

**RESOLUTION NO. 2018-07**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COACHELLA, CALIFORNIA, ESTABLISHING SELECTION CRITERIA TO BE USED DURING THE REVIEW OF CONDITIONAL USE PERMITS FOR CANNABIS RETAILERS AND RETAIL MICROBUSINESSES.**

**WHEREAS**, pursuant to the authority granted to the City of Coachella (“City”) by Article XI, Section 7 of the California Constitution, the City has the police power to regulate the use of land and property within the City in a manner designed to promote public convenience and general prosperity, as well as public health, welfare, and safety; and,

**WHEREAS**, adoption and enforcement of comprehensive zoning regulation and other land use regulations lies within the City’s police powers; and,

**WHEREAS**, in 2015, California enacted the Medical Cannabis Regulation and Safety Act (“MCRSA”); and,

**WHEREAS**, in 2016, California voters approved Proposition 64, the Control, Regulate and Tax Adult Use of Marijuana Act; and,

**WHEREAS**, Senate Bill 94, signed by the governor on June 27, 2017, repealed MCRSA and reconciled the standards for medical marijuana with the standards for adult-use cannabis activity under a single law, entitled Medicinal and Adult-Use Cannabis Regulation and Safety Act; and,

**WHEREAS**, the City Council of the City of Coachella, California (“City Council”), did on the 17<sup>th</sup> day of January, 2018, hold a duly noticed public hearing to consider changes to the City of Coachella Municipal Code (“Code”), and adopted Ordinance Nos. 1114, 1115, and 1120, establishing retail and personal cannabis regulations and a conditional use permit review process; and,

**WHEREAS**, Code Section 17.84.030 provides a limit of four (4) retailers and/or retail microbusinesses; the City anticipates that there may be more applicants than available permits; and,

**WHEREAS**, the City Council directed staff to establish a selection criteria for review of retailers and retail microbusinesses during the conditional use permit process to ensure that only qualified operators are permitted in the City and to provide a basis for prioritizing applicants should the number of applicants exceed the number or locations of available conditional use permits; and,

**WHEREAS**, the selection criteria established in this resolution ensure that cannabis businesses can operate in the City in a safe and limited manner, subject to licensing from the State Bureau of Cannabis Control; and,

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COACHELLA DOES HEREBY RESOLVE AS FOLLOWS:**


**SECTION 1. Adoption of Recitals.** The City Council hereby adopts the foregoing recitals as its findings in support of the following regulations and further finds that the following regulations to establish selection and prioritization criteria for retailers and retail microbusinesses are beneficial and appropriate to protect the health, safety and welfare of the residents and businesses of the City of Coachella.

**SECTION 2. Adoption of Selection Criteria.** The City Council hereby adopts the selection criteria set forth in Exhibit "A," attached hereto, to review retailer and retail microbusiness applicants through the conditional use permit process.


**SECTION 3. Severability.** If any section, subsection, subdivision, paragraph, sentence, clause, or phrase in this ordinance or any part thereof is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness 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 (1) or more subsections, subdivisions, paragraphs, sentences, clauses, or phrases be declared unconstitutional, or invalid, or ineffective.

**SECTION 4. Immediate Effect.** This Resolution shall take effect immediately upon its adoption by the City Council, and the Clerk of the Council shall attest to and certify the vote adopting this Resolution.

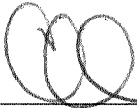
**P PASSED, APPROVED and ADOPTED** this 17<sup>th</sup> day of January, 2018.

  
\_\_\_\_\_  
Steven A. Hernandez  
Mayor

**ATTEST:**

  
\_\_\_\_\_  
Angela M. Zepeda  
City Clerk

**APPROVED AS TO FORM:**

A handwritten signature in black ink, consisting of several loops and a final horizontal stroke, positioned above a solid horizontal line.

Carlos Campos  
City Attorney

STATE OF CALIFORNIA            )  
COUNTY OF RIVERSIDE        ) ss.  
CITY OF COACHELLA            )


**I HEREBY CERTIFY** that the foregoing Resolution No. 2018-07 was duly adopted by the City Council of the City of Coachella at a regular meeting thereof, held on the 17<sup>th</sup> day of January, 2018 by the following vote of Council:

AYES:            Councilmember Bautista, Councilmember Brown, Mayor Pro Tem Sanchez, and Mayor Hernandez.

NOES:            None.

ABSENT:         Councilmember Martinez.

ABSTAIN:        None.

  
\_\_\_\_\_  
Andrea J. Carranza, MMC  
Deputy City Clerk

## EXHIBIT “A”

### *Selection Criteria – Retailers and retail microbusinesses:*

The City of Coachella is located at the eastern end of the Coachella Valley and enjoys a rich cultural heritage known for its entrepreneurial families and engaged youth population. It is the City Council’s desire to promote potential cannabis businesses that will further the economic development goals of the community in order to create jobs, provide a stronger tax base, and enhance the public health and wellness of the community. With the adoption of Ordinance Nos. 1114, 1115, and 1120 setting the zoning and regulatory framework for new retailers and retail microbusinesses, the City anticipates that there may be more applications for cannabis business conditional use permits than allowed under the City regulations. Therefore, the City has enacted, through Resolution, the following process for prioritizing applications.

#### **I. Completeness Review**

All retailers and retail microbusinesses are required to submit a Conditional Use Permit (CUP) application, with fee, to the City’s Development Services Department. Applications will be reviewed for “completeness” to ensure that applicants have submitted all the required information necessary for review of the application. Only applications received by the first week of May, 2018 (“initial review and prioritization period”) and deemed complete will move on for review under the City’s selection criteria, unless exempted through a Development Agreement. After the initial review and prioritization period, additional applications will be reviewed and processed according to date the application is accepted as complete and will not be subject to the review and prioritization process. Persons and/or entities that are currently involved or have been involved in the past 6 months with an active court proceeding adverse to the City are ineligible to apply for a CUP.

#### **II. Selection Criteria**

The following selection criteria will be used by the Development Services Department to evaluate and prioritize CUPs for retailers and retail microbusinesses. Selection criteria are each worth a maximum of 10 to 30 points, with a grand total of 100 points possible. To obtain the point, the applicant must demonstrate compliance with each criterion listed in the section below.

1. Location and Neighborhood Compatibility (Up to 30 Points)
  - a. Has the landowner provided written authorization for a retailer or retail microbusiness, and provided the applicant with a lease agreement?
  - b. Is the proposed retailer or retail microbusiness property not the subject of any outstanding code enforcement activity?
  - c. Is the location more than the minimum 250 feet distance from existing schools, daycare centers, and youth centers?
  - d. Has the applicant provided a detailed description of how the premises and exterior building areas will be managed so as to avoid nuisance, loitering, and other negative impacts on surrounding properties?
  - e. Does the applicant identify adequate odor control measures?
  - f. Does the applicant demonstrate compliance with parking and landscaping regulations?

2. Security Plan (Up to 10 Points)
  - a. Is a detailed security plan provided that includes descriptions for effective fire prevention, suppression, HVAC and alarm systems?
  - b. Does the security plan identify all required elements contained in Chapter 5.69 and adequately address security for the particular site and operation?
3. Qualifications/Experience of Professionals (Up to 25 Points)
  - a. Does the applicant provide a viable business plan in accordance with Chapter 5.69?
  - b. Do the principals demonstrate bona fide business experience?
  - c. Does a principal, director, officer, or applicant of the business have a primary residence in the City of Coachella where he/she has been residing for the past 36 months?
  - d. Does the applicant commit to hiring City of Coachella residents for 50% of all hires?
  - e. Does the applicant commit to sponsoring an established City of Coachella community-based organization and/or youth program?
4. Building Façade and Interior Improvements (Up to 20 Points)
  - a. Does the applicant provide a detailed tenant improvement plan that identifies compliance with California Building and Fire Codes?
  - b. Are the interior improvements attractive and in keeping with City policies and contemporary retail industry standards?
  - c. Is the applicant committing to exterior façade improvements that will enhance the surrounding areas?
  - d. Does the applicant provide a detailed architectural plan for building façade improvements?
5. Community Benefits (Up to 15 Points)
  - a. Does the applicant propose to operate a new business in the RC Overlay zone, in addition to the proposed cannabis retailer or cannabis retail microbusiness, which includes one or more of the following business types:
    - Restaurant
    - Coffee Shop
    - Retail Bookstore
    - Art Studio / Museum
    - Wine Bar or Micro-Brewery Pub
    - Boutique Hotel / Bed and Breakfast
  - b. Does the applicant provide an effective community outreach plan for nearby and adjacent land uses, and does the applicant describe credible benefits to the overall community, local economy, and any community or non-profit contributions or affiliations?
  - c. Does the applicant provide any additional community benefits described in either their business plan or other documentation submitted as part of the CUP?

### **III. Lottery**

Applications for retailer or retail microbusinesses which receive tie scores from the selection criteria will be entered in to a lottery.