



## **Project Description Narrative for Conditional Use Permit**

### **(A) Project / Business Summary Description**

Sonoma Patient Group (SPG) is a safe, secure, clean, dignified and lawfully permitted cannabis dispensary offering approved products to qualified patients, caregivers and adult customers over age 21 years on a for-profit basis. Our code of conduct requires our patients and customers to conduct themselves as good citizens within the dispensary and in the City of Santa Rosa. Sonoma Patient Group has been, and will continue to be, a good neighbor to the other businesses in the complex and surrounding area.

SPG is requesting a modification of the existing Conditional Use Permit (CUP) to expand the operating hours and add delivery services as outlined below.

### **(B) Compliance**

#### **I. Licensure:**

SPG received the Medicinal and Adult-Use Retailer Temporary License for our dispensary (see attached). As of January 26, 2018, SPG has been serving adult customers over 21 years of age, along with qualified medicinal patients over 18 years of age. SPG will adhere to all state licensing and operating procedures as required in various laws and regulations, including but not limited to the California Code of Regulations (Title 16, Division 42) from the Bureau of Cannabis Control and Santa Rosa ORD-2017-025. SPG will prominently display copies of all State Licenses and city and county permits issued to Sonoma Patient Group, Inc.

In addition, SPG is in the process of applying for all applicable permits with the Sonoma County Department of Health due to selling edible cannabis products. All current employees of SPG are certified food handlers as required by ORD-2017-025 § 20-46.080(E), and new hires are required to obtain their food handler certificates before beginning work.

#### **II. Operational Procedures:**

SPG is currently permitted to operate Monday through Friday from 10 a.m. to 7 p.m., and Saturday and Sunday from 10:00 a.m. to 5:00 p.m. SPG is requesting a modification of our existing CUP to extend the Saturday and Sunday operating hours to be from 10:00 a.m. to 7:00 p.m. The requested modification of including two additional hours complies with State and City guidelines for operating hours that are between 9:00 a.m. to 9:00 p.m.

Currently, SPG serves an average of 200 patients and customers per day, and we anticipate serving approximately 20 additional individuals by extending the weekend operating hours by two hours.



Security guards will be on site during all business hours, as described below. SPG only allows access to premises by customers who are 18 years of age and have a physician recommendation, and customers who are 21 years or older. All customers must provide a valid government photo ID to verify their identity. SPG has limited-access areas on the premises and ensures any person who is not an employee is always escorted if in the limited-access areas. During business hours, distributors access the premises through the side door to ensure they are not using an entrance that is designated for use by the public.

SPG completes background checks on all current owners, managers and employees, and conducts post-offer, pre-employment background checks on prospective employees. SPG does not currently employ any staff members with felony convictions and will continue to follow responsible hiring and employment practices. SPG maintains employee records listing identifiable information regarding all current and former employees. Employees are required to wear identification badges during all hours of business operations. The identification badges include the first name of the employee, their employee number assigned by SPG, the business name and license numbers, and a color photograph of the employee. All employees are over the age of 21 years.

SPG has trained its staff to ensure the daily limits of cannabis products that can be purchased are enforced as required by the Bureau of Cannabis Control for both Adult-Use customers and Medicinal patients.

III. Location Criteria

The current location of SPG is not located within 600 feet of another dispensary or any K-12 school and meets the location requirements of ORD-2017-025 § 20-46.080(D) (1-5).

IV. Non-Laboratory Quality Control Procedures

SPG will only purchase products from licensed distributors that sell cannabis products that comply with Business Professions Code § 26130, as well as City regulations and ordinances. SPG will return any defective, incorrectly packaged or mislabeled cannabis goods to the corresponding distributor. SPG will ensure products have been entered into the State Track and Trace system and have the appropriate certificate of analysis. SPG will not accept cannabis products that are not ready for final sale. SPG will not package or label any cannabis goods.

Sonoma Patient Group will prevent the deterioration of cannabis goods by storing them in a First In First Out manner (FIFO), where products with the soonest expiration date will be sold first. New products that are received for inventory will be stored behind remaining stock. Products will be stored indoors in temperature-controlled conditions, which includes the use of: refrigeration thermometers that are monitored and





logged daily as required by the local Department of Health Services; and moisture control packs located in both the safe and inventory room.

V. Records Retention Policy:

Sonoma Patient Group (SPG) will keep and maintain proper employment, patient, sales, and security records in compliance with state and city regulations.

Employee Records:

SPG maintains employee records listing identifiable information regarding all current and former employees. SPG will maintain the following personnel records for at least three (3) years: recruitment, hiring and job placement records; employee wage records; child labor certificates and notices; employment eligibility forms (or store up to 1 year after termination); union and employee contracts; and FMLA records. SPG will maintain employee health records related to work-related injuries for at least five (5) years.

In addition, SPG will maintain payroll records for four (4) years, and employee personnel files for three (3) years after termination of employment. Lastly, employee benefits data will be stored for six (6) years but not less than one (1) year following a plan termination. SPG will retain records relating to any legal proceedings through the disposition of the case.

Inventory Records:

SPG will maintain an accurate record of our inventory and will record the following information for all cannabis goods in inventory through the state Track and Trace system: detailed description of each item; accurate measurement of the quantity of the item; date and time cannabis goods were received; sell-by or expiration date of goods (if provided); ingredient and laboratory testing results, if provided; name and license number of licensee who produced the cannabis goods; name and license number of the distributor that delivered cannabis goods; and the price SPG paid for goods, including taxes and delivery costs. Records will be kept separately for each license and will be stored according to A-license and M-licenses.

Sales Records:

SPG will maintain an accurate record of every sale made and will record the following information: first name and employee number who processed the sale; first name of the customer and customer number of whoever made the purchase; date and time of the transaction; list of all cannabis goods purchased (including quantity); total amount paid for the sale which includes a detailed description of the individual prices paid and amount paid for taxes. Records will be kept separately for each license and will be stored according to A-license and M-licenses.



Patient Records:

SPG will maintain all patient records in accordance with HIPAA and will store records in a secure location for at least seven (7) years from inception.

Additional Records:

SPG will retain the following records for at least seven years: financial records (including bank statements, sales invoices, receipts, tax records); health, safety, and training records; contracts with other licensees; permits and local authorizations, security records (including video surveillance for 90 days), destruction of cannabis goods records, and track and trace documentation. Records will be kept either electronically or as hard copies and will be provided to agencies upon request. SPG will keep in our records the name and contact info for the alarm system company who installs and monitors the alarm system. SPG follows a record retention policy based on City, County, State and industry standards.

VI. Inventory Procedures

a) Purchase / Receiving Procedures:

SPG will only purchase cannabis goods from a distributor licensed by the Bureau of Cannabis Control and will ensure that all products are properly packaged and labeled by the manufacturer prior to sale. SPG will not label any cannabis goods. Prior to sale, SPG will verify cannabis goods have not exceeded their expiration or sell-by date provided by the manufacturer.

SPG will only sell and deliver cannabis goods that are received from a licensed distributor. SPG will receive shipments of inventory between the hours of 10:00 a.m. and 6:00 pm. Shipments of cannabis goods will enter through a door leading to a limited-access area and will not enter the premises through an entrance or exit that is available for use by the public.

Purchase Orders will be assigned by the purchasing manager (Buyer) or by a designated agent and will be recorded and kept for review. Upon delivery, the products will be checked for: accuracy of order to verify correct items and quantities have been received, proper labeling and packaging as required by the State of California, and freshness of product to verify all production dates are reasonable and products are not near their expiration date. Viable products will be stored in a secure storage area pending sale and will be stored at least six inches from the ground. Products will be restocked in a First In First Out manner, whereby older product is next for sale and new stock will be rotated in as necessary.





b) Reconciliation:

SPG performs a reconciliation of inventory at least once every 14 days. SPG will ensure the physical inventory matches inventory records and will immediately report any significant discrepancies or evidence of theft to the Bureau of Cannabis Control and local law enforcement. SPG will conduct cycle counts every week to support the inventory count every 14 days to ensure actual stock matches recorded stock. A complete floor count will be conducted at least once per year.

Variances will be analyzed, explained and accounted for by having products checked by a manager, the correct units of measure will be matched, parts and items will be verified to ensure the products are being sold as the correct items, paperwork will be reviewed to make sure all transactions have been recorded.

If variances or significant discrepancies are identified and cannot be explained, the following circumstances will be accounted for: when shoplifting is suspected, security guards and managers will review material in an attempt to identify how theft is occurring; if theft by an employee is suspected, closer supervision will be provided to said employee and specific products may be moved to "limited storage access" spaces; transactions that are not properly recorded will be rectified and will trigger training for all staff to ensure greater attention is paid and additional equipment may be purchased when necessary. We will utilize video surveillance recordings to identify an incident.

c) Storage:

SPG stores cannabis products indoors only. The storage area is separated from employee break rooms, changing facilities, and bathrooms. Inventory will be separately marked with "A" for adult-use products, and with "M" for medical products.

d) Exchanges / Refunds:

SPG will accept products that are being returned or exchanged when they are found to be defective. Distributors guarantee their product and collect and/or exchange defective products in a reasonable time. Inventory that is returned or found defective will be placed in storage separate from other merchandise and documented for reimbursement by the distributor. When merchandise is exchanged it will be added back into the Point of Sale system through a reconciliation with proper notation.

e) Other:

SPG will ensure cannabis products stored or on display are not visible from outside the premises.



**(C) Odor Control**

The dispensary has installed adequate air cleaning systems to control odors off-site and within the common areas of our building. Odor control systems include a closed system in our primary central air system, and a negative pressure system for the dispensing suite which vents scrubbed air out the side of the dispensary suite exterior wall. See *attached odor mitigation plan*

**(D) Outdoor Lighting**

Improvements made in 2014 to the high intensity external lighting ensures that existing outdoor lighting at the building illuminates the dispensary building and surrounding areas. Adequate lighting is installed inside the premises to ensure it is properly lit to prevent theft and is fully shielded to confine light and glare to the interior of the building.

**(E) Noise**

The dispensary is located within an insulated building, which provides adequate sound dampening for a retail business. All air conditioning and ventilation equipment complies with county and state regulations. There are no generators located on the premises.

**(F) Accessory Use(s)**

In accordance with city zoning codes and state regulations, our current location has allotted 150 square feet of retail space for cannabis paraphernalia. SPG currently has cannabis paraphernalia in a single display case that takes up roughly seven (7) square feet of retail space, however, SPG reserves the right to expand this area to be up to 150 square feet. There is one front reception office where staff greets customers and verifies their identity and qualifications. In addition, there is one office designated for managers that contains the safe and is locked during non-operating hours. SPG has one inventory room where products not for immediate sale are stored.

**(G) Security Plan** (attached separately)

**(H) Delivery Procedures**

Sonoma Patient Group is requesting modification of the existing CUP to include delivery services.

SPG will only sell and deliver cannabis goods that were received from a licensed distributor and are properly packaged and labeled by the manufacturer prior to sale. SPG will not label any cannabis goods. SPG will verify cannabis goods have not exceeded their expiration or sell-by date prior to sale.

Cannabis goods will be delivered in person by employees of SPG who are at least 21 years of age, possess a valid California driver's license, are insured, and have an acceptable driving record. The delivery employee will carry a copy of the retailer's current state license, their valid government-issued ID card, insurance card, and an employee ID badge provided by retailer, and the





delivery request. SPG's Human Resources department will manage delivery drivers' status to ensure compliance.

SPG anticipates a single driver leaving the premises starting with two (2) trips per day, once in the morning and once in the afternoon; however, this may double based on the frequency of orders. SPG employees will be driving their own vehicles, and will be sedan, SUV or small truck sized vehicles. SPG plans to assign manager Kevin McEachern as the delivery manager and primary driver. Additional cannabis consultants will be trained on delivery procedures, and will be available to fulfil additional orders as needed. SPG anticipates being able to fulfill multiple delivery orders during the day, thereby decreasing the amount of individual traffic to the licensed premises.

Due to the location of the licensed premises, no vehicles will be stored or loaded inside the building. The driver will be carrying out the products through a secure door not accessible by customers and all products will be kept in exit packaging, and will be carried out of the licensed premises to the vehicle in a lockable tote or bag. This tote or bag will remain locked throughout the duration of the deliveries, other than opening to dispense individual orders.

SPG drivers will verify the address where the delivery will take place is valid and allowed for delivery; no deliveries will take place on publicly owned land, or a building leased by a public agency. The driver will also verify the identification and age of the customer at the time of delivery. SPG plans to use *Onfleet* software as the global positioning system (GPS) for all vehicles utilized for delivery; however, SPG retains the right to change GPS systems to another software application in the future if so desired. *Onfleet* allows SPG to track the location of each delivery driver.

Cannabis goods will only be delivered to a physical address located within the State of California (except to Federal land including but not limited to casinos), and will ensure their delivery path does not leave the State of California. The delivery employee will operate an enclosed motor vehicle with a designated GPS system; the vehicle will be attended or locked at all times, and the cannabis goods will not be visible to the public. The delivery employee will only travel from SPG's licensed premises to the delivery address; from one delivery address to another; or from a delivery address back to SPG's licensed premises.

The delivery employee will not carry more than \$10,000 worth of cannabis goods at any time and will not consume any cannabis goods while delivering cannabis to customers. SPG will provide the delivery employee with a detailed delivery request receipt containing the company name and address, name and employee number of the person preparing the order and the person making the delivery, customer name and address, date and time delivery request was made, description of cannabis goods (including weight), and total amount owed (including fees and taxes). The customer will be required to sign the delivery request upon receipt of the goods and will be given a copy of the signed request receipt.



When arriving at the dispensary to begin a delivery, the delivery employee will park in an assigned, lit parking spot. Upon entry into the dispensary, the delivery employee will clock in, ensure they have enough change, and turn on the GPS tracking device noting the odometer reading for mileage reimbursement. Each employee driver will ensure all orders match the request made online or on the phone, and match them to their receipt.

The driver will attach the receipt to opaque, child-proof packaging containing the products. Upon delivery of the product to the delivery address the driver will return to the SPG premises to bring cash and receipts. Employee drivers are instructed to never use their phone or text while driving unless their vehicle is equipped with hands-free features. Protocols are in place in the event of a motor vehicle accident.

SPG will adhere to all delivery requirements established by Santa Rosa ORD-2017-025 § 20-46.080(B) and Title 16 CCR § 5415.

**(I) Parking Analysis**

There are a total of 7 parking spaces at the premises, which satisfies § 20-36.040 of the Santa Rosa Zoning Code requiring one space for every 250 square feet by almost doubling the number of required parking spots. Our dispensary occupies a total of 1,150 square feet of the building, requiring under 5 parking spots.

**(J) On-Site Consumption**

SPG has no plans to request an on-site consumption permit at our current premises.

**(K) Special Events**

SPG plans to apply for a Cannabis Annual Event License through the Bureau. Upon issuance of an event license, SPG will host events at venues throughout Sonoma County. SPG currently hosts a regular patient luncheon providing free catered lunch to patients and customers; leftover food is donated to a local homeless shelter. SPG does not plan to host any events requiring a cannabis permit at this location.

**(L) Storefront, Signage, and Window Treatments**

There is one sign at the entrance to the parking lot that lists all of the business operating within the building. The SPG logo is printed on the front entry sliding doors, SPG has installed security films on all windows looking into the interior retail space of the dispensary to ensure products are unable to be seen from the public, and to provide an additional layer of security.





## **Security Procedures**

### **1. Video Surveillance**

Security surveillance cameras are installed to monitor the main entrance and exterior of the premises to discourage loitering, crime, illegal and nuisance activities. Twenty-five (25) security cameras cover the interior and exterior of the premises at all times. SPG maintains 24-hour surveillance and recordings are kept for 90 days. A schedule identifying the locations of the critical video cameras is attached hereto.

SPG will ensure the cameras have minimum resolution of 1280 x 720 pixels and record continuously for 24 hours at 15 frames per second. Video surveillance will record: all points of entry and exit (indoors and outdoors); areas where cannabis goods are stored or moved on site; limited access areas; security rooms; areas storing surveillance storage; and all points of sale areas and goods on display recording facial features of employees and customers. Video surveillance will be maintained for at least 90 days and will display the date and time on recorded images. The video surveillance system is equipped with a failure notification system to alert SPG of any disruption of surveillance or storage of recorded images. The video surveillance system has a battery backup to ensure at least 3 hours' recording time if there is a power interruption or failure.

### **2. Alarm System**

An internal alarm system has been installed and is monitored by Advance Security Systems, a company licensed to do business in Santa Rosa. Glass break detectors are installed in three locations alerting the interior alarm system covering all exterior windows. In addition, the building owner maintains a burglar alarm in the common area of the building installed and monitored by Bay Alarm.

### **3. Secure Storage and Waste**

Two large safes have been installed for the purpose of storing medical cannabis and other items of importance and value. Only managers have access to the safe and contents stored within. Inventory will be kept separately to designate between medicinal and adult-use products. Expired, opened, or otherwise unsellable cannabis products will be disposed of in secure waste containers and will be rendered unusable using various methods, including but not limited to mixing the product with soil. SPG will contract with permitted disposal transportation services when cannabis goods need to be removed from the licensed premises to be disposed of at a permitted waste facility.

### **4. Transportation Procedures**

The site is located on a major thoroughfare with adequate access for vehicles. Public transportation portals with disabled access are located next to the dispensary. SPG will not transport cannabis goods, other than to deliver to qualified medicinal patients, and to adults over 21 years of age, upon modification of our Conditional Use Permit. SPG will adhere to all delivery and transportation requirements established by Santa Rosa ORD-2017-025 § 20-46.080(B) and Title 16 CCR § 5415 and 5311.



## **5. Secure Entrance**

The door to the dispensary proper is locked at all times. All members must identify themselves by showing identification to a duly authorized employee at the reception area check-in window before entry through the electric buzz-in door is granted. A steel security gate is installed inside the sliding glass entry door which is closed and locked at night to deter break in attempts. The exterior windows of the dispensary proper have been reinforced with a layer of smash resistant glass to deter burglary. The doors to the interior hallway have been replaced with steel kick-resistant doors.

SPG only allows access to premises by customers who are 18 years of age and have a physician recommendation, and customers who are 21 years or older. All customers must provide a valid government photo ID to verify their identity. SPG will have limited-access areas on the premises and will ensure any person who is not an employee is escorted always when in the limited-access areas. During business hours, distributors will enter the premises through an unmarked side door to ensure they are not using an entrance that is available for use by the public. These areas will be monitored by security personnel.

## **6. Emergency Access**

Two emergency exits with access to the hallway of the building are available in the case of emergency. Both exits have steel doors that remain secured at all times. SPG will provide emergency access to the premises during non-business hours as required by city and state regulations. SPG will provide a Fire Department lock box for keys to gates and doors to access during regular and non-business hours.

## **7. Security Personnel**

La France Protective Services of Santa Rosa provides one security guard in front of the dispensary during all operating hours, as well as a patrol unit nightly. LaFrance is licensed to do business in Santa Rosa. A copy of the LaFrance Private Patrol Operator license is attached hereto. A professional security guard from LaFrance Protective Services patrols the area surrounding the dispensary to prevent loitering, vandalism, and consumption of medical cannabis on the premises and surrounding area. Surveillance cameras point to a majority of the parking lot which increases security monitoring for loitering, vandalism, and prohibited consumption of cannabis.

## **8. Additional Security Measures**

SPG security guards patrol the premises regularly to ensure that no illegal activity is occurring on or around our dispensary.