



Oxnard Commercial Cannabis Application Phase 2 Evaluation Report

CCB 2021-47 - Hijole Frijole dba Wheelhouse/Station 320

Tracking Number - Applicant Name/DBA

320 S. Oxnard Blvd, Oxnard, CA 93030

Proposed Location

Retail and Local Equity Applicant/Retail

License Type

SCORE SUMMARY

1,120 Points Received

1,200 Points Available

93.33% Score

Pass CBA & Local Equity Program

Criteria	Scoring Basis	Points Available	Points Received	Evaluation
1 Business Plan (500 pts)		500	439	
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	Applicant demonstrated a sufficient amount of capital, however the following issues with proof of capital documents resulted in point deductions: - Letter of credit for \$200k and accompanying proof of funds from Adrian Moussa were not current (dated April/May 2020). (PDF files "Adrian Moussa Letter of Credit Signed and "Adrian Moussa Proof of Funds") Per the City's FAQs dated 1/4/21, proof of capital should be no older than 6 months. - Letter of credit for \$500k from Andrew Papanicolaou wasn't signed. (Word document "Andrew Papanicolaou Letter of Credit 1.4.21") - Three account statements from Zahur Lalji were not current (dated March and April 2020). (PDF files "Community West", "Entrust March", and "Z Etrade") - Personal finance statements for Al Jones and Jon Burga lacked proof of funds. (PDF file "PFS Al Jones" and Excel file "PFS Jon Burga") - Financial statements for Westside Professional Management did not show who had control over the entity, and therefore, the funds. (PDF files "Dama_11_2020" and "Dama_12_2020")
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	74	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 1.5.1.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.				- Business Plan projected sales amounts by product category but failed to break down the sales by percentage. Percentages could be calculated based on the Sales by Category table on pg 21 of PDF file "Wheelhouse Final Evaluation", however points were deducted as the Applicant was supposed to provide that information. - 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.				



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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-three percent (53%) of the proposed business is owned by Zahur Lalji, 10% by Al Jones, 32% by Jon Burga, and 5% by Alex Papaefthimiou. Budget for construction and pre-opening expenses was \$1.4M, and 3 months' operating expenses was calculated to be approx. \$575k, for total capital funding needed of \$1.98M. Funding will be provided through the owners and lines of credit from friends and business partners; financial statements and letters of credit provided in the application totaled over \$2.8M. The proposed business will have 6 POS terminals and use the Blaze POS system. Proposed product line will include cartridges (projected to be 27.72% of sales based on HdL's calculation of Applicant's Sales by Category table), flower (20.83%), edibles (15.99%), concentrates (10.66%), pre-rolls (10.12%), disposables (5.24%), tinctures (3.39%), pax pods (2.1%), topicals (1.76%), drinks (1.34%) and clones (<1%). Annual revenue projections start at approx. \$5.4M in Year 1 and grow to \$8.89M 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	96	The discussion of employee compensation on pg 34 of PDF file "Wheelhouse Final Evaluation" did not include employee benefits. The Labor & Employment Plan mentioned a scholarship program on pg 35, but applicants who received full points for this criteria provided information on benefits such as time off, insurance, retirement plans, etc.
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 will start with 26 manager and staff-level employees, including full and part time. Minimum hourly wages range from \$13 to \$18 depending on the position, and the GM will start at \$34.62 per hour. Training will include shadowing existing employees and cross training across roles. Owners Burga and Jones reside in Oxnard and owners Lalji and Papaefthimiou reside in Ventura County (Camarillo). Additionally, the Supervisor and third-party HR manager are from Ventura County.				

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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	64	Point deductions due to the following: - Application addressed the minimum required topics and referenced additional safety situations, but provided less detail on those additional situations than applicants who received full points. - The additional safety situations were found in the Security Plan on pg 76 of PDF file "Wheelhouse Final Evaluation". Applicant received credit for having them, but there was a small point deduction as they were found in a different section.
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 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 prepared by Jack Collings of CFP Engineering LLC. The Plan represented a preliminary evaluation; a final plan will be updated and completed once the project is approved for licensure. The building was constructed in 1939 and the proposed business will take up half the building; size of the project area is 4,133 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 diagram showed the following safety features: area of refuge, fire extinguishers, fire hydrant and evacuation routes. The facility is not equipped with sprinklers. There is currently no fire alarm system installed within the existing building, and the professional consultant recommended that a full system be installed and provided names of two potential firms.				



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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	There was a large disparity between the Security Plan and Business Plan as to how much cash would be kept onsite. The Security Plan said, "No more than \$200 in cash is stored on site in the safe room unless otherwise stated as a condition of approval in the Certificate of Approval." (pg 69 of PDF file "Wheelhouse Final Evaluation") The Business Plan said, "We plan to keep less than \$3,000 in total cash at the end of business day in the vault secured in the Vault Room." (pg 27) However, no point deduction as generally the criteria was met.
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 provided by Cornwall Security Services. The Plan addressed operating procedures, facility design, technological security features, ingress/egress, perimeter security, product and cash security, video cameras and equipment and security personnel. The business will utilize security cameras (indoor and outdoor), alarm system, window and door break tags, motion detectors, electronic buzzer locks and panic alarm watches as part of its security plan and will be monitored by a 24/7 security system by TMS Technologies, Inc. Two security guards will be onsite during business hours and one will be present 24 hours per 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.				