

**RESOLUTION NO. 4289**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORT HUENEME,  
CALIFORNIA, ADOPTING STANDARD REVENUE SHARING FOR CANNABIS-  
RELATED DEVELOPMENT AGREEMENTS ENTERED INTO PURSUANT TO  
ORDINANCE 734 (CHAPTER 12 OF THE MUNICIPAL CODE)**

**Whereas**, on June 5, 2017, the City Council adopted Ordinance No. 727 that amends Article III, Chapter 12 of the Port Hueneme Municipal Code ("PHMC") permitting medicinal cannabis activity within the City;

**Whereas**, On June 19, 2017, the City Council adopted Resolution No. 4178 to establish fees, application, and qualification requirements for persons or businesses seeking a Certificate of Approval for Medicinal Cannabis Activity within the City. This Resolution was adopted pursuant to Ordinance No. 727 and PHMC section 10201.C for the purpose of establishing fees, minimum qualification requirements, application procedures, and locational criteria for such Commercial Cannabis Activity;

**Whereas**, on December 18, 2017, the City Council adopted Ordinance No. 734 ("Ordinance") that amends Article III, Chapter 12 of the PHMC permitting medicinal and non-medicinal cannabis facilities and activity within the City following the voter approval of the "Control, Regulate and Tax Adult Use of Marijuana Act ("AUMA");

**Whereas**, the Ordinance establishes the general requirements for obtaining approval for operating a commercial cannabis activity within the City of Port Hueneme and allowing cultivation for personal medicinal use as well as recreational uses;

**Whereas**, the Ordinance provides that the City Council may, by resolution, establish fees and application and qualifications requirements for persons seeking a Certificate of Approval for Commercial Cannabis Activity;

**Whereas**, on September 3, 2019, the City Council adopted Resolution No. 4283 superseding Resolution 4178, which states in Section 2.B.11:

**Financial Consideration.** A contractual pledge of revenue to: (i) offset the cost of application processing and permit renewal; (ii) reimburse the City for recurring costs of monitoring, auditing and enforcement; (iii) augment general revenues of the City through business license fees specific to Commercial Cannabis Activities that are not currently recognized under the PHMC; and (iv) indemnify the City and pay all costs resulting from any and all legal challenges associated with issuance of a Development Permit and/or approval of a Development Agreement, and/or the Certificate of Approval, and the true and accurate financial statement of the applicant, and, at the option of the City, all those having an ownership interest in the proposed or existing business.

**Whereas**, on September 16, 2019, the City Council acted to adopt a standard for revenue sharing setting forth the financial consideration to be paid by cannabis-related business within the City, which the City Council specifically intends to be retroactive to all development agreements by the adoption of this Resolution.

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF PORT HUENEME DOES HEREBY RESOLVE:**

**Section 1:** The City Council of the City of Port Hueneme hereby adopts the following schedule of revenue sharing and financial consideration for cannabis-related development agreements entered into by the City. This schedule shall have prospective and retroactive effect.

Type of Cannabis Activity*	Financial Consideration
Cultivation (Personal and Medical)	\$7.00/square foot
Manufacturing (Personal and Medical)	2 percent of gross revenues
Distribution (Personal and Medical)	2 percent of gross revenues
Retail (Personal and Medical)	5 percent of gross revenues
Microbusiness (Personal and Medical Wholesale)	2 percent of gross revenues
Microbusiness (Personal and Medical Retail)	5 percent of gross revenues

\* The type of cannabis activity will be reported by the commercial cannabis business to the City and revenues for each type of activity will be subject to the appropriate financial consideration. For example, a business that receives 50 percent of its revenues from retail and 50 percent of its revenues from wholesale will pay 5 percent of its gross revenues derived from retail sales and 2 percent of its gross revenues derived from wholesale sales.

**Section 2:** This Resolution shall take effect immediately upon its passage.

**Section 3:** The City Clerk shall certify to the adoption of this Resolution and enter it into the book of original Resolutions.

**Passed and Adopted** on this 7th day of October 2019

  
\_\_\_\_\_  
Will Berg  
Mayor

**Attest:**  
  
\_\_\_\_\_  
Kristy Buxkemper  
City Clerk

STATE OF CALIFORNIA    )  
                                  ) ss  
COUNTY OF VENTURA    )

I, Kristy Buxkemper, City Clerk of the City of Port Hueneme, California, do hereby certify that the foregoing Resolution No. 4289 was duly adopted at the Regular meeting of the City Council on the 7th day of October 2019, by the following vote:

- AYES: Gama, Rollins, Muñoz-Schnopp, Hernandez, Berg
- NOES:
- ABSENT:
- ABSTAIN:

  
Kristy Buxkemper  
City Clerk