

**East of Eden North Bay
LLC.**

1740 Travis Blvd.

CRM2020-015

CITY OF FAIRFIELD

COMMERCIAL CANNABIS BUSINESS PERMIT APPLICATION REVIEW SUMMARY

BUSINESS NAME	East of Eden North Bay, LLC
DBA	East of Eden
PERMIT TYPE	Retail
CITY OF FAIRFIELD LOCATION	1740 Travis Blvd.
BUSINESS CONTACT INFORMATION	Mike Bitar 514 Work St. Salinas, CA 93901
STATE LICENSES	Current license information is attached.

OWNER SUMMARY

- The business is owned entirely by the Grupo Flor Corporation which is owned by BAKFestivals Inc.
- The application listed 9 individuals as owners who own 63.4% of parent company BAKFestivals Inc. 36.6% of ownership is unaccounted for.
 - Gavin Kogan, CEO of Grupo Flor Corporation and BAK Festivals, Inc.
 - 1 state retail cannabis license.
 - Mike Bitar, VP of Sales for Grupo Flor Corporation
 - Omar Bitar, VP of Manufacturing for Grupo Flor Corporation
 - Steven Podell, CFO of Grupo Flor Corporation and BAK Festivals, Inc.
 - 2 state retail cannabis licenses.
 - Kasra Ajir, Secretary for Grupo Flor Corporation and BAK Festivals, Inc.
 - Stephen Kim, Corporate Counsel for Grupo Flor Corporation.
 - 1 state retail cannabis license.
 - Darren Dykstra, COO of BAK Festivals, Inc.
 - 1 state retail cannabis license.
 - Howard Fisher, Board Member of BAK Festivals, Inc.
 - Michael Zupano, Fairfield Community Outreach Manager
- One listed owner, Michael Zupano, is a Fairfield resident.

BUSINESS PLAN

East of Eden North Bay, LLC Projected Sales Figures			
Year 1	Year 2	Year 3	Year 4
\$5,992,289.00	\$15,775,995.00	\$17,885,953.00	\$18,430,036.00

- East of Eden will provide cannabis delivery services.
- East of Eden anticipates opening four months after receipt of cannabis business permit.

- Projected number of customers:
 - 57 per hour
 - 800 per day
- East of Eden proposes 6 point of sale systems.
- Grupo Flor, East of Eden North Bay's parent entity, holds 5 cannabis licenses:
 - 3 retail licenses
 - 1 distribution license
 - 1 manufacturing license
- Grupo Flor Corporation has received City approvals for a storefront retail business in Prunedale, CA. The business is currently under construction and is awaiting final approval from the State.
- Grupo Flor intends to submit a retail cannabis application for the City of Concord.

LABOR & LOCAL ENTERPRISE PLAN

- East of Eden anticipates hiring 25 employees.
 - Receptionist
 - Customer Care Consultants
 - Sales Associates
 - Security personnel
 - Inventory employees
 - Delivery employees
 - Delivery drivers
 - Delivery Manager
 - Inventory Manager
 - 2 Assistant General Managers
 - 1 General Manager
- Compensation will begin at \$16.00 per hour.
- Employees working 30 or more hours per week are eligible for medical, dental, and vision insurance.
- Employees will receive 7 paid holidays, life insurance, vacation, sick leave, maternity/paternity leave, & is exploring options for 401k retirement plans.
- East of Eden has a company policy to hire 100% local hires.

SAFETY PLAN

- A safety plan was prepared by John P. Stoppi Jr., a licensed architectural, mechanical, & fire protection engineer.

SECURITY PLAN

- A security plan was prepared by Matt Carroll of Safe and Sound Security, a security

consulting firm located in Concord.

- East of Eden will contract with Safe and Sound Security a licensed third-party security monitoring company, to install, monitor, and maintain the alarm system.
- East of Eden plans to contract with a state-licensed private patrol operator for on -site security. No specific operator is identified.
- The operator will staff at least 2 armed uniformed security guards during operating hours and 1 unarmed uniformed security guard during off-hours.

LOCATION

- The business is to be located at 1740 Travis Blvd. and the applicant has a signed letter of intent to lease the property.
- The current zoning classification for the subject property is CR (Regional Commercial).
- Commercial cannabis - retail is a permitted use in the CR zone subject to the requirements of the Fairfield Municipal Code (FMC) Chapter 10E.
- The City has not identified any sensitive uses, as defined in FMC Section 10E.18 (c), within 600 feet of the subject property at the time of this writing.
- The subject site is located adjacent to Interstate 80 at the Travis Blvd. exit in the Gateway Center.
- The business would be located in a 4,472 square foot space in a multi-tenant building shared with an existing Chick-fil-a and shares over 250 parking spaces with the adjacent businesses through a reciprocal access and parking easement.

COMMUNITY RELATIONS PLAN

- East of Eden proposes to contribute \$30,000 per year to the Solano Community Foundation to be split equally between their social justice and equity fund, disaster relief fund, and community impact fund.
- East of Eden proposes to partner with the Fairfield Community Services Foundation by providing \$10,000 per year to Fun on the Run and \$10,000 per year to support Assist-A- Grad Scholarships.
- East of Eden proposes to partner with Fighting Back Partnership, a Vallejo non-profit, and provide \$10,000 annually to bring the organizations "Positive Youth Development Program", which educates youth on the dangers of cannabis youth, to Fairfield students.
- East of Eden proposes to partner with the Solano Youth Commission and provide \$10,000 annually to support the organizations Solano Friday Night Live Partnership which educates youth in Solano County on the dangers of substance use.
- East of Eden proposes to join the Solano ATOD Prevention Collaborative and the Vacaville Aware Coalition.
- Employees will receive 5 hours of paid volunteer time per month.

PUBLIC COMMENTS

The City of Fairfield received one public comment letter in opposition to the business East of Eden and its parent company Grupo Flor. The letter was provided by the United Food & Commercial Workers Union, Local 5 (UFCW). The letter describes actions taken by Grupo Flor at their location in Oakland that led to the current dispute with the UFCW. The UFCW states that Grupo Flor took over operations of union represented cannabis business in Oakland that had been operating under a collective bargaining agreement since 2011. The letter states that the business temporarily shut down in June of 2020 due to the pandemic and local civil unrest and reopened with an entirely new non-union staff. Previously employed union employees were laidoff permanently and lost health care coverage.

RESPONSE: City staff cannot speak to the merits of this claim. East of Eden has committed to providing employees at the City of Fairfield location with medical, dental and vision benefits and to cover 40% of the cost of the premiums. The application does not make any mention of the creation of an employee union. The City has no requirements in Fairfield Municipal Code Chapter 10E that employees be unionized nor would the City oppose efforts of employees to unionize if they so choose.

CALIFORNIA BUREAU OF CANNABIS CONTROL

<u>License Number</u>	<u>License Type</u>	<u>Business Owner</u>	<u>Business Contact Information</u>	<u>Business Structure</u>	<u>Premise Address</u>	<u>Status</u>	<u>Status Date</u>	<u>Issue Date</u>	<u>Expiration Date</u>	<u>Activities</u>	<u>Adult-Use/Medicinal</u>
C11-0000879-LIC	Cannabis - Distributor License	Gavin Kogan	EAST OF EDEN CANNABIS CO. : Email- gavin@grupoflor.com : Phone- 8312629134	Corporation		Expired	8/20/2020	7/22/2019	7/21/2020	N/A for this license type	BOTH
C10-0000700-LIC	Cannabis - Retailer License	Stephen Kim	EAST OF EDEN MOSS LANDING, LLC : Email- licensing@grupoflor.com : Phone- 8317539999	undefined	8022 MOSS LANDING RD MOSS LANDING, CA 950399651 County: MONTEREY	Active	2/1/2021	4/7/2020	4/7/2021	N/A for this license type	BOTH
C11-0000401-LIC	Cannabis - Distributor License	Steve Podell	FLOR X, INC. : FlorX : Email- spodell@grupoflor.com : Phone- 3126360404 : Website- goflorx.com	Corporation		Active	6/18/2019	6/18/2019	6/17/2021	N/A for this license type	Adult-Use
C10-0000224-LIC	Cannabis - Retailer License	Steve Podell	EAST OF EDEN CANNABIS COMPANY : East of Eden : Email- spodell@grupoflor.com : Phone- 3126360404 : Website- grupoflor.com	Corporation	514 WORK ST SALINAS, CA 939014350 County: MONTEREY	Active	2/1/2021	6/18/2019	6/17/2021	N/A for this license type	BOTH
C10-0000117-LIC	Cannabis - Retailer License	Darren Dykstra	WF ENTERPRISES, INC. : White Fire : Email- darrendykstra@gmail.com : Phone- 4088493706	Corporation	111 OLD TULLY RD SAN JOSE, CA 951111921 County: SANTA CLARA	Active	6/4/2019	6/4/2019	6/3/2021	N/A for this license type	BOTH

*Cultivation and manufacturing are not licensed by BCC

GRUPO FLOR

CALIFORNIA STATE CANNABIS LICENSES

Entity Name	Fictitious Business Name	Address	License Type	Licensing Agency	License Number
Flor X, Inc.	Grupo Wholesale	514 Work Street Salinas, CA 93901	Distribution	California Department of Consumer Affairs - Bureau of Cannabis Control	C11-0000401-LIC
710 Combinator Co.	Grupo Manufacture	514 Work Street Salinas, CA 93901	Manufacturing	California Department of Food and Agriculture - Manufactured Cannabis Safety Branch	CDPH-10002658
East of Eden Cannabis Co.	Grupo Retail, East of Eden	514 Work Street Salinas, CA 93901	Storefront Retail	California Department of Consumer Affairs - Bureau of Cannabis Control	C10-0000224-LIC
East of Eden Moss Landing, LLC	N/A	8022 Moss Landing Rd. Moss Landing, CA 95039	Storefront Retail	California Department of Consumer Affairs - Bureau of Cannabis Control	C10-0000700-LIC
East of Eden Prunedale, LLC	White Fire	2329 San Miguel Canyon Rd. Salinas, CA 93907	Storefront Retail	California Department of Consumer Affairs - Bureau of Cannabis Control	Construction ongoing. Upon completion and receipt of Certificate of Occupancy, State License will be sought.

In addition to the foregoing, BAK Festivals, Inc.'s Chief Operating Officer, Darren Dykstra, is the CEO and owner of the following entity which holds the following cannabis license:

Entity Name	Fictitious Business Name	Address	License Type	Licensing Agency	License Number
WF Enterprises, Inc.	White Fire	111 Old Tully Rd. San Jose, CA 95111	Storefront Retail	California Department of Consumer Affairs - Bureau of Cannabis Control	C10-0000117-LIC



John Nunes
President

Jack Landes
Secretary - Treasurer

Main Office:
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Workers Union, Local 5**
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Fax: (707) 442-9572

Dear Members of Fairfield City Council

The 30,000 members of UFCW appreciate the commitment by the city of Fairfield to ensure all new jobs that are created within the city are consider “good jobs”. We appreciate the efforts of the city to ensure that the local community benefits from the emerging cannabis industry.

We write this letter to you about the city’s process of choosing cannabis employers to be licensed to operate in the city of Fairfield. The union has appreciated the open and transparent process the city has undertaken as it relates to the applicants for licensing. The emerging cannabis industry creates an opportunity for cities like Fairfield to set a good precedent for attracting employers that value communities and the workers from those communities. UFCW 5 represents hundreds of workers in the cannabis industry in the Bay Area, and the UFCW is the largest representative of workers in the cannabis industry nationally. We have a long and deep experience with employers of all kinds in the industry.

We are taking the unprecedented step of writing to you today to comment on one employer that has applied for a license in the city of Fairfield. That employer is East of Eden/ Grupo Flor. UFCW 5 has a unique experience with this employer, because they took over a union represented operation in Oakland, named Magnolia Wellness. The company had been organized and under a Collective Bargaining Agreement since 2011 and was one of the first dispensaries organized in the country. The twin crises of the pandemic and the civil unrest in June of 2020 created a set of unique challenges that made the company temporarily shut down.

When the company reopened, they reopened under a different name, Flor Oakland, with different workers. They notified all the previously employed union workers of layoffs on December 5th and told the workers they could “reapply” for their jobs. The company did not inform the workers that they had hired replacement workers a month before. They also cancelled all the health insurance of these workers and told them they were not eligible for COBRA coverage as of December 31, 2020. This reprehensible action took place during the current pandemic.

The UFCW is fighting for these workers representation rights, and we are confident we will win. We do not believe the behavior displayed by Grupo Flor/East of Eden is the kind of company that Fairfield wants to welcome to the city, and we think this is in direct conflict with the intent of the city of Fairfield’s willingness to open the city to the cannabis industry.

We respectfully ask that you do not approve of East of Eden’s application and you consider other more qualified companies.

Thank you

Jim Araby
UFCW 5
Strategic Campaigns Director
jaraby@ufcw5.org