

## MINUTES

### PLACERVILLE CITY COUNCIL SPECIAL MEETING THURSDAY, JULY 16, 2020

9:00 A.M. Open Session

CITY COUNCIL CHAMBERS – TOWN HALL  
549 MAIN STREET, PLACERVILLE, CA 95667

#### **PUBLIC ADVISORY: THE CITY COUNCIL CHAMBERS WILL NOT BE OPEN TO THE PUBLIC**

Consistent with Executive Orders No. N-25-20 and No. N-29-20 from the Executive Department of the State of California and the El Dorado County Health Official's March 19, 2020 Shelter in Place Order, the City Council Chamber will not be physically open to the public and City Councilmembers will be teleconferencing into the meeting via Zoom Video Communications.

Access the live-stream video feed on the City's website at: [www.cityofplacerville.org](http://www.cityofplacerville.org)

#### **9:00 A.M. OPEN SESSION**

Some of the formal proceedings may be waived.

#### **1. CALL TO ORDER & PLEDGE OF ALLEGIANCE TO THE FLAG**

*The Mayor called the meeting to order at 9:10 a.m. and The Pledge of Allegiance to the Flag was recited.*

- 2. ROLL CALL:**   **Present:** Saragosa, Thomas, Acuna, Borelli  
                          **Recused:** Taylor (participated in cannabis selection sub-committee)

#### **3. ANNOUNCEMENTS/PRESENTATIONS TO THE PUBLIC**

*No announcements/presentations to the public were made.*

#### **4. ADOPTION OF AGENDA**

*It was moved by Councilmember Borelli and seconded by Councilmember Acuna that the City Council adopt the agenda as presented. The motion passed by the following vote:*

AYES:           Acuna, Borelli, Saragosa, Thomas

NOES:          None

ABSENT: None  
RECUSED: Taylor

## **5. PUBLIC COMMENT – BRIEF – NON-AGENDA ITEMS**

### **5.1 Written Communication**

*No written communication was received.*

### **5.2 Oral Communication**

*No oral communication was received.*

## **6. PUBLIC HEARINGS**

### **6.1 Cannabis Business Permit Appeal Hearings; Staff Recommendations & Findings (Mr. Morris)**

*The City Attorney introduced Ashley Zambrano, an attorney from Best Best and Krieger, who was present to assist City staff. The City Attorney provided an overview of the appeal hearing process, identified the parties and noted all written materials submitted in regards to the appeals were provided electronically to the Council and the parties in advance and hard copies were also available. The City Attorney and Ms. Zambrano provided a summary of issues on appeal and staff recommendations.*

*The following four appellants were permitted to address the City Council in person: Cannatopia, Element 7, Three Habitat, and TMG (Trez). Cannatopia, Element 7, and TMG (Trez) were present at individual times. Three Habitat was not present in person or by phone.*

*The three selected applicants previously chosen by the City Manager for a cannabis business permit were also permitted to address the City Council and were present in person (at individual times). They were Chuck's Cannabis Collective, Reserve House, and Sacred Roots.*

*The City Council conducted each appeal hearing separately. Each appellant was given ten (10) minutes to present their appeal. Selected applicants each had ten (10) minutes to give a rebuttal to the arguments in each appeal. Interested parties (all other cannabis applicants that have not appealed and were not selected) were given five (5) minutes to comment, and the public was given three (3) minutes to comment.*

*The appeals were presented in the following order: Cannatopia, Element 7, Three Habitat, and TMG (Trez).*

*Rick S. of Tranquil Meadows spoke as an interested party to Cannatopia's appeal. No public comment was received.*

*Public comment was received from John Clerici for Element 7's appeal, and no comment was received from any interested parties.*

*Public comment was received from Laurel Brent-Bumb for Three Habitat's appeal, and no comment was received from any interested parties.*

*No comments from the public or any interested parties were received for TMG (Trez)'s appeal. The City Attorney stated a cannabis application addendum had been received from TMG (Trez) and stated that it had been distributed to Council but advised that it was not relevant to the appeal process and would be improper to consider. TMG (Trez) acknowledged and accepted the City Attorney's opinion.*

*At 12:03 p.m., the appeal hearings concluded and the City Council recessed for lunch. The meeting resumed at 1:03 p.m. for Council discussion and action.*

*City Attorney advised Council to take separate action regarding claims on each appeal. Following discussion, City Attorney advised that Council could take separate action regarding decision for final permit issuance.*

### **Cannatopia Appeal**

*Motion to grant appeal in part, deny in part, as follows:*

*Grounds for appeal:*

*Item 1: Selected Applications Do Not Meet Minimum Criteria*

*Item 2: Unfair Selection Process*

*Item 4: Other Claims re: Ambiguous, Inconsistent, Minimum Requirements*

*GRANT, on the grounds that there were irregularities and potential errors in the process specifically including HdL scoring and mid-procedure appeals. Direct staff to bring back findings consistent with discussion and staff analysis.*

*Item 3: Incomplete/Nonresponsive Application as to Sacred Roots*

*DENY. Direct staff to bring back findings consistent with discussion and staff analysis.*

*Motion made by Councilmember Acuna, Second by Councilmember Borelli*

*Ayes: Thomas, Acuna, Borelli*

*Noes: Saragosa*

### **Element 7 Appeal**

*Motion to grant appeal in part, deny in part, as follows:*

*Grounds for appeal:*

*Item 1: Application process was Ambiguous, Inconsistent & Resulted in Unfair Competitive Advantage -*

*Item 2: Selection Process was Improper*

*GRANT, on the grounds that there were irregularities and potential errors in the process specifically including HdL scoring and mid-procedure appeals; however, claims that Current Appeal Process is unfair and preferential is denied. Direct Staff to bring back findings consistent with discussion and staff analysis.*

Motion made by Councilmember Acuna, Second by Councilmember Borelli

Ayes: Thomas, Acuna, Borelli

Noes: Saragosa

### **Three Habitat Appeal**

*Motion to grant appeal in part, deny in part, as follows:*

*Grounds for appeal:*

*Item 1: Selection Process was Unfair*

*Item 2: Selected Application (Reserve House) is Nonresponsive –*

*GRANT, on the grounds that there were irregularities and potential errors in the process specifically including HdL scoring and mid-procedure appeals. Direct staff to bring back findings consistent with discussion and staff analysis.*

*Item 3: Ineffective City Assistance and Conflict of Interest*

*DENY. Direct staff to bring back findings consistent with discussion and staff analysis.*

Motion made by Councilmember Acuna, Second by Councilmember Borelli

Ayes: Thomas, Acuna, Borelli

Noes: Saragosa

### **TMG (TREZ) Appeal**

*Motion to grant appeal in part, deny in part, as follows:*

*Grounds for appeal:*

*Item 1: Two Selected Applicants Failed to Submit Complete Applications*

*Item 3: Two Selected Applicants Were Improperly Granted A Mid-Procedure Appeal .*

*Item 5: City's Evaluation Criteria is Ambiguous and Unfair*

*Item 6: One Applicant Had a Lower Score than Trez*

*GRANT, on the grounds that there were irregularities and potential errors in the process specifically including HdL scoring and mid-procedure appeals. Direct staff to bring back findings consistent with discussion and staff analysis.*

*Item 2: One of the Selected Applicants Is Improperly Within 300' of a School*

*Item 4: The City Engaged in Ex Parte Communications and a Site Visit*

*Item 7: Councilmember Conflicts of Interest*

*DENY. Direct staff to bring back findings consistent with discussion and staff analysis.*

Motion made by Councilmember Acuna, Second by Councilmember Borelli

Ayes: Thomas, Acuna, Borelli

Noes: Saragosa

*After Discussion, Councilmember Acuna made a motion to Grant a cannabis business permit to Sacred Roots and direct staff to bring back findings stating that the flaws noted in the process did not materially affect the application of Sacred Roots. Second by Vice Mayor Thomas.*

Ayes: Acuna, Thomas

Noes: Saragosa, Borelli

*Motion Failed*

*Motion made by Councilmember Acuna to direct staff to develop a new application process to allow the original 13 applicants, as of the ending date of the initial application period, to re-apply, waive the application fee, develop a new scoring system, recommend a new evaluation committee, develop a tie- breaking process, and recommend a consultant to review industry-standard and technical information, for future Council action to determine final cannabis business permit issuance. Second, Borelli.*

Ayes: Saragosa, Thomas, Acuna, Borelli

Adjourn 3:05

**7. ADJOURNMENT**

The next regularly scheduled Council meeting will be held on August 11, 2020, 5:30 P.M. Closed Session, 6:00 P.M. Regular Meeting.

Regina O'Connell, City Clerk