

CITY OF ARCADIA

Arcadia Business Permit and License Review Board Meeting Agenda



Tuesday, September 10, 2024, 6:45 p.m.

Pursuant to the Americans with Disabilities Act, persons with a disability who require a disability related modification or accommodation in order to participate in a meeting, including auxiliary aids or services, may request such modification or accommodation from Planning Services at (626) 574-5423. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to the meeting.

根据《美国残障人法案》的规定，需要提供残障相关调整或便利设施才能参加会议的残障人士（包括辅助器材或服务），可向规划服务部请求获得此类调整或便利设施，电话号码 (626) 574-5423。请在会前 48 小时通知规划服务部，以便作出合理安排，确保顺利参加会议。

Pursuant to the City of Arcadia's Language Access Services Policy, limited-English proficient speakers who require translation services in order to participate in a meeting may request the use of a volunteer or professional translator by contacting the City Clerk's Office at (626) 574-5455 at least 72 hours prior to the meeting.

根据阿凯迪亚市的语言便利服务政策，英语能力有限并需要翻译服务才能参加会议的人可与市书记官办公室联系（电话：626-574-5455），请求提供志愿或专业翻译服务，请至少在会前 72 小时提出请求。

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

Vincent Tsoi, Chair
Marilynne Wilander, Vice Chair
David Arvizu, Board Member
Angela Hui, Board Member
Domenico Tallerico, Board Member

SUPPLEMENTAL INFORMATION FROM STAFF REGARDING AGENDA ITEMS

PUBLIC COMMENTS (5 minute time limit per person)

Each speaker is limited to five (5) minutes per person, unless waived by the Planning Commission. Under the Brown Act, the Commission or Board Members are prohibited from discussing or taking action on any item not listed on the posted agenda.

PUBLIC HEARING

None

CONSENT CALENDAR

All matters listed under the Consent Calendar are considered to be routine and can be acted on by one roll call vote. There will be no separate discussion of these items unless members of the Commission, staff, or the public request that specific items be removed from the Consent Calendar for separate discussion and action.

1. **RESOLUTION NO. 2150** - A Resolution of the Business License Permit and Review Board denying the appeal and upholding the revocation of the business license for Sphinx Mart located at 142 E. Huntington drive
Recommendation: Adopt
2. Minutes of the August 13, 2024 Meeting of the Business Permit and License Review Board
Recommendation: Approve

ADJOURNMENT

The Business License and Review Board will adjourn and bring the meeting to a close.



STAFF REPORT

Development Services Department

DATE: September 10, 2024

TO: Business Permit and License Review Board

FROM: Lisa Flores, Deputy Development Services Director
Prepared By: John Wade, Business License Assistant

SUBJECT: RESOLUTION NO. 2150 - DENYING THE APPEAL AND UPHOLDING THE REVOCATION OF THE BUSINESS LICENSE FOR SPHINX MART LOCATED AT 142 E. HUNTINGTON DRIVE
Recommendation: Adopt

On August 13, 2024, the Business Permit and License Review Board voted unanimously to deny the appeal and uphold staff's recommendation to revoke the business license for Sphinx Mart located at 142 E. Huntington Drive. City staff recommended a provision of revocation that the business license holder, the holder's employee, agent, partner, director, officer, controlling stockholder or manager, shall not be allowed to apply for a new business license within the City for at least twelve (12) months. After much discussion, the Board agreed to modify Staff's recommended term from twelve (12) months to six (6) months and directed Staff to return with an amended Resolution. Attached is the amended Resolution (Resolution No. 2150) for adoption.

Pursuant to Arcadia Municipal Code Section 6216.9, the Appellant will have ten (10) days to appeal the decision. The appeal period ends on September 23, 2024, which is the last business day (City Hall is closed on September 20, 2024). If no appeal is filed, Sphinx Mart shall be required to cease their operation, and it must be entirely closed for business as of September 24, 2024.

If any Board Members, or other interested party has any questions or comments regarding this matter prior to the September 10, 2024, Business License and Review Board Meeting, please contact Business License Officer, Alejandra Smith at (626) 574-5437 or by email at asmith@ArcadiaCA.gov.

Business License Revocation
Sphinx Mart – 142 E. Huntington Drive
September 10, 2024
Page 2 of 2

Approved:

A handwritten signature in blue ink, appearing to be 'Lisa L. Flores', written in a cursive style.

Lisa L. Flores
Deputy Development Services Director

Attachment No. 1: Resolution No. 2150

Attachment No. 1

Resolution No. 2150

Attachment No. 1

RESOLUTION NO. 2150

A RESOLUTION OF THE BUSINESS LICENSE PERMIT AND REVIEW BOARD OF THE CITY OF ARCADIA, CALIFORNIA, DENYING THE APPEAL AND UPHOLDING THE REVOCATION OF THE BUSINESS LICENSE FOR SPHINX MART LOCATED AT 142 E. HUNTINGTON DRIVE

WHEREAS, on September 19, 2019, the City issued a business license to Mr. Saad Saadhom, the business owner and Appellant of Sphinx Mart that is located at 142 East Huntington Drive, for the sale of tobacco, tobacco products, and food snacks. The subject business address is zoned CBD, Central Business District. A condition of approval for Sphinx Mart's business license provided that no cannabis sales or alcohol shall be permitted; and

WHEREAS, in May of 2024, Business License Services conducted an inspection of all the tobacco stores in the City. It was discovered that Sphinx Mart had illegal cannabis products for sale. The business was operating in violation of its business license condition of approval prohibiting cannabis sales. Businesses which engage in the sale of cannabis products are considered a marijuana dispensary and are prohibited under the Arcadia Development Code Section 9101.01.140. The business was operating in violation of local law. It was discovered that Sphinx Mart had illegal psychotropic mushroom products containing psilocybin for sale, which are considered a Schedule I Controlled Substance under the California Health and Safety Code Section 11054(d) and their sale prohibited under the California Health and Safety Code Section 11378(2). The business was in violation of State law; and

WHEREAS, Section 6216.7(3) provides the License Officer may suspend or revoke any business license upon receipt of any of the following information from any

source that the holder of the license has violated any conditions of said license, or has violated or permitted to be violated any law or laws of the United States or the State, or any ordinance applicable to the premises where the business covered by said license is conducted, or in connection with said business; and

WHEREAS, on June 25, 2024, a Notice of Revocation was issued to the Appellant, and a citation was issued for the violations. The business was required to close their business permanently on July 6, 2024, unless an appeal was filed; and

WHEREAS, on July 5, 2024, within the prescribed 10-day appeal period, an appeal was timely filed by the Appellant, Mr. Saad Saadhom; and

WHEREAS, on August 13, 2024, a public hearing was held before the Business License Permit and Review Board, at which time all interested persons were given full opportunity to be heard and to present evidence; and

WHEREAS, the City recommended the Board uphold revocation of Appellant's business license subject to the condition that Appellant and his employees, agents, partners, directors, officers, controlling stockholders or managers may not request any business license for any business or location within the city or by any other person for the same business on the same premises where the business covered by the revoked license was conducted, or for the same business on a different premises within the City, for a period of twelve (12) months.

NOW, THEREFORE, THE BUSINESS LICENSE PERMIT AND REVIEW BOARD OF THE CITY OF ARCADIA, CALIFORNIA, HEREBY RESOLVES AS FOLLOWS:

SECTION 1. The facts set forth above are true and correct and are incorporated herein by reference.

SECTION 2. The Board finds that based upon the entire record, pursuant to Section 6216.7(3) of the Arcadia Municipal Code (“AMC”), the business holder of the license has violated both the conditions of approval of said license, which prohibits the sale of cannabis or cannabis products, and the Arcadia Development Code (“ADC”) Section 9104.02.030(C) which prohibits marijuana dispensaries in all zoning districts in the City. As a facility where marijuana products and/or cannabis products are offered for retail sale, Sphinx Mart is considered a marijuana dispensary under ADC Section 9109.01.140, which is prohibited in the City of Arcadia. Sphinx Mart’s business license was also revoked due to the sale of illegal mushrooms. Mushrooms and mushroom products which contain psilocybin or psilocin are a Schedule I Controlled Substance. Sale of this controlled substance is illegal under Health & Safety Code Section 11378(2). Attachment No. 4 are photos of this illegal substance these illegal mushroom and products containing psilocybin.

Given that the sale of cannabis is a violation of local law, and sale of Schedule I drugs containing psilocybin is a violation of State law, the Appellant should have been aware of these City and State regulations, the License Office is recommending that the business license be revoked with a provision that no new business license for any business in the City may be requested by the holder of the revoked license for twelve (12) months by the business holder’s employee, agent, partner, director, officer, controlling stockholder or manager, for any business or location within the city or by any other person for the same business on the same premises where the business covered by the revoked license was conducted or for the same business on a different premises within the City. If, after the period specified, application for a new business license is

made, the applicant must comply with all requirements of this Code for issuance of a new business license. There shall be no automatic reinstatement of a revoked business license and the City is under no obligation to grant the new application.

SECTION 3. The business license revocation is exempt from the California Environmental Quality Act (“CEQA”) pursuant to Section 15358 (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly. Moreover, the revocation does not constitute a project under the California Environmental Quality Act (“CEQA”) under Section 15061(b)(3) of the CEQA Guidelines, as it can be seen with certainty that it will have no impact on the environment. Thus, this matter is exempt under CEQA.

SECTION 4. For the foregoing reasons the Business License Permit and Review Board, given the discretion authorized by AMC Section 6216.8, determined that the business license for Sphinx Mart shall be revoked subject to the conditions of approval that no new business license for any business in the City may be requested by the holder of the revoked license for six (6) months by the business holder’s employee, agent, partner, director, officer, controlling stockholder or manager, for any business or location within the city or by any other person for the same business on the same premises where the business covered by the revoked license was conducted or for the same business on a different premises within the City. If, after the period specified, application for a new business license is made, the applicant must comply with all requirements of this Code for issuance of a new business license. There shall be no automatic reinstatement of a

revoked business license, and the City is under no obligation to grant the new application.

[Signature on the next page]

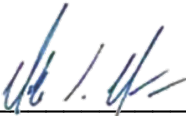
Passed, approved and adopted by the Business License Permit and
Review Board this 10th day of September 2024.

Vincent Tsoi,
Chair, Business License Permit and
Review Board

ATTEST:

Lisa L. Flores
Secretary

APPROVED AS TO FORM:



Michael J. Maurer
City Attorney



**ARCADIA BUSINESS PERMIT & LICENSE REVIEW BOARD
REGULAR MEETING MINUTES
TUESDAY, AUGUST 13, 2024**

CALL TO ORDER Chair Tsoi called the meeting to order at 6:00 p.m.

ROLL CALL

PRESENT: Chair Tsoi, Vice Chair Wilander, Arvizu, and Tallerico (via Zoom)

ABSENT: Hui

It was moved by Vice Chair Wilander and seconded by Board Member Arvizu to excuse Commissioner Hui from the meeting.

Without objection, the motion was approved.

SUPPLEMENTAL INFORMATION FROM STAFF REGARDING AGENDA ITEMS

There were none.

PUBLIC COMMENTS (5 minute time limit per person)

There were none.

PUBLIC HEARING

- 1. RESOLUTION NO. 2150** - A Resolution of the Business License Permit and Review Board denying the appeal and upholding the revocation of the business license for Sphinx Mart located at 142 E. Huntington Drive.

CEQA: Exempt

Recommendation: Adopt

Appellant: Saad Saadhom

MOTION - PUBLIC HEARING

Business License Officer Alejandra Smith presented the appeal.

Board Member Arvizu asked about the previous violation regarding the illegal gambling machines and how many did they have.

Deputy Development Services Director Lisa Flores stated that it was a minimal number of machines, and that the owner removed them soon after a Notice of Violation was issued.

Board Member Wilander asked how the owner obtained psychedelic mushrooms if they are illegal.

Yara Wahba, Attorney from BBK, replied that even though they are illegal, they can still be found in California.

Chair Tsoi asked why the revocation period is twelve (12) months.

Ms. Wahba stated that this is how it is written in the code, but the Board has discretion.

The public hearing was opened.

The Appellant, Saad Saadhom and business owner of Sphinx Mart, informed the Board that he is currently a resident of Arcadia, he has lived in Arcadia for almost 20 years, and his children currently attend Arcadia schools. He was not aware that the products that he purchased from a warehouse in Los Angeles were illegal. In fact, he was informed that they were all legal to sale. Had he known they were illegal, he would have not displayed them for sale. He respects Arcadia and it was never his intentions to sell drugs. He asked the Board to forgive him and to consider the appeal in not revoking his business license.

The next speaker, Ray Diaz a friend of Mr. Saadhom was there to help translate. Mr. Diaz stated that California and Federal law are confusing as to the legality of marijuana. He stated that Mr. Saadhom would never have displayed these products openly if he knew they were illegal. This shop is his only income and that twelve (12) months would be too punitive of a punishment. He asked for a reduced punishment and was open to frequent inspections.

Board Member Wilander stated mushrooms are illegal and that Mr. Saadhom should have known. Ms. Wilander asked if his business license had any conditions.

Ms. Smith clarified that his license includes a condition that marijuana and alcohol sales are prohibited at that location.

Board Member Arvizu asked the Appellant if knew if THC, cannabis, marijuana are all the same thing.

Mr Saadham replied that he did not know they were the same thing.

Board Member Arvizu stated that it is the responsibility of any business owner to be aware of what they are selling.

Mr. Saadham said he would be mindful in the future about the products he sells.

No other member of the public spoke in favor of the appeal.

No other member of the public spoke in opposition to the appeal.

Board Member Arvizu moved to close the public hearing, seconded by Board Member Tellerico.

Without objection, the motion was approved.

DISCUSSION

Board Member Tellerico, who was present via Zoom, commented that the code and law is clear that these products are illegal. He stated that with Mr. Saadhom's prior violations with gambling machines, he should have sought guidance from the City as to the legality of the products he intended to sell in his shop. Board Member Tellerico said he supported the twelve (12) month revocation.

Vice Chair Wilander agreed with Board Member Tellerico and stated that the responsibility ultimately falls on the business owner.

Board Member Arvizu said twelve (12) months seems like a severe penalty for a business owner, but Arcadia does not tolerate drugs being sold from its businesses.

Chair Tsoi said twelve (12) months was a severe penalty for them to reopen a business in the City. He asked Staff if the condition could be modified.

Ms. Flores replied that the terms within the condition can be modified at the discretion of the Board. Staff recommended 12 months because the business not only sold illegal marijuana but Schedule 1 narcotics, which is in violation of the State law.

Kellen Martz, Assistant City Attorney, read the requirements within the Municipal Code regarding the provisions of when the business owner can apply for a new business license in the City after it has been revoked.

Ms. Flores and Mr. Martz further clarified the difference between revocation and suspension, and the different options that the Board has as far as amending the condition.

Vice Chair Wilander said she felt a six (6) month revocation was an appropriate penalty.

Board Member Arvizu said people can make mistakes and he was open to six (6) months and that regular inspections shall be conducted to ensure compliance.

MOTION

Board Member Arvizu moved to amend Resolution No. 2150 of the Business License Permit and Review Board of the city of Arcadia, California, denying the appeal and upholding the revocation of the business license for Sphinx Mart located at 142 E. Huntington drive, reducing the original twelve-month revocation period to six months.

Board Member Tellerico made a countermotion to accept Resolution No. 2150 as originally submitted, and revoke Sphinx Mart's business license for 12 months.

No one seconded the motion.

Vice Chair Wilander seconded Board Member Arvizu's motion.

ROLL CALL

AYES: Chair Tsoi, Vice Chair Wilander, Arvizu, and Tellerico

NOES: None
ABSENT: Hui

The motion was approved.

ADJOURNMENT

The Business License Permit and Review Board adjourned the meeting at 6:48 p.m. The Business License Permit and Review Board will reconvene September 10, 2024 to adopt the amended Resolution No. 2150.

Chair Tsoi, Business License Review Board Chair

ATTEST: _____
Lisa L. Flores
Secretary, Business License Review Board