Applicant Letter – MERCANTILE – 141 East 16th Street

THE MERCANTILE



141 East 16th Street - Applicant Letter

APPLICANT: The Mercantile, LLC **Operator**: The Mercantile

Request: The request is for a Conditional Use Permit to allow a Cannabis Retail Storefront (Type 10), Cannabis Non Retail Storefront and non Storefront – Delivery. Then a Cannabis Business Permit.



EXECUTIVE SUMMARY

This site is the former Boat Yard that will be go through a process of an adaptive Re-Use as the site is reimagined. Costa Mesa's history is steeped in nautical adventures, as the one-time pleasure boat building capital of the world. The site will be redeveloped preserving the historic elements while breathing new life, introducing modern elements and general site improvements. This site has long been intended for redevelopment and the City is excited to see the future site once again become an important part of the City.

The Cannabis Retail Store will be located in the rear, Southwest corner, with ample parking. The property is located within the Opportunity Zone and is utilizing tax benefits from this designation. This Cannabis Measure Q Retail Application is **unique**, as it is the only Social Equity Application, a special type of Cannabis Application designed by the City to benefit the Social Equity Applicant. The Social Equity Applicant is also a Costa Mesa Resident. The exceptional location is within Costa Mesa's southern neighborhood, close and convenient to the beach. The Team will be supported by several different operations groups, locally and across the state.

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<u>100 Year Boat Yard</u>: This historic property has been a long standing Boat Yard. Before Costa Mesa became the Car Crazy Capital of California, before Costa Mesa became the action sports capital of the world, Costa Mesa was known for Boat Building, and servicing Newport Harbor. These iconic ship builders from another era populated this Harbor Gateway area. Most recently this property was home to Gil's Catamarans, of the Iwamoto Family, since 1955.

<u>Site Selection</u>: This site was selected because of visibility from Newport Blvd and the fact that this location will be the southernmost Cannabis Retail Store in Costa Mesa. It is on the beach drive side and will be the first Cannabis Retail Store customers pass when coming from PCH up Newport Blvd. Next door, the former Von Hemert Furniture site is being redeveloped where both properties will breathe new life to the neighborhood.

New Ownership: Dan Kang is the new owner and visionary architect of the future and will share his advanced technology solutions with the cannabis retail operations. The long term owners sought a buyer that would respect the site's history, yet modernize the property as a featured destination site. The Property Owner is exploring other sites in proximity, to leverage the 19 West Overlay and Measure K. More to come.

<u>Social Equity Applicant and Program</u>: Aaron Brower is a long time Costa Mesa resident and Costa Mesa's only Social Equity Applicant. The City developed this special and unique category of Applicants to benefit those harmed by the War on Drugs.

Aaron admittedly made some bad decisions earlier in his life, right here in Costa mesa. He has paid the price for these actions, turned around his life, and uses those experiences to help others get on a pathway to a better life.

Aaron was the primary architect in putting this property acquisition opportunity and cannabis application team together. He identified a partner that could acquire the land. And a partner that could fund and operate the cannabis business. And individuals that will support operations.

Aaron and his team are excited at the opportunity to reimagine this historic property and make his fellow Costa Mesa residents and businesses proud.

Aaron will utilize his local knowledge and vast relationships combining that with the Team's operational excellence to deliver quality cannabis, and a solid customer experience and journey

Property: This property has visibility from Newport Blvd, that will improve once the Von Hemert building is demolished. The Site has 2 buildings and ample parking. The Over 4,000 feet of Office will close about 5 pm, and be closed Saturday and Sunday, further providing some of the best parking in Costa Mesa.

The cannabis store will be located in the South West corner, or in the back to the right. The other half of the building will be a retail use. The Farmhouse will remain office space.

The Site will be modernized, with a sidewalk, California and Drought Tolerant landscape, an actual parking lot, new ADA path of travel from the Right of Way as well as other Improvements.

The property has a space to the rear for City approved events. Like a Blood Drive, or a Pet Adoption Day.

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<u>Team</u>: Aaron Brower is the Social Equity Applicant and Owner, joined by Vivian Nguyen, with experience in operating a cannabis business. The Team will be supported by 3 groups on operations and the supply chain. 2 are Local and one operates Statewide.

<u>Service Providers</u>: Supporting operations is the well know Cannabis Security Expert Tom Johnson of Post Alarm. Jennifer Farrel and Patrick Munoz from RUTAN for legal compliance and Land Use. Jim Fitzpatrick for Cannabis Regulatory Compliance.

<u>Competitive Point of Difference</u>: Location! Location! This is a significant point of difference and a competitive advantage. This prominent and conveniently located property has ample parking customers will enjoy, and return back to. Ease of access is an amenity customers value.

We have quality support from experienced Operators. They will provide support and excellence in design and store layout, opening, sourcing a quality supply chain at the lowest cost. Hiring, training and retaining employees. We will leverage technology to facilitate an efficient and excellent customer journey.

Local knowledge, local relationships and local partners will help our store connect with the community.

<u>Significant Levels of Support</u>: We have support from both vicinity Residents and Businesses as well as those that support long time Resident Aaron Brower. We have a significant amount of Support Letters for the business. And a robust amount of Support Letters for Aaron Brower.

<u>Neighborhood Outreach</u>: We mailed to all Property Owners and Occupants within 500 feet in both English and Spanish. We invited the neighborhood to see the 100 Year Old Boat Yard, and to review our vision for the future. We discussed the Property, the Operations, The Security, the Lighting. We enjoyed delicious food from Trenta that our neighbors really enjoyed. Several took some home. Two came seeking employment.

We can vassed the neighborhood on foot, eight (8) times, knocking on doors, sharing plans, discussing the project. We made calls to property owners not local at the time.

To our knowledge, no one has expressed concern nor opposition to the Project.

<u>Community Benefits</u>: We intend to support the Community in hopes the Community will support our store. At launch we have 2 focused groups we will lend our time, talent and customer base to support: 1) Veterans and 2) Pets. Ownership values these relationships.

Priceless Pets is in the neighborhood. We will have dedicated wall space to highlight "Pets of the Week". We will place reminders in customer's exit bags. And seek other ways to support Priceless Pets.

Veterans Alliance of Orange County, or VALOR, supports Veterans. We will work with this group to specifically benefit Veterans, with City approved events to provide services, and offer free medicine under SB 34, that allows a store to provide free medicine to Veterans. All ideas are valued and will be explored if they benefit Veterans. We are committed to having more than 50% of our Security Guards be Veterans.

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<u>Partner with Labor</u>: Applicant has signed a Labor and Peace Agreement with UFCW, to develop a work force that will delivery on the vision. We are exploring ways UFCW and others will support Social Equity Candidates

<u>Costa Mesa Chamber of Commerce</u>: The Mercantile has been a member of the Chamber of Commerce since our beginning. We support the Chamber and the Chamber supports us. We were the Title Sponsor for the Cannabis Industry Event and Boat Cruise.

Hours of Operation: 7 am to 10 pm.

<u>Home Delivery</u>: We will offer a component of our Retail experience that includes Home Delivery in a post COVID world. We offer this convenient option for those who choose not to visit the store, that seek our Subscription or "New Produce Release" offers. This will also help disperse any potential intensification issues.

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 cannabis 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 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. Permitter 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.

A 106 page <u>Security Plan</u> 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.

<u>Security Guards</u>: 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.

<u>Business Plan</u>: A 92-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.

<u>Deliveries</u>: 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.

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BEFORE



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AFTER



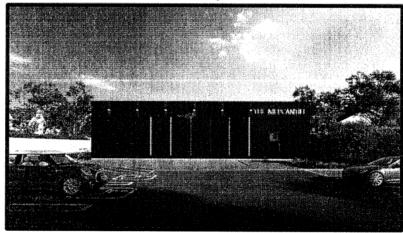
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Support Letters The Mercantile 141 E 16 th St # = 41









Hours: 7 am to 10pm

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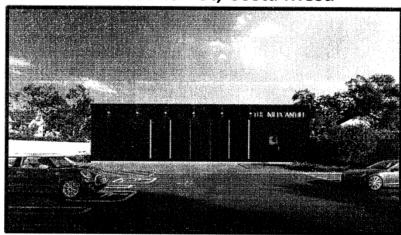




Hours: 7 am to 10pm

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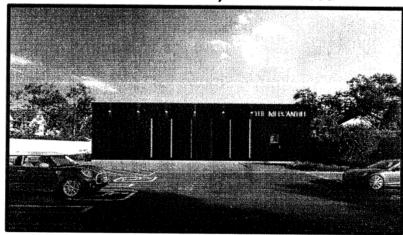




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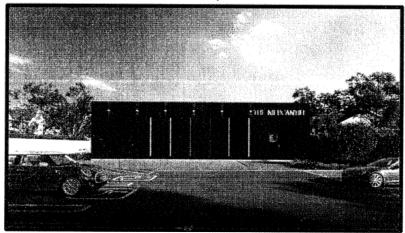




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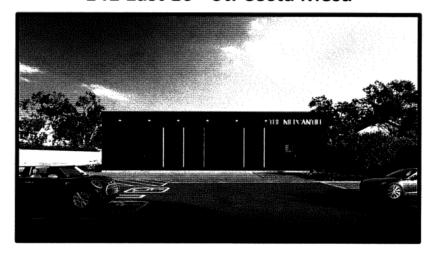




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Hours: 7 AM to 10PM

I am a neighbor, and I support the project at 141 E 16th St to transform the historic Boat Yard that operated 24 hours a day, seven days a week by modernizing the property, adding landscaping and improving the neighborhood.

Elizabeth Nickins Name:

Address: 133 E. 16th st spc 11. Costa Mera CA 92427

Date: October 2022





Hours: 7 AM to 10PM

I am a neighbor, and I support the project at 141 E 16th St to transform the historic Boat Yard that operated 24 hours a day, seven days a week by modernizing the property, adding landscaping and improving the neighborhood.

Name:

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Address:

33 E Win St

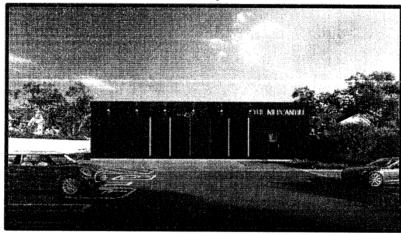
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Date:

October

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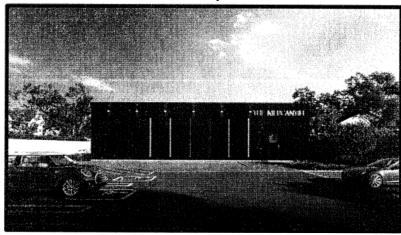




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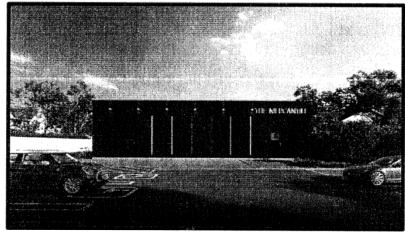




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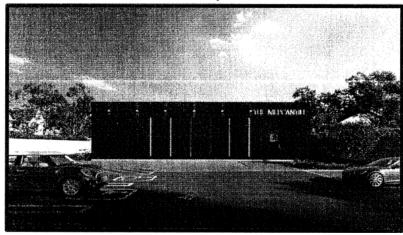




Hours: 7 am to 10pm

Name: Alex Mucho	
Signature:	
Address: 133 E 76th Street # 2	1
Date: July 7	
Resident	Business





Hours: 7 am to 10pm

Name: <u>Danica Dunville</u>
Signature:
Address: 133 E 16th St Space 22 Costa Mesa 92627
Costa Mesa 92627 Date:
Resident Business





Hours: 7 am to 10pm

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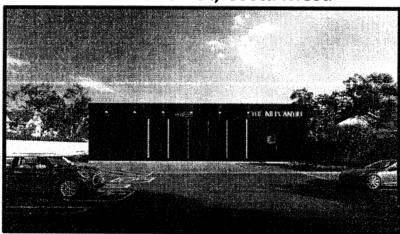




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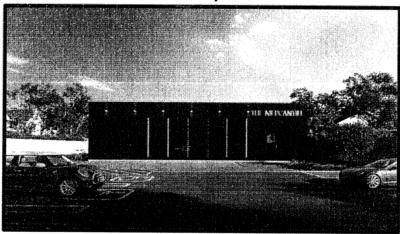




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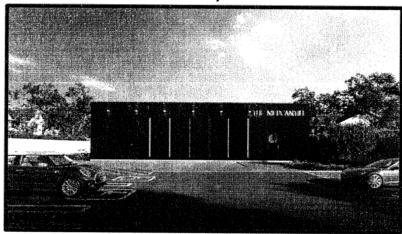




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Date: 6-27-23	Costa Mora, Ca
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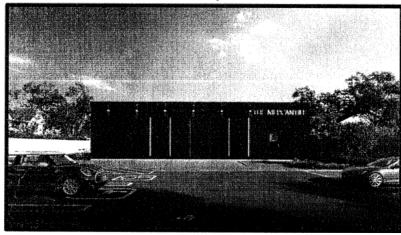
141 East 16th St, Costa Mesa



Hours: 7 am to 10pm

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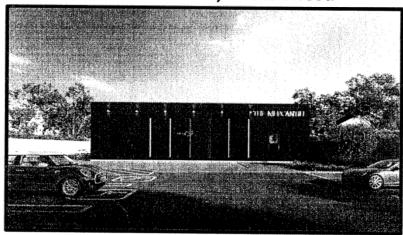
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MERCANTILE

141 East 16th St, Costa Mesa



Hours: 7 am to 10pm

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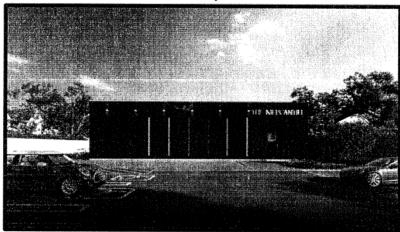




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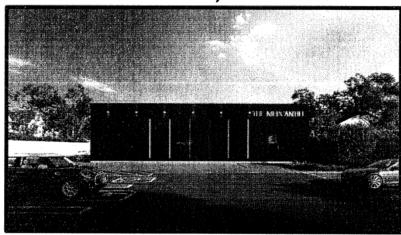




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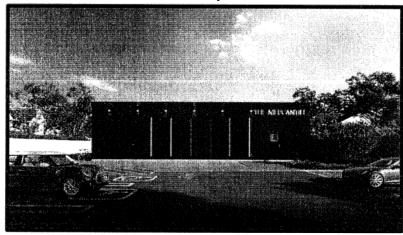




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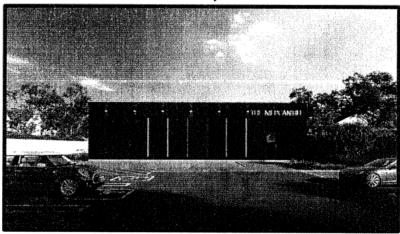




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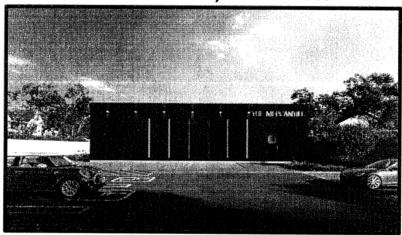




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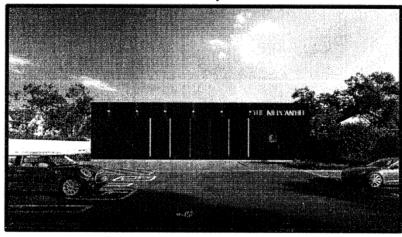




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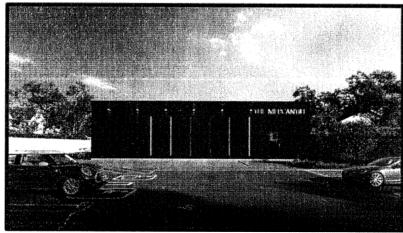




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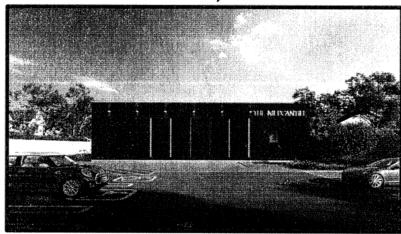




Hours: 7 am to 10pm

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Resident	Business





Hours: 7 am to 10pm

I am a neighbor, and I support the project at 141 E 16th St to transform the former Boat Yard that operated 24 hours a day, seven days a week by modernizing the property, adding landscaping and improving the neighborhood.

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Name: Norma BARCHOLDER
Signature: Nomm Danie

Address: 126 E-16714 ST

Date: 6-29-23

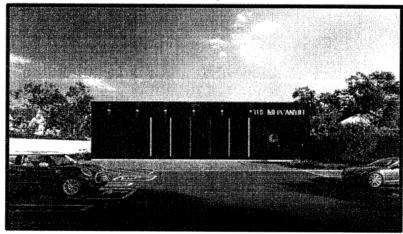


Resident



Business





Hours: 7 am to 10pm

I am a neighbor, and I support the project at 141 E 16th St to transform the former Boat Yard that operated 24 hours a day, seven days a week by modernizing the property, adding landscaping and improving the neighborhood.

Name:	Dayuella	Hohalek

Signature:

Address: 126 E. 16 Th St, # C.M.

Date: 6-27-23



Resident



Business





Hours: 7 am to 10pm

Name: MATTE GREENE		
Signature:		•
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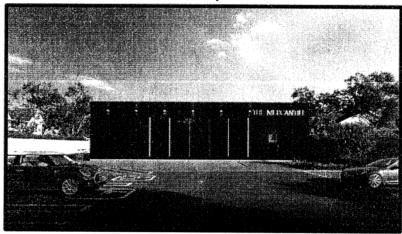




Hours: 7 am to 10pm

Name: Mark Mellor	
Signature Mark Maggar	I
Address: 126 E, 16Th St 44	<u>em</u>
Date: 6/27/23	
Resident	Business





Hours: 7 am to 10pm

Name: Jay Monet	
Signature:	
Address: 124 16 th St.	Costa Mesa, CA. 92624
Date: 6/27/23	
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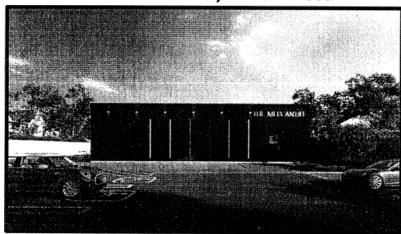




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Name: <u>Jay Jewerg</u>	
Signature:	
Address: 116 & 10th St	Costa Mesa, CA 92627
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Hours: 7 am to 10pm

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