



Oxnard Commercial Cannabis Application Phase 2 Evaluation Report

CCB 2021-28 - TAT OXN LLC dba The Artist Tree

Tracking Number - Applicant Name/DBA

600 North A Street, Oxnard, CA 93030

Proposed Location

Retail (Store-front)

License Type

SCORE SUMMARY

1,195 Points Received

1,200 Points Available

99.58% Score

Pass CBA & Local Equity Program

Criteria	Scoring Basis	Points Available	Points Received	Evaluation
1 Business Plan (500 pts)		500	500	
1.1 A budget for construction, operation and maintenance, compensation of employees, equipment costs, utility cost, and other operation costs.	<i>Percentage</i>	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.	<i>Percentage</i>	90	90	Addressed criteria.
1.3 3-year pro forma for at least three years of operation.	<i>Percentage</i>	85	85	Addressed criteria.
1.4 Fully describe hours of operation and opening and closing procedures.	<i>All or none</i>	50	50	Addressed criteria.
1.5 Fully describe the day-to-day operations for each license type being sought.	<i>Percentage</i>	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.	<i>All or none</i>	50	50	Addressed criteria.
1.7 Fully describe inventory control procedures including identification of point-of-sales and track and trace software.	<i>All or none</i>	50	50	Addressed criteria.

Summary Fifty percent (50%) of the proposed business is owned The Artist Tree Holdings LLC with Lauren Fontein as Manager, 14.9% by Katelyn White, 11.66% by New Holdings LLC with David Poursalimi as Manager, 11.67% by David Massaband, and 11.67% by Jonathan Lachman. Budget for startup costs was projected to be approximately \$870k. Funding will be provided through Applicant's owners and financial interest holders, including Lauren Fontein, Avi Kahan and Dennis Kahan, who committed an initial investment of up to \$5M. Total proof of funds was provided for over \$5.7M. Estimated opening date: July 2021. The proposed business will have 4 POS terminals and use the Blaze POS system. Proposed product line will include flower (projected to be 35% of sales), vape cartridges and disposables (21%), edibles (18%), prerolls (13%), concentrates (8%), tinctures and topicals (3%) and accessories (2%), and will include brands like Kiva, Connected, 710 Labs, CannDESCENT, Raw Garden and Cream of the Crop. Annual revenue projections start at approximately \$3.6M in 2021 and grow to \$11.6M by 2024.



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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	104	Minor inconsistency in projected front desk staff in 2022 between the pro forma (pg 10 of PDF File #3) and the Labor & Employment Plan (pg 37) resulted in a point deduction. The pro forma said there would be 2.1 front desk staff; LEP said 3. The variance affected the overall projected employee count that year.
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 projected having 25-26 management and staff-level employees in 2022, its first full year of operations. Wages start at \$15 per hour for hourly employees and \$60-\$80k for salaried. Employee benefits include health, dental and vision insurance; FSA accounts; paid leaves including vacation, sick, maternity/paternity, and volunteer; new parent bonus; 401k plan; eco credit; education reimbursement; and worker's compensation. Proposed business committed to entering into a Labor Peace Agreement with either the UFCW 770 or Teamsters Local 186 when they reach 20 non-supervisory employees. Applicant has developed a 2 week employee training program and summarized its training topics by day. The ownership team resides outside the Oxnard/Ventura County area but has committed to hiring 100% of staff from Ventura County and at least 75% from Oxnard.				

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 Pyrocop, Inc. and assessed by Ted Moyle, PE. The building was constructed in 1977 and the proposed cannabis facility is 2,524 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 diagram showed the following safety features: primary exit routes, exit signs, fire extinguishers, first aid kit, safety plan, knox box and emergency assembly area. The facility is not currently equipped with sprinklers. The fire alarm system will be monitored by Integrated Fire & Safety. 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. At least one security guard 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.				