



Willows City Council Regular Meeting

May 28, 2024
Willows City Hall
6:00 PM

City Council
Gary Hansen, Mayor
Evan Hutson, Vice Mayor
Rick Thomas, Council Member
David Vodden, Council Member
Forrest Sprague, Council Member

City Manager
Marti Brown

City Clerk
Amos Hoover

201 North Lassen Street
Willows, CA 95988
(530) 934-7041

Agenda

Watch the Council meeting online via Zoom (Passcode 95988):

<https://us06web.zoom.us/j/87370043887?pwd=JaUoHZ9wOcScTMe9HZzQA1CAFLyBsL.1>

Remote viewing of the City Council meeting for members of the public is provided for convenience only. In the event that the remote viewing connection malfunctions for any reason, the City Council reserves the right to conduct the meeting without remote viewing.

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL**
4. **CHANGES TO THE AGENDA**
5. **PUBLIC COMMENT & CONSENT CALENDAR FORUM**

All matters on the Consent Calendar are considered routine and are approved by one motion and vote, unless Councilmembers or the City Manager first requests that a matter be removed for separate discussion and action. Individuals wishing to address the City Council concerning Consent Calendar items or regarding matters that are not already on the agenda are invited to make oral comments of up to three minutes at this time. Please address your comments to the Mayor and Councilmembers, and not to staff and/or the audience. By State law, the Council is not permitted to undertake any action or discussion on any item not appearing on the posted agenda. If you have any documentation that you would like distributed to the City Council, please mail it to the City Clerk at 201 North Lassen Street, Willows, CA 95988 or email it to: ahoover@cityofwillows.org.

a. **Register Approval**

Recommended Action: Approve general checking, payroll, and direct deposit check registers.

Contact: Amos Hoover, City Clerk, ahoover@cityofwillows.org

b. **Minutes Approval**

Recommended Action: Approve the May 14, 2024, meeting minutes.

Contact: Amos Hoover, City Clerk, ahoover@cityofwillows.org

c. **Delegated Maintenance Agreement with California Department of Transportation**

Recommended Action: Authorize the City Manager to execute a Delegated Maintenance Agreement with the State of California Department of Transportation.

Contact: Joe Bettencourt, Community Development & Services Director,
jbettencourt@cityofwillows.org

6. DISCUSSION & ACTION CALENDAR

All matters in this section of the agenda are discussed and will be acted on individually. Individuals wishing to address the City Council concerning any of these items are invited to make oral comments of up to three minutes at this time. Please address your comments to the Mayor and Councilmembers, and not to staff and/or the audience. When the Mayor calls for public comment, please raise your hand to be acknowledged. While not required, the City requests that you please state your name clearly for the audio recording. By State law, the Council is not permitted to undertake any action or discussion on any item not appearing on the posted agenda. If you have any documentation that you would like distributed to the City Council, please mail it to the City Clerk at 201 North Lassen Street, Willows, CA 95988 or email it to: ahover@cityofwillows.org.

a. Councilmember Complaint

Recommended Action: Discuss complaint filed by Councilmember Sprague against the City Manager and the City's contract Building Inspector.

Contact: Gary Hansen, Mayor, ghansen@cityofwillows.org

b. Award of Contract for the FY23-24 Annual Sidewalk Maintenance Project

Recommended Action: Approve a resolution authorizing the City Manager to sign an agreement with FBD Vanguard Construction, Inc. for \$47,075 to construct sidewalk improvements in connection with the FY23-24 Annual Sidewalk Maintenance Project and establish an overall budget for the project of \$64,777.

Contact: John Wanger, City Engineer, jwanger@cityofwillows.org

c. Retail/Dispensary Cannabis Businesses – Modify Distance Requirements

Recommended Action: Adopt a resolution eliminating distance requirements between retail/dispensary cannabis businesses and churches, licensed daycare, playgrounds, and/or parks; and reducing the distance requirements to 500 feet between retail/dispensary cannabis businesses and preschool through grade 12 schools; and consider allowing retail dispensary cannabis businesses in additional zoning.

Contact: Joe Bettencourt, Community Development & Services Director, jbettencourt@cityofwillows.org

d. I-5 Feasibility Study – Final Project

Recommended Action: To receive presentation and accept completion of the I-5 Feasibility Study.

Contact: Joe Bettencourt, Community Development & Services Director, jbettencourt@cityofwillows.org

7. COMMENTS & REPORTS

- a. Council Correspondence
- b. City Council Comments & Reports
- c. City Manager's Report

8. CLOSED SESSION

Pursuant to Government Code Sections §54954.3, the public will have an opportunity to directly address the legislative body on the item below prior to the Council convening into closed session. Public Comments are generally restricted to three minutes.

a. Conference with Labor Negotiators (§54957.6)

Agency Designated Representatives:

Marti Brown, City Manager and Carolyn Walker, City Attorney

Employee Organizations: WEA, UPEC, and Management

9. ADJOURNMENT

This agenda was posted on May 23, 2024.

Amos Hoover

Amos Hoover, City Clerk

A complete agenda packet, including staff reports and back-up information, is available for public inspection during normal work hours at City Hall at 201 North Lassen Street in Willows or on the City's website at www.cityofwillows.org.

In compliance with the Americans with Disabilities Act, the City of Willows will make available to members of the public any special assistance necessary to participate in this meeting. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132). The public should contact the City Clerk's office at 934-7041 to make such a request. Notification 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

The City of Willows is an Equal Opportunity Provider.



PUBLIC COMMENT & CONSENT CALENDAR FORUM



| | <u>PERIOD</u> | | |
|------------------------|---------------|----|-----------|
| | 5/10/2024 | TO | 5/10/2024 |
| Payroll | 604 | TO | 640 |
| Payroll Check Register | 40919 | TO | 40925 |
| Check Register | 54415 | TO | 54459 |

APPROVAL DATE 5/28/2024

APPROVED _____



City of Willows

Payroll Check Register

Employee Pay Summary

Pay Period: 4/22/2024-5/5/2024

Packet: PYPKT00217 - PAYROLL 04/22/24 TO 05/05/24

Payroll Set: Payroll Set 01 - 01

| Employee | Employee # | Payment Date | Number | Earnings |
|-------------------------|------------------------|--------------|----------------|------------------|
| ABOLD, STEVEN B | ABO00 | 05/10/2024 | 633 | 2,130.11 |
| ARELLANES, ASHLEY MARIE | ARE00 | 05/10/2024 | 617 | 1,378.75 |
| BEATTY, RYAN | BEA00 | 05/10/2024 | 40919 | 56.00 |
| BETTENCOURT, JOSEPH | BET01 | 05/10/2024 | 638 | 4,750.62 |
| BOBADILLA, TAVIAN | BOB02 | 05/10/2024 | 624 | 40.00 |
| BOBADILLA, PEDRO D | BOB00 | 05/10/2024 | 623 | 50.00 |
| BRIONES, BRENDA VALENZU | BRI00 | 05/10/2024 | 618 | 320.00 |
| BROTT, SHERRY | BRO02 | 05/10/2024 | 612 | 50.00 |
| BROWN, MARTHA | BRO01 | 05/10/2024 | 608 | 5,676.92 |
| CANO, GABRIELA M | CAN01 | 05/10/2024 | 40920 | 16.00 |
| CASTORENA, SOFIA | CAST01 | 05/10/2024 | 40921 | 56.00 |
| EHORN, CAITLIN A | EHO02 | 05/10/2024 | 619 | 1,468.01 |
| EHORN, MARIA ANNETTE | EHO00 | 05/10/2024 | 613 | 50.00 |
| ENOS, KYLE | ENO00 | 05/10/2024 | 628 | 2,501.83 |
| FLOWERDEW, NICK | FLO00 | 05/10/2024 | 627 | 56.00 |
| FUENTES, JAIME | FUE01 | 05/10/2024 | 629 | 2,164.64 |
| GALLARDO-CANO, NATALY | GAL01 | 05/10/2024 | 625 | 56.00 |
| GAMBOA, YADIRA | GAM00 | 05/10/2024 | 620 | 328.00 |
| HANSEN, GARY L | HAN02 | 05/10/2024 | 604 | 250.00 |
| HARLAN, HELEN | HAR03 | 05/10/2024 | 40922 | 56.00 |
| Hazlett, Robin | HAZ01 | 05/10/2024 | 610 | 1,988.62 |
| HOOVER , AMOS | HOO00 | 05/10/2024 | 609 | 2,388.00 |
| HUTSON, EVAN C | HUT01 | 05/10/2024 | 630 | 250.00 |
| JIMENEZ, LUIS | JIM001 | 05/10/2024 | 40923 | 56.00 |
| LOMBARD, TYLER JOSEPH | LOM00 | 05/10/2024 | 631 | 2,679.65 |
| MCDERMOTT, ELLA G | MCDE01 | 05/10/2024 | 40924 | 16.00 |
| MINGS, MICHAEL E | MIN00 | 05/10/2024 | 634 | 2,501.80 |
| MONCK, NATHANIAL T | MON00 | 05/10/2024 | 639 | 4,651.38 |
| MOORE, JOANNE | MOO01 | 05/10/2024 | 611 | 4,040.15 |
| MYERS, HOLLY | MEY00 | 05/10/2024 | 614 | 50.00 |
| PETERICH, JOHN | PET01 | 05/10/2024 | 632 | 422.88 |
| PFYL, NATISA N | PFY00 | 05/10/2024 | 640 | 3,001.51 |
| RANDOLPH, MATTHEW | RAN01 | 05/10/2024 | 635 | 1,676.15 |
| RANDOLPH, CORA | RAN02 | 05/10/2024 | 40925 | 56.00 |
| RAYGOZA, RODRIGO | RAY00 | 05/10/2024 | 626 | 76.50 |
| REED, JOSHUA | REE00 | 05/10/2024 | 636 | 1,676.15 |
| RUSTENHOVEN, TARA L | RUS01 | 05/10/2024 | 616 | 2,426.44 |
| SPENCE, KYLIEGH C | SPE02 | 05/10/2024 | 621 | 544.00 |
| SPRAGUE , FORREST | SPR00 | 05/10/2024 | 605 | 250.00 |
| THOMAS, RICHARD | THO00 | 05/10/2024 | 606 | 250.00 |
| VALENCIA, LLANIRA | VAL01 | 05/10/2024 | 615 | 50.00 |
| VARGAS, GIOVANI | VAR00 | 05/10/2024 | 622 | 592.00 |
| VASQUEZ, PEDRO CEASAR | VAS01 | 05/10/2024 | 637 | 2,170.69 |
| VODDEN, DAVID | VOD00 | 05/10/2024 | 607 | 250.00 |
| | | | Totals: | 53,518.80 |



City of Willows

Check Register

Packet: APPKT00210 - AP CHECK RUN 5-10-24

By Check Number

| Vendor Number | Vendor Name | Payment Date | Payment Type | Discount Amount | Payment Amount | Number |
|-------------------------------------|--------------------------------|--------------|--------------|-----------------|----------------|--------|
| Bank Code: Gen Chk-General Checking | | | | | | |
| 1014 | ACCESS | 05/10/2024 | Regular | 0.00 | 95.05 | 54415 |
| 1027 | AFFORDABLE COMPUTER SOLUT | 05/10/2024 | Regular | 0.00 | 260.00 | 54416 |
| 1052 | AMAZON CAPITAL SERVICES | 05/10/2024 | Regular | 0.00 | 1,685.45 | 54417 |
| 1068 | ANDY HEATH FINANCIAL SERV | 05/10/2024 | Regular | 0.00 | 4,455.00 | 54418 |
| 1103 | BAKER & TAYLOR BOOKS | 05/10/2024 | Regular | 0.00 | 100.45 | 54419 |
| 1172 | CALIFORNIA WATER SERVICE | 05/10/2024 | Regular | 0.00 | 3,254.93 | 54420 |
| | **Void** | 05/10/2024 | Regular | 0.00 | 0.00 | 54421 |
| 1233 | CHICO ELECTRIC | 05/10/2024 | Regular | 0.00 | 210.00 | 54422 |
| 1256 | CODE PUBLISHING COMPANY | 05/10/2024 | Regular | 0.00 | 830.00 | 54423 |
| 1261 | COMCAST CABLE | 05/10/2024 | Regular | 0.00 | 157.69 | 54424 |
| 1261 | COMCAST CABLE | 05/10/2024 | Regular | 0.00 | 128.44 | 54425 |
| 1277 | CORNING LUMBER WILLOWS | 05/10/2024 | Regular | 0.00 | 92.23 | 54426 |
| 1283 | COUNTY OF GLENN | 05/10/2024 | Regular | 0.00 | 30.00 | 54427 |
| 1463 | GANDY-STALEY OIL CO. | 05/10/2024 | Regular | 0.00 | 3,217.54 | 54428 |
| 1493 | GLENN CO. ENVIRONMENTAL H | 05/10/2024 | Regular | 0.00 | 321.93 | 54429 |
| 1503 | GLENN CO. SHERIFFS DEPT. | 05/10/2024 | Regular | 0.00 | 119,115.54 | 54430 |
| 1492 | GLENN COUNTY ASSESSORS OF | 05/10/2024 | Regular | 0.00 | 378.50 | 54431 |
| 1469 | GLENN COUNTY OFFICE OF EDUCAT | 05/10/2024 | Regular | 0.00 | 318.28 | 54432 |
| 2375 | GLENN-COLUSA IRRIGATION DISTRI | 05/10/2024 | Regular | 0.00 | 437.34 | 54433 |
| 1606 | JEREMY'S PEST STOMPERS | 05/10/2024 | Regular | 0.00 | 40.00 | 54434 |
| 1638 | JUNIOR LIBRARY GUILD | 05/10/2024 | Regular | 0.00 | 587.62 | 54435 |
| 1760 | MATSON & ISOM TECHNOLOGY | 05/10/2024 | Regular | 0.00 | 4,976.00 | 54436 |
| 1770 | MENDES SUPPLY COMPANY | 05/10/2024 | Regular | 0.00 | 81.20 | 54437 |
| 1792 | MJB WELDING SUPPLY, INC. | 05/10/2024 | Regular | 0.00 | 51.60 | 54438 |
| 2312 | NAPA AUTO PARTS | 05/10/2024 | Regular | 0.00 | 75.90 | 54439 |
| 2420 | NORTH VALLEY CLEANING | 05/10/2024 | Regular | 0.00 | 14,750.00 | 54440 |
| 2373 | ODP Business Solutions | 05/10/2024 | Regular | 0.00 | 200.36 | 54441 |
| 1913 | PETERSON TRACTOR CO. | 05/10/2024 | Regular | 0.00 | 2,661.47 | 54442 |
| 1926 | PLEXUS GLOBAL LLC | 05/10/2024 | Regular | 0.00 | 280.00 | 54443 |
| 2332 | Prentice Long, PC | 05/10/2024 | Regular | 0.00 | 27,099.32 | 54444 |
| 2041 | SACRAMENTO VALLEY MIRROR | 05/10/2024 | Regular | 0.00 | 552.00 | 54445 |
| 2044 | SAFETY TIRE SERVICE | 05/10/2024 | Regular | 0.00 | 45.00 | 54446 |
| 2056 | SCALVINI TIRE & AUTO | 05/10/2024 | Regular | 0.00 | 666.43 | 54447 |
| 2419 | SIMSUSHARE | 05/10/2024 | Regular | 0.00 | 495.00 | 54448 |
| 2089 | SMITH & NEWELL CERTIFIED | 05/10/2024 | Regular | 0.00 | 3,712.00 | 54449 |
| 2133 | SUNRISE ENVIRONMENTAL | 05/10/2024 | Regular | 0.00 | 315.81 | 54450 |
| 2142 | T & C CARPET CLEANING | 05/10/2024 | Regular | 0.00 | 250.00 | 54451 |
| 1567 | THE INKWELL | 05/10/2024 | Regular | 0.00 | 18.18 | 54452 |
| 1798 | UBEO WEST, LLC | 05/10/2024 | Regular | 0.00 | 4,634.31 | 54453 |
| 2395 | US BANK CORPORATE PAYMENT SY | 05/10/2024 | Regular | 0.00 | 5,680.36 | 54454 |
| | **Void** | 05/10/2024 | Regular | 0.00 | 0.00 | 54455 |
| 2238 | VALLEY ROCK PRODUCTS | 05/10/2024 | Regular | 0.00 | 697.60 | 54456 |
| 2248 | VERIZON WIRELESS | 05/10/2024 | Regular | 0.00 | 402.92 | 54457 |
| 2295 | WILLOWS ACE HARDWARE | 05/10/2024 | Regular | 0.00 | 164.02 | 54458 |

Check Register

Packet: APPKT00210-AP CHECK RUN 5-10-24

| Vendor Number | Vendor Name | Payment Date | Payment Type | Discount Amount | Payment Amount | Number |
|---------------|--------------|--------------|--------------|-----------------|----------------|--------|
| 1902 | WYATT PAXTON | 05/10/2024 | Regular | 0.00 | 4,744.25 | 54459 |

Bank Code Gen Chk Summary

| Payment Type | Payable Count | Payment Count | Discount | Payment |
|----------------|------------------|------------------|----------|------------|
| Regular Checks | 84 | 43 | 0.00 | 208,269.72 |
| Manual Checks | 0 | 0 | 0.00 | 0.00 |
| Voided Checks | 0 | 2 | 0.00 | 0.00 |
| Bank Drafts | 0 | 0 | 0.00 | 0.00 |
| EFT's | 0 | 0 | 0.00 | 0.00 |
| | 84 | 45 | 0.00 | 208,269.72 |



Willows City Council Regular Meeting Action Minutes

May 14, 2024
Willows City Hall
6:00 PM

Agenda Item #5b.

City Council

Gary Hansen, Mayor
Evan Hutson, Vice Mayor
Rick Thomas, Council Member
David Vodden, Council Member
Forrest Sprague, Council Member

City Manager

Marti Brown

City Clerk

Amos Hoover

201 North Lassen Street
Willows, CA 95988
(530) 934-7041

1. CALL TO ORDER – 6:00 PM

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

Councilmembers Present: Mayor Hansen, and Councilmembers Thomas, Sprague, and Vodden

Councilmembers Absent: Vice Mayor Hutson

4. CHANGES TO THE AGENDA

Moved Items #8a and #8b to be heard prior to item #7a. Continued item #8d until the May 28, 2024, City Council meeting.

5. CEREMONIAL MATTERS

- Proclamation – National Police Week – Received by the Glenn County Sheriff's Office
- Proclamation – Public Works Week – Received by Willows Public Works Division
- Proclamation – Memorial Day – Received by VFW Post 1770

6. PUBLIC COMMENT & CONSENT CALENDAR FORUM

a. Register Approval

Action: Approved general checking, payroll, and direct deposit check registers.

b. Minutes Approval

Action: Approved the April 23, 2024, meeting minutes.

c. Update to Finance Director Job Classification & Salary Schedule

Pulled by Councilmember Sprague

Action: Authorized the City Manager to update the Finance Director Classification and Salary Schedule.

Public Comment

Ryan Friesen

Moved/Seconded: Councilmembers Thomas and Vodden

Yes: Councilmembers Thomas, Sprague, Vodden, and Mayor Hansen

No: None

Absent: Vice Mayor Hutson

7. PUBLIC HEARING

a. **Weed Abatement Declaration - Public Hearing for Protest**

Action: Held a public hearing and approved a resolution confirming declarations of nuisances and confirming order for abatement.

Hearing Open: 7:31PM

Hearing Closed: 7:31PM

Moved/Seconded: Councilmembers Thomas and Sprague

Yes: Councilmembers Thomas, Sprague, Vodden, and Mayor Hansen

No: None

Absent: Vice Mayor Hutson

8. DISCUSSION AND ACTION CALENDAR

a. **FY 2022-23 Audit**

Action: Received presentation and accepted the FY 2022-2023 audit.

Moved/Seconded: Councilmembers Thomas and Vodden

Yes: Councilmembers Thomas, Sprague, Vodden, and Mayor Hansen

No: None

Absent: Vice Mayor Hutson

b. **Preliminary Engineer's Report - Landscape and Lighting Assessment District**

Action: Received the Preliminary Annual Engineer's Report and adopted a Resolution of Intention to levy and collect assessments; and set the time and date of the required public protest hearing for the City of Willows Landscaping and Lighting Assessment District for June 25, 2024 at 7:00PM.

Moved/Seconded: Councilmembers Thomas and Sprague

Yes: Councilmembers Thomas, Sprague, Vodden, and Mayor Hansen

No: None

Absent: Vice Mayor Hutson

c. **Weed Abatement Contract Award**

Action: Awarded contract for weed abatement services to Robert Burt construction for an amount not to exceed \$40,000.

Moved/Seconded: Councilmembers Vodden and Thomas

Yes: Councilmembers Thomas, Sprague, Vodden, and Mayor Hansen

No: None

Absent: Vice Mayor Hutson

d. **Retail/Dispensary Cannabis Businesses – Modify Distance Requirements**

Action: Continued to the May 28, 2024, City Council meeting.

e. **Glenn Groundwater Authority – Council Policy Direction on Surface Water User Classification Definition**

Action: Received update on the Glenn Groundwater Authority 218 process and provided policy direction on the surface water user classification definitions.

9. **COMMENTS & REPORTS**

- a. Council Correspondence
- b. City Council Comments & Reports
- c. City Manager's Report

10. **CLOSED SESSION**

Conference with Labor Negotiators (§54957.6)

Agency Designated Representatives:

Marti Brown, City Manager and Carolyn Walker, City Attorney

Employee Organizations: WEA, UPEC, and Management

Report Out: Information received, and direction given to staff.

11. **ADJOURNMENT - 8:36PM**

Amos Hoover, City Clerk



Date: May 28, 2024

To: Honorable Mayor and Councilmembers

From: Joe Bettencourt, Community Development and Services Director
Marti Brown, City Manager

Subject: Delegated Maintenance Agreement with California Department of Transportation

Recommendation:

Authorize the City Manager to execute a Delegated Maintenance Agreement with the State of California Department of Transportation.

Rationale for Recommendation:

The proposed Delegated Maintenance Agreement (DMA) would supersede the prior DMA from 1988 and update the contract and billing language.

Background:

The City of Willows ("City") and Department of Transportation (DOT) executed a DMA covering a total area of 1.7 miles of SR 162 in December 5, 1988. The not to exceed limit was originally set at \$3,500 and has not been updated since then. The newly proposed DMA covers the same area and updates the not to exceed limit to \$20,000. Billing will be based on the time and materials needed to complete the work as described in Exhibit A of the DMA.

Discussion & Analysis:

The proposed DMA identifies the specific maintenance functions the City will perform in the DOT right of way, including highway and freeway areas situated within the City's jurisdictional limits. Below is the proposed DMA scope of work:

Vegetation Control

This maintenance work includes weed and brush control by chemical, biological, or mechanical methods, trimming, and removal of trees and pest control.

Litter, Debris and Graffiti

This maintenance work includes the removal of litter, debris, and graffiti from roadway surfaces and roadsides to maintain an attractive facility for travelers and the local community.

Fiscal Impact:

The total authorized payment from DOT is not to exceed \$20,000 without prior authorization.

Attachments:

- Attachment 1: Proposed Delegated Maintenance Agreement
- Attachment 2: Current Delegated Maintenance Agreement

DELEGATED MAINTENANCE AGREEMENT WITH THE CITY OF WILLOWS

This DELEGATED MAINTENANCE AGREEMENT ("AGREEMENT") is made by and between the State of California, acting by and through the Department of Transportation ("STATE") and the City of Willows ("LOCAL AGENCY"); each may be referred to individually as a "PARTY" and jointly as "PARTIES."

RECITALS

1. This AGREEMENT will identify the specific maintenance functions LOCAL AGENCY will perform in the STATE right of way, including highway and freeway areas situated within LOCAL AGENCY's jurisdictional limits as authorized under Streets and Highways Code Section 130.
2. The PARTIES executed a prior Delegated Maintenance Agreement dated December 5, 1988. This AGREEMENT supersedes the prior Delegated Maintenance Agreement. The prior Delegated Maintenance Agreement will not remain in full force and effect. This AGREEMENT does not supersede other Freeway Maintenance Agreements executed by the PARTIES, if any.

OPERATIVE PROVISIONS

1. **Maintenance Services.** LOCAL AGENCY shall perform maintenance operations at the State Route (SR), post miles (PM) and approximate mile lengths set forth in Exhibit A to keep the facilities in a safe and operational condition. Maintenance Operations include but are not limited to litter, debris, and graffiti removal, repairs, and restoration.
2. **Prior Delegated Maintenance Agreements.** This AGREEMENT supersedes the PARTIES' prior Delegated Maintenance Agreement dated December 5, 1988. The prior Delegated Maintenance Agreement will not remain in full force and effect. This AGREEMENT does not supersede other Freeway Maintenance Agreements executed by the PARTIES, if any.
3. **Maintenance Standards.** LOCAL AGENCY shall perform all maintenance in compliance with the standards set forth in Streets and Highways Code Section 27, and in accordance with California and federal laws and regulations and STATE policies, procedures and specifications in effect and as amended, and applicable municipal ordinances.

4. **Maintenance Areas and Services.** LOCAL AGENCY shall only perform those maintenance services in the STATE right of way locations described in Exhibit A.
5. **Amendment to Agreement.** Changes to LOCAL AGENCY's maintenance services covered in this AGREEMENT may be made by each PARTY executing amended Exhibits A and/or executing additional pages to Exhibits A that shall be attached to this AGREEMENT and will supersede the original Exhibit A. Otherwise, this AGREEMENT may only be amended by a written agreement executed by both PARTIES. STATE's District Maintenance Agreement Coordinator (DMAC) must obtain prior written approval of any amendments from the District 3 Deputy Director of Maintenance before such amendments may become effective and enforceable under this AGREEMENT.
6. **Unsheltered Encampment Removal.**
 - A. STATE shall remove Persons Experiencing Homelessness (PEH) and any structures, personal property, debris, and/or other items related to the encampment from the Locations shown in Exhibit A, subject to STATE's Encampment Removal policy, MPD 1001 R1 and applicable State and Federal law.
 - B. Nothing in this Agreement grants or waives the right of California Highway Patrol (CHP) and other law enforcement agencies having jurisdiction over the Locations in shown in Exhibits A.
7. **Weed Abatement.** LOCAL AGENCY shall engage in weed abatement operations. LOCAL AGENCY shall control weeds at a level acceptable to STATE. Any weed control performed by chemical weed sprays (herbicides) shall comply with all laws, rules and regulations established by California Department of Food and Agriculture. All chemical spray operations shall be reported quarterly (form LA17) to STATE via the STATE's Landscape Specialist, Maintenance Support, Caltrans District 3 Office located at 703 B Street, Marysville, CA 95901.
8. **Graffiti Removal.** LOCAL AGENCY's graffiti removal shall be limited to removal of text only in accordance with Streets and Highway Code Section 96. Any graffiti that in any way resembles a mural, artwork, paintings, or other similar elements may not be removed. LOCAL AGENCY shall discuss

such possible art with STATE's District 3 Transportation Art Coordinator before conducting any graffiti removal or remediation. STATE shall pay the actual cost of LOCAL AGENCY's graffiti removal as specified in Section 11 of this AGREEMENT.

9. **Maintenance Service Schedule.** LOCAL AGENCY shall provide STATE's District 3 Area Maintenance Supervisor, at least twenty-four (24) hours prior telephone notice before performing any planned maintenance services under this AGREEMENT. His/her phone number is (530) 682-7691. LOCAL AGENCY shall provide the STATE's District 3 Area Maintenance Supervisor with a litter, debris, and graffiti removal schedule. Maintenance services shall be provided at a minimum monthly basis. Maintenance services shall be performed between the hours of 9:00 a.m. and 3:00 p.m. or as otherwise authorized by the State Representative, if necessary. LOCAL AGENCY must request through the STATE's District 3 Area Maintenance Supervisor prior written approval to perform any maintenance services before 9:00 a.m. or after 3:00 p.m. and/or on weekends and holidays.
10. **Authorized Reimbursement.** The functions and levels of maintenance services delegated to LOCAL AGENCY in the attached Exhibit A and amounts appropriated to STATE have been considered in setting authorized total dollar amounts. LOCAL AGENCY may perform additional work if desired, but STATE will not reimburse LOCAL AGENCY for any work in excess of the Total Maximum Annual Authorized Expenditure as shown in Exhibit A.
11. **Cost Reimbursement.** STATE shall reimburse LOCAL AGENCY for LOCAL AGENCY's actual and necessary costs incurred to perform the maintenance services under this AGREEMENT; provided, however, that STATE's reimbursement shall not exceed Total Maximum Annual Authorized Expenditure as shown in Exhibit A under this AGREEMENT .
12. **Amendment to Approved Expenditures.** Upon LOCAL AGENCY's written request, the expenditures per route for maintenance services set forth in Exhibits A may be increased, decreased, or redistributed between routes pursuant to the PARTIES executing an appropriate amendment in accordance with section 5 above. All such adjustments must be authorized in writing by the District Director or his/her authorized representative.

13. **Term of Expenditures.** Additional expenditures or an adjustment of expenditures once authorized shall apply only for the term of this AGREEMENT and shall not be deemed to permanently modify or change the basic maximum expenditures per route as specified in Exhibit A. Any expenditure adjustments shall not affect or alter any other terms of this AGREEMENT.

14. **Billing, Payment and Reporting.**

14.1 **Billing Date.** LOCAL AGENCY shall submit billing invoices on a quarterly basis to the STATE's DMAC. LOCAL AGENCY shall not submit billing invoices for reimbursement of costs less than \$500 more than once each quarter. LOCAL AGENCY shall also submit billing invoices promptly following the close of STATE's fiscal year on each June 30th.

14.2 **Billing Submission Format.** Each billing invoice shall include all of the following:

- (a) STATE's AGREEMENT number;
- (b) Date(s) of services;
- (c) Location of services;
- (d) Number of hours and hourly rates;
- (e) Receipts for trash disposal; and
- (f) Receipts for equipment, materials, and supplies.

STATE shall pay LOCAL AGENCY for the maintenance services satisfactorily performed in accordance with the rates and schedules in Exhibit A.

15. **Successors.** This AGREEMENT shall be binding upon and inure to the benefit of each of the PARTIES' successors-in-interest, including, but not limited to any public entity to whom any part of the STATE right of way covered under this AGREEMENT may be relinquished and any subsequently incorporated city or other municipality established within the LOCAL AGENCY's jurisdictional limits.

16. **Encroachment Permits.** Before LOCAL AGENCY may enter STATE right of way to perform any maintenance services in the areas covered by this AGREEMENT, STATE's District 3 Encroachment Permit Office must issue an

initial encroachment permit at no cost to LOCAL AGENCY. LOCAL AGENCY must obtain additional encroachment permits, if necessary, to enter or perform any work within STATE right of way not covered by this AGREEMENT. STATE will issue these additional encroachment permits at no cost to LOCAL AGENCY. LOCAL AGENCY's contractors and sub-contractors must apply for and be issued separate encroachment permits before they may enter STATE right of way to perform any maintenance or work under this AGREEMENT.

17. **Legal Disposal of Litter Collected.**

LOCAL AGENCY shall make its own arrangements for the legal disposal of litter or debris materials to authorized disposal sites. LOCAL AGENCY shall not leave any filled litter bags, litter piles or other groups of litter assembled during its maintenance services along or in STATE Right of Way. Such litter groupings shall be removed out of STATE Right of Way each day LOCAL AGENCY performs the maintenance services in this AGREEMENT.

18. **Safety and Worker Compliance.** LOCAL AGENCY shall be solely responsible for crew pay, workers compensation and any other benefits required by state and federal law. Subcontractors and crew members are not considered STATE's employees at any time. LOCAL AGENCY shall comply with all applicable State and Federal statutes and regulations governing worker and public safety, including but not limited to compliance with CAL-OSHA regulations and guidelines.

LOCAL AGENCY shall make arrangements through the STATE if traffic controls, flags, signs, or lane closures are necessary to safely perform any maintenance services. STATE's maintenance Supervisor or designee shall determine what protections are required at the worksite pursuant to applicable provisions of the Caltrans Maintenance Manual, including but not limited to Volume 1, Chapter 8, Protection of Workers.

19. **Equipment and Supplies.** LOCAL AGENCY shall provide the necessary equipment, tools, personal protective equipment, materials, supplies and products necessary to perform the maintenance services under this AGREEMENT. STATE shall reimburse LOCAL AGENCY for the reasonable

costs of such equipment and supplies not to exceed the Total Maximum Annual Authorized Expenditure set forth in Exhibit A.

20. **Legal Relations and Responsibilities.**

20.1 **No Third-party Beneficiaries.** This AGREEMENT is not intended to create duties, obligations, or rights of third parties beyond the PARTIES to this AGREEMENT. Nor does this AGREEMENT affect a PARTY's legal liability by imposing any standard of care for the maintenance of STATE highways different from the standard of care imposed by law.

20.2 **Indemnification.** Neither STATE nor any of its officers or employees is responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by LOCAL AGENCY in connection with any work, authority or jurisdiction conferred upon LOCAL AGENCY under this AGREEMENT. LOCAL AGENCY shall fully defend, indemnify, and save harmless STATE and its officers and employees from all claims, suits, or actions of every kind occurring by reason of anything done or omitted to be done by LOCAL AGENCY, its contractors, sub-contractors and/or its agents pursuant to this AGREEMENT.

Neither LOCAL AGENCY nor any of its officers or employees is responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by STATE, in connection with any work, authority or jurisdiction conferred upon STATE under this Agreement. STATE shall fully defend, indemnify, and save harmless LOCAL AGENCY and its officers and employees from all claims, suits, or actions of every kind occurring by reason of anything done or omitted to be done by STATE under this Agreement.

20.3 **Work-related Injuries.** If a LOCAL AGENCY-assigned crew member is injured while performing maintenance services under this AGREEMENT, LOCAL AGENCY or its designated subcontractor shall be responsible for ensuring the crew member is given prompt medical care and treatment and, if necessary, transportation to a medical facility. LOCAL AGENCY or its designated subcontractor

shall administer any injury and workers compensation claims. LOCAL AGENCY shall notify the DMAC within twenty-four (24) hours when any such incident has occurred.

21. **Prevailing Wages and Labor Compliance.** LOCAL AGENCY shall comply with any and all applicable labor and prevailing wage requirements in Labor Code Sections 1720 through 1815 and implementing regulations for public works or maintenance contracts and subcontracts executed for the LOCAL AGENCY's maintenance services under this AGREEMENT.

22. **Insurance**

Self-Insured. LOCAL AGENCY is self-insured. LOCAL AGENCY shall deliver evidence of self-insured coverage providing general liability insurance, coverage of bodily injury and property damage liability, in an amount of \$1 million per occurrence and \$2 million in aggregate and \$5 million in excess by delivering a Letter Certifying Self-Insurance. The Letter of Self-Insurance must be substantially in the form of Exhibit B and identify the AGREEMENT number, and location as depicted in Exhibit A . LOCAL AGENCY shall provide the original Letter Certifying Self-Insurance as a condition to STATE's execution of this AGREEMENT. A copy of the original letter shall be attached to this AGREEMENT as Exhibit B.

Self-Insured using Contractor. If the work performed under this AGREEMENT is done by LOCAL AGENCY's contractor(s), LOCAL AGENCY shall require its contractor(s) to maintain in force, during the term of this AGREEMENT, a policy of general liability insurance, including coverage of bodily injury and property damage liability, naming STATE, its officers, agents and employees as the additional insured in an amount of \$1 million per occurrence and \$2 million in aggregate and \$5 million in excess. LOCAL AGENCY shall provide a certificate of insurance evidencing this insurance in a form satisfactory to STATE.

23. **Budget Contingency.** STATE's payments to LOCAL AGENCY are contingent upon the Legislature appropriating sufficient funds under the Budget Act and the encumbrance of funding to STATE's District Office.

24. **Termination.** This AGREEMENT may be terminated by the mutual written consent of each PARTY.
25. **Effective Date (Term) of Agreement.** This AGREEMENT shall become effective on the last of the dates each PARTY's authorized representative has executed this AGREEMENT.
26. **Authority.** Each individual executing this AGREEMENT on behalf of each PARTY represents and warrants that he/she is duly authorized to execute this AGREEMENT as authorized under Streets and Highways Code Sections 114 and 130. LOCAL AGENCY represents and certifies that it has, through its regular political process, authorized the execution of this AGREEMENT by appropriate resolution, delegation, or plenary authority as required.
27. **Counterparts.** This AGREEMENT may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document.
28. **Electronic Signatures.** Electronic signatures of the PARTIES, whether digital or encrypted, are intended to authenticate this written AGREEMENT, and shall have the same force and effect as manual signatures for this AGREEMENT.
29. All notices, document submittals and invoices required under this AGREEMENT shall be deemed to have been fully given when made in writing and received by the PARTIES at their respective addresses as shown on Exhibit C.

THE CITY OF WILLOWS

Dated: _____
Mayor

APPROVED:

Dated: _____
City Manager

Dated: _____
City

**STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION**

Dated: _____
Deputy District Director
Maintenance District 03

EXHIBIT A
DELEGATION OF MAINTENANCE

| Route No. | Post Mile | Length Miles | Description of Routing | Program Delegated | Maximum Annual Authorized Expenditure |
|-----------|---------------|--------------|--|-------------------|---------------------------------------|
| 162 | 65.33 – 67.06 | 1.73 | State Route 162, from Airport Avenue to west of 1st Street | HMC2 HMD1 | \$20,000 |

TOTAL MAXIMUM ANNUAL AUTHORIZED EXPENDITURE: \$20,000

HMC2 VEGETATION CONTROL

This maintenance work includes weed and brush control by chemical, biological, or mechanical methods, trimming, and removal of trees and pest control.

HMD1 LITTER, DEBRIS, AND GRAFFITI

This maintenance work includes the removal of litter, debris, and graffiti from roadway surfaces and roadsides to maintain an attractive facility for travelers and the local community.

EXHIBIT B – STATEMENT OF SELF INSURANCE FOR CITY OF WILLOWS

On Local Agency letterhead

California Department of Transportation

_____20__

703 B Street
Marysville, CA 95901

ATTN: Thomas Mutunga, District 3 Maintenance Project Delivery Liaison

CITY OF WILLOWS
Department of Finance

RE: Statement of Self Insurance for City of Willows ("CITY") Related to Delegated Maintenance Agreement with the State of California, acting by and through the Department of Transportation, ("STATE") along State Route 162 in the County of Glenn Between Post Mile 65.33 and Post Mile 67.06, DMA - City of Willows-03-GLE-162-PM 65.33 – PM 67.06 ("AGREEMENT").

Dear Mr. Mutunga,

The purpose of this letter is to certify that the CITY is self-insured and self-funded covering third-party claims arising out of its general operations (for example, commercial general liability and automobile liability insurance). Further the CITY is self-insured covering workers' compensation claims and has received the consent of the State Department of Industrial Relations to do so.

Each fiscal year, as a part of its budgetary process, the CITY appropriates funds specifically to satisfy valid third-party claims and workers' compensation claims, which may be brought against the CITY.

The CITY certifies its self-insured, general liability coverage for bodily injury liability and property damage liability, meets the required coverage amounts in section 22 (INSURANCE) of this AGREEMENT, specifically general liability insurance, coverage of bodily injury liability and property damage liability in an amount of \$1 million per occurrence and \$2 million in aggregate and \$5 million in excess.

If you need any additional information regarding this letter, please direct those inquiries through my office.

Sincerely,

Finance Manager/ Authorized Representative's Title

EXHIBIT C

Party Representatives and Notices.

LOCAL AGENCY's Contact: Rebecca Webster
STATE's DMAC is: Thomas Mutunga

All notices, document submittals and invoices required under this AGREEMENT shall be deemed to have been fully given when made in writing and received by the PARTIES at their respective addresses as follows:

LOCAL AGENCY

Attn: Rebecca Webster
Address: 815 Fourth Street
City, Zip: Orland, CA 95963

STATE

Attn: Thomas Mutunga
Address: 703 B Street
City, Zip: Marysville, CA 95901

AMENDMENT NO. 1

CITY OF WILLOWS

DECEMBER 5, 1988

AMENDMENT TO AGREEMENT FOR MAINTENANCE OF STATE HIGHWAY entered into by and between the CITY of Willows, hereinafter referred to as "the CITY", and the Department of Transportation of the State of California, hereinafter referred to as "the DEPARTMENT".

W I T N E S S E T H :

WHEREAS, an Agreement for Maintenance of State Highways, as provided for in Section 130 of the Streets and Highways Code, was executed by the CITY and by the DEPARTMENT on March 1, 1983; and

WHEREAS, said Agreement by its terms provides that it may be modified or amended at any time upon mutual consent of the parties; and

WHEREAS, the parties hereto now desire that said Agreement be amended;

NOW, THEREFORE, it is understood and agreed that said Agreement be and the same is hereby amended in accordance with the attached page dated December 5, 1988, and numbered 5, which attached page shall be substituted for like numbered page in said Agreement, and shall cancel and supersede such like numbered page, becoming a part of said Agreement for all purposes. In all other respects, said Agreement shall remain in full force and effect.

REVISED
December 5, 1988

I. ROUTE DESCRIPTION AND AUTHORIZED EXPENDITURES:

| <u>ROUTE NO.</u> | <u>LENGTH MILES</u> | <u>DESCRIPTION OF ROUTING</u> | <u>ANNUAL MAXIMUM EXPENDITURE AUTHORIZED</u> |
|----------------------|-------------------------|---|--|
| I-5 | .6 | Beginning at the South City Limits, P.M. 9.8, approximately 150 feet south of the Jct. of the N.B. offramp to Wood St.; thence north along I-5 to the North City Limits midway of the West Willows Overhead, P.M. 10.4. | \$ 0.00 |
| 162 | 1.5 | Beginning at the West City Limits, P.M. 65.4 at the Jct of the S.B. offramp of I-5 to Co. Rd. 50; thence easterly across the separation structure down Wood St. to the south side of Sacramento St. and the East City Limits, P.M. 66.9; excepting therefrom, the north half of Wood St. from the railroad tracks to the East City Limits. | \$ 3,500.00 |
| | | TOTAL AUTHORIZED EXPENDITURES | <u>\$ 3,500.00</u> |

MNAG24

AMENDMENT NO. 1

This Amendment shall become effective this 1st day of July, 1988.

CITY OF WILLOWS

By Dean Stenil
Mayor

[Signature]
City Clerk

*Approved as to form and
procedure:

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

Attorney
Department of Transportation

ROBERT K. BEST
Director of Transportation

City Attorney

By [Signature]
District Director

By _____

*Approval by State's Attorney is not required unless changes are made to this form, in which case the draft will be submitted for Headquarters' review and approval by State's Attorney as to form and procedure.

Memorandum

To: THE HONORABLE KATHLEEN CONNELL
State Controller
Claim Audits
3301 C Street, Room 407
Sacramento, CA 95816

Date: July 28, 1999

File No: 1998/99
Gle-11-4712

Attention: Ms. Kristin Todd

From: DEPARTMENT OF TRANSPORTATION
MAINTENANCE PROGRAM

Subject: Maintenance of State Highway - City/County Agreements

Attached for your file is a copy of a letter from the California Department of Transportation District 3 for the City of Willows, increasing the funding from the district for additional street maintenance services provided by the city.

The total overall authorized expenditure, including the above specific request is \$3,935.24 for the 1998/99 Fiscal Year.

If you have any questions, please contact Mr. David Phillips at (916) 654-5550.

ORIGINAL SIGNED BY

DALEAN COLINDRES
Budget Manager
Maintenance Program

Attachment

bc: David Phillips, Maintenance Program
Jan Walters, Records Management
Mike Garrett, Accounting
Ken Young, Maintenance, D-3

DP:tlc

AGREEMENT FOR MAINTENANCE OF STATE HIGHWAYS IN THE CITY OF WILLOWS

THIS AGREEMENT, made and executed in duplicate this 1st day of March, 1983, by and between the State of California, acting by and through the Department of Transportation, hereinafter referred to as "the STATE" and the City of Willows, hereinafter referred to as "CITY".

WITNESSETH:

A. RECITALS:

The Parties desire to provide for the CITY to perform particular maintenance functions on the State highway within the CITY as provided in Section 130 of the Streets and Highways Code.

B. AGREEMENT:

This Agreement shall supersede any previous AGREEMENT FOR MAINTENANCE OF STATE HIGHWAYS IN THE CITY OF WILLOWS and/or AMENDMENTS thereto with the CITY.

In consideration of the mutual covenants and promises herein contained, it is agreed:

The CITY will perform such maintenance work as is specifically delegated to it, on the State highway routes or portions hereof all as hereinafter described under Sections I and J hereof or as said sections may be subsequently modified with the consent of the parties hereto acting by and through their authorized representative.

C. MAINTENANCE DEFINED:

Maintenance is defined in Section 27 of the Streets and Highways Code as follows:

Sec. 27. "(a) The preservation and keeping of rights of way, and each type of roadway, structure, safety convenience or device, planting, illumination equipment and other facility, in the safe and usable condition to which it has been improved or constructed, but does not include reconstruction, or other improvement.

"(b) Operation of special safety conveniences and devices, and illuminating equipment.

"(c) The special or emergency maintenance or repair necessitated by accidents or by storms or other weather conditions, slides, settlements or other unusual or unexpected damage to a roadway, structure or facility."

D. DEGREE OF MAINTENANCE:

The degree or extent of maintenance work to be performed and the standards therefore shall be in accordance with the provisions of Section 27 of the Streets and Highways Code and the provisions of this Agreement as hereinafter specified or as may be prescribed from time to time by the District Director. "District Director," as used herein, means the District Director of the Department of Transportation assigned to the territory in which the CITY is located, or his authorized representative.

A guide to the proper degree of maintenance in specific programs is set forth in the current edition of the State Maintenance Manual, a copy of which has been provided to the CITY.

The level of service of maintenance in each of the programs delegated to the CITY has been considered in setting authorized total and route dollar amounts. The CITY may perform additional work if desired by the STATE, but the STATE will not reimburse the CITY for any work in excess of authorized dollars. The District Director may authorize adjustments needed because of inflation or changes in program emphasis.

E. LEGAL RELATIONS AND RESPONSIBILITIES:

Nothing in the provisions of this Agreement is intended to create duties or obligations to or rights in third parties not parties to this contract or affect the legal liability of either party to the contract by imposing any standard of care respecting the maintenance of State highways different from the standard of care imposed by law.

It is understood and agreed that neither STATE, nor any officer or employee thereof is responsible for any damage or liability occurring by reason of anything done or omitted to be done by the CITY under or in connection with any work, authority or jurisdiction delegated to the CITY under this Agreement for Maintenance. It is also understood and agreed that, pursuant to Government Code Section 895.4 CITY shall defend, indemnify and save harmless the State of California, all officers and employees from all claims, suits or actions of every name, kind and description brought for or in account of injuries to or death of any person or damage to property resulting from anything done or omitted to be done by the CITY under or in connection with any work, authority or jurisdiction delegated to the CITY under this Agreement except as otherwise provided by Statute.

The CITY waives any and all rights to any type of express and implied indemnity against the STATE, its officers or employees.

It is the intent of the parties that the CITY will indemnify and hold harmless the STATE, its officers or employees from any and all claims, suits or actions as set forth above regardless of the existence or degree of fault or negligence, whether active or passive, primary or secondary, on the part of the STATE.

F. MAINTENANCE FUNCTIONS:

Certain maintenance functions may be delegated to the CITY as indicated under Section I of this Agreement. The CITY shall not perform any of these maintenance functions unless specifically delegated under said Section J (DELEGATION OF MAINTENANCE).

The various maintenance functions or duties are defined and described by the following programs. The numbers without prefix relate to the Maintenance Management System (MMS) Program and the numbers with the prefix HM relate to Caltrans budgetary codes.

*04 - ROADWAY LITTER AND DEBRIS PROGRAM
HM-22

This program includes all work concerning roadbed and roadside cleanup operations to insure that the highway presents a neat, clean and attractive appearance.

Sweeping and cleaning shall be limited to the removal of dirt or litter normally coming onto the roadbed from the action of traffic or from natural causes. STATE will not undertake nor pay for picking up or disposing of rubbish or debris swept into or otherwise placed on the highway from abutting property. The extent of sweeping and cleaning on the State highways shall not be greater than customarily done on comparable CITY streets.

The sweeping activities covered in this program pertain to the sweeping of paved medians, curbed CITY street sections and curbed or rolled gutter types on other highways.

*08 - ELECTRICAL PROGRAM - NOT DELEGATED
HM-43

This program includes all STATE operation and maintenance work performed on highway electrical facilities including flashing beacons, traffic signals, traffic-signal systems, safety lighting, and sign lighting.

Basis for billing:

It is agreed that monthly billings for flashing beacons, traffic signals, and traffic-signal systems shall be established as follows:

- o Labor (plus overhead assessment), other expense, and electrical energy will be based on actual intersection cost.
- o Equipment and Materials will be made on a pro rate basis by type of installation; flashing beacons; fixed-time signals; traffic-actuated signals.

It is agreed that monthly billings for safety lighting and sign lighting shall be established as follows:

- o Labor (plus overhead assessment), other expense, and electrical energy will be based on calculated unit costs.
- o Equipment and Materials will be based on calculated unit costs.

It is agreed that monthly billings for utility-owned and maintained lighting will be based on calculated unit costs derived from utility company billings.

The cost of operating and maintaining flashing beacons, traffic signals, traffic-signal systems, safety lighting, and sign lighting now in place at the intersection of any State highway route and any city street shall be shared as shown on Exhibit A.

Exhibit A will be amended as necessary to reflect changes to the system.

G. GENERAL GUIDES:

Maintenance of highway lighting facilities as hereinbefore referred shall include upkeep and repair of the supports, as well as such other items which are in integral part of the installation.

Those facilities as defined under program 08 above, which are installed subsequent to the execution of this Agreement, shall become subject to the terms and conditions of this Agreement upon notice to the CITY from the STATE of the completion of any such installation.

H. EXPENDITURE AUTHORIZATION:

The STATE will reimburse the CITY for actual cost of all routine maintenance work performed by CITY as delegated under Section J of this Agreement, but is agreed that during any fiscal year, the maximum expenditure on any route shall not exceed the amount as shown on Section I of this Agreement, unless such expenditure is revised by an amended Agreement or otherwise adjusted or modified as hereinafter provided for.

A new "ROUTE DESCRIPTION AND AUTHORIZED EXPENDITURES" sheet (Section I) will be provided annually by the STATE for the ensuing fiscal year if necessary to ensure equitable annual costs.

The expenditure per route for routine maintenance work as referred to above may be increased or decreased, redistributed between routes, or additional expenditures for specific projects costing \$5,000 or less may be made when such adjustment of expenditures for routine maintenance or such specific work is authorized in writing by the District Director or his authorized representative. Expenditures for specific projects costing in excess of the above amount may be made when such specific work is authorized in writing by the District Director with prior approval from the Chief, Office of Highway Maintenance at Headquarters. Additional expenditures or adjustment of expenditures thus authorized shall apply during the fiscal year designated therein and shall not be deemed to permanently modify or change the basic maximum expenditure per route as hereinafter specified. An adjustment of the said maximum expenditure, either increase or decrease, shall not affect other terms of the Agreement.

I. ROUTE DESCRIPTION AND AUTHORIZED EXPENDITURES:

| <u>ROUTE NO.</u> | <u>LENGTH MILES</u> | <u>DESCRIPTION OF ROUTING</u> | <u>ANNUAL MAXIMUM EXPENDITURE AUTHORIZED</u> |
|------------------|---------------------|---|--|
| I-5 | .6 | Beginning at the South City Limits P.M. 9.8, approximately 150' south of the Jct. of the N.B. offramp to Wood St.; thence north along I-5 to the North City Limits midway of the West Willows Overhead, P.M. 10.4. | 0.00 |
| 162 | 1.5 | Beginning at the West City Limits, P.M. 65.4 at the Jct. of the S.B. offramp of I-5 to Co. Rd. 50; thence easterly across the separation structure down Wood St. to the south side of Sacramento St. and the East City Limits, P.M. 66.9; excepting therefrom, the north half of Wood St. from the railroad tracks to the East City Limits. | <u>\$3,000.00</u> |
| | | TOTAL AUTHORIZED EXPEND. | \$3,000.00 |

SEE
 REUSED AS 5, AMENDMENT #1
 12/5/88

J. DELEGATION OF MAINTENANCE:

The specific maintenance activity indicated below is hereby delegated to the CITY. This delegation of maintenance activity set forth herein does not include areas and functions of which the control and maintenance rest with the local authority under the terms of Freeway Agreements and/or Freeway Maintenance Agreements.

Caltrans Budgeting Codes (HM)
Maintenance Management Program No. (01-ETC)

MAINTENANCE FUNCTIONROUTE 49

P.M. 2.65

ROUTE 80

P.M. 1.78

This must be a typo because they should be Routes 162 and 5. Noted NXu 08-28-2017

| | | |
|-------------------------------------|------|---|
| HM-11 HM-12 - 01 & 02 | | |
| Flex. & Rigid Rd. Maint. Prog. | | |
| Specific Activity: | 0 | 0 |
| HM-21 - 03 Roadside Maintenance | | |
| Specific Activity: | 0 | 0 |
| HM-22 - 04 Roadside Litter & Debris | | |
| Specific Activity: | *(1) | 0 |
| HM-23 - 05 Vegetation Control | | |
| Specific Activity: | 0 | 0 |
| HM-41 - 06 Pavement Delineation | | |
| Specific Activity: | 0 | 0 |
| HM-42 - 07 Signs | | |
| Specific Activity: | 0 | 0 |
| HM-43 - 08 Electrical | | |
| Specific Activity: | 0 | 0 |
| HM-44 - 09 Traffic Safety Devices | | |
| Specific Activity: | 0 | 0 |
| HM-25 - 12 Landscaping | | |
| Specific Activity: | 0 | 0 |
| HM-31 - 13 Bridges & Pump Maint. | | |
| Specific Activity: | 0 | 0 |
| HM-47 - 15 Permits | | |
| Specific Activity: | 0 | 0 |
| HM-46 - 16 Electrical Energy | | |
| Specific Activity: | 0 | 0 |

Footnotes: (1) Length of street to be cleaned 3.0 curb miles.
(0) State responsibility.
* Does not include hazardous spills.

K. SUBMISSION OF BILLS

CITY may submit bills monthly except that no bill for less than \$100 shall be submitted more than once each quarter. Bills must be submitted promptly following close of corresponding billing period and should be coded according to the Caltrans program or Budgetary Code as outlined in this Agreement.

Equipment shall be charged at mutually acceptable rental rates and labor and material at actual cost. The CITY will be allowed to recover overhead and administrative costs only to the extent that such charges include applicable expenses incurred by the CITY in the execution of the work. Said factors and method shall be subject to approval by the STATE.

Maintenance services provided by contract or on a unit-rate basis with overhead costs included shall not have these above-mentioned charges added again. An actual handling charge for processing this type of bill will be allowed the CITY. Bills submitted to the CITY for work performed by this Agreement will also include overhead and administrative costs in accordance with the State Administrative Manual.

The CITY should immediately notify the State's Highway Superintendent for the area of any storm damage or other emergency condition affecting the STATE highway. The CITY shall maintain, on a generally accepted accounting basis, complete and accurate records that support all billings. These records shall be made available to STATE representatives for review during normal business hours for a period of three (3) years after payment of said billings.

L. TERM OF AGREEMENT:

This Agreement shall become effective March 1, 1983,
and shall remain in full force and effect until amended or terminated.

The Agreement as above may be amended or terminated at any time upon mutual consent of the parties thereto. This Agreement may also be terminated by either party upon thirty days notice to the other party.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above written.

CITY OF WILLOWS

By 
Mayor


City Clerk

Approved as to form and procedure:

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

* _____
Attorney
Department of Transportation

JOHN J. KOZAK
Director of Transportation


City Attorney

By 
ACTING District Director

By _____

* May be deleted if not applicable.

Approval by State's Attorney is not required unless changes are made to this form, in which case the draft will be submitted for Headquarters' review and approval by State's Attorney as to form and procedure.



DISCUSSION & ACTION CALENDAR

FORREST J. SPRAGUE

Willows City Councilman

801 Applewood Way Willows, CA 95988

Ph: 530-514-8700 Email: forsprague@aol.com

May 15, 2024

Willows City Council
201 Lassen Street
Willows, CA 95988

**RE: Complaint against City Manager
Marti Brown and Building Official
Wyatt Paxton for their nonfeasance**

Dear Mayor Hansen and Councilmembers

Cornell Law School defines nonfeasance: “The omission to perform a required duty or the failure to act when a duty to act existed. Nonfeasance can more loosely be defined as not doing something which you ought to do.”

BACKGROUND:

Back on March 1, 2023, Wyatt Paxton, the Willows Building Official, served a 10-page Notice and Order to the owners of Cedar Hills declaring the complex “dangerous and substandard.” In his Notice Mr. Paxton correctly cited the Regulation of Buildings Used for Human Habitation. Please review the pertinent highlighted sections within the attached three pages of Mr. Paxton’s Notice.

Many State regulations are used to determine substandard conditions of inhabited dwellings. The Regulation of Buildings Used for Human Habitation is applied primarily for code enforcement of apartment complexes. One section describes buildings that are considered “substandard” as those with faulty weather protection, including the deteriorated or ineffective waterproofing of their roofs.

In August 2023, since his previous complaints to the then-onsite property manager were repeatedly ignored by her, Cedar Hills resident John O’Connell submitted a formal complaint to City Hall about the roof leaks in his apartment building. During winter storms, rain water regularly pooled on the floor of his downstairs apartment.

To protect his belongings and furniture, as well as to prevent damage to his unit, during every rain storm, Mr. O’Connell was forced to vacuum and mop up the standing water. This wet condition on the hard-surface floor of his unit created a dangerous slip-and-fall situation for any person his age.

In September 2023, I participated in onsite meetings to discuss the tenant complaints, fire safety inspections, and the building department reports, which outlined the hazardous conditions of Cedar Hills. Mr. Paxton also attended the meetings. At first, he and I freely discussed the status of repairs at the complex. But for some reason unknown to me, that interaction soon ceased.

Starting in the early winter of 2023 through March 2024, Mr. O’Connell frequently contacted me about water intrusion into his unit during bad weather; the ignoring of his complaints by the then-onsite manager; and the several rude and dismissive responses he received from City Hall regarding his complaints.

As a building contractor, I have knowledge of the inherent defects of faulty roofs designed and built like those at Cedar Hills. During the winter of 2023/24, I explained the probable cause and locations of the roof leaks to the former onsite Cedar Hills manager a couple of times. But she always replied that the owners of the complex did not want to pay for the repairs. (See attached Google snippets)

In late February 2024, I gave Ms. Brown the attached photos I had taken that confirm water on the floor of Mr. O'Connell's unit after a rain storm. I also described to her the roof design problems.

MORE RECENTLY:

City Manager Brown copied all of our March through April string of emails concerning this matter. In one of her emails, she asked me this absurd and offensive question: "Has Mr. O'Connell hired you to advocate and work on his behalf, because that would be a conflict of interest as you are a seated Councilmember?" That is not the first time she has insulted me by suggesting that following up on citizen complaints about poor City staff behavior, constitutes unethical conduct on my part.

On Friday March 1, 2024, exactly one year after Mr. Paxton sent his Notice of violations to the owners of Cedar Hills, a new onsite property manager was hired. The following Monday, I described to her my proposed solutions to the roof leak problems. By Thursday, the new manager had the roof repaired. As I suspected, the result was Mr. O'Connell's floor stayed dry during the following storms.

Consequently, on March 22, 2024, Ms. Brown was able to send the attached letter to Mr. O'Connell saying that his case of August 3, 2023, was "considered closed."

Again, because of my familiarity with the roof design I knew why and where roof leaks would likely develop. *Had I not been prohibited from having discussions with Mr. Paxton*, the roof leak problem could have been solved last fall, and a lot of Mr. O'Connell's grief and the City's possible exposure to legal liability for an injury would have been avoided. (See the attached Google snippets)

In one of her emails to me, Ms. Brown said, "As I have repeatedly stated, the Building Inspector has not observed evidence of any code enforcement violations and not every maintenance issue is a code enforcement violation." Nevertheless, in his March 1, 2023, Notice to the owners of Cedar Hills, Building Inspector Paxton correctly listed defective roofing conditions as a code violation. And Mr. Paxton was well aware of the water infiltration into Mr. O'Connell's apartment during storms.

Ms. Brown also says in her March letter to Mr. O'Connell, "...none of these complaints are Municipal Code Violations..." Since she believes that City codes may be silent on this matter, apparently she wrongly assumes that other Building Codes are unenforceable by the City. But standing water on a hard-surface floor creates a slip-and-fall condition for all Cedar Hills tenants. Clearly this is a health and safety matter that deserved the City's attention before, and it deserves attention now.

APPLICABLE GOVERNMENT CODES:

The following are relevant phrases from the Regulation of Buildings used for Human Habitation:

"Any building...in which there exists any...conditions...that endangers the...health, safety...of...the occupants...shall be deemed...to be a substandard building.

Structural hazards shall include deteriorated or **ineffective waterproofing of ...roofs...**" (Emphasis added)

"The **building department of every city...shall enforce within its jurisdiction** all the provisions published in the **State Building Standards Code...**and the other rules and regulations...**pertaining to the...repair...of apartment houses...**" (Emphasis added)

Under the Designation of the Department or Officer, the Health and Safety Code Section 17964 says:

"By...ordinance...**a city...may designate and charge** a department organized to carry out the purposes...[and] with **the enforcement...of the building standards** published in the California Building Standards Code, or...other regulations adopted...**for the protection of the public health, safety, and general welfare...**" (Emphasis added)

In addition, Government Code Section 815.6 provides:

"Where a **public entity is under a mandatory duty** imposed by an enactment [building safety codes] that is designed **to protect against...risk of** a particular kind of **injury...the public entity is liable for an injury...caused by its failure to discharge the duty unless the public entity establishes that it exercised reasonable diligence to discharge the duty.**" (Emphasis added)

THE REASONS FOR MY COMPLAINT:

Regardless of whether anyone suffered an injury because of the slippery floors caused by the rain water entering their units, both Ms. Brown and Mr. Paxton have negligently exposed the City to potential financial liability by their individual and collective nonfeasance, and their failure to discharge their respective duties. Neither Ms. Brown nor Mr. Paxton can claim ignorance of the circumstances, nor can they declare that they exercised any "reasonable diligence" in this situation.

CURRENTLY:

I am told that at Cedar Hills there are six more unresolved complaints about roof leaks during storms similar to Mr. O'Connell's. I have given the regional and onsite managers copies of the attached building code sections, and encouraged them to use this information to persuade the owners of the complex to fix the roof drain problem during the summer.

I have offered my continued support to the new onsite manager during her efforts to revitalize the Cedar Hills complex. I am doing this because the tenants are **our constituents**, so it is the right thing to do. And improving the overall character of Cedar Hills will also help restore the image and reputation of Willows. So contrary to what Ms. Brown might imagine, I am not doing this for money.

Respectfully,



March 1, 2023

NOTICE AND ORDER OF BUILDING OFFICIAL & FIRE CHIEF

RE: PROPERTY ADDRESS: 600 North Humbolt Willows, CA. 96021

PROPERTY Assessor's Parcel No. (APN): 005-330-009-000 and 005-330-010-000

YOU ARE HEREBY RECEIVING THIS NOTICE AND ORDER based on the following findings and conclusions of the Building Official for the City of Willows, California. He has deemed the above stated property labeled with the Assessor's Parcel Number 005-330-009-000 and 005-330-010-000 and located at Cedar Hills Apartments 600 North Humbolt Ave. in Willows, California both a "Dangerous Building" and Substandard Building".

Upon inspection, the building was found to be dangerous and substandard per the 1997 Uniform Housing Code, California Health & Safety Code, Division 13, Part 1.5. Regulation of Buildings Used for Human Habitation and the 1997 Uniform Code for the Abatement of Dangerous Buildings. Exhibit "A" attached. The applicable Sections of the Code are Sections 1001.2 through 1001.13:

Section 1001.2: Inadequate Sanitation, No's. 1-15

Section 1001.3: Structural Hazards, No's. 1-7

Section 1001.4: Nuisance

Section 1001.5: Hazardous Electrical

Section 1001.6: Hazardous Plumbing

Section 1001.8: Faulty Weather Protection No's. 1-4

Section 1001.9: Fire Hazard

Section 1001.10: Faulty Materials of Construction

Section 1001.12: Inadequate Exits

Section 1001.13 Inadequate Fire-protection or Firefighting Equipment.

Health Safety Codes-HSC Division 13. Housing 17000-19997

Violations are applicable as well as follows:

Section 1.8.9 UNSAFE BUILDINGS OR STRUCTURES

Article 5 Violations 19170-19170

Part 1.5 Regulation of Buildings Used for Human Habitation 17910-17992

California Health & Safety Code, Division 13, Part 1.5. Regulation of Buildings Used for Human Habitation

Section 17920.3. Any building or portion thereof including any dwelling unit, guestroom or suite of rooms, or the premises on which the same is located, in which there exists any of the following listed conditions to an extent that endangers the life, limb, health, property, safety, or welfare of the public or the occupants thereof shall be deemed and hereby is declared to be a substandard building:

(a) Inadequate sanitation shall include, but not be limited to, the following:

(6) Lack of adequate heating.

(7) Lack of, or improper operation of required ventilating equipment.

(8) Lack of minimum amounts of natural light and ventilation required by this code.

(9) Room and space dimensions less than required by this code.

- **Section 1001.6 Hazardous Plumbing:** Plumbing that was installed in violation of code requirements in effect at the time of installation or plumbing not installed in accordance with generally accepted construction practices in areas where no codes were in effect or that has not been maintained good condition or that is not free of cross-connections or siphonage between fixtures shall be considered substandard.
- **Section 1001.7 Hazardous Mechanical Equipment:** Mechanical equipment that was installed in violation of code requirements in effect at the time of installation or mechanical equipment not installed in accordance with generally accepted construction practices in areas where no codes were in effect or that has not been maintained in good and safe condition shall be considered substandard.
- **Section 1001.8 Faulty Weather Protection:** Buildings or portions thereof shall be considered substandard when they have faulty weather protection, which shall include, but not be limited to, the following:
 1. Deteriorated, crumbling or loose plaster.
 2. Deteriorated or ineffective waterproofing of exterior walls, roof, foundation or floors, including broken windows or doors.
 3. Defective or lack of weather protection for exterior wall coverings, including lack of paint, or weathering due to lack of paint or other approved protective covering.
 4. Broken, rotted, split or buckled exterior wall coverings or roof coverings.
- **Section 1001.9 Fire Hazard:** Any building or portion thereof, device, apparatus, equipment, combustible waste, or vegetation that, in the opinion of the Chief of the Fire Department, is in such a condition as to cause a fire or explosion or provide a ready fuel to augment the spread and intensity of fire or explosion arising from any cause shall be considered substandard.
- **Section 1001.10 Faulty Materials of Construction:** The use of materials of construction, except those that are specifically allowed or approved by this code and the Building Code, and that have been adequately maintained in good and safe condition, shall cause a building to be substandard.
- **Section 1001.11 Hazardous or Insanitary Premises:** The accumulation of weeds, vegetation, junk, dead organic matter, debris, garbage, offal, rat harborages, stagnant water, combustible materials, and similar materials or conditions on a premises constitutes fire, health or safety hazards that shall be abated in accordance with the procedures specified in Chapter 11 of this code.
- **Section 1001.12 Inadequate Exits:** Except for those buildings or portions thereof that have been provided with adequate exit facilities conforming to the provisions of this code, buildings or portions thereof whose exit facilities were installed in violation of code requirements in effect at the time of their construction or whose exit facilities have not been increased in number or width in relation to any increase in occupant load due to alterations, additions or change in use or occupancy subsequent to the time of construction shall be considered substandard.

Notwithstanding compliance with code requirements in effect at the time of their construction, buildings or portions thereof shall be considered substandard when the Building Official finds that an unsafe condition exists through an improper location of exits, a lack of an adequate number or width of exits, or when other conditions exist that are dangerous to human life.

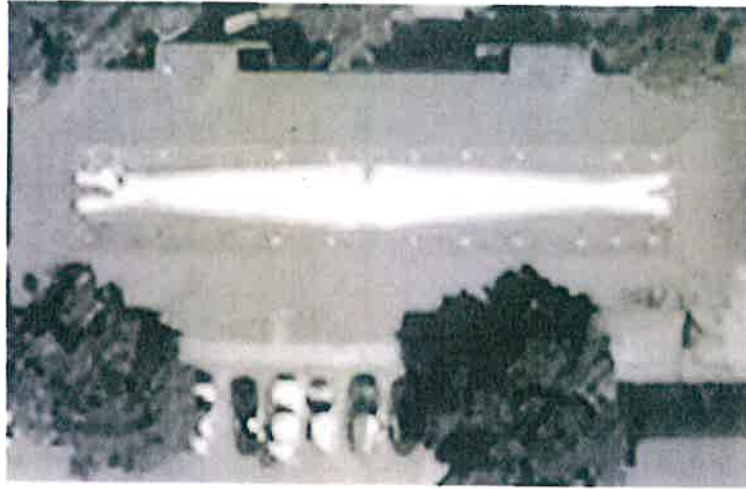
11. Whenever the building or structure, exclusive of the foundation, shows 33 percent or more damage or deterioration of its supporting member or members, or 50 percent damage or deterioration of its nonsupporting members, enclosing or outside walls or coverings.
12. Whenever the building or structure has been so damaged by fire, wind, earthquake or flood, or has become so dilapidated or deteriorated as to become (i) an attractive nuisance to children; (ii) a harbor for vagrants, criminals or immoral persons; or as to (iii) enable persons to resort thereto for the purpose of committing unlawful or immoral acts.
13. Whenever any building or structure has been constructed, exists or is maintained in violation of any specific requirement or prohibition applicable to such building or structure provided by the building regulations of this jurisdiction, as specified in the Building Code or Housing Code, or of any law or ordinance of this state or jurisdiction relating to the condition, location or structure of buildings.
14. Whenever any building or structure which, whether or not erected in accordance with all applicable laws and ordinances, has in any nonsupporting part, member or portion less than 50 percent, or in any supporting part, member or portion less than 66 percent of the (i) strength, (ii) fire-resisting qualities or characteristics, or (iii) weather-resisting qualities or characteristics required by law in the case of a newly constructed building of like area, height and occupancy in the same location.
15. Whenever a building or structure, used or intended to be used for dwelling purposes, because of inadequate maintenance, dilapidation, decay, damage, faulty construction or arrangement, inadequate light, air or sanitation facilities, or otherwise, is determined by the health officer to be unsanitary, unfit for human habitation or in such a condition that is likely to cause sickness or disease.
16. Whenever any building or structure, because of obsolescence, dilapidated condition, deterioration, damage, inadequate exits, lack of sufficient fire-resistive construction, faulty electric wiring, gas connections or heating apparatus, or other cause, is determined by the fire marshal to be a fire hazard.
17. Whenever any building or structure is in such a condition as to constitute a public nuisance known to the common law or in equity jurisprudence.
18. Whenever any portion of a building or structure remains on a site after the demolition of the building or structure or whenever any building or structure is abandoned for a period in excess of six months so as to constitute such building or portion thereof an attractive nuisance or hazard to the public.

Sincerely,

COPY

Wyatt Paxton, Building Official
City of Willows

30x9



This is an aerial view of the hot-mopped roof on Mr. O'Connell's apartment building. The white area is hidden from the ground. It is bathtub shaped, slightly sloped, and has two drains at each end.

The outer dark area is the shingled roof seen from the ground. These areas are more sloped and have rain gutters at the eaves. The small white spots are insignificant, likely plumbing pipe air vents.



This snippet shows the two roof drain pipes that protrude from the attic. The pipe on the right is larger, intended to discharge leaves collected at the main drain inlet. The one on the left is smaller, meant as a secondary overflow outlet in case the main drain inlet becomes plugged with debris.

Many times it is the unseen defective drain inlets located in the lowest part of the hot-mopped, "bathtub shaped," but nearly flat roof that causes the roof to leak.

At the common or "party wall," separating the living spaces on each side of the building, there is likely an intentional air space that is possibly four to six inches wide. Perhaps that air space is open horizontally from each end of the building and vertically from the attic down to the concrete foundation. It is common for that air space to contain various sanitary plumbing and water pipes.

To limit the sound transfer between each side of the building, the second floor structure likely stops at edge of the air space. So when a roof drain leaks, the rain falls beyond the top floor down to the lower concrete floor. Thus, water flows easily into the downstairs units on each side of the building.

Below are photos of Mr. O'Connell's unit at Cedar Hill Manor, taken by Willows City Councilman Forrest Sprague the morning after a nighttime rainstorm.



Mr. O'Connell is standing on the left after vacuuming water from his floor during a rainstorm.



During rain storms, water enters Mr. O'Connell's unit through this closet located on the party wall between each side of the apartment building. Sprague dipped his finger into a 1/8-plus inch deep of standing water the morning after a rainstorm.



March 22, 2024

Mr. John O'Connell

600 North Humboldt Street, Apt. #109
Willows, CA 95988

Re: Code Enforcement Complaint (Dated: August 3, 2023)

Dear Mr. O'Connell:

City staff received and investigated your code enforcement complaint originally dated August 3, 2023. To date, staff have been unable to identify any Willows Municipal Code violations warranting issuance of a code enforcement citation to the property owners of 600 North Humboldt Street.


Staff also contacted the property management team of 600 North Humboldt Street apartment complex (Cedar Hills Manor) on more than one occasion requesting that your complaints and unit be inspected. As of March 11, 2024, property management determined that there was a clogged gutter adjacent to your apartment building that was causing the leak into your unit. On March 20, they confirmed that the gutter was cleaned, and the problem has been resolved.

Please note, should there be future code enforcement complaints, please first notify the Property Management company, document your contract with them, and wait a reasonable amount of time for them to respond and make any necessary repairs. If they do not respond, submit a code enforcement complaint to the city. Also, please be aware that the City needs authorization from both the property management company, as well as the tenant, before entering the property and inspecting individual units.

While the City is aware of other complaints that you may have regarding your apartment unit, to the City's knowledge, none of these complaints are Municipal Code violations and, therefore, should be addressed directly to the property management team of 600 North Humboldt Street.

The August 3, 2023, code enforcement complaint is now considered closed. Should you have a new code enforcement complaint, please submit a city code enforcement form downloaded from the City's website or obtained at City Hall. If photographs are included, please provide color photos or copies. Thank you.

Sincerely,


Marti Brown,
City Manager

CC: The 0312 Ramona Apartments LP

HEALTH AND SAFETY CODE - HSC

DIVISION 13. HOUSING [17000 - 19997]

(Division 13 enacted by Stats. 1939, Ch. 60.)

PART 1.5. REGULATION OF BUILDINGS USED FOR HUMAN HABITATION [17910 - 17998.3]

(Part 1.5 added by Stats. 1961, Ch. 1844.)

CHAPTER 2. Rules and Regulations [17920 - 17929]

(Chapter 2 added by Stats. 1961, Ch. 1844.)

17920.3.

Any building or portion thereof including any dwelling unit, guestroom or suite of rooms, or the premises on which the same is located, in which there exists any of the following listed conditions to an extent that endangers the life, limb, health, property, safety, or welfare of the public or the occupants thereof shall be deemed and hereby is declared to be a substandard building:

(a) Inadequate sanitation shall include, but not be limited to, the following:

- (1) Lack of, or improper water closet, lavatory, or bathtub or shower in a dwelling unit.
- (2) Lack of, or improper water closets, lavatories, and bathtubs or showers per number of guests in a hotel.
- (3) Lack of, or improper kitchen sink.
- (4) Lack of hot and cold running water to plumbing fixtures in a hotel.
- (5) Lack of hot and cold running water to plumbing fixtures in a dwelling unit.
- (6) Lack of adequate heating.
- (7) Lack of, or improper operation of required ventilating equipment.
- (8) Lack of minimum amounts of natural light and ventilation required by this code.
- (9) Room and space dimensions less than required by this code.
- (10) Lack of required electrical lighting.
- (11) Dampness of habitable rooms.
- (12) Infestation of insects, vermin, or rodents as determined by a health officer or, if an agreement does not exist with an agency that has a health officer, the infestation can be determined by a code enforcement officer, as defined in Section 829.5 of the Penal Code, upon successful completion of a course of study in the appropriate subject matter as determined by the local jurisdiction.
- (13) Visible mold growth, as determined by a health officer or a code enforcement officer, as defined in Section 829.5 of the Penal Code, excluding the presence of mold that is minor and found on surfaces that can accumulate moisture as part of their properly functioning and intended use.
- (14) General dilapidation or improper maintenance.

(15) Lack of connection to required sewage disposal system.

(16) Lack of adequate garbage and rubbish storage and removal facilities, as determined by a health officer or, if an agreement does not exist with an agency that has a health officer, the lack of adequate garbage and rubbish removal facilities can be determined by a code enforcement officer as defined in Section 829.5 of the Penal Code.

(b) Structural hazards shall include, but not be limited to, the following:

(1) Deteriorated or inadequate foundations.

(2) Defective or deteriorated flooring or floor supports.

(3) Flooring or floor supports of insufficient size to carry imposed loads with safety.

(4) Members of walls, partitions, or other vertical supports that split, lean, list, or buckle due to defective material or deterioration.

(5) Members of walls, partitions, or other vertical supports that are of insufficient size to carry imposed loads with safety.

(6) Members of ceilings, roofs, ceiling and roof supports, or other horizontal members which sag, split, or buckle due to defective material or deterioration.

(7) Members of ceilings, roofs, ceiling and roof supports, or other horizontal members that are of insufficient size to carry imposed loads with safety.

(8) Fireplaces or chimneys which list, bulge, or settle due to defective material or deterioration.

(9) Fireplaces or chimneys which are of insufficient size or strength to carry imposed loads with safety.

(c) Any nuisance.

(d) All wiring, except that which conformed with all applicable laws in effect at the time of installation if it is currently in good and safe condition and working properly.

(e) All plumbing, except plumbing that conformed with all applicable laws in effect at the time of installation and has been maintained in good condition, or that may not have conformed with all applicable laws in effect at the time of installation but is currently in good and safe condition and working properly, and that is free of cross connections and siphonage between fixtures.

(f) All mechanical equipment, including vents, except equipment that conformed with all applicable laws in effect at the time of installation and that has been maintained in good and safe condition, or that may not have conformed with all applicable laws in effect at the time of installation but is currently in good and safe condition and working properly.

(g) Faulty weather protection, which shall include, but not be limited to, the following:

(1) Deteriorated, crumbling, or loose plaster.

(2) **Deteriorated or ineffective waterproofing** of exterior walls, **roofs**, foundations, or floors, including broken windows or doors.

(3) Defective or lack of weather protection for exterior wall coverings, including lack of paint, or weathering due to lack of paint or other approved protective covering.

Penalties

California Code, Health and Safety Code - HSC § 17061

Current as of January 01, 2023

(a) Any person who violates, or causes another person to violate, any provision of this part is guilty of a misdemeanor, punishable by a fine of not more than two thousand dollars (\$2,000), or imprisonment for not more than 180 days, or both, for each violation of this part, provided that the violation does not cause personal injury to any person.

(b) Any person who willfully violates, or causes another person to violate, any provision of this part, provided that the violation causes personal injury to any person, is punishable by imprisonment pursuant to subdivision (h) of Section 1170 of the Penal Code for two, three, or four years, or in a county jail not exceeding one year, or by a fine of not less than four thousand dollars (\$4,000), but not exceeding ten thousand dollars (\$10,000), or by both that fine and imprisonment for each violation, or each day of a continuing violation, causing personal injury. This subdivision shall not be construed to preclude, or in any way limit, the applicability of any other law in any criminal prosecution.

(c) Any person who violates any provision of this part shall be liable for a civil penalty of not less than three hundred dollars (\$300), nor more than one thousand dollars (\$1,000), for each violation or for each day of a continuing violation. The amount of the civil penalty may be doubled, to a limit of not more than ten thousand dollars (\$10,000), for each violation or for each day of a continuing violation if the court determines that the violation was willful, or if the court finds that the person received notice from an enforcement agency within the prior three years regarding any employee housing owned or operated by that person, and the violations are so extensive and of such a nature that the immediate health and safety of the residents or the public is endangered or has been endangered. The enforcement agency, or any person or entity affected by the violation, may institute or maintain an action in the appropriate court to collect any civil penalty arising under this subdivision and may be awarded reasonable costs and attorney's fees incurred in proving the existence of each violation and the liability for the civil penalties.



Date: May 28, 2024

To: Honorable Mayor and City Council

From: John Wanger, City Engineer
Joe Bettencourt, Community Development & Services Director
Marti Brown, City Manager

Subject: Award of Contract for the FY23-24 Annual Sidewalk Maintenance Project

Recommendation:

Approve a resolution authorizing the City Manager to sign an agreement with FBD Vanguard Construction, Inc. for \$47,075 to construct sidewalk improvements in connection with the FY23-24 Annual Sidewalk Maintenance Project and establish an overall budget for the project of \$64,777.

Rationale for Recommendation:

On May 7, 2024, bids were publicly opened for the FY23-24 Annual Sidewalk Maintenance Project for the purpose of repairing damaged and offset sidewalks at various locations throughout the City. Four bids were received ranging in price from \$47,075 to \$91,600. The lowest responsible bid was submitted by FBD Vanguard Construction, Inc. of Livermore. Based on both the City Municipal Code and the Public Contract Code, the project must be awarded to the lowest responsive and responsible bidder.

Background:

In an ongoing effort to improve sidewalks in the city by correcting deficiencies, staff identified four locations totaling 1,100 square feet of sidewalk to be included with this year's sidewalk maintenance program. The sidewalks slated for repairs are on several streets throughout the city. Locations of the repairs are shown on the attached list (Attachment 1).

Bids were opened on May 7, 2024. Four bids were received, ranging in price from \$47,075 to \$91,600. The engineer's estimate for the project was \$51,000. The low bid was submitted by FBD Vanguard Construction, Inc. Staff has completed a check of FBD Vanguard Construction's bid and found that the bid was responsive, that their contractor's license is active and valid (e.g., they possess a Class A license as required by the bid documents that expires on 2/28/2026), and that the bid contained the required information per the Notice to Bidders.

From an environmental standpoint and compliance with CEQA, the project is determined to be Categorically Exempt in accordance with Section 15301(c), as the project involves maintenance and repair of existing sidewalks.

Staff has found that FBD Vanguard Construction's bid satisfies the bidding requirements for the project and staff is recommending an award of the project.

Fiscal Impact:

Based on the low bid for the project, the overall recommended budget for this project is as follows:

| | |
|-------------------------------------|------------------|
| Construction: | \$ 47,075 |
| Contingency (10%): | \$ 4,707 |
| Construction Management/Inspection* | <u>\$ 12,995</u> |
| Estimated total | \$ 64,777 |

* Construction management and inspection assumes 2 hours of inspection per day for the duration of the 15 working day contract and 10 hours of construction management.

The primary source of project funding is RSTP funds.

Attachment:

- Attachment 1: List of Sidewalk Repair Locations
- Attachment 2: Resolution XX-2024

LIST OF SIDEWALK REPAIR LOCATIONS:

| ID # | Address | Area (SF) |
|------|---|-----------|
| 001 | South side of Sycamore Park (on W Laurel St., between Merrill Ave. and Marshall Ave.) | 760 |
| 002 | 1135 W Laurel Street (on Villa Avenue) | 100 |
| 003 | 101 S Villa Ave. | 120 |
| 004 | 302 W Walnut St | 120 |



**City of Willows
Resolution xx-2024**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLOWS, STATE OF CALIFORNIA,
AUTHORIZING THE CITY MANAGER TO SIGN A CONTRACT WITH FBD VANGUARD CONSTRUCTION,
INC. FOR THE FY23-24 ANNUAL SIDEWALK MAINTENANCE PROJECT, APPROVE AN OVERALL BUDGET
FOR THE PROJECT AND FIND THAT THE PROJECT IS CATEGORICALLY EXEMPT**

WHEREAS, in accordance with California Public Contract Code Sections 20162-20164 and other applicable law, the City of Willows solicited bids for the FY23-24 Annual Sidewalk Maintenance Project ("Project"); and

WHEREAS, bids for the Project were opened on May 7, 2024, in accordance with California Public Contract Code Section 4104.5 and other applicable laws; and

WHEREAS, four bids were received with the bids ranging from a low bid of \$47,075 to a high of \$91,600, with the low bid being from FBD Vanguard Construction, Inc.; and

WHEREAS, staff has determined that FBD Vanguard Construction's bid satisfies the bidding requirements for the Project; and

WHEREAS, staff has verified that FBD Vanguard Construction, Inc. possesses valid California Contractor's Licenses under the requested Class A, number 833032 (expires 2/28/2026) as required to qualify to perform the Project; and

WHEREAS, the Project is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Section 15301(c) of Title 14 of the California Code of Regulations in that this project involves maintenance and repair work on existing sidewalks.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WILLOWS AS
FOLLOWS:**

1. The above recitals are true and correct and are hereby incorporated into this Resolution as findings of the City Council of the City of Willows.
2. The Project is categorically exempt from CEQA in accordance with Section 15301(c) of Title 14 of the California Code of Regulations.
3. In accordance with California Public Contract Code Section 20160 and following other applicable laws, the City Council of the City of Willows hereby finds the bid of FBD Vanguard Construction, Inc. for the FY23-24 Annual Sidewalk Maintenance Project to be the lowest responsive bid and waives any irregularities in such bid in accordance with applicable law.

4. The contract for the Project is hereby awarded to FBD Vanguard Construction, Inc., in the amount of \$47,075, conditioned on FBD Vanguard Construction's timely execution of the Project contract and submitting all required documents, including, but not limited to, certificates of insurance, and endorsements, in accordance with the Project bid documents.
5. The City Manager is hereby authorized and directed to execute with FBD Vanguard Construction, Inc. for performance of the Project in accordance with the bid documents and applicable law upon submission by FBD Vanguard Construction, Inc. of all documents required pursuant to the Project bid documents.
6. That the overall budget for the Project be established at \$64,777.
7. The City Manager is hereby authorized to execute any contract change orders in accordance with the Project contract documents so long as the total Project cost does not exceed the total funding for this Project in the adopted budget.
8. City staff is hereby directed to issue a Notice of Award to FBD Vanguard Construction, Inc.
9. This Resolution shall become effective immediately.
10. All portions of this resolution are severable. Should any individual component of this Resolution be adjudged to be invalid and unenforceable by a body of competent jurisdiction, then the remaining resolution portions shall be and continue in full force and effect, except as to those resolution portions that have been adjudged invalid. The City Council of the City of Willows hereby declares that it would have adopted this Resolution and each section, subsection, clause, sentence, phrase and other portion thereof, irrespective of the fact that one or more section subsection, clause sentence, phrase or other portion may be held invalid or unconstitutional.

PASSED AND ADOPTED by the City Council of the City of Willows this 28th day of May 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTESTED:

Gary Hansen, Mayor

Amos Hoover, City Clerk



Date: May 28, 2024

To: Honorable Mayor and Councilmembers

From: Joe Bettencourt, Community Development & Services Director
Marti Brown, City Manager

Subject: Retail/Dispensary Cannabis Businesses – Modify Distance Requirements

Recommendation:

Adopt a resolution eliminating distance requirements between retail/dispensary cannabis businesses and churches, licensed daycare, playgrounds, and/or parks; and reducing the distance requirements to 500 feet between retail/dispensary cannabis businesses and preschool through grade 12 schools; and consider allowing retail dispensary cannabis businesses in additional zoning.

Rationale for Recommendation:

While the Willows Municipal Code permits the establishment of commercial Cannabis facilities withing specific zoning, it does require a 1,000-foot setback from churches, schools, licensed daycare or preschool facilities, playgrounds and/or parks. This requirement has made it nearly impossible for investors to establish any retail Cannabis dispensaries within the City limits. The zones in which retail/dispensary Cannabis businesses can operate, with a Conditional Use Permit, are General Commercial, Highway Commercial and combined zones (General Commercial/Light Industrial/Planned Development and General Commercial/Planned Development).

Background:

The City of Willows Municipal Code (WMC) Section 9.20.070 allows for the commercial sale of Cannabis and Cannabis products for medical and nonmedical uses, subject to the conditions set forth in this code, and only in zones in which such sales are permitted uses pursuant to WMC Title 18. The zones in which retail/dispensary Cannabis businesses can operate, with a Conditional Use Permit, are General Commercial, Highway Commercial, and combined zones (General Commercial/Light Industrial/Planned Development and General Commercial/Planned Development).

On November 28, 2017, the Willows City Council adopted a Cannabis Ordinance (#736-2017) to facilitate the approval, regulation, and operation of cannabis businesses. This ordinance, as chaptered in the WMC along with State laws and regulations imposes strict zoning, security, and operational requirements on cannabis dispensaries.

Thereafter, the Willows City Council adopted resolution (#32-2017) which established 1,000-foot setbacks from churches, schools, licensed daycare or preschool facilities, playgrounds and/or parks for retail cannabis dispensaries.

On April 27, 2022, a Request for Proposals (RFP) for applications for a Cannabis Retail Dispensary Permit was publicly released with a submittal deadline of June 1, 2022. The RFP sought applications from individuals and companies, who wished to develop and operate a cannabis retail dispensary facility in Willows. One proposal was received from Sundial Collective Willows.

Subsequently, a Phase 2 application was submitted and reviewed by Staff and on October 17, 2022, the applicant was notified that the Phase 2 submittal was determined to be complete, and they could proceed to the use permit stage. On December 14, 2022, a Use Permit application was presented to the Planning Commission for review and consideration and the resolution was approved. At the February 14, 2023, City Council meeting, a public hearing was held, and a Resolution was passed approving a business license for Sundial Collective.

Since the business license approval, Sundial Collective has never moved forward with construction of the project in South Willows and the permit has since expired.

Prior to Sundial Collective, Element 7 was another dispensary applicant whose permit also expired, and the project was never completed. In both instances, the applicants would have preferred to occupy existing buildings (because its more affordable), but they could not find any buildings in the city limits that satisfied the City's distance and/or zoning requirements. As a result, they resolved to construct a new building, but ran out of funding to complete the projects.

Discussion & Analysis:

Since the expiration of Sundial Collectives permit, only two investors have demonstrated interest in establishing dispensaries in the City of Willows. In both instances, they are having difficulties finding existing buildings that satisfy the City's distance and/or zoning requirements.

Under most circumstances, dispensary applicants prefer to occupy an existing building as there are financial benefits compared to purchasing land and constructing a new building. By removing the distance requirements from churches, schools, licensed daycare or preschool facilities, playgrounds and/or parks, and reducing the distance requirements to 500 feet from kindergarten through grade 12 schools, the City will increase the opportunity for private retail dispensary investment in existing structures and allowable zoned areas.

As a result of these challenges, staff reviewed State regulations, as well as the policies of other local jurisdictions. For example, the State does not have any distance requirements for the location of a retail dispensary cannabis businesses but does have many safeguards in place to ensure the safety of customers and prevent underage purchases. The state mandates that cannabis goods are required to be in packaging that is child-resistant, tamper evident and resealable. In addition, there are strict labeling requirements such as:

1. Not making the label attractive to individuals under the age of 21 — This includes using cartoons, images popularly used to advertise to children, imitating candy labeling, and using the words “candy,” “candies” or a variation, such as “kandy” or “kandeez,” anywhere on the label.
2. Must contain government warning statement for nonmanufactured cannabis goods (in capital and bold letters) “GOVERNMENT WARNING: THIS PACKAGE CONTAINS CANNABIS, A SCHEDULE 1 CONTROLLED SUBSTANCE. KEEP OUT OF REACH OF CHILDREN AND ANIMALS. CANNABIS MAY ONLY BE POSSESSED OR CONSUMED BY PERSONS 21 YEARS OF AGE OR OLDER UNLESS THE PERSON IS A QUALIFIED PATIENT. CANNABIS USE WHILE PREGNANT OR BREASTFEEDING MAY BE HARMFUL. CONSUMPTION OF CANNABIS IMPAIRS YOUR ABILITY TO DRIVE AND OPERATE MACHINERY. PLEASE USE EXTREME CAUTION.”

Furthermore, State law mandates security requirements for retail dispensary cannabis businesses such as:

1. Individuals shall be granted access to the retail area to purchase cannabis goods only after the retailer or an employee of the retailer has confirmed the individual’s age and identity.
2. A licensed retailer or licensed microbusiness authorized to engage in retail sales shall hire or contract for security personnel who are at least 21 years of age to provide onsite security services for the licensed retail premises during the hours of operation. All security personnel hired or contracted for by the licensee shall be licensed by the Bureau of Security and Investigative Services.
3. Peace officers may use a person under 21 years of age to attempt to purchase cannabis goods, for the purposes of enforcing the Act and to apprehend licensees, employees, or agents of licensees who sell cannabis goods to minors. For purposes of this section, a “minor” is a person under 21 years of age.
4. Each licensed premises shall have a digital video surveillance system with a minimum camera resolution of 1280 × 720 pixels on the licensed premises.

5. A licensee shall maintain an alarm system as defined in Business and Professions Code section 7590.1(c) at the licensed premises.
6. A licensed retailer shall sell and deliver cannabis goods only between the hours of 6:00 a.m. Pacific Time and 10:00 p.m.

There are many other safeguards in place in addition to the provisions listed above. The full code of regulations can be found in the California Code of Regulations Title 4 Division 19. Department of Cannabis Control.

Many other jurisdictions are following State regulations and relaxing distance requirements such as the City of Chico and Red Bluff. In an effort to bolster the City of Willows' revenue stream, staff recommends following the lead of the State and surrounding municipalities by adopting the following recommended code revisions (or something similar) from the Cities of Chico and Red Bluff:

City of Chico Municipal Code 5.42.120 Commercial Cannabis Businesses – (Location Limitations):

- A. *All commercial cannabis businesses shall be located in an approved land use designation area as identified under Title 19.75.*
- B. *No retailer-storefront commercial cannabis business shall be located within 1000' feet of another retailer-storefront commercial cannabis business. In the event that two or more applications for commercial cannabis retailer-storefront uses are submitted and are under consideration simultaneously for locations within 1000' of each other, all applications may continue to be considered until final award of Commercial Cannabis Permit and use permit. However, final award of use permit by Planning Commission may not allow retailer-storefront uses to be located within 1000' of each other.*

City of Red Bluff Municipal Code 6B.17 - (Location Limitations):

- A. *Commercial cannabis businesses shall only be located in those zoning districts as set forth in Chapter 25.*
- B. *No commercial cannabis business may be located within a 600-foot linear radius measured from property line to property line of a school, day care center or youth center that is in existence at the time of submission of a completed initial application for a CCBP. This prohibition shall not apply to any subsequent renewal of a CCBP.*

Fiscal Impact:

There is no fiscal impact to the City by modifying distance requirements for Cannabis retail businesses. However, should a distance modification be approved by the Council, there is an increased chance that one or two Cannabis dispensaries may locate in the City of Willows thereby increasing the City's overall General Fund revenues.

Attachments:

- Attachment 1: Council Resolution XX-2024
- Attachment 2: Council Resolution 32-2017
- Attachment 3: Map of 1,000-foot Distance Requirement
- Attachment 4: Map of 500-foot Distance Requirement from Schools
- Attachment 5: Chico Cannabis Dispensary Ordinance
- Attachment 6: Red Bluff Cannabis Dispensary Ordinance



**City of Willows
Resolution XX-2024**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLOWS, STATE OF CALIFORNIA, MODIFYING
RESOLUTION 32-2017'S DISTANCE REQUIREMENTS FOR RETAIL/DISPENSARY CANNABIS BUSINESSES**

WHEREAS, on November 28, 2017 the City Council of the City of Willows enacted "An Ordinance of the City Council of the City of Willows Repealing Willows Municipal Code Chapter 9.20 ("Medical Marijuana"), Adopting New Chapter 9.20 ("Cannabis"), Repealing Chapter 8.10.010 ("Definitions"), Adopting New Chapter 8.10.010, and Amending Chapter 8.10 ("Nuisance") to Regulate Cannabis, Use, Cultivation, Sales, and Other Cannabis Activities in the City of Willows" (hereafter the "Cannabis Ordinance"); and

WHEREAS, the City Council of the City of Willows, pursuant to Chapter 9.20.070 of the Cannabis Ordinance has authorized the establishment of retail and dispensary businesses selling both medical and non-medical cannabis within the City of Willows; and

WHEREAS, Chapter 9.20.070 of the Cannabis Ordinance requires the City Council to adopt a resolution establishing the maximum number of Retail/Dispensary Cannabis Business licenses that may be issued within the City of Willows in order to prevent excessive concentrations of such businesses, and to set other special conditions that may be necessary and appropriate for the regulation of such businesses; and

WHEREAS, The City Council of the City of Willows approved Resolution 32-2017, which established that no such Retail/Dispensary Cannabis License shall be issued for any business location, and no such license holder may conduct business in any location, nearer than one thousand (1,000) feet to any church, elementary school, middle school, high school, licensed daycare or preschool facility, playground or parks; and

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WILLOWS AS
FOLLOWS:**

1. That no such Retail/Dispensary Cannabis License shall be issued for any business location, and no such license holder may conduct business in any location, nearer than five hundred (500) feet linear radius measured from property line to property line of a school and;
2. This Resolution supersedes the following provision of Resolution 32-2017 *"2. That no such Retail/Dispensary Cannabis License shall be issued for any business location, and no such license holder may conduct business in any location, nearer than one thousand (1,000) feet to any church, elementary school, middle school, high school, licensed daycare or preschool facility, playground or parks";* and

3. All other provisions of Resolution 32-2017 shall remain in full force and effect.

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council on this 28th day of May 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTESTED:

Gary Hansen, Mayor

Amos Hoover, City Clerk

RESOLUTION NO. 32-2017**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLOWS
ESTABLISHING THE MAXIMUM NUMBER OF RETAIL/DISPENSARY
CANNABIS BUSINESS LICENSES PERMITTED IN THE CITY OF WILLOWS**

WHEREAS, the City Council of the City of Willows, pursuant to Chapter 9.20.070 has authorized the establishment of retail and dispensary businesses selling both medical and non-medical cannabis within the City of Willows; and

WHEREAS, in 1996 "The Compassionate Use Act" of 1996 was enacted by Proposition 215 enabling persons who are in need of cannabis for medical purposes to obtain and use it without fear of State criminal prosecution; and

WHEREAS, on November 8, 2016 California voters approved Proposition 64, the "Adult Use of Marijuana Act", which established a licensing and regulatory framework for the cultivation, manufacture, transportation, storage, distribution, and sale of recreational cannabis, and which recognized the authority of local jurisdictions to either ban or regulate certain activities related to the cultivation, manufacture, transportation, storage, distribution, delivery, and sale of recreational cannabis; and

WHEREAS, on June 27, 2017 Governor Brown signed SB 94, a bill which among other things established a new statutory framework which reconciled the MCRSA and AUMA and regulating medical and non-medical cannabis use, possession, cultivation and commercial activities in the State of California (referred to as "MAUCRSA"); and

WHEREAS, on November 28, 2017 the City Council of the City of Willows enacted "An Ordinance of the City Council of the City of Willows Repealing Willows Municipal Code Chapter 9.20 ("Medical Marijuana"), Adopting New Chapter 9.20 ("Cannabis"), Repealing Chapter 8.10.010 ("Definitions"), Adopting New Chapter 8.10.010, and Amending Chapter 8.10 ("Nuisance") to Regulate Cannabis, Use, Cultivation, Sales, and Other Cannabis Activities in the City of Willows" (hereafter the "Cannabis Ordinance"); and

WHEREAS, the City Council of the City of Willows, pursuant to Chapter 9.20.070 of the Cannabis Ordinance has authorized the establishment of retail and dispensary businesses selling both medical and non-medical cannabis within the City of Willows; and

WHEREAS, Chapter 9.20.070 of the Cannabis Ordinance requires the City Council to adopt a resolution establishing the maximum number of Retail/Dispensary Cannabis Business licenses that may be issued within the City of Willows in order to prevent excessive concentrations of such businesses, and to set other special conditions that may be necessary and appropriate for the regulation of such businesses; and

WHEREAS, the City Council finds and determines that the adoption of this Resolution is exempt from environmental review pursuant to California Environmental Quality Act Guidelines

Section 15061(b)(3) in that there is nothing in this Resolution or its implementation that could have a foreseeable significant effect on the environment,

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WILLOWS:

1. That, pursuant to Chapter 9.20.070 of the Willows Municipal Code, the City Council of the City of Willows hereby orders that the number of Retail/Dispensary Cannabis Licenses issued to conduct such business in the City of Willows shall not exceed two (2); and
2. That no such Retail/Dispensary Cannabis License shall be issued for any business location, and no such license holder may conduct business in any location, nearer than one thousand (1,000) feet to any church, elementary school, middle school, high school, licensed daycare or preschool facility, playground or parks; and
3. That the City of Willows Planning Commission is hereby directed to establish, in accordance with the terms of this Resolution, in which zones of the City of Willows Retail/Dispensary Cannabis Licensed business may operate as a permitted use.

PASSED AND ADOPTED by the City Council of the City of Willows this 28th day of November, 2017, by the following vote:

AYES: Williams, Mello, Yoder, Vice-Mayor Warren & Mayor Hansen

NOES: None.

ABSTAIN: None.


ABSENT: None.

ATTEST:

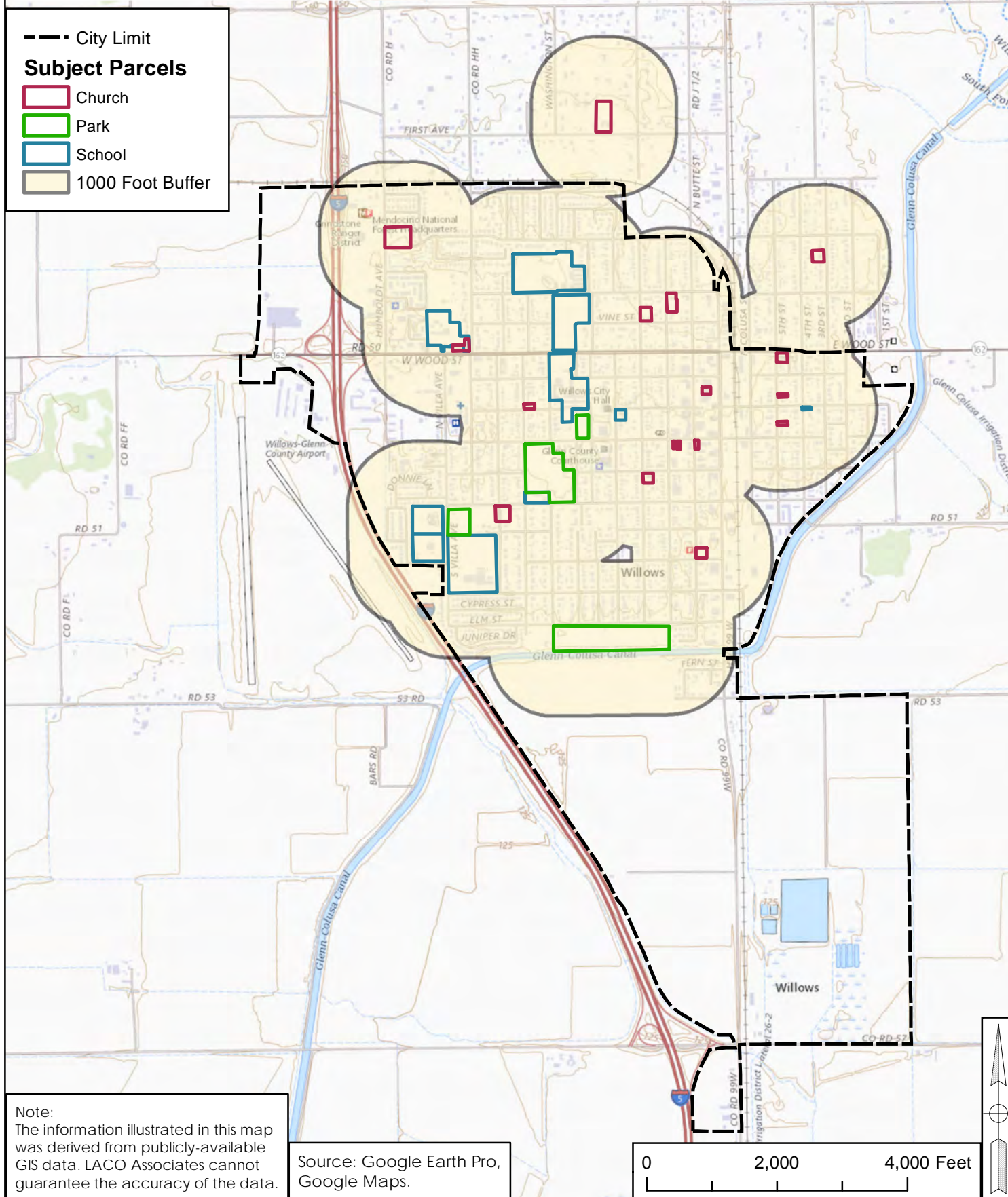

ROBYN JOHNSON, CITY CLERK

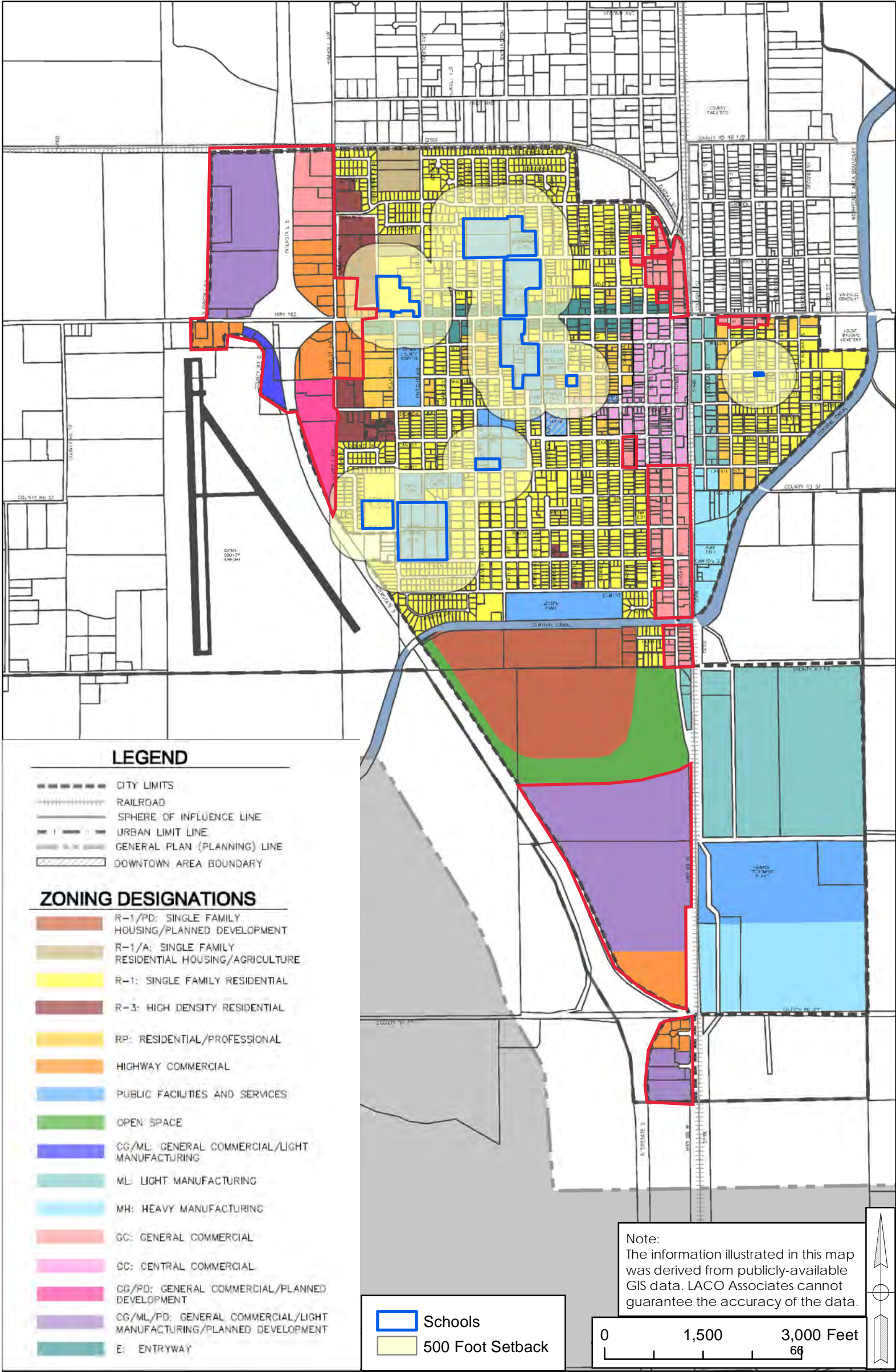
APPROVED:


GARY HANSEN, MAYOR

| | | | | | | |
|--|---|----------------------------------|-------|------------|---------|----------|
|  www.lacoassociates.com | PROJECT | City of Willows Ordinance Review | BY | MCH | FIGURE | |
| | CLIENT | City of Willows | CHECK | BET | | 1 |
| | LOCATION | City of Willows, CA | DATE | 03/18/2024 | JOB NO. | |
| | Dispensary Setback From Sensitive Parcels | | | | | 10560.00 |

REUSE OF DOCUMENTS: This document and the ideas and design incorporated herein, as an instrument of professional service, is the property of LACO Associates and shall not be reused in whole or part for any other project without LACO Associates express written authorization.





Chapter 5.42

COMMERCIAL CANNABIS BUSINESSES

Publisher's Note: This Chapter has been **AMENDED** by new legislation (Ord. [2589](#), adopted 7-5-2023). The text of the amendment will be incorporated below when the ordinance is codified.

Section:***ARTICLE I. GENERALLY***

- 5.42.010 Purpose and intent.**
- 5.42.020 Legal authority.**
- 5.42.030 Commercial cannabis businesses prohibited unless specifically authorized.**
- 5.42.040 Compliance with state and local laws.**
- 5.42.050 Definitions.**
- 5.42.060 Commercial cannabis businesses allowed; activities prohibited.**

ARTICLE II. COMMERCIAL CANNABIS PERMIT

- 5.42.100 Commercial cannabis permit required.**
- 5.42.105 Evidence of cannabis employee background check required.**
- 5.42.110 Number of commercial cannabis businesses authorized.**
- 5.42.120 Location limitations.**
- 5.42.130 Expiration, renewal, revocation, and suspension of commercial cannabis permits.**
- 5.42.140 Effect of license or permit expiration, suspension, revocation, or termination.**
- 5.42.150 Revocation of permits.**
- 5.42.160 Appeals.**
- 5.42.170 Appeal for initial permit; limited grounds.**

ARTICLE III. ISSUANCE AND PERMIT REQUIREMENTS

- 5.42.200 Permits and inspections prior to commencing operations.**
- 5.42.210 City business license.**
- 5.42.220 Limitations on City's liability.**
- 5.42.230 Permit; non-assignable and non-transferable.**
- 5.42.240 Change in location of commercial cannabis business.**
- 5.42.250 Changes in ownership of commercial cannabis business.**
- 5.42.260 Change in ownership when the permittee is a partnership or corporation.**
- 5.42.270 Changes in name of business only.**
- 5.42.280 Alterations to approved facility.**
- 5.42.290 Any other changes in information as reflected in the submitted application or entitlements.**

ARTICLE IV. OPERATIONAL REQUIREMENTS

- 5.42.300 General prohibitions.**
- 5.42.305 Restriction on alcohol and tobacco sales, dispensing or consumption.**
- 5.42.310 Operating requirements for store front retail facilities.**
- 5.42.311 Operating requirements for non-storefront retail facilities.**
- 5.42.312 Operating requirements for testing laboratories.**

- 5.42.313 Operating requirements for cannabis manufacturing.**
- 5.42.314 Operating requirements for distributors.**
- 5.42.315 Additional operating requirements for retail delivery businesses.**
- 5.42.316 Delivery services originating outside of City.**
- 5.42.317 Permissible delivery locations and hours of operation.**
- 5.42.320 Security requirements.**
- 5.42.330 Records and recordkeeping.**
- 5.42.340 Fees and charges.**
- 5.42.350 Promulgation of local regulations, standards and other legal duties.**
- 5.42.360 Fees deemed debt to City of Chico.**

ARTICLE V. ENFORCEMENT

- 5.42.400 Responsibility for violations.**
- 5.42.410 Inspections.**
- 5.42.420 Violations and penalties.**
- 5.42.430 Effect on other ordinances.**

ARTICLE I. GENERALLY

5.42.010 Purpose and intent.

The purpose of this chapter is to regulate commercial cannabis activity in the City of Chico, whether the cannabis is for medicinal or adult-use commercial purposes by enacting a permitting and regulatory scheme for this action.

It is the purpose and intent of this chapter, in conjunction with Title 19 of the Chico Municipal Code, and resolutions and other policies adopted by the City, to implement the provisions to provide access to cannabis as authorized by the California Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA" or the Act), and related laws, regulations, and policies issued by the State of California, while imposing reasonable regulations on commercial activities and the use of land to protect the City's residents, neighborhoods, and businesses from disproportionately negative impacts. As such, it is the purpose and intent of this chapter to regulate the manufacturing, testing, distribution, and retail sale of medicinal and adult-use cannabis and cannabis products, and the ancillary transportation and delivery of same, as may be amended from time to time by the State of California and the City, (hereinafter, collectively, "commercial cannabis businesses"), in a responsible manner to protect the health, safety, and welfare of the residents of the City of Chico and to enforce local rules and regulations consistent with State law. It is the purpose of this chapter to prohibit the commercial cultivation and microbusiness uses of cannabis within the City of Chico.

It is the further purpose and intent of this chapter to require all commercial cannabis businesses operating in the City to obtain and renew annually a Commercial Cannabis Permit to operate within Chico and an annual City of Chico Business License.

Nothing in this chapter is intended to authorize the possession, use, or provision of cannabis for purposes that violate State or federal law. The provisions of this chapter are in addition to any other permits, licenses, approvals, and compliance or regulatory inspections which may be required to conduct business in the City, and are in addition to any permits, licenses, approvals and compliance or regulatory inspections required under the City of Chico, the County of Butte, State of California, or other state and local laws, rules and regulations.

(Ord. 2552 §1, Ord. 2589 §2)

5.42.020 Legal authority.

The City of Chico is a Charter City, established under the Constitution of the State of California, has the power to make and enforce within its jurisdictional limits all laws and regulations in respect to municipal affairs subject only to such restriction and limitations as may be provided in the Constitution of the State of California or provision of the City Charter. Moreover, pursuant to Sections 5 and 7 of Article XI of the California Constitution, the provisions of MAUCRSA, any subsequent state legislation and/or regulations regarding same, the City of Chico is authorized to adopt ordinances that establish standards, requirements and regulations for the licensing and permitting of commercial cannabis businesses. Moreover, pursuant to Sections 5 and 7 of Article XI of the California Constitution, the provisions of MAUCRSA, any subsequent state legislation and/or regulations regarding same, the City of Chico is authorized to adopt ordinances and local resolutions that establish local standards, requirements and regulations for the licensing and permitting of commercial cannabis businesses.

(Ord. 2552 §1, Ord. 2589 §2)

5.42.030 Commercial cannabis businesses prohibited unless specifically authorized.

Engaging in, conducting or operating commercial cannabis businesses, or causing, allowing, permitting or maintaining a commercial cannabis business (other than the transportation of cannabis or cannabis products as provided under California Business & Professions Code section 26090(e)), within the City's jurisdiction, shall be unlawful and prohibited, except as specifically authorized by state law, this chapter, Title 19 of the Chico Municipal Code, and all other codes, ordinances, and resolutions of the City of Chico.

(Ord. 2552 §1, Ord. 2589 §2)

5.42.040 Compliance with state and local laws.

Nothing in this chapter shall be construed as authorizing any actions that violate federal, state law or local law with respect to engaging in, or in the operation of, a commercial cannabis business. It shall be the responsibility of the permittees and responsible persons of a commercial cannabis business to ensure that a commercial cannabis business is, at all times, operating in a manner compliant with all applicable federal, State and local laws, including for as long as applicable, all State cannabis laws and regulations, any subsequently enacted State law or regulatory, licensing, or certification standards or requirements, and any specific, additional operating procedures or requirements which may be imposed as conditions of approval when a Conditional Use Permit is required for certain uses.

(Ord. 2552 §1, Ord. 2589 §2)

5.42.050 Definitions.

When used in this chapter, and in Title 19, and all other codes, ordinances, and resolutions of the City of Chico in regard to commercial cannabis businesses and uses, the following words shall have the meanings ascribed to them as set forth herein. Any reference to California statutes includes any regulations promulgated thereunder, and is deemed to include any successor or amended version of the referenced statute or regulatory provision.

"Act" shall mean the California Medicinal and Adult-Use Cannabis Regulation and Safety Act, as in California Business and Professions Code section 26000 et seq. "Act" may also be used interchangeably with "MAUCRSA."

"Adult use" shall mean use of cannabis products by individuals 21 years of age and older and who do not possess a physician's recommendation.

"Applicant" under this chapter shall include any individual or entity applying for a Commercial Cannabis Permit, and shall include any officer, director, partner, or other duly authorized representative applying on behalf of an entity.

"Business license" is the license issued by the City's Finance Department after payment of the business fee as set forth in Chapter 3.32 of the City of Chico City Code.

"Cannabis" means all parts of the *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis* plants, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of a cannabis plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this chapter, "cannabis" does not mean "industrial hemp" as defined by Section 11018.5 of the California Health and Safety Code. Cannabis shall also have the same meaning as in Section 26001(f) of the Business and Professions Code, as same may be amended from time to time.

"Cannabis accessories" means any equipment, products or materials of any kind which are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, smoking, vaporizing, or containing cannabis, or for ingesting, inhaling, or otherwise introducing cannabis or cannabis products into the human body. Cannabis accessories shall also have the same meaning as in Section 11018.2 of the Health and Safety Code, as same may be amended from time to time.

"Cannabis concentrate" means cannabis that has undergone a process to concentrate one or more active cannabinoids, thereby increasing the product's potency. Resin from granular trichomes from a cannabis plant is a concentrate for purposes of this chapter. A cannabis concentrate is not considered food, as defined by Section 109935 of the Health and Safety Code, or drug, as defined by Section 109925 of the Health and Safety Code. Cannabis concentrate shall also have the same meaning as in Section 26001(h) of the Business and Professions Code, as same may be amended from time to time.

"Cannabis event" means a public or private event where compensation is provided or exchanged, either directly or indirectly or as part of an admission or other fee for service, for the provision, hosting, promotion or conduct of the event where consumption of cannabis is part of the activities.

"Cannabis products" means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including but not limited to cannabis concentrate, or an edible or topical product containing cannabis or cannabis concentrate and other ingredients. Cannabis products shall also have the same meaning as in Section 11018.1 of the Health and Safety Code, as same may be amended from time to time.

"Canopy" means all areas occupied by any portion of a cannabis plant, inclusive of all vertical planes, whether contiguous or noncontiguous on any one site.

“City” means the City of Chico, California.

“City Manager” means the City Manager of the City of Chico, including their designee.

“Code” means the City of Chico City Code.

“Commercial cannabis activity” includes the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery or sale of cannabis and cannabis products as provided for in MAUCRSA and state regulations. Commercial cannabis activity shall also have the same meaning as in Section 26001(k) of the Business and Professions Code, as same may be amended from time to time.

“Commercial cannabis business” means any business or operation, which engages in medicinal or adult-use commercial cannabis activity, as authorized by this chapter, as may be amended from time to time by the City, including, the manufacturing, testing, distribution, and retail as explicitly allowed herein, of medicinal and adult-use cannabis and cannabis products, and the ancillary transportation and delivery of same.

“Commercial cannabis permit” means the regulatory permit issued by the City of Chico to a commercial cannabis business, which is required before any commercial cannabis activity may be conducted in the City, pursuant to this chapter.

“Conditional use permit” means a discretionary land use approval as required and pursuant to Chapter 24 of Title 19 of the Chico Municipal Code.

“Cultivation” means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis. Cultivation shall also have the same meaning as in Section 26001(l) of the Business and Professions Code, as same may be amended from time to time. Whenever references to cultivation are made in this chapter, permitted or licensed cultivation shall only be personal cultivation, as commercial cultivation is expressly prohibited.

“Customer” means a natural person 21 years of age or older; or, a natural person 18 years of age or older who possesses a physician’s recommendation for medicinal use, or a primary caregiver. Customer shall also have the same meaning as in Section 26001(n) of the Business and Professions Code, as same may be amended from time to time.

“Day care center” has the same meaning as in Section 1596.76 of the Health and Safety Code, as same may be amended from time to time, and includes any child day care facility other than a family day care home, and includes infant centers, preschools, extended day care facilities, and school-age child care centers.

“Delivery” is the commercial transfer of cannabis or cannabis products to a customer. Delivery also includes the use by a retailer of any technology platform owned and controlled by the retailer. Delivery shall also have the same meaning as in Section 26001(p) of the Business and Professions Code, as same may be amended from time to time.

“Dispensing” means any activity involving the retail sale of cannabis or cannabis products from a retailer.

“Distribution” means the procurement, sale, and transport of cannabis and cannabis products between licensees. Distribution shall also have the same meaning as in Section 26001(r) of the Business and Professions Code, as same may be amended from time to time.

“Distributor” means a person holding a valid Commercial Cannabis Permit for distribution issued by the City of Chico, and a valid state license for distribution (DCC License Type 11), required by state law to engage in the business of purchasing cannabis from a licensed cultivator, or cannabis products from a licensed manufacturer, for sale to a licensed retailer.

“Edible cannabis product” means a cannabis product that is intended to be used, in whole or in part, for human consumption, and is not considered food. Edible cannabis product has the same meaning as Business and Professions Code section 26001(t).

“Fire Chief” shall mean the Fire Chief of the Chico Fire Department, or their designee.

“License or State license” means a license issued by the State of California, or one of its departments or divisions, under MAUCRSA, and any subsequent State of California legislation or regulations regarding the same, to lawfully engage in commercial cannabis activity.

“Licensee” means any person holding a license issued by the State of California to conduct commercial cannabis business activities.

“Live plants” means living cannabis flowers and plants including seeds, immature plants, and vegetative stage plants.

“Manager” means any person(s) designated by the commercial cannabis business to act as the representative or agent of the commercial cannabis business in managing day-to-day operations with corresponding liabilities and responsibilities, and/or the person in apparent charge of the premises where the commercial cannabis business is located. Evidence of management includes, but is not limited to, evidence that the individual has the power to direct, supervise, or hire and dismiss employees, controls hours of operations, creates policy rules, or purchases supplies.

“Manufacture” means to compound, blend, extract, infuse, or otherwise make or prepare a cannabis product. Manufacture shall also have the same meaning as in Section 26001(ag) of the Business and Professions Code, as may be amended from time to time.

“Manufacturer” means one that conducts the production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or

by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or re-labels its container. A manufacturer may also be a person that infuses cannabis in its products but does not perform its own extraction. Manufacturer shall also have the same meaning as in Section 26001(ah) of the Business and Professions Code, as same may be amended from time to time. A manufacturer must be owned and operated by a person issued a valid Commercial Cannabis Permit for manufacturing from the City of Chico and a valid state license as required for manufacturing of cannabis products issued by the State of California's Department of Cannabis Control as a Manufacturer 1 (Type 6- Non-volatile) or Manufacturer 2 (Type 7- Volatile) Manufacturer License.

"Manufacturing or Manufacture" means the production, preparation, propagation, or compounding of cannabis or cannabis products, directly or indirectly, by extraction methods, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or re-labels its container.

"Medicinal cannabis or medicinal cannabis product" means cannabis or a cannabis product, respectively, intended to be sold for use pursuant to the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) by a medicinal cannabis patient in California who possesses a physician's recommendation.

"Medicinal use" means the use of medicinal cannabis or medicinal cannabis product.

"Microbusiness" means a business which would be required to obtain a California Department of Cannabis Control Type 12 Microbusiness license, or is who engaged in at least three (3) of the following commercial cannabis activities: indoor cultivation (less than 10,000 square feet), manufacturing (non-volatile), distribution, and retailer-storefront, as defined within this chapter.

"Operation" means any act for which a license is required under state law for commercial cannabis activities or the provisions of the MAUCRSA or any commercial transfer of cannabis or cannabis products. Operation shall also have the same meaning as in Section 26001(an) of the Business and Professions Code, as same may be amended from time to time.

"Owner" means any of the following, or a group or combination of any of the following acting as a unit:

(1) A person with an aggregate ownership interest of 5 percent or more in the business applying for a City of Chico Commercial Cannabis Permit, whether a partner, shareholder, principal, member, or the like, unless the interest is solely a security, lien, or encumbrance.

(2) The chief executive officer of a nonprofit or other entity.

(3) A member of the board of directors of a nonprofit.

(4) An individual who will be participating in the direction, control, or management of the business, non-profit, or other entity applying for a City of Chico Commercial Cannabis Permit.

"Patient or qualified patient" means the same definition as California Health and Safety Code Section 11362.7 et seq., as it may be amended, and which means a person who is entitled to the protections of California Health & Safety Code Section 11362.5.

"Permit" means a Commercial Cannabis Permit issued by the City of Chico authorizing the holder to engage in a locally authorized commercial cannabis business.

"Permittee" means any person holding a Commercial Cannabis Permit issued by the City of Chico authorizing the holder to engage in a locally authorized commercial cannabis business.

"Person" means any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit or entity, and the plural as well as the singular.

"Premises" means the designated structure or structures and land specified in the application that is owned, leased, or otherwise held under the control of the applicant where the commercial cannabis business will be or is being conducted. The premises shall be a contiguous area and shall only be occupied by one permittee.

"Purchaser" means the customer who is engaged in a transaction with a permittee for purposes of obtaining cannabis or cannabis products.

"Regulations" means those regulations prescribed and issued by the State of California, through its respective departments and/or divisions, pursuant to Section 26013 of the Business and Professions Code, including those regulations as found in the California Code of Regulations (including Title 4, Division 19), as may be amended from time to time, to implement, interpret, administer and enforce the Act, and providing licensing and enforcement criteria for commercial cannabis activities and businesses.

"Responsible person" means all owners and operators of a commercial cannabis business, including the permittee and all officers, directors, managers, members, or partners, and all persons with authority, including apparent authority, over the premises of the commercial cannabis business.

"Retailer-Storefront or storefront retailer" is a storefront retailer of a commercial cannabis business facility where cannabis, cannabis products, or devices for the use of cannabis or cannabis products are offered, either individually or in any combination, for retail sale to customers at a fixed location, including an establishment that also offers delivery of cannabis

and cannabis products as part of a retail sale, and which are open to the public, and where the operator is authorized to operate in the City as a retailer, and holds a valid California Department of Cannabis Control Type 10 license as required by state law to operate as a retailer.

“Retailer-Delivery or non-storefront retailer” means a non-storefront, delivery only retailer as a commercial cannabis business facility where cannabis, cannabis products, or devices for the use of cannabis or cannabis products are offered, either individually or in any combination, for retail sale to customers, where the premises are non-storefront, closed to the public, and sales are conducted exclusively by delivery, where a vehicle is used to convey the cannabis or cannabis products to the customer from a fixed location, and where the operator is authorized by the City of Chico to operate as a retailer, and holds a valid California Department of Cannabis Control Type 9 license as required by state law to operate as a retailer.

“Sell”, “sale”, and “to sell” includes any transaction whereby, for any consideration, title to cannabis or cannabis products are transferred from one person to another, and includes the delivery of cannabis or cannabis products pursuant to an order placed for the purchase of the same and soliciting or receiving an order for the same, but does not include the return of cannabis or cannabis products by a licensee to the permittee from whom the cannabis or cannabis product was purchased.

“State law” means all laws of the State of California, which includes, but are not limited to, all rules, regulations, and policies adopted by State of California agencies, departments, divisions, and regulatory entities, as same may be amended from time to time.

“Testing Laboratory” means a laboratory, facility, or entity in the state that offers or performs tests of cannabis or cannabis products and that is both of the following:

(1) Accredited as ISO/IEC17025 by an accrediting body that is independent from all other persons involved in commercial cannabis activity in the State.

(2) Licensed by the California Department of Cannabis Control as a Testing Laboratory (Type 8).

Testing laboratory shall also have the same meaning as in Section 26001(ax) of the Business and Professions Code, as may be amended from time to time.

“Transport” means the transfer of cannabis products from the permitted business location of one licensee to the permitted business location of another licensee, for the purposes of conducting commercial cannabis activity authorized by law and which may be amended or repealed by any subsequent State of California legislation regarding the same.

“Youth center” means any public or private facility that is primarily used to host recreational or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club facilities, video arcades, or similar amusement park facilities.

(Ord. 2552 §1, Ord. 2589 §2)

5.42.060 Commercial cannabis businesses allowed; activities prohibited.

A. Allowed: The classification and type of commercial cannabis business explicitly allowed for in this chapter and Title 19, as otherwise conditioned, and as may be amended from time to time by the City, are as follows:

1. Testing laboratory (DCC License Type 8);
2. Distribution (DCC License Type 11);
3. Manufacturer (DCC License Type 6- Non-Volatile and Type 7- Volatile);
4. Retailer-delivery only (DCC License Type 9); and
5. Retailer-storefront (DCC License Type 10).

After obtaining a Commercial Cannabis Permit from the City of Chico pursuant to this chapter, obtaining land use clearance from the City of Chico Community Development Director, obtaining a business license from the City of Chico, obtaining all required County of Butte approvals or permits when applicable, and the appropriate state-issued permit from the State of California for such cannabis business activity, permittees engaged in the above allowed business types may conduct such business in regard to medicinal and adult-use cannabis and cannabis products, and the ancillary transportation and delivery of same as otherwise allowed while in compliance with state law and the provisions of this chapter, Title 19, and all other codes and resolutions of the City of Chico.

B. Prohibited: The following business types and activities are expressly prohibited:

1. Commercial cultivation;
2. Microbusiness;
3. Cannabis event;
4. Any kiosk, i-Pad, tablet, smartphone, fixed location or technology platform, whether manned or unmanned, that facilitates, directs, or assists the retail sale or delivery of cannabis or cannabis products in violation of this chapter; and
5. All other uses not enumerated under Section 5.42.060A.

ARTICLE II. COMMERCIAL CANNABIS PERMIT

5.42.100 Commercial cannabis permit required.

A. Prior to engaging in any commercial cannabis activity, one must obtain a Commercial Cannabis Permit. The initial permit and annual renewal of an authorized and lawful Commercial Cannabis Permit is made expressly contingent upon the commercial cannabis business' ongoing compliance with all requirements of State law, this chapter, the City of Chico City Code, any local regulations adopted by the City governing the commercial cannabis business at issue, the securing and approval of a Use Permit (when required pursuant to Title 19 of the Chico Municipal Code), and any required approval, permit or license required by any applicable local or State law, rules, or regulations.

B. No person may engage in, conduct, authorize, establish, or operate a commercial cannabis business, or cause, allow, or permit same, within the City of Chico unless and until the following are obtained, complied with, adhered to, and fulfilled:

1. A Commercial Cannabis Permit has been approved by the City, pursuant to the City's laws, rules, policies, and regulations, as applicable, as same may be amended from time to time; and
2. Zoning clearance issued by the Community Development Director, including where applicable, issuance of a Conditional Use Permit; and
3. A City business license issued by the Finance Department authorizing the business operation of a commercial cannabis business; and
4. A valid State of California Seller's Permit or other valid State of California license or permit for the applicable type of commercial cannabis business at issue has been obtained; and
5. Permittee is currently in compliance with all applicable state and local laws and regulations pertaining to engaging in, conducting or operating a commercial cannabis business and commercial cannabis activities, including the duty to first obtain any required State licenses pursuant to MAUCRSA and applicable regulations; and
6. Permittee is currently in compliance with any and all applicable state and local laws and regulations pertaining to the occupancy of the premises for the City-approved commercial cannabis business operation, including any and all applicable building and fire code provisions; and
7. Prior to operating in the City and as a condition of issuance of a regulatory permit, operator of each cannabis facility shall execute an indemnity agreement with the City of Chico and an acknowledgement of limitations on City's liability, certifications, assurances, and warranties.

C. Applicant shall be responsible for all fees and noticing obligations required for processing all permits.

(Ord. 2552 §1, Ord. 2589 §2)

5.42.105 Evidence of cannabis employee background check required.

A. Pursuant to California Penal Code Sections 11105(b)(11) and 13300(b)(11), which authorize City authorities to access state and local criminal history information for cannabis employment, licensing, or certification purposes, summary criminal history information for cannabis employment, licensing, or certification purposes, and authorize access to federal level criminal history information by transmitting fingerprint images and related information to the Department of Justice to be transmitted to the Federal Bureau of Investigation, every applicant for a Certificate of Approval (including owners and other representatives of the applicant) and every person to be employed at the facility must submit fingerprints and other information deemed necessary by the Chief of Police or their designee(s) for a background check by the Chico Police Department. A fee for the cost of the background investigation, which shall be the actual cost to the City of Chico to conduct the background investigation as it deems necessary and appropriate, including City staff time and costs, shall be paid at the time the person submits for the background check.

B. The criminal background check must at a minimum identify the following:

1. Whether the individual applying for cannabis employment has ever been convicted of a violent felony as defined by California Penal Code 667.5, or equivalent offenses in other states;
2. Whether the individual applying for cannabis employment has ever been convicted of a crime involving dishonesty, fraud or deceit, including but not limited to fraud, forgery, theft, or embezzlement as those offenses are defined in California Penal Code Sections 186.11, 470, 484, and 504a, respectively; or equivalent offenses in other states; or
3. Whether the individual applying for cannabis employment has ever been convicted of the illegal use, possession, transportation, distribution or similar activities related to controlled substances, as defined in the Federal Controlled Substances Act, not including cannabis-related offenses for which the conviction occurred after the passage of the Compassionate Use Act of 1996.

C. The Chief of Police may, at his/her discretion, require applicants to utilize a third-party provider for purposes of conducting the criminal background check. The third-party background check may serve in place of, or in addition to, the criminal background check performed by the Chico Police Department, as described in Section 5.42.105A.

D. Evidence of a conviction of any the offenses enumerated in Section 5.42.105B. shall be grounds for denial of employment.

E. Violation of this section shall be grounds for immediate suspension of the business' operating permit. The business operator shall have the right to an appeal pursuant to Section 5.42.160.

(Ord. 2552 §1, Ord. 2589 §2)

5.42.110 Number of commercial cannabis businesses authorized.

A. This section is intended to establish a method for the determination of the maximum number of commercial cannabis businesses that may be issued Commercial Cannabis Permits to operate in the City under each category of commercial cannabis business type. The City Council may establish further policies and procedures by minute order, ordinance or resolution regarding processes and procedures for processing and selecting of permits.

B. Nothing in this chapter creates a mandate, right, obligation, or expectation that the City must, will or shall authorize any or all of the permits available at any time, increase the number of permits available, or issue a permit to a commercial cannabis business that submits an application to the City if it is determined that it is in the best interest of the City to not authorize such in the City, or if an applicant does not meet the standards established in the application requirements or further amendments to the application process. There is no guarantee that the City will authorize any commercial cannabis business to operate in the City.

C. The number of retailer-storefront permits shall be determined by population density of the City of Chico. For every 25,000 residents of the City, based on the most recent Population Estimates for Cities, Counties, and the State, conducted by the California Department of Finance, the City Council may authorize up to one retailer-storefront permit. The City Council shall from time to time, at its sole and absolute discretion, establish by resolution the number of retailer-storefront permits authorized for commercial cannabis businesses based on this formula.

D. No more than the number of cannabis retailers initially authorized herein to operate or as amended by resolution may operate within the City of Chico at any one time and shall be issued a permit by the City of Chico. At the time of the passage of this chapter, the maximum number of commercial cannabis businesses per classification citywide are as follows:

Retailer-Storefront - Four (4)

Retailer-Non-Storefront - No maximum

Testing laboratory - No maximum

Manufacturing - No maximum

Distribution - No maximum

E. Each year following the initial award of permits, if any, or at any time in the City Council's discretion, the City Council may reassess the number of Commercial Cannabis Permits which are authorized for issuance. The City Council, in its discretion, may determine by resolution that the number of Commercial Cannabis Permits should remain the same, be reduced, or be increased.

F. A person may only have an ownership interest in one (1) retailer-storefront business in the City of Chico. Any person with community property rights of an ownership interest is considered a person with ownership interest in this section.

(Ord. 2552 §1, Ord. 2589 §2)

5.42.120 Location limitations.

A. All commercial cannabis businesses shall be located in an approved land use designation area as identified under Title 19.75.

B. No retailer-storefront commercial cannabis business shall be located within 1000' feet of another retailer-storefront commercial cannabis business. In the event that two or more applications for commercial cannabis retailer-storefront uses are submitted and are under consideration simultaneously for locations within 1000' of each other, all applications may continue to be considered until final award of Commercial Cannabis Permit and use permit. However, final award of use permit by Planning Commission may not allow retailer-storefront uses to be located within 1000' of each other.

(Ord. 2552 §1, Ord. 2589 §2)

5.42.130 Expiration, renewal, revocation, and suspension of commercial cannabis permits.

Each Commercial Cannabis Permit issued pursuant to this chapter shall expire one (1) year after the date of its issuance. The City Council shall establish by resolution procedures for the renewal, revocation, and suspension of Commercial Cannabis Permits.

(Ord. 2552 §1, Ord. 2589 §2)

5.42.140 Effect of license or permit expiration, suspension, revocation, or termination.

A. Expiration, suspension or revocation of a license, permit or entitlement issued by the State of California related to a

commercial cannabis business shall be grounds for immediate suspension of a commercial cannabis business to operate within the City, unless and until such license, permit or entitlement is reinstated or reissued.

1. Permittee shall notify the City Manager in writing within forty-eight (48) hours of any suspension, revocation, or termination of a license issued by the State of California, or by any of its departments or divisions.

2. Should the State of California, or any of its departments, divisions, or agencies, suspend, revoke or terminate the license of a commercial cannabis business operating in the City, such suspension, revocation or termination, the City Manager shall suspend the ability of a commercial cannabis business to operate within the City of Chico unless and until the State of California, or its respective department, division, or agency reinstates or reissues the State license. Notice of such suspension shall be provided to the commercial cannabis business.

B. Expiration, suspension or revocation of a license, permit or entitlement issued by the City of Chico related to a commercial cannabis business shall be grounds for immediate suspension of a commercial cannabis business to operate within the City, unless and until such license, permit or entitlement is reinstated or reissued. Notice of such suspension shall be provided to the commercial cannabis business.

C. The commercial cannabis business shall have the right to an appeal pursuant to Section 5.42.160.

(Ord. 2552 §1, Ord. 2589 §2)

5.42.150 Revocation of permits.

A. The following are grounds for revocation of a Commercial Cannabis Permit:

1. Failure of a permittee to comply with any requirement imposed by the provisions of this Code (or successor provision or provisions), including, but not limited to, any rule, regulation, condition or standard adopted pursuant to this chapter, or any term or condition imposed on the Commercial Cannabis Permit or entitlements or Use Permit, or any provision of State law.

2. Revocation of a State license issued under this chapter.

3. If the permittee, its owner(s), manager(s) or a responsible person has, within the past three (3) years, been sentenced or had a judgment issued in a criminal or civil court proceeding, and/or has been sanctioned or fined for, enjoined from, or found guilty of or plead guilty or no contest to a charge for engaging in a commercial cannabis activity in the State without the necessary permits and approvals from the applicable State and/or local jurisdictions; or has had a commercial cannabis license revoked or suspended by the applicable State and/or local jurisdictions.

4. Conviction within the past ten (10) years of the permittee, its owner(s) or manager(s), or a responsible person, including a plea of guilty or no contest, to any of the following offenses shall be grounds for revocation of a Commercial Cannabis Permit issued by the City:

i. A violent felony, as specified in Section 667.5(c) of the Penal Code.

ii. A serious felony, as specified in Section 1192.7(c) of the Penal Code.

iii. A felony involving fraud, deceit, or embezzlement.

iv. A felony for hiring, employing, or using a minor in transporting, carrying, selling, giving away, preparing for sale, or peddling, any controlled substance to a minor; or selling, offering to sell, furnishing, offering to furnish, administering, or giving any controlled substance to a minor.

v. A felony for drug trafficking with enhancements pursuant to Section 11370.4 or 11379.8 of the Health and Safety Code.

vi. A felony or misdemeanor involving the illegal possession for sale, sale, manufacture, transportation, or cultivation of a controlled substance occurring after January 1, 2016.

B. If the City Manager determines that a ground for revocation of a Commercial Cannabis Permit exists, the City Manager shall serve written notice of revocation to the permittee or responsible person. The notice may be served on the recipient either personally or by certified first class mail to the address listed on the application. This notice shall state the reasons for the action, the effective date of the decision, the right of the permittee to appeal the decision to the City Council, or its appointed hearing officer or body, and that the City Manager's decision will be final if no written appeal is timely submitted to, and received by, the City, pursuant to the provisions of this chapter.

C. This notice will be effective within ten (10) days from the date of service of the notice. To exercise the right to appeal, the permittee must file with the City Clerk a written basis for the appeal, including evidence relating to the grounds for revocation, and the applicable fee. The appeal will be heard by the City Council or its appointed hearing officer or body in accordance with Section 5.42.160. If no timely appeal is filed, the City Manager's decision will be final 10 days after the date on the notice of revocation. If an appeal is timely and properly filed in accordance with this chapter, then the effective date of the notice is stayed until a decision after the hearing on the appeal is issued.

(Ord. 2552 §1, Ord. 2589 §2)

5.42.160 Appeals.

A. Notice of appeals.

1. Within ten (10) calendar days after the notice of the decision of the City Manager or their designee(s) to revoke, suspend or deny an initial or renewed permit, or to add conditions to a permit, an aggrieved party may appeal such action by filing a written appeal with the City Clerk setting forth the reason why the decision was not proper. Reasons shall be stated with specificity and shall address the issues outlined in Section 5R.42.170(a). Date of service shall mean the date when a notice or written decision was personally delivered to the permittee, or the date when the notice was caused to be delivered by certified, first class mail. In cases in which the City can verify delivery of a notice to an applicant, or in which an applicant is documented as refusing delivery, lack of receipt of the notice cannot form the basis for an appeal.

2. The Notice of Appeal shall be in writing and signed by the person making the appeal ("appellant"), or their legal representative, and shall contain the following:

- i. Name, address, and telephone number of the appellant.
- ii. Specify decisions, actions, or a particular part thereof, made that are the subject of the appeal.
- iii. Include a true and correct copy of the notice issued by the City Manager for which the appellant is appealing.
- iv. State with specificity the reasons and grounds for making the appeal, including, but not limited to, a statement of facts upon which the appeal is based in sufficient detail to enable the City Council, or any appointed hearing officer, to understand the nature of the controversy, the basis of the appeal, and the relief requested.
- v. All documents or other evidence pertinent to the appeal that the appellant requests the hearing officer or body to consider at the hearing.
- vi. An appeal fee, as established by Resolution of the City Council.

3. Failure of the City Clerk to receive a timely appeal constitutes a waiver of the right to appeal the notice issued by the City Manager. In this event, City Manager's notice of revocation, nonrenewal, suspension and/or other action is final and binding.

4. In the event a written Notice of Appeal is timely filed, the nonrenewal, suspension, revocation, or other action shall not become effective until a final decision has been rendered and issued by the City Council, or appointed hearing officer or body. Notices of appeal not served in a timely manner or served by non-operational businesses shall not serve to allow such businesses to operate pending appeal.

5. If no appeal is timely filed in the event of a decision of nonrenewal, the Commercial Cannabis Permit shall expire at the conclusion of the term of the permit. If no appeal is timely filed in the event of a decision supporting suspension or revocation, the suspension or revocation shall become effective upon the expiration of the period for filing a written Notice of Appeal.

B. Review by City Council, or appointed hearing officer or body; appeal hearing and proceedings.

1. All appellants shall, subject to filing a timely written Notice of Appeal, obtain review thereof before the City Council, or appointed hearing officer or body.

2. Upon receipt by the City Clerk of a timely-filed appeal, the City Clerk shall forward such appeal to each member of the City Council. Any member of the City Council may within ten (10) days of such notification then request that the City Clerk place on the next regularly scheduled City Council meeting or special Council meeting the question of whether the City Council shall sit as the appeals board. In the event that City Council does not affirmatively choose to hear such appeal or does not act to appoint another body to serve to head such appeal, the City Clerk shall immediately obtain the services of a hearing officer from the Office of Administrative Hearings.

3. The administrative appeal shall be scheduled no later than forty-five (45) days, and no sooner than thirty (30) days, after receipt of a timely filed Notice of Appeal if such appeal is to be heard by the City Council or other City-appointed body. If the Office of Administrative Hearings is utilized for such hearing, then the hearing shall be scheduled as expeditiously as possible pursuant to the availability of a hearing officer. The appellant(s) listed on the written Notice of Appeal shall be notified in writing of the date, time, and location of the hearing at least ten (10) days before the date of the hearing ("notice of appeal hearing").

4. All requests by an appellant to continue a hearing must be submitted to the City Clerk in writing no later than three (3) business days before the date scheduled for the hearing. The City Council, or appointed hearing officer or body, may continue a hearing for good cause or on its own motion; however, in no event may the hearing be continued for more than thirty (30) calendar days, unless there is a stipulation by all parties to do so.

5. The City Council shall preside over the hearing on appeal, or at City Council's discretion, the City Council may appoint a hearing officer or body to conduct the hearing.

C. At the date, time and location set forth in the Notice of Appeal hearing, the City Council, or an appointed hearing officer or body, shall hear and consider the testimony of the appellant(s), City staff, and/or their witnesses, as well as any documentary evidence properly submitted for consideration.

D. The following rules shall apply at the appeal hearing:

1. Appeal hearings are informal, and formal rules of evidence and discovery do not apply. However, rules of privilege

shall be applicable to the extent they are permitted by law, and irrelevant, collateral, undue, and repetitious testimony may be excluded.

2. The City bears the burden of proof to establish the grounds for denial, nonrenewal, suspension or revocation of a permit by a preponderance of evidence. The appellant(s) or permittee(s) bear the burden of proof regarding denial of an initial permit, as described in Section 5.42.170.

3. The issuance of the City Manager's notice constitutes prima facie evidence of grounds for the denial, nonrenewal, suspension or revocation, and City personnel who significantly took part in the investigation, which contributed to the City Manager issuing a notice of decision, may be required to participate in the appeal hearing.

4. The City Council, or the appointed hearing officer or body, may accept and consider late evidence not submitted initially with the Notice of Appeal upon a showing by the appellant of good cause. The City Council, or appointed hearing officer or body, shall determine whether a particular fact or facts amount to a good cause on a case-by-case basis.

5. The appellant may bring a language interpreter to the hearing at their sole expense.

6. The City may, at its discretion, record the hearing by stenographer or court reporter, audio recording, or video recording. If the appellant requests from the City that said recording take place, the costs of same shall be deposited with the City at the time the Notice of Appeal and appeal fee are submitted to the City.

E. If the appellant, or their legal representative, fails to appear at the appeal hearing, the City Council, or the appointed hearing officer or body, may cancel the appeal hearing and send a notice thereof to the appellant by certified, first class mail to the address(es) stated on the Notice of Appeal. A cancellation of a hearing due to non-appearance of the appellant shall constitute the appellant's waiver of the right to appeal and a failure to exhaust all administrative remedies. In such instances, the City Manager's notice of decision is final and binding.

F. Decision of the City Council, or appointed hearing officer or body; final decision.

1. Following the conclusion of the appeal hearing, the City Council, or appointed hearing officer or body, shall determine if any ground exists for the non-issuance, nonrenewal, suspension or revocation of a Commercial Cannabis Permit or other action. If the City Council, or appointed hearing officer or body, determines that no grounds for denial, nonrenewal, suspension, revocation, or other action exist, the City Manager's notice of decision shall be deemed vacated. If the City Council, or appointed hearing officer or body, determines that one or more of the reasons or grounds enumerated in the notice of decision exists, a written final decision shall be issued within ten (10) business days, which shall at minimum contain the following:

i. A finding and description of each reason or grounds for non-issuance, nonrenewal, suspension, revocation, or other action that exists.

ii. Any other finding, determination or requirement that is relevant or related to the subject matter of the appeal.

iii. A holding that the City Manager's decision is affirmed or modified.

2. The decision of the City Council, or appointed hearing officer or body, is final and conclusive and is subject to the time limits set forth in California Code of Civil Procedure Section 1094.6.

G. A copy of the final decision shall be served by certified, first class mail on the appellant. If the appellant is not the owner of the real property in which the commercial cannabis business is located, or proposed to be located, a copy of the final decision may also be served on the property owner by first class mail to the address shown on the last equalized assessment roll. Failure of a person to receive a properly addressed final decision shall not invalidate any action or proceeding by the City pursuant to this chapter.

(Ord. 2552 §1, Ord. 2589 §2)

5.42.170 Appeal for initial permit; limited grounds.

A. The grounds for denial of an initial denial of a Commercial Cannabis Permit are limited to the following:

1. Deviation from the City's published Application Procedures that adversely affected the applicant by altering the outcome of the City's decision on the applicant's application. Examples of appealable deviations are:

a. Failure on the part of the City to provide appropriate notification regarding changes to the application process via website postings and/or email to the applicant prior to the time the application was submitted;

b. Failure on the part of the City to provide an applicant an equal opportunity to modify an application, where that opportunity was provided to other applicants required to comply with the same criteria under the exact same process for the type of activity in which they applied for in the City.

2. Scoring of one or more portions of the applicant's application was not justified based on the information presented in the application, or due to a material error or omission on the part of the individual(s) scoring the application.

B. Any appeal based upon Section 5.42.170.A(1) must be supported by substantial evidence that the applicant presented the relevant information with completeness and in the appropriate section of the application. Information presented in the application that is incomplete in nature, or that is relevant to a question posed by the City on the application form but appears in the incorrect section, even if complete, may be grounds for the dismissal of the appeal.

(Ord. 2552 §1, Ord. 2589 §2)

ARTICLE III. ISSUANCE AND PERMIT REQUIREMENTS

5.42.200 Permits and inspections prior to commencing operations.

Prior to commencing operations, a commercial cannabis business shall be subject to inspection of the premises, and must obtain all required plan approvals and building permits which would otherwise be required for any business of the same size and intensity operating in that zone. Accordingly, the permittee shall also obtain all required Building Division approvals, Fire Department approvals, Butte County Health Department approvals and any other permit or approval required by this chapter, Code or applicable law, rules or regulations.

(Ord. 2552 §1, Ord. 2589 §2)

5.42.210 City business license.

Prior to commencing operations, a permittee of a commercial cannabis business shall obtain a City of Chico business license.

(Ord. 2552 §1, Ord. 2589 §2)

5.42.220 Limitations on City's liability.

A. To the fullest extent permitted by local, state and/or federal law, the City of Chico shall not assume any liability whatsoever with respect to having issued a Commercial Cannabis Permit pursuant to this chapter, or otherwise approving the operation of any commercial cannabis business.

B. As a condition to the approval of any Commercial Cannabis Permit, Conditional Use Permit, and any other agreement, permit, or license between the City and applicant, the applicant shall meet the following conditions prior to issuance of the Commercial Cannabis Permit:

1. It must execute an agreement, in a form approved by the City Attorney, agreeing to indemnify, defend at the applicant's sole cost and expense, and hold harmless the City of Chico, and its officers, officials, employees, representatives, and agents from any and all claims, losses, damages, injuries, liabilities or losses which arise out of their license, permit, or other entitlement to operate a commercial cannabis business related to:

i. The City's drafting, adoption and passage of local ordinances, and related resolutions, policies, rules and regulations, allowing for commercial cannabis businesses and/or, if necessary in the future, making any zoning law amendment(s);

ii. The City's issuance of the Commercial Cannabis Permit;

iii. The City's approval and execution of a land use entitlement and/or Conditional Use Permit;

iv. The City's decision to approve the operation of the commercial cannabis business or activity;

v. The process used by the City in making its decision to issue, approve or deny a permit, or handle any appeal of any issuance, approval or denial of a permit; and/or

vi. The alleged violation of any federal, state or local laws by the commercial cannabis business or any of its officers, employees or agents.

2. Maintain insurance at coverage limits, and with conditions thereon determined necessary and appropriate from time to time by the City's Risk Manager.

3. Reimburse the City of Chico for all costs and expenses, including but not limited to attorney fees and costs and court costs, which the City of Chico may be required to pay as a result of any legal challenge related to the City's approval of the applicant's Commercial Cannabis Permit, or related to the City's approval of the applicant's commercial cannabis activity, or the City's approval of a Use Permit. The City of Chico may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve any of the obligations imposed hereunder.

C. The terms and provisions as enumerated in this section related to indemnification and limitation on the City's liability shall be an explicit term of a Commercial Cannabis Permit and if applicable as a condition in the Use Permit, that an applicant and a permittee shall agree to in order for same to be valid.

(Ord. 2552 §1, Ord. 2589 §2)

5.42.230 Permit; non-assignable and non-transferable.

A. Commercial Cannabis Permits issued under this chapter are valid only as to the approved permittee at the specified approved location, and is therefore nontransferable to other persons, entities, projects or locations, without the filing of a new or amended application.

B. No Commercial Cannabis Permit may be sold, transferred or assigned by a permittee, or by operation of law, to any other person, persons, or entities, unless a written amendment is made consistent with this chapter, Codified Resolution 5R.42 and Chapter 19. Any such sale, transfer, or assignment, or attempted sale, transfer, or assignment inconsistent with these requirements shall be deemed to constitute a voluntary surrender of such permit and such permit shall thereafter be

null and void, except as set forth in this chapter, or unless a written amendment to the Commercial Cannabis Permit, and where applicable the Use Permit, is ultimately approved.

(Ord. 2552 §1, Ord. 2589 §2)

5.42.240 Change in location of commercial cannabis business.

A. No permittee may operate at a location different from the location approved and specified in the Commercial Cannabis Permit and entitlements (e.g., use permit) until such change of location is approved and a new Commercial Cannabis Permit or land use entitlement is issued for that location. Operating at a location different from the location approved and specified in the Commercial Cannabis Permit and entitlements in violation of this section shall be grounds for revocation of the permit.

B. For commercial cannabis permits where entitlements are issued by the City Council or Planning Commission, no permittee shall change the location of the commercial cannabis business specified in the Commercial Cannabis Permit and entitlements until any such change of location is approved by the approving body and such decision becomes final.

C. For all other Commercial Cannabis Permit, no permittee shall change the location of the commercial cannabis business specified in the Commercial Cannabis Permit and entitlements until any such change of location is approved by the City Manager. Prior to such decision, City Manager shall consult with the Police, Fire, Community Development and Public Works Departments.

D. The change of location of a commercial cannabis businesses shall meet all the requirements under this chapter, including but not limited to:

1. The permittee shall submit a change of location application to the City at least sixty (60) calendar days prior to the proposed change. Additional time may be necessary for processing by the City based on land use entitlements and staff workload.

2. The proposed location shall meet all the requirements under this Code, including but not limited to this chapter and the Chico Zoning Ordinance.

3. The proposed location may be reviewed and evaluated using the same review criteria as used and relied upon under the initial application process.

4. For relocation of a permittee's commercial cannabis business issued by the City Council, such relocation application shall be subject to the prior review and approval by the Planning Commission and/or City Council at a public meeting, as appropriate for amending the applicable entitlements.

5. No later than twenty-one (21) days prior to any public meeting required under this section, the permittee shall give notice to all property owners and occupants located within five hundred (500) feet of the proposed premises of the proposed relocation of any commercial cannabis business.

(Ord. 2552 §1, Ord. 2589 §2)

5.42.250 Changes in ownership of commercial cannabis business.

A. No permittee shall transfer ownership or control of a commercial cannabis business unless and until the proposed new owner submits all required application materials and pays all applicable fees, and independently meets the requirements of this chapter such as to be entitled to the issuance of an original Commercial Cannabis Permit. Prior to approval of such transfer, the City Manager shall consult with the Police, Fire, Community Development and Public Works Departments.

B. A proposed agreement to be duly executed between the permittee and the proposed new owner must also be submitted wherein the permittee assigns all duties, responsibilities, waivers, and/or obligations within the entitlements to the proposed new owner, and the proposed new owner assumes same. Same shall be presented as a proposed amendment to the originally, executed entitlements.

C. In the event of a substantial change in the ownership of a permittee business entity (changes that result in a change of fifty-one (51) percent or more of the original ownership), each new owner must be approved by the City Council after completion of a new or amended application process which may include evaluation under any applicable review criteria used and relied upon during the original review and selection process.

D. A permittee may change the form of business entity without applying to the City Council for a new Commercial Cannabis Permit, provided that either:

1. The ownership of the new business entity is the same as the original permit holder business entity; or

2. If the original permittee is an unincorporated association, mutual or public benefit corporation, agricultural or consumer cooperative corporation and subsequently transitions to or forms a new business entity as allowed under the MAUCRSA, provided that the Board of Directors (or in the case of an unincorporated association, the individual(s) listed on the City permit application) of the original permittee entity are the same as the new business entity.

E. Although a new Commercial Cannabis Permit is not required in the two circumstances listed in this subsection D., the permittee shall notify the City in writing of the change within ten (10) calendar days of the change, and obtain an amendment to the original Commercial Cannabis Permit. Such change may require amendment to associated entitlements, which shall be reviewed upon receipt of such notice.

F. No permittee may avail themselves of the provisions of this section if the City Manager, or their designee, has notified the permittee that the Commercial Cannabis Permit has been or may be suspended, revoked, or is not being/has not been renewed.

G. Failure to comply with this section is grounds for revocation of a Commercial Cannabis Permit, and/or grounds to issue a notice to cure, pursuant to the provisions of the corresponding Use Permit.

H. Any attempt to transfer a Commercial Cannabis Permit either directly or indirectly in violation of this section is hereby declared void, and such a purported transfer shall be deemed a ground for revocation of the permit.

(Ord. 2552 §1, Ord. 2589 §2)

5.42.260 Change in ownership when the permittee is a partnership or corporation.

A. One or more proposed partners in a partnership granted a Commercial Cannabis Permit may make application to the City Manager, together with the fee established by the City Council, to amend the original application, providing all information as required for partners in the first instance and, upon approval thereof, the transfer of the interests of one or more partners to the proposed partner or partners may occur. If the permittee is a partnership and one or more of the partners should die, one or more of the surviving partners may acquire, by purchase or otherwise, the interest of the deceased partner or partners without effecting a surrender or termination of such permit. In such circumstance, the Commercial Cannabis Permit, upon notification to the City Manager, shall be placed in the name of the surviving partners upon proof of acquisition by the remaining partner(s) of the decedent's interest. Prior to such action becoming final, City Manager shall consult with the Police, Fire, Community Development and Public Works Departments.

B. If the Commercial Cannabis Permit is issued to a corporation, stock may be sold, transferred, issued, or assigned to stockholders who have been named on the application regardless of the percentage of stock held by such person at the time of application. A person not listed on the application as a stockholder may acquire less than fifty (50) percent in a corporation without necessitating an application for amendment of Commercial Cannabis Permit due to change of ownership. If a person not listed on the application as a stockholder at any time acquires more than fifty (50) percent of the aggregate stock in a corporation, an amendment to the Commercial Cannabis Permit indicating the new ownership structure shall be obtained from the City. In the event that more than fifty (50) percent of the aggregate stock in a corporation is acquired by one person, without an amendment to the Commercial Cannabis Permit being obtained from the City, the permit shall be deemed terminated and void; provided, however, the proposed stock purchaser transferee may submit to the City Manager, together with the fee established by the City Council, an application to amend the original application providing all information as required for stockholders in the first instance under this chapter, and, upon approval thereof, the transfer may then occur.

C. All changes in ownership as described in this section must be submitted to the City within thirty (30) calendar days, along with any organizational documents reflecting said changes. Furthermore, said corresponding amendments to the corresponding executed entitlements must also be made, and reviewed and approved as addressed in the entitlements, or as required by the City's policy concerning amendments to such entitlements. Failure to submit changes in ownership in violation of this section is grounds for revocation of the permit.

(Ord. 2552 §1, Ord. 2589 §2)

5.42.270 Changes in name of business only.

A. No permittee shall operate, conduct, manage, engage in, or carry on the business of a commercial cannabis business under any name other than the name of the commercial cannabis business specified in the permit.

B. The permittee shall advise the City Manager at least fifteen (15) calendar days prior of all changes of name or designation under which the business is to be conducted. The change of name or designation shall be accompanied by a non-refundable fee established by resolution of the City Council to defray the costs of reissuance of the Commercial Cannabis Permit, and to make any amendments to the corresponding executed entitlements in the new business name.

C. Said change in name must also be made in the form of an amendment to the corresponding executed entitlements, and reviewed and approved as outlined in the entitlements, or as required by the City's policy concerning amendments to such entitlements.

(Ord. 2552 §1, Ord. 2589 §2)

5.42.280 Alterations to approved facility.

A. No alterations to an approved facility may be undertaken without approval of the City Manager for businesses allowed by right under Title 19.

B. No alterations to an approved facility may be undertaken at a business issued a use permit or other entitlement issued as a discretionary approval (i.e., by Planning Commission or City Council) without approval of the issuing body.

C. The City Manager or their designee shall review proposed alterations to an approved facility to determine if such alterations are material to the permits, licenses, and entitlements issued for the facility. In the event that such alterations are material changes to the permits, licenses, and entitlements, such proposed alterations shall be considered by the person or body or bodies issuing the permits, license and entitlements. Material changes shall include, but not be limited to, increased square footage of interior space, decreased parking, decreased accessibility, changes to the security plan, and alteration of

a previously submitted floorplan.

D. All required City approvals, plan approvals, and permits must be obtained before causing, allowing, or permitting alterations to, and/or extensions or expansions of, the existing building(s), structure(s), or portions thereof, approved as a location for a commercial cannabis business. Said alterations, extensions, or expansions shall comply with all applicable state and local laws, regulations and standards, including those concerning building and fire safety, as well as occupancy.

E. Undertaking alterations to an approved facility without appropriate approval in violation of this section shall be grounds for revocation of the permit.

(Ord. 2552 §1, Ord. 2589 §2)

5.42.290 Any other changes in information as reflected in the submitted application or entitlements.

A. Permittee shall notify the City on a form approved by the City Manager within fifteen (15) calendar days of any other change in the information provided in the application form or any change in status of compliance with the provisions of this chapter or resolutions or the Chico Zoning Ordinance relating to commercial cannabis businesses, including any change in the commercial cannabis business form of ownership or management members.

B. Such form shall be submitted along with a permit and appropriate fee, as adopted by Resolution of the City Council.

C. Any changes in the information provided by permittee in the Commercial Cannabis Permit application form, or any change in status of compliance in regard to the provisions of this chapter or Chapter 19.75 of the Chico Municipal Code, including any change in the commercial cannabis business form of ownership or management members without compliance with this section shall be grounds for revocation of the permit.

(Ord. 2552 §1, Ord. 2589 §2)

ARTICLE IV. OPERATIONAL REQUIREMENTS

5.42.300 General prohibitions.

A. It is unlawful for any person:

1. To sell, give, exchange, dispense or distribute cannabis or cannabis products for on-site consumption, use or sampling on any business premises.

2. To conduct a Cannabis Event in the City.

3. To consume or use cannabis or cannabis products, whether by smoking, vaping, inhaling, eating, drinking or any other means:

i. In, on or about the premises of any commercial cannabis business;

ii. In, on or about any publicly owned or operated property; any place open to, or accessible by the public; any place smoking is prohibited; or any place visible from any public place with normal unaided vision;

iii. In, on or about any other business, club, cooperative or commercial event, regardless if open to the public or only to members, ticket holders or event invitees;

iv. Any location where an entry or other fee is charged to attendees or to the host or where a thing of value or consideration is received or exchanged, directly or indirectly, for or related to the provision of cannabis.

B. Added artificial flavor prohibited. Retailers shall not sell cannabis products which contain an added characterizing flavor. For purposes of this chapter, "characterizing flavor" means a taste or aroma, other than the taste or aroma of cannabis, imparted either prior to or during consumption. This includes, but is not limited to, tastes or aromas relating to food or drink of any sort, including but not limited to menthol, mint, wintergreen, fruit, chocolate, vanilla, honey, candy, cocoa, dessert, alcoholic beverages, herbs, or spices. Flavor agents consisting of terpenes of cannabis shall not be considered an added characterizing flavor. Such prohibition shall not apply to cannabis products which are manufactured as edible or topical products.

(Ord. 2552 §1, Ord. 2589 §2)

5.42.305 Restriction on alcohol and tobacco sales, dispensing or consumption.

No person shall cause, allow, or permit the sale, dispensing, or consumption of alcoholic beverages or tobacco products on or about the premises of a commercial cannabis business, pursuant to and consistent with the prohibition of same by state law.

(Ord. 2552 §1, Ord. 2589 §2)

5.42.310 Operating requirements for store front retail facilities.

A. Retailers shall verify the age and all necessary documentation of each individual to ensure the customer is not under the age of eighteen (18) years. If the potential customer is over 18 but under 21 years old, retailer shall confirm the customer's possession of a valid doctor's recommendation and/or Health and Safety Code Section 11362.71 identification card (Medical

Marijuana Card). For adult-use purchasers, retailers shall verify that all customers are 21 years of age or older for the purchase of cannabis or cannabis products.

B. Individuals must show a government-issued identification, and, in the case of purchases of medical cannabis, their physician's recommendation, or a cannabis card issued pursuant to Health and Safety Code Section 11362.71 in order to gain access into the retailer. The government-issued identification and, if applicable, doctor's recommendation or cannabis card must also be shown at the point of sale station at the time of purchase. Doctor recommendations are not to be obtained or provided at the retail location.

C. Uniformed licensed security personnel shall be employed by permittee to monitor site activity, control loitering and site access, and to serve as a visual deterrent to unlawful activities.

D. Retailers may have readily available for sale on-site in the retail sales area of the retailer only that quantity of cannabis and cannabis products to meet the daily demand. Additional product may be stored in a secured, locked area to which customers, vendors, and visitors shall not have access.

E. All restroom facilities used by customers shall remain locked and under the control of management.

F. Retailers authorized to conduct retail activities shall only serve customers who are within the licensed premises, or at a delivery address that meets the requirements of state law and this division.

1. The sale and delivery of cannabis goods shall not occur through a pass-through window or a slide-out tray to the exterior of the premises.

2. Retailers shall not operate as or with a drive-in or drive-through at which cannabis goods are sold to persons within or about a motor vehicle.

3. No cannabis goods shall be sold and/or delivered by any means or method to any person within a motor vehicle.

4. All cannabis goods sold by a retail business shall be contained in child-resistant packaging.

5. Retailers shall record point-of-sale areas and areas where cannabis goods are displayed for sale on the video surveillance system. At each point-of-sale location, camera placement must allow for the recording of the facial features of any person purchasing or selling cannabis goods, or any person in the retail area, with sufficient clarity to determine identity.

6. A retail licensee who is engaged in retail sales shall hire or contract for security personnel who are at least 21 years of age to provide security services for the licensed retail premises. All security personnel hired or contracted for by the licensee shall be licensed by the Bureau of Security and Investigative Services and shall comply with Chapters 11.4 and 11.5 of Division 3 of the Business and Professions Code.

G. Access to retailer premises.

1. Access to the premises of a retail licensee/permittee shall be limited to individuals who are at least 21 years of age.

2. Notwithstanding Section 5.42.310(h)(1) individuals who are at least 18 years of age and in possession of a valid physician's recommendation shall be granted access to the premises of a retail licensee/permittee for the sole purpose of purchasing medicinal cannabis consistent with the physician's recommendation.

H. Authorized sales. A retailer shall only sell adult-use cannabis and adult-use cannabis products to individuals who are at least 21 years of age. A retailer shall only sell medicinal cannabis or medicinal cannabis products to individuals who are at least 18 years of age, if those individuals are in possession of a valid physician's recommendation.

I. Limited access areas. A retailer shall establish limited-access areas and permit only authorized individuals to enter the limited-access areas. Authorized individuals include individuals employed by the retailer as well as any outside vendors, contractors, or other individuals conducting business that requires access to the limited access area. All individuals granted access to the limited access area shall be at least 21 years of age, and if not employed by the retailer, shall be escorted at all times by an employee of the licensee/permittee. A retailer shall maintain a log of all individuals who are not employees who are granted access to the limited access area. These logs shall be made available to the Chief of Police or their designee upon request.

J. Operating hours of the store front retailer permittees shall be limited to the hours of 8:00 a.m. through 9:00 p.m. Pacific Standard Time, seven days a week.

K. Store front/retail security requirements. All provisions incorporated within Section 5.42.320 of this chapter (Security Requirements), are directly applicable to and binding on all commercial cannabis businesses, including all store front/retail businesses.

L. Educational materials. Cannabis retailers shall provide written educational materials to all customers:

1. Regarding each product sold, with information regarding the name and type of product, instructions for use, and expected effects.

2. Regarding all edible cannabis products and cannabis concentrate products sold to a customer, which shall include:

i. information on safe storage and use of the product,

ii. warning against child access and exposure to the product, and

iii. warnings of potential side effects concerning brain development of individuals under the age of twenty-five years, and

iv. warnings of potential harm to pregnant women.

M. Training required. All employees who interact with public customers as well as all management staff complete training to ensure competency of employees for their assigned functions within the first year of the retailers' first year of operation, and within one year of each employee's hire date thereafter. The retailer shall maintain records showing completion of each employee's training for a period of two years and provide such records to the City Manager or his/her designee upon request.

(Ord. 2552 §1, Ord. 2589 §2)

5.42.311 Operating requirements for non-storefront retail facilities.

A. Non-store front retailers (delivery) which conduct deliveries from or within the City of Chico shall comply with the following:

1. Operating hours of the non-store front retailer license shall be limited to the hours of 8:00 a.m. through 9:00 p.m., seven days a week.
2. The commercial non-store front retailer shall only sell cannabis or cannabis products to a natural person 21 years of age or older, or a natural person 18 years of age or older who possesses a physician's recommendation.
3. Retailers may have only that quantity of cannabis and cannabis products to meet the daily demand readily available for sale on-site in the retail sales area of the retailer. Additional product may be stored in a secured, locked area to which customers, vendors, and visitors shall not have access.

B. Educational materials. Cannabis retailers shall provide written educational materials to all customers:

1. Regarding each product sold, with information regarding the name and type of product, instructions for use, and expected effects.
2. Regarding all edible cannabis products and cannabis concentrate products sold to a customer, which shall include:
 - a. information on safe storage and use of the product,
 - b. warning against child access and exposure to the product,
 - c. warnings of potential side effects concerning brain development of individuals under the age of twenty-five years, and
 - d. warnings of potential harm to pregnant women.

C. Training required. All employees who interact with public customers as well as all management staff complete training to ensure competency of employees for their assigned functions within the first year of the retailers' first year of operation, and within one year of each employee's hire date thereafter. The retailer shall maintain records showing completion of each employee's training for a period of two years, and provide such records to the City Manager or his/her designee upon request.

(Ord. 2552 §1, Ord. 2589 §2)

5.42.312 Operating requirements for testing laboratories.

A. Testing labs shall be required to conduct all testing in a manner pursuant to Business and Professions Code Section 26100 and shall be subject to state and local law. Each testing lab shall be subject to additional regulations as determined from time to time as more regulations are developed under this chapter and any subsequent State of California legislation or regulations regarding the same.

B. Testing labs shall conduct all testing in a manner consistent with general requirements for the competence of testing and calibrations activities, including sampling using verified methods.

C. All cannabis testing laboratories performing testing shall obtain and maintain ISO/IEC 17025 accreditation as required by the Department of Cannabis Control.

D. Testing labs shall destroy any harvest batch whose testing sample indicates noncompliance with health and safety standards required by the Department of Cannabis Control unless remedial measures can bring the cannabis or cannabis products into compliance with quality standards as specified by law and implemented by the Department of Cannabis Control.

E. Each operator shall ensure that a testing laboratory employee takes the sample of cannabis or cannabis products from the distributor's premises for testing required by state law and that the testing laboratory employee transports the sample to the testing laboratory.

F. Except as provided by state law, a testing laboratory shall not acquire or receive cannabis or cannabis products except from a licensee in accordance with state law, and shall not distribute, sell, or dispense cannabis, or cannabis products, from the licensed premises from which the cannabis or cannabis products were acquired or received. All transfer or transportation

shall be performed pursuant to a specified chain of custody protocol.

G. A testing laboratory may receive and test samples of cannabis or cannabis products from a qualified patient or primary caregiver only if the qualified patient or primary caregiver presents the qualified patient's valid physician's recommendation for cannabis for medicinal purpose. A testing lab shall not certify samples from a qualified patient or primary caregiver for resale or transfer to another party or licensee. All tests performed by a testing laboratory for a qualified patient or primary caregiver shall be recorded with the name of the qualified patient or primary caregiver and the amount of the cannabis or cannabis products received.

(Ord. 2552 §1, Ord. 2589 §2)

5.42.313 Operating requirements for cannabis manufacturing.

A. Cannabis manufacturing shall only be permitted for Type 6 or Type 7 state licenses for manufacturing facilities as such types are known at the time of adoption of this ordinance. Any subsequently created manufacturing state license types shall be considered by the Council and/or Planning Commission prior to being permitted to operate within the City. Type 6 and Type 7 manufacturing uses shall be allowed only in those zone districts as defined in Chapter 19 of the Chico Municipal Code for cannabis manufacturing.

B. Any compressed gases used in the manufacturing process shall not be stored on any property within the City of Chico in containers that exceeds the amount which is approved by the Chico Fire Department and authorized by the regulatory permit. Each site or parcel subject to a commercial cannabis business permit shall be limited to a total number of tanks as authorized by the Chico Fire Department on the property at any time.

C. Cannabis manufacturing facilities may use heat, screens, presses, steam distillation, ice water, ethanol and other methods without employing solvents or gases to create keef, hashish, bubble hash, or infused dairy butter, or oils or fats derived from natural sources, and other extracts.

D. If an extraction process uses a professional grade closed loop CO2 gas extraction system every vessel must be certified by the manufacturer for its safe use as referenced in Section 5.42.313(F). The CO2 must be of at least ninety-nine percent purity.

E. Closed loop systems for compressed gas extraction systems must be commercially manufactured and bear a permanently affixed and visible serial number.

F. Certification from an engineer licensed by the State of California, or by a certified industrial hygienist, must be provided to the Community Development Department for a professional grade closed loop system used by any commercial cannabis manufacturing manufacturer to certify that the system was commercially manufactured, is safe for its intended use, and was built to codes of recognized and generally accepted good engineering practices, including but not limited to:

1. The American Society of Mechanical Engineers (ASME);
2. American National Standards Institute (ANSI);
3. Underwriters Laboratories (UL); or
4. The American Society for Testing and Materials (ASTM).

G. The certification document must contain the signature and stamp of the professional engineer or industrial hygienist and serial number of the extraction unit being certified.

H. Professional closed loop systems, other equipment used, the extraction operation, and facilities must be approved for their use by the Fire Department and meet any required fire, safety, and building code requirements specified in the California Building Reference Codes.

I. Cannabis manufacturing facilities may use food grade glycerin, ethanol, and propylene glycol solvents to create or refine extracts. Ethanol should be removed from the extract in a manner to recapture the solvent and ensure that it is not vented into the atmosphere.

J. Cannabis manufacturing facilities creating cannabis extracts must develop standard operating procedures, good manufacturing practices, and a training plan prior to producing extracts for the marketplace.

K. Any person using solvents or gases in a closed looped system to create cannabis extracts must be fully trained on how to use the system, have direct access to applicable material safety data sheets and handle and store the solvents and gases safely.

L. Parts per million for one gram of finished extract cannot exceed state standards for any residual solvent or gas when quality assurance tested.

M. Permittee shall be subject to initial review and annual review of compliance with the California Fire Code for issuance of an operational permit issued by the Fire Chief.

(Ord. 2552 §1, Ord. 2589 §2)

5.42.314 Operating requirements for distributors.

- A. A distributor shall not store non-cannabis goods or non-cannabis accessories that are to be sold to another party on any licensed premises. Additionally, a distributor shall not distribute non-cannabis goods or non-cannabis accessories at a licensed premise. For the purposes of this section, non-cannabis goods are any goods that do not meet the definition of cannabis goods as defined in Section 5000(c) of the California Code of Regulations.
- B. After taking physical possession of a cannabis goods batch, the distributor shall contact a testing laboratory and arrange for a laboratory employee to come to the distributor's licensed premises to select a representative sample for laboratory testing.
- C. A distributor shall ensure that all cannabis goods batches are stored separately and distinctly from other cannabis goods batches on the distributor's premises.
- D. The distributor shall ensure that the batch size from which the sample is taken meets the requirements of state law, specifically the testing provisions within the California Code of Regulations.
- E. A distributor or an employee of the distributor shall be physically present to observe the laboratory employee obtain the sample of cannabis goods for testing and shall ensure that the increments are taken from throughout the batch. The sampling shall be video-recorded, and the recording kept available to state and local authorities for a minimum of 180 days, pursuant to Title 16, Section 5305 of the California Code of Regulations.
- F. A distributor shall not transport cannabis or cannabis products to a licensed retail facility until and unless it has verified that the cannabis or cannabis products have been tested and certified by a testing lab as being in compliance with state health and safety requirements pursuant to Sections 5705, 5710 and 5714 of the California Code of Regulations.
- (Ord. 2552 §1, Ord. 2589 §2)

5.42.315 Additional operating requirements for retail delivery businesses.

- A. Delivery personnel. A cannabis delivery retailer shall maintain a database and provide a list of the individuals and vehicles authorized to conduct vehicle dispensing, and a copy of the valid California driver's license issued to the driver of any such vehicle on behalf of the cannabis delivery retailer to the Chief of Police.
- B. Delivery requests. During delivery, a physical copy of the delivery request (and/or invoice) shall be in the vehicle at all times, and the driver shall make it available upon the request of agents or employees of the City requesting documentation.
- C. Vehicle information. Prior to commencing operations, the following information shall be provided to the City:
1. Proof of ownership of the vehicle or a valid lease for all vehicles that will be used to deliver cannabis or cannabis products.
 2. The year, make, model, color, license plate number, and numerical Vehicle Identification Number (VIN) for all vehicles that will be used to deliver cannabis goods.
 3. Proof of insurance as required by Section 5.42.220 B.2. for all vehicles being used to deliver cannabis goods.
 4. The licensee shall provide the City with the information required by this section in writing for any new vehicle that will be used to deliver cannabis goods prior to using the vehicle to deliver cannabis goods.
 5. The licensee shall provide the City with any changes to the information required by this section in writing within thirty (30) calendar days.
- D. Delivery vehicle. A cannabis delivery retailer shall only permit or allow delivery of cannabis or cannabis products in a vehicle that is:
1. insured at or above the legal requirement in California;
 2. capable of securing (locking) the cannabis or cannabis products during transportation;
 3. capable of being temperature controlled if perishable cannabis or cannabis products is being transported; and
 4. does not display advertising or symbols visible from the exterior of the vehicle that suggest the vehicle is used for cannabis delivery or affiliated with a cannabis retailer.
- E. Delivery sales records. A cannabis delivery retailer shall facilitate deliveries with a technology platform owned by or licensed to the non-storefront delivery only retailer that uses Global Positioning System technology to track and database technology to record and store the following information:
1. The time that the individual conducting vehicle dispensing on behalf of the storefront retailer departed the licensed premises.
 2. The time that the individual conducting vehicle dispensing on behalf of the storefront retailer completed vehicle dispensing to the qualified patient, primary caregiver, or customer.
 3. The time that the individual conducting vehicle dispensing on behalf of the storefront retailer returned to the licensed premises.
 4. The route the individual conducting vehicle dispensing on behalf of the storefront retailer will travel between departing

and returning to the permitted premises to conduct vehicle dispensing.

5. For each individual vehicle dispensing transaction, the identification of the individual conducting deliveries on behalf of the storefront retailer.

6. For each individual delivery transaction, the vehicle used to conduct vehicle dispensing on behalf of the storefront retailer permittee.

7. For each individual vehicle dispensing transaction, the identity of the qualified patient, primary caregiver, or customer receiving cannabis or cannabis products from the storefront retailer.

8. For each individual vehicle dispensing transaction, the type and quantity of cannabis or cannabis products dispensed and received.

9. For each individual vehicle dispensing transaction, the dollar amount to be charged by the storefront retailer and received by the individual conducting deliveries on behalf of the storefront retailer the cannabis or cannabis products dispensed and received.

F. Customer verification. The individual making deliveries on behalf of the cannabis delivery retailer shall for each transaction:

1. Verify the identity and age of the qualified patient, primary caregiver, or customer receiving cannabis or cannabis products from the delivery only retailer, and

2. If a medicinal cannabis transaction,

a. verify the validity of the qualified patient's recommendation from a physician to use cannabis for medical purposes or primary caregiver's status as a primary caregiver for the particular qualified patient, and

b. maintain a copy of the physician recommendation or Identification Card, as described in Health and Safety Code Sections 11362.71 through 11362.77, as may be amended from time to time, at its permitted business location for a period of not less than seven (7) years.

G. Required notifications. Delivery retailers shall notify qualified patients, primary caregivers, and customers in writing of the following:

1. "The sale or diversion of cannabis or cannabis products without a permit issued by the City of Chico is a violation of State law and the Chico City Code."

2. "Secondary sale, barter, or distribution of cannabis or cannabis products purchased from a permittee is a crime and can lead to arrest."

3. "Warning: the use of cannabis or cannabis products may impair a person's ability to drive a motor vehicle or operate heavy machinery."

4. "CALIFORNIA PROP. 65 WARNING: Smoking of cannabis and cannabis- derived products will expose you and those in your immediate vicinity to cannabis smoke. Cannabis smoke is known by the State of California to cause cancer."

H. Educational materials. A cannabis delivery retailers shall provide written educational materials to all customers:

1. Regarding each product sold, with information regarding the name and type of product, instructions for use, and expected effects.

2. Regarding all edible cannabis products and cannabis concentrate products sold to a customer, which shall include information on safe storage and use of the product, warning against child access and exposure to the product, and warnings of potential side effects concerning brain development of individuals under the age of twenty-five years and potential harm to pregnant women.

(Ord. 2552 §1, Ord. 2589 §2)

5.42.316 Delivery services originating outside of City.

A. Until such time that permits for retailer-storefront or non-storefront retail businesses are issued by the City, and the first of such business type within the City offers delivery services, out-of-City cannabis delivery services may conduct business within the City of Chico, subject to all other applicable operational requirements herein.

B. Businesses from outside of Chico offering delivery services inside the City shall cease delivery operations at the time of expiration of their annual business license renewal occurring after the first retailer-storefront or non-storefront retail business permit is issued by the City and such permittee offers delivery services. The City shall provide notice to legally operating delivery services of the date of required cessation of operations.

(Ord. 2552 §1, Ord. 2589 §2)

5.42.317 Permissible delivery locations and hours of operation.

Cannabis delivery service businesses permitted to engage in delivery of cannabis and cannabis products are subject to the following requirements:

A. A licensed cannabis delivery service may only deliver medicinal and adult use cannabis and cannabis goods to residential addresses in the City of Chico. Deliveries to all commercial addresses are expressly prohibited.

B. A licensed cannabis delivery service shall not deliver medicinal or adult use cannabis goods to an address located on publicly owned land or any address on land or in a building leased by a public agency.

C. A licensed cannabis delivery service shall only deliver medicinal and adult use cannabis goods to consumers during the hours of 8:00 a.m. and 9:00 p.m. Pacific Standard Time.

D. Deliveries of cannabis or cannabis goods to residential properties located within 600 feet of a public or private K-12 school shall not occur during school hours (8:00 a.m. to 3:00 p.m. weekdays).

(Ord. 2552 §1, Ord. 2589 §2)

5.42.320 Security requirements.

A. A permitted commercial cannabis business shall implement sufficient security measures to deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products, and to deter and prevent the theft of cannabis or cannabis products at the commercial cannabis business. Except as may otherwise be determined by the Police Chief or their designee(s), these security measures shall include, but shall not be limited to, all of the following:

1. Alarm system (perimeter, and fire).
2. Remote monitoring of alarm systems by licensed security professionals.
3. Perimeter lighting systems (including motion sensors) for after-hours security.
4. Perimeter security and lighting as approved by the Police Chief and the Community Development Director or their designee(s).
5. Preventing individuals from remaining on the premises of the commercial cannabis business if they are not engaging in an activity directly related to the permitted operations of the commercial cannabis business.
6. Establishing limited access areas accessible only to authorized commercial cannabis business personnel.
7. Except for live growing plants at a retail-storefront use offered for sale as a whole live plant, all cannabis and cannabis products shall be stored in a secured and locked vault or vault equivalent. All safes and vaults shall be compliant with Underwriter Laboratories burglary-resistant and fire-resistant standards. All cannabis and cannabis products, including live plants that are being sold at retail shall be kept in a manner as to prevent diversion, theft, and loss. No part of such live plants shall be used for consumption or manufacture prior to retail sale of such live plant.
8. Installing 24-hour security surveillance cameras of at least HD-quality to monitor all entrances and exits to and from the premises, all interior spaces within the commercial cannabis business which are open and accessible to the public, all interior spaces where cannabis, cash or currency, is being stored for any period of time on a regular basis and all interior spaces where diversion of cannabis could reasonably occur. All cameras shall record in color. All exterior cameras shall be in weather-proof enclosures, shall be located to minimize the possibility of vandalism, and shall have the capability to automatically switch to black and white in low light conditions. The commercial cannabis business shall be responsible for ensuring that the security surveillance camera's footage is remotely accessible by the Chief of Police or their designee(s), and that it is compatible with the City's software and hardware. In addition, remote and real-time, live access to the video footage from the cameras shall be provided to the Chief of Police or their designee(s). Video recordings shall be maintained for a minimum of ninety (90) days and shall be made available to the Chief of Police or their designee(s) upon request. Video shall be of sufficient quality for effective prosecution of any crime found to have occurred on the site of the commercial cannabis business and shall be capable of enlargement via projection or other means. Internet Protocol address information shall be provided to the Chico Police Department by the commercial cannabis business, to facilitate remote monitoring of security cameras by the Department or its designee.
9. Sensors shall be installed to detect entry and exit from all secure areas and shall be monitored in real time by a security company licensed by the State of California Bureau of Security and Investigative Services.
10. Having a professionally installed, maintained, and monitored real-time alarm system by a security company licensed by the State of California Bureau of Security and Investigative Services.
11. Any bars installed on the windows or the doors of the commercial cannabis business shall be installed only on the interior of the building.
12. Security personnel shall be on-site during business hours or alternative security as authorized by the Chief of Police or their designee(s), and must have a verified response security patrol when closed. Security personnel must be licensed by the State of California Bureau of Security and Investigative Services personnel and shall be subject to the prior review and approval of the Chief of Police or their designee(s), with such approval not to be unreasonably withheld.
13. Each commercial cannabis business shall have the capability to remain secure during a power outage and shall ensure that all access doors are not solely controlled by an electronic access panel to ensure that locks are not released during a power outage.
14. Entrance areas are to be locked at all times and under the control of a designated responsible party that is either: (a)

an employee of the commercial cannabis business; or (b) a licensed security professional.

15. Each commercial cannabis business shall have an accounting software system in place to provide point of sale data as well as audit trails or both product and cash, where applicable.

16. Each commercial cannabis business shall demonstrate to the Chief of Police, City Manager or their designees, compliance with the state's track and trace system for cannabis and cannabis products, as soon as it is operational.

17. Each commercial cannabis business shall have a professionally installed video surveillance system, access control and intrusion alarm systems designed to protect the inventory, facility, and employees. Each business shall have network security protocols that are certified by Underwriters Laboratories.

18. Exterior vegetation shall be planted, altered and maintained in a fashion that precludes its use as a hiding place for persons on the premises.

19. Emergency access and emergency evacuation plans that are in compliance with state and local fire safety standards.

B. Each commercial cannabis business shall identify a designated security representative/liaison to the City of Chico, who shall be reasonably available to meet with the City Manager or their designee(s) regarding any security related measures and/or operational issues. The designated security representative/liaison shall, on behalf of the commercial cannabis business, annually maintain a copy of the current security plan on the premises of the business, to present to the City Manager or their designee upon request that meets the following requirements:

1. Confirms that a designated Manager will be on duty during business hours and will be responsible for monitoring the behavior of employees.

2. Identifies all managers of the commercial cannabis business and their contact phone numbers.

3. Confirms that first aid supplies and operational fire extinguishers are located in the service areas and the manager's office.

4. Confirms that burglar and fire alarms are operational and monitored by a licensed security company 24 hours a day, seven days a week, and provides contact information for each licensed security company.

5. Identify a sufficient number of licensed, interior and exterior security personnel who will monitor individuals inside and outside the commercial cannabis business, the parking lot, and any adjacent property under the business' control.

6. Confirm that the licensed security personnel shall regularly monitor the parking lot and any adjacent property to ensure that these areas are: (a) free of individuals loitering or causing a disturbance; (b) are cleared of employees and their vehicles one-half hour after closing.

C. As part of the application and permitting process each commercial cannabis business shall have a storage and transportation plan, which describes in detail the procedures for safely and securely storing and transporting all cannabis, cannabis products, any hazardous materials that may be used by the business, and any currency.

D. The commercial cannabis business shall cooperate with the City whenever the City Manager or their designee(s) makes a request, with or without prior notice, to inspect or audit the effectiveness of any security plan or of any other requirement of this chapter.

E. A commercial cannabis business shall notify the Chief of Police or their designee(s) within twenty-four (24) hours after discovering any of the following:

1. Significant discrepancies identified during inventory.

2. Diversion, theft, loss, or any criminal activity involving the commercial cannabis business or any agent or employee of the commercial cannabis business, or any crime occurring on the premises or involving the business.

3. The loss or unauthorized alteration of records related to cannabis, customers or employees or agents of the commercial cannabis business.

4. Any other breach of security.

F. Compliance with the foregoing requirements shall be verified by the City Manager or their designee prior to commencing business operations. The City Manager or their designee may supplement these security requirements once operations begin, subject to review by the City Manager or their designee if requested by the business owner.

(Ord. 2552 §1, Ord. 2589 §2)

5.42.330 Records and recordkeeping.

A. Each owner and operator of a commercial cannabis business shall maintain accurate books and records in an electronic format, detailing all of the revenues and expenses of the business, and all of its assets and liabilities and shall maintain all invoices, receipts and other records supporting all revenues, expenses, assets, and liabilities. On no less than an annual basis, or at any time upon reasonable request of the City, each commercial cannabis business shall file a sworn statement detailing the commercial cannabis business' revenue and number of sales during the previous twelve-month period (or shorter period based upon the timing of the request), provided on a per-month basis. The statement shall also include gross revenues for each month, and all applicable taxes paid or due to be paid. On an annual basis, each owner and operator shall

submit to the City a financial audit of the business' operations conducted by an independent certified public accountant. Each permittee shall be subject to a regulatory compliance review and financial audit as determined by the City Manager, or their designee.

B. Each owner and operator of a commercial cannabis business shall maintain a current register of the names and the contact information (including the name, address, and telephone number) of anyone owning or holding an interest in the commercial cannabis business, and separately of all the officers, managers, employees, agents and volunteers currently employed or otherwise engaged by the commercial cannabis business. The register required by this paragraph shall be provided to the City Manager upon request.

C. All records collected by a permittee pursuant to this chapter shall be maintained for a minimum of seven (7) years and shall be made available by the permittee to the agents or employees of the City of Chico upon request, except that private medical records shall be made available only pursuant to a properly executed search warrant, subpoena, or court order.

D. Subject to any restrictions under the Health Insurance Portability and Accountability Act (HIPAA), each commercial cannabis business shall allow City of Chico officials to have access to the business's books, records, accounts, together with any other data or documents relevant to its permitted commercial cannabis activities, for the purpose of conducting an audit or examination. Books, records, accounts, and any and all relevant data or documents will be produced no later than twenty-four (24) hours after receipt of the City's request, unless otherwise stipulated by the City. The City may require the materials to be submitted in an electronic format that is compatible with the City's software and hardware.

(Ord. 2552 §1, Ord. 2589 §2)

5.42.340 Fees and charges.

A. All related fees and charges associated with the operation of a commercial cannabis business as referenced or determined by this chapter shall be established by Resolution of the City Council, which may be amended from time to time.

B. No application shall be considered prior to timely payment in full of all fees and charges required for any permit mandated by this chapter.

C. No person may commence or continue any commercial cannabis activity in the City, without timely paying in full all fees and charges required for the operation of a commercial cannabis business, and as mandated by this chapter.

D. All commercial cannabis businesses authorized to operate under this chapter shall pay all sales tax, use tax, business tax and other applicable taxes, and all license, registration, and other fees required under federal, state and local law. Each commercial cannabis business shall cooperate with City with respect to any reasonable request to audit the commercial cannabis business' books and records for the purpose of verifying compliance with this section, including but not limited to a verification of the amount of fees, costs or taxes required to be paid during any period.

(Ord. 2552 §1, Ord. 2589 §2)

5.42.350 Promulgation of local regulations, standards and other legal duties.

A. In order to effectuate the intent of this chapter, the City Manager, or their designee, is authorized to establish any additional local rules, regulations, policies and standards governing the operating requirements applicable to all commercial cannabis businesses to promote the public's safety, welfare or health; application review and approval process; the issuance, denial or renewal of Commercial Cannabis Permit; the ongoing operation of commercial cannabis businesses and the City's oversight of same; and/or concerning any other subject determined to be necessary to carry out the intent and purposes of this chapter, including without limitation, establishing time periods to solicit applications pursuant to this chapter, and corresponding deadlines for timely submittals of same to the City, as well as the drafting of any forms or applications, as required by this chapter.

B. Additional local rules, regulations, policies and standards shall be published on the City's website and maintained and available to the public in the Office of the City Clerk.

C. Local rules, regulations, policies, and standards promulgated by the City Manager shall become effective upon date of publication. Commercial cannabis businesses shall be required to comply with all state and local laws and regulations, including but not limited to any rules, regulations or standards adopted by the City Manager.

(Ord. 2552 §1, Ord. 2589 §2)

5.42.360 Fees deemed debt to City of Chico.

The amount of any fee, cost or charge imposed pursuant to this chapter, or as imposed and mutually agreed-upon pursuant to any entitlements shall be deemed a debt to the City of Chico that is recoverable in any manner authorized by this Code, state law, provision of an approved entitlement, or in any court of competent jurisdiction.

(Ord. 2552 §1, Ord. 2589 §2)

ARTICLE V. ENFORCEMENT

5.42.400 Responsibility for violations.

Permittees, responsible persons, and/or managers shall be responsible for violations of the laws of the State of California

or of the City of Chico City Code, whether committed by the permittee, or any employee or agent of the permittee, which violations occur on the premises of the commercial cannabis business whether or not said violations occur within the permit holder's presence. Any act or omission of any employee constituting a violation of the provisions of this chapter shall be deemed the act or omission of the permittee, responsible person, or manager, for purposes of determining whether the permit shall be revoked, suspended, or not renewed.

(Ord. 2552 §1, Ord. 2589 §2)

5.42.410 Inspections.

A. The City Manager, Chief of Police, Fire Chief, or their designee(s), charged with enforcing the provisions of the City of Chico City Code may enter the location of a commercial cannabis business at any time during regular business hours, without notice, and inspect the location of any commercial cannabis business as well as any recordings and records required to be maintained pursuant to this chapter or under applicable provisions of State law.

B. It is unlawful for any person having responsibility over the operation of a commercial cannabis business, to impede, obstruct, interfere with, or otherwise not to allow, the City to conduct an inspection, review or copy records, recordings or other documents required to be maintained by a commercial cannabis business under this chapter or under state or local law. It is also unlawful for a person to conceal, destroy, deface, damage, or falsify any records, recordings or other documents required to be maintained by a commercial cannabis business under this chapter or under State or local law.

C. A commercial cannabis business may be subject to a mandatory inspection, during regular business hours, without notice, to ensure compliance with the provisions of the City Code. The City Manager has the authority to inspect commercial cannabis businesses at whatever frequency is necessary to ensure public health, safety and welfare.

(Ord. 2552 §1, Ord. 2589 §2)

5.42.420 Violations and penalties.

A. Any person who violates any provision of this chapter is guilty of a misdemeanor and shall also be subject to all other remedies available under this Code.

B. It is unlawful for any permittee of a commercial cannabis business, or its responsible person, manager or any other responsible person employed by or working in concert with them or on their behalf, whether directly or indirectly, to continue to operate, conduct, or maintain a commercial cannabis business after the City-issued Commercial Cannabis Permit has been suspended or revoked, or not timely renewed, pursuant to a non-contested notice of decision issued by the City Manager, or after the issuance of a final order after an appeal hearing.

C. Any commercial cannabis business operated, conducted, or maintained contrary to the provisions of this chapter shall be, and the same is declared to be, unlawful and a public nuisance, and the City may, in addition to or in lieu of prosecuting a criminal action, commence an administrative or civil action(s) or proceeding(s), for the abatement, removal and injunction thereof, in the manner provided by law, and shall take such other steps and shall apply to such court or courts as may have jurisdiction to grant such relief to abate, cause cessation, or remove such commercial cannabis business and restrain and enjoin any person from operating, conducting or maintaining a commercial cannabis business contrary to the provisions of this chapter.

D. Each person shall be guilty of a separate offense for each and every day, or part thereof, during which a violation of this chapter, or of any law or regulation referenced herein, is allowed, committed, continued, maintained or permitted by such person, and shall be punishable accordingly.

E. Whenever in this chapter any act or omission is made unlawful, it shall include causing, permitting, aiding, abetting, suffering, or concealing the fact of such act or omission.

F. The penalties set forth herein are cumulative and in addition to all other remedies, violations, and penalties set forth in this chapter, the City's Code, or in any other ordinance, laws, rules or regulations of the City, County, or the State of California.

(Ord. 2552 §1, Ord. 2589 §2)

5.42.430 Effect on other ordinances.

Except as designated in this chapter, the provisions of this chapter shall control for regulation of commercial cannabis businesses as defined herein if other provisions of the Code conflict therewith. This chapter shall not, however, relieve any person of their duty to comply with such laws if additional obligations, duties, or prohibitions are imposed thereby.

(Ord. 2552 §1, Ord. 2589 §2)

ARTICLE I: GENERAL PROVISIONS

Section

- 6B.1 Purpose and intent
- 6B.2 Legal authority
- 6B.3 Commercial cannabis businesses prohibited unless specifically authorized
- 6B.4 Compliance with state and local laws
- 6B.5 Definitions
- 6B.6 Type of commercial cannabis businesses allowed; activities prohibited
- 6B.7 Personal cultivation

§ 6B.1 PURPOSE AND INTENT.

(A) The purpose of this article is to regulate commercial and personal cannabis activity in the City of Red Bluff, whether the cannabis is for medicinal or adult-use commercial purposes, by enacting permitting and regulatory procedures for this action. It is the purpose and intent of this chapter, in conjunction with the balance of Chapter 25 of this code and resolutions and other policies adopted by the city, to implement the provisions to provide access to cannabis as authorized by the California Medicinal and Adult-Use Cannabis Regulation and Safety Act and related laws, regulations, and policies issued by the State of California while imposing reasonable regulations on commercial activities and the use of land to protect the city's residents, neighborhoods, and businesses from significant negative impacts. As such, it is the purpose and intent of this chapter to regulate the commercial cannabis business activity in a responsible manner to protect the health, safety and welfare of the residents of the City of Red Bluff and to enforce local rules and regulations consistent with state law.

(B) It is the purpose and intent of this chapter to require all commercial cannabis businesses operating in the city to obtain and renew annually a commercial cannabis permit to operate within the City of Red Bluff. Nothing in this chapter is intended to authorize the possession, use, or provision of cannabis for purposes that violate state law. The provisions of this chapter are in addition to any other permits, licenses, approvals, and compliance or regulatory inspections which may be required to conduct business in the city, and are in addition to any permits, licenses, approvals and compliance or regulatory inspections required under the City of Red Bluff, the State of California, or other state and local laws, rules and regulations.

(Ord. 1063, passed 2-15-2022)

§ 6B.2 LEGAL AUTHORITY.

The City of Red Bluff is a general law city, established under the Constitution of the State of California, that has the power to make and enforce within its jurisdictional limits all laws and regulations in respect to municipal affairs. Moreover, pursuant to §§ 5 and 7 of Article XI of the California Constitution, the provisions of MAUCRSA, and any subsequent state legislation and/or regulations regarding same, the City of Red Bluff is authorized to adopt ordinances that establish standards, requirements and regulations for the licensing and permitting of commercial cannabis businesses. Moreover, pursuant to §§ 5 and 7 of Article XI of the California Constitution, the provisions of MAUCRSA, and any subsequent state legislation and/or regulations regarding same, the City of Red Bluff is authorized to adopt ordinances and local resolutions that establish local standards, requirements and regulations for the licensing and permitting of commercial cannabis businesses.

(Ord. 1063, passed 2-15-2022)

§ 6B.3 COMMERCIAL CANNABIS BUSINESSES PROHIBITED UNLESS SPECIFICALLY AUTHORIZED.

(A) No person shall engage in, conduct and/or operate a commercial cannabis business, or cause, allow, permit and/or maintain a commercial cannabis business on any real property, within the city except as specifically authorized both by the provision of this code, including but not limited to this chapter, and state law.

(B) Except as specifically authorized in this chapter, or expressly made exempt from city regulation by state law, the cultivation, manufacturing, processing, storing, laboratory testing, labeling, transporting, dispensing, furnishing, distribution, delivery, and/or sale of cannabis or a cannabis product is expressly prohibited anywhere in the city.

(Ord. 1063, passed 2-15-2022)

§ 6B.4 COMPLIANCE WITH STATE AND LOCAL LAWS.

Nothing in this chapter shall be construed as authorizing any actions that violate state law or local law with respect to engaging in, or in the operation of, a commercial cannabis business. It shall be the responsibility of the permittees and responsible persons of a commercial cannabis business to ensure that a commercial cannabis business is, at all times, operating in a manner compliant with all applicable state and local laws, including for as long as applicable, all state cannabis laws and regulations, any subsequently enacted state law or regulatory, licensing, or certification standards or requirements, and any specific additional operating procedures or requirements.

(Ord. 1063, passed 2-15-2022)

§ 6B.5 DEFINITIONS.

Unless otherwise defined in this chapter or Article XXV of Chapter 25, Division 1 of Article I of Chapter 1, Article XII of Chapter 2, or the context clearly indicates a different meaning, the words and phrases used in this chapter shall have the same definitions ascribed to them in Division 10 of the Business and Professions Code, including § 26001, California Code of Regulations Title 4, Division 19, Department of Cannabis Control, and California Health and Safety Code § 11362.7; any reference to California statutes includes any regulations promulgated thereunder and is deemed to include any successor or amended version of the referenced statute or regulatory provision.

ACT or **MAUCRSA**. The California Medicinal and Adult-Use Cannabis Regulation and Safety Act, as set forth in California Business and Professions Code § 26000 *et seq.*

ADULT USE. Use of cannabis products by individuals 21 years of age and older and who do not possess a physician's recommendation.

APPLICANT. Any individual or entity applying for a commercial cannabis permit, and shall include any officer, director, partner or other duly authorized representative applying on behalf of an entity.

BUSINESS LICENSE. A license issued by the Finance Director pursuant to Chapter 12 of this code.

CANNABIS. All parts of the cannabis sativa linnaeus, cannabis indica, or cannabis ruderalis plants, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of a cannabis plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. **CANNABIS** also means the separated resin, whether crude or purified, obtained from cannabis. **CANNABIS** does not include the mature stalks of the plant; fiber produced from the stalks; oil or cake made from the seeds of the plant; any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake; or the sterilized seed of the plant, which is incapable of germination. For the purposes of this chapter, **CANNABIS** does not mean **INDUSTRIAL HEMP** as defined by California Health and Safety Code § 11018.5. **CANNABIS** shall also have the same meaning as in California Business and Professions Code § 26001(f), as the same may be amended from time to time.

CANNABIS ACCESSORIES. Any equipment, products or materials of any kind which are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, smoking, vaporizing, or containing cannabis, or for ingesting, inhaling, or otherwise introducing cannabis or cannabis products into the human body.

CANNABIS ACCESSORIES shall also have the same meaning as in California Health and Safety Code § 11018.2, as same may be amended from time to time.

CANNABIS CONCENTRATE. Cannabis that has undergone a process to concentrate one or more active cannabinoids, thereby increasing the product's potency. Resin from glandular trichomes from a cannabis plant is a concentrate for purposes of this chapter. A cannabis concentrate is not considered food, as defined by California Health and Safety Code § 109935, or a drug, as defined by California Health and Safety Code § 109925. **CANNABIS CONCENTRATE** shall also have the same meaning as in California Business and Professions Code § 26001(g), as same may be amended from time to time.

CANNABIS EVENT. A public or private event where compensation is provided or exchanged, either directly or indirectly or as part of an admission or other fee for service, for the provision, hosting, promotion or conduct of the event where consumption of cannabis is part of the activities.

CANNABIS PRODUCTS. Cannabis that has undergone a process whereby the plant material has been transformed into a concentrate (or a solution/dilution), including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients. Cannabis products are not considered food, as defined by California Health and Safety Code § 109935, a drug, as defined by California Health and Safety Code § 109925, or a cosmetic, as defined by California Health and Safety Code § 109900. **CANNABIS PRODUCTS** shall also have the same meaning as in California Health and Safety Code § 11018.1, as same may be amended from time to time.

CITY ATTORNEY. The City Attorney of the City of Red Bluff, including their designee.

CITY CLERK. The City Clerk of the City of Red Bluff, including their designee.

CITY MANAGER. The City Manager of the City of Red Bluff, including their designee.

COMMERCIAL CANNABIS ACTIVITY. Includes the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery or sale of cannabis and/or cannabis products as provided for in MAUCRSA and state regulations. **COMMERCIAL CANNABIS ACTIVITY** shall also have the same meaning as in California Business and Professions Code § 26001, or any successor section thereto.

COMMERCIAL CANNABIS BUSINESS. Any business or operation which engages in medicinal or adult-use commercial cannabis activity, as authorized by this chapter, including the cultivation, manufacturing, testing, distribution, microbusiness, event organization and retail as explicitly allowed herein of medicinal and adult use cannabis and cannabis products, and the ancillary transportation and delivery of same.

COMMERCIAL CANNABIS BUSINESS PERMIT or **CCBP**. A permit issued by the Director to allow a person to engage in commercial cannabis activity and/or operate a commercial cannabis business pursuant to the requirements of this chapter.

COMPETITIVE APPLICATION. The process to issue CCBPs when the number of applications received exceeds the

number of CCBPs that may be issued pursuant to this chapter.

CULTIVATION. Any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis pursuant to California Business and Professions Code § 26001, as may be amended from time to time. Whenever references to **CULTIVATION** are made in this chapter, **CULTIVATION** may refer to either commercial cultivation or non-commercial personal cultivation as specified.

CULTIVATOR. A person who cultivates cannabis.

CULTIVATION AREA. A location where cannabis is sprouted, cloned, planted, grown, harvested, dried, cured, graded, sorted, or trimmed, or a location where any combination of those activities occurs.

CUSTOMER. A natural person 21 years of age or older, or a natural person 18 years of age or older who possesses a physician's recommendation for medicinal use, or a primary caregiver. **CUSTOMER** shall also have the same meaning as in California Business and Professions Code § 26001, as may be amended from time to time.

DATE OF SERVICE. The date when a notice or written decision was served upon a person pursuant to this chapter.

DAY CARE CENTER. Has the same meaning as in California Health and Safety Code § 1596.76, meaning a child day care facility other than a family day care home.

DELIVERY. The commercial transfer of cannabis or cannabis products to a customer. **DELIVERY** shall also have the same meaning as in California Business and Professions Code § 26001, as same may be amended from time to time.

DCC. The state Department of Cannabis Control.

DIRECTOR. Unless otherwise specified, means the Community Development Director of the City of Red Bluff, including their designee.

DISPENSING. Any activity involving the retail sale of cannabis or cannabis products from a retailer.

DISTRIBUTION. The procurement, sale, and transport of cannabis and cannabis products between licensees or permittees. **DISTRIBUTION** shall also have the same meaning as in California Business and Professions Code § 26001, as may be amended from time to time. Distribution shall also encompass all activities authorized by the DCC for "distributor" or "transport" type licenses.

DISTRIBUTOR. An entity that engages in the distribution of cannabis from a licensed commercial cannabis business and transporting it for sale or other purposes necessary for operations to another commercial cannabis business. This definition shall encompass all distributor or transport type licenses issued by the DCC.

EVENT ORGANIZER. A person or commercial cannabis business who engages in the organizing and operating of a cannabis event.

FINANCE DIRECTOR. The Finance Director of the City of Red Bluff, including their designee.

FIRE CHIEF. The Fire Chief of the City of Red Bluff Fire Department, including their designee.

INDOOR CULTIVATION. The cultivation of cannabis within a permanent structure using exclusively artificial light or within any type of structure using artificial light at a rate above 25 watts per square foot, and includes mixed-light cultivation.

LICENSE OR STATE LICENSE. A license issued by the State of California, or one of its departments or divisions, under MAUCRSA, and any subsequent State of California legislation or regulations regarding the same, to lawfully engage in commercial cannabis activity.

LICENSEE. Any person holding a license issued by the State of California to conduct commercial cannabis business activities.

MANAGER. Any person(s) designated by the commercial cannabis business to act as the representative or agent of the commercial cannabis business in managing day-to-day operations with corresponding liabilities and responsibilities, and/or the person in apparent charge of the premises where the commercial cannabis business is located. Evidence of management includes, but is not limited to, evidence that the individual has the power to direct, supervise, hire and dismiss employees, controls hours of operations, creates policy rules, and purchases supplies.

MANUFACTURE. To compound, blend, extract, infuse, dilute, or otherwise make or prepare a cannabis product. Manufacture shall also have the same meaning as in California Business and Professions Code § 26001, as same may be amended from time to time.

MARIJUANA. Shall have the same meaning as cannabis.

MEDICINAL/MEDICAL CANNABIS. Any cannabis or cannabis product(s), intended to be cultivated, possessed, remunerated or donated, for use pursuant to the Compassionate Use Act of 1996 (California Health and Safety Code § 11362.5) and/or the Medical Marijuana Program Act (California Health and Safety Code § 11362.7) by any qualified individual on behalf of any qualified patient who possesses a physician's recommendation or approval to use cannabis for medicinal purposes.

MICROBUSINESS. A business which would be required to obtain a DCC microbusiness license and who is engaged in at least three of the following commercial cannabis activities: cultivation (less than 10,000 square feet), manufacturing (non-

volatile), distribution, and retailer as defined within this chapter.

MIXED LIGHT CULTIVATION. Cultivation using a combination of natural sunlight and supplemental artificial lighting that may also include light deprivation mechanisms, as defined by state regulation. This term refers to various types of greenhouses, whereby all cannabis plants are not legally visible or accessible to the public, and the rooftop of the structure is transparent or translucent to natural light, with the walls and ingress/egress points being secured, opaque and obstructed from public view and access. For the purposes of this chapter, mixed light is included within the meaning of indoor cultivation.

NON-VOLATILE MANUFACTURER. An entity engaging in the manufacture of cannabis whereby the use of any mechanical methods, solvent or extraction medium used in the extraction, concentration or dilution of cannabis that is not a volatile solvent as defined by the DCC. For purposes of this chapter, such solvents and mediums include, but are not limited to: lipids; vinegars; glycerin; heat; cold; water; ice; pressure; carbon dioxide; and ethanol. This definition shall comply with the definition set forth by the DCC and includes all cannabis manufacture methods not explicitly deemed volatile by the DCC.

OPERATION. Any act for which a license is required under state law for commercial cannabis activities or any commercial transfer of cannabis or cannabis products. **OPERATION** shall also have the same meaning as in California Business and Professions Code § 26001, as same may be amended from time to time.

OUTDOOR CULTIVATION. Any cultivation of cannabis that does not occur within a fully enclosed structure and/or the contents of that structure are visible from any public right-of-way.

OWNER, OWNING, OWNERSHIP. Any of the following, or a group or combination of any of the following acting as a unit: a person with an aggregate ownership interest of 5% or more in the business applying for CCBP, whether a partner, shareholder, principal, member, or the like, unless the interest is solely a security, lien, or encumbrance.

PATIENT or QUALIFIED PATIENT. The same definition as California Health and Safety Code §§ 11362.5 and 11362.7 *et seq.* (as it may be amended) and which means a person who is entitled to the protections of California Health and Safety Code § 11362.5.

PERMITTEE. Any person holding a commercial cannabis business permit issued by the city authorizing the holder to engage in a locally authorized commercial cannabis business.

PERSON. Any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit or entity, and the plural as well as the singular. For the purposes of this chapter, **PERSON** also includes any subsidiaries, affiliates, solely owned entities or “doing business as” filings that involve more than name changes only. The intent of this definition is to prevent the obfuscation of ownership and to remove the potential for monopolies being held in the commercial cannabis sector within city limits.

PERSONAL CULTIVATION. Includes cultivation of adult use cannabis by natural persons for their own use pursuant to California Health and Safety Code § 11362.2, and medical cannabis by patients for their own use or by primary caregivers for a patient’s use within the meaning of the Compassionate Use Act of 1996, California Health and Safety Code § 11362.5 and the Medical Marijuana Program Act, California Health and Safety Code § 11362.7.

POLICE CHIEF. The Chief of the City of Red Bluff Police Department, including their designee.

POSSESSION. Any activities involving the possession, storage, or transportation of cannabis.

PREMISES. The designated structure or structures and land specified in the application that is owned, leased, or otherwise held under the control of the applicant where the commercial cannabis business will be or is being conducted.

PRIMARY CAREGIVER. Shall have the same meaning as set forth in California Health and Safety Code, §§ 11362.5 and 11362.7.

PUBLIC WORKS DIRECTOR. The Public Works Director of the City of Red Bluff, including their designee.

QUALIFIED INDIVIDUAL. Shall have the same meaning as set forth in California Health and Safety Code, §§ 11362.5 and 11362.7.

RESPONSIBLE PERSON. All owners and operators of a commercial cannabis business, including the permittee and all officers, directors, or partners.

RETAILER-DELIVERY or NON-STOREFRONT RETAILER. A non-storefront, delivery only retailer as a commercial cannabis business facility where cannabis, cannabis products, either individually or in any combination, are for retail sale to customers; where the premises are non-storefront, closed to the public, and sales are conducted exclusively by delivery; where a vehicle is used to convey the cannabis or cannabis products to the customer from a fixed location; and where the operator is authorized by the City of Red Bluff to operate as a retailer, and holds a valid California Department of Cannabis Control License as required by state law to operate as a retailer. This definition shall comply with the definition set forth by the Department of Cannabis Control as it may change for non-storefront retailers.

RETAILER-STOREFRONT or STOREFRONT RETAILER. A storefront retailer of a commercial cannabis business facility where cannabis, cannabis products, or cannabis accessories are offered, either individually or in any combination, for retail sale to customers at a fixed location, including an establishment that also offers delivery of cannabis and cannabis products as part of a retail sale, and which are open to the public, and where the operator is authorized to operate in the city as a retailer, and holds a valid California Department of Cannabis Control License as required by state law to operate as a

retailer. This definition shall comply with the definition set forth by the Department of Cannabis Control as it may change.

REVOKE/REVOCATION. To render null, void and vacate entirely any entitlement or permit without intent to grant again, return or otherwise reinstate.

SCHOOL. Has the same meaning as "educational institution" as defined in California Education Code § 210.3.

SELL, SALE and TO SELL. Includes any transaction whereby, for any consideration, title to or ownership of cannabis or cannabis products are transferred from one person to another, and includes the delivery of cannabis or cannabis products pursuant to an order placed for the purchase of the same and soliciting or receiving an order for the same, but does not include the return of cannabis or cannabis products by a licensee to the licensee from whom the cannabis or cannabis product was purchased, and does not include nontransferable exchanges of cannabis where the receiving party has prior ownership interest before harvest (otherwise known as "direct access").

STATE LAW. All laws of the State of California and includes any duly adopted regulation set forth in the California Code of Regulations.

STATE REGULATIONS. Those regulations issued by the State of California, through its respective departments and/or divisions, pursuant to California Business and Professions Code § 26013, including those set forth in the California Code of Regulations Title 4, Division 19, as may be amended from time to time, to implement, interpret, administer and enforce the Act, and providing licensing and enforcement criteria for commercial and medicinal cannabis activities and businesses.

TAC. The City of Red Bluff Technical Advisory Committee, as set forth in Chapter 2 of this code.

TESTING LABORATORY. A laboratory, facility, or entity in the state that offers or performs tests of cannabis or cannabis products. **TESTING LABORATORY** shall also have the same meaning as in California Business and Professions Code § 26001(at), as same may be amended from time to time. This definition shall remain compliant with the definition of **TESTING LAB** as it may be updated by the DCC.

TRANSPORT. The transfer of cannabis products from the permitted business location of one licensee to the permitted business location of another licensee for the purposes of conducting commercial cannabis activity authorized by law and which may be amended or repealed by any subsequent State of California legislation regarding the same.

VOLATILE MANUFACTURER. An entity engaging in the use of volatile substances to process and manufacture cannabis and produce cannabis products using the full capacity of techniques, chemicals and solvents allowed by the DCC to manufacture cannabis, cannabis products, and/or cannabis concentrates, or to package/repackage cannabis products. This definition shall encompass the full range of cannabis manufacture activities as they may be updated by the DCC.

YOUTH CENTER. Has the same meaning as set forth in California Health and Safety Code § 11353.1.

(Ord. 1063, passed 2-15-2022)

§ 6B.6 TYPE OF COMMERCIAL CANNABIS BUSINESSES ALLOWED; ACTIVITIES PROHIBITED.

(A) *Allowed.* The following types of licensees may be allowed to operate as commercial cannabis businesses within the city, provided such licensee and/or business has first obtained a CCBP, a business license and the appropriate state-issued license(s):

- (1) Testing laboratory;
- (2) Distributor;
- (3) Volatile manufacturer;
- (4) Non-volatile manufacturer;
- (5) Retailer-delivery only;
- (6) Retailer-storefront;
- (7) Indoor cultivator;
- (8) Microbusiness; and
- (9) Cannabis event organizer.

(B) *Prohibited.* The following types of state licenses are prohibited from operating in the city:

- (1) Outdoor commercial cannabis cultivation; and
- (2) Cannabis events.

(Ord. 1063, passed 2-15-2022)

§ 6B.7 PERSONAL CULTIVATION.

(A) *Compliance with state law.* Unless otherwise authorized by this chapter, no person shall cultivate cannabis, except for cultivation that is by and for a natural person's sole personal use, or by a qualified primary caregiver who cultivates medical

cannabis on behalf of a qualified patient(s), and that occurs solely within a private residence or lawfully existing fully enclosed accessory building or structure thereto, including greenhouses and similar structures whose contents are not visible from the public right-of-way, pursuant to the requirements and limitations of California Health and Safety Code § 11362.2 and this chapter.

(B) *Outdoor prohibition.* Outdoor cultivation is prohibited in all zoning districts of the city, unless and until the City Council resolves by majority vote to allow outdoor cultivation consistent with the provisions of this chapter.

(C) *General requirements for personal cultivation.*

(1) The requirements listed herein are applicable to all personal cannabis cultivation within the city. The right of any person under state law to cultivate cannabis for medicinal or adult use does not confer upon them the right to create or maintain a public nuisance.

(2) Indoor personal cultivation of cannabis may only be conducted inside a lawfully existing dwelling and/or accessory building or structure on the same parcel by an adult who lawfully resides at that property.

(3) Buildings and/or structures and equipment used for indoor cultivation, including but not limited to grow lights, shall comply with all applicable provisions of this code and state law, including but not limited to the building, electrical and fire codes. Personal cultivation of cannabis shall not interfere with the primary occupancy of the building or structure, including regular use of kitchen(s), bathroom(s) or the garage.

(4) No exterior evidence of cannabis cultivation shall be discernible from the public right-of-way.

(5) Nothing in this section authorizes modifications to any property, building and/or structure thereon in violation of this code and/or state law.

(D) *Medicinal cannabis.*

(1) Medicinal cannabis shall be cultivated by a qualified patient or primary caregiver exclusively for the medical purposes of qualified patients, in accordance with the Compassionate Use Act, the Medical Marijuana Program Act and MAUCRSA.

(2) Medicinal cannabis shall only be cultivated by a qualified patient or primary caregiver of at least 18 years of age, and such cultivation must be conducted pursuant to applicable state law and guidelines, including the California Attorney General's Guidelines for the Security and Non-Diversion of Cannabis Grown for Medical Use.

(E) *Adult use cannabis.*

(1) Adult use cannabis shall only be cultivated by a person 21 years of age or older.

(2) The cumulative total of cannabis plants on the property shall not exceed six plants, regardless of the number of persons residing on the property.

(F) *Property owner rights.*

(1) Nothing in this chapter is intended, nor shall it be construed, to preclude any owner of real property from limiting or prohibiting personal cultivation of cannabis on their property by any person, including tenants.

(2) For the purposes of this section, the property owner's intentions regarding cannabis shall be evidenced by language within written rental or lease agreements.

(3) Property owners that allow personal cultivation of cannabis or commercial cannabis activities on their property, in accordance with California laws and this chapter, on that basis shall not be liable for tenant's compliance or noncompliance with state and local laws.

(4) Property owners that limit or prohibit personal cultivation of cannabis or commercial cannabis activities on their property on that basis shall not be liable for tenant's compliance or non-compliance with state and local laws.

(Ord. 1063, passed 2-15-2022)

ARTICLE II: COMMERCIAL CANNABIS BUSINESS PERMIT

Section

6B.15 Commercial cannabis business permit required

6B.16 Number of commercial cannabis businesses allowed

6B.17 Location limitations

6B.18 Submission of commercial cannabis business permit applications

6B.19 Commercial cannabis business permit application process

6B.20 Competitive application selection process

6B.21 Effect of state license expiration, suspension or revocation

6B.22 Permit renewal

6B.23 Revocation or suspension of commercial cannabis business permits

6B.24 Appeals

§ 6B.15 COMMERCIAL CANNABIS BUSINESS PERMIT REQUIRED.

(A) No person may engage in any commercial cannabis activity within the city unless the person:

(1) Has a valid CCBP issued by the city;

(2) Has a valid state license;

(3) Any other applicable approvals, including, but not limited to, a building permit, city business license, and a development agreement; and

(4) Is currently in compliance with all applicable state and local laws and regulations pertaining to the commercial cannabis activity including but not limited to the requirements of this chapter.

(B) (1) It shall be unlawful to rent, lease, or otherwise permit any commercial cannabis activity at any location, structure, or vehicle in the city by a person:

(a) That does not have a valid CCBP issued by the city;

(b) That does not have a valid state license;

(c) That does not have any other applicable approvals, including, but not limited to, a building permit and city business license; or

(d) That is not currently in compliance with all applicable state and local laws and regulations pertaining to the commercial cannabis activity.

(2) Property owners shall have strict liability for any commercial cannabis activity at any location, structure, or vehicle in the city by a person:

(a) That does not have a valid CCBP issued by the city;

(b) That does not have a valid state license; or

(c) That does not have any other applicable approvals, including, but not limited to, a building permit and city business license.

(C) A copy of the CCBP shall be displayed at all times in a place visible to the public. The CCBP shall be issued to the specific person or persons listed on the cannabis permit application and list the authorized business entity if applicable.

(D) A CCBP shall not be issued to any person, and no person shall engage in any commercial cannabis activity and/or have any ownership interest in a commercial cannabis business, nor shall a person be employed by or work in a commercial cannabis business, who has been convicted of a felony within the past seven years, unless that felony has been dismissed, withdrawn, expunged or set aside pursuant to California Penal Code §§ 1000, 1203.4 or 1385, or who is currently on probation or parole for the sale, distribution, possession or manufacture of a controlled substance, or who is required to register as a sex offenders pursuant to California Penal Code § 290. Exempted from these prohibitions is a conviction for a felony involving cannabis where the underlying offense has subsequently been designated as a misdemeanor or infraction or decriminalized pursuant to the provisions of MAUCRSA or other state law.

(E) Applicant shall be responsible for all fees and noticing obligations required for processing all permits.

(F) Permittees shall be and remain in compliance with all applicable state and local laws and regulations pertaining to engaging in, conducting or operating a commercial cannabis business. Permittee shall obtain any applicable state license prior to commencing operations.

(G) The City Manager shall have the authority to adopt rules and/or regulations governing the implementation of this chapter.

(H) In addition to any other requirement of this chapter, no CCBP shall be issued to any cannabis business unless and until a development agreement has been entered into by the applicant and the city pursuant to the procedures set forth in Chapter 25, Article XXVII. Such development agreement may include provisions for specified public benefit payments to the city by the applicant or permittee.

(Ord. 1063, passed 2-15-2022)

§ 6B.16 NUMBER OF COMMERCIAL CANNABIS BUSINESSES AUTHORIZED.

(A) The maximum numbers of commercial cannabis businesses that may be issued a CCBP per classification are as follows:

(1) Retailer-storefront: three.

- (2) Retailer-non-storefront: no maximum.
- (3) Testing laboratory: no maximum.
- (4) Manufacturer: no maximum.
- (5) Distributor: no maximum.
- (6) Indoor cultivator: no maximum.
- (7) Microbusiness: no maximum.
- (8) Cannabis event organizer: no maximum.
- (9) Outdoor commercial cultivation: zero.

(B) Each year following the initial award of permits, or at any time, the City Council may, in its sole and absolute discretion, establish by resolution the number of CCBPs which can be issued per each classification. The number of CCBPs can remain the same, be reduced, or be increased. However, nothing in this section shall authorize the revocation or non-renewal of an existing CCBP solely due to a reduction in the number of permits authorized for issuance.

(C) No person may have an ownership interest in more than one commercial cannabis business in the city for a retailer-storefront business.

(Ord. 1063, passed 2-15-2022)

§ 6B.17 LOCATION LIMITATIONS.

(A) Commercial cannabis businesses shall only be located in those zoning districts as set forth in Chapter 25.

(B) No commercial cannabis business may be located within a 600 foot linear radius measured from property line to property line of a school, day care center or youth center that is in existence at the time of submission of a completed initial application for a CCBP. This prohibition shall not apply to any subsequent renewal of a CCBP.

(Ord. 1063, passed 2-15-2022)

§ 6B.18 SUBMISSION OF COMMERCIAL CANNABIS BUSINESS PERMIT APPLICATIONS.

(A) Following the effective date of this chapter, the Director shall make available the necessary forms, adopt any necessary application rules for the submission, intake, review, and approval of CCBP applications not otherwise set forth in this chapter, and establish dates upon which applications will be accepted.

(B) For those classifications for which only a limited number of CCBPs are authorized, the Director shall establish an initial period of not less than 30 days by which all such applications must be submitted. If the number of applications submitted in this initial period exceeds the maximum number of CCBPs authorized, the procedure set forth in § 6B.20 for competitive applications shall be utilized to award permits.

(C) Any person applying for a CCBP under this chapter shall submit a completed application therefor on the forms promulgated by the Director along with any additional required documents and fees.

(D) The Director shall accept for processing applications meeting the requirements set forth in this section. Any applications not adhering to the requirements set forth herein, or which demonstrate an inability to comply with the requirements of this chapter may be rejected. The application shall include the following information, in addition to any additional information deemed necessary by the city to process the application:

- (1) Payment of fees;
- (2) Application is filled out completely;
- (3) The address, suite number (if applicable) and Assessor's parcel number of the property on which the proposed business shall be located;
- (4) The name, address, and contact information for the business owner(s). If the owner is a corporation, limited liability company, partnership or other type of entity, legal documents outlining the business structure shall be provided, along with the name, address and contact information for each officer. The following documents, if applicable to the business structure, shall be provided:
 - (a) Articles of incorporation;
 - (b) Articles of organization;
 - (c) Certificate of limited partnership;
 - (d) Statement of partnership authority; and
 - (e) Fictitious name statements;
- (5) For each owner/officer:

- (a) Copy of Social Security card;
 - (b) Copy of Department of Motor Vehicles (DMV) issued driver's license, DMV issued ID card or passport;
 - (c) Proof of address (DMV issued driver's license, DMV issued ID card and/or recent utility bill in owner/officer's name); and
 - (d) Percentage of ownership interest held in the applicant entity;
 - (6) A completed live scan application for each owner/officer on a form specified by the Director for all owners holding more than 20% financial interest in the applicant entity;
 - (7) The name and address of the applicant's current agent for service of process;
 - (8) A completed city business license application. Applicant has signed all indemnity, liability, disclosure or other legal agreements required under this chapter;
 - (9) Applicant has agreed that upon approval from the State of California for commercial cannabis activity that they shall provide the Director with a copy of all documents submitted to the State of California upon request; and
 - (10) Applicant has attested under penalty of perjury that all information submitted is truthful, accurate, and whole; and that nothing has been altered to misrepresent fact by lie or omission.
- (E) Should the Director determine that the application is missing and/or needs further information, they may so notify the applicant in writing. The failure of the applicant to provide the requested information with ten business days shall cause the application to be rejected.
- (F) All information submitted by applicants shall be true, correct, whole, and be free of any material misrepresentation of fact, lie or omission.

(Ord. 1063, passed 2-15-2022)

§ 6B.19 COMMERCIAL CANNABIS BUSINESS PERMIT APPLICATION PROCESS.

- (A) Approval of a permit under this section grants applicants ability to seek state licensing. Issuance of a license by DCC to the applicant for the specified commercial cannabis activity is required prior to any commercial cannabis business engaging in commercial cannabis activity.
- (B) The Director, after receiving the application and the required information, and except for competitive applications, shall grant the permit, if they find all the following:
- (1) The application complies with all the requirements of this chapter;
 - (2) The applicant has not knowingly made a material misrepresentation in the application;
 - (3) The applicant has not had a CCBP denied or revoked for cause by the city within the last five years prior to the date of the application; and
 - (4) The commercial cannabis business, as proposed by the applicant would comply with all applicable provisions of state law and this code, including, but not limited to this chapter and all health, zoning, fire and safety requirements.
- (C) Upon determination by the Director that an application is in compliance with this chapter and Chapter 25, such application shall be approved and issued a CCBP within ten business days, except for competitive applications as provided for in this chapter and/or for those applications that require a development agreement. Upon approval, permittees must obtain licensing from the DCC prior to operating.
- (D) Competitive applications for which the Director has made a determination that such application is in compliance with this chapter shall be authorized to proceed to the competitive application selection process and shall be so notified within ten business days.
- (E) If any of the items listed in this section are not met or provided, the Director may notify the applicant of the deficiency in writing, after which the applicant will have ten business days from the date of notice to correct the deficiency. If the deficiency is not corrected to the satisfaction of the Director within ten business days, the Director may deny the permit.

(Ord. 1063, passed 2-15-2022)

§ 6B.20 COMPETITIVE APPLICATION SELECTION PROCESS.

- (A) The Director shall establish objective review criteria consistent with this section utilizing a point system or equivalent quantitative evaluation scale. Following notification under § 6B.19, applicants shall submit a supplemental statement indicating which criteria they meet, along with evidence and/or documentation in support thereof, in a form and manner established by the Director.
- (B) (1) The objective review criteria established shall include at a minimum the following elements:
- (a) Community engagement;
 - (b) Local business partnerships; and

(c) Living wage provisions.

(2) The Director may establish additional elements in their discretion to be included in the objective review criteria in order to select qualified applicants.

(C) Within 60 days of the deadline to submit applications the Director shall evaluate each application, based upon the objective review criteria. After the initial review, ranking, and scoring under the objective review criteria, the Director will make a final determination in accordance with this section and shall so notify all applicants. There shall be no right to appeal the ranking and/or scoring of applications.

(D) Upon notification that an applicant has met the objective review criteria and is otherwise eligible to receive a CCBP, the applicant must enter into a negotiated development agreement with the city within 120 days. Failure to enter into a development agreement shall render the applicant ineligible to receive a CCBP for that property. Should an applicant become ineligible to receive a CCBP, the next highest scoring applicant, if any, shall be notified that they have 120 days to enter into a negotiated development agreement. The time periods required under this section shall not include the time required for public hearings as set forth in § 25.247 and may be extended upon mutual written agreement of the applicant and the city. There shall be no right under this chapter to appeal a decision of the City Council not to enter into a development agreement and/or any subsequent ineligibility of an applicant for a CCBP.

(E) The Director may delegate his or her duties hereunder to the TAC, or to other body established by the city to review and score applications. Members of the TAC and/or any other body shall be subject to all conflict-of-interest provisions of state and local law, including but not limited to the Political Reform Act, California Government Code § 81000 *et seq.*

(F) For purposes of this section, the following principals shall apply in establishing the minimum elements of objective review criteria and points to be awarded therefore:

(1) *Community engagement.* Shall include past, present or planned activities that demonstrate understanding of the City of Red Bluff community, its values, how the commercial cannabis business plans to integrate into the community, and involvement with local non-profits/charitable/volunteer organizations.

(2) *Local business partnerships.* Shall include past, present or planned partnerships with, including the procurement of goods and services from, businesses located within the city.

(3) *Living wage provisions.* Shall mean a binding commitment by the commercial cannabis business to provide wages to each employee that exceeds the Tehama County area median income by a minimum of 120% exclusive of any bonuses or commissions and may include a commitment to hire and retain a specified number of residents of the city, enter into a labor peace agreement below the minimum number of employees mandated by state law, and/or other employee benefits such as paid leave, health insurance and similar factors.

(G) Any permit awarded under this section may include conditions of approval requiring that the commercial cannabis business permittee comply with the objective review criteria set forth in its supplemental statement or otherwise committed to during the application process.

(Ord. 1063, passed 2-15-2022)

§ 6B.21 EFFECT OF STATE LICENSE EXPIRATION, SUSPENSION OR REVOCATION.

(A) Suspension or expiration of a state license issued to a commercial cannabis business shall immediately suspend the ability of that commercial cannabis business to operate within the city, and shall serve to suspend the CCBP, unless the state reinstates or reissues the state license within 90 days. Should the state license remain suspended or expired for 90 days or longer, any CCBP issued pursuant to this chapter shall expire and be of no further force and effect. Should the state revoke or terminate the license of a commercial cannabis business for cause, such revocation or termination shall also serve to revoke or terminate the CCBP and the ability of a commercial cannabis business permitted pursuant to this chapter, including any owner or manager thereof, to operate any commercial cannabis business within the city for a period of five years from the date of such revocation or termination.

(B) A permittee shall have no right to appeal the expiration, suspension or revocation of a CCBP or the ability to operate a commercial cannabis business under this chapter that is based on the status of their state license; provided, however, an owner or manager thereof may appeal their prohibition from operating another commercial cannabis business in the city. Such appeal shall be based on the hearing procedures set forth in this chapter. The burden shall at all times be on the appellant to show good cause why the prohibition should be reversed or modified.

(Ord. 1063, passed 2-15-2022)

§ 6B.22 PERMIT RENEWAL.

(A) All commercial cannabis business permits may be renewed annually one year after the date of issuance. Permit renewals shall be initiated not more than 90 days prior to the specified renewal date.

(B) Permit renewals shall be granted so long as the commercial cannabis business remains in compliance with this chapter and submits the renewal fee adopted pursuant to § 6B.38.

(C) Renewals not submitted in a timely fashion shall be subject to a late renewal fee adopted pursuant to § 6B.38.

(D) Any permit expired and not renewed within 60 days shall be void on the sixty-first day.

§ 6B.23 REVOCATION OR SUSPENSION OF COMMERCIAL CANNABIS BUSINESS PERMITS.

(A) *Grounds.* A CCBP may be revoked or suspended by the Director on any of the following grounds:

- (1) Where the Director has found and determined that the preservation of the public health, safety, peace and welfare necessitate revocation of said permit;
- (2) Where the permittee, the commercial cannabis business and/or any owner, manager or any employee thereof has violated or is in violation of any applicable provisions of this chapter, other applicable provisions of this code and/or any other applicable provision of state law;
- (3) Where a permit has been granted on false or fraudulent evidence, testimony, or application; or
- (4) Where the permittee, commercial cannabis business and/or any owner, manager or employee thereof has violated or is in violation of the terms and provisions of said permit.

(B) *Factors for suspension or revocation.* The Director may consider, but is not limited to, the following factors in deciding whether a permit should be suspended or revoked in accordance with this chapter, as applicable:

- (1) The nature and severity of the acts, offense, or crimes under consideration;
- (2) Any corrective action taken by the permittee;
- (3) Prior violations at the permitted premises by the permittee and the effectiveness of prior corrective action;
- (4) Previous sanctions imposed against the permittee;
- (5) The number and/or variety of current violations;
- (6) The likelihood of recurrence;
- (7) All circumstances surrounding the violation;
- (8) Whether the violation was willful;
- (9) Any actual or potential harm to the public;
- (10) The length of time the permit has been held by the permittee;
- (11) Evidence of expungement proceedings under California Penal Code § 1203.4; and
- (12) Any other factor that makes the situation unique or the violation of greater concern, with respect to the permittee or the permitted premises.

(C) *Hearing prior to suspension or revocation.* No permit shall be suspended or revoked, unless based on the suspension and/or revocation of a state license, until said permittee has had an opportunity for a hearing before the Director. The Director may delegate this duty to the Technical Advisory Committee.

(D) Written notice of the revocation or suspension, the reasons therefore and the requirement to request a hearing shall be given by certified mail to a permittee's last known mailing address or by such other method reasonably calculated to provide notice.

(E) The revocation or suspension shall be final and effective after ten calendar days following the date of mailing set forth in division (D), unless the permittee files an application for a hearing with the City Clerk prior to such effective date. There shall be no cost to the permittee for such a hearing under this section.

(F) Except as otherwise provided in division (G), the hearing shall be commenced within 30 calendar days of the filing of an application for hearing, unless the city and permittee agree otherwise. Hearings conducted pursuant to this section shall be open to the public, shall not be conducted according to the technical or traditional rules relating to evidence, and shall provide, personally or by counsel or both, an opportunity for permittee to defend and present evidence on their behalf. At least ten calendar days prior to the hearing, permittee shall be provided with any documentation upon which the revocation or suspension is based. Following the close of the hearing, the Director or TAC shall within 30 days render a written decision, which if by the TAC shall be based upon a majority vote thereof, whether or not to impose revocation or suspension.

(G) Notwithstanding the foregoing, the Director may suspend, pending a hearing, any CCBP where it has been determined by thereby that an immediate suspension of the permit is necessary for the protection of the public health, safety, peace and welfare. In the event of such a suspension, the Director shall, within 12 hours after said suspension, cause to be served upon said business or permittee a written statement containing the grounds for said suspension, any written documentation upon which the revocation is based and a notice of hearing to show cause before the Director or TAC why said permit should not be permanently revoked, which said hearing shall be commenced no later than five calendar days following the service of said notice unless the parties thereto agree otherwise, and thereafter followed by a written decision pursuant to division (F).

(H) Following the hearing, or a waiver thereof by permittee, the Director or TAC may also modify and/or add conditions

and/or requirements of the CCBP in lieu of suspension or revocation.

(I) Appeals from decision of the Director or TAC provided for herein shall be made in accordance with the procedure of § 6B.24.

(Ord. 1063, passed 2-15-2022)

§ 6B.24 APPEALS.

(A) *Notice of appeal.*

(1) Within ten calendar days after the issuance notice of the decision of the Director or TAC to revoke, suspend, modify or deny the issuance or renewal of a CCBP, the applicant or permittee may appeal such action by filing a written notice of appeal with the City Clerk setting forth the reason why the decision was not proper. The grounds for the appeal shall be stated with specificity. A decision to rank and/or score an application pursuant to § 6B.20 shall not be subject to appeal.

(2) The notice of appeal shall be in writing and signed by the person making the appeal ("appellant"), or their legal representative, and shall contain the following:

- (a) Name, address, and telephone number of the appellant;
- (b) Specify the decisions, actions, or a particular part thereof, made that are the subject of the appeal;
- (c) Include a true and correct copy of the notice and/or decision issued by the Director or TAC for which the appellant is appealing;
- (d) State with specificity the reasons and grounds for making the appeal, including, but not limited to, a statement of facts upon which the appeal is based in sufficient detail to enable the City Council, or any appointed hearing officer, to understand the nature of the controversy, the basis of the appeal, and the relief requested;
- (e) All available documents or other evidence pertinent to the appeal that the appellant requests the hearing officer or body to consider at the hearing; and
- (f) A non-refundable appeal fee, as established by resolution of the City Council.

(3) Failure of the appellant to timely submit a written appeal constitutes a waiver of the right to appeal any appealable notice and/or decision of Director or TAC. In this event, such notice of revocation, suspension and/or other action is final and binding and shall become effective upon the expiration of the period for filing a written notice of appeal.

(4) In the event a written notice of appeal is timely filed, the non-renewal, suspension, revocation, or other action shall not become effective until a final decision has been rendered and issued by the City Council or appointed hearing officer or body.

(B) *Appeal hearing and proceedings.*

(1) All appellants shall, subject to filing a timely written notice of appeal and payment of fees, be entitled to a hearing before the City Council, or appointed hearing officer or body.

(2) Upon receipt by the City Clerk of a timely-filed appeal, the City Clerk shall place on the next regularly scheduled City Council meeting or earlier special council meeting the question of whether the City Council itself shall hear the appeal. The City Council's decision shall be limited to whether or not to hear the appeal or delegate that authority and shall not include consideration or discussion of the merits or facts of the appeal. In the event that the City Council does not affirmatively choose to hear such appeal or does not act to appoint another body to serve to hear such appeal, the City Clerk shall obtain the services of a hearing officer from the state Office of Administrative Hearings or other agency or organization that provides neutral hearing officers.

(3) The administrative appeal shall be scheduled no later than 45 days, and no sooner than 30 days, after receipt of a timely-filed notice of appeal, if such appeal is to be heard by the City Council or other city-appointed body. If the state Office of Administrative Hearings or other agency or organization is utilized for such hearing, then the hearing shall be scheduled as expeditiously as possible pursuant to the availability of a hearing officer. The appellant(s) listed on the written notice of appeal shall be notified in writing of the date, time, and location of the hearing at least ten days before the date of the hearing ("notice of appeal hearing").

(C) At the date, time and location set forth in the notice of appeal hearing, the City Council, or an appointed hearing officer or body, shall hear and consider the testimony of the appellant(s), city staff, and/or their witnesses, as well as any documentary evidence properly submitted for consideration.

(D) The following rules shall apply to the appeal hearing:

(1) The hearing shall be a new (i.e., "*de novo*") hearing based on a preponderance of the evidence standard. The formal or technical rules of evidence shall not apply. However, irrelevant, collateral, undue, and/or repetitious testimony or other evidence may be excluded. The appellant bears the burden of proof on appeal.

(2) The City Council, or appointed hearing officer or body, may accept and consider late evidence not submitted initially with the notice of appeal upon a showing by the appellant of good cause. The City Council, or appointed hearing officer or body, shall determine whether a particular fact or facts amount to a good cause on a case-by-case basis.

(3) The appellant may bring a language interpreter to the hearing at their sole expense.

(4) All parties may, at their own discretion, record the hearing by stenographer or court reporter, audio recording, or video recording. If the appellant requests from the city that said recording take place, the costs of same shall be deposited with the city at the time the notice of appeal is submitted to the city.

(E) The appellant or their legal representative's failure to appear at the appeal hearing shall constitute both the appellant's waiver of the right to appeal and a failure to exhaust all administrative remedies. In such instance, Director or TAC's notice of decision is final and binding.

(F) *Decision of the City Council, or appointed hearing officer or body; final decision.*

(1) Following the conclusion of the appeal hearing, the City Council, or appointed hearing officer or body shall determine if any ground exists for the non-issuance, non-renewal, suspension or revocation of the commercial cannabis permit or other appealed action and shall issue a written decision within ten business days thereof.

(2) The decision of the City Council, or appointed hearing officer or body, is final and conclusive and is subject to the time limits set forth in California Code of Civil Procedure § 1094.6.

(G) A copy of the final decision shall include notification of the time limits of California Code of Civil Procedure § 1094.6 and be served by certified, first-class U.S. Mail on the appellant. If the appellant is not the owner of the real property in which the commercial cannabis business is located, or proposed to be located, a copy of the final decision may also be served on the property owner by first class mail to the address shown on the last equalized assessment roll. Failure of a person to receive a properly addressed final decision shall not invalidate any action or proceeding by the city pursuant to this chapter.

(Ord. 1063, passed 2-15-2022)



Date: May 28, 2024

To: Honorable Mayor and Councilmembers

From: Joe Bettencourt, Community Development & Services Director
Marti Brown, City Manager

Subject: I-5 Feasibility Study – Final Project

Recommendation:

To receive presentation and accept completion of the I-5 Feasibility Study.

Rationale for Recommendation:

The City of Willows has several opportunity sites along the I-5 corridor between the City's southern boundary near the Road 57 exit and its northern boundary near the Union Pacific Railroad. The study objective was to pinpoint specific sites and geographic areas for future economic development.

Background:

3Core approached the City of Willows to partner with them, as well as the Cities of Orland, Corning, and the County of Glenn, in a comprehensive USDA grant funded feasibility study and technical analysis of the potential industrial and commercial sites on the I-5 corridor. At the September 13, 2022, City Council meeting, a Resolution was executed to participate in the grant and contribute \$15,000 of matching funds toward the project.

Discussion & Analysis:

The goals of the study were to identify candidate sites, determine highest and best uses, identify infrastructure gaps, explore opportunities to diversify the local economy, outline steps needed to implement an attraction and branding strategy, and develop a report that can be used for future infrastructure grant applications.

Fiscal Impact:

The development of the feasibility study used \$60,000 in grant funding with \$15,000 in local match.

Attachment:

- Attachment 1: I-5 Feasibility Study

INTERSTATE 5 FEASIBILITY STUDY AND TECHNICAL ANALYSIS FOR GLENN AND TEHAMA COUNTIES December 2023

Prepared for:



Prepared by:



Acknowledgments

The DSG Advisors consulting team would like to recognize and thank the stakeholders who provided invaluable information, input, and feedback to this Interstate 5 Feasibility Study and Technical Analysis Report for Corning, Orland, Willows and Glenn and Tehama Counties.

Mike Donnelly – Coldwell Banker Commercial
Patrick Henson – Director of Operations, Rumiano Cheese
Raymond Rumiano – Rumiano Cheese
Bill & Kristen Weller – Farmer's Brewing
Dave Demo – Vice Mayor, City of Corning
Diana Robertson – Planning Commissioner, City of Corning
Robert Snow – Mayor, City of Corning
Kristina Miller – Former City Manager, City of Corning
Frank Ross – Century 21 Select
Jen Spaletta – Century 21 Select
Alejandra Gaeta – Century 21 Select
William Carriere – Carriere Family Farms, Glenn County Planning Commissioner
Scott De Moss – Administrative Officer, Glenn County

Patrick Piatt – Former Community Development, City of Willows
Mardy Thomas – Planning & Community Development, Glenn County
Marti Brown – City Manager, City of Willows
Jeff Williams – City Council, City of Willows
David Vodden – Vice Mayor, City of Willows
Patty Hess – Executive Director, 3CORE
Jerry Uhland – Co-founder & CEO CalPlant
Pete Carr – City Manager, City of Orland
Scott Friend – Contract Planner, City of Orland
Audrey Taylor – Chabin Concepts
Vicki Doll – Chabin Concepts
Jody Samons – EB3 Development
Don Rust – Public Works Director/Airport Manager, Glenn County
Eric Kreutzberg – Manager Sales and Marketing, California Northern Railroad

Table of Contents

| | | |
|----|---|----|
| 1. | STUDY AREA | 1 |
| 2. | STUDY PURPOSE | 4 |
| 3. | APPROACH | 5 |
| 4. | LOCATION EVALUATION | 7 |
| | 4.1. Strengths | 7 |
| | 4.2. Weaknesses..... | 13 |
| | 4.3. Opportunities | 15 |
| | 4.4. Threats | 18 |
| 5. | SITE ANALYSIS..... | 20 |
| | 5.1. Possible Development Sites Ranked | 20 |
| | 5.2. Development Sites by Jurisdiction and Tier | 28 |
| | 5.3. TIER 1: SHORT LIST CANDIDATE SITES | 33 |
| 6. | INVESTMENT TARGETS ALIGNED TO SITES..... | 60 |
| | 6.1. Agriculture-Manufacturing & Services..... | 60 |
| | 6.2. Cold Storage | 61 |
| | 6.3. Light Industrial, Commercial | 62 |
| | 6.4. General Manufacturing..... | 63 |
| | 6.5. Logistics..... | 64 |
| 7. | ACTION PLAN | 65 |
| | 7.1. Implementing Near-Term Opportunities | 66 |
| | 7.2. Addressing Longer Term Opportunities | 71 |
| 8. | APPENDIX..... | 75 |

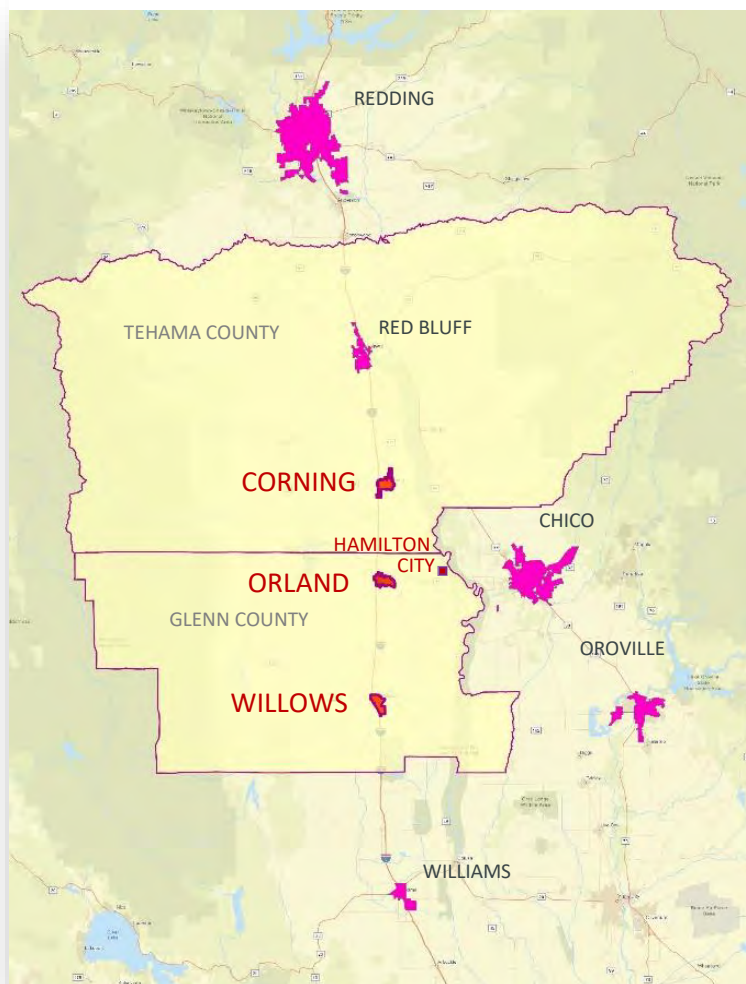
1. STUDY AREA

The study area incorporates the communities of the City of Corning in Tehama County and the Cities of Orland and Willows in Glenn County, primarily those jurisdictions with boundaries along the Interstate 5 (I-5) Corridor. This Corridor is 30 miles of Interstate 5 that stretches from the City of Corning northern limits continuing south to the Willows southerly city limits. During the site tour and research, Hamilton City and Highway 32 in the unincorporated area of Glenn County were included. The findings and sites reviewed include properties in the cities of Corning, Orland, Willows, unincorporated Hamilton City and unincorporated Glenn County.

Figure 1, the regional context, highlights Redding, Red Bluff, Chico, Oroville and Williams. These communities directly impact the employment and consumer goods markets for areas within the defined I-5 Corridor Study Area.

Data analysis and interviews with stakeholders confirmed that residents and employees within the study area are traveling within the region for shopping and employment. Also, growth and development patterns in these outlying communities directly impact the local economies in Corning, Orland and Willows and will continue to do so.

Figure 1 - Regional Context of Study Area



Areas of Focus for Assessment



CITY OF CORNING

Sites focused on the I-5 interchanges at Corning Road and South Avenue. The greatest development opportunities are on the west side of I-5. For most of these sites, utility infrastructure will need to be extended west under I-5 from existing services to the east.



CITY OF ORLAND

Candidate sites are adjacent to I-5 interchanges at Newville Road and South Street-Bungalow Road. Potential development opportunities can be found on both sides of the highway. Orland Haigh Field Airport has development potential on the east side of the airport along Airport Drive and P Street where there are warehouses and outbuildings.



CITY OF WILLOWS

The primary development sites in central Willows are along North Humboldt Avenue, which runs parallel to I-5 just to the east. Development opportunities exist on North Humboldt Avenue, and both north and south of Hwy 162/Wood St., the primary arterial off the I-5 interchange.

The Willows-Glenn County Airport, recently registered as a National Historic District, is a regional asset adjacent to the City.

South Willows has numerous greenfield properties, including the North Valley Commercial Center. This area has been upgraded with \$3.7 million in grant funding for roadways, sewer, storm, electrical, and water infrastructure.



HAIGH FIELD AIRPORT

Located three miles east of Orland in Glenn County, Haigh Field is a public general aviation airport. As a part of the airport grounds, there is the Orland Airport Industrial Park. The infrastructure for the park includes paved streets, storm drainage, streetlights and fire hydrants. There is access to water, sewer and power. Sites #35 and #36 are located within the industrial park, north and south of the existing Amazon last-mile facility. Figure 6 identifies each site.



HAMILTON CITY

Hamilton City is a census-designated place in Glenn County. The primary development sites in Hamilton City are around the California Northern rail spur that passes north-south through town, terminating south of the existing Nutrien Ag Solutions facility.

There are six 70,000 square foot (SF) parcels located around Site #44, and four are currently vacant. The other two sites—#45 and #46—are undeveloped with industrial zoning. Figure 6 identifies each site.

2. STUDY PURPOSE

The study objective is to pinpoint specific sites and geographic areas for future economic development focus with the following goals:

- Identify **candidate sites** for new and expanding commercial and industrial operations within the communities of Corning, Orland, Willows, and Hamilton City.
 - Identify the **highest and best uses** for sites that are likely to generate near-term significant and measurable economic return.
 - Identify **infrastructure gaps** needed to make investment work.
 - Explore **opportunities** to diversify the local economy.
 - Outline the steps needed to implement an **attraction and branding strategy** to showcase the communities for outside investment.
 - Develop a report that can be utilized for **future infrastructure grant applications**.
- This study had two main purposes:**

1) identify the highest and best uses for sites across the two counties that could generate the "most significant and measurable economic return" and

2) provide a roadmap of steps and actions to bring those sites to market and activate as employment and economic generating lands.

This is not the first study to be done on various sites along the I-5 Corridor—the cities previously identified these areas as potential opportunity sites long ago and have also done research, analysis and some infrastructure estimates through the years to understand what it will take to get these sites shovel-ready. The challenge with these opportunity sites is:

- costly infrastructure improvements to extend service to the sites, and/or
- properties are privately held and the market demand is not quite there.

However, a tipping point might arrive sooner, as desirable sites in Chico, Redding and Sacramento build out. The end goal for these sites and properties in the study area is to be prepared with data and information that show the next steps needed to be shovel-ready and attractive for investment.

3. APPROACH

The Cities of Corning, located in Tehama County and Orland and Willows, located in Glenn County, are communities traditionally driven by a natural resource-based economy.

With their presence along the Interstate 5 Corridor and easy east-west access over to Highway 99, these communities have started to transform along the Corridors into highway commercial uses interspersed with limited manufacturing, single-family residential neighborhoods, and car-centric retail.

To truly understand the current landscape of each community while addressing infrastructure gaps and future avenues for diversification and prosperity, 3CORE, the cities and counties, selected the DSG Advisors Consultant Team to conduct a feasibility study and technical analysis with specific focus on the three Interstate 5 cities—Corning, Orland and Willows. This report and findings offer recommendations for how to address these economic challenges, while also outlining strategies and timelines to achieve specific benchmarks.

The consulting team approached this assignment with a long-established knowledge that the key to economic development success in developing and attracting key business is understanding the business drivers of emerging, growing, and legacy industries, understanding the location needs of key industries and translating these drivers into community and real estate readiness. Communities that respond to industry needs are more likely to capture opportunities originating locally and from the outside. The approach for the investigation of these sites was through the lens of a corporate establishment seeking an I-5 location for transportation purposes (DSG core services are national and international corporate site selection for mid-size and Fortune 500 companies).

Corporate real estate executives and site location consultants for all industry sectors are trained to make quick assessments of community attributes in what is called the ***Process of Elimination*** (Figure 2).

Site selection studies start by looking at dozens of communities across multiple states; research is often completed over a short timeframe. Site selectors evaluate the long list of locations and identify a short list of candidates for further evaluation. Locations not selected for study are ***eliminated***.

The goal for any community wanting new investment and employment projects is to stay in the evaluation process and not get eliminated.

The elimination process is based on data provided by economic development representatives, government agencies, and other stakeholders.

When local officials are unable to respond to requests for complete and accurate information delivered in a timely manner, the community is typically eliminated without further study, even if the jurisdiction may be ideally aligned with the project.

It is imperative that communities be in command of data resources and have their sites as prepared as possible for a site search. There is considerable information needed for an initial search and even more in-depth information needed for second, third and fourth evaluations, each adding another layer to the complex decision process and financial evaluation of the company.

Being prepared, even if the sites are not shovel-ready (which is the best and most competitive) ensures a community can respond to opportunities as they present themselves with the best foot forward.

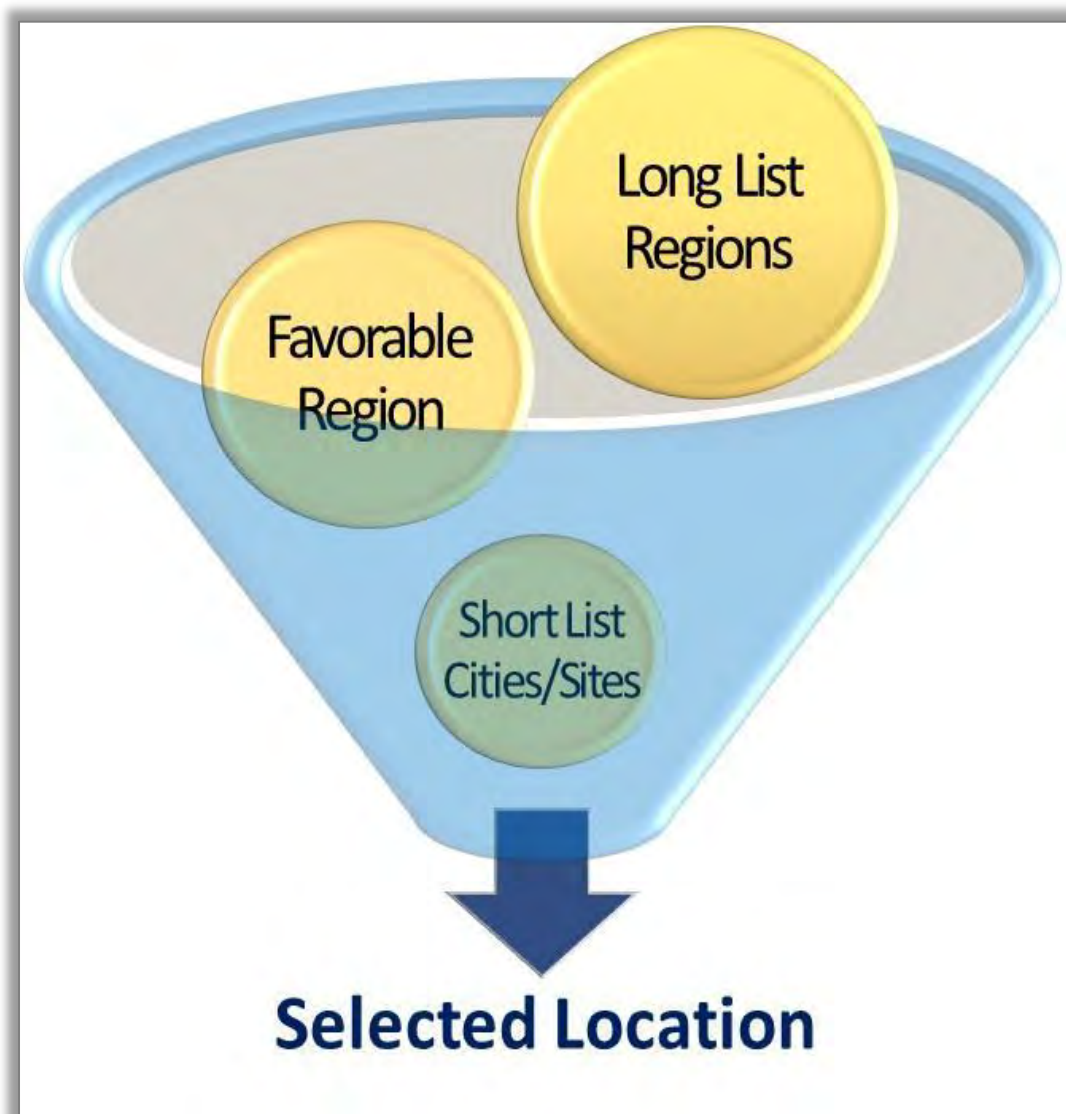


Figure 2 - Location selection is a process of elimination. *You must do everything right to stay in the game.*

4. LOCATION EVALUATION

4.1. STRENGTHS

Location

Figure 3 illustrates that the study area serves as a midpoint for passenger vehicle and freight traffic between the Port of Long Beach/Los Angeles and Portland, Oregon. Interstate trucks transporting goods along I-5 must break up their travel times, with a maximum of a 14-hour drive time allowed after 10 hours off.

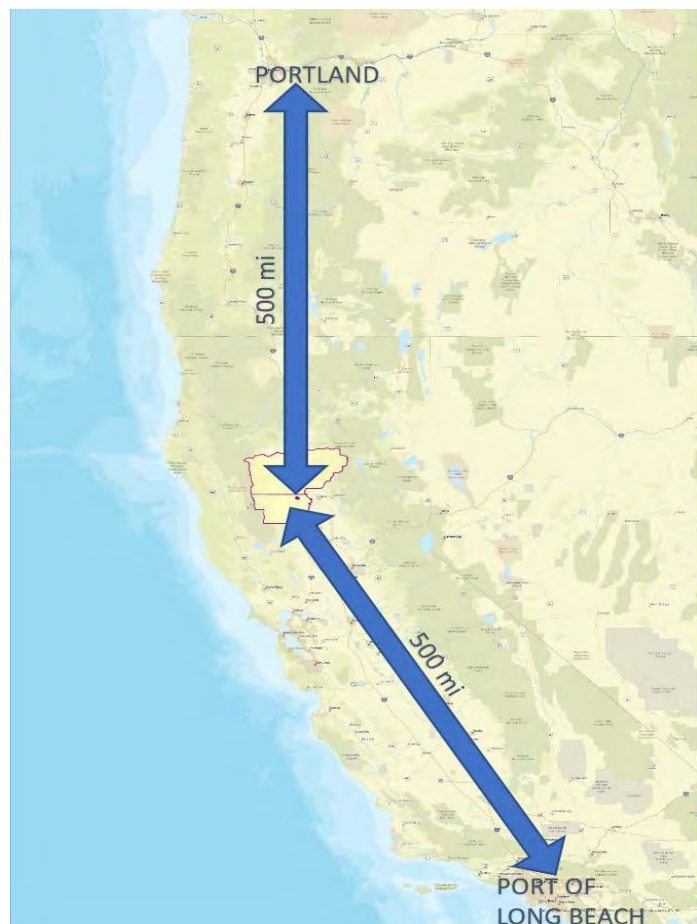
With the presence of higher elevation passes and adverse winter driving conditions north (Mt. Shasta) the areas around Corning, Orland and Willows are a natural waypoint for truck drivers.

As truck commerce increases, amenities such as truck fueling, overnight storage, hotels, restaurants, and personal service retail will be in greater demand near I-5 interchanges.

Transportation logistics in this part of the north state is unlikely to see a spurt of large regional distribution centers due to lack of nearby large population concentrations. In support of growing regional markets, however, Glenn and Tehama are positioned for "last-mile" distribution (e.g. Amazon's Orland facility) and distribution of locally produced products (e.g. cheese, beer).

General manufacturing should find the lower operating costs and availability of semi-skilled labor an attractive location for manufacturers in other parts of the state and from U.S. companies looking to establish a presence in California.

Figure 3 - Corridor location within the west coast market.



Market Depletion of Regional Industrial Land

In looking at a greater regional context, Chico, Sacramento, and Redding are larger cities providing a greater offering of consumer goods and employment lands within commercial centers and industrial and business parks. Chico is 20 miles east of Orland, Redding is 50 miles north of Corning, while Sacramento is 100 miles south of Willows. Based on conversations with brokers and research into the centers, there is limited availability within these larger cities and costs to lease buildings continue to increase. Light Industrial/Commercial regional demand for buildings/sites continues to be strong while the availability of appropriately zoned property in Chico has become tighter.

Even the not yet constructed portion of the Metro Air Park adjacent to the Sacramento Airport has been earmarked for corporate distribution centers which could create demand or interest in a lower and more efficient location. A summary of those industrial/business parks is provided below.



Located at the south end of Chico, **Hegan Lane Business Park** is almost at capacity, with limited smaller sites available.

Strengths for I-5 Corridor relative to Chico

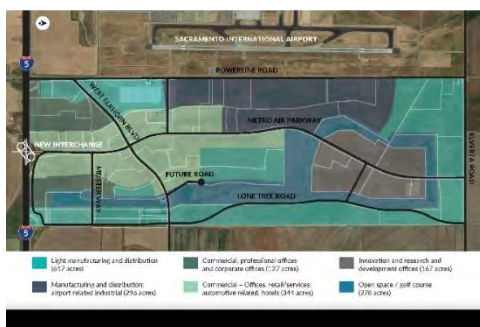
- Available sites
- Close proximity to major transportation corridor
- Potential larger sites
- Lower cost of doing business
- Greater interstate visibility



Located north and east of Redding Regional Airport, **Stillwater Business Park** has seen increased development activity in the last 2-3 years, with limited sites available.

Strengths for I-5 Corridor relative to Redding

- Available sites
- Close proximity to major transportation corridor
- Potential larger sites
- Lower cost of doing business



Next to Sacramento Airport, **Metro Air Park** has more than 4 million square feet of industrial space either completed or under construction. Much of the acreage is for distribution facilities.

Strengths for I-5 Corridor relative to Redding

- Available sites
- Lower cost of doing business
- Sites to accommodate different uses (light industrial, manufacturing, cold storage, etc.)

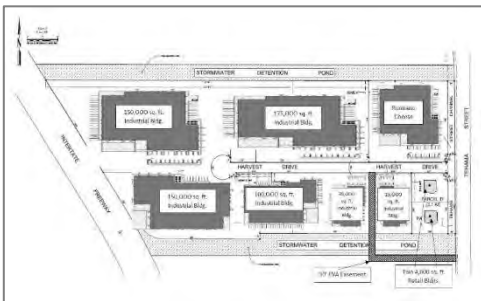
Near Term Sites and Buildings for Marketing



Marketed by Gallelli Real Estate, **Corning Crossroads** is a highly visible site ideal for highway commercial development within the City of Corning city limits. And in May 2023, the Corning City Council approved a water and sewer extension development reimbursement agreement to Gallelli. Pending the extension of the water and sewer under I-5, Corning Crossroads will be ready for near term development. Gallelli is actively promoting Corning Crossroads on their [website](#).



The area just **south of the new Glenn County Center for Butte College** is a flat, visible site with access off Cortina Drive to the east. Potential uses could look to partner with the College or provide highway commercial or general retail. The site is [currently listed](#) for sale by Coldwell Banker Commercial as eight separate parcels ranging in size from 0.5 to 3 acres.



Marketed by JLL and Basin Street Properties, the **Willows North Valley Commercial Center** located south of central Willows, is a master planned area with forty-four acres of developable industrial land directly adjacent to I-5, with rail access just east of the site. Rumiano Cheese is the only existing tenant in a state-of-the-art approximately 30,000 SF processing facility. North Valley is considered the most "shovel-ready" of any of the study area sites highlighted in this report. The City is actively promoting North Valley on their [website](#) as well as the [Basin Street Properties site](#).



The eight **North Humboldt Ave.** parcels to the north and south of Hwy 162/Wood Ave. comprise nearly 30 acres and offer excellent visibility for highway commercial uses along the I-5 corridor. Hwy 162 is the most heavily traveled I-5 interchange in Willows. Utilities are located within N Humboldt Ave. along the property frontage. Nearby businesses include a Holiday Inn Express to the south and Tractor Supply Co. to the north.



With the announced liquidation of the **CalPlant facility** in May 2023 for their rice straw-based MDF fiberboard facility in Willows, this facility and supporting infrastructure is an asset that could be a large employment base for a heavy or light industrial user. This facility closure should be tracked by the City of Willows and Glenn County to determine a future user that could be a tremendous asset for the community and region. It should be noted that the preferred use is to maintain the rice straw MDF facility and investors are currently looking to retain all equipment and assets. The CalPlant property consists of five buildings totaling 254,566 square feet on 274.92 acres.



Orland Airport Industrial Park is an excellent business setting. The park offers industrial zoned land in an assortment of sizes, good highway access, nearby population centers that can provide a sizeable labor pool. However, there are roadblocks to near-term development, primarily extension of infrastructure. The vacant 20,000 square foot building on Airport Drive south of the Amazon facility offers an opening for attracting new or expanding business.

Rail Access

The existing California Northern railroad mainline along Highway 99 and the adjoining rail spur that runs east to Hamilton City and the Nutrien site are valuable assets that should be widely promoted to site selectors and local companies looking to expand distribution efforts. Existing sites with immediate access to the rail line include Nutrien and the areas south of Nutrien in Hamilton City, Wilbur Ellis Agrichemicals and the City of Willows site just east of the Willows wastewater facility, and the Great Western Growers facility further south on Highway 99 in Willows. Eric Kreutzberg with the California Northern Railroad Company should be contacted to inquire as to any opportunities for rail access and development along the rail line(s).

1

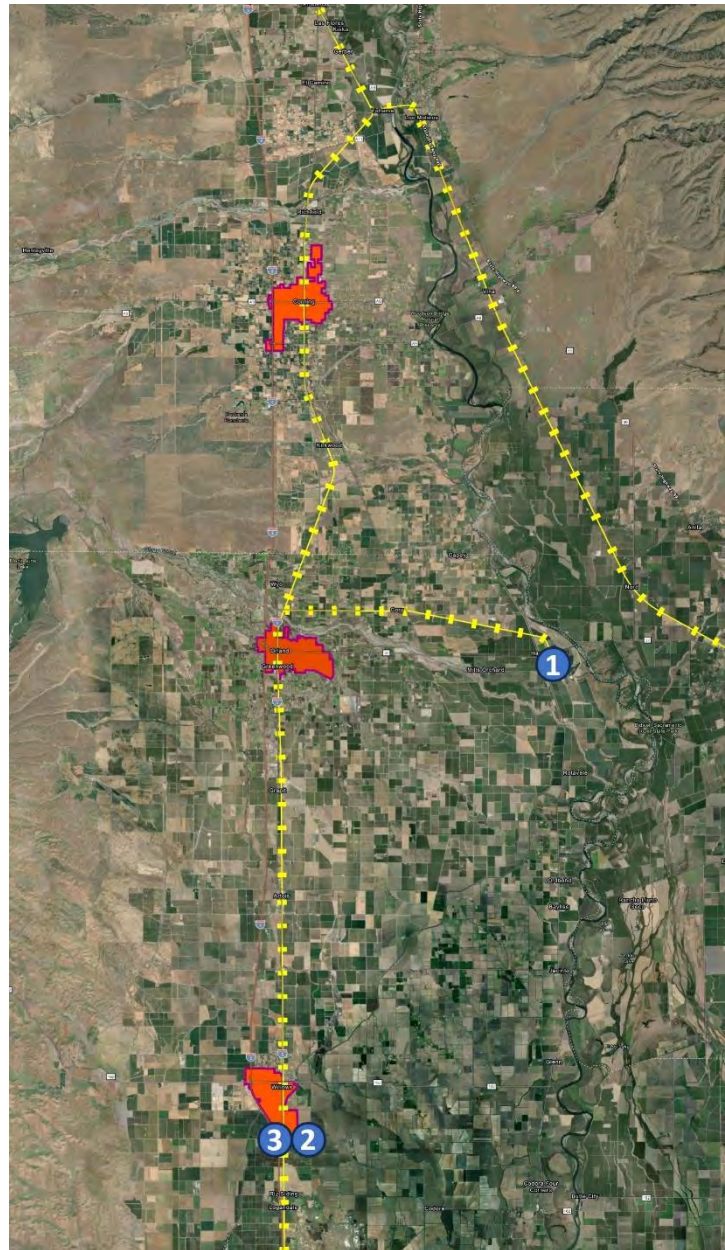
South of Nutrien in Hamilton City

2

City of Willows-owned property east of wastewater facility

3

Great Western Growers ACC



Other Assets, Amenities, and Selling Points

There are numerous other assets, amenities, programs and organizations that add to the I-5 Corridor story which can be highlighted and be strong points of differentiation.

Paskenta Band of Nomlaki Indians—the Paskenta Band is a powerful economic engine in the region. Aside from drawing visitors to the area and employing many people, the Paskenta Band has invested in health care and other community assets.

Thunderhill Raceway Park—the Park offers a unique visitor experience that has market recognition across a multi-state region. Thunderhill reported 92,000 annual visitors, 72,000 of which are visiting from outside Glenn County. Better promotion and expanded programing may increase visitor flow and subsequent economic impact.

The **agricultural and processing sectors**—incredible businesses with great stories of longevity and innovation. Businesses like Carriere Family Farms, Sierra Nevada Cheese Company and Farmers Brewing Company are great assets for the region that should be supported as they look to grow and innovate within their respective sectors.

Active and engaged public agencies—the cities of Corning, Orland, and Willows and Tehama and Glenn Counties are always engaged and looking to grow and attract business. These jurisdictions are all considered "business friendly", with approachable staff. As a regional economic development organization, 3CORE has worked with these agencies to attract grant funding for studies ranging from opportunity sites to infrastructure financing. And with the Glenn Center facility in Orland, Butte College has made a significant investment and created a strong presence in Orland to work with students and businesses in the region.



Figure 4 - Thunderhill Raceway Park

4.2. WEAKNESSES

Market-Ready Properties

There is a shortage of market-ready commercial and industrial sites which is impeding economic growth. The low inventory of development ready sites is delaying investment opportunities along the I-5 Corridor study area.

In Section 5.0 - Site Analysis, 47 properties were identified and screened for potential as commercial / industrial sites. The properties were ranked by Tier for each community with a total of 13 screened as Tier 1 (priority sites).¹

Tier 1 sites are those that are ready or nearly ready for immediate development. Without shovel-ready real estate, development will not happen at the desired pace. Of the 13 Tier 1 sites identified in Section 5.0, the three sites closest to being development ready are the Corning Crossroads area (Site #2), and the North Valley Commercial Center (Site #41) and North Humboldt Ave. (#47) in Willows.

| Section 2 – I-5 Corridor Site Screening Matrix | | | | |
|--|-----------|-----------|----------|-----------|
| Jurisdiction | Tier 1 | Tier 2 | Tier 3 | TOTAL |
| Corning | 3 | 16 | 3 | 22 |
| Orland | 6 | 3 | 0 | 9 |
| Willows | 2 | 2 | 1 | 5 |
| Hamilton City | 0 | 2 | 1 | 3 |
| Glenn County | 2 | 3 | 3 | 8 |
| TOTAL | 13 | 26 | 8 | 47 |

Corning Crossroads is entitled to serve highway commercial uses, with a commercial subdivision already approved. **North Valley Commercial Center** is entitled for industrial and commercial uses and Rumiano Cheese is currently the lone tenant. Utility infrastructure will need to be extended farther into North Valley from the Hwy 99W frontage to allow future development. **North Humboldt** offers full utility access at roadway, zoning is in place, and it is located immediately off the I-5 Corridor at Hwy 162/Wood St., the heaviest traveled I-5 exit in Willows.

The extension of infrastructure to serve sites is generally the greatest impediment to development projects. On May 23, 2023, the Corning City Council took a giant step forward by approving \$1.59 million in funding to cover a reimbursement agreement for a water and sewer crossing under I-5 to the Corning Crossroads site. The developer, Galleli Real Estate, will fund the cost of the boring under I-5 and the City will reimburse for all cost (or a great portion) after the work is completed. The costs associated with water and sewer extension under I-5 at South Avenue in Corning are likely similar for other sites along the I-5 corridor in Orland, Willows and Glenn County. These sites and jurisdictions should look to similar funding mechanisms to facilitate future development projects.

Resource Capacity

Current economic development organizational capacity is not sufficient to reliably drive new investment for the Corridor. There are many organizations, including jurisdictions and agencies, but no one entity is

¹ Reference Section 5.0, I-5 Corridor Site Screening Matrix - Tier Readiness Ranking

dedicated to focus on the Corridor or other sites to move them forward in a consistent manner to gain traction.

The ability to showcase community assets and property readiness are needed to attract outside investment. Like many small communities throughout the country there is limited capacity along the I-5 Corridor, both financial and staffing, to effectively focus on creating and marketing site profiles/ portfolios.

With the number of properties all at different stages, planning, coordination, and continued efforts to find investment for infrastructure would require dedicated staff (at least part-time) that focus on just I-5 as a regional asset with a marketing program including collateral materials, website, social media, and prospecting.

Brand and Marketing

The outside world knows little or nothing about this section of the I-5 Corridor as compared to places like Redding or Sacramento.

The "Find Your Refuge" marketing piece produced for Willows is a good example of the kind of information needed to gain attention for the area. The fact that the piece only covers a section of the Corridor combined with the clever tagline could quickly get the audience confused and focused more on the National Wildlife Refuge.

Even as sites are being readied for the market, it is not too soon to position the I-5 Corridor in front of key influencers and potential markets. Branding, marketing and positioning efforts can be expensive – but made easier and less expensive with digital and electronic tools.

Building a brand that creates synergy for the I-5 Corridor is best accomplished through collaboration among stakeholders. An overarching brand can often create stronger positioning for individual communities participating in the broad branding and positioning.



4.3. OPPORTUNITIES

Collaborate as a Corridor Region

The I-5 Corridor is a unique place with opportunities for creating projects that will benefit the entire region. Without a focused and combined effort, opportunities will be lost as there is no champion to keep it moving forward.

Innovate 78 is a great example of cities where their only previous connection was Interstate 78 highway. This group has formed a "cohesive region—not just a collection of distinct municipalities competing against one another—Innovate78 is a testament to the shared values of elected officials and municipal leadership" creating a culture of collaboration to support startups, foster business expansions and nurture investment within the region.

Launched in 2014, Innovate78 (www.innovate78.com/) supports the business ecosystem of North County San Diego by elevating the region's reputation and helping businesses innovate and evolve. The collaborative partnership between the cities along San Diego's 78 Corridor – Carlsbad, Escondido, Oceanside, San Marcos, and Vista – helps businesses prosper in place for the betterment of all who work and reside here. This multi-city economic development initiative furthers local innovation with a shared vision to boost long-term economic recovery, resiliency, and prosperity.

Brand Marketing

In today's marketplace a community or regional value proposition must be articulated in a manner that quickly cuts through the "noise." The challenge is 1) creating awareness that the I-5 Corridor exists with opportunity sites, 2) telling a story that builds presence, and 3) beginning to present the unique benefits of the region as a whole, supported with facts or proof points.

An example of collaborative cross-marketing is the cities along the I-15 Corridor in southern California (www.edcswca.com). The cities have little in common and focus mainly on marketing and branding.

Existing Sites and Buildings

Although the I-5 Corridor does not have a huge profile of sites or buildings to market it does have some key sites and buildings to start a campaign. There is enough to start with – to get the word out and begin to build an awareness and engage influencers to looking for more – Willows North Valley Commercial Center, CalPlant Facility, Corning Crossroad (coming online with infrastructure) and some smaller sites on Highway 32.

Business Investment Targets

As part of the site search evaluation, community assets were also identified to align with potential investment targets. In addition to real estate, the evaluation examined utility and transportation infrastructure, quality of place attributes, organizational structures and economic development capacity,

housing markets, retail assets, parks and recreation, growth trends, and other factors that provide insights into community and economic development efforts in each of the jurisdictions.

Based on I-5 Corridor community assets and corporate location investment trends at local, regional, national, and global levels, the DSG Team identified investment targets that offer the best chance of attracting investment projects to the area over the next five years.

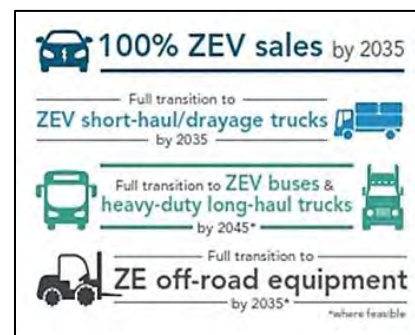
The recommended investment targets are presented in detail for each Tier One site in Section 6, Investment Targets Aligned to Sites. Below is an overview of investment targets that are most feasible for the I-5 Corridor.

| INVESTMENT TARGETS FOR I-5 CORRIDOR | | | |
|---------------------------------------|-----------------------------|------------------|--|
| Investment Target | Facility Size (Square Feet) | Employment Range | Industry Sectors |
| Agriculture, Manufacturing & Services | 20,000-100,000 | 25-200 | <ul style="list-style-type: none"> General manufacturing and support services related to agriculture Value-added manufacturing to support ag industry Machinery overhaul and repair Metal fabrication, welding |
| Cold Storage | 20,000-100,000 | 10-40 | <ul style="list-style-type: none"> Food processing Beer manufacturing |
| Light Industrial and Commercial | 5,000-50,000 | 10-50 | <ul style="list-style-type: none"> Highway commercial uses- drive thru restaurant, hotel, gas station Machine shops Equipment repair shops Light manufacturing Metal fabrication, welding |
| General Manufacturing | 5,000-100,000 | 5-200 | <ul style="list-style-type: none"> General manufacturing Food processing Machinery overhaul and repair |
| Logistics | 50,000-800,000 | 10-50 | <ul style="list-style-type: none"> Warehousing for national retailers Last mile delivery facilities |

Emerging Market Sectors

Electric Vehicles and Truck Stops

Rapid movement toward electric vehicles in California is being advanced on many fronts, most significant by state mandates that require newly purchased passenger vehicles and short-haul trucks be electric by 2035, and heavy-duty long-haul trucks be electric by 2045.²



² California Air Resources Board. *California's Transportation is Going Electric*

As soon as 2030, 5.4 million light-duty electric vehicles and 193,000 medium- and heavy-duty electric vehicles are expected to be on the roads in California.

Uncertainty is the order of the day. The myriad of policies, technological advancements, and rates of adoption required to make this a reality are far from having been established.

"The truck stop and travel center industry stands on the brink of change that is radically disrupting our industry," according to Lisa Mullings, CEO of the National Association of Truck Stop Operators (NATSO)³

Mullings added that the key to getting policies that favor truck stops is to get the right information in front of lawmakers and not just showing up when the industry needs something in the short term. "Lawmakers and their staff need us [NATSO] so they can understand how their policies and decisions affect their constituents," Mullings said during her keynote remarks at NATSO Connect 2023, held March 7-10, 2023, in Dallas.

David Fialkov, NATSO's executive vice president of government affairs added, "All of the policy developments, along with the market dynamics, make it very clear that we are on the cusp of a pretty massive transition on the way we do business, primarily in the fuels that we sell." Fialkov noted that never has an established policy of the United States government transitioned the country from one form of transportation energy to a completely different one, and in such a short period of time.

For those who make a living serving highway travel, places like Glenn and Tehama counties, change is coming and now is the time to prepare. On the agenda are fuel sales, restaurants, convenience marts, lodging, and related travel services. A plus for the truck stop and travel center industry is that it will take longer to transition away from diesel than gasoline, and the industry makes more money from diesel.

But change is coming, being driven by the adoption of electric vehicles. The path to EVs has two major disruptors: cost advantages of electric versus fossil fuels, and autonomous vehicles. Truck EV battery range is expected to support a substantial share of trips at an economical rate. Trucks with 375-mile battery distance, which would require six charges based on the average weekly mileage of a commercial truck trip, has a 13% per mile lower total cost of ownership, with a net savings of \$200,000 over the lifetime of the electric truck.⁴

In an electrified trucking future, truck stops and travel centers will not be obsolete, but their fueling stations will need to shift over to charging. Gas stations will need to do the same.

Truck automation will bring further changes. Driverless trucks are expected on the road in significant numbers in the 2030s requiring fewer drivers. This will hit truck stops which rely not only on fuel sales but on providing food, showers and more to truckers.

Power Generation

As California rapidly boosts sales of electric cars and trucks over the next decade, the answer to a critical question remains uncertain: Will there be enough electricity to power them? State officials claim that

³ Convenience Store News, March 2023. *NATSO Aims to Future-Proof the Truck Stop & Travel Center Industry*

⁴ Catalyst, March 2022. *The Future of the Truck Stop: What will become of fuel stations in an electric, automated world?*

electric vehicles expected on California's roads in 2035 will not strain the grid. This assumes an increase in power generation, much of it produced by new solar and wind.

To make this happen, the process for siting and approving solar and wind projects must be accelerated. Those involved in initiating and approving projects (e.g. California Energy Commission, California Independent System Operator, California Public Utilities Commission, utility companies) are relying on multiple assumptions that are highly uncertain. "We're going to have to expand the grid at a radically much faster rate," said David Victor, a professor and co-director of the Deep Decarbonization Initiative at UC San Diego. "This is plausible if the right policies are in place, but it's not guaranteed."⁵

The future of truck stops will be changing and for truck stops to remain viable they will need to be modernized to the new industry standard that will be coming, which means for these types of trucks to be feasible they will require significant power source and generations, i.e., adjacent to areas that can provide energy such as solar farms.

There is land along the I-5—not the identified sites suited to highway development—but adjacent which could be well suited for solar farms to start positioning the I-5 as a key location for these newer truck hubs. Because of poor soil conditions and ongoing state drought, some of these lands, likely zoned ag, are not as productive as previously and could be repurpose for energy development. Working towards development of localized renewable energy projects could create an opportunity to attract investment in next generation truck stops and travel centers in the area.

4.4. THREATS

Rural Setting

The communities along the I-5 Corridor are rural and small with mid-size regional centers within 30-40 miles and larger metropolitan areas a significant distance. The rate of new investment is typically slower in smaller rural locations compared to larger cities. Infrastructure funding is often a challenge to secure, or for owners or developers to invest in, because the costs cause projects to not "pencil" financially.

Infrastructure to Support Growth

Infrastructure investment will continue to be a challenge. It is also a threat for not moving these often privately controlled properties forward to productive or higher and better use. Infrastructure includes extension of utilities to and through sites, but also the need to upgrade or increase capacity for specific areas. Both the City of Corning and Orland are actively pursuing grant funding to widen the I-5 overpass bridges to handle greater truck and vehicle traffic. Grant funding will be required to finance the infrastructure entirely or to close the financing gap.

⁵ Cal Matters, January 2023. *Race to zero: Can California's power grid handle a 15-fold increase in electric cars? (Part 2, Race to Zero: California's bumpy road to electrify cars and trucks.)*

Housing

The shortage of affordable housing could also continue to limit the area and could slow other development. Housing is another market factor and not necessarily something that can be controlled by the jurisdiction—but hopefully more investment in housing is something local communities can encourage.

The aftermath of the Camp Fire in Butte County increased the demand for housing in many of the region's communities. I-5 communities saw little growth in real numbers, not because the demand wasn't there but because housing products were not there. Communities like Orland and Corning have entitled subdivision projects that have been stalled due to construction issues and recent slow consumer demand.



Figure 5 - Partially developed Orland subdivision, Ambrosia by DR Horton

5. SITE ANALYSIS

5.1. POSSIBLE DEVELOPMENT SITES RANKED

A variety of factors must be considered that impact the timing and development potential of a real estate property. Factors influencing site development potential can include site grading, environmental constraints, drainage and floodplains, easements or dedications that may limit redevelopment, zoning and general plan designations, and willingness of ownership to sell. Specific analysis for a development project will have additional requirements pertinent to the business operations which this analysis does not determine.

Site adjacent issues are those concerning roadway access, infrastructure (water, sewer, electric, broadband), and surrounding development patterns.

For the Interstate 5 Corridor, a summary of tier screening criteria is provided below, with color coding to correspond to the three tiers.

Site screening was conducted for forty-seven (47) different parcels identified through field investigation and confirmed through discussions with local stakeholders. These sites were primarily along the I-5 Corridor within the cities of Corning, Orland, and Willows. Unincorporated Hamilton City was added for screening given the existing rail spur and industrial zoning along the rail line. Other sites are in unincorporated areas of Glenn County.

| SITE DEVELOPMENT EVALUATION CRITERIA | | |
|--|---|--|
| Tier 1 | Tier 2 | Tier 3 |
| Potential to redevelop within 12-24 months | Potential to redevelop within 24-48 months | Redevelopment is 5+ years out |
| <ul style="list-style-type: none"> Road access supports development. Water, sewer, electric utilities are at or near the site. Development is consistent with adjacent development patterns. Zoning and General Plan land use designations are aligned and support development. Property asking price is aligned with market. | <ul style="list-style-type: none"> Site leapfrogs existing development promoting urban sprawl. Site is outside city limits. Utility infrastructure requires lengthy extension. Proposed use will require a zoning change not aligned with the General Plan. Property asking price is more than current market. | <ul style="list-style-type: none"> Road access requires significant upgrading prior to development. Utility infrastructure requires lengthy extension. Zoning/general plan designations do not support targeted investment and build out. Property asking price is well over current market. |

The matrix below summarizes sites with APN number, site acreage, zoning, utility infrastructure, tier ranking, and reasons for tier rankings.

Figure 6 - Inventory of Study Sites

| Map Ref # | APN | ACRES | ZONING | WATER SEWER | TIER | TIER RATING REASONS | NOTES |
|-------------------------|-------------|-------|-------------------------------------|-------------|------|---|---|
| CITY OF CORNING PARCELS | | | | | | | |
| 1 | 069-260-051 | 3.77 | Highway Service (C-3-CBDZ) | No | 2 | Need to extend water and sewer approximately 500 feet under I-5 to reach site. Barham Avenue to west would need to be widened. Existing pavement width is approximately 20 feet. | 5 parcels under same ownership. Great I-5 frontage and visibility. Appears to be an historic olive grove. |
| 2 | 069-210-043 | 1.72 | Hwy Service (C-3-CBDZ) | No | 1 | Need to extend water and sewer approximately 450 feet under I-5 to reach site. Barham Avenue to west would need to be widened. Existing pavement width is approximately 20-feet. Entitled commercial subdivision ready for redevelopment. | All part of Corning Crossroads approved plan. Great visibility. |
| | 069-210-049 | 1.25 | Hwy Service (C-3-CBDZ) | No | | | |
| | 069-220-001 | 4.62 | Hwy Service (C-3-CBDZ) | No | | | |
| | 069-220-008 | 1.48 | Hwy Service (C-3-CBDZ) | No | | | |
| 3 | 069-210-078 | 0.62 | Hwy Service (C-3-CBDZ) | No | 2 | Need to extend water and sewer approximately 450 feet under I-5 to reach site. Barham Avenue to west would need to be widened. Existing pavement width is approximately 20 feet. Would likely be redeveloped after Corning Crossroads. | Parcels under same ownership. |
| | 069-210-079 | 2.88 | Hwy Service (C-3-CBDZ) | No | | | |
| 4 | 069-210-046 | 1.57 | Highway Service (C-3-CBDZ) | Yes | 2 | Need to extend water and sewer approximately 250 feet from Hwy 99W to reach site. Dedicated right of way to site at south, but need to extend road approximately 250 feet to site from Hwy 99W. | Tucked behind the 7 Inn motel and Best Western Plus. Prime I-5 visibility. |
| 5 | 069-210-089 | 4.94 | Highway Service (C-3-CBDZ) | Yes | 2 | Larger flat site, sewer and water within Hwy 99W frontage. Driveway access either on Hwy 99W or Corona Avenue to south. | Site with various out-buildings in disrepair. |
| 6 | 071-180-006 | 15.01 | Specific Plan Mixed-use (SPMU-CBDZ) | Yes | 2 | Water and sewer within Hwy 99W. Zoning supports mixed-use, but this may be hindering redevelopment. Not currently listed for sale. | Large vacant parcel with residential development to south and east. |

Figure 6 - Inventory of Study Sites

| Map Ref # | APN | ACRES | ZONING | WATER SEWER | TIER | TIER RATING REASONS | NOTES |
|-----------|-------------|-------|----------------------------|----------------|------|--|---|
| 7 | 071-080-021 | 4.23 | Highway Service (C-3-CBDZ) | Yes | 2 | Sites #7 and #8 under same ownership. Water and sewer within Edith Avenue. Existing residences along Edith Ave frontage. | Large parcel with opportunity to build out as highway commercial. |
| 8 | 071-080-022 | 4.88 | Single Family (R-1) | Yes | 2 | | Potential single-family subdivision. |
| 9 | 087-040-066 | 6.80 | Highway Service (C-3-CBDZ) | Yes | 2 | Sites #9 and #10 under same ownership. Water and sewer within Hwy 99W. Burch Creek impacts northeast half of Site #9. Existing residence on Site #9 and newer structure on Site #10. | Great I-5 frontage and visibility. Flat terrain. |
| 10 | 087-040-067 | 3.00 | Highway Service (C-3-CBDZ) | Yes | 2 | | |
| 11 | 087-040-073 | 9.69 | Highway Service (C-3-CBDZ) | Yes | 2 | Sites #11 and #12 under same ownership. Also owns Laurel Ag & Water property just south of these sites. Water and sewer within Hwy 99W, with 6-inch lateral to frontage. | Both parcels under same ownership. Great I-5 frontage & visibility. Flat terrain. |
| 12 | 087-040-074 | 4.47 | Highway Service (C-3-CBDZ) | Yes | 2 | | |
| 13 | 087-050-002 | 4.87 | Highway Service (C-3-CBDZ) | Yes | 2 | Water and sewer within Hwy 99W. Vacant fields appear to be grazing. | Great I-5 frontage and visibility. Flat terrain |
| 14 | 087-050-003 | 2.44 | Highway Service (C-3-CBDZ) | Yes | 2 | Water and sewer within Hwy 99W. Vacant fields appear to be used for grazing. Parcel is rectangular with 150-feet of frontage on Hwy 99W. | Great I-5 frontage and visibility. Flat terrain |
| 15 | 087-040-061 | 8.59 | Highway Service (C-3-CBDZ) | No | 1 | Development would require extension of water and sewer over/under I-5 from the east approximately 1,500 feet. Site has been cleared for redevelopment. | Great location at NW corner of I-5/South Avenue interchange. Just west of Barnham Avenue. Parcel east across Barnham appears to be wetland but site is clear. |
| 16 | 087-090-077 | 8.75 | Highway Service (C-3-CBDZ) | No | 1 | Development would require extension of water and sewer over/under I-5 from the east approximately 1,000 feet. Development of this site could trigger redevelopment of sites to south to support highway commercial uses. | Flat site with good I-5 visibility |

Figure 6 - Inventory of Study Sites

| Map Ref # | APN | ACRES | ZONING | WATER SEWER | TIER | TIER RATING REASONS | NOTES |
|------------------------|-------------|-------|----------------------------|----------------|------|--|--|
| 17 | 087-090-013 | 13.54 | Light Industrial (M-1-S-P) | No | 2 | Approximately 5 to 6 acres remain for development. Owned by TA Travel Center operators. Site is outside city limits, but within sphere of influence. Would need to extend water and sewer approximately 600 feet from city limits. | Vacant parcel owned by truck stop group just north of site. Small pond in SE corner of site. |
| 18 | 087-090-014 | 4.07 | Light Industrial (M-1-S-P) | No | 2 | Current use is Harrah's Shelters, Steel Fencing and Solar Carports. Would need to extend water and sewer approximately 800 feet from city limits. | Existing metal barn fabricator along with Olive Hut produce stand. |
| 19 | 087-100-067 | 5.9 | Light Industrial (M-1-S-P) | No | 2 | Light industrial site just south of city limits. Prime frontage along Hwy 99W on east side. Would need to extend water and sewer 50 feet south to site. | Existing salvage yard with food truck along Hwy 99. |
| 20 | 087-100-068 | 3.18 | Light Industrial (M-1-S-P) | No | 3 | Light industrial site just south of city limits. Prime frontage along Hwy 99W on east side. Would need to extend water and sewer 400-feet south to site. | Camper and trailer storage area. |
| 21 | 087-100-031 | 4.54 | Light Industrial (M-1-S-P) | No | 3 | Light industrial site just south of city limits. Prime frontage along Hwy 99W on east side. Would need to extend water and sewer 700-feet south to site. | Emergency camper storage. |
| 22 | 087-100-030 | 4.92 | Light Industrial (M-1-S-P) | No | 3 | Vacant light industrial site just south of city limits. Prime frontage along Hwy 99W on east side. Need to extend water and sewer 1,100 feet south to site. | Vacant lot, camper storage. |
| CITY OF ORLAND PARCELS | | | | | | | |

Figure 6 - Inventory of Study Sites

| Map Ref # | APN | ACRES | ZONING | WATER SEWER | TIER | TIER RATING REASONS | NOTES |
|-----------|------------|-------|----------------------------------|----------------|------|--|---|
| 23 | 0451400290 | 10.72 | Community Commercial (C-2) | Yes | 1 | Prime frontage on I-5. Water located on northern frontage, sewer to west. Highway access 1,000 feet to south. Large lot prime for redevelopment, although current list price is too high. | Former RV Park. Currently listed for sale (\$5.6 million). |
| 24 | 0451400419 | 0.84 | Community Commercial (C-2) | Yes | 1 | Prime frontage on I-5. Water and sewer located to south within Hoff Way. Highway access 500 feet to south. | Located just north of Orland Portuguese Plaza. |
| 25 | 0451400449 | 1.06 | Community Commercial (C-2) | Yes | 1 | Potential to combine Sites #24-26 with #23 to create a large master planned highway commercial center. | Located just north of Orland Portuguese Plaza. |
| 26 | 0451400469 | 1.64 | Community Commercial (C-2) | Yes | 1 | | Currently listed for sale \$1.05 million. |
| 27 | 0451700030 | 8.53 | Highway Service Commercial (C-H) | Yes | 2 | Large parcel just west of the Pilot Travel Center. Water and sewer within Commerce Lane frontage. Highway access 500 feet to northeast via CR200/Newville Road. | Site just west of Pilot Truck Stop; street view from March 2023 shows development activity. |
| 28 | 0451700130 | 7.25 | Light Industrial (M-L) | Yes | 2 | Existing business, Hardwood Creations, located in southwest corner of parcel. Opportunity to develop remainder with light industrial uses. Water and sewer within Commerce Lane and CR 14 frontages. Highway access 600 feet to northeast. | Northern two-thirds of parcel is undeveloped. Just south of Pilot Truck Stop. |
| 29 | 0451700160 | 4.48 | Light Industrial (M-L) | Yes | 2 | Existing residence at end of CR 14 cul-de-sac. Opportunity to develop as light industrial with access likely from CR 13 to the north. Water and sewer within CR 13 frontages. Highway access 600 feet to northeast. | Prime frontage along I-5. Just south of Pilot Truck Stop. |

Figure 6 - Inventory of Study Sites

| Map Ref # | APN | ACRES | ZONING | WATER SEWER | TIER | TIER RATING REASONS | NOTES |
|----------------------|------------|-------|--------------------------------------|-------------|------|---|---|
| 33 | 0403500030 | 10.76 | Planned Development (P-D) | Yes | 1 | Large parcel just south of Butte College with I-5 frontage. Would require extension of water and sewer south from College. 1,000 feet from access to I-5 both north and southbound. | Site south of Butte College. |
| 34 | 0403100140 | 6.44 | Planned Development (P-D) | Yes | 1 | Adjacent to Site #33. Access to I-5 via Cortina Drive. 8-inch water and sewer line extended to Cortina Drive southern terminus. | Currently listed for sale, including parcel to north. |
| GLENN COUNTY PARCELS | | | | | | | |
| 30 | 0452400020 | 10.49 | Highway and Visitor Commercial (HVC) | No | 2 | Large parcel outside city limits with great I-5 visibility. Would need to extend water and sewer across I-5 approximately 550 feet from east. Immediate access to north and south off-ramps to I-5. | Large flat parcel currently used for grazing. |
| 31 | 0452400120 | 12.01 | Rural Residential Estate (RE-1) | No | 2 | Large parcel outside city limits. Would need to extend water and sewer across I-5 approximately 1,000 feet from east. Immediate access to north and south off-ramps to I-5. | Large flat parcel currently used for grazing. |
| 32 | 0452700090 | 7.84 | Service Commercial (S-C) | No | 3 | Existing olive grove outside city limits. Would require water and sewer extension approximately 600 feet under I-5 from Butte College area. Prime frontage on I-5. | Existing olive grove with frontage along CR HH. |
| 35 | 0471800110 | 3.93 | Industrial Park (MP) | No | 2 | Longer-term redevelopment opportunity north of Haigh Field Airport. Would require water extension from Amazon facility. | Pasture in Glenn County just north of Amazon facility. |
| | 0471800090 | 18.12 | | | | | |
| | 0470900560 | 11.32 | | | | | |
| 36 | 0472700170 | 9.13 | Industrial Park (MP) | Yes No | 1 | Lots along Airpark Drive, directly adjacent to airport. Existing 10-inch waterline and 8-inch sewer line in Airpark Drive. | Vacant parcel just east of airport, south of Amazon facility. |
| | 0472700150 | 3.01 | | | | | |
| | 0472700160 | 3.0 | | | | | |
| | 0472700109 | 3.86 | | | | | |

Figure 6 - Inventory of Study Sites

| Map Ref # | APN | ACRES | ZONING | WATER SEWER | TIER | TIER RATING REASONS | NOTES |
|-------------------------|------------|--------|--|-------------|------|---|--|
| 39 | 0172200190 | 13.78 | Highway and Visitor Commercial (HVC) | No | 3 | Agricultural parcel located west of Willows Airport. Would require utility extension 1,200 feet from city boundary to east. Potential to create industrial center with inclusion of CalPlant site? | Vacant commercial parcel with good frontage along SH 162. |
| 40 | 0172200200 | 23.43 | Industrial Park (MP) | No | 3 | Agricultural parcel located west of Willows Airport. Would require utility extension 1,500 feet from city boundary to east. Potential to create industrial center with inclusion of CalPlant site? | Industrial parcel just west of Willows Airport. |
| 43 | 0172200280 | 276.00 | Industrial (M) & Community Commercial (CC) | Yes | 1 | With liquidation of CalPlant, this facility may be repurposed or parceled out for an industrial/ag tech park. | Former CalPlant site. |
| CITY OF WILLOWS PARCELS | | | | | | | |
| 37 | 0172100479 | 29 | General Commercial / Light Industrial (CG/ML/PD) | Yes | 3 | Existing orchard with great I-5 visibility located north of Wal Mart. Would require water and sewer extension 400 feet from south. Potential to aggregate with Site #38 for larger light industrial park. | Almond orchard with great I-5 visibility. |
| 38 | 0172100549 | 7.91 | General Commercial / Light Industrial (CG/ML/PD) | Yes | 2 | Existing orchard with great I-5 visibility located north of Wal Mart. Would require water and sewer extension 300 feet from south. Potential to aggregate with Site #37 for larger light industrial park. | Vacant parcel behind Walmart. Access via Airport Road west of Walmart. |
| 41 | 0171700110 | 149.21 | General Commercial / Light Industrial (CG/ML/PD) | No | 1 | Now called North Valley Commercial Center. City and broker are actively marketing this site. Existing water and sewer in Hwy 99W. Would require extension into site. 42+ acres available. | Basin Street Industrial is a 60-acre industrial park portion of master planned area. Site layout shows existing Rumiano Cheese in NE corner of park. |

Figure 6 - Inventory of Study Sites

| Map Ref # | APN | ACRES | ZONING | WATER SEWER | TIER | TIER RATING REASONS | NOTES |
|-----------------------|--|--------|--|----------------|------|---|--|
| 42 | 0171700290 | 115.57 | Heavy Industrial (MH) | No | 2 | Large city-owned parcel with rail access 650 feet to the west. I-5 access 1,800 feet to west. Potential to build out heavy/light industrial area. | Site just east of Wilbur-Ellis facility and City of Willows wastewater treatment facility. |
| 47 | 0173300100 0173300110 0173300120 0010100270 0010100290 0010320300 0010320290 0010320280 | 29.57 | Highway Commercial, General Commercial, High Density Residential (CH, CG, R-3) | Yes | 1 | (3) contiguous parcels north of Hwy 162/Wood St. and (5) parcels south of Hwy 162/Wood St. All adjacent to existing commercial uses. Utilities located within N Humboldt Ave along property frontage. Excellent visibility from both I-5 and N. Humboldt Ave. | Unknown ownership. Holiday Inn Express located to south, Tractor Supply Co to north. |
| HAMILTON CITY PARCELS | | | | | | | |
| 44 | 0321120010 | 8.60 | Industrial (M) | Yes | 2 | Multiple lots and buildings potentially available for development. Rail spur through site terminating just south of Nutrien Ag Solutions south of this site. | Opportunity for rail user. |
| 45 | 0322600060 | 16.00 | Industrial (M) | No | 2 | Additional developable area that is part of the Nutrien Ag parcel. Rail access to east. | Nutrien Ag parcel. |
| 46 | 0322600070 | 73.00 | Industrial (M) | No | 3 | Existing agricultural operations, but site is zoned for industrial. Located on east side of rail line. Unknown how far water and sewer would need to be extended. | Currently agricultural, but zoned industrial. |

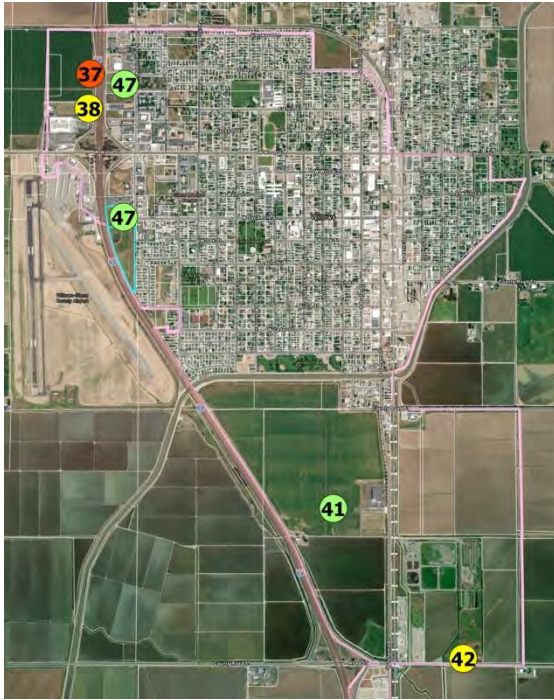
5.2. DEVELOPMENT SITES BY JURISDICTION AND TIER

City of Corning Sites



| Map # | ACRES | ZONING | TIER |
|-------------------|--------|-------------------------------------|------|
| 1 | 3.77 | Highway Service (C-3-CBDZ) | 2 |
| 2 | 1.72 | Highway Service (C-3-CBDZ) | 1 |
| | 1.25 | Highway Service (C-3-CBDZ) | |
| | 4.62 | Highway Service (C-3-CBDZ) | |
| | 1.48 | Highway Service (C-3-CBDZ) | |
| 3 | 0.62 | Highway Service (C-3-CBDZ) | 2 |
| | 2.88 | Highway Service (C-3-CBDZ) | |
| 4 | 1.57 | Highway Service (C-3-CBDZ) | 2 |
| 5 | 4.94 | Highway Service (C-3-CBDZ) | 2 |
| 6 | 15.01 | Specific Plan Mixed-Use (SPMU-CBDZ) | 2 |
| 7 | 4.23 | Highway Service (C-3-CBDZ) | 2 |
| 8 | 4.88 | Single-Family (R-1) | 2 |
| 9 | 3 | Highway Service (C-3-CBDZ) | 2 |
| 10 | 6.8 | Highway Service (C-3-CBDZ) | 2 |
| 11 | 4.47 | Highway Service (C-3-CBDZ) | 2 |
| 12 | 9.69 | Highway Service (C-3-CBDZ) | 2 |
| 13 | 4.87 | Highway Service (C-3-CBDZ) | 2 |
| 14 | 2.44 | Highway Service (C-3-CBDZ) | 2 |
| 15 | 8.59 | Highway Service (C-3-CBDZ) | 1 |
| 16 | 8.75 | Highway Service (C-3-CBDZ) | 1 |
| 17 | 14 | Light Industrial (M-1-S-P) | 2 |
| 18 | 4.07 | Light Industrial (M-1-S-P) | 2 |
| 19 | 5.9 | Light Industrial (M-1-S-P) | 2 |
| 20 | 3.18 | Light Industrial (M-1-S-P) | 3 |
| 21 | 4.54 | Light Industrial (M-1-S-P) | 3 |
| 22 | 4.92 | Light Industrial (M-1-S-P) | 3 |
| Inventory by Tier | TIER 1 | | |
| | TIER 2 | | |
| | | TIER 3 | |
| | | 3 | 16 |
| | | 3 | 3 |

City of Willows Sites



| Map # | ACRES | ZONING | | TIER |
|-------------------|--------|---|--------|--------|
| 37 | 28.80 | General Commercial /Light Industrial (CG/ML/PD) | | 3 |
| 38 | 7.91 | General Commercial /Light Industrial (CG/ML/PD) | | 2 |
| 41 | 149.21 | General Commercial /Light Industrial (CG/ML/PD) | | 1 |
| 42 | 115.57 | Heavy Industrial (MH) | | 2 |
| 47 | 29.57 | Highway Commercial/ General Commercial / High Density Residential | | 1 |
| Inventory by Tier | | TIER 1 | TIER 2 | TIER 3 |
| | | 2 | 2 | 1 |

Hamilton City Sites



| Map # | ACRES | ZONING | | TIER |
|-------------------|-------|----------------|--------|--------|
| 44 | 8.60 | Industrial (M) | | 2 |
| 45 | 16.0 | Industrial (M) | | 2 |
| 46 | 73.0 | Industrial (M) | | 3 |
| Inventory by Tier | | TIER 1 | TIER 2 | TIER 3 |
| | | 0 | 2 | 1 |

Glenn County Sites



| Map # | ACRES | ZONING | | TIER |
|-------------------|-------|--|--------|--------|
| 30 | 10.49 | Highway & Visitor Commercial (HVC) | | 2 |
| 31 | 12.01 | Rural Residential Estate (RE1) | | 2 |
| 32 | 7.84 | Service Commercial (SC) | | 3 |
| 35 | 33.37 | Industrial Park (MP) | | 2 |
| 36 | 19.00 | Industrial Park (MP) | | 1 |
| 39 | 13.78 | Highway & Visitor Commercial (HVC) | | 3 |
| 40 | 23.43 | Industrial Park (MP) | | 3 |
| 43 | 276.0 | Industrial (M) & Community Commercial (CC) | | 1 |
| Inventory by Tier | | TIER 1 | TIER 2 | TIER 3 |
| | | 2 | 3 | 3 |

City of Orland Sites



| Map # | ACRES | ZONING | | TIER |
|-------------------|-------|----------------------------|--------|--------|
| 23 | 10.72 | Community Commercial (C-2) | | 1 |
| 24 | 0.84 | | | |
| 25 | 1.06 | | | |
| 26 | 1.64 | | | |
| 27 | 8.53 | Highway Service Commercial | | 2 |
| 28 | 7.25 | Light Industrial (M-L) | | 2 |
| 29 | 4.48 | Light Industrial (M-L) | | 2 |
| 33 | 10.76 | Planned Development (P-D) | | 1 |
| 34 | 6.44 | Planned Development (P-D) | | 1 |
| Inventory by Tier | | TIER 1 | TIER 2 | TIER 3 |
| | | 6 | 3 | 0 |



5.3. TIER 1: SHORT LIST CANDIDATE SITES

Site #2 — Corning Crossroads

Site #15 — NW Corner I-5 South Avenue, Corning

Site #16 — SW Corner I-5 and South Avenue, Corning

Sites #23-#26 — County Road HH and County Road 12, Orland

Sites #33 and #34 — Cortina Drive behind Butte College, Orland

Site #36 — Haigh Airport, Glenn County

Site #43 — Former CalPlant Facility, Glenn County

Site #41 — North Valley Commercial Center, Willows

Site #47 — North Humboldt Avenue, Willows



SITE #2: Corning Crossroads

| SITE #2: CORNING CROSSROADS | |
|-----------------------------|--|
| TRANSPORTATION | Frontage on both Corning Road and Barham Avenue. I-5 southbound off-ramp funnels directly to site. Northbound I-5 access less than 1,000 feet to east. |
| UTILITIES | |
| Water | Existing water line on east side of I-5 at I-5 northbound off-ramp. Requires boring under I-5 to extend service to west. |
| Sewer | Existing sewer line on east side of I-5 at I-5 northbound off-ramp. Requires boring under I-5 to extend service to west. |
| Natural Gas | Service provided by PG&E |
| Electric | 10.69 MW PGE service is extended to the Bartels site. Substations and circuit capacity are already overloaded and operating at 114% of capacity. |
| Broadband | Service provided by AT&T Comcast |
| STRENGTHS | <ul style="list-style-type: none"> ▪ Already permitted and delineated 7-lot commercial subdivision, <u>Corning Crossroads</u> ▪ Great visibility along I-5 ▪ Immediate connectivity to I-5 Corridor, both north and southbound ▪ Dual frontage for access at both north and west ▪ Within City limits |
| WEAKNESSES | <p>Water & Sewer– need to extend service under I-5. The City is considering ARPA money to extend service now to initiate development on west side of I-5. Estimate is \$7 million for extension.</p> <p>Electric– Corning Substation and circuit capacity are already overloaded and operating at 114% of capacity.</p> |
| RECOMMENDED USES | Highway Commercial (Fueling Station, Retail, Drive Thru Pads, Hotel) |



Figure 7 - Site #2 looking south down Barham Avenue and I-5



| SITE #2: SITE DATA FOR CORNING CROSSROADS | |
|--|---|
| Address | Corning Road and Barham Avenue |
| City | Corning |
| Assessor Parcel Number (APN) | 069-210-043; 069-210-049; 069-220-001; 069-220-008; |
| Jurisdiction (City/County) | City of Corning |
| Ownership (Public/Private) | Private |
| Current Use | Vacant |
| Site Acreage/Developable Acres (est.) | 9.1 |
| Acreage within flood plain/floodway | None |
| Zoning | C-3-CBDZ (Corning Business Development Zone, Highway Service) |
| General Plan Designation | Commercial (Hwy 99W Specific Plan) |
| Nearest Limited Access Highway/Distance | Less than 1,000 feet to I-5 |
| Rail Access Available to Site | None |
| Electric Power Provider | PG&E |
| Substation serving site | CORNING 1101 (¾ mile to northeast) |
| Circuit kW capacity (total/peak load) | 10.69/12.18 |
| Substation distribution/kW capacity (total/peak) | NA |
| Natural Gas Provider | PG&E |
| Line serving site- location and size | NA |
| Water Provider | City of Corning |
| Line serving site- location and size | 6" |
| System capacity/average daily use (MGD) | 3.6 MGD |
| Wastewater Provider | City of Corning contracts with Inframark |
| Line serving site- location and size | 6" |
| Lift stations/force mains- location | Lift station/ 2502 N Street |
| System capacity/average daily use (MGD) | 1.75 MGD |
| Broadband Provider | AT&T, Comcast |
| Line serving site- location and capacity | Contact city for info |



SITE #15: NW Corner I-5 South Avenue, Corning

| SITE #15: NW CORNER I-5 & SOUTH AVENUE IN CORNING | |
|---|---|
| TRANSPORTATION | Frontage on both South Avenue and Barham Avenue. I-5 southbound off-ramp 300-feet to east. Northbound I-5 access less than 1,000 feet to east. |
| UTILITIES | |
| Water | Existing 8" water line in Hwy 99, 1,500-feet to east. Requires extension over overpass or boring under I-5 to extend service to west. |
| Sewer | Existing 8" sewer line in Hwy 99, 1,500-feet to east. Requires extension over overpass or boring under I-5 to extend service to west. |
| Natural Gas | Service provided by PG&E |
| Electric | 12.83 MW PGE service is at South and Orchard. Substations and circuit capacity are sufficient to meet near-term needs. |
| Broadband | Service provided by AT&T Comcast |
| STRENGTHS | <ul style="list-style-type: none"> Great visibility along I-5 Immediate connectivity to I-5 Corridor, both north and southbound Dual frontage for access along Barham Avenue & South Avenue Within City limits |
| WEAKNESSES | Water & Sewer need to extend service west, either over or under I-5. Recommended that City extend 8-inch service now to initiate development on west side of I-5. |
| RECOMMENDED USES | Highway Commercial (Fueling Station, Retail, Drive Thru Pads, Hotel, Truck Freight Supporting). There is a TA Travel Center, Petro Travel Center and Love's Travel Stop on east side of interchange. There is only one lodging option at the interchange, Econo Lodge Inn. Potential for national drive-thru food chain or hotel? |



Figure 8 - Site #15 looking east along South Avenue toward Downtown Corning, I-5 in background



| SITE #15: SITE DATA FOR NW CORNER I-5 & SOUTH AVENUE IN CORNING | |
|---|---|
| Address | South Avenue and Barham Avenue |
| City | Corning |
| Assessor Parcel Number (APN) | 087-040-061 |
| Jurisdiction (City/County) | City of Corning |
| Ownership (Public/Private) | Private |
| Current Use | Vacant |
| Site Acreage/Developable Acres (est.) | 8.6 |
| Acreage within flood plain/floodway | None known |
| Zoning | C-3-CBDZ (Corning Business Development Zone, Highway Service) |
| General Plan Designation | Commercial (Hwy 99W Specific Plan) |
| Nearest Limited Access Highway/Distance | Less than 300 feet to I-5 |
| Rail Access Available to Site | None |
| Electric Power Provider | PG&E |
| Substation serving site | CORNING (2 miles to northeast) |
| Circuit kW capacity (total/peak load) | 10.69/12.18 |
| Substation distribution/kW capacity (total/peak) | NA |
| Natural Gas Provider | PG&E |
| Line serving site- location and size | NA |
| Water Provider | City of Corning |
| Line serving site- location and size | 8" line in Hwy 99 to east |
| System capacity/average daily use (MGD) | 3.6 MGD |
| Wastewater Provider | City of Corning contracts with Inframark |
| Line serving site- location and size | 8" line in Hwy 99 to east |
| Lift stations/force mains- location | Lift station/ 2502 N Street |
| System capacity/average daily use (MGD) | 1.75 MGD |
| Broadband Provider | AT&T, Comcast |
| Line serving site- location and capacity | Contact city for info |



SITE #16: SW Corner I-5 & South Avenue, Corning

| SITE #16: SW CORNER I-5 & SOUTH AVENUE IN CORNING | |
|---|--|
| TRANSPORTATION | Frontage on South Avenue. I-5 southbound off-ramp just above site to north. Northbound I-5 access less than 700 feet to east. |
| UTILITIES | |
| Water | Existing 8" water line in Hwy 99, 1,500-feet to east. Requires extension over overpass or boring under I-5 to extend service to west. |
| Sewer | Existing 8" sewer line in Hwy 99, 1,500-feet to east. Requires extension over overpass or boring under I-5 to extend service to west. |
| Natural Gas | Service provided by PG&E |
| Electric | 10.69 MW PGE service is at the site, operating at 114% capacity. Substations and circuit capacity must be upgraded to meet near-term needs. |
| Broadband | Service provided by AT&T Comcast |
| STRENGTHS | <ul style="list-style-type: none"> Great visibility along I-5 Immediate connectivity to I-5 Corridor, both north and southbound Site is flat Within City limits |
| WEAKNESSES | <ul style="list-style-type: none"> Water & Sewer-- need to extend service west, either over or under I-5. Recommended that City extend service now to initiate development on west side of I-5. Can charge latecomer's fee to recoup capital expense. Electric-- Corning Substation and circuit capacity are already overloaded and operating at 114% of capacity. |
| RECOMMENDED USES | Highway Commercial (Fueling Station, Retail, Drive Thru Pads, Hotel, Truck Freight Supporting). There is a TA Travel Center, Petro Travel Center and Love's Travel Stop on east side of interchange. There is only one lodging option at the interchange, Econo Lodge Inn. Potential for national drive-thru food chain or hotel. |

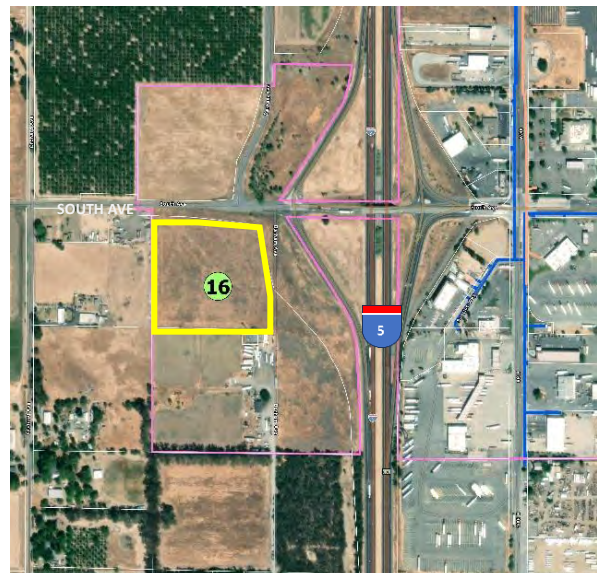


Figure 9 - Site #16 looking east along South Avenue toward Downtown Corning, I-5 in background

| SITE #16: SITE DATA FOR SW CORNER I-5 & SOUTH AVENUE IN CORNING | |
|---|---|
| Address | South Avenue and Barham Avenue |
| City | Corning |
| Assessor Parcel Number (APN) | 087-090-077 |
| Jurisdiction (City/County) | City of Corning |
| Ownership (Public/Private) | Private |
| Current Use | Vacant |
| Site Acreage/Developable Acres (est.) | 8.75 |
| Acreage within flood plain/floodway | None known |
| Zoning | C-3-CBDZ (Corning Business Development Zone, Highway Service) |
| General Plan Designation | Commercial (Hwy 99W Specific Plan) |
| Nearest Limited Access Highway/Distance | Immediately south of I-5 off-ramp |
| Rail Access Available to Site | None |
| Electric Power Provider | PG&E |
| Substation serving site | CORNING (2 miles to northeast) |
| Circuit kW capacity (total/peak load) | 12.18/7.76 |
| Substation distribution/kW capacity (total/peak) | NA |
| Natural Gas Provider | PG&E |
| Line serving site- location and size | NA |
| Water Provider | City of Corning |
| Line serving site- location and size | 8" line in Hwy 99 to east |
| System capacity/average daily use (MGD) | 3.6 MGD |
| Wastewater Provider | City of Corning contracts with Inframark |
| Line serving site- location and size | 8" line in Hwy 99 to east |
| Lift stations/force mains- location | Lift station/ 2502 N Street |
| System capacity/average daily use (MGD) | 1.75 MGD |
| Broadband Provider | AT&T, Comcast |
| Line serving site- location and capacity | Contact city for info |



SITES #23-26: County Road HH and County Road 12, Orland

| SITES #23-26: COUNTY ROAD HH & COUNTY ROAD 12 IN ORLAND | |
|---|---|
| TRANSPORTATION | I-5 access via Newville Road to south. Site access is via County Road HH/Commerce Lane and Hoff Way cul-de-sac. |
| UTILITIES | |
| Water | Existing 10" water line in Hoff Way. |
| Sewer | Existing 8" sewer line in CR HH and Hoff Way. |
| Natural Gas | Service provided by PG&E |
| Electric | 10.69 MW PGE service is at the site, which is almost at capacity. Substation and circuit capacity will need to be enhanced in the near future. |
| Broadband | Service provided by AT&T Comcast |
| STRENGTHS | <ul style="list-style-type: none"> Great visibility along I-5 Sites #23 and #26 currently listed for sale for more than \$6.5 million total. Adjacent to existing highway commercial uses Site is flat Within City of Orland city limits |
| WEAKNESSES | <ul style="list-style-type: none"> Site has been listed since 2019. Appears to be overpriced—priced at \$600k/acre. Other listings are in the \$200k/acre range. Electric— 10.69 MW PGE service is at the site, which is almost at capacity. Substation and circuit capacity will need to be enhanced in the near future. |
| RECOMMENDED USES | Highway Commercial (Fueling Station, Retail, Drive Thru Pads, Hotel, Truck Freight Supporting) |

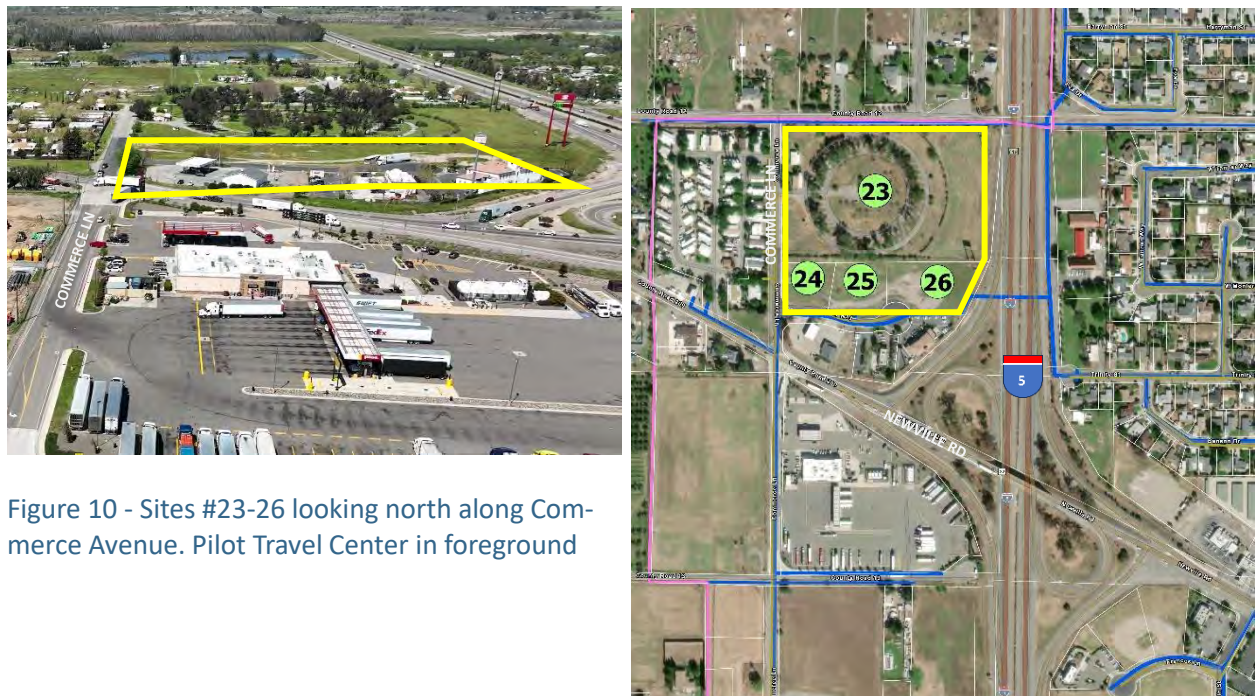


Figure 10 - Sites #23-26 looking north along Commerce Avenue. Pilot Travel Center in foreground

| SITES #23-26: SITE DATA FOR COUNTY RD HH & COUNTY RD 12 IN ORLAND | |
|---|--|
| Address | County Road HH/Commerce Lane & County Road 12 |
| City | Orland |
| Assessor Parcel Number (APN) | 045-140-029; 045-140-041; 045-140-044; 045-140-046 |
| Jurisdiction (City/County) | City of Orland |
| Ownership (Public/Private) | Private |
| Current Use | Former RV camping site |
| Site Acreage/Developable Acres (est.) | 14.2 |
| Acreage within flood plain/floodway | None known |
| Zoning | C-2 Community Commercial |
| General Plan Designation | Commercial |
| Nearest Limited Access Highway/Distance | Less than ¼ mile to I-5 southbound |
| Rail Access Available to Site | None |
| Electric Power Provider | PG&E |
| Substation serving site | GLENN (3.8 miles to northeast) |
| Circuit kW capacity (total/peak load) | 10.69/10.29 |
| Substation distribution/kW capacity (total/peak) | NA |
| Natural Gas Provider | PG&E |
| Line serving site- location and size | NA |
| Water Provider | City of Orland |
| Line serving site- location and size | 10" line in Hoff Way to south |
| System capacity/average daily use (MGD) | 2.1 MGD/0.65 MGD |
| Wastewater Provider | City of Orland |
| Line serving site- location and size | 8" line in CR HH and Hoff Way |
| Lift stations/force mains- location | Lift station at Rennat Way, north of Date Street. 1/3 mile NE of sites |
| System capacity/average daily use (MGD) | 3.4 MGD |
| Broadband Provider | AT&T, Comcast |
| Line serving site- location and capacity | Contact city for info |



SITE #33 & #34: Cortina Drive behind Butte College, Orland

| SITES #33 & #34: CORTINA DR. BEHIND BUTTE COLLEGE IN ORLAND | |
|---|---|
| TRANSPORTATION | Cortina Drive to South Street to I-5 interchange. Approximately 1,000-feet to I-5 to west. |
| UTILITIES | |
| Water | Existing 8" water line in Cortina Drive. |
| Sewer | Existing 8" sewer line in Cortina Drive. |
| Natural Gas | Service provided by PG&E |
| Electric | 7.48 MW PGE service is at the site. Substations and circuit capacity are sufficient to meet near-term needs. |
| Broadband | Service provided by AT&T Comcast |
| STRENGTHS | <ul style="list-style-type: none"> ▪ Good visibility along I-5 northbound ▪ Site #34 currently listed for sale ▪ Recent Butte College project brings investment to area ▪ Site is flat ▪ Within City of Orland city limits |
| WEAKNESSES | None known at this time. |
| RECOMMENDED USES | Spec Light Industrial/Commercial General Manufacturing– uses to support/promote programming at Butte College |



Figure 11 - Sites #33 and #34 looking southeast from I-5. Butte College in foreground.

| SITES #33 & #34: SITE DATA FOR CORTINA DR. BEHIND BUTTE COLLEGE IN ORLAND | |
|---|--|
| Address | Cortina Drive behind Butte College site |
| City | Orland |
| Assessor Parcel Number (APN) | 040-350-003; 040-310-014 |
| Jurisdiction (City/County) | City of Orland |
| Ownership (Public/Private) | Private |
| Current Use | Vacant |
| Site Acreage/Developable Acres (est.) | 17.2 |
| Acreage within flood plain/floodway | None known |
| Zoning | P-D Planned Development |
| General Plan Designation | (I-L/C) Light Industrial/Commercial |
| Nearest Limited Access Highway/Distance | 1,000-feet to I-5 northbound |
| Rail Access Available to Site | 1,300-feet to east |
| Electric Power Provider | PG&E |
| Substation serving site | ORLAND B (1.5 miles to southeast) |
| Circuit kW capacity (total/peak load) | 5.04/7.48 |
| Substation distribution/kW capacity (total/peak) | NA |
| Natural Gas Provider | PG&E |
| Line serving site- location and size | NA |
| Water Provider | City of Orland |
| Line serving site- location and size | 8" line in Cortina Drive to northeast |
| System capacity/average daily use (MGD) | 1+ MGD |
| Wastewater Provider | City of Orland |
| Line serving site- location and size | 8" line in Cortina Drive to northeast |
| Lift stations/force mains- location | Lift station at Railroad Avenue, due east of sites by approximately 1,700-feet |
| System capacity/average daily use (MGD) | 3.4 MGD |
| Broadband Provider | AT&T, Comcast |
| Line serving site- location and capacity | Contact city for info |



SITE #36: Haigh Airport, Glenn County

Orland's Haigh Airport is in unincorporated Glenn County one mile southeast of the City of Orland and approximately 3.5 miles east of I-5 and 1.5 miles south of Highway 32. The airport has excellent access via alternative routes to highways and area population centers. AirNav.com reports runway 15/33 as 4,500 feet long x 60 feet wide, asphalt surface and in good condition.

Glenn County identifies the 64.37 acres of airport property west of County Road P and south of County Road 200 as the Orland Airport Industrial Park (see Appendix). The County website lists nine parcels in the park ranging from three acres to 18.12 acres. County officials are now considering recasting vacant sites into one-acre parcels (Figure 14). In addition, officials have proposed designating 150+/- acres west of the runway for possible industrial development. These plans are in a draft stage. Development of property along Highway P can occur now, development of property west of the runway is not expected in the near-term.

Opportunity for Development: At first glance, Haigh Field looks like an excellent industrial park setting—the park offers the largest assortment of industrial zoned land in the two-county region, good highway access, nearby population centers providing a sizeable labor pool, and utility services. However, a business considering the airfield for a project is likely to face a long list of unknown conditions, constraints, schedules, and costs. Roadblocks to near-term development are substantial.

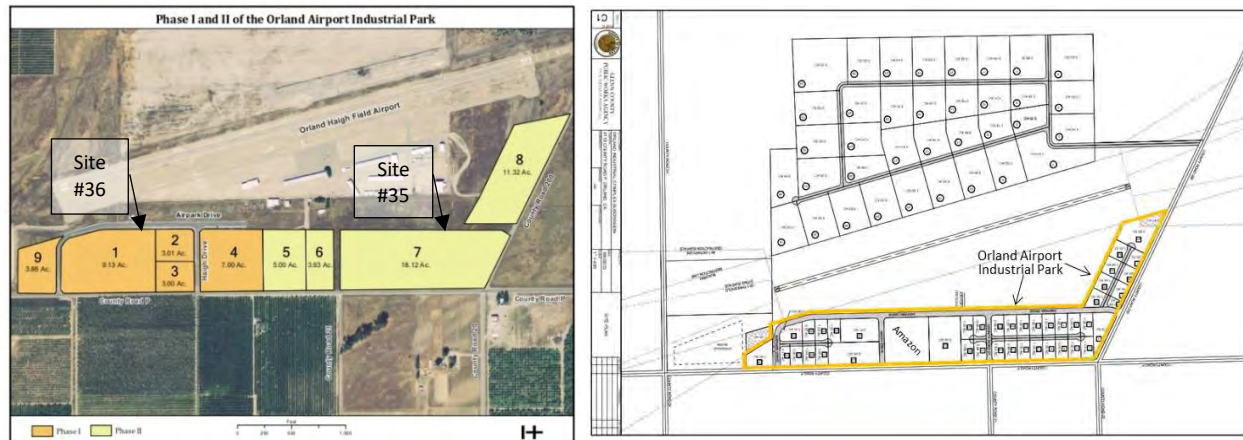
There is currently one tenant in Orland Airport Industrial Park, Amazon distribution center on approximately 12 acres (parcels 4 and 5). There is a vacant 20,000+/- square foot industrial building (formerly Iron Tree Agtech) on 3.01 acres (parcel 2). The remaining 49.36 acres are vacant. Parcels 1, 3, and 9 (totaling 15.99 acres) are now served by utilities and roadways while the remaining parcels, 6, 7, and 8 (totaling 33.37 acres) require extension of infrastructure.

The City of Orland supplies water to the park via an on-site water well and receives wastewater from the park at its treatment facility located west of the airport. Infrastructure for the industrial park includes paved streets with curbs, gutters, storm drainage improvements, streetlights, and fire hydrants. The

County sees the industrial park as intended to feature well-designed buildings and attractively landscaped areas. The County outlines available development incentives including streamlined permitting process, sales tax rebate, and access to public financing and grant programs.

The now vacant building on Airport Drive south of the Amazon facility offers an opening for attracting new or expanding business. The I-5 study area has few buildings of similar quality and size making this a good economic development opportunity.

Figure 12 - Left: existing parcels. Right: proposed recasting into one-acre parcels.



Recommendations: The airport master plan adopted in February 1991 (Appendix) is out of date. Couple the dated master plan with limited institutional knowledge of existing conditions and development of airport land will likely experience delays.

The DSG Team recommends Orland and Glenn County officials coordinate activities to understand and document existing conditions and barriers to development and create an action plan for improving industrial property marketability.

The DSG Team believe parcels 1, 2, 3, and 9 qualify as Tier 1 sites, collectively Site #36. We see the remaining parcels (6, 7, and 8) as Tier 2 sites, collectively Site #35. Glenn County/Orland are encouraged to develop an action plan to push all properties closer to being development ready. The action plan should address:

- Document existing utility infrastructure, environmental conditions
- Publish water and sewer usage fees, connection fees
- Establish land lease costs and terms
- Market the former Iron Tree Agtech property for private sector use
- Detail permitted land uses, land use restrictions including covenants, conditions, and restrictions (CC&R)
- Coordinate airport marketing activities with promotion efforts of regional economic development stakeholders

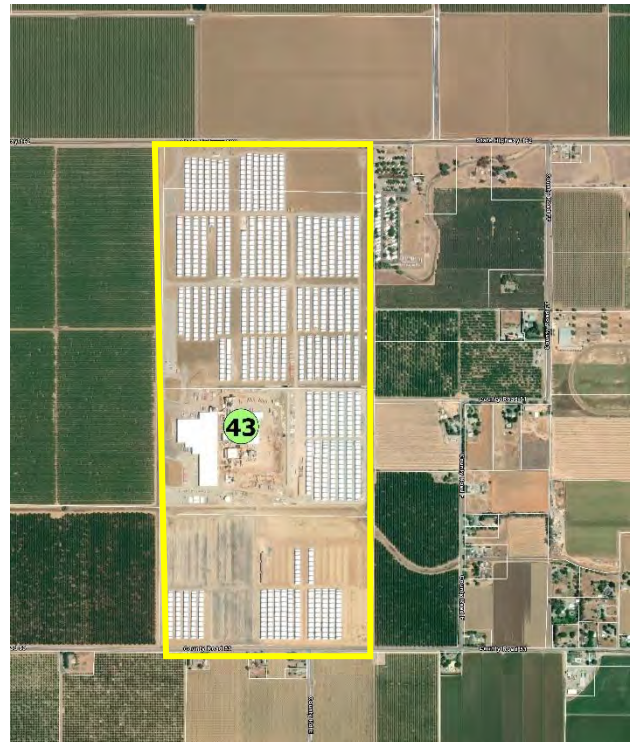


SITE #43: Former CalPlant Facility, Glenn County

| SITE #43: FORMER CALPLANT SITE IN GLENN COUNTY | |
|--|---|
| TRANSPORTATION | State Highway 162 at north end of site connects to I-5 1-mile to the east |
| UTILITIES | |
| Water | Unknown- assumes on-site well |
| Sewer | Unknown- assumes on-site septic |
| Natural Gas | Service provided by PG&E |
| Electric | Existing 22.22 MW PGE service is at the site. Substations and circuit capacity are sufficient to meet near-term needs. |
| Broadband | Service provided by AT&T Comcast |
| STRENGTHS | <ul style="list-style-type: none"> Existing facility (but may be decommissioned) Significant investment by State of California A “green industry” that can be marketed |
| WEAKNESSES | Is straw MDF a viable operation? |
| RECOMMENDED USES | Straw MDF production Light Industrial/Commercial Cold Storage General Manufacturing |



Figure 13 - Site #43 looking north from CR 53 south of CalPlant



| SITE #43: SITE DATA FOR FORMER CALPLANT SITE IN GLENN COUNTY | |
|--|--|
| Address | 6101 CA-162 |
| City | Willows |
| Assessor Parcel Number (APN) | 172-200-280; 172-200-290; 172-200-300; 172-200-310 |
| Jurisdiction (City/County) | Glenn County |
| Ownership (Public/Private) | Private |
| Current Use | Former CalPlant MDF facility |
| Site Acreage/Developable Acres (est.) | 276 |
| Acreage within flood plain/floodway | None known |
| Zoning | M (Industrial) & Community Commercial (CC) |
| General Plan Designation | Industrial |
| Nearest Limited Access Highway/Distance | 1-mile east to I-5 |
| Rail Access Available to Site | No, rail access ½ mile to north |
| Electric Power Provider | PG&E |
| Substation serving site | LOGAN CREEK (1.6 miles to northwest) |
| Circuit kW capacity (total/peak load) | 22.22/14.8 |
| Substation distribution/kW capacity (total/peak) | NA |
| Natural Gas Provider | PG&E |
| Line serving site- location and size | NA |
| Water Provider | Calwater |
| Line serving site- location and size | Unknown |
| System capacity/average daily use (MGD) | 2 MGD |
| Wastewater Provider | City of Willows |
| Line serving site- location and size | Unknown |
| Lift stations/force mains- location | |
| System capacity/average daily use (MGD) | 3.4 MGD/600,000 gallons |
| Broadband Provider | AT&T, Comcast |
| Line serving site- location and capacity | Contact city for info |



SITE #41: North Valley Commercial Center, Willows

| SITE #41: NORTH VALLEY COMMERCIAL CENTER IN WILLOWS | |
|---|--|
| TRANSPORTATION | 99W abuts property. Access to I-5 via 99W to the south, approximately ¾ mile. |
| UTILITIES | |
| Water | Existing 12" water line in Hwy 99W. Service would need to be extended into site from 99W. |
| Sewer | Existing 15" sanitary main in 99W. |
| Natural Gas | Service provided by PG&E |
| Electric | 14.81 MW PGE service is at the site extended at south portion of property. Substations and circuit capacity are sufficient to meet near-term needs. |
| Broadband | Service provided by AT&T Comcast |
| STRENGTHS | <ul style="list-style-type: none"> ▪ Multiple sites and acreage options available ▪ Center is being actively listed ▪ Rumiano Cheese is a quality tenant ▪ Flexibly zoned for commercial, industrial and housing ▪ Within City of Willows |
| WEAKNESSES | Requires water extension into site from Hwy 99W. |
| RECOMMENDED USES | Light Industrial/Commercial Cold Storage General Manufacturing |



Figure 14 - Site 41 looking northwest from Highway 99W. Rumiano Cheese in background.



| SITE #41: SITE DATA FOR NORTH VALLEY COMMERCIAL CENTER | |
|--|--|
| Address | Highway 99W at Harvest Drive |
| City | Willows |
| Assessor Parcel Number (APN) | 171-700-110 |
| Jurisdiction (City/County) | City of Willows |
| Ownership (Public/Private) | Private |
| Current Use | Vacant |
| Site Acreage/Developable Acres (est.) | 149 |
| Acreage within flood plain/floodway | None known |
| Zoning | CG/ML/PD (General Commercial, Light Industrial, Planned Development) |
| General Plan Designation | Commercial/Industrial Combining Use |
| Nearest Limited Access Highway/Distance | 2/3rd of a mile south on 99W to I-5 northbound |
| Rail Access Available to Site | Yes, just east of 99W |
| Electric Power Provider | PG&E |
| Substation serving site | LOGAN CREEK (4.25 miles to northwest) |
| Circuit kW capacity (total/peak load) | 12.14/7.48 |
| Substation distribution/kW capacity (total/peak) | NA |
| Natural Gas Provider | PG&E |
| Line serving site- location and size | NA |
| Water Provider | Calwater |
| Line serving site- location and size | Line needs to be extended into site from Hwy 99W |
| System capacity/average daily use (MGD) | 2 MGD |
| Wastewater Provider | City of Willows |
| Line serving site- location and size | 15" line in Hwy 99W |
| Lift stations/force mains- location | |
| System capacity/average daily use (MGD) | 3.4 MGD/600,000 gallons |
| Broadband Provider | AT&T, Comcast |
| Line serving site- location and capacity | Contact city for info |



SITE #47: North Humboldt Avenue, Willows

| SITE #47: NORTH HUMBOLDT AVENUE IN WILLOWS | |
|--|---|
| TRANSPORTATION | North Humboldt Avenue parallels I-5 approximately 700-feet to the east. Access to I-5 is via Hwy 162/Wood Street interchange. |
| UTILITIES | |
| Water | Existing 12" water line in North Humboldt Avenue, extended north where it terminates just south of Green Street. Water extends south to Sycamore Street. |
| Sewer | Existing 15" sanitary main runs from Sycamore Street north to Joy Way |
| Natural Gas | Service provided by PG&E |
| Electric | 14.81 MW PGE service along North Humboldt Avenue. Substations and circuit capacity are sufficient to meet near-term needs. |
| Broadband | Service provided by AT&T Comcast |
| STRENGTHS | Being promoted by City on their website Multiple sites and acreage options available High visibility corridor just east of I-5 Restaurants, hotels and other development nearby Flexibly zoned for highway and general commercial, high density residential Within City of Willows |
| WEAKNESSES | Is ownership willing to sell or develop properties |
| RECOMMENDED USES | Highway Commercial uses—hotels, drive thru restaurants, truck freight supporting uses |

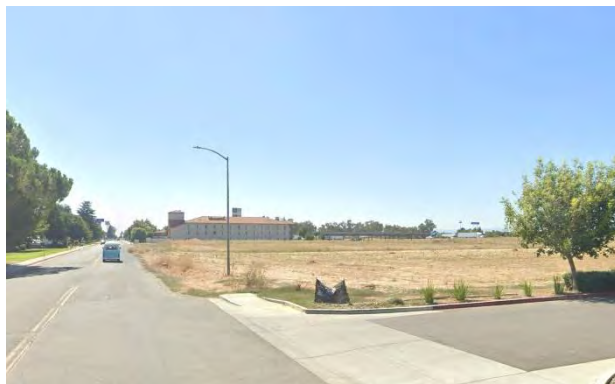


Figure 15 - Site #47 looking south down North Hum-



Figure 3 (above) – The North Humboldt Avenue corridor in Willows

Figure 2 (left) - Site #47 looking south down North Humboldt Avenue near the Sycamore Street bend. Large vacant parcel to right, with I-5 in background

| SITE #47: SITE DATA FOR NORTH HUMBOLDT AVENUE CORRIDOR | |
|--|--|
| Address | North Humboldt Avenue corridor |
| City | Willows |
| Assessor Parcel Number (APN) | Multiple parcels along corridor (0173300100, 0173300110, 0173300120, 0010100270, 0010100290, 0010320300, 0010320290, 0010320280) |
| Jurisdiction (City/County) | City of Willows |
| Ownership (Public/Private) | Private |
| Current Use | Vacant |
| Site Acreage/Developable Acres (est.) | 29.57 acres |
| Acreage within flood plain/floodway | None known |
| Zoning | Highway Commercial, General Commercial, High Density Residential (CH, CG, R-3) |
| General Plan Designation | Commercial |
| Nearest Limited Access Highway/Distance | Approximately 600-feet west for access to I-5 NB and SB |
| Rail Access Available to Site | Rail spur to John's Manville approximately 1,000-feet to north of Green Street |
| Electric Power Provider | PG&E |
| Substation serving site | LOGAN CREEK (4 miles to northwest) |
| Circuit kW capacity (total/peak load) | 12.14/7.48 |
| Substation distribution/kW capacity (total/peak) | NA |
| Natural Gas Provider | PG&E |
| Line serving site- location and size | NA |
| Water Provider | Cal Water |
| Line serving site- location and size | 12" line within North Humboldt Avenue |
| System capacity/average daily use (MGD) | 2 MGD |
| Wastewater Provider | City of Willows |
| Line serving site- location and size | 15" line in North Humboldt Avenue |
| Lift stations/force mains- location | |
| System capacity/average daily use (MGD) | 3.4 MGD/600,000 gallons |
| Broadband Provider | AT&T, Comcast |
| Line serving site- location and capacity | Contact city for info |

6. INVESTMENT TARGETS ALIGNED TO SITES

The following are the recommended investment targets aligned to each Tier One site (Section 5).

6.1. AGRICULTURE-MANUFACTURING & SERVICES

| | |
|--|--|
| Facility Size and Type | 20,000 to 100,000 square foot facilities located in either industrial or agricultural zoned districts. |
| Employment | 25 to 200 |
| Industry Sectors | <ul style="list-style-type: none"> General manufacturing related to agriculture and supporting uses Value-added manufacturing to support ag industry Machinery overhaul and repair |
| Study Area Recommended Tier One Sites | <ul style="list-style-type: none"> Hamilton City: Site #44 has rail access, is in close proximity to Nutrien Ag Solutions, and is zoned Industrial. Also, Hamilton City is located in rural Glenn County, close to ag producers- orchards, ranches, farms. Former CalPlant Facility: Site #43 With the liquidation of CalPlant, there is great potential to either re-use or redevelop the 276-acre parcel into an industrial park. In close proximity to orchards, ranches and farms. Orland Airport Industrial Park: Sites 1, 3, 9, and the building on site #2 are well positioned for manufacturing and ag-related services. |
| Rationale | <ul style="list-style-type: none"> There are no incompatible nearby land uses that would seriously restrict development Properties are large enough for interior roadways and utility infrastructure that will support multiple tracts of developable sites Properties can be made ready for development with relative ease and in a short timeframe Each site has attributes that allow branding of industrial parks that align with different industry target |

6.2. COLD STORAGE

| | |
|---------------------------------------|---|
| Facility Size and Type | 20,000 to 100,000 square foot facilities located in industrial zoned districts. |
| Employment | 10 to 40 |
| Industry Sectors | Food processing |
| Study Area Recommended Tier One Sites | <ul style="list-style-type: none"> ▪ Willows North Valley Commercial Center: Site #41 flexibly zoned for commercial and industrial. Adjacent to Rumiano Cheese. Center is being actively promoted. ▪ Hamilton City: Site #44 has rail access, is in close proximity to Nutrien Ag Solutions, and is zoned Industrial. Also, Hamilton City is located in rural Glenn County, close to ag producers- orchards, ranches, farms. |
| Rationale | <ul style="list-style-type: none"> ▪ All properties are a clean slate suitable for multiple design alternatives ▪ There are no incompatible nearby land uses that would seriously restrict development ▪ Properties are large enough for interior roadways and utility infrastructure that will support multiple tracts of developable sites ▪ Properties can be made ready for development with relative ease and in a short timeframe ▪ Each site has attributes that allow branding of industrial parks that align with different industry target |

6.3. LIGHT INDUSTRIAL, COMMERCIAL

| | |
|---------------------------------------|---|
| Facility Size and Type | 5,000 to 50,000 square foot facilities located in either industrial or commercial zoned districts. |
| Employment | 10 to 50 |
| Industry Sectors | <ul style="list-style-type: none"> Highway Commercial Uses- drive thru restaurant, hotel, gas station Machine shops Equipment repair shops Light manufacturing Metal fabrication Vehicle/truck maintenance and repair |
| Study Area Recommended Tier One Sites | <ul style="list-style-type: none"> Corning: Site #2 Corning Crossroads. Primarily commercial opportunity, but potential for light industrial at south end of site. Orland: Sites #15 & 16 NW corner of South Ave and I-5. Good visibility from I-5 with easy on and off access. and quick access to both north and southbound I-5. Orland: Sites #33 & 34 behind Butte College. Light industrial to support college programming or commercial use with good visibility from I-5 and quick access to both north and southbound I-5. Willows: North Valley Commercial Center: Site #41 flexibly zoned for commercial and industrial. Adjacent to Rumiano Cheese. Center is being actively promoted. Willows: North Humboldt Avenue: Site #47 close location to interchange, utilities within roadway and zoning to support commercial uses. Orland Airport Industrial Park: Sites 1, 3, 9, and the building on site #2 are well-positioned for light industrial operations. |
| Rationale | <ul style="list-style-type: none"> Properties are well suited to low profile activities that complement the look and feel of neighboring commercial and industrial operations. Development will not negatively impact neighboring properties or utility and transportation infrastructure. Commercial uses have good visibility from I-5 or Hwy 99W. |

6.4. GENERAL MANUFACTURING

| | |
|---------------------------------------|--|
| Facility Size and Type | 5,000 to 100,000 square foot facilities located in industrial zoned districts. |
| Employment | 5 to 200 |
| Industry Sectors | <ul style="list-style-type: none"> General manufacturing Food processing Machinery overhaul and repair |
| Study Area Recommended Tier One Sites | <ul style="list-style-type: none"> Willows North Valley Commercial Center: Site #41 flexibly zoned for commercial and industrial. Adjacent to Rumiano Cheese. Center is being actively promoted. Former CalPlant Facility: Site #43 With the liquidation of CalPlant, there is great potential to either re-use or redevelop the 276-acre parcel into an industrial park. In close proximity to orchard, ranches and farms. Hamilton City: Site #44 has rail access, is in close proximity to Nutrien Ag Solutions, and is zoned Industrial. Also, Hamilton City is located in rural Glenn County, close to ag producers- orchards, ranches, farms. Orland Airport Industrial Park: Sites 1, 3, 9, and the building on site #2 are well-positioned for general manufacturing operations. |
| Rationale | <ul style="list-style-type: none"> All properties are a clean slate suitable for multiple design alternatives. There are no incompatible nearby land uses that would seriously restrict development. Properties are large enough for interior roadways and utility infrastructure that will support multiple tracts of developable sites. Properties can be made ready for development with relative ease and in a short timeframe. Each site has attributes that allow branding of industrial parks that align with different industry target |

6.5. LOGISTICS

| | |
|---------------------------------------|---|
| Facility Size and Type | 50,000 to 800,000 square foot facilities located in industrial districts. |
| Employment | 10 to 50 |
| Industry Sectors | <ul style="list-style-type: none"> ▪ Warehousing for national retailers ▪ Last mile delivery facilities |
| Study Area Recommended Tier One Sites | <ul style="list-style-type: none"> ▪ Willows North Valley Commercial Center: Site #41 flexibly zoned for commercial and industrial. Adjacent to Rumiano Cheese. Center is being actively promoted. ▪ Former CalPlant Facility: Site #43 With the liquidation of CalPlant, there is great potential to either re-use or redevelop the 276-acre parcel into an industrial park. In close proximity to orchard, ranches and farms. |
| Rationale | <ul style="list-style-type: none"> ▪ All properties are a clean slate suitable for multiple design alternatives ▪ There are no incompatible nearby land uses that would seriously restrict development ▪ Properties are large enough for interior roadways and utility infrastructure that will support multiple tracts of developable sites ▪ Properties can be made ready for development with relative ease and in a short timeframe ▪ Each site has attributes that allow branding of industrial parks that align with different industry target |

7. ACTION PLAN

The purpose of the Action Plan is to establish steps that will help strengthen and stabilize local economies. The study used a SWOT approach (strengths, weaknesses, opportunities, threats) for identifying internal and external factors that impact commercial and industrial development in the area. Action steps were derived from the SWOT.

The primary focus of the study was to document the state-of-readiness of commercial and industrial properties in Glenn County and Tehama County along the I-5 Corridor and Hwy 32 route. Properties ready for development are central to effective marketing of sites for economic and employment generating projects. The assessment of properties has two objectives:

1. Identify properties that can be promoted for development now or very soon (Short Term).
2. Prioritize properties for actions that will ready them to have a pipeline of properties continually ready for the market (Long Term).

Secondarily, the report addresses challenges that are ancillary to real estate but are equally important to successful economic development. These challenges can include branding and marketing, organizational capacity, and workforce readiness to name a few.

Successful economic development is a team sport. The following actions, both near-term and long-term, will require local economic development organizations to partner to ensure continued progress.



Goal: Remove any doubt of opportunity for the next facility development and investment.

“From 50,000 feet, many cities and counties look roughly the same so how do you get someone’s attention?”

This question faces community leaders everywhere. On the macro level, the bigger and more recognizable the geographic footprint the more likely someone will see you.

7.1. IMPLEMENTING NEAR-TERM OPPORTUNITIES

Regional Collaboration Focused on the I-5 Corridor

The jurisdictions representing properties along I-5 are already part of 3CORE, the regional economic development organization which provides assistance in accessing financing and funding for both land development projects and for helping companies access resources for expansion and location. As an example, 3CORE helped with infrastructure at the North Valley Commercial Center in Willows and aided Rumi-ano Cheese in their recent expansion. Regional collaboration is critical to bringing properties to market, identifying new opportunities, and assisting companies to locate.

Recommendation: Expand collaborative relationships that have an I-5 Corridor focus.

1. Create a separate I-5 Task Force (committee, collaborative, alliance) that will focus attention on I-5 Corridor and Hwy 32 opportunities.
2. Create an I-5 Corridor position, either full or part-time, who will be *responsible* for keeping current and future development opportunities on the radar to give them the best chance for success. The individual will focus on coordinating meetings, tracking progress, researching opportunities, working with jurisdictions and 3CORE – a person to coordinate and focus for the jurisdictions and administer these activities:
 - Track, assist and document progress on readying properties for the market.
 - Establish procedures for intake of and response to investment prospects.
 - Target key properties and meet with prospective investors/companies who show interest in local development.
 - Maintain an up-to-date inventory of sites – those development ready and those in progress. Incorporate this information in marketing efforts.
 - Manage the creation of marketing tools and implement key marketing tactics during the Near Term.
 - A business retention program focused on key local employers is the surest way to keep and grow jobs in the community. Retention programs work with employers through regular meetings. The goal is to understand the challenges and opportunities facing local employers and to bring forward community resources in support of new private sector investment. Programs that demonstrate that local economic development organizations partner to serve business are more likely to be successful.
 - An informed community is a common element in successful economic development. People who work together to prioritize actions and leverage resources are more likely to see new investment and a stronger community. There are well-established practices for achieving success.

Glenn and Tehama community leadership and stakeholders are encouraged to participate in ongoing economic development work sessions and conferences with the goal of creating consensus on the need for stronger engagement.

Engaged leadership find it easier to see opportunities and act in a fashion that lowers the risk of losing new investments. This happens way too often because communities are often not prepared. Preparedness of course includes property readiness, but it also includes other factors that trigger decisions in favor of the community. For example, many projects are lost because local leaders are poorly informed about local utility services including age and condition of infrastructure and rate structure compared with competitive communities. These gaps are easily remedied through training.

There are always emerging or shifting trends and opportunities. Ongoing participation of local stakeholders through focused work sessions brings stronger engagement and knowledge in creating opportunities, not just waiting for opportunities.

Regional Brand and Marketing

The logic behind communities who compete at the local level and also cooperate at the regional level is that an attractive picture of the region built on individual strengths will get more attention and consequently more investment. Once interest is garnered in the region, communities are then free to compete with each other, recognizing that a win for one community benefits all.

Recommendation: This region has the distinction of having a unique position along Interstate 5. The location is known by those that travel the highway and this in itself is a competitive advantage. To be “known” is often half the battle in economic development, but it is also necessary to distinguish the region in additional ways that will burnish the regional brand.

1. The I-5 Task Force should form a committee of community representatives, 3CORE and possibly property owners and real estate brokers, to create a “brand” plan which would include:
 - Brand story and architecture
 - Logo and tagline, brand guidelines
 - Initial marketing tools
 - Near term marketing tactics
2. Agree upon an annual marketing fund that will be consistent and frequent enough to create awareness and presence in the market and to initiate any specific target marketing, such as, reuse of CalPlant facility, Cold Storage.
3. Adopt the regional brand story.
4. Identify high value channels for reaching prospective investors and begin marketing.
5. Creation of marketing program printed materials and digital content that features properties and offers assistance from an ombudsman to work with those interested in the area. Properties ready for I-5 Corridor and Hwy 32 near term promotion include:
 - North Valley Commercial Center, Site Ref 41 (currently on the market)
 - CalPlant, Site Ref 42
 - Corning Crossroad, Site Ref 2 (currently on the market)
 - Cortina Drive behind Butte College, Site Ref 34 (currently on the market)
 - Other “very” near term properties

Ready Tier-1 Properties for Development

Properties ready for development are a key component for accelerating economic growth.

Recommendation: Prioritize Tier 1 Sites for Near-Term Development. The assessment identified 47 properties for possible commercial and industrial development. Thirteen properties were given Tier 1 status meaning they are ready or near ready for the market (see below). The I-5 Task Force should prioritize the 13 Tier 1 sites and select three for focused efforts.

Meet with property owners, utilities, city departments, and other agencies to identify the development process for Tier 1 sites.

Develop an action plan around each property that identifies tasks needed to ready sites and those responsible for implementing.

| Section 2 – I-5 Corridor Site Screening Matrix | | | | |
|--|-----------|-----------|----------|-----------|
| Jurisdiction | Tier 1 | Tier 2 | Tier 3 | TOTAL |
| Corning | 3 | 16 | 3 | 22 |
| Orland | 6 | 3 | 0 | 9 |
| Willows | 2 | 2 | 1 | 5 |
| Hamilton City | 0 | 2 | 1 | 3 |
| Glenn County | 2 | 3 | 3 | 8 |
| TOTAL | 13 | 26 | 8 | 47 |

| Map Ref # | Jurisdiction Site Name Location | Acres | Site Readiness Action Required |
|-----------|---|-------|---|
| 2 | City of Corning Corning Crossroads | 1.72 | <ul style="list-style-type: none"> City Council approved water & sewer extension reimbursement agreement with Galleli Real Estate on May 26th, 2023 City to work with Galleli to track status of boring work City Staff can streamline review for any planning & building permit review |
| | | 1.25 | |
| | | 4.62 | |
| | | 1.48 | |
| 15 | City of Corning NW Corner I-5 & South Avenue | 8.59 | <ul style="list-style-type: none"> Connect with the ownership group located in Red Bluff to determine their readiness to develop There is an existing 8" water and sewer line in Hwy 99W approximately 1,500-feet to east. Determine preliminary cost to extend and bore under or carry over overpass on I-5 Zoning supports highway commercial uses—connect with national retailers for truck stops, fueling stations, retail fast food drive-thru chains, hotels to see if any interest PGE mapping shows Corning substation is already overloaded & operating at 114% of capacity. Check with PGE to confirm |
| 16 | City of Corning SW Corner I-5 & South Avenue | 8.75 | <ul style="list-style-type: none"> Connect with ownership group located in Woodland, CA to determine their readiness to develop. There is an existing 8" water and sewer line in Hwy 99W approximately 1,500-feet to east. Determine preliminary cost to extend and bore under or carry over overpass on I-5 Zoning supports highway commercial uses—connect with national retailers for truck stops, fueling stations, retail fast food drive-thru chains, hotels to see if any interest PGE mapping shows Corning substation is already overloaded & operating at 114% of capacity. Check with PGE to confirm |
| 23 | City of Orland County Road HH & County Road 12 | 10.72 | <ul style="list-style-type: none"> Currently on market for \$5.6 million. Listed by California Top Brokers Inc. Listed since 2019. Based on research the asking price appears to be well above market for the area. Need to reach out to broker & owner to determine plans, target industries, opportunities and benefits of the site Zoning supports community commercial uses—connect with national retailers for truck stops, fueling stations, retail fast food drive-thru chains, hotels to see if any interest |
| 24 | | 0.84 | <ul style="list-style-type: none"> Determine ownership. If the owner is the same for Sites #23-26 maybe there is opportunity to assemble as larger development Zoning supports community commercial uses—connect with national retailers for truck stops, fueling stations, retail fast food drive-thru chains, hotels |
| 25 | | 1.06 | <ul style="list-style-type: none"> Determine ownership, same as above Zoning supports community commercial uses—connect with national retailers for truck stops, fueling stations, retail fast food drive-thru chains, hotels |

| Map Ref # | Jurisdiction Site Name Location | Acres | Site Readiness Action Required |
|-----------|--|-------|---|
| 26 | | 1.64 | <ul style="list-style-type: none"> Currently on market for \$1.05 million. Listed by California Top Brokers Inc. Listed since 2016, appears to be above market. Contact broker & owner to determine plans Zoning supports community commercial uses—connect with national retailers for truck stops, fueling stations, retail fast food drive-thru chains, hotels |
| 33 | City of Orland Cortina Drive behind Butte College | 10.76 | <ul style="list-style-type: none"> Determine ownership. If the owner is the same for Site #34 determine if opportunity to assemble as larger development Zoning is planned development which allows for flexibility—potential for light industrial or manufacturing, activities to support Butte College. Connect with College |
| 34 | | 6.44 | <ul style="list-style-type: none"> Currently on market for \$750,000. Listed by Mike Donnelly at Coldwell Banker. Potential to pair this property with Site #33 for aggregated development area Zoning is planned development which allows for flexibility—potential for light industrial or manufacturing, or facilities to support Butte College. Connect with College |
| 41 | City of Willows North Valley Commercial Center | 149 | <ul style="list-style-type: none"> Master planned center is being actively marketed by Basin Street Properties. The only existing tenant is Rumiano Cheese Connect with national cold storage brokers/developers. Potential to support local food producers Discuss if there is opportunity/potential for City to build spec light industrial/warehouse. Meet with local and regional light industrial developers to promote site for spec industrial development |
| 47 | City of Willows North Humboldt Avenue Corridor | 29.57 | <ul style="list-style-type: none"> Need to determine ownership of all 3 parcels. Potential to aggregate parcels for larger development opportunity? South parcel is zoned CH, northern 2 are CG. Determine if re-zone is needed to accommodate proposed development. |
| 36 | Glenn County Haigh Airport | 19.0 | <ul style="list-style-type: none"> Create an action plan for improving industrial property's marketability including: documenting existing utility infrastructure, environmental conditions, barriers to development, detailed permitted land uses, land use restrictions including covenants, conditions and restrictions (CC&R) Publish water and sewer usage fees, connection fees Establish land lease costs and terms Coordinate airport marketing activities with promotion efforts of regional economic development stakeholders Market the former Iron Tree Agtech property for private sector use |

| Map Ref # | Jurisdiction Site Name Location | Acres | Site Readiness Action Required |
|-----------|---------------------------------|-------|--|
| 43 | Glenn County CalPlant | 276 | <ul style="list-style-type: none"> ■ With CalPlant closing and liquidation, equipment is currently being sold off through August. Check with Calplant authority for next steps ■ Due diligence required—document existing infrastructure, condition of facility, may require Phase I environmental analysis ■ May need to master plan for industrial park or annexation into City of Willows (city determination) ■ Investigate possible extension of rail service to the property |

7.2. ADDRESSING LONGER TERM OPPORTUNITIES

The Near-Term Opportunities should be the focus for now, likely for the first year, however, do not lose intentions on addressing longer-term issues as they can create opportunity both in the long term AND near term. Companies are often highly risk averse. A community may have favorable conditions in the present, but companies may drop the location after seeing little is happening to prepare the area for the future. To avoid this situation, the following steps are recommended:

Recommendations:

1. **Keep the Property Pipeline Full** — Maintaining an inventory of development ready sites requires continued effort. Success in attracting new investment could quickly deplete the area of ready sites. Tier 2 sites should be reviewed periodically to determine their status and logical candidates added to the inventory of marketable properties.
2. **Enhance Marketing Outreach** — Initial efforts to compile site and community information for marketing purposes should lead to the development of a more robust marketing program. A baseline regional value proposition will provide a platform on which industry targeted marketing can be built. Begin to prepare a value proposition profile that answers the question – why is the I-5 Corridor a good fit for business?

A community's value proposition answers the question, "Why should a business consider Glenn County or Tehama County, or the I-5 Corridor over another location in the region, nation or world?" A baseline value proposition reports on the objective and subjective attributes of the community. The baseline case should include:

- Labor market statistics including labor shed maps (geographic region from which 80% of workers are found), representative wage rates for a range of skills, and testimonials from local employers.
- Description of skills training programs available in the region and testimonials from employees and employers on how these programs have been used successful. The Orland Butte College training center is recognition that training is available on the I-5 Corridor. Companies looking at the area will look for the ability to hone workers to their specific needs.

- Market access including population within one-day's drive and distance to major markets (Seattle, Portland, Sacramento, San Francisco, Los Angeles, San Diego).
 - Costs relative to competing locations (land cost, wages, electric power costs, water and sewer rates, local taxes, development fees, housing costs)
3. **Target Industry Marketing** — This report identified five industrial sectors – agriculture, manufacturing and services, cold storage, general manufacturing, and logistics. These sectors make investments of a type that aligns with location attributes found in the region. Using the baseline value proposition as a starting point, selling points associated with each of these sectors can be added to deliver a compelling argument for locating in the study area:

Cold Storage: Demand in the North Valley for cold storage is being driven by trends in agriculture, food production, and regional logistics. The recent study “City of Willows Feasibility Analysis and Business Case for a Potential Cold Storage Facility” is an excellent resource for building a cold storage business case.

Sites well suited for cold storage facilities must have good highway access, reliable electric power, be free of contamination or neighboring dirty industry. Because of the volatility of ammonia refrigeration systems, cold storage should also avoid areas with sensitive operations like hospitals, schools, and extended care facilities. North Valley Commercial Center in Willows, adjacent to Rumiano Cheese, is a great location for cold storage.

Cold storage companies are attracted to places that have pent-up demand. Maintaining a record of companies and other end uses in Glenn, Tehama, and neighboring counties who may have an interest in using third party cold storage services will help to sell the area to these companies. Project research found three area growth companies who utilize cold storage (there may be more in Chico, Colusa, etc.).

- Rumiano Cheese
- Sierra Nevada Cheese
- Farmers Brewing

Cold storage in North America has increasingly shifted over the last few decades to third party operators. There are two main reasons for a shift from company owned operations to third party facilities: 1) market volatility (as demand moves up and down companies are able to flex square footage requirements) and 2) supply chain efficiencies (third party operators leverage freight movements across multiple companies to move product at lower cost).

Cold storage is a unique industry sector with well-defined players. Building relationships within the sector can help gain recognition for the region.

Two names are listed below that should be on the I-5 Corridor marketing and targeting list. Nick Pacitti is an industry expert in assisting cold storage companies locate and set up operations. RLS Partners is a national cold storage company that operates small to mid-sized facilities in small metro and rural markets.

Thanks to Nick, Mr. Lalwani has been briefed on Glenn and Tehama counties and has been given the Wil-lows feasibility report.

Nick Pacitti
Cleveland Cold Storage
330-217-8005
npacitti@msn.com

Tarun Lalwani, Vice President, Investments
RLS Partners
856-214-2256
1120 Rt. 73, Suite 310, Mt. Laurel, NJ 08054
tlalwani@rls-partners.com

Electric Vehicle Market Opportunities: Glenn and Tehama are at a center point of West Coast north/south transportation logistics. Serving trucks and passenger cars generates significant economic benefit to the area. A large pipeline of investments in electric vehicle infrastructure is already underway across California. The impact electric vehicles will have on Glenn and Tehama economies has yet to be understood and investment attraction opportunities defined.

If the I-5 Task Force has a staff person, they could begin to focus on this industry – “What is the State doing? What programs are available now? Who are the key contacts to learn more? How can I become involved in conversations?” These are among the questions to be asking now to identify early on opportunities and the efforts needed to position the area for this industry.

The goal is to keep Glenn and Tehama in the mix of successful locations for truck stops and travel centers as they transition to the new energy economy. This will require meetings with not just the local manager of the truck stops but getting meetings with the truck stop corporate real estate executives to find out their plans and how the I-5 Corridor can be in that plan. Also engage with truck stop associations. NATSO is the trade association of America’s travel centers, truckstops, and off-highway transportation energy retailers www.natso.com. It would be smart to become a member of NATSO not only for the research but to meet the players, NATSO represents the travel center and off-highway retail fuel industry – they will know the transformations the industry is taking.

PTP Stop, www.ptpstop.com, represents independent truck stops and should also be considered to be a target and information sources along with tracking the California Trucking Association, www.caltrux.org.

As you build more information on the future transportation needs, it also makes sense to start identifying the opportunities that can provide the power that will be needed such as solar. An easy start on this task is connecting with PG&E’s North Valley & Sierra Region Vice President, Joe Wilson, located in Chico who is native to the area, understands the region and is very open to seeking opportunities for economic development and PG&E partnerships.

Agriculture Related Manufacturing and Services: The North Valley ag economy, and the California ag economy as a whole, continues to evolve through new technology and in response to shifting markets. Anecdotal evidence suggests that “anything relating to improving yields from poor soils or reducing the cost and complexity of energy systems” is of interest to the region’s agriculture sector.

Changes in agriculture drive investment in facilities and in employment. Avenues for taking advantage of ag evolution can be found partnering with local organizations and businesses who are bringing change to

the market. Chico State, UC Davis through Cooperative Extension, and Butte College are currently active in this space.

By actively engaging agriculture sector community leaders, community leaders will better understand changing needs. Specific businesses that appear to be transitioning include metal fabrication, equipment repair, supplies, testing, and remediation. It is important to monitor the ag sector supply chain and ensure that community resources are kept in line with needs.

(iv) General Manufacturing: Lower operating costs and availability of semi-skilled labor found in Glenn and Tehama make I-5 communities attractive to manufacturers from other parts of California and those from outside the state. Building on the baseline value proposition, targeted marketing can be directed at specific general manufacturing sectors who may want to move. These can include companies seeking:

- Low-skill to mid-skill manufacturing workers
- Bi-lingual workers
- Workers with metal fabrication skills
- Agriculture sector service experience
- Lower turnover compared to rapidly growing areas
- Lower labor costs

Selling this I-5 Corridor story should be directed through multiple channels including real estate brokers across California, regional and national site selectors, and specific companies that come to light through research conducted locally.

Transportation Logistics is unlikely to see a spurt of large regional distribution centers along Glenn and Tehama's I-5 Corridor due to the lack of nearby large population concentrations. However, in support of growing regional markets the area is well positioned for "last mile" distribution (e.g., Amazon's) and distribution of locally produced products (e.g., cheese, beer). Companies operating in this market niche continually scan the landscape for places to land. Preparation and promotion of a value proposition highlighting the advantages of Glenn and Tehama for this sector is a good first step for capturing new investment. This promotion piece should feature the Amazon facility as an example of the area's location advantages.

8. APPENDIX

- A. California Air Resources Board – Clean Transportation Fact Sheet
- B. The Economic Impacts of CalPlant I Operations and Construction on the Economy of Glenn County
- C. City of Willows Feasibility Analysis and Business Case for a Potential Cold Storage Facility
- D. Impacts of Camp Fire Disaster on Housing Market Conditions and Housing Opportunities in the Tri-County Region
- E. The Role of Local Elected Officials in Economic Development
- F. Orland Airport Industrial Park Fact Sheet
- G. Comprehensive Airport Land Use Plan, Orland Haigh Field Airport
- H. Preparing for Economic Development
- I. Prospectus: Investment Opportunities in Corning, California; Opportunity Zones along the I-5 Corridor in Northern California
- J. LSEG Article: US approves California plan requiring half of heavy-duty trucks by EV by 2035
- K. Willows-Glenn County Airport Master Plan



COMMENTS AND REPORTS



CLOSED SESSION