

## **AGENDA**

### **SPECIAL MEETING**

#### **ANTIOCH CITY COUNCIL: CANNABIS STANDING COMMITTEE COUNCILMEMBERS WILSON AND TORRES-WALKER**

**FRIDAY, OCTOBER 28, 2022  
2:00 P.M.**

**PURSUANT TO GOVERNOR GAVIN NEWSOM'S EXECUTIVE ORDER N-29-20,  
THIS MEETING WILL BE HELD AS A TELECONFERENCE/VIRTUAL MEETING.  
OBSERVERS MAY VIEW THE MEETING LIVESTREAMED VIA THE  
CANNABIS STANDING COMMITTEES' WEBSITE AT:**

**<https://www.antiochca.gov/csc/meeting/>**

#### **NOTICE OF OPPORTUNITY TO ADDRESS THE COMMITTEE**

Members of the public wishing to provide public comment may do so in the following way:

- 1) Prior to 1:00 P.M. the day of the meeting: Written comments may be submitted electronically to the following email address: [cityattorney@ci.antioch.ca.us](mailto:cityattorney@ci.antioch.ca.us). All comments received before 1:00 pm the day of the meeting will be provided to the Cannabis Committee at the meeting. Please indicate the agenda item and title in your email subject line.
- 2) After 1:00 P.M. the day of the meeting and during the meeting: Comments can be submitted to the Cannabis Committee verbally through the Zoom webinar. Please use the link to register and attend the webinar.  
<https://us06web.zoom.us/j/86173315326?pwd=VVhEWDMxVloxOG9iK3V3MDhneXBKUT09>

After hearing from the public, the agenda item will be closed. Deliberations will then be limited to members of the Committee.

*The City cannot guarantee that its network and/or the site will be uninterrupted. To ensure that the City Council receives your comments, you are strongly encouraged to submit your comments in writing in advance of the meeting.*

## **NOTICE OF AVAILABILITY OF REPORTS**

This agenda is a summary of the discussion items/actions proposed to be taken by the Committee. The Agendas, including Staff Reports will be posted onto our City's Website 24 hours before each Committee Meeting. To view the agenda information, click on the following link: <https://www.antiochca.gov/government/agendas-and-minutes/csc/>

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### **1. ROLL CALL**

### **2. INTRODUCTIONS**

### **3. PUBLIC COMMENT ON UNAGENDIZED ITEMS**

### **4. NATURAL SUPPLEMENTS – PROPOSED OPERATING AGREEMENT AND SOCIAL EQUITY PROGRAM (RUBICON)**

- A. Public Comment
- B. Discussion and Direction to Staff

### **5. UPDATE ON EXISTING SOCIAL EQUITY PROGRAMS**

#### **A. LEMONNADE (OPPORTUNITY JUNCTION)**

- I. Public Comment
- II. Discussion and Direction to Staff

#### **B. CONTRA COSTA FARMS (OPPORTUNITY JUNCTION)**

- I. Presentation by Alissa Friedman
- II. Public Comment
- III. Discussion and Direction to Staff

#### **C. DELTA DISPENSARY (BEAT THE STREETS)**

- I. Public Comment
- II. Discussion and Direction to Staff

#### **D. ONE PLANT (BEAT THE STREETS)**

- I. Public Comment
- II. Compliance Issues
- III. Discussion and Direction to Staff

### **6. STATE CANNABIS EQUITY GRANTS FOR LOCAL JURISDICTIONS**

- A. Presentation by Michael Macias and Khalil Ferguson
- B. Public Comment
- C. Discussion and Direction to Staff

### **7. ADJOURNMENT:** *Committee Member will make a motion to adjourn the meeting. A second of the motion is required, and then a majority vote is required to adjourn the meeting.*

**IN ACCORDANCE WITH THE AMERICANS WITH DISABILITIES ACT AND CALIFORNIA LAW**, it is the policy of the City of Antioch to offer its public programs, services and meetings in a manner that is readily accessible to everyone, including individuals with disabilities. If you are a person with a disability and require information or materials in an appropriate alternative format; or if you require any other accommodation, please contact the ADA Coordinator at the number or email address below at least 72 hours prior to the meeting or when you desire to receive services. Advance notification within this guideline will enable the City to make reasonable arrangements to ensure accessibility. The City's ADA Coordinator can be reached @ Phone: (925) 779-6950, and e-mail: [publicworks@ci.antioch.ca.us](mailto:publicworks@ci.antioch.ca.us).

**STAFF REPORT TO THE CANNABIS COMMITTEE**

**DATE:** Special Meeting of October 28, 2022

**TO:** Councilmember and Committee Chair Wilson and Councilmember Torres-Walker

**PREPARED BY:** Ruthann G. Ziegler, Special Counsel

**APPROVED BY:** Thomas Lloyd Smith, City Attorney *TLS*

**SUBJECT:** Natural Supplements: Review and Possible Recommendation for Proposed Operating Agreement and Social Equity Program

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**RECOMMENDED ACTION**

It is recommended that the Cannabis Committee review the attached proposed operating agreement for Natural Supplements and provide direction to staff. If the Committee recommends approval of the operating agreement and social equity program, staff will then schedule the operating agreement for City Council review and possible action.

**FISCAL IMPACT**

The proposed action should generate increased revenue for the City and for its social equity program.

**DISCUSSION**

Natural Supplements holds Cannabis Business Use Permit UP 20-01 and related Design Review AR-20-01, approved by the City Council on November 9, 2021.

Natural Supplements would be located at 2100-2300 Wilbur Avenue. Its proposed cannabis operation will include cultivation, manufacturing, retail, and distribution (license types 3A, 7, 10, and 11, respectively.) The manufacturing may include volatile solvents; however, City staff has no objection due to the location of the operation.

Natural Supplements' operation will include construction of two buildings, one of 11,200 square feet and the other a 19,500 square foot building, plus landscaping and on-site parking.

Before Natural Supplements can begin operations, it must obtain City Council approval of its operating agreement. The draft operating agreement (attached hereto as Exhibit A) has been provided to Natural Supplements for review and comment. It is the same

operating agreement as the City is using with other cannabis businesses. Natural Supplements has indicated it has no issues with the proposed operating agreement.

The proposed recipient of the social equity program is Rubicon, which has several locations in the County, including one at 418 W. 4<sup>th</sup> Street in Antioch. A copy of Rubicon's proposed social equity program is attached hereto as Exhibit B.

### **ATTACHMENT**

- A. Draft operating agreement
- B. Rubicon's proposal

## **EXHIBIT A**

RECORDING REQUESTED BY,  
AND WHEN RECORDED, MAIL TO:

City of Antioch  
200 H Street  
Antioch, CA 94509  
Attn: City Clerk

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Exempt from recording fee per Government Code §6103

### **OPERATING AGREEMENT**

This Operating Agreement ("**Agreement**") is entered into between the City of Antioch, a municipal corporation ("**City**") and Natural Supplements, Inc. a California corporation] ("**Operator**"), whose business mailing address is 19067 E. Highway 120, Ripon, California 95366. City and Operator may be referenced herein as "**Party**" or collectively as "**Parties.**"

#### **RECITALS**

- A. Operator submitted an application for approval of a use permit for a cannabis business, as further detailed herein.
- B. On February 22, 2022, by Resolution 2022/33, the City Council approved a Cannabis Business Use Permit (UP-20-21) and related Design Review (AR-20-21) to operate cannabis business (collectively, "**CBUP**"). A copy of the CBUP is attached hereto as **Exhibit A** and incorporated herein. The CBUP relates to the Site, as described in **Exhibit B**, attached hereto and incorporated herein.
- C. One condition of the CBUP is that the City and Operator execute an Operating Agreement. This Agreement meets this requirement of the CBUP.
- D. On \_\_\_\_\_, 2022, the City Council adopted Resolution \_\_\_\_\_ approving this Agreement.

#### **AGREEMENT**

- 1. **Recitals.** The Recitals set forth above are incorporated herein as if fully set forth in this Agreement.
- 2. **Definitions.** The following terms, when capitalized herein, shall have the meanings specified below.
  - a. Agreement—This Agreement between the City and Operator.

b. Applicable Law—All applicable federal, state, regional, and local statutes, regulations, and rules including the Uniform Building Code and other Uniform Codes, the California Environmental Quality Act, the City’s ordinances, resolutions, rules, and regulations, as each statute, regulation, rule, Code, ordinance, and resolution may be amended from time to time, excluding such federal law which may conflict with state or local laws authorizing cannabis businesses or operations.

c. Business Operations—The commercial cannabis business operated at the Site by Operator, its officers, officials, employees, agents, and consultants, as approved by the City Council in the CBUP, and as subject to the terms and conditions of this Agreement.

d. Cannabis—Both medical and non-medical cannabis as defined by Health & Safety Code section 11362.5 and Business and Professions Code sections 26000 *et seq.*

e. Cannabis Business Use Permit—the Cannabis Business Use Permit, attached hereto as **Exhibit A**, as approved by City Council Resolution 2022/33.

f. Canopy—The designated area(s) at a licensed premises that will contain vegetative cannabis plants, including immature or juvenile cannabis plants, at any point in time.

g. City—the City of Antioch, California.

h. City Attorney—the City Attorney of the City.

i. City Council—the City Council of the City.

j. City Manager—the City Manager of the City.

k. Operator—Natural Supplements, inc.

l. Fees—All charges, expenses, costs, monetary exactions, and any other monetary obligations imposed on Operator by City, other than assessments or regular or special taxes, and not limited to fees paid pursuant to this Agreement.

m. Gross Receipts—The total of amounts actually received or receivables from sales and the total amounts actually received or receivable for the performance of any act or service for which a charge is made or credit allowed, whether or not such act or service is done as a part of or in connection with the sale of materials, goods, wares, or merchandise. Gross receipts shall also include all receipts, cash, credits, and property of any kind without deduction of the cost of the property sold, the costs of the materials used, labor or services costs, interest paid or payable, or losses or other expenses whatsoever. Excluded from “gross receipts” are the following:

- Cash discounts allowed and taken on sales
- Credit allowed on property accepted as part of the purchase price and which property may later be sold
- Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser
- Such part of the sale price of property returned by a purchaser upon rescission of the contract of sale as is refunded whether in cash or by credit

- Amounts collected for others where the business is acting as an agent or trustee to the extent that such amounts are paid to those for whom collected, provided the agent or trustee furnishes to the City the names and addresses of the others and the amounts paid to them
- Receipts of refundable deposits, except that refundable deposits forfeited and taken into income of the business are not excluded

The intent of this definition is to ensure that, in calculating payments to the City, all sales and revenue from the Business Operations are captured and, therefore, this definition shall be given the broadest possible definition consistent with this intent.

n. Major amendment—Any modification to this Agreement that makes a substantive change, modification, or deviation in the terms of this Agreement or any Exhibits hereto.

o. Minor amendment—Any modification to this Agreement that does not make a substantive change, modification, or deviation in the terms of this Agreement or any Exhibits hereto.

p. Police Chief—the Police Chief of the City.

q. Project—The Business Operations, Site Development, Odor and other Mitigation Plans, Security Plans, and all other terms and conditions applicable to Operator’s Business Operations.

r. Site—The physical location of the Operator’s Business Operations, as described in **Exhibit B**, attached hereto.

s. Square Footage under Cultivation--the actual amount of Canopy (measured by the aggregate area of vegetative growth of live cannabis plants on the premises including the area occupied by vertically and horizontally stacked canopies) that is limited by the maximum amount a cannabis business is authorized to cultivate by this Agreement or the CBUP, without deduction for unutilized square footage in each flower room.

t. State license(s)—the license(s) issued by the State, whether through the Bureau of Cannabis Control or other regulatory agency authorizing the Operator to conduct its Business Operations

**3. Effective Date.** This Agreement shall be effective as of the date of the Resolution approving this Agreement, or such other date (if any) as specified in the Resolution approving this Agreement.

**4. Term of Agreement.** The initial term of this Agreement shall be ten years, with two possible extensions of five years each. This Agreement may be extended by mutual agreement of the Operator and the City Council on such additional terms and conditions as to which the Parties may agree. At the end of the term, Operator agrees to cease all Business Operations at the Site, notwithstanding the terms and conditions of the CBUP. The parties agree that, prior to the end of the initial ten-year term, they will meet and confer in good faith with the goal either of continuing this Agreement on the same terms and conditions or of modifying the Agreement so that the Business Operations may continue for the mutual benefit of the City and the Operator.

**5. Operating Conditions.** In addition to the terms and conditions set forth in the CBUP, Operator’s Business Operations shall be subject to the additional terms and conditions:

a. Hours of operation of retail sales on the Site shall not exceed 7 days per week, 8.00 a.m. to 8.00 p.m. There are no other hours' restrictions on the Business Operations, including delivery.

b. Subsequent to the annual audit by the Police Department or a third party selected by the Police Department, the Police Chief shall have the discretion to require additional security measures or modify existing security measures at the Operator's expense, as may be required by law or reasonable for public safety. At Operator's expense, the Police Chief may also determine to require additional security measures at any time upon the Department's finding that existing security measures are insufficient for the Business Operations to comply with the terms of the CBUP or to adequately protect public health and safety. The Police Chief's determination is appealable to the City Manager.

c. The City Manager may impose additional mitigation measures, whether relating to odor or other factors affecting public health and safety, on the Project at Operator's expense, as may be required by law or reasonable to maintain public health and safety. The City Manager's determination is appealable pursuant to Title 1, Chapter 4 of the City's Municipal Code.

## **6. Fees.**

a. Operator agrees to pay all fees, whether imposed by the City, state, or other regulatory agencies in a timely manner. Operator's failure to pay such fees in a timely manner may, at the City's sole discretion, constitute Evidence of Default. City may provide thirty (30) days' prior written notice to Operator as to any unpaid City fees. If Operator fails to pay such fees, plus any interest or penalties due for late payment, Operator agrees that the City may record on the property which is the subject of the CBUP one or more liens for the fees owed.

b. Operator agrees to pay City beginning with the fifteenth of the month immediately following the date the City issues the Certificate of Occupancy for the Site the amounts set forth in **Exhibit C**, attached hereto and incorporated herein. The amount due for Gross Receipts is payable thereafter on the 15<sup>th</sup> of each month or, if the 15<sup>th</sup> is a weekend day or a national or state holiday, on the next business day ("Due Date"). The amount due based on square footage shall become due upon the expiration of six months from the City's issuance of a Certificate of Occupancy for the cultivation area. Subsequent payment for the amount due based on square footage, with adjustments made during the year as square footage is increased or decreased, are due thereafter quarterly, on January 15, April 15, July 15, and October 15 or, if the 15<sup>th</sup> is a weekend day or a national or state holiday, on the next business day ("Due Date"). The Operator shall also submit with its Gross Receipts payment and its quarterly square footage payment a report on a form provided by the Operator and approved by the City which lists the gross receipts and square footage (if applicable) for the period; any adjustments to the gross receipts and square footage, and basis therefor; the gross receipts subject to the percentages set forth in Exhibit C; the square footage subject to Exhibit C; and the total amount due.

c. A payment is late or deficient under this Section if not postmarked by or received by the City Finance Department on or before the Due Date. A late or deficient payment shall be subject to a penalty of a one-time penalty of five percent (5%) of the amount owed, plus monthly non-compounding interest at the maximum rate allowed by law, but not to exceed an annualized amount of ten percent (10%).

d. If the City Manager is not satisfied with the veracity of report(s) filed by Operator regarding the Business Operations' total gross receipts or square footage, the City Manager may compute and

determine the amount of the fees to paid on the gross receipts or square footage and make a deficiency determination upon the basis of the facts contained in such report(s), or upon the basis of any information in City's possession, or that may come into City's possession within three years of the date the fees are paid. One or more deficiency determinations of the amount of fees owed for a period or periods may be made. The determination of the City Manager pursuant to this subsection is appealable pursuant to Title 1, Chapter 4 of the City's Municipal Code.

## **7. Social Equity Programs.**

a. Operator agrees to implement and maintain for the entirety of the term of this Agreement a Social Equity Program ("**Equity Program**") to benefit the City and its residents, to foster equitable participation in the cannabis industry, and to create business opportunities for those most negatively impacted by the enforcement of cannabis laws prior to the legalization of cannabis in California. Operator shall initiate its Equity Program within three months of this Agreement's Effective Date.

b. Operator shall prepare a written Social Equity Program Plan ("**Equity Plan**"), which includes the Equity Program's description, a non-profit social equity program plan organization ("**Equity Plan Organization**") located in Antioch and approved by the City, and an action plan with goals, tasks, responsible parties, timelines, and measurable outcomes. The Equity Plan is set forth in Exhibit D, attached hereto and incorporated herein. Operator shall provide a written report, semi-annually, to the City Manager and City Attorney on its progress in carrying out the Equity Program's goals and measurable outcomes. Upon request of the City Manager or City Attorney, Operator also agrees to provide a presentation to the City Council on the Equity Plan's goals and measurable outcomes. The Equity Plan may be modified in writing by request of the Operator and only with prior written approval of the City Manager or the City Attorney.

c. If the City Council, the City Manager, or the City Attorney determines that Operator's Equity Plan does not adequately achieve the City's goals as set forth herein, the City Council, the City Manager, or the City Attorney shall have the discretion to require the Operator to modify its Equity Plan subsequent to one or more meetings with the Operator.

d. Operator agrees to fund its Equity Plan, as detailed in Exhibit D, with the first payment submitted to its Equity Plan Organization at the same time as the first payment for gross receipts and/or square footage is due, whichever occurs first, under Section 6b hereof. Subsequent payments to its Equity Plan Organization shall be made quarterly with each subsequent quarterly payment due on January 15, April 15, July 15, and October 15 or, if the 15<sup>th</sup> is a weekend day or a national or state holiday, on the next business day. Late payment from the Operator to the Equity Plan Organization shall be subject to the same penalties and interest set forth in section 6 hereof.

**8. Applicable Law.** At all times, Operator shall conduct its Business Operations consistent with Applicable Law, including the City's ordinances, rules, and regulations; the CBUP; and this Agreement, as each may be amended or modified from time to time. Any violation thereof by Operator or its Business Operations may, at the City's discretion, be considered Evidence of Default.

## **9. Default.**

a. If the City Manager finds Evidence of Default, the City Manager shall provide at least forty-five (45) days' written notice thereof to Operator, with the notice specifying the nature of the default, the

facts supporting such Evidence of Default, and the manner in which the Default may be cured. Within that forty-five day period, Operator shall cure the Default to the City Manager's reasonable satisfaction, provide evidence with supporting facts as to why no Default exists, or provide alternatives satisfactory to the City Manager to address the Default.

b. If the City Manager is not satisfied with Operator's response and/or believes a Default continues to exist, then the City Manager may, at his/her sole discretion:

- Order the Operator to suspend all Business Operations at the Site until the Default is cured.
- Take such other action as may be authorized by the CBUP or this Agreement.
- Remedy the Default and charge the costs thereof to the Operator, who agrees to pay such sums.

c. The decision of the City Manager under this section is appealable pursuant to Title 1, Chapter 4 of the City's Municipal Code.

d. The remedies of this section, plus any other remedies set forth in this Agreement and remedies available in law or in equity are cumulative and non-exclusive. Such remedies are distinct and separate whether or not exercised by the City. The City may, in its discretion, exercise any or all of its rights and remedies, at once or in succession, at such time or times as it considers to be appropriate.

**10. Record Keeping.** Operator shall keep, maintain, and preserve to the extent applicable all records that may be necessary to determine the amount of gross receipts, the number of retail delivery vehicles, the amount of cannabis manufactured, the amount of cannabis delivered, and any and all other records by which City may determine and verify the amount of fees due to the City pursuant to Section 6 hereof. At Operator's expense, City shall have the option of conducting, whether by City staff or by a City-selected consultant, an annual audit to verify the fees due to the City pursuant to Section 6 hereof and compliance with Exhibit D. City shall have the right to inspect such records at all reasonable times during normal business hours and upon not less than five (5) business days' prior notice. City agrees it shall coordinate with Operator to facilitate inspection in such a manner as would not disrupt or place an undue burden upon Operator's Business Operation, employees, or customers, as long as such coordination does not unreasonably delay or impede the City's right to timely inspect the records. To the extent permitted by Applicable Law, City agrees to treat such records as confidential.

**11. Annual Review.** In addition to the right to conduct an audit pursuant to Section 10 hereof, the City Manager, at his/her discretion, may direct City staff or a third party to review, no more frequently than once per year, the Business Operations and compliance thereof with the CBUP and this Agreement. Operator shall be responsible for paying the costs of this annual review, which shall not exceed \$10,000 per review, adjusted annually by the CPI index for Bay area cities. In the event there is good cause for a review that would exceed \$10,000 (as adjusted annually), Operator and City shall negotiate a minor amendment to allow for such review. Generally, "good cause" shall be considered present upon the City's finding of a significant discrepancy, inconsistency, or omission in Operator's records, or when Operator is found to have violated this Agreement, or there is sufficient evidence substantiating a claim that Operator committed a regulatory violation under the laws of the State of California or the City's rules and regulations. Such determination will be based on the City's rules and regulations as well as the relevant laws and regulations of the State of California. Based on this review, City may require additional

mitigation measures or other changes to the Business Operations to assure compliance with the CBUP and this Agreement.

**12. Amendments.** This Agreement may be amended from time to time, if in writing and signed by both parties. The City Manager or the City Attorney shall have the discretion to approve a Minor Amendment to this Agreement or to refer such Minor Amendment to the Council for review and possible action. The City Council, at a duly noticed public meeting, shall have the discretion to approve a Major Amendment or a Minor Amendment, which has been referred to the Council.

**13. Assignment.** City has entered into the Agreement with Operator in reliance upon Operator's specialized knowledge, experience, and expertise relating to the Project and cannabis-related business. Therefore, this Agreement may not be assigned or otherwise transferred by Operator, whether to a third party or to another entity (even if Operator is a partner, owner, or otherwise a participant in such entity), without the prior written authorization of the City Council at a duly noticed meeting. Any such assignment or transfer, at City's sole discretion, may be considered Evidence of Default. Should Operator wish to assign or otherwise transfer the Agreement, Operator shall provide evidence to the reasonable satisfaction of the City Manager and the City Attorney of the specialized knowledge, experience, expertise, and financial stability of the proposed assignee or transferee prior to review and possible approval by the City Council.

**14. Indemnification.** Operator agrees to indemnify, defend, and hold harmless City, its officers, officials, employees, agents, and consultants from any and all administrative, legal, or equitable actions, claims, or other proceedings instituted by any person or entity not a party to the Agreement challenging the validity of the Agreement or any action arising out of or relating to the Agreement. Operator shall pay for City's costs of defense, whether directly or by timely reimbursement on a monthly basis. Such costs shall include, but not be limited to, all court costs and attorney's fees expended by the City in defense of the action or proceeding, plus staff and consultant time spent in regard to defense of the action or proceeding. The parties shall use best efforts to select mutually agreeable defense counsel but, if the parties cannot reach agreement, City may select its own legal counsel and Operator agrees to pay directly or timely reimburse on a monthly basis City for all such court costs, attorney's fees and time referenced herein.

Operator further agrees to indemnify, defend, and hold harmless City, its officers, officials, employees, agents, and consultants from any and all claims, costs, and liability for any damages, personal injury or death, or property damage which may arise directly or indirectly from Operator's Business Operations pursuant to this Agreement, except as caused by City's sole or gross negligence.

**15. Insurance.**

a. For the term of the Agreement, Operator shall be required to, and agrees to, maintain in full force and effect public liability and property damage insurance, including personal injury in an amount of not less than three million dollars (\$3,000,000) per occurrence and five million dollars (\$5,000,000) aggregate, and automobile insurance for owned and non-owned vehicles, in an amount of not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate. Each policy shall have such coverage and limits as may be reasonably requested by City from time to time. Each policy shall have a self-insured retention of not more than one hundred thousand dollars (\$100,000.)

b. The insurance referenced herein shall include endorsements, naming as additional insureds the City, its officers, officials, employees, consultants, and agents. The endorsements shall also specify that the insurance is primary, with any policies held by the City to be non-contributing.

c. The insurance referenced herein shall be evidenced by certificate(s) of insurance, which shall be kept current during the term of this Agreement.

d. The certificate(s) and endorsement(s) shall be provided to, and approved by, the City Attorney prior to Operator beginning Business Operations.

e. The insurance shall be placed with a company authorized to transact business in the State of California and with a rating of not less than A.M. Best-A, or such other rating as approved by the City Attorney.

f. Operator shall provide at least thirty (30) days' prior written notice of any cancellation, reduction in scope or amount, or material modification of the insurance referenced herein.

g. If Operator fails to maintain the insurance referenced herein, the City in its sole discretion may obtain such insurance at Operator's expense, with Operator obligated to promptly reimburse the City, or determine such failure to be Evidence of Default.

**16. Notices.** Any notice or communication required by the Agreement between the parties shall be in writing and may be delivered either personally or by registered mail, return receipt requested. Notice, whether given by personal delivery or by registered mail, shall be deemed to have been given and received on the day of actual receipt at any of the addresses designated below as to the party to whom the notice is sent. Any party hereto may at any time, upon written notice to the other party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. However, should a party's address no longer be valid such that delivery by registered mail, return receipt required, is not successful, then delivery by U.S. mail shall be effective five business days after mailing of notice. Such notices or communications shall be given to the parties at the addresses set forth below:

To the City of Antioch:

If by personal delivery:

City of Antioch  
200 H Street  
Antioch, CA 94509

Attn: City Manager

If by U.S. mail:

City of Antioch  
P. O. Box 5007  
Antioch, CA 94531-5007

Attn: City Manager

With a copy to:

If by personal delivery:

City of Antioch  
200 H Street  
Antioch, CA 94509

Attn: City Attorney

If by U.S. mail:

City of Antioch  
P. O. Box 5007  
Antioch, CA 94531-5007

Attn: City Attorney

To Operator:

Natural Supplements, Inc.  
19067 E. Highway 120  
Ripon, CA 95366

**17. Miscellaneous**

a. Each party has had an equal opportunity to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply to the Agreement.

b. If any term, provision, covenant, or condition of this Agreement is held by court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of the Agreement shall continue in full force and effect, unless enforcement of the Agreement as so invalidated would be unreasonable or grossly inequitable under all the circumstances or would the frustrate the purpose of the Agreement.

c. The Parties shall take all steps reasonable and necessary to effectuate the terms and intent of the Agreement. However, no provision of the Agreement shall limit, or be construed to limit, the right of the City, the City Manager, the City Attorney, or the City Council to exercise discretion as to the Agreement or other matters.

d. The Parties are not, and shall not be construed, to be partners or joint venturers.

e. The only parties to the Agreement are City and Operator. There are no third-party beneficiaries and the Agreement is not intended, and shall not be construed, to benefit or be enforceable by any other person whatsoever.

f. In the event suit is brought by either Party to the Agreement, the Parties agree that venue shall be exclusively vested in the state court of Contra Costa County, or in the U.S. District Court for the Northern District of California.

g. This Agreement and the Exhibits attached hereto contain all the representations and the entire agreement between parties with respect to the subject matter hereof.

h. The Parties acknowledge that City would not have entered into this Agreement had it been exposed to damage claims from Operator for any breach hereof. As such, the Parties agree that in no event shall Operator be entitled to recover damages against City for breach of this Agreement. The Parties further acknowledge, that in the event City incurs potential liability resulting from this Agreement or the presence of Operator's Business Operations in the City, the Parties shall engage in good faith to mitigate such risk and potential damages. The City agrees that, notwithstanding any claims against Operator and/or City as referenced above, as long as Operator's State license remains intact and the Operator is in full compliance with this Agreement, the CBUP, and the City's rules and regulations, Operator's business shall be allowed to continue in operation pending the outcome of relevant public hearing(s) scheduled to address alleged violations of this Agreement and/or Operator's CBUP.

i. This Agreement may be executed in duplicate counterpart originals, each of which is deemed to be an original, and all of which when taken together shall constitute one and the same instrument.

j. All waivers must be in writing to be effective or binding upon the waiving party and no waiver shall be implied from any omission by a party to take or not take any action with respect to default or

other matters. Failure by a party to insist upon the strict performance of any provisions of the Agreement by the other party shall not constitute waiver of such party's right to demand strict compliance by the other party in the future. Furthermore, no express written waiver of any default shall affect any other default or cover any other period of time unless specified in such express waiver.

k. Notwithstanding termination or expiration of this Agreement for any reason, Sections 6c, 6d, 7d, 10 and 14 shall be continuing obligations of Operator and shall survive this Agreement.

EXECUTED AS OF \_\_\_\_\_, 2022

CITY OF ANTIOCH

OPERATOR

\_\_\_\_\_  
Cornelius H. Johnson  
Interim City Manager, City of Antioch

\_\_\_\_\_  
Joshua Baker, CEO  
Natural Supplements

Attest:

\_\_\_\_\_  
Elizabeth Householder, City Clerk

Approved as to form:

\_\_\_\_\_  
Thomas Lloyd Smith, City Attorney

## **EXHIBIT A**

[to be attached]

## **EXHIBIT B**

The Site is located at 2100-2300 Wilbur Avenue, Antioch CA 94509 and is APN 051-100-028.

### EXHIBIT C

<b>Business type</b>	<b>Yr 1</b>	<b>Yr 2</b>	<b>Yr 3</b>	<b>Yr 4+</b>
Retail	<b>2%</b>	<b>3%</b>	<b>4%</b>	<b>5%</b>
Microbusiness*	<b>2%</b>	<b>3%</b>	<b>5%</b>	<b>6%</b>
Cultivation (per square foot)*	<b>\$2</b>	<b>\$3</b>	<b>\$5</b>	<b>\$6</b>
Distribution	<b>2%</b>	<b>3%</b>	<b>4%</b>	<b>5%</b>
Manufacturing	<b>2%</b>	<b>3%</b>	<b>4%</b>	<b>5%</b>

\*Eligible for local employment incentive

The total amount payable to City by the Operator pursuant to this Exhibit shall be reduced by the following amount(s) if the Operator employs not fewer than the following numbers of Antioch residents on a full-time basis, providing healthcare benefits:

At least 20 City residents	1%, but not to exceed \$60,000
At least 50 City residents	3%, but not to exceed \$150,000
At least 100 City residents	6%, but not to exceed \$300,000
At least 150 City residents	9%, but not to exceed \$450,000
200 or more City residents	12%, but not to exceed \$600,000

Example: If the revenue due to the City from Operator, based on gross receipts, is \$500,000, and the Operator employs 51 City residents, then the \$500,000 would be reduced by 3% and the Operator would owe the City \$485,000

For any Operator requesting the local employment incentive, the City reserves the right to verify the number of City residents employed on an annual basis.

## EXHIBIT D

TBD

June 30, 2022

Since 1973, Rubicon has provided anti-poverty programs, primarily workforce services, in Contra Costa and Alameda Counties. and services since 1973. Rubicon has provided workforce services to justice impacted job seekers and parents in Antioch, since 2012. The majority of the agency's clients who are formerly incarcerated and were impacted by the War on Drugs (WoD) also come from communities of color, which reflects the racist nature of the WoD: incarceration resulting from the WoD disproportionately impacted communities of color, and in particular, African Americans.

Rubicon serves a community that has had to bear the impact of the discriminatory enforcement of drug laws, with the most significant racial disparities seen by our African American and Latinx participants. This is aligned with national statistics, as nearly 80 percent of individuals in federal prison and almost 60 percent of people in state prison for drug offenses are African American or Latinx. The agency's clients' experiences of higher incarceration rates within their communities are not reflective of a higher prevalence of drug use—studies consistently show that white young adults occupy the highest percentage of users of drugs—but instead, law enforcement's disproportionate focus on lower income communities and communities of color (Drug Policy Alliance, 2019). Through our work, we see how unequal enforcement has had devastating impacts on the communities we serve, as mass criminalization tore apart families, deported individuals, destroyed a sense of dignity, devastated local economies and disenfranchised people of color from voting.

In 2015, African Americans made up 30% of the population but 77% of cannabis arrests, compared to 4% for whites. Further analysis on arrest data from 1998 to 2015 turned up an even wider disparity—African-Americans comprised 90% of arrests; whites were 3.91%. The wide-ranging consequences of a drug law violation aren't limited to senseless incarceration—low-income populations are often denied food stamps and public assistance because of past drug convictions and are sometimes barred from housing as well. (<https://www.clasp.org/publications/report/brief/no-more-double-punishments>).

Those who are formerly incarcerated and impacted by the WoD, face complicated challenges related to securing long-term employment and economic mobility. Rubicon's comprehensive workforce model recognizes the importance of providing a holistic range of services to best support our clients; this means services across four core areas (Income, Assets, Connections, Wellness-including legal) are integrated and offered simultaneously. Without wrap around support, many formerly incarcerated individuals struggle to access the resources they need and end up back incarcerated within a year.

In 2021-22, Rubicon served 310 justice impacted participants in Contra Costa county, with 123 of those served in Antioch. 61 of 123 received individualized legal support from attorneys.

In 2020-21, Rubicon served 369 justice impacted participants in Contra Costa county, with 131 of those served in Antioch. 77 of 131 received individualized legal support from attorneys.

***Rubicon Programs Legal services are underfunded, which has limited staff capacity and reach of these critical services in Antioch, With this equity investment, Rubicon Programs would be able to increase capacity and deliver individual legal support and barrier removal to 100 participants in Antioch.***

Rubicon's Legal Services take a comprehensive approach to addressing barriers to long-term mobility. Legal Services would include:

***RAP Sheet Review and Criminal Record Remedies*** - Attorneys review participants' criminal histories (RAP sheets) with them, helping them understand their conviction history and plan for effects of certain convictions on particular employment opportunities, housing, etc. This discussion focuses on strategies to eliminate barriers to employment and building income, such as assisting with obtaining professional licensing which may otherwise be prevented by the participant's conviction history. Convictions are also reviewed for eligibility for potential remedies such as early termination of probation, expungement, felony reduction, and Prop 47 and Prop 64 relief.

***Drivers Licenses, Fines and Fees*** - Attorneys assist participants in obtaining their driver's license and removing suspensions and appealing excessive fines or fees that they cannot afford to pay.

***Child Support Modifications/Children and Family Services*** - Attorneys advocate for participants with County Departments of Child Support Services (DCSS) throughout the state on requests for child support modifications and arrears reductions. Attorneys provide advice and counsel on custody and visitation legal issues and support participants with active Children and Family Services cases.

***Public Benefits and Housing*** - Attorneys address issues in most areas of public benefits. Work with housing issues includes representation in eviction proceedings, ERAP rights, habitability issues, negotiated terminations of unfavorable leases, and denials of access to subsidized housing.

***Discrimination*** – Attorneys provide advice and counsel about employment and housing discrimination based on criminal history, rights concerning background checks, Title VII, and AB 1008, the California Fair Chance Act ("Ban the Box").

# AGENDA ITEM #5 (B)



# SOCIAL EQUITY

Antioch CNA Training at OJ

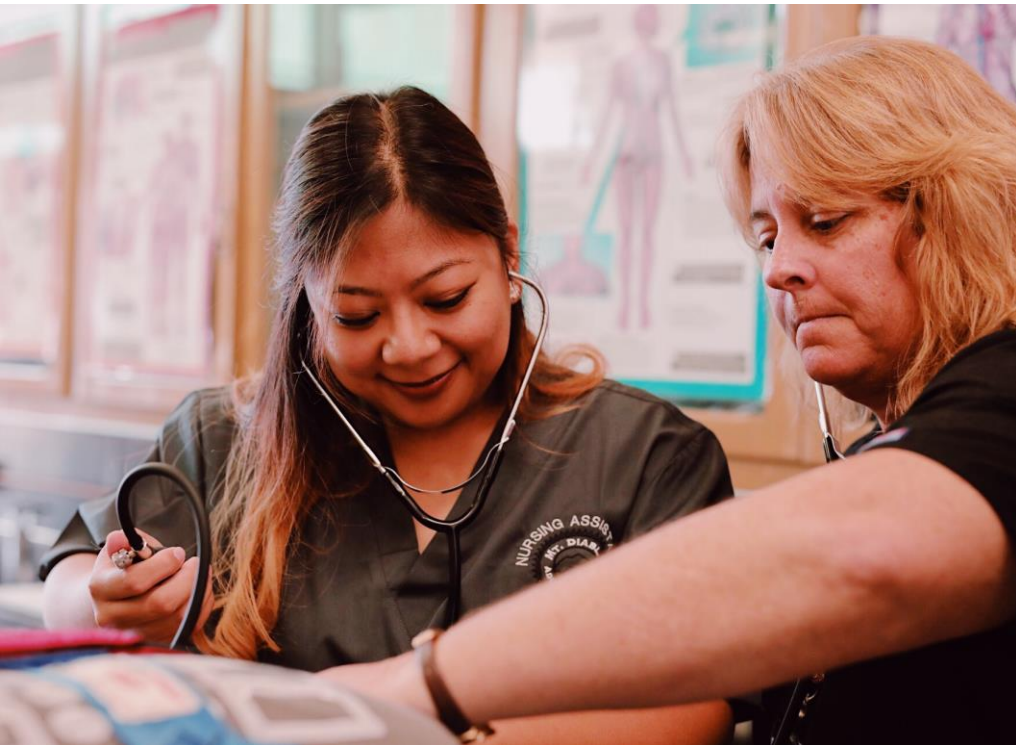


# ABOUT US

Driven by the fundamental belief that everyone who works hard deserves the opportunity to succeed, Opportunity Junction's mission is to help motivated Contra Costa County job seekers develop the skills and confidence to launch careers that lead to financial security.



# THE STARTING POINT



## NEED

Dire shortage of Certified Nursing Assistants in Contra Costa

## CONSEQUENCES

Skilled Nursing Facilities cannot operate at full capacity

## PARTNERSHIP

Launched in Concord at Mt. Diablo Adult Education

## RESULTS

41 of the 49 enrolled in the first three cohorts entered employment

# SOCIAL EQUITY

Launch a parallel track at OJ in  
Antioch targeting youth and  
people of color marginalized by  
the War on Drugs

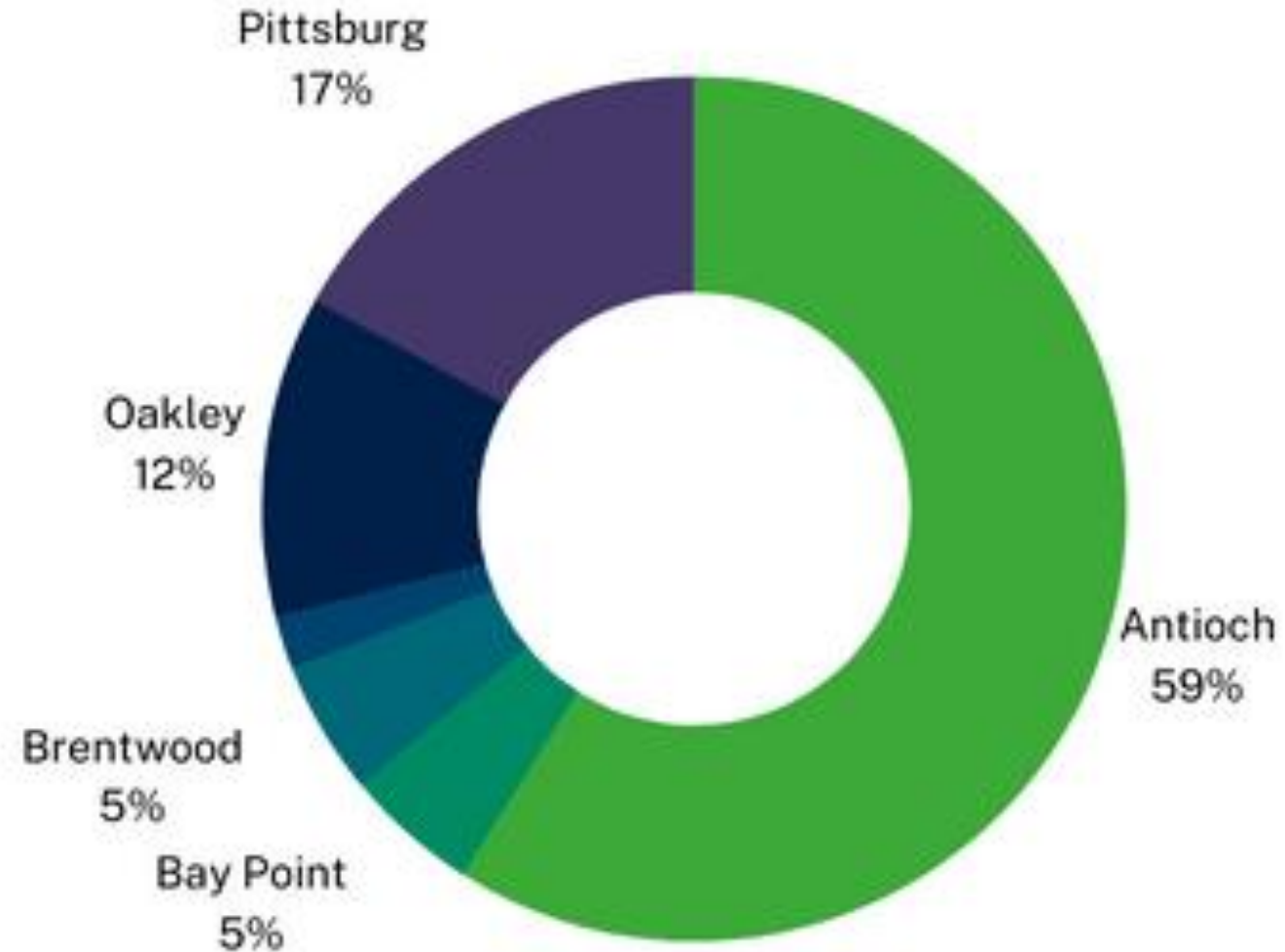




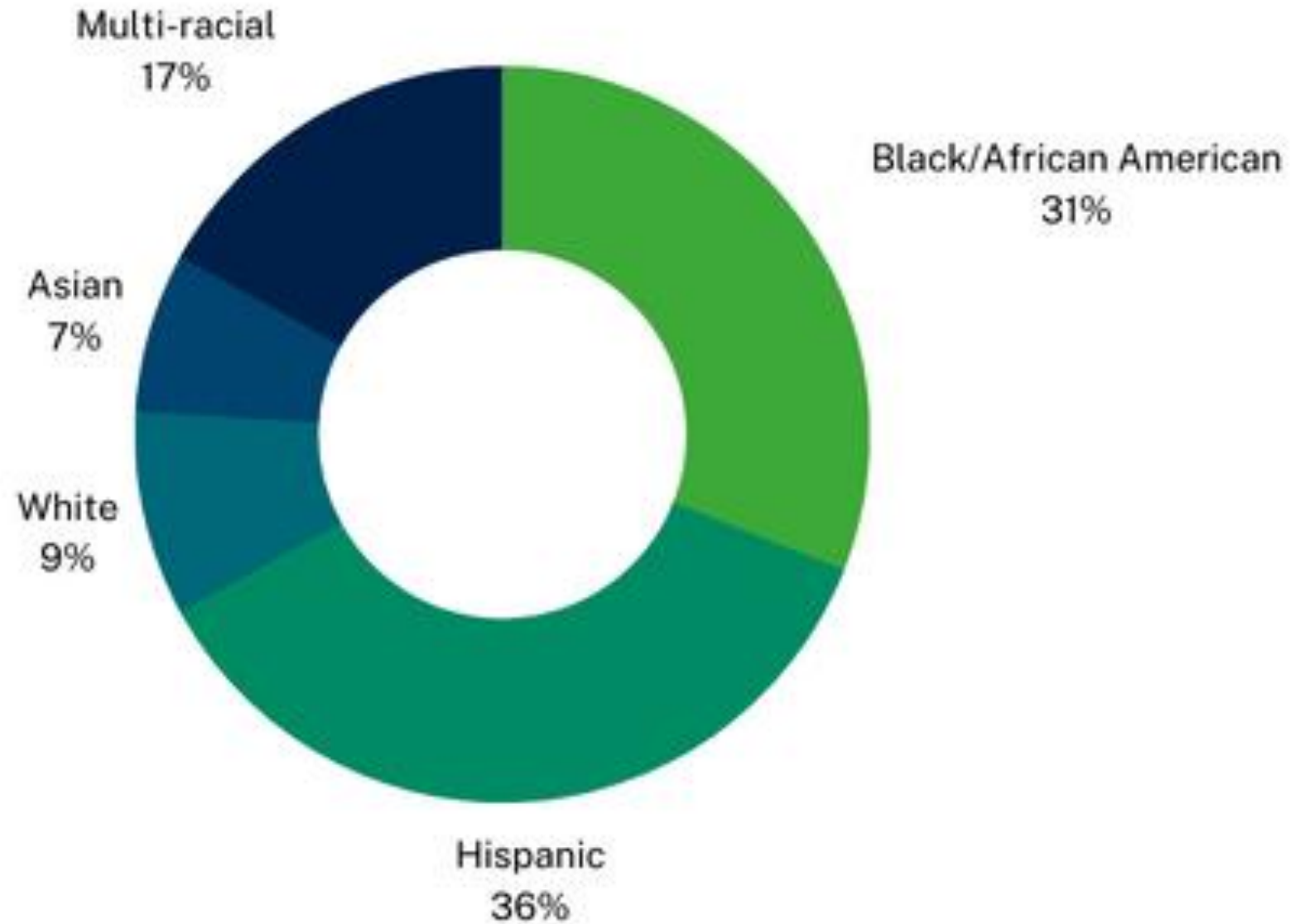
# THE PEOPLE WE SERVED



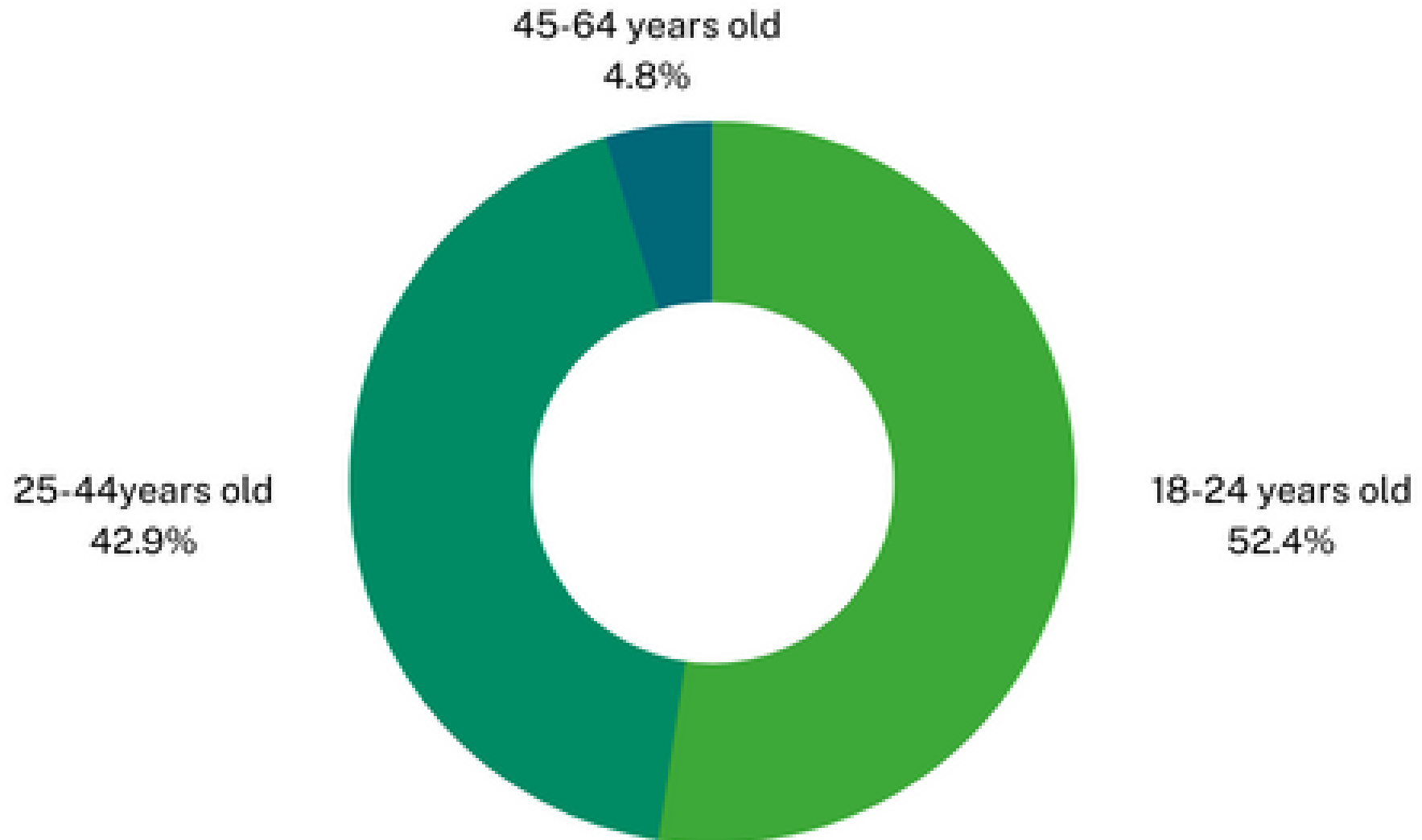
# ANTIOCH RESIDENTS



# PEOPLE OF COLOR



# TRANSITION-AGED YOUTH



# LOW-INCOME WOMEN AND PARENTS



90% Female | 10% Male

 Average Household Size: 1.9

 Average Family Income: \$15,325

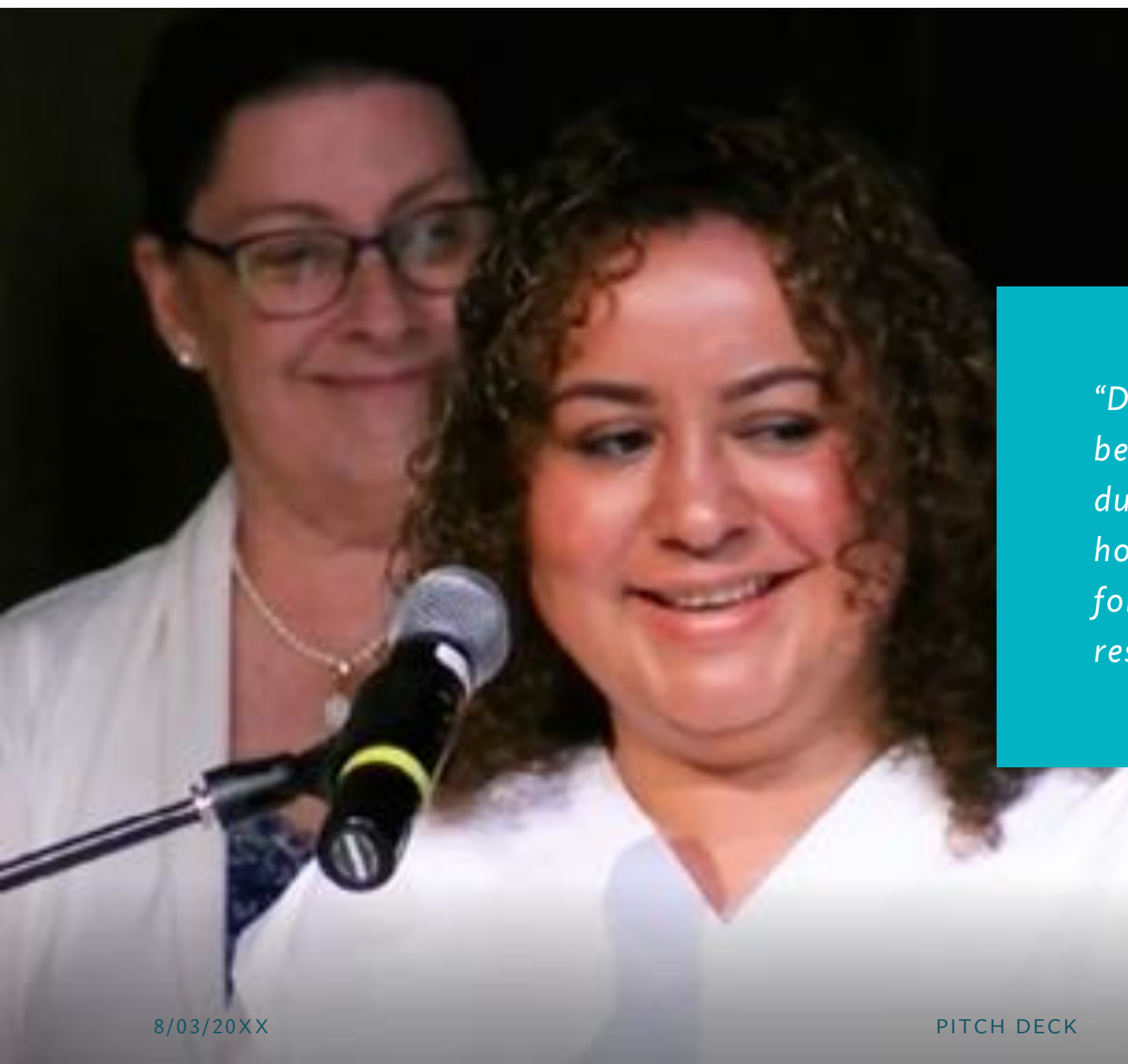


# ENROLLMENT & GRADUATION

Metric	Goal	Result	Progress
Antioch Enrollments	24	24	<div></div>
Total Enrollments	45	42	<div></div>
Antioch Graduates	21	22	<div></div>
Total Graduates	39	39	<div></div>

# LICENSING & EMPLOYMENT

Metric	Goal	Result	Progress
Antioch Passed Licensing Exam	19	20	<div></div>
Total Passed Licensing Exam	36	35	<div></div>
Antioch Placements	18	11	<div></div>
Total Placements	35	23	<div></div>
Average Starting Hourly Wage	\$17	\$21.28	<div></div>



*“During training, I had the privilege to meet beautiful people who gave me the support needed during a challenging time of my life .... I want to say how much I love OJ. Thanks for being the open door for my future.” – Alma Zamora Zeledon, Antioch resident*