



**CITY OF OAKDALE**  
**City Council**  
**Special Meeting Minutes**

City Council Chambers  
277 North Second Avenue  
Oakdale, California

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**Monday, February 12, 2018**

**6:00 PM**

**City Council Chambers**

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**1. CALL TO ORDER:**

Mayor Paul called the meeting to order at 6:00 p.m.

**2. COUNCIL MEMBERS PRESENT/ABSENT:**

Present: Mayor Paul  
Mayor Pro Tem Dunlop  
Council Member Bairos  
Council Member McCarty  
Council Member Murdoch

Staff Present: City Manager Whitemyer  
Finance Director Avila  
Police Chief Heller  
Contract Planner Mann  
City Clerk Teixeira

**3. PLEDGE OF ALLEGIANCE:**

Mayor Paul led the pledge of allegiance.

**4. PRESENTATIONS/ACKNOWLEDGEMENTS:**

None scheduled.

**5. ADDITIONS/DELETIONS:**

Mayor Paul asked whether there were any additions or deletions to the City Council agenda. No additions or deletions were advised.

**6. PUBLIC COMMENTS:**

Mayor Paul asked whether there was anyone who wished to address a matter listed on tonight's City Council agenda.

No public comment was received.

**7. PUBLIC HEARINGS:**

7.1: Consider Approving the First Reading by Title Only and Introduction of a Proposed Ordinance of the City Council of the City of Oakdale, California; a City-Initiated Amendment to the Oakdale Municipal Code, Amending Chapter 37, Cannabis Regulations to Regulate Cannabis. In November of 2017, City Council Approved



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**Monday, February 12, 2018  
Next City Council Resolution: 2018-017**

**City Council Chambers  
Next Ordinance: 1255**

Ordinance 2017-1251 to Regulate the Following Cannabis Businesses: Cannabis Dispensaries, Cannabis Manufacturing Businesses, Cannabis Cultivation Businesses, and Cannabis Testing Laboratories. Ordinance 2017-1251 Did Not Include Regulations for Cannabis Distribution Businesses. The Proposed Ordinance Would Revise Ordinance 2017-1251, As Specified, To Also Regulate Cannabis Distribution Businesses.

A PowerPoint Presentation provided (attached hereto and incorporated as Exhibit A).

Associate Planner Mann presented the staff report recommending that the City Council approve the First Reading by Title Only, and Introduce a Proposed Ordinance of the City Council of the City of Oakdale, California; of a City-Initiated Amendment to the Oakdale Municipal Code, amending Chapter 37, Cannabis Regulations to regulate cannabis.

At 6:04 p.m. Mayor Paul opened the public hearing to public comment. There being no public comment Mayor Paul closed the public hearing at 6:05 p.m.

**MOTION**

To approve the First Reading by Title Only and Introduction of Ordinance 1255; a City-Initiated Amendment to the Oakdale Municipal Code, Amending Chapter 37, Cannabis Regulations to Regulate Cannabis. In November of 2017, City Council Approved Ordinance 2017-1251 to Regulate the Following Cannabis Businesses: Cannabis Dispensaries, Cannabis Manufacturing Businesses, Cannabis Cultivation Businesses, and Cannabis Testing Laboratories. Ordinance 2017-1251 Did Not Include Regulations for Cannabis Distribution Businesses. The Proposed Ordinance Would Revise Ordinance 2017-1251, As Specified, To Also Regulate Cannabis Distribution Businesses.

Moved by Mayor Pro Tem Dunlop, seconded by Council Member McCarty and PASSED this 12th day of February 2018, by the following vote:

AYES:	COUNCIL MEMBERS:	Bairos, Dunlop, McCarty, Murdoch and Paul	(5)
NOES:	COUNCIL MEMBERS:	None	(0)
ABSENT:	COUNCIL MEMBERS:	None	(0)
ABSTAINED:	COUNCIL MEMBERS:	None	(0)

Motion carried 5/0 by City Council roll call vote.

- 7.2: Consider Approving the First Reading by Title Only and Introduction of a Proposed Ordinance of the City Council of the City of Oakdale, California; City-Initiated Amendments to the Oakdale Municipal Code, Amending the City of Oakdale Chapter 36 (Zoning Ordinance) of the City of Oakdale's Municipal Code Sections 36-6 R-A, 36-7 R-1, 36-8 R-2/R-2-M, 36-9 R-3, 36-10 C-1, 36-11 C-C, 36-12 C-2, 36-13 L-M, AND 36-14 M-1.

A PowerPoint Presentation provided (attached hereto and incorporated as Exhibit B).



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Next City Council Resolution: 2018-017

City Council Chambers  
Next Ordinance: 1255

Associate Planner Mann presented the staff report recommending that the City Council approve the First Reading by Title Only and Introduction of a Proposed Ordinance of the City Council of the City of Oakdale, California; City-Initiated Amendments to the Oakdale Municipal Code, Amending the City of Oakdale Chapter 36 (Zoning Ordinance) of the City of Oakdale’s Municipal Code Sections 36-6 R-A, 36-7 R-1, 36-8 R-2/R-2-M, 36-9 R-3, 36-10 C-1, 36-11 C-C, 36-12 C-2, 36-13 L-M, AND 36-14 M-1.

At 6:08 p.m. Mayor Paul opened the public hearing to public comment. There being no public comment Mayor Paul closed the public hearing at 6:09 p.m.

**MOTION**

To approve the First Reading by Title Only and Introduction of Ordinance 1256; First Reading by Title Only and Introduction of a Proposed Ordinance of the City Council of the City of Oakdale, California; City-Initiated Amendments to the Oakdale Municipal Code, Amending the City of Oakdale Chapter 36 (Zoning Ordinance) of the City of Oakdale’s Municipal Code Sections 36-6 R-A, 36-7 R-1, 36-8 R-2/R-2-M, 36-9 R-3, 36-10 C-1, 36-11 C-C, 36-12 C-2, 36-13 L-M, AND 36-14 M-1.

Moved by Council Member McCarty, seconded by Mayor Pro Tem Dunlop and PASSED this 12th day of February 2018, by the following vote:

AYES:	COUNCIL MEMBERS:	Bairos, Dunlop, McCarty, Murdoch and Paul	(5)
NOES:	COUNCIL MEMBERS:	None	(0)
ABSENT:	COUNCIL MEMBERS:	None	(0)
ABSTAINED:	COUNCIL MEMBERS:	None	(0)

Motion carried 5/0 by City Council roll call vote.

- 7.3: Consider Approving the First Reading by Title Only and Introduction of a Proposed Ordinance of the City Council of the City of Oakdale, California; a Public Hearing to Consider a Development Agreement by And Between the City of Oakdale and JDI Farms, Inc., A California Non-Profit Mutual Benefit Corporation. The Purpose of the Public Hearing is to Discuss the Development Agreement for the Applicant’s Proposed Cannabis Dispensary Business and Cannabis Microbusiness. The Cannabis Dispensary Business is Proposed to be Located at 633 Armstrong Way, in the City of Oakdale, County of Stanislaus, State of California, Assessor’s Parcel Number 064-039-069.

JDI Farms, Inc. Also Proposes to Operate a Cannabis Microbusiness as Part of Their Single Development Agreement to Be Located At 517 Armstrong Way, Oakdale, California 95361, Assessor’s Parcel Numbers 064-039-086, 064-039-087, 064-039-059, 064-039-060.

Consider Approving the First Reading by Title Only and Introduction of a Proposed Ordinance of the City Council of the City of Oakdale, California; a public hearing to consider a Development Agreement by and Between the City of Oakdale and MDS Business Services, Inc., a California non-profit mutual benefit corporation. The purpose of the public hearing is to discuss the agreement and the applicants’



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proposed cannabis dispensary, cultivation, manufacturing, and distribution businesses. The dispensary, cultivation, manufacturing, and distribution businesses are proposed to be located at Assessor's Parcel Number 064-039-055 on Armstrong Way in the City of Oakdale.

A PowerPoint Presentation provided (attached hereto and incorporated as Exhibit C).

City Manager Whitemyer presented the staff report recommending the City Council approve the First Reading by Title Only and Introduction of the proposed Ordinance approving a Development Agreement between the City and JDI Farms for the applicants to operate a proposed cannabis dispensary business and cannabis microbusiness; and to approve the First Reading by Title Only and Introduction of a Proposed Ordinance proposed Ordinance approving a Development Agreement between the City and MDS Business Services for the applicants' proposed cannabis dispensary, cultivation, manufacturing, and distribution businesses.

Planner Mann provided the City Council and those in attendance an overview of the Major Use Permit process.

At 6:19 p.m. Mayor Paul opened the public hearing to public comment. There being no public comment Mayor Paul closed the public hearing at 6:20 p.m.

**MOTION**

To approve the First Reading by Title Only and Introduction of Ordinance 1257; an Ordinance of the City Council of the City of Oakdale, California; approving a Development Agreement by and between the City of Oakdale and JDI Farms, Inc., a California Non-Profit Mutual Benefit Corporation permitting a proposed Cannabis Dispensary Business and Cannabis Microbusiness to be located at 633 Armstrong Way, in the City of Oakdale, County of Stanislaus, State of California, Assessor's Parcel Number 064-039-069; and to permit the operation of a Cannabis Microbusiness as part of their single Development Agreement to be located at 517 Armstrong Way, Oakdale, California 95361, Assessor's Parcel Numbers 064-039-086, 064-039-087, 064-039-059, 064-039-060.

Moved by Mayor Pro Tem Dunlop, seconded by Council Member McCarty and PASSED this 12th day of February 2018, by the following vote:

AYES:	COUNCIL MEMBERS: Bairos, Dunlop, McCarty, Murdoch and Paul	(5)
NOES:	COUNCIL MEMBERS: None	(0)
ABSENT:	COUNCIL MEMBERS: None	(0)
ABSTAINED:	COUNCIL MEMBERS: None	(0)

Motion carried 5/0 by City Council roll call vote.



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Next Ordinance: 1255

**MOTION**

To approve the First Reading by Title Only and Introduction of Ordinance 1258; an Ordinance of the City Council of the City of Oakdale, California; approving a Development Agreement by and between the City of Oakdale and MDS Business Services, Inc., a California non-profit mutual benefit corporation permitting a proposed cannabis dispensary, cultivation, manufacturing, and distribution businesses to be located at Assessor's Parcel Number 064-039-055 on Armstrong Way in the City of Oakdale.

Moved by Mayor Pro Tem Dunlop, seconded by Council Member McCarty and PASSED this 12th day of February 2018, by the following vote:

AYES:	COUNCIL MEMBERS: Bairos, Dunlop, McCarty, Murdoch and Paul	(5)
NOES:	COUNCIL MEMBERS: None	(0)
ABSENT:	COUNCIL MEMBERS: None	(0)
ABSTAINED:	COUNCIL MEMBERS: None	(0)

Motion carried 5/0 by City Council roll call vote.

**8. CITY MANAGER'S REPORT:**

City Manager Whitemyer advised he had nothing further to add.

**9. CITY COUNCIL ITEMS:**

No items were received from the City Council.

**10. ADJOURNMENT:**

There being no further business, Mayor Paul adjourned the meeting at 6:30 p.m.

ATTEST:

APPROVED:

/s/Kathy Teixeira  
Kathy Teixeira, CMC  
City Clerk

/s/Pat Paul  
Pat Paul  
Mayor



**City of Oakdale  
City Council**

**February 12, 2018**

***Code Text Amendment  
Chapter 37***

## November - 2017

- **City Council adopted Draft Ordinance Chapter 37 “Cannabis Regulations”**
- **Prior to formal adoption of the Ordinance, oversight of Cannabis Distribution Businesses**

## Chapter 37

- **Proposed will modify Cannabis Ordinance to insert Cannabis Distribution**
- **This will align City Ordinance with State Law with Types of Cannabis related businesses**
- **Other “clean-up” edits are proposed as well**

## SECTION 37-2 DEFINITIONS

(e) **“Cannabis distribution business”** means any cannabis business that, pursuant to a state cannabis license, procures, sells, or transports cannabis and cannabis products between cannabis businesses.

(i) **“Cultivation ”** means any activity involving the planting, growing, harvesting, **processing** drying, curing, grading, or trimming of cannabis.

## SECTION 37-12 DISPENSARY

(b) A cannabis dispensary **shall only be located in a Limited Industrial (L-M) or Light Industrial (M-1) district as further described in Chapter 36 of the Oakdale Municipal Code.** ~~shall only be located in the area of the City as further described in Chapter 36 of the Oakdale Municipal Code.~~



## SECTION 37-13 CANNABIS MANUFACTURING BUSINESS

(b) A cannabis manufacturing business **shall only be located in a Limited Industrial (L-M) or Light Industrial (M-1) district as further described in Chapter 36 of the Oakdale Municipal Code.** ~~shall only be located in the area of the City as further described in Chapter 36 of the Oakdale Municipal Code.~~



## California Environmental Quality Act (CEQA)

**Code Text Amendment of Chapter 37 is considered to be Exempt from review under CEQA in accordance with **Section 15061(b)(3) – General Rule of the CEQA Guidelines.****

**February 7, 2018**

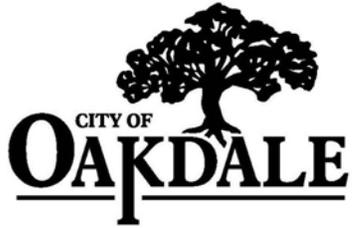
- **Planning Commission Public Hearing**
- **Voted (5-0) to Recommend City Council approve the Text Amendment to Chapter 37**



Staff is recommending approval, Should the City Council wish to approve the proposed text amendment, the following motion would be appropriate:

**“I move the City Council introduce and waive the first reading of the proposed Ordinance, an Ordinance of the City of Oakdale amending Oakdale Municipal Code Chapter 37, which would allow cannabis distribution businesses.”**





**City of Oakdale**  
**City Council**

**February 12, 2018**

***Zoning Ordinance Amendment No. 2017-18***

***Chapter 36***

**The proposed amendment will modify the City's Zoning Ordinance to address the recent addition of Chapter 37 (Cannabis Regulations) to the City's Municipal Code.....**



## **The amendment to the Zoning Ordinance will address:**

- 1) Commercial cannabis sales and activities within the Limited Industrial (L-M) and Light Industrial (M-1) zoning districts.**
- 2) The cultivation of cannabis for personal use, indoors and within a residence.**

SECTION 36-13 "L-M" LIMITED INDUSTRIAL  
36-13.5 Conditional Uses.

**J. Cannabis cultivation business, cannabis manufacturing business, cannabis distribution business, cannabis testing laboratory, and dispensary, as defined in Section 37-2.**

**Permits to establish a cannabis cultivation business, cannabis manufacturing business, cannabis distribution business, cannabis testing laboratory, or dispensary shall be located in the area highlighted on the attached maps**



SECTION 36-14 "M-1" LIGHT INDUSTRIAL  
36-14.5 Conditional Uses.

**F. Cannabis cultivation business, cannabis manufacturing business, cannabis distribution business, cannabis testing laboratory, and dispensary, as defined in Section 37-2.**

**Permits to establish a cannabis cultivation business, cannabis manufacturing business, cannabis distribution business, cannabis testing laboratory, or dispensary shall be located in the area highlighted on the attached maps**





Within all Zoning Districts which allow “Residential Uses”...

**“Cultivation of cannabis for personal use as defined and regulated by Chapter 37.”**

- "R-A" *Residential Agricultural District*
- "R-1" *Single-Family Residential District*
- "R-2/R-2-M" *Duplex Residential District*
- "R-3" *Multiple Family Residential District*
- "C-1" *Neighborhood Commercial District*
- "C-C" *Central Commercial District*
- "C-2" *General Commercial District*



**February 7, 2018**

- **Planning Commission Public Hearing**
- **Voted (5-0) to Recommend City Council approve the Code Text Amendment to Chapter 36**



# California Environmental Quality Act (CEQA)

Zoning Code Amendment No.2017-18 is considered to be Exempt from review under CEQA in accordance with Section 15061(b)(3) – General Rule of the CEQA Guidelines.



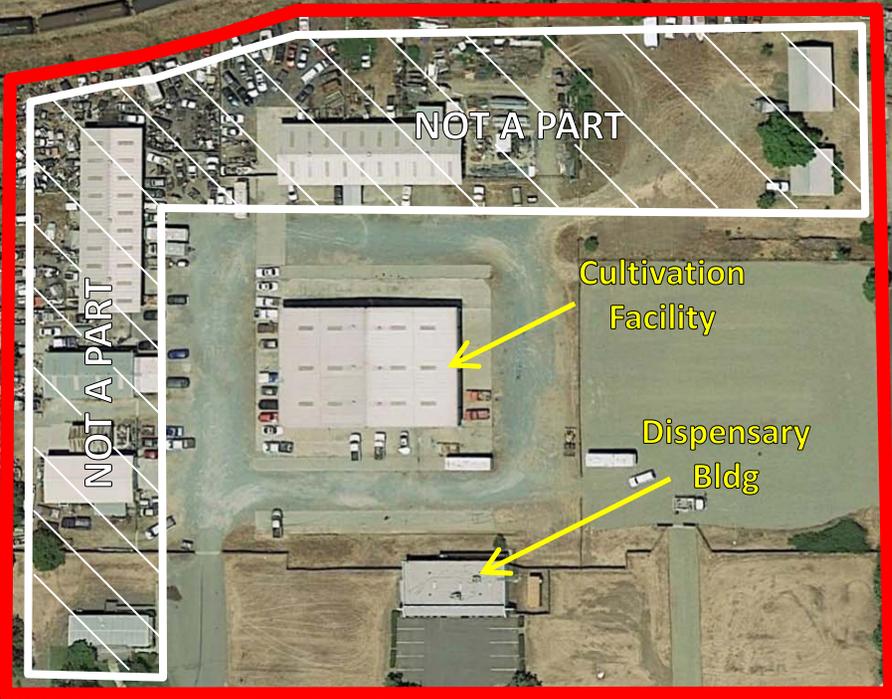
Staff is recommending approval, Should the City Council wish to approve the proposed code text amendment, the following motion would be appropriate:

**“I move the City Council introduce and waive the first reading of the proposed Ordinance, an Ordinance of the City of Oakdale amending Section 36-6 – Residential-Agricultural District, Section 36-7 - Single-Family Residential Zone, Section 36-8 - Duplex-Residential District, Section 36-9 Multiple-Family Residential District, Section 36-10 – Neighborhood-Commercial District, Section 36-11 – Central-Commercial District, Section 36-12 – General-Commercial District, Section 36-13 – Limited-Industrial District and Section 36-14 – Light-Industrial District of the Oakdale City Code, Chapter 36 - Zoning, to allow for personal and commercial cannabis activities.”**



**MDS Business Services, Inc.**  
570 Armstrong Way – APN: 064-039-055

064-039-055  
6.17± acres



# JDI Farms, Inc.

633 Armstrong Way – APN: 064-039-069  
517 Armstrong Way – APN's: 064-039-086,  
064-039-087, 064-039-059, 064-039-060

Potential Cultivation  
Location

064-039-069



Dispensary  
Location

064-039-086, 064-039-087,  
064-039-059, 064-039-060