

South 9th Street Corridor Plan

RECEIVED

MAR 06 2024

STANISLAUS CO. PLANNING & COMMUNITY DEVELOPMENT DEPT.

YOU'RE INVITED!



Stanislaus County wants to hear from you on how to improve the experience along South 9th Street for walking, biking, and transit and the types of development you would like to see within the corridor.



6 - 8 PM

19

March

Corridor Community Workshop

Tuolumne Elementary School,
707 Herndon Rd

Scan Me



WE WANT TO HEAR FROM YOU

- What are the challenges for the corridor?
- How can the County enhance the corridor visually and economically?

Food and refreshments provided!
Children are welcome!

9 - 10:30 AM

20

March

Corridor Walking Audit

Meet at the corner of
Bystrum Rd & Latimer Ave

to RSVP
or visit
bit.ly/S9thStPlan

Contact Us

Planning and Community
Development
(209) 525-6330



Join us for a walking audit on South 9th Street. Please RSVP at:
bit.ly/South9thStWalk

Plan para la zona sur del corredor de la calle 9

¡ESTÁS INVITADO!

Ayuda al condado de Stanislaus a mejorar la experiencia de peatones y ciclistas, y las condiciones del transporte público a lo largo de la zona sur del corredor de la calle 9.

6 - 8 PM

19

Marzo

Taller comunitario del corredor

Escuela primaria Tuolumne, ubicada en 707 Herndon Rd



Cuéntanos:

- ¿Qué cambios te gustaría ver en esta zona?
- ¿Qué problemas hay en el corredor?
- ¿Qué puede hacer el Condado para mejorar el corredor visual y económicamente?

¡Se proporcionan refrigerios!

¡Los niños son bienvenidos !

9 - 10:30 AM

20

Marzo

Auditoría Peatonal

Punto de reunión en la esquina de Bystrum Rd y Latimer Ave.

Escanéa el código QR



para confirmar tu asistencia ó visita

bit.ly/S9thStPlan



Llámanos al

Planificación y desarrollo comunitario
(209) 525-6330



CIVICWELL

FEHR PEERS



PLACEWORKS

Stanislaus County Planning Commission
1010 10th St. Suite 3400
Modesto, CA 95354



Attention: Wayne Pacheco, Chair
Re: People's Remedy Development Agreement No. PLN2020-0036
Letter in Support of Denying Staff Request to Cancel

Chair Pacheco and Members of the Commission-

On behalf of The People's Remedy (TPR) we are writing to ask for your consideration to deny staff's request to recommend cancellation of our Development Agreement due to debt accrued over the last two and a half years of operations, based on the unsustainable minimum payment structure contained in our Development Agreement as discussed in further detail below.

First, it is important to emphasize, that on February 7 we made an offer to resolve the \$231,885.00 Debt with an immediate good faith payment of \$50,000.00 and a payment plan consisting of monthly payments of \$20,000.00 in addition to continuing with regular payments of 8% of our gross revenue in accordance with the original intent of the Development Agreement payment structure. Please see Attachment 1: 'TPR Offer to Resolve CBR Debt'. This offer stands today.

As to the fundamental issue that has taken TPR to this point, the Flat Fee payment structure contained in Development Agreements for Stanislaus County's Cannabis Retailers was originally based on business revenues and financial projections from as far back as 2019-2020, when existing operators were first applying for permits. At that time, there were far fewer cannabis retailers across this region, and customer market share was largely concentrated to the seven (7) existing operators in Stanislaus. Following the establishment of the Flat Fee's as contemplated in these Development Agreements, City of Modesto approved eight (8) stores within its jurisdiction, and cities across San Joaquin, Stanislaus, and Merced have since approved many more retail locations, resulting in dilution of customer market share and decrease in sales with over thirty (30) stores across the region.

Moreover, toward the end of 2021, oversupply of cannabis Statewide, along with the continuing presence of the black market, caused further decline of sales at licensed cannabis retail stores, further exacerbating the discrepancy between these mandatory minimum payments and 8% of actual sales. In Attachment 2, referenced below, you will see that between Q3 and Q4 2021, the stores total sales dropped by approximately 40%, from \$1,481,805.83 to \$756,305.21

Since actual sales have fallen drastically short of the initial financial projections upon which the minimum payments were based, and as these minimum payments were intended to be comparable to 8% of sales, this major discrepancy has caused several operators to become 'underwater' on payments to the County, including TPR. Attached for your reference is TPR's Community Benefit Balance Detail (Attachment 2) demonstrating that the minimum 'Flat Fee Payments' have exceeded 8% of our revenue since the beginning of 2020. Notably, the \$82,800.00 flat fee minimum assessed in Q3 2023, represents over 15% of the \$536,354.00 in total revenue collected for that quarter.

Although the County adjusted the terms of TPR's Development Agreement in 2022, the adjustment was also based on sales from 2020 and 2021, which were far greater than current sales, meaning the discrepancy has continued. However, it is also important to note, that over the course of the term of its Development Agreement, TPR has paid over \$2.3M dollars to the County, which is more than any other Cannabis Retailer.

Despite poor market conditions and resulting financial hardship, unlike the operator whose Development Agreement was cancelled over debt exceeding \$1,000,000.00 in part based on previous unpermitted activity, TPR has maintained an unblemished regulatory record, and has continued to make good faith payments of 8% of revenues since Q1 of 2022, as making the minimum payments was simply unaffordable and infeasible to maintain the business as a going concern. There were also subsequent payments made to resolve intermittent balances accrued, further demonstrating TPR's efforts to pay what it could afford.

It must be noted that a Retail Cannabis Business also pays 15% Cannabis Excise tax to the State, as well as 8% Sales Tax, both in addition to the County's Community Benefit Rate. As to the proportion of sales allocated to the County's Flat Rate payments which initially were modeled to represent 8% of future financial projections, those Flat Rate Payments currently represent approximately 20% of actual sales, constituting a local financial obligation that is simply unsustainable for any business.

It is also extremely important to keep in mind that the County is also in process of considering a cannabis tax that would replace the Development Agreement structure, and, this forthcoming tax structure, as proposed, does not include flat fee payments, with operators contemplated to pay only 8% of their actual sales to the County. In recent hearings considering renewal of other Cannabis Development Agreements, Board members have indicated their preference that the renewed terms of the Development Agreements mirror the tax structure.

This is the entire basis of our offer to resolve the debt accrued to date with a parallel request for adjustment our Development Agreement Fees to more closely reflect 8% of our current sales, placing our local financial obligation in line the forthcoming tax.

Instead of cancelling our Development Agreement and revoking our permit, we are requesting your thoughtful consideration, in the interest of maintaining an otherwise viable business, avoiding loss of jobs for our employees, and maintaining the business as a legitimate source of revenue to the County on fair and manageable terms, just as the County is proposing to do through the upcoming tax.

We appreciate your consideration.

Respectfully,



Zach Drivon, General Counsel
The People's Remedy

Attachment 1:
TPR Offer to Resolve CBR Debt

From: Zach Drivon <zach@drivonconsulting.com>
Subject: Re: Referral to Planning for DA Default
Date: February 7, 2024 at 11:58:28 AM PST
To: Jeremy Ballard <BALLARDJ@stancounty.com>
Cc: Mark Ponticelli <mark@peoplesremedy.com>, Jesus Marquez Mendoza <mendozaje@stancounty.com>, Erica Inacio <inacioe@stancounty.com>, William Shirley <shirleyw@stancounty.com>

Good Morning All-

Thank you for your patience as we have been exploring our ability to resolve the now outstanding debt on Community Benefit Rate Payments in the amount of \$231,885.99.

Notwithstanding our prior request to have a portion of these fees forgiven, in order to make the County whole and prevent the scheduling of permit revocation hearings before the Planning Commission and Board, **the following is our proposal to pay the outstanding amount in full by way of an initial down payment, and monthly installments on the balance.** Please understand, this **payment plan takes us to the furthest extent of the Company's current financial wherewithal.**

This proposal is also being **submitted in parallel** with our request (and forthcoming applications through Planning) that TPR be allowed to immediately advance **1) A DA Amendment application which would adjust our community benefit rate payments down to a rate commensurate with 8% of gross revenue to be effective as of Q1 2024, and 2) A CUP Amendment application that would propose approval of adding indoor cultivation and distribution uses at the facility,** to increase our revenue and lower overhead costs associated with inbound inventory from 3rd party distributors.

Accordingly, our debt resolution proposal is as follows: -
\$231,885.99

**1. Initial Payment of \$50,000.00 by 2/16/2024 (Leaving
Balance of \$181,885.99) +**

**(9) Monthly Payments of \$20,209.56 to be paid, in
addition to adjusted community benefit rate payments
moving forward on the following dates-**

-3/16/24 (payment 2): \$20,209.56

-4/16/24 (payment 3): \$20,209.56

-5/16/24 (payment 4): \$20,209.56

-6/16/24 (payment 5): \$20,209.56

-7/16/24 (payment 6): \$20,209.56

-8/16/24 (payment 7): \$20,209.56

-9/16/24 (payment 8): \$20,209.56

-10/16/24 (payment 9): \$20,209.56

-11/16/24 (payment 10): \$20,209.56

We look forward to discussing the County's
amenability to our proposal ASAP, and would request
that the publication of the upcoming Planning

Commission hearing agenda exclude an item contemplating the revocation of our permit as we work to resolve.

Sincerely,

Zach Drivon, General Counsel
The Peoples Remedy

From: Zach Drivon
Sent: Tuesday, February 6, 2024 4:39 PM
To: Jeremy Ballard <BALLARDJ@stancounty.com>
Cc: Mark Ponticelli <mark@peoplesremedy.com>; Jesus Marquez Mendoza <mendozaje@stancounty.com>; Erica Inacio <inacioe@stancounty.com>; William Shirley <shirleyw@stancounty.com>
Subject: Re: Referral to Planning for DA Default

We will put a proposal in writing for you tomorrow via email and hopefully we can discuss early Thursday.

The proposal will include a significant pay down with an upfront payment that can be made within the next two weeks.

-Zach
Sent from my iPhone

On Feb 6, 2024, at 4:05 PM, Jeremy Ballard <BALLARDJ@stancounty.com> wrote:

Zach,

I am going to be in an interview panel all day tomorrow, so I won't be available. The PC agenda is going to be live likely on

Thursday, fyi.

From: Zach Drivon <zach@drivonconsulting.com>
Sent: Tuesday, February 6, 2024 4:02 PM
To: Mark Ponticelli <mark@peoplesremedy.com>; Jeremy Ballard <BALLARDJ@stancounty.com>
Cc: Jesus Marquez Mendoza <mendozaje@stancounty.com>; Erica Inacio <inacioe@stancounty.com>; William Shirley <shirleyw@stancounty.com>
Subject: Re: Referral to Planning for DA Default

***** WARNING:** This message originated from outside of **Stanislaus County. DO NOT** click links or open attachments unless you recognize the sender and know the content is safe *******

Hello Jeremy, Erica and Team-

Can we jump on a call tomorrow at 10:30am to discuss a proposal for resolution of the outstanding Community Benefit Rate payment debt?

Please let us know your earliest availability.

Best,

-Zach

From: Mark Ponticelli <mark@peoplesremedy.com>
Sent: Tuesday, February 6, 2024 3:53 PM
To: Jeremy Ballard <BALLARDJ@stancounty.com>; Zach Drivon <zach@drivonconsulting.com>
Cc: Jesus Marquez Mendoza <mendozaje@stancounty.com>; Erica Inacio <inacioe@stancounty.com>; William Shirley <shirleyw@stancounty.com>
Subject: Re: Referral to Planning for DA Default

I will talk to Zach and get back to you.

[Get Outlook for iOS](#)

From: Jeremy Ballard <BALLARDJ@stancounty.com>
Sent: Tuesday, February 6, 2024 12:20:44 PM
To: Zach Drivon <zach@drivonconsulting.com>; Mark Ponticelli <mark@peoplesremedy.com>
Cc: Jesus Marquez Mendoza <mendozaje@stancounty.com>; Erica Inacio <inacioe@stancounty.com>; William Shirley <shirleyw@stancounty.com>
Subject: RE: Referral to Planning for DA Default

Zach and Mark,

Any word on these. Getting close to needing them asap. Thanks.

From: Jeremy Ballard
Sent: Wednesday, January 31, 2024 9:00 AM
To: Zach Drivon <zach@drivonconsulting.com>; Mark Ponticelli <mark@peoplesremedy.com>
Cc: Jesus Marquez Mendoza <mendozaje@stancounty.com>; Erica Inacio <inacioe@stancounty.com>; William Shirley <shirleyw@stancounty.com>
Subject: RE: Referral to Planning for DA Default

Zach and Mark,

Please see the link below for the Levine Act Disclosure forms that are required for the proceedings. We are going to need to publish the report by next Thursday so please return the form no later than COB Tuesday. Thank you.

[Form \(stancounty.com\)](#)

From: Zach Drivon <zach@drivonconsulting.com>
Sent: Wednesday, January 17, 2024 3:10 PM
To: Jeremy Ballard <BALLARDJ@stancounty.com>; Mark Ponticelli <mark@peoplesremedy.com>

Cc: Jesus Marquez Mendoza <mendozaje@stancounty.com>; Erica Inacio <inacioe@stancounty.com>; William Shirley <shirleyw@stancounty.com>

Subject: Re: Referral to Planning for DA Default

***** WARNING:** This message originated from outside of **Stanislaus County**. **DO NOT** click links or open attachments unless you recognize the sender and know the content is safe ***

Good Afternoon Jeremy-

We are still pursuing options for financing and will likely have an offer to resolve in the next 2-3weeks.

We appreciate the update.

Thank you.

-Zach Drivon

From: Jeremy Ballard <BALLARDJ@stancounty.com>

Sent: Wednesday, January 17, 2024 11:01 AM

To: Mark Ponticelli <mark@peoplesremedy.com>; Zach Drivon <zach@drivonconsulting.com>

Cc: Jesus Marquez Mendoza <mendozaje@stancounty.com>; Erica Inacio <inacioe@stancounty.com>; William Shirley <shirleyw@stancounty.com>

Subject: Referral to Planning for DA Default

Mark and Zach,

As you are aware the DA for The Peoples Remedy has been previously referred to the Planning Department on November 20th due to default from nonpayment of Community Benefit Rate fees. Additionally, the CEO's office provided a deadline of December 22nd for any action on a remedy to the default. As a balance for the rate fees still exist and no other action has been taken to

remedy the default, the Planning Department is proceeding forward with the cancellation process. Unless payment is received in full, we are targeting the February 15th Planning Commission meeting to begin the process. Let me know if you have any questions, thanks.

Jeremy Ballard
Senior Planner
Stanislaus County Planning and Community Development
1010 10th Street Suite 3400
Modesto, CA 95354
(209) 525-6330

Attachment 2:
TPR Community Benefit Balance Detail

The People's Remedy - Community Benefit Balance Detail

Period	Payment Date	Gross Receipts	8% of GR	DA Flat Rate	Total CBR Fees	Interest	Subtotal	Payments	Credits*	Balance Due
Q1 2020	4/30/2020	\$ 1,386,858.00	\$110,948.64	\$150,000	\$150,000	\$	\$ 150,000.00	\$ 150,000.00	\$	\$ -
Q2 2020	7/30/2020	\$ 1,746,942.92	\$139,755.43	\$150,000	\$150,000	\$	\$ 150,000.00	\$ 150,000.00	\$	\$ -
Q3 2020	10/30/2020	\$1,667,696.88	\$133,415.75	\$150,000	\$150,000	\$	\$ 150,000.00	\$ 150,000.00	\$	\$ -
Q4 2020	1/29/2021	\$ 1,418,442.20	\$113,475.38	\$150,000	\$150,000	\$	\$ 150,000.00	\$ 150,000.00	\$	\$ -
Q1 2021	4/30/2021	\$ 1,568,392.00	\$125,471.36	\$158,750	\$158,750	\$	\$ 158,750.00	\$ 158,750.00	\$	\$ -
Q2 2021	7/30/2021	\$ 1,437,134.61	\$114,970.77	\$158,750	\$158,750	\$	\$ 158,750.00	\$ 158,750.00	\$	\$ -
Q3 2021	11/30/2021	\$ 1,481,805.83	\$118,544.47	\$158,750	\$158,750	\$ 16,688.75	\$ 175,438.75	\$ 175,438.75	\$	\$ -
Q4 2021	1/31/2022	\$ 756,305.21	\$60,504.42	\$158,750	\$158,750	\$	\$ 158,750.00	\$ 158,750.00	\$	\$ -
Q1 2022	4/29/2022	\$ 872,149.00	\$69,771.92	\$82,800	\$82,800	\$	\$ 82,800.00	\$ 51,267.36	\$ 17,037.50	\$ 14,495.14
	7/26/2022							\$ 14,495.14	\$	\$ -
Q2 2022	7/26/2022	\$ 909,853.00	\$72,788.24	\$82,800	\$82,800	\$	\$ 82,800.00	\$ 82,800.00	\$	\$ 30,688.65
	10/31/2022							\$	\$ 30,688.65	\$ -
Q3 2022	10/31/2022	\$ 860,305.00	\$68,824.40	\$82,800	\$82,800	\$	\$ 82,800.00	\$ 24,232.99	\$ 16,688.75	\$ 41,878.26
	2/9/2023							\$	\$ 41,878.26	\$ -
Q4 2022	2/9/2023	\$ 825,837.00	\$66,066.96	\$82,800	\$82,800	\$ 2,484.00	\$ 85,284.00	\$ 11,855.05	\$	\$ 73,428.95
	4/24/2023							\$	\$ 47,299.60	\$ 26,129.35
	7/20/2023							\$	\$ 26,129.35	\$ -
Q1 2023	7/20/2023	\$ 735,187.00	\$58,814.96	\$82,800	\$82,800	\$ 2,898.00	\$ 85,698.00	\$ 22,157.32	\$	\$ 63,540.68
	10/12/2023							\$	\$ 42,908.13	\$ 20,632.55
Q2 2023		\$ 748,914.00	\$59,913.12	\$82,800	\$82,800	\$ 1,656.00	\$ 84,456.00	\$	\$	\$ 95,717.50
Q3 2023		\$ 536,353.58	\$42,908.29	\$82,800	\$82,800	\$ 414.00	\$ 83,214.00	\$	\$ 9,371.05	\$ 178,931.50
								\$	\$	\$ -
		Total	\$1,356,174.10	\$1,814,600	\$1,814,600	\$ 24,140.75	\$1,838,740.75	\$ 1,616,711.95	\$ 43,097.30	\$ 178,931.50

*Credits
 Q1 2022 \$17,037.50 CBC fees paid prior to cancellation retro to Q1 2022
 Q3 2022 \$16,688.75 Refund of late payment penalty in Q3 2021, per Damian Martinez
 Q2 2023 \$9,371.05 Refund of prior late payment penalties as approved by CEO's Office



March 7, 2024

MEMO TO: Stanislaus County Planning Commission

FROM: Kristy Doud, Deputy Director, Department of Planning and Community Development

SUBJECT: USE PERMIT APPLICATION NO. PLN2022-0046 – IGLESIA APOSTOLICA

In consultation with County Public Works, staff is proposing the following amendment to Condition of Approval No. 15 in order to provide consistency with the project's proposed street parking along I Street. and 5th Street. (added text is shown in bold font):

Department of Public Works

15. No parking, loading, or unloading of vehicles is permitted within the County road right-of-way **of Fink Road or Bonita Avenue.**

RECOMMENDATION

Staff recommends the Planning Commission approve Use Permit Application No. PLN2022-0046 – Iglesia Apostolica, as recommended in Exhibit A – Findings and Actions Required for Project Approval of the March 7, 2024, with the amendment to condition of approval No. 15 as outlined in this memo.