



**July 1, 2020**

**Updated Project Description**

Conditional Use Permit - Medicinal and Adult Use  
Cannabis Retail (with delivery), Distribution, and Manufacturing

Applicant: Montem Pharmed LLC (d.b.a. Northern Standard)

Project Name: Northern Standard

Applicant Contact Information: David Washenfelter  
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Breckenridge, CA 80424

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Property Owner: Pacific Zone Holdings LLC

Property Owner Contact Information: David Washenfelter  
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970-404-1466  
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Property Address: 2220 Mercury Way, Santa Rosa, CA

APN: 035-490-032

Zoning: BP

General Plan: Business Park

Lot Size: 0.53 Acres

Building Size: 9,994 square feet (gross)

Prior Use of Site:

This property is currently a vacant lot. Applicant will be constructing a new building on site.

## **Project Description**

### **Introduction**

Montem Pharmed LLC d/b/a Northern Standard, the Applicant, proposes to occupy a new construction building located at 2220 Mercury Way in Santa Rosa (that will be constructed by the Property Owner) and conduct the following business types: commercial cannabis retail with delivery, distribution, and manufacturing (level 1). According to the City of Santa Rosa's Comprehensive Cannabis Ordinance Section 20-70.020, Cannabis Distribution means the procurement, sale, and transport of Medical or Adult Use Cannabis or Medical or Adult Use Cannabis Products between Cannabis Businesses. Section 20-70.020 defines Cannabis Manufacturing Level I as the processing or manufacturing of medical or adult use cannabis products using non-volatile solvents or no solvents. Additionally, Section 20-70.020 defines Cannabis Retail as a facility where Medical or Adult Use Cannabis or Medical or Adult Use cannabis Products are offered, either individually or in any combination, for retail sale, including an establishment that delivers Cannabis or Cannabis Products as part of a retail sale.

The City of Santa Rosa's Comprehensive Cannabis Ordinance (the "City Ordinance"), passed December 19, 2017, provides for comprehensive regulation of both medical and adult use cannabis activities. This ordinance allows for the permitting of commercial cannabis retail, manufacturing, and distribution in the Business Park (BP) zoning district (Table 2-10 Allowed Land Uses and Permit Requirements for Industrial Districts). The Subject Parcel is zoned BP. Applicant intends to conduct medical and adult use commercial cannabis Manufacturing Level I, Distribution, and Retail storefront with Delivery.

### **Separation of License Types**

As noted in Section 20-46.0509(D) of the City Code, permits for multiple license types at the same physical address shall maintain clear separation between license types unless otherwise authorized by local and state law. In this case, Applicant proposes the following uses at the Subject Location – cannabis retail with delivery, cannabis manufacturing, and cannabis distribution. As shown in Applicant's floor plans, each cannabis use will have its own area of the proposed building with shared use areas such as hallways, bathrooms, etc. within the building. (*See Site and Floor Plans Created by AplosGroup, Inc.*)

### **Compliance with State Licensing Requirements and Dual Licensing**

Applicant recognizes that in order to obtain a State Commercial Cannabis License, Applicant must first obtain local authorization (California Business and Professions Code Section 26050.1 (a)(2) and Bureau of Cannabis Control Regulations Sections 5001 and 5002). Accordingly, Applicant has not yet applied for either a Provisional State Licenses or Annual State Licenses from the Bureau of Cannabis Control or the Department of Public Health, which are the State agencies that issues licenses for cannabis retail, distribution, and manufacturing. Applicant will apply for all applicable State Licenses after receipt of a Conditional Use Permit from the City of Santa Rosa.

Applicant further recognizes that under California Business and Professions Code Section 26050 (b), all licenses will "bear a clear designation indicating whether the license is for commercial adult-use cannabis activity as distinct from commercial medicinal cannabis activity by prominently affixing an "A" or "M," respectively." However, licensees may hold both an A-license and an M-license for the same commercial cannabis activity; therefore, Applicant proposes to conduct both medicinal and adult-use commercial cannabis activity pursuant to this Application.

Applicant is aware of and prepared to comply with all Annual State License Application requirements, as outlined in Section 5002 of the Bureau of Cannabis Control Regulations and Section 40128- 40132 of the Department of Public Health Regulations. Such requirements include providing the State with, among other things,: (i) Business information (including business formation documents, DBAs, funds and a list of all individuals who hold a financial interest in the business, a list of all owners of the business and their contact information, etc.); (ii) Conviction information, if applicable (including a detailed description of each conviction, date of conviction, dates of incarceration, dates of probation or parole, description of the offense, and statements of rehabilitation for each conviction); (iii) A description of any suspension or revocation of a commercial cannabis license, or sanctions for unlicensed commercial cannabis activity; (iv) A premises diagram; (v) Proof of local authorization from Santa Rosa; (vi) A detailed description of transportation procedures, inventory procedures, quality control procedures, and security procedures.

Applicant further recognizes that the State regulations requires landowner approval to operate commercial cannabis businesses; therefore, Applicant will provide the State with the lease agreement between itself and the Property Owner, as well as a signed statement from the Property Owner that states that the Applicant has the right to occupy the Subject Property and to use it for the applicable cannabis business uses. Applicant understands that the State may request additional information and documents from the Applicant and Applicant will provide the information and documents within the allotted time period, in accordance applicable regulations.

Applicant recognizes that its Annual State License(s) must be renewed each year and that applicable license fees must be paid each year prior to issuance of a renewed license by the State. Applicant will timely renew its Annual State License(s), as well as its local Conditional Use Permit, to ensure that at all times Applicant is operating its cannabis businesses in compliance with both State and local laws and regulations.

#### Performance Timeline: From CUP to Opening the Facility

Applicant plans to be open for business as soon as the building process is complete. The Property Owner is working with the City to conduct the building permit design review and plan check processes concurrently with the CUP process. The Property Owner and Applicant are working with AplosGroup, Inc. Architects, a landscape engineer, and a panel of other engineers to design the facility itself, as well as the surrounding landscaping on the Subject Property. The resources are in place to take steps toward operating out of the proposed facility as soon as Applicant receives the Conditional Use Permit from the City of Santa Rosa.

#### Applicant's Dedication to the City of Santa Rosa

Applicant recognizes that one of the Guiding Principles of the City of Santa Rosa's General Plan is to "focus employment development strategies to retain and expand existing businesses and welcome new businesses which reinforce the community identity, exhibit sustainable business practices, and which have a long term, vested interest in Santa Rosa." As will be described in detail within this application, Applicant has a long-term interest and dedication to the City of Santa Rosa and Sonoma County. Applicant plans to revitalize and beautify the Subject Property and to begin operating the proposed uses as soon as reasonably possible after the Local Permit and State License are obtained; this will ensure the currently vacant and barren space is not sitting vacant into the future and will contribute to the vitality of the City of Santa Rosa's economy. Applicant will utilize sustainable water use practices both inside the facility and with exterior landscaping, will employ local community members and pay competitive wages, and will ensure the exterior of the building fits into the Design Guidelines and the aesthetic of the surrounding businesses and neighborhood.

Applicant expects that its business will bring more consumers to the City of Santa Rosa, thereby helping to boost local business exposure and sales. Applicant's business plan includes working with the other residents and businesses in the neighborhood to support and maintain a clean, welcoming appearance on Mercury Way. Applicant looks forward to being a positive addition to the business park community and will not only support initiatives to limit trespassing and loitering within the business park area, but will also implement a Good Neighbor Policy to ensure any and all community or neighbor concerns are handled in a timely and efficient manner. To review Applicant's initial Good Neighbor Policy and to locate additional information about how Applicant will be a positive addition to the Santa Rosa community, please see Applicant's previously submitted Community Benefits Report.

### **Site Management and Staffing Plan**

#### About the Applicant

David Washenfelter is the founder of the applicant entity, Montem Pharmed LLC. Mr. Washenfelter was formerly a mergers and acquisitions lawyer based in Asia with the international law firm Baker & McKenzie, where he was a partner until 2010. Mr. Washenfelter has been and continues to be licensed to practice law in the State of Texas since 1998. In 2010, Mr. Washenfelter co-founded Stonelotus, an early-stage venture capital firm focusing on projects based primarily in Asia. Stonelotus has invested in and successfully exited many projects and continues to invest in new projects today with Mr. Washenfelter's participation and involvement in select projects. Notwithstanding his prior work experience, Mr. Washenfelter is now a full-time cannabis entrepreneur.

Mr. Washenfelter started Montem Pharmed LLC in 2016. Montem Pharmed LLC is a well-established cannabis extracts and edibles company licensed and based in Colorado that looks forward to expanding to

California. Since 2016, Montem Labs LLC has produced premium vape and edibles products for the Colorado market under the brands Northern Standard ([www.northernstandard.com](http://www.northernstandard.com)) and FINE.

The Montem Pharmed Labs LLC team has extensive experience in operating successful, compliant, and safe commercial cannabis businesses and is excited for the opportunity to operate a cannabis facility in the City of Santa Rosa.

For more information about Applicant's team, please see Applicant's detailed Community Benefits Report .

#### Risk Mitigation

In order to prevent nuisance activities from taking place around the facility to the maximum extent possible, Applicant will have vigilant security personnel on-site during business hours, will use security cameras, will be accessible to neighbors to discuss any issues, and will work with the Property Owner to mitigate any issues that do or could arise.

Both Applicant and Applicant's security staff will be well-trained on customer service and appropriate nuisance response methods. Management will be accessible at all times to consider and resolve any issues that may arise. Applicant plans to operate this business on Mercury Way for a very long time and is committed to establishing a business and culture that supports, enhances, responds to, and becomes an integral and respected addition to the Mercury Way and surrounding business park neighborhood.

Accordingly, Applicant plans to maintain open communication with the tenants of the neighboring properties, neighboring merchants, and law enforcement, to ensure that Applicant is adequately preventing and responding to any and all nuisance activities at the Subject Property. Applicant will take reasonable steps to discourage and correct objectionable conditions that constitute a nuisance in the retail facility, the parking areas, sidewalks, and areas surrounding the premises and adjacent properties. Such steps will include calling the police in a timely manner and requesting that those engaging in nuisance activities cease the activities, unless the personal safety of Applicant would be jeopardized in making the request. For more information on Applicant's security procedures, please see the Security section within this Project Description and the previously provided Security Plan created by Crime Alert Security.

#### Staffing Plan

One of the Goals and Policies of the Economic Vitality section of Santa Rosa's General Plan is to "identify industries whose employee needs will utilize the area's existing talent pool and develop strategies to attract such employers." In accordance with this goal, Applicant's employees will be recruited from the local Santa Rosa and Sonoma County labor pool and Applicant will market its hiring campaigns in order to accomplish this. Applicant plans to cover its work schedule with full-time employees eligible for full benefits as much as possible. The first three months of employment for all new hires will be considered a training or probationary period wherein new hires undergo training and receive frequent progress reports. Once the initial three-month employment period has ended, employee starting hourly wages will be approximately \$20, thus supporting Santa Rosa's commitment to the creation of head-of-household jobs and sustainable wages.

In addition to the planned full-time employees, part-time employees will likely be required to ensure that all shifts are covered. Shifts will be between the hours of 8:00 A.M. and 9:00 P.M., seven (7) days per week. Applicant's dedication to hiring local citizens and the mix of full-time and part-time jobs will help to maintain diversity in the types of jobs available in Santa Rosa and will help to lessen the impact of economic cycles, which is another stated goal of Santa Rosa's Economic Vitality section of the General Plan.

##### *i. Estimated Staffing Levels*

Applicant anticipates standard staffing at the start of operations will be between eight (8) and fifteen (15) employees who will arrive and leave daily for work shifts between the hours of 8:00 A.M. and 9:00 P.M. Once the facility is fully operational, Applicant anticipates a total of eighteen (18) employees will work onsite, who will be split into various shifts, as needed. Shifts will be created to ensure that employees receive adequate rest breaks.

ii. *Employee Security*

As a condition of employment, Applicant will require all potential employees pass an electronic background check.

iii. *Employee Training and Education*

All newly hired employees will receive comprehensive training. Staff training will be ongoing, and will cover topics including safety awareness, emergency procedures, inventory control, cannabis strains, and any other job-specific requirements to ensure employees remain compliant with state and local laws and regulations and have opportunities for ongoing professional success. Monthly employee training sessions will be conducted, which will cover a review of all security and emergency procedures, compliance with state and local laws and regulations, and address any training deficiencies or necessary clarifications.

iv. *Employee Transportation*

Applicant recognizes that one of the Transportation Goals and Policies in Santa Rosa's General Plan is to "work with employers and business associations to meet employee transportation needs that will lead to reduction of the use of single occupant vehicles." As will be discussed in detail below, Applicant's facility is located very close to many bus stops and will have bicycle racks and electric vehicle parking available. These many attributes allow employees to choose from walking, bicycling, or riding public transportation in order to get to Applicant's facility, which will further the City's goal of a reduction of the use of single occupant vehicles.


## Neighborhood Compatibility and Enhancement

### Applicable Use Permits

Applicant is applying for a Conditional Use Permit for the storefront cannabis retail with delivery, cannabis distribution, and cannabis manufacturing uses proposed on site. The necessary application documents were previously submitted by Applicant. Notwithstanding the fact that the proposed distribution and manufacturing uses do not require Major CUPs at the Subject Property, Applicant is hereby submitting for a single Conditional Use Permit application pursuant to advice from the Planning Department.

### Zoning


The Subject Property is in the Business Park (BP) zone. According to the City of Santa Rosa's Comprehensive Cannabis Land Use Policy Chart, all uses proposed herein are allowed in the BP zone. Cannabis distribution is a permitting use within the BP zone and therefore only requires a zoning clearance. Level one cannabis manufacturing requires a Minor Use Permit in the applicable zone and cannabis retail requires a major Conditional Use Permit. (See the Comprehensive Cannabis Land Use Policy Chart below for reference).



City of Santa Rosa

PLANNING & ECONOMIC DEVELOPMENT

COMPREHENSIVE CANNABIS LAND USE POLICY CHART



CANNABIS LAND USE CLASSIFICATIONS (covers both medical and adult use)		CITY OF SANTA ROSA (City Code)										
		ALLOWED LAND USES AND PERMIT REQUIREMENTS BY ZONING DISTRICT:										
		RESIDENTIAL	COMMERCIAL							INDUSTRIAL		
	RELATED STATE LICENSES	all	CO	CN	CG	CV	CD	CSC	TV-M	BP	IL	IG
<b>RETAIL (DISPENSARY) AND DELIVERY</b>												
Cannabis Retail (Dispensary) and Delivery	10	--	CUP (1)	CUP (1)	CUP (1)	--	--	CUP (1)	--	CUP (1)	CUP (1)	CUP (1)
<b>CULTIVATION</b>												
<b>PERSONAL - OUTDOOR, INDOOR, &amp; MIXED LIGHT</b>												
Personal Cannabis Cultivation	exempt											
<b>COMMERCIAL - OUTDOOR</b>												
Commercial Cannabis Cultivation	1, 1C, 2, 3, 4	--	--	--	--	--	--	--	--	--	--	--
<b>COMMERCIAL - INDOOR &amp; MIXED LIGHT (GREENHOUSE)</b>												
Commercial Cannabis Cultivation - up to 5,000 square feet	1A, 1B, 1C, 4	--	--	--	--	--	--	--	--	--	MUP	MUP
Commercial Cannabis Cultivation - 5,001 square feet or greater	2A, 2B, 3A, 3B, 4	--	--	--	--	--	--	--	--	--	CUP	CUP
Commercial Cannabis Microbusiness - <10,000 sq ft (cultivation, manufacturing, distribution, and retail)	12										CUP (1)	CUP (1)
<b>SUPPORT USES</b>												
Commercial Cannabis Manufacturing - Level 1 (non-volatile)	6, N, P	--	--	--	--	--	--	--	--	P (3)	P (3)	P (3)
Commercial Cannabis Manufacturing - Level 2 (volatile)	7	--	--	--	--	--	--	--	--	--	CUP	CUP
Commercial Cannabis Testing Laboratory	8	--	MUP	--	--	--	--	--	--	P	P	P
Commercial Cannabis Distribution	11, 13	--	--	--	--	--	--	--	--	MUP (2)	P (3)	P (3)

Along with being properly zoned for the proposed uses, Applicant's facility will promote the use of mixed-use sites and centers and help to fill a vacancy within the applicable neighborhood within the City of Santa Rosa, which

supports the goals stated within the Economic Vitality section of the General Plan. The Subject Property is on Mercury between Apollo Way and Corporate Center Parkway. The Subject Property is immediately abutted by Business Park (BP) zoned parcels to the North, South, East and West and therefore does not abut any residential uses.

#### Neighborhood Meeting

The proposed site location is not located within 300 feet of residential uses and therefore, Applicant was informed a Neighborhood Meeting was not required.

#### Hours of Operation

The retail storefront shall initially operate from 9:00am – 7:00pm, 7 days a week. However, Applicant would like the ability to operate until 9:00 pm each day in case the need for longer hours becomes apparent in the future. The retail storefront will be open to customers 21 years of age or older or medical cannabis patients that are 18 years of age or older with a valid medical recommendation for cannabis.

The manufacturing and distribution spaces shall initially operate between the hour of 8:00am – 5:00pm, Monday through Friday but may operate for longer hours, with City permission, should the need to do so arise in the future. Neither the manufacturing nor the distribution spaces will be open to the public. Local management shall be available to address operational or emergency issues.

#### Setbacks

California Business and Professions Code Section 26054 (b) provides that cannabis businesses cannot be located within a 600-foot radius of a school, youth center or day care center. However, this section further provides that “a licensing authority or a local jurisdiction may specify a different radius.” The City Ordinance states that the 600-foot setback applies only to retail operations, and the City properly asserts its right to establish its own setbacks pursuant to California Business and Professions Code Section 26054(b) (City Ordinance Section 26-46-040(B)).

The City Ordinance (as amended and adopted December 19, 2017), states that Cannabis Retail businesses must be 600 feet from a “school” as defined by the Health and Safety Code Section 11362.768 (City Ordinance Section 20-46.080(D)(2)). Health and Safety Code Section 11362.768 (h) defines a school as “any public or private school providing instruction in kindergarten or any of grades 1 to 12, inclusive, but does not include any private school in which education is primarily conducted in private homes.” Additionally, the Ordinance states that “a Cannabis Retail use will not be established within 600 feet of any other Cannabis Retail use established within and permitted by the City of Santa Rosa” (City Ordinance Section 20-46.080(D)(2)).

Currently no schools, nor any other cannabis retail establishments, are within 600 feet of the Subject Property. The Subject Property is in the Wright Elementary School District and the Santa Rosa City High School District. Based on the City of Santa Rosa’s Public GIS map, the nearest school appears to be Cook (Lawrence) Middle School, at a distance of approximately 734.59 feet from the parcel line of the Subject Property. The Subject Property therefore meets both State of California and City of Santa Rosa requirements for setback from schools. (*See the Plans created by AplosGroup, Inc. for a screenshot of the sensitive use map showing the Subject Property outside of all required 600-foot buffer zones*).

### **Facility Design, Landscaping Plans, Retail Experience, and Access to the Facility**

#### Facility Design

The proposed facility will be built by the property owner, Pacific Zone Holdings LLC, and leased to Applicant. Applicant seeks to create as beautiful, elegant, and energy efficient facility for all three proposed uses by utilizing a modern design and accompanying it with light and streamlined finishes. Applicant and Property Owner are dedicated to ensuring the facility fits succinctly into the business park neighborhood and strives to create a modern storefront dispensary for customers to enjoy. Applicant will achieve this by implementing an attractive facility design and offering an enhanced customer experience. Applicant’s mission is to provide world class customer service to its clients at an attractive and welcoming retail facility. Applicant will offer a clean, safe, comfortable, private, compliant, and professional experience for every customer and vendor.

One of the Goals and Policies of the Open Space and Conservation section of the Santa Rosa General Plan is to “Promote the use of site planning, solar orientation, cool roofs, and landscaping to decrease summer cooling and

winter heating needs. Encourage the use of recycled content construction materials.” At the Subject Property, Applicant plans to implement 100% energy-efficient LED lighting and water-conscious faucets and will use refurbished materials for many furniture needs. The improvements to the building will utilize today’s most energy-efficient products, including all window panes and doors, light fixtures and water valves and faucets.

Given that Applicant plans to operate in a new building, Applicant has the ability to ensure the building and Subject Property are not only fully compliant with local and state cannabis regulations, but also that it meets the needs of customers both physically and visually. Property Owner will be, among other things, paving the Subject Property, erecting a building, installing a plant buffer around the parcel, adding attractive landscaping, and installing appropriate lighting within the parking area (*see submitted Landscape Plan and Exterior Elevations*). The changes to the parcel will create a welcoming, professional, clean appearance and will be designed to fit well with the surrounding neighborhood.

The building will be made of insulated metal panels, to minimize heat loss both in the summer and winter months. The panel system also allows for more color and design to enliven the facade of the building. All entry points to the building will be protected by a roof or shading device and the pathways will be planted to engage all the senses. The public frontage (the North elevation) will be lined with the previously described metal panels, effectively placed windows, shading devices, and a dynamically sloped roof. The East elevation will contain a roll-up door, an employee only standard walk-through door, cantilevered awnings, various windows, and the same metal panel system as the North elevation. The West and South elevations will include a number of strategically placed windows and the same metal paneling mentioned above.

The design of the new building is inspired by modern art and National Parks architecture. Property Owner and Applicant plan to use eco-friendly and sustainable materials that are locally sourced as much as possible.

#### Landscaping

When it comes to landscaping, Applicant and Property Owner want to create a beautiful and peaceful environment utilizing drought resistant, native, and low maintenance plantings. Applicant’s use of water-efficient landscaping is in accordance with the City’s Water Efficient Landscape Policy,” and the Open Space and Conservation Goals and Policies of the General Plan. In addition to using drought tolerant and native plants on site, Applicant will use lighting that provides safety and security without constituting light pollution or becoming a nuisance to any adjacent properties.

Applicant has contracted with landscape architect Bill Rinehart of Johnson Rinehart Landscape Architects to design a green, energy-efficient, water-efficient, and accessible landscape plan (*see submitted Landscaping Plan within the Site and Floor Plans*). The landscape plan will include maintenance of the few trees that currently exist on site and the planting of many more trees to provide shaded areas on site and to ensure the new construction blends in with the neighborhood design. Throughout the parking lot Applicant will use the “Orchard Style” planting and will have a five-foot planting buffer around the entire building and parking area to ensure the new construction blends with neighboring landscaping.

Near the entrance to the building, Applicant will create a shaded seating area for customers to sit while they wait to enter the retail facility or for a ride from the facility. This area will also house bike racks. There will be accessible routes and ramps to the front door so that all customers can access the entrance to the facility and the shaded waiting areas as necessary. Any and all trees planted along the Mercury frontage will be City-designated street trees (that are suitable for planting beneath power lines). Applicant’s goal is to create welcoming and serene environment for customers and employees while ensuring that all landscaping is energy and water efficient, safe, and congruent with that of the surrounding area.

Vehicles will access the Subject Property from Mercury Way and pedestrians can access the facility via the pedestrian entrance path, which is also on Mercury Way.

#### Advertising and Signs

Applicant will not advertise or market cannabis or cannabis products on an advertising sign within 1,000 feet of a day care center, school providing instruction in kindergarten or any grades 1 through 12, playground, or youth center. Applicant's building will have a sign with its name on it. New signage will be installed under a separate signage permit.

#### Customer Admittance

Of the three uses proposed in this application, only the storefront retail space will be open the public. Applicant takes customer service, product selection, branding, and employee training extremely seriously.

Prior to entering the retail storefront, customers will be required to provide Applicant's staff or security personnel with a valid form of identification showing that the customer is either twenty-one (21) years of age or older or eighteen (18) years of age or older with a valid physician's recommendation for cannabis. As noted in Section 5404 of the BCC Regulations, acceptable forms of identification include the following:

- (1) A document issued by a federal, state, county, or municipal government, or a political subdivision or agency thereof, including, but not limited to, a valid motor vehicle operator's license, that contains the name, date of birth, height, gender, and photo of the person;
- (2) A valid identification card issued to a member of the Armed Forces that includes the person's name, date of birth, and photo; or
- (3) A valid passport issued by the United States or by a foreign government."

To ensure customer and operator safety and to ensure a quality experience for customers, no more than ten (10) customers will be allowed in the purchasing area at a single time. A ratio of 5 clients to 1 staff member will be maintained at all times in the purchasing area, unless social distancing restrictions are still in place when operations begin. Applicant will follow all social distancing and health safety requirements related to COVID-19. Once in the purchasing area, customers will have the option to either work with a trained staff member to discuss products or choose what they would like to buy without assistance. Staff members will be available to discuss product and brand options with customers when requested.

#### Building Interior

The interior of the building will be broken down into different areas for the three uses proposed herein with shared spaces such as hallways, meeting rooms, conference rooms, restrooms, and break rooms available to employees of all three uses. The square footage of each room associated with each cannabis use and the shared areas is shown on the floor plans provided by Applicant. The interior of the building is laid out to optimize the use of the space while still maintaining safe, secure, and identifiable areas for each type of cannabis use in order to comply with State licensing regulations.

#### Compliance with Building and Fire Code

Applicant recognizes that a building permit is required to verify occupancy for the proposed cannabis facility, and that solely obtaining a Conditional Use Permit does not authorize the Applicant to begin to build or operate its businesses within this facility. Applicant will submit all construction plans, calculations, and related documentation supporting the building permit application to the City in order to begin the process of obtaining a Building Permit and a Certificate of Occupancy either after or concurrently with the conditional use permit process. Applicant will ensure that all Building Permit design and supporting documentation is prepared by qualified design professionals licensed and registered by the State of California and that all construction and related work is performed by contractors licensed by the State of California for the specific discipline of work to be performed. Moreover, all design and construction will be consistent with the provision of the Santa Rosa City Code and the current edition of the California Building and Fire Codes.

Applicant is committed to installing proper electrical wiring and components for all electrical fixtures within the facility. Applicant understands that all construction or work for which a permit is required is subject to inspection by the Building Division and/or the Fire Department and that such construction or work must remain accessible and exposed for inspection purposes until approved. Applicant will ensure all City approved plans, specifications, and



related documents are kept on the premises for City inspection staff for the required inspections. Applicant will not use or occupy the Subject Property for the uses described herein until the Building Official has issued a Certificate of Occupancy.

Applicant also recognizes that aside from MAUCRSA, the State Regulations, and the City Ordinance, many State and local codes regulate cannabis facilities. These many codes include, but are not limited to, the California Building Code, California Electrical Code, California Mechanical Code, California Plumbing Code, California Energy Code, California Fire Code, California Existing Building Code, California Green Building Standards Code, California Existing Building Code, California Health and Safety Code, California Business and Professions Code, National Fire Protection Association Standards, and the Santa Rosa City Code. Applicant will consult with trained, licensed architects, designers, contractors, and other professionals to ensure that all building plans and subsequent construction is in compliance with these codes, including provisions relating to: accessibility and accessible paths of travel; fire-resistance, fire alarm systems, smoke detectors, fire extinguishers, and exit paths; ventilation and exhaust systems; electrical systems; plumbing fixtures, fittings, and systems; lighting controls and energy consumption; and CalGreen Code requirements; among others.

Applicant further recognizes that it may be required to have a key box installed in a location approved by the Fire Department in the event that the Fire Code Official determines that access to or within a structure or area is restricted because of secured openings, or that immediate access may be necessary for live-saving or fire-fighting purposes. In this event, Applicant will install and maintain a key box of an approved type that will contain keys to gain necessary access, as required by the Fire Code Official and the California Fire Code.

Applicant is committed to complying with all provisions of the Fire Code. Accordingly, Applicant will ensure all fire protection equipment, including fire extinguishers, automatic sprinkler systems, and fire alarm systems are maintained in working order and serviced at regular intervals. Applicant will maintain clear access to all such fire protection equipment and will ensure that proper exit widths are appropriate and clear in the event of an emergency. Furthermore, Applicant will ensure that all required illuminated “exit” signs are working at all times.

Additionally, Applicant will comply with all applicable Health and Social Care and California Fire Code requirements related to the storage, use, and handling of hazardous materials. Applicant only plans to use one potentially hazardous material on site – food grade ethanol (*See Manufacturing Section Below for More Information*). Applicant will store, use, and handle this material in accordance with the requirements listed on the materials Safety Data Sheet (“MSDS”). All MSDS documents will be kept in a readily accessible binder. Any and all waste ethanol will be disposed of in accordance with applicable state and local laws and regulations. Applicant will also obtain any and all required Certified Unified Program permits related to maintaining ethanol on site.

#### Security

Applicant will provide and install a variety of security devices to ensure that only authorized personnel have access to any location where cannabis is located or stored, so that employees, vendors, and customers are safe and secure inside the building. An on-site manager will be the local site contact person who will be responsible for the use and will provide and keep current full contact information to the Santa Rosa Police Department dispatch database as part of the alarm permitting process. Applicant contracted with Crime Alert to create the detailed security plan that complies with the both City and State security requirements for cannabis businesses. Crime Alert Security has extensive experience working with cannabis businesses throughout Northern California to advise on best practices and to implement security systems to protect their operations. While Applicant’s full security plan was previously submitted, limited information is provided below for quick reference.

##### *i. On-Site Security Personnel*

In accordance with Section 5045 of the Bureau of Cannabis Control Regulations, Applicant will have on-site security personnel at its retail site during business hours.

##### *ii. Access Controls*

All access points from outside of the building will have both locks and alarms. All perimeter windows and hatches will remain closed and locked with tamper-proof security devices. They will be equipped with perimeter alarms that will sound if there is any breach of these apparatuses. All points of ingress and egress to the facility will be secured with Building Code compliant commercial-grade, non-residential door locks and

window locks. However, all security measures will be designed to ensure emergency access in compliance with the California Fire Code and Santa Rosa Fire Department standards.

All doors will also be equipped with an alarm that will sound if they are opened without code and key or if they are damaged. Arming and disarming the security system will require an access code. Both the entry alarm and surveillance alarm will notify the monitoring service if a failure is detected in the system, which will be corrected as soon as possible. If the failure prevents security systems from operating, the facility will take additional security measures until it is fixed.

Additionally, Applicant will ensure that the limited-access areas described in Section 5042 of the BCC Regulations can be securely locked with commercial-grade, non-residential door locks.

*iii. Security Surveillance System*

Applicant will provide a comprehensive surveillance system. All cameras will be located strategically throughout the building and will have resolution to adequately capture images of people and movement throughout the facility. The extensive surveillance system will be run and monitored by an outside agency. Security surveillance video cameras will be installed and maintained in good working order to provide coverage on a twenty-four (24) hour basis of all necessary areas. Cameras will remain active at all times and will be capable of operating under any lighting condition. Security video will use standard industry format to support criminal investigations and will be maintained for ninety (90) days. Camera recordings will be kept within the building and will only be accessible to management.

Applicant's camera system will include a battery back-up with at least 1 (one) hour of stand-by time in case of power failure and a failure notification system that will alert Applicant in the event of any disruption of surveillance or video storage capabilities. Recorded images will clearly and accurately display the time and date and the camera system will support standard MPEG formats. Applicant's camera system will provide comprehensive coverage of the following areas:

- a) All internal and exterior entrances and exits to the premises;
- b) All areas where cannabis products are weighed, packed, stored, quarantined, transported, prepared, or moved within the premises; and
- c) Limited-access areas, security rooms, and areas with surveillance-storage devices.

*iv. Electronic Security System*

In addition to the surveillance system, Applicant will implement a comprehensive electronic security system, including, among other things, third party monitoring of all intrusion detection alarms. The professionally monitored robbery alarm system will be installed and maintained in good working condition. An alarm permit from the Santa Rosa Police Department will be obtained prior to installing the alarm system. The alarm system will include sensors to detect entry and exit from all secure areas and all windows. Applicant will keep the name and contact information of the alarm system installation and monitoring company as part of the onsite books and records.

The Alarm system will include silent holdup buttons in specific areas that can be triggered if there is an immediate threat. All employees with access to alarm system will be assigned individual alarm code to arm/disarm the alarm system. Applicant will maintain a log of when the alarm system is armed and disarmed. The log will be maintained for a minimum of 90 days.

*v. Emergency Procedures*

Applicant has procedures in place in case of an emergency. Training will be provided to employees in case of break-in, robbery, or burglary, fire, flood, or other natural disaster. If the employees cannot safely leave the building, there will be an emergency kit that contains food, water, and other supplies.

*vi. Emergency Access*

Applicant recognizes that it may be required to have a key box installed in a location approved by the Fire Department in the event that the Fire Code Official determines that access to or within a structure or area is restricted because of secured openings, or that immediate access may be necessary for life-saving or fire-

fighting purposes. In this event, Applicant will install and maintain a box of an approved type that will contain keys to gain necessary access, as required by the Fire Code Official and the California Fire Code.

*vii. Secure Storage*

Applicant will store all cannabis goods and currency in secured limited-access areas to prevent diversion, theft and loss. The secure storage areas will include multiple security cameras and will only be accessible by management and authorized staff members who have a valid need to access such areas.

Furthermore, cannabis waste will be stored and secured in a manner that prevents diversion, theft, loss, hazards, and nuisance. All cannabis waste will be disposed of in full compliance with all laws and all cannabis waste will be unrecognizable and unusable at the time of disposal. All cannabis waste will be placed in a locked waste receptacle that will be hauled by Recology. All cannabis waste will be entered into METRC, the state's track-and-trace system.

*viii. Transportation and Delivery Procedures*

Distribution Activities

In accordance with Section 5311 of the Bureau of Cannabis Control Regulations, transportation of cannabis goods will only be conducted by Applicant or Applicant's employees in a motor vehicle or trailer. No person under the age of 21 will be allowed inside a commercial vehicle or trailer transporting cannabis goods, and only Applicant or Applicant's employees will be in the vehicle while transporting cannabis goods (Bureau of Cannabis Control Regulations Section 5313). For distribution purposes, Applicant will only transport cannabis goods between licensees shipping or receiving cannabis goods and its own facility (Bureau of Cannabis Control Regulations Section 5311).

Prior to transporting cannabis goods, Applicant will generate a shipping manifest through the track and trace system and will securely transmit the manifest to the Bureau of Cannabis Control and the licensee that will receive the cannabis goods (Bureau of Cannabis Control Regulations Section 5314). Applicant will ensure and verify that the cannabis goods being taken into possession for transport are as described and are accurately reflected in the shipping manifest. In compliance with Section 5311, Applicant will never transport non-cannabis goods, except for cannabis accessories and licensees' branded merchandise or promotional materials, with cannabis goods.

Applicant will ensure that all cannabis goods are locked in a box, container, or cage that is secured to the inside of the vehicle or trailer, and that no cannabis goods will be visible or identifiable from outside the vehicle or trailer at any time (Bureau of Cannabis Control Regulations Section 5311). Vehicles and trailers will have a vehicle alarm system, and while left unattended, all vehicles and trailers will be locked and secured. Packages or containers holding cannabis goods will never be tampered with or opened during transport by Applicant or Applicant's employees (Bureau of Cannabis Control Regulations Section 5311).

Applicant will provide to the Bureau of Cannabis Control and the City of Santa Rosa all information it requires regarding the vehicles or trailers used for transportation and distribution, including proof of ownership or lease, the year, make, model, license plate number, and numerical VIN for any and all vehicles and trailers that Applicant will use to transport cannabis goods (Bureau of Cannabis Control Regulations Section 5312).

Retail Delivery Activities

Applicant will make both medicinal and adult use cannabis and cannabis products available for delivery. In accordance with Section 5418 of the Bureau of Cannabis Control Regulations, while making deliveries, Applicant's delivery employee will not carry an amount of cannabis goods worth more than \$5,000 at any one time. This value will be determined using the current retail price of all cannabis goods carried by the delivery employee.

In accordance with Section 5417 of the Bureau of Cannabis Control Regulations, Applicant's delivery employees will only travel in an enclosed motor vehicle operated by the delivery employee. The delivery

employee will ensure the cannabis goods are not visible to the public inside the vehicle or at any time during delivery of the cannabis goods. Applicant will ensure all cannabis and cannabis products are securely stored within the trunk of the vehicle, or if the vehicle has no dedicated trunk, another secure, discrete location inside the vehicle. Applicant's delivery employee will not leave cannabis goods in an unattended motor vehicle unless the vehicle is locked and equipped with an active vehicle alarm system (Bureau of Cannabis Control Regulations Section 5417).

The vehicles Applicant will use for the delivery of cannabis goods will be outfitted with Global Position System (GPS) devices, for ready identification of the geographic location of each delivery vehicle at any time (Bureau of Cannabis Control Regulations Section 5417). The dedicated GPS device will be owned by Applicant and will be used for delivery only. The device will be affixed to the delivery vehicle and will remain active and inside of the delivery vehicle at all times during delivery. At all times, Applicant will be able to identify the geographic location of all delivery vehicles that are making deliveries and will provide that information to the Bureau of Cannabis Control upon request (Bureau of Cannabis Control Regulations Section 5417).

In accordance with Bureau of Cannabis Control Regulations Section 5417, Applicant is prepared to provide the Bureau of Cannabis Control with information regarding any motor vehicle used for the delivery of cannabis goods, including the vehicle's make, model, color, VIN, license plate number and DMV registration. Applicant understands that any vehicle used to deliver cannabis goods is subject to inspection by the Bureau of Cannabis Control and that the vehicles may be stopped and inspected by the Bureau at the facility or during delivery (Bureau of Cannabis Control Regulations Section 5417).

To further enhance its transportation security, Applicant will randomize its transportation routes and schedule to avoid predictability.

#### Odor Mitigation and Air Quality

As noted in Section 20-46.050(H) of the City Ordinance, Applicant is required to create and implement a comprehensive odor mitigation plan. The mitigation of cannabis odors on site will be accomplished by (1) properly storing cannabis products and cannabis inventory and (2) implementing "Engineering Controls" to filter the air within the facility. For more information on the storage procedures that will be used please see the previously submitted Certified Odor Plan documentation provided by TEP Engineering. When it comes to the "Engineering Controls" Applicant will implement, please see below for general information and the TEP Engineering document for specifics.

Odor mitigation will be accomplished through the use of carbon filtration throughout the facility, to ensure no cannabis odors escape the facility. Applicant recognizes that the City requires that this odor mitigation plan must be certified by a licensed professional engineer to ensure that all mitigation controls are sufficient to effectively mitigate odors from all odor sources (City Ordinance Section 20-46.050(H)). Applicant will obtain this certification prior to operation of the cannabis facility.

A carbon filter is a round, hollow device with a membrane that contains activated charcoal (carbon). "Dirty" air passes through the carbon filter and clean, odorless air exits the other side. Carbon filters are the most popular odor control option on the market because they are highly effective, widely available, low priced, and low maintenance. Granular Activated Carbon Activated charcoal is so effective because of its high degree of micro-porosity; just one gram of activated carbon has a surface area in excess of 500m<sup>2</sup> or about one tenth (1/10) the size of an American football field. Carbon filters are low maintenance and with a proper pre-filter, Applicant will only have to change the activated carbon every 12 to 18 months, although this can vary based on variables such as fan speed, hours of use, carbon quality, etc.

*Example of 10-inch Max-Fan with Carbon Filter and Speed Controller*



Can Fan  
Can-Fan Max-Fan Inline Mixed Flow Fan, 14-Inch 1700 Cubic Feet Per Minute



Applicant's air filtration system will absorb and reduce odors inside the building, which will reduce irritants for employees, vendors, customers, and neighbors of the facility. Applicant will utilize carbon filters with large inline exhaust fans that vent through the roof of the facility. These carbon filters will filter approximately 1,000 cubic feet of air per minute. Applicant's air filtration system will be properly maintained in accordance with industry standards to ensure appropriate air quality.

#### Waste Management and Recycling

Applicant plans to use recycling and general waste disposal practices. Applicant will separate plastic and paper products for recycling and will have an on-site dumpster for general waste products. Applicant will separate cannabis waste from other waste, which will be stored in a locked container and rendered unusable. All waste management techniques will ensure cannabis products and associated product waste is stored and secured in a manner that prevents diversion, theft, loss, hazards, and nuisance, in accordance with Section 20-46.050(G) of the City Ordinance.

#### Lighting

At Applicant's facility, all exterior lighting systems will be provided for security purposes in a manner sufficient to provide illumination and clear visibility to all outdoor areas of the premises, including all points of ingress and egress, in accordance with Section 20-46.050(I) of the City Ordinance. Applicant will have lights installed at various locations on the exterior of the building and throughout the parking area, some of which will be motion sensor (*see Site Plan for locations of exterior lighting throughout the parking area*). Exterior lighting will be stationary, fully shielded, directed away from adjacent properties and public rights of way, and of an intensity compatible with the neighborhood.

Applicant's electrical engineer is familiar with Santa Rosa lighting and landscaping requirements and therefore, Applicant's lighting plan will comply with these guidelines. Applicant's lighting plan will include only energy-efficient fixtures and lamps, such as LEDs or other technology that is of comparable or better efficiency. The fixtures will be shielded to reduce glare and reflections will be contained within the Subject Property. Light fixtures will be directed downward and away from adjoining properties so as to not create a nuisance.

Notable goals of the Open Space and Conservation section of the Santa Rosa General Plan are to (1) to "reduce energy use in existing and new commercial, industrial, and public structures," and (2) to "identify opportunities for decreasing energy use through installation of energy efficient lighting, reduced thermostat settings, and elimination of unnecessary lighting in public facilities." In accordance with this goal, all exterior lighting at Applicant's facility will be limited to a maximum height of 14 feet, will use energy-efficient fixtures and lamps, and will not include lighting that will blink, flash, or be of unusually high intensity or brightness. All exterior lighting will be Building Code compliant and will comply with Section 20-30.080 of the City of Santa Rosa Municipal Code. Interior light systems will be fully shielded, including adequate coverings on windows, to confine light and glare to the interior of the structure.

### Noise

Applicant recognizes that according to the Santa Rosa City Code (Chapter 17-16) it is unlawful for any person to willfully make or continue, or cause to be made or continued, any loud, unnecessary, or unusual noise which disturbs the peace or quiet of any neighborhood or which causes discomfort or annoyance to any reasonable person of normal sensitiveness residing in the area. Accordingly, Applicant will ensure all noise from Applicant's facility does not violate the provisions of Chapter 17-16, including by: (i) ensuring the operation of machinery, equipment, pumps, fans, air-conditioning apparatus, or similar mechanical devices do not cause the noise level at the property line of the property to exceed the ambient base noise level by more than five decibels; (ii) not operating a pandemoniac motor vehicle or operating a motor vehicle in any way that a reasonable person of normal hearing sensitivity is caused discomfort or annoyance; and (iii) not utilizing any sound-amplifying equipment.

Potential noise-causing equipment at Applicant's facility will include inline HVAC units, extraction equipment, and vehicular traffic. Applicant plans to reduce noise by investing in high quality equipment that has noise suppression technology, including fans and extractors. Applicant understands other mitigation techniques may be required, depending upon the specific equipment selected. Applicant's goal is to be a beneficial member of the community and to work to ensure potential nuisances are promptly resolved.

### Pedestrian Access to the Facility

Some of the goals of the Transportation section of Santa Rosa's General Plan are to "orient building plans and pedestrian facilities to allow for easy pedestrian access from street sidewalks, transit stops, and other pedestrian facilities, in addition to access from parking lots" and to "require construction of attractive pedestrian walkways and areas in new residential, commercial, office, and industrial developments. Provide landscaping or other appropriate buffers between sidewalks and heavily traveled vehicular traffic lanes, as well as through and to parking lots. Include pedestrian amenities to encourage and facilitate walking."

Applicant's facility is on Mercury Way between Corporate Center Parkway and Apollo Way and the façade of Applicant's facility will face toward Mercury Way. Mercury Way has sidewalks and ample street lighting down the entire street, and as part of Applicant's improvements to the Subject Property and the neighborhood. These attributes will help to encourage pedestrian traffic to Applicant's facility, rather than solely vehicle traffic. Additionally, Applicant's facility is located in close proximity to many bus stations, as will be discussed in detail below. These many attributes will help to facilitate both pedestrian and bicyclist traffic, rather than sole reliance on single-occupancy vehicles.

### Parking

One of the Goals and Policies of the Land Use and Livability section of Santa Rosa's General Plan is to "provide a range of commercial service that are easily accessible and attractive, that satisfies the needs of people who live and work in Santa Rosa and that also attracts a regional clientele." The Subject Property is currently vacant. Applicant will be improving the Subject Property, including, among other things, adding a building, landscaping, and parking, which will beautify the business park property and make it attractive and easily accessible to both nearby neighbors and the residents of Santa Rosa more generally. See below for Applicant's parking requirements analysis.

Type	Spaces Required by City	Gross Sq/ft	Car Spaces Needed	Bike Spaces Needed	Other
Manufacturing	Car: 1 Per 350 Gross sq/ft Bike: 1 Per 7,000 Gross sq/ft	4,249	12	0	
Retail	Car: 1 Per 250 Gross Square Feet Bike: 1 Per 5,000 Gross sq/ft	781	3	0	
Distribution	Car: 1 Per 1,000 Gross sq/ft Bike: 1 per 14,000 Gross sq/ft	4,964	5	0	
<b>TOTALS</b>		<b>9,994</b>	<b>20</b>	<b>0</b>	<b>1 bike space needed based on total sq/ft of building</b>



Applicant's facility will have a total of 20 vehicle parking spaces as required by the City Code. Applicant will also provide at least 4 bike parking spaces, which exceeds what is required by City Code. There are also numerous street parking spaces along the northern side of Mercury Drive which could accommodate up to twenty parked vehicles. Although Applicant's project has enough parking in relation to what is required by the City Code, employees will be encouraged to park on the street if the lot gets full so that customers may park in the lot.

#### Transportation to the Facility: Driving, Bicycling, Walking, and Public Transit

Applicant understands that one of the Guiding Principles of the City of Santa Rosa's General Plan is to "Reduce dependence on the automobile by improving pedestrian, bicycle, and transit alternatives and by locating essential commercial services in proximity to housing." In furtherance of reducing dependence on the automobile while also attracting a regional clientele, and in accordance with the City of Santa Rosa's Design Guidelines for parking, bicycle parking for customers will be provided on the northern side of the building, near the retail entrance (*see Site Plans*) and at the rear of the building (for employee use). Moreover, in furtherance of Santa Rosa's goal of locating essential commercial services in proximity to housing, Applicant's facility is within walking distance to a residential neighborhood. This close proximity will allow individuals who live in this community to walk to Applicant's retail space.

Part of Santa Rosa's vision for 2035 is that "frequent, convenient transit service allows local residents to use transit as an alternative to driving." The Subject Property is located conveniently close to many bus stops, which will allow bicyclists and pedestrians who do not live nearby to enjoy easy access to applicant's retail space. This will help to reduce automobile traffic associated with the facility. The closest bus stop is on Corporate Center Parkway and Mercury Way and is about 0.2 miles from Applicant's facility. It would take a pedestrian approximately three (3) minutes to walk from this bus station to Applicant's facility and one (1) minutes to bike to Applicant's facility from this bus stop (*see figures below*).



#### Traffic

Applicant contracted with W-Trans to draft and provide a traffic study for this project and previously provided the Planner with the report. At the start of the operation of this facility, standard staffing will be between eight (8) and fifteen (15) employees who will initially arrive and leave daily for work shifts from the hours of 8:00 A.M to 8:00 P.M. Once the facility is fully operational, Applicant anticipates total staffing will be approximately eighteen (18) employees, who will be split into various shifts, as needed. (*Applicant's Staffing Plan is discussed in detail above.*)

### **Cannabis Use Details**

As previously noted, Applicant seeks permits for cannabis Retail with Delivery, cannabis Distribution, and cannabis Manufacturing (level 1). In addition, to the general application requirements that have been discussed thus far, below Applicant describes each individual use and how each use will comply with the applicable sections of the City Code and State law.

#### **Track and Trace Compliance**

The State's track and trace system is designed to record the movement of cannabis and cannabis products through the supply chain, from cultivation to sale. This will help ensure that if a public safety concern arises, the source will be identifiable. In accordance with Bureau of Cannabis Control Regulations Section 5049 and Department of Public Health Regulations Section 40512, Applicant will report in the track and trace system the disposition of all commercial cannabis activities within 24 hours of occurrence, including the receipt or transfer of cannabis goods from one licensee to another, processing, packaging, sales, returns, destruction or disposal, and any other activity required to be recorded into the track and trace system. Applicant will ensure all data entered into the track and trace system is correct and that any information entered in error is corrected immediately upon discovery of the error. If at any time Applicant loses access to the track and trace system, Applicant will prepare and maintain comprehensive records detailing all required inventory tracking activities conducted during the loss of access (Bureau of Cannabis Control Regulations Section 5049 and Department of Public Health Regulations Section 40513). Once access is restored, Applicant will enter all commercial cannabis activity that occurred during the loss of access (Bureau of Cannabis Control Regulations Section 5050 Department of Public Health Regulations Section 40513).

#### **a. Manufacturing**

<b>Use Type</b>	<b>Gross Square Feet</b>
<b>Manufacturing</b>	<b>Approximately: 4,249</b>

According to Section 20-70.020 of the City Code, Cannabis Manufacturing – Level 1 is defined as “[t]he processing or manufacturing of medical or adult use cannabis products using nonvolatile solvents, or no solvents.” Here, Applicant proposes to have non-volatile (Level 1) manufacturing on site that is approximately 4,249 gross square feet. According to the City's Zoning Code, Level 1 cannabis manufacturing is a permitted use on properties in the Business Park zoning district, such as the one here.

Applicant proposes to conduct ethanol extraction and CO2 extraction on-site and to create edible cannabis products. “Nonvolatile solvent” is defined by Section 40100(gg) of the Department of Public Health Regulations as “any solvent used in the extraction that is not a volatile solvent. For purposes of this chapter, “nonvolatile solvents” include carbon dioxide and ethanol.” Thus, the extraction methods proposed by Applicant are non-volatile. Additionally, Applicant's extraction processes will be safe and will employ nontoxic solvents. Applicant will only use extraction equipment that has been listed or otherwise certified by an approved third-party testing agency, or a licensed professional engineer (City Ordinance Section 20-46.070). Furthermore, all of Applicant's manufacturing equipment will be approved for the intended uses by the City's Building Official and Fire Code Official prior to use (City Ordinance Section 20-46.070). In terms of edible creation, Applicant will comply with all building and health regulations to ensure all products are appropriate and safe for human consumption.

#### **Extractions**

As an experienced cannabis operator, applicant never settles for subpar quality and constantly seeks new ways to improve our products. Applicant has set the industry standard for extract consistency, purity, and flavor through its proprietary extraction processes (see below for information about such processes). Applicant's cannabis oils are extracted from single strain, single-batch organically grown cannabis, and contain only native terpenes. Unlike most competing brands of cannabis oil on the market today, Applicant uses no toxic solvents, foreign terpenes, synthetic flavorings, propylene glycol or other additives of any kind in our production processes. Applicant's oils contain only cannabinoids and terpenes found in the source cannabis plant, giving customers an all-natural experience with flavor and effect like no other.



Applicant has been using the extraction and manufacturing methods proposed here for nearly three (3) years at its manufacturing facility in Colorado and has maintained a stellar compliance and safety record with no safety incidents to date. For information on the specific extraction methods that Applicant will use at the Subject Property, please see below.

#### Extraction Process: CO2 Extraction

Applicant plans to conduct CO2 Extraction on-site. Applicant has chosen to use CO2 manufacturing to produce concentrates because it is a safer and commonly-used non-volatile manufacturing process. Applicant's business plan includes recruiting and hiring qualified and trained personnel to work in this critical facet of its business.

CO2 extraction is a non-volatile extraction process which involves changing gaseous CO2 into a liquid and then raising the pressure and temperature of the CO2, which causes the CO2 to become "supercritical." This means that the CO2 can adopt properties between a gas and a liquid at one time. The supercritical CO2 then passes through cannabis contained in an extractor and pulls the essential trichrome and terpene oils and/or waxes out of the plant material. These oils and waxes are then sent to an extract receptacle, while the CO2 passes through a condenser and is turned back into a liquid. CO2 extraction is a great extraction process that allows for extraction of plant oil from the cannabis, while avoiding the use of petroleum particles from butane and other volatile extraction processes. Applicant understands that ventilation may be required for the extraction process and this will be called out on Applicant's building plans.

Applicant is currently researching and analyzing potential CO2 extraction equipment. Applicant will invest in equipment that is ASME-approved, ASTM-tested, built to the highest standards and built and supported by a firm that has experience in the industry. The equipment will have complete safety mechanisms including backup pressure relief valves and will be designed per ASME, NFPA and IFC. Additionally, Applicant's operators will have extensive and ongoing training.

#### Extraction Process: Ethanol Extraction

Applicant also plans to conduct Ethanol Extraction on-site. Applicant's ethanol extraction methods use cool and cold food grade ethanol in which cannabis material is soaked for a short period of time. The infused ethanol is then filtered to remove unwanted plant material. The ethanol is then evaporated from the tincture and recovered for re-use, and the resulting oil is then distilled to produce a more highly concentrated cannabis oil. Please note that in addition to the Department of Public Health's classification of ethanol as a nonvolatile extraction method, food-grade ethanol (as will be used here) is recognized as safe pursuant to the federal Food, Drug, and Cosmetic act and is also recognized as nonvolatile by OSHA.

#### Edibles

Applicant's gourmet edibles are developed and produced by a world-class chocolatier and confectioner, using only the highest quality ingredients. From start to finish, quality Applicant's goal. Applicant's edible manufacturing will take place in a commercial kitchen environment (*see floor plans*). Applicant understands that according to Section 40315 of the Department of Public Health's Regulations, edible products are limited to a maximum of 10mg of THC per serving and 100mg of THC per package. Other cannabis products, such as tinctures, capsules, and topicals, are limited to a maximum of 1,000mg per package for the adult-use market and 2,000mg of THC per package for the medicinal-use market (Department of Public Health Regulations Section 40315(c)). Applicant will ensure all products created at Applicant's facility do not exceed the limits set by State laws and regulations.

#### Sonoma County Health Permit

The City Ordinance (Section 20-46.070) states that cannabis businesses that sell or manufacture edible medical cannabis products shall obtain a Sonoma County Health Permit. Applicant plans to manufacture edible products and will therefore obtain a Health Permit from Sonoma County prior to operating its manufacturing business. Applicant recognizes that no person can operate in the county or in any incorporated city in the county, any food facility or any other enterprise or establishment in which food or beverage is offered for sale or sold, without a valid permit or registration issued by the health officer. Therefore, Applicant will ensure its operations meet the specifications of the Sonoma County Retail Food Ordinance, and the provisions of the California Retail Food Code.

#### Standard Operating Procedures

Applicant will establish and maintain written standard operating procedures that are easily accessible to onsite personnel and will submit these operating procedures to the state with Applicant's full application submittal. These operating procedures will, at a minimum, include the following: (i) policies and procedures developed in accordance with Applicant's security plan; (ii) emergency response procedures; (iii) policies and procedures for Good Manufacturing Practices; (iv) policies and procedures for Production and Process Control; (v) procedures for complying with all track and trace requirements; (vi) inventory control procedures; and (vii) waste management procedures. Applicant will implement proper training techniques to ensure all personnel present at the facility are provided with adequate information and training that covers the foregoing topics, among others. The purpose of these procedures is to ensure production occurs in a sanitary and hazard-free environment, cannabis products are contaminant free, and that THC levels are consistent throughout the product and within required limits (as is discussed below).

#### Quality Control and Facility Cleanliness

In accordance with State laws and regulations, including Section 40250 of the Department of Public Health's Regulations, Applicant will ensure appropriate quality control operations are employed to ensure cannabis and cannabis products are suitable for human consumption or use, and that cannabis product-packaging materials are safe and suitable. Applicant will ensure adequate precautions are taken to prevent cross-contact or contamination from any source.

In order to establish good manufacturing processes, and in accordance with Section 40246 of the Department of Public Health's Regulations, Applicant will establish and implement written procedures to ensure the following protocols are followed by all personnel: (i) disease control and exclusion of individuals with illness from the manufacturing space; (ii) cleanliness, including wearing appropriate outer garments, maintenance of personal cleanliness and hand washing, removal of unsecured jewelry, maintaining gloves in a clean, sanitary condition, wearing hair nets, beard covers, etc., storing clothes and personal belongings in separate areas, confining eating and drinking to other areas; and (iii) taking any other necessary precautions to protect against allergen cross-contact and against contamination of cannabis products, cannabis product-contact surfaces, or cannabis product-packaging materials by microorganisms or foreign substances (including perspiration, hair, cosmetics, tobacco, chemicals, and medicines applied to the skin).

Applicant will also ensure the grounds of the premises are kept in a condition that prevents the contamination of components and cannabis products, including, but not limited to: (i) proper storage of equipment; (ii) removal of litter and waste; (iii) inspection of the grounds to ensure no pests, dirt or filth are encroaching on the facility; and (iv) cutting of weeds and grass around the property, to ensure the property does not constitute an attractive breeding ground for pests. Applicant will maintain clean, sanitary facilities to ensure cannabis and cannabis products are not contaminated and that all cannabis products produced at the facility are safe for consumption or other appropriate uses.

#### Packaging and Labeling

In accordance with Section 40415 of the Department of Public Health's Regulations, Applicant will ensure no product packaging will resemble traditionally available food packages and that it will not be attractive to children. All manufactured cannabis products will be packaged before they are released to a distributor. All packages will be tamper-evident, child-resistant, and re-sealable if the product includes multiple servings.

#### **b. Distribution**

<b>Use Type</b>	<b>Gross Square Feet</b>
<b>Distribution</b>	<b>Approximately: 4,964</b>

According to City Ordinance Section 20-70.020, "Cannabis Distribution" means "the procurement, sale, and transport of Medical or Adult Use Cannabis and Medical or Adult Use Cannabis Products between Cannabis Businesses." Applicant proposes approximately 4,964 gross square feet of cannabis distribution space at the facility. The distribution area is made up of multiple rooms and has elevator access. The distribution area is large enough that a vehicle can pull into the facility through a roll-up door at the south-east corner of the facility, which will allow for secure loading and unloading of cannabis and cannabis products in the "Gated Loading"

area (*See Site and Floor Plans*). Under this Distribution use, Applicant will arrange for testing by a licensed testing facility, check for appropriate packaging and labeling, collect taxes, transport cannabis and cannabis products, and may act as a wholesaler, all in accordance MAUCRSA, the Bureau of Cannabis Control Regulations, and local law. All transportation will be conducted by Applicant and Applicant's employees.

#### Storage of Batches for Testing

In accordance with the Bureau of Cannabis Control Regulations Section 5302, Applicant will ensure all cannabis goods batches are stored separately and distinctly from other cannabis goods batches on the premises. Applicant will ensure a label is attached to each container of each batch that states the manufacturer's or cultivator's name and license number who provided the batch; the date of entry into Applicant's storage area; the unique identifiers and batch number associated with the batch; a description of the cannabis goods with enough detail to easily identify the batch; the weight or quantity of units in the batch; and the expiration date, if any (Bureau of Cannabis Control Regulations Section 5302).

#### Testing Arrangements and Quality Assurance

In accordance with Section 5304 of the Bureau of Cannabis Control's Regulations, after taking possession of a cannabis goods batch, Applicant will contact a testing laboratory and arrange for a laboratory employee to come to the Applicant's facility to select a representative sample for lab testing. Applicant or an employee of Applicant will be physically present to observe the lab employee obtain the sample of cannabis goods for testing and will ensure that all proper procedures and protocols are followed, as outlined in the Bureau of Cannabis Control Regulations Section 5305.

Once a sample "passes" a lab test, the cannabis goods may be transported to one or more retailers for sale, but if a sample "fails" a lab test, then the batch must not be distributed or transported to retailers for sale, and must instead be remediated or destroyed, in accordance with applicable State laws and Bureau of Cannabis Control Regulations Section 5306.

Prior to transporting any cannabis goods to retailers for sale, Applicant will ensure all labels and packaging are compliant with state laws and regulations, and that the weight or count of the cannabis batch comports with the information in the track and trace system (Bureau of Cannabis Control Regulations Section 5307). Applicant will ensure all events have been recorded in the track and trace system. (Bureau of Cannabis Control Regulations Section 5307).

#### Packaging and Labeling

In accordance with the Bureau of Cannabis Control Regulations Section 5303(a), Applicant may package, re-package, label, and re-label cannabis for retail sale, and may label and re-label packages containing manufactured cannabis goods with the amount of cannabinoids and terpenoids based on regulatory testing results.

#### Inventory Reconciliation

In compliance with Bureau of Cannabis Control Regulations Section 5309, Applicant will reconcile all inventories of cannabis goods at least once every 14 days and will keep an inventory log containing detailed information about each batch. If Applicant finds a discrepancy between the inventory of stock and the inventory log or track and trace system that is outside normal weight loss caused by moisture loss, Applicant will commence a full audit of the batch in which the discrepancy is found (Bureau of Cannabis Control Regulations Section 5309).

#### Records

In addition to any other records that are required to be maintained by the State or local laws and regulations, Applicant will maintain records relating to branding, packaging, and labeling; inventory logs and records; transportation bills of lading and shipping manifests; vehicle and trailer ownership records; quality-assurance records; records relating to destruction of cannabis goods; lab-testing records; warehouse receipts; and records relating to required tax collection and payments (Bureau of Cannabis Control Regulations Section 5310).

#### Transportation

In accordance with Section 5311 of the Bureau of Cannabis Control Regulations, transportation of cannabis goods will only be conducted by Applicant or Applicant's employees in a motor vehicle or trailer. No person under the age of 21 will be allowed inside a commercial vehicle or trailer transporting cannabis goods, and only Applicant or Applicant's employees will be in the vehicle while transporting cannabis goods (Bureau of Cannabis Control Regulations Section 5313). Applicant will only transport cannabis goods between licensees shipping or receiving cannabis goods and its own facility (Bureau of Cannabis Control Regulations Section 5311).

Prior to transporting cannabis goods, Applicant will generate a shipping manifest through the track and trace system and will securely transmit the manifest to the Bureau of Cannabis Control and the licensee that will receive the cannabis goods (Bureau of Cannabis Control Regulations Section 5314). Applicant will ensure and verify that the cannabis goods being taken into possession for transport are as described and are accurately reflected in the shipping manifest.

Applicant plans to transport both medicinal and adult-use cannabis. In accordance with Section 5311 of the Bureau of Cannabis Control Regulations, Applicant may transport multiple shipments of cannabis goods at one time. Furthermore, in compliance with Section 5311, Applicant will never transport non-cannabis goods, except for cannabis accessories and licensees' branded merchandise or promotional materials, with cannabis goods.

Applicant will ensure that all cannabis goods are locked in a box, container, or cage that is secured to the inside of the vehicle or trailer, and that no cannabis goods will be visible or identifiable from outside the vehicle or trailer at any time (Bureau of Cannabis Control Regulations Section 5311). Vehicles and trailers will have a vehicle alarm system, and while left unattended, all vehicles and trailers will be locked and secured. Packages or containers holding cannabis goods will never be tampered with or opened during transport by Applicant or Applicant's employees (Bureau of Cannabis Control Regulations Section 5311).

Applicant will provide to the Bureau of Cannabis Control and the City of Santa Rosa all information it requires regarding the vehicles or trailers used for transportation and distribution, including proof of ownership or lease, the year, make, model, license plate number, and numerical VIN for any and all vehicles and trailers that Applicant will use to transport cannabis goods (Bureau of Cannabis Control Regulations Section 5312).

c. **Retail Storefront and Delivery Details**

Use	Gross Square Feet
Retail	Approximately: 781

According to City Ordinance Section 20-70.020 "Cannabis Retail" means "a facility where Medical or Adult Use Cannabis or Medical or Adult Use Cannabis Products are offered, either individually or in any combination, for retail sale, including an establishment that delivers Cannabis or Cannabis Products as part of a retail sale." Note that cannabis retail locations are also known as a cannabis dispensaries. Applicant proposes a medical and adult-use retail storefront space of approximately 781 gross square feet. Under this retail use, Applicant will sell cannabis and cannabis products to medicinal and adult-use customers. Under Section 5412 of the Bureau of Cannabis Control Regulations, Applicant will not be permitted to package or label cannabis or cannabis products on the retail premises. All cannabis or cannabis products sold by Applicant within the retail space will be packaged and labeled prior to arriving at the retail premises.

#### Retail Storefront Operations and Records

In accordance with Section 20-46.080 of the City Ordinance, Applicant will maintain a copy of its Local Permit and State License on display during business hours in a conspicuous place so that it can be readily seen by all persons entering the facility. Applicant will maintain all required records including a current register of all current and past employees, and patient and sales records, in accordance with the City Ordinance, as well as State laws and regulations (City Ordinance Section 20-46.080).

#### Inventory Documentation

In accordance with Section 5423 of the Bureau of Cannabis Control Regulations, Applicant will also maintain an accurate record of its inventory and will provide the Bureau of Cannabis Control with this record of inventory upon request. The following information will be included in such inventory records; (i) A description of each item in the inventory, such that the cannabis goods can easily be identified; (ii) An accurate measurement of the quantity of the item; (iii) The date and time the cannabis goods were received; (iv) The sell-by or expiration date on any cannabis goods, if any; (v) The name and license number of the licensee that delivered the cannabis goods; (vi) The name and license number of the distributor that provided the cannabis goods to the Applicant retailer; and (vii) The price the Applicant paid for the cannabis goods, including taxes, delivery costs, or any other costs.

#### Other Records

Applicant will also maintain the following records related to commercial cannabis activity for at least seven years (Bureau of Cannabis Control Regulations Section 5037): (i) Financial records including, but not limited to bank statements, sales invoices, receipts, tax records, and all records required by the CA Department of Tax and Fee Administration under Title 18 of the California Code of Regulations Sections 1698 and 4901; (ii) Personnel records, including each employee's full name, social security or individual tax payer identification number, date employment begins, and date of termination of employment, if applicable; (iii) Training records, including, but not limited to, the content of the training provided, and the names of the employees that received the training; (iv) Contracts with other licensees regarding commercial cannabis activity; (v) Permits, licenses, and other local authorizations to conduct the licensee's commercial cannabis activity; (vi) Security records, except for surveillance recordings required under Section 5044 of the Bureau of Cannabis Control Regulations; (vii) Records relating to the composting or destruction of cannabis goods; and (viii) Documentation for data or information entered into the track and trace system.

Applicant recognizes that the Bureau of Cannabis Control may make any examination of the books and records of any licensee as it deems necessary (Bureau of Cannabis Control Regulations Section 5037). Applicant will therefore keep records in a manner that allows the records to be produced for the Bureau on-site in either hard copy or electronic form, as requested by the BCC.

#### Limited-access Areas

Applicant will have limited-access areas that only authorized individuals (such as employees, vendors, contractors, or other people with a business-purpose) will be permitted to access. These limited-access areas include all areas that are not open to the public. Limited-access areas encompass all rooms in the manufacturing and distribution areas as well as any secured storage areas, and all offices, break rooms, and employee restrooms and changing rooms.

An individual in the limited-access area who is not employed by Applicant will be escorted by one of Applicant's employees at all times within the limited-access area (Bureau of Cannabis Control Regulations Sections 5042). Applicant will maintain a log of all authorized individuals who are not employees of the Applicant that enter the limited-access area. The logs will be made available to the Bureau of Cannabis Control upon request. Applicant will not receive consideration or compensation for permitting an individual to enter the limited-access area.

#### Secured Products

As was discussed in detail above, the retail facility is designed to prevent unauthorized entrance into areas containing Cannabis or Cannabis Products. Limited-access areas accessible to only authorized personnel will be established. The facility has a secure door with a commercial grade lock that will separate the retail area from the building services hallway that leads to manufacturing and distribution areas in the facility. (*See Plans*).

#### Retail Customers

In accordance with Section 5404 of the Bureau of Cannabis Control's Regulations, Applicant will only sell adult-use cannabis goods to individuals who are at least 21 years of age, and will sell medicinal cannabis goods to individuals who are at least 18 years of age, who possess a valid physician's recommendation for his or her self or for a person for whom he or she is a primary caregiver. Applicant will verify the identity and age, and

the physician's recommendation if applicable, of a customer prior to selling any cannabis or cannabis products to the customer.

#### Customer Access to the Premises

Applicant plans to allow both medicinal and adult-use customers to enter the retail area. Applicant's employees will be physically present in the retail area at all times when individuals who are not Applicant's employees are in the retail area (Bureau of Cannabis Control Regulations Section 5402). Access to the retail area will be limited to individuals who are either at least 21 years of age, or who are at least 18 years of age with a valid physician's recommendation (Bureau of Cannabis Control Regulations Section 5400).

Applicant will train all employees on proper customer admittance practices, will re-train all employees quarterly, and will ensure this protocol is printed and kept in an area that all employees can access to refresh their memories at all times. Access to the retail area will only be granted once (i) Applicant has verified that the individual is at least 21 years of age with valid proof of ID; or (ii) Applicant has verified that the individual is at least 18 years of age, has valid proof of ID, and has a valid physician's recommendation for his or her self or for a person for whom he or she is a primary caregiver (Bureau of Cannabis Control Regulations Section 5400).

#### Retail Entrance Requirements

In accordance with City Ordinance Section 20-46.080, the storefront entrance of the retail facility will be in a visible location that provides an unobstructed view from the public right of way. As was discussed in detail above, no adult-use customer will be permitted to enter the retail space without government issued photo identification and no medical cannabis customer will be permitted to enter the retail space unless the medical customer possesses a valid government-issued photo identification card and a valid physician's recommendation under Section 11362.712 of the Health and Safety Code.

#### Retail Hours of Operation

The retail premises will initially operate from 9:00am – 7:00pm, 7 days a week. Applicant would like the ability to operate until 9:00 pm each day (in accordance with Section 20-46.080 of the City Ordinance) in case the need for longer hours becomes apparent in the future. The retail premises will be open to customers 21 years of age or older or medical cannabis patients that are 18 years of age or older with a valid medical recommendation for cannabis.

When the retail premises is not open for retail sales, Applicant will ensure (i) the premises is securely locked with commercial-grade, non-residential door locks; (ii) the premises is equipped with an active alarm system which will be activated when the Applicant or Applicant's employees are not on the premises; and (iii) only employees and contractors of the Applicant are allowed to enter the premises (Bureau of Cannabis Control Regulations Section 5403.1). All security protocols and technologies will be utilized at all times the premises is not open to the public. *See previously submitted Confidential Security Plan for further detail on Applicant's security procedures.*

#### Cannabis Goods Displays

In accordance with Bureau of Cannabis Control Regulations Section 5405, cannabis goods for inspection and sale will only be displayed in the retail area and will not be displayed where it is visible from outside the facility. In accordance with Bureau of Cannabis Control Regulations Section 5405(b), cannabis goods may be removed from their packaging and placed in containers to allow for customer inspection. The containers will not be readily accessible to customers without assistance of Applicant or Applicant's employees, and the container will be provided to the customer by Applicant or Applicant's employee, who will remain with the customer at all times that the container is being inspected by the customer. Cannabis goods that are removed from their packaging for display will not be sold or consumed and will be destroyed when the cannabis goods are no longer used for display.

#### Cannabis Goods for Sale

In accordance with Bureau of Cannabis Control Regulations Section 5406, Applicant will not make any cannabis goods available for sale to a customer unless (i) the cannabis goods were received from a licensed distributor; (ii) Applicant has verified that the cannabis goods have not exceeded their expiration or sell-by

date, if one is provided; and (iii) in the case of manufactured cannabis products, the product complies with all requirements of Section 26130 of the California Business and Professions Code and all other relevant laws.

According to Section 26130 of the California Business and Professions Code, edible cannabis products must be (1) designed to not be appealing to children or easily confused with commercially sold candy or foods that do not contain cannabis; (2) produced and sold with a standardized concentration of cannabinoids not to exceed ten (10) milligrams tetrahydrocannabinol (THC) per serving; (3) delineated or scored into standardized serving sizes if the cannabis product contains more than one serving and is an edible cannabis product in solid form; (4) homogenized to ensure uniform disbursement of cannabinoids throughout the product; (5) manufactured and sold under sanitation standards established by the State Department of Public Health; and (6) provided to customers with sufficient information to enable the informed consumption of the product, including the potential effects of the cannabis product and directions as to how to consume the cannabis product, as necessary.

#### Sale of Non-Cannabis Products

According to Section 5407 of the Bureau of Cannabis Control Regulations, “A retailer may sell non-cannabis products on a licensed premises if the licensee remains in compliance with any city, county, and state laws or regulations related to those products. This provision excludes alcohol and alcohol products and tobacco and tobacco products from sale at any licensed premises.” Applicant will not sell any alcohol, alcohol products, tobacco, or tobacco products on the premises.

#### Sale of Cannabis Paraphernalia

Applicant plans to sell limited cannabis accessories or “cannabis paraphernalia” on site. Per section 20-46.080(F) of the City’s Comprehensive Cannabis Ordinance, Applicant understands that it cannot “sell or display cannabis related paraphernalia or any implement that may be used to administer Cannabis or Cannabis Products unless specifically described and authorized in the Conditional Use Permit.” Additionally, the “sale of such products must comply with the City’s zoning code and other applicable state regulations.” (See Section 20-46.080(F)). According to Section 5407 of the BCC Regulations, “in addition to cannabis goods, a licensed retailer may sell only cannabis accessories and licensee’s branded materials.”

In order to comply with local regulations and to show that the “cannabis paraphernalia” proposed for sale at Applicant’s retail premises comply with state regulations, Applicant created the following list of items, in addition to cannabis and cannabis products, that it may sell on site:

rolling papers, roach clips, dug outs, bats, one-hitters, rolling trays, rolling devices, rolling tools, rolling kits, smoking kits, vaping kits, dabbing kits, humidifiers, humidors, bongs, pipes, water pipes, hookahs, dab rigs, vaporizers, e-nails, dab mats, grinders, ash trays, lighters, torches, pipe tools, refillable vape cartridges, spare vape cartridge parts, vape batteries, battery chargers, carrying pouches, books, manuals, incense, air fresheners, and branded merchandise.

#### Sale of Edible Products

Applicant plans to sell edible products. As will be explained in detail below, Applicant will therefore obtain a Sonoma County Health Permit and will comply with Health and Safety Code Section 13700 et seq. and Sonoma County Health permit requirements, in accordance with City Ordinance Section 20-46.070. Applicant understands that these requirements provide a system of prevention and overlapping safeguards designed to minimize foodborne illness, ensure employee health, demonstrate industry manager knowledge, ensure safe food preparation practices and delineate acceptable levels of sanitation for preparation of edible products.

#### Sale of Live Plants

Applicant plans to sell live, immature cannabis plants and seeds. In accordance with Bureau of Cannabis Control Regulations Section 5408, Applicant will only sell such seeds if (i) the plant is not flowering; (ii) the plant or seed was purchased from a nursery that holds a valid Type-4 Nursery Cultivation license under MAUCRSA; and (iii) a label is affixed to the plant or package containing seeds which states, “This product has not been tested pursuant to the Medicinal and Adult-Use Cannabis Regulation and Safety Act.” Applicant will not sell any other live plants, nor will applicant apply or use any pesticides on the live plants.

#### Daily Limits

In accordance with Section 5409 of the Bureau of Cannabis Control's Regulations, Applicant will not sell more than the following amounts of cannabis, cannabis products, or cannabis plants to an adult-use cannabis customer:

- 28.5 grams (approximately 1 ounce) of non-concentrated cannabis in a single day to a single customer;
- 8 grams (slightly more than 1/4 ounce) of concentrated cannabis, including concentrated cannabis contained in cannabis products, in a single day to a single customer;
- 6 immature cannabis plants, in a single day to a single customer.

Furthermore, Applicant will not sell more than the following amounts to a medicinal cannabis customer:

- 8 ounces of medicinal cannabis in a single day to a single medicinal cannabis customer; or
- If a valid physician's recommendation contains a different amount than 8 ounces, the medicinal cannabis customer may purchase an amount of medicinal cannabis consistent with the patient's needs as recommended by a physician.

#### Sonoma County Health Permit

The City Ordinance (Section 20-46.070) states that cannabis businesses that sell or manufacture edible medical cannabis products shall obtain a Sonoma County Health Permit. Applicant plans to sell edible products and will therefore obtain a Health Permit from Sonoma County prior to operating its retail business. Applicant recognizes that no person can operate in the county or in any incorporated city in the county, any food facility or any other enterprise or establishment in which food or beverage is offered for sale or sold, without a valid permit or registration issued by the health officer. Therefore, Applicant will ensure its operations meet the specifications of the Sonoma County Retail Food Ordinance, and the provisions of the California Retail Food Code.

In order to obtain the requisite Health Permit, Applicant will first contact a Sonoma County Food Inspector, who will determine whether the facility needs a site review and who will recommend the proper permitting process that Applicant must follow. Once Applicant is aware of the proper permitting process, per the Food Inspectors' recommendations, Applicant will submit all required documents and information to Sonoma County's Health Department, including site plans, as necessary. Once Applicant's plans are approved, Applicant will schedule an on-site construction inspection. After the site inspection, Applicant will Apply for the Food Facility Operating Permit. Once Applicant obtains the permit from Sonoma County, Applicant will post the permit in a conspicuous place within the food facility and will maintain its permit in accordance with local laws and regulations, as well as the California Retail Food Code.

In accordance with this permit and the California Retail Food Code, Applicant (as a permitholder) will designate a person (or persons) in charge and will ensure that a person in charge is present at the food facility during all hours of operation. This person in charge and all food employees will have adequate knowledge of, and will be properly trained in, food safety as it relates to each of their assigned duties. This knowledge will include major food allergens and safe food handling practices.

#### Food Safety Certification Examination

Applicant understands that the California Retail Food Code requires that there be at least one food safety certified owner or employee at every food facility, although this certified owner or employee does not need to be present at the food facility during all hours of operation. Applicant will ensure an owner or employee of Applicant has successfully passed an approved and accredited food safety certification examination. Such food safety certificate will be retained on file at the food facility at all times and will be made available for inspection by the enforcement officer. Furthermore, such certified individuals will be recertified every five years.

#### Customer Returns of Cannabis Goods

A "customer return" means a customer's return of cannabis goods that were purchased from Applicant, back to the Applicant. In accordance with Bureau of Cannabis Control Regulations Section 5410, Applicant may accept customer returns of cannabis goods that were previously sold to a customer but will not resell cannabis goods that have been returned. Applicant will destroy all cannabis goods that have been returned to the retailer by a customer. Applicant will treat any cannabis goods abandoned on the premises as a customer return (Bureau of Cannabis Control Regulations Section 5410).



#### Free Cannabis Goods

In general, Applicant will not provide free cannabis goods to any person and will not allow employees to provide free cannabis goods to any person on the licensed premises. However, in accordance with Bureau of Cannabis Control Regulations Section 5411, in order to provide access to medicinal cannabis to patients who have difficulty accessing medicinal cannabis goods, Applicant may provide free medicinal cannabis to those in need. Applicant will ensure that: (i) free cannabis goods are provided only to a medicinal cannabis patient or primary caregiver for the patient in possession of a valid ID card and physician's recommendation; (ii) the cannabis goods comply with all laboratory testing requirements; (iii) prior to being provided to the patient or primary caregiver, the cannabis goods have been properly recorded in the track and trace system as belonging to the retailer; (iv) the cannabis goods will not leave the premises unless placed in an opaque package, as required for purchased cannabis goods; (v) the cannabis goods will be applied toward the daily limit purchased by a medicinal cannabis customer; and (vi) the transaction will be properly recorded in Applicant's inventory records and the track and trace system. Applicant may also donate cannabis goods and the use of equipment in compliance with any compassionate use, equality, or other similar program administered by the City of Santa Rosa.

#### On-Site Consumption

Applicant does not plan to allow on-site consumption of cannabis products by employees, patients, or adult use customers. Section 26200 of the California Business and Professions Code states that "a local jurisdiction may allow for the smoking, vaporizing, and ingesting of cannabis or cannabis products on the premises of a retailer or microbusiness," however, "access to the area where cannabis consumption is allowed [must be] restricted to persons 21 years of age and older" and "cannabis consumption [must not be] visible from any public place or nonage-restricted area." The City of Santa Rosa allows for on-site consumption (City Ordinance Section 20-46.080(F)); however, the City does not allow the smoking or vaping of cannabis products on-site. Applicant does not plan to allow on-site consumption of cannabis products by employees, patients, or adult use customers. The entrance to Applicant's retail facility will be clearly and legibly posted with a notice indicating that smoking and vaping of Cannabis is prohibited on site or in the vicinity of the site except as permitted in accordance with Chapter 9-20 (Smoking Regulations) and State Law.

#### Packaging and Labeling

In accordance with Section 5412 of the Bureau of Cannabis Control Regulations, Applicant will not accept, possess, or sell cannabis goods that are not packaged as they will be sold at final sale. All cannabis goods purchased by a customer will not leave the Applicant's retail premises unless the goods are placed in an opaque exit package (Bureau of Cannabis Control Regulations Section 5413).

#### Site Management

In accordance with Section 20-46.080(F) of the City Ordinance, Applicant will take reasonable steps to discourage and correct objectionable conditions that constitute a nuisance in parking areas, sidewalks, alleys and areas surrounding the premises and adjacent properties during business hours, if such activities or conditions are directly related to the patrons of the subject retailer. These steps will include calling the police in a timely manner and requesting that those engaging in nuisance activities cease the activities, unless the personal safety of Applicant would be jeopardized in making the request.

#### Retail Delivery

Applicant also plans to deliver Cannabis and Cannabis Products to patients and consumers located outside the Cannabis Retail Space.

##### *Delivery Process*

Applicant's customers will be able to order products via telephone or via desktop or mobile devices. Customers will be verified by first and last names and by date of birth. Applicant will then place the order into its system and process the product for delivery. In accordance with Bureau of Cannabis Control Regulations Section 5420, Applicant will prepare a delivery request receipt for each delivery of cannabis good to a customer.

The process of Applicant's delivery of cannabis to customers will begin when the delivery employee leaves the facility with the cannabis goods meant for delivery and will end when the delivery employee returns to the facility after delivering the cannabis or cannabis goods to one or more customers (Bureau of Cannabis Control Regulations Section 5415). All deliveries will be made to customers in person and will never be made through the use of an unmanned vehicle. Every delivery employee will carry (i) a copy of Applicant's current Local Permit and State License, (ii) their personal California ID card, and (iii) an ID badge provided by Applicant (Bureau of Cannabis Control Regulations Section 5415).

#### Delivery Employees

All deliveries will be performed by a delivery employee of Applicant, who will be at least 21 years of age (Bureau of Cannabis Control Regulations Section 5415). Applicant will maintain a current and accurate list of delivery employees. To start, Applicant plans to have one (1) delivery driver operating at a time.

#### Delivery Addresses

Applicant will deliver cannabis goods only to physical addresses on privately-owned land in California and will never leave the State of California while in possession of cannabis goods (Bureau of Cannabis Control Regulations Section 5416). In accordance with Bureau of Cannabis Control Regulations Section 5416, Applicant will not deliver cannabis goods to an address located on publicly-owned land, or any address on land or in a building leased by a public agency, including land owned by a Native American Tribe or Tribal Member, unless authorized by and consistent with applicable tribal law.

#### Delivery Vehicles

In accordance with Section 5417 of the Bureau of Cannabis Control Regulations, Applicant's delivery employees will only travel in an enclosed motor vehicle operated by the delivery employee. The delivery employee will ensure the cannabis goods are not visible to the public inside the vehicle or at any time during delivery of the cannabis goods. Applicant will ensure all cannabis and cannabis products are securely stored within the trunk of the vehicle, or if the vehicle has no dedicated trunk, another secure, discrete location inside the vehicle. Applicant's delivery employee will not leave cannabis goods in an unattended motor vehicle, unless the vehicle is locked and equipped with an active vehicle alarm system (Bureau of Cannabis Control Regulations Section 5417).

The vehicle(s) Applicant will use for the delivery of cannabis goods will be outfitted with Global Position System (GPS) devices, for ready identification of the geographic location of each delivery vehicle at any time (Bureau of Cannabis Control Regulations Section 5417). The dedicated GPS device will be owned by Applicant and will be used for delivery only. The device will be affixed to the delivery vehicle and will remain active and inside of the delivery vehicle at all times during delivery. At all times, Applicant will be able to identify the geographic location of all delivery vehicles that are making deliveries and will provide that information to Bureau of Cannabis Control upon request (Bureau of Cannabis Control Regulations Section 5417).

In accordance with Bureau of Cannabis Control Regulations Section 5417, Applicant is prepared to provide the Bureau of Cannabis Control with information regarding any motor vehicle used for the delivery of cannabis goods, including the vehicle's make, model, color, VIN, license plate number and DMV registration. Applicant understands that any vehicle used to deliver cannabis goods is subject to inspection by the Bureau of Cannabis Control and that the vehicles may be stopped and inspected by the Bureau at the facility or during delivery (Bureau of Cannabis Control Regulations Section 5417).

#### Goods Carried During Delivery

Applicant will make both cannabis and cannabis products available for delivery. In accordance with Section 5418 of the Bureau of Cannabis Control Regulations, while making deliveries, Applicant's delivery employee will not carry an amount of cannabis goods worth more than what is allowed on a state level at any one time. This value will be determined using the current retail price of all cannabis goods carried by the delivery employee.

#### Delivery Request Receipt

In accordance with Bureau of Cannabis Control Regulations Section 5420, Applicant will prepare a delivery request receipt for each delivery of cannabis good to a customer. The delivery request receipt will

contain (i) the name and address of the Applicant retailer; (ii) The first name and employee number of the Applicant's delivery employee who delivered the order; (iii) The first name and employee number of the Applicant's employee who prepared the order for delivery; (iv) The first name of the customer and an assigned customer number for the person who requested the delivery; (v) The date and time the delivery request was made; (vi) The delivery address; (vii) A detailed description of all cannabis goods requested for delivery, which will include the weight, volume, or another accurate measure of the amount of cannabis goods requested; (viii) The total amount paid for the delivery, including taxes, fees, cost of the cannabis goods, and any other charges related to the delivery; and (ix) The date and time the delivery was made, and the signature of the customer who received the delivery. At the time of the delivery, the delivery employee will provide the customer who placed the order a copy of the delivery request receipt and will retain a signed copy of the receipt for Applicant's records.

#### Delivery Routes

While making deliveries, the delivery employee will only travel from the Applicant's facility to the delivery address; from one delivery address to another delivery address; or from a delivery address back to the Applicant's facility (Bureau of Cannabis Control Regulations Section 5421). In accordance with Bureau of Cannabis Control Regulations Section 5421, delivery employees will not deviate from the delivery path, except for necessary rest, fuel, or vehicle repair stops, or because road conditions make continued use of the route unsafe, impossible, or impracticable.

#### Items Previously Provided

- Conditional Use Permit Application
- Indemnification Agreement
- Copyright Materials Release
- Disclosure Form
- Storm Water Determination Worksheet
- Environmental Assessment
- Confidential Security Plan
- Vicinity and Neighborhood Context Maps
- Site Plans, Floor Plans, Elevations, and Landscape Plans