

Maloney, Mike

From: Maloney, Mike
Sent: Wednesday, November 14, 2018 8:24 AM
To: Rogers, Chris; Sawyer, John; Olivares, Ernesto
Cc: Toomians, Kristinae; Rose, William; Hartman, Clare; Guhin, David; Gallagher, Sue; Crocker, Ashle
Subject: Late Correspondence item 3.3
Attachments: 20181113 Ltr to Cannabis Review Subcommittee re CUP18-065.PDF

Vice Mayor Rogers, Council Member Olivares, and Council Member Sawyer:

Attached please find late communication (letter in response to staff recommendation) submitted by the applicant for the proposed Cannabis Retail Dispensary at 112 Commercial Ct, #2 (CUP18-065 – Emerald Blooms). The late communication is related to one of the items under review by the Cannabis Policy Subcommittee, on Wednesday, 11/14: [3.3 CANNABIS RETAIL MERIT BASED REVIEW - CONCENTRATION AREA - 112 COMMERCIAL CT # 2 \(CUP18-065\) & #25 \(CUP18-045\)](#).

Kristinae Toomians | Senior Planner

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November 13, 2018

VIA E-MAIL

Vice Mayor Rogers (CRogers@srcity.org)
Council Member Olivares (EOlivares@srcity.org)
Council Member Sawyer (JSawyer@srcity.org)
Director Guhin (DGuhin@srcity.org)
Deputy Director Hartman (CHartman@srcity.org)
Kristinae Toomians, Senior Planner (KToomians@srcity.org)
William Rose, Supervising Planner (WRose@srcity.org)

**Re: Item 3.3: Cannabis Retail Merit Based Review – Concentration Area –
112 Commercial Ct, #2
File No. CUP18-065**

Vice Mayor Rogers, Council Members Olivares and Sawyer, and Staff -

We represent Seitz Family Estate LLC ("Applicant") in connection with the above-referenced Conditional Use Permit application (the "Application"). We write this letter in response to the Staff's recommendation regarding the Cannabis Retail Merit Based Review for the concentration area of Commercial Ct. Upon review of the Merit Based Review Scoresheet for the Application ("Scoresheet"), it has come to our attention that portions of our Application may not have been reviewed leading to an flawed lower score. Additionally, the currently-preferred applicant has made material misrepresentations about critical elements of its project that are impossible to deliver. Based on inconsistencies in the review process, and these misrepresentations, in addition to Applicant's superior standing amongst its neighboring tenants, we respectfully request that the Subcommittee recommend our project for approval.

General Limitations of 112 Commercial Court Businesses

The two competing applications are located within the same business complex located at 112 Commercial Ct. ("Redwood Center") which are subject to particular covenants, conditions and restrictions ("CCRs") that limit the actions of tenants and businesses. The Redwood Center has implemented various CCRs relating to the maintenance of common area and unit exteriors, landscaping contracts, security and patrol protocols, and general repairs of the business park.¹ We are concerned that the recommended application may have included some representations that are not feasible due to the limitations imposed by The Redwood Center Condominium Owners Association ("Redwood Center Association").

For example, the recommended project has represented that it will be able to lock the gate of the entrance of the parking lot to the Redwood Center, however this is expressly prohibited by the CCRs.² The recommended project stated that it will utilize the area behind its warehouse for parking. However, this proposed parking expansion has not been approved by the Redwood Center Association as required by the CCR, and furthermore violates Santa Rosa Municipal and Building Codes.

¹ Declarations of Covenants, Conditions and restrictions for Redwood Center, Article 3, Section 3.7.

² *Ibid.*

Thus, we believe the recommended project may have been awarded points for proposed action items that they cannot deliver on because of the CCR limitations. We believe that points were erroneously awarded to the recommended applicant, resulting in an unjustified recommendation of the project.

Responses to Retail Merit Based Review Scoresheet

We would also like to provide the following responses to the Review Committee's comments made on Applicant's Scoresheet. We believe points were incorrectly deducted from Applicant's score, resulting in an overall lower score than the recommended project. As you will see outlined below, Applicant addressed many issues that the Staff indicated were not included. This concerns us because it appears the Application was not reviewed in its entirety. As a result of the point differential, we ask that you recommend our project for approval.

1. State and Local Compliance - Plus 5 Points

Comment: "General Plan policies not addressed."

Response: The Application addressed General Plan policies in paragraph 6 on page 2 of the Completeness Letter Response. The recommended application's General Plan discussion was very similar to our response; however, the recommended applicant received five more points in this section. We believe that these points should have either been awarded to both projects or not awarded to either project since both applicants addressed the General Plan policies with almost identical responses. Additionally, Applicant submitted late correspondence documentation addressing the project's compliance with General Plan policies.

2. Site Management – Plus 5 Points

Comment: "Although consultant has experience in cannabis, the narrative does not demonstrate experience in operation of a North Bay cannabis business."

Response: In the Application, Applicant explained its collaboration with cannabis consultant Brian Dombrowski. However, the points fail to take this into consideration. Brian served as President of the Valley of the Moon Collective, a Sonoma County cannabis retail business, during its operational years and has significant North Bay cannabis retail experience. Brian has assisted several cannabis retail businesses, including Santa Rosa's own Alternatives Health Collective, with compliance, operations, staff trainings, and permitting. Brian will have oversight over the operations of the Applicant's day-to-day business, like developing security protocols and implementing employee training procedures, which were outlined in the business plan provided in the Application. Brian will be extremely hands-on and will have significant management and control over the Applicant's business. Please see a Reference Letter in support of Brian's work from Alternatives attached hereto.

We also believe that Applicant's extensive North Bay business experience should not be discounted or overlooked. Applicant has operated a successful small business, Sietz European Motors, in Sonoma County for the past 30 years. Additionally, Henry Seitz, Managing Member of the Applicant, operated Pine Ridge Cooperative, serving dozens of the North Bay's critically ill patients for nearly 5 years. To further support their already extensive industry and retail experience, Applicant has now partnered with Best Way Advisors to receive cannabis retail consulting services to ensure a successful launch and build out of the business.

Comment: “Difficult to determine if narrative was tailored for the City of Santa Rosa.”

Response: In the Conditional Use Permit Application submitted April 20, 2018, Applicant addressed all of the requirements for cannabis retailers outlined the City of Santa Rosa Comprehensive Cannabis Ordinance. The Application included discussion of compliance with Santa Rosa specific rules for storage and waste, security protocols, dual permitting and licensing, storefront entrance, employee registrar, record keeping, patient access protocol, adult-use access protocol, secured access and secured product control, delivery operations, noise, lighting, parking and hours of operation. It is clear from these discussions that the Application was tailored specifically for the City of Santa Rosa and it is worrisome that perhaps more than 10 pages of the Application was not carefully reviewed by Staff.

Ironically, on page 28 of the preferred project application, it references that it will package raw cannabis, which cannot be performed by a retailer under the City of Santa Rosa’s Cannabis Ordinance. Thus, it appears that, in fact, the preferred project may not have tailored their application to the City of Santa Rosa’s requirements.

Comment: “Detailed performance timeline provided.”

Response: Applicant has the financial ability and necessary collaborations and partnerships to complete the project and bring the retail cannabis business to complete fruition. It is unclear whether the preferred applicant has the ability to do so.

3. Neighborhood Compatibility – Plus 6 Points

It is important for Staff and the Subcommittee to recommend projects that will succeed and will not cause harm or impose upon existing businesses and neighbors. Applicant has an excellent relationship with the other businesses in Redwood Center. Please see the Neighbor Support Letters attached hereto. Applicant has been a tenant in unit 112 for the past 30 years and has a vested interest in ensuring that the neighboring businesses are happy and any concerns are promptly addressed. The operators of the recommended project have had issues with the other businesses in the Redwood Center, and it is foreseeable that further disputes and issue will arise if the project moves forward. As a result, we request that our project is recommended as its operators are the most compatible with the neighboring businesses. We would also like to provide responses to the Staff’s comments regarding neighborhood compatibility to further support our request.

Comment: “Understated storefront proposed, with a focus on delivery services.”

Response: Delivery is a service that Applicant will provide to its customers and patients, however it is not the sole focus of the business. This comment oversimplifies the nature of the project, as several significant portions of the Application outline the storefront retail activities.

Comment: “While there’s discussion demonstrating a commitment to customer service and an enhanced customer experience, no details provided other than delivery. More focused on vehicular and bicycle parking.”

Response: Once again, it appears that the totality of the Application was not reviewed or considered because it included a detailed business plan that outlined the proposed customer experience. For example, the Application provided details about the products and services that the Applicant intends to sell and provide. The Application also outlined a considerable employee education and training program in the

Employee Manual. Applicant's staff will be trained to utilize software to provide one-on-one interactions with the customers to provide personalized health guidance.

The Application also included a detailed staffing plan within the Applicant's operations plan. The staffing plan outlined the Applicant's hiring practices and procedures to ensure that the employee is the right fit for the position they are applying for.

Applicant focused on its delivery procedures because of its concern for parking and traffic impacts of a retail cannabis because in the Redwood Center. The recommended project only has 5 designated parking places and does not offer any ADA compliant spaces in front of its building, relying instead on ADA spaces that its neighbors must also use. Our project, on the other hand, proposes a total of 9 parking spaces, including an ADA parking space directly in front of its unit.

Comment: Lacking details regarding a "clear and attractive entrance."

Response: The Application included plans which clearly depicted the proposed upgrades to the entrance of the building, including the installation of new parking and a new façade including landscaping. Applicant's facility entrance will be setback approximately 50 feet from the street curb with excellent sightlines from the street entrance to the parking lot. The Applicant's entrance is more visible from the street than the entrance of the project that is recommended for approval, and is the only project proposing actual upgrades.

4. Neighborhood Enhancement – Plus 8 Points

Comment: "Proposed elevations do not adequately reflect the quality and extent of improvements. Narrative lacks detailed discussion of changes to proposed storefront."

Response: The drawings provided in the Application depicts the site improvements, which include a new store front, a new glass roll-up door, new signage, new parking including the creation of an ADA space and EV charging station. The table on the site plan describes the project as having 9 dedicated parking spots, which includes the creation of 5 parking spots. The floor plans provided in the Application show all building improvements along with additional exterior landscaping and the creation of the ADA dedicated parking spot adjacent to Applicant's entrance.

Comment: Little detail is provided to demonstrate integration of the project through attractive façade, setbacks, quality materials, colors and landscaping.

Response: As stated above, the Application depicts the site improvements, which include a new store front, a new glass roll-up door, new signage, new parking including the creation of an ADA space and EV charging station. The table on the site plan describes the project as having 9 dedicated parking spots, which includes the creation of 5 parking spots. The floor plans provided in the Application show all building improvements along with additional exterior landscaping and the creation of the ADA dedicated parking spot adjacent to Applicant's entrance.

The existing painted roll-up metal door to the south of the entry doors will be replaced with an aluminum storefront glass system. This will allow light into the lobby and maintain dispensary retail space while providing visibility into the building. The existing painted roll-up metal door to the north of the entry doors will be replaced with an aluminum roll-up door with tinted glass panels. This will mimic the fenestration of south windows and create a balance symmetrical façade. High quality dark bronze aluminum

frames will match the color and style of the existing building. All proposed exterior building colors are in compliance with the CCRs. A finish legend was included in the Application, describing all materials being used. Applicant is working with Henry Wix, a Certified Green architect, on the development of the architectural design and implementation.

A new landscaping pocket will be created in front of the former roll-up door location to the south of the main entrance. This area will be approximately 70 square feet and contain drought tolerant plants to create softness to the surrounding paved areas.

In contrast, the preferred application offers no exterior upgrades or improvements, other than a new sign. In contrast to the Emerald City Blooms project, the currently-preferred project will remove landscaping to accommodate its proposed bicycle parking.

Comment: "Local hiring with full time benefits 'as much as possible'. Unclear if the business is a nonprofit entity or an LLC."

Response: The Application included a detailed Labor and Employment section which outlines the Applicant's commitment to providing all of its employees with a living wage and it specified how it will comply with all components of the City of Santa Rosa's Living Wage Ordinance. Applicant is committed to hiring local employees and estimates needing 10 full-time employees. There will be up to 5 employees during peak operating hours. All full-time employees will receive benefits.

We recognize that the Application was unclear as to the Applicant's entity. We would like to clarify that the Applicant is the Limited Liability Company, Seitz Family Estate, LLC. Terry Moore of Best Way Advisors is the new CFO of the LLC and will be providing additional corporate governance and compliance advice to Applicant. Further, it is unclear why the corporate structure is so important, as the overall operations, management, fitness, and benefits of the project should be of paramount concern to the Review Committee.

Additionally, the Applicant is now partnering with the Teamsters Local 665 to ensure safe work environments and quality jobs to local employees, thus further demonstrating and solidifying Emerald City Blooms' commitment to its business, employees, patrons, and community.

Thank you for the opportunity to raise our concerns with the review process, and to further inform the Subcommittee's consideration of the elements of our project. Based on the inconsistencies in the review process, the overall quality of our project, and our commitment to our community, we ask that you recommend our project for approval. We are happy to provide any additional information or documentation to help you better understand our project and its importance to the community. As always, thank you for your continued dedication and service to our community.

Regards,



Erin Carlstrom

EBC:gc
Encls.

ALTERNATIVES HEALTH COLLECTIVE

[1603 Hampton Way](#)

[Santa Rosa, CA 95407](#)

707-525-1420

September 1, 2012

To Whom It May Concern:

As Chief Executive Officer at Alternatives, a Health Collective, I was tasked with relocating our medicinal marijuana collective. The project included purchasing a new building, remodeling the location, applying for a Sonoma County permit, hiring and training a new staff, and implementing the point of sales and inventory control systems.

During this process, my consultant, Brian Dombrowski, was invaluable at every step of the way. His broad-based knowledge in this industry is invaluable. He was highly successful in assisting me with interviewing and hiring a staff and then training me and my new employees in matters of security and compliance with California's complex medicinal marijuana laws. His excellent communication and leadership skills created a highly functional team who accomplished a tremendous amount of quality work in a short timeline.

Brian worked side by side with me throughout the Sonoma County permit process. He attended county permit meetings and never hesitated to testify before governmental agencies on our behalf. He was persuasive, dependable, and articulate. His experience and expertise helped enormously.

Brian had an excellent grasp of what needed to be accomplished, and by when. I highly recommend his consulting services to anyone in the medicinal marijuana (or legalization) field. Should you have any questions, please feel free to contact me.

LAW OFFICES OF KAREN KISSLER

Karen Kissler, Esq.

[77 Estelle Ave.](#)

[Larkspur CA 94939](#)

415/250-8888

August 6, 2018

Dear Members of the Santa Rosa Cannabis Sub-committee:

I am an owner of several warehouse condominiums and a business at 112 Commercial Ct. My business has operated at this location for over 20 years and I am currently on the Board of Directors for the HOA of the complex and have been for many years.

Though I was not able to attend the two informational meetings for applicants wishing to open cannabis dispensary businesses in our complex at 112 Commercial Ct., I am fully informed of both applicants and their business plans.

In general, I am concerned that this type of business may not be a good fit for our location. We are located on a very small Court between highway 101 and Santa Rosa Ave. The only entrance is off Santa Rosa Ave across from the Santa Rosa Market Place (Costco) shopping center which is a very busy street and a very busy shopping center. In addition, there is a 100+ bed hotel in the process of construction at the end of our Court. The businesses currently operating in our complex do not serve a large retail population. We are mostly warehouse type businesses with small store fronts. We have 53' semi-trucks delivering to our complex on a daily basis, many times having to back down our Court to be unloaded by forklift in the street. Many times the Court is completely blocked for 15 to 20 minutes while the unloading is taking place.

Parking is also a huge concern, with only 3-4 assigned spots per unit (which includes both employee and customer parking) the traffic numbers proposed by the applicants (especially Unit #25 applicant) only exacerbates the already tenuous parking & traffic situation. There is street parking on only 1 side of our short Court which is already used by the employees of the existing businesses. We already often have issues between owners, tenants and customers regarding the lack of parking and blocking of entrances/exits to delivery vehicles and emergency vehicles. The Santa Rosa Fire Dept's ladder truck has to park blocking almost all parking spaces when they are here buying products at my business.

For several reasons, I feel that if a dispensary operation were to be approved in our complex, I would prefer it be to the applicant in Unit #1 & #2 (Emerald City Blooms) vs. the other (unit #25) applicant. The Unit #1 & #2 location is in a more conducive spot for traffic (at end of cul-de-sac turnaround), they have more parking spots assigned to their units than the other applicant and their business plan is focused on more off-site (door to door) delivery which will also lessen the impact of any additional traffic and parking needs.

If the entrance/exit in front of Unit #25 is blocked, ALL traffic to & from our businesses and ALL traffic to & from the new Hotel will be blocked. The entrance/exit in front of Unit #1 & #2 can be blocked without creating the afore mentioned "totally blocked" Court. In addition, the owner of Unit #1 & #2 has been a HOA board member for many years and has been active and involved in our homeowner issues over the past 20+ years. He has been very generous in helping with our complexes issues and I believe he will continue to be very responsive to any addition issues that his business might create. The other applicant and owner of Unit #25 has not even introduced herself nor attended ANY of our HOA meetings in the ten (10) years she has owned the property. Not only has she not been friendly to & with her fellow property owners or businesses she has actually created much animosity with them by having their customer's cars towed without notice (which she doesn't even have the legal right to do so).

Sincerely,


Daniel Damonte
Golden Gate North / (707) 888-4390

D. H. DAMONTE, INC.
112 COMMERCIAL COURT
SANTA ROSA, CA 95407

August 6, 2018

Dear Members of the Santa Rosa Cannabis Sub-committee:

I am an owner of a warehouse condominium and business at 112 Commercial Ct. My business has operated at this location for over 20 years and I have been on the Board of Directors for the HOA of the complex for many of those years.

Recently, I have attended two informational meetings for applicants wishing to open cannabis related businesses in our complex at 112 Commercial Ct.

In general, I am concerned that this type of business may not be a good fit for our location. We have a very small street wedged between highway 101 and Santa Rosa Ave. The only entrance is off Santa Rosa Ave, which is a busy street. In addition, there is a 100 bed hotel already approved and in the process of construction at the end of this short street. The businesses currently operating in our complex do not serve a large retail population. Mostly we are warehouse type condominiums with small store fronts. We frequently have large semi delivery trucks coming through our complex to deliver products.

Parking is the biggest concern, with only 3-4 assigned spots per unit, which includes both employee and customer parking. There is very little street parking (only 1 side of short street allows any on street parking). We often have issues between owners, tenants and customers regarding the lack of parking and blocking entrances/exits to delivery vehicles and emergency vehicles.

For several reasons, I feel that if any cannabis operation were to be approved in our complex, my vote would go to the Emerald City Blooms applicant over the other (unit #25). Emerald City Blooms location is in a more conducive spot for traffic (at end of cul-de-sac turnaround) and they have more parking spots assigned to their units than the other applicant. In addition, the owner of the location has been active and involved in homeowner issues over the years, so I have confidence they would be responsive to the other owners and tenants concerns in the complex. The other applicant (unit #25) has not come to any homeowner meetings and has not established a positive relationship with other owners and tenants of the complex over the course of 10 years of ownership.

The Emerald City Blooms business plan as presented at their community meeting indicated they would also offer inside parking, and closing off one warehouse door to provide additional parking spots; and had more business slated as delivery business than walk-in/drive-in type business, which would also help alleviate the parking and traffic issues I have outlined above.

Thank you,



Deanna Damonte
D. H. Damonte Inc.
707-575-4545, ext. 11
deanna@goldengatenorth.com



AMERICA'S BODYSHOP®

August 7, 2018

Dear Members of the Santa Rosa Cannabis Sub-committee,

We are business owners of the complex located at 112 Commercial Ct. and are writing to support Emerald City Blooms (Unit #2) in their application process for a retail cannabis business. We are in favor of Emerald City Blooms as part of our neighborhood. We are confident the operations of a retail cannabis business will be compliant with local and state laws and add value rather than create nuisance.

As the neighborhood and business owners, we support Emerald City Blooms because they are a better fit in our community. We would rather see the project move forward on unit #2 over unit #25. Parking ingress and egress have been long-time problems for this location. The approval of unit #25 would further this issue, while the approval of #2 would add parking, be less of an impact on the traffic flow and keep the impact to the back of the complex. Emerald City Blooms would benefit our community, add esthetic value, improve safety and security of our neighborhood and create jobs.

Again, we highly recommend 112 Commercial Ct. #2 over its competitor at #25. This location is more suitable for the area.

Thank you for your time and consideration in this matter.

Sincerely,

Scott Jeffery- Building owner of unit's #12-19/Business owner

Kirk Jeffery- Building owner of unit's #12-19/Business owner