

**2019 CITY OF OAKLAND  
SCORED DISPENSARY PERMIT APPLICATION**

**1. Applicant Information**

a. **Name:** Joshua Chase Inc

**b. Type of Corporate Structure:**

Corporation       Limited Liability Company       Partnership       Individual

Collective      Other: \_\_\_\_\_

c. **Doing Business As:** Oakland Cannabis Company, OCC, OakCannaCo, OakCanna

d. **Please Attach a Copy of State Registration (if applicable)**

**e. Partner/Owner/Manager Information:**

Please list all persons directly or indirectly interested in the permit sought, including all officers, directors, general partners, managing members, stockholders, and partners. Please attach additional pages if necessary (additional pages should be on 8½ x 11" paper; single sided, and include a Header with the applicant's name on the top right corner of each page).

<b>Last Name:</b> Chase		<b>First Name:</b> Joshua		<b>Middle Initial:</b> E	
<b>Alias(es):</b>					
<b>Title:</b> Owner					
<b>Business Address:</b>					
<b>City:</b>		<b>State:</b>		<b>Zip:</b>	

<b>Last Name:</b>		<b>First Name:</b>		<b>Middle Initial:</b>	
<b>Alias(es):</b>					
<b>Title:</b>					
<b>Date of Birth:</b>		<b>Phone:</b>		<b>Email:</b>	
<b>Residential Address:</b>					
<b>City:</b>		<b>State:</b>		<b>Zip:</b>	
<b>Business Address:</b>					
<b>City:</b>		<b>State:</b>		<b>Zip:</b>	

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<b>Alias(es):</b>					
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<b>City:</b>		<b>State:</b>		<b>Zip:</b>	

**2. Business Plan (twelve points, two points per question)**

Using only the spaces provided below, please answer the following questions.

- a) Describe Applicant's understanding of the cannabis dispensary market, what customers in this market are seeking, and how Applicant intends on capturing market share.

The applicant has a thorough understanding of the legal requirements to run a cannabis dispensary. The applicant has detailed knowledge of the cannabis industry and the administrative and reporting requirements involved in running successful cannabis businesses, based upon 10 years of experience in the cannabis industry. Joshua currently owns and operates a 9,000 square foot dispensary in the heart of Old Oakland between Downtown and Jack London Square (<https://haveaheartcc.com/dispensaries/ca/oakland-downtown/>). Have A Heart Broadway is projected to reach over 6 million in sales during our first fiscal year. We trained over 50 employees through our companies development training program, and of those employees, 90% are Oakland residents, and 50% were formally incarcerated.

Oakland has a strong legal cannabis market due to an abundance of dispensaries and delivery services, as well as a supportive governmental structure. We feel we can help contribute to Oakland's effort in promoting responsible cannabis use. We will strive to reduce "black market" consumption by offering reasonable prices on quality items, provide financial support for substance abuse programs, and subsidizing sales of cannabis for veterans and low-income residents. Our goal is to educate consumers and drive sales from the black market to the legal market in order to generate sales that can be taxed by City, State and Federal taxing authorities. Joshua Chase Inc. will capture market share through effective marketing and advertising via SEO (Search Engine Optimization) and SMO (Social Media Optimization), offering excellent customer service, quality selections of products, competitive pricing, convenience and understanding customer demand.

Currently based upon knowledge of my current Oakland Dispensary, consumers purchase approximately 60% Flower, 18% Edibles, 20% Concentrates, 1% other cannabis products and 1% non-cannabis products. The proposed cannabis business will work with BJ Jordan, an industry leading marketing director, Guillermo Bravo owner of Foottraffik, one of the largest cannabis SEO companies and Marques Cameron who has been an industry leading buyer for over a decade. We plan to have a strong presence in Oakland with a focus on customer acquisition and aim to participate in the community through attending city hall events, sponsoring neighborhood beautification efforts, hiring local residents and partnering with other local businesses. We look forward to partnering with the City of Oakland to promote a community-oriented cannabis market and generate taxes to help the City of Oakland support local services.

The applicants understanding of the Cannabis Dispensary Market comes from years of experience in the Medical and Recreational Cannabis Industry. Developing Marketing plans and strategy based on local regulations and maintaining a compliant voice and brand can be very tricky. Based on the current BCC (Bureau of Cannabis Control) advertising regulation requiring all advertisements to prove an audience of 71.6% 21+, we have taken a digital marketing approach that creates customer engagement, retention, brand loyalty as well as maintain data of each audience that is being advertised to. Utilizing tools like Google, Yelp, Leafly, and Bing; we are able to capture the market share in the region. Through SEO we ensure our Dispensary listings rank at the top of all search results. Loyalty systems put in place creates customer retention once a customer has shopped with us. We provide deals, specials, and rewards via a "customer wallet" to ensure the guest has 100% transparency on all promotions during their shopping experience. SMS based phone messaging allows us to use segmentation to provide offers to the guest on products they have previously purchased or brands they have frequently purchased. This segmentation creates customer loyalty and eliminates the nuisance of unwanted messages. Through these digital marketing tactics, we are able to ensure market share penetration in Oakland as well as create happy and loyal customers.

The applicant has a proven track record on establishing local business, employing Oakland residents and investing money in Oakland. We believe it is in the community's best interest to choose an operator that will succeed in paying all taxes that are owed. It is important these permits are utilized by eager and experienced operators that have a passion for the City of Oakland..

The following business plan answers (2d-2f) are based on actual data and information from the applicants current 4000 square foot dispensary showroom floor. The proposed business plan is modeled using Greenbits point of sale system pulling real data based on Oakland cannabis customers.

b) Describe Applicant's background and experience in cannabis dispensing or similar industries.

Joshua Chase was born in San Francisco and moved to Oakland at 6 months old. He attended Oakland Public Schools later graduating from Santa Clara University with a BS in Economics. While attending college in 2009, Joshua became a medicinal cannabis patient and started to experiment with small cannabis grows in the Northern Bay Area while educating himself on the cannabis market by visiting local dispensaries. Joshua utilized Measure Z and Proposition 215 to gain the experience necessary to make the jump into the recreational market. In 2012 Washington legalized cannabis and Joshua moved to Washington to join the legal adult use cannabis industry.

In Washington, Joshua operated an 1502 manufacturing, cultivation and extraction facility that focused on soil to oil methods and employed roughly 25 employees. Joshua worked closely with Washington state regulatory officials during early development of cannabis legalization and is proficient with trace and trace systems for both dispensary and vendor technologies. During his time in Washington, Joshua received the opportunity to manage a commercial sized cannabis grow operation, worked side by side with an extraction team, acted as the CSO (Chief Sales Officer) in which he was able to partner with over 150 retail accounts and build over 250 relationships with other producer/ processors. Washington allowed Joshua to absorb the needed experience to participate in Oakland's emerging cannabis industry.

Since Joshua's arrival to California, he has had the opportunity to work hand in hand with the social equity program in Oakland, San Francisco and the Greater Los Angeles Area. In his short time being back in California, he has built a vertically intergraded cannabis operation by owning permits for a brick and mortar dispensary, delivery, distribution and manufacturing entities. He has partnered and worked beside some of the top cannabis companies to expand operations and increase revenue.

In 2018 Joshua Chase was awarded a general dispensary permit and partnered with Have a Heart, who has invested over 4.5 million dollars into the Oakland community. Joshua lead this project from writing the application, presenting at public hearing, finding a location and securing a lease for both the dispensary and incubation warehouse, getting inspection cards completed, getting approval from the special permitting office, planning department, zoning department, building department, fire department and OPD. Since opening in September 2019, his location has surpassed 3 million in sales and currently employs over 25 Oakland residents. Have a Heart Broadway defines a new image of the cannabis industry and provides remarkable experiences for our guests, our teammates, and our business partners. By cultivating love and compassion, providing education, philanthropy, promoting community involvement, and striving for continuous improvement, we empower those we serve and employ to lead healthy lives and inspire others to do the same. We focus on sustainable profitability and professional business practices to ensure the longevity of these values.

Finally, the applicant sits on the Cannabis Regulatory Commission of The City of Oakland and was nominated in August 2019 by City Council member Loren Taylor. Joshua helps advise the City Council on all topics related to cannabis in the city of Oakland. In 2019 the cannabis commission was a large factor in helping to lower the cannabis tax rate to produce a healthy ecosystem for the local cannabis industry. The applicant is excited for the chance to bring his combined experience and expertise from both Washington and California to bear on establishing a new commercial cannabis business in the City of Oakland that can benefit the community.

c) Explain how Applicant will cover its startup costs and working capital requirements. If Applicant's funds are currently available, please attach a letter of credit demonstrating sufficient capitalization to cover initial business costs. If these funds are not yet available, please outline how Applicant will gather enough capital to cover initial business costs. Examples include:

- I. Selling or converting other personal assets to raise funds.
- II. Borrowing against personal assets.
- III. Raising funds from investors.
- IV. Obtaining a loan from a third party.
- V. Obtaining a letter of credit from a third party.
- VI. Other (please describe)



A large empty rectangular box with a thin black border, intended for the applicant's response to the question above.

d) Using the following tables, please provide Applicant's anticipated start-up expenses.

<b>REAL ESTATE AND ADMINISTRATIVE EXPENSES</b>	<b>\$ AMOUNT</b>
Purchase or Rent	\$500,000
Construction or Remodeling	\$1,500,000
Utility Deposits	\$10,000
Legal and Accounting Fees	\$15,000
Insurance	\$30,000
Prepaid Insurance	\$7,500
Pre-Opening Salaries and Benefits	\$78,000
Other (please provide detail) <b>Incubation space Requirements</b>	\$100,000

<b>CAPITAL EQUIPMENT LIST</b>	<b>\$ AMOUNT</b>
Furniture	\$15,000
Equipment	\$20,000
Fixtures	\$25,000
Machinery	\$5,000
Other (please provide detail) <b>Security and Fire requirements</b>	\$50,000

<b>OPENING INVENTORY</b>	<b>\$ AMOUNT</b>
Category 1: <b>Flower + prerolls</b>	\$100,000
Category 2: <b>Concentrates</b>	\$30,000
Category 3: <b>Edibles</b>	\$40,000
Category 4: <b>Other cannabis items</b>	\$25,000
Category 5: <b>Non cannabis items</b>	\$19,000

<b>ADVERTISING AND PROMOTIONAL EXPENSES</b>	<b>\$ AMOUNT</b>
Advertising	\$32,000
Signage	\$41,000
Printing	\$9,000
Travel/entertainment	\$5,000
Other/additional categories	\$2,500

<b>OTHER EXPENSES</b>	<b>\$ AMOUNT</b>
Reserve for Contingencies	\$175,000
Other Expense 1:	
Other Expense 2:	

e) Please provide a staffing plan for the first three years using the following tables for each anticipated owner or employee:

**2021**

Position Title:	Salary Costs per Month	Benefit Costs per Month	Number Employed at this Position	Anticipated Month of Hiring
Owner	\$0	\$0	1	Dec 2020
Manager	\$5,500	\$1,100	1	Dec 2020
Assistant Manager	\$4,000	\$800	2	Dec 2020
Lead sales associate	\$3,500	\$0	2	Dec 2020
Inventory contoler	\$3,200	\$0	2	Dec 2020
Budtender	\$3,200	\$0	8	Dec 2020
Secuirty	\$3,200	\$0	4	Dec 2020
Laywer + Accountant	\$5,000	\$0	2	Dec 2020

**2022**

Position Title:	Salary Costs per Month	Benefit Costs per Month	Number Employed at this Position	Anticipated Month of Hiring
Owner	\$0	\$0	1	-
Manager	\$6,500	\$1,300	1	-
Assistant Manager	\$4,800	\$960	2	-
Lead sales associate	\$3,800	\$0	2	-
Inventory contoler	\$3,500	\$0	2	-
Budtender	\$3,500	\$0	15	Dec 2021
Secuirty	\$3,500	\$0	4	-
Laywer + Accountant	\$5,000	\$0	2	-

**2023**

Position Title:	Salary Costs per Month	Benefit Costs per Month	Number Employed at this Position	Anticipated Month of Hiring
Owner	\$8,000	\$1,300	1	-
Manager	\$6,500	\$1,300	1	-
Assistant Manager	\$4,800	\$960	2	-
Lead sales associate	\$3,800	\$760	2	-
Inventory contoler	\$3,500	\$700	2	-
Budtender	\$3,500	\$700	15	-
Secuirty	\$3,500	\$700	4	-
Laywer + Accountant	\$5,000	\$0	2	-

f) Please provide a forecast of your income statement (profit and loss) for each of the first three year, including:

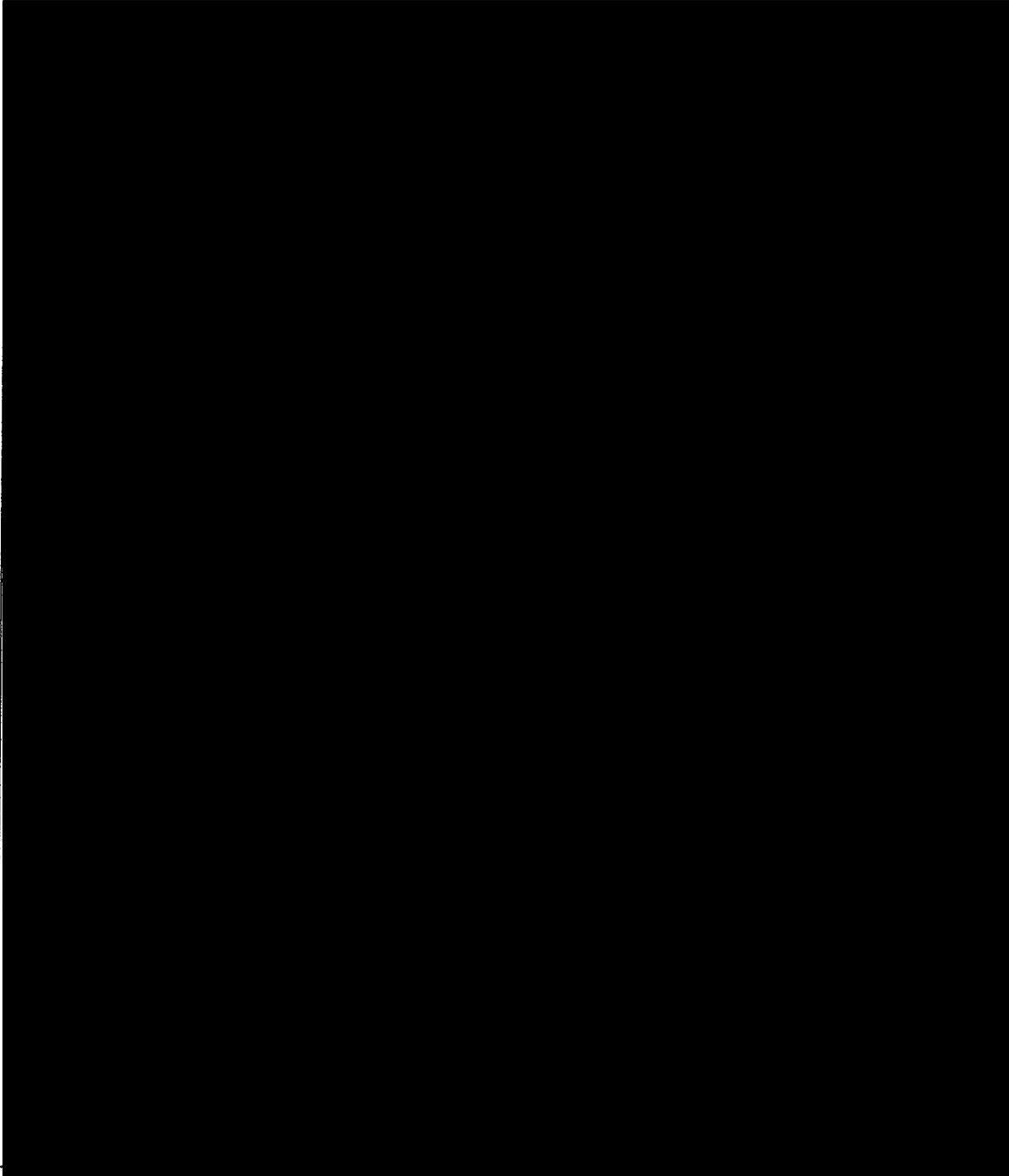
	2021	2022	2023
<b>REVENUES</b>			
Product/Service 1 <b>Flower</b>	\$4,847,184	\$5,816,621	\$8,375,936
Product/Service 2 <b>Edibles</b>	\$1,454,155	\$1,744,986	\$2,512,781
Product/Service 3 <b>Concentrates</b>	\$1,615,729	\$1,938,874	\$2,791,978
Other Revenue <b>Other + non cannabis</b>	\$161,573	\$193,888	\$279,200
<b>TOTAL REVENUES</b>	<b>\$8,078,641</b>	<b>\$9,694,369</b>	<b>\$13,959,895</b>
<b>COST OF GOODS SOLD</b>			
Product/Service 1	\$1,938,874	\$2,326,648	\$3,350,374
Product/Service 2	\$581,662	\$697,995	\$1,005,112
Product/Service 3	\$646,291	\$775,550	\$1,116,792
Salaries-Direct	\$936,000	\$1,226,400	\$1,322,272
Payroll Taxes and Benefits-Direct	\$308,880	\$431,832	\$685,272
Depreciation-Direct	\$10,000	\$11,500	\$13,000
Supplies	\$87,500	\$147,600	\$175,440
Other Direct Costs	\$5,000	\$7,000	\$8,500
<b>TOTAL COSTS OF GOODS SOLD</b>	<b>\$4,514,207</b>	<b>\$5,624,525</b>	<b>\$7,676,762</b>
<b>GROSS PROFIT (LOSS)</b>	<b>\$3,564,433</b>	<b>\$4,069,843</b>	<b>\$6,283,133</b>
<b>OPERATING EXPENSES</b>			
Advertising and Promotion	\$92,000	\$102,000	\$102,000
Automobile/Transportation	\$550	\$965	\$1,200
Bad Debts/Losses and Thefts	\$13,750	\$17,000	\$18,500
Bank Service Charges	\$13,400	\$25,000	\$25,220
Business Licenses and Permits	\$27,895	\$34,000	\$34,400
Charitable Contributions	\$80,787	\$96,944	\$114,905
Computer and Internet	\$15,475	\$8,588	\$8,500
Continuing Education	\$14,565	\$17,320	\$17,524
Depreciation-Indirect	\$0	\$0	\$0
Dues and Subscriptions	\$2,800	\$5,240	\$6,455
Insurance	\$37,500	\$39,320	\$40,600
Meals and Entertainment	\$1,344	\$4,856	\$6,500
Merchant Account Fees	\$2,800	\$3,600	\$4,000
Miscellaneous Expense	\$50,000	\$72,000	\$75,000
Office Supplies	\$12,500	\$14,800	\$15,920
Payroll Processing	\$3,600	\$7,200	\$7,200
Postage and Delivery	\$1,250	\$2,880	\$3,000
Printing and Reproduction	\$9,000	\$11,000	\$11,000
Professional Services-Legal, Accounting	\$60,000	\$60,000	\$60,000
Occupancy	\$557,895	\$617,895	\$660,256

	<b>2021</b>	<b>2022</b>	<b>2023</b>
Rental Payments	\$120,036	\$124,700	\$125,260
Salaries-Indirect	\$89,010	\$120,000	\$135,345
Payroll Taxes and Benefits-Indirect	\$29,347	\$39,600	\$40,314
Subcontractor	\$32,000	\$43,000	\$47,000
Telephone	\$14,400	\$14,400	\$14,400
Travel	\$6,500	\$7,500	\$8,000
Utilities	\$21,600	\$23,800	\$23,649
Website Development	\$2,400	\$2,000	\$2,000
<b>TOTAL OPERATING EXPENSES</b>	<b>\$1,312,414</b>	<b>\$1,515,608</b>	<b>\$1,608,148</b>
<b>OPERATING PROFIT (LOSS)</b>	<b>\$2,252,020</b>	<b>\$2,554,236</b>	<b>\$4,674,985</b>
<b>INTEREST (INCOME), EXPENSE &amp; TAXES</b>			
Interest (Income)	\$0	\$0	\$0
Interest Expense	\$0	\$0	\$0
Income Tax Expense	\$934,093	\$1,076,075	\$1,777,777
<b>TOTAL INTEREST (INCOME), EXPENSE &amp; TAXES</b>	<b>\$934,093</b>	<b>\$1,076,075</b>	<b>\$1,777,777</b>
<b>NET INCOME (LOSS)</b>	<b>\$ 1,307,945</b>	<b>\$ 1,478,161</b>	<b>\$ 2,897,079</b>

**3. Security Plan (five points)**

Using only the space provided below, describe what measures Applicant will take to

- i. to avoid diversion of cannabis to unregulated market;
- ii. to prevent a burglary or armed robbery;
- iii. to minimize the loss of product in the case of a burglary or armed robbery.



#### 4. Compliance with State Law (four points)

Using only the space provided below, please describe how Applicant will comply with state law, including:

- i. The supply chain from which applicant will obtain cannabis and cannabis products (Applicants need not name specific vendors; identifying license categories is sufficient).
- ii. How Applicant plans to record the movement of cannabis and cannabis products in their custody, such as with a track and trace system.

As an individual, Joshua Chase possess extensive industry experience and through that experience, he has learned that the best way to ensure receipts of high quality, regulatory compliant cannabis products at a retail dispensary is through partnering with best-in-class fully compliant suppliers.

The applicant has been developing relationships in the Oakland Bay Area cannabis industry for over a decade and has made an art of building mutually beneficial business partnerships that allow the City of Oakland to collect taxes and create jobs. The applicant believes the key to compliance will be obtained by bringing the highest quality selection of cannabis products to our customers. If the applicant is successful, they will look forward to teaming with the best licensed cultivators, manufactures, distributors, transports, testing labs and keeping Oakland equity licensees at the top of the priority list of compliant businesses.

The proposed cannabis business will thoroughly review potential suppliers and work with the best cultivators, manufacturers and distributors in the area. A part of the evaluation process when selecting cultivators and manufacturers includes reviewing test results from independent laboratories. We have worked with many local labs in the past to ensure multileveled checks and balances to insure legitimacy. Specifically, we look at THC and CBD levels; terpene profiles, pesticide detections, heavy metal and the microbial concentration for any products we are considering offering for sale. It is mandatory that all of our suppliers of cannabis products conduct all these tests to confirm all inventory meets these standards. We will never purchase or resell cannabis flower, extracts, or edibles that exceed thresholds of contaminants set by the State or local regulatory bodies.

Perhaps the only thing more important to the success of a retail cannabis business than providing high-quality is complete and total regulatory compliance. The proposed cannabis business will diligently track inventory and sales that take place at the retail facility. Greenbits point of sales will be used as a point of sale tracking system. All movement of cannabis products will be tracked in Greenbits (and recorded by the facility surveillance system). Greenbits software will interface with the state of California's tracking system, Metrc, and will track and report on all financial and inventory aspects of the business. Historical reports are generated from the software and are available for monthly reporting requirements or for inspection at the request of State or City auditors.

All cannabis product inventory will be tracked while it is on the dispensary premises. When cannabis product enters the facility, the quantity received will be reconciled with expected quantities provided on transport manifests and purchase invoices. Items will be updated in Greenbits and will show up as active inventory in the dispensary software. Updated barcodes for tracking will be added as needed prior to placement on the dispensary sales floor. Sold items will be scanned at a register, marked as sold in Greenbits and updated on Metrc. Any abnormal variances in inventory found during regular audits will be internally investigated, reported to the City officials and updated in Greenbits point of sale system.

We will ensure record keeping requirements of all books and records necessary to fully account for each business transaction conducted under our license, which may be audited at any time to provide the information necessary to prevent illegal diversion. These records include but are not limited to the amount of cannabis that is dispensed, the amount of compensation received, accounts, and all other relevant data or documents. Our security records will be kept in locking cabinets and through a digital internal database to provide secondary protection against physical theft or natural damages. Documents will be produced no later than 24 hours after a request by a law enforcement or regulatory body.

Other inventory Standard Operating Procedures will define processes such as: mandatory pre-intake quality inspections upon physical receipt of cannabis products at the facility, including packaging and labeling compliance checks by the on-duty manager; cannabis products recall and/or destruction in compliance with any Oakland or California regulations.

**5. Tax Rates (four points, one point per question)**

Using only the space provided below, please answer the following questions regarding local and state tax laws that apply to cannabis dispensaries.

**i. Local Taxes:**

**a. What are the City of Oakland's current business tax rates for cannabis businesses?**

On December 10 2019, The Oakland City council adopted Ordinance No. 13573 C.M.S. amending the Oakland Municipal Code ('OMC') Title 5, Chapter 5.04, Section 5.04.480 and 5.04.481 to create a tiered and category based tax structure for cannabis businesses. The tax structure reads as the following.

- Dispensary store-front & Delivery, \$1-\$1.5M (Equity only) 0.12%, \$1-\$500k 0.12%, \$500k-\$1.5M 5% Medical/ 6.5% Non-Medical, \$1.5M- \$5M 5% Medical/ 6.5% Non-Medical, \$5M+ 5% Medical/ 9.5% Non-Medical \*non-marginal\*
- Indoor Cultivation \$1-\$1.5M (Equity only) 0.12%, \$1-\$500k 0.12%, \$500k-\$1.5M 5% Medical/ 6.5% Non-Medical, \$1.5M- \$5M 5% Medical/ 6.5% Non-Medical, \$5M+ 5% Medical/ 9.5% Non-Medical \*non-marginal\*
- Outdoor Cultivation \$1-\$1.5M (Equity only) 0.12%, \$1-\$500k 0.12%, \$500k-\$1.5M 5% Medical/ 6.5% Non-Medical, \$1.5M- \$5M 5% Medical/ 6.5% Non-Medical, \$5M+ 5% Medical/ 9.5% Non-Medical
- Manufacturing, Packing & Storage \$1-\$1.5M (Equity only) 0.12%, \$1-\$500k 0.12%, \$500k-\$1.5M 5% Medical/ 6.5% Non-Medical, \$1.5M- \$5M 5% Medical/ 6.5% Non-Medical, \$5M+ 5% Medical/ 9.5% Non-Medical
- Distribution \$1-\$1.5M (Equity only) 0.12%, \$1-\$500k 0.12%, \$500k-\$1.5M 5% Medical/ 6.5% Non-Medical, \$1.5M- \$5M 5% Medical/ 6.5% Non-Medical, \$5M+ 5% Medical/ 9.5% Non-Medical
- The Oakland tax rate for cannabis businesses in 2021 for sales over 5 Million is 8% recreational and 5% medical. In 2022 these rates drop to 5% recreational and 5% medical.

**ii. State Taxes:**

**a. What is the cannabis excise tax rate for adult use cannabis purchases?**

California excise tax is 15%, distributors selling to dispensaries in an arm length transaction are required to bill and collect excise tax from the retailer. On a \$1000 transaction the distributor collects \$270 from retailer, which includes the required 80% markup on costs.

**b. What is the sales tax rate for adult use cannabis sales?**

Per the CDTFA the current effective tax rate is 9.25%.

**iii. What measures, including point of sale systems, Applicant will implement to ensure proper collection of local and state taxes.**

The applicant will utilize the point of sale system, Greenbits, to track all sales and inventory data. The Applicant has experience using trace and trace systems since 2013, and all fields required by local and state taxes are able to be input and automatically generated. Greenbits will also interface with the California State Traceability System, Metrc, and will have a guarantee of service. Additionally, the proposed cannabis business will hire a CPA to reconcile all books and provide payment of tax obligation on a monthly basis. All books will be kept current and are able to be inspected by City or State officials at any time.

**6. Odor Mitigation (four points)**

Using only the space provided below, please submit a plan for how cannabis odors will not be detectable outside of the proposed facility, such as utilization of carbon filters.

The proposed cannabis business facility will include a 'tri-phase', carbon-filter-based odor reduction system, negative air pressure exhaust system, and ONA gel odor-absorbing canisters. We will organize the facility into a series of separate, properly insulated and sealed areas including packaging, storage, dispensing, and common areas. Each area will feature a predetermined number of both standard air filters and carbon filters, which will circulate and scrub the air at a flow-rate calculated to filter all the air in the designated area at least every 15 minutes.

The Facilities Manager will replace these filters on a regular basis to ensure they are operating at their highest possible efficiency. We will integrate these filters into a negative air pressure exhaust system. Exhaust from each area will pass through an activated carbon filter before entering a sealed ducting system. The air will then be transferred to a centralized air bank. All exhaust from the dispensary will be filtered a third time through a series of activated carbon filtration screens before it finally exits the building through a stack system. We will seal and insulate each room in the facility to limit air intake and maintain negative pressure. Finally, We will place ONA Gel odor-absorbing canisters throughout all areas of the facility in order to further minimize odor within the facility. The applicants feel that these measures will be sufficient to eliminate any odor originating from the facility. We are prepared to take additional measures based on input from community members, police, City or State officials.

**7. Neighborhood Beautification (five points) 3236 lakeshore edit**

Using only the space provided below, please submit a community beautification plan detailing specific steps your business will take to reduce illegal dumping, littering, graffiti and blight and promote beautification of the adjacent community. Examples of specific steps include participating in City of Oakland Adopt a Spot/Drain program, installing murals, removing graffiti within 48 hours and providing landscaping.

The applicant looks forward to contributing to the beautification of the Oakland community by working with Keep Oakland Beautiful in their efforts to reduce illegal dumping, clearing homeless debris, litter, graffiti, plant blight and promote beautification to adjacent Oakland communities. We will orchestrate community/employee days partnering with the City of Oakland's program Adopt a Spot. We pledge to provide food, cleaning equipment/ supplies and dumping services for volunteers. Joshua Chase's current dispensary, HAH5, operates a similar program in Downtown Oakland, where employees organize a volunteer program to clean up city parks and streets. In addition, we will provide paint, painting equipment and labor to East Oakland residents to cover up graffiti and other gang tags and sponsor murals created by local artists in communal areas.

If licensed by the City of Oakland, the proposed cannabis business commits to allocating a minimum of 1% of its gross profits to programs described above. Please see the attached Oakland beautification schedule posted at the applicant's current Oakland cannabis business.

EDIT for 3236 Lakeshore: Additionally to what is stated above we will work with other local business operators to ensure the surrounds area are clean for members of our community. We will send out staff to clean in front of the local shops, parking lots and parks that are near. Lakeshore can be a very busy area and we look forward to keeping it clean to increase tourism and local customers. We have partnered with Dragon School to help cover unwanted art with pieces the city can be proud of.

**8. Labor (eighty points, twenty points per question)**

a. OMC 5.80 requires that half of all dispensary employees be Oakland residents. What percentage of Applicant's employees will be Oakland residents from equity program qualifying police beats as defined by OMC 5.80 and 5.81?

- 1-10%     11-20%     21-30%     31-40%     41-50%     51-100%

b. What percentage of Applicant's employees will be formerly incarcerated current Oakland residents?

- 1-10%     11-20%     21-30%     31-40%     41-50%     above 50%

c. What will the pay ratio be between the dispensary's CEO compensation compared to the median compensation of the company's workforce?

- >5 to 1     ≤5 to 1     ≤3 to 1     ≤2 to 1     1 to 1

d. How will you recruit employees from equity qualifying police beats and/or formerly incarcerated Oakland residents?

The applicant currently owns and operates a dispensary that is committed to employing 90% Oakland residents. In addition, 50% of our employees have been incarcerated and we currently incubate nine cannabis equity permits. Learning from past experiences, the proposed cannabis business understands that fulfilling these requirements can be a challenge, yet I have found critical tools in the community to accomplish these hiring goals.

The applicant will work with local programs such as 'The Success Centers', 'CEO', 'Oakland Unite' which partners with 'The Cease Fire Program', along with recruiting agencies that focus on formally incarcerated population. We plan on attending local job fairs as well as working with the City of Oakland, the East Oakland Police Department, local churches, halfway houses, AA programs, shelters in order to reach out to potential employees. We plan on being an active member of the community and we are commit to train and educate our staff to ensure their success and support community growth.

**9. Ownership (fifteen points)**

Does Applicant's "ownership" as defined under 5.80.010 (M) satisfy the definition of an Equity Applicant<sup>3</sup>?

yes

no

If you answered yes to question 9, please provide supporting documentation as described below.

For proof of ownership please provide entity formation documents or documents filed with the California Secretary of State (e.g. articles of incorporation, stock issuance records, operating agreements, partnership agreements).

For proof of income please provide federal tax returns and at least one of the following documents: two months of pay stubs, current Profit and Loss Statement, Balance Sheet, or proof of current eligibility for General Assistance, Food Stamps, Medical/CALWORKs, or Supplemental Security Income or Social Security Disability (SSI/SSDI).

For proof of conviction should be demonstrated through Court documents, Probation documents, Department of Corrections or Federal Bureau of Prisons documentation.

For proof of residency please complete the below Proof of Residency Chart for all qualifying individuals and provide a minimum of two of the documents listed below evidencing 10 years of residency. All residency documents must list the applicant's first and last name, and the Oakland residence address in applicable police beats.

- California driver's record; or
- California identification card record ; or
- Property tax billing and payments; or
- Verified copies of state or federal income tax returns where an Oakland address is listed as a primary address; or
- School records; or
- Medical records; or
- Oakland Housing Authority records; or
- Utility company billing and payment covering any month in each of the ten years.

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<sup>3</sup> an "Equity Applicant" is an Applicant whose ownership/owner:

1. Is an Oakland resident; and
2. Has an annual income at or less than 80 percent of Oakland Average Medium Income (AMI) adjusted for household size; and
3. Either

(i) has lived in any combination of Oakland police beats 2X, 2Y, 6X, 7X, 19X, 21X, 21Y, 23X, 26Y, 27X, 27Y, 29X, 30X, 30Y, 31Y, 32X, 33X, 34X, 5X, 8X and 35X for at least ten of the last twenty years OR

(ii) was arrested after November 5, 1996 and convicted of a cannabis crime committed in Oakland.

**Proof of Residency Chart**

<b>NAME OF EQUITY INDIVIDUAL</b> Joshua Eugene Chase		
<b>CURRENT OAKLAND ADDRESS</b>	<b>DATES</b>	
	<b>FROM</b> 1989	<b>TO</b> Current
<b>PRIOR OAKLAND ADDRESS(ES)</b>		

<b>NAME OF EQUITY INDIVIDUAL</b>		
<b>CURRENT OAKLAND ADDRESS</b>	<b>DATES</b>	
	<b>FROM</b>	<b>TO</b>
<b>PRIOR OAKLAND ADDRESS(ES)</b>		

<b>NAME OF EQUITY INDIVIDUAL</b>		
<b>CURRENT OAKLAND ADDRESS</b>	<b>DATES</b>	
	<b>FROM</b>	<b>TO</b>
<b>PRIOR OAKLAND ADDRESS(ES)</b>		

**10. Product (forty points)**

What percentage of its cannabis products will Applicant commit to placing on its shelves and electronic platforms from Oakland equity cultivators and manufacturers? This commitment shall be demonstrated to the City via quarterly reports and verified on an annual basis.

- 1-10%    
  11-20%    
  21-30%    
  31-40%    
  41-50%    
  above 50%

**11. Distribution (forty points)**

What percentage of its cannabis products will Applicant commit to purchasing from Oakland equity distributors? This commitment shall be demonstrated to the City via quarterly reports and verified on an annual basis.

- 1-9%       10-20%       21-40%       41-60%       61-80%       81-100%

**12. Dispensary Incubator Program (maximum 60 points available with point allocation described below)**

- **Twenty-five points for first equity business incubated**
- **Fifteen points for second equity business incubated**
- **Ten points for third equity business incubated**
- **Five points for fourth equity business incubated**
- **Two points for fifth or any additional equity business incubated**
- **Five additional points per cultivation, testing lab, and manufacturing equity business incubated**
- **Five additional points per each license that is for an equity applicant who has not yet been incubated under the City of Oakland's equity program since it was established in 2017**

General dispensary applicants that serve as incubators for cannabis equity applicants by providing free rent or real estate are entitled to bonus points for every cannabis equity business it incubates. Please note, the equity business may be any cannabis business type and it may be incubated either on the same property as the dispensary or at another site in Oakland.

In order to receive these bonus points, the General Applicant must comply with the following conditions:

- a. The free real estate or rent shall be for a minimum of three years.
- b. The Equity Applicant shall have exclusive access to a minimum of 1,000 square feet to conduct its business operations, with the exception of applicants in a Type S manufacturing space.<sup>4</sup>
- c. The General Applicant must provide any City required security measures, including camera systems, safes, and alarm systems for the space utilized by the Equity Applicant.
- d. The incubated equity applicant is not already being incubated in the proposed space under a separate permit application.
- e. The dispensary applicant cannot incubate themselves by possessing any ownership interest in an incubatee license.
- f. The same equity applicant cannot be incubated for more than three licenses per dispensary permit application.
- g. Should an incubated equity applicant cease operating its business within the three-year period, the General Applicant must notify the City of Oakland within 30 days and incubate a new equity applicant.

<sup>4</sup> Please note that this exclusive access requirement under the Dispensary Incubator Program is different than the equity incubator program for non-dispensary uses, which allows for shared use of space.

In order to receive credit for incubating an equity business, general dispensary applicants must submit a copy of the lease and/or contractual agreements between General and Equity Applicants that provides the requirements listed under (a) through (e) above.

Please use the Dispensary Incubator Chart to list all equity applicants dispensary applicant intends on incubating under the conditions outlined above. Attach additional pages as necessary.

Dispensary Incubator Chart

NAME OF EQUITY APPLICANT	ADDRESS OF EQUITY BUSINESS	BUSINESS TYPE
1. Dominique Gettridge	TBD- Please See Attached	Indoor Cultivation
2. Nickolas Bradley	TBD- Please See Attached	Manufacturing
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

**12. Supporting Documents.**

Please check the boxes below for each supporting document submitted with this application. Please ensure that all supporting documents include a Header with the applicant's name on the top right corner of each page.

- Copy of State Registration for corporate structure
- Letter of Credit if applicable

***For Oakland Owners Applicants Only:***

- Proof of Oakland Residency

***For Oakland Equity Applicants Only:***

- Proof of Ownership
- Proof of Income
- And either
- Proof of Residency
- or
- Proof of Conviction

**For Dispensary Incubators Only:**

- Lease or other contract providing free real estate or rent for a minimum of three years indicating square footage available to the Equity Applicant
- Proof of providing required security measures, including camera systems, safes, and alarm systems for the space utilized by the Equity Applicant.

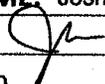
**13. Oath of Application**

I, the undersigned, declare under penalty of perjury that to the best of my knowledge, the information contained in this application and its supporting documentation is truthful, correct and complete; and, the information contained in this application and its supporting documentation discloses all facts regarding the applicant and associated individuals necessary to allow the City Administrator to properly evaluate the Applicant's qualifications for registration.

I, the undersigned further agree and acknowledge that I may be required to provide additional information as needed, for a complete investigation by the City Administrator.

I, the undersigned, further agree and recognize that I am responsible for obeying all Federal, State, County and local laws.

I, the undersigned, further agree and understand that any misrepresentations, omissions or falsifications in the application or any documents attached thereto or amendments thereto will be immediate grounds for the City Administrator to deny this permit application and/or immediate grounds for revocation of a medical cannabis permit.

<b>APPLICANT NAME:</b> Joshua Chase
<b>SIGNATURE:</b> 
<b>DATE:</b> 2/25/2020

**FOR OFFICE USE ONLY:**

**Application:**

Received by: \_\_\_\_\_ Date: \_\_\_\_\_

Receipt #: \_\_\_\_\_