



Oxnard Commercial Cannabis Application Phase 2 Evaluation Report

CCB 2021-34 - Canna Connect Corp dba Culture Cannabis Club

Tracking Number - Applicant Name/DBA

138 S. A Street, Oxnard, CA 93030

Proposed Location

Retail (Store-front)

License Type

SCORE SUMMARY

1,175 Points Received

1,200 Points Available

97.92% Score

Pass CBA & Local Equity Program

Criteria	Scoring Basis	Points Available	Points Received	Evaluation
1 Business Plan (500 pts)		500	488	
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	Pro forma (pg 17 of PDF File #3) lacked an income projection for Apparel and Accessories, a product category that was included in the product list on pg 29.
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	84	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.
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 (50%) of the proposed business is owned by COO Devon Julian, 40% by CEO Christopher Francy, and 10% by Administrative Director Julie Le. Applicant expects to need approx. \$293k for tenant improvements and approx. \$356k for the first 3 months' operating expenses for a total of \$650k in needed startup capital. Funding will be provided through a line of credit of \$1.5M+ from owner Francy, who provided proof of funds for over \$7.4M. The proposed business will have 3 POS terminals and use the Treez POS system. Proposed product line will include flower (projected to be 40.34% of sales), vape cartridges (23.01%), concentrates (11.87%), pre-rolls (11.02%), edibles (10.04%), and other items (e.g., tinctures, topicals, batteries, etc.) (3.72%). Applicant may also carry apparel and accessories, but that product category was not included in revenue projections so it was unclear. Brands may include ABX, Trokie, Atrium, and Care By Design. Annual revenue projections before taxes start at approximately \$6.2M in Year 1 and grow to \$7.17M by Year 3.



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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	102	The Labor & Employment Plan was inconsistent regarding the minimum wage that will be paid to employees. Pg 50 of PDF File #3 says, "Culture employees will benefit from a minimum starting rate of \$26 per hour, 116% over the State's minimum wage of \$12/hour." However, the employee compensation table on the same page shows that only the General Manager will receive \$26 per hour; other positions will make \$14 to \$22 per hour.
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	The application was unclear regarding what percentage of City residents the Applicant commits to hire, however, no point deduction as generally the criteria was addressed. - In the Community Benefit Agreement (pg 19 of PDF File #1), Applicant committed to hiring 75% of its employees from the City. - Pg 54 of PDF File #3 said, "Culture is determined to hire 100% local Oxnard residents." - Pg 55 of PDF File #3 included a header that said, "Commitment of a <i>Minimum</i> 30% Local Hiring". - Pg 55 of PDF File #3 said, "The company is committed to hiring all (or substantially all) of its employees from local Oxnard residents."
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 21 employees in Year 1, 25 in Year 3, and 20 in Year 5 (excluding security guards). Employee compensation rates were unclear; Applicant stated it would pay employees a minimum starting rate of \$26 per hour, however a table of employee compensation showed most employees receiving less than that (starting at \$14 per hour). Only the General Manager was shown to receive \$26 per hour. Employee benefits include a 401k, medical insurance, annual raises and bonuses, tuition reimbursement, employee discounts, various paid leaves, day care assistance, paid volunteer hours, and a company fund that is disbursed to employees in times of need. A 4-week training program is required before an employee can interact with customers or patients; the program includes classroom learning, printed reference materials, situational role playing and on-the-job training with a current employee. None of the owners reside in Oxnard or Ventura County; they committed to hiring from the City, however the percentage they committed to was unclear.				



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Criteria	Scoring Basis	Points Available	Points Received	Evaluation
3 Safety Plan (200 pts)		200	192	
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 referenced additional safety situations, but provided less detail on those additional situations than applicants who received full points.
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	66	Safety Plan addressed the minimum required safety features and referenced some additional safety features, but described fewer features than applicants who received full points.
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 reviewed by Raul A. Angulo, Captain Emeritus, Seattle Fire Department (Ret.), and Elley Klausbruckner, a licensed Fire Protection Engineer. The building was constructed in 1955 and the proposed space is 3,825 sq. ft. The Plan considered various fire, medical and hazardous situations. The diagram showed the following safety features: fire extinguishers, emergency meeting place, and evacuation routes. The Applicant will use Tel-Tec Security Systems Inc. for its alarm and monitoring system.				



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4 Security Plan (200 pts)		200	198	
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	68	The Security Plan did not contain a security diagram; it contained five pages with notes to "Insert [diagram] here" (pgs 83-87 of PDF File #3), but no diagrams. However, a diagram with security information was located in the Safety Plan (pg 69). Point deduction as the diagram was required to be included in the Security Plan.
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	Applicant was assisted in developing the security plan by Ridgeline OST, a operational consultancy firm run by US Military Special Operations Veterans. The Plan was also assessed by Matt Baker, Operations Manager for Baker Systems, Inc., a building security company. The Plan addressed the video surveillance system, alarm system, access control, inventory control, and security policies and procedures. The business will utilize security cameras (indoor and outdoor), motion detectors, panic buttons, commercial grade locks, and contact sensors as part of its security plan and will be monitored by a 24/7 alarm system by Tel-Tec Security Systems Inc. Between 3 and 6 security guards will be onsite during business hours and 1 hour before and after.			



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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.				