 CANNABIS BUSINESS TAX

Section 3.40.010. Definitions.

Section 3.40.020. Tax.

Section 3.40.030. Operation of Tax.

Section 3.40.040. Returns and Remittances.

Section 3.40.050. Failure to Pay Tax.

Section 3.40.060. Refunds and Claims.

Section 3.40.070. Enforcement.

Section 3.40.080. Debts; Deficiencies; Determinations; Hearings.

Section 3.40.090. Operative Date.

Section 3.40.100. City Council Authority to Amend.

Section 3.40.110. City Councilmember Conflicts of Interest.

Sec. 3.40.010. Definitions.

The following definitions apply to this chapter unless the context clearly denotes otherwise. Terms not defined herein shall be given the definitions set forth in Chapter 5.26 of this Code.

- A. “Cannabis” shall have the meaning set forth in Section 5.26.030 of this Code.
- B. “Cannabis products” shall have the meaning set forth in Section 5.26.030 of this Code.

- C. "City" means the City of South El Monte.
- D. "Code" shall mean the South El Monte Municipal Code.
- E. "Commercial cannabis operation" shall have the meaning set forth in Section 5.26.030 of this Code. "Commercial cannabis activity" and "cannabis business" shall be synonymous with "commercial cannabis operation."
- F. "Cultivation" shall have the meaning set forth in Section 5.26.030 of this Code.
- G. "Delivery" shall have the meaning set forth in Section 5.26.030 of this Code.
- H. "Distribution" shall have the meaning set forth in Section 5.26.030 of this Code.
- I. "Distributor" shall have the meaning set forth in Section 5.26.030 of this Code.
- J. "Edible" shall have the meaning set forth in Section 5.26.030 of this Code.
- K. "City Manager" means the City's City Manager, or his or her designee.
- L. "Location" shall have the meaning set forth in Section 5.26.030 of this Code.
- M. "Manufacture" or "manufacturing" shall have the meaning set forth in Section 5.26.030 of this Code.
- N. "Manufactured cannabis" 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.
- O. "Manufacturer" shall have the meaning set forth in Section 5.26.030 of this Code.
- P. "Marijuana" has the same definition as "cannabis."
- Q. "Operation" means a "commercial cannabis operation."
- R. "Permit," or "local permit" means a Commercial Cannabis Operation Permit, as that term is defined in Section 5.26.030 of this Code.
- S. "Person" shall have the meaning set forth in Section 5.26.030 of this Code.
- T. "Proceeds" means total amount of gross revenue actually received or receivable by a commercial cannabis operation from all sales of goods of any kind, including but not limited to cannabis and cannabis products; the total amount of compensation actually received or receivable for the performance of any act or service whatever nature it may be, including but not limited to commercial cannabis activity, from which a charge is made or credit allowed, whether such service is done singly and/or as part of or in connection with the sale of materials; goods, wares or merchandise; discounts, rents, royalties, fees, commissions, dividends or other gains. Proceeds includes all receipts, cash, credits and property of any kind or nature, consideration of any nature, without any deduction therefrom on account of the cost of property sold, the cost of materials used, labor or services costs, interest paid or payable or losses or other expenses or deduction whatsoever. Excluded from Proceeds are any taxes required by law to be added to the purchase and collected from the consumer or purchaser, such part of the sales price of any property returned by the purchaser to the seller as refunded by the seller by way of cash or credit allowances or return of refundable deposits previously included in Proceeds. Proceeds may also exclude such other amounts that may be permitted by the City Manager as not being included in Proceeds pursuant to administrative rulings or instructions provided by the City Manager. "Proceeds" is intended to include all gross revenue of the commercial operation

whether for commercial cannabis activities or other activities (e.g., revenue from sales of other goods at the location).

- U. “Retailer” means a person engaged in the retail sale or delivery of cannabis or cannabis products to a customer. A retailer may be a storefront or non-storefront retailer.
- V. “Space utilized as cultivation area” shall mean any space or ground, floor or other surface area (whether horizontal or vertical) which is used during the cannabis germination, seedling, vegetative, pre-flowering, flowering and/or harvesting phases, including without limitation any space used for activities such as growing, planting, seeding, germinating, lighting, warming, cooling, aerating, fertilizing, watering, irrigating, topping, pinching, cropping, trimming, curing or drying cannabis or any such space available for or used for storing any products, supplies or equipment related to any such activities, no matter where such storage may take place or such storage space may be located. “Space used as cultivation area” shall include space used to cultivate cannabis plants on platforms and stack them in multiple layers on top of each other (i.e., vertical cultivation). “Space utilized as cultivation area” shall be calculated in square feet and measured using clearly identifiable and/or apparent boundaries, including all of the space within the boundaries. Such space may be noncontiguous but each unique area included in the total calculation shall be separated by an identifiable and/or apparent boundary, including but not limited to, interior walls, shelves, and greenhouse walls, nursery wall or canopy walls, hoop house walls, garden benches, hedgerows, fencing, garden beds, or garden plots. “Space used as cultivation area” includes space which is immediately available for the activities described herein even if not being used at the time of determination. The City Manager shall determine the “space utilized as cultivation area” during the initial Term of the operation, and at least annually thereafter.
- W. “Tax” means the commercial cannabis tax and commercial cannabis cultivation tax imposed by this chapter.
- X. “Term” means such term or period of time as may be designated by the City Manager for reporting or payment of tax, provided, however, that if no such term is designated, Term shall mean a calendar month (meaning that the annual tax shall be divided by 12 for the appropriate fiscal year). Notwithstanding the foregoing, the Term for payment of tax may be set on a monthly, quarterly, semi-annual or annual basis by the City Manager. Taxes may be prorated to the extent the City Manager provides for a term other than that specified above, to the extent a commercial cannabis operation commences on a date other than the first date of a Term, upon cessation of the business, or for other appropriate reasons.
- Y. “Testing laboratory” shall have the meaning set forth in Section 5.26.030 of this Code.

Sec. 3.40.020. Tax.

- A. Commercial Cannabis Tax (non-cultivation). Every person conducting a commercial cannabis operation other than cultivation in the City, regardless of whether such operation has a valid permit pursuant to this Code, shall pay, on a per-Term basis, a commercial cannabis tax (non-cultivation) of not more than eight percent (8%) of the proceeds of the commercial cannabis operation.
- B. Commercial Cannabis Cultivation Tax. Every person conducting a commercial cannabis operation involving cultivation in the City, regardless of whether such

operation has a valid permit pursuant to this Code, shall pay a maximum commercial cannabis cultivation tax of no more than twenty-five dollars (\$25) per square foot per fiscal year (July 1 to June 30) for space utilized as cultivation area. Notwithstanding the foregoing, taxes imposed on space utilized as cultivation area shall be adjusted annually on July 1 of each year, commencing July 1, 2023, after the date of imposition based on changes in the Consumer Price Index ("CPI") for all urban consumers in the Los Angeles-Long Beach-Anaheim areas (or similar index) as published by the United States Government Bureau of Labor Statistics for the prior calendar year; provided, however, no adjustment shall decrease any maximum tax imposed by this chapter.

- C. Purpose of Tax. The revenue generated by the commercial cannabis tax and the commercial cannabis cultivation tax may be spent for unrestricted general revenue purposes.
- D. Intent of Tax. The taxes provided for in this chapter do not authorize any commercial cannabis operation or use that is not otherwise expressly allowed by this Code. The taxes provided for in this chapter are intended to both allow the City to levy the taxes on commercial cannabis operations and uses that are authorized or allowed in the City as of the date of enactment of this chapter and to provide the City with the ability to levy the taxes on potential future commercial cannabis operations and uses that may after enactment of this chapter be allowed in the City by local ordinance or initiative. The taxes imposed by this chapter are in addition to all other applicable taxes imposed by this Code, including, but not limited to, the sales and use tax imposed by Chapter 3.04 of Title 3 and the business license fees imposed by Chapter 5.04 of Title 5.
- E. Automatic Maximum Rates. The tax rates of the commercial cannabis tax (non-cultivation) and the commercial cannabis cultivation tax shall automatically be set at the maximum rates specified in this chapter each July 1 unless established otherwise at a lower rate by resolution or ordinance of the City Council.
- F. Authority to Levy Tax at Lower than Maximum Authorized Rate. The City Council may, at any time, by resolution or ordinance and without voter approval, levy the tax at any rate lower than the maximum rate authorized by this chapter; provided, however, the maximum tax rate permitted to be levied without further voter approval shall be and remain the maximum tax rate set forth in this chapter.
- G. Future Exemptions, Exceptions, Penalties and Interest Permitted. The City Council may establish exemptions, incentives, or other reductions, and penalties and interest charges or determinations of tax due for failure to pay the tax in a timely manner, as otherwise allowed by this Code or California law. No action by the City Council under this section shall prevent it from later increasing the tax or removing any exemption, incentive, or reduction, and thereby restoring the maximum tax specified in this chapter.

Sec. 3.40.030. Operation of Tax.

- A. Failure to pay the taxes set forth in this chapter shall be subject to penalties, interest charges, and determinations of tax due as set forth in this chapter and as the City Council may establish, and the City may use any or all other enforcement remedies provided for in this Code, or pursuant to state law.
- B. The payment of the tax required pursuant to this chapter shall not be construed as authorizing the conduct or continuance of any illegal business or of a legal business

in an illegal manner. Nothing in this chapter shall be construed to authorize commercial cannabis operations.

- C. Taxes provided for hereunder are not sales or use taxes and shall not be calculated or assessed as such. The taxes shall not be separately identified or otherwise specifically assessed or charged to any individual, consumer or customer; rather, the taxes are imposed upon the commercial cannabis operation.
- D. The City Manager shall promulgate rules, regulations, and procedures to implement and administer this chapter to ensure the efficient and timely collection of the tax imposed by this chapter, including without limitation, formulation and implementation of penalties and interest to be assessed for failure to pay the tax as provided.

Sec. 3.40.040. Returns and Remittances.

The tax shall be due and payable as follows:

- A. Each person owing tax, within 45 days (or such other period as may be established by the City Manager) after the conclusion of each Term, shall prepare and submit a tax return to the City Manager. The tax return shall include all information necessary to determine the amount of tax owed for the subject Term, including the proceeds of the commercial cannabis operation (for all operations other than cultivation) and the total square footage of space utilized as cultivation area, for cultivation operations. At the time the tax return is filed, the full amount of the tax owed for the preceding term shall be remitted to the City. Where the Term is set on an annual basis, the City Manager may require prorated payments or estimated tax payments on more frequent intervals during the Term, as such intervals may be established by the City Manager.
- B. All tax returns shall be completed on forms provided by the City Manager.
- C. Tax returns and payments for all outstanding taxes owed the City are immediately due to the City Manager upon cessation of business of a commercial cannabis operation for any reason or upon sale of a commercial cannabis operation.
- D. Whenever any payment, statement, report, request or other communication received by the City Manager is received after the time prescribed by this section for the receipt thereof, but is in an envelope bearing a postmark showing that it was mailed on or prior to the date prescribed in this section for the receipt thereof, or whenever the City Manager is furnished substantial proof that the payment, statement, report, request, or other communication was in fact deposited in the United States mail on or prior to the date prescribed for receipt thereof, the City Manager may regard such payment, statement, report, request, or other communication as having been timely received. If the due date falls on a date the City Hall is closed, or on a Saturday, Sunday, or federal holiday, the due date shall be the next regular business day on which the City Hall is open to the public following the due date.
- E. Unless otherwise specified in this chapter, taxes shall be deemed delinquent if not paid on or before the due date pursuant to this section.
- F. The City Manager is not required to send a delinquency or other notice or bill to any person subject to payment of tax pursuant to this chapter, and failure to send such notice or bill shall not affect the validity of any tax or penalty due under this chapter.

Sec. 3.40.050. Failure to Pay Tax.

Any person who fails or refuses to pay any tax required to be paid pursuant to this chapter on or before the due date shall pay penalties and interest as follows:

- A. A penalty of no more than twenty-five percent (25%) of the amount of tax remaining unpaid (in addition to the amount of unpaid tax), plus interest on the unpaid tax calculated from the due date of the tax at a rate not to exceed twelve percent (12%) per year (or one percent (1%) per month), and these penalties and interest rates will automatically be set at the maximum amounts unless established otherwise as a lower amount by resolution of the City Council.
- B. Whenever a check is submitted in payment of a tax and the check is subsequently returned unpaid by the bank upon which the check is drawn, and the check is not redeemed prior to the due date, the taxpayer will be liable for the tax amount due plus penalties and interest as provided for in this section, as well as any other amount allowed under state law.
- C. The tax due shall be that amount due and payable from the operative date of this chapter.
- D. The City Manager may waive the penalties of up to twenty-five percent (25%) each imposed upon any person if:
 - 1. The person provides evidence satisfactory to the City Manager that failure to pay timely was due to circumstances beyond the control of the person and occurred notwithstanding the exercise of ordinary care and the absence of willful neglect, and the person paid the delinquent tax and accrued interest owed the City prior to applying to the City Manager for a waiver.
 - 2. The waiver provisions specified in this subsection shall not apply to interest accrued on delinquent tax, and a waiver shall be granted no more than once during any twenty-four month period for any given payor of commercial cannabis tax (non-cultivation), and no more than once during any five (5) year period for any given payor of commercial cannabis cultivation tax.

Sec. 3.40.060. Refunds and Claims.

- A. No refund or claim shall be made of any tax collected pursuant to this chapter, except as provided in this section.
- B. No refund of any tax collected pursuant to this chapter shall be made because of the discontinuation, dissolution, or other termination of an operation.
- C. Any person entitled to a refund of taxes paid pursuant to this chapter may elect in writing to have such refund applied as a credit against cannabis business taxes for the next term.
- D. Whenever the amount of any tax, penalty, or interest has been overpaid, paid more than once, or has been erroneously or illegally collected or received by the City under this chapter, such amount may be refunded to the claimant who paid the tax, provided that a written claim for refund is filed with the City Manager if the claim is equal to or less than \$5,000 and the City Council if the claim is more than \$5,000. Refund claims must be filed as set forth above within one year of the subject tax payment pursuant to Government Code Section 911.2. Each person requesting a refund or making a claim shall file the claim as provided herein. The submission of a written

claim, which shall be acted upon by the City Manager if less than or equal to \$5,000 or the City Council if more than \$5,000, shall be a prerequisite to suit thereon. (See Section 935 of the California Government Code). The City Manager, or the City Council where the claim is in excess of \$5,000, shall act upon the refund claim within the time period set forth in Government Code Section 912.4. If the City Council fails or refuses to act on a refund claim within the time prescribed by Government Section 912.4, the claim shall be deemed to have been rejected by the City Council on the last day of the period within which the City Council was required to act upon the claim as provided in Government Code Section 912.4. The City Manager or City Clerk or other officer charged with such duty shall give notice of the action in a form that substantially complies with that set forth in Government Code Section 913. To the extent allowed by law, nothing herein shall permit the filing of a claim on behalf of a class or group of taxpayers unless each member of the class has submitted a written claim as provided by this Section 3.40.060.

- E. The City Manager shall have the right and authority to examine and audit all the books and business records of the claimant in order to determine the eligibility of the claimant to the claimed refund. No claim for refund shall be allowed if the claimant therefor refuses to allow such examination of claimant's books and business records after request by the City Manager to do so. The authorization herein shall extend to any agent hired by the City to audit the books, including an independent auditor.
- F. In the event that the tax was erroneously paid and the error is attributable to the City, the entire amount of the tax erroneously paid shall be refunded to the claimant. If the error is attributable to the claimant, the City shall retain the amount set forth in this chapter from the amount to be refunded to cover expenses.
- G. The City Manager shall initiate a refund of any tax which has been overpaid or erroneously collected whenever the overpayment or erroneous collection is revealed by a City audit of tax receipts. In the event that the tax was erroneously paid and the error is attributable to the City, the entire amount of the tax erroneously paid shall be refunded to the claimant. If the error is attributable to the claimant, the City shall retain the amount set forth in this chapter from the amount to be refunded to cover expenses.

Sec. 3.40.070. Enforcement.

- A. It shall be the duty of the City Manager to enforce each and all of the provisions of this chapter.
- B. For purposes of administration and enforcement of this chapter generally, the City Manager, with the assistance of the City Attorney, may from time to time promulgate administrative rules and regulations.
- C. The City Manager shall have the power to audit and examine all books and records of operations as well as persons engaged in the conducting of an operation, including both state and federal income tax returns, California sales tax returns, logs, receipts, bank records, or other evidence documenting the proceeds of the operation and/or space utilized as cultivation area, or persons engaged in the conduct of an operation, for the purpose of ascertaining the amount of tax, if any, required to be paid by the provisions of this chapter, and for the purpose of verifying any statements or any item thereof when filed by any person pursuant to this chapter. If such operation or person, after written demand by the City Manager, refuses to make available for audit, examination or verification such books, records, or equipment as the City Manager

requests, the City Manager may, after full consideration of all information within the City Manager's knowledge concerning the operation and activities of the person so refusing, make a determination of tax due in the manner provided in Section 3.40.080.

- D. The City Manager shall have the power to enter upon the premises upon reasonable notice to the commercial cannabis operation at least once per Term for the purposes of determining space utilized as cultivation area, to review items requested in subsection C of this section or as otherwise needed for enforcement of this chapter.
- E. The conviction and punishment of any person for failure to pay the required tax shall not excuse or exempt such person from any civil action for the tax debt unpaid at the time of such conviction. No civil action shall prevent a criminal prosecution for any violation of the provisions of this chapter or of any state law requiring the payment of all taxes.
- F. Any person violating any provision of this chapter or any regulation or rule passed in accordance herewith, or knowingly or intentionally misrepresenting to any officer or employee of the City any material fact, either concerning the operation and administration of this chapter, or as provided for in this chapter, shall be deemed guilty of a misdemeanor. Notwithstanding the foregoing, the City Attorney/Prosecutor, in his or her discretion, may elect to charge and prosecute any violation as an infraction in lieu of a misdemeanor or to not charge and prosecute at all.

Sec. 3.40.080. Debts; Deficiencies; Determinations; Hearings.

- A. The amount of any tax, penalties, and interest imposed by this chapter shall be deemed a debt to the City, and any person conducting an operation without also making payment to the City of the taxes, penalties and interest imposed by this chapter shall be liable in an action in the name of the City in any court of competent jurisdiction for the full amount of the tax, and penalties and interest owed by such operation.
- B. If the City Manager is not satisfied that any statement filed as required by this chapter is correct, or that the amount of tax is correctly computed, the City Manager may compute and determine the amount to be paid and make a deficiency determination upon the basis of the facts contained in the statement or upon the basis of any information in his or her possession or that may come into his or her possession. One or more deficiency determinations of the amount of tax due for a period or periods may be made. When a person ceases or discontinues an operation, a deficiency determination may be made at any time within three years thereafter as to any liability arising from engaging in such business whether or not a deficiency determination is issued prior to the date the tax would otherwise be due.
- C. Under any of the following circumstances, the City Manager may make and give notice of a determination of the amount of tax owed by a person under this chapter:
 - 1. If the person has not filed any statement or return required by this chapter.
 - 2. If the person has not paid any tax due under the provisions of this chapter.
 - 3. If the person has not, after demand by the City Manager, filed a corrected statement or return, or furnished to the City Manager adequate substantiation of the information contained in a statement or return already filed, or paid any additional amount of tax due under this chapter.
 - 4. If the City Manager determines that the nonpayment of any tax due under this chapter is due to fraud, a penalty of twenty-five percent (25%) of the amount

of the tax shall be added thereto in addition to penalties and interest otherwise stated in this chapter.

5. The notice of determination shall separately set forth the amount of any tax known or estimated by the City Manager, after consideration of all information within his or her knowledge concerning the business and activities of the person assessed, to be due under this chapter, and such notice shall include the amount of any penalties or interest accrued on each amount to the date of the notice of determination.
6. The notice of determination shall be served upon the person either by handing it to him or her personally, or by a deposit of the notice in the United States mail, postage prepaid thereon, addressed to the person at the address of the location of the business appearing on the face of the business tax certificate issued under this Code or to such other address as such person shall register with the City Manager for the purpose of receiving notices provided under this chapter; or, should the person have no business tax certificate issued and should the person have no address registered with the City Manager for such purpose, then to such person's last known address. For the purposes of this section, a service by mail is complete at the time of deposit in the United States mail.

D. Within ten days after the date of service of a notice of determination of the amount of tax owed by a person under this chapter, or other determination of the City Manager pursuant to subsection (C)(5) of this section, the person may apply in writing to the City Manager for a hearing on the determination. If application for a hearing before the City is not timely made, the tax assessed by the City Manager shall become final. The procedures for such a hearing shall be conducted as required by law and as follows:

1. The City Council delegates its authority to conduct such a hearing on the determination to an independent hearing officer. The compensation of the hearing officer shall not depend on any particular outcome of the appeal. The hearing officer shall have full authority and duty to preside over the hearing on the determination in the manner set forth herein and as required by law.
2. Within 30 days of the receipt of any such application for hearing, the City Manager shall cause the matter to be set for hearing before the independent hearing officer, unless a later date is agreed to by the City Manager and the person requesting the hearing.
3. Notice of the hearing shall be given by the City Manager to the person requesting the hearing not later than five days prior to the date of the hearing. For good cause, the hearing officer may continue the administrative hearing from time to time. At the hearing, the applicant may appear and offer evidence to show why the determination of the City Manager should not be confirmed and fixed as the tax due or the other determination of the City Manager pursuant to subsection (C)(5). In conducting the hearing, the hearing officer shall not be limited by the technical rules of evidence. Failure of the person who applied for a hearing on the determination to appear shall not affect the validity of the proceedings or order issued thereon.
4. Upon conclusion of the hearing, or no later than 10 days after the conclusion of the hearing, the hearing officer shall determine and reassess the proper tax

to be charged or make such other determination as provided in subsection (C)(5) and shall give written notice to the person in the manner prescribed in this chapter for giving notice of determination, and the hearing officer shall submit its decision and the record to the City Clerk. The decision of the hearing officer shall be final.

5. The provisions of this section apply to any decision, deficiency determination, assessment, or other decision or ruling of the City Manager, except decisions made pursuant to Section 3.40.060 (Refunds and Claims). Any person aggrieved by any decision subject to this section shall comply with the hearing procedure of this section. Pursuant to Government Code Section 935(b), compliance with this section shall be a prerequisite to a suit thereon. To the extent allowed by law, nothing herein shall permit the filing of a claim or action on behalf of a class or group of taxpayers.

Sec. 3.40.090. – Operative date.

This chapter shall be operative ten (10) days after the date that the City Council declares that a majority of the City's voters voting at the November 8, 2022, election have voted in favor of this chapter at such election.

Sec. 3.40.100. City Council Authority to Amend.

The City Council has the right and authority to amend this chapter, to further its purposes and intent (including but not limited to amendment for more efficient administration as determined by the City Council), in any manner that does not increase a tax rate, or otherwise constitute a tax increase for which voter approval is required by Article XIII C of the California Constitution, pursuant to Elections Code Section 9217.

Sec. 3.40.110. City Councilmember Conflicts of Interest.

Notwithstanding any other provision of this Chapter, prior to participating in any decision relating to a cannabis business, each city councilmember shall do all of the following

1. Disclose on the record any financial interest in the cannabis business that is subject to the decision.
2. Disclose on the record any campaign contributions and benefits or gifts received from the cannabis business that is subject to the decision.
3. Disclose on the record any ex parte communications that the city councilmember may have had with a cannabis business that is the subject of the decision.
4. Each city councilmember shall warrant and represent, on the record and in a form approved by the City Council, that they have complied with these requirements and all applicable law.

If it is later determined that a city councilmember has not complied with the above requirements or if it is determined that a city councilmember has violated applicable law, then the city councilmember is disqualified from all decisions relating to the cannabis business subject to the decision. The requirements of this Section 3.40.110 shall be in addition to any applicable law, including, without limitation, the California Political Reform Act and the related regulations of the Fair Political Practices Commission."

SECTION 11. SEVERABILITY. If any provision, section, paragraph, sentence, phrase, or word of this Ordinance is, rendered or declared invalid, illegal, or unconstitutional by any final action in a court of competent jurisdiction or by reason of any preemptive legislation, such constitutionality, illegality or invalidity shall only affect such provision, section, paragraph, sentence, phrase, or word and shall not affect or impair any remaining provisions, sections, paragraphs, sentences, phrases, or words, or the application of this Ordinance to any other person or circumstance, and to that end, the provisions hereof are severable. It is hereby declared to the intent of the People of the City that this Ordinance would have been adopted had such unconstitutional, illegal or invalid provision, section, paragraph, sentence, phrase, or word not been included herein.

SECTION 12. APPROPRIATIONS LIMIT. Pursuant to Article XIII B of the California Constitution, the appropriations limit for the City of South El Monte is increased to the maximum extent over the maximum period of time allowed under the law consistent with the revenues generated by this tax.

SECTION 13. CONFLICTING MEASURES. The People of the City find and declare that the provisions of this Ordinance relating to the regulation and taxation of commercial cannabis operations in the City may conflict with one or more provisions of other initiative measures. It is the intent of the People that if this Ordinance receives a greater number of affirmative votes than a conflicting measure at the same election, this Ordinance shall prevail in its entirety over a conflicting measure.

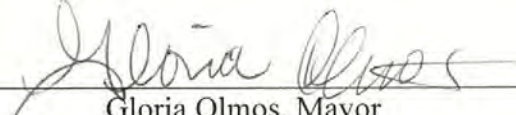
SECTION 14. AMENDMENT. Following the operative date of this Ordinance, the City Council may, pursuant to the procedures set forth in the State Government Code and the City Municipal Code and without prior approval of the electorate, amend this Ordinance including Chapter 5.26 (Cannabis Activities) of Title 5 (Business Taxes, Licenses, and Regulations) of the City Municipal Code, with the exception of Section 5.26.060 of the City Municipal Code, which may only be amended (i) if ordered to do so by a court of competent jurisdiction as a judicial remedy or (ii) by a vote of the People of the City.

SECTION 15. CEQA. The City Council finds that this Ordinance is not subject to the CEQA pursuant to both the exemption provided by Sections 15060(c)(3) and 15061(b)(3) of the CEQA Guidelines.

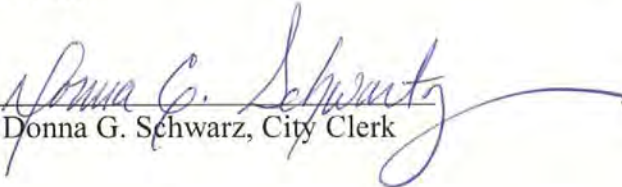
SECTION 16. OPERATIVE DATE. This Ordinance shall be operative 10 days after the date that the City Council declares that a majority of the City's voters voting at the November 8, 2022, election have voted in favor of a cannabis-related measure at such election.

SECTION 17. CERTIFICATION. The Mayor of the City of South El Monte is hereby authorized and ordered to attest to the adoption of the Ordinance by the voters of the City of South El Monte by signing where indicated below.

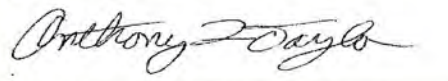
PASSED, APPROVED and ADOPTED by the People of the City of South El Monte, California voting on the 8th day of November 2022.


Gloria Olmos, Mayor

ATTEST:


Donna G. Schwarz, City Clerk

APPROVED AS TO FORM:


Anthony R. Taylor, City Attorney



City Council Agenda Report

Agenda Item No. 7.d.

DATE: September 26, 2023

TO: Honorable Mayor and Members of the City Council

APPROVED BY: Rene Salas, City Manager

SUBMITTED BY: Masami Higa, Director of Finance

SUBJECT: CONSIDERATION AND APPROVAL OF RESOLUTION NO. 23-90, APPROVING PURCHASE OF SCANNING SERVICES WITH ECS IMAGING INC.

SUMMARY: The City Clerk's Office is currently undergoing a records retention project with ECS Imaging Inc. to enhance the department's capabilities of hosting and retaining scanned documents into Laserfiche. Staff is requesting to use ECS Imaging Inc. scanning services to scan all of the Planning Department's plans.

RECOMMENDED ACTION: Staff recommends City Council:

1. Adopt Resolution No. 23-90, approving professional scanning services from ECS Imaging, Inc. (ECS); and
2. Authorize City Manager or designee to accept the quote issued by ECS.

FISCAL/FINANCIAL IMPACT: The fiscal impact will be a one-time cost of \$55,850.00 within the General Fund.

DISCUSSION: On October 1, 2013, the City entered into an agreement with ECS to setup and implement Laserfiche, an enterprise content management system, and to have all paper minutes, resolutions, ordinances, and agreements converted and scanned into electronic/digital format and archived in Laserfiche. Significant effort, resources, and staff time were dedicated to converting all such official records of the City from January 1, 1958 through October 1, 2013.

Due to various technological advancements, on December 21, 2022, the City entered into an agreement with ECS to move all such archived material stored and backed up on the City's servers onto the Cloud, with a weblink public portal to enhance accessibility and transparency.

Now, the City faces another opportunity to have all the maps and drawings of the City scanned and archived into Laserfiche. The scope consists of the following:

- 50,000 Black & White Document Scanning up to legal size
- 22,000 Black & White Map Scanning up to e-size

- 22,000 Color Map Scanning up to e-size

Staff believes the scope of the scanning work is a professional service, as it requires technical knowledge and skill to meet the legal requirement for the images to serve as official records, such as:

- Stored on an unalterable medium (Laserfiche)
- Stored in a safe & separate location (Cloud with backup and security)
- Both the images and the indexing quality are checked
- The electronic record or image must contain all significant details from the original and be an adequate substitute for the original document.

Per South El Monte Municipal Code Title 3, Chapter 3.16.070, the services of vendors possessing a high degree of professional, specialized technical skill or expertise, may be procured without following bid procedures. Per City's Purchasing Manual adopted by Resolution No. 16-17, Chapter 3, there is no bidding requirement for professional services, but City Council must approve agreements for professional services above the City Manager's approval threshold adjusted for inflation, which is \$33,018 as of August 31, 2023.

Although bidding is not required for professional services, price should still be reviewed for reasonableness to serve the public's best interest. Staff compared ECS's quote against another City's contract with ECS for the same services and found it to be reasonable (Attachment C).

ATTACHMENT(S):

- A. Resolution No. 23-90
- B. ECS Imaging Inc. - Quote for Plans Scanning
- C. City of Canyon Lake Contract with ECS Imaging for Scanning Service

ATTACHMENT A

RESOLUTION NO. 23-90

A RESOLUTION OF THE SOUTH EL MONTE CITY COUNCIL APPROVING THE PURCHASE OF PROFESSIONAL SCANNING SERVICES FROM ECS IMAGING, INC. IN ACCORDANCE WITH CITY OF SOUTH EL MONTE MUNICIPAL CODE SECTION 3.16.070

WHEREAS, Section 3.16.070, Professional Services, of the South El Monte Municipal Code allows the purchase of services from vendors possessing a high degree of professional, specialized technical skill or expertise, without following bid procedures; and

WHEREAS, the City's Purchasing Manual requires City Council's approval of professional service contracts exceeding the City Manager's approval threshold; and

WHEREAS, the City seeks to scan and archive its maps and drawings into Laserfiche, the City's enterprise content management system; and

WHEREAS, ECS Imaging, Inc has been found to possess the qualifications required for that task; and

WHEREAS, based on comparison of similar services provided by ECS Imaging, Inc to other cities, Staff has found the cost of the professional scanning services to be reasonable.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH EL MONTE DOES HEREBY RESOLVE, DETERMINE, AND ORDER AS FOLLOWS:

SECTION 1. The above recitals are true and correct and incorporated by reference.

SECTION 2. The City Council hereby authorizes and directs the City Manager to negotiate and execute an agreement for services with ECS Imaging, Inc. in accordance with South El Monte Municipal Code Section 3.16.070 for professional scanning services in a form approved by the City Attorney's Office.

SECTION 3. The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 26th day of September 2023.

Gloria Olmos, Mayor

ATTEST:

Donna G. Schwartz, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF SOUTH EL MONTE)

I, Donna G. Schwartz, City Clerk of the City of South El Monte, do hereby certify that the foregoing Resolution, being Resolution No. 23-90, was duly passed and approved by the City Council of the City of South El Monte at a regular meeting of said Council held on the 26th day of September 2023, and that said Resolution was adopted by the following vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Donna G. Schwartz, City Clerk

ATTACHMENT B

 ECS IMAGING, INC. WORLD-CLASS SOLUTION PROVIDER		877-790-1600 5905 Brockton Ave. Ste. C Riverside, CA 92506 www.ECSImaging.com	Quote Scanning
Quotation For Name: Donna Schwartz Company: City of South El Monte Phone: 626-579-6540 x3280 E-mail: dschwartz@soelmonte.com		Quote Info Date: 9/13/2023 Quote Number: LW-191323 Valid Through: 10/13/2023 Terms: Net 30 Account Manager: Laura Wayman Phone: 323-241-8294 E-mail: laura@ecsimaging.com	

Description of Product and Services

Plans Scanning Project for the City of South El Monte. Indexing will include: Street Number, Street Suffix, APN, and Title of Plan. A "needs Attention" Folder for anything needing to review. Note: All Red Writing on Plans use as title of document. Each Bundle/roll of plans is one document. The City would like shredding at end of scanning project, confirmation needed prior to destruction.

Scanning Services

SKU	Description	Unit Price	Quantity	Line Total
ECSS-REG-B&W	ECS Black & White Document Scanning Services up to legal size	\$ 0.085	50000.00	\$ 4,250.00
ECSS-ESIZE-B&W	ECS Black & White Map Scanning Services up to esize	\$ 1.100	22000.00	\$ 24,200.00
ECSS-ESIZE-COLOR	ECS Color Map Scanning Services up to e-size	\$ 1.200	22000.00	\$ 26,400.00
ECSS-PREP	ECS Prep Charge Per Hour	\$ 50.000	10.00	\$ 500.00
ECSS-PICKUP	ECS Pick Up Fee	\$ 200.000	2.00	\$ 400.00
ECSS-UPLOAD	ECS Upload Fee - Per Volume	\$ 50.000	2.00	\$ 100.00

Scanning Subtotal \$ 55,850.00

Special Terms

Image quantities, Prep & Index hours are estimated. Actual images & hours completed will be invoiced.

	Subtotal	\$ 55,850.00
Tax Rate Software Only (Download Only)	0.00%	Tax \$ -
	Total	\$ 55,850.00

Terms & Conditions:

- o Payment Terms: Net 20 after each batch returned.
- o Laserfiche Tiffs or PDFs in portable volumes to be attached to your Laserfiche system
- o ECS will train customer on how to load data onto LF Server during first delivery, if needed
- o Consulting of folder template and volume set ups included in project set up fee
- o Items will be placed back into original carrier (folder, sleeve, etc.)
- o Items will be delivered free of charge after being scanned
- o Items are scanned in order received. Any additional requests are subject to a charge
- o Scanning in Tiff images is 200-300dpi depending on need
- o Paper/Plans: Indexing included is 2 fields, up to 20 characters and Unique Document Name up to 20 characters each
- o Microfiche: Indexing included is the name on the Sleeve
- o Microfilm: Indexing included is the name on the Cartridge
- o Images that have been fished/filmed reverse have additional charge
- o All prices listed above are for estimating purposes only. Actual prices may vary
- o Typical upload fee is 5GB per volume max - ~66 B&W standard banker boxes , ~13 Color
- o Pick up / Delivery charges (pricing varies, based on location and quantity)
- o Changes in naming, templates or folders after files have been returned are subject to restructuring/reindexing fee
- o OCRing can be done during scan process at no charge. Any verification time is \$50.00/Hour
- o DVD Set = 1 Data DVD, 1 Plus Viewer DVD - Plus DVD has retrieval engine on DVD. Regular size documents fit approximately 90,000 images
- o CD Set = 1 Data CD, 1 Plus Viewer CD - Plus CD has retrieval engine on CD. Regular size rolls fit approximately 10,000 images
- o Boxes may be destroyed at the customer's request at a cost of \$10.00 a box. A Destruction Certificate will be provided
- o While documents are at ECS, we can provide an electronic copy for up to 4 per batch at no charge. Additional special handling requests are subject to charge of \$50/per hour
- o IMPORTANT: Once the imaged data has been delivered you will have 60 days to review all images. After 60 days all original documents will be destroyed or a monthly storage box fee will apply
- o ECS may choose to utilize a scanning partner to perform these services as quoted and ECS would remain the project manager and billing agent.
- o Standard processing fee added to credit card payments

Box/Doc Type	Box Count	Image Count	Total Images
Banker/legal Size	20	2500	50000
Rolls/Plans	22	2000	44000
			-
			-
			-
			-
Totals	42	4500	94,000

ATTACHMENT C

ECS IMAGING, INC.

AGREEMENT FOR SERVICES

This Agreement is made on this 3rd day of February, 2020, at City of Canyon Lake, California, by and between the City of Canyon Lake, a municipal corporation, 31516 Railroad Canyon Road, Canyon Lake, CA 92587 (hereinafter referred to as the "City") and ECS Imaging, Inc., 5905 Brockton Ave, Suite C, Riverside, CA 92506 (hereinafter referred to as the "Contractor").

Section 1. SERVICES. Subject to the terms and conditions set forth in this Agreement, Contractor shall provide to City the services described in the Scope of Work attached as Exhibit A at the time and place and in the manner specified therein. In the event of a conflict in or inconsistency between the terms of this Agreement and Exhibit A, the Agreement shall prevail.

- 1.1 **Term of Services.** The term of this Agreement shall commence upon execution by both parties and expire on December 31, 2021 unless extended in writing in advance by both parties. The Contractor shall perform those services specified in Exhibit A, and Contractor shall complete the work described in Exhibit A prior to that date, unless the term of the Agreement is otherwise terminated or extended, as provided for in Section 8. The time provided to Contractor to complete the services required by this Agreement shall not affect the City's right to terminate the Agreement, as provided for in Section 8. Notwithstanding the foregoing this Agreement may be extended on a month-to-month basis for up to 6 months upon the written consent of the Contractor and the City Manager, provided that; a) sufficient funds have been appropriated for such purpose, and b) the price charged by the Contractor for the provision of the services described in Exhibit A does not increase. None of the foregoing shall affect the City's right to terminate the Agreement, as provided for in Section 8.
- 1.2 **Standard of Performance.** Contractor shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which Contractor is engaged in the geographical area in which Contractor practices its profession. Contractor shall prepare all work products required by this Agreement in a substantial, first-class manner and shall conform to the standards of quality normally observed by a person practicing in Contractor's profession.
- 1.3 **Assignment of Personnel.** Contractor shall assign only competent personnel to perform services pursuant to this Agreement. In the event that City, in its sole discretion, at any time during the term of this Agreement, desires the reassignment of any such persons, Contractor shall, immediately upon receiving notice from City of such desire of City, reassign such person or persons.
- 1.4 **Time.** Contractor shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance provided in Section 1.1 above and to satisfy Contractor's obligations hereunder.

Section 2. COMPENSATION. City hereby agrees to pay Contractor a sum not to exceed \$8280.00 notwithstanding any contrary indications that may be contained in Contractor's proposal, for services to be performed under this Agreement. In the event of a conflict between this Agreement and Contractor's proposal, attached as Exhibit A, regarding the amount of compensation, the Agreement shall prevail. City shall pay Contractor for services rendered pursuant to this Agreement at the time and in the manner set forth herein. The payments specified below

shall be the only payments from City to Contractor for services rendered pursuant to this Agreement. Contractor shall submit all invoices to City in the manner specified herein. Except as specifically authorized by City, Contractor shall not bill City for duplicate services performed by more than one person.

Contractor and City acknowledge and agree that compensation paid by City to Contractor under this Agreement is based upon Contractor's costs of providing the services required hereunder, including salaries and benefits of employees and subcontractors of Contractor. Consequently, the parties further agree that compensation hereunder is intended to include the costs of contributions to any pensions and/or annuities to which Contractor and its employees, agents, and subcontractors may be eligible. City therefore has no responsibility for such contributions beyond compensation required under this Agreement.

2.1 Invoices. Contractor shall submit invoices per shipment of documents to be scanned, during the term of this Agreement, based on the cost for services incurred prior to the invoice date. Invoices shall contain the following information:

- Number of pages scanned, by size, and color
- Prep charge per hour
- Indexing fee per hour
- Pickup and Delivery Fees
- Storage and Shredding Fees
- Any other costs associated with scanning, indexing, and prepping.

2.2 Monthly Payment. City shall make monthly payments, based on invoices received, for services satisfactorily performed. City shall have 30 days from the receipt of an invoice that complies with all of the requirements above to pay Contractor.

2.3 Total Payment. City shall pay for the services to be rendered by Contractor pursuant to this Agreement. City shall not pay any additional sum for any expense or cost whatsoever incurred by Contractor in rendering services pursuant to this Agreement. City shall make no payment for any extra, further, or additional service pursuant to this Agreement.

In no event shall Contractor submit any invoice for an amount in excess of the maximum amount of compensation provided above either for a task or for the entire Agreement, unless the Agreement is modified prior to the submission of such an invoice by a properly executed change order or amendment.

2.4 Hourly Fees. Fees for work performed by Contractor on an hourly basis shall not exceed the amounts shown on the fee schedule set forth on the compensation schedule attached as Exhibit A.

2.5 Payment of Taxes. Contractor is solely responsible for the payment of employment taxes incurred under this Agreement and any similar federal or state taxes.

2.6 Payment upon Termination. In the event that the City or Contractor terminates this Agreement pursuant to Section 8, the City shall compensate the Contractor for all outstanding costs incurred for work satisfactorily completed as of the date of written notice of termination. Contractor shall maintain adequate logs and timesheets in order to verify costs incurred to that date.

- 2.7 Authorization to Perform Services.** The Contractor is not authorized to perform any services or incur any costs whatsoever under the terms of this Agreement until receipt of authorization from the Contract Administrator.

Section 3. FACILITIES AND EQUIPMENT. Except as set forth herein, Contractor shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the services required by this Agreement. City shall make available to Contractor only the facilities and equipment listed in this section, and only under the terms and conditions set forth herein.

City shall furnish physical facilities such as desks, filing cabinets, and conference space, as may be reasonably necessary for Contractor's use while consulting with City employees and reviewing records and the information in possession of the City. The location, quantity, and time of furnishing those facilities shall be in the sole discretion of City. In no event shall City be obligated to furnish any facility that may involve incurring any direct expense, including but not limited to computer, long-distance telephone or other communication charges, vehicles, and reproduction facilities.

Section 4. INSURANCE REQUIREMENTS. Before beginning any work under this Agreement, Contractor, at its own cost and expense, shall procure "occurrence coverage" insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by the Contractor and its agents, representatives, employees, and subcontractors. Contractor shall provide proof satisfactory to City of such insurance that meets the requirements of this section and under forms of insurance satisfactory in all respects to the City. Contractor shall maintain the insurance policies required by this section throughout the term of this Agreement. The cost of such insurance shall be included in the Contractor's bid. Contractor shall not allow any subcontractor to commence work on any subcontract until Contractor has obtained all insurance required herein for the subcontractor(s) and provided evidence thereof to City. Verification of the required insurance shall be submitted and made part of this Agreement prior to execution.

It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits shall be available to City as an additional insured. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured; whichever is greater. The additional insured coverage under the Contractor's policy shall be "primary and non-contributory" and will not seek contribution from City's insurance or self-insurance and shall be at least as broad as CG 20 01 04 12. In the event Contractor fails to maintain coverage as required by this Agreement, City at its sole discretion may purchase the coverage required and the cost will be paid by Contractor. Failure to exercise this right shall not constitute a waiver of right to exercise later. Each insurance policy shall include an endorsement providing that it shall not be cancelled, changed, or allowed to lapse without at least thirty (30) days' prior written notice to City of such cancellation, change, or lapse.

- 4.1 Workers' Compensation.** Contractor shall, at its sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Contractor. The Statutory Workers' Compensation Insurance and Employer's Liability Insurance shall be provided with limits of not less than ONE MILLION DOLLARS (\$1,000,000.00) per accident. In the alternative, Contractor may rely on a self-insurance program to meet those requirements, but only if the program of self-insurance complies fully with the provisions of the California Labor Code. Determination of whether a self-insurance

program meets the standards of the Labor Code shall be solely in the discretion of the Contract Administrator. The insurer, if insurance is provided, or the Contractor, if a program of self-insurance is provided, shall waive all rights of subrogation against the City and its officers, officials, employees, and volunteers for loss arising from work performed under this Agreement.

An endorsement shall state that coverage shall not be canceled except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City. Contractor shall notify City within 14 days of notification from Contractor's insurer if such coverage is suspended, voided or reduced in coverage or in limits.

4.2 Commercial General and Automobile Liability Insurance.

4.2.1 General requirements. Contractor, at its own cost and expense, shall maintain commercial general and automobile liability insurance for the term of this Agreement in an amount not less than ONE MILLION DOLLARS (\$1,000,000.00) per occurrence, combined single limit coverage for risks associated with the work contemplated by this Agreement. If a Commercial General Liability Insurance or an Automobile Liability form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.

4.2.2 Minimum scope of coverage. Commercial general coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001. Automobile coverage shall be at least as broad as Insurance Services Office Automobile Liability form CA 0001 Code 1 ("any auto").

4.2.3 Additional requirements. Each of the following shall be included in the insurance coverage or added as an endorsement to the policy:

- a. City and its officers, employees, agents, and volunteers shall be covered as additional insureds with respect to each of the following: liability arising out of activities performed by or on behalf of Contractor, including the insured's general supervision of Contractor; products and completed operations of Contractor; premises owned, occupied, or used by Contractor; and automobiles owned, leased, or used by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to City or its officers, employees, agents, or volunteers.
- b. The insurance shall cover on an occurrence or an accident basis, and not on a claims-made basis.

- c. An endorsement must state that coverage is primary insurance with respect to the City and its officers, officials, employees and volunteers, and that no insurance or self-insurance maintained by the City shall be called upon to contribute to a loss under the coverage.
- d. Any failure of Contractor to comply with reporting provisions of the policy shall not affect coverage provided to City and its officers, employees, agents, and volunteers.
- e. An endorsement shall state that coverage shall not be canceled except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City. Contractor shall notify City within 14 days of notification from Contractor's insurer if such coverage is suspended, voided or reduced in coverage or in limits.

4.4 All Policies Requirements.

- 4.4.1 **Acceptability of insurers.** All insurance required by this section is to be placed with insurers with a Bests' rating of no less than A:VII.
- 4.4.2 **Verification of coverage.** Prior to beginning any work under this Agreement, Contractor shall furnish City with certificates of insurance and with original endorsements effecting coverage required herein. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The City reserves the right to require complete, certified copies of all required insurance policies and endorsements. Failure to exercise this right shall not constitute a waiver of right to exercise later.
- 4.4.3 **Subcontractors.** Contractor agrees to include with all subcontractors in their subcontract the same requirements and provisions of this Agreement including the Indemnification and Insurance requirements to the extent they apply to the scope of the Subcontractor's work. Subcontractors hired by Contractor agree to be bound to Contractor and the City in the same manner and to the same extent as Contractor is bound to the City under the Contract Documents. Subcontractor further agrees to include these same provisions with any Sub-subcontractor. A copy of the Owner Contract Document Indemnity and Insurance provisions will be furnished to the Subcontractor upon request. The General Contractor shall require all subcontractors to provide a valid certificate of insurance and the required endorsements included in the agreement prior to commencement of any work and will provide proof of compliance to the City.
- 4.4.4 **Variation.** The City may approve a variation in the foregoing insurance requirements, upon a determination that the coverages, scope, limits, and forms of such insurance are either not commercially available, or that the City's interests are otherwise fully protected.
- 4.4.5 **Deductibles and Self-Insured Retentions.** All self-insured retentions (SIR) and/or deductibles must be disclosed to the City for approval and shall not reduce the limits of liability. Policies containing any self-insured retention provision and/or deductibles shall

provide or be endorsed to provide that the SIR and/or deductibles may be satisfied by either the named insured or the City.

4.4.6 Excess Insurance. The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City (if agreed to in a written contract or agreement) before City's own insurance or self-insurance shall be called upon to protect City as a named insured.

4.4.7 Notice of Reduction in Coverage. In the event that any coverage required by this section is reduced, limited, or materially affected in any other manner, Contractor shall provide written notice to City at Contractor's earliest possible opportunity and in no case later than five days after Contractor is notified of the change in coverage.

4.5 Remedies. In addition to any other remedies City may have if Contractor fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, City may, at its sole option exercise any of the following remedies, which are alternatives to other remedies City may have and are not the exclusive remedy for Contractor's breach:

- Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement;
-
- Order Contractor to stop work under this Agreement or withhold any payment that becomes due to Contractor hereunder, or both stop work and withhold any payment, until Contractor demonstrates compliance with the requirements hereof; and/or
- Terminate this Agreement.

Section 5. INDEMNIFICATION AND CONSULTANT'S RESPONSIBILITIES. To the maximum extent allowed by law, Contractor shall indemnify, keep and save harmless the City, and City Councilmembers, officers, agents and employees against any and all suits, claims or actions arising out of any injury to persons or property, including death, that may occur, or that may be alleged to have occurred, in the course of the performance of this Agreement by a negligent act or omission or wrongful misconduct of the Contractor or its employees, subcontractors or agents. Contractor further agrees to defend any and all such actions, suits or claims and pay all charges of attorneys and all other costs and expenses arising therefrom or incurred in connection therewith; and if any judgment be rendered against the City or any of the other individuals enumerated above in any such action, Contractor shall, at its expense, satisfy and discharge the same. Contractor's responsibility for such defense and indemnity obligations shall survive the termination or completion of this Agreement for the full period of time allowed by law. The defense and indemnification obligations of this Agreement are undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained in this Agreement.

In the event that Contractor or any employee, agent, or subcontractor of Contractor providing services under this Agreement is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of City, Contractor shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Contractor or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Contractor/Subcontractor's responsibility for such defense and indemnity obligations shall survive the termination or completion of this Agreement for the full period of time allowed by law.

Section 6. **STATUS OF CONTRACTOR**

- 6.1 **Independent Contractor.** At all times during the term of this Agreement, Contractor shall be an independent contractor and shall not be an employee of City. City shall have the right to control Contractor only insofar as the results of Contractor's services rendered pursuant to this Agreement and assignment of personnel pursuant to Subparagraph 1.3; however, otherwise City shall not have the right to control the means by which Contractor accomplishes services rendered pursuant to this Agreement. Notwithstanding any other City, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Contractor and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of City and entitlement to any contribution to be paid by City for employer contributions and/or employee contributions for PERS benefits.
- 6.2 **Contractor No Agent.** Except as City may specify in writing, Contractor shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Contractor shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

Section 7. **LEGAL REQUIREMENTS.**

- 7.1 **Governing Law.** The laws of the State of California shall govern this Agreement.
- 7.2 **Compliance with Applicable Laws.** Contractor and any subcontractors shall comply with all laws applicable to the performance of the work hereunder.
- 7.3 **Other Governmental Regulations.** To the extent that this Agreement may be funded by fiscal assistance from another governmental entity, Contractor and any subcontractors shall comply with all applicable rules and regulations to which City is bound by the terms of such fiscal assistance program.
- 7.4 **Licenses and Permits.** Contractor represents and warrants to City that Contractor and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required to practice their respective professions. Contractor represents and warrants to City that Contractor and its employees, agents, any subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required to practice their respective professions. In addition to the foregoing, Contractor and any subcontractors shall obtain and maintain during the term of this Agreement valid Business Licenses from City.
- 7.5 **Nondiscrimination and Equal Opportunity.** Contractor shall not discriminate, on the basis of a person's race, religion, color, national origin, age, physical or mental handicap or disability, medical

condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided by Contractor under this Agreement. Contractor shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement, including but not limited to the satisfaction of any positive obligations required of Contractor thereby.

Contractor shall include the provisions of this Subsection in any subcontract approved by the Contract Administrator or this Agreement.

Section 8. TERMINATION AND MODIFICATION

- 8.1 Termination.** City may cancel this Agreement at any time and without cause upon written notification to Contractor.

Contractor may cancel this Agreement upon 30 days' written notice to City and shall include in such notice the reasons for cancellation.

In the event of termination, Contractor shall be entitled to compensation for services performed to the effective date of termination; City, however, may condition payment of such compensation upon Contractor delivering to City any or all documents, photographs, computer software, video and audio tapes, and other materials provided to Contractor or prepared by or for Contractor or the City in connection with this Agreement.

- 8.2 Extension.** City may, in its sole and exclusive discretion, extend the end date of this Agreement beyond that provided for in Subsection 1.1. Any such extension shall require a written amendment to this Agreement, as provided for herein. Contractor understands and agrees that, if City grants such an extension, City shall have no obligation to provide Contractor with compensation beyond the maximum amount provided for in this Agreement.

- 8.3 Amendments.** The parties may amend this Agreement only by a writing signed by all the parties.

- 8.4 Survival.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between City and Contractor shall survive the termination of this Agreement.

- 8.5 Options upon Breach by Contractor.** If Contractor materially breaches any of the terms of this Agreement, City's remedies shall include, but not be limited to, the following:

- 8.5.1** Immediately terminate the Agreement;
- 8.5.2** Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Contractor pursuant to this Agreement;
- 8.5.3** Retain a different contractor to complete the work described in Exhibit A not finished by Contractor; or

- 8.5.4 Charge Contractor the difference between the cost to complete the work described in Exhibit A that is unfinished at the time of breach and the amount that City would have paid Contractor pursuant to Section 2 if Contractor had completed the work.

Section 9. MISCELLANEOUS PROVISIONS.

- 9.1 **Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.
- 9.2 **Venue.** In the event that either party brings any action against the other under this Agreement, the parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Alameda or in the United States District Court for the Northern District of California.
- 9.3 **Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.
- 9.4 **No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.
- 9.5 **Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the parties.
- 9.6 **Use of Recycled Products.** Contractor shall prepare and submit all reports, written studies and other printed material on recycled paper to the extent it is available at equal or less cost than virgin paper.
- 9.7 **Conflict of Interest.** Contractor may serve other clients, but none whose activities within the corporate limits of City or whose business, regardless of location, would place Contractor in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*

Contractor shall not employ any City official in the work performed pursuant to this Agreement. No officer or employee of City shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*

Contractor hereby warrants that it is not now, nor has it been in the previous twelve (12) months, an employee, agent, appointee, or official of the City. If Contractor was an employee, agent, appointee, or official of the City in the previous twelve months, Contractor warrants that it did not participate in any manner in the forming of this Agreement. Contractor understands that, if this Agreement is made in violation of Government Code §1090 *et seq.*, the entire Agreement is void and Contractor will not be entitled to any compensation for services performed pursuant to this Agreement, and Contractor will be required to reimburse the City for any sums paid to the

Contractor. Contractor understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code § 1090 and, if applicable, will be disqualified from holding public office in the State of California.

Principals and those performing work for City may be required to submit a California Fair Political Practices Commission (FPPC) Form 700: Statement of Economic Interests documenting potential financial conflicts of interest. For additional information, proposers should refer to the FPPC website at <http://www.fppc.ca.gov/Form700.html>.

- 9.8 **Solicitation.** Contractor agrees not to solicit business at any meeting, focus group, or interview related to this Agreement, either orally or through any written materials.
- 9.9 **Contract Administration.** This Agreement shall be administered by the City Manager ("Contract Administrator"). All correspondence shall be directed to or through the Contract Administrator or his or her designee.
- 9.10 **Piggy-Back Clause.** This agreement between the City and the Contractor for the City's requirements of select item(s) of personal property and/or personal services, the Contractor agrees to extend the same pricing, terms and conditions to each and every political entity, special district, and related non-profit entity. It is understood that political entities, special districts and related non-profit entities that piggy-back on this quote shall make purchases in their own name, make direct payment, and be liable directly to the contractor holding the City harmless. The City may, at its option, charge an administrative fee to those political entities, special districts and related non-profit entities who avail themselves use of this agreement.
- 9.11 **Notices.** Any written notice to Consultant shall be sent to:

**ECS Imaging, Inc.
5905 Brockton, Avenue, Suite C
Riverside, CA 92506**

Attention: Debbi Bodewin

Any written notice to City shall be sent to:

**City of Canyon Lake
31516 Railroad Canyon Road
Canyon Lake, CA 92587**

Attention: Chris Mann, City Manager

- 9.11 **Integration.** This Agreement, including the Scope of Services and Compensation Schedule attached hereto and incorporated herein as Exhibits A, represents the entire and integrated agreement between City and Contractor and supersedes all prior negotiations, representations, or agreements, either written or oral.

EXHIBIT A – SCOPE OF WORK AND COST PROPOSAL

Scanning Services

SKU	Description	Unit Price	Quantity	Line Total
ECSS-REG-B&W	ECS Black & White Document Scanning Services up to legal size	\$ 0.120	6500.00	\$ 780.00
ECSS-ESIZE-B&W	ECS Black & White Map Scanning Services up to esize	\$ 1.350	4555.00	\$ 6,149.25
ECSS-REG-COLOR	ECS Color Document Scanning Services up to legal size	\$ 0.140		
ECSS-ESIZE-COLOR	ECS Color Map Scanning Services up to e-size	\$ 1.850		
ECSS-PROJECT	ECS Project Consulting, Project Management and Setup	\$ 500.000	1.00	\$ 500.00
ECSS-UPLOAD	ECS Upload Fee - Per Volume	\$ 50.000	1.00	\$ 50.00
ECSS-PICKUP	ECS Pick Up Fee	\$ 200.000	1.00	\$ 200.00
Scanning Subtotal				\$ 7,679.25

Special Terms

Color scanning pricing listed above is for reference purposes only. ECS Imaging will be cognizant of the budgeted amount which the city has for scanning services and will not scan more than what is budgeted for. Payment of 50% of the scanning job required up front and balance due at completion of job.

		Subtotal	\$ 7,679.25
Tax Rate	Software Only (Download Only)	0.00%	Tax
			\$ -
		Total	\$ 7,679.25

Terms & Conditions:

- o Payment Terms: Net 20 after each batch returned.
- o Laserfiche Tiffs in portable volumes to be attached to your Laserfiche system
- o ECS will train customer on how to load data onto LF Server during first delivery, if needed
- o Consulting of folder template and volume set ups included in project set up fee
- o Items will be placed back into original carrier (folder, sleeve, etc.)
- o Items will be delivered free of charge after being scanned
- o Items are scanned in order received. Any additional requests are subject to a charge
- o Scanning in Tiff images is 200-300dpi depending on need
- o Paper/Plans: Indexing included is 2 fields, up to 20 characters and Unique Document Name up to 20 characters each
- o Microfiche: Indexing included is the name on the Sleeve
- o Microfilm: Indexing included is the name on the Cartridge
- o Images that have been fished/filmed reverse have additional charge
- o All prices listed above are for estimating purposes only. Actual prices may vary
- o Any upload fee is for 5GB per volume maximum
- o Pick up / Delivery charges (pricing varies, based on location and quantity)
- o Change orders after files have been returned are subject to restructuring/reindexing fee
- o OCRing can be done during scan process at no charge. Any verification time is \$30.00 Per Hour
- o DVD Set = 1 Data DVD, 1 Plus Viewer DVD - Plus DVD has retrieval engine on DVD. Regular size documents fit approximately 90,000 images
- o CD Set = 1 Data CD, 1 Plus Viewer CD - Plus CD has retrieval engine on CD. Regular size rolls fit approximately 10,000 images
- o Boxes may be destroyed at the customer's request at a cost of \$16.00 a box. A Destruction Certificate will be provided
- o While documents are at ECS, we can provide an electronic copy for up to 4 per batch at no charge. Additional special handling requests are subject to charge of \$30/per hour
- o IMPORTANT: Once the imaged data has been delivered you will have 90 days to review all images. After 90 days all original documents will be destroyed or a storage box fee will apply
- o ECS may choose to utilize a scanning partner to perform these services as quoted and ECS would remain the billing agent.

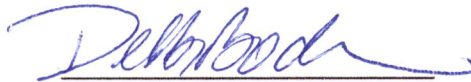
IN WITNESS HEREOF, the parties have caused their authorized representatives to execute this Agreement on the 3rd day of February, 2020.

City of Canyon Lake

ECS IMAGING, INC.

A handwritten signature in blue ink, appearing to read "Chris Mann", written over a horizontal line.

Chris Mann, City Manager

A handwritten signature in blue ink, appearing to read "Debbi Bodewin", written over a horizontal line.

Debbi Bodewin, EVP



City Council Agenda Report

Agenda Item No. 7.e.

DATE: September 26, 2023

TO: Honorable Mayor and Members of the City Council

APPROVED BY: Rene Salas, City Manager

SUBMITTED BY: Rene Salas, City Manager

SUBJECT: CONSIDERATION AND APPROVAL OF RESOLUTION NO. 23-91, APPROVING AWARD OF PROFESSIONAL SERVICES AGREEMENT (PSA) TO TRANSTECH ENGINEERS, INC. FOR THE MERCED AVENUE GREENWAY PROJECT

SUMMARY: On July 20, 2023, a Request for Proposals (RFP) was solicited to provide construction management and construction inspection (CMCI) services for the Merced Avenue Greenway Project. The project includes roadway resurfacing, reconstruction of concrete curb ramps, sidewalks, curb, and gutter and the installation of decentralized Low Impact Development (LID) and Best Management Practices (BMPs) within the street right-of-way that slow, capture, treat, and infiltrate storm water runoff. Work also includes installation of striping and pavement markings to incorporate bike lanes on Merced Avenue between Rush Street and Lerma Road.

RECOMMENDED ACTION: Staff recommends City Council:

1. Adopt Resolution No. 23-91, awarding a PSA to Transtech Engineers, Inc. for construction management and construction inspection (CMCI) services, in an amount not to exceed \$856,225; and
2. Authorize the City Manager or designee to negotiate and execute the agreement.

FISCAL/FINANCIAL IMPACT: The proposed construction management and construction inspection (CMCI) services under this contract in the amount of \$856,225 will be funded from the following sources:

Prop 1 SWGP Grant (Water Board Prop 1)	\$330,983.00
Prop 1 SWGP Match (County Measure W)	\$302,607.00
CNRA GI Prop 68	\$222,635.00
Total Budget	\$856,225.00

The proposed not-to-exceed cost is within the approved project budget.

DISCUSSION: The project includes roadway resurfacing, reconstruction of concrete curb ramps, sidewalks, curb, and gutter and the installation of decentralized Low Impact Development (LID) and Best Management Practices (BMPs) within the street right-of-way that slow, capture, treat, and infiltrate storm water runoff. Work also includes installation of striping and pavement markings to incorporate bike lanes on Merced Avenue between Rush Street and Lerma Road.

In April 2022, the construction bid package (plans, specifications and estimates) was finalized by the design engineer, Tetra Tech. According to the project specifications, construction phase will take 300 working days, approximately 14 months, after the issuance of notice to proceed to the contractor.

In July 2023, a Request for Proposals (RFP) to provide construction management and construction inspection (CMCI) services for the Merced Avenue Greenway Project was solicited.

The City received six (6) proposals by the RFP deadline on August 10, 2023. The proposers are as follows:

Name of Consultant Firm (alphabetical order)	Location
FCG Consultants	Yorba Linda, CA
KOA	Los Angeles, CA
Onward Engineering	Anaheim, CA
Southstar Engineering	Riverside, CA
TKE Engineering	Riverside, CA
Transtech Engineers	Chino, CA

In compliance with the City's Purchasing Manual, Chapter 3 – Professional/Consultant Services, the City is required by State Law (GC § 4526) to select vendors for architectural, landscape architectural, engineering, environmental services, land surveying, and construction project management services based on demonstrated competence and professional qualifications, rather than competitive bidding, and at fair and reasonable prices.

Staff reviewed proposals received and evaluated the proposals based on compliance with the RFP requirements, project understanding and approach, experience, level of effort, schedule and cost effectiveness to provide efficient services. After review, staff determined that Transtech Engineers submitted the most qualified proposal to provide construction management and construction inspection (CMCI) services for the project.

For the construction phase, the RFP required 1 part-time RE, 1 full-time Inspector, and 1 part-time Office Engineer. For 300 working days of construction, this requirement would equal to approximately 600 to 1,200 hours of RE time (assuming 2-4 hours per day), 2,400 hours of Inspector time (assuming 8 hours per day), and 600 to 1,200 hours of Office Engineer time (assuming 2-4 hours per day). The combined total hours as required by the RFP based on these assumptions would be approximately in the range of 3,600 to 4,800 hours. The proposal submitted by Transtech Engineers includes 4,540 hours,

including a full-time inspector, part-time RE and Office Engineer, which meets the RFP requirements. Below is a table showing the fees and total proposed hours for each consultant.

Consultant Firm (alphabetical order)	Proposed Staff Hours	Proposed Staff Fees	Subconsultant Fees	Total Fees
FCG Consultants	5,168	\$836,127.48	\$70,200.00	\$906,327.48
KOA	4,122	\$665,536.00	\$104,500.00	\$770,036.00
Onward Engineering	4,062	\$607,630.00	\$54,937.58	\$662,567.58
Southstar Engineering	4,777	\$902,439.00	\$90,000.00	\$992,439.00
TKE Engineering	7,900	\$1,127,480.00	\$163,000.00	\$1,290,480.00
Transtech Engineers	4,540	\$693,250.00	\$162,975.00	\$856,225.00

Furthermore, in their proposal, Transtech Engineers provided specialized subconsultants for labor compliance, public outreach, and materials testing/inspection services. The proposed project team including the proposed subconsultants demonstrated relevant prior project experience in managing multimillion dollar projects, including projects funded with similar complex non-local funding sources (state/federal funds). The proposed RE/Project Manager and Inspector have demonstrated relevant experience in comparable projects, making them well-qualified to ensure the successful completion of the project.

Overall, Transtech demonstrated a better understanding of the required scope of work and presented a methodical and well-structured approach to cost and schedule control, and standardized forms for construction management and inspection services, including daily and weekly reports and other construction documentation (submittals, RFIs, etc.) presented in their proposal. Transtech provided a project document control system following industry standards such as Caltrans, which will be vital to the successful delivery of this project, for grant/funds compliance. Therefore, staff recommends awarding a Professional Services Agreement to Transtech Engineers, Inc. for construction management and construction inspection (CMCI) services, in the amount of \$856,225.

ATTACHMENT(S):

- A. Resolution No. 23-91
- B. Draft PSA Transtech Engineers

ATTACHMENT A

RESOLUTION NO. 23-91

A RESOLUTION OF THE SOUTH EL MONTE CITY COUNCIL AWARDING PROFESSIONAL SERVICE AGREEMENT TO TRANSTECH ENGINEERS, INC. FOR THE MERCED AVENUE GREENWAY PROJECT

WHEREAS, the City of South El Monte (“City”) desires to construct roadway resurfacing, reconstruction of concrete curb ramps, sidewalks, curb, and gutter and the installation of decentralized Low Impact Development (LID) and Best Management Practices (BMPs) within the street right-of-way that slow, capture, treat, and infiltrate storm water runoff, new striping and pavement markers including bike lanes on Merced Avenue between Rush Street and Lerma Road; and

WHEREAS, on July 23, 2023, a Request for Proposals (RFP) was solicited to provide construction management and construction inspection (CMCI) services for the Merced Avenue Greenway Improvements; and

WHEREAS, the City received six (6) proposals for the solicited services by the RFP deadline on August 10, 2023; and

WHEREAS, the City staff evaluated the proposals and determined that Transtech Engineers, Inc. submitted the most qualified proposal to provide construction management and construction inspection (CMCI) services for the project based on the analysis provided in the staff report for this item, which is incorporated by reference as set forth in full herein.

NOW, THEREFORE, THE SOUTH EL MONTE CITY COUNCIL HEREBY RESOLVES AS FOLLOWS:

SECTION 1. The above recitals are true and correct and incorporated by reference.

SECTION 2. Upon reviewing the proposals submitted for construction management and construction inspection (CMCI) services, the City Council hereby finds that Transtech Engineers, Inc. has submitted the most qualified proposal, in the amount of \$856,225.

SECTION 3. The City Council hereby authorizes and directs the City Manager to execute a professional service agreement with Transtech Engineers, Inc., subject to review and approval as to form by the City Attorney. The Council further directs the City Manager to take all actions necessary to effectuate the agreement.

SECTION 4: The City Clerk shall certify to the passage and adoption of this resolution.

PASSED, APPROVED and ADOPTED this 26th day of September 2023.

Gloria Olmos, Mayor

ATTEST:

Donna G. Schwartz, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF SOUTH EL MONTE)

I, Donna G. Schwartz, City Clerk of the City of South El Monte, do hereby certify that the foregoing Resolution, being Resolution No. 23-91 was passed and approved by the City Council of the City of South El Monte at a Regular meeting of said Council held on the 26th day of September 2023, and that said Resolution was adopted by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Donna G. Schwartz, City Clerk

ATTACHMENT B

CONTRACT SERVICES AGREEMENT

By and Between

CITY OF SOUTH EL MONTE

and

TRANSTECH ENGINEERS, INC.

**AGREEMENT FOR CONTRACT SERVICES
BETWEEN THE CITY OF SOUTH EL MONTE AND
TRANSTECH ENGINEERS, INC.**

THIS AGREEMENT FOR CONTRACT SERVICES (herein “Agreement”) is made and entered into this 26th day of September, 2023 by and between the CITY OF SOUTH EL MONTE, a California municipal corporation (“City”) and TRANSTECH ENGINEERS, INC., a California corporation (“Consultant”). City and Consultant may be referred to, individually or collectively, as “Party” or “Parties.”

RECITALS

A. City has sought, by issuance of a Request for Proposals or Invitation for Bids, the performance of the services defined and described particularly in Article 1 of this Agreement.

B. Consultant, following submission of a proposal or bid for the performance of the services defined and described particularly in Article 1 of this Agreement, was selected by the City to perform those services.

C. Pursuant to the City of South El Monte Municipal Code, City has authority to enter into and execute this Agreement.

D. The Parties desire to formalize the selection of Consultant for performance of those services defined and described particularly in Article 1 of this Agreement and desire that the terms of that performance be as particularly defined and described herein.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the mutual promises and covenants made by the Parties and contained herein and other consideration, the value and adequacy of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1. SERVICES OF CONSULTANT

1.1 Scope of Services.

In compliance with all terms and conditions of this Agreement, the Consultant shall provide those services specified in the “Scope of Services” attached hereto as Exhibit “A” and incorporated herein by this reference, which may be referred to herein as the “services” or “work” hereunder. As a material inducement to the City entering into this Agreement, Consultant represents and warrants that it has the qualifications, experience, and facilities necessary to properly perform the services required under this Agreement in a thorough, competent, and professional manner, and is experienced in performing the work and services contemplated herein. Consultant shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described herein. Consultant covenants that it shall follow the highest professional standards in performing the work and services required hereunder and that all materials will be both of good quality as well as fit for the purpose intended. For purposes of this Agreement, the phrase “highest

professional standards” shall mean those standards of practice recognized by one or more first-class firms performing similar work under similar circumstances.

1.2 Consultant’s Proposal.

The Scope of Services shall include the Consultant’s scope of work or bid which shall be incorporated herein by this reference as though fully set forth herein. In the event of any inconsistency between the terms of such proposal and this Agreement, the terms of this Agreement shall govern.

1.3 Compliance with Law.

Consultant shall keep itself informed concerning, and shall render all services hereunder in accordance with, all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental entity having jurisdiction in effect at the time service is rendered.

1.4 Licenses, Permits, Fees and Assessments.

Consultant shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement. Consultant shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Consultant’s performance of the services required by this Agreement, and shall indemnify, defend and hold harmless City, its officers, employees or agents of City, against any such fees, assessments, taxes, penalties or interest levied, assessed or imposed against City hereunder.

1.5 Familiarity with Work.

By executing this Agreement, Consultant warrants that Consultant (i) has thoroughly investigated and considered the scope of services to be performed, (ii) has carefully considered how the services should be performed, and (iii) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement. If the services involve work upon any site, Consultant warrants that Consultant has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services hereunder. Should the Consultant discover any latent or unknown conditions, which will materially affect the performance of the services hereunder, Consultant shall immediately inform the City of such fact and shall not proceed except at Consultant’s risk until written instructions are received from the Contract Officer.

1.6 Care of Work.

The Consultant shall adopt reasonable methods during the life of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the work by City, except such losses or damages as may be caused by City’s own negligence.

1.7 Further Responsibilities of Parties.

Both parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both parties agree to act in good faith to execute all instruments, prepare all documents and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Unless hereafter specified, neither party shall be responsible for the service of the other.

1.8 Additional Services.

City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Consultant, incorporating therein any adjustment in (i) the Contract Sum for the actual costs of the extra work, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Consultant. Any increase in compensation of up to ten percent (10%) of the Contract Sum or \$25,000, whichever is less; or, in the time to perform of up to one hundred eighty (180) days, may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively, must be approved by the City Council. It is expressly understood by Consultant that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services. Consultant hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Services may be more costly or time consuming than Consultant anticipates and that Consultant shall not be entitled to additional compensation therefor. City may in its sole and absolute discretion have similar work done by other Consultants. No claims for an increase in the Contract Sum or time for performance shall be valid unless the procedures established in this Section are followed.

1.9 Special Requirements.

Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements" attached hereto as Exhibit "B" and incorporated herein by this reference. In the event of a conflict between the provisions of Exhibit "B" and any other provisions of this Agreement, the provisions of Exhibit "B" shall govern.

ARTICLE 2. COMPENSATION AND METHOD OF PAYMENT.

2.1 Contract Sum.

Subject to any limitations set forth in this Agreement, City agrees to pay Consultant the amounts specified in the "Schedule of Compensation" attached hereto as Exhibit "C" and incorporated herein by this reference. The total compensation, including reimbursement for actual expenses, shall not exceed Eight Hundred Fifty Six Thousand Two Hundred Twenty Five Dollars (\$856,225) (the "Contract Sum"), unless additional compensation is approved pursuant to Section 1.8.

2.2 Method of Compensation.

The method of compensation may include: (i) a lump sum payment upon completion; (ii) payment in accordance with specified tasks or the percentage of completion of the services, less contract retention; (iii) payment for time and materials based upon the Consultant's rates as specified in the Schedule of Compensation, provided that (a) time estimates are provided for the performance of sub tasks, (b) contract retention is maintained, and (c) the Contract Sum is not exceeded; or (iv) such other methods as may be specified in the Schedule of Compensation.

2.3 Reimbursable Expenses.

Compensation may include reimbursement for actual and necessary expenditures for reproduction costs, telephone expenses, and travel expenses approved by the Contract Officer in advance, or actual subcontractor expenses of an approved subcontractor pursuant to Section 4.5, and only if specified in the Schedule of Compensation. The Contract Sum shall include the attendance of Consultant at all project meetings reasonably deemed necessary by the City. Coordination of the performance of the work with City is a critical component of the services. If Consultant is required to attend additional meetings to facilitate such coordination, Consultant shall not be entitled to any additional compensation for attending said meetings.

2.4 Invoices.

Each month Consultant shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month in a form approved by City's Director of Finance. By submitting an invoice for payment under this Agreement, Consultant is certifying compliance with all provisions of the Agreement. The invoice shall contain all information specified in Exhibit "C", and shall detail charges for all necessary and actual expenses by the following categories: labor (by sub-category), travel, materials, equipment, supplies, and sub-contractor contracts. Sub-contractor charges shall also be detailed by such categories. Consultant shall not invoice City for any duplicate services performed by more than one person.

City shall independently review each invoice submitted by the Consultant to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. Except as to any charges for work performed or expenses incurred by Consultant which are disputed by City, or as provided in Section 7.3, City will use its best efforts to cause Consultant to be paid within forty-five (45) days of receipt of Consultant's correct and undisputed invoice; however, Consultant acknowledges and agrees that due to City warrant run procedures, the City cannot guarantee that payment will occur within this time period. In the event any charges or expenses are disputed by City, the original invoice shall be returned by City to Consultant for correction and resubmission. Review and payment by City for any invoice provided by the Consultant shall not constitute a waiver of any rights or remedies provided herein or any applicable law.

2.5 Waiver.

Payment to Consultant for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Consultant.

ARTICLE 3. PERFORMANCE SCHEDULE

3.1 Time of Essence.

Time is of the essence in the performance of this Agreement.

3.2 Schedule of Performance.

Consultant shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as Exhibit "D" and incorporated herein by this reference. When requested by the Consultant, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer but not exceeding one hundred eighty (180) days cumulatively.

3.3 Force Majeure.

The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Consultant, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the Consultant shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer's determination shall be final and conclusive upon the parties to this Agreement. In no event shall Consultant be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Consultant's sole remedy being extension of the Agreement pursuant to this Section.

3.4 Term.

Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect until completion of the services but not exceeding 2 years from the date hereof, except as otherwise provided in the Schedule of Performance (Exhibit "D").

ARTICLE 4. COORDINATION OF WORK

4.1 Representatives and Personnel of Consultant.

The following principals of Consultant ("Principals") are hereby designated as being the principals and representatives of Consultant authorized to act in its behalf with respect to the work specified herein and make all decisions in connection therewith:

Ahmad Ansari, PE

Principal

(Name)

(Title)

Okan Demirci, PE

Principal Project Manager

(Name)

(Title)

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing principals were a substantial inducement for City to enter into this Agreement. Therefore, the foregoing principals shall be responsible during the term of this Agreement for directing all activities of Consultant and devoting sufficient time to personally supervise the services hereunder. All personnel of Consultant, and any authorized agents, shall at all times be under the exclusive direction and control of the Principals. For purposes of this Agreement, the foregoing Principals may not be replaced nor may their responsibilities be substantially reduced by Consultant without the express written approval of City. Additionally, Consultant shall utilize only competent personnel to perform services pursuant to this Agreement. Consultant shall make every reasonable effort to maintain the stability and continuity of Consultant's staff and subcontractors, if any, assigned to perform the services required under this Agreement. Consultant shall notify City of any changes in Consultant's staff and subcontractors, if any, assigned to perform the services required under this Agreement, prior to and during any such performance.

4.2 Status of Consultant.

Consultant shall have no authority to bind City in any manner, or to incur any obligation, debt or liability of any kind on behalf of or against City, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by City. Consultant shall not at any time or in any manner represent that Consultant or any of Consultant's officers, employees, or agents are in any manner officials, officers, employees or agents of City. Neither Consultant, nor any of Consultant's officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to City's employees. Consultant expressly waives any claim Consultant may have to any such rights.

4.3 Contract Officer.

The Contract Officer shall be Rene Salas or such person as may be designated by the City Manager. It shall be the Consultant's responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services and the Consultant shall refer any decisions which must be made by City to the Contract Officer. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Contract Officer. The Contract Officer shall have authority, if specified in writing by the City Manager, to sign all documents on behalf of the City required hereunder to carry out the terms of this Agreement.

4.4 Independent Consultant.

Neither the City nor any of its employees shall have any control over the manner, mode or means by which Consultant, its agents or employees, perform the services required herein, except as otherwise set forth herein. City shall have no voice in the selection, discharge, supervision or control of Consultant's employees, servants, representatives or agents, or in fixing their number, compensation or hours of service. Consultant shall perform all services required herein as an

independent contractor of City and shall remain at all times as to City a wholly independent contractor with only such obligations as are consistent with that role. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City. City shall not in any way or for any purpose become or be deemed to be a partner of Consultant in its business or otherwise or a joint venturer or a member of any joint enterprise with Consultant. Consultant represents and warrants that the personnel used to provide services to the City pursuant to this Agreement are classified by Consultant as employees and that Consultant issues or will issue a W-2 to such personnel.

In the event that Consultant or any employee, agent, subcontractor, or independent contractor of Consultant providing services under this Agreement claims or is determined by a federal or state agency, a court of competent jurisdiction, or the California Public Employees' Retirement System ("CalPERS") to be classified as other than an independent contractor for the City, then Consultant shall indemnify, defend, and hold harmless the City for the payment of any and all assessed fines, penalties, judgments, employee and/or employer contributions, and any other damages and costs assessed to the City as a consequence of, or in any way attributable to, the assertion that Consultant or any of Consultant's personnel used to provide the Services under this Agreement are other than independent contractors of the City.

4.5 Prohibition Against Subcontracting or Assignment.

The experience, knowledge, capability and reputation of Consultant, its principals and employees were a substantial inducement for the City to enter into this Agreement. Therefore, Consultant shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of the City. In addition, neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of City. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Consultant, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release the Consultant or any surety of Consultant of any liability hereunder without the express consent of City.

ARTICLE 5. INSURANCE AND INDEMNIFICATION

5.1 Insurance Coverages.

Without limiting Consultant's indemnification of City, and prior to commencement of any services under this Agreement, Consultant shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to City.

(a) General liability insurance. Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$2,000,000 per occurrence, \$4,000,000 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has

not been amended. Any endorsement restricting standard ISO “insured contract” language will not be accepted.

(b) Automobile liability insurance. Consultant shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with Services to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$1,000,000 combined single limit for each accident.

(c) Professional liability (errors & omissions) insurance. Consultant shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of \$1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this Agreement and Consultant agrees to maintain continuous coverage through a period no less than three (3) years after completion of the services required by this Agreement.

(d) Workers’ compensation insurance. Consultant shall maintain Workers’ Compensation Insurance (Statutory Limits) and Employer’s Liability Insurance (with limits of at least \$1,000,000).

(e) Subcontractors. Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and certified endorsements for each subcontractor. All coverages for subcontractors shall include all of the requirements stated herein.

(f) Additional Insurance. Policies of such other insurance, as may be required in the Special Requirements in Exhibit “B”.

5.2 General Insurance Requirements.

(a) Proof of insurance. Consultant shall provide certificates of insurance to City as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers’ compensation. Insurance certificates and endorsements must be approved by City’s Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with City at all times during the term of this Agreement. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

(b) Duration of coverage. Consultant shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the Services hereunder by Consultant, its agents, representatives, employees or subconsultants.

(c) Primary/noncontributing. Coverage provided by Consultant shall be primary and any insurance or self-insurance procured or maintained by City shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-

contributory basis for the benefit of City before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

(d) City's rights of enforcement. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Consultant or City will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, City may cancel this Agreement.

(e) Acceptable insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance or that is on the List of Approved Surplus Line Insurers in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VI (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City's Risk Manager.

(f) Waiver of subrogation. All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against City, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

(g) Enforcement of contract provisions (non-estoppel). Consultant acknowledges and agrees that any actual or alleged failure on the part of the City to inform Consultant of non-compliance with any requirement imposes no additional obligations on the City nor does it waive any rights hereunder.

(h) Requirements not limiting. Requirements of specific coverage features or limits contained in this section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

(i) Notice of cancellation. Consultant agrees to oblige its insurance agent or broker and insurers to provide to City with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

(j) Additional insured status. General liability policies shall provide or be endorsed to provide that City and its officers, officials, employees, and agents, and volunteers shall

be additional insureds under such policies. This provision shall also apply to any excess/umbrella liability policies.

(k) Prohibition of undisclosed coverage limitations. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.

(l) Separation of insureds. A severability of interests provision must apply for all additional insureds ensuring that Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

(m) Pass through clause. Consultant agrees to ensure that its subconsultants, subcontractors, and any other party involved with the project who is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage and endorsements required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with consultants, subcontractors, and others engaged in the project will be submitted to City for review.

(n) Agency's right to revise specifications. The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the City and Consultant may renegotiate Consultant's compensation.

(o) Self-insured retentions. Any self-insured retentions must be declared to and approved by City. City reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by City.

(p) Timely notice of claims. Consultant shall give City prompt and timely notice of claims made or suits instituted that arise out of or result from Consultant's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

(q) Additional insurance. Consultant shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work.

5.3 Indemnification.

To the full extent permitted by law, Consultant agrees to indemnify, defend and hold harmless the City, its officers, employees and agents ("Indemnified Parties") against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of or in

connection with the negligent performance of the work, operations or activities provided herein of Consultant, its officers, employees, agents, subcontractors, or invitees, or any individual or entity for which Consultant is legally liable (“indemnitors”), or arising from Consultant’s or indemnitors’ reckless or willful misconduct, or arising from Consultant’s or indemnitors’ negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement, and in connection therewith:

(a) Consultant will defend any action or actions filed in connection with any of said claims or liabilities and will pay all costs and expenses, including legal costs and attorneys’ fees incurred in connection therewith;

(b) Consultant will promptly pay any judgment rendered against the City, its officers, agents or employees for any such claims or liabilities arising out of or in connection with the negligent performance of or failure to perform such work, operations or activities of Consultant hereunder; and Consultant agrees to save and hold the City, its officers, agents, and employees harmless therefrom;

(c) In the event the City, its officers, agents or employees is made a party to any action or proceeding filed or prosecuted against Consultant for such damages or other claims arising out of or in connection with the negligent performance of or failure to perform the work, operation or activities of Consultant hereunder, Consultant agrees to pay to the City, its officers, agents or employees, any and all costs and expenses incurred by the City, its officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorneys’ fees.

Consultant shall incorporate similar indemnity agreements with its subcontractors and if it fails to do so Consultant shall be fully responsible to indemnify City hereunder therefore, and failure of City to monitor compliance with these provisions shall not be a waiver hereof. This indemnification includes claims or liabilities arising from any negligent or wrongful act, error or omission, or reckless or willful misconduct of Consultant in the performance of professional services hereunder. The provisions of this Section do not apply to claims or liabilities occurring as a result of City’s sole negligence or willful acts or omissions, but, to the fullest extent permitted by law, shall apply to claims and liabilities resulting in part from City’s negligence, except that design professionals’ indemnity hereunder shall be limited to claims and liabilities arising out of the negligence, recklessness or willful misconduct of the design professional. The indemnity obligation shall be binding on successors and assigns of Consultant and shall survive termination of this Agreement.

ARTICLE 6. RECORDS, REPORTS, AND RELEASE OF INFORMATION

6.1 Records.

Consultant shall keep, and require subcontractors to keep, such ledgers, books of accounts, invoices, vouchers, canceled checks, reports, studies or other documents relating to the

disbursements charged to City and services performed hereunder (the “books and records”), as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. Any and all such documents shall be maintained in accordance with generally accepted accounting principles and shall be complete and detailed. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of three (3) years following completion of the services hereunder, and the City shall have access to such records in the event any audit is required. In the event of dissolution of Consultant’s business, custody of the books and records may be given to City, and access shall be provided by Consultant’s successor in interest. Notwithstanding the above, the Consultant shall fully cooperate with the City in providing access to the books and records if a public records request is made and disclosure is required by law including but not limited to the California Public Records Act.

6.2 Reports.

Consultant shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer shall require. Consultant hereby acknowledges that the City is greatly concerned about the cost of work and services to be performed pursuant to this Agreement. For this reason, Consultant agrees that if Consultant becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the work or services contemplated herein or, if Consultant is providing design services, the cost of the project being designed, Consultant shall promptly notify the Contract Officer of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto and, if Consultant is providing design services, the estimated increased or decreased cost estimate for the project being designed.

6.3 Ownership of Documents.

All drawings, specifications, maps, designs, photographs, studies, surveys, data, notes, computer files, reports, records, documents and other materials (the “documents and materials”) prepared by Consultant, its employees, subcontractors and agents in the performance of this Agreement shall be the property of City and shall be delivered to City upon request of the Contract Officer or upon the termination of this Agreement, and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership use, reuse, or assignment of the documents and materials hereunder. Any use, reuse or assignment of such completed documents for other projects and/or use of uncompleted documents without specific written authorization by the Consultant will be at the City’s sole risk and without liability to Consultant, and Consultant’s guarantee and warranties shall not extend to such use, reuse or assignment. Consultant may retain copies of such documents for its own use. Consultant shall have the right to use the concepts embodied therein. All subcontractors shall provide for assignment to City of any documents or materials prepared by them, and in the event Consultant fails to secure such assignment, Consultant shall indemnify City for all damages resulting therefrom. Moreover, Consultant with respect to any documents and materials that may qualify as “works made for hire” as defined in 17 U.S.C. § 101, such documents and materials are hereby deemed “works made for hire” for the City.

6.4 Confidentiality and Release of Information.

(a) All information gained or work product produced by Consultant in performance of this Agreement shall be considered confidential, unless such information is in the public domain or already known to Consultant. Consultant shall not release or disclose any such information or work product to persons or entities other than City without prior written authorization from the Contract Officer.

(b) Consultant, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the Contract Officer or unless requested by the City Attorney, voluntarily provide documents, declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered “voluntary” provided Consultant gives City notice of such court order or subpoena.

(c) If Consultant, or any officer, employee, agent or subcontractor of Consultant, provides any information or work product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Consultant for any damages, costs and fees, including attorney’s fees, caused by or incurred as a result of Consultant’s conduct.

(d) Consultant shall promptly notify City should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed there under. City retains the right, but has no obligation, to represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Consultant. However, this right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

ARTICLE 7. ENFORCEMENT OF AGREEMENT AND TERMINATION

7.1 California Law.

This Agreement shall be interpreted, construed and governed both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Los Angeles, State of California, or any other appropriate court in such county, and Consultant covenants and agrees to submit to the personal jurisdiction of such court in the event of such action. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in the County of Los Angeles, State of California.

7.2 Disputes; Default.

In the event that Consultant is in default under the terms of this Agreement, the City shall not have any obligation or duty to continue compensating Consultant for any work performed after the date of default. Instead, the City may give notice to Consultant of the default and the reasons

for the default. The notice shall include the timeframe in which Consultant may cure the default. This timeframe is presumptively thirty (30) days, but may be extended, though not reduced, if circumstances warrant. During the period of time that Consultant is in default, the City shall hold all invoices and shall, when the default is cured, proceed with payment on the invoices. In the alternative, the City may, in its sole discretion, elect to pay some or all of the outstanding invoices during the period of default. If Consultant does not cure the default, the City may take necessary steps to terminate this Agreement under this Article. Any failure on the part of the City to give notice of the Consultant's default shall not be deemed to result in a waiver of the City's legal rights or any rights arising out of any provision of this Agreement.

7.3 Retention of Funds.

Consultant hereby authorizes City to deduct from any amount payable to Consultant (whether or not arising out of this Agreement) (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate City for any losses, costs, liabilities, or damages suffered by City, and (ii) all amounts for which City may be liable to third parties, by reason of Consultant's acts or omissions in performing or failing to perform Consultant's obligation under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by Consultant, or any indebtedness shall exist which shall appear to be the basis for a claim of lien, City may withhold from any payment due, without liability for interest because of such withholding, an amount sufficient to cover such claim. The failure of City to exercise such right to deduct or to withhold shall not, however, affect the obligations of the Consultant to insure, indemnify, and protect City as elsewhere provided herein.

7.4 Waiver.

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision or a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or services by Consultant shall not constitute a waiver of any of the provisions of this Agreement. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

7.5 Rights and Remedies are Cumulative.

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

7.6 Legal Action.

In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel

specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement. Notwithstanding any contrary provision herein, Consultant shall file a statutory claim pursuant to Government Code Sections 905 et seq. and 910 et seq., in order to pursue a legal action under this Agreement.

7.7 Termination Prior to Expiration of Term.

This Section shall govern any termination of this Contract except as specifically provided in the following Section for termination for cause. The City reserves the right to terminate this Contract at any time, with or without cause, upon thirty (30) days' written notice to Consultant, except that where termination is due to the fault of the Consultant, the period of notice may be such shorter time as may be determined by the Contract Officer. In addition, the Consultant reserves the right to terminate this Contract at any time, with or without cause, upon sixty (60) days' written notice to City, except that where termination is due to the fault of the City, the period of notice may be such shorter time as the Consultant may determine. Upon receipt of any notice of termination, Consultant shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. Except where the Consultant has initiated termination, the Consultant shall be entitled to compensation for all services rendered prior to the effective date of the notice of termination and for any services authorized by the Contract Officer thereafter in accordance with the Schedule of Compensation or such as may be approved by the Contract Officer, except as provided in Section 7.3. In the event the Consultant has initiated termination, the Consultant shall be entitled to compensation only for the reasonable value of the work product actually produced hereunder. In the event of termination without cause pursuant to this Section, the terminating party need not provide the non-terminating party with the opportunity to cure pursuant to Section 7.2.

7.8 Termination for Default of Consultant.

If termination is due to the failure of the Consultant to fulfill its obligations under this Agreement, City may, after compliance with the provisions of Section 7.2, take over the work and prosecute the same to completion by contract or otherwise, and the Consultant shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Consultant for the purpose of set-off or partial payment of the amounts owed the City as previously stated.

7.9 Attorneys' Fees.

If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees. Attorney's fees shall include attorney's fees on any appeal, and in addition a party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

ARTICLE 8. CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

8.1 Non-liability of City Officers and Employees.

No officer or employee of the City shall be personally liable to the Consultant, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

8.2 Conflict of Interest.

Consultant covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of City or which would in any way hinder Consultant's performance of services under this Agreement. Consultant further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the Contract Officer. Consultant agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of City in the performance of this Agreement.

No officer or employee of the City shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which affects her/his financial interest or the financial interest of any corporation, partnership or association in which (s)he is, directly or indirectly, interested, in violation of any State statute or regulation. The Consultant warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

8.3 Covenant Against Discrimination.

Consultant covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry or other protected class in the performance of this Agreement. Consultant shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry or other protected class.

8.4 Unauthorized Aliens.

Consultant hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C. § 1101 *et seq.*, as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Consultant so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should any liability or sanctions be imposed against City for such use of unauthorized aliens, Consultant hereby agrees to and shall reimburse City for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorneys' fees, incurred by City.

ARTICLE 9. MISCELLANEOUS PROVISIONS

9.1 Notices.

Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the City, to the City Manager and to the attention of the Contract Officer (with her/his name and City title), City of South El Monte, 6330 Pine Avenue, South El Monte, California 90201 and in the case of the Consultant, to the person(s) at the address designated on the execution page of this Agreement. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

9.2 Interpretation.

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

9.3 Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

9.4 Integration; Amendment.

This Agreement including the attachments hereto is the entire, complete and exclusive expression of the understanding of the parties. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. No amendment to or modification of this Agreement shall be valid unless made in writing and approved by the Consultant and by the City Council. The parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.

9.5 Severability.

In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

9.6 Warranty & Representation of Non-Collusion.

No official, officer, or employee of City has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of City participate in any decision relating

to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of “financial interest” shall be consistent with State law and shall not include interests found to be “remote” or “noninterests” pursuant to Government Code Sections 1091 or 1091.5. Consultant warrants and represents that it has not paid or given, and will not pay or give, to any third party including, but not limited to, any City official, officer, or employee, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded any agreement. Consultant further warrants and represents that (s)he/it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any City official, officer, or employee, as a result of consequence of obtaining or being awarded any agreement. Consultant is aware of and understands that any such act(s), omission(s) or other conduct resulting in such payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

Consultant’s Authorized Initials _____

9.7 Corporate Authority.

The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) that entering into this Agreement does not violate any provision of any other Agreement to which said party is bound. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first-above written.

CITY:

CITY OF SOUTH EL MONTE, a municipal corporation

Gloria Olmos, Mayor

ATTEST:

Donna G. Schwartz, City Clerk

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

Anthony R. Taylor, City Attorney

CONSULTANT:

TRANSTECH ENGINEERS, INC., a California Corporation

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Address: 13367 Benson Avenue
Chino, CA 91710

Two corporate officer signatures required when Consultant is a corporation, with one signature required from each of the following groups: 1) Chairman of the Board, President or any Vice President; and 2) Secretary, any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer. CONSULTANT'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONSULTANT'S BUSINESS ENTITY.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On _____, 20__ before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form

CAPACITY CLAIMED BY SIGNER	DESCRIPTION OF ATTACHED DOCUMENT
☐ INDIVIDUAL	
☐ CORPORATE OFFICER	
TITLE(S)	TITLE OR TYPE OF DOCUMENT
☐ PARTNER(S) ☐ LIMITED	
☐ GENERAL	
☐ ATTORNEY-IN-FACT	
☐ TRUSTEE(S)	
☐ GUARDIAN/CONSERVATOR	NUMBER OF PAGES
OTHER _____	

SIGNER IS REPRESENTING: (NAME OF PERSON(S) OR ENTITY(IES))	DATE OF DOCUMENT

_____	SIGNER(S) OTHER THAN NAMED ABOVE

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On _____, 20__ before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER	DESCRIPTION OF ATTACHED DOCUMENT
☐ INDIVIDUAL	
☐ CORPORATE OFFICER	
TITLE(S)	TITLE OR TYPE OF DOCUMENT
☐ PARTNER(S) ☐ LIMITED	
☐ GENERAL	
☐ ATTORNEY-IN-FACT	
☐ TRUSTEE(S)	
☐ GUARDIAN/CONSERVATOR	NUMBER OF PAGES
OTHER _____	

SIGNER IS REPRESENTING: (NAME OF PERSON(S) OR ENTITY(IES))	DATE OF DOCUMENT

_____	SIGNER(S) OTHER THAN NAMED ABOVE

EXHIBIT “A”

SCOPE OF SERVICES

I. Consultant will perform the following Services to provide Construction Management and Construction Inspection Services for Merced Avenue Greenway Project:

The following is the scope of services to be provided by the consultant:

- Conduct a pre-construction meeting and bi-weekly construction meetings with the contractor, City, and other involved parties. Prepare and distribute meeting agendas and minutes.
- Coordinate with City staff, contractor when applicable, agencies, and Project stakeholders.
- Prepare weekly status reports and statements of working days and any other statements that are required by the City.
- Participate in field meetings and document issues, findings, direction, changes, etc., and develop solutions.
- Provide direct supervision, scheduling and problem resolution for the contractor.
- Maintain Engineer's and Inspector's Daily Reports, and recording work in progress, which may include the hours worked by men and equipment:
- Contract Time Monitoring shall include review working days, contract time requirements, and documentation of time extensions. Maintain a written record of project progress, which shall indicate factors which may affect the work, such as, weather conditions, utility delays, strikes or labor disputes, and material shortages. Based on these factors a record of working days will be maintained, including:
 - Weekly Statement of Working Days
 - Where work is being paid for based on the cost of labor, equipment, and material
 - When there is an anticipated change in character of work
 - When there is a potentially significant overrun or underrun, or
 - When there is disputed work or a potential claim
- When the report is used to determine compliance with labor provisions of the contract, the following additional information may be included:
 - The names or identification numbers of the contractor's personnel
 - The respective classifications of the work being performed
 - The number of hours worked on the date covered by the report
 - Reporting for labor compliance will be done on a random spot-check basis only. One report per week on the project will be used as an initial guide. The frequency may be reduced after a high degree of compliance has been verified.
- Maintain Project Files, which shall contain all data pertinent to the work and to the requirements of the specifications. In general, project files will support adequacy of file control, conformance to contract specifications, and contract payments to the contractor
- Monitor the contractor to ensure as-built drawings and specifications are properly maintained. The CM shall compile the as-built documents and submit them at the end of the Project to the City Engineer for review, approval and further processing.
- Provide Labor Compliance Services.

- Establish project filing system, and maintain projects files and records.
- Manage and process change orders and pay requests. Maintain an accounting of construction costs to complete the Project, including approved change orders. Review payment requests, make payment recommendations, and prepare progress payments in City's standard format.
- Manage, respond, approve/disapprove and process RFIs and submittals.
- Conduct construction meetings.
- Conduct project progress meetings with City and present project progress, budget, issues, resolutions.
- Provide inspection and enforcement of NPDES, and SWPPP.
- Provide public relations and outreach services. The project streets are along heavily travelled, business and residential areas, and will have extensive impacts on parking, adjacent businesses and residents. Therefore, an effective public relations effort and program to keep public informed at all times and responding to public inquiries, comments, complaints effectively is an important task that the selected consultant is required to perform. Selected consultant is also expected to make 2 project information, progress presentations at City Council meetings, and at 2 community meetings.
- Respond to inquiries and providing responses to public, City and other parties.
- Conduct project walk-through(s) and prepare punch list(s).
- Prepare project close out, necessary documents, final invoicing, staff report for acceptance of project by City Council, presentation of report at City Council, preparation and filing of Notice of completion at the County Recorders Office, preparation of final retention release invoice 35 days after NOC filing.
- Provide soils/materials inspection and testing services.

II. As part of the Services, Consultant will prepare and deliver the following tangible work products to the City:

- Inspectors' daily reports
- Weekly statement of working days

III. In addition to the requirements of Section 6.2, during performance of the Services, Consultant will keep the City apprised of the status of performance by delivering the following status reports:

- Bi-weekly project status updates

IV. All work product is subject to review and acceptance by the City, and must be revised by the Consultant without additional charge to the City until found satisfactory and accepted by City.

V. Consultant will utilize the following personnel to accomplish the Services:

- Ahmad Ansari, PE, Contract Principal

- Okan Demirci, PE, QSD, QSP, Principal Project Manager
- Bahman Janka, TE, Sr. Tr. Eng. (TS/Traffic Control Review Support
- Earl Fraser, QSP, Sr. CM/Sr. Supervising Inspector
- Duane Tut, Landscape Architectural Support
- Ali Cayir, PE, Sr. Engineer, Sr. Level QA/QC, Management Oversight
- Craig Wheeler, CM/Sr. Inspector
- Jeffrey Hirsh, CM/Sr. Inspector
- Robert Garcia, Sr. Inspector
- Melissa Demirci, RSP, Associate Eng. (PR/Office Eng. Support)
- Lissette Montoya, Funds Administration (Subconsultant, Avant-Garde, Inc)
- Megan Lenoue, Funds Administration (Subconsultant, Avant-Garde, Inc)
- Shawn Ariannia, PE, GE, Geotechnical Engineer (Subconsultant, Geo-Advantec)

EXHIBIT “B”

SPECIAL REQUIREMENTS

(Superseding Contract Boilerplate)

The Agreement is amended as provided herein. Deleted text is indicated in ~~strikethrough~~ and added text in ***bold italics***.

DRAFT

EXHIBIT "C"

SCHEDULE OF COMPENSATION

This Schedule of Compensation governs Contractor's compensation in the event the Contractor performs services pursuant to an written change order pursuant to Section 1.8. Contractor shall perform those services listed in Exhibit "A" on an on-call basis, within the sole and absolute discretion of the City, at the rates listed in Exhibit C-1.

- I. Consultant shall perform the following tasks at the following rates:**

FEE PROPOSAL
REQUEST FOR PROPOSALS (RFP)
TO PROVIDE CONSTRUCTION MANAGEMENT AND CONSTRUCTION INSPECTION (CMCI) SERVICES FOR MERCED AVENUE GREENWAY IMPROVEMENTS PROJECT
IN THE CITY OF SOUTH EL MONTE, CALIFORNIA

PROJECT PHASE			IN-HOUSE STAFF								SUB-CONSULTANTS				TOTAL PHASE FEE			
			Proj Manager	RE	Inspector	Office Engineer	Other (add staff classifications as Billing Rate)	Other (add staff classifications as Billing Rate)	Total Hours (In-house Staff)	TOTAL FEE (In-house Staff)	Sub-Consultant 1: (add as necessary) GEO-ADVANTEC, INC., Geo-Tech, Materials Testing and Inspection Support	Sub-Consultant 2: (add as necessary) AVANT-GARDE, INC., (DBE Firm), Funding and Labor Compliance Support	Sub-Consultant 3: (add as necessary) MTGL, Inc. (DBE Firm), Independent Assurance Testing Support	TOTAL FEE (Sub-Consultants)				
			Billing Rate	Billing Rate	Billing Rate	Billing Rate	Billing Rate	Billing Rate										
			\$200	\$175	\$145	\$145	\$0	\$0										
Phase 1. Pre-Construction Phase			20	40	40	40	0	0	140	\$22,600	\$0	\$0	\$0	\$0	\$22,600			
Phase 2. Construction Phase			PM, RE, Inspector, Office Engineers		300	300	2,400	1,200	0	0	4,200	\$634,500	\$654,450	\$0	\$0	\$0	\$160,000	\$814,450
Assume	300	working days	Any Additional Inspection Support		0	0	0	0	0	0	\$0	\$0		\$0	\$0			
During Construction assume following staffing level: 1 RE (assume part-time) 1 Inspector (assume full-time) 1 Office Engineer (assume part-time) Plus any additional Support Staff and Subconsultants, such as additional inspection support, materials testing and			Any Additional Other Staff Support		0	0	0	0	0	0	\$0	\$0		\$0	\$0			
			Labor Compliance		0	0	0	0	0	0	\$0	\$0		\$25,000	\$0			
			Materials Testing and Inspection		0	0	0	0	0	0	\$0	\$105,000		\$0	\$15,000			
			Public Relations		30	30	30	30	0	0	120	\$19,950		\$0	\$15,000	\$0		
Phase 3. Post-Construction Phase/Project Close-out			20	20	20	40	0	0	100	\$16,200	\$0	\$2,975	\$0	\$2,975	\$19,175			
TOTAL FEES											\$693,250	\$105,000	\$42,975	\$15,000	\$162,975	\$856,225		

- II. A retention of ten percent (10%) shall be held from each payment as a contract retention to be paid as part of the final payment upon satisfactory completion of services.**

Not applicable.

- III. Within the budgeted amounts for each Task, and with the approval of the Contract Officer, funds may be shifted from one Task subbudget to another so long as the Contract Sum is not exceeded per Section 2.1, unless Additional Services are approved per Section 1.9.**

- IV. The City will compensate Consultant for the Services performed upon submission of a valid invoice. Each invoice is to include:**

- A. Line items for all personnel describing the work performed, the number of hours worked, and the hourly rate.
- B. Line items for all materials and equipment properly charged to the Services.
- C. Line items for all other approved reimbursable expenses claimed, with supporting documentation.
- D. Line items for all approved subcontractor labor, supplies, equipment, materials, and travel properly charged to the Services.

- V. The total compensation for the Services shall not exceed the Contract Sum as provided in Section 2.1 of this Agreement.**

- VI. The Consultant's billing rates for all personnel are shown on Exhibit C.**

EXHIBIT “D”

SCHEDULE OF PERFORMANCE

I. Consultant shall perform all services timely in accordance with the following schedule:

- Consultant shall complete pre-construction phase services within 2 months of issuance of Notice to Proceed to the consultant.
- Consultant shall complete construction phase services within 300 working days of issuance of Notice to Proceed with construction to the construction contractor.
- Consultant shall complete post-construction phase services within 3 months of the contractor’s completion of construction activities.

II. Consultant shall deliver the following tangible work products to the City by the following dates.

- Inspector daily reports will be delivered throughout construction phase (within 300 working days) at the end of each construction week
- Weekly statement of working days will be delivered throughout construction phase (within 300 working days) at the end of each construction week
- Bi-weekly project status updates will be delivered throughout construction phase (within 300 working days) bi-weekly

III. The Contract Officer may approve extensions for performance of the services in accordance with Section 3.2.



City Council Agenda Report

Agenda Item No. 7.f.

DATE: September 26, 2023

TO: Honorable Mayor and Members of the City Council

APPROVED BY: Rene Salas, City Manager

SUBMITTED BY: Rene Salas, City Manager

SUBJECT: CONSIDERATION AND APPROVAL OF RESOLUTION NO. 23-92, APPROVING AMENDMENT NO. 1 TO AGREEMENT WITH ALESHIRE & WYNDER (A&W) FOR CITY ATTORNEY SERVICES

SUMMARY: Consideration of Resolution No. 23-92, Approving Amendment No. 1 to Agreement for city attorney services. In November of 2019, the City entered into an agreement with A&W for city attorney services. Amendment No. 1 is to sought to adjust the current compensation.

RECOMMENDED ACTION: Staff recommends City Council:

1. Adopt Resolution No. 23-92, approving Amendment No. 1 to agreement with Aleshire & Wynder (A&W) for City Attorney Services; and
2. Authorize the City Manager to negotiate and execute agreement.

FISCAL/FINANCIAL IMPACT: The proposed amendment will increase the compensation by twenty dollars per hour over two years, with a ten dollar per hour increase beginning on October 1, 2023 and an additional ten dollars per hour increase which will be effective on October 1, 2024. Said increases are further detailed in the proposed amendment.

DISCUSSION: In November of 2019, the City Council appointed Aleshire & Wynder (A&W) as the City Attorney pursuant to an agreement between the City and A&W (the Agreement). Exhibit A to the Agreement articulated compensation for the services.

The existing Agreement provides for Consumer Price Index (CPI) increases every two years, including a CPI increase scheduled for January 1, 2024.

The proposed increase would be applied starting October 1, 2023, and includes an adjustment in the compensation by twenty dollars per hour over two years, with a ten

dollar per hour increase beginning on October 1, 2023 and an additional ten dollar per hour increase starting on October 1, 2024. The CPI increase pursuant to the existing contract (referenced above) which is scheduled for January 1, 2024, will not apply.

ATTACHMENT(S):

- A. Reso No. 23-92
- B. Amendment No. 1 to City Atty Contract
- C. (SEM) City Atty Contract

ATTACHMENT A

RESOLUTION NO. 23-92

**A RESOLUTION OF THE SOUTH EL MONTE CITY COUNCIL APPROVING
AMENDMENT NO. 1 TO AGREEMENT WITH ALESHIRE & WYNDER FOR
CITY ATTORNEY SERVICES**

WHEREAS, the City of South El Monte entered into an Agreement with Aleshire & Wynder (A&W) on November 12, 2023 for City Attorney services;

WHEREAS, the City Council desires to amend the agreement to adjust Exhibit “A” as it relates to the fee arrangement between the City and A&W as revised in the amendment attached to the City’s staff report.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY
OF SOUTH EL MONTE AS FOLLOWS:**

Section 1. The above recitals are true and correct.

Section 2. The City Council authorizes the City Manager to execute Amendment No. 1 to the above referenced agreement as attached to the staff report.

PASSED, APPROVED AND ADOPTED this 26th day of September 2023.

Gloria Olmos, Mayor

ATTEST:

Donna G. Schwartz, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF SOUTH EL MONTE)

I, Donna G. Schwartz, City Clerk of the City of South El Monte, do hereby certify that the foregoing Resolution, being Resolution No. 23-92 was duly passed and approved by the city Council of the City of South El Monte at a regular meeting of said City Council held on the 26th day of September 2023 and that said Resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Donna G. Schwartz, City Clerk

ATTACHMENT B

AMENDMENT NO. 1

TO AGREEMENT FOR CONTRACTUAL SERVICES

THIS AMENDMENT TO THE AGREEMENT FOR CONTRACT SERVICES (“Amendment”) by and between the **CITY OF SOUTH EL MONTE** (“City”) and **ALESHIRE & WYNDER LLP** (“A&W”) is effective as of the ____ day of September, 2023.

RECITALS

A. City and A&W entered into that certain Agreement for Contract Services dated November 12, 2019 (“Agreement”) whereby A&W agreed to provide City Attorney services.

B. By this Amendment No. 1, City and A&W now desire to amend the Agreement to amend the Fee Arrangement between City and A&W.

TERMS

1. **Contract Changes.** The Agreement is amended as provided herein.

a. Exhibit “A” to the Agreement is hereby replaced in its entirety with Exhibit A attached hereto and incorporated herein.

2. **Continuing Effect of Agreement.** Except as amended by this Amendment, all provisions of the Agreement shall remain unchanged and in full force and effect. From and after the date of this Amendment, whenever the term “Agreement” appears in the Agreement, it shall mean the Agreement, as amended by this Amendment to the Agreement.

3. **Affirmation of Agreement; Warranty Re Absence of Defaults.** City and A&W each ratify and reaffirm each and every one of the respective rights and obligations arising under the Agreement. Each party represents and warrants to the other that there have been no written or oral modifications to the Agreement other than as provided herein. Each party represents and warrants to the other that the Agreement is currently an effective, valid, and binding obligation.

A&W represents and warrants to City that, as of the date of this Amendment, City is not in default of any material term of the Agreement and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.

City represents and warrants to A&W that, as of the date of this Amendment, A&W is not in default of any material term of the Agreement and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.

4. **Adequate Consideration.** The parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this Amendment.

5. **Authority.** The persons executing this Amendment on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Amendment on behalf of said party, (iii) by so executing this Amendment , such party is formally bound to the provisions of this Amendment , and (iv) the entering into this Amendment does not violate any provision of any other agreement to which said party is bound.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first-above written.

CITY:

CITY OF SOUTH EL MONTE, a
municipal corporation

Rene Salas, City Manager

ATTEST:

Donna G. Schwartz, City Clerk

CONTRACTOR:

ALESHIRE & WYNDER, LLP

By: _____
Name: Anthony R. Taylor
Title: Equity Partner

Address:
1 Park Plaza, Suite 1000
Irvine, CA 92614
ataylor@awattorneys.com

Two corporate officer signatures required when Contractor is a corporation, with one signature required from each of the following groups: 1) Chairman of the Board, President or any Vice President; and 2) Secretary, any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer. CONTRACTOR'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONTRACTOR'S BUSINESS ENTITY.

Exhibit “A”

October 1, 2023 - Hourly Rates

CLASSIFICATION	HOURLY RATES
General	\$210/1st 50 hours \$237 Thereafter
Special Services/Litigation*	\$290 Partner \$248 Associate
Risk Management / Code Enforcement	\$237
Reimbursable – Standard (when citizens are paying)	\$274
Reimbursable – Non-standard (when developers are paying)	\$263 Associate \$327 Partner
Public Finance	\$380 Attorneys \$168 Paralegals/law clerks
Paralegals and Law Clerks	\$153
Document Clerks	\$84

Commencing October 1, 2024, the rates will be adjusted by \$10 hr.

* The rates set forth in this Contract are guaranteed until December 31, 2025. Commencing January 1, 2026 and every two years thereafter, there is a cumulative CPI adjustment but only 80% of CPI rounded to the nearest dollar. The CPI shall be set by the Consumer Price Index (“CPI”) for all urban consumers in the Los Angeles-Long Beach-Anaheim areas as published by the United States Government Bureau of Labor Statistics.

1. General Legal Services

General Legal Services are defined below:

- a. Attend all City Council, Successor Agency Board of Directors, and Planning Commission meetings. Provide City Council and other bodies with guidance relative to Roberts Rules of Order, open meetings, Brown Act, and other related procedural matters.
- b. Serve as legal counsel to bodies as may be created and represented by or for the City and which meet regularly or periodically or on an as-needed basis.

Represent the City before other governmental bodies and agencies to promote the interests of the City.

- c. Attend departmental meetings, staff meetings or committee meetings as deemed necessary and appropriate or as requested by the City Manager, or City Council.
- d. Provide legal advice, counsel, services, consultation and opinions to City Council, City Manager and City staff on a wide variety of municipal assignments. Perform research and interpret laws, court decisions and other legal matters in order to prepare legal opinions and to advise the City Council, Great Park Board and management staff on legal matters pertaining to City operations. Review and/or prepare staff reports, ordinances, resolutions, orders, agreements, forms, notices, declarations, certificates, deeds, leases, and other documents required by the City, or Great Park.
- e. Ensure that current and future City ordinances, policies, procedures and practices comply with state and federal law. Inform City Council and staff and recommend changes to City ordinances and practices, as needed.
- f. Provide assistance with issues related to land use and zoning ordinance, general plan and master plan updates and the processing of discretionary projects under CEQA.
- g. Render advice and assistance in the administration of the City's general liability and risk management programs to the extent that the same is not covered by the California Insurance Pool Authority (CIPA).
- h. Provide assistance to the City regarding election laws and assist in review of election forms, filings, and coordination with county, state and federal election officials.
- i. Provide assistance to staff to monitor pending and current State and Federal legislation, regulations and case law. Conduct legislative analysis of proposed legislation and regulations to include impacts to the City, as directed.
- j. Coordinate and monitor the work of special legal counsel as needed and directed by the City Council and/or City Manager.

2. Special Services Defined and Rates

For "special" legal services, which we define to include successor agency matters, rent control, housing, enterprise funds, franchise negotiations, major contract negotiations, municipal finance and audit matters other than bonds and similar financial services, environmental and toxics, water, energy, franchises, utilities and telecommunications, solid waste, mobile home matters, litigation services, disciplinary actions or hearings, labor negotiations, real estate and public works or similar matters requiring special expertise.

3. Reimbursable Expenses

In addition to the hourly rates, the firm would be reimbursed for out-of-pocket expenses such as photocopies (\$0.25 per page) and other reproducing costs, facsimile charges, messengers and couriers, court reporters, mileage costs to court and administrative proceedings, travel

expenses outside of the city, and other costs and expenses incurred on your behalf. Notwithstanding the foregoing, we do not charge for word processing, routine computer-assisted legal research, local calls or mileage to city hall or city offices. In exchange, when on site, we would have the ability to use city copiers and telephones without charge.

Travel costs including mileage (current IRS rate), parking, airfare, lodging, meals, and incidentals are charged in connection with administrative or judicial proceedings, or when traveling outside of Los Angeles, Riverside, San Bernardino or Orange Counties. Travel time may also be charged in connection with such proceedings. In addition, the client will be responsible for paying the fees of consultants and other outside experts who are retained after consultation with the client.

**CONTRACT SERVICES AGREEMENT FOR
CITY ATTORNEY SERVICES
CITY OF SOUTH EL MONTE**

This CONTRACT SERVICES AGREEMENT FOR CITY ATTORNEY SERVICES (the “Agreement”) is effective as of the 12th day of November, 2019 by and between the law firm of ALESHIRE & WYNDER, LLP, a California limited liability partnership (“A&W”), and the CITY OF SOUTH EL MONTE, a general law city & municipal corporation (“City”). The term “City” shall also include all boards, commissions, financing authorities, and other bodies of City.

1. APPOINTMENT

City Council hereby appoints and hires A&W as its City Attorney to render such legal services as are customarily rendered by such official and as further specified herein, including attending meetings of the City Council, Planning Commission, Successor Agency, and all other City boards and commissions and their affiliated agencies, as directed by the City. Partner Anthony Taylor is designated as City Attorney.

Notwithstanding the foregoing appointment, the designated City Attorney, Agency Counsel, and any Assistant or Deputy City Attorney, may be established from time to time or modified by resolution of the City Council. A&W represents that it employs, or will employ at its own expense, all personnel required for the satisfactory performance of any and all tasks and services set forth herein. A&W shall not replace any designated City Attorney (or any successors to such person) without the City Council’s prior approval, except from time to time necessary due to illness or vacation scheduling. Approval of any such temporary substitute, or of any Assistant City Attorney shall be obtained from the City Manager. City Attorney may appoint various deputies as City Attorney deems appropriate, without the need for amendment hereof.

2. SCOPE OF WORK AND DUTIES

A. A&W shall perform any and all work necessary for the provision of City Attorney services to City, as set forth in the Municipal Code, including, but not limited to, the following:

(i) Attendance at City Council, Planning Commission, or Successor Agency, Housing Authority, Public Financing Authority, or other affiliated entities, unless excused by the City Manager or his/her designee, and other board and commission meetings on request of the City Manager or his/her designee; and

(ii) Provide legal advice, written legal opinions, and consultation on all matters affecting the City to the City Council, City Manager, boards, commissions, committees, officers, and employees of City and as requested by the City Council, the City Manager, or his/her designee, in accordance with such policies and procedures as may be established by City from time to time; and

(iii) Be available for telephone consultation with City staff, as needed on legal matters which are within their area of operation; and

(iv) Prepare or review necessary legal documents such as: ordinances, and resolutions; all agreements of any nature; all real property instruments of any nature including purchase agreements and escrows, leases, covenants, deeds, easements and licenses; bond size, amount, and offering terms and conditions; public works construction documents including bid specifications, contracts, bonds, insurance, liens and related documents; memorandum of understanding; franchise agreements; and all similar documents; and

(v) Represent and advise City on pending and potential litigation; notwithstanding the foregoing, it is expressly understood that A&W shall not be responsible for any pending litigation matter(s) handled by attorneys previously or otherwise employed by the City until all files have been transferred to A&W and A&W has specifically appeared in the matter(s) as attorneys of record on behalf of City; and

(vi) Hold office hours at City Hall at a time agreed to with City Manager; and

(vii) Attend management staff and agenda review meetings at a time agreed to with City Manager; and

(viii) Monitor pending and current legislation and case law as appropriate; and

(ix) Supervise outside legal services, if any.

B. A&W, as a full-service law firm, is prepared to, and will, provide representation to City in all of its legal affairs, including, but not limited to, municipal law, land use, environmental, toxics, mining, water, tort defense, personnel, labor representation, code enforcement, criminal prosecution, redevelopment, housing, cable television, finance, franchising, contracts, enterprise and other matters, except where conflicts exist or where the City Council may otherwise direct. The City Attorney shall represent City in all of the foregoing legal matters, and in initiating and defending all litigation unless otherwise directed by the City Council.

C. The City Attorney will keep City informed as to the progress and status of all pending matters in accordance with such procedures as the City may establish from time to time. The City Attorney is expected to manage, control and oversee the delivery of legal services in a competent, professional, and cost-effective manner. All legal services shall be properly supervised and all personnel shall be qualified to handle the work assigned. If outside special counsel is retained, unless otherwise directed by the City Council, such special counsel shall be supervised by the City Attorney.

D. All legal services shall be coordinated under the direction of the City Manager. Notwithstanding any other provision contained herein, any legal services can only be authorized by the City Council or City Manager. Nothing in this Agreement shall be construed in any manner as limiting the ultimate and absolute discretion of the City Council, at any time, to assign or reassign any legal matter of the City from or to A&W.

3. CITY DUTIES

City agrees to provide such information, assistance, cooperation, and access to books, records, and other information as is necessary for A&W to effectively render its professional

services under this Agreement. To the extent City desires services to be rendered on site, City, at City's expense, will make available sufficient office space, furniture, telephones, computers, facsimile machines, and secretarial support, as approved by the City Manager, as may be necessary therefor. City further agrees to abide by this Agreement, and to timely pay A&W's bills for fees, costs, and expenses.

4. COMPENSATION

The Fee Arrangement and Statement of Billing Practices are set forth in Exhibits "A" and "B" attached hereto and incorporated herein by this reference.

5. COSTS AND OTHER CHARGES

A&W may incur various costs and expenses in rendering the legal services required by this Agreement which, if customary and necessary for the performance of legal services hereunder, shall be reimbursable by City. These costs and expenses are described in more detail in Exhibits "A" and "B". City agrees to reimburse A&W for these costs and expenses in addition to the fees for legal services. Reimbursable costs shall not include any overhead or administrative charge by A&W or A&W's cost of equipment or supplies except as provided herein.

A&W may determine it necessary or appropriate to use one or more outside investigators, consultants, or experts in rendering the legal services required (particularly if a matter goes into litigation). City will be responsible for paying such fees and charges. A&W will not, however, retain the services of any outside investigators, consultants, or experts without the prior approval of City. A&W will select any investigators, consultants, or experts to be hired only after consultation with City.

The cost and expenses referred to herein include certain travel expenses; transportation, meals, and lodging; when incurred on behalf of the client. Generally, except in connection with litigation (travel costs to court and for discovery are chargeable), these will only be charged when outside of the area, and only with the prior agreement of City.

Finally, periodically, when on-site, A&W personnel may be required to make local and long-distance telephone calls, or make photocopies, or incur other expenses on behalf of the City as well as other clients. A&W will not be charged for such expenses and, in exchange, will not charge the City for calls made from our office or other locations to the City.

6. STATEMENTS AND PAYMENT

A&W shall render to City a statement for fees, costs, and expenses incurred on a periodic basis (generally monthly). Such statement(s) shall indicate the basis of the fees, including the hours worked, the hourly rate(s), and a brief description of the work performed. Separate billing categories can be established to track costs associated with City funding categories or to track project costs, or such other basis as the City may direct. Reimbursable costs shall be separately itemized.

Payments shall be made by City within thirty (30) days of receipt of the statement, except for those specific items on an invoice which are contested or questioned and are returned by City

with a written explanation of the question or contest, within thirty (30) days of receipt of the invoice. Payments made more than thirty (30) days after the due date shall draw interest at the legal rate.

7. PROHIBITION AGAINST SUBCONTRACTING OR ASSIGNMENT

The experience, knowledge, capability and reputation of A&W, its partners, associates, and employees, was a substantial inducement for City to enter into this Agreement. Therefore, A&W shall not contract with any other person or entity to perform, in whole or in part, the legal services required under this Agreement without the written approval of City. In addition, neither this Agreement, nor any interest herein, may be transferred, assigned, conveyed, hypothecated, or encumbered voluntarily, or by operation of law, whether for the benefit of creditors, or otherwise, without the prior written approval of City. Adding attorneys to A&W, changes in the partnership, name changes and similar changes shall not be deemed a transfer or assignment requiring approval of City or amendment hereof.

8. INDEPENDENT CONTRACTOR

A&W shall perform all legal services required under this Agreement as an independent contractor of City, and shall remain, at all times as to City, a wholly independent contractor with only such obligations as are required under this Agreement. Neither City, nor any of its employees, shall have any control over the manner, mode, or means by which A&W, its agents or employees, render the legal services required under this Agreement, except as otherwise set forth. City shall have no voice in the selection, discharge, supervision or control of A&W employees, servants, representatives, or agents, or in fixing their number, compensation, or hours of service.

9. INSURANCE

A&W shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement, including any extension thereof, the following policies of insurance:

(a) Comprehensive General Liability Insurance. A policy of comprehensive general liability insurance written on a per occurrence basis in an amount not less than a combined single limit of One Million Dollars (\$1,000,000.00), and One Million Dollars (\$1,000,000.00) products and completed operations.

(b) Workers' Compensation Insurance. A policy of workers' compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for both A&W and City against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by the Contractor in the course of carrying out the work or services contemplated in this Agreement.

(c) Automobile Insurance. A policy of comprehensive automobile liability insurance written on a per occurrence basis in an amount not less than a combined single limit liability of One Million Dollars (\$1,000,000.00). Said policy shall include coverage for owner, non-owner, leased and hired cars.

(d) Errors and Omissions Insurance. A policy of professional liability insurance written on a claims made basis in an amount not less than Three Million Dollars (\$3,000,000.00).

Except for the policy of professional liability insurance, all of the above policies of insurance shall be primary insurance and shall name City, its officers, employers and agents as additionally insured. Except for the policy of professional liability insurance, the insurer shall waive all rights of subrogation and contribution it may have against the City, its officers, employees and agents and their respective insurers. Except for the policy of professional liability insurance, all of said policies of insurance shall provide that said insurance may not be amended or canceled without providing thirty (30) days prior written notice by registered mail to the City. In the event any of said policies of insurance are cancelled, the attorney shall, prior to the cancellation date, submit new evidence of insurance in conformance with this Section to the City. Failure to do so is cause for termination.

10. INDEMNIFICATION

10.1 A&W agrees to indemnify City, its officers, employees and agents against, and will hold and save each of them harmless from, any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the work, operations or activities of A&W, its agents, employees, subcontractors, or invitees, provided for herein or arising from the acts or omissions of A&W hereunder, or arising from A&W's performance of or failure to perform any term, provision, covenant or condition of this Agreement, except to the extent such claims or liabilities arises from the negligence or willful misconduct of City, its officers, agents or employees.

10.2 City acknowledges that A&W is being appointed as City Attorney pursuant to the authority of Government Code Section 36505, and has the authority of that office. Accordingly, the City is responsible pursuant to Government Code Section 825 for providing a defense for the City Attorney for actions within the scope of its engagement hereunder. Therefore, City agrees to undertake its statutory duty under section 825 and indemnify A&W, its officers, employees and agents against and will hold and save each of them harmless from, any and all actions, suits, claims, damages to persons or property, losses, costs penalties, obligations, errors, omissions or liabilities (herein "claims or liabilities") that may be asserted or claims by any person, firm or entity arising out of or in connection with the work, operations or activities of A&W within the course and scope of its employment hereunder, but nothing herein shall require City to indemnify A&W for liability arising from A&W's own negligence, tortious acts, willful misconduct or legal malpractice. Nothing in this agreement shall be construed to provide A&W with greater indemnification than required by Government Code section 825 or to prohibit the City from providing a defense with a reservation of rights as permitted by section 825. In connection herewith:

(a) City will promptly provide a defense and pay any judgment rendered against the City, its officers, agents or employees for any such claims or liabilities arising out of or in connection with such work, operations or activities of City hereunder except as specified above;

(b) In the event A&W, its officers, agents or employees is made a party to any action or proceeding filed or prosecuted against City for such damages or other claims solely arising out of or in connection with the work operation or activities of City hereunder, City agrees to pay to A&W, its officers, agents or employees any and all costs and expenses incurred by attorney, its officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorneys' fees to the extent required by Government Code section 825.

11. NOTICES

Notices required pursuant to this Agreement shall be given by personal service upon the party to be notified, or by delivery of same into the custody of the United States Postal Service, or its lawful successor; postage prepaid and addressed as follows:

CITY: City of SOUTH EL MONTE
1415 Santa Anita Avenue
South El Monte, CA 91733
Attention: City Manager

ATTORNEY: Aleshire & Wynder, LLP
18881 Von Karman Avenue, Suite 1700
Irvine, California 92612
(949) 223-1170 (office)
(949) 223-1180 (fax)
Attention: David J. Aleshire

Service of a notice by personal service shall be deemed to have been given as of the date of such personal service. Notice given by deposit with the United States Postal Service shall be deemed to have been given two (2) consecutive business days following the deposit of the same in the custody of said Postal Service. Either party hereto may, from time to time, by written notice to the other, designate a different address or person which shall be substituted for that specified above.

12. NON-DISCRIMINATION

In connection with the execution of this Agreement, A&W shall not discriminate against any employee or applicant for employment because of race, religion, marital status, color, sex, handicap, sexual persuasion, or national origin. A&W shall take affirmative action to ensure that applicants are employed, and that employees are treated fairly during their employment, without regard to their race, religion, color, sex, marital status, handicap, sexual persuasion, or national origin. Such actions shall include, but not be limited to the following: employment, promotion, demotion, transfer, duties assignment; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

13. TERM, DISCHARGE AND WITHDRAWAL

City may discharge A&W at any time on three (3) affirmative votes of the City Council at a duly noticed public meeting. The City Attorney shall have no property interest in the position and works at will with no right to a hearing and may be discharged with or without cause. A&W may withdraw from City's representation at any time, to the extent permitted by law, and the Rules of Professional Conduct, upon at least sixty (60) days' notice to City.

In the event of such discharge or withdrawal, City will pay A&W professional fees and costs, in accordance with this Agreement, for all work done (and costs incurred) through the date of cessation of legal representation. City agrees to execute, upon request, a stipulation in such form as to permit A&W to withdraw as City's attorneys of record in any legal action then pending. A&W shall deliver all documents and records of City to City, or to counsel designated by City, and assist to the fullest extent possible in the orderly transition of all pending matters to City's new counsel.

14. CONFLICTS

A&W has no present or contemplated employment which is adverse to the City. A&W agrees that it shall not represent clients in matters either litigation or non-litigation against the City. However, A&W may have past and present clients or may have future clients, which, from time to time, may have interests adverse to City, and A&W reserves the right to represent such clients in matters not connected with its representation of the City.

If a potential conflict of interest arises in A&W's representation of two clients, if such conflict is only speculative or minor, A&W shall seek waivers from each client with regards to such representation. However, if real conflicts exist, A&W would withdraw from representing either client in the matter, and assist them in obtaining outside special counsel.

15. INTERPRETATION OF AGREEMENT AND FORUM

This Agreement shall be construed and interpreted both as to validity and performance of the parties in accordance with the laws of the State of California. In the event of any dispute hereunder, forum shall be the Superior Court, Los Angeles County.

16. INTEGRATED AGREEMENT; AMENDMENT

This Agreement contains all of the agreement of the parties and cannot be amended or modified except by written agreement. This Agreement shall supercede that certain agreement for special counsel services previously entered into between the parties. No prior oral or written understanding shall be of any force or effect with respect to those matters covered in this Agreement. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

17. LICENSE REQUIREMENTS

A&W shall demonstrate that the attorney(s) who provide legal services to City under this Agreement are licensed to practice law in the State of California and, if not, indicate to the satisfaction of the City Council or the City Manager why such license is not required to perform the services required.

18. CONFIDENTIALITY AND DISCLOSURE

The data, information and reports acquired or prepared by A&W in connection with matters upon which the City has retained A&W shall not be shown or distributed to any other public or private person or entity except as authorized by the City Council or the City Manager and in no event prior to having been first disclosed to the City Council or the City Manager. All information, documents, records, reports, data or other materials furnished by City to A&W or other such information, documents, records, data or other materials to which A&W has access during its performance pursuant to this Agreement are deemed confidential and shall remain the property of City. A&W shall not make oral or written disclosure of such documents or materials, other than as necessary for its performance under this Agreement, without the prior written approval of the City Manager.

21. RECORDS AND DOCUMENTATION

A&W shall maintain complete and accurate records of the services provided to City and expenses incurred on behalf of City. A&W agrees to assist City in meeting City's reporting requirements to other agencies with respect to A&W's work under this Agreement.

22. ASSIGNMENTS AND SUCCESSORS IN INTEREST

City and A&W bind themselves, their partners, successors, assigns, executors and administrators to the terms of this Agreement. Except as otherwise set forth in this Agreement, no interest in this Agreement or any of the work provided for in this Agreement shall be assigned or transferred, either voluntarily or by operation of law, without the prior written approval of the City Manager or the City Council.

23. NO WAIVER

No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any such waiver constitute a continuing or subsequent waiver of the same provision. No waiver shall be binding, unless executed in writing by the party making the waiver.

19. CORPORATE AUTHORITY

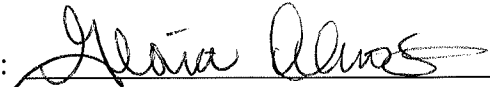
The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that in so executing this Agreement the parties hereto are formally bound to the provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date of execution by the City.

DATED: 12/3, 2019

“CITY”

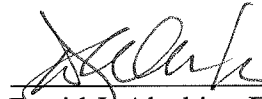
CITY OF SOUTH EL MONTE,
a municipal corporation

By: 
Gloria Olmos, Mayor

DATED: 11/15/17, 2019

“A&W”

ALESHIRE & WYNDER, LLP

By: 
David J. Aleshire, Esq.

**EXHIBIT “A”
FEE ARRANGEMENT**

Hourly Rates*

CLASSIFICATION	HOURLY RATES
General	\$190/1st 50 hours \$215 Thereafter 1 st 2 years \$190/1 st 70 hours
Special Services/Litigation	\$225 Associate \$265 Partner
Risk Management / Code Enforcement	\$215
Reimbursable – Standard (when citizens are paying)	\$250
Reimbursable – Non-standard (when developers are paying)	\$240 Associate \$300 Partner
Public Finance	\$350 Attorneys \$150 Paralegals/law clerks
Paralegals and Law Clerks	\$135
Document Clerks	\$70

* The rates set forth in this Contract are guaranteed for two years. After those two years, and every two years thereafter, there is a cumulative CPI adjustment but only 80% of CPI rounded to the nearest dollar. The CPI shall be set by the Consumer Price Index (“CPI”) for all urban consumers in the Los Angeles-Long Beach-Anaheim areas as published by the United States Government Bureau of Labor Statistics.

1. General Legal Services

General Legal Services are defined below:

- a. Attend all City Council, Successor Agency Board of Directors, and Planning Commission meetings. Provide City Council and other bodies with guidance relative to Roberts Rules of Order, open meetings, Brown Act, and other related procedural matters.
- b. Serve as legal counsel to bodies as may be created and represented by or for the City and which meet regularly or periodically or on an as-needed basis. Represent the City before other governmental bodies and agencies to promote the interests of the City.
- c. Attend departmental meetings, staff meetings or committee meetings as deemed necessary and appropriate or as requested by the City Manager, or City Council.
- d. Provide legal advice, counsel, services, consultation and opinions to City Council, City Manager and City staff on a wide variety of municipal assignments. Perform research and interpret laws, court decisions and other legal matters in order to prepare legal opinions and to advise the City Council, Great Park Board and management staff on legal matters pertaining to City

operations. Review and/or prepare staff reports, ordinances, resolutions, orders, agreements, forms, notices, declarations, certificates, deeds, leases, and other documents required by the City, or Great Park.

- e. Ensure that current and future City ordinances, policies, procedures and practices comply with state and federal law. Inform City Council and staff and recommend changes to City ordinances and practices, as needed.
- f. Provide assistance with issues related to land use and zoning ordinance, general plan and master plan updates and the processing of discretionary projects under CEQA.
- g. Render advice and assistance in the administration of the City's general liability and risk management programs to the extent that the same is not covered by the California Insurance Pool Authority (CIPA).
- h. Provide assistance to the City regarding election laws and assist in review of election forms, filings, and coordination with county, state and federal election officials.
- i. Provide assistance to staff to monitor pending and current State and Federal legislation, regulations and case law. Conduct legislative analysis of proposed legislation and regulations to include impacts to the City, as directed.
- j. Coordinate and monitor the work of special legal counsel as needed and directed by the City Council and/or City Manager.

2. Special Services Defined and Rates

For "special" legal services, which we define to include successor agency matters, rent control, housing, enterprise funds, franchise negotiations, major contract negotiations, municipal finance and audit matters other than bonds and similar financial services, environmental and toxics, water, energy, franchises, utilities and telecommunications, solid waste, mobile home matters, litigation services, and similar matters requiring special expertise.

3. Reimbursable Expenses

In addition to the hourly rates, the firm would be reimbursed for out-of-pocket expenses such as photocopies (\$0.25 per page) and other reproducing costs, facsimile charges, messengers and couriers, court reporters, mileage costs to court and administrative proceedings, travel expenses outside of the city, and other costs and expenses incurred on your behalf. Notwithstanding the foregoing, we do not charge for word processing, routine computer-assisted legal research, local calls or mileage to city hall or city offices. In exchange, when on site, we would have the ability to use city copiers and telephones without charge.

Travel costs including mileage (current IRS rate), parking, airfare, lodging, meals, and incidentals are charged in connection with administrative or judicial proceedings, or when traveling outside of Los Angeles, Riverside, San Bernardino or Orange Counties. Travel time may also be charged in connection with such proceedings. In addition, the client will be responsible for paying the fees of consultants and other outside experts who are retained after consultation with the client.

EXHIBIT "B"
STATEMENT OF BILLING PRACTICES

The Firm's fees are generally billed monthly with payment due within thirty (30) days after the date of the bill.

The Firm will incur various costs and expenses in performing legal services. These costs and expenses are separately billed to the client and include fees fixed by law or assessed by public agencies, litigation costs including deposition, reporter fees, and transcript fees, long distance telephone calls, messenger and other delivery fees, postage, photocopying (charge of twenty-five cents (\$.25) per page) and other reproduction costs, staff overtime when necessitated and authorized by the client, and computer-assisted research fees when authorized by the client, all based on the actual and reasonable cost (mileage, reproduction and other costs are periodically adjusted in accordance with the Firm's actual costs).

Travel costs including mileage (current IRS rate), parking, airfare, lodging, meals, and incidentals are charged in connection with administrative or judicial proceedings, or when traveling outside of Ventura, Los Angeles and Orange Counties. Travel time may also be charged in connection with such proceedings. In addition, the client will be responsible for paying the fees of consultants and other outside experts who are retained after consultation with the client.

It is understood that Firm will generally not charge for mileage between our office and City facilities, nor for local telephone calls or calls made to the City. In exchange, Firm shall not be charged for calls made or received at the City, whether local or long-distance, or for copying charges since copying onsite will reduce the charge to the client.

The monthly billing statements for fees and costs shall indicate the basis of the fees, including a detailed and auditable breakdown of the hours worked, the billable rates charged and description of the work performed. All bills are expected to be paid within thirty (30) days of the date of the billing statement. In the event any statement remains unpaid for more than thirty (30) days after the date of the statement, interest thereon at the rate of ten percent (10%) per annum shall be due and payable thereafter on the unpaid balance.

Registration fees for attorneys attending conferences and seminars are paid by the Firm and are never charged to the City (unless expressly requested by the City).



City Council Agenda Report

Agenda Item No. 9.a.

DATE: September 26, 2023

TO: Honorable Mayor and Members of the City Council

APPROVED BY: Rene Salas, City Manager

SUBMITTED BY: Rene Salas, City Manager

SUBJECT: CONSIDERATION AND APPROVAL OF RESOLUTION NO. 23-93, APPROVING A MEMORANDUM OF AGREEMENT (MOA) BETWEEN THE CITY OF SOUTH EL MONTE AND U.S. ARMY CORPS OF ENGINEERS, LOS ANGELES DISTRICT FOR PROPOSED DEVELOPMENT OF PROPERTY LOCATED AT 825 LEXINGTON-GALLATIN ROAD ("PROPERTY")

SUMMARY: The U.S. Army Corps is considering the development of an approximate 21-acre vacant property. The property includes developing approximately ten acres (10.22) with an approximate 223,000 square foot industrial building, and dedicating approximately eleven (10.92) acres, with limited site preparation, to the City of South El Monte for future recreational uses, to be owned, managed and operated by the City of South El Monte as a public open space. Both sites will be designed to accommodate detention basin improvements.

RECOMMENDED ACTION:

Staff recommends City Council:

1. Adopt Resolution No. 23-93, approving the MOA with U.S. Army Corps of Engineers, Los Angeles District for a proposed development approval process of property located at 825 Lexington-Gallatin Road ("Property"); and
2. Authorize the City Manager or designee to negotiate and execute the MOA.

FISCAL/FINANCIAL IMPACT: Currently, the City cannot determine the exact fiscal impact of this project, as it is still in its early stages of development. All the cost for project reviews by the U.S. Army Corps will be the responsibility of the developer and will be reimbursed to the City throughout the project by the developer.

DISCUSSION:

Approval of Resolution No. 23-93 would authorize the City Manager to execute an MOA with U.S. Army Corps regarding the development of an approximate 21 acre vacant property. Development of the property includes developing approximately ten acres (10.22) acres with an approximate 223,000 square foot industrial building, and dedicating approximately eleven (10.92) acres, with limited site preparation, to the City of South El

Monte for future recreational uses, to be owned, managed and operated by the City of South El Monte as a public open space. Both sites will be designed to accommodate detention basin improvements.

The site includes a United States Army Corps of Engineers ("USACE") easement across the Property to "overflow, flood and submerge" all or a portion of the Property in connection with the easement. A written consent from the USACE for the "type and location of any structure and/or appurtenance thereto" is required to verify that changes to an authorized USACE Civil Works project will not be injurious to the public interest and will not impair the usefulness of the USACE project.

This MOA is entered into by the Parties for the purpose of establishing a mutual framework governing the respective responsibilities of the Parties for the Corps' acceptance and expenditure of funds contributed by City and paid by the developer to provide expedited Section 408 Request evaluation-related services for City-designated priority Section 408 Requests. This MOA is not intended as the exclusive means of obtaining permit review of City Section 408 Requests. This MOA is a vehicle by which City will obtain expedited review and evaluation of City-designated priority Section 408 Requests outside of the ordinary Corps review process.

The project may also necessitate approval from (i) the Los Angeles County Flood Control District, for a gravity storm drain connection to an existing County Flood Control District facility along the northern property line; (ii) the El Monte Union High School District, for an easement across the South El Monte High School property for secondary emergency access in the event of flooding at the intersection of Santa Anita Avenue and Lexington-Gallatin Road, which could occur as a result of a fifty (50) year return period storm; (iii) other local, state or regional government entities.

The proposed land development is owned by MVP South El Monte I, LLC, a Delaware limited liability company and has agreed to pay for all project reviews required by the Army Corps of Engineers.

The City is not making a binding commitment to move forward with the project. A CEQA determination is required before the project proceeds forward.A93

ATTACHMENT(S):

- A. Resolution No. 23-93, Approving MOA
- B. MOA Draft

RESOLUTION NO. 23-93

A RESOLUTION OF THE SOUTH EL MONTE CITY COUNCIL APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY AND U.S. ARMY CORPS OF ENGINEERS, LOS ANGELES DISTRICT FOR DEVELOPMENT APPROVAL OF PROPERTY LOCATED AT 825 LEXINGTON-GALLATIN ROAD

WHEREAS, the City of South El Monte (“City”) and U.S. Army Corps of Engineers, Los Angeles District (“Agency”) have been in discussions about the property located at 835 Lexington-Gallatin Road (“Property”) and development related to the same; and

WHEREAS, the Property is subject to a flowage easement specific to regulations and oversight by the Agency, among other state and federal standards, regulations and restrictions; and

WHEREAS, the parties desire to memorialize the review and approval process in a memorandum of understanding (“MOU”); and

WHEREAS, the City is not making a binding commitment to move forward with the project; and

WHEREAS, a CEQA determination is required before the project will proceed forward.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of South El Monte as follows:

Section 1. The City Council hereby authorizes the City Manager to execute the proposed Memorandum of Understanding (“MOU”), in substantially the form attached here to and as approved as to form by the City Attorney’s office.

Section 2. The City Council further directs the City Manager or designee to take all actions necessary to execute the agreement.

Section 3. The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 26th day of September, 2023.

Gloria Olmos, Mayor

ATTEST:

Donna G. Schwartz, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF SOUTH EL MONTE)

I, Donna G. Schwartz, City Clerk of the City of South El Monte, hereby certify that the foregoing Resolution, being Resolution No. 23-93, was duly passed and approved by the City Council of the City of South El Monte at a regular meeting of said Council held on the 26th day of September 2023, and that said Resolution was adopted by the following vote:

AYES:
NOES:
ABSENT:

Donna G. Schwartz, City Clerk

**MEMORANDUM OF AGREEMENT
BETWEEN
City of South El Monte
AND
U.S. ARMY CORPS OF ENGINEERS, LOS ANGELES DISTRICT**

THIS MEMORANDUM OF AGREEMENT (“MOA”) is entered into by and between the city of South El Monte (hereinafter “City”) and the Los Angeles District of the United States Army Corps of Engineers (hereinafter “Corps”), collectively referred to as the “Parties.”

RECITALS

WHEREAS, pursuant to section 14 of the Rivers and Harbors Act of 1899, codified at 33 U.S.C. § 408 (“Section 408”), as amended, the Corps has jurisdiction over requests to alter or modify completed water resources development projects constructed by the Corps (“Section 408 Requests”);

WHEREAS, section 214 of the Federal Water Resources Development Act of 2000, Public Law 106-541 (“WRDA 2000”), as amended and codified at 33 U.S.C. § 2352, authorizes the Secretary of the Army, after public notice, to accept and expend funds contributed by a non-Federal public entity to expedite the evaluation of a permit application of that entity related to a project or activity for a public purpose under the jurisdiction of the Department of the Army;

WHEREAS, the Secretary of the Army has delegated the responsibility of carrying out section 214 of the WRDA 2000, as amended, to the Chief of Engineers and his delegated representatives;

WHEREAS, Engineering Circular (EC) 1165-2-220 authorizes District and Division Engineers of the Corps to accept and expend funds contributed by non-Federal public entities subject to certain limitations;

WHEREAS, the Corps has indicated it is not able, without additional resources, to expedite the evaluation of City-designated priority Section 408 Requests (“City-designated priority Section 408 Requests”) that have a public purpose;

WHEREAS, City is a non-Federal entity and believes it is in its best interest to provide funds to the Corps pursuant to this MOA to streamline and expedite Corps’ review of City-designated priority Section 408 Requests, as more fully described in this MOA;

WHEREAS, the Corps issued an initial public notice dated March 16, 2022, regarding its intent to accept and expend funds contributed by City;

WHEREAS, in a memorandum dated [date], the District Engineer of the Corps’ Los Angeles District determined that expenditure of funds received from City is appropriate, and an informational public notice dated [date], regarding the decision has been issued;

WHEREAS, it is understood and acknowledged by all Parties that the Corps' review of City-designated priority Section 408 Requests will be completely impartial and in accordance with all applicable Federal laws and regulations;

WHEREAS, this MOA establishes the responsibilities and operating procedures of the Parties with respect to the Corps' review of City-designated priority Section 408 Requests requiring Corps permission pursuant to Section 408;

WHEREAS, this MOA is intended to: (1) enable the Parties to fully consider, address, and protect environmental resources, including but not limited to impacts to existing and completed Corps water resources development projects and any component feature thereof, early in the development of proposed actions; (2) avoid conflicts late in project development through close coordination during early planning and development stages; (3) provide sufficient information to the Corps for timely analysis of project effects and to assist City in developing appropriate mitigation measures; (4) maximize the effective use of limited Corps resources by focusing attention on projects that would have the most effect on completed federal flood risk management facilities; (5) provide a mechanism for expediting City-designated priority Section 408 Request reviews and coordination when necessary; and (6) provide procedures for resolving disputes in this resource partnering effort.

NOW, THEREFORE, the Parties agree as follows:

AGREEMENT

Article I. PURPOSE AND AUTHORITIES

A. This MOA is entered into by the Parties for the purpose of establishing a mutual framework governing the respective responsibilities of the Parties for the Corps' acceptance and expenditure of funds contributed by City to provide expedited Section 408 Request evaluation-related services for City-designated priority Section 408 Requests. City-designated priority Section 408 Requests shall be listed in Appendix A to this MOA. City will provide the Corps notice of a City-designated priority Section 408 Request when it is identified by City, following consultation with the Corps, and the City-designated priority Section 408 Request will be added to **Appendix A** to this MOA without requiring any further amendment to this MOA. This MOA is not intended as the exclusive means of obtaining permit review of City Section 408 Requests. This MOA is a vehicle by which City will obtain expedited review and evaluation of City-designated priority Section 408 Requests outside of the ordinary Corps review process.

B. City enters into this MOA pursuant to its authority under City's charter, including but not limited to Chapter II, sections 1(c) and 2(i).

C. The Corps enters into this MOA pursuant to its authority under 33 U.S.C. § 2352.

D. This MOA is limited to City-designated priority Section 408 Request reviews only. A separate agreement may be required between City and the Corps to expedite environmental

technical assistance, coordination services, review, and concurrence of documentation prepared to comply with section 404 of the Clean Water Act of 1972, as amended, and/or section 10 of the Rivers and Harbors Act of 1899, as amended.

E. City is a non-federal public entity, a city government incorporated in the State of California, and may enter into this MOA.

Article II. SCOPE OF WORK

A. City will provide funds to the Corps to expedite review and evaluation related services for City-designated priority Section 408 Requests as designated in Appendix A and any written, mutually agreed upon additions thereto. The Corps' operations and maintenance expenses are funded as a congressionally appropriated line item in the annual Federal budget. City will provide the Corps with funds in accordance with the provisions of 33 U.S.C. § 2352.

B. The Corps will provide staffing resources dedicated to expediting City-designated priority Section 408 Request reviews, as described in Article II.D., below, and/or other programmatic efforts to support efficient decision-making.

C. The Corps will establish a separate internal financial account to track receipt and expenditure of funds associated with its review of City permit applications for each City-designated priority Section 408 Request designated in Appendix A. Corps' personnel will charge their time and expenses against the appropriate City-designated priority Section 408 Request account when they perform work to either expedite Section 408 Request evaluation related requests for City-designated priority Section 408 Requests or undertake other programmatic efforts (i.e., develop framework and processes to streamline the review and approval of City's projects) to support efficient decision-making related to City's permitting needs.

D. Funds contributed by City hereunder will be expended by the Corps to defray the costs of the Corps' staff (including salary, associated benefits, overhead and travel expenses) and other costs in order to expedite the evaluation of City-designated priority Section 408 Requests. The Corps may expend City funds to perform select duties, including but not limited to technical analyses and writing, Agency Technical Review, real estate evaluation, risk analysis, copying or other clerical/support tasks, acquisition of data, site visits, travel, coordination activities, additional personnel (including support/clerical staff), contracting support for technical services (e.g., structural risk evaluation, geotechnical analysis, hydraulic and hydrological engineering review), construction quality assurance and control, environmental documentation preparation and review; consultation with resource agencies; meeting coordination; and any other permit evaluation related responsibilities that may be mutually agreed upon.

E. The Corps will not expend funds provided by City for costs associated with the review of the Corps' work undertaken by supervisors or other persons or elements of the Corps in the decision-making chain of command. However, if a supervisor is performing staff work and not supervisory oversight, funds provided by City pursuant to this MOA may be used.

F. The Corps will not expend funds provided by City to defray the costs of activities related to the Corps' enforcement functions, but may use funds provided by City to defray costs of activities related to Section 408 permission compliance functions, such as quality assurance activities or reviews of associated Section 408 permission closeout documentation.

G. If the funds provided by City are expended and not replenished, any remaining City-designated priority Section 408 Requests will be handled like those of any regular Section 408 requester and will no longer be expedited.

H. Expediting of packages shall include review of a submittals within thirty (30) calendar days. Should the package or plans be incomplete in nature, Corps shall reject plans and notify City within seven (7) calendar days of receipt of plans.

Article III. INTERAGENCY COMMUNICATIONS

To provide for consistent and effective communication between the Parties, each party will appoint a Principal Representative to serve as its central point of contact on matters relating to this MOA. Additional representatives may also be appointed to serve as points of contact on specific actions or issues. For the purposes of this MOA, City's Principal Representative will be [contact and title], City, and the Corps' Principal Representative will be Clayton Lay, Engineering Division, Los Angeles District. The Principal Representative for each party may be changed upon written notification to the other party.

Article IV. RESPONSIBILITIES OF THE PARTIES

A. City will provide adequate resources to fund existing or additional Corps personnel for the purpose of expediting the review of City-designated priority Section 408 Requests and other identified activities in accordance with this MOA. To facilitate the Corps' reviews and activities, City will:

1. Provide adequate information regarding City-designated priority Section 408 Requests, scheduling requirements, and other specific activities to initiate permit evaluation. Information required for the Corps to deem a Section 408 package submittal complete thereby allowing initiation of the Section 408 request review process can be found in applicable Section 408 guidance, including but not limited to EC 1165-2-220, POLICY AND PROCEDURAL GUIDANCE FOR PROCESSING REQUESTS TO ALTER US ARMY CORPS OF ENGINEERS CIVIL WORKS PROJECTS PURSUANT TO 33 USC 408, dated September 10, 2018, a copy of which has been provided to City. Upon request, City shall provide supplemental information necessary to complete the permit application. Additional information required to complete the Section 408 Request evaluation process may exceed what is needed to initiate the process. On a case-by-case basis, if requested by the Corps, City shall provide such additional information as may be necessary to ensure the Corps can effectively accomplish the required review.

2. In consultation with the Corps, establish the specific order of priority of the Section 408 Requests listed in Appendix A to this MOA. The Section 408 requests included in

Appendix A and the order of priority of those Section 408 Requests may be changed by City's Principal Representative (changes to evaluation activity budgets in Appendix A require concurrence by the Corps) without requiring an amendment to this MOA. Such changes shall be submitted to the Corps' Principal Representative in writing in the manner provided by Article VI and will be effective upon receipt thereof.

3. To the best of its ability, ensure the participation of all essential City personnel during the Section 408 request evaluation process.

4. Work closely with the Corps to adjust priorities and schedules in order to optimize available Corps staff resources. If overlaps or conflicts occur among City-designated priority Section 408 requests, then City will work with the Corps to prioritize such overlaps.

B. The Corps shall assign qualified personnel to evaluate the City-designated priority Section 408 Requests and prioritize associated tasks within projected funding levels provided under this MOA. The Corps shall use the funds provided to defray the costs of salaries and associated benefits and to reimburse travel expenses in order to:

1. Expedite review of City-designated priority Section 408 Requests as identified in Appendix A or any amendments thereto in accordance with the purpose, terms, and conditions of this MOA or any amendments thereto. The Corps shall not redirect resources from, or otherwise postpone, Section 408 Requests related to non-priority Section 408 requests submitted by City through the standard Corps review process.

2. Following the pre-application meetings and/or discussions to clarify the scope of anticipated priority Section 408 review processes, provide City with an estimated schedule to the best of its ability within fourteen (14) calendar days of receiving City's scheduling requirements as described in Article IV subparagraph A (1) to complete the Section 408 Request evaluation process for each priority Section 408 Request submitted. City shall be able to comment on these schedules and adjust the order of City-designated priority Section 408 Requests included in Appendix A, or provide additional resources per Article V.D, below.

3. Consult on a monthly basis with City regarding an adjustment of priorities or amendments to Appendix A if the current and/or projected workload of priority Section 408 Requests and activities exceeds the Corps' ability to provide the services specified herein or negotiate additional funding in accordance with Article V.D, below.

4. If a priority Section 408 permission is issued, provide construction quality assurance and quality control support for permit compliance purposes, which shall consist of reviewing technical submittals and requests for information, field inspections at critical construction milestones, review of proposed change orders that involve the design or design intent of any Section 408 permission, providing technical assistance during construction as requested by the City on a case by case basis and review of construction and Section 408 closeout documentation as applicable.

5. Provide City with a brief quarterly summary report of progress made under this MOA within twenty-one (21) calendar days of the end of each quarter (January 21, April 21, July 21, and October 21). Progress will be itemized for each City-designated priority Section 408 request package during the quarter for each City-designated priority Section 408 Request pending at the end of the quarter. This report will describe achievements, including any improvements the Corps has documented in coordinating and improving the efficiency of City-designated priority Section 408 Request package reviews, and will provide an itemized listing of expenditures for each Section 408 package to date. The report also will identify any recommendations for improving consultation and coordination among the Parties to this MOA and will provide an estimate of costs expected for the ensuing quarter. The report shall not be in excess of five (5) pages of narrative per report.

6. Meet with City representatives as needed to discuss progress under this MOA.

7. Work closely with the City and applicable third parties to determine the applicable Corps standards to be applied and the specific level of detail necessary to be provided in order for the Corps to make a decision for a particular alteration request. The Corps' determination of the appropriate level of detail will be risk-informed and documented in the Corps' review plan. The Corps acknowledges the City is responsible for ensuring a proposed alteration meets current Corps design and construction standards. However, the City is not required to bring those portions or features of the existing Corps project that are not impacted by the alteration up to current Corps design standards.

8. Prior to expiration of the MOA, hold a final meeting with City representatives to review a summary of City-designated priority Section 408 Request review streamlining and other activities under this MOA, as well as provide recommendations for future coordination between the Parties.

Article V. FUNDING

A. Upon execution of this MOA, City shall submit funding to the Corps in the initial amount of TEN THOUSAND DOLLARS (\$10,000) to cover the Corps' administrative activities associated with this MOA. Total funding paid to the Corps under this MOA shall not exceed ##### THOUSAND DOLLARS (\$###,000).

B. For each City-designated priority Section 408 Request, the Corps will provide to City in writing an estimated cost of the Corps' expedited review of the Request following the pre-application meetings and/or discussions to clarify the scope of anticipated priority Section 408 review processes as set out in Article IV subparagraph B (2).

C. Prior to the Corps incurring any expenditure to expedite each Section 408 Request designated as a priority as specified in this MOA, the City will transfer to the Corps the amount specified in the estimate provided by the Corps in accordance with subparagraph B above. Expediting of City-designated priority Section 408 Request evaluation activities as specified in this MOA will be undertaken by the Corps only after funds have been transferred to the Corps.

Payment by City is to be made by check payable to the Finance and Accounting Officer and sent to the following address:

U.S. Army Corps of Engineers, Los Angeles District
Finance and Accounting Officer
915 Wilshire Blvd.
Los Angeles, CA 90053-2325
Attn: Carlos M. Tabares

or by electronic funds transfer in accordance with Standard Operating Procedure UFC 08 Appendix B.

C. The Corps will carry over any unexpended funds from year to year, or will refund such unobligated funds if: (i) this MOA is terminated or expires in accordance with Article X, or (ii) City requests in writing the refund of unexpended funds for a completed City-designated priority Section 408 Request.

D. The Corps will provide City with written notice when 80% of the funding has been expended for each City-designated priority Section 408 Request. If the Corps' actual costs for providing the agreed-upon level of service will exceed the amount of funds available, City will have the option to (i) provide additional funding for this MOA, or (ii) agree to a reduced level of service.

E. Following an initial review of a City priority project, the Corps will provide City an estimate of costs that will be incurred to complete Section 408 review. If it is determined that the estimated amount to be incurred exceeds the amount of funding available, City will have the option of (i) provide additional funding for this MOA, or (ii) agree to a reduced level of service.

F. This initial funding amount may increase at the discretion of City by City providing written notice to the Corps without requiring any further amendment to this MOA. The Corps will provide City with written notice when 80% of the Total City funding has been expended. The Corps shall not expend, and City shall not be required to reimburse the Corps, any amount in excess of the amount of the total City funding as described by this subparagraph.

Article VI. NOTICES

A. Any notice, request, demand, or other communication required or permitted to be given under this MOA shall be deemed to have been duly given if in writing and delivered personally or mailed by first-class, registered, or certified mail, as follows:

If to City:

Entity
Address
City, State, Zip
POC

If to the Corps:

U.S. Army Corps of Engineers
Engineering Division
915 Wilshire Blvd., Suite 1109
Los Angeles, CA 90017
Attn: Clayton Lay

With a copy in all instances to:

District Counsel
U.S. Army Corps of Engineers
Los Angeles District
915 Wilshire Blvd., Suite 1535
Los Angeles, CA 90017

B. A party may change the address to which such communications are to be directed by giving written notice to the other party in the manner provided in this Article.

C. Any notice, request, demand, or other communication made pursuant to this Article shall be deemed to have been received by the addressee at the earlier of such time as it is actually received or seven (7) calendar days after it is mailed.

Article VII. APPLICABLE LAWS

The applicable statutes, regulations, policies, directives, and procedures of the United States will govern this MOA and all documents and actions pursuant to it. Unless otherwise required by law, expediting of City-designated priority Section 408 Requests undertaken by the Corps will be governed by Corps regulations, policies, and procedures.

Article VIII. DISPUTE RESOLUTION

In the event of a dispute, the Parties agree to use their best efforts to resolve the dispute in an informal fashion through consultation and communication, or other forms of non-binding alternative dispute resolution mutually acceptable to the Parties. The Parties agree that, in the event such measures fail to resolve the dispute, they shall refer the dispute for resolution to an appropriate forum in accordance with Federal law.

Article IX. PUBLIC INFORMATION

Justification and explanation of City's programs or projects related to or arising out of City-designated priority Section 408 Requests which may be pending before other agencies, departments, and offices will not be the responsibility of the Corps. The Corps may provide, upon request from the City, the assistance necessary to support justification or explanations of activities conducted under this MOA. In general, the Corps is responsible only for public information

regarding Corps regulatory activities. City will give the Corps, as appropriate, advance notice before making formal, official statements regarding activities funded under this MOA.

Article X. AMENDMENT, MODIFICATION, AND TERMINATION

A. This MOA may be modified or amended only by a signed written, mutual agreement of the Parties.

B. Any party reserves the right to terminate its participation in this MOA without cause upon thirty (30) days' written notice to the other party. In the event of termination, City will continue to be responsible for all costs incurred by the Corps in performing expedited City-designated priority Section 408 Requests review services up to the time of notice and for the costs of closing out or transferring any ongoing contracts in support of the provision of services by the Corps under this MOA.

C. Within ninety (90) calendar days of termination of the MOA, or the expiration of the MOA, the Corps shall provide City with a final statement of expenditures. Within sixty (60) calendar days after submittal of the Corps' final statement of expenditures, the Corps, subject to compliance with the Anti-Deficiency Act, codified at 31 U.S.C. §§ 1341 et seq., shall directly remit to City the unexpended balance of the advance payment, if any. Funds may be provided to City either by check or electronic funds transfer.

Article XI. MISCELLANEOUS

A. This MOA will not affect any pre-existing or independent relationships or obligations between the Parties.

B. The Corps' participation in this MOA does not imply endorsement of the City-designated priority Section 408 Requests, nor does it diminish, modify, or otherwise affect Corps' statutory or regulatory authorities.

C. If any provision of this MOA is determined to be invalid or unenforceable, the remaining provisions will remain in force and unaffected to the fullest extent permitted by law and regulation.

D. This MOA, including any documents incorporated by reference or attachments thereto, but excluding the pre-existing relationships or obligations between the Parties referenced in subparagraph A above, constitute the entire agreement between the Parties. All prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged herein and shall be of no further force or effect.

Article XII. EFFECTIVE DATE AND DURATION

This MOA and any amendments will be effective on the date of signature by the last Party. Unless amended or modified, this MOA shall remain in force until whichever of these events

occurs first: (1) DD Month 20##, per Section 214 of the Water Resources Development Act of 2000 (Public Law 106-541), or (2) the MOA is terminated pursuant to Article X.B.

[REMAINDER LEFT INTENTIONALLY BLANK]

DRAFT

IN WITNESS WHEREOF, this MOA is executed as of the dates indicated below by City, acting by and through its governing board, and by the Corps, acting by and through its authorized officer.

Entity,

ATTEST:

Alex Smith, #####

Jane Smith, #####

By: _____
Name: _____
Its: _____

APPROVED AS TO FORM:
John Smith, City Attorney

By: _____
Name: _____
Title: _____

U.S. ARMY CORPS OF ENGINEERS, LOS ANGELES DISTRICT

COL Julie Balten
Colonel, U.S. Army
Commander and District Engineer

Date: _____

Appendix A: City-Designated Priority Section 408 Requests
Updated: 21 SEP 2022

The list of City - designated Priority Section 408 Requests under this MOA includes the following proposed projects:

Project Name	Budget	Project Status
Program Management	\$10,000/year	Pending Submittal
Project A	###,###	Pending Submittal

This project list will be updated by the Parties on an as-needed basis.

Entity	DATE	USACE	DATE
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City Council Agenda Report

Agenda Item No. 11.a.

DATE: September 26, 2023

TO: Honorable Mayor and Members of the City Council

APPROVED BY: Rene Salas, City Manager

SUBMITTED BY: Dianna Gomez, Executive Assistant

SUBJECT: LETTER FROM THE SOUTH EL MONTE EMPLOYEES ASSOCIATION (SEMEA) REQUESTING SPONSORSHIP FOR THE ANNUAL SOUTH EL MONTE EMPLOYEE HOLIDAY RECOGNITION DINNER

SUMMARY: The South El Monte Employees Association is requesting a \$2,500 sponsorship for the Annual South El Monte Employee Holiday Recognition Dinner, which includes acknowledgment of sponsorship signs placed on tables, venue, dinner.

RECOMMENDED ACTION: Staff recommends City Council discuss and consider sponsorship in the amount of \$2,500 for the Annual South El Monte Employee Holiday Recognition Dinner.

FISCAL/FINANCIAL IMPACT: The fiscal impact is \$2,500 to the General Fund which is budgeted under Human Resources' Employee Recognition (Acct. #01-100-1050-5940).

DISCUSSION: The South El Monte Employee Holiday Recognition Dinner is a traditional annual event in which the City's Human Resource Department recognizes City employees for their dedication and tenure to public service.

ATTACHMENT(S):

- A. 2023 Employee Christmas Recognition Sponsorship



September 18, 2023

Honorable Mayor and City Council
1415 Santa Anita Avenue
South El Monte, CA 91733

Dear Members of the City Council,

We would like to express our sincere gratitude for your unwavering support of our annual holiday event, the South El Monte Employees Recognition Dinner. It is through your generosity that we are able to host this cherished occasion each year.

At this juncture, we kindly request your assistance and sponsorship in covering the expenses related to food, and recognition for our upcoming dinner, scheduled to take place December 2023. At this time we would like to request \$2500.00 for the cost of these amenities.

We believe that your sponsorship will not only contribute to the success of the event but also serve as a testament to your support and festive spirit. In recognition of your generosity, we are pleased to provide complimentary tickets to attend the dinner (2) per council member. Moreover, your sponsorship will be prominently acknowledged at our dinner tables, further highlighting your commitment to our cause.

Once again, we extend warm holiday wishes to you and express our deepest appreciation for helping us create a truly special event for all the employees of the City of South El Monte. Should you have any inquiries or require further information.

Respectfully,

Gloria Olmos, Mayor, City of South El Monte, Dianna Gomez, Ariana De La Cruz, Wendy Cayco,

Renee Reyes, Nancy Rodriguez, Joe Martinez, Jose Figueroa (SEM Employees Association)

Please make check payable to:

The South El Monte Employees Association
Christmas Employee Recognition
1415 Santa Anita Avenue
South El Monte, CA 91733



Successor Agency Agenda Report

Agenda Item No. 19.a.

DATE: September 26, 2023

TO: Honorable Chairperson and Members of the Board

APPROVED BY: Rene Salas, Executive Director

SUBMITTED BY: Donna Schwartz, City Clerk

SUBJECT: CONSIDERATION AND APPROVAL OF THE SUCCESSOR AGENCY MEETING MINUTES FOR JULY 25, 2023

SUMMARY: Staff is requesting approval of the Minutes of the July 25, 2023 Successor Agency Meeting.

RECOMMENDED ACTION: Staff recommends the Board approve the Successor Agency Meeting Minutes of July 25, 2023.

FISCAL/FINANCIAL IMPACT:

DISCUSSION:

ATTACHMENT(S):

A. SA Minutes

CITY OF SOUTH EL MONTE
SUCCESSOR AGENCY MEETING MINUTES
Tuesday, July 25, 2023 - 6:00 p.m.
1415 Santa Anita Ave., South El Monte, CA 91733

Successor Agency Meeting Immediately Followed Regular City Council Meeting

ANNOUNCEMENT BY THE CITY CLERK (PRIOR TO CONVENING THE SUCCESSOR AGENCY MEETING)

Pursuant to Government Code Section 54952.3, Board Members do not receive any compensation or stipend for attending the Successor Agency meeting

At 10:07 p.m. Mayor Pro Tem Angel reentered the chambers from the closed session from the regular city council meeting.

Chair Olmos called the meeting to order at 10:07 p.m.

16. CALL TO ORDER AND ROLL CALL

PRESENT: Board Member(s): Acosta, Delgado, Vice Chair Angel, and Chair Olmos.

ABSENT: Board Member(s): Bojorquez.

STAFF PRESENT: Rene Salas, Executive Director; Anthony R. Taylor, General Counsel; Donna G. Schwartz, Secretary, and Robert Molina, Interim Deputy City Clerk.

STAFF ABSENT: Paola Lara, Deputy City Clerk.

Zoom was provided for the Public to participate during public comment via teleconference.

17. APPROVAL OF AGENDA

A motion was made by Vice Chair Angel, seconded by Board Member Acosta to approve the agenda. Motion carried 4-0-1 (Bojorquez ABSENT), by the following vote:

AYES: Board Member(s): Acosta, Bojorquez, Delgado, Vice Chair Angel, and Chair Olmos

NAYS: Board Member(s): None

ABSENT: Board Member(s): Bojorquez.

18. PUBLIC COMMENTS

Chair Olmos opened public comment, there being none, closed public comment.

19. CONSENT CALENDAR

A motion was made by Board Member Delgado, seconded by Board Member Acosta to approve the Consent Calendar. Motion carried 4-0-1, (Bojorquez ABSENT), by the following vote:

AYES: Board Member(s): Acosta, Bojorquez, Delgado, Vice Chair Angel,
and Chair Olmos
NAYS: Board Member(s): None
ABSENT: Board Member(s): Bojorquez.

19.a. Approved the Regular Successor Agency Meeting Minutes of June 17, 2023.

20. EXECUTIVE DIRECTOR'S AGENDA – None

21. ADJOURNMENT OF SUCCESSOR AGENCY MEETING

There being no further business coming before this body, at 10:08 p.m. Chair Olmos adjourned the meeting.

Donna G. Schwartz, Secretary

Gloria Olmos, Chair