



Oxnard Commercial Cannabis Application Phase 2 Evaluation Report

CCB 2021-15 - Blooming Organics LLC dba Elevate Oxnard

Tracking Number - Applicant Name/DBA

2731 E. Vineyard Avenue, Oxnard, CA 93036

Proposed Location

Retail (Store-front)

License Type

SCORE SUMMARY

1,151 Points Received

1,200 Points Available

95.92% Score

Pass CBA & Local Equity Program

Criteria	Scoring Basis	Points Available	Points Received	Evaluation
1 Business Plan (500 pts)		500	455	
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	45	Capital funds (\$2M) were insufficient to cover startup costs (872k) and projected net operating losses (812k+) for <u>both</u> of the ownership team's proposed businesses. The Business Plan stated the Applicant "has sufficient capital to cover the estimated expenses, including covering projected net losses for the first 13 months of operation...these reported funds are reserved for this project." (pg 8 of PDF #3). The funds were enough for one business, but the ownership team used the same proof of funds for the other business and there was not enough to cover estimated costs for both.
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	90	Addressed criteria.
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 Sixty-five percent (65%) of the proposed business is owned by CEO Kevin Krivitsky, 35% by COO Nicholas Keefe and 5% by Chief Product Officer Mario Rios. The ownership team has applied for two retail licenses in Oxnard. Budget for construction and startup costs was projected to be approx. \$872k with projected operating losses for the first 12 months projected to be approx. \$812k. Funding will be provided through owner Kevin Krivitsky who provided proof of funds for approx. \$2M. Application stated this amount was enough to fund both the projected startup costs plus projected net losses for the first 13 months of operation, however the same funds (\$2M) were provided as proof of capital for the ownership team's other retail application, and the total funds are insufficient to cover expenses for both. The proposed business will have 4 POS terminals and use the Meadows POS system. Proposed product line will include flower (projected to be 45.6% of sales), concentrates (37.7%), edibles (6.5%), prerolls (5.6%) and topicals/extracts/tinctures (4.5%), and will include brands like Stiizy, Plug, Raw Garden, Connected, and The Cure Company. Annual revenue projections start at approx. \$7.8M in 2021 and grow to approx. \$11M by 2023.



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2 Labor and Employment Plan (300 pts)				
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	105	Addressed criteria.
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 anticipates having 19 management and staff-level employees, excluding security. The majority of employees will be hourly, with wages ranging between \$15-24 per hour. The General Manager will be salaried at \$72k per year. Employee benefits include health, dental and vision insurance; 401K plan; technology, tuition and student loan reimbursements; paid time off including vacation, sick, volunteer, and maternity/paternity; parenting flex schedules and environmental incentives. Proposed business committed to entering into a Labor Peace Agreement with a local union when they reach 20 full-time employees. Applicant has a multifaceted training program that is comprised of seven main components. The ownership team resides outside the Oxnard/Ventura County area but intends hire 100% of new employees from within Oxnard and has a 4-step local recruitment plan. Applicant reflected its employee structure in an organizational chart.				

Criteria	Scoring Basis	Points Available	Points Received	Evaluation
3 Safety Plan (200 pts)				
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	66	Safety plan addressed the minimum required topics and described in detail how it would comply with CA Fire Code, but provided little information on safety/emergency situations beyond what was required to be referenced by criteria 3.2-3.10. 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	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.
Summary Fire Safety Plan was created by Robert L. Rowe of Pyrocomp, Inc. and assessed by Ted Moyle, PE. The building was constructed in 1955 and the proposed facility is approx. 1,600 sq. ft. The Plan considered fire, medical and hazardous situations and included references to applicable 2019 CA Fire Code and Oxnard City Code requirements. The diagrams showed the following safety features: fire extinguishers; exit signs; knox key box; primary and secondary exit/evacuation routes, safety plan, first aid kit, evacuation assembly point, and fire department access points. The facility is not currently equipped with fire sprinklers or a fire alarm and monitoring system but the business will install them. Applicant provided a sample Emergency Evacuation Drill Form.				



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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 created by Terry Blevins of Armplex Security. The Plan addressed topics such as, but not limited to, cash handling and transportation, inventory control and product security, ingress/egress access control, security personnel, video camera surveillance system, and intrusion detection/alarm system. The Plan also provided references to the City code, when and where applicable. The business will utilize door contacts, motion detectors, glassbreak sensors, panic buttons, security cameras (indoor and outdoor) and access keypads as part of its security plan and will be monitored by a 24/7 intrusion detection/alarm system by Bay Alarm Company. Applicant will have security 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.				