

RESOLUTION NO. _____ (PC)

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF WATSONVILLE DENYING AN APPEAL BY GREATER GOODS MARKETPLACE LLC (APPLICATION #1284) FOR THE CANNABIS SELECTION COMMITTEE'S DENIAL OF A PRE-APPLICATION FOR THE ESTABLISHMENT OF A CANNABIS RETAIL FACILITY IN THE CITY OF WATSONVILLE

WHEREAS, on October 15, 2020, Colin Disheroon, applicant, on behalf of Greater Goods Marketplace LLC. dba Hang Ten, submitted a Cannabis Pre-Application Packet (Application #1284) to establish a cannabis retail, manufacturing, and distribution facility within the city limits of the City of Watsonville, and

WHEREAS, on December 21, 2020, the Community Development Department notified Greater Goods Market Place LLC's application packet received the following scores: 99.30% for cannabis retail, 97.50% for cannabis manufacturing, and 97.50% for cannabis distribution, and

WHEREAS, the first notice dated December 21, 2020 informed Greater Goods Marketplace LLC. of the Phase Three details such as the evaluation criteria and interview details to be conducted remotely; and

WHEREAS, on January 15, 2021, the Community Development Department sent a second notice to all cannabis applicants informing them of the Phase Three interview changes from remote to in-person with Covid-19 precautions. All interviews were limited to three representatives; and

WHEREAS, on February 17, 2021, the Community Development Department sent a notice of decision to Greater Goods Marketplace LLC with the final score for their applications. The Phase Three Interview score 88.47% for cannabis retail, manufacturing, and distribution. Greater Goods Marketplace LLC received a total

combined score of 92.80%. This resulted in Greater Goods Marketplace LLC being ranked 4th for cannabis retail and 1st for cannabis manufacturing and distribution; and

WHEREAS, On March 2, 2021, Colin Disheroon, on behalf of Greater Goods Marketplace LLC, submitted an appeal to the Community Development Department. The appeal stated that the Cannabis Selection Committee's decision was erroneous, due to the last-minute change of the Phase Three interviews from remote to in-person and requesting further information regarding the scoring of the interviews; and

WHEREAS, WMC Section 14-53.503 (Appeals) directs that any decision regarding or pertaining to the regulatory permit process outlined in the Cannabis Facilities Ordinance, or any action taken by the Zoning Administrator, may be appealed per the provisions in Section 14-10.1100. (Appeals)

WHEREAS, pursuant to WMC Section 14-10.1101, appeals from the decision of the Zoning Administrator or any other administrative official or advisory body in taking actions authorized by the Watsonville Municipal Code shall be made to the Commission; and

WHEREAS, all appeals shall be made in writing and shall state the nature of the application and describe the specific grounds upon which the decision of the official body is considered to be in error, and shall be accompanied by the filing fee as set by resolution of the Council,

WHEREAS, notice of time and place of the hearing to consider Greater Goods Marketplace LLC. appeal (Application #1284) was given at the time and in the manner prescribed by the Zoning Ordinance of the City of Watsonville. The matter called for hearing evidence both oral and documentary introduced and received, and the matter submitted for decision; and

WHEREAS, the Planning Commission has considered all written and verbal evidence regarding this application at the public hearing and has made Findings, attached hereto and marked as Exhibit “A,” denying the Appeal (Application #1284) upholding the Cannabis Selection Committee’s decision to deny the Pre-Application for Greater Goods Marketplace to establish a cannabis retail facility within the city limits of the City of Watsonville.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WATSONVILLE, CALIFORNIA, AS FOLLOWS:

Good cause appearing, therefore, the Planning Commission of the City of Watsonville does hereby deny the Appeal by Greater Goods Marketplace LLC (Application #1248) to establish a cannabis retail facility within the city limits of the City of Watsonville.

Ayes: Commissioners:
Noes: Commissioners:
Absent: Commissioners:

Suzi Merriam, Secretary
Planning Commission

Jenni Veitch-Olson, Chairperson
Planning Commission

Application No: 1284

Applicant: Greater Goods Marketplace LLC

Hearing Date: June 1, 2021

APPEAL FINDINGS (WMC § 14-10.1106)

- 1. In order for an official action to be overturned by an appeal the acting body (Planning Commission) must find that the action taken by the official or advisory body (Zoning Administrator) was taken erroneously and was inconsistent with the intent of the zoning district regulations that regulate the proposed action.**

Evidence not in Support

In his letter dated March 2, 2021, Colin Disheroon provided two points in which he questioned the application and interview process for cannabis businesses. Those points are outlined below, with staff response.

- a) Mr. Disheroon stated that the materials provided for Phase Two and Phase Three did not differ. In order to better understand the interview scoring, Mr. Disheroon requested additional information as to how the Phase Three Interview was scored.

Staff Response:

The Cannabis Selection Committee did not keep notes of each interview but took the time to discuss and force-rank each group after their interview. Because only 3 retail cannabis licenses were available, staff understood how competitive and potentially contentious this process would be. Once all interviews were completed, the Cannabis Selection Committee made their final determination and scoring of all applicants. This was a deliberative decision making process amongst the Committee, and was not taken lightly.

Mr. Disheroon's possible misunderstanding does not mean the Committee erred, nor is there evidence to suggest the Committee's decision was made in error.

- b) Mr. Disheroon expressed concern that the limitation on the number of applicants allowed in the interview and the requirement for an in-person interview impacted their preparation and performance.

Staff Response:

Each applicant team invited to the Interview were limited to three representatives attending the in person meeting. The in-person interviews were conducted in City Hall Conference Rooms A and B at 250 Main Street. The large conference room was set up with several tables pushed together, with plexiglas screens between each of the 3

seats, which were separated by at least 6 feet to ensure compliance with Covid-19 guidance. In addition to the City's climate control system, the windows were left open to let in additional fresh air. The tables were wiped down between each interview.

A proctor was placed in the corner of the room to monitor the applicants during the interview, and the Committee members joined through Zoom. All applicants were given the option of using the plexiglas dividers and maintaining social distance and keeping their masks on. However, all applicants chose to sit together in a separate part of the room, and some kept their masks on while others removed their masks.

A lap-top was provided for the three representatives to communicate with the Selection Committee. The committee members consisted of the following: Community Development Director Suzi Merriam, Assistant Police Chief Thomas Sims, Finance Director Cindy Czwerin, Fire Department Rep. Kirt Vovjeda, City Manager Office Designee Elizabeth Padilla, HDL proctor David McPherson and proctor Ivan Carmona.

All cannabis applicants went through the same in-person interview process, without issue. Mr. Disheroon does not state in his appeal letter how this process led to the Cannabis Selection Committee making an erroneous decision in the scoring of his application. The in-person interview and limit on the number of applicants in attendance did not impact the Cannabis Selection Committee's ranking of applicants, and did not cause the Committee's decision to be made in error.