



Oxnard Commercial Cannabis Application Phase 2 Evaluation Report

CCB 2021-12 - High Farma Inc. dba High Farma

Tracking Number - Applicant Name/DBA

136 W. First Street, Oxnard, CA 93030

Proposed Location

Retail and Local Equity Applicant/Retail

License Type

SCORE SUMMARY

1,159 Points Received

1,200 Points Available

96.58% Score

Pass CBA & Local Equity Program

Criteria	Scoring Basis	Points Available	Points Received	Evaluation
1 Business Plan (500 pts)		500	485	
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	90	Addressed criteria.
1.3 3-year pro forma for at least three years of operation.	Percentage	85	79	Amounts in the pro forma on pg 8 of PDF file "00. High Farma RFP" were inconsistent with amounts in the revenue, cost, gross margin and OPEX margin graphs on pg 10. See specifically Total Gross Sales, Total Net Revenue, Total COGS, Total Gross Profit, and Total Operating Expenses.
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	81	See 1.5.1.d 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, "High Farma anticipates a sales channel mix to include: 55% of products that are pre-packaged branded dried cannabis flower and/or pre-rolls, 40% of sales to be made from purchases of manufactured products (concentrates & extracts, preparations & topicals, and edibles, 5% of sales generated from paraphernalia and/or cannabis delivery devices." (pg 17 of the PDF file "00. High Farma RFP") Applicants who received full points for this criteria provided a percentage breakdown for every product offered. - The description of the proposed product line contained less detail than applicants who received full points. Applicants who received full points discussed other topics such as proposed 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 Forty percent (55%) of the proposed business is owned by Strategic Director David Albanese, 15% by Retail Operations Director Armando Sepulveda, 10% by Sales & Marketing Director Jenna Herrera, 10% by Customer Education & PR Director Rodney Medina and 10% by Managing Director Rajiv J. Pottabathni. Budget for construction and startup costs, including 2 months of employee salaries, was projected to be approx. \$1M. Partial funding will be provided through owners Albanese and Pottabathni, who provided proof of funds for over \$1.1M, and the rest through a \$2M line of credit from CalUnion Funding Inc. Estimated opening timeframe: 120-150 days from when Applicant receives all required licenses and permits. The proposed business will have 8 POS terminals and use the COVA POS system. Proposed product line will include flower and/or prerolls (projected to be 55% of sales); manufactured products such as concentrates and extracts, preparations and topicals, and edibles (40%); and paraphernalia and/or delivery devices (5%). Annual revenue projections (before tax) start at approx. \$4.4M in Year 1 and grow to \$7.9M by Year 5. Applicant provided a Will-Serve Letter from HARDCAR for cash pickup/armored car services.



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2 Labor and Employment Plan (300 pts)		300	290	
2.1 Describe compensation to and opportunities for continuing education and employee training.	<i>Percentage</i>	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.	<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	95	The description of job responsibilities starting on pg 38 of PDF file "00. High Farma RFP" lacked a description of the Quality Assurance Specialist role that was shown on the chart on pg 38.
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 Proposed business intends to hire up to 20 management and staff-level employees in Year 1, growing to over 30 jobs by Year 3. Hourly minimum wages range from \$18 to \$20 per hour and salaries range from \$60k to \$85k per year, depending on the position. Employee benefits include health insurance, vacation, paid and unpaid leave, and a retirement package. Proposed business committed to signing a Labor Peace Agreement or Collective Bargaining Agreement with a local labor union and provided a Letter of Support & Intent from Teamsters Local #186. Applicant's mandatory two-week training program contains 5 steps covering orientation, cannabis education, hospitality standards, compliance and best practices and shadowing other employees. Four of the five owners (Albanese, Sepulveda, Herrera, and Medina) reside in Oxnard, as do 5 members of Applicant's management and consultant teams. An additional 2 members of the management and consultant teams reside in Ventura County (Simi Valley, Port Hueneme and Ventura). Applicant committed to hiring 90% of its workforce from Oxnard and/or Ventura County.				



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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 for this criteria described facility safety beyond the minimum requirements.
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	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	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.
<p>Summary Fire Safety Plan was evaluated by Jack Collings of CFP Engineering LLC. The Plan represented an abridged preliminary evaluation; a final plan will be updated and completed once the project is approved for licensure. The building was constructed in 1951 and the proposed space is 4,109 sq. ft. The Plan considered fire and medical situations and does not expect inhalation or hazardous material issues due to the nature of the retail business. The diagrams showed the following safety features: evacuation routes, exit signs and fire extinguishers. The facility is not equipped with, nor required to be equipped with, fire sprinklers by the California Building/Fire Codes or City ordinances. There is currently no fire alarm system installed within the existing building, but the professional consultant recommended and Applicant committed to installing a full system from Certified Small Business and Certified Woman Owned Business Integrated Fire & Safety.</p>				



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4 Security Plan (200 pts)		200	191	
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	61	See 4.2.4 and 4.2.5 below.
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).				The security diagram on pg 77 of PDF file "00. High Farma RFP" failed to identify limited access areas.
4.2.5 Number and location of all video surveillance cameras.				The security diagram on pg 77 failed to number the cameras. While the diagram contained a count of total cameras, per CCR Title 16, Division 42, §5006 Premise Diagram, the diagram is to assign a number to each camera for identification purposes.
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 evaluated by Randy Latimer, President of NRL & Associates Security Consulting and Event Management (NRL). The Plan addressed architectural design security, operational security, monitoring security system, electronic security system, delivery security and safety protocols, cash management, and employee security. The Plan also provided written attestation that the Applicant would comply with BCC regulations regarding limited access areas, employee badges, video surveillance system, security personnel, locks, and alarm system (CCR Article 5 Sections 5042-5047). The business will utilize a secured network video recorder, security cameras (indoor and outdoor), security alarm keypads, motion detectors, access-controlled doors, panic buttons, sirens, and glass break sensors as part of its security plan and will be monitored 24/7 by a security system by ProtectPro Security Solutions. Two security guards will be onsite starting 30 minutes before opening and staying until approx. one hour after closing. If the business' Head of Security is onsite as well, there will be 3 security staff present. Additionally, Applicant will contract for security patrols to monitor the facility during non-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.				