



**Contra
Costa
County**

To: Board of Supervisors

From: John Kopchik, Director, Conservation & Development Department

Date: September 14, 2021

Subject: 703 Chesley, LLC Community Benefit Agreement

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Conservation and Development Director, or designee, to execute a community benefits agreement with 703 Chesley, LLC, effective upon approval of a use permit, to pay the County amounts based on operating income and provide specified community benefits in connection with 703 Chesley LLC's commercial cannabis cultivation facility, North Richmond area.

FISCAL IMPACT:

Approval of this agreement will allow the County to receive from 703 Chesley LLC on an annual basis an amount equal to the greater of (i) five percent (5%) of the Operating Income for that Operating Year, or (ii) the annual minimum payment for the Operating Year ("Minimum Payment"). The Minimum Payment for the first Operating Year is \$19,000. Beginning with the second Operating Year, and for each Operating Year thereafter, the Minimum Payment for the Operating Year shall increase based on any increase in the Consumer Price Index for the San Francisco-Oakland-Hayward Combined Statistical Area (U.S. Bureau of Labor Statistics) for the 12-month period ending on the last day of the prior Operating Year. The use of these payments will be determined by the Board of Supervisors, in its sole discretion, consistent with the County's "Policy for Allocating Community

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **09/14/2021** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Diane Burgis, District III Supervisor
Karen Mitchoff, District IV Supervisor
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: September 14, 2021

Monica Nino, County Administrator and Clerk of the Board of Supervisors

By: Stacey M. Boyd, Deputy

Contact: Sean Tully, (925)
655-2878

cc:

Benefits Funds Received from Approved Commercial Cannabis Business" or any subsequent policy then in effect, and is intended for use to benefit the North Richmond community.

BACKGROUND:

On June 26, 2018, the County Board of Supervisors (Board) adopted Zoning Ordinance Chapter 88-28 - Cannabis Regulation. Following that Board action, a request for proposals was issued by County staff seeking qualified applicants. Full proposals were received from 21 prospective applicants. Many proposals, including the proposal from 703 Chesley LLC, included voluntary commitments to make community benefits or perform other voluntary actions to benefit the community. A multi-departmental team of County staff scored and ranked each proposal. On December 10, 2019, the Board of Supervisors reviewed the results of the scoring and selection process and chose 703 Chesley LLC along with nine other applicants to have an opportunity to establish commercial cannabis cultivation facilities within the County.

In response, 703 Chesley LLC submitted the required land use permit application (County File #CDLP20-02015). This application was subsequently approved at the February 17, 2021, Zoning Administrator public hearing. As part of the 703 Chesley LLC submittal, 703 Chesley LLC pledged a voluntary annual monetary payment to the County that the County would use to fund actions to benefit the community. Additionally, to the extent permitted by applicable local, state, and federal laws and regulations, and to the extent practicable, 703 Chesley LLC has also pledged to hire locally, purchase materials and supplies locally, and participate in the North Richmond Resource Center. The proposed community benefits agreement memorializes these commitments.

CONSEQUENCE OF NEGATIVE ACTION:

If this agreement is not approved, the County will not receive funding for various services and programs and without such an agreement 703 Chesley LLC may not be allowed to operate within the County.

ATTACHMENTS

Community Benefits Agreement