



Oxnard Commercial Cannabis Application Phase 2 Evaluation Report

CCB 2021-09 - S&S Financial Group Inc

Tracking Number - Applicant Name/DBA

138 S. A Street, Oxnard, CA 93030

Proposed Location

Retail (Store-front)

License Type

SCORE SUMMARY

1,018 Points Received

1,200 Points Available

84.83% Score

Pass CBA & Local Equity Program

Criteria	Scoring Basis	Points Available	Points Received	Evaluation
1 Business Plan (500 pts)		500	468	
1.1 A budget for construction, operation and maintenance, compensation of employees, equipment costs, utility cost, and other operation costs.	Percentage	85	85	Addressed criteria.
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.	Percentage	90	72	The various bank statements in PDF File #4 lacked documentation showing that the entities that owned the accounts (CGC Research Inc, Diamond Consulting Group LLC and Green Dragon Caregivers Inc) were under control of Applicant's owners. The Qualification of Owners section (pg 54 of PDF File #3) indicated owner Manuel Semerdjian is "involved with" two of them, but Applicant would have received full points if it had provided documentation to confirm the owner(s) had control over the entities and therefore authority to provide the funds (e.g., business formation documents).
1.3 3-year pro forma for at least three years of operation.	Percentage	85	85	Addressed criteria.
1.4 Fully describe hours of operation and opening and closing procedures.	All or none	50	50	Addressed criteria.
1.5 Fully describe the day-to-day operations for each license type being sought.	Percentage	90	76	Description of day-to-day operations was primarily 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. Also, see 1.5.1d below.
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.				- The summarized - rather than full - percentage breakdown of sales of flower and manufactured product resulted in a point deduction. The Business Plan indicated, "The percentage of sales of flower and manufactured products will be roughly 50/50." (pg 16 of PDF File #3) Applicants who received full points for this criteria provided a percentage breakdown for every product type offered. - Additionally, the Business Plan lacked information on which brands the business will carry. Applicants who received full points for this criteria discussed planned brands.
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				Proposed business is owned 50/50 by CFO Glenn Standridge and CEO Manuel Semerdjian. The ownership team has applied for two retail licenses in Oxnard. Budget for construction and first 3 months operating expenses was calculated to be approximately \$527K. Applicant provided bank statements for various entities showing funds available of over \$2M, although it was unclear who was in control of the entities and whether they consented to providing the funds. The proposed business will have 5 POS terminals and use the Blaze POS system. The percentage of sales of flower and manufactured products will be approx. 50/50. Annual revenue projections start at approximately \$4.2M in Year 1 and grow to \$6.7M by Year 3.



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2 Labor and Employment Plan (300 pts)		300	235	
2.1 Describe compensation to and opportunities for continuing education and employee training.	<i>Percentage</i>	105	65	Applicant provided only a minimal response to this criteria, stating, "Applicant will provide local recruitment hiring, education and training programs to the residents of the City of Oxnard. ... Applicant shall adjure to heightened pay and benefits standards..." (pg 25 of PDF File #3) Applicants who received full points for this criteria provided minimum wage amounts for each employee position, described employee benefits, identified training plans and topics, and described continuing education opportunities.
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.	<i>All or none</i>	45	45	Addressed criteria.
2.3 Describe the number of employees, title/position and their respective responsibilities.	<i>Percentage</i>	105	80	Applicant failed to describe the number of employees it expects to have. Regarding the number of employees, Applicant stated, "At the time of this application the applicant has not hired any employees." (pg 25 of PDF File #3) Applicants who received full points for this criteria described the number of employees they project to have when the business opens.
2.4 Thoroughly describe employee policies and procedures (complete manuals are not required to be submitted).	<i>All or none</i>	45	45	Addressed criteria.
Summary Applicant did not provide details on projected number of employees, minimum employee wages, benefits, or training/continuing education. Applicant recognized the collective bargaining rights of employees. The ownership team resides outside the Oxnard/Ventura County area but committed to striving to have managers reside within the Oxnard area.				



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3 Safety Plan (200 pts)		200	175	
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	52	Point deductions were taken for: - Safety Plan addressed the minimum required topics and referenced additional safety situations, but provided less detail on those additional situations than applicants who received full points. - Plan was not prepared by a professional fire prevention and suppression consultant. Pg 31 of PDF File #3 said, "The company will consult with a professional fire prevention and suppression consultant if they are permitted to operate in the city of Oxnard. They will ensure all precautionary measure are included in this plan to cover all bases."
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	Pg 31 of PDF File #3 said, "At this time, the applicant has not entered into a contract with a fire alarm and monitoring system. Once they do, they will notify the city." No point deduction as generally the criteria was addressed.
3.3 Describe accident and incident reporting procedures	<i>All or none</i>	8	8	Addressed criteria.
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	0	Safety Plan lacked a diagram of safety features. Applicant indicated it would submit a diagram to the City once the architect is finished with the plans. (pg 35 of PDF File #3)
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 The Safety Plan was not prepared or evaluated by a professional fire consultant. The building was constructed in 1937 and the proposed location is 3,400 sq. ft. The Plan considered fire, medical and hazardous situations. The Plan lacked a diagram of safety features. The building has fire sprinklers. Applicant has not entered into a contract with a fire alarm company but will notify the City once it does.				



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4 Security Plan (200 pts)		200	140	
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	0	The criteria was not met for the following reasons: - The Plan was limited to the topics required by criteria 4.2-4.4. While pg 38 of PDF File #3 said, "The Security Plan will consider all access control, inventory control, cash handling procedures.", those topics were to be addressed in the current Plan. - There was no indication that the Security Plan was prepared by a professional security consultant, as required by the 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	0	Security Plan failed to identify the alarm and monitoring system, including the name and contact information for the monitoring company. Pg 40 of PDF File #3 said Applicant does not "have the name and contact information for the monitoring company." Applicants who received full points for this criteria - if they did not who they were going to contract with at the time of application submittal - provided a couple options for alarm companies.
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	There was no indication the Security Plan was prepared by professional security consultant. With the exception of a short discussion of lighting, the Plan only addressed the items required by criteria 4.2-4.4. The business will utilize security cameras (indoor and outdoor), panic buttons, motion detectors, and door contacts as part of its security plan and will install an intrusion alarm and monitoring system. Applicant has not yet determined who the alarm company will be. Security guards will be onsite 24 hours a day.			



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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.				