



Board Item 25-0366: Potential Amendments to Tobacco Retailer Ordinance

From Ashley Freitas < Ashley. F@strauchco.com>

Date Fri 3/21/2025 8:31 PM

- To bosone@edc.gov.us <bosone@edc.gov.us>; bostwo@edc.gov.us <bosone@edc.gov.us>; bosthree@edc.gov.us <bosone@edc.gov.us>; BOS-District IV <bosone@edcgov.us>; Brooke Laine <Brooke.Laine@edcgov.us>
- Cc BOS-Clerk of the Board <edc.cob@edcgov.us>; AD-EDCCAO <edccao@edcgov.us>; Marc Strauch <Marc.s@strauchco.com>; Eldon Price <eldon.p@strauchco.com>

1 attachment (111 KB)

Letter to EDH County - Proposed Tobacco Retailers Ordinance.pdf;

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Strauch Companies

March 21, 2025

VIA ELECTRONIC MAIL

El Dorado County Board of Supervisors
330 Fair Lane, Building A
Placerville CA 95667
bosone@edc.gov.us
bostwo@edc.gov.us
bosthree@edc.gov.us
bosfour@edcgov.us
brooke.laine@edcgov.us

Re: Board Agenda Item 25-0366 - Potential Amendment to County's Tobacco Retailers Ordinance

Dear Honorable Members of the El Dorado County Board of Supervisors,

My name is Marc Strauch. My brother and I own three ARCO AMPM locations in El Dorado County and have been working on developing three additional locations since 2020, 2021, and 2023. We appreciate the consideration of potential amendments to the County's Tobacco Retailers Ordinance, codified as Chapter 8.68 of the County Code. As owners of local gas stations and convenience stores that sell tobacco products in the unincorporated County area, we are pleased to hear that the County is considering amending the Ordinance to address unintended consequences negatively impacting our businesses.

We are local family-owned businesses that have owned and operated gas stations in El Dorado County since 2005. In fact, I am a resident of El Dorado Hills. Our company was established in 1990 and owns

and operates various gas stations and convenience stores in El Dorado County that embody its core values of safety, innovation, respect, teamwork, and quality of work.

We were first informed of the Ordinance after its adoption in November 2024 after reading it online. We want to highlight two of the most impactful revisions we are proposing: allowing "grandfathered" businesses to transfer their tobacco retailer license to new owners and "grandfathering" businesses with pending development applications on file as of the date the County's interim tobacco moratorium took effect (January 30, 2024). These revisions are needed for multiple reasons.

First, the existing Ordinance requires any person who sells tobacco to obtain a "Tobacco Retailer License" and establishes a limit on the number of tobacco retailer licenses available based on the County's population at a rate of one retailer per 2,500 residents under the "excessive density" limitation. However, it exempts businesses open for business and operating as tobacco retailers as of December 5, 2024, thereby "grandfathering" these businesses. This is important because the existing number of tobacco retailers exceeds the number allowed under the Ordinance. However, these businesses would lose their grandfathered status if they sold or transferred their business to another individual or family member. The practical impact of this non-transferability clause is to decrease the value of an existing local retail business selling tobacco because, upon sale, a new owner would lose a significant revenue source due to their inability to sell tobacco.

Second, the existing Ordinance only 'grandfathers' businesses that were open for business and operating as tobacco retailers on the date the Ordinance took effect, December 5, 2024. This fails to acknowledge that there are businesses with pending development applications in the County processing pipeline that submitted their entitlement applications prior to January 30, 2024, with the understanding that the sale of tobacco was permissible and that there were no County tobacco regulations in place. The affected businesses have spent considerable time and resources going through the development process in El Dorado County. We had weekly meetings with county planning staff, paid significant application and processing fees, and incurred consultant costs for architectural, engineering, legal, and environmental review services. We did everything the county asked of us. Our investments were based on the County regulations in effect on the date they submitted their development applications, which would have allowed us to sell tobacco without any County restrictions. We believe amending the ordinance to also grandfather these businesses would remedy an oversight and eliminate an unintended consequence of this regulation.

For example, we submitted planning applications for two fueling stations in unincorporated El Dorado County that were deemed complete in 2021 and 2023, respectively. Both are still pending and are not open for business yet. When we inquired about the County's tobacco regulations, staff advised us that the projects were grandfathered. However, that response was partially accurate and failed to acknowledge that the language in Ordinance No. 5211 did not cover our circumstances.

In conclusion, I urge you to consider these proposed amendments to the Tobacco Retailers Ordinance. By allowing the transfer of tobacco retailer licenses and grandfathering businesses with pending development applications, you will support local businesses, maintain economic stability, and ensure that public health measures are effective and balanced.

Thank you for your attention to this matter. I look forward to your response and hope for a constructive dialogue to address these concerns. Let's work together to find a solution that benefits both our community and local businesses.

Sincerely,

Mary Hrand

Marc Strauch

Cc: Kim Dawson, Board Clerk, edc.cob@edcgov.us
Tiffany Schmid, Chief Administrative Officer, edccao@edcgov.us

Strauch Companies

March 21, 2025

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