

From: Robin Lopez [REDACTED]
Sent: Tuesday, May 19, 2020 1:03 PM
To: Public Comment <publiccomment@cityoftracy.org>
Subject: Question on Loans Agenda item 3B

Hello. . .thank you for providing this program to our local small businesses!

Will Non-profits be eligible for a forgivable loan if they meet the other criteria?

Thank you

Robin Lopez

From: ceo@accessrosin.com <ceo@accessrosin.com>
Sent: Tuesday, May 19, 2020 10:41 AM
To: Public Comment <publiccomment@cityoftracy.org>
Cc: William Dean <William.Dean@cityoftracy.org>
Subject: Cannabis Business Applicant

City Council and The City of Tracy,

In regards to the Cannabis Application.

Spencer Sitnik,

AccessTHC was a non profit organization in Los Angeles form 2013 - 2017. Established as a complete vertical intergraded company, specializing in cultivation, manufacturing, distribution, and retail.

We have a goal to bring AccessTHC to the City of Tracy as a stable company, and invested and experienced as a known brand to represent a complete vertically intergraded company for The City of Tracy to work with.

Our plan is to develop an indoor cultivation site for continuous harvest offering fresh produced year round, non-volatile manufacturing using proprietary IP equipment of natural resources such as heat and pressure only (NO SOLVENTS), elite distribution for our cultivated and manufactured products, and the finest and state-of-the-art retail facility which is user friendly, safe, and controlled.

We've been shopping land in the City since 2017, and have found great locations for this kind projects, which can allow all three businesses to thrive on one property as the go-to for cannabis in the city of Tracy.

We'd like to submit an application for cultivation, manufacturing, distribution, distribution transport, and retail.

Thank you,

Spencer Sitnik

██████████

www.AccessRosin.com

Los Angeles, CA

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From: Pamela Epstein <pamela@edenenterprises.com>
Sent: Tuesday, May 19, 2020 5:00 PM
To: Robert Rickman <Robert.Rickman@cityoftracy.org>; Nancy Young <Nancy.Young@cityoftracy.org>; Dan Arriola <Dan.Arriola@cityoftracy.org>; Rhodesia Ransom <rhodesia.ransom@cityoftracy.org>; Veronica Vargas <veronica.vargas@cityoftracy.org>; Tracy City Council <tracycitycouncil@cityoftracy.org>; Web - City Clerk <CityClerk@cityoftracy.org>
Cc: [REDACTED]@edenenterprises.com>; Eden Enterprises Licensing <licensing@edenenterprises.com>
Subject: Comments on Tracy City Council Agenda Item 3.C - May 19, 2020

Dear Honorable Mayor Rickman, Mayor Pro Tem Young, and City Council Members:

Please see the attached comment letter for tonight's City Council Agenda Item 3.C - Approve Cannabis Business Permit Application Procedures and Guidelines. We submit this letter for the record.

Thank you for your consideration.

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Pamela N. Epstein, Esq., LL.M

General Counsel and Chief Regulatory and Licensing Officer

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www.EdenEnterprises.com

May 19, 2020

Robert Rickman, Mayor
Nancy Young, Mayor Pro Tem
Dan Arriola, Council Member
Rhodesia Ransom, Council Member
Veronica Vargas, Council Member
Robert.Rickman@cityoftracy.org
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City of Tracy City Council
333 Civic Center Plaza
Tracy, CA 95376

RE: RECOMMENDATIONS ON AGENDA ITEM 3.C TO MODIFY THE CITY'S DRAFT CANNABIS BUSINESS PERMIT APPLICATION PROCEDURES AND GUIDELINES.

Dear Honorable Mayor Rickman, Mayor Pro Tem Young, and City Council Members:

This letter is submitted on behalf of the Eden Enterprises, Inc. ("Eden") in support of Agenda Item 3.C on the May 19, 2020 City Council Agenda - Approve Cannabis Business Permit Application Procedures and Guidelines. With a lens on engaging meaningfully in the City's Application process, this letter includes recommendations based on Eden's nearly two-decades of compliant cannabis operators with operations across the supply chain. Eden's expertise includes its General Counsel and Chief Regulatory and Licensing Officer who is a sitting California Cannabis Industry Association Board-member, Co-Chair of the Retail and Distribution Committee and former Special City Attorney for the City of Hollister responsible for the advising and drafting of the commercial cannabis ordinance, implementing regulations and application process.

I. The Inherent Value of Eden’s Nearly Two Decades of Commercial Cannabis Storefront Retail Experience in Northern California.

As a legacy Storefront Retailer, Eden’s Garden of Eden – Hayward (“GOE”) has been serving and supporting the Alameda County community, since 2003. GOE enjoys a pristine track record of compliance, having been the purveyor of high-quality tested products to over 30,000 customers and patients and counting. GOE is known throughout the community as an exemplary business and has been a sustaining member in the Castro Valley/Eden Area Chamber of Commerce since 2010. GOE's principals Soufyan AbouAhmed and Shareef El-Sissi are also the co-founders of TREEZ.0F¹ TREEZ is one of the State's leading point of sale and inventory management software providers servicing a third of the California retail market amongst other states.^{1F}² Along with operating GOE, Eden has secured licenses along the supply chain including a second retail location in Alameda County (securing the highest score in the County competitive licensing process), Distribution and Manufacturing in the City of Watsonville, Storefront Retail, Cultivation, Manufacturing and Distribution in Union City, and Cultivation in Calaveras County (State secured, local in process).

GOE and Eden have a strong history of charitable contributions and humanitarian endeavors in which they are responsible for the donation of tens of thousands of dollars and, during the recent times of COVID-19, much needed PPE to crucial organizations such as Meals on Wheels of Alameda County, Sutter Health Hospital Tracy, Union City as well as committing countless employee volunteer hours. Eden has a strong interest in bringing that same quality and community benefits to a potential Storefront Retail operation in the City of Tracy. Eden has been tracking the City’s cannabis process and supports the City’s foresight and fortitude in navigating the complexities of cannabis regulation. This letter is submitted in strongest support of the City’s well-reasoned efforts and provide additional recommendations for improving the proposed Application.

Eden encourages the City Council to approve the Procedures and Guidelines for Cannabis Business Permit Applications in order to move the City’s program forward. It is with the foundation of practical experience that Eden suggestions the following recommendations for the Council’s consideration.

¹ www.treez.io.

² TREEZ provides inventory management to retail operators in Arizona, Nevada, Michigan, Massachusetts, and Oregon, while continuing to expand its nationwide and California footprint.

II. Eden Recommends the Council Make Limited Adjustments to its Proposed Application Process in Order to Guard Against Abuse While Achieving Optimization and Clarity.

The Proposed Application Procedures and Guidelines describe a three-step process to obtain a permit - 1) the filing of the Application, 2) review and scoring of the Application by staff for eligibility, and 3) the award of a permit, which involves an evaluation and scoring of community benefits. The process includes an allocation of points by cannabis businesses demonstrating community engagement and local ownership, among other categories.

With regard to the Application process, Eden strongly recommends and supports the Council transitioning away from the random lottery style selection process should the final scores (a result of the sum of Phase 1 and 2 scores) be tied. Rather, it is recommended the tie be heard and decided upon by the Council directly, as that will result in a discussion on the merits of each Application and identify the best and most qualified Applicants, rather than the luckiest.

In support of sourcing the most qualified Applicants and providing maximum clarity, the following modifications and recommendations are offered for consideration.

a. **The Community Benefits Contributions Should be Refined and Clarified.**

Eden cares deeply about community and is dedicated to developing a synergistic and thriving economy. A core tenant of Eden's operational mission is to make a meaningful impact on the cannabis industry generally and directly within the community. As such, we fully support a robust community benefits requirement.

The Council stated in previous meetings that community benefits presented by Applicants should be tied to the adopted Strategic Priorities, and that Applicants should have the flexibility to interpret and present their own ideas of how to best implement those Strategic Priorities. The Applicants will be required to enter into an agreement with the City to ensure the public benefit contribution presented in their Application, either as a Community Benefit Agreement or a Development Agreement (depending on the permit type and circumstances according to the Staff Report).

Since the last Council meeting, the Application has been revised to reflect the Council's desire to tie in the Strategic Priorities and to include opportunities for the Applicant to propose monetary contributions and/or volunteer hours to bolster the community benefit. The Council's defined

Strategic Priorities are (1) Economic Development, (2) Governance, (3) Public Safety, and (4) Quality of Life. The revised Application states:

City Council Strategic Priorities – Describe and quantify the community benefit and how it facilitates or better furthers one or more of the City Council’s adopted Strategic Priorities, for example, by:

Total Financial Contribution - Quantify the extent of the financial contribution as a component of the community benefit. The higher the contribution, the higher the points awarded; and/or by:

Total Hours of Commitment – Quantify the extent of the involvement in volunteer hours that will be dedicated to furthering one or more of the City Council’s Strategic Priorities. The higher the contribution, the higher the points awarded.

However, instead of promoting the kind of flexibility and diverse proposals to Applicants that the Council expressed, the changes directly tie points to two specific and exclusive benefits - money and time. While direct financial contributions are an important component of any community benefits plan, the Council should be cautious of sparking a “in theory or name only” intentions and false promises by applicants that are neither financially feasible or practical. A Development Agreement or its equivalent does not eliminate the risk of falling short of initial promises given the amount of time that passes between submitting an Application, signing a Development Agreement and commencing with operations.

The current section framework serves only to limit the quality and creativity of community benefits proposals. Diversified community benefit plans that include details for different types of community benefits will result in robust well-rounded customized proposals.

i. The Community Benefits Section Should Contain Detailed Categorization for Point Allocation and Distribution.

As compared to other sections of the Application, the Community Benefits section fails to include a high level of detail specifically with respect to what qualifies and how the points are allocated.

The Council should consider providing additional direction. The City of West Hollywood’s application can serve as a real world example of a City who placed significant emphasis on an

Applicant’s community benefits and engagement sub-sections utilizing a competition points based application process. (**Exhibit A**).

- Community Engagement—Overall quality and detail of the proposed Community Engagement Plan; including, understanding of the community, its values, the City’s unique aspects, and how the business plans to integrate into the community.
- Engagement with Local Non-Profits—Community Engagement Plan includes work with local non-profits and other community groups (volunteer efforts, partnerships, etc..). West Hollywood non-profits (or those that serve West Hollywood) are preferred.
- Community Events—Community Engagement Plan includes participation in West Hollywood community events.
- Local Business Partnerships—Community Engagement Plan includes partnerships with existing West Hollywood businesses (for example: the procurement of goods and services from local businesses).
- West Hollywood Core Values—Community Engagement Plan and business plan actively incorporates the City of West Hollywood’s mission statement and core values.

These kinds of details and categories can better serve the City by motivating Applicants to truly engage in the community, along with the more direct financial and volunteer hour contributions.

Further clarification is needed regarding the types of activities and events that would qualify for points allocation. For example, over last Veteran’s Day weekend, Eden partnered with the Rossmoor retirement community in Walnut Creek, the Sweetleaf Collective³, and Operation EVAC⁴ for the kick-off of Eden’s “Compassion over Destruction: Eden’s Post Cannabis Events Zero Waste Initiative.” Through the initiative Eden was able to compliantly facilitate 2,500 unsold clean, tested and compliant cannabis products at the end of a permitted temporary cannabis event that otherwise would have been destroyed. How would such an event, initiative or program be evaluated pursuant to the City’s current process?

Monetary donations are critical, but it is these kinds of programs and efforts that can truly make a direct and meaningful difference in the lives of local residents. Although Eden will always

³ Sweetleaf Collective has been providing medical cannabis to HIV/AIDS & Cancer patients since 1996.

⁴ OperationEVAC working with military veterans through community service.

continue these efforts regardless of permit applications, it is important to fully understand the points allocations as it is unclear how much the City will weigh these kinds of events or if they would qualify as volunteer hours.

- ii. The City Should, Where Applicable to Applicants, Require Verification of Past Community Benefits Commitments.*

Verifying an Applicant’s prior ability to establish and satisfy previous community benefits obligations enables the City to forecast viability of the Applicants proposal leading to fully informed decision-making. Eden encourages the Council to require Applicants to “show their work” and provide detailed accounting to the assertions and proposed community activities in each proposal particularly where the Applicant has been under prior community benefit obligations in another jurisdiction. Without such verification, Applicants may provide lofty goals to maximize points during the Application process, only to honor a fraction of the commitments made. Potential Operators’ history and behavior is a predictor of future actions and the City and its residents deserve the benefit of knowing the caliber and character of their Operators.

- b. It is Recommended the City Consider a Clarified and Expanded Local Preference Plan Section.**

At the last Council meeting, the Council directed staff to make some adjustments to the Local Preference Plan section. Consequently, the criteria related to local preference has been weighted with additional points, reflecting Council’s desire to provide additional opportunity for local applicants/business owners. The Local Preference Plan section is broken down into three subsections, of which the local ownership percentage and economic inclusion require clarification.

- i. Fifty-One Percent (51%) Local Ownership Should Adjusted to Provide Maximum Benefits to the City.*

The Application provides “[to] the extent to which the Cannabis Business will be a locally managed enterprise whose owners (at least 51%) reside within the City of Tracy. Applicants must show proof that at least 51% of the owners have been residents of Tracy for at least 2 years prior to June 6, 2020. Such proof shall consist of a utility bill with owners name(s), a lease, a deed, or other similar documentation.”

As a definitional matter, the City needs to clarify what is meant by to “reside within the City Tracy.” The definition should take a broad brush to include cover instances where an individual

resides within a City of Tracy zip code and Tracy is listed as the city in an address of record but is not technically within the City limits. Such an individual would identify as a resident in Tracy and would satisfy the spirit and intent of the local preference component as they would be able to steward the business and ensure compatibility.

The City may also want to reconsider setting the local preference thresholds as controlling interest - 51% or greater – such a threshold hinders the ability for effective and meaningful partnerships. If the goal is for the best operator, businesses should be able to engage in partnership where an operational actor works synergistically with a local partner resulting in the best of both worlds - an Applicant who is well capitalized with a strong understanding of regulatory and operational challenges along with a community partner with hands-on knowledge and experience within the local community. The specifics of this partnership should not be artificially constrained with controlling interest place, not by experience or finances but point allocation, is harmful and often results in convoluted corporate structuring that undermines the intent of the Council. A more equitable approach is to employ a weighted system of point allocation for over or under 50% or alternatively no minimum.

ii. Economic Inclusion (Production) Should be Redefined and Expanded Allowing Maximum Local Preferences.

Eden recommends widening the scope of the economic inclusion to include preference and commitment for (a) building strategic local business partnerships; (b) local hire preference to increase the availability of jobs for Tracy and San Joaquin County residents, (c) and encouraging the use of local products where feasible for Tracy operators. Allocating points based on constraining procurement of cannabis and cannabis products to San Joaquin County is a methodology which, while well-intended has a high likelihood of capping revenue by artificially constraining the supply chain, significantly diminishing competitive diversity and ultimately depriving consumers as all operators will attempt to honor the City's commitment for point allocation. It is important to note that within San Joaquin County there are few jurisdictions, namely the County and the City of Stockton, that are moving forward with regulating commercial cannabis and the State has not issued permits for operational cultivation and manufacturing operators according to licensing data from the California Department of Agriculture and the California Department of Public Health. Therefore, the City should focus less on procuring local products and provide more points allocations to local hire and local business engagement that will benefit all residents and businesses in the City.

c. The Application’s Testing SOP Requirement is Superfluous as Drafted Given the State Mandated Requirements for Testing.

The Business and Operations Plan section of the Application includes a subsection for “Conformance with State Testing – Describe the SOPs for how all cannabis products on the premises have met the testing requirements as defined by the State.” However, a cannabis testing SOP is not applicable to Retailers. Pursuant to the State’s licensing rhetoric, retailers are not charged with the responsibility of testing. All cannabis products come to a retailer in final form and must be accompanied by Certificate of Analysis or “COA” confirming the product has passed all regulatory quality assurance compliance testing by a licensed third-party Testing Lab.⁵ Testing is facilitated by a Distributor upon securing cannabis products from a licensed Manufacturer or Cultivator. What we believe the City is looking for is housed within a Retail Applicant’s Inventory Control SOPs regarding verification of cannabis products and inventory intake procedures to include verification of a passing COA. We ask that the Council clarify this requirement.

d. The Application’s Limitation on the Number of Pages Should Either be Eliminated or Increased.

The City is limiting the number of pages in the Application to 125 one-sided 8.5x11 pages despite Application’s *6 Sections and 20 subsections*, many of which may require longer financial or other documentation. Though we understand that staff time is limited and support the City’s efforts to make the process as efficient as possible, Eden has seen firsthand how page limits can fundamentally affect the quality of an Application. Page limits can frustrate the accurate presentation of information. Pro formas, endorsement/recommendation, will-serve letters, and sample SOPs can monopolize significant pages. Such information is critical to fully examining the caliber of the Applicant and verify assertions made within the Application.

We recommend the City to either eliminate or increase the number of pages, or in the alternative condition the Application to reasonable and relevant information providing the City the discretion to deem irrelevant extraneous information improperly provided by the Applicant.

⁵ Business and Professions Code section 26100; § 5406. Cannabis Goods for Sale; BCC Regulations Article 3. Sampling Cannabis and Cannabis Products.



III. Conclusion.

Eden reiterates its strongest support of City Council in its efforts to bring a successful cannabis program to the City. We encourage the Council to approve the Application with the recommended amendments described herein. Eden is committed to continuing to advance the cannabis industry and community engagement and looks forward to participating in the City's Application process.

Thank you for your consideration and the opportunity to provide these recommendations.

Respectfully,

Pamela N. Epstein Esq. LLM
General Counsel, Eden Enterprises, Inc.
Office: 510-906-0660
Email: pamela@edenenterprises.com

From: letty <[REDACTED]>
Sent: Tuesday, May 19, 2020 6:55 PM
To: Tracy City Council <tracycitycouncil@cityoftracy.org>
Subject: Tracy Cannabis Ordinance

Good evening Council,

The ordinance presented tonight counters the communities expectations for Proposition 64. There are elements that are missing related to the voters view and the purpose of the proposition as it relates to inclusion and fairness. Also there are sections that are not in line with the State. The community would like to meet with a member from the City Council, the planning department, the planning commission, HDL and the Tracy Police Department for the purpose of discussing and revising these key elements.

My best regards,

Letty Moran

c [REDACTED]

-----Original Message-----

From: Yolanda Magana <[REDACTED]>
Sent: Tuesday, May 19, 2020 1:05 PM
To: Public Comment <publiccomment@cityoftracy.org>
Subject: City Council Meeting Public Comment

Hi there. Hope everyone is doing well. I wanted to ask the dog park be opened up and playgrounds. Mountain House & Modesto have opened their playgrounds. Kids who live in apartments or houses with small backyards have had this quarantine harder than most kids. And children in general have not been able to climb, swing & slide in months. The sun kills germs and outside has fresh air.

Also, now more than ever, our parks and nature park have become that more important to our community. I hope the Council will place parks and the nature park as part of their top priorities. With expanding more benches & sitting areas, shade, trails, and open grass area. Mountain House parks are a perfect example of what we need here. Since this quarantine could happen again, we need to make sure we have space for families to be outside. Its important for our physical AND mental health.

Also, having classes that are offered through Parks & Rec be ready to be flexible for online learning should this happen again. Many classes can be easily done through Zoom or other online sources. Our kids (and adults, especially our older adults) need that interaction and activities to keep busy and distracted through these times. At least have the option for people to continue online or get a refund. This should also pertain to the Library. Resources and online classes should be offered and promoted. Grants can be sought for kits that could be distributed to kids to offer online STEM, art or crafts classes. Story time could be help online and authors can be asked to do readings online. Also the same performers that the Library gets for summer shows and through out the year could do a show or presentation online. Or they can be recorded and shown during quarantine in the future. We need to brainstorm and encourage ideas for the future.

Thank you,
Yolanda Magaña
Tracy, Ca

Sent from my iPhone

From: Eleassia Davis <[REDACTED]>
Sent: Tuesday, May 19, 2020 7:05 PM
To: Public Comment <publiccomment@cityoftracy.org>
Subject: Public Comment

Good evening Mayor Rickman and Members of the Council,

I'm advocating for our council to take proactive steps to reopen our city for all businesses in a timely, safe and efficient manner.

While we should all be concerned about the health and safety of our fellow neighbors, we should also be concerned about the long-term impact of keeping businesses closed or operating in a manner that makes it economically inviable for those businesses to sustain.

A healthy business community is the foundation of any successful municipality. I'm disappointed that in the time that we've been closed, that Tracy has not used that time to devise a plan to safely reopen.

Two months seems like enough time to talk with business owners about next steps-assessing their places of business and determining the steps they would need to take to ensure the health and safety of those who enter their establishments.

Please work with local business owners and help them get those businesses open with health and safety in mind. Sadly, it's already too late for some but there's time to save the others, if we act now. And moving forward, I'd like to see our city commit to devising a local emergency response plan that protects our small- business community without necessarily having to rely on direction or funding from the State. Hopefully, there isn't a next time, but just in case, I hope this serves as a lesson for us to better prepared.

Respectfully, Eleassia Davis, Tracy Resident