

RESOLUTION NO. 8384

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HAWTHORNE, CALIFORNIA, ESTABLISHING NEW FEES RELATED TO THE COMMERCIAL CANNABIS BUSINESS AND ADOPTING A NOTICE OF EXEMPTION IN ACCORDANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

WHEREAS, in November 2020 election, the voters overwhelmingly approved Measure CC which authorized the 5% tax on the gross receipts of cannabis business in the City of Hawthorne; and

WHEREAS, since the passage of Measure CC, the City Council directed and the staff pursued series of steps in moving the City's Commercial Cannabis Program forward; and

WHEREAS, after the City issued a request for proposal for the consultants for the cannabis program and having received numerous proposals, the city council selected ejma Planning + Consultant as the City's cannabis consultant; and

WHEREAS, over the span of around one year, a Cannabis Working Committee was formed and began series of meetings in advancing the program while informing the community; and

WHEREAS, on November 8, 2022, the City adopted Ordinance No. 2235 which added a Chapter 5.100 to the Hawthorne Municipal Code and therein enacted a provision for commercial cannabis business license; and

WHEREAS, section 5.100.060 of Ordinance No. 2235 prescribes the fees to be established and amended by the city council through a resolution; and

WHEREAS, under California Constitution article XIIC, section 1(e)(2)-(3) and Government Code section 50076, a fee that exceeds the reasonable cost of providing the services or regulatory act for which the fee is charged constitutes a special tax and therefore, the various fees associated with the City's cannabis program must be based on a reasonable cost to the City; and

WHEREAS, the City's staff and the aforementioned consultant have determined the costs of establishing and maintaining a commercial cannabis permitting program; and

WHEREAS, the City must impose a fee for each Commercial Cannabis License application, Conditional Use Permit and all other related implementation, monitoring or enforcement costs. To determine the appropriate fee amount for each Commercial Cannabis License and Permit application, the City's expenses, including for public hearings, staffing, consulting services and legal fees were calculated and equally divided between the projected minimum number of applications the City may receive; and

WHEREAS, the City of Hawthorne Commercial Cannabis Implementation Cost Analysis (attached as Exhibit “A”) summarizes the expenditures of the City and the projected expense anticipated throughout the application process; and

WHEREAS, based on the above fee study, the following fees related to Commercial Cannabis in the City are approved:

Non-Refundable Application

Adult-Use Retail License	\$12,302
Cannabis Consumption License	\$12,302
Cultivation, Manufacturing, Distribution, Testing	\$12,302
Delivery with Location in Hawthorne	\$12,302
Delivery without a location in Hawthorne	\$8,996
Conditional Use Permit (Retail) Application	\$31,504
Initial Compliance Monitoring	\$7,760
Annual Renewal	\$8,611

WHEREAS, Government Code section 66016 requires the City to make available to the public for at least 10 days before the meeting the fee study and the fee schedule, to which the fee study and schedule have been posted to the City website and have been available for inspection in the Office of the City Clerk; and

WHEREAS, a public hearing notice was published in the Hawthorne Press Tribute on November 17, 2022; and

WHEREAS, the City Council held a duly noticed public hearing concerning said fees; and

WHEREAS, the City Council find that the proposed fees do not exceed the City’s costs of the implementation of the City’s Commercial Cannabis Program, including, but not limited to, the drafting of the ordinance, resolutions, licensing process, zoning analysis, conditional use permitting, compliance enforcement, investigation.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hawthorne, California as follows:

SECTION 1. That based upon staff reports, presentations, public testimony and all other matters presented during the public hearing on this item, the City Council hereby finds and declares that the foregoing recitals are true and correct and incorporates them herein as a substantive part of this Resolution.

SECTION 2. The following schedule of Commercial Cannabis Business Fees is adopted:

Non-Refundable Application

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Cannabis Consumption License	\$12,302
Cultivation, Manufacturing, Distribution, Testing	\$12,302
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SECTION 3. The City Council hereby finds that the adoption of this Resolution is statutorily exempt from the State CEQA Guidelines pursuant to Section 15273(a) of the California Environmental Quality Act (CEQA) as it pertains to the establishment or structuring of rates or charges by a public agency for the purpose of meeting operating expenses, including employee wage rates. A Notice of Exemption was completed and will be filed in compliance with CEQA and CEQA Guideline.

SECTION 4. The City Council of the City of Hawthorne hereby approves the Fee Schedule and Fee Study, attached and incorporated herein by this reference as Exhibit “A,” the copies of which are available for inspection and/or copying in the Office of the City Clerk since November 17, 2022.

SECTION 5. The fee shall be effective on the date of adoption of this Resolution and shall be due prior to processing the permit or conducting the inspection.

SECTION 6. The City Clerk shall certify to the adoption of this Resolution and enter it into the book of original resolutions and thereafter this Resolution shall be in full force and effect.

PASSED, APPROVED, and ADOPTED this 29th day of November 2022.

ALEX VARGAS, Mayor
City of Hawthorne, California

ATTEST:

**PAUL JIMENEZ, City Clerk
City of Hawthorne, California**

APPROVED AS TO FORM:

**ROBERT M. KIM, City Attorney
City of Hawthorne, California**