

**CITY COUNCIL MEETING
TUESDAY, JUNE 26, 2018**

PRESENTATIONS

ITEM 11 – PH 18-013

**ADOPT RESOLUTIONS TO APPROVE THE
ENGINEER'S REPORT,
RECONFIRM BASE MAXIMUM ASSESSMENT
AMOUNT, CONFIRM THE
ASSESSMENT DIAGRAM AND FISCAL
ASSESSMENT, ORDER THE LEVY
AND COLLECTION OF FISCAL ASSESSMENTS,
AND APPROVE FUNDING
RECOMMENDATIONS AND APPROPRIATE
SPECIAL REVENUE FUNDS FOR
CONSOLIDATED LANDSCAPING AND LIGHTING
DISTRICT NO. 96-1,
ZONES 1 THROUGH 16, FOR FISCAL YEAR 2019**



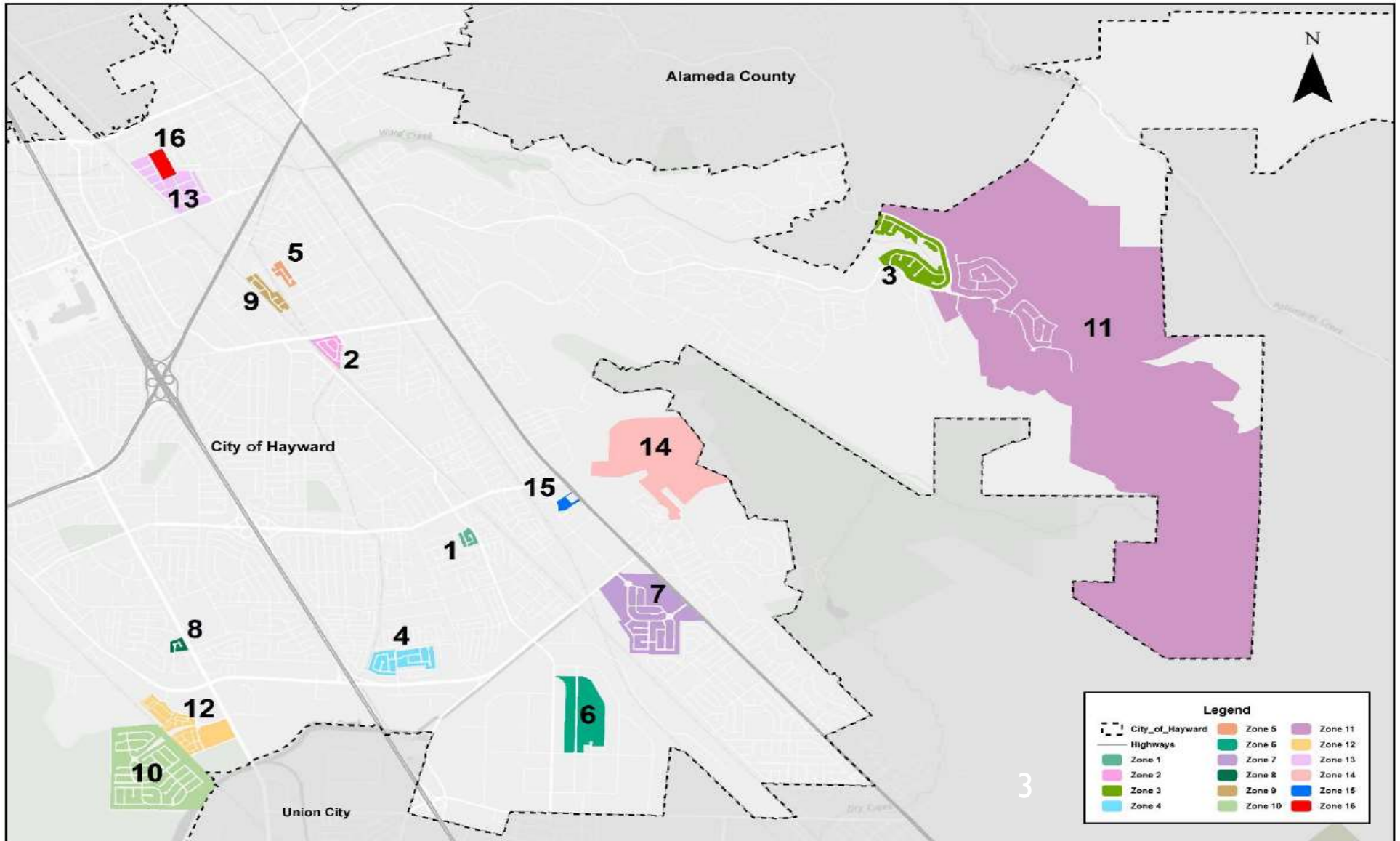
Landscape and Lighting Assessment District Report



Improvements includes medians, parks, masonry walls, and entrances



Zones Throughout City (1-16)





Annual Report

Legal Requirement:

- Lighting and Landscape Act of 1972

Review of:

- Operation, maintenance, and administrative cost
- Future capital replacement
- Long-term funding requirements
- Evaluation and assignment of assessment rate
- Proposition 218 compliance



FY 2019 Assessment Rates

Staff recommendations:

- **Nine** zones increased from previous year
- **Three** zones had “no change” from previous year
- **Three** zones decreased from previous year



Next Steps

Council Resolutions:

1. Approve Engineer's Report
2. Appropriate FY 2019 Revenue and Expenditure Budget



Annual Maintenance Districts Reports



Annual Report

Legal Requirement:

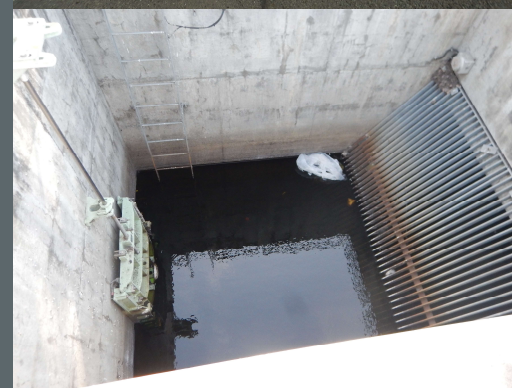
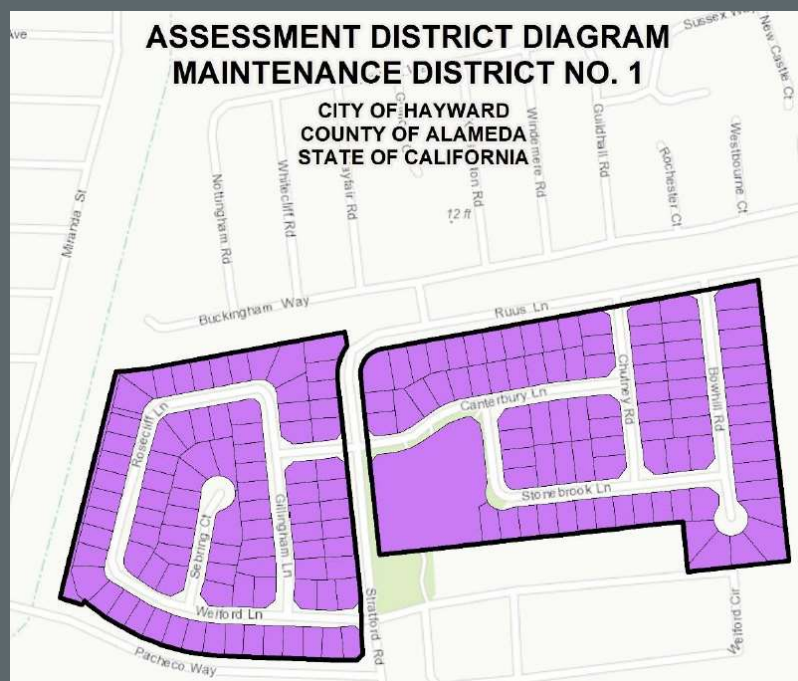
- Hayward Municipal Code, 10-10.25

Review of:

- Operation, maintenance, and administrative cost
- Future capital replacement
- Long-term funding requirements
- Evaluation and assignment of assessment rate
- Proposition 218 compliance



Maintenance District No. 1



Storm Drain Pumping Facility
Recommend same charge rate as FY 2018,
at \$243.92 per parcel.

*Will conduct Proposition 218 election.



Maintenance District No. 2



Water Buffer and Facilities

Recommend same charge rate as FY 2018, at \$198.95 per parcel.



Next Steps

Council Resolutions:

1. Approve Engineer's Report
2. Appropriate FY 2019 Revenue and Expenditure Budget



Questions & Comments



ITEM 15 – LB 18-032

**APPROVAL OF COMMERCIAL CANNABIS
PERMITS FOR CANNABIS
CULTIVATION, MANUFACTURING,
DISTRIBUTION, DELIVERY, AND
MICROBUSINESSES**

Commercial Cannabis Permit Program

Approval of Cannabis Cultivation, Manufacturing,
Distribution, Delivery, and Microbusinesses

John Stefanski, Management Analyst II
June 26, 2018



Recommendation

That the City Council adopt a resolution issuing a Commercial Cannabis Permit to the following cannabis companies:

#	Company	Recommended Use(s)
1	Mijosa, LLC	Cultivation & Manufacturing
2	Empress Extracts	Cultivation
3	Hidden Farms, Inc	Cultivation
4	Stoned Aged Edibles Co, Inc.	Manufacturing
5	Green Haven, LLC	Delivery
6	CBRA, Inc.	Distribution
7	Manifest, LLC	Distribution
8	Vista Development Enterprises	Distribution
9	Green Grizzly	Microbusiness
10	Sticky Thumb Delivery	Microbusiness
11	American Holdings	Microbusiness

Background

- The City adopted Cannabis Regulations in October 2017
 - Ordinance 17-13 outlined the Request for Proposal process by which the City would select cannabis businesses
- Established a four-stage request for proposal process
 - Proposals requested information on the applicant's:
 - Business and Operating Plan
 - Management Experience
 - Safety and Security Plan
 - Community Benefits
 - Product Testing and Safety Plan
 - Environmental Plan
 - Labor and Employment Practices

Discussion

- Applications were due on January 12, 2018
 - The City only received 53 non-retail proposals.
- Review of the applications began in March 2018
 - The City interviewed only those applications who met the score threshold set by the City Manager:

Business Type	Score Range	Score Threshold	Proposals Reviewed	Advancing Proposals
Cultivation	239-798	650	14	4
Manufacturing	385-798	700	9	3
Distribution	578.5-890	800	9	3
Delivery	349-702	650	10	2
Microbusiness	170-755	650	11	3
Total	-----	-----	53	15

- Staff recommended all but three proposals to advance to Council

Proposal Backgrounds--1

Mijosa, LLC—Cultivation and Manufacturing

- Mijosa will cultivate cannabis flowers which will then be used for the manufacturing of cannabis extracts, oils, and vape cartridges to be sold wholesale to licensed distributors.
- Plan to partner with local substance abuse treatment and education organizations as well as pledge an annual donation to supplement the City's community agency funding process.

Empress Extracts—Cultivation

- Empress Extracts will cultivate cannabis flowers within a 10,000 sq. ft. grow canopy in a 15,000 sq. ft. warehouse in the industrial corridor.
- Plan to provide material support for veterans assistance organizations as well as commit to donating 5% of profits annually to non-profits supporting the local homeless population.

Proposal Backgrounds--2

Hidden Farms, Inc.—Cultivation

- Hidden Farms will operate a start-up cannabis cultivation company producing top-shelf strains for area dispensaries and delivery companies.
- Will open a Hayward chapter of their own non-profit, Project Wreckless, to help at-risk youth.

Stoned Age Edibles Company, Inc.—Manufacturing

- Stoned Age Edibles will manufacture different cannabis edibles, mainly cannabis infused jerkies.
- Plan to develop collateral for substance abuse disorder education, prevention, and treatment. Additionally, they will donate a percentage of their profit to help the City meet it's Complete Streets goals.

Proposal Backgrounds--3

Green Haven, LLC—Delivery

- Green Haven, LLC plans to open their HQ in Hayward, where they will base their delivery operations. Green Haven has a planned cultivation operation in Santa Rosa, and are in the process of securing a retail store-front dispensary in Pacifica.
- Plan to act as a resource and educational tool in health education and substance abuse prevention. They also plan to donate a portion of their proceeds to local non-profits.

CBRA, Inc.—Distribution

- CBRA will procure, distribute, sell, and transport cannabis and cannabis products from licensed cultivators, manufacturers, and microbusinesses to licensed retailers, manufacturers, and microbusinesses
- They also will donate a percentage of their net proceeds to support law enforcement and/or community health education programs aimed at deterring minors from recreational drug, alcohol, and tobacco use.

Proposal Backgrounds--5

Manifest, LLC—Distribution

- Manifest, LLC plans to operate a distribution operation that procures, distributes, and transports various cannabis products to licensed manufacturers, microbusinesses, and retailers throughout the State.
- They plan to commit a percentage of their net proceeds to local community-based programs aimed at educating and preventing drug, alcohol, and tobacco abuse. Specifically, Manifest plans to assist the Eden Area YMCA, and Eden Youth and Family Center.

Vista Development Enterprises—Distribution

- Vista Development plans to operate a distribution warehouse within the City's industrial crescent, anticipating distributing upwards of 800 lbs. of cannabis products each month to retail clients in the Bay Area
- Plan to donate a portion of their net proceeds to the Hayward Coalition for Healthy Youth as well as other community agencies funded through the City's Community Services Commission

Proposal Backgrounds--6

Green Grizzly—Microbusiness

- Green Grizzly plans to operate a microbusiness that involves the manufacturing, distribution, and delivery only retail sale of Green Grizzly products. Specifically, Green Grizzly will produce CO2 extracted cannabis oil, vape pen cartridges, and concentrates.
- They will produce health education and prevention strategy guides and plan to sponsor grants for non-profits focusing on legal services for immigrants, HIV early prevention programs, and music and arts programs

Sticky Thumb—Microbusiness

- Sticky Thumb will operate a cannabis microbusiness that includes the manufacturing, distribution, and delivery of various cannabis products.
- Sticky Thumb staff will volunteer 100 hours at various local non-profits, such as Horizon Services, St. Rose Hospital Foundation, Tri-City Health Center. They will also contribute financially to these non-profits.

Proposal Backgrounds--7

American Holdings--Microbusiness

- American Holdings will operate a microbusiness that involves the cultivation, manufacturing, distribution, and delivery only retail sale of their high-quality and award winning strains of cannabis
- Plan to donate to the Hayward Police Department as well as form a local non-profit aimed at educating residents on sustainable gardening and healthy eating habits

Next Steps

- **If approved, staff will process these applications and confirm that status with the State Bureau of Cannabis Control**
- **Approved firms will have six months to submit an application for their land use approvals**
- **Remaining Commercial Cannabis approvals:**
 - **Retail permit approvals: July 17, 2018**

Questions & Comments?

