



Gold Country Organics

**Application for Conditional Use Permit to Operate a Medical Cannabis
Cultivation Facility in Stockton, CA.**

Submitted August 24, 2017 in accordance with Measure P.

Executive Summary

This application is for a Conditional Use Permit to operate a medical cannabis cultivation facility within the City of Stockton. The proposed cultivation project includes 22,000 square feet of total greenhouse cultivation area with an additional 7,500 square feet of auxiliary building space for drying, processing, and packaging of finished product. The proposed site is an approximate 3.4-acre parcel located at 7979 S Airport Way (APN 020-013-035).

The proposed site sits on the outer edge of the city limits surrounded by agricultural and commercial uses and is not situated near any sensitive uses. The site will have a retention basin for storm water runoff and a septic system. The site has city water on location.

Supporting Documents

Site Plan (Sheet A-1)

Floor Plan (Sheet A-2)

Neighborhood Context Plan (Sheet A-1)

Security Plan (Sheet A-2)

Lighting Plan (Sheet A-2)

Business Description & Operating Plan (Below)

**Applicant Info**

Gold Country Organics (GCO) legal formation is a not for profit Mutual Benefit Corporation with the intent of cultivating safe and affordable medical cannabis. We operate under a collective agreement with patients in compliance Prop 215 and SB 420 and the Ca. Ag. Guidelines (Attachment A Legal Formation Documents). Moving forward GCO will operate under the new state MCRSA and Prop 64 laws including all state licensing requirements.

GCO will remain transparent in all business activities and provide full record of gross receipts to calculate all medical cannabis business taxes as proposed by City Ordinance 5.98 Measure Q.

Currently GCO has a registered outdoor cultivation site in Calaveras County (application number 2016-332). GCO is therefore familiar with the permitting process and understands the sensitivity surrounding cultivation sites and compliance process.

GCO standard is to cultivate high quality medical cannabis without the use of harsh chemicals or pesticides. Any pest population will be mitigated with the implementation of a fully integrated Pest Management Program and in accordance with the regulations set forth by The Department of Pesticide Regulation under FIFRA §25(b) and 3 CCR §6147

GCO currently distributes to multiple dispensaries, Prop 215 compliant trade shows, and through a distributor network. In compliance with MCRSA, all future cultivation will be distributed through CANN Distribution Inc., a Prop 215 and State licensed distributor.

GCO understands and agrees that any business or activity conducted or operated shall be operated in full conformity with all the laws of the State of California and the laws and regulations of the City applicable thereto, and that any violation of any such laws or regulations, may render any permit subject to immediate suspension or revocation. In addition, GCO understands that we are seeking the granting of a privilege. Therefore, the burden of proving qualifications to receive such a permit is on the applicant. GCO accepts all risks of adverse public notice, publicity, embarrassment, criticism, financial loss, or all other actions and consequences which may result from activities with respect to reviewing, processing, approving or disapproving our application. A waiver of any claims for damages against the City or its agent resulting therefrom shall be presumed upon the filing of this application.

Operational Organization Overview

GCO has formed the proposed cultivation facility and insure compliance with the city ordinance. It involves GCO (not for profit mutual benefit corporation), Landowners (Nielsen Family), Bloom Innovations (consultant/management), and CANN Distributors, Inc. (Distribution Company). GCO will hire Bloom Innovations as a consultant group to design operations, management, and maintain compliance with the City of Stockton ordinance including any special request from the city or chief of police.



Operational Policies and Procedures, Manuals

GCO has adopted a comprehensive operations reference set to guide virtually every aspect of daily operations for the cultivation process. This operations set includes comprehensive operations manuals, stand-alone job aids, training materials and administrative forms. Together these materials are a comprehensive set of training and operational procedures in the medical cannabis industry, developed over the course of ten years by Bloom Innovations and its founders.

We believe that operations manuals serve two overarching purposes, which are:

1. Documenting requirements, protocols, policies and procedures to ensure consistency, accountability, and compliance. These requirements are based on State laws and regulations, local laws and regulations, company policies, procedures, and protocols and industry best practice
2. Providing effective standardized informational tools for staff and management.

We have meticulously crafted a full set of operations manuals that, first and foremost, demonstrates full compliance with all regulatory requirements imposed by local Municipal Code and state law. For example, pesticide application documents are edited regularly to meet the most current standards provided by The Department of Pesticide Regulation. We have designed our operations materials in a way that, in our experience, most effectively supports the actual day-to-day operations of a fully functioning cultivation site. The Operations Manuals explain, in step-by-step fashion, how to complete all tasks, small and large, required for each job within the greenhouse. The Operations Manual and operational supplements provide critical procedures and instructions to employees to ensure all systems are in place to cultivate medical marijuana safely.

In addition, there are sanitation, product quality, safety and environmental data checkpoints at every stage in cultivation to ensure that errors or problems are caught and remedied long before patients receive their medicine. For instance, close-range photographs depicting mildew, mold, wet medicine and other problems are utilized as guides for identifying potential issues with medicine after the more formal testing and inspection activities conducted at the cultivation and/or production sources.

Operating Plan

As designed by consultant group Bloom Innovations, the site will be managed for perpetual harvest which will result in ongoing zones maturing approximately every week. The Bloom Innovations model utilizes automation when possible but cultivation will still require a hands-on approach for most aspects. It is estimated that there will be between approximately 8-10 employees to successfully complete cultivation operations efficiently.

Automated systems will include controlled water and nutrient delivery system which will provide maximum water efficiency and eliminate nutrient abuse. The Argus system allows us to



deliver water and nutrients only when it is needed. Current Argus sites are only using about .7 gallons of water per plant per day. The green house will have automated light curtains, temperature controls, and an advanced odor mitigation system.

The Vegetative Growth cycle is anticipated to be operated by three employees. A cultivation foreman and two gardeners. In this cycle, the plants will be in a vegetative growth state. The gardeners will train the plants for maximizing yield with horticulture techniques such as topping and knuckling plants. The plants will receive a proprietary blend of organic teas and nutrients in this stage with an emphasis on organic nitrogen.

The vegetative growth cycle is also when the Track and Trace Program is initiated. Each clone that survives rooting and is viable will receive a unique identifier that it will retain through harvest.

Harvest will be implemented by a harvest foreman and two/three gardeners. This is one of the most crucial steps in producing quality medical cannabis. Harvesting will take place when lighting cycle is off thus reducing odor and providing for an optimal work environment. The plants will be harvested and moved to the auxiliary building to dry rooms. It is imperative that the drying room have the perfect atmosphere as not to dry the product too fast or too slow. The product must be consistently monitored in this stage

Trimming After the product has dried uniformly to a certain consistency it can then be broken down and trimmed. It can then be packaged for its intended destination through our distributor. During this phase, all product packages will receive a unique barcode as a last step in the track and trace process at this location. It is at this stage that CANN Distributors, Inc will take product samples to a designated testing facility before it is distributed. All testing data for each harvest will be recorded and kept in a harvest data log via the state mandated track and trace program.

Gold Country Organics (GCO) Officers

CEO: Ryan Nielsen leads and directs GCO through all aspects of operations and management. Ryan guided GCO through the process of registering a 21,000 Sq. Ft cultivation site in Calaveras County which included a State Water Resource Board Permit, BMP, Cultural Resource Surveys, Biological Surveys, Agriculture Commissioner review, background checks and ongoing compliance with county and state laws. Ryan is duly authorized to act on behalf of GCO (Attachment D).

Ryan has an education in Habitat Restoration and Environmental Mitigation from California State University East Bay. In addition to managing GCO he oversees a family business H&N Enterprises which performs a multitude of services including range land improvements, livestock water systems, habitat restoration, vegetation management, and operates a farming and cattle operation. Ryan also owns with his wife KR Farms LLC which is a small ag operation with Ryan's own livestock.



Residence Location: 1869 5th St Livermore, CA 94550

CFO: Robert Nielsen is GCO treasurer and Chief Financial Officer. Robert helps to insure that the business is operating efficiently and balancing patients' needs with the financial aspects of the corporation.

Robert has over 40 years' experience in the agricultural industry. Robert's primary business is H&N Enterprises which he actively manages the cattle operations from the Oregon border to the east bay of San Francisco. In addition to the livestock, Robert also oversees the farming operation of Alfalfa, Wheat Hay, and Oat Hay in Siskiyou County on the Oregon border. Robert used to farm the adjacent piece of ground that the Nielsen family owned that was sold a few years ago to the Van Groningen family.

Residence Location: 11099 Brittany Ln Dublin, CA 94568

Secretary: Tamara Nielson is a San Francisco Bay area native and the current book keeper and accounts manager for TN Cattle Co. Inc. Cattle ranching. Her expertise in account management and organization has followed her throughout many fields.

She works as a sales representative for Slimwave and Healthy Spine Hardware. As a medical sales rep, she has collaborated and worked in accordance with surgeons and medical staff in the development of FDA approved pain management methods.

Tammy Nielson worked for several years at Advanced Diagnostics Labs in Phoenix Arizona specializing in toxicology reports and blood pathogens.

Tammy Nielson has over ten years of commercial property management experience from in cities across the State of California

Residence Location: 218 Glory Lily Court San Ramon, 94582

Director: Dr. John Oram holds Ph.D. and M.S. degrees in environmental chemistry and engineering from the University of California Los Angeles and bachelor's degree in analytical chemistry and biochemistry from the University of Colorado at Boulder. Dr. Oram spent his research years studying the complex physical and chemical process governing the fate of contaminants in the coastal environment. He has authored numerous peer-reviewed publications and technical reports, has given presentations before local and international audiences, and is an invited member of several technical review and scientific steering committees. Dr. Oram's research was instrumental in forming government regulations regarding water quality and assessing human health impacts of agricultural pesticides.



In 2009, Dr. Oram co-founded CW Analytic Laboratories to establish standardized testing and certification protocols to ensure safety and quality of medical *Cannabis*. CW Analytical Laboratories is now recognized as the most trusted analytical laboratory in California.

Dr. Oram and his lab were instrumental in developing *Cannabis* regulations in California, Washington, and New Jersey. Specifically, Dr. Oram was an invited member of the scientific advisory panel for Washington's Initiative 502 regulations.

Dr. Oram founded and operates multiple successful businesses in the *Cannabis* vertical that currently employ over fifty full-time employees.

Residence Location: 3000 Telegraph Ave #405 Berkeley, CA 94705

Director: Nico Enea, is a Bay Area native with 6 years' experience in corporate finance and business development. Nico graduated from the University of Colorado with a bachelor of Arts in Economics and Business Finance. While in Colorado, he worked as a policy researcher in the Congressional Office of U.S. Representative Jared Polis.

Post Collage, Mr. Enea worked on a municipal bond arbitrage desk that managed 1.2 billion in assets. Mr. Enea went on to cover growth sectors as a trader / analyst at a New York hedge fund where he developed market capitalization weighted index strategies for publicly traded Cannabis-related companies. In 2014, Mr. Enea became Chief Financial Officer and Director of Business Development for Bloom Innovations, a Cannabis-focused business development and consulting firm. In that capacity, Mr. Enea was instrumental in crafting six successful applications in the state of Nevada for Cannabis cultivation and infused-product production permits.

Mr. Enea is currently the Chief Financial Officer of CCSAC, Inc. a Bay Area Mutual Benefit Corporation that is engaged in the cultivation and production of Medical Cannabis. CCSAC's products are sold in 450+ dispensaries in California. Mr. Enea was instrumental in the development and financing roles that led to CCSAC's success. Mr. Enea has an excellent working knowledge of Medical Cannabis Operations and Cannabis infused products and is able to effectively communicate that knowledge to colleagues and patients.

Residence Location: 2847 Regatta Dr Oakland, CA 94601

Principal Engineer: Burch Greene holds a B.A. in Physics from the University of Puget Sound, a B.S. in Structural Engineering from Columbia University and is a licensed Professional Engineer in the States of California, Oregon, Washington, Montana, Nevada, and Hawaii. His career started in the Bay Area where he worked with Clausen Structural Engineers as a design Engineer and Project manager specializing in the design, permitting, and construction of seismic retrofits and food processing facilities. During his time at Clausen he managed a team of three



Engineers and pioneered the company's seismic retrofit program in the City of San Francisco. In 2013 he founded BSG Engineering and continued to work as a design engineer until he joined Bloom Innovations in 2015 as Principal Engineer and Director of Infrastructure Development. During his tenure at Bloom Burch's efforts have focused on innovating the design, construction and operation of cultivation facilities, extraction facilities, and added value manufacturing facilities such that they are characterized by scalability and optimization. With Bloom Innovations overarching goal of being a leader the Cannabis Industry, Burch has worked closely with local jurisdictions to establish design criteria that not only considers the needs of cannabis producers but also places emphasis on green construction and operational sustainability.

Residence Location: 222 Broadway Apt 803 Oakland, CA 94601

GCO is headquartered at the following address:

11501 Dublin Blvd #200

Dublin, Ca, 94568

Bloom Innovations is headquartered at the following address:

2601 C Blanding Ave. #0420

Alameda Ca. 94501

Distribution: CANN Distributors, Inc. is a California wholesale distribution company located and authorized by the City of Oakland to Distribute Medical Cannabis in the State of California. It is the culture of CANN Distributors, Inc. to distribute only the highest quality *Cannabis* flower and products throughout the state while operating within the State and local guidelines and regulations. All product distributed by CANN Distributors, Inc. will be tested and tracked through the State allocated track and trace program.

Landowners: Although not part of the everyday management of the cultivation facility it is important to note the landowners as part of the team that makes this site possible. Currently the Robert J. Nielsen Trust owns the property. Trust Beneficiaries Jeff Nielsen, Tyler Nielsen and Ryan Nielsen are in the process of acquiring the property through the estate process.

The Nielsen Family has owned the subject property since the 60's. The property is a remnant from the farming property that the Nielsen family had owned. All though not as residents the Nielsen Family has had a substantial presence in the city and the area for some time. A few years ago the family sold the remaining ground besides the subject parcel to the Van Groningen family. The project location is a remaining ~3.36-acre lot in the city limits.



The Nielsen family understands the use and responsibilities of the proposed project on the site. Please see Attachment E (Landowner Indemnification)

Site Overview

The property proposed for cultivation development is located at 7979 South Airport Way. The property is currently undeveloped, with no existing structures or productive use. The scope of work includes the following items:

- 35,000 square foot prefabricated building that includes greenhouse space and processing space
- New cyclone fence around the perimeter of the property with vision barrier fabric to obscure the public view
- Asphalt parking lot providing 71 spaces, including 3 ADA spaces
- Water retention system for grey water mitigation
- Distributed exterior lighting to compliment a robust security plan

Security: Is of the utmost importance to GCO. Security is the bedrock for a successful relationship with the city, police, employees, and community. The security plan that will be implemented will have many components including fencing, video surveillance, access restrictions, lighting and most importantly onsite 24hr licensed guards.

GCO will contract the services Intervention Group Security to provide 24- hour on site perimeter presence and product monitoring.

All employees possess electronic transmitters that allow for automatic gate access to the property. The employee transmitters are monitored and can be deactivated in the event of employee termination. All doors used for employee access are equipped with digital keypad locks. Each employee has a unique access code for digital keypad entry. To ensure safety, all codes are changed on a regular basis and can be deactivated in the event of employee termination. Our onsite security staff is familiar with the admissible employees and can easily identify an intruder upon arrival.

The alarm system at GCO will be a state of the art perimeter and interior alarm system, centrally monitored fire and burglar alarm system with door and window contact and motion sensors, interior motion sensors, strategically placed panic buttons, and smoke detectors. Door and motion sensors trigger a blaring alarm when security system is engaged. All monitoring systems have cellular backup component if phone lines are disabled.

Aclarity monitored surveillance cameras will be used to monitor all exterior areas of the facility including points of egress, parking lot, rooftop, and the entire perimeter. Exterior cameras installed capture facial recognition clarity with 1280 x1024 pixels at 20 frames per second. Aclarity monitored surveillance cameras are installed throughout the building and will be monitoring all points of egress, product track and trace, and staff safety. Interior cameras capture 1280 x1024 pixels at 20 frames per second and can clearly record details for identification. All video recordings are stored for a 60-day period.



GCO has implemented an ongoing safety plan to ensure the security of cannabis related products as they travel through the multiple stages of production and to prevent any potential diversion of product. Upon completion, harvested *Cannabis* is stored securely within

12-gauge metal doors. All finished product is locked securely in a camera monitored vault which is located within a keypad accessible limited traffic secure room.

Lighting:

GCO will provide adequate lighting in all areas of the facility including the exterior parking lot, all areas of egress, and interior travel. Exterior ambient flood lights turn on at dusk and off at dawn. During evening hours, high intensity flood lights are triggered by motion sensors. The flood light activation component of our security program triggers Aclarity pattern recognition software. Throughout the building interior, motion sensor lighting has been installed and monitors for any unusual motion activity. Sufficient lighting has been installed throughout to allow for high quality surveillance visuals and provide adequate face recognition if necessary.

Infrastructure:

Bloom Innovations, Inc. will finance and design the buildout of state-of-the-art greenhouse cultivation facilities. Current design is with Grow Tech based out of Grass Valley, Ca. Grow Tech brings the professionalism and expertise that only a builder and manufacturer can achieve to GCO's project.

Conclusion

After review GCO hopes that we have illustrated that we have a chosen an excellent site, have the ability, expertise and knowledge to be a key part of the cannabis industry in Stockton. Our goal is to become a model for the city and the community to demonstrate how the cannabis industry can operate transparently. We look forward to working with city staff and the chief of police to insure we meet all the requirements for a cannabis operator's permit. I appreciate your time in reviewing our application.