

City of Healdsburg

Commercial Cannabis Application Phase II Evaluation Report

Kure Healdsburg SPC dba Kure Wellness

Applicant Name / DBA:

434 Hudson St. Healdsburg, CA 95448

Proposed Location / Physical Address:

Retail Storefront

License Type:

Original Report

Report Type:

Thursday, August 17, 2023

Report Date:

Complete Upon Initial Review.

Report Status:

Points Available: 1,200

Points Awarded: 1,200

Score: **100%**

PHASE II: APPLICATION EVALUATION AND REVIEW (1,200 Points)

During this application period the City will allow up to two (2) cannabis business permits. The Procedure Guidelines and Review Criteria constitute the application process and are adopted pursuant to the City of Healdsburg Municipal Code (HMC) Chapter 20.20.095 and Chapter 20.08 (Zoning). Applications will be reviewed and scored using a merit-based system. The top ranked applicants from Phase II, as determined by the City, may be eligible to advance to Phase III. The decision as to how many Applicants will be interviewed will be determined by the City Manager, based upon the overall quantity and quality of applications that the City receives. Notice of the results of Phase II will be provided in writing via email to the primary contact listed on the application.

Section A: Business Plan (400 pts)	Scoring Basis	Page Number	Points Available	Points Received	Evaluation	
Business Plan:						
A.1.	Budget for construction, operations, maintenance, compensation of employees, equipment, property lease, security equipment and staff, City fees, state fees, utility costs, product purchases, and other anticipated contingency costs. Budget demonstrates sufficient capital to pay startup costs, at least 3 months of operating costs, and a describes sources and use of funds.					
A.1.A.	Proof of capitalization, in the form of documentation of cash or other liquid assets on hand, Letters of Credit, or other equivalent assets.	Percentage	PDF #4, pgs. 6-41	100	100	Addressed criteria
A.1.B.	Pro forma for at least three years of operations.	Percentage	PDF #2, pg. 9	50	50	Addressed criteria
A.1.C.	A schedule for beginning operation, including a narrative outlining any proposed construction and improvements and a timeline for completion.	Percentage	PDF #2, pg. 10	50	50	Addressed criteria
A.1.D.	A letter from a bank, credit union, or similar financial institution stating that the cannabis Applicant has, or will be provided, access to banking services.	All or None	PDF #2, pg. 11	30	30	Addressed criteria
Daily Operations (Retail):						
A.2.	Describes the day-to-day operations which meet best practice if you are applying for a RETAIL permit, including at a minimum the following criteria:					
A.2.A.	Describe customer check-in procedures.	Percentage	PDF #2, pgs. 15-16	50	50	Addressed criteria
A.2.B.	Identify the location and procedures for receiving deliveries during business hours.	All or None	PDF #2, pgs. 16-18	20	20	Addressed criteria

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A.2. Cont'd	A.2.C.	Describe the Point-of-Sale system to be used (including name), how it will interact with the states track-and-trace system, and the number of Point-of-Sale terminals at full capacity.	Percentage	PDF #2, pgs. 18-19	75	75	Addressed criteria
	A.2.D.	Estimate the number of customers to be served per hour or per day.	Percentage	PDF #2, pg. 19	10	10	Addressed criteria
	A.2.E.	Describes how cannabis will be tracked and monitored to prevent diversion.	All or None	PDF #2, pgs. 19-20	10	10	Addressed criteria
	A.2.F.	Describes waste management plan, including waste disposal locations, security measures, methods of rendering all waste unusable and unrecognizable, and the vendor in charge of disposal.	Percentage	PDF #2, pg. 20	5	5	Addressed criteria
Summary		Applicant's start-up budget & first 3 months operating costs for a Microbusiness with Retail totaled approximately \$500K. Applicant provided proof of sufficient capital to cover start-up costs. Annual revenue projections started at approximately \$5.4M in Year 1 to \$7.2M in Year 3. Applicant's construction and building renovations for an existing 1,650 sq. ft. suite estimated at \$300K. Construction consists of interior tenant improvements. There are no proposed changes to the exterior. Commencement of operations if awarded a license projected in January 2024. Applicant provided a description of customer check-in and receiving deliveries. There would be three (3) point of sale terminals to serve approximately 150 customers per day. Applicant proposed 1-3 delivery vehicles. KurePOS point of sale software systems, as well as the METRC™ system, were identified as the inventory platform to meet regulations and prevent diversion. Waste management outline provided, and if necessary, Applicant would contract with a third-party vendor such as Cannabis Waste Haulers.					
Section B: Labor and Employment Plan (400 pts)			Scoring Basis	Page Number	Points Available	Points Received	Evaluation
B.1.	Describe the extent the business will recognize the collective bargaining rights of employees in accordance with Department of Cannabis Control DCR Title 4, Division 19, §15002.		All or None	PDF #2, pgs. 22-23	50	50	Addressed criteria
B.2.	Identify the number of employees at initial opening and maximum number of employees at full capacity.		Percentage	PDF #2, pg. 23	50	50	Addressed criteria
B.3.	Identify all positions and their responsibilities.		Percentage	PDF #2, pgs. 23-26	150	150	Addressed criteria
B.4.	Identify benefits provided to employees, including health care, vacation, and medical leave to the degree they are offered as part of employment.		Percentage	PDF #2, pgs. 27-28	150	150	Addressed criteria
Summary		Applicant pledged to enter into a Labor Peace Agreement within 60 days of hiring 10th employee or on or before July 1, 2024. Initial opening to full-capacity, employees are anticipated to grow from 8 to 20. Job positions consisted of a Chief Executive Officer, Chief Operating Officer, Compliance Officer, Chief Financial Officer, Secretary, Manufacturing Manager(s), Distribution Manager(s), Budtenders, Retail Store Manager(s), Delivery Manger, Reception, Wellness Consultant, Security Manager. Employee benefit goals include health insurance, 401k options, and paid vacation.					
Section C: Security Plan (400 points)			Scoring Basis	Page Number	Points Available	Points Received	Evaluation
C.	The Security Plan shall be prepared by a qualified professional. Security plan can be prepared with in-house staff or third-party security consultant.						
	C.1.	Clearly demonstrates that it meets the professional standards requested, and provided qualifications of the person(s) preparing the security plan.	All or None	PDF #2, pg. 31	100	100	Addressed criteria

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C.2.	Premises Diagram. Premises Diagram must be included in this Security Plan of the application.					
C.2.A.	Diagram must meet the requirements of the Department of Cannabis Control DCR Title 4, Division 19, §15006 Premises Diagram.	All or None	PDF #2, pg. 34	25	25	Addressed criteria
C.2.B.	Diagram shall show boundaries of property and proposed location to be licensed and show all boundaries, dimensions, entrances and exits, interior partitions, walls, rooms, windows, and doorways, and shall include a brief statement or description of the principal activity to be conducted therein.	All or None	PDF #2, pg. 34	25	25	Addressed criteria
C.2.C.	Diagram shall show and identify commercial cannabis activities to take place in each area of the premises and identify all limited-access areas.	All or None	PDF #2, pg. 34	25	25	Addressed criteria
C.2.D.	Diagram shall show all camera locations and include assigned an number to each camera for identification purposes.	All or None	PDF #2, pg. 34	25	25	Addressed criteria
C.2.E.	If the proposed location consists of only a portion of a property, the diagram is labeled indicating which part of the property will be used for the licensed premises and what activities will be used for the remaining property.	Not Scored	Not Scored	N/A	N/A	
C.3.	Describe operational security, including but not limited to general security for access/visitor control and inventory control.	Percentage	PDF #2, pgs. 35-37	50	50	Addressed criteria
C.4.	Describe cash handling procedures, including the process for receiving, tracking, storing and transporting cash generated.	Percentage	PDF #2, pg. 37	50	50	Addressed criteria
C.5.	Describe perimeter security, exterior lighting, on-site security guards, proposed guard hours and their responsibilities.	Percentage	PDF #2, pg. 37	75	75	Addressed criteria
C.6.	Describe employee training and general security policies.	All or None	PDF #2, pgs. 38-44	25	25	Addressed criteria
Summary	<p>Security Plan prepared by qualified owner Russell Green. The application included a Premise diagram which met requirements of Department of Cannabis Control DCR Title 4, Division 19, §15006. [REDACTED] Cannabis inventory would be securely stored for inventory control. General cash handling procedures addressed, including [REDACTED] Plan contained general employee training procedures on product handling and operating procedures. General security policies consistent with industry best practices, applicable laws and regulations.</p>					