

MINUTES

City of Guadalupe Special Meeting of the Guadalupe City Council Tuesday, August 16, 2022, at 6:00 pm City Hall, 918 Obispo Street, Council Chambers

1. ROLL CALL:

Council Member Liliana Cardenas
Council Member Gilbert Robles
Council Member Eugene Costa Jr.
Mayor Pro Tempore Tony Ramirez
Mayor Ariston Julian

The meeting was called to order at 6:00 p.m. All members were present. (Note: The abbreviation, "CM" will be used in place of "Council Member" in these minutes.)

2. PLEDGE OF ALLEGIANCE

Prior to the Pledge of Allegiance, Mayor Julian mentioned the passing of Kim Masatani, a long-time resident of Guadalupe...condolences to her family as well as Carmen Ramirez, Ventura County Supervisor and Chair of Water Education for Latino Leaders. Our condolences to her family.

3. COMMUNITY PARTICIPATION FORUM

There were no requests to speak on items not on the agenda.

REGULAR BUSINESS

4. **Reconsideration of Second Commercial Cannabis Business (CCB) Permit Applicant – Retail.**

Written report: Todd Bodem, City Administrator

Recommendation: That the City Council:

- 1) Receive a presentation from staff;
- 2) Receive presentations from the Element 7 and The Roots Dispensary;
- 3) Receive public comment; and
 - a. Select one of these applicants to move forward with the process of obtaining a CCB permit; or
 - b. Continue deliberations on these two CCB permit applicants to a future meeting; or
 - c. Take no action and provide further direction to staff.

Mr. Bodem was brief in his comments regarding this special meeting. Mayor Julian quickly asked if there was any correspondence on this matter. Mr. Bodem deferred to City Attorney Sinco who said,

"There are two (2) emails from Frances Romero that are posted on the website." The mayor asked about another one. City Attorney said that there was one email not directly related to this matter and isn't posted. Mayor Julian said that it should be part of the minutes. City Attorney Sinco stated the email was from Lanny Ebenstein and that it would be posted tomorrow.

Mr. Bodem then continued with further background on this special meeting. The two (2) CCB permit applicants, "Element 7" and "The Roots Dispensary" were asked to give another presentation at this special meeting as a result of the decision to rescind the selection of "Element 7" as the second prevailing applicant was approved at the City Council meeting of July 12, 2022. (City Attorney Sinco explained that the decision to rescind was based on a procedural irregularity.) Mayor Julian added the applicants' entire presentations will be given with an emphasis on "Community Benefits" and "Neighborhood Impact".

"Element 7"

The primary presenter was Josh Black, Operations and Marketing. Others representing "Element 7" were Ashley Rojas, Government Affairs, Lupe Alvarez, Co-Founder and Owner, Robert DeVito, Founder and CEO, and Greg Moreno, Community Development/Affairs.

Mr. Black briefly went through their business plan. He stated that their focus is on holistic wellness...medical patients, therapies, CB products. Four key areas: holistic wellness lab, medical products, treatment for the elderly and interactive learning center. They're a vertically integrated business model with delivery service.

Their location is a former sports bar...a turnkey site which, by first quarter 2023, could be ready. They had previously turned in four (4) full sets of construction plans and could be handed in again tomorrow. Some of their local partners with whom they've had discussions are Guadalupe Hardware, Blazen Fox Fabrication, Tab Miller Electric...some of the companies "Element 7" is looking to work with in the local community. They have a general contractor in house and is ready to get operational.

"Element 7" anticipates \$1.3M in taxes over the next five (5) years. They look to gross \$4.0M in Year 1 and \$9.0M in Year 5. Their company benefit fee is an allocated 4% of gross receipts. They specified that it was a conservative allocation.

Mr. Black said that they attract a broad customer base...not all about 21-28-year-olds. He said that 43% are age 40 and above, not just young kids looking to get high. Also, 15% of their customer base is 60 years and older. They believe this is due to how they communicate to their customers, how they treat them and also the products they deliver and how their stores are designed.

They have a full-time compliance officer. Quarterly audits are performed before agencies come in to do so. Mr. Black said they feel that they'll be more compliant in the future. Mr. Black mentioned that in one of their other facilities, the Department of Cannabis Control (DCC) recently performed an audit which they passed with "flying colors".

Their "Labor Plan" which is part of their "Community Benefit" consists of the following: living wage of \$21.00 per hour; 401(k) match for executives and management; health, dental, stock options; continuous learning support; promotions from within; 80 hours of both classroom and store training

before employees go on the floor. They have a partnership with Cannabis Science, a learning center...an agreement with United Food Commercial Workers (UFCW), labor union. Their focus is 100% in local hiring, with a preference to Guadalupe residents. They believe that diversity and inclusion build talent and innovation and that the cannabis industry needs to be more representative of its consumer base and they're focused on doing that.

Safety equipment measures: dedicated data rooms...all processes, camera access, etc. for safety and protection. Facility will be equipped with fire alarms, fire and safety plans, sprinklers, etc.

Security: there's currently an awning area and gate outside which will be kept. The gate is an extra layer of security, a barrier between the street and the store...a "man trap" lobby and guard. They'll have a secure check-in area where all IDs will be checked before entrance. There will be cameras in every corner, inside and outside. All rooms will be secure.

Qualifications: since they were before the Council previously, they've opened three (3) more stores. They now have ten stores throughout the state. They also have manufacturing and distributions sites. Mr. Black mentioned several other members of the company not present: Sheila Merchant, Legal Affairs; Amber Norwood, Chief Compliance Officer, and Nick Jack, Head of Retail Experience. "Element 7" has engaged in the community since 2018. They had dropped off an educational packet in the Planning Department lobbying for cannabis.

Neighborhood Compatibility: there is a dedicated full-time Community Relations Manager, Greg Moreno, who handles outreach events. There are quarterly city reports, an email newsletter, complaint process. There's a risk mitigation policy with a 24-hour resolution program and an online tracking program to track response time. They have an "open door policy" with local law enforcement. There'll be a full waste management plan, not just for cannabis waste but also for plastic and cardboard. Cannabis waste is minimal as everything comes packaged. As for managing noise/lighting, the facility will be conservative, given their customer base. Parking is in the rear and side of the store as well as in front on the street. An odor management plan will also be in place with a filtration system for the outdoors and greenery/plants for the interior.

Community Benefits: in various locations, "Element 7" have held gun violence clinics and parks clean-up events. Mr. Black said that they have as proven track record in Guadalupe with Lupe Alvarez who has worked across multiple organizations such as, Boys & Girls Club, and the Guadalupe Bulldogs.

Greg Moreno, Community Relations Manager spoke briefly. He said, "I live in Santa Maria before but grew up here and worked in the fields here. A couple of weeks ago, my wife and I had an opportunity to buy a home here. And it's hard to find a home in Guadalupe but I have four(4) sons. I'd like to see them come back to show them what it's like to be raised in a small community. I'm retired from the Marine Corps and do a lot with veterans' support groups. For me, it's about giving back. There are a lot of things that Guadalupe needs that I can do for the community...to help others be successful."

"The Roots' (Dispensary)

The primary presenter was Luis Castaneda, Director of Retail Operations. Also present were Beth Thuna, Chief Operating Officer, Atih Aikhouri, Treasurer & Security Liaison, Gustavo Alvarez, President and Joe Armendariz. This is the ownership and management team for "The Roots" Guadalupe.

What sets us apart from all the others? Equal opportunity...we won't sue...we won't ever mislead or lie to the City. I can attest that everything in our application is the truth. We're looking for a strategic long-term relationship with Guadalupe. We want to be 100% honest, transparent and accountable. When it comes to the professional and ethical operation of our company, we vow to do the right thing. We're proud of our reputation. The most valuable commodity we have as a company is our reputation.

I got into this business to remove the negative stigma of cannabis. We want to build a future for our employees where they get to do what they love. We're working to become the cannabis staple of the Central Coast. We're known in the cannabis industry as being "for the people". We keep our local agencies informed. We've established ourselves as the "go-to company". We've paid our fair share of taxes and supported local businesses. The City and the people of Guadalupe deserve to have a cannabis retail store that is committed to them for the long-haul. We're here to be good partners.

In a fairly new industry that comes with many new hurdles, we advocate for equality. We represent our industry at communities with dignity and honor wherever we go...whether we're talking to elected officials or our neighbors, our purpose is the same. We want to offer ethically sourced products to our community at affordable prices.

The City Council has a tough decision to make tonight. What is the best fit for Guadalupe? We believe we're the best choice because we're not a fly-by company. We want to be here for the long run. We want to be committed to our communities and help them grow. The bigger, larger companies don't really engage with their customers or the community the way Guadalupe really needs.

Location & Operations: we're located at 813 Guadalupe Street. There is a parking lot available, and the building is up to code. We can be operational quickly and start generating revenue for the City. Our coming into Guadalupe doesn't mean you're losing a business because the current smoke shop will be relocated down the street. Our hours of operation are 9:00 a.m. to 9:00 p.m., Monday thru Saturday and 9:00 a.m. to 6:00 p.m. on Sunday. We will be operating with Standard Operating Procedures or SOPs which include regulatory law and industry best practices. No one under age 21 or 18, without a medical prescription, can come in the store. We'll also make deliveries within Guadalupe, as well as neighboring cities.

Labor Plan: we intend to hire 12 local residents and scale up to 22 within one (1) year of operations. We will advertise in a variety of sources in both English and Spanish. We offer a starting wage of \$23.50 per hour, which exceeds the living and minimum wage for the area; health, dental, vision and insurances; paid time off, and several forms of continuing education. Hiring locally keeps the money in our community to reinvest in it.

Neighborhood Compatibility: we have had zero complaints from any of our neighbors in any of our other locations. Those plans include creating business-to-business partnerships with our neighbors to drive the economy, designating a community relations contact to handle any community concerns, proactively and consistently engaging our neighbors, and maintaining strong relations with the City. We have an odor and waste mitigation plans.

Safety & Security Plans: safety is critical to our plan involving all of our equipment and systems. We are in full compliance with OSHA regulations. As for security, employees go through training on

various security equipment and safety matters. We have surveillance systems in place, interior and exterior cameras. We've never had a security breach at any of our operating locations.

Community Benefits and Investment Plan: we will commit up to 6% in gross revenues. We will focus on youth, economic revitalization, public services and facilities and community engagement. Our community contributions include financial, in-kind donations and volunteer hours. Community organizations where we have supported and will support are the Guadalupe Cultural Arts & Education, AHC Promise Program, Guadalupe Police Explorers, to name a few. We encourage our employees to volunteer, and we provide paid time off to support organizations like The Little House by the Park. We will also operate in-kind donation drives in the store to collect tangible goods which will be donated to organizations like the Guadalupe Library, local animal shelters and organizations supporting women, children and the unhoused. We are proud members of the Guadalupe Business Association and the Santa Maria Chamber of Commerce and intend to support the endeavors of both of these organizations.

At this point, Mr. Joe Armendariz added, "You already know that we are a qualified effective operator, as is 'Element 7'. That's why we're here. You know we can do this and that's why we're here tonight. CM Ramirez asked a good question two months ago: What sets you apart from the other company? One thing that wasn't mentioned tonight is that we're a woman-led company. We're very proud of the fact that Beth Thuna, one of the owners of this company, is a leading champion and leading entrepreneur in the cannabis space. That wasn't said before." Mr. Armendariz then relayed a brief story explaining how he became involved with the cannabis industry and Mr. Luis Castaneda. He said, "I was told that that was the company I should work with. They have integrity. They're ethical...they're driven and they're going places. You'd be lucky to have them, and they'd be lucky to have you. I just wanted to make it clear that based on my experience and knowledge of this industry, I've not found anyone I'm more impressed with than Luis Castaneda."

He then spoke about the community benefits offered saying "Between a couple months ago and now, we're building and forging a very strong strategic relationship with Allan Hancock College. Some say that the next pandemic won't be a virus but rather an economic virus, driven by the fact there is a digital divide in this country. We may find ourselves in the future with an entire population that can't use computers, can't read and can't compete in a 21st century economy. We feel strongly that Guadalupe, as we know, socially and economically, is the most challenged community in the county. There's no better investment than educating community members and sending our kids to college. Also, we are reaching out to Steve Baird, Band of Brothers and continually committed to supporting all of the veterans' organizations. In my view, there isn't just one (1) license up for grabs. From the very beginning, I have said that these two (2) companies are the two (2) that should receive licenses. Consider a vote for both companies. It will be a win for all."

Requests to Speak

Steve Baird: I'm not a Guadalupe resident but what I have to say, I think, is very valuable. I have had experience with all three (3) companies. I founded and run the Band of Brothers, a veterans' organization, and am an advocate for what cannabis does for veterans. It's about honor and integrity and doing what you say you're going to do. I support both companies tonight for licenses. We denied a \$10,000 donation from 'Root 1'...something didn't seem right, and in the end, it wasn't right.

It's about who's going to benefit in the community. That's what it's all about. Competition breeds angst. I won't vote against another veteran organization...taking money away...I had no desire to align with one. Maybe I'd do future endeavors with 'The Roots'. Anything allocated to veterans would stay here.

Yes, there are ten stores under that name...there are a lot of licenses under that name that never come to fruition. What happens if they never open stores? All promises made...never happened. I'm a strong supporter of what I see out of 'The Roots' so far because they did commit. They'll honor that. So, no matter what tonight, you all win.

Marlene Escalante: We have the City Attorney, Chief of Police, City Treasurer, Mayor and Council here. If you're here to support a dispensary, check your clothes. It's disrespectful to smell like cannabis. I've lived here in Guadalupe 62 years. I've heard both sides tonight. 'Element 7' had a good sales pitch. You need both businesses...one (1) will fall. Promises made to contribute to the City...Police Explorers, open up a charter school, etc. Get in writing. A lot of promises have been made. You can't make decisions with emotions...do it on facts. We know what the City needs. We all grew up here.

Jeannie Mello: This is not what I came here or intended to say but the gentleman who last spoke from 'The Roots'...he said, "Woman led (company)." I take exception to that and want to know from him what bearing that has on anything. I was insulted by that comment. I don't know any of the non-residential applicants. I don't know their business practices, their level of honesty, their morals or their concerns for the people of Guadalupe outside of the monetary gains they'll reap from our citizens. But I do know both Lupe and Gustavo and their business practices, level of honesty, morals and their profound concern for Guadalupe. Both bring strength of character to Guadalupe that outside people can't. I feel strongly that we should support the two (2) hometown men, Lupe and Gustavo Alvarez.

John "Junie" Sabedra: I was born and raised in the community. I heard what Ms. Mello said. I've known Lupe Alvarez a long time...served on the City Council with him. I also know Gustavo. I find him to be a very honest gentleman. The City should consider going with both. Both can help the City. The mayor said the City should be up to 10,000 people for businesses to come here but first thing people look for in a city is public safety...Fire and Police. If the City gets both companies, the City will get monies from both of them and the City needs that revenue...to build up the City...build up public works, recreation and build up public safety. The Council should vote for both.

Richard "Deek" Segovia: I came to reiterate that we've done this before. I speak for our chapter for Vietnam Veterans of America. We've been here since 2007...actually we came back here in 2012. These companies should have come to meet us. I don't know anyone from 'The Roots' except Gustavo. 'Element 7' made themselves a part of our community. They don't know yet if they're going to be accepted by the Council. Yet, they're here in our baseball fields. They come to our meetings and introduce themselves and try to find out what we want. They work at our food banks. 'The Roots' talks about community and all that but I guess that starts after they get their application approved? I'm not sure. I've talked to everyone in our chapter who comes to meeting, and no one has heard of 'The Roots'. They visited with the Cultural Center, Dunes Center, Kiwanis...I guess they thought they were very important to do that, but they didn't come to the veterans.

Through the Veterans Administration, medical marijuana will be prescribed. Vets, 'my age and older', seem not to want to go to stores. They like the delivery aspect. Veterans suffering from a variety of

illness find medical marijuana helpful. I was an advocate during the AIDS crisis. The only thing helping those people with their pain was marijuana. 'Element 7', Greg Moreno is Marine. I'm Army. It doesn't matter. We're veterans. He sought us out. They may have sought out the other organizations, but they included us. Our chapter wants to give our support for 'Element 7'. It's a gut feeling and sometimes that's all we have to go by. The City Council already made the decision to have two (2) dispensaries. I believe 'Root 1' and 'Element 7', that I support, will make it.

Enrique Ortiz: It's hard to come here. I'd rather be on the football field with the kids, but it's very important to be here. Since the inception of our football league in 2005, I've been working with Lupe. I trust him. He's been there for us but also for the community. Greg Moreno calls me once a week to see what I need. I believe 'Element 7' will help out the community.

Alex Orozco: I'm with 'The Roots' dealing in operations. As for community benefits, we try to hit all aspects of the community. It's hard to help everyone...every organization but we're definitely open to everyone. We're here to stay... to be part of the community. This came to be more about Lupe than 'Element 7' and 'The Roots'. We have a track record that speaks for itself. This is our region. We're 'boots on the ground'. We don't have multi-million-dollar finances but we're here to stay and revitalize our communities. 'Element 7' had a license in Lompoc, but they didn't open. It doesn't make economic sense for them. Guadalupe, even a more magnified underserved community...why would it make sense for them to come here? We stand by what we say and what we're going to do. We're here for the long run to work with the community and the government to make sure that all of our promises are being met. If you choose "The Roots", that will be the right decision. We're here to serve the community. We know this isn't a cash cow. Guadalupe isn't going to make anyone rich. We're here to revitalize and start somewhere...help other businesses. We're the right operators for this town.

Slavic Popovich: I have a new business here, cabinet maker. I support 'Element 7'. I looked at going into that location, but they got the lease first. They're more of the company I want to put my name behind. They had spoken with me about making the cabinets for the location. With me, I experienced them reaching out to the community. For me, it's a new company and it's a little harder when you're starting out but getting more support for businesses in town. That's what I wanted to voice my opinion on tonight.

Emails received on this item:

Frances Romero – Dated 8/11/2022

Dear Mayor Julian, Mr. Bodem, Chief Cash and Mr. Sinco...I hope you are doing well & I want to say thank you for your service. Please forward this email to the remaining four Councilmembers prior to the meeting on 8/16.

While the City has made the decision to go forward with retail cannabis in hopes of generating revenue, I thought that today's article in Noozhawk was timely, relative to the percentage of cities & counties statewide that don't allow any type of cannabis business at 56% & that 62% of cities & counties have banned retail businesses. These percentages are incongruent with the Proposition 64 vote that allowed legalization that passed with 57.13% of the votes. Perhaps this is a result of experiences with retailers & community impacts?

[https://www.noozhawk.com/article/county planning commission approves Orcutt dispensary after appeal?](https://www.noozhawk.com/article/county_planning_commission_approves_Orcutt_dispensary_after_appeal?)

At any rate, the reason for my email is in regard to the upcoming vote on Tuesday night. I'm glad to see that the City decided to redo the vote with a full Council and should consider their first vote as well due to this recent article:

"Dayspring claims he bankrolled other SLO cannabis dispensaries; companies and city push back"
<https://www.newtimeslo.com/sanluisobispo/dayspring>

I believe that if this information had been available at the time of the first vote, that the Council would not have supported an applicant who already has a record of not being truthful with the City of San Luis Obispo. While your selected applicant denies any wrongdoing in this article, he was not under oath when talking to the press.

My request is that the Council reconsiders its first selection based on this recent first article, as there are probably more on the way. When new information surfaces, you have an obligation & a right to reconsider. I realize that the right choice is often not the easy one. There are so many positive things happening & on the horizon for the City because of your efforts, please reconsider.

Personally, I don't think we need two (2) retailers. The decision for two (2) has been made & your best two (2) choices are on the agenda Tuesday night. I look forward to your decisions.

Warm regards, Frances

Frances Romero-Dated 8/12/2022

To: Todd Bodem, Philip Sinco, Ariston Julian, Michael Cash

Good Morning All...It is hard to keep up with all the recent media. I've attached two more items, an article & an interview for the City Council to consider regarding the first approved license. Frances

<https://calcoastnews.com/2022/08/slo-county-upstarts-grab-a-slice-of-cannabis-kingpins-empire/>

<https://www.920kvec.com/show/dave-congalton-hometown-radio/>

Lanny Ebenstein-Dated 8/15/2022

To: Todd Bodem, Philip Sinco, Chief Cash

Dear Mayor Ariston and Members of the Council...As a longtime participant in Santa Barbara County civic affairs (including in Guadalupe), this letter is to encourage you to consider a dispensary application other than the one from SLO CAL Roots. No one who has watched the process of cannabis dispensaries unfold in Santa Barbara County could be positively impressed with how most cities have approved their applications to this point. Far too often, promises have been made by applicants that have not been kept, people have been involved of whom it was said they were not involved, and

expensive and time-consuming litigation and community controversy have followed. There is no reason for this to occur in Guadalupe. You have too many important issues that you are considering.

A good principle for public agencies is to avoid even the appearance of inappropriate policymaking. The City of Guadalupe should not approve a cannabis dispensary with any applicant for whom there is a significant chance much controversy and possibly legal action would result. Thank you for your consideration and your service to the community. Sincerely, Lanny Ebenstein, Santa Barbara.

At this point, Mayor Julian said that there is a process to go through for the business permit and assume that the prior applicant that was approved to go forward for the permit will go through with it. He explained, "There were five (5) dispensaries that submitted applications. The decision was to allow two (2) dispensaries...having more is too much for our community. I looked at employment – looking at 10-12 hires. Labor market is dismal in this area, especially for the younger residents, college-age type. Wages and benefits? Both are outstanding what they both can offer.

When we looked at the five (5) dispensaries that applied, I personally looked at where the business would be located. Where would they be located if we looked at five (5)...if we looked at three (3)? Where do we need an infrastructure or a business in town? One on the northside – one in the middle – one on the southside. What was happening with these businesses? An empty lot in that location...Basque House...Al's Union station. My consideration for selecting an entity is this – location and then what they can do for Guadalupe. There's one entity in the loop for a permit, 'Root 1'.

Look at the grading system for the two. Close in percentage points. Benefits are comparable. There's little difference in what they can offer the community. Both Alvarez brothers...wouldn't go wrong with either company. Would be nice to have three (3) dispensaries because there's no difference to me. I also want to give 'hats off' to the local veterans...Greg, Steve, Deek, and to all the other veterans here supporting the community. Thank you for your service. It's really important to our community. Who's coming to us in support? It's the veterans, local businesses, the 'Marlenes-of-the-world' that are saying that the community of Guadalupe needs support. These two entities...whichever we choose, if we choose, will benefit us greatly."

CM Ramirez asked, "Recently the County has moved through the Planning Commission an opportunity to provide cannabis business in Orcutt. Does that have an impact on either company getting a possible license in Orcutt?" 'Element 7' responded, "Orcutt could draw people from further away than coming to Guadalupe. There's competition everywhere. Pt. Hueneme brings people from all areas of Ventura County. More competition normalizes cannabis." CM Ramirez asked further of 'Element 7', "Would that impact your business plan or your license here?" 'Element 7' answered, "You have to have a defined audience. You can't just sell to anyone. We find that audience...we communicate to that audience. We go for the older, conservative audience...a holistic/medicinal and wellness pool of customers. Not a lot of our competitors go for this audience."

CM Ramirez had another question relating to Orcutt. He asked, "Community benefits, great jobs, etc. If a licensed store comes into Orcutt, will 'Element 7' decide to move in that direction? What about employees in Guadalupe? Will you support their moving to keep their jobs?" 'Element 7' said, "There would be no dip in sale. (An example was given of something similar to the Orcutt situation.) You have to have a clear point of view of what your business is...what you stand for, and you go for it. Honestly, I would welcome competition."

'The Roots' was asked to respond to the same questions. They responded saying, "We're familiar with Orcutt. 'The Roots' is one of the premier companies in Lompoc because we know how to adjust to our market. We understand our demographics. These corporate companies can't compete with the 'Mom & Pop' styles in our relationships. We welcome competition. People will see lower prices in Guadalupe versus Orcutt. We have delivery service, competitive pricing. Our plan is to go after these neighboring cities regardless of competition there." Mr. Castenada added, "Corporations come into different areas they're not used to. They're used to populations in the hundreds of thousands. So, when they come to smaller communities, it's not the same connection, same feel as smaller companies. We can do it better."

CM Ramirez asked the same question of 'The Roots', "If the County grants a license opportunity in Orcutt, would your workers be able to relocate to those other positions or would you let them unionize?" Mr. Castenada said, "Yes if employees want to unionize, we will be supportive of that decision. A little bit about our strategy and our vision - we want to be the premier dispensary and premier brand in the Central Coast. We're focusing on building here...building on the Central Coast. Part of the careers we want to create will be local and share the support to help others out in our region." Mr. Orozco added, "Our hope is that employees don't leave because they've been treated well here. We pay them wages that they deserve so they don't leave. Talent in this industry is hard to find. But if another cannabis company offers a promotion, we totally support that. We want to create careers, not pass-through jobs."

Hands were raised again in the audience, but Mayor Julian said he was going to keep the discussion with the Council at this point. CM Costa, Jr. asked both companies, "What if nothing changes, and the vote is still 3-1-0? Are we going to be back at it again in a month or so? We shouldn't be here right now doing this again. Two (2) of us were gone when it was voted before. What's to say we're not back up here for the fourth time? Whoever is granted the second spot, how do we know you'll continue the process to open up? What is your goal or timeline to be opened up by?" Mr. Lupe Alvarez, 'Element 7' said, "We submitted the application to the City already. We'll pay for the permit. They'll follow through on their promises. The difference between these two (2) companies is that 'Element 7' will perform. That's a guarantee."

Ms. Thuna, 'The Roots', said, "We're ready to open. We're ready tomorrow. Our community work will continue. We'll introduce other non-profits to other funding opportunities, not just 'The Roots'. I think that's one of the benefits of working with a company like ours that's established. If you ask us to come back, we will."

Mr. Orozco, 'The Roots', added, "We truly believe we're the right cannabis business for the City. We're still going to continue to support Lupe...Gustavo, they're not going anywhere. We're going to do our best to continue to support neighboring cities. How fast will we go? As fast as you allow us. We have everything in place...we've done this already. We're ready to go tomorrow. The reality is that it's the government that holds us up. It's the red tape...building, planning, time to get the reviews back. All of that is what holds us up. We have staff ready to train local hires. So, we're ready to go as fast as you'll let us. Nothing changes. We're still a part of the community. Again, we want to be the premier dispensary and the community benefits part in this 805, all the way from Ventura up north to Paso Robles. We're from here. We believe in our cities and our neighbors. We're here to stay. Check our performance. We're realistic what the City of Guadalupe economically will bring to 'The Roots'. We like this and the cannabis is just a plus."

Mr. Castenada added, "To add to that, we don't give up. That says something about the company we are. We're gonna go for it and give it our all, whether it's competing with someone in Orcutt, or Lompoc, Los Alamos, Santa Ynez, we're gonna give it our all. That's how we were raised and that's something we want to pass that down to everyone...our kids, our employees. We go for it, to the best of our ability."

Mr. Steve Baird rose up wanting to speak again but Mayor Julian ended community participation and brought things back to the Council. He said, "We have three (3) options: a) select one of these applicants to move forward with the process of obtaining a CCB permit; or b) continue deliberations on these two (2) CCB permit applicants to a future meeting; or c) take no action and provide further direction to staff. What is the wish of the Council?"

Both CM Ramirez and CM Cardenas wanted to hear from the public who may want to speak further on the subject.

Marlene Escalante: regarding Orcutt, every dispensary carries different products. The customer will go to the dispensary that sells their product. (In reference to CM Costa, Jr's comment) two council members weren't present but there were still three (3) votes. There are a lot of products out there...butter, cookies, candy, gummies, you name it. There's not just somebody who'll carry a bottle of cannabis. Base your decision on facts."

Steve Baird: as a community partner and a beneficiary of a cannabis club in Orcutt, I wanted to know if you'd like to hear from our standpoint in receiving funds from the community and what happens whether or not people are still pursuing. It was more of an opportunity to answer more of your question. CM Ramirez responded, "My question was more if people, when they commit to one community, if another company opens in a nearby community, would they stay there?" Mr. Baird said that he was going to comment on the question of 'do people do what they say they're going to do'.

Jeannie Mello: to CM Costa, Jr.'s question of 'what if'...that's a broad question. I don't think anyone can answer that question...it's nebulous.

With no other community participation, Mayor Julian again brought the subject back to the Council, giving the three (3) options one more time. CM Costa, Jr. said, "The two (2) companies that I voted on are not here. My fellow council members asked these two (2) companies to come back. So, we're here for a third time. Let's go forward with 'Element 7'."


Motion was made by Council Member Costa, Jr. and seconded by Council Member Robles to select BDSF 1 Holdings LLC dba Element 7 Guadalupe ("Element 7") as the second prevailing applicant to move forward with the process of obtaining a CCB permit. Roll Call: Ayes: 4 Nos: 1, Ramirez 4-1 Motion passed.

Mayor Julian had a few parting comments, "Everything was professionally handled and presented. Again, five (5) dispensaries applied. Now two (2) that we approved have to go through a process. If they don't clear it, we'll move the next one in line up. Hopefully, everybody that's approved will move forward."

5. ADJOURNMENT

Motion was made by Council Member Costa, Jr. and seconded by Council Member Cardenas to adjourn the meeting. 5-0 Motion passed. Meeting adjourned at 7:54 p.m.

Prepared by:


Amelia M. Villegas, City Clerk

Approved by:


Ariston Julian, Mayor