

June 21, 2018

VIA EMAIL (ktoomians@srcity.org)
AND HAND DELIVERY

Kristinae Toomians
City of Santa Rosa Planning & Economic Development
100 Santa Rosa Avenue, Room 3
Santa Rosa, CA 95404

**Re: Response to Notification of Incomplete Application
File No. CUP18-050**

Dear Ms. Toomians:

We represent Citrus Hill, Inc. ("Applicant") in connection with the above-referenced Conditional Use Permit application (the "Application"). This letter responds to your May 31, 2018, letter.

Your letter included a list of items identified by the City's completeness review as missing from the Application. All items missing from the application are provided herein, as explained below.

Disclosure Form: This document was previously provided and is enclosed.

Cannabis Retail Use Applications Completeness Review Time Extension: Enclosed.

Environmental Assessment: An environmental assessment is not required because this project does not involve new construction. (Confirmed via email on June 8, 2018.) However, this document was previously provided to the City and is enclosed.

Commercial Cannabis Use: Applicant is applying for both medicinal and adult use retail, as indicated on Page 1 of the previously submitted and enclosed Project Description.

Separation of License Types: Applicant is applying for a retail facility with this application. The site and the Applicant were previously granted entitlement to cultivate, manufacture, and distribute under CUP17-05, approved via Zoning Administrator April 19, 2018. The requirement of "clear separation between license types" under Section 20-46.050(D) otherwise does not apply because Applicant is not obtaining "multiple license types" with this application. However, as indicated on the previously submitted and enclosed site and floor plans, clear separation between the retail and other uses will be maintained due to the internal demising of the space.

Building and Fire Codes: The floor plan and site plan submitted with the Application were drafted by knowledgeable professionals with the intent of complying with all applicable laws, including Santa Rosa building code and fire code, and the Americans with Disabilities Act. For the building phase of its project, Applicant has hired, or will hire, only licensed contractors who are familiar with such requirements and competent to ensure compliance. The facility itself—including the parking lots, entrances, exits, and bathrooms—is already compliant with the Americans with Disabilities Act, and the planned new bathroom will be compliant as well. Furthermore, Applicant acknowledges that once it obtains a Conditional Use Permit, Applicant must still obtain building permits and all other permits required under the City Code. Before commencing operations, for example, Applicant will obtain all building and other permits required

under Chapter 18 of the City Code, obtain all required fire permits and inspections, and will provide a Fire Department lock box for keys to gates and doors. Applicant will also obtain any required Certified Unified Program Agency permits; Applicant notes, however, that it does not intend to store or use any hazardous materials in its business.

Security Plan: A security plan addressing all elements of the Santa Rosa Municipal Code Section 20-46.050(G) was previously submitted with the Project Description (page 11). The relevant sections are reproduced and enclosed as a separate document, which is not to be produced for public agenda, or in response to any later-filed Public Records Request.

Odor Mitigation Plan: Enclosed. Please see attached.

Noise: No special measures are required to comply with the City's noise ordinance (City Code, Chapter 17-16) because the project does not involve equipment that could produce noise in excess of 70 decibels, which is the baseline ambient noise level for "Industrial" zones under Section 17-16.030.

Accessory Uses: As shown in the floor plans previously submitted with the Application and enclosed, the facility will include a small office (171 sq. ft.) and break room (109 sq. ft.). Applicant does not intend to conduct any other activities that may be considered "Accessory Uses."

Hours of Operation: The retail and non-retail hours of operation are addressed in the "Hours of Operation" section of the previously submitted and enclosed Project Description (page 3).

Location Requirement: The enclosed map graphic, which illustrates compliance with the required minimum setbacks to schools, was previously submitted in connection with the application for Cultivation, Manufacturing, and Distribution. The storefront entrance is in a visible location that provides an unobstructed view from the public right-of-way on Briggs Avenue, as evidenced in the previously submitted and enclosed site plan photos in accordance with Santa Rosa Municipal Code Section 20-46.080(D).

Medicinal/Adult Use: The proposed use is for both medicinal and adult use retail, as indicated on Page 1 of the previously submitted and enclosed Project Description.

Operational Plan: The operation will 1) maintain an employee register; 2) keep proper records in compliance with state law; 3) publish and implement a protocol and requirements for patients and persons entering the site (see Security Plan); 4) Identify secured access and secured product locations (see enclosed Security Plan); and 5) display a copy of issued State License.

Deliveries, On-Site Consumption: Delivery protocols are described on Page 13 of the previously submitted and enclosed Project Description. The relevant sections are reproduced below. No on-site consumption is currently contemplated.

Applicant will operate a retail dispensary using approximately 654 sq. ft. of floor space, including associated entryway, vault, security and office space. The dispensary will serve adult-use and medical customers.

Applicant also plans to conduct retail delivery services to customers located outside the retail facility. Delivery services will employ company-owned vehicles and include delivery to locations within Sonoma County, to the extent each local jurisdiction allows. Applicant will comply with all Santa Rosa and state requirements concerning delivery operations (see Title 16, Sections 5415 through 5421).

Delivery procedures will include:

- ☐ vehicle will be equipped with a GPS device owned by licensee and used for delivery only, so that Applicant can track its location at all times during delivery;
- ☐ vehicle will be equipped with LoJack for recovery in the event of theft;
- ☐ vehicle will be equipped with dash-mounted video camera;
- ☐ drivers will be at least 21 years of age;
- ☐ vehicle will be equipped with an active vehicle alarm system;
- ☐ drivers will not carry goods valued in excess of \$3,000 at any time;
- ☐ receipts will be prepared for each delivery request and will be signed by the customer.

Special Events: Applicant does not intend to conduct temporary special events involving cannabis sales or consumption. Section 20.46-090 ("Cannabis Special Events") therefore does not apply.

Storefront, Signage and Window Treatments: Photos of the proposed storefront design and elevations were provided in the original submission along with the site and floor plans. Please see enclosed.

Advertising will comply with State of California regulations. Signage will comply with City of Santa Rosa sign requirements. If necessary, a separate sign permit will be obtained.

There are no street-facing windows on the building. Window treatments will comply with City of Santa Rosa Municipal Code Section 20-46.050.

Site Management Plan; Merit-based Review; Local and State Compliance; Site Management; Neighborhood Compatibility; Neighborhood Enhancement: The narrative project description submitted with the Application expressly discusses the merit-based review categories the City applies. See "Site Management" (pp. 6- 9). For reference, a complete copy of the Project Description and Narrative is enclosed with this Response letter.

The above information and the enclosed documents address all of the issues raised in your letter. Please let me know immediately if the City requires any additional information or materials.

Regards,

DICKENSON, PEATMAN & FOGARTY



Erin B. Carlstrom

EBC:gc
Encls.

**Application for Major Conditional Use Permit
Cannabis Retail
Citrus Hill, Inc.
1236 Briggs Ave**

Proposed Use: Cannabis Retail – Medical and Adult Use
Owner: 1236Briggs, LLC
Applicant: Citrus Hill, Inc.
Address: 1236 Briggs Ave.
APN: 012-083-009
Zoning: IL- Light Industry
General Plan: Industrial
Building Size: Approximately 6,664 square feet

INTRODUCTION

Citrus Hill (the “Applicant”), proposes to occupy approximately 654 square feet of an existing industrial building located at 1236 Briggs Ave. (the “Building”), Sonoma County APN 012-083-009 (the “Parcel”), and obtain a Major Conditional Use Permit for the operation of a cannabis retail facility. The property was previously approved for cannabis cultivation, manufacturing and distribution.

This project requires no modifications to the exterior of the Building, other than landscaping upgrades, the introduction of fencing and other screening and security requirements, and updated parking allocation and other ADA compliance issues.

CITY AND STATE CANNABIS REGULATIONS

On December 19th, 2017, the City passed Ordinance ORD-2017-025 to regulate, among other things, the issuance of permits for cannabis retail uses in IL and other zones.

At the state level, Title 16, Section 5400 et seq. of the California Code of Regulations provides for the retailer license and regulates retailer operations.

CONDITIONAL USE PERMIT

The application for conditional use permit is attached.

ADDITIONAL DOCUMENTS

The following are included with this Project Description and the Conditional Use Permit:
Application form (with attached site plan, floor plans, and neighborhood map)
Maps showing surrounding land use and surrounding zoning
Map showing setback from closest schools
Storm Water Determination Worksheet
Disclosure Form

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NEIGHBORHOOD MEETING

The Parcel site is not located within 300 feet of residential uses. Thus, a neighborhood meeting is not required.

CRITERIA FOR SELECTION IN THE EVENT OF COMPETING APPLICATIONS

Pursuant to City Code section 20-46.080(D)(1), cannabis retail uses may not be located within 600 feet of each other. Under an urgency ordinance effective February 6, 2018 (ORD - 2018-002), the City will evaluate such applicants according to a points-based merit system addressing (I) local and state compliance, (II) neighborhood compatibility, (III) neighborhood enhancement, and (IV) site management.

This project deserves strong marks in all of these categories. This section summarizes the project's strength in each category. The rest of this Project Description provides greater detail.

The Applicant is highly compliance-minded and has retained experienced local counsel to ensure compliance with all state and local laws and regulations.

State Regulations

I. Local and State Compliance

Throughout our tenure as dispensary and cultivation owners and managers, we've maintained strict compliance and have never been found to have any compliance issues by our regulating agencies. We welcome regulation and look forward to a more defined regulatory framework from which we can operate.

One of the most important and difficult tasks in staying compliant is to establish a legal and licensed supply chain. This ensures that all cannabis being sold at our dispensary remains in the legal framework from seed-to-sale and that black market cannabis never enters the legal marketplace.

We've established a reliable network of legal suppliers through our years in the cannabis industry by establishing a strict protocol around accepting vendors and specifically choosing who we choose to do business with. We require that all vendors have a current recommendation for medical cannabis and that they become members of our Collective before we can conduct *any* business - even obtaining a sample of the product from a vendor.

California is currently working to establish a track-and-trace system similar to those in Colorado and Oregon which will keep specific records tracking the custody of product as it moves throughout the supply chain and eventually to the customer. Similar to our current intake process, our system will account for the change of custody between vendor and client, account for exact products and amounts being transferred, and store the data. The products will then enter our inventory system where we track our current stock, back stock as well as all outgoing product being purchasing by our patients. The entire system is transparent and auditable to ensure accuracy and accountability.

Citrus Hill is currently researching different software companies such as Treez, Meadow and MJ Freeway who are working with California Lawmakers in order to help develop their track-

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and-trace program. Once the program is developed and these tech companies can develop their software accordingly, we will coordinate with Santa Rosa to choose the best option and develop our protocols to work with the state-wide track and trace system.

Once in operation, we will conduct monthly compliance reports to make sure that every facet of our operations are in compliance with State and Local Laws. We look forward to developing a close working relationship with Santa Rosa and in the instance that we do have a question of compliance, we will simply ask our regulating agency, take the advice of the agency and adjust our protocols accordingly.

Applicant's plans for the Building meet all the requirements to operate as a retail licensee. The Building will have secure, limited-access areas per state code. Furthermore, Applicant is in the process of fulfilling all the requirements necessary to obtain an annual state license, including:

- ☐ Access to Premises. As required under 16 CCR § 5400 and 5401 Applicant will limit access to adults over the age of 21, following a strict identification verification process, and will establish limited access areas to which only authorized personnel will be admitted.
- ☐ Retail Area. As required under 16 CCR § 5402 Applicant will limit access to retail areas to customers only once their identity and age have been verified. For medical-use patients, verification of physician's recommendation will also be required.
- ☐ Hours of Operation. As required under 16 CCR 5403, Applicant will operate between the hours of 11:00am and 7:00pm, Monday through Saturday, and 12:00pm to 5:00pm on Sunday.

CEQA

The project satisfies the requirements of California Environmental Quality Act ("CEQA"), California Public Resources Code § 21000 *et seq.*, and the CEQA guidelines, title 14 of the California Code of Regulations, chapter 3, § 15000 *et seq.*, because it is categorically exempt under CEQA guidelines section 15301, for modification of existing facilities.

The project does not meet the exception thresholds of 15300.2 (the exception to the exemption): the location is not in a particularly sensitive environment; there are no cumulative impacts anticipated by similar reconstruction projects; there are no unusual circumstances relating to the project that would suggest a significant effect on the environment would be caused; and the site is not a scenic highway, hazardous waste site, or the location of historical resources.

Additionally, the project does not require additional environmental review because it is consistent with Santa Rosa's General Plan 2035, for which an EIR was certified in 2009 and amended in 2012. See "Santa Rosa General Plan Policies," below, for a discussion of this project's compliance with the City's General Plan. Thus, the project qualifies for a statutory exemption under CEQA Guideline 15183.

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County and Regional Permit Requirements

Upon approval of Applicant's Use Permit, Applicant is prepared to comply with all applicable Sonoma County requirements, including securing a permit from the Department of Health Services for the sale of edible products.

As a component of the Applicant's cultivation permitting, the Applicant will enroll in the Water Quality Control Board's cannabis cultivation program.

Santa Rosa General Plan Policies

This project furthers the General Plan's policies for long-term economic development reflecting the aspirations of the community.

First of all, the project is in line with the "guiding principles" of the General Plan. It will be a high quality development, representing an improvement over the existing commercial building and use.¹ It will be a new, high quality development in an area of Santa Rosa which has undergone deterioration and requires increased vitality.² It will add to the quality of life by providing a consumer good that has long been demanded by Santa Rosa residents but has previously been relegated to the black market. It will require no new infrastructure to be developed by the City. It will also provide multiple jobs and help restore the City's economic base following the 2017 fires.

By contributing to the legal supply chain of the cannabis industry, the project will contribute to Santa Rosa's goal of providing a range of commercial services that are easily accessible and attractive, that satisfy the needs of the people who live and work in Santa Rosa and that also attract a regional clientele, and which encourage high-volume retail outlets near Highway 101.³

The project will contribute to maintaining the economic vitality of business parks, and Santa Rosa's role as a regional employment center by creating additional jobs and increased tax revenues.⁴

Finally, as described in greater detail in the "Business Operations" section, below, this project is consistent with various General Plan goals and policies concerning environmental impact. This project will be a model of sustainability, utilizing high-efficiency lighting, low-flow toilets and waterworks and will produce virtually no significant environmental impacts.

Santa Rosa Locational and Operational Requirements

As further explained in the "Zoning and Setback Issues" section, below, this project falls well within the City's location requirements, which allow retail cannabis uses in the IL zoning district. The project site is more than 1000 feet from the closest school—close to double the required setback of 600 feet.

¹ Gen. Plan Guiding Principle 1

² *Id.*, Principle 8

³ General Plan Goal LUL-I-1 and -2.

⁴ *Id.*, LUL-J

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As explained in the following sections, Applicant is prepared to comply with all of the “General Operating Requirements” of City Code Section 20-46.050.

II. Neighborhood Compatibility

We are currently designing Citrus Hill to follow the “modern industrial farmhouse” aesthetic of the surrounding neighborhood. We hope to blend with the residential and other retail sites to help build a continuous neighborhood feel.

Our interior design will follow the lead of the Fogbelt pub/restaurant around the corner on Cleveland Ave. with elements of raw wood, metal, and stone. The exterior will include design elements to follow the aesthetic of the newly constructed Annadel Apartment units on Range Ave.

We strongly urge you to visit BloomRoomSF.com to see more of what our team can add to the community around Briggs Ave. Please check out our “community” tag and see that in April alone, our management has scheduled free massage and reiki healing sessions, a time for employees and patients to make home-made cards to be sent to “Cards for Hospitalized Kids”, and organized a local park clean-up day. We will be doing the same for the neighborhood around Briggs Ave. and will strive to have a working relationship with local residents and community organizations.

As described through the following sections, this Project is a good match for the surrounding neighborhood. There is ample parking to support the proposed use, a comprehensive security plan as required under local and state laws will be put into place, and there will be no significant physical change to the Building or the surroundings, except to beautify, secure, and screen the building.

There is ample space to install attractive bike parking around the Building, including in the parking lot.

The retail component of this project will utilize quality materials and provide for an aesthetically pleasing retail experience. Renderings of the retail space and the exterior are being developed and will be provided when available.

III. Neighborhood Enhancement

When the Citrus Hill Team first began operating Cannabis Dispensaries in the Bay Area, perceptions around cannabis were far from where they are today. Our locations weren’t always immediately welcomed by all neighbors and community members. Many residents had reservations about a cannabis dispensary in their neighborhood. We’ve had to work hard to successfully change the perception around cannabis and we’ve done that by being good neighbors, by going above and beyond in regards to community service, and by genuinely making our neighborhood a better place.

The Citrus Hill Management Team currently employs a tactic to improve our neighborhood beautification through community outreach at the Bloom Room location. We create monthly

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volunteer opportunities where we organize our members for a community outreach project. We often do trash cleanups where we provide pick-up tools, gloves and bags, then go out into the neighborhood ridding it of trash and debris. We do these events in branded clothing so that people know who we are and that we care about the condition of our neighborhood. We also partner with local community gardens and food banks to collaborate on other monthly volunteer opportunities for our Members. These current practices will continue to progress at our Santa Rosa location as we develop relationships with local community outreach organizations.

Furthermore, the project will upgrade the physical appearance of the site, including landscaping upgrades and an attractive retail space. The result will be a marked contribution to the aesthetics of the neighborhood.

IV. Site Management

QUALIFICATIONS OF THE PRINCIPLES

Applicants Eric Valianti and Dimitri Shkolnikov are experienced professionals with years of experience running successful cannabis retail and locations throughout the Country.

Dimitry Shkolnikov is the CEO of Bloom Room (just voted "2017 Best of Best Dispensaries in SF") and also a co-founder of Medithrive, a premier cannabis dispensary currently serving the San Francisco Bay Area. Both are award winning facilities that emphasize friendly customer service and modern interior design, while providing the highest quality products in a safe retail environment.

Dimitry holds BA degrees in International Relations and Economics from San Francisco State University. Before devoting his work full time to the cannabis industry, Dimitry served as Strategic Vice President at Cheskin Added Value, a full service market research and consulting firm, helping technology and consumer goods companies identify new markets, develop new products and services in the US and internationally.

A medical cannabis card holder since 1996, Dimitry has been a passionate leader in the movement to normalize (transform, revolutionize, standardize, improve) the marijuana industry, and de-stigmatize the cannabis patient. A dedicated proponent of marijuana's medicinal benefits, he is passionate about educating patients on the distinct characteristics of different products and the responsible use of cannabis. He looks forward to working with Santa Rosa to become an example of what the future of medical and recreational cannabis can look like.
BloomRoomSF.com

Eric Valianti has combined technical expertise, building skills, and medical cannabis experience for more than a decade in the medical cannabis field as a consultant and partner to multiple legal dispensaries and cultivation facilities throughout Sonoma County and the Bay Area. He currently serves as the head of the Citrus Hill Ownership and Management Team, and also the Bloom Room Ownership and Management Team at the Bloom Room dispensary in San Francisco.

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As an Iraq War veteran, he has been able to capitalize on his military training to develop the systems and protocols required to help produce the highest quality products in safe, efficient working and retail environments. Years of trial and error using organic and alternative pest control have allowed for the elimination of conventional chemical pesticides and fungicides in medicinal products. The cutting edge advances in equipment technology have turned the classic indoor growing space into highly efficient and state of the art cultivation facilities.

He has also been in a unique position to witness the medical marijuana patient base evolve to become indistinguishable from the average waiting in line at any traditional pharmacy, and is excited to be part of the marijuana industry's continuing transformation into a business model that Santa Rosa can be proud of.

BUSINESS PLAN

Citrus Hill will be a model cannabis dispensary in terms of customer service, quality of product, and community interaction. The Citrus Hill Ownership and Management Team have been adjusting and perfecting our business best practices and protocols since we opened our first Collective in 2009 but our guiding principles have always been the same: authenticity, value, and service.

We train our professional cannabis consultants to learn every aspect of cannabis medicine so that they can recommend the perfect product to every customer. Instead of pushing products based on profitability or supply, our consultants are trained to help find the correct product based on every individual's medical needs, personal tastes and financial situation.

Our shelves are strategically stocked with products for every individual no matter where they fall on the tolerance spectrum. Every product offered has been meticulously tested for potency and screened for microbiological contaminants, pesticides and chemical residue. Our buyer is endlessly searching for the very best, most cutting-edge, cannabis products and leverages our buying-power so that we can offer these products at the very best possible price to our customers.

Our **Community Outreach Liaison**'s sole purpose is to execute useful activism within our community, working to utilize the Dispensary's resources to do good within our community. This includes but is not limited to, partnering with local organizations who can benefit from our team of **Member Volunteers** as well as direct funding from the Dispensary. We motivate our Members to be more active in the community by providing cannabis to those who participate, effectively making the outreach a fun interactive experience instead of a chore.

Our **Compliance Officer** works to keep the Dispensary in strict compliance with all laws and industry standards by employing weekly compliance analysis, by staying on top of all the changing legislation, and adjusting our operations accordingly. Meanwhile, our **Management Team** supervises all the departments, setting goals and overseeing all the moving parts. We always strive to offer more for our employees and customers and as the business grows so does the livelihood of those involved.

By employing our best practices, protocols and procedures, Citrus Hill will become another thriving Santa Rosa business that will increase the quality of life for those that frequent the

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dispensary, those who are employed by the dispensary, and those who live and work around the dispensary location.

MANAGEMENT PLAN

The Citrus Hill Ownership and Management Team has successfully operated legal licensed Medical Cannabis Dispensaries since September of 2009 with the opening of Medithrive in the Mission District of San Francisco. Medithrive raised the bar for all Bay Area Cannabis Dispensaries for several reasons: 1) it was a beautiful retail location exemplifying the qualities and decor of a high-end retail establishment; 2) the display counter allowed for patients to easily browse our world-class selection of medicine instead of the glass wall or bank-like interaction that was more common in our industry, and 3) we nurtured a valuable relationship between our members, our employees and our community that allowed us to contribute to our community in many meaningful ways. Please check out medithrive.com for pictures and info.

Although our startup costs were very significant due to a prolific buildout, large medicine investment and operating costs, we were able to recoup our costs and began fostering a thriving business by maintaining rapid growth along with a disciplined budget and system of bookkeeping. This has allowed us to continue to build and grow without the need for outside investors or cash infusions.

In 2013, our Team transferred to the Bloom Room Collective where we continue to successfully operate a beautiful retail storefront and work to redefine what a thriving business can do for a community like the struggling SOMA district of San Francisco. Our operations work to not only provide patients in need with a vital medicine but also to improve the quality of life for those in our community. We do this through our many free services such as; free massage, free acupuncture, free medicine for low-income patients, free product demonstrations, free member workshops, community volunteer events, and much more.

We engaged Certified Public Accountants to design our cash and inventory systems and we have recently undergone a financial audit by the California State Board of Equalization and no changes were proposed. Although the experience of being audited was unpleasant, to come out favorably is both validating and reassuring that our financial and bookkeeping systems are exemplary.

We regularly interact with the Department of Public Health in the City of San Francisco. We have an excellent working relationship with them and we trust that they consider us an exemplary dispensary. We anticipate developing a similar relationship with the Sonoma County DPH.

The Citrus Hill Ownership and Management Team has operated with a dual purpose – a cultivation leg in the Petaluma / Santa Rosa area and a retail Dispensary leg in San Francisco. This thriving partnership began in 2009 and has been reinforced by the success of both legs in creating best-practices business operations as well as successful transition into the new state compliance and licensure. Now, the team wants to extend the retail model, operating Santa Rosa's next best cannabis retail dispensary owned, managed and operated by members of the Santa Rosa community.

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Furthermore, throughout our experience in the cannabis industry, we've encountered many unique obstacles for the cannabis dispensaries and we have been able to overcome them all. Through our experience, we've learned to navigate the complicated Federal Income Tax Code Section 280E, we've established a legal-licensed supply chain, and nurtured a professional rapport with our customers, employees and community and so much more. We wish to bring our experience and high-level of expertise to the City of Santa Rosa where we would be an honored member of the community.

PERFORMANCE TIMELINE AND FINANCING

The Citrus Hill team is in a great position to bring 1236 Briggs across the finish line to grand opening for multiple reasons:

- ❖ We have extensive experiencing building out and operating multiple high-end, award-winning dispensaries in the Bay Area. Bloom Room SF and MediThrive are great examples of our work.
- ❖ We have the management team in place which currently runs a "Best in Bay Area" dispensary, and will bring that expertise to 1236 Briggs.
- ❖ Our ability to self-finance the retail buildout (estimated at \$200-\$300k) will avoid financing delays.
- ❖ Our team owns the building, so we avoid any potential lease agreement conflicts that commonly derail other applicants and lead to an uncertain tenancy future.
- ❖ Finally, because the Citrus Hill team owns the building, and will be financing, building out, and managing the dispensary, we view the project as a business opportunity and not a real estate investment. We are committed to working in and for Santa Rosa.

EXPECTED PROJECT TIMELINES

- ✓ APRIL 20, 2018- SUBMIT APPLICATION
- ✓ MAY-JULY, 2018- CITY REVIEW PERIOD
- ✓ JULY/AUGUST, 2018- USE PERMIT GRANTED
- ✓ AUGUST, 2018- BUILDING PERMIT SUBMISSION AND REVIEW
- ✓ SEPTEMBER, 2018- BEGIN INTERIOR CONSTRUCTION
- ✓ SEPTEMBER-DECEMBER, 2018- INVENTORY ACQUISITION, HIRING AND TRAINING
- ✓ DECEMBER, 2019- GRAND OPENING

TIMELINES DISCUSSION

While our team would hope that we could be operational for retail customers approximately 6-9 months after receiving our permit, we have learned that everything cannabis can take a little longer than expected.

After the fires, we also realize that the work load of local architects and contractors, and the possible backlog with the building department will probably delay our opening a little longer than that. Our current realistic goal is to open doors in 12 months.

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Our ability to self finance the retail buildout (approximately \$200 - \$300k), in a building that we already own, and our decade of experience in the dispensary industry will also help us get up and running as soon as possible.

ZONING AND SETBACK ISSUES

Zoning and Surrounding Uses

The Building is zoned IL-Light Industrial, with light industry General Plan designation. Per the City's zoning code, uses permitted in the IL zone, including cannabis retail, are consistent with this zone.

The Parcel is located in a heavily developed industrial and commercial area. To the north, south east and west, there are industrial and commercial uses. Farther to the west runs the SMART line.

Setback from Schools

California Business & Professions Code section 26054 requires cannabis licensees to be at least 600 feet from grade schools, day care centers, or youth centers. Santa Rosa has only imposed this setback requirement on schools. The Parcel easily meets this requirement. The nearest schools are Ridgway High School, St. Luke Lutheran Church, Abraham Lincoln Elementary and Helen Lehman Elementary. Ridgway High School and the St. Luke Lutheran School are more than 1,000 feet from the site, and are on the opposite side of Highway 101. Each elementary school is more than 3,000 feet from the project site, and on the opposite side of the SMART line. An exhibit showing the exact distances is attached. Thus, the facility meets both State of California and City of Santa Rosa requirements for setback from schools.

BUILDING CHANGES

Exterior Modifications

This project requires no modifications to the exterior of the Building, other than landscaping upgrades, the introduction of fencing and other screening and security requirements, and updated parking allocation and other ADA compliance issues.

Interior Modifications

The floor plans submitted with the permit application describe the internal modifications to the Building, including the layout and square footages for the various planned uses.

An approximately 1,200 sq. ft. retail space will be located in the Northwest corner of the Building. Retail visitors will not be able to access any other spaces within the Building, as required by law. The door from the retail space to the other spaces will be secured by self locking doors with key fobs or individual entry codes for digital security entry pads.

Separate rooms are designated for shipping, receiving, office, restrooms, kitchen and break rooms.

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The remaining space will be used for office/security, break room, restrooms, storage, and electrical.

PARKING AND LANDSCAPING

At least eight (8) parking spots, including one handicap spot and two bicycle parking spots will be available for use by Applicant and its visitors. This is sufficient under Santa Rosa City Code Section 20-36.040, Table 3-4, which requires 1 spot for each 250 sq. ft. of retail space, 1 for each 350 sq. ft. of manufacturing space, and 1 for each 1,000 sq. ft. of cultivation and distribution space. Applicant plans roughly 654 sq. ft. of retail, requiring at most 3 spaces. When coupled with the cultivation of 4,723 sq. ft. (4 spaces) and manufacturing of 322 sq. ft. (1 space), the available parking spots satisfy the City's parking requirements.

Extensive landscaping modifications are being planned.

TRAFFIC

The staffing for this operation will consist of approximately ten full time employees, with up to six employees onsite at a time. Employees will arrive and leave daily for work shifts between the hours of 8:00am and 10:00pm.

Customers will visit the site but will only have access to the part of the Building devoted to retail use.

The only additional vehicle traffic will be the arrival and departure of vendors, and deliveries. Deliveries to and shipments from the facility will occur several times per week. Deliveries and shipments will be by van-sized vehicles.

A traffic study has previously been provided by the applicant in connection with its application for cultivation, manufacturing, and distribution activities. If requested, an additional traffic study will be commissioned and supplied.

SITE SECURITY

Ensuring the Security and Safety of our Members is of the utmost importance and the primary priority of the Citrus Hill Team. Continuous and sustained Security is only accomplished by having a detailed Security Plan which is constantly being audited and adjusted to conform to the current conditions of developing situations.

The Federal Government's stance on cannabis which makes banking difficult for cannabis businesses and drives the high-value of black-market cannabis, also makes many criminals think that cannabis dispensaries are a good target for theft robbery. Fortunately, we have devised a thorough plan to negate these vulnerabilities and create an establishment that is actually more secure and less of a worthy-target than a typical retail store.

Our first method to deter criminal activity is to immediately appear secure to anyone who may be looking for vulnerabilities. For this reason, our Security Personnel and Cameras are

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- ☐ emergency access measures in compliance with California Fire Code and Santa Rosa Fire Department standards.

PRODUCT INVENTORY

The planned storage areas are sufficient to store the quantities of cannabis to be produced. Inventory controls and loss documentation procedures will be implemented. An inventory control system will be implemented and will comply with state track and trace program requirements. All cannabis and cannabis products produced, distributed, or sold through the facility will be inventoried into the system. This system will keep track of all movement of all products on and off the premises. All employees will be trained to report loss or theft immediately to the company and the City of Santa Rosa.

We currently use Meadow as our inventory control and have been happy with the platform for approximately 24 months. We hope to be upgrading with them as they evolve to track and trace, or we can move to another inventory control provider as Santa Rosa requirements require.

The applicant will hire experienced experts to train employees on product safety and best management practices. All employees will submit to and pass background check as required by state law. Hiring practices will focus on the Santa Rosa and Sonoma County employee pool. Employees and managers will receive extensive training on safety and best management practices, the requirements of Santa Rosa ordinances, California regulations, and the requirements of Applicant's permits and licenses. Employees will be paid a living wage in order to support the City of Santa Rosa's goals of efforts to create a sustainable jobs base and head-of-household jobs.

RETAIL: STOREFRONT AND DELIVERY

Applicant will operate a retail dispensary using approximately 654 sq. ft. of floor space, including associated entryway, vault, security, office space. The dispensary will serve adult-use customers.

Applicant also plans to conduct retail delivery services to customers located outside the retail facility. Delivery services will employ company-owned vehicles and include delivery to locations within Sonoma County, to the extent each local jurisdiction allows. Applicant will comply with all Santa Rosa and state requirements concerning delivery operations (*see* Title 16, Sections 5415 through 5421). Delivery procedures will include:

- ☐ vehicle will be equipped with a GPS device owned by licensee and used for delivery only, so that Applicant can track its location at all times during delivery;
- ☐ vehicle will be equipped with LoJack for recovery in the event of theft;
- ☐ vehicle will be equipped with dash-mounted video camera;
- ☐ drivers will be at least 21 years of age;
- ☐ vehicle will be equipped with an active vehicle alarm system;
- ☐ drivers will not carry goods valued in excess of \$3,000 at any time;
- ☐ receipts will be prepared for each delivery request and will be signed by the customer.

Citrus Hill- Application for Cannabis Dispensary- 1236 Briggs Ave.

ODOR MITIGATION AND AIR QUALITY

We know from experience that there is no better way to upset the neighborhood than having cannabis odor escape our facility.

We will retain a licensed engineer, as required by Section 2046.050(H), to certify an odor mitigation plan. All outgoing air from the Building will filtered through a carbon filtration system to eliminate odors and impurities. Air entering the building will be filtered through HEPA (High Efficiency Particulate Arrestance) filters.

In nearly 10 years of dispensary management in the bay area, we have never received a complaint of a nuisance odor at any of our facilities. We go above and beyond general standards for air-filtration to assure our facility is never emulating smell beyond our walls.

In addition to filtering the externally exhausting air, we also have internally circulating carbon filtration systems in order to mitigate the smell before it reaches the main ventilation system. These internally circulating systems are placed in close proximity to high-odor zones such as the bulk storage and processing areas.

Additionally, we will employ monthly odor reports to make sure that we are not emitting odor from our facility. It can sometimes be hard for those within the facility to smell the fragrance so it is beneficial to employ a third-party, someone who doesn't use cannabis themselves, to detect the smell. If we can detect a smell or if neighbors express a nuisance odor, we will act accordingly and adapt our Odor Mitigation systems to operate more efficiently.

LIGHTING

Interior and exterior lighting will utilize best management practices and technologies for reducing glare, light pollution, and light trespass onto adjacent properties. Exterior and interior lighting will comply with the standards set forth in Santa Rosa Ordinance section 20-46.050(I).