

Conditional Use Permit Letter – MARKETPLACE – 2854 Harbor Blvd**2854 Harbor Blvd****APPLICANT:** HARBOR BLVD ENTERPRISE LLC**Operator (dba):** MARKETPLACE**Request:** The request is for a Conditional Use Permit to allow a Cannabis Retail Storefront (Type 10) and Cannabis Retail Non Storefront (Type 9 – Home Delivery) and a Cannabis Business Permit.

EXECUTIVE SUMMARY

MARKETPLACE, powered by Mr. NICE GUY, is a concept designed to be our Flagship Store model.

For larger format stores, we carry a more robust inventory for greater customer selection.

MARKETPLACE leverages the Mr. NICE GUY vertically integrated Supply Chain, and the operational knowledge of operating more than 30 Retail locations, in multiple states.

We launched our MARKETPLACE format in Santa Ana at 1525 East Saint Gertrude Place and have been fine tuning the customer experience related to a cannabis store with a larger product assortment.

We have focused on delivering more options, delivering a solid customer experience with the efficiency needs of our time starved customer base.

We will leverage the visible location from Harbor Blvd and a large parking area to attract and retain a customer base.

SITE SELECTION: We plan on leveraging our convenient location. ***We are the first location customers will see traveling South on Harbor Blvd from the 405.*** We will deliver a large and sustained customer base by getting the 70,000 vehicle trips to pull into our Store. We will benefit from other Cannabis Retail Stores marketing to customers to drive down Harbor Blvd, and MARKETPLACE will be the first Cannabis Retail Store they see.

We will also leverage ease of access for Huntington Beach to come over via Adams Ave, and will have customers come up from PCH and over from the 55.

Once we get a large customer base to try our MARKETPLACE experience, our four Wall Marketing kicks in, to drive repeat visits focused on customer retention.

The former automotive use has high visibility frontage, on a hard corner for multiple ways customers can enter and exit and has perhaps the largest parking lot of any Cannabis Retail Store, the customers will cherish.

The property is gated to the rear to allow for Delivery Vehicles to park and provide overnight security benefits.

Hours of Operation: 7 am to 10 pm.

Build Out: The existing Sales Office will be converted to the Dispensary. The build out is anticipated to move swiftly, as most of the walls will be retained as the interior converts to a high end retail look and feel with additional security elements introduced. Other non cannabis buildings will remain the same.

Site Improvements: The other buildings on site will be non cannabis, and will remain office and non cannabis storage.

The existing car lot will maintain security lighting, shielding light from surrounding properties. Additional landscape is being introduced and existing landscape is being updated. This will soften the built environment and break up the former car dealership large parking lot.

Supply Chain: This will be operated by an experienced Team that is fully integrated here in California and Oregon. Their licensed Salinas cultivation facility will transport flower via the Teams Licensed Distributor to a Licensed Santa Ana Facility to be packaged into jars and Pre Rolls. Other Licensed Facilities will package a variety of cannabis forms. The Team outsource extracting Flower into Oil, and the Oil is utilized in manufacturing House Brands. The Team has relationships with other Top Selling Brands. The Finished Packaged Goods are brought last mile from the Manufacturing / Packaging Licensed Facilities to the MARKETPLACE by the Teams licensed Distribution vehicle.

Target Customer: The store will offer a wide variety of quality cannabis of Flower, Pre-Rolls Vape Pens and Edibles, Tinctures, Topicals, Beverages with a higher SKU offering than the Team's other Stores. There is a curated selection of top brands and rotate in a product selection to meet the current consumer demands. The price points vary from Value, Everyday to Premium. The customer will benefit from the ease of shopping with ample parking. This convenience will also drive trial.

Operations: The Team will relocate an experienced Manager from another location. Employees are hired based on criteria and characteristics they can perform and add value in a highly regulated industry. The facility is designed with Safety, Security and operational excellence. All Employees go through onboarding training, and depending on roles, various levels of ongoing training, supported by an SOP Operations Manual. Periodic meetings take place to reinforce safety, security and operations process, and a chance to report and discuss any opportunities for improvement.

The facility is designed to handle cannabis in both bulk form for Retail, as well as efficiently and securely service Customer demand, both In Store and At Home. One Counter will be dedicated to the Order Online / Pick Up In Store Customers who know what they want and seek an efficient transaction. One Counter Area will be allocated to a more consultative Customer experience, where a little more time can be spent on Cannabis Education.

Compliance: The Operation utilizes a Point of Sale and Track & Trace technology to achieve regulatory compliance and efficiently manage the business. All cannabis and cash are entered, reported, audited, and analyzed, with discrepancies investigated and reported as necessary. The operation will implement a noncash transaction option for Retail, that reduces the amount of cash to handle, and corresponding threats.

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Employees: We will prioritize hiring locals, who can walk, bike or take public transportation with a focus on operational skill sets, trainability and demonstrated ability to deliver a quality customer experience. All efforts will be to hire local. It weaves operations into the fabric of the community, and locals can walk or bike. We will partner with the Chamber of Commerce on “Hire Local” and use temporary signs to target drive by, bike by potential employees. Cannabis jobs are good paying jobs, with opportunities for advancement and creation of careers. The Team will look to hire from Orange Coast Community College, due to success in hiring from this demographic, who is in convenient proximity to out location.

All Employees and Owners are police background checked prior to employment and issuing a badge.

Neighborhood Compatibility: The Team is an experienced operator who has successfully launched and sustained several Cannabis Retail Stores. The Team employs a “Good Neighbor Policy” by providing contact information, a commitment to discussion and issue resolution, picking up trash and having the Security Guard be a neighborhood asset. Parking exceeds requirements, so no neighborhood impacts anticipated and will be monitored. All surrounding properties will have a phone number to contact the Managers of the Cannabis operation. The Security Guard has responsibilities to monitor the parking lot to make sure no loitering, that trash is picked up, and specific goals to know the neighborhood and neighbors. The Guard will be a neighborhood asset. The Site is being developed to respect neighbors.

Parking: The project is utilizing existing car dealership lot, where the number of parking spaces exceeds the requirements. There is ample parking in front of the Retail Store for customers. Bike Racks will be prominently featured. The Loading Zone space is the first space in the rear. The rear offers more than ample parking to accommodate Cannabis Retail employees and support the Office Use. In the evening, Delivery Vehicles will park overnight in the rear. The rear gate will be closed after hours to increase security.

Landscaping: The landscaping exceeds requirements. Some existing landscaping will be preserved, several aspects will be improved. Internally, in the parking lot area, new landscaping space will be allocated and introduced, adding trees, breaking up the built environment while softening the historic car dealer lot. The landscape pallet was selected for drought tolerant consideration and plants that will thrive on the site, with low maintenance.

Walkability – Bikeability -Active Transportation: This project is located on a major street with active transportation elements introduced and more planned. We have featured a Bike Rack. We will Hire Local so that employees can bike & walk. We encourage Ride Share of carpools and technology. We will have promotions to incentivize Customers to choose walking, biking, public transportation options. We will work with the City to tie into their activities to encourage and facilitate active transportation.

Odor: HVAC and carbon filter elements are introduced to address any potential odors, with the standard, no detectable odor outside the facility. All products are finished packaged goods, which minimizes or eliminates the potential of odor.

Partner with Chamber of Commerce: The Chamber has embraced Cannabis and is developing to key projects in support of the Cannabis Industry and Operators. 1) Hire Local: Chamber will have a portal where the Operator can list open positions. The Chamber will actively promote. 2) Shop Local: Chamber will actively promote Cannabis Retailers approved by the City.

Partner with Cultural Arts Committee: Operator seeks to work with the City of the Arts to introduce local artists. The specific projects are yet to be determined, the intent is to identify local artists who can produce art for the interior. Consider an approved Mural, and seek opportunities to support the Utility Box program. All ideas are welcome.

Security Plan, Technology Solutions, Process and Training: The reviewed and approved Security Plan is prepared and installed by a trusted local subject matter expert who has a dozen and a half Costa Mesa projects, and several dozen in Southern California. He and the company have the necessary credentials and experience to provide plans, systems, installations, process and training. The concept of a plan, development and implementation is the “Secure Layered Onion”. The outer layer is hardened, and several layers are introduced designed to slow down and prevent unwanted access, and control access. The Perimeter has facility design in mind when developing the Site Plan and Floor Plan. Perimeter lighting is added as a deterrent and to enhance external video surveillance at night. Any windows have a Security Film. All doors are secure access. Customers check in, Visitors sign in. There are specific areas Customers can go, and Limited Access Areas (properly signed) where only badged Employees or Visitors escorted by an Employee. The Cannabis and Cash are in secure storage areas, with limited access. The Security System can be remotely viewed. Other tools are motion detectors in strategic areas, 100% video surveillance saturation wherever cannabis is located (Including full coverage of external loading and unloading) panic buttons and some proprietary elements to protect people, cannabis and cash. These systems and process have manuals and are integrated into training programs.

Security Plan: a 118 page plan was submitted and reviewed by the City 3rd Party expert and was approved without comments. It contained a thorough demonstration of compliance with extensive narrative supported by diagrams to say and show how the operation will comply with State and City Regulations. Covered all aspects of a secure and compliant Cannabis Retail operation components like theft reduction, cash management, Morning – Start of Shift – During Shift – End of Shift SOP’s. It covered both the Retail operations as well as Home Delivery.

Security Guards: A Security Guard will be onsite 24 hours a day, unless modified by City Council. This 3rd Party Security company has a credentialed, experienced subject matter expert ownership to facilitate the hiring and training of Guards based on a handbook of specific Standard Operating Procedures. The onsite Guard monitors the day to day operations, periodically makes rounds inside and out, oversees all unloading and loading of deliveries. The company has all the required State Licenses and Insurance.

Business Plan: A 86-page Business Plan was submitted and received approval without comments. The Plan covers vast requirements from proof of capital, a plan and budget to open and operate. Facility Diagrams. Standard Operating Procedures. Customer Check In. It covered both the Retail operations as well as Home Delivery.

Deliveries: All loading and unloading will occur in a dedicated space, closest to the Secure Door. All loading and unloading activities will be under video camera surveillance and under the supervision of the Guard.

Home Delivery: The Retail location will support the pickign and packing of orders. All orders are dispatched using techonolgy to track the vehicles. All aspects are consistent to State and City requirements.

Waste Management: A container is located in the secure storage area, should the unlikely event of cannabis waste be created. Most would be returned to the Distributor or rendered unrecognizable and unusable, and properly disposed of.

Signage: Compliant internal and external signs to meet State and City requirements, and assist customers on way finding and no access areas.