



AGENDA
MEETING OF THE
CITY OF KING CITY COUNCIL
AND
Sitting as SUCCESSOR AGENCY OF
THE RDA FOR THE CITY OF KING

TUESDAY, OCTOBER 13, 2015

Closed Session 5:00 PM
City Council Meeting 6:00 PM
212 S. Vanderhurst Ave.
King City, California, 93930

****Spanish interpretation services will be available at meeting***

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in a City meeting, please contact the City Clerk's Office (831-386-5925) at least 48 hours prior to the Meeting to ensure that reasonable arrangements can be made to provide accessibility to the meeting.

** Please submit all correspondence for City Council PRIOR to the meeting with a copy to the City Clerk.*

- **CALL TO ORDER**
- **FLAG SALUTE**
- **ROLL CALL:** Council Members Darlene Acosta, Belinda Hendrickson, Mike LeBarre, Mayor Pro Temp. Karen Jernigan, and Mayor Robert Cullen
 - **CLOSED SESSION ANNOUNCEMENTS**
- **AGENDA REVIEW**
- **CEREMONIAL CALENDAR**
- **PRESENTATIONS**
- **PUBLIC COMMUNICATIONS**

Any member of the public may address the Council for a period not to exceed *three minutes* total on any item of interest within the jurisdiction of this Council that is not on the agenda. The Council will listen to all communications; however, in compliance with the Brown Act, the Council cannot act on items not on the agenda.
- **COUNCIL COMMUNICATIONS**

This item gives individual Council Members the opportunity to seek consensus for scheduling a specific item on a future agenda, authorizing staff time to provide background information and prepare a staff report for a future agenda, or to comment on Council business, City operations, projects or other items of community interest.
- **CITY STAFF REPORTS AND COMMENTS**
- 1. **SUCCESSOR AGENCY CONSENT ITEMS**

2. CONSENT AGENDA

- A. Council Minutes of September 22, 2015
Recommendation: Approve and File
- B. Non-Federal Reimbursable Agreement Between Department of Transportation Federal Aviation Administration and Mesa Del Rey Airport
Recommendation: Approve and Authorize the City Manager to Execute the Agreement for the amount of \$8,366.05.

3. PUBLIC HEARING

4. REGULAR BUSINESS

- A. Discussion and possible action regarding Medical Marijuana Cultivation, Manufacture, and Dispensing of Medical Marijuana
Recommendation: Council to provide direction

Presentations by:

- Monterey County Sheriff's Office- Sheriff Steve Bernal
- LG Attorneys- Aaron Johnson
- Sun Street Centers

CITY COUNCIL CLOSED SESSION

- 1. Existing Litigation:
Gov. Code Section: 54956.9(d)
Garcia vs. City of King et al.
- 2. Conference with Real Property Negotiators
Property: APN-026-351-36 (2.48 Acres +/-, Industrial Way)
Agency Negotiators: Michael Powers, Martin D. Koczanowicz,
Negotiating Party: Monterey Salinas Transit
Under Negotiation: Price and Terms

• **ADJOURNMENT**

* * * * *

Upcoming Meetings

- November 11, 2015- In Observance of Veteran's Day, City Hall will be closed

October 19th	5:00 p.m.	Recreation Committee
October 20th	6:00 p.m.	Special Joint meeting: Planning Commission & City Council
October 27th	6:00 p.m.	Successor Agency/City Council
November 9	6:00 p.m.	Airport Advisory Meeting
November 10 th	6:00 pm	Successor Agency/City Council
November 16	5:00 p.m.	Recreation Committee

Minutes
City Council Meeting
September 22, 2015

Item 2A

CALL TO ORDER: Meeting was called to order at 6:05 pm by Mayor Pro Tem Jernigan.

FLAG SALUTE: The flag salute was led by Mayor Pro Tem Jernigan.

ROLL CALL:

City Council: Council Members Belinda Hendrickson, Michael LeBarre, Darlene Acosta, Mayor Pro Tem Karen Jernigan

City Staff: Chief of Police, Ron Forgue, City Attorney Martin Koczanowicz
Absent: Mayor Robert Cullen, & City Manager, Michael Powers

AGENDA REVIEW

No reported changes

CLOSED SESSION ANNOUNCEMENTS: Mayor Pro Tem Jernigan announced no reportable action taken during closed session.

PRESENTATIONS: None

PUBLIC COMMUNICATIONS:

COUNCIL COMMUNICATIONS:

Council provided brief updates on ongoing projects and meetings attended.

CITY STAFF REPORTS AND COMMENTS

City Attorney Koczanowicz reported he will be attending League of California Training, will be meeting with California Joint Powers Insurance, continues to follow up with district elections matter. Item to be scheduled for Decembers agenda.

Chief Forgue reported provide department update and described on going changes as described in staff report. He announced a new officer has been hired, and an additional officer will soon be hired, and added he will be attending a week long training next week.

SUCCESSOR AGENCY CONSENT ITEMS

- A. Monthly Treasurer's Report- Aug.2015
 - B. Monthly Check Register- Aug. 2015
- No discussion.

Action: Motion to approve item A & B made by council member LeBarre, seconded by council member Acosta.

AYES: Council Members: Acosta, Hendrickson, LeBarre, and Mayor Pro Tem Jernigan

NOES: Council Members:

ABSENT: Council Members: Mayor Cullen

ABSTAIN: Council Members

1. CONSENT AGENDA

- A. City Council Meeting Minutes-September 8, 2015
- B. Police Department Towing Report Towing Report
- C. King City Police Department 90 Day Police Update
- D. Monthly Treasurer's Report
- E. Monthly Check Register
- F. Expenditure Report & Budget Summary
- G. Chief Building Official Komfort Court Update

Mayor Pro Tem Jernigan and Council member Hendrickson provided minute corrections.

Mayor Pro Tem Jernigan pulled item G for further discussion. Chief Building Official, CBO Paul Hodges answered council's questions on item G. Discussion on how council should follow up with Komfort Court followed. Council thanked CBO for his all his efforts.

Action: Motion to approve items A- F made by council member LeBarre, seconded by council member Acosta.

AYES: Council Members: Acosta, LeBarre, Mayor Pro Tem Jernigan,

NOES: Council Members:

ABSENT: Council Members: Mayor Cullen

ABSTAIN: Council Members: Council member Hendrickson on item F

2. PUBLIC HEARING

None

3. REGULAR BUSINESS

- A. Discussion regarding City Council Goals- Mayor Pro Tem Jernigan presented updated goals and provided background information. She explained she and council member Hendrickson have reconvened and updated council goals in which they request council's feedback. Council member LeBarre, suggested focusing on goals and not core values; he proposed yearly planning for council be a separate item. Council thanked subcommittee for their hard work and dedication on item. Discussion on council's choice of goals, and how to move forward followed. City Attorney Koczanowicz recommend formally adopting goals once goal list is established. Subcommittee to continue efforts on establishing goals and agree core values shall be reviewed at as a separate item. Discussion on scheduling Strategic Planning followed.
- B. Discussion and possible action regarding Wayfinder Sign- Mayor Pro Tem Jernigan introduced Don Funk, Principal Planner. He briefly introduced item and provided presentation on new wafinder sign options. He provided background information as included in staff report and explained Tourism Group and Planning Commission have worked on item and have established potential options as illustrated in staff report. He proceeded to review the benefits of having new signs. Discussion on sign options and possible changes followed. He then answered council's questions and outlined Planning Commission recommendations. He further reviewed the approximate cost associated with signs and provided further details of each type of sign proposed. Council thanked staff and all committees for recommendations. Discussion on the various styles of signs followed. Council member LeBarre asked for further clarification on expense associated with sign options. Mayor Pro Tem Jernigan expressed she is in overall support of having signs eventually in every exit in town. Community Developer Director Doreen Liberto- Blank clarified pricing outlined in staff report includes constructing and installation by city staff. She asked for further clarification on what sign to move forward with. Council member LeBarre expressed he is in favor in researching more proposals for signs. City Attorney Koczanowicz explained facts to consider before choosing a sign.

Action: Motion to approve allocating \$4,500 to move forward with sign marked exhibit 3, option 2 in staff report, and direct staff to provide a range of cost for additional signs at upcoming meeting made by Council member LeBarre seconded by Council member Hendrickson.

AYES: Council Members: Acosta, Hendrickson, LeBarre, Mayor Pro Tem Jernigan

NOES: Council Members:

ABSENT: Council Members: Mayor Cullen

ABSTAIN: Council Members:

- C. Discussion on awarding 2015 King City Infrastructure project to Specialty Construction Inc- Mayor Pro Tem Jernigan introduced item and presented City Engineer, Octavio Hurtado. He explained proposed project plan was out to bid and clarified lowest bid was received by Specialty Construction Inc. in the amount of \$4,049,110. He further explained project details and project completion timeline. He proceeded to answer council's questions and outlined current problematic areas as explained in staff report. He further described project details and provided further outline of improvements and staff's recommendation to award project to lowest bidder. Mayor Pro Tem Jernigan open public comment: Public comment as follows Fleta Andrae- Resident, shared concerns with city sewer system and asked for clarification on proposed fix on Russ St. Margaret Raschella asked for clarification on proposed improvement areas. Tom Sundale, Specialty Construction Representative, thanked Council for time and for opportunity to work with City. Mayor Pro Tem Jernigan explained she will abstain from vote as she does not feel comfortable with project finance. Further discussion on project finance plan and project timeline followed. Staff to move forward and provide plan to solve problem in area of Ellis St. & N. Third St. and return to council with proposed project improvements.

Action: Motion to award project to low bidder; Specialty Construction Inc, in the amount of \$4,049,110 and award Base Bid, Add Alternatives 1 &3 of the King City Sanitary Sewer Infrastructure, and made by Mayor Pro Tem Jernigan open public comments:

AYES: Council Members: Acosta, Hendrickson, LeBarre,

NOES: Council Members:

ABSENT: Council Members: Mayor Cullen

ABSTAIN: Council Members: Mayor Pro Tem Jernigan

ADJOURNMENT: There being no further business to come before the City Council, Mayor Cullen adjourned the meeting at 8:30 pm.

Approved Signatures:

Mayor, Robert Cullen
City of King

City Clerk, Michael Powers
City of King



Item No. 2B

STAFF REPORT

DATE: October 13, 2015

TO: MICHAEL POWERS, CITY MANAGER

FROM: OCTAVIO HURTADO, HANNA & BRUNETTI, CITY ENGINEERS

RE: NON-FEDERAL REIMBURSABLE AGREEMENT BETWEEN:
DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION
ADMINISTRATION AND MESA DEL REY AIRPORT to commission the PAPI
on Runway 29 as installed under the AIRPORT IMPROVEMENT PROGRAM-
VISUAL AID IMPROVEMENTS - FAA AIP PROJECT NO. 3-06-0113-011

EXECUTIVE SUMMARY:

The Visual Aid Improvements under FAA AIP Project No 3-06-0113-011 have been installed. The project includes installing a Precision Approach Path Indicator (PAPI). Prior to putting the PAPI to use, it must be commissioned by the FAA.

BACKGROUND:

This project is being funded by the Federal Aviation Administration (FAA AIP Project No 3-06-0113-011). This project was put out to bid in 2010 and received zero bids. Staff rebid the project in 2014. The City received bids from the following Contractors in the amount of:

Umstead Electric	\$247,500.00
Lee Wilson Electric Co. Inc.	\$152,817.50

The City awarded the project to Lee Wilson Electric Co. Inc. in September 2014. They completed the in the construction and installations per the improvement plans in 2015. The FAA was contacted to initiate the commissioning of the newly installed PAPI.

DISCUSSION:

This project has been programmed as part the Airports Airport Improvement Program (AIP) which the City submits to the FAA once a year. The proposed Improvements will increase operational safety for all aircraft taxiing on the Mesa Del Rey Airport. All new work will be in accordance with the current FAA standards, and with the current Mesa Del Rey Airport Master Plan and Airport Layout Plan (ALP). An FAA flight inspection is required prior to placing a Precision Approach Path Indicator in use. The cost for the PAPI commissioning is estimated at **\$8,366.05**. An agreement for said Flight Inspection services has been prepared and is attached.

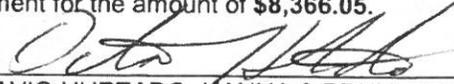
BUDGET IMPACT

Funding for this project will come from the Federal Aviation Administration (FAA AIP Project No 3-06-0113-011) and State of California Department of Transportation (California Aid to Airports Program FAA Program Matching Funds)

RECOMMENDATION:

Approve the Non-Federal Reimbursable Agreement between Department of Transportation Federal Aviation Administration and Mesa Del Rey Airport and authorize the City Manager to execute the agreement for the amount of **\$8,366.05**.

Prepared by: _____


OCTAVIO HURTADO, HANNA & BRUNETTI, CITY ENGINEERS

Approved by: _____

MICHAEL POWERS, CITY MANAGER

Attachment: Agreement

NON-FEDERAL REIMBURSABLE AGREEMENT

BETWEEN

**DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION**

AND

**MESA DEL REY AIRPORT, CITY OF KING
KING CITY, CA**

WHEREAS, the Federal Aviation Administration (FAA) can furnish directly or by contract, material, supplies, equipment, and services which the **Mesa Del Rey Airport, City of King** (Sponsor) requires, has funds available for, and has determined should be obtained from the FAA;

WHEREAS, it has been determined that competition with the private sector for provision of such material, supplies, equipment, and services is minimal; the proposed activity will advance the FAA's mission; and the FAA has a unique capability that will be of benefit to the Sponsor while helping to advance the FAA's mission;

WHEREAS, the authority for the FAA to furnish material, supplies, equipment, and services to the Sponsor upon a reimbursable payment basis is found in 49 U.S.C. § 106(1)(6) on such terms and conditions as the Administrator may consider necessary;

NOW THEREFORE, the FAA and the Sponsor mutually agree as follows:

ARTICLE 1. Parties

The Parties to this Agreement are the FAA/Flight Inspection Services, and **Mesa Del Rey Airport, City of King**.

ARTICLE 2. Type of Agreement

This Agreement is an "other transaction" authorized under 49 U.S.C. § 106(1)(6). It is not intended to be, nor will it be construed as, a partnership, corporation, joint venture or other business organization.

ARTICLE 3. Scope

A. The purpose of this Agreement between the FAA and the Sponsor is to **commission the PAPI on Rwy 29 at Mesa Del Rey Airport (KKIC) King City, CA**. This Agreement provides funding for the FAA to establish these services.

Therefore, this project is titled:

Mesa Del Rey Airport, City of King, King City, CA

- B. The FAA will perform a **commissioning of the PAPI on Rwy 29 at Mesa Del Rey Airport (KKIC) King City, CA.**
- C. The Sponsor will:
1. Provide funding as estimated in Article 7.
 2. Upon signature and payment of agreement, contact James Field at 405-954-9318 or james.d.field@faa.gov and inform him when the site is ready for inspection. You may call Flight Inspection Central Operations if you have any questions at 405-954-9780.
- D. This agreement is in whole or in part funded with funding from an AIP grant Yes No. If Yes, the grant date is: 9/2/14 and the grant number is: 3-06-0113-011-2014.

ARTICLE 4. Points of Contact

A. FAA:

1. Flight Inspection Services will perform the Scope of Work included in this Agreement. Jim Wilson is the Manager, Mission Control Team, and liaison with the Sponsor for any Flight Inspection issues and can be reached at 405-954-9789. The Flight Inspection Services Agreement Coordinator, Kadi Barrett, can be reached at 405-954-7568. These liaisons are not authorized to make any commitment, or otherwise obligate the FAA, or authorize any changes which affect the estimated cost, period of performance, or other terms and conditions of this Agreement.
2. FAA Contracting Officer: The execution, modification, and administration of this Agreement must be authorized and accomplished by the Contracting Officer.

B. Sponsor Point(s) of Contact

Mesa Del Rey Airport, City of King
Attention: Maricuz Aguilar
212 S. Vanderhurst Avenue
King City, CA 93930
813-386-5916
maguilar@kingcity.com

ARTICLE 5. Non interference with operations: [RESERVED]

ARTICLE 6. Transfer Agreement [RESERVED]

ARTICLE 7. Estimated Costs

A. The estimated FAA costs associated with this Agreement are as follows:

Description of Reimbursable Item	Estimated Cost
LABOR	
NA	\$0
Labor Subtotal	\$0
Labor Overhead (17%)	\$0
Total Labor	\$0
NON-LABOR	
Flight Inspection	\$7,892.50
Non-Labor Overhead (6%)	\$473.55
Total Non-Labor	\$8,366.05
TOTAL ESTIMATED COST	\$8,366.05

Detailed Estimate:

Flight Inspection Estimated Cost

<i>Lear Rate \$3,157/hr</i>	Type	Hours	Inspections	Estimated Cost
PAPI on Rwy 29 (KKIC)	Commissioning	2.5	1	\$7,892.50
			6% Administrative Overhead	\$473.55
			Total Estimated Cost of Agreement	\$8,366.05

- B. The FAA- Flight Inspection Services reserves the right to determine which aircraft will be used for flight inspections. Flight hour rates will be adjusted automatically according to the most current edition of FAA Order 2500.36, Application of Flight Hour Rates. The estimates are based on rates in effect at the time this Agreement is signed.
- C. Estimated costs contained herein are for planning purposes only and can vary depending on the actual aircraft used, and actual flight hours expended to reach the facility and to accomplish the inspection. As required by regulation, the final bill submitted to the customer will reflect actual hours and costs to Flight Inspection Services.
- D. **Sponsor** will be notified of any necessary deviations or changes to the instrument flight procedure and agrees to negotiate with the FAA to resolve additional reimbursement issues exceeding 10% of the cost estimate, in accordance with Article 9.

- E. FAA flight inspection aircraft may be delayed from scheduled itineraries for unanticipated reasons such as a National Airspace System priority, weather, or unscheduled aircraft maintenance. FAA is not responsible for any additional cost the Sponsor may incur if an inspection must be rescheduled.

ARTICLE 8. Period of Agreement and Effective Date

This Agreement supersedes and nullifies any previous agreements between the parties on the subject matter. The effective date of this Agreement is the date of the last signature. This Agreement is considered complete when the final invoice is provided to the Sponsor and a refund is sent or payment is received as provided for in Article 9, Section E of this Agreement. Under no circumstances will this Agreement extend five years beyond its effective date.

ARTICLE 9. Reimbursement and Accounting Arrangements

- A. The Sponsor agrees to prepay the entire estimated cost of the Agreement. The Sponsor will send the Agreement to the FAA Agreement Coordinator for FAA signature and advance payment to the Accounting Division listed in Section C of this Article. The advance payment will be held as a non-interest bearing deposit. Such advance payment by the Sponsor must be received before the FAA incurs any obligation to implement this Agreement. Any amount due on the final bill will be netted against the advance payment and, as appropriate, a refund or final bill will be sent to the Sponsor.
- B. The Sponsor certifies that arrangements for sufficient funding have been made to cover the estimated costs of the Agreement.
- C. The Accounting Division is identified by the FAA as the billing office for this Agreement. The Sponsor will send a copy of the executed Agreement to the Agreement Coordinator. The sponsor can either mail the payment to the address shown below or submit payment (via check or credit card) electronically via pay.gov. All payments must include the Agreement number, Agreement name, Sponsor name, and project location.

The mailing address is:

FAA – Mike Monroney Aeronautical Center
ATTN: AMK-323, Reimbursable Project Team
P.O. Box 25082
Oklahoma City OK 73125

The overnight mailing, address is:

DOT/FAA/Mike Monroney Aeronautical Center
AMK-323 Reimbursable Project Team
6500 S. MacArthur Blvd.
Oklahoma City OK 73169
Telephone: (405) 954-4962

The Sponsor hereby identifies the office to which the FAA will render bills for the project costs incurred as:

Mesa Del Rey Airport, City of King
Attention: Maricuz Aguilar
212 S. Vanderhurst Avenue
King City, CA 93930
813-386-5916
maguilar@kingcity.com

- D. Pre-payment notices will be sent to the Sponsor on an annual basis.
- E. The cost estimates contained in Article 7 are expected to be the maximum cost associated with this Agreement, but may be modified to recover the FAA's actual cost. If during the course of this Agreement, actual costs are expected to exceed the estimated costs, the FAA will notify the Sponsor immediately. The FAA will also provide the Sponsor a modification to the Agreement which includes the FAA's additional costs. The Sponsor agrees to prepay the entire estimated cost of the modification. The Sponsor will send a copy of the executed modification to the Agreement to the FAA-Mike Monroney Aeronautical Center with the additional advance payment. Work identified in the amendment cannot start until receipt of the additional advance payment. In addition, in the event that a contractor performing work pursuant to the scope of this Agreement brings a claim against the FAA and the FAA incurs additional costs as a result of the claim, the Sponsor agrees to reimburse the FAA for the additional costs incurred whether or not a final bill or a refund has been sent.

ARTICLE 10. Changes and Modifications

Changes and/or modifications to this Agreement will be formalized by a written modification that will outline in detail the exact nature of the change. Any modification to this Agreement will be executed in writing and signed by the authorized representative of each party. The parties signing this Agreement and any subsequent modification(s) represent that each has the authority to execute the same on behalf of their respective organizations. No oral statement by any person will be interpreted as modifying or otherwise affecting the terms of the Agreement. Any party to this Agreement may request that it be modified, whereupon the parties will consult to consider such modifications.

ARTICLE 11. Termination

In addition to any other termination rights provided by this Agreement, either party may terminate this Agreement at any time prior to its expiration date, with or without cause, and without incurring any liability or obligation to the terminated party other than payment of amounts due and owing and performance of obligations accrued, in each case on or prior to the termination date, by giving the other party at least thirty (30) days prior written notice of termination. Payment of amounts due and owing may include all costs reimbursable under this Agreement, not previously paid, for the performance of this Agreement before the effective date of the termination; the total cost of terminating and settling contracts entered into by the FAA for the purpose of this Agreement; and any other costs necessary to terminate this Agreement. Upon receipt of a notice of termination, the receiving party will take immediate steps to stop the accrual of any additional obligations which might require payment. All funds due after termination will be netted against the advance payment and, as appropriate, a refund or bill will be issued.

ARTICLE 12. Order of Precedence

If attachments are included in this Agreement and in the event of any inconsistency between the attachments and the terms of this Agreement, the inconsistency will be resolved by giving preference in the following order:

A. This Agreement

B. The attachments

ARTICLE 13. Legal Authority

This Agreement is entered into under the authority of 49 U.S.C. § 106(l)(6), which authorizes the Administrator of the FAA to enter into and perform such contracts, leases, cooperative agreements and other transactions as may be necessary to carry out the functions of the Administrator and the Administration on such terms and conditions as the Administrator may consider appropriate. Nothing in this Agreement will be construed as incorporating by reference or implication any provision of Federal acquisition law or regulation.

ARTICLE 14. Disputes

Where possible, disputes will be resolved by informal discussion between the parties. In the event the parties are unable to resolve any dispute through good faith negotiations, the dispute will be resolved by alternative dispute resolution using a method to be agreed upon by the parties. The outcome of the alternative dispute resolution will be final unless it is timely appealed to the Administrator, whose decision is not subject to further administrative review and, to the extent permitted by law, is final and binding (see 49 U.S.C. § 46110).

ARTICLE 15. Warranties

The FAA makes no express or implied warranties as to any matter arising under this Agreement, or as to the ownership, merchantability, or fitness for a particular purpose of any property, including any equipment, device, or software that may be provided under this Agreement.

ARTICLE 16. Insurance

The Sponsor will arrange by insurance or otherwise for the full protection of itself from and against all liability to third parties arising out of, or related to, its performance of this Agreement. The FAA assumes no liability under this Agreement for any losses arising out of any action or inaction by the Sponsor, its employees, or contractors, or any third party acting on its behalf.

ARTICLE 17. Limitation of Liability

To the extent permitted by law, the Sponsor agrees to indemnify and hold harmless the FAA, its officers, agents and employees from all causes of action, suits or claims arising out of the work performed under this Agreement. However, to the extent that such claim is determined to have arisen from the act or omission by an officer, agent, or employee of the FAA acting within the scope of his or her employment, this hold harmless obligation will not apply and the provisions of the Federal Tort Claims Act, 28 U.S.C. § 2671, et seq., will control. The FAA assumes no liability for any losses arising out of any action or inaction by the Sponsor, its employees, or contractors, or any third party acting on its behalf. In no event will the FAA be liable for claims for consequential, punitive, special and incidental damages, claims for lost profits, or other indirect damages.

ARTICLE 18. Civil Rights Act

The Sponsor will comply with Title VI of the Civil Rights Act of 1964 relating to nondiscrimination in federally assisted programs.

ARTICLE 19. Protection of Information

The parties agree that they will take appropriate measures to identify and protect proprietary, privileged, or otherwise confidential information that may come into their possession as a result of this Agreement.

ARTICLE 20. Security [RESERVED]

ARTICLE 21. Intellectual Property

Data developed as part of FAA operations is public information subject to the Freedom of Information Act (FOIA) and the Privacy Act.

ARTICLE 22 Entire Agreement

This document is the entire Agreement of the parties, who accept the terms of this Agreement as shown by their signatures below. In the event the parties duly execute any modification to this Agreement, the terms of such modification will supersede the terms of this Agreement to the extent of any inconsistency. Each party acknowledges participation in the negotiations and drafting of this Agreement and any modifications thereto, and, accordingly that this Agreement will not be construed more stringently against one party than against the other. If this Agreement is not executed by the Sponsor within 100 calendar days after the FAA transmits it to the Sponsor, the terms contained and set forth in this Agreement shall be null and void.

AGREED:

**FEDERAL AVIATION
ADMINISTRATION**

**MESA DEL REY AIRPORT, CITY OF
KING**

SIGNATURE _____
NAME Angel Taylor
TITLE Contracting Officer
DATE _____

SIGNATURE _____
NAME Michael Powers
TITLE City Manager
DATE _____



Item No. 4A

REPORT TO THE CITY COUNCIL

DATE: OCTOBER 13, 2015
TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
FROM: MICHAEL POWERS, CITY MANAGER
RE: MEDICAL MARIJUANA DISPENSARIES

RECOMMENDATION

It is recommended the Council consider the information presented and direct staff as appropriate.

DISCUSSION

The regulation of Medical Marijuana dispensaries has been a subject of many legal and political battles since the passage of the prop 215 by the voters. The law allows for medical usage of marijuana when prescribed by a doctor and sales of the product to the public under controlled circumstances. The law is direct conflict with federal laws which prohibit any sale or use of marijuana.

As any legal use, the location and operation of the dispensary can be regulated by a City based on actual impacts of that business through a conditional use permit (CUP). City's also have the ability to ban the business from the City through a moratorium based on the fact that the dispensaries have in the past been the source of "secondary impacts". These include raise in crime due to burglaries and robberies of what is usually a cash business with desirable merchandise in stock. Also in the past these businesses have been the catalyst for some criminal activity in the immediate surroundings. With time these issues have by and large been dealt with by the businesses themselves as they have recognized that the more "main stream" their operation is the more legitimacy and clientele will be generated. Many cities have numerous dispensaries operating in their borders.

If allowed, conditions imposed on the CUP, City's development standards and zoning laws are the control mechanism for such businesses. Through these conditions City can regulate the security measures that need to be in place, lighting, sometimes hours of operation and of course location through zoning laws.

Subject to voter's approval cities can tax the dispensaries and generate additional revenue. Two third majority is required for passage of any special tax. In addition cities can charge a business license costs which is also a minor revenue generator for the general fund. Lastly sales tax revenues are also generated through the products sold in dispensaries.

A City may enact reasonable laws (Ordinances) to regulate the public safety including commerce but has to do so in a reasonable manner. Accordingly, if the City were to move forward on consideration of allowing Dispensaries, it would need to ultimately adopt amendments to potentially several sections of the Municipal Code including zoning and taxes.

The City considered allowing Dispensaries several years ago. An ad hoc committee was formed (Kleber, Hughes) and effort was put in to review the legal, planning, security, financial and other aspects of permitting and planning for dispensaries. The legal and financial issues are covered elsewhere. The planning for and land use/site plan/building requirements should be crafted to incorporate the physical and planning practices applicable to dispensaries. The City currently incorporates design based upon best security practices for site development and would need to revisit this section of the Municipal code. It is clear that there are some practices that have been developed to address impacts.

Allowing Medical Marijuana Dispensaries has in some cities been controversial and non-controversial in others by the very nature of the business. Because of this, staff recommends that the Council take a cautious and researched approach to this issue with significant public input. Staff further opines that there will need to be significant public input prior to direction to staff to return with changes to the Municipal Code (which will also include significant public input). Further, the Chief of Police opposition should be given appropriate consideration.

For the record, the Chief of Police and I both oppose Medical Marijuana Dispensaries in King City.

ALTERNATIVES

Take no action and maintain the current status.

Consider adopting regulations to prohibit Medical Marijuana Dispensaries.

Consider allowing and regulating Medical Marijuana Dispensaries.

FISCAL IMPACT

Unknown at this time.

EXHIBITS

Prepared and Approved by:

MICHAEL POWERS, CITY MANAGER



Find strains or dispensaries

Sign Up | Log In



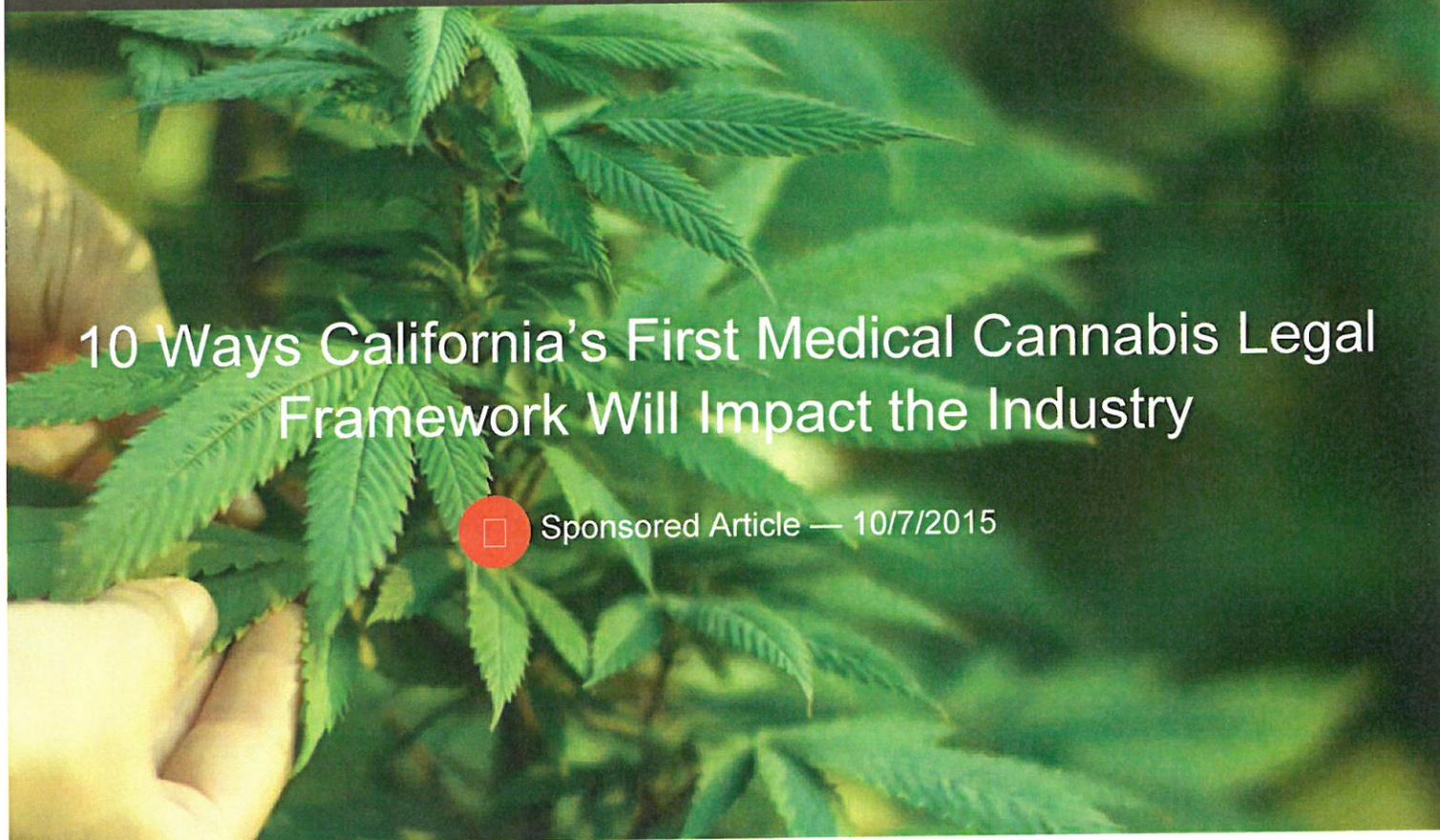
Find Nearby

Explore Strains

News & Culture

Deals

Leafly List



This article is sponsored by [L+G, LLP Attorneys at Law](#) and was written by Aaron Johnson. L+G, LLP Attorneys at Law is a full service agriculture and business law firm with experience deeply rooted in the cannabis industry representing cultivators, manufacturers, dispensaries, nurseries, and transporters of cannabis in California.

As sunset fell on the drought-stricken, smoke-filled state of California on the auspicious date of 9/11/15, its legislature was busy amending and tweaking three bills that could

provide the state with the framework for regulating medical cannabis. In what the legislature hailed as “the three legs of the stool,” Assembly Bill 243, Assembly Bill 266, and Senate Bill 643 were passed just short of midnight, sending cannabis businesses and representatives scurrying for the latest text.

While the ramifications of the law change will continue to play out in the coming years, what is certain is that California businesses have to quickly work out what the changes mean to them, and what new licenses they need to seek. What is also clear is that local government will retain control of land use decisions (and the right to say “no”). Whether you are looking to cultivate, manufacture, or dispense, you will need to check with your local rules and first obtain a local permit before asking for a state license.

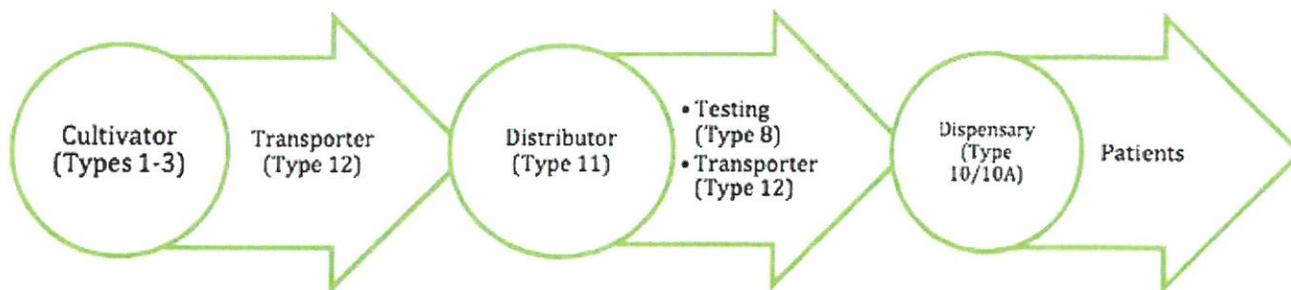
The bills, if signed by Governor Jerry Brown by October 11, 2015, will create a new agency under the Department of Consumer Affairs called the Bureau of Marijuana Regulation (affectionately referred to as “ BuMMR”). BuMMR will be led by a “chief,” and will interact with several other state agencies, like the Department of Food and Agriculture, State Water Resources Control Board, and others. Their mandate? To regulate and manage the growing, testing, and environmental impacts of the cannabis industry.

While the impact of the changes will be far-reaching, what we know already is that it will impact every part of the cannabis production chain. Here are the most immediate (and most relevant) impacts for all parts of the industry.

1. Cannabis Will Be Tracked from Seed to Sale

Cultivators will be required to send all cannabis through a distributor for quality assurance and inspection. The distributor must then send all cannabis through a testing licensee for batch testing (random sampling) before any of the cannabis in that batch can be delivered to a dispensary.

Each and every plant in the system must have a “unique identifier,” a zip tie at the base of each plant with a state ID number, that is used to track the plant and its products through all channels until it is eventually sold to the consumer. It may sound cumbersome, but the technology has already been developed and is currently available. In the event of contamination or other problems, this system would identify the origin and potentially isolate any problems quickly.



2. Cultivation Licenses Will Vary by Size and Scope

Cultivation licenses range in types and sizes. There are four types of cultivation permits:

1. Indoor
2. Outdoor
3. Mixed-light (greenhouse, hoop-house)
4. Nursery (clones, non-flowering)

There are three sizes of regulated flower cultivation for the indoor, outdoor, and mixed-light types of grows (nurseries do not have a size limit).

A *specialty* size allows for a grow of up to 5,000 square feet of canopy cover; a *small* size allows from 5,001 to 10,000 square feet of canopy cover; and a *medium* size allows from 10,001 to 22,000 square feet of canopy cover, or up to one acre in the case of a *medium* outdoor grow. No cultivation may occur within 600 feet of a school (measured from the cultivating property's line closest to the school, as the crow flies).

As one considers what type of license to obtain, it will be important to consider that your choice of license will offer up other licensing opportunities and restrictions. For example, a Type 3 Medium Outdoor is not authorized to hold a Type 6 or Type 7 Manufacturing license without first owning a Type 10A dispensary license. However, a Type 2 Small Outdoor may also obtain the manufacturing license.

Type	License Name	Allowable Canopy Size Per License (Sq Ft)	Other Permits Allowed (one other)	State Limit on # of licenses?
1, 1A, 1B	Specialty Outdoor, Specialty Indoor and Specialty Mixed-Light	Up to 5,000	Manufacturing, Dispensary	None
2, 2A, 2B	Small Outdoor, Small Indoor, Small Mixed-Light	5,001 to 10,000	Manufacturing, Dispensary	None
3, 3A, 3B	Medium Outdoor, Medium Indoor, Medium Mixed-Light	10,001 to 22,000	No other permits, unless part of a Type 10A license	Yes
4	Nursery	No limit	No other permits, unless part of a Type 10A license	No

3. Manufacturing Licenses Will Vary by Extraction Method

Manufacturing may be allowed through two different types of licenses to engage in the concentration and extraction process. One type is for operators who manufacture and produce medical cannabis products using non-volatile solvents (known as Type 1 Manufacturing). The other is for operators who use volatile solvents, such as butane, hexane, or ethanol (Type 2 Manufacturing).

Volatile solvents (or Type 2) licensees will be restricted in number and will undoubtedly require very high standards for using this technology. The effect will bring the extraction community into a safer, more highly-regulated environment to continue to meet a high demand. The legislature has also addressed the packaging of manufactured cannabis to avoid being appealing to children and to provide the consumer with a number of required disclosures.

Similar to cultivators, the manufacturing licensee may not send product directly to a dispensary, but instead will have to send all cannabis through a distributor and testing licensee, who will test for concentration, purity of product, and contaminants. A manufacturing licensee may obtain a *specialty* or *small* cultivation license, and in the case of obtaining a Type 10A Dispensary license, may also obtain a *medium* cultivation or nursery license.

Type	License Name	Character of solvents used for extraction	Other Permits Allowed (one other)	State Limit on # of licenses?
6	Type 1 Manufacturing	Non-volatile	Specialty or Small Cultivation; or Medium Cultivation with a Dispensary (10A) license	None
7	Type 2 Manufacturing	Volatile	Specialty or Small Cultivation; or Medium Cultivation with a Dispensary (10A) license	Yes

4. A Third Party Transporter Will Move All Cannabis

Traditionally, growers transported cannabis to a dispensary, where it was then tested (often through a third party) before being dispensed to patients. Now, a third party is required to transport cannabis from the farm to the distributor and then from the distributor to the dispensary. In fact, a transporter's license is required to transport cannabis from any one licensee to another, regardless of type.

Transporters will be prohibited from having a cultivator, manufacturer, or any other license by the state, except for a distributor license, which a transporter may hold.

Type	License Name	Notes	Other Permits Allowed	State Limit on # of licenses?
12	Transporter	This license is required by an independent 3 rd party (not a Cultivation or Manufacturing License), prior to delivery to a Distributor or Dispensary.	Distributor	None

5. Distributors Will Coordinate Quality Assurance

This type of license is intended to coordinate the distribution of cannabis in a tracked and orderly fashion. It is designed to help assure the delivery of safe cannabis for patients by forcing all cannabis through a third party distributor and testing licensee.

All cultivation and manufacturing licensees must send all harvested and manufactured cannabis to a distributor for quality assurance and inspection. The distributor will be required to make sure the cannabis receives a “batch test” analysis and certification before sending it to a dispensary.

Even if a dispensary has a cultivation license as part of its operation at the same location, it must send all cannabis off-site to a third-party distributor for testing before it is dispensed. Although a cultivator and dispensary may have contracted to buy cannabis at a certain price and quantity, the distributor remains obligated to carry out the terms of that agreement and is authorized to charge a commission or fee for doing so. As opposed to a transporter who *may* obtain a distributor license, a distributor *must* obtain a transporter license.

Type	License Name	Notes	Other Permits Required	State Limit on # of licenses?
11	Distributor	This license is required by a 3P independent of the Cultivation or Manufacturing License, prior to delivery to the Distributor or Dispensary	Transporter, no other licenses	None

6. Testing Licensees May Not Have Any Stake in Other Licenses

A testing licensee tests all cannabis before it is delivered to a dispensary. He or she may not have any other licensee or ownership interest in a facility that requires any of the other licenses. Each testing lab will have to adopt standard operating procedures using methods that are accepted in the industry.

However, to date, standards in the industry vary, or don't exist. So, we can expect the regulations that follow this portion of the law to be the first attempt in California to establish consistent testing methods, or at least try to.

The testing lab will need to pull samples from a “statistically valid sampling method” from each batch of cannabis heading to the dispensary. They will test for THC, TCHA, CBD, CBDA, **terpenes**, CBG, CBN, **other compounds from the plant**, and contaminants like residual solvents, pesticides, and chemicals. (Oh, and hair, bugs, and mold. Let's hope they do their job!)

All cannabis transported from a farm to a distributor, testing, or dispensary licensee must

be shipped in “tamper-evident” packaging and contain [detailed labeling](#).

Type	License Name	Notes	Other Permits Required	State Limit on # of licenses?
11	Testing	Must be a 3P independent of any other license, prior to delivery to a Dispensary	Testing, no other licenses	None

7. Dispensaries May Not Purchase Product from an Unlicensed Grower

Dispensaries will operate much the same way as they do today from the patient's perspective. However, on the business side, things will change. Dispensaries will be prevented from purchasing or accepting product from an unlicensed grower, and all product within the dispensary will be tracked and traced from the moment it enters the dispensary to the point of sale.

Type 10A dispensary licenses will be a prime target for applicants. A Type 10A licensee, in what is known as the 3-1-4 Rule, may hold a total of three dispensary licenses, one manufacturing license, and any number of cultivation licenses so long as the canopy coverage does not exceed a total of four acres. This will be the extent that cannabis business is vertically integrated.

Presumably, a Type 10 dispensary (not 10A) will be limited to only that site. There are no rules allowing for a Type 10 dispensary to obtain any other license, so those companies applying for this will be subject to the market for supply and will most likely be a good license for mobile dispensaries (operating out of a single physical business property).

A Type 10A dispensary licensee may apply for other licenses in an effort to be vertically integrated, which is required in some cities. And even though a dispensary may obtain a cultivator and/or manufacturing license, it must first transport all cannabis through a distributor and testing licensee before it re-enters the dispensary (if the grow is located in the same place) for sale.

Type	License Name	Notes	Other Permits Allowed	State Limit on # of licenses?
10	Dispensary	Most likely the small storefront or just a delivery licensee (See mobile Dispensary below)	None	None
10A	Dispensary	Allows for the most flexibility and opportunity to vertically integrate or engage in other aspects of the business.	Any combo of 1, 1A, 1B, 2, 2A and 2B. Any combo of 6 or 7. May also include two other 10's, a combo of 1, 1A, 1B, 2, 2A, 2B, 3, 3A, 3B and 4, if under 4 acres total with a 6 or 7 under the 3-1-4 rule.	Yes

8. Mobile Dispensaries are Banned, But Will Still Exist

In most parts of the country the possibility of a taco truck dispensing medical cannabis has been very slim. The new laws eliminate the concept of a home-based mobile dispensary and require a business location from which to dispense. However, it explicitly allows for delivery from a dispensary. This likely means one of two things: mobile dispensaries will partner with brick and mortar, or they will open small delivery-only licenses, perhaps the reason for the Type 10 dispensary-only license.

A mobile dispensary licensee who partners up with a brick and mortar licensee will bring a list of patients/consumers for the brick and mortar, but he or she will perform all deliveries for the dispensary. This is positive for the typical brick and mortar owner who is not interested in taking the time or effort to focus on deliveries, and it brings in new or proven consumers.

Alternatively, a mobile dispensary may operate and deliver out of a secured, physical location, but will not dispense publicly from that location like a store front. It will operate as a smaller, private clearing house that must follow all of the same rules regarding sending cannabis through a distributor and testing licensee before transporting it to its patients. The mobile dispensary does not need a transporter license in order to deliver from the dispensary.

9. Patients Can Grow But Can't Sell

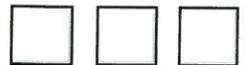
Patients will have to get a state ID and will not be able to collectively grow for themselves. A patient may grow on his or her own 100 sq. ft. plot, but that cannabis may not enter the stream of commerce, nor will it receive a unique identifier tag from the state that would allow that product to enter the legal system. Patients cannot sell to a distributor or dispensary.

10. Doctors Cannot Participate in Any Other Part of the Business

There are changes to the responsibilities of doctors administering recommendations to patients for cannabis. The doctor may not participate in any other licensed cannabis business. In other words, a doctor cannot recommend cannabis to a patient *and* open a dispensary. The recommendations need to be free from financial gain from any further patient transactions once the patient leaves the office.

Additionally, the doctor is facing higher scrutiny on record keeping, and is required to actually see the patient and assess the **medical condition of the patient** before recommending cannabis.

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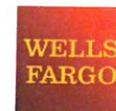
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**This Report Denotes the Number of Cards Issued by County and Fiscal Year
Fiscal Year 2015/16 Reflect Cards Issued through August 2015**

California Medical Marijuana Identification Card Data by County and Fiscal Year													Total All Fiscal Years
County	Cards Issued FY 2004-5	Cards Issued FY 2005-6	Cards Issued FY 2006-7	Cards Issued FY 2007-8	Cards Issued FY 2008-9	Cards Issued FY 2009-10	Cards Issued FY 2010-11	Cards Issued FY 2011-12	Cards Issued FY 2012-13	Cards Issued FY 2013-14	Cards Issued FY 2014-15	Cards Issued FY 2015-16	
Alameda			1475	657	652	611	439	279	242	216	242	44	4857
Alpine					0	2	0	0	0	0	0	0	2
Amador	4	23	32	15	16	16	6	3	2	3	10	5	135
Butte			5	16	33	48	33	23	21	18	16	5	218
Calaveras		6	19	31	46	94	71	49	45	44	42	9	456
Contra Costa		22	152	136	162	262	239	182	130	140	145	37	1607
Del Norte	14	49	84	75	47	45	40	23	12	24	37	1	451
El Dorado				16	28	73	59	30	30	37	89	4	366
Fresno					143	182	159	142	107	155	156	28	1072
Glenn				4	3	4	37	0	0	0	0	0	48
Humboldt		105	306	292	370	436	326	228	173	111	79	26	2452
Imperial			4	5	6	9	29	14	15	8	36	3	129
Inyo				9	6	13	15	11	22	14	20	7	117
Kern		41	72	69	92	159	162	102	66	70	99	14	946
Kings					4	13	5	2	0	2	7	1	34
Lake			8	33	51	64	43	18	41	28	26	5	317
Lassen				3	17	34	15	6	11	5	19	2	112
Los Angeles				401	667	1165	1065	1083	998	987	873	197	7436
Madera						0	2	2	2	3	12	1	22
Marin		692	887	773	824	885	635	372	267	225	200	49	5809
Mariposa						0	4	0	1	1	69	1	76
Mendocino	67	428	683	614	292	280	171	111	69	74	38	5	2832
Merced			4	17	17	29	22	26	20	33	45	8	221
Modoc						7	0	0	0	0	5	0	12
Mono						8	13	8	7	5	9	1	51
Monterey				9	47	124	140	139	112	116	152	18	857
Napa		16	28	44	29	46	44	32	24	30	35	5	333
Nevada					4	21	18	16	14	18	31	3	125
Orange				114	269	558	461	353	257	262	303	72	2649
Placer				11	37	43	39	26	12	15	18	5	206
Plumas			3	1	8	10	4	4	10	10	42	8	100
Riverside		265	460	374	680	911	810	733	622	763	782	158	6558
Sacramento					64	166	114	42	53	50	59	8	556
San Benito			4	1	5	5	13	8	4	4	88	2	134
San Bernardino						413	487	386	310	340	376	85	2397
San Diego						609	737	542	525	559	582	110	3664
San Francisco		1751	3975	3383	3118	2817	2173	1638	1008	860	670	136	21529
San Joaquin					24	580	66	40	30	28	146	10	924
San Luis Obispo			52	79	59	139	93	101	69	70	97	15	774
San Mateo		267	586	433	398	347	308	227	206	203	159	27	3161
Santa Barbara		147	314	176	168	178	78	52	49	53	76	12	1303
Santa Clara		88	581	172	213	303	198	121	115	127	96	30	2044
Santa Cruz				48	189	281	352	207	164	123	109	13	1486
Shasta		26	38	35	45	51	63	42	35	31	19	9	394
Sierra					0	1	1	0	0	0	19	0	21
Siskiyou					6	18	18	6	6	5	5	0	64
Solano						36	38	31	21	25	14	5	170
Sonoma		191	400	240	222	337	224	162	132	138	123	29	2198
Stanislaus					0	17	8	6	3	10	17	2	63
Tehama		6	20	8	21	2	5	5	5	7	6	0	85
Trinity		27	54	21	25	33	37	23	18	23	16	0	277
Tulare			25	31	33	31	48	65	30	24	45	5	337
Tuolumne			3	1	8	12	10	7	5	7	30	5	88
Ventura					62	102	79	54	53	57	78	18	503
Yolo				8	7	15	16	10	12	5	12	4	89
Yuba					2	14	21	9	9	4	11	2	72
Total	85	4150	10274	8355	9219	12659	10293	7801	6194	6170	6490	1249	82939

Medical Marijuana Identification Cards are valid for one year.

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Last Updated 9/4/2015
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