



Oxnard Commercial Cannabis Application Phase 2 Evaluation Report

CCB 2021-05 - 323 Cooper Road LLC dba NeighborGood

Tracking Number - Applicant Name/DBA

323 Cooper Road, Oxnard, CA 93030

Proposed Location

Retail and Local Equity Applicant/Retail

License Type

SCORE SUMMARY

1,102 Points Received

1,200 Points Available

91.83% Score

Pass CBA & Local Equity Program

Criteria	<i>Scoring Basis</i>	Points Available	Points Received	Evaluation
1 Business Plan (500 pts)		500	419	
1.1 A budget for construction, operation and maintenance, compensation of employees, equipment costs, utility cost, and other operation costs.	<i>Percentage</i>	85	64	It was unclear how much capital the business would need. On the 6-month pro forma (pg 6 of PDF File #3), Applicant stated it has enough capital to cover "all the expenses" for the "first 6 months of operations", which, based on the amounts provided in the budget (pg 2), HdL calculated to be approx. \$850k. However on the 6-month pro forma (pg 6), Applicant said, "Total Capital Investment: \$639,463.09". Applicants who received full points for this criteria were clear and consistent about how much capital was required.
1.2 Proof of capitalization in the form of documentation of cash or other liquid assets on hand, Letters of Credit or other equivalent assets.	<i>Percentage</i>	90	45	Applicant demonstrated a sufficient amount of capital, however the following issues with proof of capital documents in PDF File #4 resulted in point deductions: - Balance sheet for HRCC Incorporated (pg 2) - no supporting documentation such as bank statements was provided to confirm that the assets listed on the balance sheet exist - E-Trade printout (pg 3) - funds weren't current (dtd 4/24/20) and printout was missing account owner name - Fidelity statement (pg 6) - funds weren't current (dtd 3/31/20) and there was no indication who account owner Yoomi Koh Poon was and whether Poon consented to provide the funds - Bank of the West statement (pg 12) - funds weren't current (dtd 3/6/20) and there was no indication who account owners Stanley Yinhei Poon and Yoomi K Poon were and whether they consented to provide the funds - Chase statement (pg 20) - funds weren't current (dtd 3/31/20) and there was no indication who account owner Stanley Y Poon was and whether Poon consented to provide the funds - Fidelity statement (pg 22) - funds weren't current (dtd 3/1/20) and there was no indication who account owner Stanley Poon was and whether Poon consented to provide the funds - Charles Schwab statement (pg 28) - funds weren't current (dtd 3/31/20) and there was no indication who account owner Mark Chin-Chuan Chou was and whether Chou consented to provide the funds
1.3 3-year pro forma for at least three years of operation.	<i>Percentage</i>	85	79	Total Expenses in the pro forma (pg 5 of PDF file #3) were inconsistent with Total Expenses in the budget (pg 2). For example, the pro forma showed Total Expenses of \$1,638,798.12/\$1,871,423.00/\$2,024,298.40 for years 1-3, respectively, but the budget showed \$1,696,475.00/\$1,649,293.30/ \$1,779,548.50 for the same years. There were similar inconsistencies in years 4-5. Applicants who received full points were consistent in their financial projections, or at least explained the differences.
1.4 Fully describe hours of operation and opening and closing procedures.	<i>All or none</i>	50	50	Addressed criteria.



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1.5 Fully describe the day-to-day operations for each license type being sought.	Percentage	90	81	Description of day-to-day operations was limited to the criteria in 1.5.1a-1.5.1f. Applicants who received full points for this criteria described operations beyond the minimum requirements.
1.5.1 Additional criteria for RETAIL applications only:				
a. Describe customer check-in procedures.				
b. Identify location and procedures for receiving deliveries during business hours.				
c. Identify number of Point-of-Sales location and estimated number of customers to be served per hour/day.				
d. Describe the proposed product line and estimate the percentage of sales of flower and manufactured products.				
e. Describe the product handling procedures.				
f. If proposed, describe delivery service procedures, number of vehicles and product security during transportation.				
1.6 Fully describe cash handling procedures.	All or none	50	50	Addressed criteria.
1.7 Fully describe inventory control procedures including identification of point-of-sales and track and trace software.	All or none	50	50	Addressed criteria.
Summary Fifty percent (51%) of the proposed business is owned by Pierrick "Erick" Brillouet, 41% by President Yihuan "Daphne" Ho, 4% by CEO Christopher Shen, and 4% by COO Nicholas Rahardjo. The budget for Year 1, including construction and initial licensing costs, was projected to be approx. \$1.7M, although it was unclear how much would be funded through capital funding (estimates ranged from \$640k-\$850k). Proof of funding was provided for approx. \$1.5M. The proposed business will have 5 POS terminals and use the Indica Online POS system. Proposed product line will include cartridges (projected to be 32% of sales), flower (29%), FEES (12%), edibles (9%), prerolls (9%), concentrates (4%), and gear (4%), and will include brands like Bloom Farms, Cheeba Chews, Jetty, and THClear. Annual net revenue projections start at approximately \$3.7M in Year 1 and grow to \$12.2M by Year 3.				

Criteria	Scoring Basis	Points Available	Points Received	Evaluation
2 Labor and Employment Plan (300 pts)		300	290	
2.1 Describe compensation to and opportunities for continuing education and employee training.	Percentage	105	105	Addressed criteria.
2.2 Describe the extent to which the CCB will be a locally managed enterprise whose owners and/or managers reside within the Ventura County area.	All or none	45	45	Addressed criteria.
2.3 Describe the number of employees, title/position and their respective responsibilities.	Percentage	105	95	The list of job responsibilities starting on pg 36 of PDF File #3 lacked a description of the Lead Budtender role that was shown on the chart on pg 33.
2.4 Thoroughly describe employee policies and procedures (complete manuals are not required to be submitted).	All or none	45	45	Addressed criteria.
Summary Proposed business will have between 18 and 23 management and staff-level employees. Annual salaries range from \$36k to \$70k per year, depending on the position. Employee benefits include medical and dental insurance, health savings accounts, 401k and IRA matching, retirement account management, paid time off and various leaves, flexible work scheduling, subsidized health club memberships, and educational assistance. Proposed business committed to entering into a Labor Peace Agreement. Training will include continuing education opportunities, on-the-job training and formal training courses. Majority owner Erick Brillouet resides at the proposed location; the remaining ownership team resides outside the Oxnard/Ventura County area. Applicant committed to fill all managerial staff positions with local Oxnard candidates and will use a managerial recruitment firm to do so.				



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Criteria	Scoring Basis	Points Available	Points Received	Evaluation
3 Safety Plan (200 pts)		200	193	
3.1 The Safety Plan shall be prepared by a professional fire prevention and suppression consultant. An assessment of the facility's fire safety plan by a qualified licensed fire prevention and suppression consultant. An appropriate plan will consider all possible fire, hazardous material, and inhalation issues/threats and will have both written and physical mechanisms in place to deal with each specific situation. Identify all gases and/or chemicals to be used and their storage locations (testing).	<i>Percentage</i>	70	63	Safety Plan addressed the minimum topics but provided little detail beyond what criteria 3.1-3.10 required. Applicants who received full points addressed additional safety/emergency situations and provided mechanisms to deal with them.
3.2 Identify fire alarm and monitoring system including the name and contact information for the alarm company	<i>All or none</i>	7	7	Addressed criteria.
3.3 Describe accident and incident reporting procedures	<i>All or none</i>	8	8	The Safety Plan mentioned employees would be trained on reporting procedures (pg 63 of PDF File #2) but failed to describe the procedures. However, since the Labor & Employment Plan contained a little detail on the topic (pg 44), no point deduction.
3.4 Describe evacuation routes	<i>All or none</i>	8	8	Addressed criteria.
3.5 Location of fire extinguishers and other fire suppression equipment	<i>All or none</i>	8	8	Addressed criteria.
3.6 Describe procedures and training for all fire and medical emergencies	<i>All or none</i>	8	8	Addressed criteria.
3.7 Describe and identify the location of all gas monitoring equipment. A detailed diagram of the overall facility's safety features.	<i>All or none</i>	7	7	Addressed criteria.
3.8 Written description of safety features, including but not limited to fire prevention, suppression, HVAC and alarm systems.	<i>Percentage</i>	70	70	Addressed criteria.
3.9 Clarify if your building has sprinklers?	<i>All or none</i>	7	7	Addressed criteria.
3.10 What date was the subject building constructed?	<i>All or none</i>	7	7	Addressed criteria.
Summary Fire Safety Plan was prepared by Craig Fry & Associates LLC. The plan was also assessed by Jack Collings of CFP Engineering LLC. The facility will be built off the existing frame of an unused building originally constructed between 1945 and 1950; the new building will be approx. 1,000 sq. ft. The Plan considered fire and medical situations. The diagrams showed the following safety features: fire extinguishers, evacuation routes, exit signs, knox boxes, contact info card, fire department connection, address, and safety zones. There will be a fire sprinkler system and the fire alarm system will be monitored by Bay Alarm Company.				



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Criteria	Scoring Basis	Points Available	Points Received	Evaluation
4 Security Plan (200 pts)		200	200	
4.1 The Security Plan shall be prepared by a professional security consultant. A thorough Security Plan should consider all access control, inventory control, cash handling procedures. Complete policy/procedures manuals are not required at this point of the application process. Please only provide a detailed description for each criteria.	<i>All or none</i>	30	30	Addressed criteria.
4.2 Premises (Security) Diagram. In addition to diagrams submitted for other sections of the application, applicants are expected to submit a premises diagram (floor plan, detail) which, focuses on the proposed security measures and how they relate to the overall business. (Pursuant to CCR Title 16, Division 42, §5006. Premises Diagram).	<i>Percentage</i>	70	70	Addressed criteria.
4.2.1 The diagram shall be accurate, dimensioned and to scale (minimum scale 1/8"). The scale may be smaller if the proposed location exceeds more than a 1/2 acre parcel but must not be printed on larger than an 11" x 17" sheet of paper. (Blueprints and engineering site plans are not required at this point of the application process).				
4.2.2 The diagram must be drawn to scale and clearly identify property boundaries, entrances, exits, interior partitions, walls, rooms, windows and doorways. The activity in each room and the location of all cameras must be identified on the diagram.				
4.2.3 Description of cannabis activity that will be conducted in each area of the premise. Commercial cannabis activities that must be identified on the diagram/floor plan may include but are not limited to the following if applicable to the business operations; storage areas, batch sampling areas, loading/unloading of shipment areas, packaging and labeling, customer sales areas, training areas, employee break room areas, and testing areas.				
4.2.4 Limited-access areas, defined as areas in which cannabis goods are stored or held and only accessible to a licensee, its employee or contractors, and areas used for video surveillance monitoring and storage devices (Pursuant to CCR Title 16, Division 42, §5000 (m) Limited-Access Area and §5042. Limited-Access Area).				
4.2.5 Number and location of all video surveillance cameras.				
4.3 Identify intrusion alarm and monitoring system including the name and contact information for the monitoring company.	<i>All or none</i>	30	30	Addressed criteria.
4.4 Discuss whether the CCB will utilize the services of on-site security guards. Include in the discussions:	<i>Percentage</i>	70	70	Addressed criteria.
4.4.1 Number of guards				
4.4.2 Hours guards will be on-site				
4.4.3 Locations they will be positioned				
4.4.4 Their roles and responsibilities				
Summary	Security Plan was developed by Matthew Carroll. The Plan was a summary of the full Security Plan and covered security by design, intrusion detection system, internal theft and diversion prevention, transportation security, transactional security, product security, and access control, among other things. The business will utilize key fobs, contact point alarms, motion detectors, silent alarms, security cameras (indoor and outdoor), secure records storage and cellular back-up as part of its security plan and will be monitored by Safe and Sound Security. Applicant will contract with a state-licensed private patrol operator to provide 2 security officers during business hours and 1 officer outside of business hours.			



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5 Community Benefit Agreement and Local Equity Program (Pass/Fail)				
5.1 Executed Cannabis Community Benefit Agreement and Local Equity Program	Pass/Fail	Required	Pass	Addressed criteria.
Summary Applicant signed the Cannabis Community Benefit Agreement and Local Equity Program form.				