

May 1, 2024

ITEM TITLE: RESOLUTION NO. 2024-028 RATIFYING AN AMENDMENT TO A PROFESSIONAL SERVICES AGREEMENT WITH HINDERLITER DE LLAMAS AND ASSOCIATES COMPANIES. (0610-20)

ORIGINATING DEPARTMENT:

City Manager

EXECUTIVE SUMMARY:

In 2018 the City entered into a Professional Services Agreement with Hinderliter de Llamas and Associates Companies (HdL) for as-needed and on-call services to review and process applications for cannabis-related business services and applications proposing to operate within Imperial Beach. On January 5, 2021, the City and HdL entered into Amendment #1 to the Agreement to modify the scope of services in the agreement and the rates to be charged. The professional services agreement amendment would include additional services that would be needed for the review of a forthcoming development application. The city has since used the on-call services of HdL and intends to continue to use such professional services, however, there is a need to modify the scope of services and rates. The HdL fees charged for processing of applications and regulatory services are mostly paid by applicants.

RECOMMENDATION:

That the City Council adopt Resolution No. 2024-028 ratifying the execution of a second professional services agreement amendment with HdL Companies subject to the rates as shown in Attachment 3.

OPTIONS:

- Request additional information.

BACKGROUND/ANALYSIS:

On July 18, 2018, the City Council adopted Ordinances 2018-1173 and 2018-1174 that allowed for one retail cannabis outlet according to state law authorization and strict regulations found in Imperial Beach Municipal Code (IBMC) Chapter 4.60, Cannabis Facilities. A retail cannabis outlet must have a valid Regulatory Safety Permit (RSP) before operation in addition to a valid state license and compliance with all other applicable state and local laws and regulations. The City utilized a third party, Hinderliter de Llamas and Associates (HdL) Companies, along with City Staff to administer the application process.

The qualified applicant was required to obtain all necessary RSP approvals and complete all conditions precedent listed in Section 4.60.090 before opening a cannabis outlet. The necessary approvals included applicable planning, zoning, building, environmental, and other pertinent licenses and permits, including a coastal development permit, design review case, and site plan

review that were subject to review by the Design Review Board and authorization by the City Council. These approvals would require additional review by HdL Companies and a professional services agreement amendment was executed on January 5, 2021 to include the services necessary for review, such as site plan evaluations, reports, site visits, inspections, cost recovery analysis, and technical assistance. These services would be subject to cost recovery and would be paid for by the qualified applicant.

On October 4, 2023, the City Council appointed a limited term ad-hoc subcommittee for the review of Imperial Beach Municipal Code Chapter 4.60 and Section 4.60.060 to consider allowing for a second cannabis permitted use. Should the council vote to allow for a second cannabis permitted use, the second amendment to the professional services agreement would include additional services that would be needed for the review of a forthcoming development application. The HdL fees charged for processing of applications and regulatory services are paid by applicants. The amendment also includes services for HdL to review Imperial Beach Municipal Code Chapter 4.60 and provide recommendations.

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

FISCAL IMPACT:

All services are subject to cost recovery that would be mostly paid for by applicants.

ATTACHMENTS:

1. Resolution No. 2024-028
2. PSA Amendment No. 2 HdL
3. Exhibit A Scope of Services HdL