



<b>STAFF REPORT</b>	
<b>SUBJECT:</b> Elite CA Enterprises, LLC Development Agreement, DA 2024-01	<b>MEETING DATE:</b> 12/05/2024
<b>SUBMITTED BY:</b> Mark Roberts – Senior Planner	
<b>PURPOSE OF REPORT:</b> <input type="checkbox"/> Information only <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> <b>Action Item</b>	

**WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:**

Consideration of Development Agreement, DA 2024-01 for an existing approved Commercial Cannabis Operation located at 14915 & 14935 Olympic Drive, Units C/D/E/F.

**BACKGROUND/DISCUSSION:**

In 2018, the Planning Commission approved Use Permits, UP 13-18 and UP 14-18 (*Refer to Attachment # 3*) to allow commercial cannabis cultivation (*planting, growing, harvesting, drying, curing, grading, or trimming of cannabis*) and distribution/transportation of on-site cannabis products to a California licensed distributor/dispensary.

In 2023, the approved operation was purchased/leased by Elite CA Enterprises, LLC. Since purchasing the operation, the applicant has been coordinating with the City to formally transfer the approved use into their name, including agreeing to the approved terms and conditions of approval of the referenced use permits above.

In accordance with Section 5-25.030 of the City of Clearlake Municipal Code, a Development Agreement for the commercial cannabis operations is required. The use permits have been conditioned not to be effective until the Development Agreement has been adopted by the City Council. The applicant concurs with all provisions of the Development Agreement. This agenda item is focused on the approval of a Development Agreement regarding the subject business and does not venture into potential changes to existing City regulations or ordinances related to allowable cannabis operations. The approval of the proposed Development Agreement should be considered based on existing cannabis related regulations and approved use permits.

**FINANCIAL AND/OR POLICY IMPLICATIONS:**

The Development Agreement will create a positive revenue source for the City based on the fee structure set forth in the terms of the agreement. There will be a semi-annual production fee paid, as well as an annual facility fee. The actual revenue cannot be estimated at this time since it will be dependent upon the success of the business

**OPTIONS:**

Hold First Reading of Ordinance No. 273-2024, Read by Title Only, Waive Further Reading, and Set Second Reading and Adoption at the next City Council Meeting

- Attachments:**
  - 1) Development Agreement Ordinance 273-2024
  - 2) Development Agreement DA 2021-04
  - 3) 2018 Approved Cannabis Operation PC Resolution 2018-20