

**MINUTES OF THE REGULAR MEETING/STUDY SESSION OF THE
COSTA MESA CITY COUNCIL**

April 12, 2011

CALL TO ORDER

The meeting was called to order by the Mayor at 4:30 p.m. in the Council Chambers at Costa Mesa City Hall, 77 Fair Drive, Costa Mesa, California.

ROLL CALL:

Council Members Present: Mayor Gary Monahan
Council Member Eric Bever
Council Member Wendy Leece
Council Member Stephen M. Mensinger

Council Members Absent: Mayor Pro Tem James M. Righeimer

Officials Present: City CEO Thomas R. Hatch
City Attorney Thomas Duarte
Development Services Director Kimberly Brandt
Economic Development Director/Deputy CEO, Peter
Naghavi
Transportation Services Manager Raja Sethuraman
City Clerk Julie Folcik
CDBG/HOME Coordinator, Mike Linares

PUBLIC COMMENT (00:01:06)

Marla James, President of Orange County Americans for Safe Access, encouraged Council to reconsider its ban on medical marijuana.

David James encouraged Council to reconsider its ban on medical marijuana.

Sue Lester, Costa Mesa, spoke in support of medical marijuana.

Martin Millard commented on CDBG funds noting all 15 percent does not have to be allocated to non-profits, but rather can be used for infrastructure.

Beth Refakes, Costa Mesa, expressed concerns regarding the 405 Freeway Improvement project.

Ms. Feeney reported a safety hazard within the Council Chambers.

Mike Partella spoke of the security measures used by medical marijuana dispensaries.

ITEMS FOR DISCUSSION

1. Medical Marijuana Management Presentation (00:10:43)

Jeff Byrne, representing six dispensaries in Costa Mesa, noted that there are dispensaries that are better and more compliant than others but expressed appreciation for the opportunity to work with the City to find common ground. He provided an overview of the presentation and deferred to Dr. Sean Breen for information regarding the medical benefits of marijuana.

Dr. Breen introduced himself and addressed a growing patient base including end-of-life care for elderly or chronic pain patients. He reported his patients are law-abiding and grateful for the care given them. Dr. Breen reported that there are many collective owners that are concerned about taking care of patients, not catering to recreational users. He offered to respond to questions from Council noting he has an "open-door" policy.

John Keith, Founder, Operation Iraqi Freedom Veteran Community, reported he was injured on duty and when he returned home was placed on many medications by the V.A. He reported he was taking medications to treat the side effects of medication. Subsequently, he moved from Texas to California so that he could be treated with medical marijuana, legally. He began an organization for helping Iraq and Afghanistan Veterans to obtain medical marijuana.

Mr. Byrne introduced Ryan Hollander to present information regarding regulation.

Mr. Hollander addressed the insurance aspect of the issue noting that a growing portion of insurance revenues are from the medical marijuana. He reported the insurance industry recognizes the use of cannabis as a \$17 billion per year industry and noted many agencies are developing programs to allow dispensaries to operate using a code of safe practices. He noted that allowing dispensaries and regulating the industry will add another level of security as well as an additional layer of financial responsibility.

Mr. Byrne introduced Max Del Real, Lobbyist from Capital Solutions in Sacramento and deferred to him for a presentation.

Mr. Del Real referenced fifteen months of research and \$75 thousand in City fees spent by the City of Sacramento to study the issue. He referenced materials distributed under separate cover and stated he works as a Medical Cannabis Lobbyist in California and beyond. He described the materials presented including State and Federal documents used to develop the Medical Cannabis Ordinance in Sacramento as well as the resulting documents for Medical Cannabis Management. Mr. del Real encouraged Council to make its best decision on the issue and introduced and deferred to Robbie Waters.

Robbie Waters, previous Sheriff of Sacramento County and Council Member for the City of Sacramento, expressed his appreciation for the opportunity to speak and provided his personal background. Mr. Waters reported being opposed to medical marijuana initially

and his subsequent change in position in support of medical marijuana and regulation of the industry.

Council Member Leece expressed concerns with doctors who write prescriptions to those who may justify a medical reason but use it recreationally.

Mr. Byrne reported there is a system to identify and track product that may have been stolen or obtained without the proper protocol.

Sue Lester noted there are doctors who "rubber stamp" people and acknowledged there is an issue but that there is a system to check on specific doctors through the American Medical Association.

Dr. Breen reported the State Medical Board has issued strict guidelines for standard of care for recommending cannabis. He addressed practices including obtaining parental consent for people under 18 years of age.

Council Member Bever commented on the benefits of asking the Federal government to remove the Schedule 1 designation and let the medicine be distributed to already-existing channels for States that allow the sale and use of medical marijuana.

In response to Council Member Mensinger's inquiry, Development Services Director Kimberly Brandt reported that there are presently sixteen (16) dispensaries in operation and two (2) are closed. She added that typical violations have included building code violations, zoning issues and other civil matters and commented on established thresholds within the Zoning Code defining a dispensary depending on the number of people employed. When it is determined to be a dispensary, they are found non-compliant with the Zoning Code regulations. She addressed resources expended in getting compliance.

Mr. Byrne indicated there are another fifteen (15) of which the City is unaware and indicated he would like his competitors to have to operate under the same high standards. He reported that good dispensers will invite the regulation for all dispensary owners.

In reply to Mayor Monahan's inquiry, Mr. Del Real indicated that all of the concerns can be solved through planning and the special use CUP process. He referenced a checklist that includes requiring an extensive business plan as well as a comprehensive security plan for dispensary applicants.

In response to Council Member Leece's inquiry, City Attorney Thomas Duarte explained the process after non-compliance is determined, including a fine and criminal complaint process. Ms. Brandt explained there is a fine schedule for each Code violation.

2. Pavement Management Overview (01:15:59)

Economic Development Director/Deputy CEO Naghavi introduced the item noting the City has completed a significant amount of improvements on the 405 Freeway and addressed studies for improvements on the 405 Freeway between I-73 and the 605 Freeway. He noted that as part of the later process, three (3) alternatives were developed two (2) of which should no impacts to the City of Costa Mesa but one (1) of which involves construction of a High Occupancy Toll (HOT) lane that would. He addressed public outreach on the item and reported the project is currently at a stage where the EIR will be released within a year's time. He deferred to staff for a report.

Transportation Services Manager Raja Sethuraman presented background including details of the I-405 Improvements Study and geographic limits of the project. He addressed the various alternatives considered and approved alternates. Mr. Sethuraman reported that the focus of his presentation will be on Alternative 3.

He presented an overview, location of the project, addition of a fourth bridge from the I-73 to I-405, use of landscaped areas to accommodate added lanes, widening on the north side of the I-405 and a new ramp from Ellis Avenue to south I-405. Mr. Sethuraman addressed project funding and costs including Measure M funds and preliminary cost estimates. He addressed community outreach efforts and public comments received and the current project status and next steps.

Discussion followed inclusion of the new ramp from Ellis Avenue in Alternatives 1 and 2, actions by OCTA and their influence toward the direction of Alternative 3 and steps to take in voicing the City's opposition to Alternative 3.

Mayor Monahan agreed with the recommended direction and encouraged the City's position be stated as strongly as possible.

Council Member Mensinger suggested providing more information to the community and stressed the importance of quick action on the matter.

Council Member Bever addressed the recent rebuilding of the Fairview interchange. He added that the City of Costa Mesa has been a leader in ensuring the freeway has adequate capacity and stated existing bottlenecks should be resolved before proceeding with additional projects within Costa Mesa. He expressed his agreement with taking action as soon as possible to let OCTA know of the City's opposition.

Discussion followed regarding converting the HOV lane into a HOT lane within Alternative 3. It was noted that the target year for this project is 2040.

Council Member Leece suggested communicating the City's position to neighboring cities including Fountain Valley and Westminster.

Mayor Monahan reiterated that the City is against Alternative 3 only.

CEO Thomas R. Hatch reported that staff can provide the communication, informally, to OCTA. If Council desires formal direction, the item will need to be placed on an agenda for Council action.

Members of Council concurred to direct staff to place the item on a future agenda for action.

3. 2011-2012 Community Development Block Grant Public Service Grant Recommendations (01:41:14)

Mike Linares, CDBG/HOME Coordinator introduced the item and reported that up to 15 percent can be used for public service programs. Mr. Linares addressed Council policies regarding the allocation of grants, consideration by the Redevelopment, Rehabilitation and Residential (3R) Committee and sub-committee. The later screens applications and provides recommendations. He noted the 3R Committee has reviewed the recommendations of the sub-committee and the item will be brought forth to Council for approval. He introduced and deferred to 3R Committee Member Christian Eric for a presentation.

Mr. Eric reported on the establishment and purpose of the 3R Committee. He addressed minimum grant criteria, number of applicants and use of a staff-developed formula to help with the process.

Mr. Eric addressed interviews conducted by the 3R Committee, sub-committee members, estimate of available funds, number of applicants and funding requests. He noted that requests for funds exceeded estimated available funds by \$77,310 for 2011-2012. Mr. Eric addressed grouping of the applications and noted that the majority of funds are allocated to seniors and homeless services. In addition, he presented a chart of funding recommendations versus requests and general rationale. He presented details of organizations that applied.

Discussion followed regarding acceptance of all sub-committee recommendations, projection of an 8% loss of funding and additional reductions, deadline for the action plan, possible adjustments needed, evaluation of organization strengths and weaknesses, source of funds, organizations that don't service Costa Mesa residents, use of money for infrastructure and ensuring that funds go to agencies that serve Costa Mesa residents.

Ensuing discussion pertained to submission of two applications by Community Senior Services, annual review of each organization to ensure money is used to serve Costa Mesa residents and tracking.

Mr. Linares reported that CDBG funds cannot be used to supplement local funds.

Discussion followed regarding the possibility of using funds to benefit veteran organizations.

Mr. Linares reported that a criterion is that the majority of clients served must be in the low-to-moderate income category according to HUD standards.

Council Member Leece suggested charging the 3R Committee with reviewing the current structure and return with recommendations.

Discussion followed regarding the possibility of allowing participation by other organizations or expanding existing programs.

Council Member Mensinger requested that staff communicate details of the program to the public.

4. Employee of the Month

None

COUNCIL MEMBERS REPORTS, COMMENTS, AND SUGGESTIONS (02:20:11)

Council Member Leece thanked Mr. Hatch for scheduling a study session on April 26 to focus on the City's budget process.

ADJOURNMENT:

The Mayor adjourned the meeting at 6:50 p.m.

Mayor of the City of Costa Mesa

ATTEST:

City Clerk of the City of Costa Mesa