

2019 CITY OF OAKLAND

EQUITY APPLICANT DISPENSARY PERMIT APPLICATION

1. Applicant Information

a. Name: Garren Poole

b. Type of Corporate Structure:

Corporation Limited Liability Company Partnership Individual

Collective Other: _____

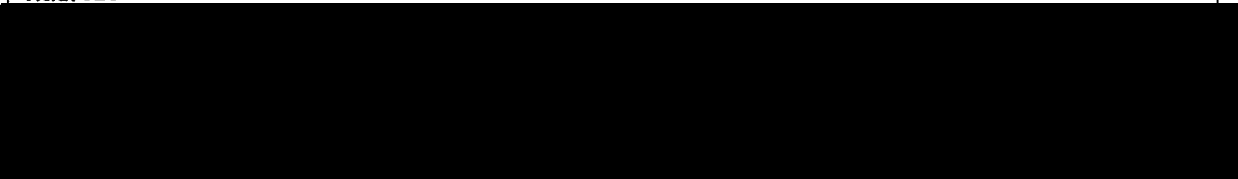
c. Doing Business As: Mari-Go-Round

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).

Last Name: Poole	First Name: Garren	Middle Initial:
Alias(es):		
Title: CEO		



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

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

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

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

2. Verification of Equity Status

OMC 5.80.010 and OMC 5.81 define an "Equity Applicant" as an Applicant whose ownership/owner²:

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.

² "Ownership" shall mean the individual or individuals who:

- i. With respect to for-profit entities, including without limitation corporations partnerships, limited liability companies, has or have an aggregate ownership interest (other than a security interest, lien, or encumbrance) of 50% or more of the entity.
- ii. With respect to not for-profit entities, including without limitation a non-profit corporation or similar entity, constitutes or constitute a majority of the board of directors.
- iii. With respect to collective has or have a controlling interest in the collective's governing body.

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 and provide a minimum of two of the documents listed below, evidencing 10 years of residency shall be considered acceptable proof 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.

Proof of Residency Chart

NAME OF EQUITY INDIVIDUAL Garren Poole		
CURRENT OAKLAND ADDRESS	DATES	
	FROM	TO
PRIOR OAKLAND ADDRESS(ES)		

NAME OF EQUITY INDIVIDUAL		
CURRENT OAKLAND ADDRESS	DATES	
	FROM	TO
PRIOR OAKLAND ADDRESS(ES)		

NAME OF EQUITY INDIVIDUAL		
CURRENT OAKLAND ADDRESS	DATES	
	FROM	TO
PRIOR OAKLAND ADDRESS(ES)		

NAME OF EQUITY INDIVIDUAL		
CURRENT OAKLAND ADDRESS	DATES	
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PRIOR OAKLAND ADDRESS(ES)		

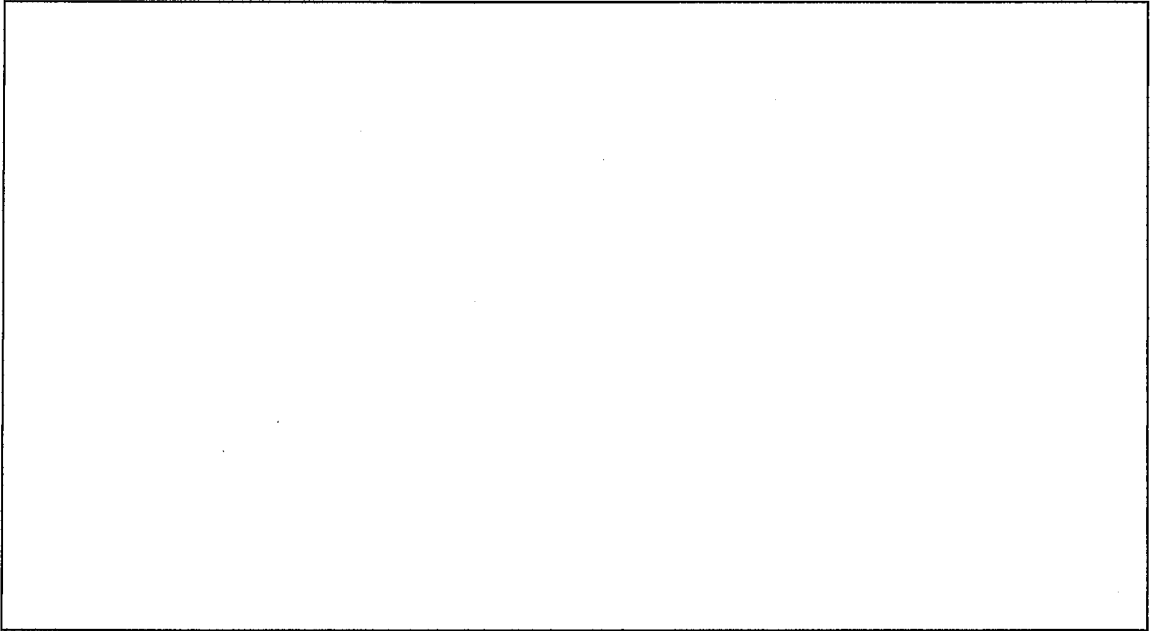
3. Business Plan

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.

Mari Go Round, et al. (“Mari Go Round” or the “Company”) objective is to be one of the largest cannabis cultivators, manufacturers and distributors in the Bay Area. It is a leading cannabis products company built around a differentiated brand portfolio with superior wholesale value, enabled by core strengths that leverage a wholesale-driven business model. Mari Go Round leverages a strong management team with cannabis cultivation, manufacturing and distribution experience and advanced research techniques. Mari Go Round is focused on first mover advantage and developing the lowest cost production of highest quality cannabis products through its competitive advantage rooted in economies of scale , innovative technology and IP.

Market Leading Brand Position. In California, Mari Go Round seeks to achieve a 20%-30% market share distributing to medical and recreational marijuana dispensaries and is leveraging its market leading presence to extend its brands into California with a strategic partner, Amenta Systems. Working closely with Amenta Systems including the sharing of new brands and best practices in cultivation, extraction, refining, marketing and sales, it is expected to help support Mari Go Round and Amenta capture at least 20% market share in the Bay Area. Sungrown anticipates that this will generate greater revenues for Mari Go Round, and Amenta from their strategic relationship.

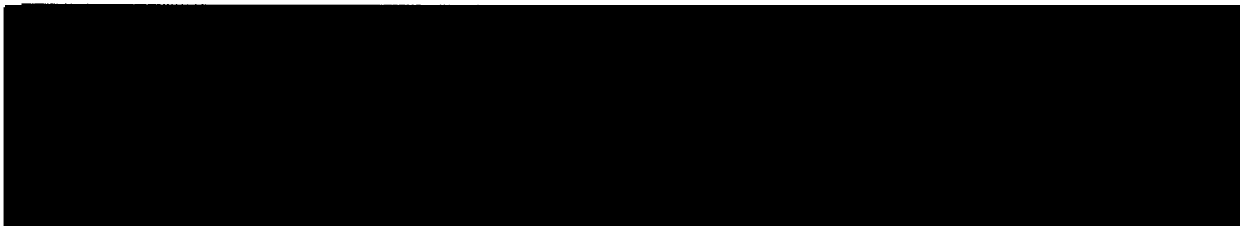


b) Describe Applicant's background and experience in cannabis dispensing or similar industries.

Mari Go Round is currently working with Amenta Systems and Island with their licensed Delivery, Distribution and Manufacturing company in Oakland

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)



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

REAL ESTATE AND ADMINISTRATIVE EXPENSES	\$ AMOUNT
Purchase or Rent	100,000
Construction or Remodeling	225,000
Utility Deposits	4,000
Legal and Accounting Fees	\$25,000
Insurance	\$5,000
Prepaid Insurance	\$4,000
Pre-Opening Salaries and Benefits	\$100,000
Other (please provide detail)	

CAPITAL EQUIPMENT LIST	\$ AMOUNT
Furniture	20,000
Equipment	28,000
Fixtures	10,000
Machinery	12,000
Other (please provide detail)	

OPENING INVENTORY (4 Weeks)	\$ AMOUNT
Category 1: Flower	86,519
Category 2: Concentrates	43,259
Category 3: Edibles	22,495
Category 4: Topical & Tinctures	8,652
Category 5: Other Retail	8,652

ADVERTISING AND PROMOTIONAL EXPENSES	\$ AMOUNT
Advertising	\$22,000
Signage	\$7,600
Printing	\$7,000
Travel/entertainment	\$3,000
Other/additional categories	\$1,000

OTHER EXPENSES		\$ AMOUNT
Reserve for Contingencies		30,000
Other Expense 1:	Building Permits	10,000
Other Expense 2:	Architect + MEP Plans	12,000

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
General Manager	6,250	425	1	Jan
Assistant General Manager	5,000	425	1	Jan
Buyer	4,583	425	1	Jan
Accounting / Finance	5,000	425	1	Jan
Community Manager	5,000	425	1	Jan
Marketing / Social Media	5,000	425	1	Jan
Budtender	3,417	425	4	Jan
Security	3,417	425	4	Jan

2022

Position Title:	Salary Costs per Month	Benefit Costs per Month	Number Employed at this Position	Anticipated Month of Hiring
General Manager	6,563	473	1	
Assistant General Manager	5,250	473	1	
Buyer	4,813	473	1	
Accounting / Finance	5,250	473	1	
Community Manager	5,250	473	1	
Marketing / Social Media	5,250	473	1	
Budtender	3,588	473	8	July
Security	3,588	473	4	

2023

Position Title:	Salary Costs per Month	Benefit Costs per Month	Number Employed at this Position	Anticipated Month of Hiring
General Manager	6,581	496	1	
Assistant General Manager	5,513	496	1	
Buyer	5,053	496	1	
Accounting / Finance	5,513	496	1	
Community Relations	5,513	496	1	
Marketing / Social Media	5,513	496	1	
Budtender	3,767	496	8	
Security	3,767	496	4	

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

	2021	2022	2023
REVENUES			
Product/Service 1 Flower	1,168,000	1,752,000	2,190,000
Product/Service 2 Concentrate	584,000	876,000	1,095,000
Product/Service 3 Edibles	350,400	525,600	657,000
Other Revenue Retail + Other	233,600	350,400	438,000
TOTAL REVENUES Net Oakland Taxes	2,336,000	3,504,000	4,380,000
COST OF GOODS SOLD			
Product/Service 1	560,640	876,000	1,095,000
Product/Service 2	280,320	438,000	547,500
Product/Service 3 + Retail / Other	280,320	438,000	547,500
Salaries-Direct	773,600	1,007,160	1,057,518
Payroll Taxes and Benefits-Direct	116,040	151,074	158,628
Depreciation-Direct	15,000	15,000	15,750
Supplies	23,360	35,040	37,000
Other Direct Costs	11,680	17,520	21,900
TOTAL COSTS OF GOODS SOLD	2,060,960	2,977,794	3,480,796
GROSS PROFIT (LOSS)	275,040	526,206	899,204
OPERATING EXPENSES			
Advertising and Promotion	35,000	36,750	38,588
Automobile/Transportation			
Bad Debts/Losses and Thefts	23,360	24,528	25,754
Bank Service Charges	1,200	1,260	\$1,323
Business Licenses and Permits	60,000	63,000	66,150
Charitable Contributions	25,000	26,250	27,563
Computer and Internet	500	525	551
Continuing Education	8,500	8,925	9,371
Depreciation-Indirect			
Dues and Subscriptions	1,500	1,575	1,654
Insurance	25,000	26,250	27,563
Meals and Entertainment	2,500	2,625	2,756
Merchant Account Fees	35,040	36,792	38,632
Miscellaneous Expense	15,000	15,750	16,538
Office Supplies	4,500	4,725	4,961
Payroll Processing	5,400	5,670	5,954
Postage and Delivery	1,500	1,575	1,654
Printing and Reproduction	5,000	5,250	5,513
Professional Services-Legal, Accounting	25,000	26,250	27,563
Occupancy			

	2021	2022	2023
Rental Payments	20,000	21,000	22,050
Salaries-Indirect			
Payroll Taxes and Benefits-Indirect			
Subcontractor			
Telephone	500	525	551
Travel	6,000	6,300	6,615
Utilities	1,400	1,470	1,544
Website Development	2,500	2,625	2,756
TOTAL OPERATING EXPENSES	304,400	319,620	335,601
OPERATING PROFIT (LOSS)	(29,360)	206,586	565,603
INTEREST (INCOME), EXPENSE & TAXES			
Interest (Income)			
Interest Expense			
Income Tax Expense (280e)	55,008	105,241	179,841
TOTAL INTEREST (INCOME), EXPENSE & TAXES	55,008	102,241	179,841
NET INCOME (LOSS)	\$ (84,368)	\$101,345	\$383,762

5. Compliance with State Law

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.

Mari Go Round maintains their own in-house Seed and Clone to Sale products, and utilizes several Cloning and Nurseries to stock consistent and stable clones and seeds.

Again, Mari Go Round will subscribe to LeafLogix integrated with Metrc, which will be used to track cannabis product from Seed to Sale utilizing the compliant bar code registration as mandated by the State of California.

The facility will exceed the expectations of California Department of Public Health's (CDPH) and Medical Cannabis Safety (OMCS) regulations.

6. Tax Rates

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?

Oakland Business Tax: 0.005% + Cannabis Tax: 5% + Tax from Revenue: 5.05%

ii. State Taxes:

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

15%

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

8.84%

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

LeafLogix POS and LogicKit Fleet Logistics platforms will manage our Local and State tax collection per transaction.

7. Odor Mitigation

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.

DISPENSARY – AIR QUALITY AND ODOR CONTROL PROGRAM

The dispensary's desire to be a good neighbor includes avoiding nuisances of odor that may be generated by its operations. Accordingly, The dispensary will be designed with the following Odor Control Plan with its HVAC Vendor to mitigate against such a nuisance:

[1] The space will be conditioned using multiple split heat pump systems of various capacities and a ductless mini-split system. Each of the split-systems, excluding the ductless mini-split system, are equipped with unit-level pleated filters. Fresh air is brought to each of the ducted systems via a fresh air duct that is run to the exterior of the structure. Fresh air quantities are calculated using the American Society of Heating and Refrigeration Engineers (ASHRAE) Standard 62.1. This fresh air will tend to pressurize the space;

[2] The space is designed for a negative pressure to contain internal odors. To accomplish this, an in-line, belt-driven exhaust fan is provided to remove the amount of fresh air provided for the occupants and an additional amount that will ensure a negative pressure within the space;

[3] To prevent odors from escaping the structure, the in-line exhaust fan is equipped with a filter section loaded with 30 lbs of activated carbon, in a rack-mounted configuration. Activated carbon is an extremely effective absorptive odor control substance. An ozone generator will be placed upstream of the carbon filters, in the housing assembly. Ozone (O₃) is an effective odor control mechanism. In this case, it is used to help control outgoing airstream odors and recharge the activated carbon filter media, extending the life of the media.;

[4] Once systems are running, systems shall be air balanced to ensure design air flows for supply, fresh air, and exhaust air base values have been met. Once completed, a differential pressure gauge shall be used to ensure that a negative building static of no less than 0.05" of negative building static has been achieved. A maximum negative building static shall not exceed 0.15". An initial test with a trade-specific calibrated sensor establishes the a base-line of operation for odors in the out-going air stream.

[5] Once odor control has been established, periodic testing shall be conducted to ensure that the odor control systems are operating to maintain the baseline. As the filters age, replacement will be required and will be conducted, as determined by the calibrated sensor on the test equipment.

[6] Testing will be done, in the absence of other standards, in accordance with Standardized Odor Measurement Practices for Air Quality Testing. Testing shall be done using a field Olfactometer, calibrated in accordance with ASTM E544-75 and AWMA odor control standards, using the Scheduled Monitoring protocol:

[7] Planned, scheduled monitoring on a daily walk-about visit around the exterior of the site, near the exhaust system. Data to be compiled and compared to established norms. Using a 5 point OIRS (Odor Intensity Reference Scale), compare daily readings. If values equal 3 on the 5 point scale, carbon-filtration exhaust system to be evaluated and repaired, as required. Evaluation shall include, but not be limited to, fan operation, distribution system integrity, and filter media effectiveness.

8. Neighborhood Beautification

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.

Social responsibility for and good stewardship of our community are at the heart of the Mari Go Round's business model. Our vision for excellence includes partnering with our neighbors to build stronger, healthier populations. We seek to enhance the lives of our patients and members of our surrounding community by creating living-wage jobs, supporting beautification programs to improve public spaces, and supporting local nonprofit organizations through fundraising and volunteerism

Mari Go Round's nuisance and crime prevention procedures will ensure we maintain a professional and discreet image for the dispensary, and positively impact our surrounding community through increased neighborhood security and beautification of the surrounding area.

Mari Go Round will go beyond the mere mitigation and prevention of nuisance, by allocating resources to improve the neighborhood in which we are located. The exterior of the dispensary building will be regularly maintained and cleaned, and the facade will be tastefully designed to complement the aesthetics of the surrounding architectural design.

Specifically, we plan to give employees paid time off to volunteer in the community. Our community manager will organize monthly volunteer events, and incentivize employees to participate. These events include participating in the Oakland's Adopt a Spot program, landscaping, and pick up litter/trash days days.

9. 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

Proof of Ownership

Proof of Income

And either

Proof of Residency
or

Proof of Conviction

10. Commitment to Participate in Post-Public Drawing Training

By submitting this application, I agree to participate in a technical assistance training provided by the City of Oakland for equity dispensary applicants selected in the public drawing and I understand that failing to participate in this training is grounds for the City of Oakland proceeding with the public drawing runner-up.

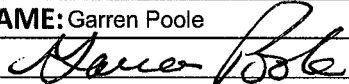
11. Oath of Application

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.

APPLICANT NAME: Garren Poole
SIGNATURE: 
DATE: 02/24/2020

FOR OFFICE USE ONLY:

Application:

Received by: _____ Date: _____

Receipt #: _____