

City of Williams
Council Special Meeting Minutes

810 E Street / P.O. Box 310, Williams, CA 95987

CITY COUNCIL OF THE CITY OF WILLIAMS,
Williams Community Center
860 C Street, Williams CA. 95987
WEDNESDAY, MARCH 29, 2017

WORKSHOP

CALL TO ORDER:

At 6:00 pm, Mayor Sellers Jr., called the special meeting to order.

ROLL CALL:

Council Members Present: John Troughton, Jr., Alfred Sellers, Jr., Roberto Mendoza, Santos Jauregui and Charles Bergson.

PLEDGE OF ALLEGIANCE: Mayor Sellers Jr., invited all in attendance to join in the Pledge of Allegiance.

PUBLIC COMMENT:
WORKSHOP

Discuss the proposed Canna-Hub Commercial Marijuana Growing Complex.

DISCUSSION: City Administrator Frank Kennedy said he would like to start with a presentation from Tim McGraw. He said he had a power point presentation ready to go. Mr. McGraw will be going in to a little more detail about what he would like to do here in the City of Williams. Mr. Kennedy and City Attorney Siprelle will be talking about things that need to be done to prepare for the proposed project.

Mr. McGraw thanked the City Council for giving him the opportunity to present this to them and the public. Mr. McGraw said once City Council sees all the facts and the attempt Canna-Hub is making they will see this project will be a great benefit to the City of Williams.

Mr. McGraw proceeded to make his presentation. The proposed project will be located east of I5 and South of Highway 20 and is approximately eighty acres. His plan is to break up into two forty acre parcels for a total of eighty acres. There will be a single location but this business park will be made up of multiple operators in one secure site. The idea behind Canna-Hub is to have all the license types except dispensaries within this business park.

Mr. McGraw said the location off I5 and Highway 20 is a prime location based on its proximity to Sacramento and San Francisco.

Mr. McGraw gave City Council a quick look back at the history of cannabis in California. Medical cannabis was approved in 1996 but failed to establish a strong regulatory framework to ensure safety and efficacy. The new Medical Cannabis Regulation and Safety Act went into effect January 1, 2016 created a comprehensive licensing system. Now business owners must adhere to new strict standards. Starting January 1, 2018 cannabis operators must be state licensed and prove local zoning approval. There are over fifty thousand growers in California and currently over eighty-three thousand three hundred and seventy medical card holders. One in seven Californians consumed cannabis in 2015. California accounts for forty percent of US medical cannabis sales. It will be greater than all the sales combined when recreational marijuana is added.

California's Cannabis Industry has been unregulated since 1996. Currently the growers in California are unlicensed and unregulated there is no standards for growing and processing. There is no third-party testing required and voluntary third party testing revealed fifty percent failure rate due to residual pesticides.

The new 2018 regulated environment for the California Cannabis Industry will require all operators to have a state issued license. There will be 14 different licenses types issued and most licenses will be unlimited. Operators will go through an application process and undergo background checks. Most grow facilities will be indoor and will be audited by the state for compliance with standards on a regular basis. Mr. McGraw also mentioned that growers will not only have to possess a state issued license they will also be required to do third party lab testing for all products. Pesticides will be regulated and State agencies will monitor environmental impacts.

Mr. McGraw discussed the benefits the proposed project will bring to the City of Williams. This project will bring in new revenues, new jobs and it will also bring economic stimulus. There will be an annual city license revenue of approximately one million dollars upon full build-out. This is money that is going directly to the City of Williams. There will also one-time impact fees of over five million dollars. There will be up to thirteen hundred possible jobs created on full build-out with year-round work because of the indoor growth.

Canna-Hub will be involved with the City of Williams and the community. They will sponsor community events and establish scholarship fund.

Mr. Kennedy said the city had first learned about this proposed project about three weeks ago. The City has been doing a lot of research on how to handle this. From the City's prospective, we need to figure out zoning, how to charge and how the City would profit from these ventures. There are a couple different ways, but in regards to taxation the City cannot tax anyone without going to a ballot measure. So, there are couple different options that the City is looking at and exploring.

City Council Member Bergson suggested the Council take public comment and then discuss the proposed project and any questions the citizens have.

Dolores Pence would like to know how the security for this project would work. Mr. Mc Graw explained there would be security twenty-four hours a day seven days a week. Each operator will

most likely have their own security team. There will be about three hundred and fifty cameras throughout the premises.

George Pence asked about the thirteen hundred jobs he talked about in his presentation and how many of those jobs would be for local citizens. Mr. McGraw said that there would be some jobs that will require a degree and maybe those would be out of town but in his experience in Illinois most of the employees are from the same county.

Sajit Singh has air quality concerns and asked Mr. McGraw how they would handle that. Mr. McGraw explained that all of the businesses in this business park will be indoor and they will have to meet requirements. He said for example, a home owner's association they have to follow certain rules.

Mr. Singh believes another reason why Canna-Hub choose the City of Williams is because of cheap labor. Mr. Singh pointed out that most of the jobs that Mr. McGraw has mentioned are going to be at least from fifteen to sixteen dollars and hour and those jobs are not highly skilled jobs. This is going to influence the high school students he said. They are going to graduate and will want to go straight to work and not want to further their education and get a college degree. This is a problem our community has had in the past and is still having and asked Mr. McGraw how he would address that.

Mr. McGraw said that in many cases they see that the people working at these facilities get so passionate about what they are doing that they want to go back to school and further their education.

Susan Cummings, stated she was not from Williams and stated she is not opposed to the proposed project. Her question was what was their process to extract and will they be using chemical to do this. Mr. McGraw said they were only the developers, but there will be third party testing to regulate the process.

Jean Terkildsen stated she had one question for the City and one for Mr. McGraw. She asked Mr. McGraw why he was wearing medical like clothes in the picture from the magazine. Mr. McGraw said stated their facility are clean room facilities, so you need to scrub in and scrub out. Mrs. Terkildsen also asked if Canna-Hub had any other facilities in California and Mr. McGraw answered they did not have any in California. Mrs. Terkildsen said Mr. McGraw makes the project sound so wonderful she thought cities would be coming to him and ask to build the facility there. Mr. McGraw said they have had cities come to them. Mrs. Terkildsen stated she is opposed to the project and encourages Canna-Hub to take the other cities offers and go there instead of Williams.

Mrs. Terkildsen then proceeded to ask City Administrator how the proposed project affect the water and sewer. Mr. Kennedy stated those were things the City is still evaluating, at this point the City believes that Canna-Hub will have to have their own well. One thing Mr. Kennedy did want to mention is that Canna-Hub will not be wasting water. Canna-Hub operates recapturing the water to recycle and reuse. Wastewater needs will only be for employees.

Yesenia Ramirez said, despite the money this project will bring to the City her concern is about the youth. How will this work near the Education Village and the Community College where drug

free zones are promoted. Mr. Kennedy said the facilities have to be a certain number of feet away from school facilities and they do meet that requirement.

Chris Stoots asked what the process is, and what the City's plan is. He said there has been no explanation as to a timeline the City is looking at. He wants to know if the City is looking at the prospect of this project being feasible or is the City looking to contract with Mr. McGraw and what is the timeline for all of this. The City Administrator said the City is still looking at that. The City is looking at the regulations regarding who the growers are and those regulations. Regulations will come from the State but as the City we will have access for inspections, to do that the City will have to have trained professionals to know when things are good or bad.

Mr. Kennedy said he sees that Mr. McGraw wants to act rather quickly. The City will have to modify the zoning, do an overlay zone on the property Canna-Hub is looking at in order to allow that to happen. This is something the City Council and staff will be working in the next couple of months.

Council Member Bergson stated the City welcomes new proposals. He said if there are business that come to the City then the City Council welcomes them to present their proposed business.

Council Member Troughton made it clear that Canna-Hub will not be treated different than any other business that wants to come to Williams. They will have to go thru the process like any other business or housing facility. Council Member Troughton said this town has what he likes to call an infrastructure deficit. He believes this project will enhance the ability to fix the infrastructure.

Pat Ash asked if any studies were done on the land that the proposed project would be developed. Mr. Kennedy said that the environmental studies would depend on where and how they build and those factors are still to be determined.

Board of Supervisors, Kent Boes thanked the City Council for having this open meeting for the public. He stated that a lot of questions have come up regarding the schools. He said Mr. McGraw had stated they were committed to helping the school and spoke about the Promise Program. The Promise Program is to get kids in high school to start college courses while in high school. He asked Mr. McGraw how was Canna-Hub going to support this program. Mr. McGraw said he had met with Superintendent Lampkin and agreed to fully fund the Promise Program.

A question was also brought up regarding the banks not receiving the money that comes out of these types of business because they are Federal Insured. Mr. McGraw said that was not true. He said that is the way it is now because there are no permits in place, but once you obtain a permit from the State that will change. He also mentioned that his projects are fully financed by banks.

Lonnie Moore spoke on his opposition to this proposed business and said there are a lot of pros and a lot of cons to this matter.


Ernesto Rios stated he would rather see holes on the roads, holes on the streets then to see holes in the families.

Don Parsons spoke in favor of this proposal and said the City needs to take advantage of this project and start fixing the streets.

Mayor Sellers Jr., thanked everyone for their input and wanted to make sure everyone understood that this business is going to go through the same process as any other one.

Before adjourning the meeting, City Administrator said at every City Council meeting there will be an update on this matter.

Mayor Seller Jr., adjourned the Special City Council Meeting at 7:42 pm.


ALFRED SELLERS, JR., MAYOR

ATTEST:


Mariana Pineda, City Clerk

