



Amended Application
Expand Current Operation Space
Authorization for Type 7 Manufacturing
Authorization for Adult-use

Reason

Bloomfield is submitting an amended application to expand current operation space under the current and active Distribution and Type 6 license, approval of the addition of a type 7 manufacturing licencing, as well as authorization to include adult-use business activities. A copy of the original application has been attached.

When originally acquiring manufacturing and distribution space within Nevada City, the only space available was the one Bloomfield built out and currently occupies. This space is much smaller than we had originally planned to occupy but were thankful for what was available. Now that more space within the building has become vacant, Bloomfield is looking into expansion in order to have a more efficient and cohesive work space. Adding a Type 7 license with closed-loop volatile extraction equipment would also be a part of upgrading equipment and services available to local farms and businesses. The system used for Type 7 extraction offers more efficiencies, a wider range of products and services available to consumers, and allows us to meet the local demand for a Type 7 manufacturing space.

Converting to an adult-use cannabis business would not have a huge effect on operations. This would simply allow more sales opportunities and is not the reason for seeking expansion or a license type addition. Now that the state has transitioned into the recreational regulations and market, most people who are seeking cannabis as a medicine are not getting a doctor's recommendation to do so. Adult-use would allow Bloomfield to have the outreach to more recreational patients. The expansion and license change we are seeking is not necessary to become an adult-use business. This can be done within the current occupied space, but allowing adult-use as well as the expansion and license addition would permit us to grow the business as a whole.

In summary, the current operating space (Suite 175) will become entirely manufacturing. The distribution space will be moved upstairs into the proposed vacant space (Suite 275) with two of the end offices as a C1D1 control room for type 7 manufacturing.

The proposed type 7 addition will utilize a closed loop hydrocarbon system to perform extraction. The extraction room will be built to meet the requirements of a C1D1 (explosion proof) rating as well as fulfilling all requirements of local building, fire, and police departments and store ethanol, propane and butane. Standard operating procedures with all necessary safety protocols will be established for operation and maintenance for ensuring safety for employees and the community. Bloomfield has been and will continue to be an OSHA safe and regulated facility. Hydrocarbon extraction has been used in the food industry for more than 60 years. Closed-loop hydrocarbon systems operate at lower pressures and temperatures than

CO2 and ethanol. The Class 1, Division 1 (C1D1) manufacturing space will have gas monitoring, zero ignition points, adequate ventilation and a fire-suppression system that can negate catastrophic equipment failure.

Request to convert to Adult-Use Cannabis Business

Chapter 9.22 of Title 9 of the Nevada City Municipal Code established regulations for adult-use cannabis businesses. We are providing responses to a staff-prepared questionnaire to inform staff in determining if the change warrants further review by the Planning Commission. Responses are available below.

Supplemental Application Questionnaire and Procedures

1. Do you anticipate additional employees will be needed (full time and/or part-time) in order to serve the business as compared to that authorized in your approved medical application?

Bloomfield will not require additional employees to change from medical to adult-use. Our daily operations will not change, but switching to adult-use will allow Bloomfield more sales space in the market.

a. If so, how will you address parking for the additional employees?

N/A

2. Do you anticipate additional vendor or distributor trips to accommodate a higher rate of equipment maintenance, additional product deliveries, waste disposal travel, etc?

No additional equipment maintenance, product deliveries, waste disposal, and vendor travel should be necessary.

a. If so, how will you accommodate parking for additional vendor/distributor vehicles?

b. If so, how will you ensure the additional traffic volume will not disrupt the business's compatibility with the neighborhood?

3. Provide any additional information regarding how a change to an "adult-use" business will impact the parking plan submitted for your approved medical business application?

Since Bloomfield is not a store front, change to adult-use will not impact the volume of traffic or parking required by the business.

4. Provide any additional information regarding how a change to an "adult-use" business will impact the traffic volume submitted for your approved medical business application?

Since Bloomfield is not a store front, change to adult-use will not impact the volume of traffic or parking required by the business.

5. Do you anticipate a change in operational hours (please consider both passive and active hours of operation) as compared to those indicated in your approved medical business application?

Bloomfield is proposing to extend to 24 hours of operation with a 10pm - 6am shift for a single employee to be in the building for security purposes. This is not correlated with changing from medical to adult-use, but more about improving business operations and security.

6. For dispensary applicants, do you anticipate a higher rate of customer volume than was anticipated under the approved medical business application?

Bloomfield is only trying to change to adult-use for the currently active distribution and manufacturing license.

7. Please carefully review your approved medical cannabis application and your authorization letter and provide any additional information for how a change to an "adult-use" authorization might change the following evaluation criteria previously provided in your medical business application:

Transferring to an adult-use license would not affect any of the following items.

- a. Business Plan:
- b. Neighborhood Compatibility Plan:
- c. Safety and Security Plan:
- d. Community Benefits:
- e. Enhanced Product Safety:
- f. Labor and Employment:

Expansion of Current Operational Space

Background

SGBE Inc dba Bloomfield was approved on July 23, 2018 during the Nevada City Planning Commission special meeting to operate a medical cannabis manufacturing and distribution business as 138 New Mohawk Rd Suite 175.

Bloomfield also currently holds both an active manufacturing and distribution provisional license with the state.

Below is a list and explanation of the things that have been amended to the original application.

State Requirements

Bloomfield has been in correspondence with the state about the proposed expansion and change to the existing provisional license. The state is requiring a floor plan submittal and report of the new suite number. The expansion is in the same building, but the offices are upstairs. According to the state regulations and representatives this is a contiguous expansion because the existing space and the proposed space are connected by common areas within the same building. Bloomfield will apply for a Type 7 license in addition to our existing Type 6 and Distribution license.

Articles Of Incorporation

The articles of incorporation for the company have changed as SGBE has gone from a Mutual Non-Profit to a S-Corp. The up-to-date paperwork and articles of incorporation are included in this amended application for expansion.

Parking Plan

Exhibit B lists all of the parking and ADA upgrade modifications that have been made by Terra Alta Development. These modifications have been completed and are awaiting final inspection as of 9/27. Exhibit C shows the changes that had to be made to the ADA parking and electric car charging station that was installed.

Bloomfield will have a total of 8 employee parking spaces. Though we are doubling our physical space with expansion, the distribution portion of the already existing space occupied will be moved to the new, proposed space. On average, there will be no more than 6 employees clocked in at a time per shift leaving two parking spaces for the distribution vehicle and company visitor parking.

Most of the expansion space will be used for expanding the office of the current employees, dry storage space for packaging and equipment, as well as a better flow of production, more production options, as well as a more cohesive functionality of the space.

Floor Plan

Bloomfield is proposing expansion to vacant room 251 as well as offices 215, 216, 217, 218, and 219 (Suite 180). The floor plan of the second floor of the east wing of the building is attached in exhibit A. Our existing space (Suite 175) is included in exhibit D.

Coordination Plan

Attached is the coordination plan that has been requested for all tenants the New Mohawk facility.

Number of Employees

Bloomfield would like to request 4 onsite employees in addition to its current 8 onsite employees (12 total) in order to properly and effectively run both the current and proposed facility.

Number of Distribution Vehicles

The current distribution vehicle is a small ford transit connect van. This is the only distribution vehicle at this time. We propose adding one additional van in 2020.

Hours of Operations

Bloomfield is currently approved for normal business operation from 7am - 10pm and proposing to allow one employee allowed in the facility from 10pm - 6am for security purposes.

The building is mostly, if not completely, empty during these hours. This would allow a more stringent and secure monitoring system besides the surveillance cameras in the case that the alarm were to sound or any out of the ordinary behaviors were to occur in or around the locked building.

Volume of Product

The expansion space is mostly for the storage of dry goods and office space, as the current distribution will be moved into the new space. The additional space would allow for a 30% increase of product production and retention.

Security Measures

The Security plan already in place has been reviewed and deemed sufficient. This plan will be used moving forward, however Bloomfield will be increasing the number of cameras to cover the new space being proposed by the company. Bloomfield will be adding cameras in the proposed expansion area to cover a viewing of the entire inside of the new space, as well as entrances and exits. This footage will be maintained for no less than 90 days as required by state regulations. In addition to new cameras, there will be motion sensors added to our already existing alarm system into any of the proposed rooms that would hold cannabis at any time and that are not deemed an office space exclusively.

The one extra security measure that we are proposing is allowing a 24 hour building occupancy in order to have a single employee for extra security between 10pm - 6am as explained in the section outlining the hours of operation.

Waste Management

Since we have opened our existing facility we have changed waste management companies to Gaiaca. They are servicing the building for multiple companies every Wednesday to reduce overall traffic and congestion. We do not see this expansion requiring any additional pickup days.

Construction Plan

The vacant room 251 will now become the distribution product holding space instead of current operation distribution room in Bloomfield's suite 175.

The exterior offices will be used for quarantine, dry storage for non-cannabis products, and office space.

Two offices are being proposed as a type 7 manufacturing C1D1 room, which will be the majority of the buildout to make this an explosion proof room.

In order for our manufacturing facility to operate more efficiently we are proposing to upgrade our current type 6 equipment that we had anticipated in the original application, but were limited because of the available space.

Employee Safety and Training Manual

All employees have received, reviewed, and signed a copy of:

- I-9
- California tax form
- Federal tax form (W4)
- DMV records
- Background authorization form
- Copies of
 - Driver's license
 - Proof of citizenship
- Employee handbook
- Sexual harassment/discrimination sign off
- Safety training sign off
- Workers comp procedures
- CA meal policy sign off
- CA second meal waiver