

**CITY OF ARCATA  
ECONOMIC DEVELOPMENT COMMITTEE  
MINUTES**

**City of Arcata Council Chambers  
736 F Street, Arcata (City Hall)**

**April 2, 2015  
Thursday at 5:00**

**I. ROLL CALL: 5:01**

Present: Brett Watson (Chair), Fawn Scheer (Vice-Chair), Jane Woodward, Maureen Hart, Darrell Burlison, David Rosen. Absent: Craig Wruck

Staff Present: Larry Oetker, Susan Diehl McCarthy

Public Present: Luke Bruner, Jonathan Gilbert, Tara Carver, John Ferrara, Danielle Burkhart, Richard Marks, Isaiah O'Donnell, Patrick Murphy, Sequoiah

**II. APPROVAL OF MINUTES**

A. Minutes of March 5, 2015 were unanimously adopted on a motion by Burlison and second by Woodward.

Decision made to move to action minutes with enough detail to that readers will have an understanding of what happened at a meeting.

**III. ORAL COMMUNICATIONS: None.**

**IV. PRESENTATION:** Jonathan Gilbert, who was to speak about cannabis legalization from a grower's perspective, deferred to Luke Bruner with California Cannabis Voice Humboldt (CCVH). Bruner provided a slide show, introduced CCVH and spoke about its activities. A copy of the slide show is found as Attachment A. In addition to key points in the slide show, the following were voiced:

- This is a cultural issue; claims Arcata as the cultural capital of Humboldt
- Innovation in zoning and product manufacturing in states where cannabis is legal are an example to CA
- CCVH draft County ordinance is in revision (see slide show for how land use regs may benefit the County)
- Local economic impact: In the billions; Humboldt's economic driver; legalization will bring new business to other local services; legalization would allow environmental concerns to be addressed via regulation.
- Intersection of tourism, small business and small farmers, and the future of Arcata.
- Posits that attitudes against cannabis border are discrimination. If legalized, discrimination will be reduced (as other forms of discrimination have been legislated against) and more money will be made.
- What does he want from the City of Arcata? CCVH position that City should:
  - Seriously study the issue
  - Create a resolution publicly thanking good cultivators – small artisanal craft people – contributors to community for 40 years
  - Study and designate an innovation and incubation district for small cannabis businesses
  - Not discriminate against growers
- State will likely give supremacy of regulation to cities and counties
- Refer questions to Danielle with CCVH (707-273-2905 and Danielle@cannabisvoice.org)

It was noted by the EDC that:

- Conflicts between growers and environmental groups need to be addressed
- Having written proposals would be helpful to the EDC

Update from Oetker:

- Has experience working with cannabis issues over a number of years.
- Council goal (from recent goal setting session) is to create a cannabis opportunity zone. Plans is to take a proposal to City Council (with EDC recommendations) within the next w months proposing the Humboldt Flakeboard site (1-4 acres for kitchens, light manufacturing, and growing). No conditional use permits

required. Would include a way remove the zoning if the program does not work. Site protects other local businesses as rent competition is negated.

## V. BUSINESS ITEMS:

### A. **Update on Marijuana Legislation and Related Issues.** *Hear Subcommittee report and other updates; discuss progress and next steps*

#### Subcommittee Report:

- Opportunity Zone discussed: wanted more detail, including incentives; who would be involved; negative and positive financial and social impacts. Discussed looking at other perspectives (for example, how Jimmy Kimmel skit hurt HSU enrollment). If Phase I is already moving forward is EDC behind the curve?
- Watson walked through Flakeboard site with Oetker; in Phase I developer creates units for rent.
- It was suggested that the EDC work on Phase II, which is imagining what would be a great asset at the Flakeboard site after Phase I. Another strategy is to do nothing.

#### Discussion:

- Oetker believes Opportunity Zone at Flakeboard site is going through. Moving fast because of the level of interest, site opportunity, and predisposed owners and investors.
- Pilot phase of opportunity zone designed for legitimacy – no support for those destroying the environment or bad actors.
- Initial concerns: certification processes; do no harm to existing small businesses
- Note that because of the small number of dispensaries, State law dictates that tax revenues can't be disclosed.
- EDC wants to give input and hear reports during Phase I.
  - EDC to prepare and provide list of concerns (negative and positive) to Diehl McCarthy for compilation and dissemination. Due 04-08-15.
  - Updates by Staff to be sent by email as warranted.
- If cannabis opportunity zone doesn't succeed, site could be adapted for food and other manufacturing.

### B. **Valley West and Creamery District Update** *Report on recent activities and progress in Valley West and Creamery District; discuss economic development potentials in Valley West; discuss Creamery District zoning and permit recommendation.*

- Valley West: Design Review the first building in Mad River Parkway. City still seeks to obtain open space in back from Cal Trans as recreational amenity.
- Map shows area of note near the roundabout – not in city limits. Right on freeway; good location; possible annexation after Local Coastal Program update. Also looking at other potential annexation: bringing in properties within influence area like Mad River Nursery on Janes Road. Means water and sewer revenue.
- Creamery: Revised land use table sent with agenda shows what people in the Creamery District would like to see. Oetker expects to go to council at the 2<sup>nd</sup> meeting in May with an LUC amendment changing uses to make the area more attractive for business. Asks that EDC to review and discuss at next meeting for recommendation to City Council.
- If Council likes the concept it will go to the Planning Commission for their review and public comment.

Of Note: Public rarely attends many Committee and Commission meetings – room for improvement in public process.

### C. **Formation of Additional Subcommittees** *Review need for and consider forming additional subcommittees.*

- Use subcommittees to make best use of time; connect with other economic development committees and activities in the area; monitor and research relevant issues.
- City Council is urging review of these issues:
  - Arcata Stay, Air B&B

- Shared economy (like Uber)
  - Tech Hub / Shop. (access to high tech items like 3D printers – worth pursuing?)
  - Econ feasibility of other uses for the ballpark
  - County tightening enforcement of mobile food vendors – must go to commissary or connect to wastewater water system. Possible mobile food court?
- Diehl McCarthy to send out the list – consider these and other options for subcommittees, liaisons, research. Agenda item for May.

**D. Measuring the Importance of Economic Development Issues** (*Discuss evaluation criteria and measurements for committee priorities*)

- Metrics to rank priorities or select among diverse and possibly competing apples and oranges projects
- Contains formal City objectives; economic objectives that change over time and circumstance
- List of criteria such as compliance with General Plan, gaps in development, trends, issues involving more than just the City
- Tool for review and due diligence when evaluating tangible and intangible issues around projects or direction: Align with City objectives while being responsible to public charge. Give common vocabulary for discussions.
- Possible task for a subcommittee might refine. Template will constantly evolve.
- Suggestion to incorporate Quality of Life indicators as they can provide insight into priorities while focusing on economic development. Oetker noted the importance of economic development in terms of revenue generation.
- Agenda item for next meeting. Diehl McCarthy to provide city policies as they relate to measurement items.

**VI. FUTURE AGENDA ITEMS**

1. Creamery District use table – review, discuss, make recommendation to City Council
2. Look at formation of additional Subcommittees; revisit standing item of cannabis update
3. Explore action on five topics of City Council interest
4. Discuss criteria for ranking and evaluating economic development objectives
5. Sea Level Rise and annexations (Staff)

**VII. CORRESPONDENCE / COMMUNICATIONS**

**A. ECONOMIC DEVELOPMENT COMMITTEE:**

- Welcome Center – rumor that Chamber is moving from the WC is untrue.
- RREDC is hiring an executive director
- Go to [www.projectcbd.org](http://www.projectcbd.org) to read about work being done on CBD regulations
- Chair Watson asked the Forest Management Committee for a report to the EDC on the Community Forest.

**B. STAFF:**

Loan Report and Activity:

- Wing Inflatables loan is pending – \$2.5 to \$3 loan through CDBG business loan program. 108 current employees; will ramp up by 50. Targeting June to close.
- Boyd Road Annexation – Eureka Readymix approved by Council. Sunny Brae annexation approved at Planning Commission level – Ridge Trail – will allow City to enforce issues such as dogs. Going to Council soon.
- Groundbreaking on Foster Avenue Extension and Rail with Trail project soon. Both expected to be complete in October. Anticipate interest in development near railroad tracks with these amenities.

**VIII. ADJOURNMENT. 7:22**

2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Jane Woodward	X	X	X	X								
Fawn Scheer	X	X	X	X								
Brett Watson	X	X	X	X								
Maureen Hart	X	X	X	X								
Darrell Burlison	X	X	X	X								
Craig Wruck	X	X	X	A								
David Rosen	N	N	X	X								

KEY:

X	A	N	C	
Present	Absent	NA – Not a member this month	No Meeting	Special Meeting (not regular attendance)

Attest: \_\_\_\_\_

Susan Diehl McCarthy, Committee Liaison