



CITY OF CLEARLAKE

City Council

STAFF REPORT

SUBJECT: Consideration of Development Agreement, DA 2021-04 for Ogulin Canyon Holdings, LLC to allow a cannabis Operation located at 2185 Ogulin Canyon Road, Clearlake, CA 95422

MEETING DATE:
December 2, 2021

SUBMITTED BY: Mark Roberts – Senior Planner

PURPOSE OF REPORT: ☐ Information only ☐ Discussion ☒ Action Item

WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

Consideration of Development Agreement, DA 2021-04 for Ogulin Canyon Holdings, LLC to allow a Cannabis Operation located at 2185 Ogulin Canyon Road, Clearlake, CA 95422.

BACKGROUND/DISCUSSION:

On November 9th, 2021, the Planning Commission found the project to be in compliance with all applicable regulations and/or requirements. Based on the information brought before the Planning Commission, including no public and/or agency concerns, the Planning Commission adopted PC Resolution 2021-22 approving Conditional Use Permit Applications CUP 2021-05 through 2021-08, Commercial Cannabis Regulatory Permit with corresponding Mitigated Negative Declaration based on Initial Study, IS 2021-02, and recommended approval to the City Council of the Development Agreement, DA 2021-04.

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.

November 15, 2021

On November 15, 2021 (within the required time frame), staff received an appeal application appealing the Planning Commission's decision before the City Council. Therefore, Staff is recommending that the Development Agreement hearing be continued to January 6th, 2022.

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:

Continue Development Agreement public hearing to January 6th, 2022, to allow staff adequate time to process the appeal application.

☒ **Attachments:**

- 1) Development Agreement Resolution PC 2021-21
- 2) Development Agreement (DA 2021-04)
- 3) Staff Report Packet from November 9th, 2021, Planning Commission Hearing