

MINUTES

PLACERVILLE CITY COUNCIL SPECIAL MEETING THURSDAY, AUGUST 20, 2020

6:00 P.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.

6:00 P.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 6:09 p.m. and The Pledge of Allegiance to the Flag was recited.

2. ROLL CALL:

Present: Saragosa, Thomas, Acuna, Borelli

Absent/Recused: Taylor (*served on the cannabis selection committee*)

3. ANNOUNCEMENTS/PRESENTATIONS TO THE PUBLIC

No announcements/presentations to the public.

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 was passed by the following vote:

AYES: Acuna, Borelli, Saragosa, Thomas

NOES: None

RECUSED: Taylor

5. PUBLIC COMMENT – BRIEF – NON-AGENDA ITEMS

The City Attorney stated public comments relating to non-agenda items will only be heard at regular City Council meetings and not special meetings.

5.1 Written Communication

The City Clerk read two written comments submitted by Mark Herr on August 19, 2020, and Ron Barber on August 20, 2020.

5.2 Oral Communication

No oral communication was received from the public.

6. PUBLIC HEARINGS

6.1 Consider Adoption of Resolutions Granting in Part and Denying in Part Appeals Filed by Cannatopia & Partners Inc., Element 7 Placerville LLC, Three Habitat Consulting Placerville LLC, and TMG Placerville LLC, and Making Findings In Support Thereof

The City Attorney summarized the item and introduced Ashley Zambrano of Best Best and Krieger, present to assist with legal questions. Public comment was received from Patrick Goggin, Josh Black, Rick Sereghy, and Zenia Gilg. After brief discussion by the City Council, the following motions took place:

Resolution No. 8878

It was moved by Councilmember Acuna and seconded by Vice-Mayor Thomas that the City Council adopt a resolution granting in-part and denying in-part the appeal filed by Cannatopia & Partners, Inc. The motion was passed by the following vote:

AYES: Acuna, Borelli, Saragosa, Thomas
NOES: None
RECUSED: Taylor

Resolution No. 8879

It was moved by Councilmember Acuna and seconded by Vice-Mayor Thomas that the City Council adopt a resolution granting in-part and denying in-part the appeal filed by Element 7 Placerville, LLC. The motion was passed by the following vote:

AYES: Acuna, Borelli, Saragosa, Thomas
NOES: None

RECUSED: Taylor

Resolution No. 8880

It was moved by Councilmember Acuna and seconded by Vice-Mayor Thomas that the City Council adopt a resolution granting in-part and denying in-part the appeal filed by Three Habitat Consulting Placerville LLC. The motion was passed by the following vote:

AYES: Acuna, Borelli, Saragosa, Thomas
NOES: None
RECUSED: Taylor

Resolution No. 8881

It was moved by Councilmember Acuna and seconded by Vice-Mayor Thomas that the City Council adopt a resolution granting in-part and denying in-part the appeal filed by TMG Placerville LLC. The motion was passed by the following vote:

AYES: Acuna, Borelli, Saragosa, Thomas
NOES: None
RECUSED: Taylor

6.2 Discussion and Direction Regarding the Next Steps and Proposed Process for Cannabis Business Permit Issuance

Ms. Zambrano explained the item and responded to Council questions. It was moved by Vice-Mayor Thomas and seconded by Councilmember Acuna that the City Council reconsider action taken at the previous special meeting of July 16, 2020 to develop and restart the application process to evaluate the applicants.

Public comment was received from Patrick Goggin, Josh Black, Zenia Gilg, Rick Sereghy, Blair Will, Kelly Chiusano, Scott Martin, Melanie Fisher, and Kimberly Cargile.

Following public comment on the matter, the motion to reconsider was passed by the following roll call vote:

AYES: Acuna, Borelli, Saragosa, Thomas
NOES: None
RECUSED: Taylor

The City Council continued discussion on the best path forward for evaluation of the applicants and options for rendering a final decision on permit issuance.

Regarding options for a final decision, additional public comment was received from Melanie Fisher, Annie Aubrey, Blair Will, Zenia Gilg, Patrick Goggin, Chris Hester, Josh Black, and Rick Sereghy.

It was then moved by Councilmember Acuna and seconded by Councilmember Borelli that the City Council find the procedural errors were not so fundamental that they resulted in prejudice to other applicants, and that there is sufficient independent reason and evidence for upholding the decision; and to issue three licenses to the highest scored eligible applicants as identified by the Cannabis Selection Committee's scoring. Following further discussion, Councilmember Acuna withdrew his motion.

Councilmember Acuna then made a motion that the City Council find the procedural errors were not so fundamental that they resulted in prejudice to other applicants, and that there is sufficient independent reason and evidence for the decision, including the qualifications of the Selection Committee and the deliberative process to compare the relative merits and license types of the applicants; and to issue three licenses to the highest ranked eligible applicants as recommended by the Cannabis Selection Committee. The motion was seconded by Councilmember Borelli. It was clarified that this would result in permits being awarded to Sacred Roots, Chuck's Cannabis Collective, and Reserve House.

The motion was passed by the following vote:

AYES: Acuna, Borelli, Saragosa, Thomas
NOES: None
RECUSED: Taylor

It was then moved by Councilmember Acuna and seconded by Councilmember Borelli that the City backfill a selected applicant position with one of the alternates recommended by the Selection Committee should one of the three selected applicants be unable to proceed. It was clarified that the following alternates were designated and ranked in order as follows: 1) Cannatopia & Partners, Inc.; 2) CN Holdings, Inc., DBA "Cannabis Nation"; and 3) Three Habitat Consulting Placerville, LLC, DBA "One Plant Placerville." The motion was passed by the following vote:

AYES: Acuna, Borelli, Saragosa, Thomas
NOES: None
RECUSED: Taylor

The City Council directed staff to return with a resolution and findings consistent with the discussion and decision at this meeting.

7. ADJOURNMENT @ 9:22 p.m.

The next regularly scheduled Council meeting will be held on August 25, 2020,
5:30 P.M. Closed Session, 6:00 P.M. Regular Meeting.

Regina O'Connell, City Clerk