

## 365 Recreational Club Project Description

We are planning to open a medical and recreational cannabis retailer at 2750 Mendocino Ave. Our target market will be patients who need medical cannabis, and recreational users who are over 21 years of age. The proposed site will be 3,406 sq ft.

**City of Santa Rosa**

**JAN 08 2019**

**Planning & Economic  
Development Department**

# Project Description Narrative

**Commercial Cannabis Use:** Through this application we will be applying for a dual use Medicinal and Adult Use license.

The City of Santa Rosa recognizes that state law requires dual licensing at the state and local level for all cannabis businesses (medical and adult use).

**Compliance:** We will diligently pursue and obtain a state cannabis license as well as a city cannabis license and will comply at all times with all applicable state licensing requirements, including, but not limited to, LiveScan background and fingerprint checks, restrictions on multiple licenses and license types, locational criteria, and a seller's permit. We will make sure to demonstrate to the City we have filled out and turned in all applications and fees necessary for a state license within the required deadlines. Our owner will electronically submit to the Department of Justice fingerprint images and related information required by the Department of Justice for the purpose of obtaining information as to the existence and content of a record of state or federal convictions and arrests.

**Separation of License Types:** We will keep clear separation of medical and adult use licenses unless authorized by local or state law. We will keep separate records for Medicinal Cannabis as well as Adult Use.

**Location Requirement:** As you can see from our site plan, the storefront entrance is in a visible location that provides an unobstructed view from the public right-of-way. Also there is no school from Kindergarten-12<sup>th</sup> grade within 600 ft. of the proposed location. There is a preschool is just at 600 ft. away called "The Little School House". But after researching this location it is strictly a preschool and wouldn't be counted against the necessary setbacks of schools from K-12<sup>th</sup> grade as defined in the city ordinance. The property is zoned as CG which is allowed for commercial cannabis retail stores.

**Building and Fire Codes:** We will comply with the city building and fire codes by obtaining a building permit with the appropriate occupancy classification and compliance with chapter 18 of the City Code. Before opening we will obtain all annual fire permits with inspections. We will follow all H&SC and California Fire code requirements related to storage and handling of hazardous waste. We will obtain all CUPA permits and complete a CERS submission for hazardous materials. We will also make sure to provide a Fire Department lock box for keys to gates and doors. The property will have fire extinguishers and smoke detectors throughout the facility. No proposed external modifications of building are proposed. Also, all existing landscape is to remain. All necessary building and application materials will be provided when applying for a building permit. We will have all exits clearly marked with an approved exit sign visible from any direction. There will be no smoking or lighted pipe, cigar, cigarette or any other use of smoking paraphernalia when on the premise.

City of Santa Rosa

APR 17 2018

Planning & Development  
Department

# Project Narrative

Seashore Enterprise will be applying for a dual license to sell both Medicinal and Adult Use Cannabis Retail.

## Delivery Services

365 Recreational will provide delivery services to customers within a 15-mile radius, allowing the Company to broaden its customer base and provide its products to customers outside of its retail facility. Customers will order their desired products through 365 Recreational's website, which will then be delivered to a specified location by a stringently-vetted driver.

Like storefront employees, all prospective delivery drivers will be required to pass a criminal background check prior to beginning work at the Company, as well as a driving background check. Employees shall be required to self-report any event that would disqualify them from employment within 24 hours of occurrence, and 365 Recreational will also conduct ongoing background checks for all employees on an annual basis to ensure ongoing compliance.

The Company will routinely test for illegal drug use and not hire employees who test positive for illegal drugs under any circumstances at any time. Random drug-testing will be ongoing in nature. 365 Recreational will dismiss anyone who tests positives for illegal drugs.

All delivery vehicles will be equipped with GPS tracking software, allowing the Company to monitor the vehicle's movements and deter product diversion. Drivers will only carry a small amount of cash/all payment will be conducted online to discourage thieves. Other safety precautions will be considered and added in accordance with City and state ordinances, as well as the owner's discretion.

## Odor Control

The Company's proposed site is located in an area designated for retail use. The proposed retail cannabis facility will take every measure to mitigate and eliminate cannabis-related odors, as well as all other intruding odors, by storing all products and waste in sealed containers and utilizing a carbon-quality air filtration and circulation system. Since all product in the store will be securely packaged there will not be a strong aroma that could be detected from outside of the structure. We will make sure all staff is trained on how to properly secure all cannabis products to ensure odor control.

### **Outdoor Lighting**

All outdoor lighting will be compliant with the city. There will be no lights that are above 16 ft. off the ground. Outdoor lighting will utilize energy-efficient fixtures by using LED lights. During the hours of darkness while we're open we will make sure the outdoor lights have at minimum a one-foot candle of light at ground level. To make reduce lighting on adjoining properties we will put covers over the LED lights to shield the light and make sure it isn't visible from off the site and confine the glare. This will also ensure that all lights will be directed downward and away from any other properties and the public. We will prohibit any lighting that would blink, flash or be of high intensity.

### **Noise**

To help control the noise in the building we will install a variety of noise controlling factors. The first factor we will have is vinyl flooring which has better sound absorption qualities. Another way to help control the noise is having plants located throughout the building. Plants have been proven to reduce noise levels inside of buildings. And the most important way to help reduce noise will be to install sound reducing insulation material in the walls. Hours of operation will be from 9am-9pm so there will be no noise late at night or early morning to disturb the neighbors.

### **Accessory Use**

There will be no accessory uses for this project.

# Storefront, Signage, Windows, and Parking

## Windows

Windows and glass panes will have vandal-resistant glazing, shatter-resistant film, glass block, or bars installed equipped with latches that may be released quickly from the inside to allow exit in the event of emergency. Windows vulnerable to intrusion by a vehicle will be protected by bollards or landscaping grade separation reasonably sufficient to prevent such intrusion.

## Storefront Sign

We plan on having a storefront sign that is 1,600 sq. inches. It will be 20in. high and 80in. wide and be LED lit that displays our logo right above our door.

## Parking Analysis

The building structure is measured at 3,406 ft. We will have 14 parking spots onsite with 1 ADA spot. This will be sufficient as it meets the one space per 250 ft. rule.

## Hours of Operation

The proposed hours of operation would be 9am – 9pm 7 days a week. We will be able to take and make deliveries from 9am – 6pm.

## Local and State Compliance

365 Recreational will comply with the rules and regulations of both the City of Santa Rosa and the State of California. The Company will seek to obtain and maintain a dispensary license from the City of Santa Rosa and a business permit. The Company plans to run a safe and secure facility for both the community and 365 Recreational's workers that mitigates all external risks and prevents theft or misuse of cannabis products.

The Company has chosen a facility that will allow enough space for it to check IDs and complete paperwork separate from the retail counter. The environment will be clean, professional, and welcoming with uniformed security guards that are present at all times. A manager will serve as the onsite designated representative and will be present during all business hours. 365 Recreational will operate from 9 a.m. to 9 p.m. seven days a week. We will be able to take commercial deliveries every day from 9a.m. to 6 p.m.

### Dual Licensing

The City of Santa Rosa recognizes that state law requires dual licensing at the state and local level for all cannabis businesses (medical and adult use). All cannabis operators will therefore be required to diligently pursue and obtain a state cannabis license as well as a city cannabis license and will comply at all times with all applicable state licensing requirements, including, but not limited to, LiveScan background and fingerprint checks, restrictions on multiple licenses and license types, and locational criteria.

We will follow all state regulations to make sure we are operating within legal means.



# Neighborhood Enhancement

Community-minded and dedicated to its customers, 365 Recreational intends to bring its effective business methods to its Santa Rosa location. Driven by its passion for helping people and sharing the benefits of marijuana with others, the Company conducts comprehensive and continual research on the products it chooses to sell to ensure the highest quality of recreational cannabis available. Additionally, 365 Recreational prioritizes local products and locally hired employees, and will commission Santa Rosa-based artists to paint a mural in its facility, creating dynamic and fun atmosphere. Employees are always paid a living wage, allowing the Company to boost its community's economy in multiple ways and represent its community within the shop.

Management will ensure that 365 Recreational avoids becoming a nuisance or having a negative impact on its neighbors and the community. The Company will regularly remove and store all trash each day, properly disposing of it, to ensure that it is not ingested by a person or animal. Waste will not be disposed of in a sewer or by burning. 365 Recreational will remove graffiti within 48 hours and keep all driveways and sidewalks clear and clean. The Company will take care to avoid causing any adverse impacts within 600 feet of the business.

## **Traffic, Parking, Emissions, and Carbon Footprint**

The proposed facility will not generate a significant amount of traffic or other sources of air emissions; development of the site will include parking spaces required for the proposed use, along with bicycle parking and a designated space(s) for carpool or low-emissions vehicles. Additionally, the Company hopes to position itself within easy walking distance from public transportation stops for convenient access to customers utilizing the City's public transit program. In order to reduce the Company's effect on the surrounding environment, 365 Recreational will endeavor to use low-VOC emissions paints and materials in the proposed remodel. In addition, construction waste will be recycled as possible. Deliveries will be scheduled weekly to reduce traffic impacts.

Although the proposed operation will not generate a significant amount of traffic or other sources of emission, the Company will seek to do its part to reduce the carbon footprint during the development and use of the facility.

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### **Energy Efficiency and Sustainability**

There are a number of measures that can be undertaken by any type of business to increase energy efficiency. Some examples of what we propose to increase energy efficiency are as follows:

- Installation of new insulation in order to increase HVAC efficiency
- LED or low-voltage lighting
- Installation of plants that provide shade installed not only to beautify the property and surrounding neighborhood but also to naturally cool the property
- Weather proofing
- Keeping doors and windows closed

Furthermore, to the extent possible 365 Recreational is actively exploring solar solutions to support the utility infrastructure.

### **Water Efficiency**

In order to maximize water efficiency, the Company will install low-flow plumbing fixtures throughout the facility; all restrooms and water-using utilities will be equipped with efficient fixtures to reduce water consumption. Indoor and outdoor plumbing will be maintained and inspected in order to prevent leaks, and any leaks will be repaired promptly.

### **Community Benefits**

The Company plans to interact and collaborate with its larger community to develop programs to provide a positive impact on specific community concerns, such as funding local programs, initiating organizations, and other projects. The types of programs that would be a natural fit for the cannabis industry to support and develop long-term relationships with include veterans, youth, police and public safety, health, and drug prevention and education programs.

Additionally, 365 Recreational will prioritize the hiring of local persons and providing an increase in employment opportunities for the community, between staff located at the Company's storefront, as well as the necessary drivers to deliver product quickly and efficiently.



# Neighborhood Compatibility

## Community Benefits

365 Recreational will provide the name, telephone number, and email address of a community relations contact to whom notice of problems associated with the business can be provided.

The Company will also provide the above information to all businesses and residences located within 100 feet of the Commercial Cannabis Activity and make the information available online to the general public.

We will keep our entrance clear of any trash or debris. Creating a welcome first impression for any customer or pedestrian walking by. We will make sure to have a bike rack located near the front entrance to help bikers.

## Maintenance

Regular inspection, maintenance, servicing and replacement of systems and appliances can make an impact on energy efficiency. We will have a well-maintained property in order to ensure that appliances and systems necessary for the business is in good working condition and operating efficiently. The following are examples of systems that will be maintained for maximum efficiency:

- HVAC system and filters
- Water heater
- Lighting
- Irrigation
- Indoor and outdoor plumbing
- Carbon air filtration system

# Site Management Plan

Seashore Enterprise, LLC (d.b.a. "365 Recreational" and also referred to as "the Company") is an established cannabis dispensary brand in Washington State, with a location in Shoreline, Washington, that has been serving customers since 2012, and is excited to introduce a new location in Santa Rosa, California. The Company's California location will draw on the five years of business experience and establish itself as an integral and additive member of the Santa Rosa community. 365 Recreational will offer not only a clean, welcoming, and professional store front, but also reliable delivery services.

California has been home to legal medicinal cannabis since 1996, but only legalized recreational marijuana in the 2016 voting cycle, for implementation in 2018. The state put a number of ordinances and legislations in place to structure the market, though cities retain the ability to govern their own marijuana markets. 365 Recreational will operate within the \$8.1 billion *Medical & Recreational Marijuana Stores* industry, drawing on the skyrocketing cannabis market and the newly legalized recreational market in California. The City of Santa Rosa only recently began accepting applications for its recreational marijuana market, meaning there are no currently legal competitors for the Company. However, once the city approves licenses and the market establishes itself, 365 Recreational will outperform its competitors by offering a knowledgeable, friendly, and fun atmosphere for customers to enjoy, as well as an emphasis on local products, local employees, and a dedication to its community. The Company will also provide its high-quality products at competitive prices, while providing discounts and subsidies for military veterans and lower-income customers.

To assist in the successful establishment of the Company in its new location, 365 Recreational will initiate a direct marketing campaign that leverages advertisements in local print publications, billboards, and online to reach a broad range of potential customers, as well as promotional text messages for opt-in customers advertising deals and word of mouth referrals from satisfied customers. These strategies are specifically designed to reach a variety of potential customers seeking a full range of cannabis services, high-quality marijuana products, and a knowledgeable staff to answer questions.

365 Recreational will be operated by Jordon Raftis, the Store Manager, who has worked with the 365 Recreational company since 2015. He previously served as the Assistant Manager for the Company's Shoreline, Washington location, where he worked his way through the ranks and learned a great deal of the Company's operations, goals, and business standards. Mr. Raftis will bring this knowledge to the establishment of the Company's Santa Rosa location. 365 Recreational was founded by Sean Tam, who opened his first medical dispensary Seashore Collective in 2012.

To achieve the Company's objectives, the owner is investing \$500,000 to fund Seashore Enterprise's expansion. This investment will specifically be used to lease and buildout the

Company's new location; purchase inventory, equipment, and vehicles, as well as pay application fees.

### **Competitive Edge**

365 Recreational will outperform all future competitors by offering unique all-encompassing cannabis experience, featuring:

- A clean, safe, and judgment-free store front, with knowledgeable staff members happy to educate or answer questions regarding specific products or strains
- Dependable and timely delivery services within 15 miles of the Company's location, enabling a broader base of customers increased access to the Company's high-quality products

The Company's emphasis on hiring and sourcing locally will provide customers an opportunity to support local businesses and people, rather than choosing large marijuana conglomerates. Additionally, 365 Recreational will not only keep its prices competitive in the market but will offer a range of discounts and subsidies for military veterans and lower-income customers.

### **Management Summary**

#### **Sean Tam, Founder**

A Chinese national who grew up in San Francisco, Mr. Tam has many years of experience in both the wine and cannabis industries. After moving to Washington, he began Seashore Collective in 2012, providing high-quality products to many patients in the Seattle area.

In 2012, Mr. Tam established the Seashore Collective, a medical dispensary in Shoreline, Washington. The Seashore Collective gradually morphed into 365 Recreational to serve the recreational cannabis community, leading the industry by stocking the highest quality marijuana products at affordable pricing. 365 Recreational's Shoreline location currently has the highest sales out of all five stores in the city, nearly averaging \$400,000 in sales per month by holding onto and emphasizing its neighborhood and community charms.

#### **Jordon Raftis, Store Manager**

A dedicated and dependable worker with extensive experience in customer service and creative problem solving, Mr. Raftis brings many years of service with 365 Recreational's Shoreline, Washington location in a variety of positions. His communication and time management skills allow him to work well under pressure and remain organized.

In 2015, Mr. Raftis began his career at 365 Recreational as a Bud Tender, educating customers on all things cannabis and answering questions about specific products. He also assisted in updating 365 Recreational's presence and product lists on cannabis-centric websites, such as WeedMaps and Leafly. Mr. Raftis quickly gained traction within the Company and was promoted to Assistant Manager in 2016, then again to Manager in 2018 for their second

location. Given his knowledge and time with the Company, his presence at the Company's Santa Rosa location will assist the location succeed and adhere to Company standards.

Mr. Raftis holds an Associate's degree emphasizing Accounting, Business Law, and Business Marketing from Green River College in Auburn, Washington.

## **Day-to-day operations**

365 Recreational will comply with the rules and regulations of both the City of Santa Rosa and the State of California. The Company will seek to obtain and maintain a dispensary license from the City of Santa Rosa and a business permit. The Company plans to run a safe and secure facility for both the community and 365 Recreational's workers that mitigates all external risks and prevents theft or misuse of cannabis products.

The Company has chosen a facility that will allow enough space for it to check IDs and complete paperwork separate from the retail counter. The environment will be clean, professional, and welcoming with uniformed security guards that are present at all times. A manager will serve as the onsite designated representative and will be present during all business hours. 365 Recreational will operate from 9 a.m. to 9 p.m. seven days a week. We will be able to schedule/take commercial deliveries every day from 9a.m. to 6 p.m.

Management will ensure that 365 Recreational avoids becoming a nuisance or having a negative impact on its neighbors and the community. The Company will regularly remove and store all trash each day, properly disposing of it, to ensure that it is not ingested by a person or animal. Waste will not be disposed of in a sewer or by burning. 365 Recreational will remove graffiti within 48 hours and keep all driveways and sidewalks clear and clean. The Company will take care to avoid causing any adverse impacts within 600 feet of the business.

365 Recreational will develop a brand that communicates its core goal of creating the first all-inclusive recreational marijuana retailer in Santa Rosa, providing a clean and professional storefront as well as timely delivery services. A cohesive brand identity, including a memorable logo and all necessary marketing collateral, will transmit a clear message of these values to the Company's customers and guide the development of marketing campaigns. The Company plans to utilize a direct marketing approach leveraging print and billboard advertisements, promotional text messages, and word of mouth referrals. This strategy is specifically designed to reach customers seeking high-quality recreational cannabis in Santa Rosa, as well as dependable delivery.



## Objectives

The Company has identified the following objectives and benchmarks as it begins operations:

### Short-term

- Establish itself as a trusted provider of superior cannabis products, reliable delivery
- Build a base of customers that is large enough to sustain business

### Long-term

- Enhance its client base to sustain the business and support its growth objectives
- Generate enough revenue to expand operations

## Marketing Strategy

365 Recreational will use a direct sales approach and a variety of advertising channels to increase its exposure among prospective customers. Specific channels will include:

**Print media:** 365 Recreational will place ads in local print publications, such as newspapers, magazines, and community newsletters. These advertisements will communicate key value propositions of the business and will also include any limited-time discounts or other incentives.

**Word of mouth:** The advent of social media means that word travels faster than ever before between family members, peers, and colleagues who are pleased with their experiences with a particular business. 365 Recreational will actively cultivate this effective and inexpensive resource to generate interest in its high-quality recreational cannabis products, on-site consumption allowances, and delivery services. According to research conducted by Nielsen's Harris Poll Online, word of mouth remains among the most trusted forms of advertising: 82% of consumers around the world say they trust earned advertising, such as word of mouth or recommendations from friends and family, above all other forms of advertising.<sup>1</sup>

**Website:** The Company will create a website (365recreational.com) to generate interest in its products and services. This website will be search engine optimized and mobile compatible, and will include a shopping cart, product and delivery information, client testimony, product photos, company profile, location, and contact information.

**Internet advertising:** 365 Recreational will use a combination of internet advertising methods including Pay-per-Click, Google AdWords, Tags, and banner ads as well as search engine optimization of its website. The Company will also place its business information in online directories such as WeedMaps, Yelp, and CitySearch. This effort will help generate interest in

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<sup>1</sup> Ambassador. "How Are Consumers Influenced by Referral Marketing" March 9, 2016. Source: <https://www.getambassador.com/blog/how-are-consumers-influenced-by-referral-marketing>

the Company from the online community and general public. In addition, the Company will place ads in online cannabis-centric publications, such as *Dope Magazine*. *Dope* has previously written an article on 365 Recreational's Shoreline, Washington, location,<sup>2</sup> and the Company will continue to seek publicity from similar publications.

**Outdoor marketing:** The Company will create large, eye-catching signs that are prominently placed for maximum visibility to both foot and vehicular traffic to notify potential customers of 365 Recreational's products and services.

**Patient loyalty programs:** The Company will initiate a program that incentivizes return business and encourages patients to keep coming back to 365 Recreational. While California legislation prohibits dispensaries from giving away cannabis products, the Company will offer tailored discounts on specific products patients purchase.<sup>3</sup> In addition, 365 Recreational will initiate subsidy programs for low-income customers to assist with costs.

**Networking:** As with any relationship-based business, the Company will benefit from participating in a number of networking opportunities that have the potential to yield new business contacts as well as nourish existing ones. 365 Recreational will attend a variety of events that draw substantial numbers of prospective clients, including seminars, networking events, and conferences, which provide opportunities to speak to and associate with larger audiences.

**Social networking:** The Company will develop a distinctive and authentic presence on social networking sites including Facebook, Instagram, and Twitter, and may also place advertisements on these sites. Customers can "like" 365 Recreational on Facebook or "follow" the Company's Twitter or Instagram feed in order to gain access to special discounts or promotions. 365 Recreational will regularly monitor and interact with consumers through social networking sites, and facilitate organic engagement through catchy, indexable hashtags. About 68% of all Internet users in the U.S. are active on social networks; with 79% of adults use Facebook.<sup>4</sup> Meanwhile, 89% of all Millennial consumers are active social network users, and 63% of Millennials report using social media to stay updated on the activity of their favorite brands.<sup>5</sup>

**Grand opening:** The Company's grand opening event will be designed to generate initial buzz for 365 Recreational, signaling its formal launch. This event will feature live entertainment, complimentary refreshments, and special discounts.

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<sup>2</sup> Dope. 365 Recreational: Homie Deals, Homey Vibes. December 2016. Source: <http://www.dopemagazine.com/365-recreational-homie-deals-homey-vibes/>

<sup>3</sup> McDermid, Riley. No More Free Samples at Marijuana Dispensaries... May 2017. Source: <https://www.bizjournals.com/sanfrancisco/news/2017/05/01/california-medical-marijuana-rules.html>

<sup>4</sup> Pew Research Center. "Social Media Update 2016" November 11, 2016. Source: <http://www.pewinternet.org/2016/11/11/social-media-update-2016/>

<sup>5</sup> Pick, Tom. "104 fascinating social media and marketing statistics for 2014 (and 2015)." B2C. 2014. Source: <http://www.business2community.com/social-media/104-fascinating-social-media-marketing-statistics-2014-2015-01084935>



**Billboard advertising:** The Company will create billboards advertising its products and services to be placed along busy roads in the area. These billboards will help increase brand recognition in the general populace while building 365 Recreational's reputation as a quality provider of recreational cannabis. In accordance with Santa Rosa ordinances, these signs will not appear within 1,000 feet of a daycare center, school providing instruction in kindergarten or any grades 1 through 12, playground, or youth center.<sup>6</sup>

**Mobile marketing:** 365 Recreational will strongly emphasize mobile compatibility in all marketing campaigns, including a mobile-optimized website and email marketing, the development of mobile apps, tight integration with social media platforms, opt-in push advertising, and streamlined mobile purchasing capabilities. According to *Forbes*, "mobile is the channel of choice to keep relationships with existing customers alive because it cuts through the clutter of email and social. That's because phones and tablets are consumers preferred platform to browse for products, contact customer service, participate in social communities, watch videos, sign up for alerts, and download branded apps."<sup>7</sup>

**SMS marketing:** The use of mobile phones has now reached unprecedented numbers – by October of 2011, the number of mobile phones in the U.S. exceeded the country's population.<sup>8</sup> For that reason, 365 Recreational will use text message marketing tactics to reach new customers. The benefits of using this tactic include its effectiveness, affordability, personalization, and immediacy, allowing the delivery of messages to mobile phones to reach customers on their mobile devices virtually anywhere at any time.

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<sup>6</sup> City of Santa Rosa. Comprehensive Cannabis Regulations, 20-46,080. Source: <https://srcity.org/DocumentCenter/View/18691>

<sup>7</sup> Grandell, Christine. "2014 State of Marketing." *Forbes*. 2014. Source: <http://www.forbes.com/sites/christinegrandell/2014/01/07/2014-state-of-marketing-email-flood-despite-rise-of-mobile-and-social/>

<sup>8</sup> Kang, Cecelia. *The Washington Post*. "Number of Cell Phones Exceeds U.S. Population." Obtained at: <http://tinyurl.com/3ntbks5>

### **Inventory and Tracking**

Cannabis operators will at all times operate in a manner to prevent the diversion of cannabis and will promptly comply with any track and trace program established by the state. The Company will utilize the California Cannabis Track-and-Trace ("CCTT") system, a statewide program used to record the inventory and movement of cannabis and cannabis products through the commercial cannabis supply chain to prevent diversion. When receiving deliveries from licensed vendors we will keep a sign in sheet tracking the date and time of arrival and departure from the retail location.

### **Financial Compliance**

Due to the many regulations and intricacies regarding finances in the cannabis industry, the Company intends to work directly with an accounting/financial advisor or professional experienced with cannabis financial regulations to ensure 365 Recreation meets all its tax deadlines and other essential requirements.

### **Employee Training**

As a condition of employment, every potential employee will be required to pass a criminal background check prior to beginning work at 365 Recreational. Employees shall be required to self-report any event that would disqualify them from employment within 24 hours of occurrence, and the Company will also conduct ongoing background checks for all employees on an annual basis to ensure ongoing compliance.

365 Recreational will routinely test for illegal drug use and not hire employees who test positive for illegal drugs under any circumstances at any time. Random drug-testing will be ongoing in nature. The Company will dismiss anyone who tests positives for illegal drugs.

All employees will receive an employee handbook and participate in a new employee orientation program. 365 Recreational will provide onsite, hands-on training for management and employees before it opens its doors. Training content will be reinforced with written materials, a manual of standard operating procedures, instruction from managers, and performance evaluations. Employees will be trained in all safety and security measures, as well as possess a full understanding of how to report hazards and safety concerns. 365 Recreational will comply with all applicable state and federal OSHA workplace safety and health requirements and maintain occupational safety and health standards that equal or exceed the current best practices in the industry.

### **Recordkeeping Plan**

The Company will use a comprehensive recordkeeping plan through Greenbits, which will track the quantities sold to individual patients and caregivers. The recordkeeping plan will additionally track and monitor inventory on hand. All patient records identifying medical conditions or primary caregivers shall be kept confidential. We will have proper POS systems at each cash register where patients and customers will be signed in before each transaction. This

allows for proper tracking on patients and products. We will keep an employee registry that cites the employees name, attendance, hours worked, date hired, pay rate, and other information deemed necessary.

### Testing Procedures

Cannabis products will be tested for THC content, as well as undergo photo gas chromatographic testing and mass spectrographic testing. Photo gas chromatographic testing determines the exact strength of the product, as well as the mixture of active ingredients present. Mass spectrographic testing is used on the finished product to test for potentially harmful contaminants such as insecticides, molds, or mildew. The information gathered from these rigorous testing procedures will be used to ensure accurate labeling and information concerning the product to all patients and purchasing cardholders. Furthermore, this testing will be used to make educated and informed purchasing and distribution decisions, as well as determine the safety and potency of each product.

### Edible Products

Cannabis businesses that sell edible cannabis products will obtain a Sonoma County Health Permit. Permit holders must comply with Health and Safety Code Section 13700 et seq. and Sonoma County Health permit requirements. These requirements provide a system of prevention and overlapping safeguards designed to minimize foodborne illness, ensure employee health, demonstrates industry manager knowledge, ensure safe food preparation practices, and delineate acceptable levels of sanitation for preparation of edible products.

### Onsite Security Personnel

Security guards are best physical deterrent during operational hours to maintain order, protect both patients and employees, and discourage loitering outside the property. Security will be sourced from companies with reputations for highly professional, well-trained personnel, preferably with police or military backgrounds. All guards will be equipped with batons and pepper spray. All security guards will be courteous and respectful to customers, unless confronted with threat to the store or well-being. These guards will be able to respond to any nuisances from close by public areas and surrounding neighborhoods.

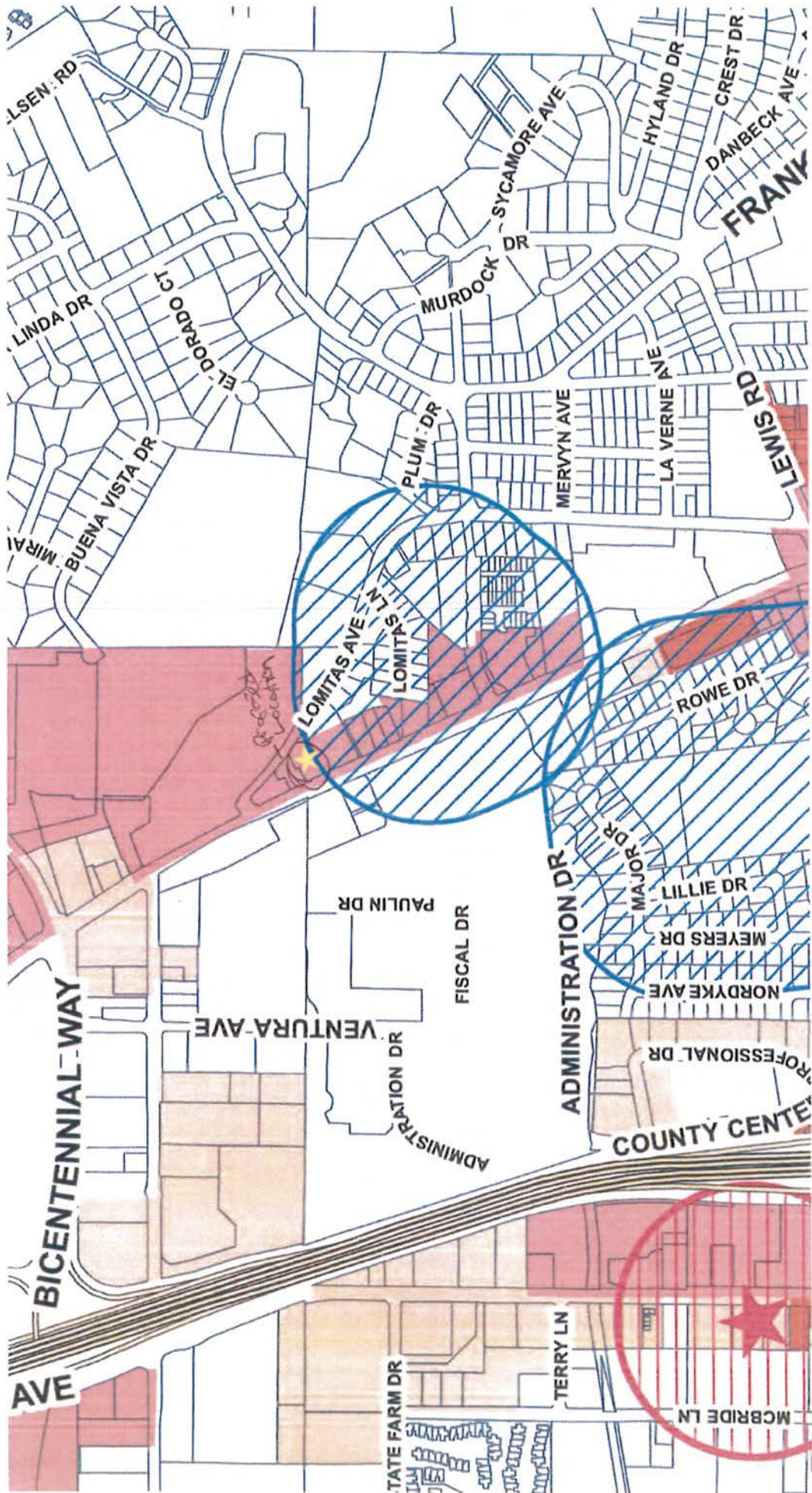
Security and customer service staff are equipped with headset walkie talkies, which will allow them to communicate with store staff or security guards.

### Performance Timeline

Going off the information provided by the city for the timetable of being issued a Conditional Use Permit we believe we should receive ours by August-September. Once issued our permit we will start on remodeling the building to our satisfaction before opening. We plan on the remodeling to start as soon as being issued the conditional use permit. We expect remodeling to take a maximum of 3 months with us being finished and ready to open by December of this



year. While remodeling is in process we will gain all the necessary permits from the state to operate. We will also use that time to be in touch with local licensed suppliers to make sure we have product on hand and ready to go as soon as remodeling is finished.





## On-Site Consumption

There will be no on-site consumption of any kind permitted on the premises at any time.

## Special Events

There will be no special events held on the premises at any time.

## Noise

To help control the noise in the building we will install a variety of noise controlling factors.

The first factor we will have is vinyl flooring which has better sound absorption qualities.

Another way to help control the noise is having plants located throughout the building. Plants have been proven to reduce noise levels inside of buildings. And the most important way to help reduce noise will be to install sound reducing insulation material in the walls.

Hours of operation will be from 9am-9pm so there will be no noise late at night or early morning to disturb the neighbors. There will be no generators used except for a small single use battery operated generator for short-term emergency backup for the security cameras in case of power failure. This battery-operated generator will not make any noise and will stay in compliance with the city noise ordinance. Between 7am and 10pm all sound levels will be below 60 decibels and between 10pm and 7am will be below 55 decibels.

There will be no amplified sound equipment used on site. Also, all hawkers or peddlers will be banned from being on premise at all times. We will not utilize any drums or any other loud mechanisms that would be a nuisance to the public. We will comply with Santa Rosa city noise ordinance.

## Odor Mitigation Plan

1 – To ensure the odor mitigation system remains functional we will have a weekly staff checks to make sure the system is still operating to its full capacity. As well as have a licensed Professional Mechanical Engineer check the systems yearly to make sure there is no faulty equipment. The systems will be cleaned and dusted at least 6 times per year to ensure there are no clogs.

2 – To ensure the system works properly and is functional we will have the full staff trained by the professional engineer on how to properly maintain the system and check for any oddities. Every new hire will be properly educated on how to check and clean the systems as well at the time of hire.

3 – Please see attached paper from licensed engineer.

OFFICE OF SANTA ROSA  
100 SANTA ROSA AVENUE  
SANTA ROSA, CA 95404

JUN 18 2018

COMMUNITY DEVELOPMENT  
DEPARTMENT



APR 17 2018

Planning & Economic  
Development Department

# Security Plan

## Security Plan

365 Recreational will adhere to a comprehensive security plan, which will include meeting the minimum security and alarm system requirements for dispensary facilities set forth in state regulations. The Company's security plan will be consistent with the requirements set forth in state regulations.

There will be at least one manager to supervise employees at all times during business hours. 365 Recreational will check IDs to ensure that everyone who enters the dispensary is 21 years of age or older. All finished cannabis and cannabis products (except for limited amounts of cannabis used for display purposes or immediate sale) will be secured and locked in a room with a safe or vault in a manner as to prevent diversion, theft, or loss. No outdoor storage of cannabis or cannabis products will be permitted at any time.

In addition to these precautions, the Company's security system will include the following:

- **CCTV/Video Surveillance Cameras**

365 Recreational will monitor movements indoors and outdoors with high-definition closed circuit television ("CCTV"). This deters internal theft, damage, or destruction of property, and discourages vandalism. Video cameras will be in all areas that may contain marijuana and at all points of entry and exit. Signage stating that the area is under surveillance will be placed at strategic areas inside and outside the premises to deter crime.

CCTV video monitoring will meet the following criteria:

- Six (6) outdoor 130-foot night vision cameras with 4K 8 megapixel high-definition video.
- Eight (8) indoor Super HD 4 megapixel high-definition video.
- Continuous monitoring of simultaneous split-screen video feeds by the armed security guard at all times during business hours.
- Continuous 24-hour operation and recording with minimum archival period of six months of cloud-based storage for motion-activated recording.
- Sufficient cameras, angles of observation and lighting to allow facial feature identification of persons in interior and exterior areas where cannabis or cannabis products may be present at any time.
- Sufficient cameras, angles of observation and lighting to allow facial feature identification of persons in the immediate exterior areas of doors, windows, or other avenues of potential access. 20 feet on either side and out from every door.

- All CCTV recordings will be accessible to law or code enforcement officers at all times during operating hours and otherwise upon reasonable request.
- All CCTV recording systems will have the capability of producing tapes, DVDs or other removable media of recordings made by the CCTV system, including still photograph images.
- To prevent tampering, the recorder will be kept in a secure, locked location and all recordings will be date and time stamped.

- **CCTT/Inventory Control**

365 Recreational will utilize the California Cannabis Track-and-Trace ("CCTT") system, which is the program used statewide to record the inventory and movement of cannabis and cannabis products through the commercial cannabis supply chain—from cultivation to sale. All state-issued annual cannabis licensees are required to use the CCTT-Metric system to record, track, and maintain information about their cannabis and cannabis-product inventories and activities. A unique identifier (UID) is an alphanumeric code or designation used to uniquely identify cannabis and cannabis products on a licensed premise. UIDs are specifically provisioned as plant tags or package labels. The annual licensee will be responsible for assigning a CCTT-Metric nonrepeating UID to each immature lot, flowering plant, and distinct cannabis product. This assignment is accomplished by issuing encrypted radio-frequency identification tags to annual licensees. The assigned UIDs then track the cannabis and cannabis products when they are transferred from one licensee to another.

The CCTT will enable the company to track any products in case a consumer safety issue arises.

- **Onsite Security Personnel**

Security guards are best physical deterrent during operational hours to maintain order, protect both patients and employees, and discourage loitering outside the property. Security will be sourced from companies with reputations for highly professional, well-trained personnel, preferably with police or military backgrounds. All guards will be equipped with batons and pepper spray. All security guards will be courteous and respectful to customers, unless confronted with threat to the store or well-being.

Security and customer service staff are equipped with headset walkie talkies, which will allow them to communicate with store staff or security guards.

- **Staff Trainings**

All members of staff will be thoroughly trained on all operational aspects of the Company, as well as emergency procedures, customer service techniques,



product training, and staff training and on-boarding. Each member of staff will be fully briefed on the complete operations of the Company, then will be trained in-depth into their specific job requirements (i.e. delivery driver, customer service representative, cashier, sales floor manager, etc.)

- **Identification and Access Badges**

Managers and employees will wear identification badges with photo IDs, as well as a first name. Badges will be used to access areas of the store not designed for public access. The badge access system will be linked to the Company's point of sales and timekeeping system. Electronic logs of those who enter and exit the store's restricted areas will be kept for at least 90 days.

- **Windows**

Windows and glass panes will have vandal-resistant glazing, shatter-resistant film, glass block, or bars installed equipped with latches that may be released quickly from the inside to allow exit in the event of emergency. Windows vulnerable to intrusion by a vehicle will be protected by bollards or landscaping grade separation reasonably sufficient to prevent such intrusion.

- **Door and Window Opening Sensors**

Door and window sensors will log and monitor movement through entryways and exits. These sensors will not only log movement but will audibly notify dispensary personnel when activated.

- **Doors**

All locks will be controlled by buzz and entry systems. These systems will utilize fail secure locks and electromagnetic locks that will not release, even during power failure.

- **Locks**

All points of ingress and egress to a cannabis business will be secured with building code-compliant commercial-grade, non-residential door and window locks.

- **Emergency Access**

Security measures will be designed to ensure emergency access in compliance with the California Fire Code and Santa Rosa Fire Department standards. We will have "Exit" signs listed above back door.

- **Secure Patient Records Storage**

Storage, safes, and vaults will be kept in secure rooms that will be reinforced to ensure inventory and safe keeping of funds.

- **Secured Products**

Cannabis and cannabis products that are not used for display purposes or immediate sale will be stored in a secured and locked room, safe, or vault, and in a manner reasonably designed to prevent diversion, theft, and loss.

- **Cash Procedures**

365 Recreational will take every precaution to ensure the safety of cash handlers, as well as prevent theft. Each employee assigned to cashier duty will be thoroughly trained in best practices, as well as Company regulations regarding cash handling. Each cashier will submit their till drawer for inspection after each shift; any discrepancy will be dealt with immediately and will be considered "warnings" for the employee(s) involved. Continued discrepancies will result in recommendation for termination.

In addition to high standards for cash handling, the Company will schedule regular cash pickups by armored guards to discourage theft or robbery attempts. These pickups will be scheduled to ensure the Company has only the essential cash onsite and does not accumulate cash that may be at risk. These procedures not only protect 365 Recreational's livelihood, but also protect the safety of its employees, customers, and community.

- **Transportation**

Cannabis operators will at all times operate in a manner to prevent the diversion of cannabis and will promptly comply with any track and trace program established by the state. The Company will utilize the California Cannabis Track-and-Trace ("CCTT") system, a statewide program used to record the inventory and movement of cannabis and cannabis products through the commercial cannabis supply chain to prevent diversion. When receiving deliveries from licensed vendors we will keep a sign in sheet tracking the date and time of arrival and departure from the retail location.

- **Packaging and Labeling Procedures**

365 Recreational will ensure all stocked products adhere to the following MAUCRSA regulations for cannabis product packaging and labeling:

- Manufacture date and source.
- The statement "SCHEDULE 1 CONTROLLED SUBSTANCE."
- The statement "KEEP OUT OF REACH OF CHILDREN AND ANIMALS." in bold print.
- The statement "FOR MEDICAL USE ONLY."
- The statement "THE INTOXICATING EFFECTS OF THIS PRODUCT MAY BE DELAYED BY UP TO TWO HOURS."

- The statement "THIS PRODUCT MAY IMPAIR THE ABILITY TO DRIVE OR OPERATE MACHINERY. PLEASE USE EXTREME CAUTION."
  - Packages containing only dried flower, will have a net weight of the cannabis written on the package.
  - A warning if nuts or other known allergens are used to make the product.
  - List of pharmacologically active ingredients, including, but not limited to, tetrahydrocannabinol, cannabidiol, and other cannabinoid content, the THC and other cannabinoid amount in milligrams per serving, servings per package, and the THC and other cannabinoid amount in milligrams for the package total.
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- **Emergency Operating Procedures**

The Company will work with local law enforcement and the City of Santa Rosa to develop and maintain comprehensive standard protocols to deal with emergencies and adverse events, which all staff will be required to be familiar with. These may include robbery trainings, panic button installation, de-escalation trainings, fire and earthquake procedures, and more. We will make sure to have a professionally monitored alarm system installed for the facility. We will make sure to have the alarm permitted by the Santa Rosa police department prior to installation.
  - **Panic Buttons**

Duress alarm, or a silent security alarm system signal generated by the entry of a designated code into an arming station to signal that the alarm user is being forced to turn off the signal. A hold up alarm can be triggered by manual activation to signal a robbery in progress.
  - **Visibility**

365 Recreational will ensure that the exterior of the building is well illuminated. The exterior will be free of locations where individuals could conceal themselves.

This list is not inclusive of all security measures to be taken by 365 Recreational, and these systems may be changed and improved upon if gaps in security are identified, as new technologies become available, or if regulations change. The Company's security plan shall be reviewed, at minimum, on an annual basis or as required.