

CITY OF DUARTE
MINUTES OF THE SPECIAL MEETING OF THE
CITY COUNCIL OF THE CITY OF DUARTE

TUESDAY, MAY 14, 2024 – 5:00 PM

1. CALL TO ORDER

Mayor Truong called the Special Meeting to order at 5:19 p.m.

ROLL CALL:

Councilmembers Present: Lewis, Martin Del Campo, Garcia, Truong
Councilmembers Absent: Finlay, Kang, Schulz
Staff Present: Brian Villalobos, City Manager
Thai Viet Phan, City Attorney
Kristen Petersen, Assistant City Manager / Director of
Administrative Services
Craig Hensley, Director of Community Development
Manuel Enriquez, Director of Parks and Recreation
Larry Breceda, Director of Public Safety Services
Annette Juarez, City Clerk
Andres Rangel, Assistant to the City Manager/PIO
Albert Nunez, Management Aide
Frances Jimenez, Deputy City Clerk

2. ORAL COMMUNICATION - ITEMS LISTED ON THIS AGENDA

Lino Paras inquired about the amount of licensed cannabis establishments that are located within 10-15 miles of Duarte and whether the proponents of the measure are in communication with the City.

Initiative Attorney Damian Martin expressed support for the initiative as he believes the city is on the right track; reemphasized support of the HdL analysis which included design standards, neighborhood compatibility measures, and fee estimates; recommended the best placement concept for zoning which would entail a zoning overlay; highlighted tax rates; discussed the process for getting the tax measure on the ballot; and clarified the goal is not to create a consumption lounge unless that is something that the City Council wishes to establish.

3. WORKSHOP FOR CITIZENS' PETITION - DUARTE MARIJUANA RETAIL SALES REGULATION AND TAXATION MEASURE

City Manager Villalobos introduced Mark Lovelace, HdL consultant and presented his findings based on the City Council's previous request during the February 13, 2024 workshop for additional information. Mr. Lovelace gave an overview of the cannabis ballot initiative; reviewed revenue projections; shared nearby tax rates; and compared adult use sales with medical use sales.

Following questions posed by the City Council, Mr. Lovelace clarified the tax on medicinal sales; explained the process of obtaining a medical license, and differentiated between medicinal products and adult use products. Further review was made regarding the cost recovery fees, zoning considerations, and walk-in sales versus sales by delivery.

Discussion ensued between the City Council and Mr. Lovelace regarding taxing, regulations, and how to protect the city from individuals who are not subject to paying taxes. Further information was provided regarding regulatory considerations; there was clarification on the estimated revenue amounts based on storefront sales rather than delivery services; and information on general tax versus special tax was summarized.

In response to questions posed by the City Council, Mr. Lovelace explained that three locations were chosen based on the size of the market not just the size of the population; he confirmed the City can set their permit fee as long as it is tied to the actual cost of regulating; shared San Jose regulation fees; and detailed which cities within a 15 minute radius have passed the initiative and which cities are currently considering it.

City Attorney Phan verified that there are no more than five less than ten dispensaries within 15 miles of Duarte located in South El Monte, Claremont, and Pasadena. She also confirmed that the City Council can choose to place the ballot measure on the November ballot with a variety of different language options.

City Manager Villalobos answered the inquiry made by public comment speaker Lino Paras in regards to nearby cannabis establishments stating that within 15 miles of Duarte to the west is Pasadena, east is Pomona and south is El Monte and confirmed the proponents have been in communication with city staff and the City Attorney. He also provided data from surrounding cities surveyed and discussed the qualifying properties.

City Attorney Phan responded to a question presented by Council stating that liquor stores need to be 600 feet from a school.

Initiative Attorney Damian Martin responded to Council's inquiry and confirmed that if Duarte writes their own ballot measure they will not place their own measure on the ballot, despite the number of dispensaries the City Council decides to move forward with.

Conversation was had between City Manager Villalobos and the City Council regarding their ability to choose the number of dispensaries and the overall ballot process.

Per questions posed by the City Council Director of Public Safety Breceda affirmed that jurisdictions that have allowed cannabis had no increase in the part 1 crimes category; explained that there weren't any metrics that highlighted DUI rates based on marijuana use, however there was an increase in illegal trafficking of cannabis; and shared that in other jurisdictions regulations are enforced by code enforcement officers supported by law enforcement personnel.

The City Council discussed the possible number of dispensaries, shared concerns, and requested additional information on revenue estimates for one and two establishments; and requested further information on the resources that would need to be utilized.

Mr. Lovelace emphasized that the revenue model presented earlier is based on size of the market, not the number of retailers, with the assumption there is an adequate amount of retailers adequately located to meet the needs of the community. Decreasing the amount of retailers to one retailer could possibly still capture the majority of the sales dependent on its exact location. He also noted that the Council could take its time deciding the regulatory side of the initiative as the only piece that goes to the voters in November is the tax aspect.

Discussion was had between City Manager Villalobos and the City Council regarding options. The City Council opted to wait until all members of the Council were present to make a decision on the number of dispensaries they would allow, and ultimately preferred that the community be part of the decision making process.

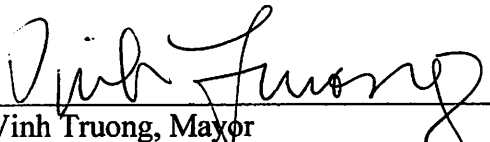
City Manager Villalobos confirmed that the item cannot be reviewed in closed session.

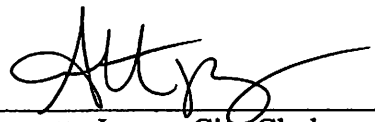
City Attorney Phan recommended the City Council make a determination on the next steps.

It was the consensus of the City Council to proceed with option two, directing Staff to move forward with preparing the November ballot measure that regulates cannabis dispensaries on the upcoming agenda and bring forward the tax measure ordinance on the following agenda.

4. ADJOURNMENT - To Scheduled Regular City Council Meeting

At 6:24 p.m. the City Council adjourned the meeting to the scheduled regular City Council Meeting.


Vinh Truong, Mayor


Annette Juarez, City Clerk