

## **ORDINANCE 25-06**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, APPROVING A DEVELOPMENT AGREEMENT BETWEEN STIIIZY COVINA INC, AND THE CITY OF COVINA, RELATED TO APPROVAL OF A 4,600 CANNABIS MICROBUSINESS RETAIL ESTABLISHMENT WITHIN THE PCD (PLANNED COMMUNITY DEVELOPMENT) / M-1 (LIGHT MANUFACTURING) ZONE, LOCATED AT 754 EAST ARROW HIGHWAY (APN: 8405-003-032) AND MAKING A DETERMINATION OF EXEMPTION UNDER CEQA**

**WHEREAS**, to strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted Government Code Sections 65864 *et seq.* (the Development Agreement Statute) which authorizes cities to enter into agreements for the development of real property in order to establish certain development rights in such property; and

**WHEREAS**, pursuant to Government Code Section 65865 the City has adopted rules and regulations establishing procedures and requirements for consideration of development agreements; and

**WHEREAS**, Stiiizy Covina, Inc. (“Stiiizy”) has proposed and sought development approvals of a cannabis retail microbusiness to be located 754 East Arrow Highway. The proposal is for a Cannabis Microbusiness Retail Establishment consisting of a 4,600 square-foot commercial tenant space and associated interior tenant improvements, within the PCD (Planned Community Development) / M-1 (Light Manufacturing) zone, for property located at 754 E Arrow Hwy, Covina, CA, 91722 (APN: 8405-003-032); and

**WHEREAS**, a copy of the proposed Development Agreement is attached hereto and incorporated herein as Exhibit “A” to this Ordinance; and

**WHEREAS**, the project is categorically exempt pursuant to State CEQA Guidelines Section 15332 as a Class 32 exempt project because the project aligns with the applicable general plan designation and all relevant policies, as well as with the zoning regulations, the proposed development is situated within city limits on a site of no more than five acres, which is largely surrounded by urban uses and within an existing commercial center, the project site does not provide habitat for endangered, rare, or threatened species, and the approval of the Development Agreement and the project would not lead to any significant impacts related to traffic, noise, or water quality, as the proposed uses are consistent with similar uses already established in the industrial commercial center. Additionally, the site can be adequately served by all necessary utilities and public services; and

**WHEREAS**, pursuant to the Development Agreement Statute, the Planning Commission held a duly noticed public hearing on June 24, 2025, on the proposed Project and Development Agreement and found that the proposed Development Agreement is consistent with objectives of the General Plan, compatible with the uses authorized for the project area, in conformity with public convenience and beneficial to the public welfare, will not adversely impact the orderly

ATTACHMENT B

development of property, and contains the required elements as required by law and the City; and

**WHEREAS**, the City Council, after published notice, held a public hearing on July 15, 2025, concerning the proposed Project, and has considered the reports and documents presented by City staff, the Planning Commission's recommendation, and the written and oral comments presented at the public hearing; and

**WHEREAS**, on July 15, 2025, the City Council of the City of Covina held a noticed public hearing to review the Development Agreement pursuant to the California Environmental Quality Act, Cal. Pub. Res. Code § 21000 et seq. ("CEQA"), and the State CEQA Guidelines, 14 C. C.R. 15000 et seq. and considered information presented by City staff, the Planning Commission's recommendation, and the written and oral comments presented at the public hearing; and

**WHEREAS**, on July 15, 2025, the City Council of the City of Covina, concurrently with the consideration of the proposed Project including Conditional Use Permit (CUP) 25-001 and Site Plan Review (SPR) 25-026, also considered the proposed Development Agreement at a duly noticed public hearing at which time all interested persons had an opportunity to and did testify either in support or in opposition to this matter. The City Council considered all the testimony and any comments received regarding the proposed Project prior to and at the public hearing; and

**WHEREAS**, all legal prerequisites prior to adoption of this Ordinance have occurred.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:**

**SECTION 1. CEQA.** The City Council, based on its own independent judgment, determines that the project to be carried out by the Development Agreement is categorically exempt pursuant to State CEQA Guidelines Section 15332 as a Class 32 exempt project. The project aligns with the applicable general plan designation and all relevant policies, as well as with the zoning regulations. The proposed development is situated within city limits on a site of no more than five acres, which is largely surrounded by urban uses and within an existing commercial center. The project site does not provide habitat for endangered, rare, or threatened species, and the approval of the Development Agreement and the project would not lead to any significant impacts related to traffic, noise, or water quality, as the proposed uses are consistent with similar uses already established in the industrial commercial center. Additionally, the site can be adequately served by all necessary utilities and public services

**SECTION 2.** Based on the full record of these proceedings, the City Council hereby finds the Development Agreement:

1. Is consistent with the General Plan and the City Council finds that the proposed project as conditioned, complies with all applicable provisions of the General Plan, including but not limited to the Land Use Element designation for the site and with applicable policies and objectives of the General Plan;
2. Is in conformity with good land use practices because the project approvals, and the terms and provisions of the Development Agreement will guarantee adequate safety and security of the building and operation and provide for financial and community benefits to the City so as to ensure that its operation will be compatible with and not

- injurious to surrounding uses and will provide general benefits to the City and the community;
3. Will not be detrimental to the health, safety and general welfare as the project approvals and provisions of the development agreement will guarantee adequate safety measures;
  4. Will not adversely affect the orderly development of property or the preservation of property values because the proposed development is conditioned to be developed and operated in compliance with strict standards consistent with state law, City ordinances and conditions of approval; and
  5. Contains the terms and conditions required by the City, agreed upon by the applicant and is compliant with state law. Specifically, the Agreement provides for a term of 15 years, subject to extension by mutual agreement of the City and STIIIZY (Section 3.5); provides for the permitted uses of the property, intensity of use, the size of the operation and does not require dedication of land for public purposes (Section 4); contains terms for operation by reference to the "Development Approvals" that STIIIZY must comply with in connection with the Project (Section 3.1.10 and Section 4). The Agreement also provides terms for consideration of future approvals. (Section 4.11) and various specific requirements are imposed on the operation of the commercial cannabis business that is permitted to operate pursuant to the Development Approvals and the Agreement, including the requirement for a Community Benefit Fee, provisions for job and wage creation and defense and indemnification. Based on these findings and other evidence in the record, the Development Agreement is consistent with, and the provisions of Government Code 65864 through 65869. 5.

**SECTION 3.** Based upon the aforementioned findings, and all other evidence in the record of the proceeding, the City Council hereby approves the Development Agreement between STIIIZY Covina Inc. and the City of Covina attached hereto as Exhibit "A" and incorporated herein by reference.

**SECTION 4.** The Mayor shall sign and the City Clerk shall attest to the passage of this Ordinance. The Mayor is authorized to execute the Development Agreement on behalf of the City once this Ordinance is effective. The executed Development Agreement shall be recorded against the title to the property within 10 days of the Effective Date of this Ordinance.

**SECTION 5.** Custodian of Records. The documents and materials that constitute the record of proceedings on which these findings and this Ordinance are based are located at the City Clerk's office located at 125 E. College Street, Covina, CA 91723. The custodian of these records is the City Clerk.

**SECTION 6.** Severability. If any section, sentence, clause or phrase of this Ordinance or the application thereof to any entity, person or circumstance is held for any reason to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable. The City Council hereby declares that it would have adopted this Ordinance and each section, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

**SECTION 7.** Effective Date. This Ordinance shall become effective within thirty (30) days

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after its adoption.

**SECTION 8.** Publication. The City Clerk shall certify to the adoption of this Ordinance. Not later than fifteen (15) days following the passage of this Ordinance, the City Clerk shall cause to be published once the Ordinance, or a summary of thereof, along with the names of the City Council members voting for and against the Ordinance, shall be published in a newspaper of general circulation in the City of Covina.

**SECTION 9.** Certification. The City Clerk shall certify to the passage and adoption of this Ordinance and shall enter the same in the Book of Original Ordinances.

**PASSED, APPROVED, and ADOPTED** this \_\_\_ day of \_\_\_\_\_, 2025.

City of Covina, California

BY: \_\_\_\_\_  
VICTOR LINARES, Mayor

ATTEST:

\_\_\_\_\_  
FABIAN VELEZ, Chief Deputy City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
KEVIN ENNIS, City Attorney

### **CERTIFICATION**

I, Fabian Velez, Chief Deputy City Clerk of the City of Covina, do hereby certify that Ordinance 25-06 was introduced for first reading at a special meeting on the \_\_\_\_ day of \_\_\_\_\_, 2025. Thereafter, said Ordinance was duly approved and adopted at a regular meeting of said City Council on the \_\_\_\_ day of \_\_\_\_\_, 2025, by the following vote:

AYES:           COUNCIL MEMBERS:  
NOES:           COUNCIL MEMBERS:  
ABSENT:       COUNCIL MEMBERS:  
ABSTAIN:       COUNCIL MEMBERS:

Dated:

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FABIAN VELEZ, Chief Deputy City Clerk