

MINUTES
City of Guadalupe
Special Meeting of the Guadalupe City Council
Tuesday, March 15, 2022, at 5:00 pm
City Hall, 918 Obispo Street, Council Chambers

1. ROLL CALL:

Council Member Liliana Cardenas
Council Member Gilbert Robles
Council Member Eugene Costa Jr.
Mayor Pro Tempore Tony Ramirez
Mayor Ariston Julian

The special meeting was called to order at 5:00 p.m. All members were present. (Note: The abbreviation, "CM", will be for used for "Council Member" in these minutes.)

2. MOMENT OF SILENCE

Mayor Julian asked that we remember the people of Ukraine and the tragedy occurring in their country. He said, "Our thoughts are with them at this time for a safe end to this war."

3. PLEDGE OF ALLEGIANCE

Note: After the Pledge of Allegiance, Mayor Julian read the following notice from the agenda: "Please be advised that, pursuant to State Law, any member of the public may address the City Council concerning any item on the Agenda, before or during Council consideration of that item. If you wish to speak on any item on the agenda, including any item on the Consent Calendar or the Ceremonial Calendar, please submit a speaker request form for the item. If you wish to speak on a matter that is not on the agenda, please do so during the Community Participation Forum." The mayor mentioned that in the back of the council chambers were speaker request forms to complete if anyone wished to speak on an item tonight. (CM Cardenas read the same information in Spanish.)

4. COMMUNITY PARTICIPATION FORUM

Mayor Julian read the narrative from this item: "Each person will be limited to a discussion of three (3) minutes or as directed by the Mayor. Pursuant to provisions of the Brown Act, no action may be taken on these matters unless they are listed on the agenda, or unless certain emergency or special circumstances exist. City Council may direct staff to investigate and/or schedule certain matters for consideration at a future City Council meeting." (CM Cardenas read this explanation in Spanish.)

Mayor Julian then said, "We have requests to speak and they're all on Item #5. We also received three emails on this item. In the future, we'll actually be putting these in the minutes. Because of the topic

tonight, Amelia (Villegas), our City Clerk, will read these comments that were sent via email on Item #5.

Ms. Villegas read the following three (3) emails which were addressed to Mr. Todd Bodem, City Administrator:

1. Dated: March 14, 2022 – from Deek Segovia

“.....as my wife and I have a previous engagement Tuesday evening, I will not be able to attend the city council meeting. But I did want to convey the chapter’s opinion in regard to the issue of which dispensaries will be in town. Of course, the city council will have the last say. We, the Vietnam Veterans of America, Chapter 982, Guadalupe, have endorsed Element 7 and Root 1 as our choice of who we would like to see received by the city. We have worked side by side with some of them and they seem to have a real interest in our non-profits in Guadalupe as well as the community in general. The locations chosen by them suit us as well. This community is growing, and we believe Element 7 and Root 1 will fit right in. They handle themselves as professionals and we consider them honest and very business oriented. We also believe under their supervision younger employees will thrive in business ventures of their own. We also appreciate the fact they are locals of our community.” Signed – Richard “Deek” Segovia representing VVA Chapter 982

2. Dated: March 13, 2022 – from Jaime Francisco

My name is Jaime Francisco, former resident of Guadalupe for 45 years. I, like other former Guadalupeans, watch with great interest the proposed cannabis dispensary for Guadalupe. Why, because we still consider Guadalupe home and many of (our) families still live here. In looking for the catalyst that will generate the commercial development of the community and tax revenues that the city needs to be a successful community for its citizens. We believe it’s Root One of SLOCAL Roots and its owners Austen, Adam and Lenny. They were the first to introduce the cannabis industry to the city leaders and can be the catalyst for other businesses to follow. Knowing they are local and with successful dispensary in San Luis Obispo, their product grown within 11 miles of Guadalupe and most importantly their commitment to the community. They are the only applicant to pledge the employment of local residents, volunteering and to engage in multiple nonprofits that serve Guadalupe and using local vendors whenever feasible. Root One’s commitment to the community and its citizens is hard to ignore and the success of their dispensary is a success for Guadalupe. Their location at 928 Guadalupe Street is the most viable location with ample parking and all the proper logistics for a secure and safe operation. In closing, as former residents we welcome Root One as the leader in Guadalupe for the first dispensary in the community. Now we and the Santa Maria Valley residents won’t have to travel over 20 miles for our cannabis products and patronizing Root One could generate the patronizing of all current and future businesses in Guadalupe. Thank you for your time and we wish the community great success. Signed – Jaime Francisco

3. Dated: March 15, 2022 – from Shirley Boydston

1. *“No processing plant, especially at Obispo and Main Streets*
2. *No more than 2 retail stores.... preferably across Guadalupe Street from each other so the owners can gauge how each other is doing.” Signed – Shirley Boydston, Guadalupe resident*

Mayor Julian said, "Just for the record, in our agenda packet, there are additional support letters from different entities. Please refer to those letters of discussion regarding what we went through four (4) weeks ago which was our work study session. There are also comments and correspondence that are in the minutes. The other speaker requests are all on Item #5. So, we'll move ahead now." At this point, the mayor turned the meeting over to Mr. Bodem to begin the application interview process.

REGULAR BUSINESS

5. Commercial Cannabis Business Permit Application Interviews.

Written Report: Todd Bodem, City Administrator

Recommendation: That the City Council:

- 1) Receive a presentation from the one (1) cultivation-processing commercial cannabis business permit applicant, and the five (5) retail commercial cannabis business permit applicants; and
- 2) Authorize the one (1) cultivation-processing commercial cannabis business permit applicant to continue in the process and apply for a conditional use permit for the proposed business location, or reject the application; and
- 3) Continue deliberations of the five (5) retail commercial cannabis permit applications to a future meeting so that the confidential scoresheets and non-confidential portions of the applicants' applications can be publicly released and considered by the Council during its future deliberations.

Mr. Bodem opened the application interview process by saying, "Welcome everybody. It's been a long time and a long wait. The City of Guadalupe received one (1) cultivation-processing commercial cannabis business (CCB) permit application and five (5) commercial CCB permit applications. All have successfully completed Phase II, (Application Evaluation and Review-2500 points) of the CCB permit application process, each having received a score of at least 90%. Pursuant to the City Application & Guidelines for Commercial Cannabis Business Permits, the applicants will be interviewed and evaluated by the City Council, which is why you're here tonight."

Mr. Bodem continued saying, "The presentations will start off with the cultivation-processing first and we'll let you know who comes second, third, etc. The presentations will be limited to 15 minutes, but the applicants were told to be prepared to respond to questions from the City Council which may extend the time up to five (5) minutes for each Applicant. I have several thumb drives and as you come up here, we'll install them and keep them for our records. Let me know. Now I'll pass it over to the City Attorney."

City Attorney Sinco said, "Mr. Bodem, Mr. Mayor, I just wanted to clarify something that's a little confusing on the instructions. It's the staff's recommendation, but it's your decision how you want to do this. The first presentation will be from the cultivation processing applicant. It's the only one in that category. It's for that reason, we recommend that you make a decision tonight whether to authorize them to proceed in the process. They're not going to have the right to set up shop. They have to apply for a Conditional Use Permit. That has to be approved, then they have to come back, and you'll issue the business permit itself. Tonight, they're not going to start operating and I want the

public to know that. But we do want you to decide whether they proceed and go down that path or whether you don't want them to go any further in the process. On the other five (5), there's information that's relevant that's not been released to you or the public, such as score sheets and other documents that we want to make available. We've recommended that you continue your deliberations on those five (5) retail applicants to a future meeting of your choosing tonight. Decide when you're done with the interviews...the next meeting or whatever meeting you want to continue, and the staff will accommodate that. We'd like for you and the public to have that additional information so you can make the best choice possible. However, since we recommended that you authorize or reject the cultivation-processing applicant, we recommend you take action on that before you get to the other interviews, so we can dispense with that and then you can proceed. That would be necessary before you take action, hearing from the public because they have a right to be heard before or during your deliberations. My recommendation is to either ask anyone to speak on that item, to speak immediately after the presentation on that or after your deliberations but before you make your decision so you can take your action after any member of the public has been heard."

City Attorney Sinco then asked if there were any questions. Mayor Julian asked, "Would you reiterate that we haven't seen the documents that were presented?" City Attorney Sinco said, "That's correct. The score sheets, in particular, have not been released to you or the public. We haven't provided you with the application materials either. And I don't think those have been released publicly either, although, if anyone had made a request, we could have released some of that information. Some of it is confidential...financial nature and so forth. But, yes, we have not released that information to you or the public and we did that on purpose. We didn't want to have any applicant have a competitive disadvantage by having access to that information before the interviews." The mayor then asked, "When will we get this information?" City Attorney responded, "It will be released tomorrow morning. So, first thing in the morning."

Mayor Julian then said, "According to (Staff report recommendation) Item #2, we can go ahead, since there's only one manufacturing processing, we can go ahead and take action on that for them to proceed with the process." City Attorney Sinco reminded the Council saying, "Yes, that's correct. But if there's anyone from the public who wanted to be heard on that, they need to be heard before you take that action. It is a little confusing because I guess you could go through all the interviews and then take the action on the cultivation processing. Or my recommendation is to take the action and then hear from members of the public and then go forward with the five (5) retail applicants."

The mayor then brought the discussion back to the Council asking how they wanted to proceed. CM Cardenas asked, "First we need to hear from the public, right?" Mayor Julian said, "Good point. Is there anyone from the public who wishes to speak on the cultivation processing. I know there was a lady who called me, and I asked her to attend this meeting." At this point, the mayor called out for Maria Lazalde.

Ms. Lazalde gave her comments in Spanish. Afterwards, CM Cardenas translated saying, "Hello, good evening, everybody. My name is Maria Lazalde. I am opposed to cannabis being in the city: 1) Control of traffic. People driving and being under the influence. I don't want to see what's happening in Grover Beach here in our city, and 2) Lack of Spanish-speaking community not knowing that cannabis will be operating in the city. She said there about 7,000 residents and very few are actually aware of

what is happening in our community.” CM Ramirez added, “She also talked about the cultivation processing, specifically, and if we had addressed the water needs that would be part of that.” CM Cardenas thanked Ms. Lazalde for her participation.

The mayor then asked if there were any others wishing to speak on the cultivation processing. There were no other speakers. City Attorney Sinco said, “You can close that and now you can proceed with the presentation and then you’ll be able to take your action after the presentation. When you get to the retail, you don’t need to have the public speak first. You can do your deliberation and delay their comments until after the interviews, or you can do it before. The only requirement is that they must be heard before you take any action. Since you’re not taking any action, they should be heard at this meeting tonight.”

(Note: All applicants were asked to be able to answer questions regarding the following items: 1) Business Plan; 2) Labor, Equity, Diversity, and Inclusion Plan; 3) Safety Plan; 4) Security Plan; 5) Qualifications of Owners; 6) Neighborhood Compatibility Plan; 7) Community and Investment Plan, and 8) Proposed Location.)

Mayor Julian asked for the cultivation-processing application to give their presentation. Mr. Chris Bellamy introduced himself and his partners, Sean Hecht, Travis Nichter and Bryce Nichter, all representing Central Coast Processing, LLC also known as “151 Obispo”. Each spoke a bit about their background. Mr. Bellamy moved to Santa Barbara some 30 years ago to go to UCSB. He’s been working here as a self-employed entrepreneur for about 30 years. He received his master’s degree from UCSB in real estate development and his passion is real estate.

Mr. Sean Hecht said that in 2001, he moved to Santa Barbara to also go to UCSB. In 2003 he and Mr. Bellamy started doing business together and have worked together ever since. They’ve built three (3) local businesses in Santa Barbara and Lompoc which are continuing to operate.

Mr. Travis Nichter then spoke for himself and his brother. Both live in Santa Barbara County and have been in commercial cannabis since 2008. They’ve developed multi-state projects as well as being in recreational cannabis since 2014.

Their presentation began with their Mission Statement: “Supporting Farmers to Ensure Crop Success”. Their intent, tonight, was to demonstrate their long-term commitment to giving back to the community and bringing new jobs and opportunities as well as enhance the tax base in the City of Guadalupe.

Business Plan: Significant investment of over \$11.0M. We want to make Guadalupe the hub of processing for adjacent counties. Once the City approves, they will submit for a state micro-business license for distribution, processing and manufacturing. During high harvest and peak season, they expect two (2) shifts of 40 employees to be able to phase in. The hope is to open as soon as possible so as not to miss the 2022 growing season. The proposed floor plan will have three (3) dry rooms, one (1) trimming room, and (1) secured storage room for finished product. They will service both small and large farms.

All parties combined, they have over 66 acres of cultivation of cannabis in Santa Barbara County. Last year there was a huge need for processing, causing them to send their trucker products all over the state. Santa Barbara, alone, has over 1,500 acres of cannabis licensing that's being proposed to the state with little and insufficient processing support.

How will it work? The farms will have freshly harvested cannabis flower that is transported in sealed trucks to their facility which will be dried, cured and processed per their client's requests. The product will then be transferred back to or picked up by the client for the distributors. All incoming and outgoing inventory will be closely monitored. All cannabis waste will be monitored as per local and state regulations by an approved licensed vendor.

Labor, Equity, Diversity & Inclusion Plan: The Guadalupe processing facility will operate similar to their other businesses operating in Santa Barbara County. Strive to hire locals and pay competitive wages. Enact strict training programs for all employees to follow guidelines and policies for reporting discrimination, harassment and misconduct. In conjunction with those labor and equity protocols, they want to ensure that everybody has an opportunity to apply and be employed by them.

Safety Plan: Management will ensure that their facility is OSHA-safe with employees being trained on protocols for handling product and equipment. The Fire Protection Plan will include a new fire sprinkler system, emergency exits and training for emergency exit situations. Frequent employee training on best practices to ensure being current on all state and local regulatory and confined standards, relating to inventory, quality control, environmental guidelines, waste practices, and emergency protocols.

Security Plan: To secure best business practices, they leveraged a well-known security company, Secure Pro. The security plan was developed in line with state and local regulations. On-site security guard, 24 hours around the clock. Multiple exterior cameras that monitor all areas of the licensed operations. Alarm systems, perimeter fencing, visual screening, motion-detecting security lighting, and secure lighting for entrances and exits throughout the facility.

All employees and visitors will follow a check-in procedure with identification badges. All personnel entering the facility will be monitored and verified. Employees will receive frequent training on company policies and cannabis regulations. All business transactions will occur between licensed partners. All product will be monitored and tracked throughout the facility with strict inventory processed at every touchpoint. They will work with local law enforcement to collaborate on best practices, allowing for constant communication for any issue that may come up. Law enforcement will have access to camera footage, as needed, and restricted access to production rooms where product should be stored. 24-hour contact to local authorities to contact for problems and concerns that should arise.

Qualification of Owners: They purchased two (2) golf courses in Lompoc. They have over 55 employees, all local Lompoc residents. Since their purchase of the golf courses, they've doubled the rounds and employment. For over ten (10) years, they've participated in the California Wine Festival. Part of these monies is donated back...they've donated \$150.0K back to the Food Bank. Their 24-acre farm in Lompoc, the third approved cannabis farm and operational after 2.5 years going through the

land use process. They have a combined 200,000 square feet facility that they've rented since 2014 in Washington state.

Neighborhood Compatibility Plan: They attended the public meeting on February 16th to hear any concerns on the project so they could address them. On traffic, they understand the impact on the local neighborhood and have devised a facility plan for egress and ingress to mitigate traffic from Obispo Street to the entrance on West Main Street. Past operations to their site have received 15-24 semi-trucks per day with late-night support and forklift work. Their goal is to reduce that number by one-half to minimize unnecessary traffic on Obispo Street. All outbound traffic will be required to use West Main Street entrance.

For odor abatement, a best-in-class firm has been hired to design an odor control system that meets the specifications of the square footage involved. Carbon filtration will be used. Every box will have a carbon filter and will more than meet the engineering specifications. Logs will be kept, and staff trained on odor control maintenance. Dust collection replacement will be used to mitigate odor. No product will be handled or moved out of the delivery vehicles until the delivery vehicle has fully entered the interior space of the facility. Garage doors will be closed and hermetically sealed. Air exchange equipment with carbon filtration engage and match the load. Filtrations will be switched ahead of the required time, staying under the manufacturer's designated swap-out time to be ahead of schedule.

Community Benefit & Investment Plan: Between the two (2) golf courses in Lompoc, they've raised and donated over \$1.0M in combined value and finances to that community. With their own time and energy and with the finances they have, the capital investment they're willing to make in Guadalupe says that they believe it's capable and a worthwhile place to do business. Guadalupe has all the right resources to support it.

The Council was then asked if there were any questions. CM Cardenas asked, "From the 40 employees, how many will be full-time yearlong?" The Applicant answered, "There'd be two (2) shifts, 40 each, so that would be 80 mostly during peak season. We expect to be half that during non-peak season." Mayor Julian then asked, "What are the peak seasons?" The Applicant answered, "Peak season is summer into fall. That's why our request for cooperation to work together to get this location open as soon as possible. We don't want to lose the 2022 peak hiring season for the local talent in Guadalupe." The mayor asked what happens to the employees during non-peak season. The Applicant said that it would be about half that amount.

CM Ramirez asked, "The livable wages. What do you base that on? Something like the County index?" The Applicant answered, "What the market demands. Between \$18.00 to \$22.00 depending on experience. Also, something that we didn't impress enough is that we will be having local hiring fairs, mostly with the local farm workers that we will be using to make sure there is local outreach to the community to hire as much as possible."

CM Robles asked, "What do you estimate the workweek will be? Hours of operation? The Applicant said, "Hours of operation will be mostly 6:00 a.m. to 6:00 p.m./7:00 p.m. We can't really receive trucks too soon because they need to be picked in the field. No one really likes to work that late. We'd rather

up the amount of personnel onsite.” CM Robles also asked, “What did you say was your workweek?” The Applicant responded, “6 to 7 days a week. When we’re rolling, it’s going to be on.”

CM Ramirez said, “That route by Obispo Street, walking that way, has heavy foot traffic in the morning. Have you thought about what impact you’ll have, like with school children? The Applicant said, “Yes, 100%. Currently, when that facility was in its operation, they were doing between 15-24 trucks a day. They were using Obispo Street at their discretion. That was one of the points of concern. How will we address that? The most we’ll have is six (6) trucks a day. One of the challenges we have right now is that the truck route and the fencing of the property have never been addressed with our neighbors. They were a much heavier user of Obispo Street than we are. So, we hope to come up with a solution that addresses both properties’ needs.”

Mayor Julian asked, “That parking lot south of you? That belongs to the other property owner?” The Applicant said, “The dirt area? Yes.” The mayor then said, “You mentioned that the ingress is going to be on Main Street.” The Applicant said that that was correct. The mayor continued saying, “Hopefully, in the next year we’ll have signal lights there which will help things out.”

Mr. Bodem asked, “Of the 40 to 80 jobs, how many are higher paying jobs, just out of curiosity?” The Applicant said, “I don’t have an answer to that. But we can see what other people are doing, what other facilities that are doing that aren’t operating at the capacity that we have. The other thing is that the greenhouse groves that are in the County and what they’re using to support the business to get more of a year-round business versus peak-and-valley is what’s going to stabilize us. And there are a number of greenhouse groves in the County that are trucking out. The more business we can get in greenhouses, the smoother our business will run year-round.”

Mayor Julian asked, “if you’re given the greenlight, what’s the timeframe to go through our process, and your building preparation? It seems like a short period of time for the summer.” The Applicant said, “We want to get going tomorrow. There are a number of things we’ve tried to set up so we can go, and we’re going to go. But the process you need to do on your side to give us the green light...if we could start tomorrow doing the work we need to do, we could.” The mayor said, “I know the staff would be supportive, if, when...if and when we approve it.”

Mayor Julian then asked what the Council’s wishes were. CM Ramirez asked, “There isn’t a resolution on this, right?” City Attorney Sinco responded, “Yes, we’re just doing minute motions.” Mayor Julian then said, “So, do we have a motion to allow to proceed with their application through the process?” **Motion was made by Council Member Ramirez and seconded by Council Member Costa, Jr. to allow Central Coast Processing, LLC to proceed in the process. Roll Call: Ayes: 4 Abstain: 1-Cardenas 4-0 Passed.**

City Attorney Sinco said, “There’ll be a five-minute break between each presentation to be able to set up each applicant’s presentation.”

RETAIL APPLICANTS

Guadalupe Community Project, LLC dba Mr. Nice Guy

The central theme is “Community First”. Their company’s success is determined by the success in the community. Good faith donations have been made to the Guadalupe Firefighters Association, Kiwanis Club and the Guadalupe/Nipomo Dunes Center with plans to expand with other charitable organizations in Guadalupe.

They commit to 90% local hiring in Guadalupe. They also use job fairs. Hope to be the first cannabis retail job fair in Guadalupe. Benefits to employees: 1) Competitive wages – 133% of the state minimum wage; 2) Retirement plans; 3) Education support; 4) College fund and trade seminars. Would like to offer a scholarship fund to Guadalupe, \$100.0K a year = \$10.0K a year to 10 students selected by the Council or City staff. Selection criteria would be determined by the City. Internships are provided to students of age to participate in and learn about the cannabis industry. Donation of 5% of profits for a drug education and awareness program. Medical discounts for lower income residents. Full-time community liaison to be hired from Guadalupe to promote “good neighborhood policy”. This position would network to build relationships within the community, local businesses and neighbors.

Looking to create brands that say, “Made in Guadalupe” and to showcase the “Gateway to the Dunes”. Mr. Nice Guy has 26 retail operations in Oregon and California. Never had a single complaint or violation. Leading growth facility in Oregon and Salinas, each with over 100 employees. Maintains a manufacturing license with a commercial kitchen and numerous distribution licenses through the state. Mr. Nice Guy knows the cannabis industry from “seed to sale”. All their stores operate with a positive balance sheet. They are “over-capitalized” with over \$14.0M in deployable liquid assets that are financially backed to succeed.

Location: They’ve picked a prime location (at 823-825 Guadalupe Street) next to “Rosie’s Diner” (La Simpatia). Over 50 parking spots at their location. They’re willing to donate 20 free parking spots for public access to relieve any congestion or burden on the downtown streets.

Security: Security is provided inside and outside their facility, 24 hours a day, 7 days a week. Inside security is there during operating hours while the outside security is on duty around-the-clock. 360-degree camera coverage with easy accessibility to local law enforcement and City staff.

Odor Control: State-of-the-art HVAC and parking lot monitoring. Helps eliminate diversion and people from opening up packages in the parking lot and consuming cannabis on the premises.

Their construction team is experienced in the cannabis field. Their goal is to open quickly and generate revenue. The plan is to upgrade the existing space which is currently in a slightly neglected state. They plan to create a storefront that Guadalupe can be proud of.

“We’d be excited to see the City approve all five (5) shops and allow them to increase the tax revenue and community benefits. As we have in this case, all applicants scored over 90%. They’re all A-

students and all have amazing scores and obvious abilities to be successful. Remember that all stores are not the same. Some carry different products. Some focus on price points while others on premium brands. Different stores have different relationships with vendors. Local tax revenue will be increased by bringing in those from nearby communities. Mr. Nice Guy is positioned as an anchor retail store which will drive business to the other cannabis retail and other general businesses in the City.”

The Applicant then turned to the slide presentation:

Business Plan: Projections of revenue for Year 1 is \$6.0M, Year 2 is \$8.0M and Year 3 is \$11.0M. Schedule of opening is aggressive.

Labor, Diversity & Inclusion Plan: “Labor friendly”. One of the first shops in Santa Ana to join the UFCW.

Safety & Security Plan: Very robust. Created by a security firm that has over three (3) decades of experience in the cannabis sector.

Employee Safety & Education Plan: OSHA training is provided to ensure that they are monitored and that all issues that arise are reported.

Security: Full camera coverage with no “blind spots”. Three-pronged approach to security: 1) Employee training; 2) Security guards, and 3) Product controls.

Qualifications of Owners: One of the largest operators in the state of California. All taxes are current, and operations are in full compliance.

Odor Control: Goal is to have drought friendly landscaping and solar powered light systems, if practical. Commit to green practices and try to reduce their footprint as much as possible.

Community Commitment: “Made in Guadalupe”, that’s the brand they want to create. Donations have already been made. Reemphasized the \$100.0K a year scholarship fund which is Guadalupe’s fund.

Location: Near “Rosie’s Diner” with bus line accessibility with no sensitive use within 600 feet. Emphasized again the overabundance of parking spaces. Will work with the City, Planning Department and community leaders on a couple options for exterior rendering to make sure what will work best with the downtown motif. Building is earthquake retrofit which will help to get the shop open quickly and start producing revenue for the City.

The Council was then asked if there were any questions. Mayor Julian said, “If you’re selected, you have an aggressive opening date. Could you talk a little bit more about that?” The Applicant responded, “The dates we proposed were based on this process being a little bit more timely. We didn’t build in that delay. Our construction team generally has plans ready to go by the time we get our approvals. If the City is kind enough to grant us this opportunity, within 24 hours, we’ll have a full set of plans for submission to your Planning Department. Based on any comments and feedback, revisions can be done within 48 hours. We’d like to work with some of the local contractors here in

Guadalupe but that might slow us down due to accessibility. We should be open within 45-90 days max."

The Applicant also mentioned, "We've also done 26 retail entitlements along with our manufacturing, distribution and all of our cultivation sites. We work very well with the DCC (Department of Cannabis Control). Most of our projects move extremely fast. Also, we wanted to make sure that we picked a property that was earthquake retrofit. If we picked a location that wasn't retrofit, that would take an extra year. We feel that we can get the property up to code and the extremely large parking lot built in a very timely manner. We're also 100% self-funded so we don't have to go outside for funding, so basically, everything is ready to go."

The mayor then asked, "The number of employees and the hours of operation?" The Applicant said, "The hours of operation are typically 8:00 a.m. to 8:00 p.m. Some cities allow us to go up to 9:00 p.m. or 10:00 p.m. Each location has a team roster of about 25 people, depending on the store revenue and store volume. There are typically 2-3 shifts, depending on the hours. We also employ security guards 24 hours a day, 7 days a week. We have interior and exterior security. The interior guard checks all identification to ensure everyone is of age. The exterior guard will monitor the parking lot. All of our product comes pre-packaged, so everything's sealed so the smell doesn't go outside. We also have a guard outside to ensure that there's no loitering and no smoking outside making sure that the smoke does not go outside and linger."

Mayor Julian then asked if there were any speaker requests for this applicant. City Attorney Sinco interjected, "Mr. Mayor, we can wait until all presentations are over for the speaker requests. It's up to you, but I think it would be more expeditious to save all public comments until last." The mayor agreed then said, "I tried."

CM Ramirez said, "I'm going to treat this applicant the same as the others because I feel we're going to hear the same or similar things from everyone. My question then is 'What makes you different from the other applicants?'" The Applicant said, "We commit to these things, and we expect you to hold our feet to the fire. So, if we say we promise you \$100.0K scholarship to the City of Guadalupe, you are talking about doing a development agreement where we can commit to that, and it would actually be a part of our contract with the community and the Council. If we don't perform, we shouldn't have the right to operate in this town. If people don't live up to those expectations, they shouldn't continue to operate in the City. It's a 'conditional use permit', not a license to do business here permanently without making those commitments. That's our whole central philosophy: Community First. If we're not able to perform that way, we're not going to succeed in this community, either way. It's up to us to make sure we follow through on that, but contractually, you can hold our feet to the fire."

CM Ramirez then asked, "Mayor Julian and I have been on the Council for several terms now. One thing that keeps popping up is our downtown and our businesses. How will you be a good neighbor?" The Applicant said, "We have a good neighbor policy that is supported by our full-time community liaison who is one of our team members and a resident of Guadalupe. Their job is to go around to the local businesses and neighbors and ask them how we can be a part of their neighborhood. Ask them how we can improve and what we can do to work together. The best way to find out the concerns of the neighbors is to go door-to-door and ask to keep those lines of communication open."

CM Ramirez also asked if the liaison is a full-time position. The Applicant said, "Yes, it's full-time at 40 hours per week and dedicated for a Guadalupe resident. For our community liaison, it is always a resident of the city we're operating out of. That community liaison will also work at the retail store with his/her email and phone number is posted at the store. If there are any complaints, the liaison can be contacted as well as through the store. The other thing that differentiates us is that we have the perfect concept. We have 26 stores and we've done it successfully."

Mr. Bodem asked, "What metrics do you use to determine your gross revenues?" The Applicant said, "It's based mostly on the traffic count. We hoping to get the traffic from neighboring communities that don't have licensed dispensaries. We feel that with the City of Santa Maria's large population, we're expecting to get some of that traffic here. We're hoping to be the anchor retail store for Guadalupe."

CM Costa Jr. asked, "Will you also provide delivery service, too?" The Applicant said, "Initially, we probably won't be offering delivery service for the first six (6) months. Depending on the revenues, we'll then decide if we'll have delivery services. Typically, we can give such good deals at the stores that would drive traffic to the stores." The mayor asked if days of operation had been mentioned. The Applicant said, "7 days a week."

CM Robles asked, "Could you be more specific on the number of employees you'll have." The Applicant said, "It's based on revenue. The average store has 25 people total. At any given time, you'll have an interior and exterior security guards. A person who's also checking everyone in. At this facility, we had planned for five (5) point-of-sale systems, Assistant Manager, Manager, Metric Manager and Compliance Officer. There will be multiple people for these job titles which would then total 25 employees."

Mayor Julian asked, "All of these entities will have secured delivery sites. Can you explain what your security is for material delivery?" The Applicant said, "The vendors contact us. We work on a specific day and time when the vendor will be dropping off product in their own entrance. The vendor then is required to contact us one (1) hour beforehand to make sure they'll make a 15-minute window. The exterior security guard then walks the vendor into their own entrance. The Assistant Manager intakes the product. Then the Metric Manager fulfills the product into metrics. Before that the Quality Control Manager ensures that the product is properly sealed in child-proofed packaging and all certificates, labor analyses and expiration dates are in compliance."

The mayor clarified his question saying, "I was asking more about the secured gates. That process." The Applicant said, "It happens in a secured room in the facility. There's no access from consumers. It's like a safe room." Mayor Julian then asked, "So, your vehicle coming in with your deliveries. You have gates, you have..." The Applicant said, "Certain locations have roll up doors where they actually come in and park the vehicle inside the building. The room they're in is called a limited-access room. There are only two (2) or three (3) staff members who have access, and you can access that room, as well."

Chief Cash asked, "A question I have for each applicant, is how much product would you estimate would be staying over?" The Applicant asked, "In storage?" (Chief said, "Yes.") Then the Applicant said, "In storage in a location like this, we'd have around \$120.0K worth of product inside a very secured room. There are cages and large secured safes in that room. There will also be the 24-hour security. In all of our locations, we've never had any incidents during the day and no successful break-ins at night. We've been in existence for eight (8), almost nine (9) years and have not had any incidents of break-ins and no stolen product."

SLOCAL Roots Management, LLC dba Root One

Mr. Adam Laurent and Mr. Austen Connella, the two presenters, for Root One, gave a brief background prior to the presentation.

Who We Are: Mr. Laurent said they started the process of working for a dispensary in Guadalupe over a year and a half ago. They've met and discussed their project with many citizens, volunteered and worked to become contributing community members. Mr. Laurent said, "You may have seen us at Food Bank days, picking up trash at Dunes Center events, or attending Guadalupe Business Association meetings. We know that we can bring the most successful, community-minded cannabis retail store to Guadalupe."

Mr. Connella grew up in San Luis Obispo County and now lives on his licensed farm, SLOCAL Roots, in the Suey Creek area of Santa Maria. He was originally interested in bringing a dispensary to this Central Coast home after visiting dispensaries in the Bay Area during the early days of Prop 215. He was the first to apply for a medical dispensary permit in SLO County back in 2003. He has served on various regulatory and industry groups and is frequently featured as a cannabis industry expert in the news.

Mr. Lambert has specialized in the cannabis space since 2016. He is the original founder and president of the Central Coast Cannabis Council. He's written ordinance language that has been adopted at the state and local levels. He's a native of the Central Coast having gained his education at Arroyo Grande HS and UCSB. He is an Olympic cyclist with ten (10) national championships and brings that same fire to business.

Both live locally within a 20-minute drive of the store. They say that both will stay highly involved in the day-to-day operations, regularly working on site. Their business embodies environmental, social, and economic justice. They put the joy and wellness of their customers and communities first.

Why Are They Doing It/Mission: Their passion is for normalizing cannabis and educating their customers on the plant's many benefits. Their commitment is to bring positive change to Guadalupe and energize the business district.

What We Are Doing: They are building a vertically integrated cannabis company from farm to store by building out their supply chain here on the Central Coast, assuring quality in the final product and cost controls by doing much of it in-house. They are focused on keeping their efforts close to home and bring a true catalyst for change in the City of Guadalupe.

Who Are They Doing It With: Lenny Lizalde will serve as their community liaison, engaging citizen relations, community events, and projects. He is a native son of Guadalupe and his vast and intimate relationships throughout this community which makes him an instrumental piece of their operation.

The Pagalings are a family with Chumash Native American heritage who grew up in Guadalupe. Manuel, Reginald, and Elaine are siblings who still live on the Central Coast and have kept Guadalupe close to their hearts. They join Root One as investor/owners, with the main inspiration being participating in something that will help Guadalupe reclaim some of its vibrancy.

Tom McAuley is the retail director of SLOCAL Roots and Root One. He brings vast cannabis retail experience with him and has specialized in making stores he runs into market leaders. He is the former owner of The Milkman, winning best cannabis delivery service in SLO County three (3) years in a row.

Who Are They Taking with Them: Their success is not measured exclusively at the bottom line. It is measured in the positive impact they make in the community. That is what guides their business and what they live by. They will be taking with them the following: The City of Guadalupe, local non-profits, local trade, local employees with 75% local hiring and local suppliers, contractors and distributors (80%).

City of Guadalupe Benefits: They know that the money is why Guadalupe chose to onboard cannabis. Because they view this as a public-private partnership, they commit to a city fee of 6% of their gross sales. This fee should equal many hundreds of thousands of dollars from their one store and be a significant part of shoring up future city budgets.

Going forward, they intend to put their profits to work within the city as its commercial areas build back. With Guadalupe being designated an Economic Opportunity Zone, there is every reason to keep their dollars working here beyond this dispensary. (Data shows that local retailers return 52% of their revenue into the local economy, compared to just 14% for chain retailers.)

They've helped to walk in the group you just heard from, the Obispo Street Vegetable Cooling property, remaking it into a state-of-the-art, low-impact cannabis processing facility. They will be utilizing their services for their own post-harvest production right here in Guadalupe, which is just one more way they will spur the city economy.

Benefits to Non-Profits: We have an additional commitment of 1.5% gross sales going directly to local non-profits to help them do more than they already do. "Root One" believes in doing their part to make the community better for all residents. They commit to providing at least 50 community service hours per month. Their staff that volunteers will be able to do so "on the clock", getting paid as if they were at their place of work. They will also empower their non-profit partners with exposure to their mission and projects via direct marketing integration in their store and their outbound messages to their customer list.

Local Endorsement: They have worked to establish genuine relationships with key non-profit organizations, such as the local chapter of the Vietnam Veterans of America, CARE 4 Paws, the

Guadalupe Bulldogs Youth Football, and SER California, who aims to bring a tech and learning center to the new community building at Le Roy Park. (A slide of endorsement letters was shown.)

Community Involvement: By highlighting a different non-profit and cause each month, they can play the role of a connector in the community, generating awareness and support. They aim to be rooted in the community. They'll have a series of education modules to bring usable knowledge to their customers and those that strive to learn more. They are creating a new non-profit here: a community bike kitchen: free and reduced-cost equipment, repairs, skills clinics. Bikes are key transportation for some and healthy for the environment and rider.

Employee Benefits: Root One plans to seek local Guadalupe employees and commits to employ at least 75% residents within a 15-mile radius, giving preferential hiring to job applicants who reside within Guadalupe and next to the surrounding Santa Maria Valley. The beginning base wage of \$18.00 is 28% higher than the retail average. Benefits for full-time employees include health insurance and a 401k plan. Other perks include employee discounts and paid time off. They said, "We are from the working class, and we're not going to forget that people are our number one resource. That's why we have reserved an Employee 4% Profit Share that triggers after 12 months of employment."

Diversity & Inclusion: Root One will provide a welcoming retail environment for all customers and employees alike regardless of race, gender, sexual orientation, physical disability or age. Their culture, practices and outreach will all reflect this spirit, even down to providing flexible scheduling for those with young children which will help hard-working parents.

On the customer side, over 75% of Guadalupe speak at least one language other than English, most of which is Spanish. As a result, their location will always be staffed with at least two (2) fluent Spanish-speaking employees.

Location: They were the first to secure their location. They looked at every single space in Guadalupe that would let them. After an exhaustive process, they landed at their location at 928 Guadalupe Street, which many know now as the Ritter Gallery. It meets all the locational requirements. An option has been executed to purchase that building from its current owner, showing that they're in this for the long haul.

It has ready parking, a modernized building that includes earthquake retrofitting and beautiful design. It is the quickest building to readiness – quicker to city revenue and neighborhood economic boon. They are plan ready with the best location, the best facility in the best condition to roll out their store in rapid time.

Neighborhood Compatibility: There are ideal elements: dedicated onsite parking, completely secure with a fenced delivery bay in the back; right sized with no need for major construction/additions. Proximity to sensitive receptors is within the allowances outlined by the state, and it is not on a dominant path to schools. They said, "We listened to feedback from locals that said they didn't want cannabis stores to be so prominent in the middle of town around the Royal Theatre, but that feedback was enthusiastic about a location such as ours."

Root One believes they owe a duty to their neighbors to operate their business responsibly. They will accomplish this through proactive management, early identification of any issues and prompt complain response. They talked with their neighbors-to-be, shared their plan and answered concerns or questions. They will attract a captive audience from Santa Maria and work with other businesses in town to establish incentives for customers to stay in Guadalupe once the customer's experience is completed with them.

They have a perfect compliance record. SLOCal Roots has never had a neighbor complain at any operating locals and have never had any code or cannabis violations. That careful and thorough approach is now part of their brand. Root One is local and Local = Accountable.

Parking Plan: Their parking is sufficient to serve the needs of their customers without putting stress on neighboring businesses' available parking. There are 12 designated and dedicated customer parking spaces on the property. Their delivery vehicles will be parked in the secure Receiving Area, protected by a security gate keeping these vehicles off the street.

An electric vehicle charging station, a second in Guadalupe, as well as a bike rack will be installed. Plans are to roll out a customer shuttle bus that make usual runs into the City of Santa Maria to reduce car count. The bus will also serve as a commuting option for their staff further reducing overall parking needs.

Floor Plan: The floor plan will guide shoppers counterclockwise around a central island. That will provide for periodic high-volume traffic while maintaining smooth transactional flow. There will be a separate lobby, a secured vault space, office space, restroom, and non-cannabis storage space. There will be a "buzz-in" style security door to ensure that only properly identified people gain access to cannabis products. Products will be securely stored on the retail floor with a secured delivery area and CCTV which will be a live feed to all cameras for the Police Department and the onsite security guard.

Closing Comments: "We are the exceptional cannabis company that lives by its word. Integrity and reputation are everything to us. We are building for longevity. If this sounds like a fit for this city, we welcome you to follow through and grant us a retail license. We look forward to many years of enjoying this opportunity, being a force for the health of this community, and generally making you glad you chose us...We put our efforts where our ideals are. We believe in creating climates that improve all. We look forward to forming a partnership with this city if you choose to award us a license. This is home to us. We're not here by accident. We are here to improve our home through individual, economic, and community wellness with the educated and responsible use of this incredible plant. Guadalupe is special. The people of this community are special. We hope to be part of it for a long time."

The Council was then asked if there were any questions. Mayor Julian asked what the hours of operation were. The Applicant said, "9am to 8pm, seven (7) days a week."

CM Ramirez asked, "What makes you different from the other applicants?" The Applicant responded, "We're one of the local applicants. We live in Santa Maria. This town is special to us. We are drawn to cannabis for the impact it has on people's lives and the power to heal communities. It's our passion

to give back and be a part of something. We don't see this as winning an award but forming a public/private partnership that's codified. Our differential is action. We dedicated ourselves to forming relationships and working in the community. No matter what happens, it's been incredibly rewarding."

CM Cardenas asked, "How did you pick the 75% of local residents for your employees?" The Applicant said, "That was another commitment we made in San Luis Obispo, local hiring. One of the main goals is to improve the job opportunities for the town's citizens. Our focus is hiring within a 15-mile radius. We want to hire employees who know the city well. We also want our store to look like the community."

CM Robles asked, "Do you have any guesstimate how many employees you'll have?" The Applicant said, "Yes, we'll start at 20 and as the sales roll out, we think the cap will be about 35. For the first 12-24 months, it'll be building to 35. With the addition of our delivery service, that allows us to have more employees."

Mayor Julian asked, "Can you explain in more detail about the van you talked a little about? What are the hours?" The Applicant said, "With our full operating hours, there'd be a shift in the morning giving our staff the opportunity to carpool. We'd have a dedicated driver at 40 hours a week. Would also give residents a chance to catch a ride to Santa Maria."

Guadalupe Erudite Ventures dba HerbNJoy

Brief introductions were given of the ownership team who have a combined total of 14 years of cannabis retail experience. Dr. Rajan "Raj" Dave is the Chief Executive Officer. He's a physician and a seasoned cannabis industry professional. Since 2018, he's opened four (4) cannabis retail stores with one in Santa Barbara County. They also have three (3) other approved locations opening in Los Angeles, Chula Vista and San Francisco in the next few months. With his medical expertise and strong retail operational background, he looks forward to bringing safe, legal and high-quality cannabis to Guadalupe.

Mr. Jeff Linden, Chief Operating Officer, then spoke. He has 35+ years of retail experience and 20+ years of executive or senior management experience. In 2004, he was named by the Gallop organization as one of the most effective management executives in the entire United States. He's been in the cannabis industry since 2015. He currently holds and operates five (5) cannabis retail licenses in the state of California.

Business Plan & What Makes Them Different: *They have experiential retail environments. They educate and entertain in their stores, apply sophisticated technology, design and create safe stores. They play an active role in running their stores all the time. They're in every one of their stores at least once a week.*

They expect to open their store in seven (7) months. They opened their Hanford store in three (3) months. They're confident they can do this because "we're retailers and not license acquisition people". Opening a store means a lot to them as it does to the City. "If we took a modest 4% of sales

as a tax revenue, I know we haven't set that with the City yet, but that's \$60,000 a month on our financials that we'd earmark that would go to the City. And that's 40 jobs into the City."

Their financial plan looks at an in-depth analysis of Guadalupe and the market surrounding it. Experience in operating multiple stores over the last several years and Mr. Linden's 30 years of forecasting and budgeting in the retail space. They expect to be profitable in their first year of operation and they gave the City four (4) years instead of three (3) planning it out.

Hours of operation will be 9am to 9pm, seven (7) days per week in compliance with City code. They operate on a set of SOPs that are best-in-class and are state and local compliant. "Some of those best industry practices, we wrote."

Staff is extensively trained. Initially, the staff is trained for four (4) weeks and paid before the store is open. They are 100% compliant in all of their stores and have never had an operational issue.

Only individuals 21 years of age and older are permitted in their stores, unless 18 years and older with medical with a doctor's requisition. Identifications are checked twice: once at the entry point to the store and the second time is against state data base. If the doctor's requisition isn't found in the data base, the doctor is called.

All inventory is tracked and regularly reconciled for accuracy. They carry high-quality cannabis from reputable brands. They expect to bring delivery service to the Guadalupe community and the surrounding market.

Labor, Equity, Diversity & Inclusion Plan: They make a commitment to 100% local hiring. (They make that commitment to every city they operate in.) They work directly with community organizations, such as the Guadalupe Business Association, and they identify where that job pool will come from. They put on job fairs and informational seminars at their locations.

There will be well-paying jobs, starting at \$22.50 per hour, which is the highest of all the applicants. Their benefits package is the most generous in the industry. There's \$5,000 per year after one (1) year of service for an employee to spend for life enhancement of the employee's choice.

They are one of the few multi-location cannabis retail companies where the majority of owner is held by people of color which demonstrates their understanding of diversity, equity, and inclusion. They're proud that about 90% of their employees are minorities. They will make an equity and diversity commitment that will hold them accountable.

Orientation is provided new employees to prepare them for their first day, including training on products, SOPs, safety, and security. On-going training is offered once-a-year to ensure that their employees are current on any changes or updates in their job duties, laws and SOPs. There are also offer a variety of offsite and in-house continuing training opportunities for employees. They respect the right for their employees to join in collectively bargain.

Location: They are located in an historic building at 910 Guadalupe Street (Hwy 1). Not much will be done with the building. It's perfect for a variety of reasons: 1) there's a separate and secured customer entrance; 2) about the right size – 2,300/2,400 sq. ft. where they'll take the first floor; 3) was formally a music venue where there is soundproofing built into it. The back of the building is not paved. They'll put in an ADA parking lot. A "sally port" will be put in to take in deliveries inside with the delivery vehicle in that port that closes off which is discreet and secure. One ADA parking space will be in the private parking lot with eight (8) more parking spaces to go in across the street at 975 Guadalupe Street. They are committed to provide ridesharing for their employees. They'll pick them up and take them home. Guadalupe being small and hiring local gives them the ability to do that.

The building is on Hwy 1, but their entrance and parking will be on 9th Street. More than 940 feet from the nearest sensitive use and within one-half mile from the Police and Fire stations. The property is accessible by all public transportation. They will restore the building and make sure with the central business district that it's up to standards. There will be a state-of-the-art security system with the building.

Their retail stores are different. There aren't any counters and customers don't wait in line. Their products are displayed under glass domes. Their staff walk around with tablets. There are interactive educational video walls. They've committed to \$1.8M investing into this store.

Neighborhood Compatibility: Their plan includes three (3) parts: 1) public relations; 2) odor mitigation, and 3) complaint response. They have a five-point outreach plan: 1) getting to know the neighbors; 2) safe and open lines of communications; 3) 24-hour hotline to handle complaints; 4) commitment to make the neighborhood safer by strengthening bond with local law enforcement, and 5) business-to-business partnerships.

They stated their proficiency in preventing nuisance with such things as heightened security on the outside of the building, patrols onsite ensuring no loitering. Their clean street policy includes trash picking, eliminating graffiti, etc.

With their odor mitigation plan, they have clean room standards inside the store. All packaging is sealed, reducing odor in the facility. Every nine (9) minutes the air is turned in the store. The outside is checked to ensure nothing is getting out.

All of the waste is stored in a secured and locked container receptacles in a limited-access area. They use a licensed cannabis waste disposer.

Safety Plan: Their plan was prepared by a professional fire prevention and suppression consultant. It includes an IPP and EAP plans which are standard. All employees go through a four-week training program on these plans as well as ongoing training. Some of this training includes accident and reporting procedures, roles and responsibilities in an emergency, fire safety and response, CPR/First Aid, etc.

Security Plan: Their plan was prepared by a professional security consultant with over 35 years of experience. Three parts of their plan include: 1) operational security measures, such as visitor control,

inventory control and cash handling procedures; 2) perimeter security measures, with 24/7 video surveillance monitoring with every square foot being covered by cameras, motion sensors, panic alarms, 247 on-site security personnel, etc. and 3) employee security training at orientation and on an on-going basis.

Community Benefits & Investments Plan: Their plan is tailored to the needs of Guadalupe. The first part is to align with Guadalupe's major priorities: social equity, economic growth and downtown revitalization. The second part is the creation of a community advisory board, meeting regularly to determine how the budget is distributed. The third part is methods of giving. That would include financial contributions, volunteer time and in-kind donations. The last part of their plan is their minimum financial pledge of donating 1% of their gross sales which can amount to over \$100,000 per year back to the community. Some organizations they intend to work with are Little House by the Park, Los Amigos de Guadalupe, Dunes Center and Guadalupe Business Association. They plan to hire 100% local residents to staff their store.

Five reasons cited for being the best fit for Guadalupe: 1) local with ties in Santa Barbara County; 2) strong medical background and commitment to public safety; 3) a team with extensive cannabis experience; 4) commitment to diversity and equity inclusion, and 5) generous community fund which will create 40 high paying jobs for residents and \$100,000 donation per year to the community.

The Council was then asked if there were any questions. CM Ramirez asked, "What's different from you and the other applicants?" The Applicant responded, "Our stores are different from any other store. In every market we're in, we get a disproportionately larger share of that market. In a six-store market, we get a 35% market share and in a two-store market, a 90% share. The other way we're different is that we have written endorsements from city managers, police chiefs and mayors in all the cities we operate in. We're compliant and we're good at it. We walk our talk and that's what makes us different."

Another reason they cited as being different is that their CEO is a doctor who has treated patients, a number of veterans suffering from PTSD addicted to opioids. After going through much research, cannabis was found to be used to get these patients off opioids. HerbNJoy was founded through this finding.

The Applicant further added, "A lot of people make promises but don't follow through. They get licenses but never open stores. We're opening our next store in Los Angeles, then Chula Vista, another one in San Francisco. If you grant us a license, we'll open the store as fast as you'll let us to generate revenue for you and to give back to the community. We opened the store in Hanford in three (3) months."

CM Robles asked, "How many stores do you currently have open?" The Applicant said, "We have five (5) currently up and running in Goleta, Hanford, Merced and the Bar Area."

The Roots Dispensary, LGBA Management, LLC

Mr. Gustavo Alvarez, President & Community Relations Representative began the presentation by briefly giving his background. He's a lifelong Guadalupe resident and local entrepreneur and supporter giving opportunities to local residents, including employment and housing. For the past ten (10) years he's provided two (2) scholarships to Santa Barbara Foundation for local children and donating turkeys for Thanksgiving and Christmas to the American Legion. Supporter of the Guadalupe Police Explorers. A former member of the Guadalupe Revitalization Committee.

Beth Thuna, Chief Operating Officer, then spoke giving her background. Five (5) years of cannabis retail experience in Port Hueneme, Lompoc and San Francisco. There is a focus on customer needs and compliance with the law.

Atih Alkhouri, Treasurer & Security Liaison. Local business owner having operated a business in Guadalupe since 2011. Has donated to the Red Cross, Police Department and "Kids Day at the Park".

Luis Castenada, VP of Retail Operations/Delivery Manager, has worked for the past three (3) years developing the cannabis business in California, with a focus on Santa Barbara County. Ten (10) years of experience in the oil and gas industry and three (3) plus years of retail cannabis experience.

Business Plan & Financials: The start-up costs of \$545.0k will be funded by their ownership team and will allow them to start quickly. They predict being able to open within nine (9) months of receiving license. Hours will be 9:00 a.m. to 9:00 p.m., Monday thru Saturday and 9:00 a.m. to 6:00 p.m. Sunday. All SOPS involve all regulatory law and industry best practices. Every employee is trained on these SOPS. Their onsite security will ensure that no one under the age of 21 or 18 without medical recommendation enters the premises. Inventory control procedures are in place. Delivery services will be offered to Guadalupe residents and neighboring cities.

Labor, Equity, Diversity & Inclusion Plan: Their number one benefit to Guadalupe is employment opportunities. Their initial hiring will be 12 residents, scaled to 22 by the end of their first year. Working with local organizations, such as SM Valley Chamber of Commerce, SB County Workforce Development Board, local schools and Hispanic serving organizations, they will advertise in both English and Spanish. The starting wage is \$23.50 per hour with full benefits package which includes health, vision, dental and life insurance, PTO and continuing education.

The priority of this plan is to support diversity. Anti-harassment and discrimination policies and reporting mechanisms will be enforced. Employee training will be focused on compliance and customer service with ongoing training to keep up to date with the changing industry. Their Port Hueneme location was one of the few dispensaries awarded the "Best Dispensary to Work For" in 2021 and 2022 by a cannabis dispensary magazine.

Location: 813 Guadalupe Street in the central business district. Close to 1,500 square feet with 12 designated parking spaces in a private parking lot. No sensitive uses within 600 feet with the closest more than 1,725 feet away. The parking lot has two (2) access points. (A couple slides were shown to display the interior design of the store.) The products are displayed in designed cabinets easily seen by customers with only employees handling those products which are kept behind lock and key.

Neighborhood Compatibility Plan: There have been zero complaints from any of their neighbors. A designated Community Relations Representative will handle any community concerns. An open-door policy with their neighbors and establishing and maintaining a strong relationship with the City proves positive. Their complaint management procedures address complaints within a 24-hour period. There will be onsite security personnel, prohibition of onsite consumption and loitering, and monitoring of noise and traffic.

Odor & Waste Mitigation Plan: Product received is sealed in airtight packaging with little odor found in the store. The necessary devices and equipment such as an HVAC system, carbon filtration, high velocity fans, etc. will help mitigate odors. All cannabis waste is stored in sealed, locked containers within limited access of the facility. A certified waste disposer company handles all waste management needs.

Safety Plan: A professional fire prevention and suppression consultant was hired to devise a plan to provide a safe and compliant operation onsite. A site and floor plan shows locations of necessary building safety equipment, such as fire extinguishers, first aid kits, fire alarms, etc. Employees are trained on safety topics, such as accident and incident reporting procedures, fire prevention and suppression procedures, OSHA guidelines, etc.

Security Plan: A security consultant with over 35+ years of law enforcement and security experience was hired to review their security policies. There are 24/7 onsite licensed security personnel with duties to include monitoring surveillance systems and the sales floor, ensuring no loitering and onsite consumption, overseeing visitors, etc. There are surveillance cameras on the interior and exterior of the facility which police accessibility. Employee security training involves product handling, crime and loss prevention, hazard prevention, etc.

Community Investment & Investment Plan: They look to commit 2% of their gross revenues. They have chosen the following areas to focus: 1) Youth; 2) Economic Revitalization; 3) Public Services & Facilities, and 4) Community Engagement. Board members will help in decision making for contributions to charities. They will make financial contributions to Guadalupe organizations, such as the Guadalupe Police Explorers and the Guadalupe Cultural Arts and Cultural Education Center. They encourage their employees to contribute volunteer hours and provide paid time off to those volunteering in the community. They are members of the Guadalupe Business Association and the Santa Maria Valley Chamber of Commerce.

The Council was then asked if there were any questions. CM Cardenas asked if the 2% of gross revenues goes back to the community. The Applicant said, "Yes, it's 2% of gross revenues."

CM Ramirez asked, "What makes you different than the other four?" The Applicant said, "Just a few things that make us different. Our donating. We have a long history of donating. Not every company does what they say. We're actually about it. We do in-kind drives, backpacks for kids, supplies to schools and teachers. We cross-promote with our local businesses. During the pandemic, we were buying from our local businesses trying to support them. The main thing, though, is that we have an already existing customer base. People from Guadalupe and Santa Maria already come to shop with us. We're in a highly saturated area. Lompoc has 14 shops and we're among the top two (2)

generating shops. We all care about our community...we care about our employees...we care about our customers...and we're local."

Element 7 Guadalupe

Mr. Robert DeVito introduced himself as the Founder and CEO of Element 7. He also introduced Mr. Lupe Alvarez, former mayor of Guadalupe and Mr. Greg Brown, veteran having served over 23 years with the US Marine Corps. Element 7 was founded in 2018 and over the past four (4) years the company's been built to address the significant legislative, compliance, security and safety issues in the changing California cannabis industry. There were eight (8) key areas addressed in their presentation.

Element 7 was built on the principles of education, social justice and having a local voice in every market they operated in. Their location is 859 Guadalupe Street and will embrace those core principles while being fully integrated in Guadalupe as they are in Fort Bragg, South San Francisco, Marina, Port Hueneme and Firebaugh where they have existing operations. Their core business and their focus are on offering holistic wellness solutions to local communities around Guadalupe, including Santa Maria, Nipomo, Orcutt and Arroyo Grande. None of these communities have retail ordinances.

Business Plan: There will be \$920,000 for construction, site improvements, inventory and pre-operational costs. Given their successful presence with six (6) sites in California, they believe they have a robust plan to remain financial sustainable over the budget period. For Year 1, estimated gross sales are expected to be \$4.4M, with Year 5 at \$8.4M. If awarded a permit, they expect to have their retail operation open by the end of 2022.

Daily operations are guided by their competence in retain operations manual and are standard throughout their operations in California. Their check-in procedures are in place, checking ID's and medical cards. They are moving toward a central distribution model with all deliveries coming from their own warehouse using their own staff and their own trucks once a week. This will reduce the need for excess product storage onsite and improves security and significantly reduces measures to the facility and movement of cannabis products on the streets.

There will be five (5) POS stations. All transactions will be monitored onsite and offsite. Up to 300 customers will be accommodated per day. They will provide all product categories. Delivery service will be offered to surrounding communities. Their Chief Compliance Officer will audit the business monthly to ensure all operations are compliant with all city and state laws, and Department of Cannabis control.

Labor, Equity, Diversity and Inclusion: They create careers not jobs. They will manage all labor and employment from multiple angles hired with Element 7 head office. General managers at the facility, third-party HR specialists and consultants advising the company on aspects of employment, HR principles and other labor law issues. They have signed labor agreements with United Food Commercial Workers (UFCW). They've partnered with EDD to run job fairs. They are a gold sponsor with a recent Social Equity Job Fair in Los Angeles.

A minority-owned cannabis company interviewed over 60 candidates for the jobs here today. They already have letters of support from eight (8) potential job seekers in Guadalupe they're looking to hire. They originally formed a partnership with the Academy of Cannabis Science to create Element 7 University, an online training portal for online training for retail staff to educate on all aspects of the business.

They will pay all staff a living wage, starting at \$19.50 per hour. Specifics to build equity in their hiring plan include local job fairs, preparation with communities with advisory boards, employee ownership with company stock plans, opportunities for locally owned minority businesses, local vendors, media buys and placements with local Hispanic and Latino media channels, corporate donations and local minority focused and non-profit organizations.

Initially, they're looking at staffing with one (1) General Manager, one (1) Inventory Manager, two (2) Shift Managers, two (2) delivery drivers, one (1) delivery dispatcher, eight (8) budtenders, for a total of between 15-20 employees. They have a strict anti-harassment policy program for everyone in their business. Such behavior is prohibited regardless of gender, age, race, color, religion, sex, national origin, disability, or genetic information. All employees take diversity and inclusion training. Element 7 is committed to the advancement and well-being of the employees by providing continuing education and is an essential component of how they build their employees. All staff must complete an 80-hour training program before serving their customers. Employees can earn additional income by taking training beyond the required 80-hour program.

They offer benefits such as health, prescription, dental, vision, disability income protection plan, professional advancement and educational training benefits. Labor union representation. Other benefits include membership at local health facilities, medical leave, parental leave and a discount for all employees at 30%. They're committed to staff 100% from the local community.

Safety Plan: Their plan was developed by a fire prevention and suppression consultant with their two (2) licensed architects and the head of their HR security. It includes installation of sprinklers, fire alarm system, an emergency light system, pull down fire alarm. Exit doors will have push bars and illuminated exit lights. Fire extinguishers will be installed at all exits. All fire safety maps will be installed at each exit routes. Smoke and gas detectors. Fire retardant materials. Fire and safety monitoring systems. Entrance and exits at the rear of the building will have continuously illuminated lighting. Ongoing employee training on maintenance, including the reporting programs, such as incident reporting and logging management. All cannabis waste will be managed by a certified and leading waste management company.

Security Plan: Their plan was developed by a licensed security company with expertise in the cannabis industry. Key features are exit control doors to the property with log-in 24/7. Access control plans will restrict who can enter each room and the building strict visitor management policies. All inventory is held in rooms with steel-paneled walls, high-impact dry wall that can resist access. Dedicated data rooms. Policies that show that two (2) employees are needed whenever cash is counted. Distress panic buttons put throughout the facility. Glass breaking detectors. Security shutters that seal the facility at night. "Man trap" lobby that holds people secure before shopping. Alarm system, cameras

in the rooms and on the building exterior. A licensed security guard at each cash register. Secured cars to help move product to the facility. Cash recyclers that count store cash correctly. Back-up power systems in the event of power failure.

They have employee training programs that include procedures for “active shooters”, alarm hold-ups and natural disasters like earthquakes.

They have centralized distribution which means that all deliveries come in on one truck, once a week to Guadalupe.

Qualifications: They have seven (7) operational stores across California. There are currently five (5) under construction and will have 14 more built by mid-year for a total of 21 stores, in Chula Vista, Oakland, Willits, West Hollywood and Mendota by May this year. Currently, \$32.0M in analyzed revenue and will hit \$80.0M by the end of the year.

They’re focused on delivering big brands at low prices with excellent customer service, robust designs, technology and data. Sixty percent of their company is managed by females, African Americans, Latinos, Hispanics and Asians. They have a skilled construction team with five (5) dedicated currently.

Neighborhood Compatibility: Their chosen location proves optimal with the City safer for noise, light, odor, litter, traffic, parking, and pedestrian parking. Over the last six (6) months, they’ve had numerous discussions with City staff, residents, stakeholders, business owners and other persons in Guadalupe. Their efforts to educate Guadalupe date back to 2018 when an educational package was delivered to Guadalupe’s Planning Department to demonstrate what a compliant retail operation would look like in Guadalupe.

All of those conversations led to 859 Guadalupe Street. Property has over 40 parking spaces and is easily accessible by major streets. There are no sensitive uses within 600 feet of the property. Entrance and exit to the property have minimal traffic for pedestrian danger. There is significant access and high visibility in all directions.

Their “Good Neighbor Policy” ensures speaking to every local business owner within 600 feet of the store. Once a quarter, they have “news-runners” that go out to businesses. Their Community Manager is responsible for what they engage in the community, reducing negative impacts and offering 24/7 open-door policies to local partners.

Their odor management plan ensures that there are no negative odors. This plan includes mechanical equipment, carbon scrubbers, top grade air filters, etc. All products arrive in their facility with packages fully sealed to reduce odor impacts. There have been no issues with any of their facilities. They use odor management devices to measure odor, out and in, to detect any leaks to address before the neighbors do.

Their waste management company handles all returned, damaged, outdated products leaving the facility, as well as medical waste. Element 7 location has a porch at the front of the property which restricts youth visibility. Man-trap lobby further separates the property from the street.

Community Benefits: They have a strong track record of community involvement. They've partnered with the public defender. Participated in job fairs with the State Economic Development Department. Food bank contributions. Athletic uniforms for high schools. Sponsored "Latino for Cannabis" programs for local communities. "Stop the Violence", park clean-ups and turkey giveaways. Volunteer coaching for YMCA basketball team. Member of Wounded Warriors.

Mr. Alvarez has a long record of supporting non-profits and local organizations. He has been a lector of Our Lady of Guadalupe Catholic Church and a member of the Parish Improvement Committee. Volunteered at the local food bank. He was a past chairman of the Air Pollution Control District, past commissioner of LAFCO and past chairman of SBCAG. He was appointed Vice-President of the Guadalupe Business Association. Sits on the Board of Directors of the Community Bank of Santa Maria. He was a key figure in the creation of the Hwy 1 Vietnam Veterans Memorial Highway in 2012.

Element 7 will give \$50,000 annually to four (4) local non-profit purposes to help build and create facilities toward local community development. Element 7 will give 4.0% of gross sales in lieu of a cannabis tax. They want to make sure they have competitive pricing to be able to compete against the illegal market. Those four (4) local non-profit organizations are: Los Amigos de Guadalupe, Guadalupe Bulldogs, Cultural Arts & Education Center, and Vietnam Veterans of America, Chapter 982. Decisions relating to non-profit support will be handled by a local community advisory board that includes five (5) of Guadalupe's most influential community leaders.

They have a range of business practices which include, sourcing their sustainable vendors, low impact, eco-friendly, cleaner products, sustainable packaging, hybrid delivery vehicles, drought resistant landscaping plants, automatic sensor lights used in restrooms, offices and hallways. The property at 859 Guadalupe Street was built in 2009, with Spanish-inspired style with two levels. There is parking in the front and the rear, with additional parking adjacent to the property on Guadalupe Street. The driveway at the rear of the property is wide enough for two (2) vehicles to pass at the same time. The parking lot is paved and easily accessible from Guadalupe Street with clear visibility from both directions. The site is 1,200 feet from a school and 1,400 feet from a daycare, and 1,700 feet from a youth center.

Summary: Element 7 is a proven partner to local cities, local communities. They are a disciplined experience, strong local partner, with an optimal location for operations, well financed and excited to move forward and become a local business partner to Guadalupe.

Mr. Alvarez added some comments: "I was also humbled to be elected as mayor. I think you set the example, Ariston, for me and many others on the Council, of giving, of volunteering. I've helped out at the Food Bank, as well...I don't like talking about myself. I've given out over 50 bikes to the Boys & Girls Club over the years. My dad and I donated irrigation services to Paco Pereyra Park years back before it was Paco Pereyra Park. I covered up all the graffiti in town recently. I think I set the example for the family – my dad has always been the giver, my brother has always given back, as well. I've always believed that when you're in a position to give, you do. You don't have to make noise about it. We set up a scholarship a couple of years ago, \$2,000 a year only for Guadalupe kids. We don't pick

them; the Santa Barbara County Scholarship Foundation picks them. We're successful because of Guadalupe and we always want to give back to Guadalupe."

Mr. Greg Brown added a few comments: "Part of my heart is here. I live in Santa Maria, but I've worked here. My dad had a lettuce company here until I was a freshman in high school. So, these are my roots. This is home. And coming back here and being able to give back to the community is big to me. It's a big deal. This is my community. I did 22 years in the Corps, but this is where I learned what I needed to be a successful Marine. I'd love to give back to you guys. What makes us different? (He handed out his business card.) Please give me a call. Ask the questions so we can answer them. Don't hesitate to give me a shout. That's what I'm here for..."

The Council was then asked if there were any questions. CM Ramirez asked, "Well, was that your answer to my question, what makes you different?" Mr. Alvarez responded, "I live here. I care about Guadalupe. I call the City...I sent texts to Todd or the mayor or the Police Chief. I tell them about something that, maybe, Public Works hasn't seen yet. I sent a text to Chief recently about some graffiti that was not very nice. I see things and I report them because no one reports them and the City can't do their job."

One of the other applicants commented, "A lot of us are really big on education and social justice reform. We do a lot with children and schools. We don't put our name on it. We do a lot of funding for track meets and donations for various charities. We do like to give back."

CM Ramirez then asked, "Nitrogen?" The Applicant responded, "That's Element 7. We didn't have a name originally. I worked with UCLA and was told to come up with something different that's not cannabis. My partner said, 'Where does the plant live?' Nitrogen. So, Element 7!"

City Attorney Sinco said, "Mr. Mayor, you have some options: 1) you can deliberate and then hear from the public; 2) you can hear from the public, then deliberate, or 3) just hear from the public and adjourn the meeting." Mayor Julian said, "I'd like to hear from the public. There are quite a few requests. You have three (3) minutes to speak."

Junie (John) Sabedra: "I'm a prior Council Member. Born and raised in Guadalupe and still live here. When we were kids in the late 40's, early 50', we'd go shine shoes on the sidewalks and in the bars. We made some good money but the guy that really made the money was the drug dealer. He's the only one who'd make money because he'd sell that marijuana. Guadalupe never got any part of that. But now we have a chance to make some money for our kids, for recreation, to fix some of the streets and sidewalks in the City and build the City up. That's what we need. We need to get rid of our reputation and we need to go the right way now. I back all these cannabis 'innocent' dealers. It's good for Guadalupe. We had a lot of good candidates up here and it's up to you to make the right decision. I know you will so just do it."

Harold Ramirez: "I'd like to talk on behalf of Root One and especially just one of the individuals, Lenny (Lizalde), Coach Lenny. Because of him and Guadalupe, a little old town...I played football. The philosophy that man brought to me, to my heart...it took me to 26-36 years to Allan Hancock Community College; had 30 championships; had one state championship. He taught me integrity. He

taught me discipline. (Mr. Ramirez then told a story of a kid he recruited from New Jersey who told him he sold lights. Years later, he finds out that those lights are the #1 lights in the nation. The philosophy that Lenny taught him, he taught to that kid which got him where he is today.) If Lenny is bringing these gentlemen along with that same philosophy, integrity, discipline and honesty, they're going to bring this little town up. We should have a new softball diamond for young girls. We should have new mats for the wrestling team. We should have a baseball diamond for Little League. You have to roll your sleeves up and walk the walk. And the mayor...he works his behind off. I see him on that little tractor at O'Connell Park. You guys better buy him a brand-new tractor. I'm speaking for these people here. If Lenny's bringing them along, I'll guarantee they'll do a good job and represent this little old city. They'll clean it up and help the little kids and youth in this town get in the right direction. Thank you."

Isaiah Ramos: "I'm a local resident. I've lived here for 25 years. You know my pops there, Manuel. I'm really here to show my support for Root One. Lenny (Lizalde) is a great guy. We do have some history giving back to the community. We're both brother Knights with the Knights of Columbus, Council 16154 out of Our Lady of Guadalupe. So, he does have the history and experience of giving back to Guadalupe and our community. I think that getting a dispensary here in Guadalupe is a great idea. It brings jobs. People from outside cities have to go to Lompoc or Santa Maria to get their products. I think that keeping the money in the community is a great idea. Another good thing about Root One is that it will bring another EV station to the City. Gas is going up and more people are getting electric vehicles, so that's a good idea to implement for the City. We need good paying jobs here with benefits, and that's something they want to give us. Money's the real reason we're here tonight. We all need a little more with prices going up. People need better paying jobs. I think Root One is willing to give that to us. They have my support and I hope they have yours, too. Thank you."

Armando Paduganan: "I'm a local business owner. We're going to have to have a contingency plan for odor, traffic, feasibilities, everything you thought of will have to be in this plan. It is very vital that we grow with the company that we're going to choose. It's going to be vital that we have transparency. I think with Lenny and with people that he's bringing in, that are not only second, third, fourth generation...these are people we've known our whole lives. It's hard to really trust somebody in this stage. You have to know them. So, I think Root One is going to be the one that's going to be the most transparent with us. Also, they have a checklist of what they want, we need a checklist of what we want. We want education for the kids, D.A.R.E. We want to tell them this isn't a bunch of pot smokers...this is medical...this is professional. This is revenue and that money will not only bring education, recreational funding, but it will bring knowledge and bring jobs. These are the things that we're hoping come with it. So, at this beginning stage, go with your gut feeling. Listen to your dear senses. Let's find that transparency to the people we know. Thank you."

Karen Evangelista: "Every time I turn around, it's something that hits home. Thank you, Council...thank you, staff, for all that you've done in this community. We're now at a point where we mean business, and, obviously, all these individuals who came in here and offered their business. I kept on hearing is who we know, who we're connected with...I think every single company that came to me had some connection with Guadalupe and some connection with me. Did I introduce myself? I'm Karen Evangelista. I'm with the Cultural Arts & Education Center. I'm also a member of the Dunes Center. A member of the Guadalupe Kids Come First Foundation and a number of other organizations. I stand

here before you for their voice. As non-profits in this community, we have many in this small community struggle. This is an opportunity that's going to tap in to provide us to do bigger and better things. I am a permanent piece of Guadalupe. I'll be here to see things and grow old. The incredible thing is that we have the opportunity to evolve and grow bigger the non-profits that are here. We have an organization that's been here for over 100 years.

This pandemic has put a damper on all of us. For our sports program, I can't even express how this is going to assist them. I'll make sure I'm on the forefront with the Sports Hall of Fame to make sure our children succeed. That's what the Guadalupe Sports Hall of Fame is all about. Those individuals who live in this community, the athletic clubs, the sports that they do...we have to stand and stand behind them. There is just so much you all have to offer. I can't even express how much and how exciting it is. The dollar signs are just flying all over the place. I was just excited to come up here and share with you that the entity of the non-profits in our community is much greater. I think all of you have been part of something in our community. This community is ready to see that happen. We're growing...we're bigger...we're doing things now already and I think we'll be able to do that. My first impression... when I talk about a vested interest... I think Element 7 was the first to come to me. It was a long-standing company and then the individuals that are involved. Dan was connected with our region, our Central Coast. Then The Roots. Young, strong, vibrant...I just see it all in there. And then Root One came to me. I think that I'm the spokesperson for the non-profit center community. We're well deserving of the funding that they're offering and committed to and the City committing that that's going to be provided to our non-profits. I appreciate all the companies, and good luck to you all. And I look forward to all those dollars and those bigger things that we can do. Thank you."

Courtney Cazenave: "Cannabis? Hmm...but new business is good for the community. This is a great little, small town. I just got here in October, and I love it here. You've seen me every month because I'm interested; I'm vested. Progress is good. Businesses are good, but we need to take it slow. We have to ease ourselves into this because we don't want to lose this small-town vibe. It's a great little, small town, a great little community. Yes, progress can be made. Yes, businesses should come, and, yes, they're welcomed. Everyone who spoke sounds like they have good control and a good handle on how to regulate the cannabis and keep the community safe. It's good for the non-profits and will revitalize the community. That's good. Here's the main thing I'm concerned about is...okay, Monday thru Saturday, but on Sunday? We need to rest. This is a small town. If you're not done by 7:00 p.m., there's nothing open. We don't need cannabis stores open until 9:00 p.m. I'd prefer that you not be open on Sunday.

I'm all for the other hours because businesses need to make money. But Chic-fil-A, Hobby Lobby...they're closed on Sunday. I'm all for small business, for everybody making money, for business...I'm all for growth but we have to go slow. Five (5) cannabis stores are too much. I don't know how many you're considering approving. All of them happen to be in my neighborhood; a street over from me within a two-three block radius. It's a lot. We need to keep things manageable. We need to think of the community. On the weekends, it's quiet...it's sedate. It's going to bring traffic and congestion. We're already getting to the point where people aren't stopping at stop signs. Things are changing already. Change is constant and we have to be aware of it. We have to voice our concerns. Just me coming in as a new person enjoying the small town, purchasing property to maybe retire here, and now there's five (5) cannabis stores. Hmmm...that's too much. Get some, yes; new businesses are

welcomed. But I really think that the hours are too long and not on Sunday. We have to have some peace. We'll have one day of peace...so, not on Sunday. Other than that, they're welcomed. Thank you."

Steven Pedroff: "Thank you Council and staff for letting me speak today. It's a courageous decision to bring cannabis to your town. I think you're doing it in a very considered manner. I live and work in Santa Barbara County. I once worked in the City Administrator's office in Santa Barbara, and I just wanted to let you know that my perspective is somewhat informed by that. For the last 25 years I've worked in a heavily regulated industry, oncology research commercializing in cancer treatments. I'll return to that compliance in a bit. Full transparency, I've worked with Austen and Adam (Root One) on a pro bono basis, consulting for them, helping them build their brand for last 14 months. I'm basically here to say that 'they're the good guys'. It's rare to find people of integrity these days but they are these people. If you are going to enter into a partnership with them, you're going to get the benefit of that integrity. Their mission is to raise the communities they operate in. That's something they can promise you and deliver to you, as well."

I think there are a lot of questions you're wanting to ask about this entire process, but the important one is: 'Who is going to be the business that is going to be in this for the long haul with you guys?' Other municipalities have found out that sometimes they make agreements with companies, then immediately sell licenses and leave the area. You're then left with people you don't know. I think that's something the community will be concerned about, and I think you should be concerned about it, too. The other thing that I think you should consider strongly is where is that money that is going to be earned by these companies going to end up? Is it going to go elsewhere or is it going to stay here? This is a group that is dedicated to make sure that those profits are plugged into your community. At the end of the day, it's a marriage. You want to pick wisely. I urge you to seriously consider Root One as your vendor. Thank you."

Rosie Quiroga: "I'm going to go a different way. We're talking about the location and the parking. I've had problems with 813 in our parking lot. I hope you're checking on that and everybody's parking because we have had problems. Sometimes there's nobody in the restaurant or Mary's and there are people. We have had problems. There have been parties in the back and then those people throw trash into my parking lot. They're all wonderful people, everyone that's applying. But that is one thing. When another business was open there, those customers would park in our parking lot. We will have problems. They have parking in the back and they're going to need more ADA parking spaces. They'll be parking in our parking lot. So, if you could consider that or think about that because I don't know how important that is. It is important to us because I keep calling the cops. Mr. Nice Guy won't be renting from myself or my brother. They will be owners there. I don't want to seem like a party pooper, but that's a fact. We have had problems."

Francisco Meza: "I'm for The Roots Dispensary. I'm taking the liberty speaking for my wife and myself. I wish that all the applicants could get a location here in Guadalupe. This is a wonderful place. I've lived in Tanglewood for 20 years. We used to come here for fishing. Oso Flaco...the Dunes...Far Western. I know that with dispensaries coming in here, it will bring a lot of revenue into the City. A lot of good things are going to happen. The good will outweigh the bad in the long run. I want to give my vote for The Roots Dispensary. My wife and I sponsor them. We have The Roots Dispensary truck

and drive it around town for people to see everywhere. A lot of people don't understand how to get cannabis. For us, it's a medical thing. We educate people who don't understand or know how to get it. There's a store in Lompoc but that's a long drive from Santa Maria or Guadalupe. We've been with them since they started in 2019. We're proud to sponsor them and be here to stand up for them. They're a company that's worth giving a chance to. Not only are there a lot of people in the community that work for them, but there were people who did work for them who are from this community. I just want to give my support and you won't be disappointed. They're a great group of people, from the top of the management all the way down to the people you see every day. I hope you consider The Roots and give them a chance to show you what they're all about. Thank you."

Enrique Ortiz: "I am the President of the Youth Football League since 2010. The program has existed since 2005. One thing about running a football program – it takes a lot of money. We have our good years and then, we have our tough years. I'm here to support Element 7. Lupe Alvarez called me one day and asked if I'd like to speak with him. I told him that I would be interested in hearing what they had to say. I talked to Greg Moreno who told me what they plan to do when they open the dispensary. I got excited because he got excited telling me how they could help us out to keep our program strong and help these kids. Right now, we could lose some of these kids as they get older, so we want to keep them safe and busy. I appreciate them and know they can help us out but also other non-profits. I'm definitely excited to work with them if they are considered as they'll help us out a lot. Thank you."

Alex Orozco: "Full disclosure – I'm a Roots Lompoc employee but I am here tonight as a resident and to give a real world look at what we do. We all have a common theme – money. What are we going to do with the money? More importantly...we're entrenched in the community and that really sets us apart. We're from Lompoc and one of the most underserved cities in the area with about 42,000 people. By comparison, Guadalupe is worse with about 7,500 people here. Not a thriving business town...not a heavily populated area. We've heard what everybody is going to do for the town. The money comes...the revenues...that's all part of the application, right? That's all gonna come. It's up to the City Council. The difference is what we actually do for the community. We've had companies come to the community. They build there but when the money runs out, when the well runs dry, they sell to the new owners and then leave. But we're still here. We're from this community so that brings our natural clientele to us. We don't run away...our tax dollars stay here. We know what type of people we have in our community. Diversity...our hiring locally...we're representative of the community we serve. We know how to operate in towns where there isn't a lot of money. There are corporations whose focus is the bottom line. They have a lot of money going to upper management, but we're 'Mom & Pop', that's who we are. That's what sets us apart. We're here for the community. Our Community Liaison is from here, we don't hire one. In effect, we're all community liaisons. That's what sets us apart. Thank you."

Peter Ruiz, Jr.: "We own the properties on Oliveria and 9th Streets. I support Root One and Lenny Lizalde and what he has planned going on. We've been friends forever. I have one issue and it pertains to the three (3) shops that are in the middle...not so much Root One because they're on the other end. The properties there...I've had this issue since I was a kid. The Chief can look and probably see letters from my dad, from me and maybe from my grandpa. It's always been a serious issue with people cutting through our lots. We have the pedestrian bridge now but if you're from Guadalupe, you've probably cut through the lot. I've spent a lot of money trying to keep that fence fixed. I've gone around

and around with Union Pacific, and no one wants to have that fence fixed. We have a lot of young kids and families there. How do I keep them safe without the people coming through? Now, that's my biggest concern with having the three (3) right there in the middle. There's the Simpatia, Garibaldi and the Muse. The Muse is the one that made me think about this. They're going to go right through my property, right to that store. It's right on the corner. They'll come through my property, cut across the car wash, cross the parking lot to those other two (2) stores. I already have problems with people coming through. It's really dangerous because we have a lot of little kids. I don't mind them coming through the streets, but I don't want them coming through my lots. So, how are you going to keep my tenants safe? Do I have to build a fence? I don't think I should have to build a fence to keep my tenants safe. I'm 110% bringing cannabis, and truly believe in the product. But right now, how do I keep my tenants safe with them coming through the lot? To Root One, good luck, and The Roots, too. Thank you."

Richard Cowell: "I was born and raised in Santa Maria since 1955. My father worked in the packing sheds in the 60's. My sister ran for the Comite September 16th pageant. My cousin, Larry Haro, owned a restaurant for 24 years. Guadalupe has always gotten the short end of the stick; it seems like on the Central Coast – bad guys. We know the people who live here, quality people. We're given opportunities that didn't exist. We need to allow people here in Guadalupe to find their own way. Guadalupe didn't have a say when they took our youth Vietnam; or when they took away the packing sheds; or when they took the Far Western to Orcutt. So, I'm here to ask the City Council today to have their say to give locals to be a vibrant, legal business here in town. I'm in favor of all the applications but I have to say I have a close relationship with Root One. I'm here to implore the City Council tonight to take advantage of the opportunity for yourselves, for Guadalupeans, and have local companies become legal and thriving businesses. Thank you."

The discussion then went back to the Council. Mayor said, "Any discussion, thoughts? Let's start with the left." The mayor then said that there are a lot of thoughts as an opportunity like this has never come to the City but wanted to Council to give their thoughts. CM Ramirez asked, "Before we start...we're deliberating now and now selecting. I just want to make sure." City Attorney Sinco said, "Yes, that's the staff's recommendation that you take time and review everything. Then continue it. But how long will you want to continue it?"

CM Cardenas asked, "The score sheets. Those will be available tomorrow?" City Attorney said, "Thank you for bringing that up. I had a conversation with Mr. McPhearson from HdL who will be very involved from here on out as he always has been. He advised us that we may not release the applications tomorrow. There is a process where we have to do something. There is some confidential information and there are some notifications that we need to provide the applicants to let them know we're going to release them before we do. We're going to release the documents as soon as we possibly can. It probably won't be tomorrow. I misspoke."

CM Cardenas then asked, "These power point presentations. We'll have those?" City Attorney Sinco said that they'll posted on the website." Mr. Bodem clarified that the presentations would be on the website tomorrow.

CM Ramirez asked, "Agenda for this?" Mayor Julian said, "My feeling is the next council meeting or a special meeting?" It was mentioned that the agenda for the next council meeting on March 22nd was already closed. CM Ramirez then said, "Then the next meeting after that. If we give at least two (2) City Council meetings, we have time to get notifications out through the water bill, also in Spanish. We want opportunity for people to weigh in on the applications and all that."

Mayor Julian said, "Well, it's up to us but I think...the decision is up here now. We can let them know it will be agendaized and let them know what we want to do." City Attorney Sinco said, "I don't know how widely the Santa Maria Times is read here, but we could run a notice. We're not required because Guadalupe doesn't have a newspaper. It's costly. And for the water bill, that's tough because it takes at least a month or so notice for that. That's not easy to do. But we could do some extra noticing." Mayor Julian then said, "If the item is agendaized, that's notice. The agenda is put on our city website. Then we can do whatever else." A question came from the audience as far as how many will be picked and what the process was. The mayor said that no number has yet been picked and that the Council will be going through their deliberation now.

The discussion was again brought back to the Council. CM Cardenas asked, "Are we picking a date for the meeting?" Mr. Bodem said, "The next meeting is April 12th." The mayor added, "That's the rough draft for the date but that should be the plan." Again, the mayor asked the Council if there were any questions, comments, etc. CM Costa, Jr. said, "I just want to say thank you to everybody for coming here telling us what they want to do for the community and what their goals are. And helping out the community. When we first started about the cannabis, I said it before. Yes, this is going to bring in revenue but it's not the 'goose that will lay the golden egg' to get the City out of the hole we're in. But it's going to get us in the right direction. As the mayor said, we haven't picked how many dispensaries there'll be but that's the process we're going to go through. But just for myself, I want to say thank you for the presentations everybody did. Thank you to the community who spoke out and are working for what we want to do. There are people who take the time to come out to support the City...whether they're against it or not. Everybody's entitled to their opinion. We're trying to get the City going in the right direction."

CM Ramirez said, "I like what we're talking about like a checklist. I think we've hit on it hard when it comes to sports. But I'll say it so it will go in the minutes – I'm still harping for a permanent library. We don't have a permanent library. That's something for sure that needs to happen. We know that this won't make the library, but it will at least be a strong contribution and that really shows the lasting impression of whomever is selected that you're here to stay."

CM Cardenas, "I really appreciate the community coming in. We want to see this room filled at regular Council meetings. I really appreciate all the businesses that came in."

Mayor Julian said, "Echoing the Council, I appreciate everyone. The people representing your businesses know more about what you do than we do. And it's our challenge and staff's challenge to understand all the nuances of this business. Because it was mentioned that some businesses come in and then they leave, and we're left holding the bag. Guadalupe is moving in the direction where we need support. We have Le Roy Park that will be finished in May which will take maintenance money to continue. We have recreation programs and non-profits that need support. But we also need City

staff for that facilities maintenance. Right now, our auditorium is being renovated and so is Le Roy Park. Pasadera is going to build upwards of 800 homes in the next five (5) years or so. 18 acres of that land on the southside of Hwy 166 is commercial. What we need to do, in unison with the developer...we need a market. We need businesses in town to employ people in addition to what has been presented here. We don't want to lose Guadalupe Street and its culture. All of your efforts will be to enhance our downtown. And some of the buildings do need help and other vacant buildings need life. We talked today about the Royal Theatre and a possible \$5.0M grant that will go towards renovating the theatre. The Far Western and the Royal Theatre are historical buildings. Hopefully, we'll see the old theatre built up and another two-story building in the back there.

All of us have been reading how the minority community has been neglected in accessing the cannabis dispensaries. And I see applicants here supporting women-owned businesses, Latino and Black cannabis businesses. There's a lot of money out there that has to go into these buildings. And it's good to see a groundswell of local folks and others out there who are willing to put their money and efforts to enhance Guadalupe.

Right now, our population is about 8,500. Probably in the next 5-6 years, Guadalupe will be close to 12,000 people. So, how do we maintain the City streets? City buildings? There's a lot of infrastructure that needs to happen. We enjoy the challenge we have before us tonight. Because it's not an easy task...not an easy decision between one (1) and five (5). There's discussion of having all five (5) coming in or just one (1). All of you created some great business plans, so it's going to be a hard choice. The staff and the Council appreciate you all coming forward, spending your time and your money for us. Again, we're here to understand all the dynamics coming forward. We don't want to delay this any further...we want to move forward. We'd like to see business open by the end of the year. We all appreciate you being here and having the opportunity to talk to us and us to you. We look forward to the process where we approve one (1) to five (5)."

There was an audience member who raised her hand to speak. She said, "I'm Doreen (Rusconi) and I've lived here all my life. I've seen when we were younger, we had football, baseball, and everything. I heard tonight like we need to do streets and new buildings. I know that we do. But if we do the cannabis, which I think will be a great thing, what monies come in...a portion needs to be allocated to youth programs. Aside from youth football, they don't have anything else. We used to have basketball, but then we couldn't use the gym anymore. There's nothing for kids to do. If I want to take my grandkids skateboarding, I have to take them to Santa Maria, to San Luis Obispo and other places. If I want to take them to an indoor pool, I have to take them to Lompoc. We shouldn't have to take our kids somewhere else. So, I'd like to say that monies that we get from the cannabis, at least a portion of it, maybe 10%-15%, be earmarked for the youth and not for other projects. Youth is Guadalupe's future. If we don't have anything for them, that's why you get the graffiti and them skating in the streets. We don't want to see them on video games 24/7. That's what's going to make Guadalupe grow – the kids. Thank you."

CM Robles commented, "The mayor said our population is 8,500+. Currently, our population is about 37% under the age of 18. So, we're all aware of the need for youth programs in the City. Some of you may not be aware that we were awarded a grant to renovate Central Park which will include a skatepark, a climbing wall and other things." Ms. Rusconi said, "Yes, I'm aware of that. But like Le

Roy Park, the grant received was based on the costs at the time. And by the time that grant was spent, it proved to be short for what was needed.”


Mayor Julian interjected, “On the application process, there was a 2,500-point list. The Council said that we needed to have ‘Community Benefit’ with the highest points on that list and it is. Everybody who spoke today talked about a community benefit. Ninety percent of that, if not more, was for youth programs. Where the City is going to generate, on the tax side, building checks, etc....so, we know where the money needs to go. You heard where these groups would fund: The Dunes Center, Little House by the Park, Cultural Center, Kiwanis...on top of. So, we’re well versed on what we need in the community. We appreciate your comments because that’s exactly what we’re pushing for.”

With no other comments or discussion, City Attorney Sinco said, “We’ll keep the agenda very light for April 12th and just focus on this deliberation. We’ll have to delay some of the items we thought we’d have as this is a priority. We’re not going to have a special meeting. We just want you to focus on this.” The mayor then asked for a motion to adjourn.

ADJOURNMENT

Motion was made by Council Member Cardenas and seconded by Council Member Robles to adjourn the meeting. 5-0 Passed. The meeting was adjourned at 8:42 p.m.

Prepared by:


Amelia M. Villegas, City Clerk

Approved by:


Ariston Julian, Mayor