

CANNABIS STANDING COMMITTEE

Special Meeting
2:00 P.M.

September 20, 2024
Council Chambers

ROLL CALL

Council Member/Committee Chair Wilson called the meeting to order at 2:00 P.M. and Acting City Clerk Rosales called the roll.

Present: Council Member/Committee Chair Wilson and Council/Committee Member Torres-Walker

Staff: Assistant City Attorney, Kevin Kunding
Administrative Analyst, Vanessa Rosales
Minutes Clerk, Kitty Eiden

INTRODUCTIONS - None

PUBLIC COMMENT - None

CONSENT AGENDA

A. APPROVAL OF CANNABIS STANDING COMMITTEE SPECIAL MEETING MINUTES FOR AUGUST 5, 2024

On motion by Council/Committee Member Torres-Walker, seconded by Council Member/Committee Chair Wilson the Cannabis Standing Committee members unanimously approved the meeting minutes for August 5, 2024.

REGULAR AGENDA

1. BAKERY ANTIOCH I, LLC CHANGE OF OWNERSHIP

Assistant City Attorney Kunding presented the staff report dated September 20, 2024, recommending the Cannabis Standing Committee review Bakery Antioch I LLC's proposed change in ownership and determine whether to recommend the change to City Council.

A. Public Comment

Sharmad Hayawi, Steven Petrus and Sharmad Salim, Owner / Managing Partners explained they took over ownership six months ago and purchased the business two weeks ago and they were now finished with construction and waiting for Fire Marshal approval. They explained the business would be dba Flame Dispensary and they had two other locations.

B. Discussion and direction to staff

In response to Council/Committee Member Torres Walker, the owner / managing partners stated that they were unaware of an equity partner.

Assistant City Attorney Kunding commented that there should be an equity partner.

Council Member/Committee Chair Wilson stated the staff report indicated the original owner's equity partner was Opportunity Junction.

Assistant City Attorney Kunding stated it was his understanding that the intention was for the purchasers to comply with all the original agreements. He explained that there was a dba name change; however, since the name of the business and name of the group bound by the operating agreement had not legally changed; he did not believe an amendment would be necessary.

Council/Committee Member Torres Walker requested a presentation from Opportunity Junction on their agreement with the former operator.

In response to Council Member/Committee Chair Wilson, the applicants indicated that they understood the Social Equity Agreement; however, they were not familiar with Opportunity Junction's program.

Assistant City Attorney Kunding commented that Opportunity Junction had given a presentation to the Cannabis Standing Committee in the past. He stated he was unsure if it was proper to have a presentation this afternoon since it was not on the agenda. He noted it would be a good idea for the parties to discuss the program; however, he did not believe that a presentation needed to occur in an open meeting since it was just a transfer of ownership.

Council/Committee Member Torres Walker clarified that she was not on Council at the time the original Operating Agreement was signed, and she was not aware of the details of the that agreement.

Assistant City Attorney Kunding stated that this item dealt with the transfer of ownership and everything else in the contract remained the same, so he did not set an agenda item to have a presentation from Opportunity Junction. He noted the Cannabis Standing Committee could set a presentation and then hold a vote at another meeting. He stated that Committee Members had the opportunity this afternoon to speak with and ask questions of the new proposed owners and he did not believe it would be necessary to bring them back to a subsequent meeting.

Council/Committee Member Torres Walker stated that while she did not have an issue with the new operator, she was not comfortable voting without understanding the initial agreement between Opportunity Junction and Bakery.

Assistant City Attorney Kunding responded that a discussion regarding the initial agreement should be placed on an agenda, so it was open to public comment.

Council/Committee Member Torres Walker stated she would support recommending this item to the City Council after there was another meeting to allow issues around the Equity Program to be resolved.

Assistant City Attorney Kunding responded that staff would coordinate with Committee Members to schedule a meeting date as soon as possible, so a vote could occur at that meeting, and they could forward it to Council soon after.

Council/Committee Member Torres Walker stated it would be important for the new operator to be present to hear the presentation from Opportunity Junction.

Council Member/Committee Chair Wilson suggested the operators meet with Opportunity Junction.

Council/Committee Member Torres Walker recommended the Cannabis Standing Committee reconvene to have a presentation from Opportunity Junction and a vote to move the item to Council.

In response to the applicant, Assistant City Attorney Kunding explained Social Equity Partnerships.

Council/Committee Member Torres Walker reiterated that she was not comfortable moving forward without understanding the past relationship between the non-profit and operator.

Council/Committee Member Torres Walker provided a history and the purpose of the Social Equity Program and explained that understanding if the non-profits were serving the community with the intent the resources were meant to serve, was important.

Assistant City Attorney Kunding added that his intention would be to continue communicating with the operators' legal counsel and he would inform him of the new Cannabis Standing Committee meeting date.

Council/Committee Member Torres Walker thanked the operators for wanting to do business in Antioch.

On motion by Council/Committee Member Torres-Walker, seconded by Council Member/Committee Chair Wilson the Cannabis Standing Committee members unanimously tabled Bakery Antioch I, LLC Change of Ownership and directed staff to bring the item back as soon as possible and include a presentation from the Social Equity Partner.

Council Member/Committee Chair Wilson stated they wanted the business to be successful.

ADJOURNMENT

On motion by Council/Committee Member Torres Walker, seconded by Council/Committee Chair Wilson the Committee unanimously adjourned the meeting at 2:23 P.M.

Respectfully submitted:

Kitty Eiden

KITTY EIDEN, Minutes Clerk