

# City of Isleton

City Council  
Staff Report

DATE: August 8, 2023

ITEM#: 4.A

CATEGORY: Communication

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## THE CITY OF ISLETON ZONING CODE UPDATE AND CITY COUNCIL AND PLANNING COMMISSION JOINT MEETING ON AUGUST 9, 2023

### SACRAMENTO STATE TRANSPORTATION AUTHORITY GOVERNING BOARD MEETING.

#### SUBJECT:

The City of Isleton is embarking on a process to amend the Zoning Ordinance to update the twenty-year old code and to comply with State laws. The Zoning Ordinance consists of rules and standards that regulate what can and cannot be done on properties in Isleton. The City is seeking input from residents, stakeholders, and decision makers to ensure that the update addresses the community's concerns.

The City will be conducting public workshops on August 9 to kick off the Update process. All members of the public are invited to attend, including:

Isleton residents and businesses

Local real estate professionals

Developers, architects, landscape architects, engineers, contractors and other professionals whose work involves using the Zoning Code

The City is interested in input on topics such as what works and what does not in the current Zoning Code. Ideas to improve the Code and make it easier to start or operate a business or construct a new project are particularly welcome.

#### FISCAL IMPACT

There is no fiscal impact.

#### RECOMMENDATION

City Council receive communication.

#### ATTACHMENTS

- City of Isleton Zoning Ordinance Update Notice.
- STA Email

Prepared and Submitted by: Deputy City Clerk, Yvonne Zepeda \_\_\_\_

Reviewed by: City Manager, Charles Bergson \_\_\_\_





# City of Isleton ZONING CODE UPDATE

## PROJECT OVERVIEW

The City of Isleton is updating the City's Zoning Code to create a more user-friendly for use by City staff, businesses, and the public. The proposed amendments to the Zoning Code are focused on:

- Making it easier for developers and homeowners submit projects and work with the Planning Department to have their projects reviewed and approved;
- Modernizing outdated portions of the Zoning Code, and;
- Addressing recent changes in State law that require the City to fast-track the approval of some types of new housing.

## TIMELINE

**August - September 2023**

Public Input

**October - December 2023**

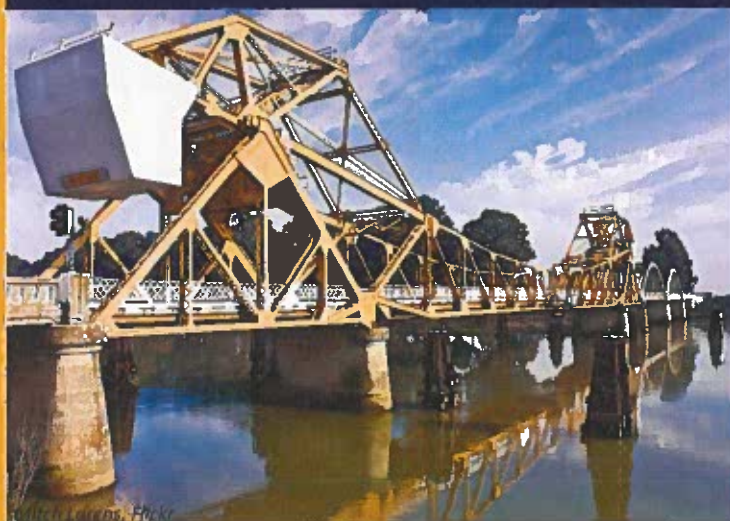
Create Draft Updated Zoning Code

**January - February 2024**

Public Review of Draft Updated Zoning Code

**March - April 2024**

Public Hearings for Adoption



## PREPARING THE UPDATE

We will be meeting with City staff, community stakeholders, and residents who regularly use or are affected by Isleton's Zoning Code. The City is looking for suggestions on how to make the Zoning Code work better for the community. Public meetings will also be held to provide updates on the work in progress. Use the contact info below to request email updates.



If you have questions or want to be notified about future meetings for the Zoning Code Update, please contact Yvonne Zepeda at [yvonne.zepeda@cityofisleton.com](mailto:yvonne.zepeda@cityofisleton.com) or Nick Pergakes, AICP, at [npergakes@interwestgrp.com](mailto:npergakes@interwestgrp.com)



RECEIVED  
7-27-23  
@ 12:15pm

**Yvonne Zepeda**

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**From:** Rose Rodacker <RRodacker@cityofgalt.org>  
**Sent:** Thursday, July 27, 2023 11:55 AM  
**To:** Kevin Bewsey  
**Cc:** 'Yvonne Zepeda'; Lorenzo Hines; cbergson@cityofisleton.com  
**Subject:** RE: Sacramento Transportation Authority (STA) Governing Body

Hello all,

I have coordinated with Ranae and Dalia from both Supervisor Desmond and Vice Mayor Guerra's office. The soonest they are both available for an in-person meeting at the STA office in Sacramento is August 23 from 3:30-4:30pm. Please let me know by end of today if you can make this date work and I will send out a calendar invite.

Thank you,

*Rose Rodacker*  
*Executive Assistant*  
*City of Galt*  
*380 Civic Dr.*  
*Galt, CA 95632*  
*209.366.7130*

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**From:** Kevin Bewsey <kevin@sacta.org>  
**Sent:** Wednesday, July 26, 2023 12:37 PM  
**To:** Rose Rodacker <RRodacker@cityofgalt.org>  
**Cc:** 'Yvonne Zepeda' <yvonne.zepeda@cityofisleton.com>; Lorenzo Hines <LHines@cityofgalt.org>; cbergson@cityofisleton.com  
**Subject:** RE: Sacramento Transportation Authority (STA) Governing Body

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good Afternoon Rose,

Let's coordinate as both the STA Chair and Vice Chair plan to attend and their schedules are very busy.

Thanks,

**Kevin M. Bewsey, PE Executive Director**  
**Sacramento Transportation Authority**  
801 12<sup>th</sup> St, 5th floor | Sacramento, CA 95814  
Office (916) 323-0895 | [Kevin@sacta.org](mailto:Kevin@sacta.org)



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**From:** Rose Rodacker <RRodacker@cityofgalt.org>  
**Sent:** Wednesday, July 26, 2023 12:23 PM



# City of Isleton

City Council  
Staff Report

DATE: August 8, 2023

ITEM#: 5.A

CATEGORY: Consent Calendar

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## MINUTES OF THE REGULAR CITY COUNCIL MEETING OF JULY 25, 2023.

### SUMMARY

A. Review of the Regular City Council Meeting minutes of July 25, 2023.

### FISCAL IMPACT

There is no fiscal impact associated with this action.

### RECOMMENDATION

A. City Council review and approve the draft minutes of the Regular City Council meeting of July 25, 2023.

### ATTACHMENTS

- Minutes of the Regular City Council Meeting of July 25, 2023.

Reviewed by: Charles Bergson, City Manager

Prepared and Submitted by: Yvonne Zepeda, Deputy City Clerk 





## CITY OF ISLETON

### City Council Meeting Minutes

Tuesday, July 25, 2023 at 6:30pm  
208 Jackson Boulevard  
Isleton, California 95641  
You can call in to join our public meeting

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Join Zoom Meeting

<https://us02web.zoom.us/j/3379037904?pwd=cWdVNkN5aHUxcjVwRGRlMlBpajcwZz09>

Meeting ID: 337 903 7904

Passcode: 123456

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#### 1. OPENING CEREMONIES

- A. Welcome & Call to Order – Mayor Pamela Bulahan called to order.
- B. Pledge of Allegiance
- C. Roll Call

PRESENT: Councilmember's Kelly Hutson, David Kent, Iva Walton, Vice Mayor Paul Steele, Mayor Pamela Bulahan.

#### 2. AGENDA CHANGES OR DELETIONS

ACTION: None.

#### 3. PUBLIC COMMENT

This is an opportunity for the public to speak to the Council on any item other than those listed for public hearing on this Agenda. Speakers are requested to use the podium in front of the Council and to begin by stating their name, whether they reside in Isleton and the name of the organization they represent if any. The Mayor may impose a time limit on any speaker depending on the number of people wanting to speak and the time available for the rest of the Agenda. In the event comments are related to an item scheduled on the Agenda, speakers will be asked to wait to make their comments until that item is being considered.

ACTION: None.

#### 4. COMMUNICATION

- A. Joint City Council and Planning Commission meeting on August 9, 2023.
- B. Delta Region Geologic Hazard Abatement District meeting July 26, 2023.

ACTION: Council received information from City Manager.

#### 5. CONSENT CALENDAR

**AMERICANS WITH DISABILITIES ACT NOTICE:** In compliance with the Americans with Disabilities Act, persons needing a disability-related modification or accommodation, including auxiliary aids or services, to participate in this meeting, may contact Deputy City Clerk Yvonne Zepeda, at (916) 777-7770, by fax at (916) 777-7775 or by email to [Yvonne.zepeda@cityofisleton.com](mailto:Yvonne.zepeda@cityofisleton.com) at least 48 hours prior to the meeting.

**GOV. CODE § 54957.5 NOTICE:** Public records related to an agenda item that are distributed less than 72 hours before this meeting are available for public inspection during normal business hours at Isleton City Hall located at 101 Second Street, Isleton, California 95641.

- A. SUBJECT:** Approval of Minutes of the Regular City Council meeting of July 11, 2023.

**RECOMMENDATION:** City Council review and approve draft minutes of the Regular City Council meeting of June 11, 2023.

**ACTION:** Vice Mayor Paul Steele motion to approve draft minutes of the Regular City Council meeting of June 11, 2023. Councilmember Kelly Hutson second the motion. **AYES:** Councilmember's Kelly Hutson, David Kent, Iva Walton, Vice Mayor Paul Steele, Mayor Pamela Bulahan. **NOES:** None. **ABSTAIN:** None. **ABSENT:** None. **PASSED 5-0.**

## **6. PUBLIC HEARING**

- A. SUBJECT:** Resolution No. 28-23, a Resolution approving Delinquent Sewer Charges for the Fiscal Year 2022/2023 and authorizing the Deputy City Clerk to file same with the County Auditor.

**RECOMMENDATION:** It is recommended that City Council approve Resolution No. 28-23, a Resolution approving Delinquent Sewer Charges for the Fiscal Year 2022/2023.

**ACTION:** Councilmember Iva Walton motion to approve Resolution No. 28-23, a Resolution approving Delinquent Sewer Charges for the Fiscal Year 2022/2023. Councilmember Kelly Hutson second the motion. **AYES:** Councilmember's Kelly Hutson, David Kent, Iva Walton, Vice Mayor Paul Steele, Mayor Pamela Bulahan. **NOES:** None. **ABSTAIN:** None. **ABSENT:** None. **PASSED 5-0.**

- B. SUBJECT:** Resolution No. 29-23, a Resolution approving Delinquent Cal-Waste Charges for the Fiscal Year 2022/2023.

**RECOMMENDATION:** It is recommended that City Council approve Resolution No. 29-23 Delinquent Cal-Waste charges for the Fiscal Year 2022/2023.

**ACTION:** Vice Mayor Paul Steele motion to approve Resolution No. 29-23, Delinquent Cal-Waste charges for the Fiscal Year 2022/2023. Councilmember Iva Walton second the motion. **AYES:** Councilmember's Kelly Hutson, David Kent, Iva Walton, Vice Mayor Paul Steele, Mayor Pamela Bulahan. **NOES:** None. **ABSTAIN:** None. **ABSENT:** None. **PASSED 5-0.**

## **7. OLD BUSINESS**

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- A. **SUBJECT:** Isleton Main Street Redesign and Revitalization Plan, consultant interview assignment.

**RECOMMENDATION:** Appoint and/or select a council member to be on the Main Street Redesign and Revitalization Plan consultant interviews to be held on either August 3 or 4.

**ACTION:** Vice Mayor Paul Steele motion by consensus to nominate Councilmember David Kent. 5-0.

## 8. NEW BUSINESS

- A. **SUBJECT:** River Delta AYSO Wilson Ball Park Encroachment Permit.

**RECOMMENDATION:** It is recommended that City Council approve Encroachment Permit providing all requirements are met before event takes place.

**ACTION:** Vice Mayor Paul Steele motion to approve Encroachment Permit providing all requirements are met before event takes place. Councilmember David Kent second the motion. **AYES:** Councilmember's Kelly Hutson, David Kent, Iva Walton, Vice Mayor Paul Steele, Mayor Pamela Bulahan. **NOES:** None. **ABSTAIN:** None. **ABSENT:** None. **PASSED** 5-0.

- B. **SUBJECT:** Rolling on the River Encroachment Permit for October 6 & 7, 2023.

**RECOMMENDATION:** It is recommended that City Council approve Encroachment permit providing all requirements are met before event takes place.

**ACTION:** Councilmember David Kent motion to approve Encroachment permit providing all requirements are met before event takes place. Vice Mayor Paul Steele second the motion. **AYES:** Councilmember's Kelly Hutson, David Kent, Iva Walton, Vice Mayor Paul Steele, Mayor Pamela Bulahan. **NOES:** None. **ABSTAIN:** None. **ABSENT:** None. **PASSED** 5-0.

## 9. COUNCIL REPORTS AND COMMITTEE UPDATES

- A. Councilmember Kelly Hutson- Squatters on 6<sup>th</sup> street.
- B. Councilmember David Kent-Town hall meeting in Rancho Cordova.
- C. Councilmember Iva Walton-LAFCo meeting.
- D. Vice Mayor Paul Steele-Hollis meeting on what happened to crawdad festival.
- E. Mayor Pamela Bulahan-None.

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## 10. STAFF GENERAL REPORTS AND DISCUSSION

- A. City Manager Report – Sewage treatment issues-FEMA gave green light on repairing. Speed bumps on Delta in September. City Hall reconstruction August 14-18, will be going dark. Combined volunteers and Finance Committee to Measure b board.
- B. Fire Chief Report – None.
- C. Planning Commission – None.
- D. Code Enforcement- Received.
- E. Future Agenda Items – None.

## 11. CLOSED SESSION

- 11.1 Closed Session – Gov't Code§54956.8  
Property Negotiations.

## 12. ADJOURNMENT

I, Yvonne Zepeda, City Clerk for the City of Isleton, declare that the foregoing Agenda for the July 25, 2023, Regular Meeting of the Isleton City Council was posted on Friday, July 21, 2023, at the office of the City of Isleton, 101 Second Street, Isleton, California, 95641; DE Jacks Country Store, 105 2<sup>nd</sup> Street, Isleton, Ca. 95641 and Isleton Post Office, 103 C Street, Isleton, Ca. 95641.

Dated: July 21, 2023

\_\_\_\_\_  
Yvonne Zepeda, Deputy City Clerk

### 2023 CITY COUNCIL MEETING SCHEDULE

<del>January 10 &amp; 24, 2023</del>	<del>April 11 &amp; 25, 2023</del>	July 11 & 25, 2023	October 10 & 24, 2023
<del>February 14 &amp; 28, 2023</del>	<del>May 9 &amp; 23, 2023</del>	August 8 & 22, 2023	November 14 & 28, 2023
<del>March 14 &amp; 28, 2023</del>	<del>June 13 &amp; 27, 2023</del>	September 12 & 26, 2023	December 12 & 26, 2023

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# City of Isleton

## Special City Council Staff Report

DATE: August 8, 2023

ITEM#: 7.A

CATEGORY: Old Business

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### ISLETON REDEVELOPMENT AGENCY OBLIGATIONS, RELIEF PLAN

#### SUBJECT

This report is to appraise City Council about the Isleton Redevelopment Agency (RDA) Debt and the plan to redress.

#### DISCUSSION

##### Redevelopment Agencies, California – General

Redevelopment agencies were created in the post World War 2 era to help local agencies generate local economic funds to incubate and develop businesses and housing. RDAs were dissolved by the Governor in 2012 due years of widespread misuse and malfeasance throughout the state's hundreds of RDAs. The infamous histories of RDAs, personified by the city of Bell scandal of 2010, has been replicated by hundreds of RDAs throughout the state and culminated in the Governor's action to dissolve in 2012. Isleton was part of this history. Isleton's RDA debt was amassed without producing a redevelopment project or a housing unit. The debt accrued during Isleton RDA lifespan was over \$1.3 million and has been inured by the City. The list of debtors is attached.

Previous reports on the City RDA have presented the history and impact of this debt and direction for resolution. In 2019, the state enacted a second mandate (after the initial mandate dissolving all RDAs) and removed a large degree of control from local agencies to the Counties - the City's control was placed in the hands of the newly created Sacramento County Oversight Board.

The City plans on resolving this debt and has structured a plan for its relief. The steps for resolving this debt are:

1. Forgive City's debt, approximately  $\frac{1}{3}$  of total debt, of \$453,593.
2. Pay nominal debts which amount to about \$43,000 (approximately 3% of debt)
3. Obtain letter agreements for forgiveness, reduction or payment plan from debtors
4. Present letter agreements to Sacramento County Oversight Board for approval
5. Inform State Department of Finance of letter agreements and Board approval
6. Commence payoffs.

These initial actions, forgiving \$453,593 and payment of the nominal RDA debts, will be brought to the City Council in September. This will relieve over one third of the debt and will demonstrate to the County and the State of City's positive steps toward resolution. Staff has met with the County Oversight Board and the State and the reception of this plan is favorable.

## RECOMMENDATION

This report is for information and discussion. With Council comment, this plan will return in September 2023 for approval, to relieve one-third of the RDA obligation.

## ATTACHMENTS

- List of RDA Debt

Reviewed by: Charles Bergson, City Manager 

Submitted and prepared by: Yvonne Zepeda, City Clerk \_\_\_\_\_

RDA Debtors  
at 7/21/2023

Number	Debtor	Amount Owed	Percentage
1	City of Isleton	453,593	33.201%
9	PHYS Handicapped - Unified	4,668	0.342%
10	Children's Institutions	4,550	0.333%
12	Dev Center Handicapped	1,477	0.108%
15	Juvenile Hall	561	0.041%
16	Infant DEV-PHYS Handicapped	59	0.004%
17	Infant DEV-Mentally Handicapped	59	0.004%
2	ERAF-K-12	376,168	27.534%
4	River Delta Unified School District	198,034	14.495%
5	ERAF-COM College	47,291	3.461%
6	San Joaquin Delta Jr College	34,212	2.504%
7	Sacramento County Library	20,710	1.516%
8	SACT-YOLO Mosquito	8,804	0.644%
11	Count y SUPT-Administration	2,629	0.192%
13	Sacramento County Office of Ed	1,330	0.097%
14	Regional Occupational Center	975	0.071%
3	Sacramento County Office of the County Executive	211,085	15.450%
Total RDA Debt		1,366,205	100.000%





# City of Isleton

## City Council Staff Report

DATE: August 8, 2023

ITEM#: 7.B

CATEGORY: Old Business

### **CITY COUNCIL AWARD DIVISION OF BOATING AND WATERWAY BOAT LAUNCH STUDY TO MOFFATT & NICHOLS**

#### **SUMMARY**

City Council adopted Resolution 001-21 of the City of Isleton in Sacramento County Authorizing City Manager to submit application for Funding from the Division of Boating and Waterways (DBW), Harbors and Watercraft Revolving Fund for the Boat Launch Facility Grant.

On Thursday February 10, 2022 the DBW Commission approved a \$200,000 grant to provide funding to develop a final concept design for a Boat Launching Facility. If this is confirmed, the proposed grant would provide planning funds for design for the Isleton Boat Launching Facility and obtain permits that would be necessary prior to construction.

#### **DISCUSSION**

The City advertised the RFP on November 23, 2022. As no responses were received during formal contract solicitations, direct negotiation for the contract was engaged pursuant to the City purchasing policy (Ord. 2021-002).

Staff has consulted with Moffatt & Nichols to modify the scope of work to stay within budget and within the requirements and conditions set by the Department of Boating and Waterways and it has taken several months to get both State and the consultant to agree on terms (what was the final changes).

Staff is requesting City Council award contract to Moffatt & Nichols.

#### **FISCAL IMPACT**

There is no fiscal impact associated with this project.

#### **RECOMMENDATION**

It is recommended City Council award contract to Moffatt & Nichols.

#### **ATTACHMENT**

1. Contract Agreement between Moffatt & Nichols & the City of Isleton

Written by: Diana O'Brien, Office Assistant  
Reviewed by: Charles Bergson, City Manager  
Submitted and prepared by: Yvonne Zepeda, City Clerk \_\_\_\_\_





AGREEMENT BETWEEN CLIENT AND ENGINEER FOR PROFESSIONAL SERVICES

THIS AGREEMENT is made on the Date day of Month, 20YY, by and between, CLIENT NAME hereinafter called CLIENT, and Moffatt & Nichol, a California Corporation ("ENGINEER"), (please include the following if our registered name in that state is not Moffatt & Nichol: registered in the State of (Insert State) as (Insert the name registered in that state), with an office at (List the appropriate office address)), hereinafter called ENGINEER, for the following Project (the "Project"): Project Name

The CLIENT and ENGINEER for mutual consideration agree as set forth below:

1. ENGINEER'S SERVICES

The ENGINEER shall perform professional services in connection with the Project, as set forth below, and as may be further described in Exhibit "A."

The work will also be performed in accordance with the following paragraphs from the State Department of Parks and Recreation, Division of Boating and Waterways Grant Agreement #C4133066, Article 6:

B.2. Be prepared in conformance with the most recent version of the Department of Boating and Waterways' Layout, Design and Construction Handbook for Small Craft Boat Launching Facilities,

B.6. Provide for shore side facilities for removing waste from vessel holding tanks in accordance with the Harbors and Navigation Code section 654.1.

2. ENGINEER'S CHARGES

In accordance with this Agreement, the ENGINEER shall provide professional services for which the CLIENT shall compensate Engineer and the total compensation shall not exceed the dollar amount indicated herein, and as may be further described in Exhibit "B".

- checkbox LUMP SUM. Compensation for these services shall be a Lump Sum of \$ Dollar Amount.
checkbox TIME AND MATERIALS. Compensation for these services will not exceed \$ Dollar Amount without written authorization.

3. INSURANCE AND LIABILITY PROVISIONS

- 3.1. The ENGINEER shall acquire and maintain statutory workmen's compensation insurance coverage, employer's liability, comprehensive general liability insurance coverage and professional liability insurance coverage.
3.2. The CLIENT agrees to limit the ENGINEER's liability to the CLIENT and to all Construction Contractors and Subcontractors on the Project, due to the ENGINEER's professional negligent acts, errors or omissions, such that the total aggregate liability of the ENGINEER to those named shall not exceed the ENGINEER's total fee for services rendered on this Project.

4. CLIENT'S RESPONSIBILITY

The CLIENT shall, unless otherwise provided for in this Agreement, at no cost to the ENGINEER:

- 4.1. Furnish to the ENGINEER all survey and all soils data, as well as other Project documentation as may be requested by ENGINEER, and upon which ENGINEER may reasonably rely.
4.2. The ENGINEER makes no representations concerning soil conditions and is not responsible for any liability that may arise out of the performance or failure to perform soils investigations and testing.



- 4.3. Guarantee full and free access for the ENGINEER to enter upon all property required for the performance of the ENGINEER's services.
- 4.4. Give prompt written notice to the ENGINEER whenever the CLIENT observes or otherwise becomes aware of any defect in the Project or other event which may substantially affect the ENGINEER's performance of services under this Agreement.

## 5. REIMBURSABLE EXPENSES

Reimbursable Expenses are in addition to ENGINEER's compensation for services performed on an Hourly Rate basis and include expenditures made by the ENGINEER, his employees or his consultants in the interest of the Project.

## 6. PAYMENTS TO THE ENGINEER

- 6.1. Progress payments shall be made in proportion to services rendered or as otherwise indicated within this Agreement and shall be due and owing upon the ENGINEER's submittal of any invoice. Past due amounts owed shall include a late payment Finance Charge which will be computed at the periodic rate of 1% per month, which is an Annual Percentage Rate of 12%, and will be applied to any unpaid balance 30 days after the date of the original invoice.
- 6.2. The ENGINEER may, upon seven days written notice, suspend services if CLIENT fails to make payments.
- 6.3. No deductions shall be made from the ENGINEER's compensation on account of penalty or other sums withheld from payments to Contractors.
- 6.4. Hourly Rates and Reimbursable Expenses shall be subject to periodic revision as stated on the Rate Schedule. In the event revisions are made during the lifetime of this Agreement, the increased or decreased Hourly Rates and Reimbursable Expenses shall apply to all remaining compensation for services performed by the ENGINEER when such rates provide the basis for the ENGINEER's compensation.
- 6.5. If the Project is delayed or if the ENGINEER's services for the Project are delayed or suspended for more than three months for reasons beyond the ENGINEER's control, the ENGINEER may, after giving seven days written notice to the CLIENT, terminate this Agreement and the CLIENT shall compensate the ENGINEER in accordance with the termination provision contained hereinafter in this Agreement.

## 7. GENERAL PROVISIONS

- 7.1. All drawings, specifications, plans, and other work data of and prepared by the ENGINEER, who is licensed in State of California to undertake design work required under this Agreement, for this Project are instruments of service for this Project only and shall become the property of the CLIENT after payment has been made in full. Design documents, where and when it is required, will have the California licensed engineer's number appear and shall be prepared in conformance with ENGINEER's professional standards. ENGINEER shall submit to CLIENT instruments of service in 11" x 17" hardcopy and on CD or DVD in full size and 11" x 17" PDF format and may be submitted in hardcopy and a PDF format, when it is required. CLIENT shall not reuse any of the ENGINEER's instruments of service on extensions of this Project or on any other project without the prior written permission of the ENGINEER. Any unauthorized reuse shall be at the CLIENT's risk and the CLIENT agrees to defend, indemnify and hold harmless the ENGINEER from all claims, damages, and expenses including attorney's fees arising out of such unauthorized reuse of the ENGINEER's instruments of service by the CLIENT OR BY OTHERS ACTING THROUGH THE CLIENT. The instruments of services shall be prepared by persons. Services shall be provided for Isleton Boat Launching Facility



- 7.2. Neither the CLIENT nor the ENGINEER shall delegate his duties under this Agreement without the written consent of the other.
- 7.3. This Agreement may be terminated by either party by seven days written notice in the event of substantial failure to perform in accordance with the terms of this Agreement by the other party through no fault of the terminating party. If this Agreement is terminated, the ENGINEER shall be paid for services performed to the termination notice date including Reimbursable Expenses due plus Termination Expenses. Termination Expenses are defined as Reimbursable Expenses directly attributable to termination.
- 7.4. This Agreement represents the entire and integrated agreement between the CLIENT and the ENGINEER and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both the CLIENT and the ENGINEER.
- 7.5. Any dispute or claim arising out of this Agreement shall be determined as follows: CLIENT and ENGINEER will negotiate in good faith to reach agreement. If negotiations are unsuccessful, ENGINEER and CLIENT agree the dispute shall be settled by mediation. In the event the dispute or any issues remain unresolved, the disagreement shall be decided by such remedies of law as they are available to the parties. This Agreement shall be governed by the laws of the State of California.
- 7.6. Should litigation occur between the two parties relating to the provisions of this Agreement, all litigation expenses, collection expenses, witness fees, court costs and attorney's fees incurred by the prevailing party shall be paid by the non-prevailing party to the prevailing party.
- 7.7. Neither Party shall hold the other responsible for damages or delay in performance caused by acts of God, strikes, lockouts, accidents, or other events beyond the control of the other or the other's employees and agents.
- 7.8. In the event any provisions of this Agreement shall be held to be invalid and unenforceable, the remaining provisions shall be valid and binding upon the parties. One or more waivers by either party of any provision, term, condition or covenant shall not be construed by the other party as a waiver of a subsequent breach of the same by the other party.
- 7.9. The ENGINEER is not responsible for design and construction review services relating to the Contractor's safety precautions or to means, methods, techniques, sequences, or procedures required for the Contractor to perform his work. Omitted services include but are not limited to shoring, scaffolding, underpinning temporary retainment of excavations and any erection methods and temporary bracing.
- 7.10. The ENGINEER intends to render his services under this Agreement in accordance with generally accepted professional practices for the intended use of the Project and makes no warranty either express or implied.
- 7.11. Any estimate of construction costs prepared by the ENGINEER represents his judgment as a design professional and is supplied for the general guidance of the CLIENT. Since the ENGINEER has no control over the cost of labor and material, or over competitive bidding or market conditions, the ENGINEER does not guarantee the accuracy of such estimates as compared to Contractor bids or actual cost to the CLIENT.
- 7.12. (a) The parties shall comply with all applicable federal, state, and local laws, ordinances, rules, regulations, and orders in effect on the date of this Agreement, including applicable non-U.S. laws and regulations.  
  
(b) Neither party shall, directly or indirectly, undertake, cause or permit to be undertaken any activity related to this Agreement that is illegal under any applicable law, regulation, ordinance or other governmental requirement, including without limitation, the U.S. Foreign Corrupt Practices Act and the UK Bribery Act. In addition, no Party shall give, offer, promise or authorize, directly or indirectly,



in connection with this Agreement, anything of value to an official, officer, employee or any other person in an official capacity for or on behalf of any government, state-owned enterprise, agents or advisors to other international organizations.

(c) If either party breaches any of the covenants contained in this Article, the non-breaching party shall have the right to immediately terminate this Agreement without penalty and shall be indemnified by the breaching party against all losses arising under this Article 7.12.

**8. NOTICES**

Any notices required to be given under this Agreement may be given by enclosing the same in a sealed envelope, postage prepaid, addressed as follows:

CLIENT:

Fill in Text Here  
Fill in Text Here  
Fill in Text Here  
Attention: Fill in Text Here

ENGINEER:

Moffatt & Nichol  
Fill in Text Here  
Fill in Text Here  
Attention: Fill in Text Here

Notices shall be deposited in the U.S. Postal Service. When so given, such notice shall be given from the time of mailing the same.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement which is in effect as of the day and year first above written when signed by both parties.

Moffatt & Nichol  
ENGINEER  
By:  
Name: Enter Full Name  
Title: Enter Title

Enter Client Name  
CLIENT  
By:  
Name: Enter Full Name  
Title: Enter Title



EXHIBIT "A"  
STATEMENT OF SERVICES



2185 N California Blvd, Ste 500  
Walnut Creek, CA 94596

(925) 944-5411  
www.moffattnichol.com

January 30, 2023

City of Isleton  
P.O. Box 716  
Isleton, CA 95641

Attn: Yvonne Zepeda, Deputy City Clerk

**Subject: Proposal for a Preliminary Engineering Feasibility Study to support a Division of Boating and Waterways Grant Application for a new Boat Launch Facility in the City of Isleton, CA**

M&N File P200751

Dear Ms. Zepeda:

This letter is a follow up to a phone discussion with Chuck Bergson on December 21, 2022 related to the Request for Proposal (RFP) to provide Professional Services for Site Feasibility & Design Services Associated with the Isleton Boat Launching Facility Project (Project). We understand the City did not receive responses to this RFP and is seeking a proposal to provide the services outlined in the RFP.

Moffatt & Nichol (M&N) did not respond to the formal RFP because we could not conform to the approach as outlined in the RFP requirements. However, we believe that the overall project objective can be advanced by taking a modified, phased approach – with the initial phase consisting of an Engineering Feasibility Study. The Feasibility Study is intended to meet Division of Boating and Waterways (DBW) requirements for Boat Launch Facility (BLF) grant applications, including development of a conceptual level construction cost estimate (CCE).

This proposal to perform the Feasibility Study is intended to assist the City in its pursuit of the DBW grant funding for design and permitting efforts, as generally outlined in the RFP. Please note that the remaining Application requirements must still be addressed by the City, including the status of the project's environmental review and associated certifications and resolutions. Any further professional services costs such as those relating to the project permitting, design and construction document preparation, and engineering support during construction cannot be reasonably estimated at this time, but must await the completion of the Feasibility Study as proposed herein.

As a preliminary study with a limited budget, we will base our design concept (and resulting CCE) on a desk study making use of available site information in the public domain. We will also use any existing information that the City can provide about their plans for the project or the site. We will need to gather the following information (we propose no field investigations to limit the study cost):

- A description of the City site's boundaries, initially from the County Assessor's parcel maps, but ultimately will need a legal description for the Application
- Existing topographic and bathymetric information for the site
- Geotechnical studies (or borings) for nearby projects that can inform the engineering properties of the levee and underlying soils
- Flood Protection studies that can inform the hydrologic impact of constructing the facility on the flood protection levee.

The project site the City is considering (shown in the RFP) straddles the existing flood control levee. Besides proximity to the other riverfront structures in the area, it is physically constrained between the



river and the 1<sup>st</sup> Street right of way. Furthermore, DBW has BLF design guidelines (not often waived) that make the design challenging, as the DBW guidelines are intended for sites without the space constraints present at this site.

Additional considerations that we must vet in determining project feasibility include whether the State Department of Water Resources (DWR) will allow the BLF construction 'on top' of their Project Levee prism (as DWR appears to be the responsible authority for levee integrity at the site), and also allow the boat ramp construction to extend from the riverbank into the floodway, with potential for impacting local flood levels. Extensive modelling may eventually be needed to complete the environmental review, but as with the other site investigations, these are not included in our proposal at this time. Similarly, permitting the project once the environmental review is complete, could involve additional hydrodynamic studies to demonstrate that the final design will not have adverse effects on the flood control system.

We understand the desire to avoid tree removal, but with the constraints described above some tree removal appears inevitable, though we will try to minimize it. We could also consider other possible boating improvements at the site including Transient Boater Access and pump out docks (eligible for other grants), but at this point only the BLF Grant is being addressed in this study.

We assume the City has either prepared or will prepare the demand analysis for boat launching based on your records; but given the usage information that we understand is available for nearby boat launch facilities, the proposed facility should satisfy Application minimum demand requirements.

## SCOPE

M&N will prepare a preliminary Engineering Feasibility Study for the proposed BLF for the City site as defined by the Assessor's parcel maps or surveys that you will provide. We will endeavor to resolve the Site issues discussed above and prepare a conceptual layout plan to a suitable scale. We will include cross sections of the facility to allow better understanding of the topographic relief that characterizes the site, and some details to provide an indication of the nature of the construction. We believe that the conceptual plans should be sufficient to generate a project description that can be used by others to prepare the project's environmental review documentation. We will also provide our opinion of a CCE for the facility, which along with the Conceptual Layout should suffice for the DBW Application engineering documentation. Upon approval of the grant funding by DBW we would be pleased to submit another proposal to complete the design and permit process, prepare Construction documents and provide engineering support during construction, all based on the project as covered by the DBW Grant.

## FEE

We estimate an engineering feasibility study fee of **\$17,000** (approx 50 to 60 hours) to be performed based on Time & Materials in accord with our Standard Rate Schedule attached. We agree not to exceed the estimated amount without your written approval. Details of the fee estimate are available upon request.

The proposed fee is based on use of our standard Agreement for services, a copy of which is also attached. Should you prefer to use another form of agreement we would have to allow for our management review of the contract terms.

## SCHEDULE

We propose to complete a draft feasibility study for you review and comment within 8 weeks of receiving a signed agreement for the work along with your notice to proceed. We allow about 2 weeks for City review and then will submit the final report incorporating your comments within two weeks of receiving your comments. With the close of the BLF Grant Application window for the 2023/24 fiscal year funding on February 1, the grant application would be for DBW's 2024/25 fiscal year.

Thank you for this opportunity to propose work with City of Isleton on this interesting and challenging facility. Should you have any questions about this proposal do not hesitate to give me a call at 925.956.4934.

Sincerely,

**MOFFATT & NICHOL**

A handwritten signature in blue ink, appearing to read "Neil Nichols", written in a cursive style.

Neil Nichols, P.E.  
Project Manager

Copy: Richard Dornhelm, P.E., Principal



**EXHIBIT "B"**  
**COMPENSATION AND PAYMENT**



moffatt &amp; nichol

## RATE SCHEDULE FOR PROFESSIONAL SERVICES

Effective March 1, 2023, Until Revised

	<u>CLASSIFICATION</u>	<u>HOURLY RATES</u>
<b>PROFESSIONALS</b>	Supervisory Engineer/Scientist	\$ 320.00
	Senior Engineer/Scientist	\$ 299.00
	Engineer/Scientist III	\$ 283.00
	Engineer/Scientist II	\$ 249.00
	Engineer/Scientist I	\$ 224.00
	Staff Engineer/Scientist	\$ 180.00
<b>TECHNICIANS</b>	Senior Technician	\$ 243.00
	Designer	\$ 229.00
	CADD II	\$ 196.00
	CADD I	\$ 146.00
<b>CLERICAL</b>	Project Controls/Word Processing	\$ 147.00
	General Clerical	\$ 116.00
<b>SPECIAL</b>	Principal Engineer/Scientist	\$ 337.00
	Deposition & Trial Testimony	\$ 603.00
<b>ARCHITECTURAL SERVICES</b>	Principal Architect/Planner/Designer	\$ 341.00
	Senior Architect	\$ 226.00
	Architect	\$ 173.00
	Senior Project Designer	\$ 184.00
	Senior Designer	\$ 142.00
	Designer	\$ 116.00

### REIMBURSABLE EXPENSES (Unless Otherwise Provided in Written Agreement)

<b>Subcontracts or Outside Services</b>		Cost +10%	
<b>Reproductions</b>	- In House		
	Mylar Plots (B/W)	\$2.60/SF	
	Color Plots	\$4.70/SF	
	Vellum Plots (B/W)	\$1.60/SF	
	Bond Plots (B/W)	\$1.05/SF	
	Drawing Reproduction	Cost +10%	
	Document Reproduction	\$0.16/sheet	
	- Outside Reproduction		Cost +10%
	<b>Travel</b>	Company Auto	Prevailing IRS
		Rental Vehicle	Cost
Airfare		Cost	
Meals and Lodging		Cost	

# City of Isleton

## City Council Staff Report

DATE: August 8, 2023

ITEM#: 7.C

CATEGORY: Old Business

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### **CITY TO RECORD DEED RESTRICTION REQUIRED FOR PROP 68 PER CAPITA GRANT FOR WILSON PARK REHABILITATION PROJECT**

#### **SUMMARY**

The California Department of Parks and Recreation's Office of Grants and Local Services (OGALS) funded through the Parks and Water Bond Act of 2018 (Proposition 68). The contract for this work was awarded last month and work is scheduled to start in October.

Pursuant to the Water Bond Act of 2018 (Proposition 68) the City is required to comply with the Deed Restriction of the Grant, so as to enable the City to receive the Grant funds and perform the work described in the Grant.

#### **DISCUSSION**

This deed restriction is required by the State to ensure the park remains in service to the public for 30 years.

Staff recommends City Council approve this Deed Restriction which shall remain in full force and effect and shall bind City and all his/her/their assigns or successors-in-interest for the period running from July 1, 2018 through June 30, 2048.

City Council approved contract award to Consolidated Engineering on July 11, 2023 to provide the services for the rehabilitation of Wilson Park. Ground breaking to commence in early October.

#### **FISCAL IMPACT**

There is no fiscal impact to this report.

#### **RECOMMENDATION**

It is recommended City Council approve this Deed Restriction which shall remain in full force and effect and shall bind City and all his/her/their assigns or successors-in-interest for the period running from July 1, 2018 through June 30, 2048.

#### **ATTACHMENT**

1. Deed Restriction
2. Legal Description of Property / Grant Deed
3. State Contracts w/Provisions

Written by: Diana O'Brien, Office Assistant  
Reviewed by: Charles Bergson, City Manager  
Submitted and prepared by: Yvonne Zepeda, City Clerk \_\_\_\_\_



RECORDING REQUESTED BY:  
California Department of Parks and Recreation  
Office of Grants and Local Services

WHEN RECORDED MAIL TO:  
Office of Grants and Local Services  
PO Box 942896  
Sacramento, CA 94296-0001  
Attn: Mary Baum

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

### DEED RESTRICTION

- I. WHEREAS, City of Isleton  
\_\_\_\_\_ (hereinafter referred to as "Owner(s)" is/are recorded owner(s) of the real property described in Exhibit A, attached and incorporated herein by reference (hereinafter referred to as the "Property"); and
- II. WHEREAS, the California Department of Parks and Recreation (hereinafter referred to as "DPR") is a public agency created and existing under the authority of section 5001 of the California Public Resources Code (hereinafter referred to as the "PRC"). And
- III. WHEREAS, Owner(s) (or Grantee) applied to DPR for grant funds available pursuant to the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All of 2018 Parks Bond Act, 2018 Parks Bond Act Per Capita Program for: Install new parking lot and associated landscaping and irrigation, picnic pavilion, basketball half court, volleyball court, fitness equipment, putting green, walking paths; renovate landscaping and irrigation, restroom and concession stand, ADA accessible site improvements and minor amenities at Wilson Park. on the Property; and
- IV. WHEREAS, on July 1, 2020, DPR's Office of Grants and Local Services conditionally approved Grant 18-34-044 and 18-34-045, (hereinafter referred to as "Grant") for: Install new parking lot and associated landscaping and irrigation, picnic pavilion, basketball half court, volleyball court, fitness equipment, putting green, walking paths; renovate landscaping and irrigation, restroom and

concession stand, ADA accessible site improvements and minor amenities at Wilson Park. on the Property, subject to, among other conditions, recordation of this Deed Restriction on the Property; and

V. WHEREAS, but for the imposition of the Deed Restriction condition of the Grant, the Grant would not be consistent with the public purposes of the 2018 Parks Bond Act, 2018 Parks Bond Act Per Capita Program and the funds that are the subject of the Grant could therefore not have been granted; and

VI. WHEREAS, Owner(s) has/ve elected to comply with the Deed Restriction of the Grant, so as to enable Owner(s), to receive the Grant funds and perform the work described in the Grant;

NOW, THEREFORE, in consideration of the issuance of the Grant funds by DPR, the undersigned Owner(s) for himself/herself/themselves and for his/her/their heirs, assigns, and successors-in-interest, hereby irrevocably covenant(s) with DPR that the condition of the grant (set forth at paragraph(s) 1 through 5 and in Exhibit B hereto) shall at all times on and after the date on which this Deed Restriction is recorded constitute for all purposes covenants, conditions and restrictions on the use and enjoyment of the Property that are hereby attached to the deed to the Property as fully effective components thereof.

1. DURATION. (a) This Deed Restriction shall remain in full force and effect and shall bind Owner(s) and all his/her/their assigns or successors-in-interest for the period running from July 1, 2018 through June 30, 2048.

2. TAXES AND ASSESSMENTS. It is intended that this Deed Restriction is irrevocable and shall constitute an enforceable restriction within the meaning of a) Article XIII, section 8, of the California Constitution; and b) section 402.1 of the California Revenue and Taxation Code or successor statute. Furthermore, this Deed Restriction shall be deemed to constitute a servitude upon and burden to the Property within the meaning of section 3712(d) of the California Revenue and Taxation Code, or successor statute, which survives a sale of tax-deeded property.



3. RIGHT OF ENTRY. DPR or its agent or employees may enter onto the Property at times reasonably acceptable to Owner(s) to ascertain whether the use restrictions set forth above are being observed.

4. REMEDIES. Any act, conveyance, contract, or authorization by Owner(s) whether written or oral which uses or would cause to be used or would permit use of the Property contrary to the terms of this Deed Restriction will be deemed a violation and a breach hereof. DPR may pursue any and all available legal and/or equitable remedies to enforce the terms and conditions of this Deed Restriction up to and including a lien sale of the property. In the event of a breach, any forbearance on the part of DPR to enforce the terms and provisions hereof shall not be deemed a waiver of enforcement rights regarding any subsequent breach.

5. SEVERABILITY. If any provision of these restrictions is held to be invalid, or for any reason becomes unenforceable, no other provision shall be affected or impaired.

Dated: July 26, 2023

Business Name (if property is owned by a business): \_\_\_\_\_

Owner(s) Name(s): City of Isleton

Signed: Charles Bergson  
CHARLES BERGSON  
CITY MANAGER  
PRINT/TYPE NAME & TITLE OF ABOVE  
(GRANTEE'S AUTHORIZED REPRESENTATIVE)

Signed: \_\_\_\_\_  
\_\_\_\_\_  
PRINT/TYPE NAME & TITLE OF ABOVE  
(ADDITIONAL SIGNATURE, AS REQUIRED)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Sacramento

On July 26, 2023 before me, Cristina Garcia, a Notary Public, personally appeared Charles Bergson, who proved to me on the basis of satisfactory evidence to be the person~~s~~ whose name~~s~~ ~~is~~ ~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity~~s~~, and that by ~~his~~ ~~her~~ ~~their~~ signature~~s~~ on the instrument the person~~s~~, or the entity upon behalf of which the person(s) acted, executed the instrument.

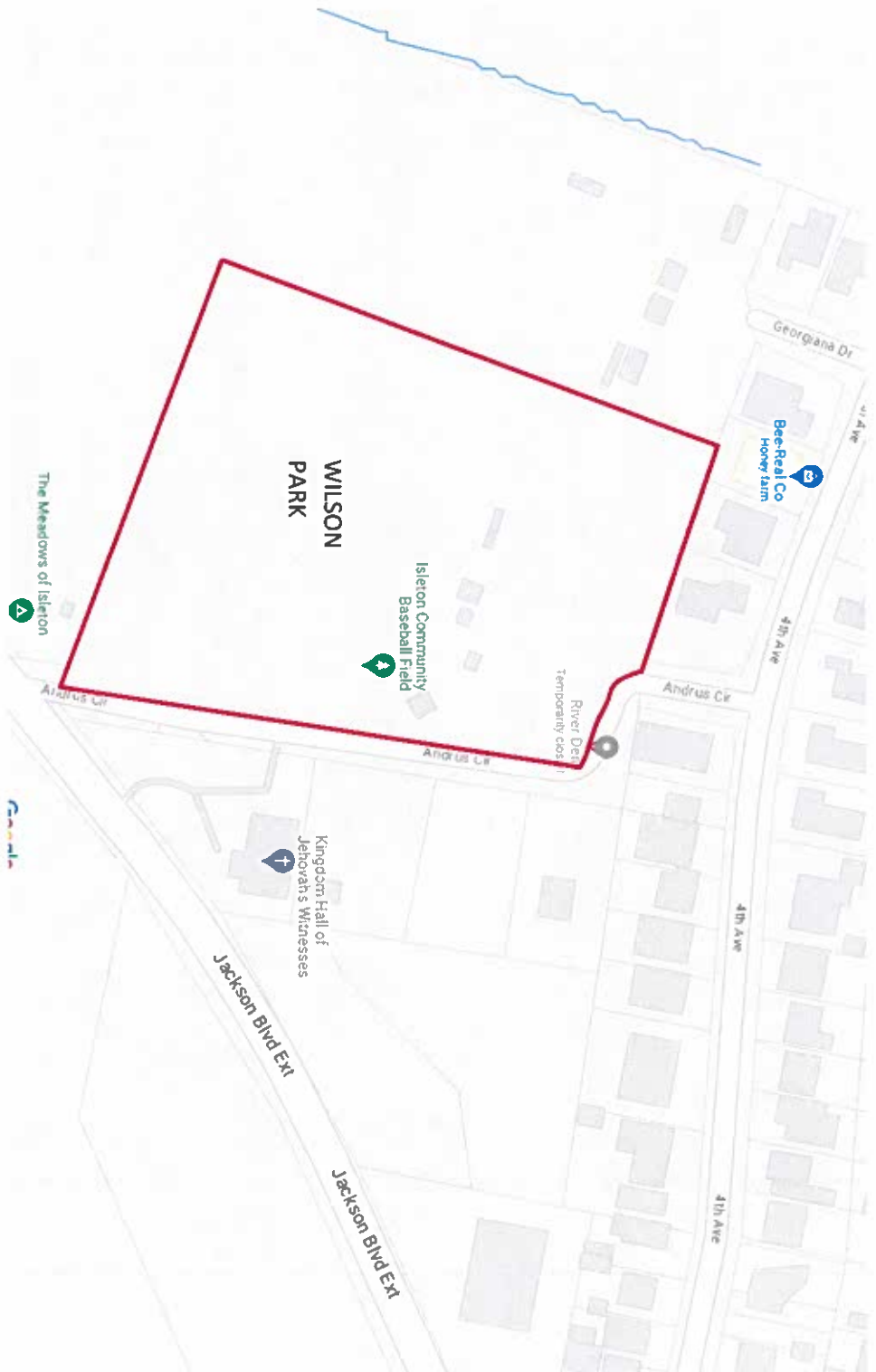
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.  
Signature Cristina Garcia

(Seal)



**WILSON PARK, 1 ANDRUS CIRCLE, ISLETON, CA 95641**





# City of Isleton

## City Council Staff Report

DATE: August 8, 2023

ITEM#: 8.A

CATEGORY: New Business

### **OWNERSHIP CHANGE FOR CANNABIS MANUFACTURING AND DISTRIBUTION - FROM WTO ESSENTIALS, INC. TO ISLETON INDUSTRY, LLC. AT 14719 HIGHWAY 160**

#### **SUMMARY**

WTO Essentials, Inc. dba Friendly Farms (Charles Smith and Darrin Gatto), established a commercial cannabis operation at 14719 Highway 160 in 2019, with approval by the City of Conditional Use Permit CUP 11-18 (Attachment A) and Development Agreement DA 2018-08 (Attachment B). Sebastian Maldonado wishes to assume ownership and operation of the existing manufacturing and distribution business within a 3,500 square foot commercial building (Attachment C).

#### **DISCUSSION**

In April of this year WTO Essentials ceased operation due to the expansion of business beyond the capacity of the subject facility leaving this facility vacant. Mr. Maldonado wishes assumes operations of this facility. During its operation, WTO Essentials was an active and successful business.

#### *Development Agreement:*

Mr. Maldonado has an established record of conducting business within the City and has an established and operating commercial cannabis business in town. He has applied for and received a new LLC under the name Isleton Company, LLC, and wishes to assume ownership of this operation. This change in ownership of the cannabis operations can be approved by resolution of the City Council and execution of an Assignment Assumptions (see attachments). With City Council approval the assignment, the WTO Essentials, Inc. and Isleton Company, LLC can transfer the Development Agreement by executing the Assignment and Assumption Agreement (Exhibit D to the Development Agreement).

WTO has approved this ownership transfer (Attachment D). Section 15 of the Development Agreement allows ownership transfer, if there are no changes to location or operation of the use/business operations (see Exhibit D of the Development Agreement).

#### *Conditional Use Permit:*

Operating a cannabis manufacturing and distribution business requires a Conditional Use Permit. The Planning Commission recommended, and the City Council approved Conditional Use Permit CUP 11-18 allowing for the establishment and operation of a manufacturing and distribution commercial cannabis business at 14719 Highway 160. Terms and conditions of this permit are noted in the attached Resolution 24-19. Under Sections 7.6 and 13.7 of the Development Agreement, the Development Agreement and Conditional Use Permit are tied to one another. In other words, if either is terminated, revoked, or surrendered, the other automatically ceases to be effective. If the new owner agrees with the original terms and conditions of this permit, upon approval of the Assignment of Assumptions, the current operation would be allowed to continue under new ownership. Attached is a letter from Mr. Maldondo, concurring with the terms and conditions of the CUP. The resolution approving this ownership change also reflects this approval for the terms and conditions of the CUP. The original DA was approved in October 2019.

The City Attorney has reviewed this application and recommends approval. Staff is recommending approval of the ownership change.

### **FISCAL IMPACT**

There is no fiscal impact associated with this action.

### **ENVIRONMENTAL ANALYSIS**

Staff has determined that this project does not have a potential for causing a significant effect on the environment since the applicant does propose any improvement, modification, or development on the subject property that would change its use from the current uses of the property. Staff recommends the City Council finds this project is exempt from environmental review under CEQA under Section 15061(b)(3), Title 4 of the California Code of Regulations.

### **RECOMMENDED ACTION**

Staff recommends the City Council find that this project is exempt from environmental review, approve the transfer of interest in Development Agreement DA 2018-08 from WTO Essentials, Inc. to Isleton Industries, LLC, and direct staff to re-issue Conditional Use Permit CUP 11-18 in the name of Isleton Industries, LLC.

### **ATTACHMENTS:**

- A. Conditional Use Permit CUP 11-18
- B. Development Agreement DA 2018-08
- C. Letter from Sebastian Maldondo (Isleton Industries, LLC)
- D. Letter from Charles Smith (WTO Essentials, Inc.)



**Attachment A**

**Resolution No. 13-19 Approving Conditional Use Permit CUP 11-18**

**YVONNE-PLEASE REPLACE THIS WITH THE SIGNED RESOLUTION**

**RESOLUTION 13-19**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ISLETON  
APPROVING CONDITIONAL USE PERMIT CUP 11-18**

The City Council of the City of Isleton hereby finds as follows:

**WHEREAS**, in June of 2018, the City Council adopted Ordinances 2018-02, 03, and 08 which provide standards to regulate the use of land for commercial cannabis activities within the City of Isleton; and

**WHEREAS**, on December 20, 2018, WTO Essentials, INC., submitted an application for Conditional Use Permit CUP 11-18 ("WTO Essentials, INC., Application") and proposed Development Agreement DA 2018-08 for cannabis manufacturing and distribution at 106 Highway 160, Isleton, California ("Project"); and

**WHEREAS**, the WTO Essentials, INC., Application was submitted, in accordance with the municipal code, for 1) manufacturing and 2) distribution at 14719 Highway 160, Isleton, California 95641 in the MXU-Mixed Use and P/OS Parks and Open Space Zoning Districts, APN 157-0040-043; and

**WHEREAS**, in accordance with Section 2307 of Ordinance 2018-08, the Project location, size, and other development standards of the Project are consistent with state law and Chapter 23 of the Municipal Code; and

**WHEREAS**, the conditions set forth in Ordinance 2018-08, Section 2306(B)-(D) have been satisfied; and

**WHEREAS**, the WTO Essentials, INC., Application includes the required information to demonstrate that the Project is consistent with state law and City ordinances; and

**WHEREAS**, the City's General Plan designates the Project site as Mixed Use and as conditioned below, the proposed use would be consistent with the General Plan; and

**WHEREAS**, as conditioned below, the Project complies with the City's Zoning Code; and

**WHEREAS**, in accordance with Section 1407 of the Zoning Code, the Project's proposed land use as conditioned below is consistent with the following:

- A. That there are circumstances or conditions applicable to the land, structure or use which makes the granting of a use permit necessary for the preservation and enjoyment of a substantial property right;
- B. That the proposed location is in accordance with the objectives of the zoning ordinance and the purposes of the district in which the site is located; and
- C. That the proposed use will comply with each of the applicable provisions of the zoning ordinance.

**WHEREAS**, adequate public noticing was made for the Project in accordance with the Municipal Code; and



**WHEREAS**, the WTO Essentials, INC., Application satisfies all public safety information requirements in accordance with Ordinances 2306 and 2307, subject to specific conditions of approval; and

**WHEREAS**, the Project is exempt from California Environmental Quality Act (CEQA) review pursuant to section 15301 of the CEQA Guidelines, as the Project would be located on an existing developed property with minor tenant improvements proposed; and

**WHEREAS**, a development agreement has been prepared and will be executed upon final approval by the City Council; and

**WHEREAS**, the Planning Commission has found and the City Council concurs that the proposed Development Agreement furthers the public health, safety, and general welfare of the City; and

**WHEREAS**, on June 13, 2019, the Planning Commission conducted a public hearing regarding Conditional Use Permit CUP 11-18 and Development Agreement DA 2018-08, and has recommended, among other actions, that the City Council approve Use Permit CUP 11-18 and Development Agreement DA 2018-08.

**NOW, THEREFORE, BE IT RESOLVED** that the City of Isleton City Council that:

**Section 1.** The City Council adopts the above Recitals as its findings with respect to the Project; and

**Section 2.** The City Council finds that the Project is exempt from CEQA review pursuant to Section 15301 of the CEQA Guidelines, as the Project would be located in an existing developed property with minor tenant improvements proposed.

**Section 3.** The City Council hereby approves Conditional Use Permit CUP 11-18 for 1) cannabis manufacturing, and 2) cannabis distribution at 14719 Highway 160, Isleton, California in the MXU-Mixed Use and P/OS Parks and Open Space Zoning Districts, APN 157-0040-043, subject to the following conditions of approval:

1. This application for Conditional Use Permit CUP 11-18 was submitted, in accordance with the Municipal Code, for a cannabis manufacturing and distribution facility at 14719 Highway 160 in the MXU-Mixed Use and P/OS Parks/Open Space Zoning Districts, APN 157-0040-043

2. The applicant/developer/operator shall agree to indemnify, defend, and hold harmless the City or its agents, officers and employees from and against any and all claims, actions, demands or proceeding (including damage, attorney fees, and court cost awards) against the City or its agents, officers, or employees to attach, set aside, void, or annul an approval of the City, advisory agency, appeal board, or legislative body arising from the applicant/developer/operator's operations. In providing any defense under this Paragraph, the applicant, business operator, property owner, developer shall use counsel reasonably acceptable to the City. The City shall promptly notify the applicant, business operator, property owner, developer of any claim, action, demands or proceeding and the City shall cooperate fully in the defense. The City may require that the developer/operator to post a bond, in an amount determined to be sufficient, to satisfy the above indemnification and defense obligation. Developer/operator understands and acknowledges that City is under no obligation to defend any claim, action, demand or proceeding challenging the City's actions with respect to the permit or entitlement.

3. The applicant/developer/operator shall be responsible to pay all sales, use, business and other applicable taxes, and all license, registration, and other fees and permits required under federal, state and local law and pursuant to the Development Agreement for the project.

4. The applicant/developer/operator shall cooperate with the City with respect to any reasonable request to audit the business' books and records for the purpose of verifying compliance with the Municipal Code and this Use Permit and related Development Agreement, including but not limited to a verification of the amount of taxes required to be paid during any period.

5. This Conditional Use Permit CUP 11-18 shall not be operational unless or until a Development Agreement is fully executed by the City and the Development Agreement remains valid.

6. Conditional Use Permit CUP 11-18 shall expire and be of no further force and effect if the developer/operator does not obtain a valid cannabis business regulatory permit for this location within 12 months from issuance of this use permit (refer to City Ordinance 2018-07, Section 2307).

7. Secure any required permits from the City Building Department, Fire Department, Police Department, Sacramento County Air Quality Management District, and/or Sacramento County Health Department (as applicable) prior to building occupancy or operation including any required approvals under Condition No. 8 of Conditional Use Permit CUP 11-18.

8. In accordance with the Municipal Code, the following detailed plans shall be submitted for review and approval by the Planning, Building, and/or Police Departments and other related agencies as applicable prior to operation/occupancy:

- a. Odor Control Plan
- b. Security Plan
- c. Exterior Lighting Plan
- d. Solid Waste and Recycling Plan
- e. Fencing Plan
- e. Air Quality Management Plan
- g. Parking Plan

9. These plans shall be implemented in accordance with the approved plans prior to building occupancy or operation. All on-going operation plans shall be maintained in accordance with the approved plans for the life of the operation.

10. The applicant shall submit detailed plans for improvements to the property. These improvement plans shall require approval by the Planning Commission, within one year from occupancy. The improvements shall be completed in accordance with the approved plans within eighteen months of occupancy.

The plans include the following:

- a. Landscaping/Irrigation plan. Applicant to submit detailed landscaping and irrigation plans; the plans shall be prepared by a licensed landscape architect or licensed contractor.

- b. Building Improvement Plan. Applicant to submit detailed plans indicating improvements to the building's appearance, to include painting plan, exterior materials, and any other exterior modifications.
- c. Trash/Recycling Enclosures. Applicant to submit details of trash and recycling enclosures and site plan indicating their location.

11. The project is subject to all conditions required by the California Department of Transportation as provided in their letter dated April 17, 2019. Such conditions include:

- a. Approval of a storm water management plan.
- b. Obtain an Encroachment Permit, if required by Caltrans, by submitting drainage plans.
- c. Fee/easement title to SR 160, adjacent to the property (2-lane, conventional highway right-of-way to a line that is 30-feet from the crown of the existing pavement.

12. Conditional Use Permit CUP 11-18 shall be reviewed by the City after 5-years at which point a determination of extension will be made (refer to City Ordinance 2018-08, Section 2307).

13. Conditional Use Permit CUP 11-18 shall be subjected to an annual planning review to ensure that the business practices have stayed within the bounds of the Conditional Use Permit or other Permitted Uses use (refer to City Ordinance 2018-07, Section 2307).

14. No consumption or use of cannabis or marijuana, beyond manufacturing and self-distribution, as allowed by this Conditional Use Permit may occur on the premises use (refer to City Ordinance 2018-07, Section 2307).

15. Any exterior alterations to the building, including paint colors, new siding, roofing, new or altered doors or windows, shall be subject to prior approval by the City Planning Department, and may be subject to review by the Isleton Historic Preservation Board and/or City staff.

16. Conditional Use Permit CUP 11-18 shall be subject to termination, notwithstanding any other provision in the City's Municipal Code, if (refer to City Ordinance 2018-07, Section 2307):

- a. The owner of the commercial cannabis facility attempts to transfer the commercial cannabis facility to another individual not named in the conditional use permit application as an owner or person in charge, unless prior approval is authorized by the City Manager or his/her designee;
- b. The commercial cannabis facility ceases to operate at the premises described in the conditional use permit application; or
- c. The commercial cannabis facility ceases to operate for sixty (60) consecutive calendar days.

17. Any amendments to this use permit application, or changes in to the business plan, will require the applicant to submit an amended use permit application for approval by the City.

18. A parking program shall be established and implemented indicating the parking for employees of the operation.

19. All conditions of Conditional Use Permit CUP 11-18 are necessary to protect the general health, safety and welfare of the public. If any condition of this entitlement is held to be invalid by

a court, then the whole entitlement shall be invalid. The City Council specifically declares that it would not have approved this entitlement unless all of the conditions herein are held as valid.

**PASSED AND ADOPTED** by the City Council of the City of Isleton this 9th day of July 2019, by the following vote:

**AYES:** Councilmember's Dean Dockery, Robert Jankovitz, Iva Walton, Vice Mayor Pamela Bulahan, Mayor Eric Pena.

**NOES:** None.

**ABSTAIN:** None.


**ABSENT:** None.



Eric Pena, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

  
Yvonne Zepeda, Deputy City Clerk  
Maggie Stern, City Attorney

**Attachment B**

**Development Agreement DA 2018-08**

**YVONNE-PLEASE REPLACE WITH THE EXECUTED AGREEMENT**

**WTO ESSENTIALS, INC.  
DEVELOPMENT AGREEMENT**

Development Agreement DA 2018-08

OFFICIAL BUSINESS  
Document entitled to free recording  
Government Code Section 6103

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

City of Isleton  
101 2<sup>nd</sup> St.  
Isleton, CA 95641  
Attn: City Clerk

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(SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE)

**DEVELOPMENT AGREEMENT  
BY AND BETWEEN  
THE CITY OF ISLETON  
AND WTO ESSENTIALS, INC.**

## DEVELOPMENT AGREEMENT

This Development Agreement ("Agreement") is made and entered into between the CITY OF ISLETON, a municipal corporation ("City"), and WTO Essentials, Inc. ("Developer"). City and Developer are hereinafter collectively referred to as the "Parties" and singularly as "Party."

### RECITALS

- A. **Authorization.** To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted Government Code section 65864 et seq. (the "Development Agreement Law"), which authorizes the City and any person having a legal or equitable interest in the real property to enter into a development agreement, establishing certain development rights in the Property, which is the subject of the development project application.
- B. **Public Hearing.** On June 13, 2019, the City's Planning Commission, serving as the City's planning agency for purposes of development agreement review pursuant to Government Code section 65867, considered this Agreement and recommended approval of this Agreement to the City Council.
- C. **Environmental Review.** On July 9, 2019, the City Council determined that the Project (as defined herein) is exempt from environmental review in accordance with Section 15301 for Existing Facilities of the California Environmental Quality Act, Guidelines.
- D. **Need for Services and Facilities.** Development and operation of the Project will result in a need for municipal services and facilities, including police and fire protection services.
- E. **Contribution to Costs of Facilities and Services.** Developer agrees to make the quarterly payments set forth herein, which payment may be used by the City for any legal purpose. City and Developer recognize and agree that but for Developer's quarterly payments City would not and could not approve use of the Property for the Project as provided by this Agreement. City's approval of this Agreement is in reliance upon and in consideration of Developer's agreement to make the payments required hereunder.
- F. **Public Benefits.** Development of the Project will result in significant public benefits, as more fully described hereinafter, including, without limitation:
  1. The provision of opportunities for employment;
  2. Implementation of Crime Prevention Through Environmental Design ("CPTED") development principles during the operation and maintenance of the Property; and
  3. The furtherance of the economic development goals and objectives of the City.
- G. **Developer Assurances.** In exchange for the benefits to the City in the preceding Recitals, together with the other public benefits that will result from the development of the Property, Developer will receive by this Agreement assurance that it may proceed with the Project in accordance with the items set forth herein.

- H. **Consistency with General Plan.** Having duly examined and considered this Agreement and having held properly noticed public hearings hereon, in City Ordinance No. 2018-02, the City found that this Agreement satisfies the Government Code Section 65867.5 requirement of general plan consistency.

NOW, THEREFORE, in consideration of the above Recitals and mutual promises, conditions and covenants of the Parties contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

### **AGREEMENT**

1. **Definitions.** In this Agreement, unless the context otherwise requires, terms have the following meaning. Capitalized terms within the Exhibits not defined below have the meaning set out in the Exhibits.
- 1.1. "Adopting Ordinance" means Ordinance No. 19-05, adopted by the City Council March 12, 2019, which approves this Development Agreement as required by the Development Agreement Law.
  - 1.2. "Agreement" means this Development Agreement, inclusive of all Exhibits attached hereto.
  - 1.3. "Authorized Operator" means a fully-licensed operator engaged by the Developer and approved by the City to operate portions of the Project on behalf of the Developer.
  - 1.4. "CEQA" means the California Environmental Quality Act, as set forth at California Public Resources Code, Division 13, commencing at Section 21000 and the CEQA Guidelines as set forth in Title 14 of the California Code of Regulations commencing at Section 15000.
  - 1.5. "City" means the City of Isleton, including its agents, officers, employees, representatives and elected and appointed officials.
  - 1.6. "City Manager" means the City Manager of the City of Isleton, or his or her designee.
  - 1.7. "Conditional Use Permit" means the Conditional Use Permit for the Project approved by the Planning Commission on June 13, 2019, and approved by the City Council on July 9, 2019, as that Conditional Use Permit may be modified or amended from time-to-time.
  - 1.8. "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of an entity's management or policies, whether through the ownership of voting securities, by contract, or otherwise.
  - 1.9. "Development Agreement Law" means Government Code section 65864 et seq. and the procedures and requirements for the consideration of development agreements contained in Ordinance No. 2018-02. In the event of a conflict, the requirements of Government Code Section 65864 et seq. shall control.
  - 1.10. "Developer" means WTO Essentials, Inc. , together with any Successor duly approved by the City in accordance with the terms of this Agreement.



- 1.11.** "Effective Date" means that day on which the Adopting Ordinance shall be effective. The Adopting Ordinance shall be effective thirty (30) days after its adoption by the City Council, unless the Adopting Ordinance becomes subject to a qualified referendum, in which case, the Effective Date shall be the day after the referendum election, if the Adopting Ordinance is approved by a majority of the voters. Litigation filed to challenge the Adopting Ordinance or this Agreement shall not affect the Effective Date, absent a court order or judgment overturning or setting aside the Adopting Ordinance, or staying the Effective Date, or remanding the Adopting Ordinance to the City. Notwithstanding the foregoing, this Agreement shall not become effective until fully executed.
- 1.12.** "Facility" has the meaning of the term "commercial cannabis facility" set forth in Section 2301, Subsection G of the Municipal Code and includes the physical improvements to the Property used by Developer to conduct its operations.
- 1.13.** "Fees" means all charges, expenses, costs, monetary exactions and any other monetary obligations imposed on Developer by the City, other than assessments or regular or special taxes and shall not be limited to fees paid pursuant to this Agreement.
- 1.14.** "General Plan" means the General Plan of the City including the text and maps, as approved and updated by the City in 2014, plus any other General Plan amendments approved by the City on or before the Effective Date.
- 1.15.** "Gross Receipts from Operations" means total revenue derived, directly or indirectly, or actually received or receivable from operation of the Facility, including: all sales; the total amount of compensation actually received or receivable for the performance of any act or service, of whatever nature it may be, or the fair market value thereof, for which a charge is made or credit allowed, whether or not such act or service is done as part of or in connection with the sale of materials, goods, wares or merchandise; and gains realized from trading in stocks or bonds, interest discounts, rents, royalties, fees, commissions, dividends, or other remunerations, however designated. Included in "gross receipts" shall be all receipts, cash, credits and property of any kind or nature, without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, interest paid or payable, or losses or other expenses whatsoever, except that the following shall be excluded therefrom:
- 1.15.1.** Cash discounts allowed and taken on sales;
  - 1.15.2.** Credit allowed on property accepted as part of the purchase price and which property may later be sold, at which time the sales price shall be included as "gross receipts";
  - 1.15.3.** Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;
  - 1.15.4.** Such part of the sale price of property returned by purchasers upon rescission of a contract of sale as is refunded either in cash or by credit; and
  - 1.15.5.** Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded. Interorganizational sales

or transfers between or among the units of a parent-subsidary controlled group of corporations or other related legal entities as defined by 26 U.S.C. 1563(a)(1) or otherwise, or between or among the units of a brother-sister controlled group of corporations or other related legal entities as defined by 26 U.S.C. 1563(a)(2) or otherwise, whereby no Gross Receipts are generated or exchanged, directly or indirectly, pursuant to the interorganizational sales or transfers, discounted or otherwise.

The intent of this definition is to ensure that in calculating the payment required under Section 10.1, all sales of cannabis products shipped through or from the Facility are captured, regardless of whether the product is sold and/or shipped directly from the Facility to a consumer, retailer, or wholesaler within or outside the City limits of Isleton, or to another cannabis facility that then distributes the product to the consumer, retailer, or wholesaler within or outside the City of Isleton. This definition shall therefore be given the broadest possible interpretation consistent with this intent, as it does not pertain to a definition of "gross receipts" for purposes of a tax, subject to rules of apportionment under the Constitution of United States, Art. I, § 8, cl. 3, or the California Constitution. It is hereby recognized that the fee herein required to be paid by the Developer to the City of Isleton is in exchange for and pursuant to this Development Agreement, and not for the privilege of doing business within the City of Isleton or legally incident on those engaged in such business within the City of Isleton.

- 1.16. "Commercial Property" means that certain real property located at 14719 Highway 160, in the City of Isleton, County of Sacramento. A legal description of the Commercial Property is contained in **Exhibit B**.
- 1.17. "Law" means the case law, ordinances, statutes, rules, regulations, or any order, decree or directive of any court or any local, regional, state or federal government agency, unless the context suggests a different meaning.
- 1.18. "Municipal Code" means the Municipal Code of the City of Isleton. As of May 1, 2018, the Isleton Municipal Code is in the process of being codified. Until such time as the City Council adopts the codified version of the Municipal Code, the draft Municipal Code, which is a compilation of the City's adopted ordinances shall be used as reference to the City's laws.
- 1.19. "Planning Commission" means the City of Isleton Planning Commission.
- 1.20. "Project" means the physical improvement and use of the Property as a cannabis manufacturing facility. The "Project" is further defined in **Exhibit A** to this Agreement, and supplemented by the provisions of this Agreement and the Public Safety and Security Plan.
- 1.21. "Project Approvals" means the entitlements that are the subject of this Agreement, consisting of the following land use approvals:
  - 1.21.1. A Conditional Use Permit; and

1.21.2. This Development Agreement, as adopted on July 9, 2019, by City Ordinance No. 19-07 (the "Adopting Ordinance").

1.22. "Property" means 14719 Highway 160 of the Commercial Property consisting of 3,500 square feet. A site plan showing the Property occupied by the Facility is contained in Exhibit C.

1.23. "Property Lease" means that certain Commercial Real Property Lease dated December 1, 2018, between Mew Ha Low Garcia, as owner and lessor of the Property, and Developer, as lessee of the Property.

1.24. "Public Safety and Security Plan" has the meaning set forth in Section 10.2.1.

1.25. "Successor" or "Successor in Interest" means any subsequent entity or individual that acquires all or any portion of Developer's interest in the Property; provided, however, that no Successor shall acquire any rights pursuant to this Agreement unless and until that Successor is approved by the City and complies with all applicable requirements of Section 15 of this Agreement.

2. **Incorporation of Recitals.** The Recitals and all defined terms set forth above are hereby incorporated into this Agreement as if set forth herein in full.

3. **Description of the Project.** The Project consists of occupying an existing industrial building to operate a cannabis manufacturing and distribution business, producing cannabis cartridges and concentrates. Developer's operations are more fully described in Exhibit A. Developer shall ensure that the Project is operated in accordance with Exhibit A at all times. In the course of operating the Project, Developer may enter into an agreement with an Authorized Operator to operate the Project. The engagement of any Authorized Operator shall be reviewed by the City and require the prior written consent of the City. Any such agreement between the Developer and any Authorized Operator shall provide that:

3.1. The Authorized Operator shall make payments in accordance with Section 10.1.1 of this Agreement; and

3.2. The Authorized Operator shall be subject to the record keeping, reporting, and audit requirements described in Section 10.1.2 of this Agreement; and

3.3. The Authorized Operator shall maintain all licensing necessary to operate those portions of the Project that the Authorized Operator has been engaged to operate.

4. **Description of Property.** The Property, which is the subject of this Agreement, is defined in Section 1.21.

5. **Relationship of City and Developer.** This Agreement is a contract that has been negotiated and voluntarily entered into by City and Developer. It is agreed among the parties that the Project is a private development and that the relationship of the Developer and City is and at all times shall remain solely that of the City as a regulatory body and the Developer as the property owner. The City and Developer hereby renounce the existence of any form of joint venture or partnership between them and agree that nothing contained herein or in any document executed in connection

herewith shall be construed as making the City and Developer undertaking a joint venture or partnership.

6. **Representations, Warranties and Acknowledgments.**

- 6.1. **Interest in Property.** Developer represents and warrants that as of the Effective Date, Developer is the lessee of the Property under the Property Lease, and as such holds a leasehold interest in and to the Property. Developer further represents that all persons holding legal or equitable interest in the Property have consented to the Agreement. Application says lease agreement is in file; didn't see.
- 6.2. **Authority.** The Parties represent and warrant that the persons signing this Agreement are duly authorized to enter into and execute this Agreement on behalf of their respective principals.
- 6.3. **Brokers.** The Parties agree that the City has had no dealings with any real estate broker or agent in connection with the negotiation of this Agreement, and that they know of no other real estate broker or agent who is entitled to a commission in connection with this Agreement. In the event any real estate broker or agent shall come forward and claim the right to a commission or other form of compensation in connection with this Agreement, Developer shall indemnify, defend and hold harmless the City in accordance with Section 14.1.
- 6.4. **Procedures and Requirements.** The Parties acknowledge that this Agreement is subject to the procedures for approval, amendment and administration set forth in the Development Agreement Law.

7. **Effective Date and Term.**

- 7.1. **Effective Date.** The Effective Date of this Agreement means the date defined at Section 1.10 of this Agreement.
- 7.2. **Term.** The term of this Agreement shall commence on the Effective Date and shall continue in force until the first to occur of the following events: 1) this Agreement is terminated in accordance with terms set forth herein; or 2) Developer no longer has a legal interest in the Property or has ceased all operations on the Property.
- 7.3. **Termination by Mutual Consent.** This Agreement may be terminated in whole or in part by the mutual written consent of all the Parties.
- 7.4. **Termination for Failure to Obtain or Maintain Required State or Local Licenses.** If Developer fails to obtain or maintain in effect all state and local licenses required for the Project in accordance with Section 9.3.1, City may terminate this Agreement.
- 7.5. **Termination Resulting from Governmental Action.** In the event legal action is initiated or threatened by any governmental jurisdiction other than the City on the grounds that approval or implementation of this Agreement (or any part) constitutes a violation of state or federal law, and the parties are unable to reach agreement between themselves and the governmental jurisdiction on amendments to this Agreement that will resolve the dispute and still preserve the material terms of this Agreement, then either party may terminate this Agreement without compliance with the Default Procedures set forth in Section 13. If this

Agreement is terminated pursuant to this section, Developer shall immediately cease operations at the Facility, the Conditional Use Permit shall be automatically terminated, and the Parties shall have no further rights or obligations under this Agreement (other than the rights under Section 14, which survive termination).

**7.6. Termination Upon Surrender or Revocation of Conditional Use Permit.** If the Developer voluntarily surrenders the Conditional Use Permit, or if the Conditional Use Permit is revoked by the City, then Developer shall immediately cease operations at the Property and this Development Agreement shall terminate automatically, without further action required by either party. In such an event, Developer waives the default procedures set forth in Section 13 of this Agreement, including the notice and cure rights contained therein, and the Parties shall have no further rights or obligations under this Agreement (other than the rights under Section 14, which survive termination).

**7.7. Effect of Termination.** This Agreement was entered into by the Parties for the limited purpose of setting forth certain terms and conditions concerning the proposed development and operation of the Project in a manner that is consistent with the Project Approvals. Accordingly, nothing contained herein is intended or shall be construed to grant to Developer any rights in connection with the future development or operations of the Property, except for those rights set forth in this Agreement.

**8. Development of the Project.**

**8.1. Development Rights.** This Agreement was entered into by the Parties for the limited purpose of setting forth certain terms concerning the development and use of the Property by Developer. Accordingly:

**8.1.1.** Developer acknowledges that it has no existing "vested rights" (as that term is used in California land use law) concerning the Property or the Project.

**8.1.2.** Nothing contained herein is intended or shall be construed to grant to Developer any rights in connection with the future development or use of the Property, and the Parties agree that development and use of the Property shall be governed by the land use and other regulations in effect at the time of development and operation.

**8.1.3.** Except as expressly provided herein, nothing contained in this Agreement is intended or shall be construed to affect in any way the permitted uses of the Property, the density and intensity of use, the maximum height and size of buildings, or the reservation or dedication of land for public purposes which shall continue to be governed by the City's General Plan, the City's zoning code, and all other entitlements and ordinances now existing or which may be amended or enacted in the future.

**8.1.4.** The City expressly reserves the right to adopt and apply regulations to protect the City and its citizens from immediate risks to health and safety. The Developer hereby agrees that any regulation imposed by the City with respect to flood protection adopted in response to federal, state, or local guidelines, regulations, or directives, including without limitation the implementation of a moratorium on development activities, shall be deemed necessary to protect the public health and safety.

**8.2. Referendum.** Developer acknowledges that the Adopting Ordinance, which is a legislative land use approval, is potentially subject to referendum. Notwithstanding anything in this Agreement to the contrary, Developer shall not acquire a vested right to any legislative land use approval (or to any amendment thereto): (1) while such approval or amendment is still potentially subject to referendum or (2) in the event that such approval or amendment is reversed by referendum.

**9. Applicable Rules, Regulations, Fees and Official Policies.**

**9.1. Rules Regarding Design and Construction.** Unless otherwise expressly provided in this Agreement, all other ordinances, resolutions, rules, regulations and official policies governing design, improvement and construction standards and specifications, applicable to the Project and to public improvements to be constructed by the Developer shall be those in force and effect at the time the applicable permit approval is granted.

**9.2. Uniform Codes Applicable.** Unless otherwise expressly provided in this Agreement, any improvements to the Property undertaken by Developer shall comply with the California Building Standards Codes, Title 24 of the California Code of Regulations, as adopted and amended by the City, as the same shall be in effect as of the time of approval of the permit in question. Such improvements shall also comply with the provisions of the California Mechanical, Plumbing, Electrical and Fire Codes, and City construction specifications, in effect at the time of approval of the appropriate permits for the improvements. If no permit is required for a given improvement, such improvement will be constructed in accordance with said Codes in effect in the City as of the commencement of construction of such improvement.

**9.3. Laws and Regulations Applicable to Cannabis Activities; Obtaining and Maintaining Required Licenses.**

**9.3.1. General.** Developer shall at all times comply fully with all existing and future state and local rules applicable to Developer's activities on the Property and shall ensure such compliance by all of Developer's employees, contractors, vendors, customers, and members of the public invited or allowed access to the Property.

**9.3.2. Licensure of Operations.** Developer shall promptly apply for and obtain all State licenses required for the operations described in **Exhibit A**, as well as any local licenses required in the future by the City. Failure to obtain required state licenses within twelve (12) months following the date when the relevant state agencies begin accepting applications for such licenses, and failure to maintain required state or city licenses during the term of this Agreement, shall constitute a default under this Agreement and shall be grounds for termination.

**9.4. Fees, Dedications, Assessments and Taxes.**

**9.4.1. Payment of Development Impact and Other City Fees, Taxes, and Assessments.** Developer shall pay all impact and other City fees, taxes and assessments when due.

**9.4.2. Other Public Agencies.** Nothing in this Agreement is intended to govern the authority of other public agencies to impose fees.

- 9.4.3. **Public Works and Community Development.** Any public improvements and work performed by Developer in connection with the Project shall be to the satisfaction of the City Engineer and acceptance by the City Council (or by the City Engineer, if the City Council delegates authority to accept public improvements to the City Engineer).

**10. Additional Developer Obligations.**

**10.1. Payments to City.**

**10.1.1. Required Payment.** Developer shall make annual payments to the City equal to two percent (2%) of Developer's Gross Receipts from Operations and an Area Charge \$1.50 per square foot of operable business space. Payments shall be made by the last day of the month following the end of each quarter (i.e.: April 30<sup>th</sup> for the January 1 through March 31 quarter), and shall be accompanied by such documentation as may be reasonably required by the City. The 2% fee on Developer's Gross Receipts and the Area Charge is not a tax, and is particularly not an indirect tax on any consumer such as a sales and use tax, but is rather a direct fee levied on the Gross Receipts of the Developer as a condition of this Development Agreement that is not to be passed along to the ultimate consumer. If the Developer does choose to pass the 2% fee along to any consumer, it shall be required to include such amounts collected from any consumer as Gross Receipts. This documentation will include (but may not be limited to) the transportation manifests for cannabis products received at or transported from the Facility, and an accounting of Gross Receipts from Operations during the previous quarter. Late payments shall include interest at a rate of ten percent (10%) per annum. Failure to make any payment required by this Agreement when due shall be a material breach of the Agreement subject to Cure under the provisions of Section 13.3. Payments to the City shall be made by check, direct deposit, wire transfer or other electronic form of payment that originates from a legal financial channel that has been agreed to in advance by both parties. Upon request and with a minimum of ten (10) business days' notice prior to payment due date, alternative forms of payment, including cash, may be authorized at the City's discretion.

**10.1.2. Reporting of Gross Receipts from Operations.**

- (a) **Quarterly Receipts.** No later than the last day of the month following the end of each quarter, Developer shall deliver to City a report (the "Quarterly Report") showing (i) Gross Receipts from Operations for the immediate prior quarter received by Developer, and a cumulative total of all amounts of Gross Receipts from Operations received by Developer for the calendar year, (ii) a calculation of the quarterly payment due to City for the prior quarter, and (iii) a calculation of the cumulative total of all quarterly payments for the calendar year.
- (b) **Statements of Receipts.** Developer shall keep complete, accurate and appropriate books and records of all receipts from operations in accordance with generally accepted accounting principles. For purposes

herein "books and records" shall mean all bookkeeping or accounting documents Developer utilizes in managing its business operations relating to the Project. Such books and records, as well as all other relevant documents as City shall reasonably require, shall, upon reasonable written notice, be open for inspection by City, its auditors or other authorized representatives. If, at any time during the Term, such books and records prove inadequate in the reasonable judgment of City to record the Gross Receipts from Operations as herein required, Developer shall, upon the written request of City, procure and maintain such books and records as shall be of a character and form adequate for such purpose. City shall have the right to audit and examine such books, records and documents and other relevant items in the possession of Developer, but only to the extent necessary for a proper determination of Gross Receipts from Operations, and all such books, records, documents and other items shall be held available for such audit and examination. Upon request by the City, Developer shall make all such books, records and documents available to the City, and provide removable copies thereof, within thirty (30) of the date of the City's request. The cost for any audit shall be shared equally by the Parties. Developer shall preserve such books, records, documents, and other items in Isleton for a period of not less than seven (7) years for the purpose of auditing or re-auditing these accounts upon reasonable notice; except that, if an audit is made within the seven-year period and Developer claims that errors or omissions have occurred, the books and records shall be retained and made available until those matters are resolved. City shall keep strictly confidential all statements of revenue furnished by Developer and all other information concerning Developer's operation of the Premises obtained by City as a result of the inspection, audit and examination privileges of City hereunder, except as otherwise required by law. If City receives a request for such information pursuant to the Public Records Act (California Government Code Section 6250 et seq.), City shall provide Developer notice of any such request prior to disclosing any such information. Within seven (7) years after the receipt of any statement of receipts under this Agreement, City at any time shall be entitled to carry out an audit of such revenue either by City or agent to be designated by City. If it shall be determined as a result of such audit that there has been a deficiency in any payment due under this Agreement made on the basis of such statement, then such deficiency shall become immediately due and payable. If such statement of revenue for the relevant year shall be found to have understated receipts by more than two percent and City is entitled to any additional payment as a result of said understatement, then Developer shall, in addition, pay all of City's reasonable costs and expenses connected with such audit, including the expense incurred in retaining such agent; otherwise City shall bear the cost and expense of such audit.

- (c) Copies of Tax Filings. Developer shall provide City with copies of any reports Developer is required to provide to the County of Sacramento or the State of California for sales, use or other tax purposes.

**10.1.3. Applicability of Future Revenue Mechanisms.** During the term of this Agreement, if the City imposes an alternative revenue mechanism specifically



related to cannabis operations (e.g. a cannabis tax), developer agrees to pay to City the greater of the payment required under such alternative revenue mechanism or the payment required by this Section. As used in this Section, "alternative revenue mechanisms" do not include taxes, fees, or assessments levied on or collected from both cannabis and non-cannabis operations. Payments required by revenue mechanisms that are not limited to cannabis operations shall be in addition to, and not in lieu of, payments under this Section.

**10.2. Public Safety and Security.**

**10.2.1. Public Safety and Security Plan.** Prior to acceptance of any cannabis product at the Facility, and prior to any manufacturing activities at the Facility, Developer shall have prepared and submitted to City a Public Safety and Security Plan ("Plan") acceptable to the City in the reasonable exercise of City's discretion. The Plan shall include and address all aspects of public safety and security, including but not limited to the following interior and exterior security and fire/life safety issues:

- (a) Physical security measures, including perimeter fencing, security cameras and other monitoring equipment, and internal security controls.
- (b) Implementation of CPTED (Crime Prevention Through Environmental Design) measures.
- (c) Protocols for loading and unloading, storage, and transportation of cannabis products.

At least annually, and at other times upon request by either party, Developer and City staff shall meet to review the Plan and operations of the Facility. Developer shall promptly revise the Plan to address deficiencies identified by Developer or the City (e.g. major incidents, high volume of calls for service, etc.) so that the Facility is operated at all times in a manner that ensures the safety and security of the public and Developer's employees, and the physical security of the Facility and products stored therein.

**10.2.2. Signage.** Signage for the Project and Facility shall conform to the requirements of the City's Sign Ordinance (Article 12, Section 1204 of the Municipal Code).

**10.2.3. Reporting of Incidents.** Developer shall promptly report to the police department breaches of security and criminal activities occurring at the Facility.

**10.3. Notification to City of Intent to Relocate.** Developer shall provide City with ninety (90) days written notice prior to relocating operations within or outside of the City. For relocations within the City, delays in notice may result in delays in issuing a new conditional use permit for the proposed new location.

11. **Amendment.** This Agreement may be amended in writing from time to time by mutual consent of the Parties hereto and in accordance with the procedures required by the Development Agreement Law.

12. **Annual Review of Agreement.**

- 12.1. **Review Date.** The annual review date of this Agreement (the "Review Date") as required by Development Agreement Law shall be approximately twelve (12) months from the Effective Date and every twelve (12) months thereafter.
- 12.2. **Procedures.** The procedures for annual review shall be as set forth in the Development Agreement Law.
- 12.3. **Fee for Annual Review.** The reasonable cost for the City's annual review of this Agreement shall be paid by Developer, not to exceed the actual costs incurred by the City in connection with the review.

13. **Default.**

- 13.1. **Default.** The failure of either party to perform any obligation or duty under this Agreement within the time required by this Agreement shall constitute an event of default. For purposes of this Agreement, a Party asserting that the other Party is in default shall be referred to as the "Complaining Party" and the other Party shall be referred to as the "Defaulting Party."
- 13.2. **Notice.** The Complaining Party may not place the Defaulting Party in default unless it has first given written notice to the Defaulting Party, specifying the nature of the default and the manner in which the default may be cured, if known to the Complaining Party. Any failure or delay by the Complaining Party in giving such notice shall not waive such default or waive any of the Complaining Party's remedies.
- 13.3. **Cure.** The Defaulting Party shall have thirty (30) days from the receipt of notice to cure the default. In the case of monetary defaults (e.g. failure to make the payments required by Section 9.1.1), any default must be cured completely within this thirty (30) day period. In the case of non-monetary defaults, if the default cannot be reasonably cured within such time, the default shall be deemed cured if: (1) the cure is commenced at the earliest practicable date following receipt of notice; (2) the cure is diligently prosecuted to completion at all times thereafter; (3) at the earliest practicable date (but in no event later than thirty (30) days after receiving the notice of default), the Defaulting Party provides written notice to the Complaining Party that the cure cannot be reasonably completed within such thirty (30) day period; and (4) the default is cured at the earliest practicable date, but in no event later than one hundred twenty (120) days after receipt of the first notice of default.
- 13.4. **Remedies.** If the Defaulting Party fails to cure a default in accordance with the foregoing, the Complaining Party shall have the right to terminate this Agreement upon notice to the Defaulting Party and the Complaining Party may pursue all remedies available by law or in equity, including specific performance and injunctive relief.
- 13.5. **Additional Procedures and Remedies.** The Parties acknowledge that the foregoing default procedures and remedies are in addition to, and not in lieu of, the procedures and remedies set forth in Article 14, Section 1414 of the Municipal Code, and Developer waives the argument that any default taken against Developer is not valid for failing to comply with the procedures and remedies set forth in Article 14, Section 1414.
- 13.6. **Waiver of Damages.** Notwithstanding anything in this Agreement to the contrary, the Parties acknowledge that the City would not have entered into this Agreement had it been

exposed to liability for damages from Developer, and that therefore, Developer hereby waives all claims for damages against the City for breach of this Agreement. Developer further acknowledges that under the Development Agreement Law, land use approvals (including development agreements) must be approved by the City Council and that under law, the City Council's discretion to vote in any particular way may not be constrained by contract. Developer therefore waives all claims for damages against the City in the event that this Agreement or any Project Approval is: (1) not approved by the City Council or (2) is approved by the City Council, but with new changes, amendments, conditions or deletions to which Developer is opposed. Developer further acknowledges that as an instrument which must be approved by ordinance, a development agreement is subject to referendum; and that under law, the City Council's discretion to avoid a referendum by rescinding its approval of the underlying ordinance may not be constrained by contract, and Developer waives all claims for damages against the City in this regard.

13.7. **Effect of Termination of Agreement on Conditional Use Permit.** Developer agrees that termination of this Agreement in accordance with this Section 12 shall also result in the automatic termination of the Conditional Use Permit.

14. **Insurance and Indemnity.**

14.1. **Indemnification, Defense and Hold Harmless.** Developer shall indemnify, defend, and hold harmless to the fullest extent permitted by law, the City and its officer, officials, consultants and employees ("Indemnitees") from and against any and all claims, liability, loss, damage, expense, costs (including without limitation costs and fees of litigation) of every nature arising out of or in connection with the Project, the Project Approvals or the Property (including any challenge to the validity of any provision of this Agreement or the Project Approvals, or Developer's failure to comply with any of its obligations in this Agreement, or Developer's failure to comply with any current or prospective Law); provided, however, that Developer shall have no obligations under this section for such loss or damage which was caused by the sole negligence or willful misconduct of the City. This indemnification obligation shall survive this Agreement and shall not be limited by any insurance policy, whether required by this Agreement or otherwise.

14.2. **Insurance.**

14.2.1. **Public Liability and Property Damage Insurance.** At all times that Developer is constructing any improvements to the Property, Developer shall maintain in effect a policy of comprehensive general liability insurance with a per-occurrence combined single limit of one million dollars (\$1,000,000) and a deductible of not more than fifty thousand dollars (\$50,000) per claim. The policy so maintained by Developer shall name the City as an additional insured and shall include either a severability of interest clause or cross-liability endorsement.

14.2.2. **Workers' Compensation Insurance.** At all times that Developer is constructing any improvements, Developer shall maintain workers' compensation insurance for all persons employed by Developer for work at the Project site. Developer shall require each contractor and subcontractor similarly to provide workers' compensation insurance for its respective employees. Developer agrees to indemnify the City for any damage resulting from Developer's failure to maintain any such insurance.

14.2.3. **Evidence of Insurance.** Prior to commencement of construction of any improvements, Developer shall furnish City satisfactory evidence of the insurance required by this Sections 14 and evidence that the carrier is required to give the City at least fifteen (15) days prior written notice of the cancellation or reduction in coverage of a policy. The insurance shall extend to the City, its elective and appointive boards, commissions, officers, agents, employees and representatives and to Developer performing work on the Project. Developer shall additionally furnish City satisfactory evidence of the insurance coverage required under this Section whenever a policy is renewed, changed without impact to coverage, or at City's request.

15. **Assignment and Transfers of Rights and Interest; Binding Effect on Successors.**

15.1. **Assignment.**

15.1.1. **Assignment of Rights Under Agreement.** Developer may not transfer or assign its interests under this Agreement, in whole or in part, without the prior written consent of the City, which may be withheld for any reason. No such assignment shall be effective until execution and delivery by Developer and the assignee of an assignment substantially in the form attached hereto as **Exhibit D**.

15.1.2. **Subsequent Assignments.** Any Successor may assign its rights under this Agreement by complying with the procedures set forth in this Agreement.

15.2. **Transfer of Control.** No change in Developer's leasehold interest or in the composition of Developer's leasehold interest shall be made, and no transfer of the Property Lease or any sublease of the Property shall be made, without providing the City with prior written notice. If the change, transfer or sublease changes Control over the use of the Property, the operations of Developer, or the actions or activities of Developer, then the prior written consent of the City must be obtained before the change, transfer or sublease, which consent may be withheld for any reason.

15.3. **Transferability to New Location.** In the event Developer moves operations from the Property to another location within the City, Developer agrees that the City may require that the rights and obligations set forth in this Agreement transfer to the new location. Developer and City agree to work cooperatively and collaboratively on any amendments to this Agreement that may be necessary in view of the transfer of Developer's operations to the new location.

15.4. **Runs with the Land.** Except as otherwise provided in this Agreement, and for so long as this Agreement remains in effect, all of the provisions, rights, terms, covenants, and obligations contained in this Agreement shall be binding upon the Parties and their respective heirs, successors and assignees, representatives, sub-lessees, and all other persons acquiring the Developer's interest in the Property, whether by operation of law or in any manner whatsoever; provided that no successor or assignee of Developer may obtain the benefits hereunder unless the City has consented to assignment of those rights as set forth in Section 14.1. All of the provisions of this Agreement shall be enforceable as equitable servitudes and shall constitute covenants running with the land pursuant to applicable laws, including, but not limited to, Section 1466 of the Civil Code of the State of California. Each covenant to do, or refrain from doing, some act on the Property hereunder, or with respect to any leasehold interest in the Property: (a) is for the benefit of

such properties and is a burden upon such properties; (b) runs with such properties; and (c) is binding upon each Party and each successive owner during its ownership of such leasehold interest in the Property or any portion thereof, and shall be a benefit to and a burden upon each Party and its property hereunder and each other person succeeding to an interest in such properties.

16. **Miscellaneous.**

16.1. **Estoppel Certificate.** Either Party may at any time request the other Party to certify in writing that: (1) this Agreement is in full force and effect; (2) this Agreement has not been amended except as identified by the other Party; and (3) to the best knowledge of the other Party, the requesting Party is not in default, or if in default, the other Party shall describe the nature and any amount of any such default. The other Party shall use its best efforts to execute and return the estoppel certificate to the requesting Party within thirty (30) days of the request. The City Manager shall have authority to execute such certificates on behalf of the City.

16.2. **Recordation.** This Agreement shall not be operative until recorded with the Sacramento County Recorder's office. Developer shall record this Agreement against the Property at its expense with the County Recorder's office within ten (10) days of the Effective Date and shall cause any amendment to this Agreement or any instrument affecting the term of this Agreement to be recorded within ten (10) days from date on which the same become effective. Any amendment to this Agreement or any instrument affecting the term of this Agreement which affect less than all of the Property shall contain a legal description of the portion thereof that is the subject of such amendment or instrument. Alternatively, Developer and City may execute the instrument entitled "Memorandum of Development Agreement" attached hereto as **Exhibit E**, which shall be recorded against the Property, in lieu of recording the entire Agreement.

16.3. **Notices.** All notices required by this Agreement or the Development Agreement Law shall be in writing and personally delivered or sent by certified mail, postage prepaid, return receipt requested.

Notice required to be given to the City shall be addressed as follows:

CITY OF ISLETON  
101 2<sup>nd</sup> St.  
Isleton, CA 95641  
Attn: Charles Bergson, City Manager  
(916) 777-7770

with copies to:

KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD  
400 Capitol Mall, 27th Floor  
Sacramento, CA 95814  
Attn: Maggie Stern, City Attorney  
(916) 321-4500

Notice required to be given to the Developer shall be addressed as follows:

WTO Essentials, Inc.  
Attn: Charles Smith  
7889 Lichen Drive #104  
Citrus Heights, CA 95621  
(916) 390-2982

Either Party may change the address stated herein by giving notice in writing to the other Party, and thereafter notices shall be addressed and transmitted to the new address. All notices shall be deemed received on the earlier of the date of personal delivery or the date shown on the return receipt.

- 16.4. **References to Municipal Code.** This Agreement contains references to articles and sections of the City's Municipal Code. If, after the Effective Date, the City amends or renumbers its Municipal Code, then the references in this Agreement shall be understood to apply to the amended or renumbered Municipal Code.
- 16.5. **Construction of Agreement.** The provisions of this Agreement and the Exhibits hereto shall be construed as a whole according to their common meaning and not strictly for or against any party and consistent with the provisions hereof, in order to achieve the objectives and purpose of the parties hereunder. The captions preceding the text of each Article, Section, and subsection hereof are included only for convenience of reference and shall be disregarded in the construction and interpretation of this Agreement. Wherever required by the context, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine or neuter genders and vice versa.
- 16.6. **Third Party Beneficiaries.** This Agreement is entered into for the sole benefit of the Parties and any Successors. No other party shall have any cause of action or the standing to assert any rights under this Agreement.
- 16.7. **Attorneys' Fees and Costs in Legal Actions by Parties to the Agreement.** Should any legal action be brought by either Party for breach of this Agreement or to enforce any provisions herein, each Party shall bear its own costs (including attorneys' fees) and neither Party shall be entitled to recover such costs from the other Party.
- 16.8. **Liability of City Officials.** No City official or employee shall be personally liable under this Agreement.
- 16.9. **Delegation.** Any reference to any City body, official or employee in this Agreement shall include the designee of that body, official or employee, except where delegation is prohibited by law.
- 16.10. **Severability.** Should any provision of this Agreement be found invalid or unenforceable by a court of law, the decision shall affect only the provision interpreted, and all remaining provisions shall remain enforceable.
- 16.11. **Integration.** This Agreement constitutes the entire understanding and agreement of the Parties with respect to the subject matter hereof and supersedes any previous oral or written agreement. This Agreement may be modified or amended only by a subsequent written instrument executed by all of the Parties.

- 16.12. **Counterparts.** This Agreement may be signed in one (1) or more counterparts, and will be effective when the Parties have affixed their signatures to counterparts, at which time the counterparts together shall be deemed one (1) original document; provided, however, that all executed counterparts are provided to the City Clerk.
- 16.13. **Interpretation.** The Parties acknowledge that this Agreement has been negotiated by both Parties and their legal counsel and agree that this Agreement shall be interpreted as if drafted by both Parties.
- 16.14. **Inconsistency.** In the event of any conflict or inconsistency between the provisions of this Agreement and the Project Approvals or Exhibits, this Agreement shall prevail.
- 16.15. **Incorporation.** The Recitals, Exhibits, and all defined terms in this Agreement are part of this Agreement.
- 16.16. **Applicable Law and Venue.** This Agreement shall be construed and enforced in accordance with the laws of the State of California without regard to principles of conflicts of law. In the event of litigation arising under this Agreement, venue shall reside exclusively in the Superior Court of the County of Sacramento or, in the event of federal litigation, the Eastern District of California.
- 16.17. **Time of the Essence.** Time is of the essence of this Agreement.

*(Signatures on Next Page)*

IN WITNESS WHEREOF, the Parties hereto are executing this Agreement on the dates set forth below, to be effective as of the Effective Date.

"CITY"

CITY OF ISLETON,  
Municipal corporation

By: \_\_\_\_\_

Name: Eric Pene

Its: Mayor

Dated: \_\_\_\_\_

"DEVELOPER"

WTO Essentials  
An incorporated business

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Dated: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Wonne Zepeda, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Maggie Stern, City Attorney

List of Exhibits:

- Exhibit A: Project Description
- Exhibit B: Legal Description of the Property
- Exhibit C: Site Plan Showing Location of the Facility on the Property
- Exhibit D: Form of Assignment and Assumption Agreement
- Exhibit E: Memorandum of Development Agreement



## **Exhibit A**

### **Project Description**

WTO Essentials, Inc. ("Developer") proposes to develop and operate a cannabis manufacturing and Distribution facility within an existing 3,500 square foot commercial building at 14719 Highway 160, in Isleton, California (APN 157-0040-043) pursuant to a City-issued Conditional Use Permit 11-18. The manufacturing involves the use of Butane closed loop extraction to extract cannabis concentrates to produce a variety of consumable products. The distribution portion of this business involves the transportation of these products to retail sales locations.

**Exhibit B**

**Legal Description of the Property**

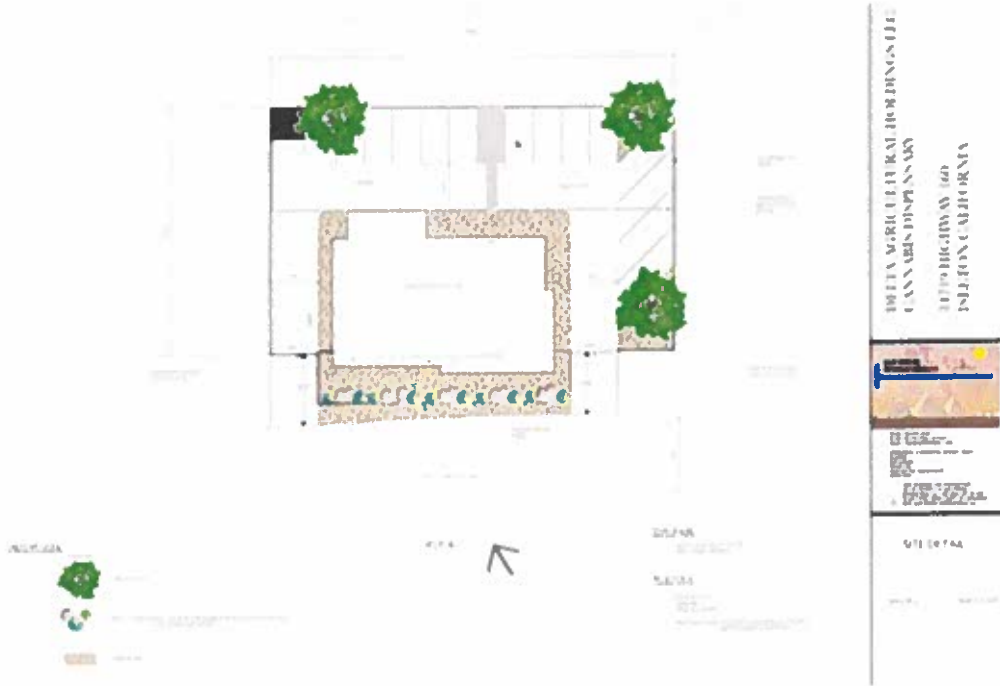
Real property in the City of Isleton, County of Sacramento, State of California, described as follows:

[legal description]

APN: (157-0040-043)

**Exhibit C**

**Site Plan Showing Location of the Facility and the Property**



**Attachment C**

**Letter from Sebastian Maldondo (Isleton Industries, LLD)**

WTO, Incorporated wishes to transfer complete ownership of the Cannabis Permits with the City, including Development Agreement DA 2018-08 and Conditional Use Permit CUP 11-18, for 106 Highway 160, Isleton, CA, to (Sebastian Moldonado, and/or Delta Boys). Upon these transfers, WTO, Incorporated withdraws land use authority of these entitlements with the City of Isleton.

WTO Essentials

Charles Smith - President

Signed: 

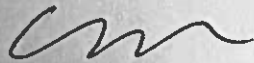
Date: 7/2/23

**Attachment D**

**Letter from Charles Smith (WTO Essential, Inc.)**

Sebastian Maldonado agrees with all terms and conditions of approval for Conditional Use Permit CUP 11-18 upon transfer of ownership of the Cannabis operations from WTO, Incorporated at 106 Highway 160, Isleton, CA. Further, it is recognized that this change in ownership will not result in an changes of use or operations of the existing use or operation currently being conducted by WTO, Incorporated as was originally approved by the City of Isleton for Conditional Use Permit CUP 11-18.

Sebastian Maldonado



7/31/2023





# City of Isleton

## City Council Staff Report

DATE: August 8, 2023

ITEM#: 8.B

CATEGORY: New Business

### **LEAGUE OF CALIFORNIA CITIES DESIGNATION OF VOTING DELEGATES AND ALTERNATES**

#### **SUMMARY**

Every year, the League of California Cities convenes a member-driven General Assembly at the Cal Cities Annual Conference and Expo. The General Assembly is comprised of voting delegates appointed by each member city. This year the conference takes place on September 22<sup>nd</sup> and it is to the City's benefit to have a voting delegate representing Isleton and voting on resolutions.

#### **DISCUSSION**

Staff recommends City Council designate a voting delegate and up to two alternate voting delegates, one of whom may vote if the designated voting delegate is unable to serve in that capacity. Voting delegates may be an elected or appointed officer.

The League of California Cities advocates on the issues that matter most to California's 482 towns and cities. Their advocacy team works with regional field staff and lawmakers to sponsor, draft, and support legislative and regulatory measures that promote local decision-making, and lobby against policy that erodes local control. They also form coalitions with other local government associations and stakeholders to advocate for common goals.

Cal Cities takes positions on hundreds of bills annually. With over 400 city officials serving on the Cal Cities seven policy committees, cities directly influence the direction of Cal Cities' overall advocacy efforts.

#### **FISCAL IMPACT**

There is no fiscal impact associated with this project.

#### **RECOMMENDATION**

It is recommended City Council designate a voting delegate and up to two alternate voting delegates to participate in the General Assembly Conferences.

#### **ATTACHMENT**

1. League of California Cities, Re: Designation of Voting Delegates and Alternates

Written by: Diana O'Brien, Office Assistant/Grants Manager

Reviewed by: Charles Bergson, City Manager

Submitted and prepared by: Yvonne Zepeda, City Clerk





**Council Action Advised by August 28, 2023**

**DATE: Wednesday, June 21, 2023**

**TO: Mayors, Council Members, City Clerks, and City Managers**

**RE: DESIGNATION OF VOTING DELEGATES AND ALTERNATES  
League of California Cities Annual Conference and Expo, Sept. 20-22, 2023,  
Sacramento SAFE Credit Union Convention Center**

Every year, the League of California Cities convenes a member-driven General Assembly at the [Cal Cities Annual Conference and Expo](#). The General Assembly is an important opportunity where city officials can directly participate in the development of Cal Cities policy.

Taking place on Sept. 22, the General Assembly is comprised of voting delegates appointed by each member city; every city has one voting delegate. Your appointed voting delegate plays an important role during the General Assembly by representing your city and voting on resolutions.

To cast a vote during the General Assembly, your city must designate a voting delegate and up to two alternate voting delegates, one of whom may vote if the designated voting delegate is unable to serve in that capacity. Voting delegates may either be an elected or appointed official.

**Please complete the attached voting delegate form and email it to Cal Cities office no later than Monday, August 28.**

**New this year, we will host a pre-conference information session for voting delegates to explain their role.** Submitting your voting delegate form by the deadline will allow us time to establish voting delegate/alternate records prior to the conference and provide pre-conference communications with voting delegates.

Please view Cal Cities' [event and meeting policy](#) in advance of the conference.

**Action by Council Required.** Consistent with Cal Cities bylaws, a city's voting delegate and up to two alternates must be designated by the city council. When completing the attached Voting Delegate form, please attach either a copy of the council resolution that reflects the council action taken or have your city clerk or mayor sign the form affirming that the names provided are those selected by the city council.

Please note that designating the voting delegate and alternates **must** be done by city council action and cannot be accomplished by individual action of the mayor or city manager alone.



**Conference Registration Required.** The voting delegate and alternates must be registered to attend the conference. They need not register for the entire conference; they may register for Friday only. Conference registration is open on the [Cal Cities](#) website.

For a city to cast a vote, one voter must be present at the General Assembly and in possession of the voting delegate card and voting tool. Voting delegates and alternates need to pick up their conference badges before signing in and picking up the voting delegate card at the voting delegate desk. This will enable them to receive the special sticker on their name badges that will admit the voting delegate into the voting area during the General Assembly.

**Transferring Voting Card to Non-Designated Individuals Not Allowed.** The voting delegate card may be transferred freely between the voting delegate and alternates, but *only* between the voting delegate and alternates. If the voting delegate and alternates find themselves unable to attend the General Assembly, they may *not* transfer the voting card to another city official.

**Seating Protocol during General Assembly.** At the General Assembly, individuals with a voting card will sit in a designated area. Admission to the voting area will be limited to the individual in possession of the voting card and with a special sticker on their name badge identifying them as a voting delegate.

The voting delegate desk, located in the conference registration area of the SAFE Credit Union Convention Center in Sacramento, will be open at the following times: Wednesday, Sept. 20, 8:00 a.m.- 6:00 p.m. and Thursday, Sept. 21, 7:30 a.m.- 4:00 p.m. On Friday, Sept. 22, the voting delegate desk will be open at the General Assembly, starting at 7:30 a.m., but will be closed during roll calls and voting.

The voting procedures that will be used at the conference are attached to this memo. Please share these procedures and this memo with your council and especially with the individuals that your council designates as your city's voting delegate and alternates.

Once again, thank you for completing the voting delegate and alternate form and returning it to Cal Cities office by Monday, Aug. 28. If you have questions, please contact Zach Seals at [zseals@calcities.org](mailto:zseals@calcities.org).

Attachments:

- General Assembly Voting Guidelines
- Voting Delegate/Alternate Form
- Information Sheet: Cal Cities Resolutions and the General Assembly



## General Assembly Voting Guidelines

1. **One City One Vote.** Each member city has a right to cast one vote on matters pertaining to Cal Cities policy.
2. **Designating a City Voting Representative.** Prior to the Cal Cities Annual Conference and Expo, each city council may designate a voting delegate and up to two alternates; these individuals are identified on the voting delegate form provided to the Cal Cities Credentials Committee.
3. **Registering with the Credentials Committee.** The voting delegate, or alternates, may pick up the city's voting card at the voting delegate desk in the conference registration area. Voting delegates and alternates must sign in at the voting delegate desk. Here they will receive a special sticker on their name badge and thus be admitted to the voting area at the General Assembly.
4. **Signing Initiated Resolution Petitions.** Only those individuals who are voting delegates (or alternates), and who have picked up their city's voting card by providing a signature to the credentials committee at the voting delegate desk, may sign petitions to initiate a resolution.
5. **Voting.** To cast the city's vote, a city official must have in their possession the city's voting card and voting tool; and be registered with the credentials committee. The voting card may be transferred freely between the voting delegate and alternates but may not be transferred to another city official who is neither a voting delegate nor alternate.
6. **Voting Area at General Assembly.** At the General Assembly, individuals with a voting card will sit in a designated area. Admission to the voting area will be limited to the individual in possession of the voting card and with a special sticker on their name badge identifying them as a voting delegate.
7. **Resolving Disputes.** In case of dispute, the credentials committee will determine the validity of signatures on petitioned resolutions and the right of a city official to vote at the General Assembly.



CITY: _____
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**2023 ANNUAL CONFERENCE  
VOTING DELEGATE/ALTERNATE FORM**

**Please complete this form and return it to Cal Cities office by Monday, August 28, 2023. Forms not sent by this deadline may be submitted to the Voting Delegate Desk located in the Annual Conference Registration Area. Your city council may designate one voting delegate and up to two alternates.**

To vote at the General Assembly, voting delegates and alternates must be designated by your city council. Please attach the council resolution as proof of designation. As an alternative, the Mayor or City Clerk may sign this form, affirming that the designation reflects the action taken by the council.

**Please note:** Voting delegates and alternates will be seated in a separate area at the General Assembly. Admission to this designated area will be limited to individuals (voting delegates and alternates) who are identified with a special sticker on their conference badge. This sticker can be obtained only at the voting delegate desk.

**1. VOTING DELEGATE**

Name: \_\_\_\_\_ Email: \_\_\_\_\_  
Title: \_\_\_\_\_

**2. VOTING DELEGATE - ALTERNATE**

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Email: \_\_\_\_\_

**3. VOTING DELEGATE - ALTERNATE**

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Email: \_\_\_\_\_

**ATTACH COUNCIL RESOLUTION DESIGNATING VOTING DELEGATE AND ALTERNATES OR**

**ATTEST: I affirm that the information provided reflects action by the city council to designate the voting delegate and alternate(s).**

Name: \_\_\_\_\_ Email: \_\_\_\_\_  
Mayor or City Clerk: \_\_\_\_\_ Date: \_\_\_\_\_ Phone: \_\_\_\_\_  
(circle one) (signature)

**Please complete and email this form to [votingdelegates@calcities.org](mailto:votingdelegates@calcities.org) by Monday, August 28, 2023.**



# How it works: Cal Cities Resolutions and the General Assembly

Developing League of California Cities policy is a dynamic process that engages a wide range of members to ensure that we are representing California cities with one voice. These policies directly guide Cal Cities advocacy to promote local decision-making, and lobby against statewide policy that erodes local control.

The resolutions process and General Assembly is one way that city officials can directly participate in the development of Cal Cities policy. If a resolution is approved at the General Assembly, it becomes official Cal Cities policy. Here's how Resolutions and the General Assembly works.

## Prior to the Annual Conference and Expo

### General Resolutions



Sixty days before the Annual Conference and Expo, Cal Cities members may submit policy proposals on issues of importance to cities. The resolution must have the concurrence of at least five additional member cities or individual members.

### Policy Committees



The Cal Cities President assigns general resolutions to policy committees where members review, debate, and recommend positions for each policy proposal. Recommendations are forwarded to the Resolutions Committee.

## During the Annual Conference and Expo

### Petitioned Resolutions



The petitioned resolution is an alternate method to introduce policy proposals during the annual conference. The petition must be signed by voting delegates from 10% of member cities, and submitted to the Cal Cities President at least 24 hours before the beginning of the General Assembly.

### Resolutions Committee



The Resolutions Committee considers all resolutions. General Resolutions approved by either a policy committee or the Resolutions Committee are next considered by the General Assembly. General resolutions not approved, or referred for further study by both a policy committee and the Resolutions Committee do not go the General Assembly. All Petitioned Resolutions are considered by the General Assembly, unless disqualified.<sup>2</sup>

### General Assembly



During the General Assembly, voting delegates debate and consider general and petitioned resolutions forwarded by the Resolutions Committee. Potential Cal Cities bylaws amendments are also considered at this meeting.

## Who's who

Cal Cities policy development is a member-informed process, grounded in the voices and experiences of city officials throughout the state.

The **Resolutions Committee** includes representatives from each Cal Cities diversity caucus, regional division, municipal department, policy committee, as well as individuals appointed by the Cal Cities president.

**Voting delegates** are appointed by each member city; every city has one voting delegate.

The **General Assembly** is a meeting of the collective body of all voting delegates — one from every member city.

Seven **Policy Committees** meet throughout the year to review and recommend positions to take on bills and regulatory proposals. Policy committees include members from each Cal Cities diversity caucus, regional division, municipal department, as well as individuals appointed by the Cal Cities president.

## What's new in 2023?



- Voting delegates will receive increased communications to prepare them for their role during the General Assembly.
- The General Assembly will take place earlier to allow more time for debate and discussion.
- Improvements to the General Assembly process will make it easier for voting delegates to discuss and debate resolutions.

<sup>1</sup> The Resolution Committee can amend a general resolution prior to sending it to the General Assembly.

<sup>2</sup> Petitioned Resolutions may be disqualified by the Resolutions Committee according to Cal Cities Bylaws Article VI, Sec. 5(f).

