

Agenda

Economic Development Corporation

Board of Directors

City of Kalamazoo



Thursday, November 16, 2023

7:45 AM

CPED Main Conference Room - 245 N. Rose Street, Suite 100

A. CALL TO ORDER/ROLL CALL

B. ADOPTION OF FORMAL AGENDA

C. APPROVAL OF MINUTES

1. Approval of the minutes from the meeting of the Economic Development Corporation on October 19, 2023 (**Action: Motion to Approve.**) - Voice Vote.

D. PUBLIC COMMENTS

E. DIRECTORS' COMMENTS

F. NEW BUSINESS

1. Approval of a recommendation to the City Clerk a 90-day probationary approval of the Adult Use Retailer Marijuana Business Permit for QPS Michigan Holdings, LLC DBA High Profile - Boutique Cannabis (815/823 W Michigan) (**Action: Approval of a recommendation to the City Clerk a 90-Day probationary approval of the Adult Use Retailer Marijuana Business Permit for QPS Michigan Holdings, LLC DBA High Profile - Boutique Cannabis (815/823 W Michigan)) - Roll Call Vote**
2. Approval of a recommendation to the City Clerk a 90-day probationary approval of the Adult Use Retailer Marijuana Business Permit for QPS Michigan Holdings, LLC DBA High Profile - Cannabis Shop (4037 S Westnedge) (**Action: Approval of a recommendation to the City Clerk a 90-Day probationary approval of the Adult Use Retailer Marijuana Business Permit for QPS Michigan Holdings, LLC DBA High Profile - Cannabis Shop (4037 S Westnedge)) - Roll Call Vote**
3. Approval of the 2024 Proposed EDC-BRA Meeting Schedule (**Action: Approval of the 2024 Proposed EDC-BRA Meeting Schedule**) - Voice Vote

- G. UNFINISHED BUSINESS**
- H. COMMUNICATIONS AND ANNOUNCEMENTS**
- I. STAFF REPORTS AND UPDATES**
- J. ADJOURNMENT**

**CITY OF KALAMAZOO
ECONOMIC DEVELOPMENT CORPORATION BOARD MEETING
Thursday, October 19, 2023
Community Planning and Economic Development
245 N. Rose Street, Kalamazoo, MI 49007**

MEMBERS PRESENT: Rachel Bair; Kyle Gulau; Kevan Hess; Lucas Middleton; Jason Novotny; Nathan Bolton; Michael Gurnee; *Qianna Decker; *Sharon Ferraro

MEMBERS ABSENT: Andrew Schipper; Torean Greeley

CITY STAFF PRESENT: Jamie McCarthy (Sustainable Development Coordinator); PJ Thuringer (Economic Development Supervisor); John Weiss (Attorney, Dickinson Wright); Logan Mulholland (Fishbeck, Consultant); Jared Chambers (Business Specialist); Heidi Gartley (Brownfield Project Assistant)

Meeting was called to order at 7:47 AM by Chair Bolton.

MOTION TO EXCUSE ABSENT MEMBERS: Director Gurnee moved to excuse absent members; seconded by Director Novotny. Motion approved by voice vote unanimously.

APPROVAL OF AGENDA: Director Hess moved the approval of the agenda as presented; seconded by Director Middleton. Motion approved by voice vote unanimously.

APPROVAL OF MINUTES: Director Gurnee moved the approval of the minutes from the meeting of September 21, 2023; seconded by Director Bair. Motion approved by voice vote unanimously.

PUBLIC COMMENTS

None.

DIRECTORS' COMMENTS

None.

NEW BUSINESS

1. Approval of a recommendation to the City Clerk to Approve the 2-year renewal of the Adult Use Retail Marihuana Business Permit to Green Bronco LLC DBA Mint Cannabis.

Mr. Thuringer presented information on Green Bronco LLC DBA Mint Cannabis, as found in the agenda packet. Staff recommends a 2-year renewal.

Director Bair shared that she serves on the board for the Edison Neighborhood Association and that the funds this business has donated to the association are very appreciated.

Chair Bolton asked how the business chooses families to sponsor for Thanksgiving donations. Koreena Xiloyotl, representative of Mint Cannabis, explained they first ask the community to recommend families and if they are unable to, the company will ask their employees for recommendations.

Director Hess moved approval of a recommendation to the City Clerk to approve the 2-year renewal of the Adult Use Retail Marihuana Business Permit to Green Bronco LLC DBA Mint Cannabis; seconded by Director Middleton.

A roll call vote was taken, and the motion passed unanimously.

2. Approval of a recommendation to the City Clerk a 90-Day probationary approval of the Medical Grower Class C and Adult Use Grower Class C Marihuana Business Permit for The Woods Cultivation LLC DBA AHKI Canna.

Mr. Thuringer presented information on The Woods Cultivation LLC DBA AHKI Canna, as found in the agenda packet. Staff recommends a 90-Day probationary renewal.

*Commissioner Decker arrived at 7:56 AM.

Director Middleton asked if businesses have to pay the \$5,000 fee at each renewal. Mr. Thuringer confirmed they do and explained that is a benefit to a business achieving gold-level certification, as then they only pay the fee once every two years. If they are not able to satisfy all requirements of a renewal, they are not eligible for a two-year renewal.

Trent Friske, representative of AHKI Canna, asked for clarification on the timing requirement for zoning requirements that must be met. He also stated they appreciate the opportunity to extend the approval period for 90 days.

Director Gurnee moved approval of a recommendation to the City Clerk to approve a 90-Day probationary approval of the Medical Grower Class C and Adult Use Grower Class C Marihuana Business Permit for The Woods Cultivation LLC DBA AHKI Canna; seconded by Director Middleton.

A roll call vote was taken, and the motion passed unanimously.

3. 2024 Budget Approval.

Mr. Thuringer shared the proposed 2024 EDC Budget, as found in the agenda packet. He noted on the 2023 EDC Budget line item Application Fee Renewal should be 2,000 and not 20,000. This was a misprint.

*Director Ferraro arrived at 8:02 AM.

Director Middleton asked for clarification as to whether or not the marihuana renewal fees are reflected in their budget. Mr. Thuringer shared they are not part of the EDC budget, as they are part of another city budget.

Director Hess asked what funds are used to balance out the deficit. Mr. Thuringer said he will inquire to find the answer to this.

Chair Bolton asked if there are already EIF loans earmarked, as two are reflected in the proposed budget. Mr. Thuringer shared he has a couple for next year that he is working on.

Director Hess asked how we have been advertising the loans and grants to businesses. Mr. Thuringer shared that we have not been actively marketing the loans. There is currently no marketing plan for the loans, as there are only two loans available.

Commissioner Decker asked about the increase of the Advertising line item and if this would mean more advertising for opportunities such as the loans. Mr. Thuringer shared that increase will help the BRA with their advertising efforts and goals.

Director Gulau said seeing a quarterly report would be beneficial and help the board be more aware of the funds they have available to distribute in the community.

Commissioner Decker asked about the increase for budget item Vehicle Lease. Mr. Thuringer shared the budget for the prior year was too low to get a vehicle. This year the amount is a hard number and will be split with the BRA.

Director Gulau asked if the Marijuana Equity Transfer and the Marijuana Equity Project lines should be balanced. Mr. Thuringer explained that these numbers come from the state and their timing is off. He further explained the amounts and the staggered years they come from.

Director Gulau moved approval of the 2024 EDC Budget; seconded by Commissioner Decker.

A roll call vote was taken, and the motion passed unanimously.

UNFINISHED BUSINESS

None.

COMMUNICATIONS AND ANNOUNCEMENTS

Mr. Thuringer shared that the Social Equity Chamber RFP is out and due October 24, 2023.

STAFF REPORTS AND UPDATES

Mr. Thuringer shared that staff are working on a technical assistance grant to help with planning for the Economic Development Strategy. They have the opportunity to apply for the grant because Kalamazoo is a Redevelopment Ready Community.

Director Gurnee asked if any of those grant funds could be used on planning for advertising, such as contracting someone to develop a marketing plan. Mr. Thuringer does not know the answer at this time, he will look into it.

ADJOURNMENT: Meeting was adjourned at 8:17 AM by Chair Bolton.

Signature

Name/Title

Signature

Name/Title

INTER-OFFICE MEMO

To: The Economic Development Corporation Board of Directors

From: Paul Thuringer, Economic Development Supervisor
Jared Chambers, Business Specialist

Date: November 13, 2023

Re: Adult Use Retailer Permit Renewal for QPS Michigan Holdings, LLC
DBA High Profile – Boutique Cannabis (815/823 W Michigan).

The City Clerk's Office has requested that the Economic Development Corporation (EDC) Board of Directors evaluate the *Marihuana Facility Permit Renewal Application* submitted by: QPS Michigan Holdings, LLC for its facility at 823 W Michigan Avenue and that the EDC Board provide a recommendation regarding the renewal of this permit. The City Operating Permit, issued on September 15, 2022, is scheduled to expire on November 30, 2023, and must be renewed before its expiration for the facility to continue operating. The applicant has submitted the required renewal application and the annual permit fee. Below is the ordinance language that describes the specific role and responsibilities of the EDC in this process:

§ 20B-12

C. In determining whether to grant a renewal of a permit, the members of the City's Economic Development Corporation board will evaluate the permit holder's compliance with the statements it provided with its initial application and submission with its request for renewal of the following information:

1. The Staffing plan for the business which describes the actual number of employees, including the number and type of jobs that the facility has created, and the amount and type of compensation (including benefits) paid for such jobs;
 - They have 13 employees, 10 full-time and 3 part-time.
 - 1 General Manager - \$65,000
 - 1 Assistant Store Manager - \$45,000
 - 5 Shift Leads - \$36,254
 - 3 full-time & 3 part-time Sales Associates/Receptionists - \$31,541
 - Full-time employee benefits include; Medical, Mental Health, Substance Use Disorder, Chiropractic and Massage Therapy, Dental, Vision, & Maternity/Paternity Leave.
2. An explanation, with supporting factual data, of the economic benefits to the City and the job creation for local residents achieved by the business, results of efforts for community outreach and worker training programs;
 - As of November 1, 2023, all retail store employees received a wage increase equal to \$1.00 per hour.
 - This facility generates approximately \$410,000 in gross annual wages to Kalamazoo residents.

- Staff contributed volunteer hours with the local organization, Loaves and Fishes assisting in preparing food for distribution to residents in need.
 - They tabled at the downtown Art Hops and summer festivals including a contribution of \$15,000 to support the annual RibFest.
 - From June 2022 to June 2023, they made the following charitable contributions.
 - Loaves and Fishes - \$1,666.66
 - Ministry with Community - \$1,666.66
 - Out Front - \$1,666.67
 - Their regional leadership has been collaborating with the Kalamazoo-based Professional Cannabis Education Network (PCEN) to support their efforts in enhancing cannabis training and creating workforce opportunities.
 - They use local contractors, businesses, and service professionals for construction and property maintenance, and other services. Some of them include;
 - Mr. Handyman: Building Repair
 - Solid Lawn Care: Lawn Care and Snow Removal
 - Culligan: Water Delivery Service
 - BELFOR Property Restoration
 - WLP Security
 - Kalamazoo Property Management
3. An explanation, with supporting factual data, of the efforts and success achieved by the social equity plan of the business to promote and encourage participation in the marihuana industry by local residents that have been disproportionately impacted by marihuana prohibition and enforcement, and the positive impact of the social equity plan on local residents;
- They “Ban the Box” during the hiring process.
 - The company has implemented an optional questionnaire in the application process designed to help identify and prioritize candidates who may have experienced adverse effects due to marijuana prohibition. Based on 2023 survey results, 8% of their workforce has been disproportionately impacted by marijuana prohibition and enforcement.
4. A statement that the business is not in default to the City for any property tax, special assessment, utility charges, fines, fees, or other financial obligation owed to the City;
- They are in good standing and not in default to the City.
5. A statement that the hiring and public accommodation practices of the facility conform to the City's Nondiscrimination Ordinance provisions and documentation of the total number of employees broken out by managerial and operational employees, number of women, and number of minority employees and number of employees disproportionately impacted by marihuana prohibition and enforcement.
- The facility conforms to the City's Nondiscrimination Ordinance provisions.
 - There are 10 women employees and 5 of them are in management roles.
 - There are 6 minority employees and 3 of them are in management roles.
6. A statement, with supporting documentation, providing answers to the following questions:
- a. How many City residents do you currently employ?

- 7 employees reside in the City.
- b. How many current employees reside in Census Tracts 1 (Eastside); 9, 10 (Edison), and/or 2, 02, 3 (Northside)?
 - 1 employee resides in the Eastside neighborhood.
 - 1 employee resides in the Edison neighborhood.
 - 1 employee resides in the Northside neighborhood.
 - c. What is your plan to employ residents of the identified census tracts?
 - Their strategy involves implementing targeted outreach programs to engage with the local community. They plan to collaborate with local community organizations and educational institutions that serve the Eastside, Edison, and Northside neighborhoods to advertise open positions and opportunities for community education.
 - They have been working with Kalamazoo Valley Community College's Cannabis Workforce Training program to help develop a pipeline for program graduates to find careers in their facilities. To further ensure inclusivity, they will actively participate in job fairs and career development events within the identified Census Tracts.
 - d. How many of your employees have prior marihuana convictions (excepting a conviction for delivery or distribution to a minor)?
 - 1 employee.
 - e. What is your plan for employees with a prior marihuana conviction to move up within your business and/or the marihuana industry?
 - Through ongoing training and professional development opportunities to enhance their skills and promote career advancement, when internal promotions are available, they prioritize the individuals with prior marijuana convictions, recognizing the value of their skills and contributions.
7. Proof that the marihuana business has received recognition and maintains the status as a Silver Level Social Equity All-Star or better with the Michigan Cannabis Regulatory Agency.
 - As of June 2023, they were accepted into the program at the Gold level.

Please see the attached Marihuana Renewal Application Checklist, completed by City staff to verify if all requirements of the ordinance have been met. The City Clerk has verified that the applicant has no outstanding financial obligations to the City, there have been no complaints to the City Manager regarding compliance with the City's anti-discrimination ordinance. The facility has passed its City Fire inspection, but there is an outstanding deficiency remaining from the Zoning inspections. The applicant has not met all the requirements for renewal..

RECOMMENDATION

Staff recommends that the EDC Board recommend to the City Clerk's Office a 90-day probationary renewal approval of the Adult Use Retailer Permit to QPS Michigan Holdings, LLC, pending correction of the zoning landscaping deficiency.

The EDC Cannabis Committee recommended a 1-year renewal instead a 2-year, with suggestions for improvement regarding their social equity efforts. (This recommendation was made without the knowledge that there was still an outstanding zoning deficiency.)

ATTACHMENTS

Renewal Application, (Staffing Plan), (Community Benefits Statement), and (Social Equity Plan) from the applicant.

Adult Use Retailer Marihuana Renewal Application Checklist for:

QPS Michigan Holdings DBA High Profile - Boutique Cannabis

815 W Michigan Ave

Contact: Ankur Rungta

ankur@c3industries.com

Type: Adult Use Retailer

	Date Received	Received By	Comments	
Renewal Application Received	8/22/2023	Scott Borling		
Inspection Type:	Inspection Date	Completed by:	Satisfactory?	Notes
Zoning Inspection	10/12/2023	Pete Eldridge	No	
Fire Inspection	10/12/2023	Scott Brooks	Yes	
	Date	Name	Comments	
Business Community Benefits Check-In	10/20/2023	Jared Chambers		
	Invite Sent	EDC Meeting Date		
Invite to EDC Meeting		11/16/2023		
	Full-Time	Part-Time	Comments	
Jobs Created	10	4		
	Yes/No	Comments:	Verified by:	
Any Past Due Financial Obligations with City? (i.e. taxes owed, fees, fines, etc)	No		Andrew Falkenberg	
Silver Level Social Equity All-Star or better status with the Michigan Cannabis Regulatory Agency	Gold			
Attachments	Staffing Plan	City Economic Benefits Plan	Social Equity Plan	Handbook
	Yes	Yes	Yes	N/A

All Items Complete No

Rec'd 7/3/2023

MARIHUANA BUSINESS PERMIT RENEWAL APPLICATION

Pursuant to Chapter 20B of the Kalamazoo City Code

City of Kalamazoo
Office of the City Clerk
241 West South Street
Kalamazoo, MI 49007

(Please Print)

BUSINESS INFORMATION (The entity that is licensed by the state and that holds a City MMF permit)**Official Business Name** QPS Michigan Holdings LLC

Business Address 4420 Varsity Drive

City Ann Arbor State MI Zip Code 48108 Business Phone 734-412-4600

Business E-mail ankur@c3industries.com Business Website www.c3industries.com

TYPE OF PERMIT BEING RENEWED**Medical**Grower:☐ Class A (500 plants)☐ Class B (1,000 plants)☐ Class C (1,500 plants) No. of Class C Permits _____☐ Processor☐ Safety Compliance☐ Provisioning Center☐ Secure Transporter**Adult Use**Grower:☐ Class A (100 plants)☐ Class B (500 plants)☐ Class C (2,000 plants) No. of Class C Permits _____☐ Excess Grower☐ Processor☐ Safety Compliance☐ Microbusiness☒ Retailer☐ Secure Transporter☐ Designated Consumption Lounge**FACILITY INFORMATION**

Property Address 815/823 W. Michigan Ave., Kalamazoo, MI 49007

Real Property Parcel Number 01-16-468-001

Advertised Facility Name High Profile - Boutique Cannabis

Manager - Full Name Jeff Gartee

CONTACT INFORMATION [the primary point(s) of contact for this application]**Name** Ankur Rungta

Address 225 High Orchard Lane

City Ann Arbor

State MI

Zip Code 48108

Phone 734-323-1822

E-mail ankur@c3industries.com

Name Vishal Rungta

Address 153 Bidwell Pkwy.

City Buffalo

State NY

Zip Code 14222

Phone 248-255-1822

E-mail vishal@c3industries.com

ATTACHMENTS

Please attach the following as separate documents to this application:

1. The attached Staffing Plan worksheet and any additional pages that provide a description of the actual number of employees, including the number and type of jobs that the licensed facility has created, and the amount and type of compensation (including benefits) paid for such jobs; and
2. An explanation, with supporting factual data, of the economic benefits to the City and the job creation for local residents achieved by the facility; the results of community outreach efforts; and worker training programs.
3. A social equity plan that: (a) promotes and encourages participation in the marihuana industry by local residents that have been disproportionately impacted by marihuana prohibition and enforcement; and (b) positively impacts local residents.
4. Documentation that indicates your business qualifies as a Silver Social Equity All-Star or better with the Michigan Cannabis Regulatory Agency. **A marihuana business must meet this qualification to be eligible for permit renewal with the City of Kalamazoo.**

The City's Economic Development Corporation will use the information provided in these documents to evaluate the permit holder's compliance with the statements it provided with its initial application (specifically the representations made in Attachment G – Staffing Plan and Attachment H – Community Benefits Statement).

Please complete the following certifications:

- ☒ The permitted facility is not in default to the City for any property tax, special assessment, utility charges, fines, fees or other financial obligation owed to the City.
- ☒ The hiring and public accommodation practices of the permitted facility conforms to the City's anti-discrimination ordinance provisions.
- ☒ I consent to an inspection of the permitted premises as required by ordinance to ensure the premises and its systems are in compliance with the requirements of Chapter 20B of the Kalamazoo City Code.
- ☒ I understand that renewal of a City Operating Permit is contingent on renewal of the State Operating License for this facility.

I hereby certify under the penalty of perjury that the statements made in this application, including all attachments thereto, are true. I further certify that I am an officer, director, or managerial employee of the applicant or a person who holds a direct or indirect ownership interest in the applicant.

Applicant Signature: Ankur Rungta Date: 6/28/2023 | 4:18 PM EDT

Name (printed): Ankur Rungta Position: Manager

STAFFING PLANSummary

Please indicate the number of employees who work at the licensed facility:

Full-time employees (32+ hours per week) 6 Part-time employees (< 32 hours per week) 6

Position Types and Compensation

Please provide a description of the types of jobs the licensed facility has created, along with the amount of compensation and benefits paid for such jobs:

Position Title: Store Manager Annual Average Compensation \$ 55,000
 How many people are employed in this position at the licensed facility? 1
 Are health insurance benefits available for employees in this position? Yes X No
 If yes, please indicate the employer contribution to health insurance costs: All Partial X None

Position Title: Assistant Manager Annual Average Compensation \$ 42,000
 How many people are employed in this position at the licensed facility? 2
 Are health insurance benefits available for employees in this position? Yes X No
 If yes, please indicate the employer contribution to health insurance costs: All Partial X None

Position Title: Shift Lead Annual Average Compensation \$ 37,000
 How many people are employed in this position at the licensed facility? 2
 Are health insurance benefits available for employees in this position? Yes X No
 If yes, please indicate the employer contribution to health insurance costs: All Partial X None

Position Title: Inventory Specialist Annual Average Compensation \$ 37,000
 How many people are employed in this position at the licensed facility? 1
 Are health insurance benefits available for employees in this position? Yes X No
 If yes, please indicate the employer contribution to health insurance costs: All Partial X None

Position Title: Sales Associate/Receptionist Annual Average Compensation \$ 31,200
 How many people are employed in this position at the licensed facility? 2 full-time, 6 part-time
 Are health insurance benefits available for employees in this position? Yes X No
 If yes, please indicate the employer contribution to health insurance costs: All Partial X None

Please provide information on any benefits other than health insurance that are offered to all employees:
The Company's benefit package shall include, but not be limited to, health, dental and vision coverage. In addition, the Company's internal policy, outlined in its employee manual, highlights other benefits provided to Company employees, such as paid and floating holidays, paid time off, sick days and adherence to federal Family and Medical Leave Act which provide employees up to 12 weeks of leave due to family or personal medical issues, to include time off for maternity and paternity leave.

Attach additional pages as necessary.

STAFFING PLAN

Compliance with Social Equity Policy

1. How many of your current employees reside in the following Census Tracts:

Census Tract 1 (Eastside Neighborhood) 1

Census Tracts 9 and/or 10 (Edison Neighborhood) 1

Census Tracts 2.02, and/or 3 (Northside Neighborhood) 1

2. What is your plan to employ residents of the identified Census Tracts?

The Company is committed to employing a diverse workforce. The Company's current workforce is made up of 75% women and 42% minorities. The Company is also committed to employing local Kalamazoo residents, as well as Michigan residents. Currently, 83% of the workforce are local Kalamazoo residents and 100% are Michigan residents.

Attach additional pages as necessary.

3. How many of your employees have prior marihuana convictions or expungements (excepting a conviction for delivery or distribution to a minor)?

Number of employees with marihuana convictions 1

4. What is your plan for employees with a prior marihuana conviction to move up within your business and/or the marihuana industry?

The company has also implemented an optional questionnaire during the application process that will help us identify and prioritize candidates who have been negatively impacted by marijuana prohibition through the hiring process.

Attach additional pages as necessary.

Community Benefits Statement

815 W Michigan Ave, Kalamazoo, MI 49007

QPS Michigan Holdings, LLC

Economic Benefits and Job Creation

The Company has contributed to the Kalamazoo economy in a number of meaningful ways including creating a large number of living wage jobs and filling the vast majority of such positions from within the local community and/or the state of Michigan, (ii) significant local investment in real estate and construction, and (iii) philanthropy and community partnerships.

The Company performed a great deal of construction work at the current site (including both interior buildout and broader site improvements to bring the entire site into code compliance). Over \$600,000 was invested by the Company on the buildout and improvements.

Currently, 8% of the Company's workforce has been disproportionately impacted by marijuana prohibition and enforcement. The company has also implemented an optional questionnaire during the application process that will help us identify and prioritize candidates who have been negatively impacted by marijuana prohibition through the hiring process. (Screenshot below).

C3 INDUSTRIES

Are you at least 21 years of age? *

The state of Michigan prohibits cannabis businesses from employing anyone under of the age of 21.

☐ Yes

☐ No

Were you referred by a current C3 Industries employee? If so, please list their name.

Were you ever disproportionately impacted by cannabis prohibition or enforcement?

C3 Industries is committed to promoting and encouraging participation in the cannabis industry from individuals who have been disproportionately impacted by cannabis prohibition and enforcement.

☐ Yes

☐ No

☐ Prefer not to disclose

The Company has created twelve (12) jobs and a majority of its workforce are from the local community (specifically candidates that reside within the City of Kalamazoo), including minorities. These jobs created have strong compensation (e.g. Store Manager - \$55,000; Assistant Manager - \$42,000; Shift Lead \$37,000; Inventory Specialist \$37,000; and Sales Associate - \$31,200). All full-time employees are offered full benefits. The Company's benefit package includes, but is not limited to, health, dental and vision coverage. In addition, the Company's internal policy, outlined in its employee manual, highlights other benefits provided to Company employees, such as paid and floating holidays, paid time off, sick days and adherence to the federal Family and Medical Leave Act which provides employees up to 12 weeks of leave due to family

or personal medical issues, to include time off for maternity and paternity leave (all as described on page 3 of the Renewal Application, which is incorporated herein by reference).

The Company is committed to employing a diverse workforce. The Company's current workforce is made up of 75% women and 42% minorities. The Company is also committed to employing local Kalamazoo residents, as well as Michigan residents. Currently, 83% of the workforce are local Kalamazoo residents and 100% are Michigan residents.

Philanthropy Initiatives

The Company is deeply committed to creating a positive impact in the City of Kalamazoo and the surrounding region. The Company has devoted financial and human resources to support community outreach programs and key stakeholder groups, including local community organizations and law enforcement officials such as Kalamazoo Loaves & Fishes (local food bank); Ministry with Community (daytime shelter); and Out Front Kalamazoo (pride).

In addition to financial contributions, the Company has provided human resources through having its employees volunteer and participate in local events/activities, including but not limited to Art Hop, K wings minor league hockey and Ribfest. The Company has also sponsored specific events offered by local organizations, such as having a table/tent at Art Hop events; purchasing tickets to the K wings minor league hockey games, as well as social media and digital billboard spots during the 2022 season; and providing handouts and promotional material during Ribfest 2022, as well as making a donation contribution of \$15,000.

The Company has been highly active within the City of Kalamazoo and will continue to identify ways to assist with enhancing neighborhood aesthetics, crime prevention and/or any other initiatives the community deems to be a priority.

The Company's management team has been committed to building and maintaining good relationships with all of its neighbors – including local business improvement districts, building owners, small businesses, and residents alike.

Community Outreach

The Company has been highly active within the City of Kalamazoo and will continue to identify ways to assist with enhancing neighborhood aesthetics, crime prevention and/or any other initiatives the community deems to be a priority.

The Company's management team has been committed to building and maintaining good relationships with all of its neighbors – including local business improvement districts, building owners, small businesses, and residents alike.

The following steps have been taken to ensure any concerns within the community are addressed:

- Introduction meetings with all surrounding businesses, building owners, and residents.
- Educational information sessions to discuss the benefits of marijuana and the Company's overall mission and goals.
- Open feedback channels so any new concerns can be immediately addressed through our website, telephone, or mail.

- Complete compliance with all state and local ordinances.
- Non-obtrusive business practices shall ensure our business is discreet and operates like any other business.
- No blatant signage with offensive symbols or verbiage.

Worker Training Programs

The Company will provide training and education courses about the regulations of marijuana and employee manuals and other materials that include, but are not limited to, employee safety procedures, employee guidelines, security protocol, and educational training, including, but not limited to, marijuana product information, dosage and daily limits.

During the first ninety (90) days of hiring, all new employees complete a comprehensive training program, provided by the Company, and will be evaluated for suitability in a restricted-access environment. Training will be highly customized based on the role of each employee and the employee's level of experience and training. Training will be held on-site and will cover the following:

1. Health and Sanitation;
2. Legal Compliance and Regulations;
3. Safety and Security;
4. Inventory Monitoring and Reporting/Recordkeeping;
5. Crime Prevention and Awareness;
6. Diversion; and
7. Sales to Minors.
8. Manager / Supervisor training.
9. Systems / Software / POS training
10. Product Training, Dosage and Daily Limits
11. Patient / Customer Service Training

Health and Sanitation

The Company will provide thorough training to all employees to mitigate potential sanitation or safety risks. An emphasis will be placed on the regular cleaning and sanitation of all areas where products and patients, some with potentially compromised immune systems, may be present.

Health and sanitation training will focus primarily on contamination prevention and employees will learn best practices for preventing contamination of marijuana products from biological contaminants (e.g. parasites, mold, bacteria), physical contaminants (e.g. dirt, dust, glass) and chemical contaminants (e.g. cleaning compounds, sanitizing agents, solvents). Training will focus on, but is not limited to, the following topics:

1. Inventory inspections – Procedure for inspecting marijuana products for signs of damage (e.g. water damage), pests and expiration dates.
2. Cleaning and sanitizing – Procedures for:
 - a. regular cleaning of equipment, utensils and surfaces to protect against contamination; and
 - b. cleaning and sanitization of display cabinets, countertops and other service areas at the beginning and end of each shift, and throughout the day as needed.
3. Storage of chemicals – Procedures for identifying and storing chemicals, including cleaning

compounds, sanitizing agents and solvents.

4. Handling of marijuana products – Protocol for proper sanitation and personal hygiene prior to handling any marijuana product.
5. Handling, storing, and disposing of marijuana waste.

Legal and Regulatory Compliance

Legal compliance training will educate employees on all Applicable Laws, particularly as such Applicable Laws inform the day-to-day operations of the Center. Legal and regulatory compliance training will focus on, but is not limited to, the following:

1. Inventory tracking compliance;
2. Required labeling and packaging of marijuana products;
3. Daily purchasing limits;
4. Maximum concentration or amount of THC per product;
5. Recordkeeping and confidentiality;
6. Prevention of illegal diversion of marijuana; and
7. Disposal of marijuana waste.

Employees will complete initial legal compliance training at new employee orientation and will receive additional training from time-to-time as necessary to track any relevant changes to Applicable Laws.

Safety and Security

As a part of the employee orientation process, all employees will be provided with a copy of the final security plan, as well as security and safety training. Security and safety training shall consist of examination and discussion of the security plan, premises orientation, emergency training, and situational training.

Safety and Security training will focus on, but is not limited to, the following:

1. Building orientation and access authority which shall include:
 - a. Employee's access into the premises and main building entrance;
 - b. Employee's access into limited access areas;
 - c. Facility standard business hours and protocol for entry and exit outside standard business hours;
 - d. Employee's authorized entry and exit points;
 - e. Employee's storage space; and
 - f. Restroom and sink facilities.
2. Measures and controls for the prevention of diversion, theft or loss of marijuana which shall include:
 - a. Necessity of keeping all limited access areas locked and secure at all times;
 - b. Prohibited activities such as entrance into limited access areas;
 - c. Awareness of video monitoring; and
 - d. Requirement to report any unusual activity, security concern, or loitering.
3. Procedures and instructions for responding to an emergency that will include:
 - a. Accident prevention training;
 - b. How to respond to an emergency;
 - c. Emergency service provider location;
 - d. Emergency service contact information;

- e. Emergency first aid kit locations; and
- f. Emergency exits and panic button locations.

Inventory Monitoring and Reporting

Inventory Monitoring and Reporting/Recordkeeping training will focus on making all employees proficient in the Center's inventory tracking and point-of-sale system ("POS System") and protocols for recordkeeping. The Center will utilize the POS System training program and resources to provide hands-on, situational training to employees on the protocols and procedures required by the Inventory and Recordkeeping Plan. Employees will also be trained to recognize counterfeit currency and will receive general fraud protection training.

Crime Prevention and Awareness

Initial employee crime prevention training shall include, but is not limited to, the following topics:

1. Building orientation and Center security policies:
 - a. Center hours of operation;
 - b. Employee authorized entry and exit points;
 - c. Customer authorized entry and exit points; and
 - d. Limited access areas.
2. Crime awareness:
 - a. Storing valuables in a secure and/or inconspicuous place, whether the valuable is on-person, in a vehicle or inside the Center;
 - b. Identifying and reporting suspicious behavior inside and outside the Center;
 - c. Utilization of video monitoring;
 - d. Securing the Center during non-operating hours;
 - e. Reporting issues to management;
 - f. Emergency response;
 - g. Accident prevention training;
 - h. How to respond to an emergency;
 - i. Emergency service provider location;
 - j. Emergency service contact information;
 - k. Emergency first aid kit locations; and
 - l. Emergency exits and panic button locations.

Diversion

Company policy dictates that any staff involved with diversion will be dismissed immediately. Staff will be trained to identify diversion and areas of high risk as well as required and encouraged to anonymously notify management of known diversion.

Marijuana Sales to Minors

The Company will only engage in lawful sales of marijuana and recognizes the responsibility of preventing sales to minors. No single process or system can ensure 100% prevention; therefore, the Company will employ multiple methods to ensure marijuana products are not sold to minors. These methods include employee training, the use of information systems and regular internal auditing.

1. Employee training will cover:
 - a. Acceptable forms of customer identification;
 - b. Identifying counterfeit identification and identification alterations;
 - c. Proper verification of medical marijuana prescription for each patient; and
 - d. Proper use of POS Systems.

2. Information systems: the Company will implement software that reminds the operator to check the customer's identification at check-in.

Internal Audits: the Company will implement regular internal audits to test current system effectiveness. Audits will be performed at least annually and will not be communicated with staff to ensure unbiased testing.

Additional Training

The Company will also provide its employees with an opportunity to regularly engage in continuing education and development activities, including, but not limited to:

1. Specialized training in Microsoft suite of products;
2. Training from our point-of-sale vendor;
3. Attending Marijuana Regulatory Agency workshops and roundtable discussions;
4. Training in METRC (statewide tracking system);
5. Industry conferences;
6. Managerial training, to be provided by CLIMB, Center for Advancement focusing on the development of supervisory skills, successfully providing performance feedback, and dealing with conflict; and
7. Human resource compliance training focusing on the requirements and compliance with the Americans with Disabilities Act of 1990, Family and Medical Leave Act of 1993, diversity awareness, etc.

Social Equity
815 W Michigan Ave, Kalamazoo, MI 49007
QPS Michigan Holdings, LLC

Economic Benefits and Job Creation

The Company has contributed to the Kalamazoo economy in a number of meaningful ways including creating a large number of living wage jobs and filling the vast majority of such positions from within the local community and/or the state of Michigan, (ii) significant local investment in real estate and construction, and (iii) philanthropy and community partnerships.

The Company performed a great deal of construction work at their current site (including both interior buildout and broader site improvements to bring the entire site into code compliance). It's estimated that over \$600,000 on the buildout and improvements.

Currently, 8% of our workforce at the Michigan Avenue location have been disproportionately impacted by marijuana prohibition and enforcement. The company has also implemented an optional questionnaire during the application process that will help us identify and prioritize candidates who have been negatively impacted by marijuana prohibition through the hiring process. (Screenshot below).



Are you at least 21 years of age? *

The state of Michigan prohibits cannabis businesses from employing anyone under the age of 21.

- ☐ Yes
- ☐ No

Were you referred by a current C3 Industries employee? If so, please list their name.

Were you ever disproportionately impacted by cannabis prohibition or enforcement?

C3 Industries is committed to promoting and encouraging participation in the cannabis industry from individuals who have been disproportionately impacted by cannabis prohibition and enforcement.

- ☐ Yes
- ☐ No
- ☐ Prefer not to disclose

The Company has created twelve (12) jobs and a majority of its workforce are from the local community (specifically candidates that reside within the City of Kalamazoo), including minorities. These jobs created have strong compensation (e.g. Store Manager - \$55,000; Assistant Manager - \$42,000; Shift Lead \$36,400; Inventory Specialist \$36,400; and Sales Associate - \$29,120). All full-time employees are offered full benefits. The Company's benefit package

includes, but not be limited to, health, dental and vision coverage. In addition, the Company's internal policy, outlined in its employee manual, highlights other benefits provided to Company employees, such as paid and floating holidays, paid time off, sick days and adherence to the federal Family and Medical Leave Act which provides employees up to 12 weeks of leave due to family or personal medical issues, to include time off for maternity and paternity leave (all as described on page 3 of the Renewal Application, which is incorporated herein by reference).

The Company is committed to employing a diverse workforce. The Company's current workforce is made up of 75% women and 42% minorities. The Company is also committed to employing local Kalamazoo residents, as well as Michigan residents. Currently, 58% of the local Kalamazoo residents and 100% are Michigan residents.

PHILANTHROPY & COMMUNITY PARTNERSHIP

The Company is deeply committed to creating a positive impact in the City of Kalamazoo and the surrounding region. The Company has devoted financial and human resources to support community outreach programs and key stakeholder groups, including local community organizations and law enforcement officials such as Kalamazoo Loaves & Fishes (local food bank); Ministry with Community (daytime shelter); and Out Front Kalamazoo (pride).

In addition to financial contributions, the Company has provided human resources through having its employees volunteer and participate in local events/activities, including but not limited to Art Hop, K wings minor league hockey and Ribfest. The Company has also sponsored specific events offered by local organizations, such as having a table/tent at Art Hop events; purchasing tickets to the K wings minor league hockey games, as well as social media and digital billboard spots during the 2022 season; and providing handouts and promotional material during Ribfest 2022, as well as making a donation contribution of \$15,000.

The Company has been highly active within the City of Kalamazoo and will continue to identify ways to assist with enhancing neighborhood aesthetics, crime prevention and/or any other initiatives the community deems to be a priority.

The Company's management team has been committed to building and maintaining good relationships with all of its neighbors – including local business improvement districts, building owners, small businesses, and residents alike.



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

ORLENE HAWKS
DIRECTOR

June 28, 2023

QPS Michigan Holdings LLC (DBA: High Profile)
4420 Varsity Drive
Ann Arbor, MI 48108

The Cannabis Regulatory Agency's social equity team reviewed your form for the Social Equity All-Star Program and would like to congratulate you on your acceptance into the program at the gold level. The following license numbers will be displayed on our website under the gold level. These license numbers were provided on your form:

- AU-R-000477
- AU-R-000577

Now that you have been accepted into the Social Equity All-Star Program here are some important things to know:

- You are being awarded a digital copy of your Social Equity All-Star Program Gold seal. Feel free to use this seal on your website, social media, or in your licensed establishment(s) in any way that makes sense to highlight the establishment's efforts.
- Acceptance into this program is only valid for one year. In order to remain active in the program you will need to submit a Social Equity All-Star Program Renewal form each year you want to participate.
 - If at any time you would like to update your plans on the CRA website, you can email us your updated plan along with the [Social Equity All-Star Program Amendment form](#).

If there are any questions regarding this acceptance letter, please contact the social equity team via email at CRA-SocialEquity@Michigan.gov.

Thank you,

Social Equity Representative
Cannabis Regulatory Agency
www.michigan.gov/CRA



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

ORLENE HAWKS
DIRECTOR

June 28, 2023

QPS Michigan Holdings LLC (DBA: High Profile)
4420 Varsity Drive
Ann Arbor, MI 48108

The Cannabis Regulatory Agency's social equity team reviewed your form for the Social Equity All-Star Program and would like to congratulate you on your acceptance into the program at the gold) level. The following license numbers will be displayed on our website under the gold level. These license numbers were provided on your form:

- AU-R-000477
- AU-R-000577

Now that you have been accepted into the Social Equity All-Star Program here are some important things to know:

- You are being awarded a digital copy of your Social Equity All-Star Program Gold seal. Feel free to use this seal on your website, social media, or in your licensed establishment(s) in any way that makes sense to highlight the establishment's efforts.
- Acceptance into this program is only valid for one year. In order to remain active in the program you will need to submit a Social Equity All-Star Program Renewal form each year you want to participate.
 - If at any time you would like to update your plans on the CRA website, you can email us your updated plan along with the [Social Equity All-Star Program Amendment form](#).

If there are any questions regarding this acceptance letter, please contact the social equity team via email at CRA-SocialEquity@Michigan.gov.

Thank you,

Social Equity Representative
Cannabis Regulatory Agency
www.michigan.gov/CRA

INTER-OFFICE MEMO

To: The Economic Development Corporation Board of Directors

From: Paul Thuringer, Economic Development Supervisor
Jared Chambers, Business Specialist

Date: November 13, 2023

Re: Adult Use Retailer Permit Renewal for QPS Michigan Holdings, LLC
DBA High Profile – Cannabis Shop (4037 S Westnedge Ave).

The City Clerk's Office has requested that the Economic Development Corporation (EDC) Board of Directors evaluate the *Marihuana Facility Permit Renewal Application* submitted by: QPS Michigan Holdings, LLC for its facility at 4037 S Westnedge Avenue and that the EDC Board provide a recommendation regarding the renewal of this permit. The City Operating Permit, issued on December 15, 2022, is scheduled to expire on November 30, 2023, and must be renewed before its expiration for the facility to continue operating. The applicant has submitted the required renewal application and the annual permit fee. Below is the ordinance language that describes the specific role and responsibilities of the EDC in this process:

§ 20B-12

C. In determining whether to grant a renewal of a permit, the members of the City's Economic Development Corporation board will evaluate the permit holder's compliance with the statements it provided with its initial application and submission with its request for renewal of the following information:

1. The Staffing plan for the business which describes the actual number of employees, including the number and type of jobs that the facility has created, and the amount and type of compensation (including benefits) paid for such jobs;
 - They have 14 employees, 7 full-time and 7 part-time.
 - 1 General Manager - \$63,000
 - 1 Assistant Manager - \$47,000
 - 2 Shift Leads - \$38,480
 - 2 Inventory Specialists - \$38,480
 - 1 full-time & 7 part-time Sales Associates/Receptionists - \$31,200
 - Full-time employee benefits include; Medical, Mental Health, Substance Use Disorder, Chiropractic and Massage Therapy, Dental, Vision, & Maternity/Paternity Leave.
2. An explanation, with supporting factual data, of the economic benefits to the City and the job creation for local residents achieved by the business, results of efforts for community outreach and worker training programs;
 - As of November 1, 2023, all retail store employees received a wage increase equal to \$1.00 per hour.
 - This facility generates approximately \$290,000 in gross annual wages to Kalamazoo residents.

- Staff contributed volunteer hours with the local organization, Loaves and Fishes assisting in preparing food for distribution to residents in need.
 - They tabled at the downtown Art Hops and summer festivals including a contribution of \$15,000 to support the annual RibFest.
 - From June 2022 to June 2023, they made the following charitable contributions.
 - Loaves and Fishes - \$1,666.66
 - Ministry with Community - \$1,666.66
 - Out Front - \$1,666.67
 - Their regional leadership has been collaborating with the Kalamazoo-based Professional Cannabis Education Network (PCEN) to support their efforts in enhancing cannabis training and creating workforce opportunities.
 - They use local contractors, businesses, and service professionals for construction and property maintenance, and other services. Some of them include;
 - Mr. Handyman: Building Repair
 - Solid Lawn Care: Lawn Care and Snow Removal
 - Culligan: Water Delivery Service
 - BELFOR Property Restoration
 - WLP Security
 - Kalamazoo Property Management
3. An explanation, with supporting factual data, of the efforts and success achieved by the social equity plan of the business to promote and encourage participation in the marihuana industry by local residents that have been disproportionately impacted by marihuana prohibition and enforcement, and the positive impact of the social equity plan on local residents;
- They “Ban the Box” during the hiring process.
 - The company has implemented an optional questionnaire in the application process designed to help identify and prioritize candidates who may have experienced adverse effects due to marijuana prohibition. Based on 2023 survey results, 8% of their workforce has been disproportionately impacted by marijuana prohibition and enforcement.
4. A statement that the business is not in default to the City for any property tax, special assessment, utility charges, fines, fees, or other financial obligation owed to the City;
- They are in good standing and not in default to the City.
5. A statement that the hiring and public accommodation practices of the facility conform to the City's Nondiscrimination Ordinance provisions and documentation of the total number of employees broken out by managerial and operational employees, number of women, and number of minority employees and number of employees disproportionately impacted by marihuana prohibition and enforcement.
- The facility conforms to the City's Nondiscrimination Ordinance provisions.
 - There are 7 women employees and 3 of them are in management roles.
 - There are 5 minority employees and 1 of them is in a management role.
6. A statement, with supporting documentation, providing answers to the following questions:
- a. How many City residents do you currently employ?
- 6 employees reside in the City.

- b. How many current employees reside in Census Tracts 1 (Eastside); 9, 10 (Edison), and/or 2,02,3 (Northside)?
 - They currently have no employees who resides in each of the 3 identified neighborhoods.
 - c. What is your plan to employ residents of the identified census tracts?
 - Their strategy involves implementing targeted outreach programs to engage with the local community. They plan to collaborate with local community organizations and educational institutions that serve the Eastside, Edison, and Northside neighborhoods to advertise open positions and opportunities for community education.
 - They have been working with Kalamazoo Valley Community College's Cannabis Workforce Training program to help develop a pipeline for program graduates to find careers in their facilities. To further ensure inclusivity, they will actively participate in job fairs and career development events within the identified Census Tracts.
 - d. How many of your employees have prior marihuana convictions (excepting a conviction for delivery or distribution to a minor)?
 - 1 employee.
 - e. What is your plan for employees with a prior marihuana conviction to move up within your business and/or the marihuana industry?
 - Through ongoing training and professional development opportunities to enhance their skills and promote career advancement, when internal promotions are available, they prioritize the individuals with prior marijuana convictions, recognizing the value of their skills and contributions.
7. Proof that the marihuana business has received recognition and maintains the status as a Silver Level Social Equity All-Star or better with the Michigan Cannabis Regulatory Agency.
- As of June 2023, they were accepted into the program at the Gold level.

Please see the attached Marihuana Renewal Application Checklist, completed by City staff to verify if all requirements of the ordinance have been met. The City Clerk has verified that the applicant has no outstanding financial obligations to the City, there have been no complaints to the City Manager regarding compliance with the City's anti-discrimination ordinance. The facility has passed its City Fire inspection, but there is an outstanding deficiency remaining from the Zoning inspections. The applicant has not met all the requirements for renewal.

RECOMMENDATION

Staff recommends that the EDC Board recommend to the City Clerk's Office a 90-day probationary renewal approval of the Adult Use Retailer Permit to QPS Michigan Holdings, LLC, pending correction of the zoning landscaping deficiency.

The EDC Cannabis Committee recommended a 1-year renewal instead a 2-year, with suggestions for improvement regarding their social equity efforts. (This recommendation was made without the knowledge that there was still an outstanding zoning deficiency.)

ATTACHMENTS

Renewal Application, (Staffing Plan), (Community Benefits Statement), and (Social Equity Plan) from the applicant.

Adult Use Retailer Marihuana Renewal Application Checklist for:

QPS Michigan Holdings DBA High Profile - Cannabis Shop

4037 S Westnedge

Contact: Ankur Rungta

ankur@c3industries.com

Type: Adult Use Retailer

	Date Received	Received By	Comments	
Renewal Application Received	8/22/2023	Scott Borling		
Inspection Type:	Inspection Date	Completed by:	Satisfactory?	Notes
Zoning Inspection	10/12/2023	Pete Eldridge	No	
Fire Inspection	10/12/2023	Scott Brooks	Yes	
	Date	Name	Comments	
Business Community Benefits Check-In	10/20/2023	Jared Chambers		
	Invite Sent	EDC Meeting Date		
Invite to EDC Meeting		11/16/2023		
	Full-Time	Part-Time	Comments	
Jobs Created	7	8		
	Yes/No	Comments:	Verified by:	
Any Past Due Financial Obligations with City? (i.e. taxes owed, fees, fines, etc)	No		Andrew Falkenberg	
Silver Level Social Equity All-Star or better status with the Michigan Cannabis Regulatory Agency	Gold			
Attachments	Staffing Plan	City Economic Benefits Plan	Social Equity Plan	Handbook
	Yes	Yes	Yes	N/A

All Items Complete No

MARIHUANA BUSINESS PERMIT RENEWAL APPLICATION

Pursuant to Chapter 20B of the Kalamazoo City Code

**City of Kalamazoo
Office of the City Clerk
241 West South Street
Kalamazoo, MI 49007**

(Please Print)

BUSINESS INFORMATION (The entity that is licensed by the state and that holds a City MMF permit)**Official Business Name** QPS Michigan Holdings LLC

Business Address 4420 Varsity Drive

City Ann Arbor State MI Zip Code 48108 Business Phone 734-412-4600

Business E-mail ankur@c3industries.com Business Website www.c3industries.com

TYPE OF PERMIT BEING RENEWED**Medical**Grower:☐ Class A (500 plants)☐ Class B (1,000 plants)☐ Class C (1,500 plants) No. of Class C Permits _____☐ Processor☐ Safety Compliance☐ Provisioning Center☐ Secure Transporter**Adult Use**Grower:☐ Class A (100 plants)☐ Class B (500 plants)☐ Class C (2,000 plants) No. of Class C Permits _____☐ Excess Grower☐ Processor☐ Safety Compliance☐ Microbusiness☒ Retailer☐ Secure Transporter☐ Designated Consumption Lounge**FACILITY INFORMATION**

Property Address 4037 S. Westnedge Ave., Kalamazoo, MI

Real Property Parcel Number 06-34-310-142

Advertised Facility Name High Profile - Boutique Cannabis

Manager - Full Name Matthew Lewis

CONTACT INFORMATION [the primary point(s) of contact for this application]**Name** Ankur Rungta

Address 225 High Orchard Lane

City Ann Arbor

State MI

Zip Code 48105

Phone 734-323-1822

E-mail Ankur@c3industries.com

Name Vishal Rungta

Address 153 Bidwell Pkwy.

City Buffalo

State NY

Zip Code 14222

Phone 248-255-1823

E-mail Vishal@c3industries.com

ATTACHMENTS

Please attach the following as separate documents to this application:

1. The attached Staffing Plan worksheet and any additional pages that provide a description of the actual number of employees, including the number and type of jobs that the licensed facility has created, and the amount and type of compensation (including benefits) paid for such jobs; and
2. An explanation, with supporting factual data, of the economic benefits to the City and the job creation for local residents achieved by the facility; the results of community outreach efforts; and worker training programs.
3. A social equity plan that: (a) promotes and encourages participation in the marihuana industry by local residents that have been disproportionately impacted by marihuana prohibition and enforcement; and (b) positively impacts local residents.
4. Documentation that indicates your business qualifies as a Silver Social Equity All-Star or better with the Michigan Cannabis Regulatory Agency. **A marihuana business must meet this qualification to be eligible for permit renewal with the City of Kalamazoo.**

The City's Economic Development Corporation will use the information provided in these documents to evaluate the permit holder's compliance with the statements it provided with its initial application (specifically the representations made in Attachment G – Staffing Plan and Attachment H – Community Benefits Statement).

Please complete the following certifications:

- ☒ The permitted facility is not in default to the City for any property tax, special assessment, utility charges, fines, fees or other financial obligation owed to the City.
- ☒ The hiring and public accommodation practices of the permitted facility conforms to the City's anti-discrimination ordinance provisions.
- ☒ I consent to an inspection of the permitted premises as required by ordinance to ensure the premises and its systems are in compliance with the requirements of Chapter 20B of the Kalamazoo City Code.
- ☒ I understand that renewal of a City Operating Permit is contingent on renewal of the State Operating License for this facility.

I hereby certify under the penalty of perjury that the statements made in this application, including all attachments thereto, are true. I further certify that I am an officer, director, or managerial employee of the applicant or a person who holds a direct or indirect ownership interest in the applicant.

Applicant Signature: Ankur Rungta Date: 8/22/2023 | 1:57 PM EDT

Name (printed): Ankur Rungta Position: Manager

STAFFING PLANSummary

Please indicate the number of employees who work at the licensed facility:

Full-time employees (32+ hours per week) 6 Part-time employees (< 32 hours per week) 3

Position Types and Compensation

Please provide a description of the types of jobs the licensed facility has created, along with the amount of compensation and benefits paid for such jobs:

Position Title: General Manager Annual Average Compensation \$ 63,000
 How many people are employed in this position at the licensed facility? 1
 Are health insurance benefits available for employees in this position? Yes X No
 If yes, please indicate the employer contribution to health insurance costs: All Partial X None

Position Title: Assistant Store Manager Annual Average Compensation \$ 45,000
 How many people are employed in this position at the licensed facility? 1
 Are health insurance benefits available for employees in this position? Yes X No
 If yes, please indicate the employer contribution to health insurance costs: All Partial X None

Position Title: Shift Lead Annual Average Compensation \$ 36,400
 How many people are employed in this position at the licensed facility? 2
 Are health insurance benefits available for employees in this position? Yes X No
 If yes, please indicate the employer contribution to health insurance costs: All Partial X None

Position Title: Inventory Specialist Annual Average Compensation \$ 36,400
 How many people are employed in this position at the licensed facility? 2
 Are health insurance benefits available for employees in this position? Yes X No
 If yes, please indicate the employer contribution to health insurance costs: All Partial X None

Position Title: Sales Associate Annual Average Compensation \$ 29,120
 How many people are employed in this position at the licensed facility? 4
 Are health insurance benefits available for employees in this position? Yes No X
 If yes, please indicate the employer contribution to health insurance costs: All Partial None X

Please provide information on any benefits other than health insurance that are offered to all employees:
The Company's benefit package shall include, but not be limited to, health, dental and vision
coverage. In addition, the Company's internal policy, outlined in its employee manual, highlights
other benefits provided to Company employees, such as paid and floating holidays, paid time off,
sick days and adherence to the federal Family and Medical Leave Act which provides employees up to
12 weeks of leave due family or personal medical issues, to include time off for maternity and paternity
leave.

Attach additional pages as necessary.

STAFFING PLAN

Compliance with Social Equity Policy

1. How many of your current employees reside in the following Census Tracts:

Census Tract 1 (Eastside Neighborhood)	<u>1</u>
Census Tracts 9 and/or 10 (Edison Neighborhood)	<u>1</u>
Census Tracts 2.02, and/or 3 (Northside Neighborhood)	<u>1</u>

2. What is your plan to employ residents of the identified Census Tracts?

The Company is committed to employing a diverse workforce. The Company's current workforce is made up of 40% women and 30% minorities. The Company is also committed to employing local Kalamazoo residents as well as Michigan residents. Currently, 90% of the workforce are local Kalamazoo residents and 100% are Michigan residents.

Attach additional pages as necessary.

3. How many of your employees have prior marihuana convictions or expungements (excepting a conviction for delivery or distribution to a minor)?

Number of employees with marihuana convictions	<u>1</u>
--	----------

4. What is your plan for employees with a prior marihuana conviction to move up within your business and/or the marihuana industry?

The company has also implemented an optional questionnaire during the application process that will help us identify and prioritize candidates who have been negatively impacted by marijuana prohibition through the hiring process.

Attach additional pages as necessary.

Community Benefits Statement

4037 S. Westnedge, Kalamazoo, MI 49007

QPS Michigan Holdings, LLC

Economic Benefits and Job Creation

The Company has contributed to the Kalamazoo economy in a number of meaningful ways including creating a large number of living wage jobs and filling the vast majority of such positions from within the local community and/or the state of Michigan, (ii) significant local investment in real estate and construction, and (iii) philanthropy and community partnerships.

The Company performed a great deal of construction work at the current site (including both interior buildout and broader site improvements to bring the entire site into code compliance). Over \$600,000 was invested by the Company on the buildout and improvements.

Currently 10% of the Company's workforce has been disproportionately impacted by marijuana prohibition and enforcement. The company has also implemented an optional questionnaire during the application process that will help us identify and prioritize candidates who have been negatively impacted by marijuana prohibition through the hiring process. (Screenshot below).



Are you at least 21 years of age? *

The state of Michigan prohibits cannabis businesses from employing anyone under of the age of 21.

- ☐ Yes
☐ No

Were you referred by a current C3 Industries employee? If so, please list their name.

Were you ever disproportionately impacted by cannabis prohibition or enforcement?

C3 Industries is committed to promoting and encouraging participation in the cannabis industry from individuals who have been disproportionately impacted by cannabis prohibition and enforcement.

- ☐ Yes
☐ No
☐ Prefer not to disclose

The Company has created ten (10) jobs and a majority of its workforce are from the local community (specifically candidates that reside within the City of Kalamazoo), including minorities. These jobs created have strong compensation (e.g. Store Manager - \$63,000; Assistant Manager - \$45,500; Shift Lead \$37,000; Inventory Specialist \$37,000; and Sales Associate - \$31,200). All full-time employees are offered full benefits. The Company's benefit package includes, but is not limited to, health, dental and vision coverage. In addition, the Company's internal policy, outlined in its employee manual, highlights other benefits provided to Company employees, such as paid and floating holidays, paid time off, sick days and adherence to the federal Family and Medical Leave Act which provides employees up to 12 weeks of leave due to family

or personal medical issues, to include time off for maternity and paternity leave (all as described on page 3 of the Renewal Application, which is incorporated herein by reference).

The Company is committed to employing a diverse workforce. The Company's current workforce is made up of 40% women and 30% minorities. The Company is also committed to employing local Kalamazoo residents, as well as Michigan residents. Currently, 90% of the workforce are local Kalamazoo residents and 100% are Michigan residents.

Philanthropy Initiatives

The Company is deeply committed to creating a positive impact in the City of Kalamazoo and the surrounding region. The Company has devoted financial and human resources to support community outreach programs and key stakeholder groups, including local community organizations and law enforcement officials such as Kalamazoo Loaves & Fishes (local food bank); Ministry with Community (daytime shelter); and Out Front Kalamazoo (pride).

In addition to financial contributions, the Company has provided human resources through having its employees volunteer and participate in local events/activities, including but not limited to Art Hop, Keweenaw minor league hockey and Ribfest. The Company has also sponsored specific events offered by local organizations, such as having a table/tent at Art Hop events; purchasing tickets to the Keweenaw minor league hockey games, as well as social media and digital billboard spots during the 2022 season; and providing handouts and promotional material during Ribfest 2022, as well as making a donation contribution of \$15,000.

The Company has been highly active within the City of Kalamazoo and will continue to identify ways to assist with enhancing neighborhood aesthetics, crime prevention and/or any other initiatives the community deems to be a priority.

The Company's management team has been committed to building and maintaining good relationships with all of its neighbors – including local business improvement districts, building owners, small businesses, and residents alike.

Community Outreach

The Company has been highly active within the City of Kalamazoo and will continue to identify ways to assist with enhancing neighborhood aesthetics, crime prevention and/or any other initiatives the community deems to be a priority.

The Company's management team has been committed to building and maintaining good relationships with all of its neighbors – including local business improvement districts, building owners, small businesses, and residents alike.

The following steps have been taken to ensure any concerns within the community are addressed:

- Introduction meetings with all surrounding businesses, building owners, and residents.
- Educational information sessions to discuss the benefits of marijuana and the Company's overall mission and goals.
- Open feedback channels so any new concerns can be immediately addressed through our website, telephone, or mail.

- Complete compliance with all state and local ordinances.
- Non-obtrusive business practices shall ensure our business is discreet and operates like any other business.
- No blatant signage with offensive symbols or verbiage.

Worker Training Programs

The Company will provide training and education courses about the regulations of marijuana and employee manuals and other materials that include, but are not limited to, employee safety procedures, employee guidelines, security protocol, and educational training, including, but not limited to, marijuana product information, dosage and daily limits.

During the first ninety (90) days of hiring, all new employees complete a comprehensive training program, provided by the Company, and will be evaluated for suitability in a restricted-access environment. Training will be highly customized based on the role of each employee and the employee's level of experience and training. Training will be held on-site and will cover the following:

1. Health and Sanitation;
2. Legal Compliance and Regulations;
3. Safety and Security;
4. Inventory Monitoring and Reporting/Recordkeeping;
5. Crime Prevention and Awareness;
6. Diversion; and
7. Sales to Minors.
8. Manager / Supervisor training.
9. Systems / Software / POS training
10. Product Training, Dosage and Daily Limits
11. Patient / Customer Service Training

Health and Sanitation

The Company will provide thorough training to all employees to mitigate potential sanitation or safety risks. An emphasis will be placed on the regular cleaning and sanitation of all areas where products and patients, some with potentially compromised immune systems, may be present.

Health and sanitation training will focus primarily on contamination prevention and employees will learn best practices for preventing contamination of marijuana products from biological contaminants (e.g. parasites, mold, bacteria), physical contaminants (e.g. dirt, dust, glass) and chemical contaminants (e.g. cleaning compounds, sanitizing agents, solvents). Training will focus on, but is not limited to, the following topics:

1. Inventory inspections – Procedure for inspecting marijuana products for signs of damage (e.g. water damage), pests and expiration dates.
2. Cleaning and sanitizing – Procedures for:
 - a. regular cleaning of equipment, utensils and surfaces to protect against contamination; and
 - b. cleaning and sanitization of display cabinets, countertops and other service areas at the beginning and end of each shift, and throughout the day as needed.
3. Storage of chemicals – Procedures for identifying and storing chemicals, including cleaning

compounds, sanitizing agents and solvents.

4. Handling of marijuana products – Protocol for proper sanitation and personal hygiene prior to handling any marijuana product.
5. Handling, storing, and disposing of marijuana waste.

Legal and Regulatory Compliance

Legal compliance training will educate employees on all Applicable Laws, particularly as such Applicable Laws inform the day-to-day operations of the Center. Legal and regulatory compliance training will focus on, but is not limited to, the following:

1. Inventory tracking compliance;
2. Required labeling and packaging of marijuana products;
3. Daily purchasing limits;
4. Maximum concentration or amount of THC per product;
5. Recordkeeping and confidentiality;
6. Prevention of illegal diversion of marijuana; and
7. Disposal of marijuana waste.

Employees will complete initial legal compliance training at new employee orientation and will receive additional training from time-to-time as necessary to track any relevant changes to Applicable Laws.

Safety and Security

As a part of the employee orientation process, all employees will be provided with a copy of the final security plan, as well as security and safety training. Security and safety training shall consist of examination and discussion of the security plan, premises orientation, emergency training, and situational training.

Safety and Security training will focus on, but is not limited to, the following:

1. Building orientation and access authority which shall include:
 - a. Employee's access into the premises and main building entrance;
 - b. Employee's access into limited access areas;
 - c. Facility standard business hours and protocol for entry and exit outside standard business hours;
 - d. Employee's authorized entry and exit points;
 - e. Employee's storage space; and
 - f. Restroom and sink facilities.
2. Measures and controls for the prevention of diversion, theft or loss of marijuana which shall include:
 - a. Necessity of keeping all limited access areas locked and secure at all times;
 - b. Prohibited activities such as entrance into limited access areas;
 - c. Awareness of video monitoring; and
 - d. Requirement to report any unusual activity, security concern, or loitering.
3. Procedures and instructions for responding to an emergency that will include:
 - a. Accident prevention training;
 - b. How to respond to an emergency;
 - c. Emergency service provider location;
 - d. Emergency service contact information;

- e. Emergency first aid kit locations; and
- f. Emergency exits and panic button locations.

Inventory Monitoring and Reporting

Inventory Monitoring and Reporting/Recordkeeping training will focus on making all employees proficient in the Center's inventory tracking and point-of-sale system ("**POS System**") and protocols for recordkeeping. The Center will utilize the POS System training program and resources to provide hands-on, situational training to employees on the protocols and procedures required by the Inventory and Recordkeeping Plan. Employees will also be trained to recognize counterfeit currency and will receive general fraud protection training.

Crime Prevention and Awareness

Initial employee crime prevention training shall include, but is not limited to, the following topics:

1. Building orientation and Center security policies:
 - a. Center hours of operation;
 - b. Employee authorized entry and exit points;
 - c. Customer authorized entry and exit points; and
 - d. Limited access areas.
2. Crime awareness:
 - a. Storing valuables in a secure and/or inconspicuous place, whether the valuable is on-person, in a vehicle or inside the Center;
 - b. Identifying and reporting suspicious behavior inside and outside the Center;
 - c. Utilization of video monitoring;
 - d. Securing the Center during non-operating hours;
 - e. Reporting issues to management;
 - f. Emergency response;
 - g. Accident prevention training;
 - h. How to respond to an emergency;
 - i. Emergency service provider location;
 - j. Emergency service contact information;
 - k. Emergency first aid kit locations; and
 - l. Emergency exits and panic button locations.

Diversion

Company policy dictates that any staff involved with diversion will be dismissed immediately. Staff will be trained to identify diversion and areas of high risk as well as required and encouraged to anonymously notify management of known diversion.

Marijuana Sales to Minors

The Company will only engage in lawful sales of marijuana and recognizes the responsibility of preventing sales to minors. No single process or system can ensure 100% prevention; therefore, the Company will employ multiple methods to ensure marijuana products are not sold to minors. These methods include employee training, the use of information systems and regular internal auditing.

1. Employee training will cover:
 - a. Acceptable forms of customer identification;
 - b. Identifying counterfeit identification and identification alterations;
 - c. Proper verification of medical marijuana prescription for each patient; and
 - d. Proper use of POS Systems.

2. Information systems: the Company will implement software that reminds the operator to check the customer's identification at check-in.

Internal Audits: the Company will implement regular internal audits to test current system effectiveness. Audits will be performed at least annually and will not be communicated with staff to ensure unbiased testing.

Additional Training

The Company will also provide its employees with an opportunity to regularly engage in continuing education and development activities, including, but not limited to:

1. Specialized training in Microsoft suite of products;
2. Training from our point-of-sale vendor;
3. Attending Marijuana Regulatory Agency workshops and roundtable discussions;
4. Training in METRC (statewide tracking system);
5. Industry conferences;
6. Managerial training, to be provided by CLIMB, Center for Advancement focusing on the development of supervisory skills, successfully providing performance feedback, and dealing with conflict; and
7. Human resource compliance training focusing on the requirements and compliance with the Americans with Disabilities Act of 1990, Family and Medical Leave Act of 1993, diversity awareness, etc.



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

ORLENE HAWKS
DIRECTOR

June 28, 2023

QPS Michigan Holdings LLC (DBA: High Profile)
4420 Varsity Drive
Ann Arbor, MI 48108

The Cannabis Regulatory Agency's social equity team reviewed your form for the Social Equity All-Star Program and would like to congratulate you on your acceptance into the program at the gold level. The following license numbers will be displayed on our website under the gold level. These license numbers were provided on your form:

- AU-R-000477
- AU-R-000577

Now that you have been accepted into the Social Equity All-Star Program here are some important things to know:

- You are being awarded a digital copy of your Social Equity All-Star Program Gold seal. Feel free to use this seal on your website, social media, or in your licensed establishment(s) in any way that makes sense to highlight the establishment's efforts.
- Acceptance into this program is only valid for one year. In order to remain active in the program you will need to submit a Social Equity All-Star Program Renewal form each year you want to participate.
 - If at any time you would like to update your plans on the CRA website, you can email us your updated plan along with the [Social Equity All-Star Program Amendment form](#).

If there are any questions regarding this acceptance letter, please contact the social equity team via email at CRA-SocialEquity@Michigan.gov.

Thank you,

Social Equity Representative
Cannabis Regulatory Agency
www.michigan.gov/CRA



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

ORLENE HAWKS
DIRECTOR

June 28, 2023

QPS Michigan Holdings LLC (DBA: High Profile)
4420 Varsity Drive
Ann Arbor, MI 48108

The Cannabis Regulatory Agency's social equity team reviewed your form for the Social Equity All-Star Program and would like to congratulate you on your acceptance into the program at the gold) level. The following license numbers will be displayed on our website under the gold level. These license numbers were provided on your form:

- AU-R-000477
- AU-R-000577

Now that you have been accepted into the Social Equity All-Star Program here are some important things to know:

- You are being awarded a digital copy of your Social Equity All-Star Program Gold seal. Feel free to use this seal on your website, social media, or in your licensed establishment(s) in any way that makes sense to highlight the establishment's efforts.
- Acceptance into this program is only valid for one year. In order to remain active in the program you will need to submit a Social Equity All-Star Program Renewal form each year you want to participate.
 - If at any time you would like to update your plans on the CRA website, you can email us your updated plan along with the [Social Equity All-Star Program Amendment form](#).

If there are any questions regarding this acceptance letter, please contact the social equity team via email at CRA-SocialEquity@Michigan.gov.

Thank you,

Social Equity Representative
Cannabis Regulatory Agency
www.michigan.gov/CRA

2024 Proposed EDC-BRA Meeting Schedule

**** 7:45 AM Start Time ****

January 18

February 15

March 21

April 18

May 16

June 20

August 15

September 19

October 17

November 21

December 19