



REPORT TO THE CITY COUNCIL

Approved by:



Will Tackett, Community Development Director

Council Meeting of: August 16, 2023

Agenda Number: D-2

SUBJECT:

Consideration of Resolution to Issue a Notice of Award for Two Social Equity Commercial Cannabis Business (CCB) Permits to Nebrina Madera, LLC and California Cannoisseur, LLC.

RECOMMENDATION:

That Council adopt a Resolution:

1. Issuing a notice of award for Social Equity Cannabis Permits to Nebrina Madera, LLC and California Cannoisseur, LLC.

BACKGROUND:

On December 1, 2021, the City Council adopted Resolution No. 21-167 establishing that two (2) Social Equity Cannabis Business Permits may be granted by the City Council after an application process and participation in a public meeting.

At the same meeting of the City Council, and in accordance with Section 6-5.13 of the City Municipal Code, the City Council also adopted Resolution No. 21-169 establishing procedure guidelines and review criteria to govern the application and selection process for various types of commercial cannabis business permits. These adopted procedures included guidelines and review criteria specific to Social Equity Applications.

SUMMARY:

- City staff kicked off the Madera Cannabis process by holding two orientation/informational Zoom meetings and notified over 100 interested parties on a city listserv to notify them of the meeting.
- The application filing period opened on April 15, 2022, and the informational Zoom meetings were held on April 19th and April 21, 2022. Dozens of interested parties joined both meetings. The deadline to submit applications was June 20, 2022.
- At the end of that period, two (2) Social Equity Applications were received by the City. One from Nebrina Madera, LLC. and the other from California Cannoisseur, LLC.

Phase I (A & B) Application Process, Registration and Determination of Eligibility

Both applications were reviewed pursuant to Section 6-5.14 of the City Council adopted Cannabis Ordinance. Application materials were reviewed for eligibility under the City Council's Social Equity criteria and determined to be eligible. Both applicants were issued zoning verification letters and both applications were deemed complete.

Phase II Application Evaluation and Review

Both applications were scored by HdL pursuant to the evaluation criteria in the adopted application procedures and guidelines. Applicants had to score 90 percent or higher to be able to continue in the process. Both applicants scored over 90% with Nebrina Madera, LLC. scoring 100% and California Cannoisseur, LLC. scoring 99.93%. Both applicants were notified of their Phase II scores.

Appeals Process

There were no Social Equity appeals in the Phase II process as the only two candidates advanced.

Phase III Public Meeting

The Phase III Social Equity Cannabis Community Meeting was held May 4, 2023, at the Pan American Center in the City of Madera and was attended by over 70 people. The format of the meeting allowed applicants to present their business and operational proposals and concepts to the public for a maximum of five minutes. Other interested parties and members of the public were allowed to provide testimony, comments or ask questions about the businesses and operation proposals presented for a maximum of three minutes. Applicants were then offered an additional three minutes to rebut or respond to any testimony or questions received. The Application and Procedure Guidelines require that the City Manager provide the Council a brief summary of the Community Meeting; the summary of which is as follows:

- The meeting lasted 31 minutes and was facilitated by James Troyer, Senior Planner.
- Mr. Troyer opened the meeting and welcomed everyone and presented a PowerPoint giving an overview of the Social Equity Cannabis Process.
- Brandon Bray of Nebrina Madera, LLC., gave an overview of his business and the benefits of his business. Slides of the designs of the proposed business were presented.
- Mr. Bray's associate, his General Contractor, stated an intention to construct a first-rate cannabis facility.
- A resident expressed concerns about the business being located downtown.
- A property owner was concerned about an owner transferring their Cannabis Permit
- Yolanda Rodriguez and others had concerns about the negative impacts to downtown.
- A resident spoke about the benefits of revenue that cannabis would bring downtown.
- Mr. Bray thanked everyone for their comments and indicated he will ensure his business is an asset to the community and will create minimal impacts.
- The Owner of California Consulting presented the physical site of his proposed cannabis business.

- The Owner's business partner stated they are local Madera residents who grew up in Madera and will support non-profits in the community.
- A resident expressed concerns about the effect of cannabis on crime, addiction, and homelessness.
- A resident stated support for cannabis business downtown and that it will bring in revenue.
- The applicant declined an opportunity for a rebuttal.
- Mr. Troyer thanked everyone for their attendance and directed them to sign in sheets in the lobby in order to be notified of future meetings. Mr. Troyer adjourned the meeting.

Phase IV City Council Interviews and Final Decision

Phase IV, pursuant to Section 6-14(G) of Ordinance No. 977, requires that the City Manager and his team vet the applications and then prepare a summary report to the City Council to consider the award of two social equity cannabis permits.

The adopted Social Equity Application Procedure Guidelines and Review Criteria provides the City Council will interview both applicants to make a final determination as to which applicant(s) will be awarded a Commercial Cannabis Business Permit. Each applicant should be prepared to conduct a brief presentation in order to be interviewed by the City Council during consideration of this item at the regularly scheduled meeting of the City Council on August 16, 2023.

To receive an official Cannabis Business Permit the applicant is required to obtain all required land use approvals. Being awarded a CCB permit does not constitute a land use entitlement and does not waive or remove the requirements of applying for and receiving permits for all construction including: electrical, plumbing, fire, Community Development Department permits or reviews, and any other permits, licenses, or reviews as deemed necessary by the relevant departments or governmental entities in charge of said permits. Nor does the award of a CCB permit guarantee that the plans submitted via the CCB application process meet the standards or requirements in MMC Title X, Chapter 3 and any other permit requirements from other City departments or agencies.

Notification

The meeting notification process is subject to the City approved Application Procedures Guidelines and Review Criteria for Social Equity Commercial Cannabis Business Permit as adopted by the City Council pursuant to Section 6-5.13 of the City Municipal Code.

Only the Phase III community meeting requires a 10-day noticing requirement. All people on the City's listserve have been notified as well as the Chamber of Commerce. Any member of the public can speak on the item.

Summary

On December 1, 2023, the City Council approved Resolution No. 21-167 stating that the City Council may issue two (2) Social Equity Cannabis Permits. Both applicants have successfully completed Phases 1 to 3 as outlined in the Council adopted Procedure Guidelines and Review Criteria for Commercial Cannabis Business Permits. Both Social Equity applicants have been model applicants during the process and staff believes are worthy of City Council support.

ALTERNATIVES:

As an alternative, the Council may elect to:

1. Continue the item with direction to staff to prepare a resolution to deny one or both applications.

ATTACHMENTS:

1. Resolution Adopting a Notice of Award of Social Equity Cannabis Business Permits to Nebrina Madera, LLC and California Cannoisseur, LLC.

ATTACHMENT 1

Resolution Adopting a Notice of Award of Social Equity Cannabis
Business Permits to Nebrina Madera, LLC and California Cannoisseur,
LLC.

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA ADOPTING A
NOTICE OF AWARD OF SOCIAL EQUITY CANNABIS BUSINESS PERMITS TO
NEBRINA MADERA, LLC AND CALIFORNIA CANNOISSEUR, LLC.**

WHEREAS, on June 16, 2021, the City Council of the City of Madera (Council) adopted Ordinance No. 977 C.S. adding Chapter 5 to Title VI (Cannabis Businesses) to the City of Madera Municipal Code (MMC) to permit commercial cannabis businesses within the City of Madera (City) and establish a regulatory program requiring all commercial cannabis uses to obtain a commercial cannabis business permit issued by the City prior to commencing operation; and

WHEREAS, MMC Section 6-5.10 provides that the number of each type of cannabis business that shall be permitted to operate in the City shall be established by resolution by the Council; and

WHEREAS, MMC Section 6-5.10 further provides the Council at its sole discretion may determine the number and/or types of Cannabis Business Permits should remain the same or be modified; and

WHEREAS, on December 1, 2021, Council adopted Resolution No. 21-167 determining the number and type of cannabis business permits that may be issued in the City; and

WHEREAS, Resolution No. 21-167 authorizes a total of two Social Equity commercial Cannabis Business Permits to be granted in the City; and

WHEREAS, the filing period for commercial cannabis business license applications opened on April 15, 2022; and

WHEREAS, the City held two commercial cannabis business license application informational Zoom meetings on April 19, 2022 and April 21, 21, 2022; and

WHEREAS, the commercial cannabis business license application filing period closed on June 20, 2022; and

WHEREAS, the City received two Social Equity commercial business license applications – an application from Nebrina Madera, LLC and an application from California Cannoisseur, LLC (collectively “applicants”); and

WHEREAS, both applications were reviewed pursuant to MMC Section 6-5.14 of the Cannabis Ordinance; and

WHEREAS, both applications were deemed complete, and each applicant was issued a zoning verification letter; and

WHEREAS, both applications were scored pursuant to the Phase II evaluation criteria in the application procedures and guidelines adopted by the City Council as set forth in Resolution No. 21-169; and

WHEREAS, Nebrina Madera, LLC, received an application score of 100 percent and California Cannoisseur, LLC, received an application score of 99.93 percent;

WHEREAS, there were no Social Equity appeals in the Phase II process, enabling both applicants to promptly proceed forward to Phase III of the application process; and

WHEREAS, the City provided notices of the Social Equity Cannabis Business License Community Meeting; and

WHEREAS, the Social Equity Cannabis Business License Community Meeting was held May 4, 2023; and

WHEREAS, both applicants completed Phase III of the application process, enabling both applicants to proceed forward to Phase IV of the application process; and

WHEREAS, the City Council of the City of Madera interviewed both applicants prior to taking action on adopting this resolution; and

WHEREAS, as a condition to the award of a Cannabis Business Permit, the applicants are required to first enter into a Community Benefit Agreement with the City, and if and when such a Community Benefit Agreement is executed, then obtain all required land use approvals and a business license prior to use of the Cannabis Business Permit; and

WHEREAS, the City Council now desires to make a determination to award the applicants a Cannabis Business Permit; and

NOW THEREFORE, the City Council of the City of Madera hereby resolves and finds, and orders as follows:

1. The above recitals are true and correct and are incorporated herein.
2. The Council awards a social equity Cannabis Business Permit to Nebrina Madera, LLC, and a social equity cannabis business permit to California Cannoisseur, LLC. The following conditions shall apply to each Cannabis Business Permit:
 - a. The operator of each cannabis facility shall enter into a Community Benefit Agreement with the City setting forth the terms and conditions under which the cannabis facility will operate that are in addition to the requirements of MMC 6-5.37.C, including, but not limited to community benefits such as 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. In addition, any community benefits agreed to

be provided shall be incorporated into the terms and conditions under which the commercial cannabis business will operate with the City of Madera approval, if and when a Community Benefit Agreement is executed. Upon entry into a Community Benefit Agreement, the business is then authorized to proceed to apply for any land use permits (site plan) and a business license and related approvals. If no Community Benefit Agreement is executed, then the Cannabis Business Permit may not be exercised, and will expire in 12 months.

- b. The operator of each cannabis facility shall at all times comply with the requirements of State and local law, including the requirements of Chapter 5 of Title VI: Business, Professions, and Trades of the City Municipal Code.
3. This resolution is effective immediately upon adoption.
