

Agenda

Economic Development Corporation

Board of Directors



City of Kalamazoo

Thursday, August 15, 2024

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 meetings of the Economic Development Corporation held at the regular Board meeting on June 20, 2024. (**Action: Motion to Approve**) - Voice Vote

D. PUBLIC COMMENTS

E. DIRECTOR COMMENTS

F. NEW BUSINESS

1. Approval of the Second Amendment to the Approved 2024 Economic Development Corporation Budget (**Action: Approval of the Second Amendment to the Approved 2024 Economic Development Corporation Budget**) - Roll Call Vote
2. Approval of a recommendation to the City Clerk's Office for a 1-year approval of the Adult Use Retailer Permit to 2233 N Burdick Inc. DBA Levels Cannabis, contingent on the Applicant correcting the zoning deficiencies by replacing four shrubs and one tree by August 31, 2024. If the Applicant fails to correct the deficiencies by August 31, 2024, then the recommendation is approval of a 90-day probationary renewal. (**Action: Approval of a recommendation to the City Clerk's Office a 1-year approval of the Adult Use Retailer Permit to 2233 N Burdick Inc. DBA Levels Cannabis, contingent on the Applicant correcting the zoning deficiencies by replacing four shrubs and one tree by August 31, 2024. If the Applicant fails to correct the deficiencies by August 31, 2024, then the recommendation is approval of a 90-day probationary renewal.**) - Roll Call Vote

3. Approval of a recommendation to the City Clerk's Office for a 2-year approval of the Adult Use Retailer Permit to Nirvana Kalamazoo, LLC, contingent on the Applicant correcting the zoning deficiencies by replacing the doors on the dumpster enclosure by August 31, 2024. If the Applicant fails to correct the deficiencies by August 31, 2024, then the recommendation is approval of a 90-day probationary renewal. **(Action: Approval of a recommendation to the City Clerk's Office a 2-year approval of the Adult Use Retailer Permit to Nirvana Kalamazoo, LLC, contingent on the Applicant correcting the zoning deficiencies by replacing the doors on the dumpster enclosure by August 31, 2024. If the Applicant fails to correct the deficiencies by August 31, 2024, then the recommendation is approval of a 90-day probationary renewal.) - Roll Call Vote**
4. Approval of a recommendation to the City Clerk's Office for a 1-year approval of the Adult Use Retailer Permit to J Elias Management Inc., DBA Puff Kalamazoo. **(Action: Approval of a recommendation to the City Clerk's Office for a 1-year approval of the Adult Use Retailer Permit to J Elias Management Inc., DBA Puff Kalamazoo.) - Roll Call Vote**
5. Approval of a recommendation to the City Clerk's Office for a 2-year approval of the Adult Use Grower Class C (4) Permits to Sweet Cut Grow, LLC. **(Action: Approval of a recommendation to the City Clerk's Office for a 2-year approval of the Adult Use Grower Class C (4) Permits to Sweet Cut Grow, LLC.) - Roll Call Vote**

G. UNFINISHED BUSINESS

H. COMMUNICATIONS AND ANNOUNCEMENTS

I. STAFF REPORTS AND UPDATES

1. 2024 Quarterly Budget Report
2. 2025 Budget Planning
3. Kalamazoo Social Equity Cannabis Chamber Update
4. Economic Development Strategy Update

J. ADJOURNMENT

CITY OF KALAMAZOO
ECONOMIC DEVELOPMENT CORPORATION BOARD MEETING
Thursday, June 20, 2024
Community Planning and Economic Development
245 N. Rose Street, Kalamazoo, MI 49007

MEMBERS PRESENT: Jason Novotny; Sharon Ferraro; Nathan Bolton; Lucas Middleton; Rachel Bair; Michael Gurnee; *Andrew Schipper

MEMBERS ABSENT: Kevan Hess; Torean Greeley; Alonzo Wilson; Kyle Gulau

CITY STAFF PRESENT: Jamie McCarthy (Sustainable Development Coordinator); PJ Thuringer (Economic Development Supervisor); Jessica Wood (Attorney, Dickinson Wright); Logan Mulholland (Consultant, Fishbeck); Jared Chambers (Business Specialist); Jerrid Burdue (EDC Liaison/Neighborhood Business & Special Projects Coordinator); Heidi Gartley (Brownfield Project Assistant); Meghan Behymer (Downtown Coordinator); *Erin Hahn (Community Investment Administrative Assistant)

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

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

APPROVAL OF AGENDA: Director Ferraro moved approval of the agenda as amended; seconded by Director Bolton. Motion approved by voice vote unanimously.

Mr. Burdue shared the Consent Agenda item will be a roll call vote and not a voice vote. Under Communications and Announcements, he added there will be no July meeting.

APPROVAL OF MINUTES: Director Middleton moved approval of the minutes from the meeting of May 16, 2024; seconded by Director Gurnee. Motion approved by voice vote unanimously.

PUBLIC COMMENTS

None.

DIRECTORS' COMMENTS

None.

CONSENT AGENDA

1. Approval of a recommendation to the City Clerk to Approve the 2-year approval of the Adult Use Class A Grower (1), Adult Use Processor (1), Adult Use Retailer (1) Permits to Yuma Way MI, LLC dba Urban Gardens.

Director Middleton moved approval of recommendation to the City Clerk to Approve the 2-year approval of the Adult Use Class A Grower (1), Adult Use Processor (1), Adult Use Retailer (1) Permits to Yuma Way MI, LLC dba Urban Gardens; seconded by Director Bolton. A roll call vote was taken, and the motion passed unanimously.

NEW BUSINESS

None.

UNFINISHED BUSINESS

None.

COMMUNICATIONS AND ANNOUNCEMENTS

Mr. Burdue reminder Directors there will be no July meetings.

STAFF REPORTS AND UPDATES

1. Economic Development Strategy Update Presentation – Camoin Associates (virtual)

*Ms. Hahn entered the meeting at 8:05 AM.

Ms. Alex Tranmer and Mr. Dan Gunderson, representatives of Camoin Associates, gave a presentation on a proposed Economic Development Strategy to the board.

Directors gave their feedback on components of the strategy presented.

*Director Schipper left the meeting at 8:39 AM.

Mr. Burdue said there will be a draft of the strategy plan coming to the board in August for review and recommending approval to City Commission. He thanked the directors for their comments.

ADJOURNMENT: Meeting was adjourned at 9:10 AM by Chair Novotny.

Signature

Printed Name/Chair

Heidi Gartley/Recording Clerk

MEMO

To: Board of Directors, Economic Development Corporation

From: Jerrid Burdue, EDC Staff Liaison

Date: August 15, 2024

Subject: Second Amendment to the 2024 Economic Development Corporation Budget

Introduction:

This memo proposes a second amendment to the approved 2024 Economic Development Corporation Budget to allocate additional funds to Camoin Associates for two additional meetings, one being in-person at City Commission in October.

Amendment Purpose:

The amendment covers the cost of two additional meetings:

1. A virtual presentation to the Economic Development Corporation in September.
2. In-person attendance at the City Commission in October.

The additional fee also includes meeting preparation and a fourth site visit, which were not previously included in the original scope.

Cost Adjustment:

- **Original Cost:** \$91,945
- **Additional Cost:** \$10,045
- **Total Amended Cost:** \$101,990

Funding Source:

The additional funds (\$10,045) will be drawn from the Economic Development Corporation fund for professional and contractual services (account code 244-728-00.000-801.000). Despite this adjustment, we remain under budget due to the \$50,000 MEDC Redevelopment Ready Community Technical Assistance grant received by the City of Kalamazoo.

INTER-OFFICE MEMO

To: The Economic Development Corporation Board of Directors

From: Jared Chambers, Business Specialist

Date: July 9, 2024

Re: Adult Use Retailer Permit Renewal for 2233 N Burdick Inc. DBA Levels Cannabis

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: 2233 N Burdick Inc. DBA Levels Cannabis for its facility at 4500 W KL Avenue and that the EDC Board provide a recommendation regarding the renewal of this permit. The City Operating Permit, issued on September 1, 2023, is scheduled to expire on August 31, 2024, 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;
 - Levels has 11 full-time employees and 1 part-time employee.
 - 1 Manager, earning \$60,000/year plus incentives & performance-based bonuses.
 - 1 Assistant Manager/Keyholder, earning \$39,000/year.
 - 9 Customer Service Representatives, earning \$30,600/year.
 - 1 Receptionist, earning \$30,600/year.
 - Employees receive paid time off, sick leave, and bereavement 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 5/31/2024, over the past year, Levels contributed \$365,268 through its pro-rated payroll within the local community.
 - This year, Levels has donated a total of \$3,500 to 4 organizations: Kalamazoo Loaves & Fishes, the Bridge Ministries, the Douglass Community Association, and Open Doors Kalamazoo.

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;
 - Levels strives for equal opportunity hiring and promotions. The majority of staff are persons of color, and both management roles are held by female employees.
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;
 - Personal property tax statement submitted late, leaving eligibility to only renew for 1 year.
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 hiring and public accommodation practices of the facility conform to the City's Nondiscrimination Ordinance provisions.
 - 2 management positions, both are held by women.
 - 10 operational staff, 8 are women and 7 are minorities.
6. A statement, with supporting documentation, providing answers to the following questions:
 - a. How many City residents do you currently employ?
 - 10 of the 12 employees are City residents.
 - b. How many current employees reside in Census Tracts 1 (Eastside); 9, 10 (Edison), and/or 2.02,3 (Northside)?
 - 1 resides in the Edison neighborhood and 1 resides in the Northside neighborhood.
 - c. What is your plan to employ residents of the identified census tracts?
 - They will continue to post job listings at a higher rate within the identified Census Tracts, through physical advertisements.
 - 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?
 - The company will continue to be proactive both in its advertisements which encourage the applicable individuals to apply for open positions, as well as try to place additional physical advertisements at local and county parole and probation offices.

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.
 - They are Gold-Level status.

Please see the attached Marihuana Renewal Application Checklist, completed by City staff to verify if all ordinance requirements have been met.

The City Clerk has verified that the applicant has no outstanding financial obligations to the City, and 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 not its Zoning inspection. 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 1-year approval of the Adult Use Retailer Permit to 2233 N Burdick Inc. DBA Levels Cannabis, contingent on the Applicant correcting the zoning deficiencies by replacing four shrubs and one tree by August 31, 2024. If the Applicant fails to correct the deficiencies by August 31, 2024, then the recommendation is approval of a 90-day probationary renewal.

ATTACHMENTS

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

Adult Use & Medical Safety Compliance, Marihuana Renewal Application Checklist for:				
2233 N. Burdick, Inc. (Levels)				
4500 W. KL Ave				
Contact: Nick Angerman				
nickangerman@wildbillstobacco.com				
Type: Adult Use Retailer				
	Date Received	Received By	Comments	
Renewal Application Received	6/17/2024	Jared Chambers		
Inspection Type:	Inspection Date	Completed by:	Satisfactory?	Notes
Zoning Inspection	6/27/2024	Pete Eldridge	No	Dead landscaping and missing tree.
Fire Inspection	6/27/2024	Scott Brooks	Yes	
	Date	Name	Comments	
Business Community Benefits Check-In	7/9/2024	Jared Chambers		
	Invite Sent	EDC Meeting Date		
Invite to EDC Meeting	6/17/2024	8/13/2024		
	Full-Time	Part-Time	Comments	
Jobs Created	11	1		
	Yes/No	Comments:	Verified by:	
Any Past Due Financial Obligations with City? (i.e. taxes owed, fees, fines, etc)	Yes	The company has filed its Personal Property Tax Statement late for 2024. They have not met the requirements and therefore are not in compliance for 2024.	Andrew Falkenberg	
Silver Level Social Equity All-Star or better status with the Michigan Cannabis Regulatory Agency	Yes	They are Gold-Level status	Jared Chambers	
Attachments	Staffing Plan	City Economic Benefits Plan	Social Equity Plan	Handbook
			All Items Complete	No

2233 N Burdick Inc.

1100 W Maple Rd
Troy, Michigan 48084

June 13, 2024

VIA FEDEX - TRACKING: 7768 3047 8224

City of Kalamazoo
245 N Rose Street
Kalamazoo, MI 49007
Attn: Jared Chambers

To Whom It May Concern:

Enclosed, please find:

- City of Kalamazoo Marihuana Business Permit Renewal application packet;
- Marihuana Business Permit Renewal attachments packet;
- Check in the amount of \$5,000.00 for Marihuana Business Permit Renewal fee.

Please file in your usual manner. If you have any questions, please feel free to contact us.

Sincerely,



Nick Angerman
Paralegal
(248) 647-9999
nickangerman@wildbillstobacco.com

2233 N Burdick Inc.
Marihuana Business Permit
Renewal Application

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 2233 N Burdick Inc.

Business Address 1100 W Maple Road

City Troy State MI Zip Code 48084 Business Phone (248)647-9999

Business E-mail paulweisberger@wildbillstobacco.com

Business Website _____

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 4500 W KL Ave

Real Property Parcel Number 06-91-061-759

Advertised Facility Name Levels Cannabis - Kalamazoo

Manager - Full Name Kaitlin Tasma

CONTACT INFORMATION [the primary point(s) of contact for this application]

Name Paul Weisberger

Address 1100 W Maple Road

City Troy

State MI

Zip Code 48084

Phone (248)647-9999x1107

E-mail paulweisberger@wildbillstobacco.com

Name Nick Angerman

Address 1100 W Maple Road

City Troy

State MI

Zip Code 48084

Phone (248)647-9999x1181

E-mail nickangerman@wildbillstobacco.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 who 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 the 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: Mazin Samana Date: 6/13/2024

Name (printed): Mazin Samana (on behalf of the company) Position: President

Summary

Full-time employees (32+ hours per week) $\frac{12}{12}$ Part-time employees (< 32 hours per week) $\frac{0}{0}$

Position Title: Manager Annual Average Compensation \$ 60,000*

How many people are employed in this position at the licensed facility? 1 *figure does not include incentive and performance based bonuses

Are health insurance benefits available for employees in this position? Yes No

If yes, please indicate the employer contribution to health insurance costs: All Partial None

Position Title: Assistant Manager/Keyholder **Annual Average Compensation \$** 39,000 (adjusted from hourly)

How many people are employed in this position at the licensed facility? 1

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

Position Title: Customer Service Representative **Annual Average Compensation \$** 30,600* (adjusted from hourly)

How many people are employed in this position at the licensed facility? 9 *figure does not include tips

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

Position Title: Receptionist **Annual Average Compensation \$** 30,600 (adjusted from hourly)

How many people are employed in this position at the licensed facility? 1

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

Position Title: _____ **Annual Average Compensation \$** _____

How many people are employed in this position at the licensed facility? _____

Are health insurance benefits available for employees in this position? Yes _____ No _____

If yes, please indicate the employer contribution to health insurance costs: All _____ Partial _____ None _____

Please provide information on any benefits other than health insurance that are offered to all employees:
Please see the attached "Staffing and Employee Compensation Plan" for further details.

Page 14 of 155

ECONOMIC BENEFITS

Please fill out the information below relating to 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

ECONOMIC BENEFITS		
Economic Benefit	Description	Amount
Local Community Financial Retention	Pro-rated payroll within the local community (as of 5/31/2024)	\$365,268
Local Community Non-Profit Donations	Annual donations made to local non-profits	\$3,500

JOB CREATION FOR LOCAL RESIDENTS		
Initiative/Description	Date(s)	Outcomes
Local Community Hiring Initiative	June 2023-Current	83% of staff living in Kalamazoo; 100% within county
Proactive Recruitment of Prior Marihuana Offenders	June 2023-Current	Hiring of one employee; goal is to increase total
Census Tracts Hiring Initiative	June 2023-Current	Hiring of two employees; goal is to increase total
Census Tracts and Prior Offenders Job Listing Follow Up	June 2024-September/October 2024	Pending upon final candidate hires

COMMUNITY OUTREACH		
Initiative/Description	Date(s)	Outcomes
Local Community Non-profit Donations	April 30th, 2024	Four non-profits receiving total of \$3,500
Census Track Job Listing Initiatives	June 2023-Current	Varying levels of success depending specific hiring goal

WORKER TRAINING PROGRAMS		
Initiative/Description	Date(s)	Outcomes
Core Values Training	September 2023-Current	New hires were introduced to the company Core Values
Four Day On-Site Program	September 2023-Current	New hires were trained and prepared for business operations
Training Videos with Off-Site Access	September 2023-Current	New hires were trained and provided additional access
Standard Operating Procedures	September 2023-Current	New hires were trained and prepared for business operations

SOCIAL EQUITY

Please fill out the information below relating to Social Equity with 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;

SOCIAL EQUITY PLAN INITIATIVE		
Initiative/Description	Date(s)	Outcomes
Local Community Hiring Initiative	June 2023-Current	83% of staff living in Kalamazoo; 100% within county
Historically Disenfranchised Community Hiring Initiative	June 2023-Current	Majority of staff are Persons of Color
Equal Opportunity Management Roles	October 2023-Current	Both management roles are held by female employees
Local Community Non-Profit Donations	April 30th, 2024	\$3,500 donated to four local non-profits

EMPLOYEE DEMOGRAPHIC INFORMATION

Total Number of Employees:		
Employees in Managerial Positions	Total Employees	2
	Number of Women	2
	Number of Minorities	0
Employees in Operational Positions:	Total Employees	12
	Number of Women	8
	Number of Minorities	7

How many City Residents do you currently employ?	Total Employees	10
How many residents do you currently employ from these Census Tracts?	Census Tract 1 (Eastside Neighborhood)	0
	Census Tracts 9 and/or 10 (Edison Neighborhood)	1
	Census Tracts 2.02, and/or 3 (Northside Neighborhood)	1

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

Levels Cannabis - Kalamazoo will continue to post job listings at a higher rate within the Census Tracts (1, 2.02, 3, 9, and 10) through physical advertisements. The company will continue to try and post listings within different landmark and frequently visited organizations and businesses to create a heightened advertising presence in these areas.

Attach additional pages as necessary.

2. 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

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

The company will continue to be proactive both in its advertisements which encourage the applicable individuals to apply for open positions, as well as try and place additional physical advertisements through local and county parole and/or probation offices.

Attach additional pages as necessary.

4. Please attach 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.

2233 N Burdick Inc.
Permit Renewal Application Attachments

Table of Contents

Including:

Staffing Plan – A.
Economic Benefits Summary – B.
Social Equity Documentation – C.

Section A. – Staffing and Employee Compensation Summary

Please see the following attachment:

STAFFING AND EMPLOYEE COMPENSATION PLAN

Initially 2233 N Burdick Inc. had submitted a Staffing and Employee Compensation Plan to the City of Kalamazoo with a proposed overview of its operations. Upon entering the market, the company for business decisions needed to readjust some of its staffing projections, as the transition into the local business community was not as quick as the company had expected. After roughly three quarters of a year operating, Levels fully believes that it is set to continue building on its upwards trajectory and reach its targets for staffing. Given the circumstances, the following includes a synopsis of the staffing rates as of now, and additionally the short-term and long-term projections for the facility.

Employee Breakdowns

The positions within the Levels current staff are as follows:

- *Manager*: One (1) employee
- *Assistant Manager/Keyholder*: One (1) employee
- *Customer Service Representative (CSR)*: Nine (9) employees
- *Receptionist*: One (1) employee

Staff Compensation and Benefits

The compensation for the positions above is as follows:

- *Manager*: \$60,000 salary (prior to incentive and performance-based bonuses)
- *Assistant Manager/Keyholder*: \$39,000 – adjusted from hourly
- *CSR*: \$30,600 - adjusted from hourly (does not include tips)
- *Receptionist*: \$30,600 – adjusted from hourly

Benefits for all employees are as follows:

- Paid Time Off
- Sick Leave
- Bereavement Leave

Future Projections

Currently, Levels is hopeful that a continued growth in the summer and early Autumn will lead to an ability to bring in more staff. The company is optimistic about its ability to do this after gaining knowledge on its customer base and a better understanding of the Kalamazoo market as a whole. New hires will not only be an excellent addition as the stores revenue flow increases, but will also provide an opportunity to assess and analyze the adjustments implemented in the hiring process for some of the company's staffing goals and their successfulness.

From a long-term perspective Levels still maintains a goal of eventually operating with a full staff of 25-30 employees. But, to achieve this mark for staffing, the store will need to continue steadily improving its performance. Furthermore, as the store expands in staff, the company believes that with a larger employee base it will be better able to maintain some of the staffing threshold standards that it is seeking in the hiring process in regard to staff percentages.

Section B. – Community Benefits Summary

Please see the following attachment:

COMMUNITY BENEFITS SUMMARY

Economic Benefits

2233 N Burdick Inc. d/b/a Levels Cannabis – Kalamazoo (“Levels” or “company”) opened its operations for the first time over the past year. As a result, the company was able to continue providing economic benefits in ways it previously had, but also was able to capitalize on additional opportunities to do so.

The most direct economic benefit the company made to the local community was through its local hiring initiative. In total, the company contributed over \$365,000 as of 5/31/2024 through its payroll. Community financial retention is a major belief of the company. With all of its facilities, whether growers, processors, or retailers, the Levels network ensures that it hires as many local residents as possible for its operations. One of the main reasons for this is that ownership, through decades of business experience, has seen in multiple cities and townships that retaining money in a community is a massive benefit to stimulate the local economy. Through hiring local, the money earned by Levels employees goes to individuals living within the area, and more likely to spend their income on goods and services in the communities they reside. This then allows for other businesses to expand, hire more employees from the community, and further perpetuate the cycle. As this cyclical trend grows, it allows for additional reinvestment in the community. Certainly, other factors such as the taxes from the facility’s sales, and even contributions through the location such as the now higher property taxes after completing the store’s buildout, have allowed for Levels to have further contributed positively to the City of Kalamazoo’s financial resources. However, while there are multiple ways in which Levels has benefited the local community, the company firmly believes that local employment is the tentpole form of it being a financial asset to Kalamazoo.

As mentioned above, there were a few ways in which Levels provided economic benefits to the City of Kalamazoo. However, one aspect that was not mentioned was its financial donations to non-profits. For further details on these financial benefits, please refer to the section below.

Community Outreach

Levels is proud to mention that it has continued its annual donations to multiple non-profits within the Kalamazoo area. Within the past few months the company once again donated to Kalamazoo Loaves & Fishes, the Bridge Ministries, the Douglass Community Association, and Open Doors Kalamazoo. All of the non-profits provide resources to initiatives and assistance which help support those in need within the City of Kalamazoo, and are projects that the company fully endorses and is proud to support. So long as the company continues to operate within Kalamazoo, it will seek to maintain these annual contributions to the worthy causes that they provide assistance for. This year, the company donated \$3,500 between the four local organizations, which totals just shy of \$15,000 since it began these annual contributions. While the company believes its efforts so far are a good start, there are more opportunities to build upon these accomplishments moving forward.

Additionally, as the company grows it would like to try and expand its growth within the local business community as a stepping-stone to involve itself in the community as a whole. Given the nature of the industry, there are limited opportunities for community outreach than a typical retail store has at its disposal. However, the company would like to engage more with other local businesses to try and create symbiotic financial relationships within the local business network as another way to help the local financial retention within the City of Kalamazoo. Other locations within the Levels network have been successfully able to partner with local area printing shops for promo flyers, hire local food trucks and catering companies to host events on the premises for customers, donate time volunteering with local organizations in addition to financial contributions, all of which are a few examples. Levels initial year in Kalamazoo provided the company the chance to get a keen understanding of the local market, adjust its initial projections with tangible data, and create a business plan for success over the coming years. Now that it has been able to focus and adapt on its place within the market and analyze opportunities to grow, it can begin to take on additional work towards the community involvements strategies it has implemented at other locations, in addition to the more direct outreach through financial contributions.

Worker Training Programs

Levels has been able to successfully implement its store training programs to ensure all hired employees are fully equipped with the required knowledge, procedures, and standards the company holds within its facility. The following is a synopsis of the training program's contents and schedule. The summarized narratives help describe how the company's training programs prepare new hires to succeed both in their initial hours with the company but create a pathway for sustained success.

Core Values

To start, Levels ensures that all hires within the company are aware of the six core values that company holds. The core values and their sub-concepts are as follows:

- Customer Delight Drives Results
 - I put myself in the customer's shoes
 - I deliver better value than our competitors
 - I exceed my customers' expectations
 - I make things simple and understandable
- Integrity
 - I act ethically and obey the law
 - I act honestly and openly
 - I do not tolerate unethical and irresponsible behavior
 - I respect and value others in their individuality
 - I earn the trust of my colleagues and customers
- Think Big
 - I collaborate with other to create big results
 - I prioritize work that moves the business forward
 - I implement solutions that are sustainable
 - I adapt quickly and effectively to change
- I Am Levels
 - I act in the best interest of the brand
 - I am a proud ambassador of Levels
 - I serve my fellow employees as I serve my customers
 - I deliver what I promise
 - I take ownership for what I do
- All One Team
 - I share my opinions and work in the best interest of the business
 - I am open to other's opinions and hear them out
 - I address issues not individuals
 - I fully stand behind the team decision
- Best Place to Grow
 - We create an environment for people to grow
 - We attract and retain the best and most competent people in the industry
 - We recognize and reward top performers
 - I take accountability for my own development
 - I am dedicated to achieving the best results by being my best

Through instilling the core values above, the company believes that it is able to readily create an understanding of what the company seeks out of its employees. Furthermore, when employees buy-in to the concepts, the individuals are best able to grow and flourish in their jobs creating a mutually beneficial outcome for both themselves and the company. The results of this are crucial in order for the company to achieve its goal of becoming the standard for Cannabis retailers in terms of service, customer satisfaction, and employment opportunities throughout the industry.

Employee Handbook

Levels provides all new hires with an expansive Employee Handbook that identifies all aspects of the company's expectations, employee standards, and policies for employment. In this handbook, employees are introduced to the corporate office, company structure, and which colleagues to contact when needed outside of the store for various business matters.

In the provided Employee Handbook the company makes clear that Equality Opportunity and Commitment to Diversity are essential to the beliefs of the company. It is made clear that the company provides equal opportunity and employment to all regardless of race, color, creed, ancestry, national origin, citizenship, sex, gender, gender identity and/or expression, sexual orientation, marital status, religion, age, disability, genetic information, service in the military, or any other applicable characteristic within the given framework. The contact information for the Human Resources department is provided for employees to be able to ask questions, or voice concerns, regarding equal opportunity employment and diversity.

Additionally, the company discusses the standards for employment policies within the handbook. These include traditional forms of standards (codes of conduct, employee behavior, time off, parking, etc.) to provide an initial understanding on the methods or procedure the company has and avoid potential future issues. Additionally, the company includes more specific policies and procedures for the type of retail business, which are discussed further at length during the employee training process.

Training Schedule

The company provides all incoming hires with at least four days of training prior to the first official shift for employees. During the first day of the process, the employees are able to meet the staff at the store, review the employee handbook and ask any questions that may arise, learn the core values of the company, and learn the Standard Operating Procedures for their position as applicable.

On the second day of training, employees begin with activities to get to know the staff on a personal basis more to establish positive workplace relationships. After this initial time the training begins to emphasize within the Standard Operating Procedures from the day before. New hires will shadow current employees during their shift to see a hands-on demonstration of the procedures and methods of the job that they have begun studying in their training sessions the past two days. After this shadowing opportunity, the new hires will go through with employees about the high-level struggles that occurred in order to learn with how to navigate challenging situation.

Once this has been completed, the new hires will begin to shadow a second employee and repeat the process of study and evaluation. Employees will be introduced to training videos (available on YouTube so that additional study outside of work can be conducted if desired; topics included Beginner Information, Concentrates, Topicals, Edibles and General Information, and Terpenes) and learn about key terms, information, and aspects of their job. Finally, the new hires will discuss aspects of the day with employees to learn from an open dialogue, and then receive a recap of all items and discussions from management at the end of the day.

The third day encompasses many of the activities of the prior session but with added depth. The employees and leadership members walk through areas of emphasis on the job, the information that was learned during the training videos, and then provide insights on the points of emphasis in further detail to be introduced that day. Employees continue to train through mock role play situations of their job with employees based on their shadowing and training videos. A brief quiz to identify which concepts are fully understood, and/or which may need more teaching, for all new hires. The leadership takes notes on the mock role play situations and quiz results to further instruct the new hire on what to spend time putting extra details in for the final day and their initial shifts within the store.

The final day is personalized on the reports from the day before and varies between new hires. Activities include: reviewing training videos again; additional shadowing sessions; additional mock role play situations; review of notes from prior days; or a combination of any or all of these prior mentioned activities.

Standard Operating Procedures

The company provides Standard Operating Procedures for multiple roles. These different procedure guides include: Reception; Inventory Lead; De-Escalation; Budtenders; and Management. Employees will be provided with multiple SOPs depending on their roles hired for. Additionally, those in management positions will be provided with all of the SOPs in order to have a full understanding of each role and how it is intended to operate.

Section C(i). – Social Equity Plan

Please see the following attachment:

SOCIAL EQUITY PLAN

2233 N Burdick Inc. d/b/a Levels Cannabis – Kalamazoo (“Levels” or “company”) was able to commence its business operations since the time of its prior permit renewal. The company was able to achieve most of the goals from its Social Equity Plan as part of the 2023 renewal submission. Below are updates on the progress made by the company, as well as the further goals it is setting for the future as a now operational facility.

One of the main aspects of the Social Equity Plan for Levels were its hiring initiatives that placed an emphasis on the local community and equal opportunity. For the most part, the company was pleased with its results, though does recognize that there are areas of improvement. To start, 10 of the facility’s 12 employees reside in Kalamazoo, meeting the company’s local hiring goal. Additionally, all employees who do not live in Kalamazoo are residents of other communities within Kalamazoo County. A majority of the company’s staff are Persons of Color (“POC”), with nearly all of these employees being part of communities which historically have been disenfranchised by marijuana prohibition disproportionately. Additionally, the majority of the company’s staff are female. Furthermore, Levels is proud of its hiring initiatives for staffing, but also in applying this to management positions to avoid “glass ceilings” that can mitigate the long-term results of well-intentioned hiring initiatives. Both the facility’s Manager and Assistant Manager/Keyholder are female, which historically in business has been a disproportionately underrepresented group in regard to management roles. For the statistics above, though, the company is aiming to continue improving.

The store is seeking to potentially expand its staff as the facility continues to gain traction within the local business market. While the initial entrance as a new facility provided more challenges than initially anticipated, which resulted in a smaller staff than the company would like, Levels is optimistic that by Autumn it can expand its staff and hire additional employees for its day-to-day operations. As such, the company is focused on trying to improve its hiring rates from within Census Tracts 1, 2.02, 3, 9, and 10. Currently, the company has only two staff members within those tracks; the company will note that one additional employee lives in what many would connotatively consider the Northside neighborhood, albeit about two blocks outside of the Census Tract. However, even with this caveat which would result in a quarter of the staff being residents of the Census Tracts neighborhoods, the company would like to see more success in hiring from the Northside, Eastside, and Edison neighborhoods in its next hiring cycle. Likewise, the company is also seeking to improve upon its total of hiring of individuals with prior convictions for marijuana, which only applies to one staff member as of now. For the latter, the company will continue to make clear, direct statements in its job postings regarding its encouragement of applicable individuals to apply for open positions. Regarding the former, the company was pleased with the amount of individuals who applied for open positions previously, and has contacted many of the previous institutions and organizations it previously posted job advertisements at in order to do so again. As an adjustment, the company will try and be more proactive about stressing the desire for full-time employees, which it found during the interview process to be a common issue with many potential candidates who applied but were not willing to accept the open positions which were for full-time employment.

Finally, the company has continued to be a proactive philanthropic member of the community. Annual donations to local non-profit organizations – such as the Kalamazoo Loaves & Fishes, the Bridge Ministries, the Douglass Community Association, and Open Doors Kalamazoo – were made again to maintain the connections the company had established prior to the business opening. Levels is proud of its contributions to local organizations which help positively impact the community and are part of the solution towards financial benefits to the City of Kalamazoo residents at the micro level. Furthermore, the company is a strong believer in the idea that hiring local is an essential component to keeping financial resources in the city, through the mentality that a high tide rises all boats, as the money earned within the community is spent within the community and contributes on the macro level as well.

As Levels continues to establish itself within the local area it is enthusiastic about the potential for growth in all of the components above. The company believes that as the business side is able to progress to previously anticipated benchmarks, the operation can increase the ratio of time and resources to further enhance its social equity. The company is pleased to have been able to meet many of its initial goals from its plan submitted to the city for last year's permit renewal. Importantly, the company also believes it has an understanding of ways to improve on the few goals it didn't meet, and that a tangible path to success is present. Through these goals, Levels can continue to strive for the Gold level standard of its Social Equity Plan.

Section C(ii). – CRA Social Equity Gold All-Star Confirmation

Please see the following attachment:



INTER-OFFICE MEMO

To: The Economic Development Corporation Board of Directors

From: Jared Chambers, Business Specialist

Date: July 8, 2024

Re: Adult Use Retailer Permit Renewal for Nirvana Kalamazoo, LLC

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: Nirvana Kalamazoo, LLC for its facility at 401 N Sage Street and that the EDC Board provide a recommendation regarding the renewal of this permit. The City Operating Permit, issued on July 19, 2023, is scheduled to expire on August 31, 2024, 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;
 - Nirvana has 7 full-time and 2 part-time employees.
 - 1 General Manager, earning \$60,000/year.
 - 1 Assistant General Manager, earning \$32,360/year.
 - 1 Supervisor (Floor Manager), earning \$32,240/year.
 - 6 Support Staff, earning \$30,160/year.
 - Full-time employees receive Health, dental, & vision. Disability & Life Insurance option. PTO offered.
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;
 - Property Taxes - 2023 Winter & Summer in the amount of \$14,378.75.
 - MRTMA Revenue Share from 2023 for \$59,086.35 per Retailer.
 - Payment of Living Wage - Nirvana pays all employees between \$15-18/hour, contributing to local community health.
 - Food Drives - January 2022 Over 190 pounds of food were donated to Kalamazoo Loaves & Fishes.
 - Westwood Foodbank donations and volunteering starting in 2023.

- School Supply Donation - May 2023 to Present, they ran a sales campaign that resulted in raising \$400 for KPS student school supplies.
 - In the summer of 2023 they donated items to the Animal Humane Society.
 - Worker Training - Updated compliance training May 2023 to Present. General staff training when new or revised regulations come up.
 - New Employee Training on METRC and Regulations May 2023 to Present. Increased compliance in operations to ensure no violations occur.
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;
- Removing preference for "bachelor's degrees" in its hiring to reduce barriers to employment for members of disadvantaged communities.
 - Sales Promotion and Donation to Last Prisoner Project, raising \$150 last year and currently at another \$75 collected.
 - Nirvana plans to spend no less than 20% of its qualified business expenses on diverse suppliers of essential business services and products.
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 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.
- Hiring and public accommodation practices of the facility conform to the City's Nondiscrimination Ordinance provisions.
 - They have 3 managerial positions, 2 are women.
 - They have 6 operational positions, 3 are women and 2 are minorities.
 - No employees were disproportionately impacted by marihuana prohibition and enforcement.
6. A statement, with supporting documentation, providing answers to the following questions:
- a. How many City residents do you currently employ?
 - 3 employees.
 - b. How many current employees reside in Census Tracts 1 (Eastside); 9, 10 (Edison), and/or 2.02,3 (Northside)?
 - No employees reside in the identified census tracts.
 - c. What is your plan to employ residents of the identified census tracts?
 - Nirvana plans to find more local job postings as well as post advertisements for employment opportunities in the identified census tracts.
 - d. How many of your employees have prior marihuana convictions (excepting a conviction for delivery or distribution to a minor)?

- No employees with prior marihuana convictions.
- e. What is your plan for employees with a prior marihuana conviction to move up within your business and/or the marihuana industry?
 - Nirvana specifically encourages those with prior marijuana convictions to apply in its job postings and seeks to increase the reach of its job postings to make them more accessible to a wider audience in hopes of having applicants with prior marihuana convictions apply.
- 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 6, 2024, 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 ordinance requirements have been met.

The City Clerk has verified that the applicant has no outstanding financial obligations to the City, and 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 not its 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 2-year approval of the Adult Use Retailer Permit to Nirvana Kalamazoo, LLC, contingent on the Applicant correcting the zoning deficiencies by replacing the doors on the dumpster enclosure by August 31, 2024. If the Applicant fails to correct the deficiencies by August 31, 2024, then the recommendation is approval of a 90-day probationary renewal.

ATTACHMENTS

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

Adult Use & Medical Safety Compliance, Marihuana Renewal Application Checklist for:					
Nirvana Kalamazoo, LLC					
401 N Sage St.					
Contact: Jackie Langwith; Denise Pollicella					
jackie@pglaw.us denise@pglaw.us					
Type: Adult Use Retailer					
	Date Received	Received By	Comments		
Renewal Application Received	6/14/2024	Jared Chambers	Application received via email on 6/14; check received on 6/17		
Inspection Type:	Inspection Date	Completed by:	Satisfactory?	Notes	
Zoning Inspection	7/18/2024	Pete Eldridge	No	Doors broken off dumpster enclosure	
Fire Inspection	7/18/2024	Scott Brooks	Yes		
	Date	Name	Comments		
Business Community Benefits Check-In	7/8/2024	Jared Chambers			
	Invite Sent	EDC Meeting Date			
Invite to EDC Meeting	6/20/2024	8/13/2024			
	Full-Time	Part-Time	Comments		
Jobs Created					
	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	Yes	Gold Level	Jared Chambers		
Attachments	Staffing Plan	City Economic Benefits Plan	Social Equity Plan	Handbook	
			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 Nirvana Kalamazoo, LLC

Business Address 401 N Sage Street

City Kalamazoo **State** MI **Zip Code** 49006 **Business Phone** 888-855-08626

Business E-mail jackie@plglaw.us; griffin@plglaw.us **Business Website** nirvanacenter.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 401 N Sage Street, Kalamazoo, MI 49006

Real Property Parcel Number 06-18-304-002

Advertised Facility Name Nirvana Center Kalamazoo

Manager - Full Name Sheraz Warraich

CONTACT INFORMATION [the primary point(s) of contact for this application]

Name Sheraz Warraich

Address 8357 N Dry Creek Road

City Prescott Valley

State AZ

Zip Code 86315

Phone 888-855-8626

E-mail jackie@plglaw.us; griffin@plglaw.us

Name Jacqueline Langwith, Esq. and PLG Law PLLC

Address 118 W Lenawee Street

City Lansing

State MI

Zip Code 48933

Phone 888-855-8626

E-mail jackie@plglaw.us; griffin@plglaw.us

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 who 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 the 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:  Date: 06/14/24
Name (printed): Sheraz Warraich Position: Member-Manager

STAFFING PLAN

Summary

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

Full-time employees (32+ hours per week) 4 Part-time employees (< 32 hours per week) 5

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: Support Staff **Annual Average Compensation** \$ 30,160 per staff member

How many people are employed in this position at the licensed facility? 6

Are health insurance benefits available for employees in this position? Yes _____ No _____

If yes, please indicate the employer contribution to health insurance costs: All ☐ Partial ☐ None ☐

Position Title: General Manager **Annual Average Compensation \$** 60,000

How many people are employed in this position at the licensed facility? 1

Are health insurance benefits available for employees in this position? Yes No

If yes, please indicate the employer contribution to health insurance costs: All _____ Partial _____ None _____

Position Title: Supervisor (Floor Manager) **Annual Average Compensation \$** 32,240

How many people are employed in this position at the licensed facility? 1

Are health insurance benefits available for employees in this position? Yes No

If yes, please indicate the employer contribution to health insurance costs: All _____ Partial _____ None _____

Position Title: Assistant General Manager	Annual Average Compensation \$ 35,360
--	--

How many people are employed in this position at the licensed facility? 1

Are health insurance benefits available for employees in this position? Yes No

If yes, please indicate the employer contribution to health insurance costs: All Partial None

Position Title:	Annual Average Compensation \$
-----------------	--------------------------------

How many people are employed in this position at the licensed facility? _____

Are health insurance benefits available for employees in this position? Yes _____ No _____

If yes, please indicate the employer contribution to health insurance costs: All ☐ Partial ☐ None ☐

Please provide information on any benefits other than health insurance that are offered to all employees:

None at this time. Nirvana hopes to add benefits for employees as the business continues to grow and advance in prosperity.

Attach additional pages as necessary.

ECONOMIC BENEFITS

Please fill out the information below relating to 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

ECONOMIC BENEFITS		
Economic Benefit	Description	Amount
Property Taxes	Winter and Summer 2023 Tax Payments	\$14,378.75
MRTMA Revenue Share from 2023	MRTMA redistributes excise funds to municipalities based on the number of retailers in a municipality.	\$59,086.35 / retailer
Payment of Living Wage	Nirvana pays all employees between \$15-18, contributing to local community health.	\$15-18 per employee

JOB CREATION FOR LOCAL RESIDENTS		
Initiative/Description	Date(s)	Outcomes
Removing "Bachelor's degree preferred" from some of its job applications	May 2023 - Present	More diverse workforce; opens up entry positions to more candidates.
Local Job Postings	May 2023-Present	As seen below, 3 of Nirvana's 10 employees are from the City of Kalamazoo.

COMMUNITY OUTREACH		
Initiative/Description	Date(s)	Outcomes
Food Drives	January 2023-Present	Over 190+ lbs of food donated to Kalamazoo Loaves & Fishes
School Supply Donation	May 2023-Present	Ran sales campaign that resulted in raising money for KPS pupil's school supplies.

WORKER TRAINING PROGRAMS		
Initiative/Description	Date(s)	Outcomes
Updated Compliance Training	May 2023-Present	General staff training when new or revised regulations come up.
New Employee Training on METRC and Regulations	May 2023-Present	Increased compliance in operations, ensure no violations occur.

SOCIAL EQUITY

Please fill out the information below relating to Social Equity with 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;

SOCIAL EQUITY PLAN INITIATIVE		
Initiative/Description	Date(s)	Outcomes
Removing preference for "bachelor's degrees" in its hiring.	May 2023-Present	Reduces barriers to employment for members of disadvantaged communities.
Sales Promotion and Donation to Last Prisoner Project	Periodically	Raise hundreds of dollars for LPP each sales promotion.

EMPLOYEE DEMOGRAPHIC INFORMATION

Total Number of Employees:		
Employees in Managerial Positions	Total Employees	2
	Number of Women	1
	Number of Minorities	0
Employees in Operational Positions:	Total Employees	8
	Number of Women	4
	Number of Minorities	4

How many City Residents do you currently employ?	Total Employees	3
How many residents do you currently employ from these Census Tracts?	Census Tract 1 (Eastside Neighborhood)	0
	Census Tracts 9 and/or 10 (Edison Neighborhood)	0
	Census Tracts 2.02, and/or 3 (Northside Neighborhood)	0

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

Nirvana plans to find more local job postings as well as post advertisements for employment opportunities in the Identified Census Tracts.

Attach additional pages as necessary.

2. 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 0

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

Nirvana specifically encourages those with prior marijuana convictions to apply in its job postings and seeks to increase the reach of its job postings to make it more accessible to a wider audience in the hopes of having applicants with prior convictions apply.

Attach additional pages as necessary.

4. Please attach 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.

*Nirvana Kalamazoo has achieved Gold Status with the CRA's SE All-Star Program and, as such, would like to apply for a two-year renewal period with the City of Kalamazoo, going forward.



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

MARLON I. BROWN, DPA
DIRECTOR

June 6, 2024

Nirvana Kalamazoo, LLC (DBA: Nirvana Center)
24280 Sherwood Avenue
Centerline, MI 48015

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-000950

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



Nirvana Center

AU-R-000950

This entity qualifies for the Gold level tier of the Social Equity All-Star Program

Nirvana Kalamazoo, LLC Renewal Permit Application unsigned

Final Audit Report

2024-06-14

Created:	2024-06-14
By:	Denise Pollicella (denise@pollicella.net)
Status:	Signed
Transaction ID:	CBJCHBCAABAAmzvRZR4-98d8QITBXUztuLyUIvkmpBk

"Nirvana Kalamazoo, LLC Renewal Permit Application unsigned" History

-  Document created by Denise Pollicella (denise@pollicella.net)
2024-06-14 - 5:48:43 PM GMT
-  Document emailed to Sheraz Warraich (sheraz@nirvanacenter.com) for signature
2024-06-14 - 5:48:48 PM GMT
-  Email viewed by Sheraz Warraich (sheraz@nirvanacenter.com)
2024-06-14 - 5:49:06 PM GMT
-  Document e-signed by Sheraz Warraich (sheraz@nirvanacenter.com)
Signature Date: 2024-06-14 - 5:49:33 PM GMT - Time Source: server
-  Agreement completed.
2024-06-14 - 5:49:33 PM GMT

INTER-OFFICE MEMO

To: The Economic Development Corporation Board of Directors

From: Jared Chambers, Business Specialist

Date: July 15, 2024

Re: Adult Use Retailer Permit Renewal for J Elias Management Inc. DBA Puff Kalamazoo

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: J Elias Management Inc. for its facility at 4305 Portage Street and that the EDC Board provide a recommendation regarding the renewal of this permit. The City Operating Permit, issued on July 17, 2023, is scheduled to expire on August 31, 2024, 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;
 - Puff Kalamazoo has 18 full-time employees.
 - 1 General Manager, earning \$83,200/year.
 - 1 Assistant Manager, earning \$62,400/year.
 - 1 Sales Lead, earning \$46,88/year.
 - 12 Sales Associates, earning \$32,640/year.
 - 3 Receptionists, earning \$32,640/year.
 - All employees receive; Employee Discounts, Health Insurance, Paid Holidays, PTO, Voting Leave, and 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;
 - 17 of the 18 Employees are City residents, earning a gross of \$600,000/year.
 - New building development, using local contractors, investing approximately \$1,000,000.
 - Participated in local job fairs, in May 2023.
 - November 2023 - Annual Turkey Drive, donated 250 turkeys.
 - December 2023 – Annual Joint for Jackets, donated approximately 100 jackets for youth.
 - August 2023 Kalamazoo Rib Fest sponsorship for benefit to ARC committee advocates.

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;
 - Hired 2 individuals with prior marijuana convictions. – April 2023.
 - They plan to spend no less than 25% of their qualified business expenses on diverse suppliers. Some of these include; Pistol Jane, Wanna, Exclusive, Brands, The 8th by White Boy Rick, Primitive, and Emerald Transport.
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;
 - The business is 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 3 management positions with no women or minorities.
 - There are 15 operational positions with 7 women and 6 minorities.
 - 2 employees have been disproportionately impacted by marihuana prohibition and enforcement.
6. A statement, with supporting documentation, providing answers to the following questions:
 - a. How many City residents do you currently employ?
 - 17 Employees.
 - b. How many current employees reside in Census Tracts 1 (Eastside); 9, 10 (Edison), and/or 2.02,3 (Northside)?
 - 1 employee from the Edison Neighborhood.
 - c. What is your plan to employ residents of the identified census tracts?
 - They plan to advertise new job openings in those areas on the local bulletin board. They will also note any potential applicant whose address is located in one of the identified census tracts.
 - d. How many of your employees have prior marihuana convictions (excepting a conviction for delivery or distribution to a minor)?
 - 2 Employees.
 - e. What is your plan for employees with a prior marihuana conviction to move up within your business and/or the marihuana industry?
 - They plan to offer fair opportunities to all employees. They do not discriminate based on someone's previous marijuana convictions unless the conviction involves distribution to a minor. One of the employees with a prior conviction is currently a manager at the facility. We plan to give all employees the tools and training necessary to succeed and move up within the company.

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 18, 2024, they have been accepted into the program at the Silver Level.

Please see the attached Marihuana Renewal Application Checklist, completed by City staff to verify if all ordinance requirements 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, and the facility has passed its City Fire & 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 1-year approval of the Adult Use Retailer Permit to J Elias Management Inc.

ATTACHMENTS

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

Adult Use & Medical Safety Compliance, Marihuana Renewal Application Checklist for:				
Puff (J Elias Management)				
4305 Portage Rd.				
Contact: Robin Yono; Nick Hannawa				
ryono@wnj.com nickhannawa@gmail.com				
Type: Adult Use Retailer				
	Date Received	Received By	Comments	
Renewal Application Received	7/17/2024	Scott Borling		
Inspection Type:	Inspection Date	Completed by:	Satisfactory?	Notes
Zoning Inspection	7/11/2024	Pete Eldridge	Yes	Unscreened dumpster in parking lot - corrected 7/31/24
Fire Inspection	7/11/2024	Scott Brooks	Yes	
	Date	Name	Comments	
Business Community Benefits Check-In	7/15/2024	Jared Chambers		
	Invite Sent	EDC Meeting Date		
Invite to EDC Meeting	6/20/2024	8/13/2024		
	Full-Time	Part-Time	Comments	
Jobs Created	18	0		
	Yes/No	Comments:	Verified by:	
Any Past Due Financial Obligations with City? (i.e. taxes owed, fees, fines, etc)	No	The company has filed its personal property statement late.	Andrew Falkenberg	
Silver Level Social Equity All-Star or better status with the Michigan Cannabis Regulatory Agency	Yes	Silver	Jared Chambers	
	Staffing Plan	City Economic Benefits Plan	Social Equity Plan	
	Yes	Yes	Yes	
			All Items Complete	Yes



J Elias Management Inc DBA Puff Kalamazoo

Please find enclosed

- 1) Marihuana Business Permit Renewal Application
- 2) Check to The City Of Kalamazoo for \$5,000

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 J Elias Management Inc. Puff Kalamazoo

Business Address 4305 Portage Street

City Kalamazoo **State** MI **Zip Code** 49001 **Business Phone** 269- 888-2026

Business E-mail Nickhannawa@gmail.com **Business Website** https://shopppuff.com/?utm_source=facebook&utm_medium=website_click&utm_campaign=kizoo

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 4305 Portage Street Kalamazoo MI 49001

Real Property Parcel Number 06-91-062-014

Advertised Facility Name PUFF Cannabis Company - Kalamazoo Dispensary

Manager - Full Name Alex Nothelfer

CONTACT INFORMATION [the primary point(s) of contact for this application]

Name Nickolas Hannawa : Chief Legal Council PUFF

Address 2909 E Big Beaver Road **City** Troy **State** MI **Zip Code** 48083

Phone 248-755-2443 **E-mail** Nickhannawa@gmail.com

Name _____

Address _____ **City** _____ **State** _____ **Zip Code** _____

Phone _____ **E-mail** _____

ATTACHMENTS

Please attach the following as separate documents to this application:

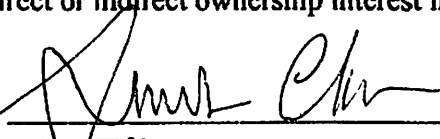
1. The attached Staffing Plan worksheet and any additional pages that provide a description of the actual number of employees, including the number and type of jobs that the licensed facility has created, and the amount and type of compensation (including benefits) paid for such jobs; and
2. An explanation, 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 who 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 the 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:  Date: 6/17/2024
Name (printed): Justin Elias Position: Member

STAFFING PLAN

Summary

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

Full-time employees (32+ hours per week) 18 Part-time employees (< 32 hours per week) 0

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 \$83,200

How many people are employed in this position at the licensed facility? 1

Are health insurance benefits available for employees in this position? Yes ☒ No ☐

If yes, please indicate the employer contribution to health insurance costs: All ☒ Partial ☐ None ☐

Position Title: Assistant Manager Annual Average Compensation \$62,400

How many people are employed in this position at the licensed facility? 1

Are health insurance benefits available for employees in this position? Yes ☒ No ☐

If yes, please indicate the employer contribution to health insurance costs: All ☒ Partial ☐ None ☐

Position Title: Sales Lead Annual Average Compensation \$46,800

How many people are employed in this position at the licensed facility? 1

Are health insurance benefits available for employees in this position? Yes ☒ No ☐

If yes, please indicate the employer contribution to health insurance costs: All ☐ Partial ☒ None ☐

Position Title: Sales Associate Annual Average Compensation \$32,640

How many people are employed in this position at the licensed facility? 12

Are health insurance benefits available for employees in this position? Yes ☒ No ☐

If yes, please indicate the employer contribution to health insurance costs: All ☐ Partial ☒ None ☐

Position Title: Reception Annual Average Compensation \$32,640

How many people are employed in this position at the licensed facility? 3

Are health insurance benefits available for employees in this position? Yes ☒ No ☐

If yes, please indicate the employer contribution to health insurance costs: All ☐ Partial ☒ None ☐

Please provide information on any benefits other than health insurance that are offered to all employees:

Attach additional pages as necessary.

ECONOMIC BENEFITS

Please fill out the information below relating to 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

ECONOMIC BENEFITS		
Economic Benefit	Description	Amount
Employment	Hired local residents	\$600,000
Construction & Development	Built brand new construction & utilized local contractors	Approx. 1 Million
Excise Tax & Annual pay per license	Kalamazoo will earn 25% of excise tax paid	\$57,515 + Annual fee
Licensing	Annual renewal of permit	\$5,000

JOB CREATION FOR LOCAL RESIDENTS		
Initiative/Description	Date(s)	Outcomes
Hosted local interviews	May 17-31, 2023	Hired majority of current staff
Participated in local job fairs	May 2023	Job Fair Ex: Hired & met current employees
Multiple media posts	April-May 2023	Hired employees and gained prospects

COMMUNITY OUTREACH		
Initiative/Description	Date(s)	Outcomes
2023 Annual Turkey Drive	Nov 2023	Donated 250 Turkeys
2023 Annual Joints For Jackets	December 2023	Raised approx. 100 jackets for youth
2023 Kalamazoo Rib Fest	Aug 2023	Sponsorship for benefit to ARC comm advocates

WORKER TRAINING PROGRAMS		
Initiative/Description	Date(s)	Outcomes
Hands On Training	Yearly	All staff trained and annually retrained
See attached Employment + Staffing Training Manual		

SOCIAL EQUITY

Please fill out the information below relating to Social Equity with 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;

SOCIAL EQUITY PLAN INITIATIVE		
Initiative/Description	Date(s)	Outcomes
Hiring local residents from disproportionately impacted areas	April- May 2023	Hired 17 residents
Hiring individuals with prior marijuana convictions	April 2023	Hired 2 individuals with marijuana convictions
Conducted multiple charitable drives to benefit local community residents	Nov 2023 - Dec 2023	Passed out 250 turkeys to families in need and raised 100 jackets for youth

EMPLOYEE DEMOGRAPHIC INFORMATION

Total Number of Employees:		
Employees in Managerial Positions	Total Employees	3
	Number of Women	
	Number of Minorities	
Employees in Operational Positions:	Total Employees	15
	Number of Women	7
	Number of Minorities	6

How many City Residents do you currently employ?	Total Employees	17
How many residents do you currently employ from these Census Tracts?	Census Tract 1 (Eastside Neighborhood)	
	Census Tracts 9 and/or 10 (Edison Neighborhood)	1
	Census Tracts 2.02, and/or 3 (Northside Neighborhood)	

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

We plan to advertise new job openings in those areas on local bulletin board. We will also make note of any potential applicant who's address is located in one of the identified census tracts.

Attach additional pages as necessary.

2. 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 2

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

We plan to offer fair opportunities to all employees. We will not discriminate based on someone's previous marijuana convictions unless the conviction involves distribution to a minor. One of our employees with a prior conviction is currently a manager at the facility. We plan to give all employees the adequate tools and training necessary to succeed and move up within the company.

Attach additional pages as necessary.

4. Please attach 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.



Social Equity Plan

J Elias Management Inc d/b/a Puff Cannabis Company is a Company that thrives to have a positive impact in and outside of the communities it does business in, in the State of Michigan. Our Company has been in business for about five years and has built relationships with the people in the communities it operates in, and with officials and members of those cities or townships. The Company has its own community outreach programs in place. Our commitment to social equity is deeply ingrained in our values, and we are dedicated to creating a more equitable and inclusive future for all residents of Michigan and the communities we serve in.

The Company currently has ten locations, variously operating under the Puff brand as a Provisioning Center or Marijuana Retailer under the Medical Marihuana Facilities Licensing Act ("MMFLA") or Marijuana Retailer under the Michigan Regulation and Taxation of Marijuana Act ("MRTMA") and has been operating successfully with those communities. The Company has worked with the communities to make sure customers and neighbors, especially those who qualify as disproportionately impacted individuals are educated on its products and on the medical benefits of medical marijuana and has always advocated for its safe and lawful use of all its products. We recognize the historical injustices and disparities that have disproportionately affected communities of color and other marginalized groups, particularly in the realm of cannabis prohibition and enforcement. As such, we are committed to actively dismantling barriers, promoting diversity and inclusion, and fostering pathways to opportunity for all residents, regardless of background or circumstance.

With the growth of its businesses, by leveraging our resources, expertise, and partnerships, we aim to uplift social equity applicants, empower underserved populations, and contribute to the overall well-being and prosperity of communities we serve in. The Company will continue with its programs and endeavor to expand them to promote and encourage people who are disenfranchised or disadvantaged and otherwise need help.

Below, we outline our ongoing initiatives and introduce new strategies to address key areas of community investment, employment diversity, social justice advocacy, education, philanthropy, and accountability.

Community Investment and Support:



- Continue annual turkey giveaway events, ensuring accessibility to residents across diverse neighborhoods within our communities.
- Expand the "Joints for Jackets" initiative to include partnerships with local schools and youth organizations, facilitating the collection of new jackets for children in need while promoting community engagement.
- Allocate resources to build and remodel basketball courts in underserved areas, providing safe recreational spaces for youth and fostering community cohesion.
- Enhance donations to municipalities where Puff Cannabis operates, prioritizing projects that address critical needs and improve quality of life for residents.

Employment and Economic Opportunities:

- Implement a comprehensive hiring and training program that actively recruits individuals from marginalized communities, including those with past cannabis-related convictions.
- Partner with local workforce development agencies and educational institutions to offer job training, internships, and apprenticeships in various aspects of the cannabis industry.

Social Justice Advocacy:

- Advocate for policy reforms at the local and state levels to promote equity in the cannabis industry, including measures to expunge past cannabis convictions.
- Collaborate with community organizations and legal experts to provide pro bono legal assistance to individuals seeking expungement of cannabis-related offenses.
- Engage in public education campaigns to raise awareness about the disproportionate impact of cannabis prohibition on marginalized communities and the importance of social equity in cannabis legalization.

Community Engagement and Education:

- Sponsor cultural events, festivals, and community gatherings that celebrate diversity and promote social cohesion among residents from different backgrounds.

Philanthropic Partnerships:

- Forge partnerships with local veterans' associations to support programs and services that address the unique needs of veterans and their families, including access to healthcare, housing, and employment assistance.
- Collaborate with grassroots organizations and advocacy groups working to address systemic inequalities in areas such as healthcare, education, and criminal justice reform.



Measurement and Accountability:

- Establish clear metrics and benchmarks to track the impact of social equity initiatives, including measures of community engagement, employment diversity, and philanthropic contributions.
- Regularly report on progress towards goals and objectives, soliciting feedback from stakeholders and adjusting strategies as needed to ensure alignment with community needs and priorities.
- Foster transparency and accountability by publicly sharing information about the company's social equity efforts, including successes, challenges, and lessons learned.
- The Company shall also endeavor to set aside a certain percentage of profits for donations to charitable organizations in and outside the local municipality and the neighboring communities that work with and promote social programs and help those in need.

Corporate Spending Plan

As a business owned by an individual with social equity status Puff understands the importance of using diverse suppliers across the various business services that it uses and products it supplies. As such, Puff plans to spend no less than 25% of its qualified business expenses on diverse suppliers of essential business services and products. To give an idea of the kinds of diverse suppliers Puff uses—which includes women-owned businesses, minority-owned businesses, veteran-owned businesses, and/or businesses owned by individuals disproportionately impacted by marijuana prohibition—please see the areas of services where will utilize diverse suppliers:

Professional Services;

Marijuana Product Suppliers;

General Goods Suppliers; AND

Transportation Services.

Some of these suppliers include:

- Pistol Jane
- Wanna
- Exclusive Brands
- The 8th by White Boy Rick
- Primitive
- Emerald Transport



Our social equity plan is not just a set of initiatives; it's a reflection of our core values and a testament to our dedication to making a meaningful difference in the lives of Michigan residents. We invite you to join us on this journey as we work together to build a more just, equitable, and vibrant community for generations to come.

EMPLOYMENT AND STAFFING PLAN; TRAINING MANUAL



EMPLOYMENT AND STAFFING PLAN; TRAINING MANUAL

Puff Cannabis Company is committed to provide employment opportunities to the citizens of the local community. Residents of the community shall be given due diligence and preference on the hiring process for all positions, except General Manager. This Employment Plan sets forth the employee information, including number, type, compensation, benefits and number and type of full time and part time jobs.

The facility will be operating 7 days per week, and have an initial staff of 18 employees, 2 Managers (1 general and 1 assistant), 1 supervisor, 3 intake personal/receptionist, and 12 service representatives (Budtenders). Number of employees may be increased if the needs arise for certain positions. The company shall utilize various electronic employment posting sites to recruit potential employees. Such sites may include Indeed.com, CareerBuilder.com, Monster.com, but also start with and include Michigan focused employment entities including Michigan Works, Pure Michigan Talent Connect, and the Michigan Veteran Affairs Association, Including local VFW venues and other local recruitment centers.

During the initial hiring phase, we will also be looking at soliciting recruitment with the Local Press through their employment section, and community outreach. Our Company is dedicated to provide Workplace Equity. Therefore our Company is dedicated to:

- Ensure the Company workforce diversity reflects the diversity of the population.
- Increase upward mobility opportunities for employees and professional development opportunities that lead to promotions.
- Focus additional efforts to increase workforce diversity where overall diversity is low or where some racial / ethnic groups are underrepresented.
- Provide an environment and training so that employees adhere to the policies that others must treat their colleagues with respect by listening to different viewpoints, opinions, thoughts, and ideas and embracing a culture of inclusion.

Each position for employment shall be listed with a job description, experience expectations or equivalents, compensation, employment eligibility criteria (per the State), hiring process and timeline, desired start date for that position. The goal is to solicit a quality workforce from the local area and develop employees to be part of a new and emerging company they can grow with. As identified by the rules of the Michigan Cannabis Regulatory Agency (“CRA”), we shall require that we as employers in the program, adhere to criminal background checks of employee before hiring that individual.

The company shall make available employment applications, both electronic and printed, so that prospective applicants may apply. Applications shall be reviewed, and notifications sent to all applicants as to the status of the application.

Whether the applicant is proceeding forward in the process or not, everyone deserves a response and the gratitude of our company for considering us for employment. The next step in the hiring process would be an initial telephonic interview, followed by a scheduled formal interview in person. The licensee shall conduct the management level interviews until those positions are filled, and then the facility manager shall participate in the candidate selection process with the licensee of the remaining job positions. Further information regarding positions, pay, and the hiring process, are set forth below.

(a) Team

We have a multidisciplinary team of experts with years of workforce development and labor compliance experience and management. Our Employment Plan includes:

- (1) a code of conduct; (2) employer-provided health benefits; (3) a commitment to provide a living wage.

We follow all federal, state, and local laws related to labor and employment practices. Our Company supports and encourages labor neutrality in the cannabis industry and further finds and declares that employee workplace safety shall not be diminished, and employer workplace policies shall be interpreted broadly to protect employee safety. Nothing in our Employment Plan has been construed to preempt or limit the duties of our company. Nothing in our plan permits us to require the disclosure of sealed or expunged offenses unless otherwise required by law.

All offers of employment are conditioned upon the hired individual's taking our comprehensive training course and passing the test. We will reimburse conditional hires for the cost of training and continuous education courses so long as they remain employed in our company.

(b) Employment Hiring Practices

Our organization is committed to hiring 50% of our staff with people who have been negatively impacted by the prohibition of cannabis and returning veterans from active duty, including individuals who:

- Live in disproportionately impacted areas;
- Have been convicted of an offense that is eligible for expungement; or
- A veteran returning from active duty.

To further support this initiative, we have developed an internship program where veterans, minorities, high school graduates, and college students will gain industry experience. These individuals will have the opportunity to join our community initiatives as a full-time employee, while potentially gaining employment with our dispensing organization. We will work closely with local businesses, organizations, and educational institutions in and around the

area to create partnership opportunities for developing internship programs. The overall goal is to ensure that the community and the underserved demographics receive opportunities for well-paying jobs and career advancement in the cannabis industry.

(c) Safe Workplace

We prohibit any acts or threats of violence by any employee against any other employee, individual, partner, supplier, client or customer at any time. In keeping with the spirit and intent of this policy, and to ensure that objectives in this regard are attained and enforced, it is our commitment:

1. To take prompt remedial action up to and including immediate termination, against any employee who engages in any threatening or intimidating behavior or acts of violence or who uses any obscene, abusive, or threatening gestures or language against any employee; and
2. To take appropriate action when dealing with clients, customers and former employees who engage in violent or threatening behavior. Such action may include notification to the police or other law enforcement personnel of the behavior, as well as full support in any criminal prosecution.

(d) Commitment to Equal Opportunity, Anti-Discrimination & Anti- Harassment

We are fully committed to the policies and practices of equal opportunity and non-discrimination and the prevention of unlawful or any harassment throughout our company. We embrace diversity and equal opportunity as core values that foster a supportive environment in which our management, staff, customers, and suppliers can excel and reach their fullest potential. We maintain and promote these values not only because they are right and equitable, but also because they are integral to achieving our corporate goals, our mission, and our vision.

Therefore, we reaffirm our full support of diversity and equal employment opportunity without regard to an actual or perceived race, color, religion, sex, sexual orientation, gender identity, gender expression, age, national origin, disability unrelated to job or program performance, veteran status, or genetic or family medical history. Discriminatory harassment, whether sexual or non-sexual, is strictly prohibited.

All actions involving management, staff, contractors, clients, and suppliers must be only initiated and administered in full compliance with our commitment to fairness and nondiscrimination. All administrators, managerial and supervisory personnel are required to ensure this policy is fully implemented by enforcing only valid, position-related requirements for employment, promotions and work assignments. Our commitment to fairness, non-discrimination and the prevention of unlawful harassment is the foundation of our Equal Opportunity, Anti-Discriminatory and Anti-Harassment Policy and should be the guidepost for all other management and employee decisions as well.

(e) Unlawful Discrimination & Harassment

We strive to provide a workplace environment that is productive, safe, respectful and fulfilling for all employees, customers, and persons who may enter its premises, either directly or virtually. Accordingly, discrimination or harassment by and/or against any of its employees, partners or clients, regardless of their position, is strictly forbidden. This policy further defines different types of inappropriate conduct and provides procedures for addressing and reporting such conduct with the aim of preventing it from ever occurring or, in the event of a violation, to eliminate the problem. Violations of these policies are subject to disciplinary action up to and including immediate discharge. All employees will be required to participate in anti-harassment/anti-discrimination training before they commence employment.

(f) Anti-Discrimination & Anti-Harassment

Discrimination in employment on account of actual or perceived race, color, religion, sex, sexual orientation, pregnancy, gender identity, gender expression, marital status, age, national origin, disability, veteran status, or genetic or family medical history is strictly prohibited. This prohibited discrimination may include, but is not necessarily limited to, basing any decision concerning employment, hiring, training, promotions, discipline, wages, benefits or other terms and conditions of employment on any of the prohibited factors. No one, regardless of his/her position, is authorized to make or effect such prohibited decisions. We strictly prohibit harassment of any kind in the workplace by or against any of its employees, associates or clients and encourages all employees to conduct themselves appropriately and professionally at all times while at work.

(g) Reporting Discrimination & Harassment

Anyone who believes in good faith that he or she has been discriminated against or harassed, or who has witnessed any such conduct, is encouraged to try first to address the matter directly with the offending party or parties by invoking this policy and telling them to stop the inappropriate behavior. Where it would be at all uncomfortable, not practical or if the employee, for any reason, simply would prefer not to address the matter with the offending party directly, the matter should be reported pursuant to the following “*open door*” policy, by following these simple steps:

1. Report any good faith any belief that this policy has been violated or is being violated, or any work-related problems, as soon as possible. A person need not be the subject of discrimination, harassment, bullying, violence, or other work-related problems to report such problems. Any employee who is subjected to or has witnessed another person being harassed, bullied, or discriminated against at any time, should report it immediately.

2. Complaints or reports under this policy may be brought to the attention of anyone, or all, of the following persons, in no particular order: 1. Direct Supervisor, 2. Human Resources Department, 3. Agent-in-charge.

(h) Response to Complaints, Consequences, And Prohibition Of Retaliation

Reports made under this policy will be promptly investigated in accordance with the nature of the matter involved. Reasonable efforts will be made to treat information disclosed in the course of an investigation as confidential. The facts of each case will determine the investigative and responsive measures taken. If we determine that our policies or rules of conduct have been violated, we will take appropriate corrective measures based upon the specific facts and conclusions of each particular investigation. Appropriate corrective measures may include disciplinary action up to and including the discharge of the offending individual(s). In all instances, our objective will be to end behavior deemed inappropriate or to violate our policies.

WE WILL NOT TOLERATE ANY ACT OF REPRISAL OR RETALIATION AGAINST ANYONE WHO REPORTS, OPPOSES OR COMPLAINS OF ANY VIOLATION OR SUSPECTED VIOLATION OF THESE POLICIES, OR AGAINST ANYONE WHO ASSISTS WITH OR COOPERATES IN THE INVESTIGATION OF SUCH REPORTS OR COMPLAINTS. COMPLAINTS OR REPORTS OF REPRISAL OR RETALIATION SHOULD BE BROUGHT UNDER THE SAME REPORTING PROCEDURES OUTLINED ABOVE.

Our top concern is the safety of our employees, our customer-patients and the community. To ensure rigorous focus on this priority, we will provide training to all workers under the following principles in compliance with the Occupational Safety and Health Act:

- Work-related injuries or illnesses can be prevented;
- The health and safety of employees and the communities in which we operate are promoted through injury and illness prevention programs and ongoing training and communication programs;
- Maintaining a safe and healthy working environment will be everyone's responsibility. The protection of employee health and safety will require cooperation and the involvement of all employees;
- Open and honest communication about health and safety hazards and incidents is critical to success and future prevention; and
- All employees will be encouraged to make good faith reports of health and safety concerns to the Agent in Charge without fear of reprisal or discrimination.

OSHA Posters will be displayed in the break room showing the OSHA *Job Safety and Health: It's the Law Poster*. Additionally, OSHA Form 300 will be posted showing the log of work- related illnesses and injuries contracted on the job in their entirety. We will post the Summary Form (300A) by February 1 of the year following the year covered by the form and keep it posted until April 30 of that year.

(i) Codes of Conduct Guidelines

In addition to policies detailed above, we expect all employees to conduct themselves in a highly professional and cordial manner, reflecting positively on the company, the staff, and our customers. Honesty and courtesy toward co-workers, management, clients, and customers is always expected and required.

In addition to the standards and policies stated above and in other sections of this *Employee Handbook*, the following statements are examples of conduct which may also result in disciplinary action, up to and including unpaid suspension or termination of employment:

1. Falsifying employment eligibility, training, education, employment history or references in connection with our employment application;
2. Falsifying any information stated on your application for your agent identification card;
3. Failing to properly check identification for age verification of any customer, regardless of appearance;
4. Failing to follow policy regarding storage of cannabis;
5. Failing to follow policy regarding inventory tracking;
6. Failing to properly label and package product;
7. Tampering with video cameras or other security devices;
8. Failing to keep accurate records of sales;
9. Selling more than the regulated limit of cannabis to a customer;
10. Failing to follow cannabis waste protocols;
11. Failing to secure premises when closing;
12. Soliciting or accepting gratuities, kickbacks or incentives from customers, clients, or suppliers or any other type of self-dealing;

13. Excessive absenteeism or tardiness is unrelated to approved leave(s). (Approved leaves may include, but are not limited to, medical leave, reasonable accommodation of a disability, bereavement leave).
14. Falsifying time records;
15. Theft, intentional damage to, or neglect of property;
16. Failing to protect and maintain the confidentiality of our business and/or its customers' confidential information;
17. Behaving in a way that is inconsistent with our values and/or behaving in a harassing manner toward another Employee (including coworkers, supervisors, office staff and management) or to our customer, partner or any of its employees;
18. Reporting to work intoxicated or under the influence of cannabis or any illegal drug or possessing, using, selling, distributing or transporting alcohol or illegal drugs while at work;
19. Disregarding any safety or security regulations;
20. Creating or encouraging a hostile working environment (for example, using profanity, yelling or being hostile to a coworker, manager or supervisor – all disagreements must be discussed in a civil, professional manner and/or professionally in writing);
21. Purposely engaging in deceptive behavior in connection with work;
22. Misuse or failure to care properly for the equipment;
23. Possession, sharing or viewing of sexually explicit, derogatory or discriminatory material during the scheduled shifts or workdays; and
24. Engaging in an offensive, rude, degrading, and sexual or other harassing or discriminatory behavior, use of racial slurs or other offensive conduct directed toward a particular employee, men, women or group of employees or individuals.

(j) Duty to Warn

In furtherance of our *Safe Workplace Policy*, our employees have a duty to warn the company of any suspicious activity, situations or incidents that an Employee observes or that they are aware of that involve other employees, former employees or customers, or that they perceive to be threatening or potentially dangerous. This includes, for example, threats or acts of violence, aggressive behavior, offensive acts, or threatening or offensive comments suggestive of dangerous behavior. We will not tolerate any form of retaliation against any employee for

making a good faith report under this policy. Retaliation of any kind will result in immediate termination of employment.

(k) Non-Retaliation

Employees must bring any violation of this policy to the immediate attention of the Management. We will thoroughly investigate all such claims with due regard for the privacy of the individuals involved. Any employee who knowingly retaliates against an employee who has reported workplace harassment or discrimination shall be subject to immediate disciplinary action, up to and including discharge.

(l) Pregnancy and Breastfeeding Policy

We will not discriminate on the basis of pregnancy, childbirth, or related medical conditions. We will provide reasonable accommodations to employees who have work-related limitations stemming from pregnancy, childbirth or a related condition, unless the accommodation would impose an undue hardship on the employer. For one year after a child's birth, we will provide reasonable break time to employees to express breast milk, unless doing so would unduly disrupt the employer's business. If possible, such break time should run concurrently with the employee's ordinary break time. Reasonable efforts will be made to ensure a private space (other than a toilet stall) for employees to express breast milk.

(m) Employee Benefits Package

In conjunction with the collective bargaining agreement, the following Benefits Package outlines the benefits offered to qualified employees.

(n) Living Wage & Benefits Policy

We intend to implement a Living Wage Policy to enable its employees to support a family of four (two children and two working adults) at a rate of at least **\$16.32** in the State of Michigan, Oakland county, according to the Living Wage Calculator (*livingwage.mit.edu*).

(o) Paid Holidays

All non-exempt regular full-time employees will be paid at their regular rate of pay for the following holidays: New Year's Eve, New Year's Day, Memorial Day, July 4th, Labor Day, Thanksgiving, Christmas Eve, Christmas Day. Employees may identify 2 holiday days alternative to Christmas and Christmas Eve upon commencement of their employment. Absent special and approved circumstances, alternative holiday days are expected to be a permanent selection.

(p) Paid Time Off (PTO)

Our long experience in competitive regulated industries proves that time off with pay is an important benefit for both employees and the company, as time off often enhances employee

productivity and creativity, driving additional benefit to the business. Regular full-time employees and regular part-time employees with a regular schedule of 20 hours per week or more will be eligible for paid vacation days which accrue on a biweekly basis throughout the calendar year. The PTO Accrual Year is the 12-month period which commences on the employee's hire date and on each consecutive hire anniversary date thereafter. The PTO available for use, including PTO accrued in the current PTO Accrual Year and any Carry-Over from the prior year. The amount of PTO that an employee accrues during a PTO Accrual Year (does not include PTO Carry-Over). The amount of accrued and unused PTO that an employee has in their PTO Bank at the end of a PTO Accrual Year that may be used in the next PTO Accrual Year, up to 20 hours. Leave not carried over is forfeited. Beginning on the first day of employment, employees begin to accrue PTO at a rate of 1 hour for every 40 hours worked.

Employees may accrue up to a maximum of 40 hours in each of their first two years of employment. During each of the years 3 – 5 of an employee's service, employees may accrue PTO at a rate of 1.5 hours for every 40 hours worked. An employee may accrue up to a maximum of 80 hours of PTO and PTO Accrual Year. During and after 10 years of service, employees accrue PTO at a rate of 2.0 hours for every 40 hours worked. An employee may accrue up to a maximum of 120 hours of PTO any PTO Accrual Year. the PTO Carry-Over and PTO Annual Accrual are 120 hours.

(q) Voting Leave

All employees entitled to vote at a general or special election may request an up to two hours of unpaid absence during work for the purpose of voting. This request is applicable and approved where their work schedule on a voting day leaves less than two hours while polls are open before or after the shift.

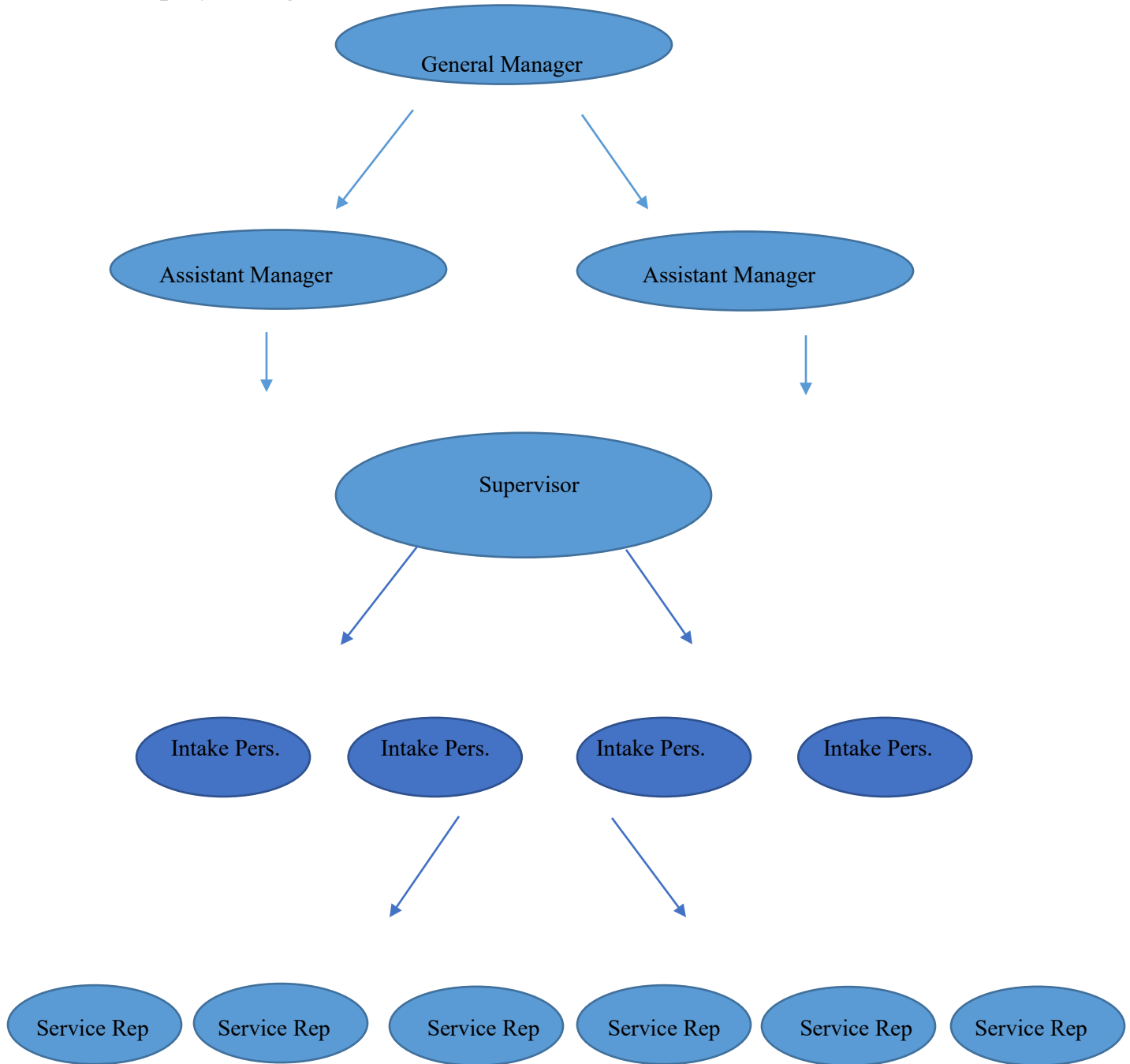
(r) Maternity, Paternity & Family Leaves

Employees receive up to 8 weeks of paid leave to bond with a child or care for a seriously ill family member.

Conclusion

Our **Employee Plan** includes women, veterans, persons of color, and persons with physical and/or mental disabilities, individuals from socio-economically disadvantaged communities, and individuals disproportionately impacted by enforcement of drug laws. We have set a target diversity goal of achieving at a minimum level of 70% diverse individuals across our enterprise. Our coordinated Employee Plan along with our Social Equity Plans look to accelerate the state's aggressive work to narrow disparities in diversity and inclusion.

(1). Employee Organizational Chart



(2). Workforce Role Requirements

A. Manager and Assistant Manager

1. Twenty One Years of Age or Older
2. High School Diploma or Equivalent
3. 2+ Years Retail or Management Experience Preferred
4. 2+ Years Caregiving Experience Preferred
5. Excellent Understanding of State and Federal Law
6. Understanding of Marihuana Sales
7. Customer Service Skills
8. Proper Knowledge of Cash Handling Procedures
9. Accurately Maintain Inventory Counts
10. Understanding of and following of CRA Regulations
11. Understanding of and following Security Protocol
12. Detail Oriented
13. Excellent Math Skills
14. Able to Stand for Long Periods of Time
15. Able to Bend, Reach, and Squat Periodically
16. Demonstration of Characteristics Outlined in Staffing Profile

B. Supervisor

1. Twenty One Years of Age or Older
2. High School Diploma or Equivalent
3. 1+ Years of Caregiving Experience Preferred
4. 1 or More Years of Retail or Customer Service Experience Preferred
5. Extensive Knowledge of Marihuana Product and Industry
6. Extensive Customer Service Skills
7. Maintain and Understanding of CRA Regulations

8. Maintain and Understanding of State and Federal Regulations
9. Follow Security Protocol
10. Utilize High Touch Customer Service
11. Math Skills
12. Able to Adapt to New Technology and Procedure Changes
13. Able to Stand for Long Periods of Time
14. Able to bend, reach, and squat periodically
15. Demonstration of Characteristics Outlined in Staffing Profile

C. Intake Personnel

1. Twenty One Years of Age or Older
2. High School Diploma or Equivalent
3. 1+ Years Customer Service or Receptionist Experience Preferred
4. Maintain and Understanding of State and Federal Law
5. Follow Security Protocol
6. Maintain an Understanding of CRA Regulations
7. Able to Adapt to Policy Changes
8. Demonstration of Characteristics Outlined in Staffing Profile

(3). Workforce Roll Descriptions

A. Facility Managers

The managers and assistant managers will be a full-time employees dedicated to overseeing the day-to-day operations of the facility. The manager will be the employee with access to all areas to the facility and the primary key-holder for the facility. At least one manager will be on staff at all times and will be the primary employee responsible for both opening and closing the facility. The primary rolls and responsibilities of the manager shall be as follows:

- Opening the business
- Closing the business
- Counting the starting till
- Balancing the closing till
- Managing employees
 - Assigning tasks to employees
 - Creating the schedule
 - Reprimanding employees as needed
 - Creating daily work assignments for employees
- Resolving customer issues
- Managing Inventory
 - Reordering inventory when low or out of stock
 - Recording inventory discrepancies in point of sale system and METRC
 - Accessing locked backstock of product to restock displays

Overseeing general day-to-day operations

Ensuring compliance with state and federal law

B. Service Representative

A Service Representative (Budtenders) at The Company will be the one responsible for playing the role of a general sales associate. Our budtenders will be extensively well versed and trained in all of our products so as to make the best recommendations for customers. We would prefer that all of our budtenders have at least some retail experience with selling so that they will be able to make suggestive sales and drive revenue efficiently but while still serving a Customer's needs to the fullest and never selling a Customer anything they do not need or

want. A budtender at The Company will be friendly, courteous, knowledgeable, professional, and have the following roles and responsibilities.

- Working with customers
- Checking customers out
- Solving customer issues
- Maintaining a clean workspace and customer area
- Recording customer data
- Selling product and/or suggestive selling
- Packaging product
- Arranging displays
- Maintaining digital display signs & Menus

C. Intake Personnel / Receptionist

The Intake Personnel / Receptionist at the Company has arguably the most important job when it comes to remaining in compliance with state law. Therefore, we will be looking for highly qualified individuals who are detail-oriented with the ability to be assertive when needed, but courteous. The receptionist will have the duty of ensuring a positive first impression on a customer as they enter the business. They will have the job of always making sure a Customer is greeted in a timely and friendly manner. We know that first impressions last the longest and therefore a good receptionist will be key to the successful management of the Company, an Intake Personnel's main job will be to ensure that a customer entering the facility has the correct credentials to do so. The Intake Personnel will be the one checking the customer's photo ID card and allowing them access into the sales area. They will have the following roles and responsibilities:

- Greeting customers upon arrival
- Checking customers ID cards
- Allowing qualified customers into sales area of business
- Asking a customer to leave the facility if the customer is under 21, or intoxicated.
- Contacting security to remove a customer from the facility if that customer will not leave voluntarily.
- Contacting security if a customer or person in the facility is conducting illegal activity or potential illegal activity.

(4). Number of Positions

In order to run a well staffed facility we will be hiring the following amount of employees for the following positions upon the initial opening of our facility:

A. Provisioning Center Manager: 1 and Assistant Managers 2

3 Full Time Positions

One facility manager or assistant managers will be on duty at all times to ensure the smooth operation of the facility and to supervise all lower-level employees. To ensure proper coverage we intend to break the work day into two shifts, a morning and a night shift with an opening facility manager and a closing facility manager. Two will work on one day with the third having the day off but available should one call in or be unable to complete his or her shift. Additionally, we intend to train one Customer Intake Personnel or Service Representative in the basic duties of a facility manager should an emergency occur and they need to temporarily act as manager.

B Customer Service Representatives: 6

3 Full Time Positions

3 Part Time Positions

The Company intends to have at least two Customer Service Representatives on duty at all times, however, this is a temporary estimate and may change as we learn to understand the daily ebb and flow of business. For example if we come to learn that on Saturdays we need to have more Customer Service Representatives on duty we will make sure to accommodate this as we always want our Customers to be served in a timely and efficient manner. The workday will be broken down into two shifts, a morning and a night shift with two full time Customer Service Representatives on duty for the morning shift on two on the for the night shift with three additional part time Customer Service Representatives that will be scheduled as needed and available for if a full time Customer Service Representative becomes ill or cannot make it for their shift.

C. Customer Intake Personnel / Receptionist: 4

2 Full Time Positions

2 Part Time Positions

Customer Intake Personnel's function as receptionist at the Company and will be located in the front of the building and have the responsibility of being the first person to greet the Customer as they walk through the door. At first, until we figure out the needs of the facility we intend to have one Customer Intake Personnel on duty at all times. One Customer Intake Personnel will be responsible for the morning shift at the facility and one receptionist will be responsible for the night shift at the facility. Primarily the full time Customer Intake Personnel s will work these shifts and the two part time Customer Intake Personnel's will be available to cover the full time Customer Intake Personnel's days off and in emergencies where a full time Customer Intake Personnel is unable to make it to their shift.

(5). Salary and benefits of roles

At The Company we want to offer competitive benefits packages and wages. We want our employees to be happy and proud to work for us and be able to live a comfortable lifestyle off of what we pay them. We believe that this will increase morale in the workplace leading to better business as whole. Happy employees are much more likely to have increased productivity and be motivated to do a great job. It is therefore that we intend to offer the following salary and benefits to our employees in addition to state required benefits:

A. Full Time Manager and Assistant Manager

Pay for Manager: Annual Salary of \$78,000.00 for full time.

Pay for Assistant Managers: Annual Salary of \$62,400 for full time.

- 50% Employee Discount (Should Employee Have Their Customer Card And Be Eligible According to the Laws of the State of Michigan)
- Health Insurance
- 401K Plan
- 7 Days Paid Vacation
- 14 Paid Sick Days
- Paid Holidays
- Time and Half Overtime

B. Full Time Customer Service Representative

Pay: Annual pay of \$31,200 for full time (\$15.00 per hour).

- 50% Employee Discount (Should Employee Have Their Customer Card And Be Eligible According to the Laws of the State of Michigan)

- Health Insurance
- 14 Paid Sick Days
- Paid Holidays
- Time and Half Overtime

C. Part Time Customer Service Representative

Pay: \$15.00 per hour.

- 25% Employee Discount (Should Employee Have Their Customer Card And Be Eligible According to the Laws of the State of Michigan)
- Paid Holidays
- Time and Half Overtime

D. Full Time Customer Intake Personnel

Pay: Annual pay of about \$45,000 for full time (\$21.60 per hour).

- 50% Employee Discount (Should Employee Have Their Customer Card And Be Eligible According to the Laws of the State of Michigan)
- Health Insurance
- 14 Paid Sick Days
- Paid Holidays
- Time and Half Overtime

E. Part Time Customer Intake Personnel

Pay: \$21.60 per hour.

- 25% Employee Discount (Should Employee Have Their Customer Card And Be Eligible According to the Laws of the State of Michigan)
- Paid Holidays
- Time and Half Overtime

(6). Required Documentation For Employment

In order to be eligible for employment at The Company all employees will have to provide the following before completion of the hiring process:

- 1) Social Security Card
- 2) Birth Certificate
- 3) Valid Photo ID

In addition to the documents outlined above The Company will also be providing the following documents to new employees to sign in order to ensure privacy, understanding of terms, conditions, and rules, and non-compete matters.

- 1) Non-Compete Agreement
- 2) Non-Disclosure Agreement
- 3) Employee HIPAA Privacy Agreement
- 4) Employee Handbook

(7). Employee Training and Education

A. Hiring Process

The hiring process at The Company will consist of two interviews. The first being with the facility manager, the second with the facility owner.

First, the facility manager will make sure that the applicant will be a good fit and has the necessary skill set to become a worker at the facility. Next the facility owner will sign off on the new hire.

The interview process will consist of a standard list interview questions and vetting procedures to ensure the applicant will be of the best fit for the company.

B. Criminal History Background Check and Trial Period

Prior to the Trial Period, the Company shall conduct a criminal history background check on the prospective employee before hiring that individual. A licensee shall keep records of the results of the criminal history background checks for the duration of the employee's employment with the Company. The Company shall record confirmation of criminal history background checks and make the confirmation available for inspection upon request by the CRA.

For training, once the employee passes the background check, each employee will be given a 14 day trial period to ensure that they are the correct fit for the job by both the company as well as the employee themselves. This trial period will be analyzed by the manager. The employee will be given constructive criticism at the end of the 14 day period to help ensure their further development.

C. Employee Training and Guide

Employee training is an important learning experience for prospect/new members joining the company. Employees must undergo a training to perform efficiently. During training a manager will evaluate the new hire's skills and progression. Some steps included in the training process will be:

- Informing new employees on the identification process
- Giving new employees a knowledge base on our products (strain, effects, genetics, smell, taste, etc.)
- Helping new employees get familiar with sales (promotions, discounts, etc.)
- Familiarizing new employee with general store policy and rules

- Familiarizing new employee with store policies, rules, and restrictions regarding curbside sales and deliveries
- Familiarizing certain new employees with proper product packaging, labeling; and data entry
- Familiarizing new employee with store security procedures
- Helping new employee learn to operate machinery and equipment
- Teaching new employee to adapt to various situations
- Teaching the Employee about marihuana product information, dosage and purchasing limits if applicable, and educational materials
- Provide diversity and inclusion training

The basic policies that will be taught to a new hire are:

- Employees are expected to have a friendly and professional demeanor
- Employees are not permitted to be under the influence of any narcotic or illegal drugs
- The company requires every employee to be in compliance with local, state, and federal laws in regards to distribution and sales of medical marihuana. If the customer does not have the proper identification or paperwork they are not permitted to enter whatsoever.
- Due to the nature of our product we will never accept refunds or issue exchanges.
- Theft is not tolerated and will result in immediate termination
- If there are any injuries or accidents, inappropriate incidents, or mistakes made it must be reported immediately to the facility manager
- Training consists of learning other positions as well as the position the employee was hired for. We want our employees to be well-rounded and capable of performing other positions if and when needed.

D. Training Breakdown

Day 1

- Meet with manager for company introduction and overview
- Receive employee handbook

- Fill out any necessary paperwork
- Read and adhere to employee handbook

Day 2

- Return any paperwork
- Employee name tag and badge given
- Receive username and password for machinery and programs

Day 3

- Spend time at the front desk to observe identification process with receptionist
- Learn Point of Sale System and labeling
- Learn METRC
- Learn Customer Relationship Manager

Day 4

- Spend Time at the front desk
- Continue with training on point of sale, METRC, and customer relationship manager
- Learn inventory tracking

Day 5

- Shadow Budtender
- Practice packaging and labeling
- Continue learning inventory tracking, point of sale, labeling, METRC, and customer relationship manager

Day 6

- Learn opening and closing processes
- Learn security protocol
- Continue learning inventory tracking, point of sale, labeling, METRC, and customer relationship manager

Day 7

- Diversity and Inclusion Training
- All forms should be finished and signed
- Get assigned to designated position
- Under supervision, be given designated tasks
- Training regarding store policies, rules, and restrictions regarding processing of on line and in store sales (no home deliveries allowed unless approved by the CRA and following an approved home delivery plan)

All employee records shall be stored electronically in the facility office on a secured hard drive, with backup information stored on a secured cloud-based server. Physical copies of all employee records shall be stored in the facility administrative office within an enclosed locked cabinet. All business records, including employee records shall be retained for a period of no less than 5 years, and shall be made available to the department upon request, as per R 333.281.4., and applicable ordinances of the local city or township.

The Company shall enter in the CRA statewide monitoring system an employee's information and level of statewide monitoring system access within 7 business days of hiring for the system to assign an employee identification number. The licensee shall update in the statewide monitoring system employee information and changes in status or access within 7 business days.

E. Employee Duty to Report

Employees shall report any address changes to the Company, and shall promptly report to the Company any new or pending criminal charges or convictions. If an employee is charged with or convicted of a controlled substance related felony or any other felony, the Company shall immediately report the charge or conviction to the CRA. If an employee of the Company is convicted of an offense involving distribution of a controlled substance to a minor, the Company shall discipline the employee which may include termination of employment, and the Company shall immediately report the conviction to the CRA if required by the CRA.

F. Plan for responsible operations / security

The Intake Personnel / Receptionist at the Company will have the duty of ensuring that a customer entering the facility has the correct credentials to do so. The Intake Personnel will be

the one checking the customer's photo ID card and allowing them access into the sales area if they are at least 21 years old. They will have the following roles and responsibilities:

- Greeting customers upon arrival
- Checking customers ID cards
- Allowing qualified customers into sales area of business
- Asking a customer to leave the facility if the customer is under 21, or intoxicated.
- Contacting security to remove a customer from the facility if that customer will not leave voluntarily.
- Contacting security if a customer or person in the facility is conducting illegal activity or potential illegal activity.

No sales of marijuana product will occur outside the sales area, or by anyone who is not an employee of the Company with authority to sell product. If any person or customer that enters the sales area attempts to sell product, they will be removed by security.

The budtenders or employees will verify that a customer shall not purchase more than 2.5 ounces of marijuana product, or as allowable under the CRA.

Employees will monitor the intake of customers and any customers that are deemed intoxicated, will not be sold product, and will be asked to leave the facility.

No sales of marijuana product shall be by home delivery unless approved by the CRA and following an approved home delivery plan

The General Manager is assigned responsibility for confirming the occurrence of an incident requiring the execution of this protocol and for ensuring that response protocol is followed.

Security cameras shall monitor the intake and sales area as required and set forth in the Security Plan.

The General Manager will notify appropriate law enforcement authorities within twenty-four hours after the discovery of a reportable incident. All incident response and emergency activities will be documented. All documentation related to a reportable incident will be maintained for no less than five years and made available, upon request, to the State and to law enforcement authorities acting within their lawful jurisdiction. The primary emphasis of activities described within this protocol is the return to a normalized (secure) state as quickly as possible, while minimizing adverse impacts to the company

and the public. The company's plan addresses incident identification, response protocols, containment activities, and corrective measures.

(a) Incident Identification and Training

Types of emergencies and incidents include, but are not limited to:

- Theft or physical loss of marijuana products or confidential records;
- Robbery or unauthorized entry to the facility; and
- Threats of violence to the facility, personnel or patrons. Other incidents include:
- Bomb threats;
- Fires;
- Earthquakes;
- Hazardous Materials Release;
- Floods;
- Windstorms;
- Civil Disturbances;
- Pandemic Flu;
- Serious Accidents or Health Emergencies; and
- Criminal Activity.

(b) Containment

The General Manager will determine and cause to be executed the appropriate activities and processes required to quickly contain and minimize the immediate impact to personal safety, the Licensee, patients and other affected parties. Containment activities are designed to:

- Minimize harm to individuals;
- Counteract the immediate threat;
- Prevent propagation or expansion of the incident;
- Minimize actual and potential damage;
- Restrict knowledge of the incident to authorized personnel; and
- Preserve information relevant to the incident.

The General Manager will immediately notify the State and appropriate local law enforcement authorities as necessary after discovering the following:

- Discrepancies identified during inventory, diversion, theft, loss and any criminal action involving an owner;
- Any suspicious criminal act involving the sale, cultivation, distribution, processing, or production of marijuana by any person known to the company;

- Unauthorized destruction of marijuana;
- Any loss or theft of marijuana products during transportation; and
- An alarm activation or other event that requires response by public safety personnel;
- Any other major breach of security.

All documentation related to an incident that is reportable must be maintained and made available to the State and to law enforcement authorities acting within their lawful jurisdiction upon request.

The information below is a guideline for response and containment in various situations; however, all employees must use their best judgment when determining appropriate actions during an emergency incident. The health and safety of all persons must be the primary driver of any decision. Containment activities are designed with the primary objectives of:

- Counteracting the immediate threat;
 - Preventing propagation or expansion of the incident;
 - Minimizing the actual and potential damage;
 - Restricting knowledge of the incident to authorized personnel; and
- Preserving information relevant to the incident

(c) Communication with Law Enforcement

The General Manager must maintain a list of non-emergency police and CRA contacts for the facility. The General Manager will maintain regular communication with each contact advising of any changes in security procedures. The company intends to develop strong partnerships with local law enforcement agencies. The General Manager will engage these agencies to support the company's security plans through collaborative training, observation patrols, rapid response to incidents and proactive meetings.

(d) Reporting Required

All employees are required to report any of the following incidents to the General Manager, who will report such incidents to law enforcement and CRA as necessary:

- An alarm activation or other event that requires a response by public safety personnel;
- The failure of any security alarm system due to a loss of electrical power or mechanical malfunction;
- Discrepancies identified during inventory, diversion, theft, loss, and any criminal action involving owners, managers or employees;

- Unauthorized destruction of marijuana;
- Any loss or unauthorized alteration of records relating to marijuana inventory, employees; and
- Any other breach of security that may present a continued threat.

(e) Changes to Security Policies and Procedures

All applicable local city and CRA security directives will also be incorporated into the security plan. Any changes to security protocols must be reviewed, approved by the General Manager and documented. Any changes must also be distributed to employees and re-training must be scheduled as soon as possible if required.

G. COVID Safety and Other Safety Protocols

The Employee shall receive a copy of the Company's COVID Preparedness and Readiness Plan, and shall review and abide by all the terms of the plan, along with the other safety protocols provided at training.

H. Employee Handbook

Upon hiring each employee will receive a copy of the employee handbook which will thoroughly outline all policies, procedures, rules, and protocols of The Company. Upon receipt of this handbook employees will be expected to read, sign, and return a copy of the signed page to the manager to be kept in their file.

Training Courses		
Course Title	Topics Covered	Length (min)
Business Practices	Goal Setting	
	Document Control	
	Advertising Methods	
	Records Management	
	Workplace Harassment	
	Community Relations Plan	
	Rules and Regulations	
	Product Packaging and Labeling	
	Inventory Tracking, Point of Sale, and METRC	
	Diversity and Inclusion Training	
Health & Safety	Health and Safety Risk Assessment	
	Electrical safety, Slip/Trip/Fall Protection, Ergonomics	
	Personal Protective Equipment	
	Accident and Emergency Procedures	
	Hazardous Materials	
Security	Incident Identification, Reporting, and Training	
Worker Practices	Attendance & Punctuality	
	Worker Cleanliness	

	Hand Sanitation	
	Wounds and Infections	
	Protective Clothing	
	Prohibited Items	
	Eating and Drinking	
	Smoking and Tobacco Products	
	Alcohol Use	
	Drug Use	
	Violence & Weapons	

INTER-OFFICE MEMO

To: The Economic Development Corporation Board of Directors

From: Jared Chambers, Business Specialist

Date: July 5, 2024

Re: Adult Use Grower Class C (4) Permit Renewal for Sweet Cut Grow, LLC

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: Sweet Cut Grow, LLC for its facility at 4120 S Sprinkle Road, and the EDC Board provide a recommendation regarding the renewal of this permit. The City Operating Permit, issued on July 14, 2023, is scheduled to expire on August 31, 2024, 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;
 - Sweet Cut Grow employs 22 full-time staff.
 - 1 Director of Cultivation earning \$130,000/year.
 - 2 Lead Cultivation Managers earning \$50,000/year.
 - 1 Post Cultivation Manager earning \$50,000/year. As of July 3, 2024, this employee received a \$15,000 raise, now earning \$65,000/year.
 - 8 Cultivation Staff earning \$35,000/year.
 - 11 Post Harvest Staff earning \$35,000/year.
 - In addition to health benefits, Sweet Cut Grow provides profit sharing to all employees.
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;
 - Volunteer Work:
 - Clean the Park Day – September 2023- 7 volunteers participated in the Clean the Park Day at Dr. Martin Luther King Memorial Park. To clean trash. Sweet Cut Grow provided lunch for the volunteers. They were there from 9:30 am to 2 pm.
 - Open Doors Kalamazoo – Provided 5 volunteers in Oct. 2023 to help a food drive. Volunteers were there from 9 am to 4 pm. In Dec. 2023, they had 2 volunteers help the staff with paperwork related to its

- “Pathway Home” program where the organization helps people of color for homeownership. They were there from 9:30 am to 2:30 pm.
 - National Federation of the Blind – Nov 2023 – 2 volunteers to read to kids from 11 am – 2 pm. Dec 2023, they had 4 volunteers help with mailings and registration in Preparation for one of their events. 9 am – 3 pm.
- 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 donated \$2,000 to United Negro College Fund (UNCF) last year.
 - Once Sweet Cut can determine its revenue, it will also be making donations to the Great Lakes Expungement Network (GLEN), which pays for cannabis-related expungements.
 - Corporate Spending for Social Equity
 - John Hall, a veteran, is their primary sales broker.
 - They used RW LaPine as their primary HVAC service provider –local with minorities in leadership positions.
 - They used Agave Design for most of their packaging design. The owner identifies as part of the LGBT community.
 - They purchase their sale bags from Kenzie, which has women in leadership positions.
- 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;
 - Sweet Cut Grow is 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's hiring and public accommodation practices conform to the City's Nondiscrimination Ordinance provisions.
 - 4 managers, 1 is a minority.
 - 18 are operational employees, 4 are women and 5 are minorities.
- 6. A statement, with supporting documentation, providing answers to the following questions:
 - a. How many City residents do you currently employ?
 - 5 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 who resides in the Edison neighborhood.
 - c. What is your plan to employ residents of the identified census tracts?
 - They post job flyers in locally owned businesses within the identified census tracts. They do not disqualify individuals who live in these census tracts who may lack some of the qualifications of applicants who do not

live in these census tracts so long as they show potential to make progress in their training.

- d. How many of your employees have prior marihuana convictions (excepting a conviction for delivery or distribution to a minor)?
 - 2 employees.
 - e. What is your plan for employees with a prior marihuana conviction to move up within your business and/or the marihuana industry?
 - They have implemented a process where employees who demonstrate aptitude are mentored by 1 of 2 Cultivation Leads. They have the same practice for the Cultivation Leads and Director of Cultivation where the Director of Cultivation mentors 1 of the 2 Cultivation Leads. When determining who is the most qualified to enter into this mentorship process, Sweet Cut Grow will give particular consideration to those with qualifying marijuana convictions, residents in disproportionately impacted communities, persons of color, and former caregivers. This means that an individual who may not show as much aptitude as would be normally required for the training will be allowed into the training as long as they show potential to progress.
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.
- Sweet Cut Grow is a Gold Level Social Equity All-Star.

Please see the attached Marihuana Renewal Application Checklist, completed by City staff to verify if all ordinance requirements 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, and the facility has passed its City Fire & Zoning inspections. The applicant has met all the requirements for renewal.

RECOMMENDATION

Staff recommends that the EDC Board recommend to the City Clerk's Office a 2-year approval of the Adult Use Grower Class C (4) Permits to Sweet Cut Grow, LLC.

ATTACHMENTS

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

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 Sweet Cut Grow, LLC

Business Address 4120 S. Sprinkle Road

City Kalamazoo State MI Zip Code 49001 Business Phone (915) 261-3185

Business E-mail rjauernek@sweetcutgrow.com Business Website www.sweetcutgrow.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 4

☐ Excess Grower

☐ Processor

☐ Safety Compliance

☐ Microbusiness

☐ Retailer

☐ Secure Transporter

☐ Designated Consumption Lounge

FACILITY INFORMATION

Property Address 4120 S. Sprinkle Road, Kalamazoo, MI 49001

Real Property Parcel Number 06-36-443-001 / 06-36-448-001

Advertised Facility Name Sweet Cut Grow, LLC

Manager - Full Name Ryan Alexander Jauernek

CONTACT INFORMATION [the primary point(s) of contact for this application]

Name Ryan Alexander Jauernek

Address 6418 Whitney Woods City Richland State MI Zip Code 49083

Phone (915) 261-3185 E-mail rajauernek@gmail.com

Name Thomas M.J. Lavigne

Address 2930 East Jefferson Ave. City Detroit State MI Zip Code 48207

Phone (313) 446-2235 E-mail tom@cannabiscounsel.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: Ryana A. Jauernek Date: 6/6/24

Name (printed): Ryan Alexander Jauernek Position: Owner

STAFFING PLAN

Summary

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

Full-time employees (32+ hours per week) 24 Part-time employees (< 32 hours per week) _____

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: Director of Cultivation Annual Average Compensation \$ 130,000.00

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: Lead Cultivation Managers (2) Annual Average Compensation \$ 50,000.00

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: Post Cultivation Annual Average Compensation \$ 50,000.00

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: Cultivation Staff Annual Average Compensation \$ 35,000.00

How many people are employed in this position at the licensed facility? 8

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: Post Harvest Staff Annual Average Compensation \$ 35,000.00

How many people are employed in this position at the licensed facility? 11

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:

In addition to health benefits, Sweet Cut Grow will provide profit sharing to all employees.

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>0</u>
Census Tracts 9 and/or 10 (Edison Neighborhood)	<u>1</u>
Census Tracts 2.02, and/or 3 (Northside Neighborhood)	<u>0</u>

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

In order to employ residents of Census Tracts 1 (Eastside), 9, 10 (Edison), and 2.02, 3 (Northside), Sweet Cut will post job flyers in locally owned businesses, particularly stores within these tracts. We will not disqualify individuals who reside in these tracts who may lack some of the qualifications of applicants who do not reside in these tracts so long as they show potential to make progress in their training.

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 2

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

We have implemented a process whereby employees who demonstrate aptitude are mentored by 1 of 2 Cultivation Leads. We have the same practice for the Cultivation Leads and Director of Cultivation whereby the Director of Cultivation mentors 1 of the 2 Cultivation Leads. When determining who are the most qualified to enter into this mentorship process, Sweet Cut will give particular consideration to those with qualifying marijuana convictions, residents in disproportionately impacted communities, persons of color, and former caregivers. This means that an individual who may not show as much aptitude as we would normally require for the training, but who meet one or more of these criteria, such as those with prior marijuana convictions, will be allowed into the training so long as they show potential to make progress.

Attach additional pages as necessary.

SOCIAL EQUITY PLAN 2024

TABLE OF CONTENTS

I. Introduction..... 1

II. Diverse Staff..... 1

III. Employee Training Program.....2

IV. Community Reinvestment Plan..... 2

V. Corporate Spending Plan.....3

VI. Annual Review..... 3

I. Introduction

Sweet Cut Grow, LLC (Sweet Cut) seeks to inspire an environment where our people can excel. Through personal coaching and training, we aim to create leaders both at the company and in the community. Sweet Cut has chosen the community of Kalamazoo as home to its licensed cannabis grow, which is one of the 184 communities disproportionately impacted by marijuana prohibition and enforcement. We seek to positively influence Kalamazoo, its residents, and our employees.

II. Diverse Staff

Sweet Cut aims to employ a diverse staff. We use progressive hiring policies that benefit persons of color, former caregivers, those with qualifying marijuana convictions, and those who are residents of Kalamazoo or other Social Equity communities. Our hiring process begins with selecting a pool of the most qualified applicants. However, in order to implement our progressive hiring policy, from this pool we do not disqualify Kalamazoo residents, persons of color, former caregivers, or those with qualifying marijuana convictions who may lack some of the qualifications of other applicants, if they can be trained or educated to have these qualifications. From the pool of candidates, we give preference to hiring people falling into one or more of these categories so long as they show that they have the potential to be trained in their position. Sweet Cut currently employs 22 people. Of these, 2 of our employees have prior marihuana convictions (not convictions for delivery or distribution to a minor), 6 are persons of color, and 2 were previously primary caregivers for at least two years between 2008-2017. The City of Kalamazoo has identified certain census tracts within the city: Census Tract 1 (Eastside); Census Tracts 9, 10 (Edison), and; Census Tracts 2.02, 3 (Northside). Of the Kalamazoo residents working at Sweet Cut, none at the moment reside in Census Tracts 1

(Eastside), or 2.02, 3 (Northside), and 1 resides in Census Tract 10. Moreover, 3 reside in Tract 6 and 1 reside in tract 5.

In order to employ residents of Census Tracts 1 (Eastside), 9, 10 (Edison), and 2.02, 3 (Northside), Sweet Cut will post job flyers in locally owned businesses, particularly stores within these tracts. We will not disqualify individuals who reside in these tracts who may lack some of the qualifications of applicants who do not reside in these tracts so long as they show potential to make progress in their training. Sweet Cut plans on maintaining a minimum of 50% of employees who reside in Kalamazoo, or in another disproportionately impacted community. We are currently exceeding this goal with about 56% of our employees meeting this criteria.

Census Tracts:

Some businesses did not allow us to post flyers, but almost all allowed us to leave business cards. Here are the locations for 2023:

Job Posting Flyer and/or business cards

Census Tract 1

- Lee's Famous Chicken
- Fish Express
- McDougal Dental
- Eastside Neighborhood Assoc
- Peace House Org
- Lowder's Auto

Census Tract 9

- Kalamazoo Loaves & Fishes
- Poor Richards Café
- Red Arrow GC
- Julianna's Restaurant
- Cargo Heavy Duty
- AZO Martial Arts Center

Census 2.02

- Heritage Guitars
- Lincoln Heritage Studies
- Mt. Zion Baptist Church
- Hexacomb
- Thunderbird

Census Tract 10

- Superior Transmissions
- Kalamazoo Hair & Beauty

Census Tract 3

- Douglass Community Assoc
- LadyLion Fashion
- J&L Customs
- J&A Convenient Store
- The Growing Place

III. Employee Training Program

We have implemented a process whereby employees who demonstrate aptitude are mentored by 1 of 2 Cultivation Leads. Depending on the employee and reviews of the Cultivation Lead, that employee will be invited to become a new Cultivation Lead, which entitles that employee to a salary and a more robust health care option. We have the same practice for the Cultivation Leads and Director of Cultivation whereby the Director of Cultivation mentors 1 of the 2 Cultivation Leads.

When determining who are the most qualified to enter into this mentorship process, Sweet Cut will give particular consideration to residents in disproportionately impacted communities, particularly those who reside in Kalamazoo Census Tracts 1 (Eastside); 9, 10 (Edison) and/or 2.02, 3 (Northside), persons of color, former caregivers, and those with qualifying marijuana convictions. This means that an individual who may not show as much aptitude as we would normally require for the training but who meet one of these criteria, such as those with prior marijuana convictions, will be allowed into the training so long as they show potential to make progress.

- Leo Bohlman was selected to be mentored by a Cultivation Lead
- Bohlman's home zip code is 49001, which I do not believe is in an area of a disproportionately impacted community.
- Bohlman is in the process of becoming a Cultivation Lead. He has gradually taken on more responsibility. If he continues to perform, a promotion is expected towards year end 2024

IV. Community Reinvestment Plan

- See attached UNCF receipts – April and Dec 2023
- I believe the intent was to donate 0.5% of profits to GLEN only in 2023. However, we reported a net loss in 2023, so no money was given.
- Volunteer Work:
 - Clean the Park Day – September 2023 - We had 7 volunteers participate in the Clean the Park Day at Dr. Martin Luther King Memorial Park off of N. Rose St. to clean trash. We provided lunch for the volunteers. We were there from 9:30a to 2p.
 - Open Doors Kalamazoo – We provided 5 volunteers Oct. 2023 to help a food drive. Volunteers were there from 9a to 4p. In Dec 2023, we had 2 volunteers help the staff with paperwork related to its “Pathway Home” program where the organization helps people of color for home ownership. They were there from 9:30a to 2:30p

- National Federation of the Blind – Nov 2023 – 2 volunteers to read to kids from 11a – 2p. Dec 2023, we had 4 volunteers helped with mailings and registration in preparation for one of their events. 9a – 3p.
- Corporate Spending:
 - John Hall, a veteran, is still our primary sales broker
 - We used RW LaPine as our primary HVAC service provider – local with minorities in leadership positions
 - We used Agave Design for most of our packaging design. Owner identifies as part of the LGBT community
 - We purchase our sale bags from Kenzie, which has women in leadership positions

Volunteer

Volunteer work went well. We got good feedback from employees who volunteered hours were impactful / meaningful. The first year, volunteer efforts were led from top management. In 2024, we're having the employees chose volunteer opportunities with the hope of even further engagement

Sweet Cut organized a volunteer effort called "Clean the Park" day, which took place at Crane Park in Kalamazoo on 9/1/2023 and volunteer work. Sweet Cut Grow anticipates doing more Clean the Park and volunteer work this year.

Furthermore, Sweet Cut has also donated 10 hours per quarter to organizations who help Kalamazoo residents, Kalamazoo being one of the communities disproportionately impacted by marijuana prohibition and enforcement. The initial organizations chosen are Open Doors Kalamazoo and Midwest Enterprises For The Blind. Open Doors Kalamazoo helps local families who seek housing. Midwest Enterprises for the Blind Provides employment opportunities for people who are blind.

V. Corporate Spending Plan

In its second year of operation, Sweet Cut has paid \$163,600 to John Hall & Associates as a sales broker. Owner John Hall is an army veteran. Going forward, we intend to allocate 50% of our sales budget to diverse suppliers including John Hall & Associates. Additionally, as we seek vendors going forward, our policy is to give a preference to businesses that are more than 50% owned and operated by an individual or group who are minorities, women, veterans, tribal, LGBTQ, or people with disabilities.

Moreover, Sweet Cut aims to work with primarily local businesses for its services and supplies, where possible.

VI. Annual Review

We aggressively encouraged employment applications from disproportionately impacted census tracts, but we received virtually no interest. Of the 3 that applied, 0 showed up for the required interview. Going forward, the best course of action would be to work with community leaders rather than providing information to various businesses in those defined areas.

With little (or no) employees from the disproportionately impacted areas, we fell short of promoting those living in those areas. Like stated above, we will have to re-strategize. Flyers and/or business cards did not generate enough leads that led to employment.

Sweet Cut will annually review how well it has done following through with its plans as stated above. If certain goals are not met, we will make adjustments in order to achieve the stated goals in the next year.



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

ORLENE HAWKS
DIRECTOR

April 18, 2023

Social Equity All-Star Program Gold Seal

Sweet Cut Grow, LLC
4120 S Sprinkle Rd
Kalamazoo, MI 49001

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-G-C-000811
- AU-G-C-000812
- AU-G-C-000813

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



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.

- **An explanation, with supporting factual data, of the economic benefits to the City and the job creation for local residents achieved by the facility**

This section also describes how it has followed its original Social Equity Plan, Attachment H of its application last year, regarding having progressive hiring policies for persons of color, former caregivers, and those with marijuana convictions. Sweet Cut currently employs **22** people. The results of Sweet Cut's progressive hiring policies so far are that, of their current employees, **2** have prior marijuana convictions (not convictions for delivery or distribution to a minor) (see attached background checks as supporting factual data), **6** are persons of color, and **2** were previously primary caregiver for at least two years between 2008-2017. Additionally, **5** of them are Kalamazoo residents, and there is an employee each in Decatur and Battle Creek, which are two other disproportionately impacted communities (see attached paycheck stubs as supporting factual data). Of the Kalamazoo residents working at Sweet Cut, none at the moment reside in Census Tracts 1 (Eastside), or 2.02, 3 (Northside), and 1 resides in Census Tract 10. Moreover, 3 reside in Tract 6 and 1 resides in tract 5.

- **The results of community outreach efforts**

While both getting more familiar with Kalamazoo and creating an Amended Social Equity Plan to receive Gold Medal status from the state, Sweet Cut amended its plan from last year in some respects.

- Hiring & training preference given to Kalamazoo employees

Sweet Cut has followed its policy regarding hiring and training preference given to Kalamazoo employees as submitted in Attachment G of its application last year. It has **22** full time employees, 5 of which are residents of Kalamazoo. Sweet Cut's goal is to have over 50% of its employees be Kalamazoo residents, and it currently is meeting that goal with 56% living in Kalamazoo. Sweet Cut currently has only 1 employee in the identified Census Tracts. It intends on addressing this by following its Amended Social Equity plan, which calls for posting job flyers in locally owned businesses, particularly stores within these tracts. It will not disqualify applicants who reside in these tracts who may lack some of the qualifications of applicants who do not reside in these tracts so long as they show potential to make progress in their training.

- Community outreach- needs of the community

Sweet Cut has substantially followed its policy regarding community outreach- needs of the community as submitted in Attachment G of its application last year, with some minor changes. Sweet Cut has made a \$1,000 donation to GoodWill Industries of Southwestern Michigan (see attached receipt), which has a local chapter in the City of Kalamazoo. In addition, Sweet Cut has identified 2 Kalamazoo community organizations who help people meet their needs: Open Doors

Kalamazoo and Midwest Enterprises For The Blind. Open Doors Kalamazoo helps local families who seek housing. Midwest Enterprises for the Blind Provides employment opportunities for people who are blind. Sweet Cut has donated 10 hours of volunteer time per quarter to these organizations.

Rather than establishing a grant program, Sweet Cut has allocated \$2,000 - \$1,000 bi-annually - to donate to the United Negro College Fund (UNCF) for its scholarships. The first payment was made in April 2023 and second payment was made in December 2023 (see attached receipts). Once Sweet Cut is able to determine its revenue, it will also be making donations to Great Lakes Expungement Network (GLEN), which pays for cannabis related expungements. GLEN walks individuals through the application process, scans them for eligibility, obtains necessary documents, and then matches them with an attorney who will represent them in court.

Finally, the Executive Director of Operations of Sweet Cut, who has a son who plays hockey, volunteers with the K-Wings helping children during hockey practice. Because of this connection to the K-Wings, earlier this year Sweet Cut purchased about a dozen tickets to the K-Wings game that supported the LGBTQ+ community. Sweet Cut gave these tickets to their employees so that they could attend the game and show their support.

- Outreach to community/law enforcement

Sweet Cut has followed its policy regarding outreach to community and law enforcement as submitted in Attachment G of its application last year. After its building and first harvest were completed, Sweet Cut reached out to the Kalamazoo Police Department and provided them with a tour of the outside of the facility. The Police checked fencing and lighting, and indicated that they would keep an eye out for the facility when they drive by. No changes were asked of Sweet Cut. Sweet Cut has also developed a good relationship with its neighbor Nob Hill, who is pleased with the extra police presence due to Sweet Cut's relationship with the Kalamazoo Police Department. Nob Hill was also pleased when Sweet Cut was able to provide camera footage from its facility after Nob Hill was vandalized. Neighboring Nob Hill has not asked any changes of Sweet Cut either. Sweet Cut also reached out to their neighbors on the other side, such as the Subway, but, as they are not owner-operated, they have not developed a relationship with those business owners. If they are interested, though, Sweet Cut has told them who they are and told them they can reach out.

- Community security & safety

Sweet Cut has followed its policy regarding community security and safety as submitted in Attachment G of its application last year. It is utilizing comprehensive security and fire safety measures that have served its purpose well. As indicated above, Sweet Cut's security features, i.e. video surveillance, were helpful when the neighboring business, Nob Hill, was vandalized. Additionally, also as stated above, Sweet Cut contacted the Kalamazoo Police Department, who have indicated they will keep an extra eye out for the facility when they drive by. Sweet Cut's security features have prevented the theft of marijuana inventory, and protected the health and safety of the community.

- Benefits to local business

Sweet Cut has followed its policy regarding benefits to local business as submitted in Attachment G of its application last year. Wherever it can, it uses local businesses both to support local business and to minimize Sweet Cut's carbon footprint. For example, Sweet Cut's main air filter has to be replaced every 2 weeks, and it buys these from a company a half a mile away from its building, Midwest Air Filter (5110 S Sprinkle Rd). For its regular HVAC needs, Sweet Cut employs RW LaPine, a company less than a mile away (5140 E ML Ave), which is also a third generation independently owned company. In addition, Sweet Cut employs Kalamazoo company MTH Lawn Service LLC for its landscaping. Moreover, Sweet Cut neighbors Nob Hill, which is an owner-operated bar and grill. To support local business, the owner and employees of Sweet Cut often go there for lunch or drinks.

- Environmental protection

Sweet Cut has followed its policy regarding environmental protection as submitted in Attachment G of its application last year. Its facility is well insulated and equipped with LED lights, which reduces power consumption. In fact, Consumers Power audited Sweet Cut's facility, and they offered to do a level 2 audit (see attached Sweet Cut Grow Audit and Assessment). This was an extensive audit that took about a month and a half to be completed. This audit resulted in a determination that Sweet Cut operates a very energy efficient building and there are no energy-efficiency improvements that could be made. Furthermore, as explained above, wherever it can, Sweet Cut uses local businesses both to support local business and to minimize Sweet Cut's carbon footprint.

- Local beautification

Sweet Cut has followed its policy regarding local beautification as submitted in Attachment H of its application last year. Sweet Cut built its facility on a weedy vacant lot on Sprinkle Road. It built a high-quality, clean-cut building behind black metal fencing. It has full landscaping facing Sprinkle road that includes shrubbery, trees, and grass. MTH Lawn Service LLC regularly maintains the landscaping, including planting seedlings, checking plants, and irrigation. Sweet Cut has also installed grass on the side of the building and put a picnic bench there for its employees to enjoy the outdoors on nice days.

It is also important to Sweet Cut to help beautify the city around it. Last summer, Sweet Cut had an unofficial half day park cleanup picking up trash at Bronson Park. Sweet Cut is turning this into an official event "Clean the Park" day and has coordinated a clean up effort of Crane Park in Kalamazoo on 9/1/2023.

- Worker training programs

Sweet Cut has implemented a process whereby employees who demonstrate aptitude are mentored by 1 of 2 Cultivation Leads. Depending on the employee and reviews of the Cultivation Lead, that employee will be invited to become a new Cultivation Lead, which entitles that employee to a salary and a more robust health care option. Sweet Cut has the same practice

for the Cultivation Leads and Director of Cultivation whereby the Director of Cultivation mentors 1 of the 2 Cultivation Leads.

When determining who are the most qualified to enter into this mentorship process, Sweet Cut will give particular consideration to residents in disproportionately impacted communities, particularly those who reside in Kalamazoo Census Tracts 1 (Eastside); 9, 10 (Edison) and/or 2.02, 3 (Northside), persons of color, former caregivers, and those with qualifying marijuana convictions. This means that an individual who may not show as much aptitude as we would normally require for the training but who meet one of these criteria, such as those with prior marijuana convictions, will be allowed into the training so long as they show potential to make progress.



Your Transaction is Complete.

Thank you, Sweet Cut Grow LLC, for your donation of \$1,000.00 to Goodwill Fund. Your generous donation helps keep us running and we sincerely thank you for it.

Goodwill Industries of SW MI Fund is a 501(c)(3) organization and so your donation is tax deductible. Please consult with your accountant.

Your credit card will show a charge to: **Goodwill Ind SWMI.**

Please print and retain this page for your records for income tax purposes. You will also receive a receipt by email. We acknowledge you received no goods or services in exchange for this gift. Federal Tax ID number: 38-1558550

Description	Total
Donation Amount	\$1,000.00
<i>You will be charged only once for the above items.</i>	
Total: \$1,000.00	

DONOR DETAILS

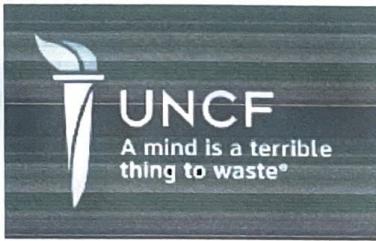
Name: Sweet Cut Grow LLC Ryan Jauernek
Address: 6418 Whitney Woods
Richland, MI 49083
USA
E-mail: rajauernek@gmail.com
Comments: Donation on behalf of Sweet Cut Grow, LLC

YOUR PAYMENT INFORMATION

Name On Card: Ryan Jauernek
Card Type: Visa
Card Number: *****6483
Expiration Date: 6/2027



Copyright © 2004 - 2023, Acceptiva. All rights reserved.



UNCF
1805 7th Street, NW
Washington, DC 20001
T: 800.331.2244

THIS LETTER IS YOUR TAX RECEIPT.

No goods or services were exchanged for this gift. Please print or save a copy of this receipt for your records. If you would like help with your recent generous gift to UNCF, please call Denise Scott (202) 810-0240 or Lidy Thermosy (202) 810-0238.

Charitable Business #: 13-1624241
Official Receipt #: 195773
Receipt Date: Issue Date :December 14, 2023

Donor Information:

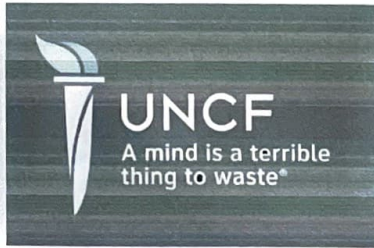
Name: Mr. Ryan Jauernek
Street: 6418 Whitney Woods
City: Richland
Province: MI
ZIP Code: 49083
Country: United States
Email: rajauernek@gmail.com

Donation Information:

Donation Date: December 14, 2023 – 9:35 AM CDT
Donation Amount: \$1,000.00
Receiptable Amount: \$1,000.00

Additional Information:

Campaign Name: Donate Online
City/State/Zip: Richland, MI 49083
Organization Name: Sweet Cut Grow, LLC



UNCF
1805 7th Street, NW
Washington, DC 20001
T: 800.331.2244

THIS LETTER IS YOUR TAX RECEIPT.

No goods or services were exchanged for this gift. Please print or save a copy of this receipt for your records. If you would like help with your recent generous gift to UNCF, please call Denise Scott (202) 810-0240 or Lidy Thermosy (202) 810-0238.

Charitable Business #: 13-1624241
Official Receipt #: 182881
Receipt Date: Issue Date :April 27, 2023

Donor Information:

Name: Mr. Ryan Jauernek
Street: 6418 Whitney Woods
City: Richland
Province: MI
ZIP Code: 49083
Country: United States
Email: rajauernek@gmail.com

Donation Information:

Donation Date: April 27, 2023 - 11:54 AM CDT
Donation Amount: \$1,000.00
Receiptable Amount: \$1,000.00

Additional Information:

Campaign Name: Donate Online
City/State/Zip: Richland, MI 49083
Organization Name: Sweet Cut Grow, LLC



Kelley Energy Management, LLC

Sweet Cut Grow Audit and Assessment

4120 South Sprinkle Road Kalamazoo, MI

12-17-2022



I. Contents

I.	Contents.....	1
II.	Overview	4
	Figure 1. Overhead view of facility	4
	Figure 2. High efficiency units serving Flower Room 3 (2 units serve the room)	4
III.	Basic Cannabis Cultivation	5
A.	Mother Room.....	5
B.	Vegetative Room.....	5
C.	Flower Room	5
D.	Fertigation Room	5
E.	Grow Room Lighting	6
i.	General Lighting.....	6
ii.	Indoor Agriculture Lighting	6
iii.	Energy Modeling Considerations	6
F.	Grow Room HVACD.....	7
IV.	Sweet Cut Grow Model Creation	8
A.	Floor Plan	8
	Figure 3. 3D Model of Sweet Cut Grow facility.....	8
B.	Weather	9
	Figure 4. Weather data for simulation.....	9
C.	Room Types.....	9
i.	Grow Rooms.....	9
ii.	Non-Grow Rooms.....	10
iii.	Interior Receptacles	10
	Figure 5. Sweet Cut Grow Trace Room Types based upon plans	10
	Figure 6. Sweet Cut Grow Trace floor plan with Room Types	10
iv.	Zone Types	11
a.	Zone Settings.....	11
	Figure 7. Sweet Cut Grow “As-Built” model Flowering Zone Type settings	11
	Figure 8. Sweet Cut Grow “Inefficient” model Flowering Zone Type settings	12
	Figure 9. Sweet Cut Grow Trace model zones	13
v.	Grow Lighting.....	13



a. “As-Built” Grow Lighting	13
b. “Inefficient” Grow Lighting	13
Figure 10. Cibus One LEDs in Flower Room	14
Figure 11. Vegetative Room SPYDR 2p47 LEDs running 15% wattage	14
Figure 12. Fluence RAZR LEDs in Clone Room	15
vi. HVACD.....	15
a. “As-Built” Scenario	15
Figure 13. One of two Air ₂ 0 units serving each of the Flower Rooms	16
Figure 14. Air ₂ 0 units supplying Flower Room	16
Figure 15. Fabric ducts circulate rack fan above Flower Room tables	17
Figure 16. Typical Captive Aire system (Vegetative Room units shown here)	17
b. “Inefficient” Scenario.....	18
V. Discussion and Recommendations	19
A. Future Lighting Technology Upgrades	19
B. Preventive Maintenance.....	19
VI. Consumers Energy Efficiency Programs.....	20
VII. Kelley Energy Management	21
VIII. Reference Energy Data	22
A. Modeled Energy Usage	22
Figure 17. Modeled annual energy consumption by end-use	22
Figure 18. “As-Built” consumption by end-use.....	23
Figure 19. “As-Built” modeled monthly energy consumption in kWh, then dollars at 11.7 cents/kWh	24
Figure 20. “Baseline” modeled monthly energy consumption in kWh, then dollars at 11.7 cents/kWh	24
B. Grow Lighting LPD	25
Figure 21. Grow Lighting LPD in grow rooms based on LED	25
C. Mechanical Schedule	26
Figure 22. Mechanical Schedule	26
D. Lighting Fixture Schedule	27
Figure 23. Lighting Fixture Schedule	27
E. Lighting Plan.....	28
Figure 24. Grow Lighting Plan (North)	28



Figure 25. Grow Lighting Plan (South)	29
IX. Disclaimer.....	30



II. Overview

The following is an assessment of the licensed Adult Use Class C grower located at 4120 South Sprinkle Road Kalamazoo, MI. The approximately 15,000 SF facility was opened in 2022 and is primarily a cultivation facility. The building was recently completed as ground up construction. Production has recently reached full capacity.

Figure 1. Overhead view of facility



Figure 2. High efficiency units serving Flower Room 3 (2 units serve the room)





III. Basic Cannabis Cultivation

Cannabis cultivation is a science-based process that varies based upon grower preference. The grower will specify various dedicated rooms to facilitate the cultivation process. The types of cultivation rooms typically found in all cultivation facilities include Mother, Vegetative, and Flower. Additional room types include Clone, Propagation, Hardening, and other more nuanced grow room arrangements. Growers sometimes use a room for several purposes. For example, a Flower Room could be used as a Vegetative Room, or the Mother and Clone function could be co-located in one room. This is typically done during startup while the grower is reaching capacity.

A. Mother Room

The Mother Room contains plants that have preferred genetics. Individual cuttings that will ultimately grow to produce flowers are cloned from the plants in the Mother Room. In some facilities the clone plants stay in the Mother Room while they develop root structure, and in other facilities this happens in a separate room called the Clone Room or Propagation Room. Typically, a Mother Room has grow lighting that operates 18 to 24 hours per day and is kept at a high Relative Humidity (RH) level in the 60-75% range and a typical temperature of 75-80F. Mother Rooms can also be referred to as Clone Rooms.

B. Vegetative Room

Once clones have established roots, the plants are transferred to a Vegetative Room, or Veg Room. These rooms have grow lighting that operates 18 hours per day with setpoints similar to the Mother Room. Many Vegetative Rooms employ multi-tiered growing. This is possible because the plants are relatively small. Multi-tiered growing saves on construction costs based on the total number of plants allowed. Inefficient and inexpensive vegetative lighting includes ceramic metal halide (CMH) and T5HO fluorescent fixtures. Efficient lighting is LED.

C. Flower Room

Cultivators move plants from Vegetative Rooms to Flower Rooms based on individual preference. The general practice is to move plants to a Flower Room when the plants reach about 12 inches in height. Once the plant is in a Flower Room the photoperiod ("lights on") reduces from 18 hours per day to 12 hours per day. It is important that no light reaches the plants during the "lights off" part of the day. The flowering process is set by the cultivator with a typical grow cycle in the Flower Room spanning 9 weeks.

There are many ways that the cultivation manager may adjust the lighting, temperature, and humidity levels in the Flower Room. A typical set point is 75 degrees with 65% RH. Lighting intensity is usually measured with a meter that measures the photosynthetically active radiation level from the light source. Inefficient light sources include high pressure sodium (HPS) and ceramic metal halide (CMH). Efficient lighting is LED.

D. Fertigation Room

Cultivation facilities have a dedicated room for irrigation/fertigation that is a crucial component of the facility design. The system uses filtered water and large storage tanks, sometimes employing reverse



osmosis technology. The systems can be highly automated and precise, delivering water to grow rooms based on the cultivation manager's schedule. Pumping is electrically operated and water can be sourced from wells, water utilities, and/or recycled within the facility itself. One strategy is to collect the condensate from the HVACD system instead of sending it to the drain.

This system is designed to deliver water at a rate that is not energy intensive for long periods of operation. Although there can be many pumps per room, individual pumps' operation can be measured in minutes per day during scheduled watering events. Water is not added during the lights off periods and systems are designed to minimize run-off. Based on short runtimes and low GPM pumping kW, less than 1% of the electrical consumption comes from the irrigation/fertigation system. This is not an area where energy efficiency investments are valuable; however, system operation and importance should not be dismissed.

E. Grow Room Lighting

i. General Lighting

General area lighting is not the same as lighting designed for indoor agriculture. Rebate/incentive programs typically base lighting efficacy on lumens per watt and the type of technology used. For example, office lighting efficiency could be accomplished by reducing from T12 to T8 to LED and still meet code, with each step improvement being eligible for rebates. General area lighting is primarily measured in foot-candles. Lighting controls can help achieve further savings allowing lighting to be turned off or dimmed when an area is unoccupied.

ii. Indoor Agriculture Lighting

Indoor agriculture lighting has a different purpose than general lighting. Indoor agriculture lighting's purpose is to stimulate photosynthesis. In controlled environment agriculture (CEA), lights serve the purpose of providing radiation in the spectrum that causes photosynthesis. This is the spectrum from 400 to 700 nanometers. The ability of a luminaire to produce the growing spectrum is measured as photosynthetic photon flux (PPF). PPF is specified in lighting luminaire technical information. Assuming lighting is installed at an equal height above the canopy, the equivalent of foot candles between luminaire types is photosynthetic photon flux density (PPFD). PPFD can then be used to calculate the daily light integral (DLI) based the coverage of the light and the duration. Growers have different approaches and adjust the DLI over the grow cycle, primarily by adjusting the lighting intensity using lighting control systems.

iii. Energy Modeling Considerations

When considering LED PPF equivalency, a baseline fixture for Vegetative Rooms is T5HO and a baseline fixture for Flower Rooms is HPS. Since Vegetative Rooms only bring plants up to about 12", the common practice is to use multiple levels to consolidate floor space. This would make using HPS lighting less practical due to radiant heat damaging the plants so T5HO is preferred. Kelley Energy Management (KEM) uses the equivalent PPF fixtures in "Inefficient" scenario energy models.

HPS grow lighting output can be reduced by increasing the distance to the canopy or using dimmable electronic ballasts. Most commercially used LED grow lights are dimmable and connected to a energy management system.



The cultivator many operate fixtures at full wattage or dimmed based on the desired PPFD. If a dimming schedule is used, the energy model uses the same schedule for baseline and efficient fixtures. It is possible and likely in some cases that fixtures are not operated at full fixture wattage. Energy models are set up to reflect the cultivation strategy in use.

F. Grow Room HVACD

Grow rooms are generally well insulated and have little or no outside air ventilation. This design helps keep CO₂ levels in the range for optimal production and prevents outdoor contaminants from reaching the plants. As a result, the internal heat gain from grow lighting, combined with the evapotranspiration latent load is used to size the HVACD system. There is also an offset for evaporative cooling when grow lighting is operating. Cooling and dehumidification are needed year-round.

Baseline HVACD systems are generally adapted commercial units such as split system AC or unitary equipment. Baseline dehumidification systems are portable room dehumidifiers.

Efficient systems include high efficiency split systems or VRF heat pumps. These systems feature higher efficiency and are designed to operate in cold weather. High efficiency dehumidifiers have features to operate at the RH levels found in the rooms. Dehumidifiers lose capacity based on lower temperatures and RH levels and high efficiency dehumidifiers are designed for grow room conditions. Growers must ensure that set points are within the range the dehumidification system can maintain. The dehumidifiers add a sensible load to the grow room when the lights are on but are usually adequate to heat the room when the lights are off.

A more efficient grow room system eliminates the need for room dehumidifiers altogether. An efficient system “recycles” the heat that would otherwise route to the condenser by placing a hot gas reheat coil in the supply air stream. This type of system can also be used with chilled water, but chilled water is generally only used in the largest of facilities.



B. Weather

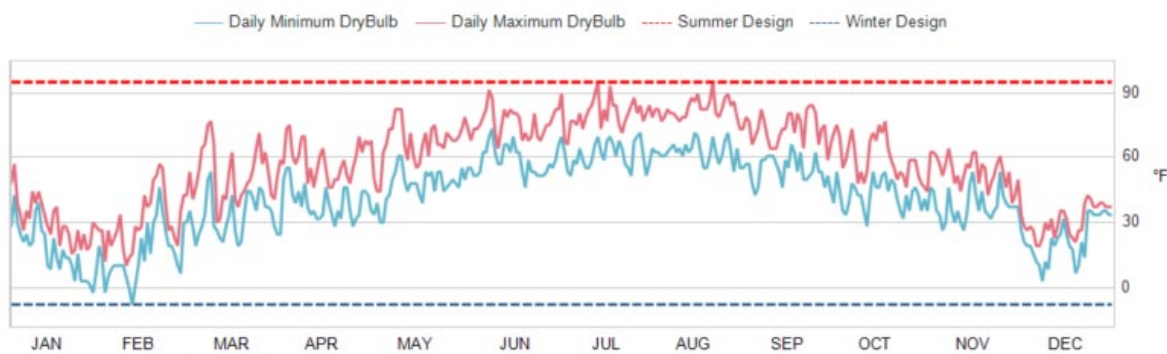
The weather station at Kalamazoo-Battle Creek International Airport provided the model weather inputs. For the model simulations, weather conditions from 2017 were used in all alternatives.

Figure 4. Weather data for simulation

Climatic Summary

Overview

Location	Kalamazoo Battle Cr MI USA	Peaks		
Weather File	USA_MI_Kalamazoo-Battle Creek Intl AP 726357		Dry Bulb Temp. [F]	Dew Point Temp. [F]
Weather File Source	TMY3	Maximum	95	75.2
WMO Station	726357	Date	Jul 14	Jul 2
Latitude	N 42° 13	Minimum	-8.1	-8.1
Longitude	W 85° 33	Date	Feb 10	Feb 10
Time Zone	GMT -5.0 Hours			
Elevation	896 ft			
Standard Pressure	0.98 Bar			
Heating Degree Days (base 65°F)	5,985			
Cooling Degree Days (base 50°F)	2,815			



Design Day Data

	ASHRAE Design Conditions %	Design Temperature [F]	Daily Temperature Range [ΔF]	Humidity Value	Humidity Type	Wind Speed [mph]	Wind Direction deg
Heating	99.6	2.8	0	1.9	Wetbulb[F]	23.4	220 °
Cooling	1	87.7	20.1	71.8	Wetbulb[F]	10.8	210 °

C. Room Types

Room types were created in Trace 3D based on the Sweet Cut Grow design plans and Trace template values. The room types for the Sweet Cut Grow audit are listed in the figure below.

i. Grow Rooms

In cultivation areas, actual lighting loads were captured along with typical watering values.

Two Flower Room Types were established for this model. “As Built A Schedule” and “As Built B Schedule” have identical internal loads. To simulate the rooms operating at varying points in a nine week grow cycle-- in other words, to avoid unrealistic swings in usage that would result from all flower rooms cycling in perfect unison-- two rooms were assigned “A Schedule” and two were assigned “B



Schedule.” “A Schedule” rooms began the simulation year at Week 1 of the grow cycle, and “B Schedule” rooms began the simulation year at Week 5 of the grow cycle.

ii. Non-Grow Rooms

Internal load templates captured lighting, equipment, and occupancy schedules in non-grow areas. Note that non-grow areas account for a small percentage of overall electric usage.

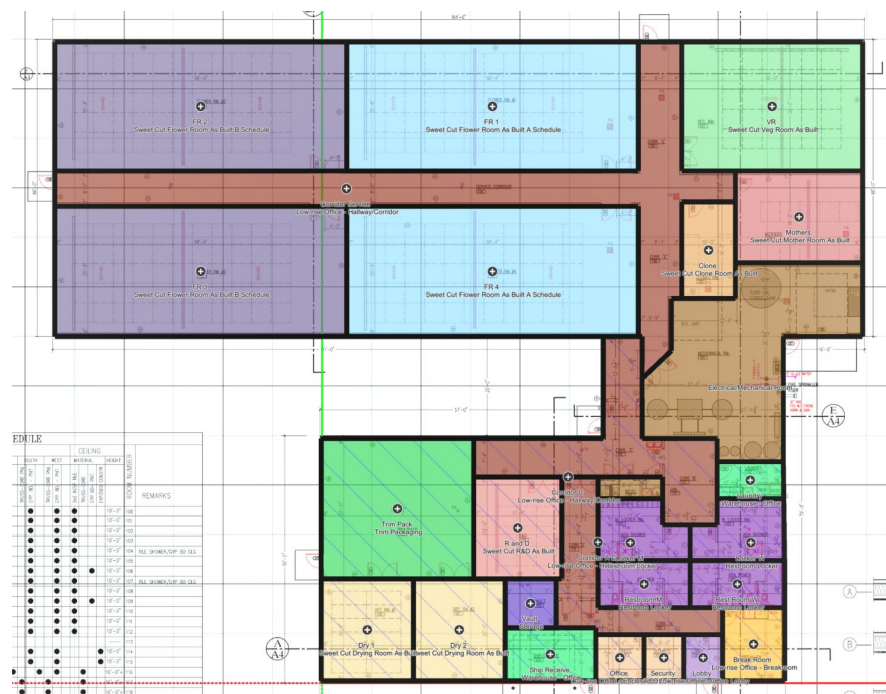
iii. Interior Receptacles

The primary driver of “Interior Receptacles” energy (quantified in the consumption table in Figure 21) is the inclusion of circulating fans in the grow rooms. These fans typically run 24/7 and range from simple, lower wattage oscillating fans to high-powered inline rack fans like those at Sweet Cut. Other assorted plug loads are included in this category as well, such as office equipment, break room appliances, etc.

Figure 5. Sweet Cut Grow Trace Room Types based upon plans

Room Types		
☒ Electrical/Mechanical Room	☒ Storage	☒ Sweet Cut R&D As Built
☒ Low-rise Office - Breakroom	☒ Sweet Cut Clone Room As Built	☒ Sweet Cut Veg Room As Built
☒ Low-rise Office - Enclosed Office	☒ Sweet Cut Drying Room As Built	☒ Trim Packaging
☒ Low-rise Office - Hallway/Corridor	☒ Sweet Cut Flower Room As Built A Schedule	☒ Unconditioned Interstitial Space and Duct Chases
☒ Low-rise Office - Office Lobby	☒ Sweet Cut Flower Room As Built B Schedule	☒ Warehouse - Office
☒ Restroom Locker	☒ Sweet Cut Mother Room As Built	

Figure 6. Sweet Cut Grow Trace floor plan with Room Types





iv. Zone Types

In the modeling process for Sweet Cut Grow, rooms were placed into Zones after establishing the temperature settings for each zone.

a. Zone Settings

The “lights on” temperature setting in the Flowering Zone Types was set to three degrees lower in the HPS-based “Inefficient” alternative due to leaf surface temperature requirements and the heat dissipation pattern of HPS lighting.¹ This value was only used in the “Inefficient” model.

As discussed in the Room Type section, two Flower Rooms were assigned to “A Schedule” and two were assigned to “B Schedule.” Corresponding Zone Types were established to correspond with the dimming and watering schedules in the Room Type templates. Flower Rooms assigned an “A Schedule” Room Type are also assigned an “A Schedule” Zone Type, and the same is true of “B Schedule” Room and Zone Types.

Figure 7. Sweet Cut Grow “As-Built” model Flowering Zone Type settings

Setting	Sweet Cut Flowering A Schedule	Sweet Cut Flowering B Schedule
Supply Path	Room Direct	Room Direct
Return Path	Room Direct	Room Direct
Cstat Schedule	Sweet Cut Grow 9 Wk Temps Flower A Schedule	Sweet Cut Grow 9 Wk Temps Flower B Schedule
Hstat Schedule	Sweet Cut Grow 9 Wk Temps Flower A Schedule	Sweet Cut Grow 9 Wk Temps Flower B Schedule
Humidifying Schedule	Sweet Cut Grow RH Flower A Schedule	Sweet Cut Grow RH Flower B Schedule
Dehumidifying Schedule	Sweet Cut Grow RH Flower A Schedule	Sweet Cut Grow RH Flower B Schedule

¹ Dr. Nadia Sabeh, PhD in Agricultural Engineering and lead developer of Engineering Practice Standard EP653: Heating, Ventilating, and Air Conditioning (HVAC) for Indoor Plant Environments without Sunlight, states that a higher temperature is required in LED environments because less heat is generated in the space and less radiation is transmitted to the plant in absence of HPS heat dissipation and light spectra, threatening to disrupt plant physiological and biochemical processes by slowing metabolic functions.

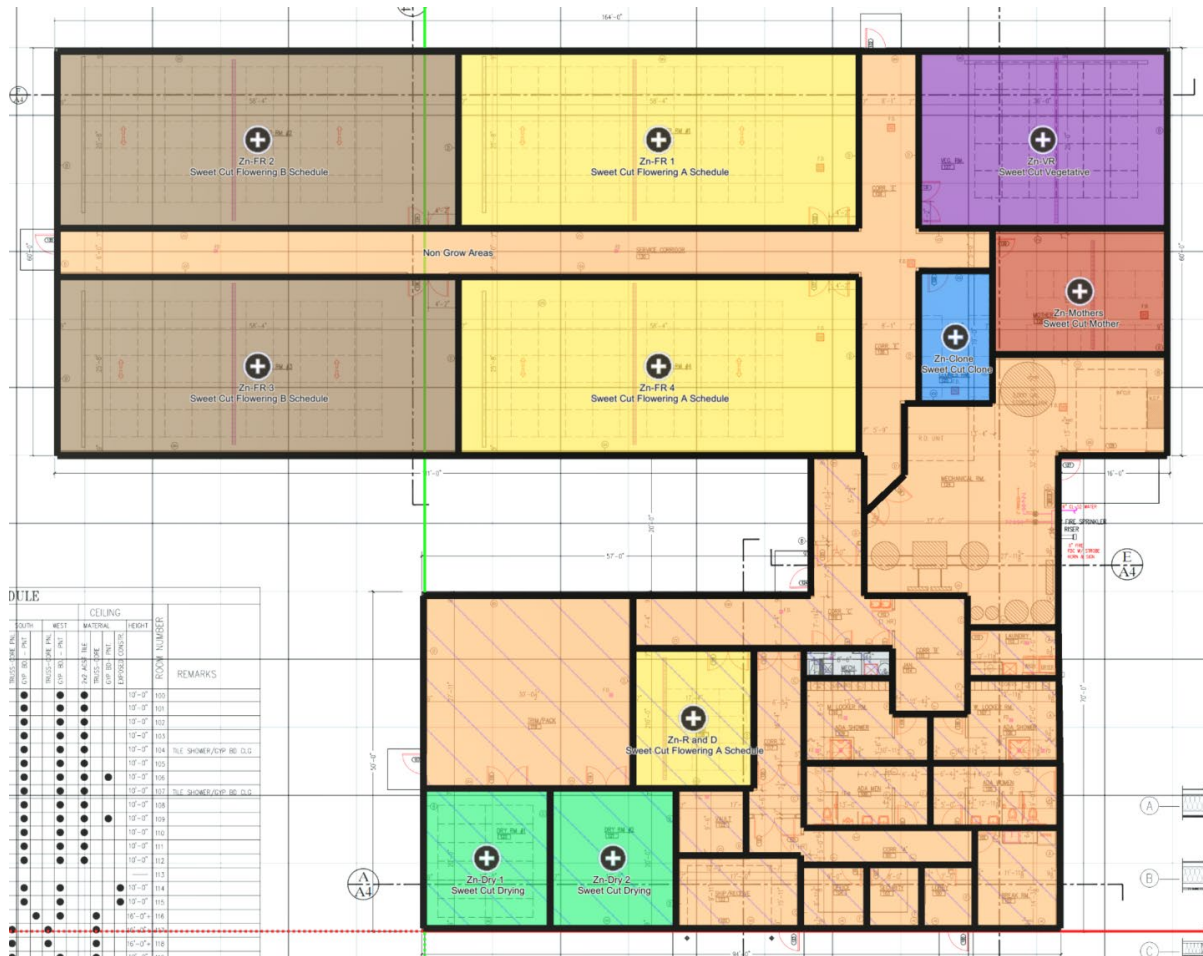


Figure 8. Sweet Cut Grow “Inefficient” model Flowering Zone Type settings

Sweet Cut Flowering A Schedule	Sweet Cut Flowering B Schedule
Zone Control	Zone Control
Supply Path: Room Direct	Supply Path: Room Direct
Return Path: Room Direct	Return Path: Room Direct
Cstat Schedule: Sweet Cut Grow 9 Wk Temps Flower A Schedule HPS	Cstat Schedule: Sweet Cut Grow 9 Wk Temps Flower B Schedule HPS
Hstat Schedule: Sweet Cut Grow 9 Wk Temps Flower A Schedule HPS	Hstat Schedule: Sweet Cut Grow 9 Wk Temps Flower B Schedule HPS
Humidifying Schedule: Sweet Cut Grow RH Flower A Schedule	Humidifying Schedule: Sweet Cut Grow RH Flower B Schedule
Dehumidifying Schedule: Sweet Cut Grow RH Flower A Schedule	Dehumidifying Schedule: Sweet Cut Grow RH Flower B Schedule



Figure 9. Sweet Cut Grow Trace model zones



v. Grow Lighting

a. "As-Built" Grow Lighting

Cibus One 900W LED grow lights were modeled based on a schedule of 5AM to 5PM in the Flower Rooms. These lights are dimmed across a 9 week grow cycle. They begin the cycle dimmed to 35%, reach a maximum of 88% by Week 4, and end the cycle at 55%. Cibus One grow lights were also modeled in the R&D Room.

Fluence SPYDR 2p47 LED grow lights were modeled on a schedule of 3AM to 9PM in the Vegetative Room. These lights are always dimmed to 15%.

Fluence SPYDR 2p47 and RAZR LED grow lights were modeled in the Mother and Clone Rooms, respectively.

b. "Inefficient" Grow Lighting

For baseline lighting in the "Inefficient" model a PPF equivalent HPS fixture was used in Flower, R&D, Vegetative, Mother Rooms. A PPF equivalent T5HO fixture was used in the Clone Room.



Figure 10. Cibus One LEDs in Flower Room



Figure 11. Vegetative Room SPYDR 2p47 LEDs running 15% wattage





Figure 12. Fluence RAZR LEDs in Clone Room



vi. HVACD

a. “As-Built” Scenario

Sweet Cut Grow’s Flower Rooms are served by highly efficient custom systems manufactured by Air₂0 and supplied by Surna. The Air₂0 units are purpose-built to dehumidify the Flower Rooms via modulating hot gas reheat. Each Flower Room is served by two AHUs.

The Dry, R&D, Mother, Vegetative, and Trim rooms are served by highly efficient systems manufactured by Captive Aire and supplied by Surna. The Captive Aire units employ modulating hot gas reheat as the dehumidification strategy. The Dry Rooms also utilize supplemental Anden dehumidifiers.

Rack fans connected to fabric ducts are used in the Flower, Vegetative, and Mother rooms to circulate the air.

The Clone Room is served by an Excel Air split system.

Though the grow room systems rarely operate in heating mode, all grow rooms are furnished with heating capability: the Flower Rooms and Vegetative Room have electric duct heating and the Captive Aire AHUs are equipped with gas heating.

Lastly, a high-efficiency Trane RTU and other equipment outside the scope of this project serve the comfort cooling spaces in the non-grow areas of the building.



Figure 13. One of two Air₂O units serving each of the Flower Rooms

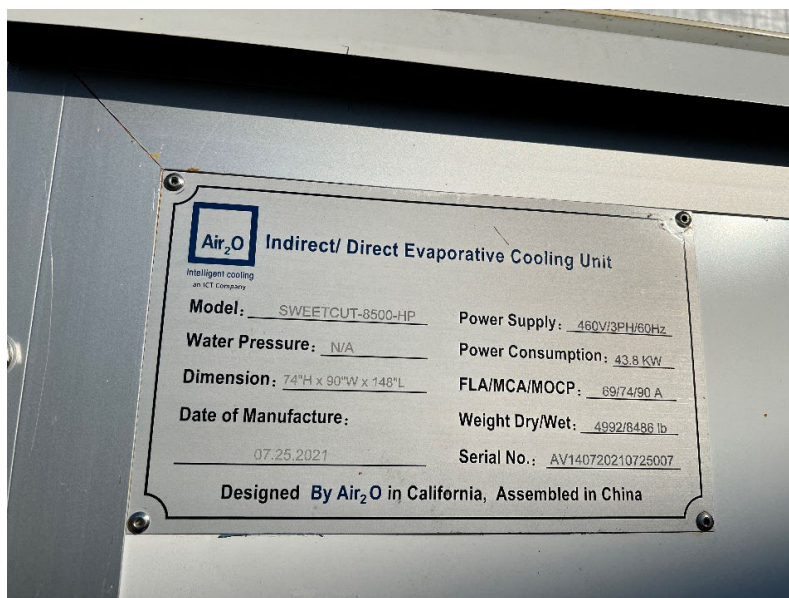


Figure 14. Air₂O units supplying Flower Room





Figure 15. Fabric ducts circulate rack fan above Flower Room tables



Figure 16. Typical Captive Aire system (Vegetative Room units shown here)





b. "Inefficient" Scenario

In the simulated baseline for the grow rooms, the Energy Efficiency Ratio (EER) of the RTUs was adjusted to match code required IECC 2015 guidelines based on MBH capacity. The inefficient dehumidifiers were derated to 1.9liters/kWh, which is used as a baseline in the Consumers Energy program. Ducted air supply is also used in the "Inefficient" design.

All remaining non-grow area systems were modeled using constant volume RTUs. They are identical to the non-grow systems in the "As-Built" alternative.



V. Discussion and Recommendations

The audit reveals that Sweet Cut Grow made prudent investments in energy efficiency when building out its facility. According to modeling results, had the least cost baseline efficient equipment been installed, electricity usage would have been 60% higher than the usage of the installed equipment. The annual spend (assuming 11.7 cents/kWh) is estimated at \$219,080 more per year, or \$18,256 a month higher than the facility's current electric costs. Future rate increases would magnify the cost premium for electricity in years to come.

A. Future Lighting Technology Upgrades

The grow lighting at Sweet Cut Grow uses efficient LED technology. The "As-Built" grow lighting is 49% of the kWh usage in the model, making it by far the largest source of energy usage in the building.

Experimental technologies are under development that could show savings when proven. An example is the FireFly fixture, which is currently being tested, that purportedly would replace the LED fixture with a fixture using under 50 watts. This technology is still being developed and has not been thoroughly tested in cultivation facilities.

B. Preventive Maintenance

All DX equipment degrades with use and outdoor coils can become blocked and negatively impact efficiency. Preventive maintenance is built into energy estimates. Neglecting preventive maintenance will increase operating costs for the HVAC system.



VI. Consumers Energy Efficiency Programs

Consumers Energy has a comprehensive business energy efficiency program. As new technologies are developed and adopted, the program updates its list of available rebates. Check with your outreach representative for the most current opportunities.

Rachel Frederickson | Indoor Agriculture Specialist

Consumers Energy Business Energy Efficiency Programs

3965 Okemos Rd, Suite A-1

Okemos, MI 48864

517.201.4130 Phone | 517.899.5570 Cell | www.consumersenergy.com

"Testing innovative technologies and strategies for the future of energy efficiency."



VII. Kelley Energy Management

For future expansion or build-out of other facilities, Kelley Energy Management specializes in energy modeling and custom rebates. KEM was founded in 2019 and has secured rebates of over \$20 million for its customers. KEM growth is founded on accurate energy calculations and pursuing projects at no risk to the customer and no cost until after the rebate is received.

Jeff Kelley

314-570-5878

Kelley Energy Management LLC

jeff.kelley@kem-mo.com

<https://kem-mo.com/>



Kelley Energy Management, LLC



VIII. Reference Energy Data

A. Modeled Energy Usage

Modeled energy usage is an estimate based on the weather for the model year. Actual consumption will vary depending on the following and other factors: business hours and sales, production levels, number of employees, adjustments to set points, and actual weather.

Figure 17. Modeled annual energy consumption by end-use

Electrical Energy	As Built		Inefficient	
	Energy (kWh)	Demand (kW)	Energy (kWh)	Demand (kW)
Cooling/Dehum	1,066,261.00	254.12	2,080,550.00	410.01
HVAC Fans	109,023.80	30.45	351,604.90	40.54
Heating	0.39	1.55	157.62	112.92
Interior Lighting	1,548,617.00	397.02	2,164,070.00	535.56
Interior Receptacles	412,685.60	48.61	412,685.60	48.61
Grand Total	3,136,587.79	731.76	5,009,068.12	1,147.64
			60%	
			1,872,480.33	
			kWhs more	
11.7 cents/kWh Rate	Bill Savings/Additional Cost		\$ 219,080.20	



Figure 18. "As-Built" consumption by end-use

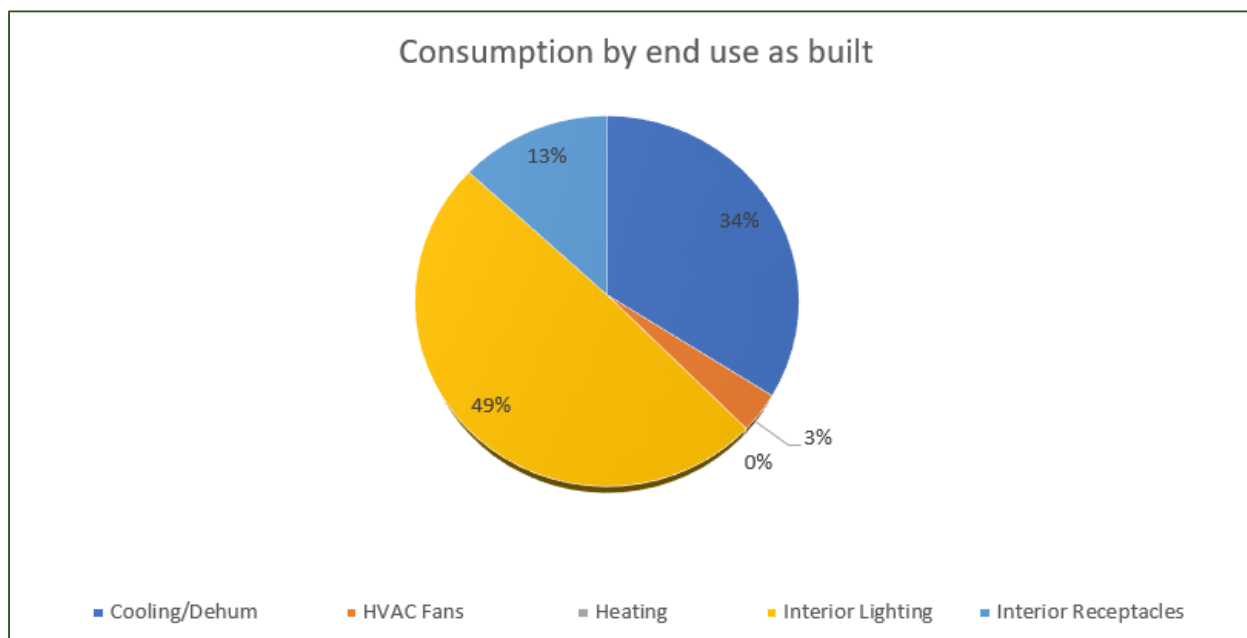




Figure 19. "As-Built" modeled monthly energy consumption in kWh, then dollars at 11.7 cents/kWh

As Built	January	February	March	April	May	June	July	August	September	October	November	December	Grand Total
Cooling Dehum	85,940	71,147	85,465	81,013	91,851	95,794	106,799	105,766	94,015	85,753	81,033	81,676	1,066,253
HVAC Fans	9,210	8,309	9,202	8,913	9,244	9,007	9,384	9,396	9,022	9,223	8,914	9,198	109,023
Heating	0	0	0	0	0	0	0	0	0	0	0	0	0
Interior Equipment	35,037	31,657	35,067	33,917	35,057	33,933	35,041	35,067	33,917	35,047	33,903	35,041	412,683
Interior Lights	137,072	115,820	134,213	124,356	134,714	124,438	133,611	129,199	128,895	129,656	126,394	130,237	1,548,606
Grand Total	267,259	226,934	263,946	248,200	270,866	263,172	284,835	279,429	265,850	259,679	250,244	256,152	3,136,565

As Built Bills	January	February	March	April	May	June	July	August	September	October	November	December	Grand Total
Cooling Dehum	\$10,055	\$ 8,324	\$ 9,999	\$ 9,479	\$10,747	\$11,208	\$12,495	\$12,375	\$ 11,000	\$10,033	\$ 9,481	\$ 9,556	\$ 124,752
HVAC Fans	\$ 1,078	\$ 972	\$ 1,077	\$ 1,043	\$ 1,082	\$ 1,054	\$ 1,098	\$ 1,099	\$ 1,056	\$ 1,079	\$ 1,043	\$ 1,076	\$ 12,756
Heating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interior Equipment	\$ 4,099	\$ 3,704	\$ 4,103	\$ 3,968	\$ 4,102	\$ 3,970	\$ 4,100	\$ 4,103	\$ 3,968	\$ 4,100	\$ 3,967	\$ 4,100	\$ 48,284
Interior Lights	\$16,037	\$13,551	\$15,703	\$14,550	\$15,762	\$14,559	\$15,632	\$15,116	\$ 15,081	\$15,170	\$ 14,788	\$ 15,238	\$ 181,187
Grand Total	\$31,269	\$26,551	\$30,882	\$29,039	\$31,691	\$30,791	\$33,326	\$32,693	\$ 31,104	\$30,382	\$ 29,279	\$ 29,970	\$ 366,978

Figure 20. "Baseline" modeled monthly energy consumption in kWh, then dollars at 11.7 cents/kWh

Inefficient	January	February	March	April	May	June	July	August	September	October	November	December	Grand Total
Cooling	163,863	137,035	172,230	166,851	182,252	183,067	194,825	194,603	182,310	176,688	166,720	160,092	2,080,535
Fans	29,831	27,000	29,829	28,923	29,837	28,925	29,849	29,887	28,889	29,877	28,889	29,866	351,602
Heating	77	0	0	0	81	0	0	0	0	0	0	0	158
Interior Equipment	35,037	31,657	35,067	33,917	35,057	33,933	35,041	35,067	33,917	35,047	33,903	35,041	412,683
Interior Lights	188,020	162,823	186,838	174,572	187,532	174,653	186,391	180,867	180,222	181,355	178,628	182,153	2,164,054
Grand Total	416,827	358,516	423,964	404,263	434,757	420,579	446,105	440,424	425,338	422,967	408,139	407,152	5,009,032

Inefficient Bills	January	February	March	April	May	June	July	August	September	October	November	December	Grand Total
Cooling	\$19,172	\$16,033	\$20,151	\$19,522	\$21,323	\$21,419	\$22,795	\$22,769	\$ 21,330	\$20,672	\$ 19,506	\$ 18,731	\$ 243,423
Fans	\$ 3,490	\$ 3,159	\$ 3,490	\$ 3,384	\$ 3,491	\$ 3,384	\$ 3,492	\$ 3,497	\$ 3,380	\$ 3,496	\$ 3,380	\$ 3,494	\$ 41,137
Heating	\$ 9	\$ -	\$ -	\$ -	\$ 9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18
Interior Equipment	\$ 4,099	\$ 3,704	\$ 4,103	\$ 3,968	\$ 4,102	\$ 3,970	\$ 4,100	\$ 4,103	\$ 3,968	\$ 4,100	\$ 3,967	\$ 4,100	\$ 48,284
Interior Lights	\$21,998	\$19,050	\$21,860	\$20,425	\$21,941	\$20,434	\$21,808	\$21,161	\$ 21,086	\$21,219	\$ 20,899	\$ 21,312	\$ 253,194
Grand Total	\$48,769	\$41,946	\$49,604	\$47,299	\$50,867	\$49,208	\$52,194	\$51,530	\$ 49,765	\$49,487	\$ 47,752	\$ 47,637	\$ 586,057



B. Grow Lighting LPD

Figure 21. Grow Lighting LPD in grow rooms based on LED

Type	Zone Name	Lighting Power Density (W/ft ²)	Installed Lighting Power (W)	Lighting Consumption (kWh)	Full Load Hr/Week <i>*dimming schedules applied</i>
Grow	Zn-Clone	12.07	2,205	19,315	168
Grow	Zn-FR 1	68.27	99,000	309,533	59.96
Grow	Zn-FR 2	68.18	99,000	304,983	59.08
Grow	Zn-FR 3	67.53	99,000	304,983	59.08
Grow	Zn-FR 4	67.62	99,000	309,533	59.96
Grow	Zn-Mothers	29.09	12,620	82,913	126
Grow	Zn-R and D	49.35	16,200	70,956	84
Grow	Zn-VR	63.79	56,790	55,967	18.9

Note: Clone, FR 1-4, Mothers, R and D are two-tiered grows; VR is three-tiered grow



C. Mechanical Schedule

Figure 22. Mechanical Schedule

CUSTOM AIR HANDLING UNIT SCHEDULE - SERVICING CULTIVATION ROOMS															
MARK	TOTAL QTY	MANUF.	MODEL NUMBER	SUPPLIED BY	SERVICE	REFRIG. TYPE	SUPPLY FAN		DX COOL CAPACITY				ELECTRICAL		
							DESIGN CFM	COMPRESSOR NOMINAL CAP. (TONS)	TOTAL CAP. (MBH)	SENS. CAP. (MBH)	EAT DB (°F)	EAT WB (°F)	MAX REHEAT CAP. (MBH)	MCA (A)	MOP (A)
AMU1-1	8	BURNA	SCMU-8500-UL	BURNA	FLOWER ROOMS	R410A	8500	24	292.0	164.8	75	63.0	340	86.0	90
APPROX. UNIT DIMENSIONS (IN) (L X W X H) (EXCLUDING CURB)															
APPROX. UNIT WEIGHT (LB) (EXCLUDING CURB)															
148 x 90 x 74															
5405															
NOTES: 1. PROVIDE WITH PLENUM CURB FOR GROUND MOUNTING WHERE INDICATED IN PLANS.															

DOAS AIR HANDLING UNIT SCHEDULE - SERVICING CULTIVATION ROOMS																
MARK	TOTAL QTY	MANUF.	MODEL NUMBER	SUPPLIED BY	SERVICE	REFRIG. TYPE	SUPPLY FAN		DX COOL CAPACITY				HEATING CAPACITY			
							DESIGN CFM	COMPRESSOR NOMINAL CAP. (TONS)	TOTAL CAP. (MBH)	SENS. CAP. (MBH)	EAT DB (°F)	EAT WB (°F)	MAX REHEAT CAP. (MBH)	GAS TYPE	INPUT PRESSURE (W.C.) (IN. W.G.)	INPUT (MBH)
AMU2-1	2	BURNA	SURRTU-110-13-ST-DOAS	BURNA	DRY ROOMS	R410A	1250	5	42.7	28.8	70	60.9	53	NATURAL GAS	7" - 14"	33.2
AMU2-2	1	BURNA	SURRTU-2-150-18-ST-DOAS	BURNA	RED ROOM	R410A	2300	15	115.1	78.2	78	64.9	129.6	NATURAL GAS	7" - 14"	124.0
AMU2-3	1	BURNA	SURRTU-2-150-18-ST-DOAS	BURNA	MOM ROOM	R410A	1580	10	81.1	55.9	78	66.4	96	NATURAL GAS	7" - 14"	88.6
AMU2-4	2	BURNA	SURRTU-2-150-18-ST-DOAS	BURNA	VEG ROOM	R410A	3000	15	171.4	98.2	78	67.8	129.6	NATURAL GAS	7" - 14"	132.8
AMU2-5	1	BURNA	SURRTU-1-10-13-ST-DOAS	BURNA	TRIM ROOM	R410A	1250	5	49.6	37.0	75	62.4	53	NATURAL GAS	7" - 14"	33.2
APPROX. UNIT DIMENSIONS (IN) (L X W X H) (EXCLUDING CURB)																
APPROX. UNIT WEIGHT (LB) (EXCLUDING CURB)																
78 x 63 x 48																
1097																
NOTES: 1. PROVIDE WITH PLENUM CURB FOR GROUND MOUNTING. SEE PLANS FOR PLENUM DUCT CONNECTION SIZING REQUIREMENTS.																

DX AIR HANDLING UNIT SCHEDULE - SERVICING CULTIVATION ROOMS															
MARK	TOTAL QTY	MANUF.	MODEL NO.	SUPPLIED BY	SERVICE	FLUID TYPE	SUPPLY FAN		COOLING COIL				ELECTRICAL		
							CAPACITY (CFM)	NOM. CAP. (MBH)	SENS. CAP. (MBH)	EAT DB (°F)	EAT WB (°F)	MCA (A)	MOP (A)	V - P - HZ	INDOOR UNIT DIMENSIONS (IN) (L X W X H)
AMU3-1	1	EXCEL AIR	EVOLUTION 2-TON	BURNA	CLONE ROOM	R410A	3400	24.0	-	75	63	16.0	25	230 - 3 - 60	36 x 25 x 25
SHIPPING WEIGHT (LB)															
189															
NOTES: PROVIDE WITH: EXCEL AIR OUT TOP PLENUM 30" (FIELD INSTALLED) EXCEL AIR UV AIR PURIFIER KIT (FIELD INSTALLED) EXCEL AIR FABRIC DUCT 20' X 8" (FIELD INSTALLED) EXCEL AIR HANDING KIT (FIELD INSTALLED) EXCEL AIR CONDENSATE PUMP (FIELD INSTALLED) CONTRACTOR TO SUPPLY AND INSTALL EXCEL AIR FLEXIBLE LINE CONNECTIONS.															

DX CONDENSING UNIT SCHEDULE - SERVICING CULTIVATION ROOMS															
MARK	TOTAL QTY	MANUF.	MODEL NO.	SUPPLIED BY	FLUID TYPE	COOLING FAN		COOLING COIL		OUTDOOR UNIT DIMENSIONS (IN) (L X W X H)			SHIPPING WEIGHT (LB)		
						CAPACITY (CFM)	NOM. CAP. (MBH)								
CU1	1	EXCEL AIR	EVOLUTION 2-TON	BURNA	R410A		1800		24.0			31 x 13 x 26.5			79
NOTES: POWER IS SUPPLIED FROM AIR HANDLER															

RACK FAN SCHEDULE															
MARK	QTY	MANUF.	MODEL NUMBER	SUPPLIED BY	SERVICE	FAN TYPE	DESIGN CFM	ESP (IN. WG)	BONES	FAN RPM	V - P - HZ	SIZE (HP)	APPROX. DIMENSIONS (L X W X H) (IN)	WEIGHT (LB)	NOTES
RF1	40	GREENHECK	CSP-A2100-V3	BURNA	FLOWER ROOMS	IN-LINE	1915	0.5	3.5	780	115 - 1 - 60	1963 WATTS	35 x 15 x 15	58	1, 2
RF2	21	GREENHECK	CSP-A210-V3	BURNA	VEG & MOTHER ROOM	IN-LINE	414	0.5	1.5	1275	115 - 1 - 60	123 WATTS	18 x 15 x 14	36	1, 3
NOTES: 1. PROVIDE WITH DISCONNECT SWITCH, FACTORY MOUNTED 2. CONTRACTOR TO PROVIDE ALL MOUNTING HARDWARE REQUIRED FOR FANS AND WIRING.															

FABRIC DUCT SCHEDULE - SERVICING CULTIVATION ROOM RACKS															
MARK	QTY	MANUF.	MODEL NUMBER	SUPPLIED BY	SERVICE	DUCT TYPE	INLET AIRFLOW (CFM)	INLET SP (IN. WG)	FABRIC POROSITY (CFM/SP)	DUCT DIA. (IN)	DUCT LENGTH (FT/IN)				
D01	80	DUCTOX	MICROBEX	BURNA	FLOWER ROOMS	ROUND STRAIGHT	890	0.4	6.0	12	38" - 0"				
D02	15	DUCTOX	MICROBEX	BURNA	VEG ROOM	ROUND STRAIGHT	440	0.25	13.0	10	18" - 0"				
D03	6	DUCTOX	MICROBEX	BURNA	MOTHER ROOM	ROUND STRAIGHT	275	0.25	13.0	8	14" - 0"				
NOTES: 1. FABRIC DUCTS SUPPLIED WITH GALVANIZED HANGING CABLES FOR INSTALLATION. 2. CONTRACTOR SHALL MOUNT AND INSTALL FABRIC DUCTS AND FABRICATE CONNECTIONS TO FAN.															

DEHUMIDIFIER SCHEDULE															
MARK	TOTAL QTY	MANUF.	MODEL NO.	SUPPLIED BY	CAPACITY		ELECTRICAL			UNIT DIMENSIONS (L X W X H)		WEIGHT (LB)			
					PPD @ 80°F DB / RH	PPD @ 85°F DB / RH	MBH	MCA (A)	MOP (A)	V - P - HZ					
DH1	2	ANDEN	A320V1	BURNA	320	-	73	16.0	25	208-1-60	33 x 24 x 24	180			

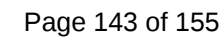
 REVISION TABLE																											
REV	DESCRIPTION	DATE	INITIAL																								
0	PERMIT SET	04/30/21	HEM																								
1	COORDINATION SET	06/09/21	HEM																								
2	CONSTRUCTION SET	06/23/21	HEM																								
3	REVISED PER COMMENTS	07/21/21	HEM																								
4	DUCTWORK UPDATED	08/18/21	HEM																								
PROJECT TITLE																											
GREEN ICE, LLC																											
4120 SOUTH SPRINKLE ROAD																											
KALAMAZOO, MI																											
49001																											
PROJECT NUMBER																											
SR10301																											
BO NUMBER																											
#3503																											
CLIENT AUTHORIZATION																											
SHEET SIZE																											
ARCH D																											
DRAWN BY																											
EMD																											
SCALE																											
AS SHOWN																											
CHECKED BY																											
HEM																											
SHEET																											
M02																											
EQUIPMENT SCHEDULE, BURNA																											
SUPPLIED, CONTRACTOR																											



D. Lighting Fixture Schedule

Figure 23. Lighting Fixture Schedule

LIGHTING FIXTURE SCHEDULE							
SYMBOL	MARK	DESCRIPTION	MFGR	MODEL	VOLTS	WATTS	REMARKS
	'A'	35W EXTER WALL PACK SHARP CUT-OFF	LITHONIA	DSXW1-LED-20C-530-40K-T2M-MVOLT-PE	277	35W	SHARP CUT-OFF
	'B'	1x4 LED SURFACE MT - CLG VAPOR TIGHT	LITHONIA	CSV-T-L48-5000LM-MVOLT-4000K-80CRI	277	42W	DAMP LOCATION
	'C'	2x2 LED RECESSED LAY-IN	LITHONIA	2GTL-2-40L-MVOLY-GZ10-LP840-	120		
	'D'	1x4 LED WRAP FLUSH MT	LITHONIA	FMLWL48-8-40 (4000K)	120		
	'G1'	LED GROW LIGHT- 900W@ 277V FIXTURE OWNER SUPPLIED E.C. TO INSTALL & WIRE	CIBUS	HORTICULTURE LED LIGHT SYSTEM CIBUS ONE - LED LIGHT SYSTEM	277V	900W	REMOTE CONTROL & MONITORING
	'G2'	LED GROW LIGHT- 900W@ 277V FIXTURE OWNER SUPPLIED E.C. TO INSTALL & WIRE	FLUENCE	HORTICULTURE LED LIGHT SYSTEM FLUENCE - SPYDR 2P - LED LIGHT SYSTEM	277V	600W	REMOTE CONTROL & MONITORING
	'G3'	LED GROW LIGHT- 900W@ 277V FIXTURE OWNER SUPPLIED E.C. TO INSTALL & WIRE	FLUENCE	HORTICULTURE LED LIGHT SYSTEM FLUENCE - RAZR - LED LIGHT SYSTEM	277V	150W	REMOTE CONTROL & MONITORING
	'R'	6" RECESSED- DAMP 6" LED- IC RATED - 4000K	LITHONIA	WF6-LED-27K-MVOLT-MW	120	13.8W	
	'X'	LED COMBO EXIT/EGRESS SIGN ILLUM EXIT W/ 2 LAMP HEADS	LITHONIA	ECR-LED-M6-RED	120		
	'Re'	LED EMERGENCY REMOTE EGRESS FIXTURE	LITHONIA	ELA-LED WP	120		
		LIGHT CONTROL TIMER- ON/OFF 24 HR/ 7 DAY					
NOTES: 1. CONTRACTOR TO VERIFY LIGHT FIXTURE CATALOG NUMBER AND INSTALLATION REQUIREMENTS PRIOR TO ORDERING. 2. CONTRACTOR TO MOUNT ALL FIXTURES IN ACCORDANCE TO MICH. B.F, NEC, AND ADA. 3. MOUNT FIXTURES AS PER THE PLANS, WHEN NOT INDICATED VERIFY W/ ARCHITECT.							





IX. Disclaimer

Kelley Energy Management has completed this assessment using energy modeling methodology that has been developed using state-of-the-art technology and has been approved by nine utility energy incentive programs. Data from energy models are estimates and are not guarantees of performance or outcomes. Prior to capital investment, additional analysis is recommended.

expstat.rpt
07/31/2024 3:49PM
Periods: 1 through 17

Expenditure Status Report

Page: 1

City of Kalamazoo
1/1/2024 through 12/31/2024

244 ECONOMIC DEVELOPMENT CORPORATION FUND

728 ECONOMIC DEVELOPMENT

<u>Account Number</u>	<u>Adjusted Appropriation</u>	<u>Expenditures</u>	<u>Year-to-date Expenditures</u>	<u>Year-to-date Encumbrances</u>	<u>Balance</u>	<u>Prct Used</u>
244-728-00.000 ECONOMIC DEVELOPMENT						
244-728-00.000 ECONOMIC DEVELOPMENT						
244-728-00.000-727.001 OFFICE SUPPLIES AND FORMS	1,000.00	0.00	0.00	0.00	1,000.00	0.00
244-728-00.000-727.002 MEETING SUPPLIES	0.00	0.00	0.00	0.00	0.00	0.00
244-728-00.000-727.003 POSTAGE	250.00	0.00	0.00	0.00	250.00	0.00
244-728-00.000-750.000 REPAIR AND MAINTENANCE SUPPLIES	0.00	0.00	0.00	0.00	0.00	0.00
244-728-00.000-801.000 PROFESSIONAL AND CONTRACTUAL SERVICES	499,119.00	38,436.37	38,436.37	262,600.00	198,082.63	60.31
244-728-00.000-801.001 BANK FEES	0.00	0.00	0.00	0.00	0.00	0.00
244-728-00.000-801.004 AUDIT FEES	0.00	0.00	0.00	0.00	0.00	0.00
244-728-00.000-802.001 LEGAL SERVICES	30,000.00	11,184.00	11,184.00	18,816.00	0.00	100.00
244-728-00.000-802.011 LEGAL NOTICES	0.00	0.00	0.00	1,000.00	-1,000.00	0.00
244-728-00.000-810.000 OTHER OPERATIONAL	4,954.00	0.00	0.00	0.00	4,954.00	0.00
244-728-00.000-810.003 MEMBERSHIPS AND SUBSCRIPTIONS	3,000.00	455.00	455.00	0.00	2,545.00	15.17
244-728-00.000-811.000 PROFESSIONAL DEVELOPMENT	9,000.00	2,235.00	2,235.00	525.00	6,240.00	30.67
244-728-00.000-812.001 DNU -SUBSCRIPTIONS	0.00	0.00	0.00	0.00	0.00	0.00
244-728-00.000-815.000 SOFTWARE AND APPLICATIONS	0.00	0.00	0.00	0.00	0.00	0.00
244-728-00.000-816.000 SBITA CONTRA (GASB 96)	0.00	0.00	0.00	0.00	0.00	0.00
244-728-00.000-880.000 PROMOTION AND ADVERTISTING	6,500.00	0.00	0.00	0.00	6,500.00	0.00
244-728-00.000-920.001 ELECTRICITY	0.00	0.00	0.00	0.00	0.00	0.00
244-728-00.000-920.002 NATURAL GAS	0.00	0.00	0.00	0.00	0.00	0.00
244-728-00.000-957.001 LOAN DISTRIBUTION	500,000.00	0.00	0.00	0.00	500,000.00	0.00
244-728-00.000-957.901 LOAN EXPENSE - CONTRA	0.00	0.00	0.00	0.00	0.00	0.00
244-728-00.000-960.232 CONTRIBUTION TO CITY GRANT FUND	0.00	0.00	0.00	0.00	0.00	0.00
244-728-00.000-965.001 BAD DEBTS EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00
244-728-00.000-967.002 ASSETS HELD FOR RESALE	0.00	0.00	0.00	0.00	0.00	0.00
Total ECONOMIC DEVELOPMENT	1,053,823.00	52,310.37	52,310.37	282,941.00	718,571.63	31.81
Total ECONOMIC DEVELOPMENT	1,053,823.00	52,310.37	52,310.37	282,941.00	718,571.63	31.81

Page: 1

Expenditure Status Report

City of Kalamazoo
1/1/2024 through 12/31/2024

244 ECONOMIC DEVELOPMENT CORPORATION FUND

733 ECONOMIC DEVELOPMENT GRANTS

<u>Account Number</u>	<u>Adjusted Appropriation</u>	<u>Expenditures</u>	<u>Year-to-date Expenditures</u>	<u>Year-to-date Encumbrances</u>	<u>Balance</u>	<u>Prct Used</u>
244-733-00.000 ECONOMIC DEVELOPMENT GRANTS						
244-733-00.000 ECONOMIC DEVELOPMENT GRANTS						
244-733-00.000-727.001 OFFICE SUPPLIES AND FORMS	0.00	0.00	0.00	0.00	0.00	0.00
244-733-00.000-727.002 MEETING SUPPLIES	0.00	0.00	0.00	0.00	0.00	0.00
244-733-00.000-727.003 POSTAGE	0.00	0.00	0.00	0.00	0.00	0.00
244-733-00.000-729.000 OPERATING SUPPLIES	0.00	0.00	0.00	0.00	0.00	0.00
244-733-00.000-750.000 REPAIR AND MAINTENANCE SUPPLIES	0.00	0.00	0.00	0.00	0.00	0.00
244-733-00.000-801.000 PROFESSIONAL AND CONTRACTUAL SERVICES	144,919.28	0.00	0.00	0.00	144,919.28	0.00
244-733-00.000-880.000 PROMOTION AND ADVERTISING	0.00	0.00	0.00	0.00	0.00	0.00
244-733-00.000-956.000 GRANTS	0.00	0.00	0.00	131,809.05	-131,809.05	0.00
244-733-00.000-957.001 LOAN DISTRIBUTION	0.00	0.00	0.00	0.00	0.00	0.00
244-733-00.000-967.002 ASSETS HELD FOR RESALE	0.00	0.00	0.00	0.00	0.00	0.00
Total ECONOMIC DEVELOPMENT GRANTS	144,919.28	0.00	0.00	131,809.05	13,110.23	90.95
Total ECONOMIC DEVELOPMENT CORPORATION FUND	1,198,742.28	52,310.37	52,310.37	414,750.05	731,681.86	38.96
Grand Total	1,198,742.28	52,310.37	52,310.37	414,750.05	731,681.86	38.96

MEMO

To: Board of Directors, Economic Development Corporation

From: Jerrid Burdue, EDC Staff Liaison

Date: August 15, 2024

Subject: 2025 EDC Budget Planning

City Staff is proposing the addition of the following items to the fiscal year 2025 budget:

- **EDC Branding:** Funds allocated to create a distinctive and professional brand identity for the EDC.
- **Website Services:** Investment in website services to provide business and talent attraction packets, stats on the City of Kalamazoo, information for developers and businesses, and more. This will help market the city and provide easy-to-find information for businesses in the community.
- **Business and Talent Attraction Packets:** Development of comprehensive packets designed to attract businesses and talent to the City of Kalamazoo, showcasing the city's strengths and opportunities.
- **Marketing and Promoting City of Kalamazoo:** A dedicated budget for marketing campaigns aimed at promoting the city as an attractive location for business and investment.
- **Salesforce Training/Buildout:** Investment in Salesforce training and system buildout to improve our customer relationship management and data handling capabilities.
- **Economic Development Strategy Implementation:** A broad category currently, this budget will be refined in the coming weeks as the strategy is fully developed, focusing on high impact and “quick wins.”

It is essential to note that these budget items are subject to adjustment before the final approval in September. We aim to ensure that our budget aligns with our strategic goals and provides the necessary resources to support our economic development initiatives effectively.



UPDATES

August 2024

Our Initial Social Equity Chamber Priorities

1. **Existing Cannabis Business Support:** Offering comprehensive assistance and resources to support social equity initiatives, staff retention, and the overall success of existing cannabis businesses. We will also support community engagement with current operators.
2. **Workforce Development:** Creating and implementing training programs to build a skilled workforce that meets the evolving needs of the cannabis industry. Also, partnering with KVCC for reimbursement and on the job training.
3. **Jobs Board:** Establishing a dedicated platform to connect City residents, focusing on the SPK neighborhoods, with employment opportunities in the cannabis sector, promoting local hiring and training initiatives.
4. **Ancillary Business Entrepreneurship Support & Development:** Encouraging the growth of ancillary businesses through entrepreneurship support and development programs, enhancing the ecosystem surrounding the cannabis industry.



Kalamazoo UPCOMING EVENTS

The Kalamazoo Social Equity Cannabis Chamber will host a series of fall events.

September 26-KVCC Reimbursement Info Session

In Person at- Anna Whitten Hall-KVCC 5-7pm. Refreshments to be served.

Event Summary: We are excited to host an informational event for the local community, designed to provide valuable insights into the cannabis education programs available at KVCC. During this session, attendees will be guided through the application process, the reimbursement program will be explained, and important timeline details will be shared. We hope the community will join to learn more about these opportunities and how they can benefit from them.



Kalamazoo UPCOMING EVENTS



September 26-KVCC Reimbursement Info Session

In Person at- Anna Whitten Hall-KVCC

Our High level agenda will include:

1. Welcome/ Introduction
2. Overview of KVCC Cannabis Education programs
3. Application Process Walkthrough
4. Reimbursement Program explanation
5. Important Timeline Dates
6. Closing Q&A

Community Partners we are collaborating with:

- Community Action
- Steps to Victory
- MichiganWorks!
- Taylor Made Reentry

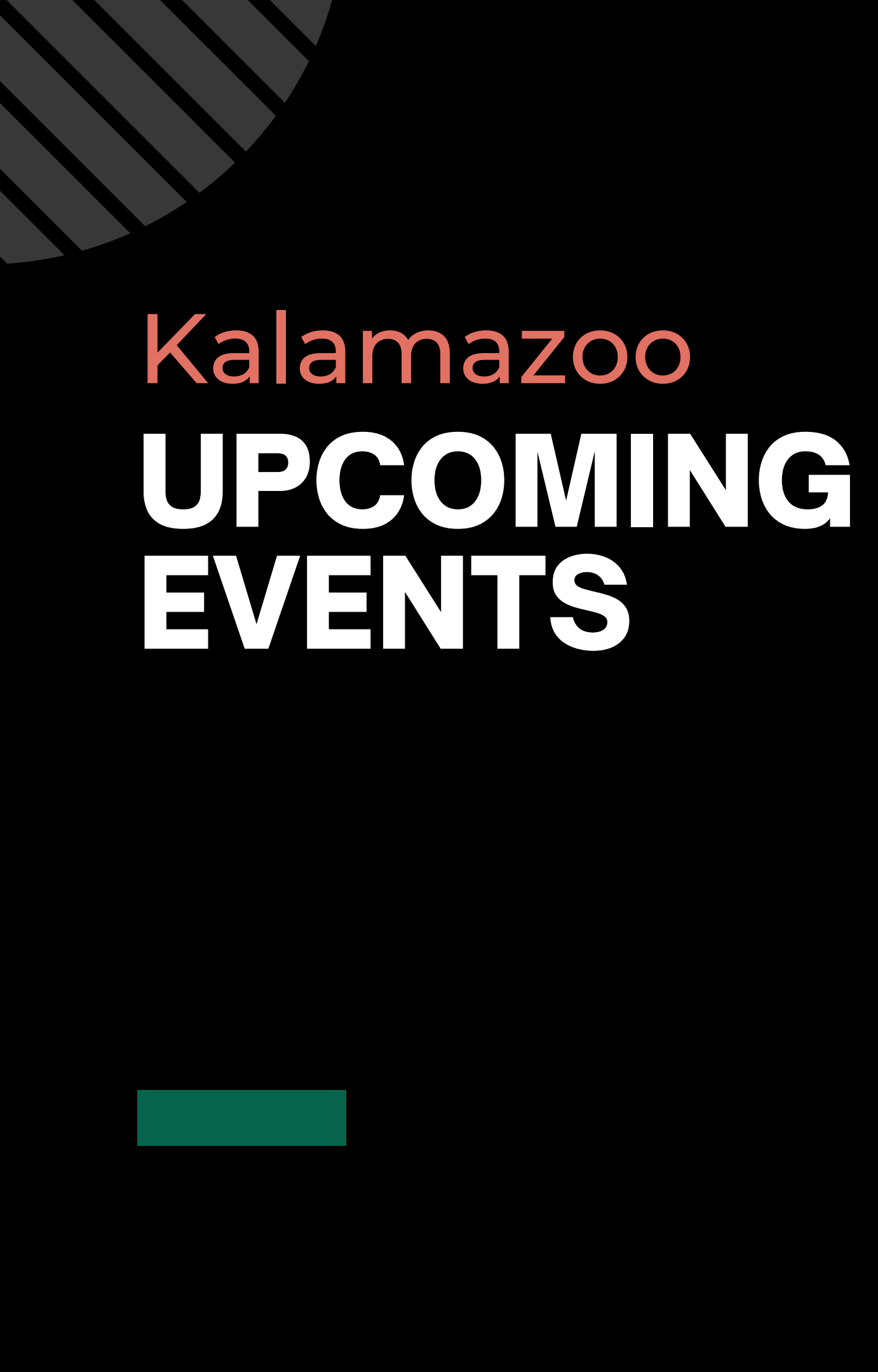


Kalamazoo UPCOMING EVENTS

October 24- Cannabis Job and Resource fair.

Join us for the Cannabis Job and Resource Fair in Kalamazoo on October 24, from 12:00 PM to 6:00 PM. This event is designed to connect community members with job opportunities and valuable resources in the cannabis industry. Attendees will have the chance to meet with local employers, learn about educational programs, and gain insights into the cannabis sector. Whether you're looking to start a new career or expand your knowledge, this fair offers something for everyone. Don't miss out on this opportunity to explore the growing cannabis industry!

**In Person at- Delta Hotels Kalamazoo Conference Center
12-6pm**



Kalamazoo UPCOMING EVENTS

Community Partners Collaborating with:

Arcus Center for Social Justice Leadership

Black Wall Street Kalamazoo

Buy Local Greater Kalamazoo

Dignity in motion

Kalamazoo Community Foundation

Kalamazoo Dream Center

Kalamazoo Eastside Neighborhood Association

Kalamazoo Loaves & Fishes

Local Initiatives Support Corporation (LISC) Kalamazoo

Outfront Kalamazoo

Sisters in Business

Southwest Michigan Sustainable Business Forum

Steps to Victory

Taylor-Made Reentry

Urban Alliance

Wings of God Transition Home

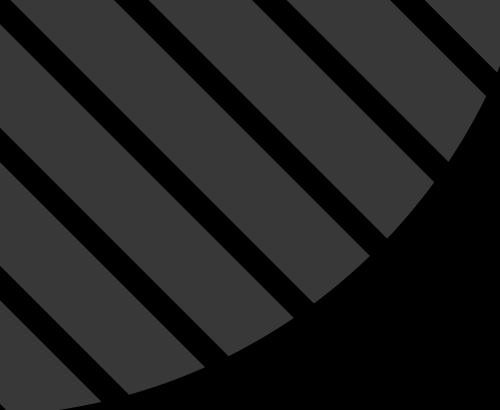
COPE Network (Community Outreach Prevention & Education Network)

Open Doors Kalamazoo



Kalamazoo UPCOMING GOALS

- New Social Equity Chamber website with new branding included. **Beta launch 9/20. Full launch 9/27**
- **Ongoing**- Continue to connect with local operators and industry professionals.
- **Ongoing**- After Can-Do's space is open we will host monthly 1 on 1 sessions and small groups in person. ETA October 24.
- **After Summer (9/9)**- Start hosting online webinars regarding Ancillary industry opportunities.
- **September 2024**- Start KVCC reimbursement program.
- **October 2024**- Cannabis industry job and resource fair.



Kalamazoo

TASKS

COMPLETED



- Consolidated Lists of Kalamazoo Cannabis jobs and Greater Area
- Connected and formed relationships with local operators
- Connected with local community groups
- Hosted 2 successful in person Kalamazoo summer events
- Rebranding for Kalamazoo Social Equity Cannabis Chamber