REGULAR MEETING OF THE SOLVANG CITY COUNCIL

COUNCIL CHAMBERS
1644 OAK STREET

August 26, 2019
6:30 PM

Please be advised that, pursuant to State Law, any member of the public may address the Council concerning any item on the Agenda. Please be aware that Items on the Consent Calendar are considered to be routine and are normally enacted by one vote of the Council.

If you wish to speak regarding an item on the Consent Agenda, please do so during Public Communications. Regular City Council meetings are broadcast live on Channel 23 in the Santa Ynez Valley, and stream live on the City’s website at www.cityofsolvang.com/City Council

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

1. PUBLIC COMMUNICATIONS – WRITTEN OR VERBAL

At this time, please direct comments to the City Council regarding Consent Calendar Items or matters NOT on the agenda but within the jurisdiction of the Council. (Speakers are limited to three [3] minutes)

2. CITY MANAGER REPORT & ADVANCE CALENDAR

Informational Report and Calendar – No Action

3. SPECIAL CITY AUDITOR REPORT

4. CONSENT AGENDA

a. Approval of Agenda as Presented
b. Approval of draft Minutes of June 10, 2019 and June 24, 2019 City Council Meetings
c. Ordinance Amending the Solvang Conflict of Interest Code
   Adopt on Second Reading, by title only, Ordinance No. 19-____, updating Section 1-11-1 of the Solvang Municipal Code to include the Special City Auditor as a position required to disclose all investments, income, and interests in real property pursuant to California Government Code Section 87200
d. Notice of Completion – Pavement Maintenance Project
   Accept the FY 2019-20 Pavement Maintenance Project, PW 130, as Complete, and
direct the City Manager to execute and record the Notice of Completion

e. Termination of Landscape Maintenance Agreement with Merkantile Project for Sidewalk
   Installation along Mission Drive
   Approve termination of a Landscape Maintenance Agreement with Merkantile Project
   and authorize City Manager to execute and record termination documents

f. VisitSYV Second Quarter Report for 2019
   Receive and File the VisitSYV 2nd Quarter Report for 2019

g. Sheriff’s Department Reports for June and July 2019
   Receive and File the Sheriff’s Department reports for June and July, 2019

h. Receive and File the Solvang Parks & Recreation Fall Program Calendar

i. Land Acquisition for Wastewater Treatment Plant Water Quality Project
   Approve the Right-of-Way (Purchase) Agreement with Alisal Ranch to acquire 2.34
   acres of land for $70,500 plus closing costs; and authorize execution of the Agreement
   by the Mayor

REGULAR AGENDA

5. AGREEMENT WITH VISIT SYV FOR SOLVANG STOMP SERVICES
   Consider for approval the Agreement with Visit the Santa Ynez Valley (VisitSYV) for the
   Solvang Stomp event, authorize final negotiations with VisitSYV, and authorize Mayor Pro Tem
   Clarke to execute a contract with VisitSYV in substantial conformance.

6. DIRECTION ON SOLVANG CONFERENCE & VISITORS BUREAU NEGOTIATIONS
   AND POTENTIAL CONTRACT
   Consider for approval the Agreement with Solvang Conference & Visitors Bureau (SCVB),
   authorize final negotiations with SCVB, and authorize the Mayor to execute an Agreement with
   SCVB in substantial conformance.

7. APPEAL OF FRISTADEN WELLNESS FROM REJECTION OF APPLICATION FOR
   MEDICAL CANNABIS DISPENSARY PERMIT
   Consider the appeal of Fristaden Wellness challenging the rejection of its application for a
   medical cannabis dispensary permit for failure to include the requisite owner authorization; and
   uphold the rejection of the application as deficient under the existing ordinance regulating
   cannabis in the City.

8. APPEAL OF MOUNTAIN VIEW ELEMENTAL WELLNESS FROM CITY
   MANAGER’S CANNABIS PERMIT APPLICATION DEFICIENCY DETERMINATION
   Consider the appeal of Mountain View Elemental Wellness challenging the City Manager’s
   determination that its application for a medical cannabis dispensary permit was deficient and
   would not be considered; and uphold the City Manager’s deficiency determination. The applicant
   has requested a Continuance of this item, therefore, this packet will not contain a staff report.
   A future agenda item will be scheduled.
9. **CREATION OF A BUILDING DEPARTMENT AMNESTY PROGRAM FOR THE CITY OF SOLVANG**

Discuss and provide staff direction regarding initiation and details of a Building Department Amnesty Program to be offered to customers for any construction work completed without the required permits; and Adopt Resolution No. 19-____, a Resolution of the City Council of the City of Solvang establishing the Amnesty program.

10. **CITY COUNCIL GOALS AND ACTION PLANS**

Review City Council Goals – Action Plans and provide feedback, direction, and authorization to proceed as desired.

11. **COUNCIL MEMBER AB1234 AND COMMITTEE REPORTS (Oral reports: Each Council Member will give oral reports on their activities in relation to the following committee or agencies. In addition, each member may report on items that will be included on the agenda for such committee or agency and seek guidance from the Council as a whole on such items, including on what position to take on behalf of the City)**

   - Santa Barbara County Association of Governments
   - Air Pollution Control Board
   - Joint Wastewater Committee
   - Chumash Ad Hoc Committee
   - Library Ad Hoc Committee
   - EMA Groundwater Sustainability Agency
   - Water Ad Hoc Committee
   - Economic Development Ad Hoc Committee

12. **COUNCIL COMMENTS AND REQUESTS**

Comments and requests from City Council Members. No action will be taken at this meeting.

13. **ADJOURNMENT**
Below is an Advance Calendar of anticipated agenda items. The dates are tentative but reflect an overview of items to come. Items on this advance calendar are subject to change. Final agendas will be available on-line and at City Hall at least 72 hours prior to the meeting date.

<table>
<thead>
<tr>
<th>MEETING DATE</th>
<th>COUNCIL GOAL</th>
<th>AGENDA ITEM</th>
<th>AGENDA</th>
<th>STAFF</th>
<th>ACTION</th>
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<tbody>
<tr>
<td>09-09-19</td>
<td></td>
<td>Solvang Trolley License Renewal</td>
<td>Consent</td>
<td>HO</td>
<td>Approve</td>
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<td>7.C.1</td>
<td>HCA Pump Track</td>
<td>Regular</td>
<td>FL</td>
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<td>RFP for CalPERS Separation</td>
<td>Regular</td>
<td>XB</td>
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<td>5.A.1.c</td>
<td>Amendment to Contract – Janitorial Services</td>
<td>Consent</td>
<td>DG</td>
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<td></td>
<td>2.B.3</td>
<td>Pavement Management System</td>
<td>Regular</td>
<td>MV</td>
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<td>RFP for City Attorney</td>
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<td>09-23-19</td>
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<td>First Reading of ADU Zoning Ordinance Amendment</td>
<td>Regular</td>
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<td>6.C.1.b</td>
<td>Traffic Calming/Speed Humps on Elm and Viborg</td>
<td>Regular</td>
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<td>Delta Conveyance Project – CCWA Presentation</td>
<td>Regular</td>
<td>MV</td>
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<td>1.B.1.d-e</td>
<td>Contract Procurement and Accounting Policy</td>
<td>Consent</td>
<td>XB</td>
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<td>10-14-19</td>
<td>2.B.4</td>
<td>SYV Bicycle Master Plan</td>
<td>Regular</td>
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<td>10-28-19</td>
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<td>11-12-19</td>
<td>2.B.5</td>
<td>Storm Drain Capital Needs Assessment</td>
<td>Regular</td>
<td>MV/BE</td>
<td>Receive</td>
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<td>Water/Sewer Connection Fees</td>
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<td>Ordinance Amendment - Snowbird Meter Fees</td>
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<td>Zoning Code Updates, Ord Amendment</td>
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<td>Prohibition of Gas Leaf Blowers</td>
<td>Discuss</td>
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<td>Facilities Master Plan (incl. Parking Projects/Structures)</td>
<td>Discuss</td>
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<td>Ord Amend- Planning Comm Appointment Process</td>
<td>Discuss</td>
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<td>Policy re Outsourcing City positions at Employment end</td>
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<td>Construction Contract – Tennis Courts</td>
<td>Consent FL</td>
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<td>Review of Development Impact Fees</td>
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<td>Sign Ordinance Amendment</td>
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<td>PHP - Open Streets event for 2021</td>
<td>Present DG</td>
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<tr>
<td>Comparison Report- other Cities Funding of CVB/Chamber</td>
<td>Regular DG</td>
<td>Consider</td>
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<tr>
<th>Annual/Future Scheduled</th>
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<tbody>
<tr>
<td>Stormwater Management Program Annual Report (Nov)</td>
<td>Receive</td>
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<tr>
<td>Appointment of Mayor Pro Tem (December)</td>
<td>Approve</td>
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<tr>
<td>Comprehensive Annual Financial Report (Jan/Feb)</td>
<td>Receive</td>
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<td>Mid-Year Budget Adjustments (Feb)</td>
<td>Approve</td>
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<td>Capital Improvement Program (January)</td>
<td>Approve</td>
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<td>Grant Funding Policy Review (Feb ‘20)</td>
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<tr>
<td>Measure A 5-Year Local Program of Projects (Feb)</td>
<td>Approve</td>
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<tr>
<td>SB1 RMRA Project List (2nd mtg in Mar)</td>
<td>Approve</td>
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<tr>
<td>Investment Policy Annual Review (March)</td>
<td>Review</td>
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<td>Solvang Mesa LLMD Annual Assessment (March)</td>
<td>Adopt</td>
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<td>TDA Grant Funding (April)</td>
<td>Adopt</td>
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<td>FTA 5311 Grant Agreement (June)</td>
<td>Adopt</td>
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<td>Annual Budget (June)</td>
<td>Adopt</td>
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<tr>
<td>Conflict of Interest Code Review (June 2020)</td>
<td>Discuss</td>
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<tr>
<td>Amend Appropriation Limit (July)</td>
<td>Adopt</td>
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<td>Appointment to Library Advisory Committee (July 2019)</td>
<td>Approve</td>
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<tr>
<th>Warrant Register (1st meeting of each month)</th>
<th>Approve</th>
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<tbody>
<tr>
<td>Public Records Request Register (1st meeting of month)</td>
<td>Receive</td>
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<tr>
<td>Sheriff’s Department Report (2nd meeting of each month)</td>
<td>Receive</td>
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<tr>
<td>Solvang Chamber (1st meeting of each month &amp; quarterly)</td>
<td>Receive</td>
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<tr>
<td>SCVB Report (2nd meeting of each month &amp; biennial report)</td>
<td>Receive</td>
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<td>Fire Department Report (Quarterly)</td>
<td>Receive</td>
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<tr>
<td>VisitSYV Report (Quarterly)</td>
<td>Receive</td>
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<tr>
<td>Parks &amp; Rec Calendar (Quarterly)</td>
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*Public Hearing Notice*

*Post Notice 15 days Prior*
CALL TO ORDER: Mayor Toussaint called the meeting to order at 6:30 p.m.

ROLL CALL:

PRESENT: Mayor Ryan Toussaint, Council Members Clarke, Djernaes, and Waite

ABSENT: Council Member Daniel Johnson

STAFF: David Gassaway, City Manager; John Cotti, Interim City Attorney; Matt van der Linden, Public Works Director; Holly Owen, Planning & Economic Development Director; Xenia Bradford, Interim Administrative Services Director; Fred Lageman, Parks & Recreation Director; and Lisa S. Martin, City Clerk

PLEDGE OF ALLEGIANCE

Led by Council Member Clarke.

PRESENTATION

Council Member Clarke read a proclamation presented in remembrance of Solvang resident Howard Petersen.

Don Maruska, Facilitator for City Council Retreat, gave a presentation addressing Council’s goal-setting process, key benefits of the process, his experience in the work, objectives, process for developing and pursuing goals and the draft agenda for the June 22, 2019 workshop.

Mr. Maruska commented on the importance of Council receiving input from the public prior to the June 22nd workshop. The public may send comments and suggestions at Council@CityofSolvang.com.

Discussion followed regarding the venue for the workshop. Council expressed a preference to hold the workshop at Hotel Corque.

1. PUBLIC COMMUNICATIONS - WRITTEN OR VERBAL

Charles Werner, Solvang Chamber
➢ Spoke about the Solvang Chamber of Commerce receiving many letters and emails of support
➢ Addressed support from Bob Hatch noting his comment about the Solvang Chamber of Commerce being very lean and efficient
➢ Distributed copies of and summarized the Chamber's proposed Economic Development project

Cheryl Lastra, Solvang Educator
➢ Spoke about the importance and value of the Therapeutic Riding program and the Botanical
Ed Skytt, Solvang Resident
- Offered best wishes to City Attorney Dave Fleishman and welcomed Interim City Attorney John Cotti
- Requested that Council Comments be brought forward earlier in future agendas

Tracy Beard, Solvang Chamber
- Reported receiving several letters and emails in support of the Solvang Chamber of Commerce
- Presented a new map showcasing the Chamber and events
- Addressed a new Sexual Harassment class hosted by the Chamber

Hank Homberg, Solvang Resident
- Spoke about the Sheriff's contract coming up for ratification
- Expressed concerns regarding Solvang traffic issues and enforcement
- Suggested the City consider hiring a motor officer for traffic enforcement
- Opined the City of Solvang should charge for parking in order to raise funds

Sharon Williamson
- Spoke about residents experiencing trauma and fear over school shootings
- Expressed passion over giving students the tools to deal with stress
- Urged everyone to consider kindness as the first step towards a more-peaceful future

Karen Palmer, Solvang Resident
- Spoke of the benefits and in support of Kindness programs

Robin Serritslev, Therapeutic Riding Program
- Spoke about the importance and value of the Therapeutic Riding program
- Urged Council to continue its support

Eva Powers, President, Santa Ynez Valley Botanic Garden Foundation
- Presented a brief history of the venue and the mission of the Garden
- Encouraged the City to continue its support and visit the venue

Pam Gnekow, Director, Buellton Senior Center
- Discussed their services to the community including transportation
- Thanked Council for its support and asked for it to continue

Susan Bott, Save our Solvang
- Spoke in support of an Urban Growth Boundary (UGB)
- Discussed the benefits of a UGB to the City and residents
- Urged Council to support giving residents a direct vote on the City's future through a UGB

Ellen Albertoni, Director, Solvang Senior Center
- Thanked Council for its support throughout the years
- Discussed services and programs offered by the Center
- Commented on the need for a new structure to house the Center

2. CITY MANAGERS REPORT & ADVANCE CALENDAR

City Manager Gassaway introduced Interim City Attorney John Cotti and gave a brief informational report.
3. **CONSENT AGENDA**
   a. Approval of Agenda as Presented
   b. Approval of the Warrant Register/ Expense Approvals for May 2019
   c. Approval of draft Minutes of the April 22, 2019 City Council Meeting
   d. Memorandum of Understanding (MOU) and Amendment for Continued City of Solvang Participation in the Wine Country Express & Breeze 200 Inter-Regional Transit Service
      Approve the MOU between the cities of Lompoc, Buellton and Solvang, and the County of Santa Barbara for continued City of Solvang participation in the Wine Country Express inter-regional transit service; approve the time extension amendment to the MOU between the cities of Santa Maria, Buellton and Solvang, and the County of Santa Barbara for continued City of Solvang participation in the Breeze 200 inter-regional transit service; and authorize the Mayor to execute the MOU and Amendment
   e. FTA Section 5311 Grant Agreement
      Adopt Resolution No. 19-1079, a Resolution authorizing the City Manager to execute an FTA Section 5311 Grant Agreement with the California Department of Transportation for operations assistance for the Santa Ynez Valley Transit System for fiscal year 2019-20
   f. Contract for Law Enforcement Services between the County of Santa Barbara and the City of Solvang for Fiscal Years 2019/20 to 2022/23
      Approve contract for law enforcement services with the County of Santa Barbara Sheriff's Department and authorize the Mayor to execute

**Motion** made by Council Member Clarke to approve the consent agenda as presented, seconded by Mayor Toussaint, and carried with a roll call vote of 4-0, with Council Member Johnson, absent.

**REGULAR AGENDA**

4. **BOARD OF ARCHITECTURAL REVIEW VACANCY**

Staff report presented by City Clerk Martin; listed the names and points assigned as shown in the Master Candidate Point Tabulation Sheet from February 28, 2019 included in the agenda packet and discussed options for Council to consider in making its decision.

Mayor Toussaint opened the item to public comment at 7:41 p.m.

Mark Infanti, Former BAR member
- Discussed the purpose of the Board of Architectural Review
- Listed his qualifications
- Noted he is not a businessman and would not have time constraints in participating
- Indicated his participation would lessen quorum issues
- Urged Council to ratify his appointment to the Board

The item was closed to public comment at 7:43 p.m.

**Motion** made by Council Member Waite to appoint Mark Infanti to the Board of Architectural Review.

Council Member Clarke suggested Jonathan Villegas as three Council Members voted for him.

Council Member Djernaes expressed support for Mr. Villegas but suggested Council consider disbanding the Board of Architectural Review noting it can be consolidated with the Planning Commission. He opined that should take place before making any appointments to the Board of
Architectural Review.

Council Member Clarke spoke in support of providing guidelines to advise residents of the City's standards, adding there would be no need for a BAR if the process could be streamlined and user-friendly.

Mayor Toussaint noted making processes more efficient will be discussed at the upcoming retreat and indicated focus, at this time, is on filling a current vacancy so that the board can continue to do business.

Council Member Waite pointed out the three Council Members who voted for Mr. Villegas have been making change for change just to make change for change. She spoke in favor of Mr. Infanti, noting his qualifications, lack of conflict and ample institutional knowledge.

Motion made by Council Member Waite to appoint Mark Infanti to the Board of Architectural Review. Motion dies for lack of a second.

Motion made by Council Member Clarke to appoint Jonathan Villegas to the Board of Architectural Review, seconded by Council Member Djernaes, as amended to direct staff to review the possibility of combining the Board of Architectural Review and return to Council with a report, and carried with a roll call vote of 3-1-1, with Council Member Waite voting No and Council Member Johnson, absent.

5. CONSIDERATION OF SPONSORSHIP OF FIGUEROA MOUNTAIN GRAN FONDO CYCLING EVENT ORGANIZED BY CARMICHAEL TRAINING SYSTEMS

City Manager Gassaway presented details of the staff report.

Council Member Djernaes felt it is a good deal, in terms of return on investment.

Mayor Toussaint opened the item to public comment at 8:03 p.m.

Kirk Nordgren, Race Organizer, Carmichael Training Systems
- Discussed details of the event and his organization
- Addressed economic benefits to Solvang
- Opined having Solvang as a presenting sponsor would serve to increase bicycle tourism in the valley and offered to work with the City to help maximize its investment
- Commented on the possibility of adding other events at other times during a year

Ed Skytt, Hotelier and Solvang Resident
- Noted during November weekends, most motels/hotels in the City had 100% or close to 100% occupancy anyway so it would bring in no additional TOT
- Opined Council should not look on it as a gain, but a net loss since they were giving away $25,000 which will not be made up in additional TOT

The item was closed to public comment at 8:05 p.m.

Council Member Waite spoke in support of sponsoring the event; commented on the differences between the Figueroa Mountain Grand Fondo Cycling event and other races/events.

Council Member Clarke noted it is a good investment and the event will be good for Solvang.

Council Member Djernaes agreed, adding that historically, November TOT falls on average, 15% from previous months and spoke in support of the City sponsoring the event.
Mayor Toussaint agreed with Council colleagues and suggested that staff look at ways of finding measurable performance.

**Motion** made by Council Member Djernaes to approve the City's sponsorship of the Figueroa Mountain Grand Fondo Cycling event at the $25,000 level, with a provision that they start and stop in Solvang, seconded by Council Member Waite, and **carried** with a roll call vote of 4-0-1, with Council Member Johnson absent.

6. **FIRST READING OF ORDINANCE ESTABLISHING SEWER IMPACT FEE**

Public Works Director/City Engineer Matt van der Linden presented details of the staff report.

Council Member Djernaes asked whether a volumetric can be added to the equation to help the City recover costs over time. Public Works Director van der Linden addressed two main mechanisms used by the City to collect funds including sewer connection fees and the monthly sewer charge. The new impact fee would help with funds necessary for upgrades and replacing sewer lines. Pending Council’s approval, staff would proceed with a Sewer Master Plan study and with development of a capital plan that would be incorporated in future water and sewer rate studies.

Mayor Toussaint pointed out there are different rates, depending on meter sizes. For commercial properties, the volume of sewer is tied to the volume of water they consume.

Mayor Toussaint opened the item to public comment at 8:16 p.m. and, seeing none, closed the item.

Council Member Clarke commented on a previous sewer rate study and increases in users, including residents and visitors. He spoke in favor of spreading the liability to those who use sewer and water the most.

Mayor Toussaint believed that is the intent of the sewer impact fee.

**Motion** made by Mayor Toussaint to approve the first reading of the Ordinance, seconded by Council Member Waite, and **carried** with a roll call vote of 4-0-1, with Council Member Johnson absent.

7. **SET DATE FOR HEARING OF APPEALS OF MEDICAL CANNABIS DISPENSARY APPLICANTS FRISTADEN WELLNESS AND ELEMENTAL WELLNESS**

City Clerk Lisa Martin presented details of the staff report.

Mayor Toussaint opened the item to public comment at 8:19 p.m. and, seeing none, closed the item.

Council Member Waite expressed support for setting the date to hear the appeals of Fristaden Wellness and Elemental Wellness to August 24, 2019.

**Motion** made by Council Member Waite to set the date to hear the appeals of Fristaden Wellness and Elemental Wellness to August 24, 2019, seconded by Mayor Toussaint, and **carried** with a roll call vote of 4-0-1, with Council Member Johnson absent.

RECESS AND RECONVENE

Mayor Toussaint called for a recess at 8:20 p.m. The assembly reconvened at 8:30 p.m. with all Council Members present.

Mayor Toussaint noted a clerical error was made relative to the motion on Item No. 7 and the motion...
was amended as follows:

Amended Motion made by Mayor Toussaint to set the date to hear the appeals of Fristaden Wellness and Elemental Wellness to August 26, 2019, seconded by Council Member Waite, and carried with a roll call vote of 4-0-1, with Council Member Johnson, absent.

8. FISCAL YEAR 2019-2020 PRELIMINARY BUDGET REVIEW WORKSHOP

Administrative Services Director Xenia Bradford presented details of the staff report and displayed a PowerPoint presentation. She introduced and referred to Doug Jensen, Muni Services, for a presentation on Sales Tax.

Doug Jensen, Muni Services, provided information about his company and the services they provide. He displayed a PowerPoint presentation on Sales Tax Performance in the City of Solvang and compared with the overall region.

In response to Council Member Djerneas' inquiry regarding whether another recession like the one in 2009 is being projected, Mr. Jensen stated it is not. He opined it may be a business-led type of recession. In terms of a correlation with Southern California, Mr. Jensen stated that is typically determined after an event, such as a natural disaster, triggering some type of economic activity. He indicated when the economy goes soft, people take shorter trips. Council Member Djernaes requested a copy of the presentation and stated he would like to see more data in terms of the makeup of food and beverage.

Mayor Toussaint asked about the driver for the increase in taxable sales from 2004 to 2017 and Mr. Jensen stated he did not have that information, but it could be found in the City's prior accounting. Mayor Toussaint asked for examples of businesses that have changed their business model to compete with online sales and Mr. Jensen noted there is a lot of transformation going on in the retail industry and listed examples of current trends, including mixed uses.

Council Member Djernaes suggested Solvang may want to consider implementing some of those trends, as a community.

City Manager Gassaway reported some of those broad trends will be included in a quarterly report.

Administrative Services Director Bradford continued with the presentation.

Mayor Toussaint noted implementation of Measure Z would show a change in the cash flow and reported that several hotels did substantial remodels, which increased the average daily rates.

City Manager Gassaway noted items that were taken into account in developing the 5%, including new units and hotel remodels.

In response to Mayor Toussaint's request Administrative Services Director Bradford redefined those items included in discretionary expenses. She explained the positive net change to the General Fund is not inclusive of discretionary items.

Mayor Toussaint commented positively on the budget document and felt it would premature to make too many changes, prior to the upcoming retreat. He addressed the forecasting models and believed they will help Council be more proactive instead of reactive. He indicated the decisions made today will have an impact on what Council will run into, down the road. Going forward, the City could transition to a multi-year budget easing the burden on staff and Council.
Council Member Djernaes stated he likes the forecasting but opined it seemed a bit static. He offered to work with staff to get a "more realistic" forecast.

Mayor Toussaint suggested dedicating some time, during the retreat, to fully review forecast items to help the public and Council understand how the forecasts work.

Council Member Djernaes asked regarding an updated CIP schedule and City Manager Gassaway reported the CIP is a ten-year outlook of Capital Improvement Projects and is readopted annually by Council.

Mayor Toussaint added it would drive certain recommendations for Council to consider.

Council Member Djernaes indicated he would like to see a CIP update at the same time as the budget review.

Mayor Toussaint noted different funding mechanisms for CIPs.

City Manager Gassaway stated staff is working hard to get the budget and CIPs together in subsequent years, as best practices dictate.

Mayor Toussaint opened the item to public comment at 9:42 p.m.

Tracy Farhad, Executive Director, Solvang Conference and Visitors Bureau
- Distributed copies of their strategic and marketing plan
- Commented positively on elements of the proposed budget
- Noted infrastructure issues that need to be addressed
- Thanked Council for considering the Tourism and Marketing budget as essential to the entire budget and maintaining and growing the General Fund

Max Hanberg, Solvang Resident and Business Owner
- Commented positively on Solvang's performance compared with other cities

Mayor Toussaint closed the public comment period.

City Manager Gassaway explained that staff broke out everything that was not operational to give Council a sense of what is left over as an opportunity for Council to identify target projects or goals that may need additional funding. These can be incorporated into the budget as a budget adjustment after the budget adoption. He added adoption of the budget is scheduled for June 24, 2019.

Mayor Toussaint stated that nothing is in stone, until Council adopts the budget. Once Council identifies goals and projects on June 22, 2019, Council may deliberate on those on June 24, 2019.

Interim City Attorney John Cotti explained that typically, the budget must be adopted by July 1st. It could be done through a special meeting or the June 22nd meeting and amended on the 24th.

Council Member Waite expressed concern that the tourism element, including arts and culture have been omitted from funding consideration and there would be challenges in adding it after approval of the budget.

City Manager Gassaway reiterated what is shown, under the General Fund, is maintaining status quo operations of day-to-day City services to residents. That would leave money to take into account grant requests at a funding level recommended by the Finance Committee, the Chamber's request, CBB's requests as well as staff's recommended Priority 1 discretionary items. If Council adopted the budget, at that level, that would still leave $595,000 of budget surplus that could be used for
special projects that may be the goals of Council during the coming year.

Council Member Clarke agreed, and Mayor Toussaint reiterated all of those items will be up for deliberation on June 24, 2019.

Council Member Djernaes referenced the City vision and noted moving forward, technology will play a bigger role in how the City provides services which may lead to reconsidering staffing. He asked about the appropriate level of staffing currently and in the future and wondered if the City could do more, with less. Additionally, he inquired about services that could be outsourced and stated those are issues he would like to see addressed. In terms of CalPERS, he questioned how it was budgeted, including the OPEB, adding that it does not take into consideration actual expenditures in addition to the $70,000 the City pays into the fund.

Administrative Services Director Bradford noted the OPEB Trust was formed in 2016 and that a new valuation is due soon.

Council Member Djernaes indicated he would like to look at the City's retirement plans. He expressed concern that unfunded liabilities are growing rapidly and must be addressed, going forward.

In response to Council Member Waite's inquiry regarding Finance Committee recommendations, Mayor Toussaint clarified they did not make recommendations on the Chamber of Commerce or the Solvang Conference and Visitors Bureau but deferred that conversation to the full Council. In terms of the forecasts, Mayor Toussaint stated there must be deliberations over CIP priorities and aging infrastructure that must be addressed now and in the future.

City Manager Gassaway suggested generating a percentage of generalized revenue set aside into the funds and recommended Council develop these decisions over the coming year. By taking a comprehensive view of all of the City's capital requirements, Council can then start developing a policy. The City could have a Capital Reserve Fund dedicated to funding the CIP annually and not related to the General Fund.

Mayor Toussaint stressed Council is responsible for the budget and commented on the importance of having funding mechanisms in place.

City Manager Gassaway reported as Council identifies priorities, conversations can be had over the next year. He asked whether Council agreed to carry the operations portion into the final budget document and Members of Council, agreed.

City Manager Gassaway referenced departmental Discretionary items identified under Priorities 1, 2 and 3 and asked for Council input. He confirmed it includes some CIP Public Works projects.

Mayor Toussaint suggested going through the discretionary allocations and reidentifying priorities.

City Manager Gassaway reminded Council that if all Priority 1 projects were done the City would still post a surplus in the General Fund of nearly $600,000 in the year.

Administrative Services Director Bradford clarified that Priority 1 projects were built into the budget and the budget summary.

Discussion followed regarding considering the Waste Water Treatment project as Priority 1 instead of Priority 2. City Manager Gassaway added that the overall funding has not been fully developed for that project. Funding may not necessarily come from just reserves and there may be additional funding strategies that will be presented to Council once they are determined.
Administrative Services Director Bradford added that Priority 1 items were identified by staff as beneficial to start implementing at the beginning of the year.

**Motion made by Council Member Waite to approve the Operating Budget as presented and to discuss allocations of discretionary items on Council's meeting of June 24, 2019. Motion dies for lack of a second.**

Mayor Toussaint suggested postponing approval of the Operating Budget until after Council's retreat to deliberate and better-understand it and allocations of discretionary items.

Council Member Djernaes agreed there is no rush and stated he would love to hear what the community has to say before the budget is formally adopted.

Council Member Waite added the retreat on June 22, 2019, will give the community a chance to weigh in on discretionary items.

Mayor Toussaint opined the Waste Water Treatment project should be a Priority 1 and asked about funding in relation to some of the studies referenced in the document.

Public Works Director van der Linden explained the studies and the corresponding funding sources.

Mayor Toussaint commented on the need to complete specific studies to determine whether to proceed with projects, prior to spending money, elsewhere.

Public Works Director van der Linden discussed studies that have been completed and in process and stated they will be presented to Council in the near future.

Discussion followed regarding whether it is in the City's best interest to spend limited available funds on studies that may or may not result in long-term positive outcomes.

Mayor Toussaint stated last year, Council set a goal of determining ways to fund storm-water management without increasing water rates. He asked whether that was built in the current forecasts and Public Works Director van der Linden confirmed it was not, but a study found the City's storm water is in good shape. He addressed smaller projects within the system that will need to be done within the next ten years (within CIPs) as well as funding for them, including updates to impact fees.

City Manager Gassaway suggested returning to Council on June 24, 2019 with a revised budget that show all of Public Works infrastructure and a real-time cost assessment as separate line items.

Mayor Toussaint added it should include options of other funding mechanisms over a period of time.

City Manager Gassaway agreed, adding there is a need to understand long-term liabilities.

Public Works Director van der Linden noted the City's capital needs far exceed the funds available.

Mayor Toussaint stated funding will most-likely have to come from a mixture of sources including cuts and ways of growing the City's base economically for additional revenue.

**Motion made by Mayor Toussaint to receive and file the report and direct staff to return with an updated report, following Council retreat on June 22, 2019, seconded by Council Member Waite, and carried with a roll call vote of 4-0-1, with Council Member Johnso, absent.**

9. **COUNCIL MEMBER AB1234 AND COMMITTEE REPORTS**
(Oral reports: Each Council Member will give oral reports on their activities in relation to the following committee or agencies. In addition, each member may report on items that will be included on the agenda for such committee or agency and seek guidance from the Council as a whole on such items, including on what position to take on behalf of the City)

- Santa Barbara County Association of Governments
- Air Pollution Control Board
- Joint Wastewater Committee
- Chumash Ad Hoc Committee
- Library Ad Hoc Committee
- EMA Groundwater Sustainability Agency
- Water Ad Hoc Committee
- Economic Development Ad Hoc Committee

Council Member Clarke reported that he attended the JPIA Newly Elected Official's Academy in Laguna Beach, California, and added that he will be attending a League of California Cities event and CLAC Budget meeting.

Mayor Toussaint reported that he too will attending the League of California Cities event.

City Manager Gassaway reported Council Member Johnson attended the CJPIA Newly Elected Official's Academy.

10. **COUNCIL COMMENTS AND REQUESTS**

Mayor Toussaint referenced comments regarding Urban Growth Boundaries and a presentation given to Council last year, and requested a presentation be given to Council at a future meeting.

11. **ADJOURNMENT:** Mayor Toussaint adjourned the meeting at 10:56 PM.
CALL TO ORDER: Mayor Toussaint called the meeting to order at 6:30 p.m.

ROLL CALL:

PRESENT: Mayor Toussaint, Council Members Clarke, Djernaes, Johnson, and Waite

STAFF: David Gassaway, City Manager; Chip Wullbrandt, Interim City Attorney; Matt van der Linden, Public Works Director; Holly Owen, Planning & Economic Development Director; Fred Lageman, Parks & Recreation Director; Xenia Bradford, Interim Administrative Services Director; Lt. Eddie Hsueh; and Lisa S. Martin, City Clerk

PLEDGE OF ALLEGIANCE

PRESENTATIONS

A presentation was given by Eric Daniels of PG&E regarding the Public Safety Power Shutoff Program (PSPS). Explained PG&E’s new program and urged residents to go to www.pge.com/mywildfirealerts to update their contact information.

1. PUBLIC COMMUNICATIONS – WRITTEN OR VERBAL

Karen Joordan, Santa Ynez Valley Resident

- Concerned about the PSPS and that there are no cooling centers available

Hank Homburg, Solvang Resident

- Asked if the Council had a Master Plan as it would be helpful

Ed Skytt, Solvang Resident and Business Owner

- Asked that the Council do more research before giving away money to a for-profit company that will not benefit the city as far as TOT dollars anyway because it’s on a weekend (Gran Fondo)
- Bad precedent to give City money to for-profit organizations
- Expressed displeasure with the way the Council appointed members to the BAR
- Thinks that councilmembers should put out more accurate information when comparing the cities of Solvang and Buellton in regards to number of employees
Susan Bott, Save Our Solvang
  ➢ Save our Solvang has been researching the process and intend to place an Urban Growth Boundary initiative on the 2020 ballot

Hazel Mortenson, Solvang Residents
  ➢ The City should be spending funds to eradicate rodents

CITY MANAGER’S REPORT & ADVANCE CALENDAR

City Manager Gassaway gave an update on the city’s plan to keep generators running during a PSPS to ensure no interruption of service to residents.

3. CONSENT AGENDA
   a. Approval of Agenda as Presented
   b. Approval of Sheriff’s Department Report for May 2019
   c. Approval of draft Minutes of the May 13, 2019 City Council Meeting
   d. Cancellation of July 22, 2019 City Council Meeting
   e. Ordinance amending Title 10, Building Regulations, establishing a Sewer Impact Fee
      Adopt on second reading, by title only, Ordinance No. 19-0338, amending the Solvang Municipal Code, Title 10 – Building Regulations, and establishing a Sewer Impact Fee; Adopt Resolution No. 19-1080, setting the Sewer Impact Fee amount at $1,123 per EDU; and Accept the CEQA Exemption pursuant to Section 15061(b)(3) finding no possibility of significant impact
   f. Notice of Completion – Mission Drive Sewer Main Crossing Repair Project, PW 118
      Accept the Mission Drive Sewer Main Crossing Repair Project as Complete, and direct the City Manager to execute and record the Notice of Completion
   g. Notice of Completion – WWTP Pond Dredging Project, PW 129
      Accept the WWTP Pond Dredging Project as Complete, and direct the City Manager to execute and record the Notice of Completion
   h. Award Construction Contract – FY 2019-20 Pavement Maintenance Project, PW 130
      Award a Construction Agreement with Ramsey Asphalt Construction in the amount of $149,698.85; authorize execution of the Agreement by the Mayor; and authorize the City Manager to execute any change orders if within the contingency amount of $15,000

Council Member Waite noted that the draft meeting minutes were incomplete as to public comment by Joan Jamieson. City Clerk Martin indicated she would correct.

Motion made by Council Member Waite to approve the consent agenda with the correction to the Minutes regarding Joan Jamieson’s comment, seconded by Council Member Clarke, and carried with a roll call vote of 5-0.

REGULAR AGENDA

4. HEARING ON THE APPEAL OF CITY MANAGER DETERMINATION REGARDING REQUESTED WAIVER OF SIDEWALK INSTALLATION FOR THE MERKANTILE PROJECT

Staff report by David Gassaway, City Manager.
Mayor Toussaint questioned the reasoning of the prior City Manager’s decision to waive the sidewalk at the adjoining property. City Manager Gassaway explained the topography differences and other findings behind the decision.

Int. City Attorney Wullbrandt noted that he agreed that the code does not allow the City Manager flexibility and that the code section could be changed.

Mayor Toussaint opened the item to public comment at 7:31 p.m.

Ed Skytt, Solvang Resident
- There is a very steep slope at the adjoining property, it was infeasible
- Suggested that at least the sidewalk to and around the bus shelter be completed for ADA reasons

Hazel Mortenson, Solvang Resident
- Opposed the tree removal and construction noise from the development

Josh Richman, Owner, The Merkantile
- Explained that for ADA purposes, he could not construct stairs up to the site, it must be a ramp
- Caltrans has plans for the intersection of Alamo Pintado and Mission, so any sidewalk put in may have to be demolished when they begin their improvements

Gabe Rosetti, Solvang Resident
- Gary Blake, owner of the adjoining property under development, has made improvements to their neighborhood
- The owner of this development has done nothing to improve, only caused more traffic and noise

Kerry Rosetti, Solvang Resident
- The Merkantile needs to be more walkable, possibly with stairs from the sidewalk to the new CVS
- Needs to be more functional and accessible
- If you don’t make this developer build it, then Solvang will have to pay for it later

The public comment period was closed at 7:42 p.m.

Council Member Waite agreed with the developer that it would be a sidewalk to nowhere. Does not feel like a sidewalk is safe on 246.

Council Member Clarke preferred alternative recommendation 3 to ensure that the bus stop area is completed.

Int. City Attorney Wullbrandt asked the Council to also consider recommendation 6 to revise the ordinance to allow the City Manager more flexibility in these types of decisions.

Council Member Djernaes questioned whether there was any update on future Caltrans plans.

Public Works Director van der Linden responded that Caltrans has agreed to schedule the reconstruction of the Alamo Pintado bridge for fiscal year 2024-25. They will replace and widen the bridge and include a bike/pedestrian lane. At the same time, Caltrans will consider a roundabout at the Alamo Pintado intersection.

Mayor Toussaint stated that he thought the money could be better spent to improve conditions for neighboring residents on the Old Mission Drive side. Direction to staff to sit down with the developer to renegotiate the agreement to include the bus stop for the purpose of increased use and accessibility.
Motion to grant Mr. Richman’s appeal for waiver for any sidewalk past the bus stop, direct the City Manager to renegotiate the Agreement for Land Development Improvements, and direct a review of the Solvang Municipal Code to provide greater administrative flexibility for determinations and/or enforcement of development requirements of the Municipal Code made by Mayor Toussaint. Seconded by Council Member Djernaes, and carried on a roll call vote of 5-0.

Mayor Toussaint announced a five minute break. The City Council reconvened at 8:15 p.m.

5. FISCAL YEAR 2019-20 BUDGET ADOPTION AND GRANT AGENCY FUNDING

Mayor Toussaint opened the item to public comment at 8:16 p.m.

Michael Baker, CEO of United Boys & Girls Club
  ➢ Not requesting a grant, but wanted the Council to know that they are starting a program at the Solvang School this year

Raiza Giorgi, Central Coast Film Festival
  ➢ Planning and producing the Central Coast Film Festival, which will be the first weekend in October of 2020
  ➢ Grass Roots festival which will host the opening and closing in Solvang and will include Danish filmmakers with films about Denmark

Kevin Walsh, President of Allan Hancock College, speaking on behalf of the Solvang Chamber Board
  ➢ Reducing the amount of their request in light of comments during the Council retreat
  ➢ The Chamber has produced and distributed over 100,000 walking maps, completed an Economic Development Strategy Study, and held 19 educational classes

Greg Pensa, Santa Ynez Valley Rotary
  ➢ Thanked the Council for supporting the Fourth of July fireworks show
  ➢ 72% of fireworks attendees come from outside the Valley
  ➢ It costs $56,000 to put on this event, they are asking for $25,000 in support

Joan Jamieson, Solvang Resident
  ➢ Spoke in favor of non-profits for children’s programs, such as Therapeutic Riding and the Wildling Museum

Chris Nielsen, Theaterfest
  ➢ The Theaterfest serves the community well for fundraising events
  ➢ Support what makes Solvang different and special

Ellen Albertoni, Solvang Senior Center
  ➢ The Senior Center has been part of the community for 43 years and now serves almost 500 members
  ➢ The center serves 4,000 meals annually and provides many services and activities
  ➢ The center operates with one ¾ time Director and 2 ½ time positions, they are very thrifty

Richard Lane, Santa Ynez Valley Master Chorale
  ➢ They are an Arts organization and provide free community concerts
  ➢ The Master Chorale directs a children’s choir, which is not in their school curriculum
  ➢ Invited all to the Fourth of July concert in Solvang Park after the parade
Pam Gnekow, Buellton Senior Center Transportation Program
- They are the only transport program in the Valley
- Basically, it is an on-call program

Tracy Farhad, SCVB
- They are willing and more than happy to show where every penny goes
- The CVB would propose to meet more with City staff and the Chamber to work more cohesively
- Informed the Council that slashing marketing always has the opposite effect than intended savings

Amy Derryberry, Veggie Rescue
- 16% of the food collected is distributed in Solvang
- They provide produce to Solvang School, the Senior Center, Bethania Preschool, SYHS, and People Helping People

Brian Stenfors, Santa Ynez Valley Historical Museum
- Rebranded this year to become a destination, and includes Solvang founders exhibits
- Would like $5,000 grant to help fund

Leanne Watson, Zaca Center Preschool
- Her son has a disability and this treasure of an academic facility has a foundation of inclusion
- 75% of their special education program is funded by grants

Mark Booher, PCPA
- PCPA provides a cultural benefit to the community and boosts economic vitality
- They pay all of the production costs and salaries of the Theaterfest/Festival Theater
- The cost to operate the Festival Theater is $410,000 annually

Katie Higgins, United Way
- Asking for support of the Fun in the Sun program

Stacey Otte-Demangate, Wildling Museum
- The Wildling is the only museum in California dedicated to connecting people to nature through art
- All age art workshops and kids craft classes
- Served over 12,000 people last year and provided all age art workshops and kids craft classes
- They are working with the Solvang School art program

Richard Barca, Santa Ynez Valley Rotary
- The Fourth of July is a core event for the city
- It is also a free show for all of the local residents who watch from their porches and yards
- The show costs about $56,000 to put on, and they are requesting the city’s support

Kim Jensen, SCVB Board Member
- He would hate to see the Council consider outsourcing in this budget
- Tracy Farhad and her team are experts and they need the funding, they are performing well for the city

Bethany Clough, Santa Ynez Valley Botanic Garden
- The botanic garden provides an educational forum
- The garden is all volunteer, the entire budget is donations and grants
- They are continuing a program with the Solvang Elementary School
Esther Jacobsen-Bates, Elverhoj Museum
- The Elverhoj is the cornerstone of Solvang’s history, culture, and art
- They operate utilizing more than 75 volunteers
- 2018-19 saw a significant increase in visitors
- They are asking for $5,000 more in order to publish a 220-page hardbound book called the “Spirit of Solvang” which has been 2 years in development and goes to print later this summer

Sid Goldstein, Santa Ynez Valley Wind Ensemble
- Their concert band provides free concerts during most city events and provide benefit to the community as an outlet for musicians

Robin Serritslev, Therapeutic Riding Academy
- Riding horses stimulates the spinal cord and brain, with some fantastic results
- Asking for the Council’s continued support

Shelby Sim, VisitSYV Executive Director
- It is important to support the Solvang CVB
- Tracy Farhad has been a warrior for Solvang and is an incredible, well-known resource

Megan Garvey, Trustee of the Solvang School District, representing SAM
- Advocating tonight on behalf of the children
- All children should have the same opportunity for art and music education other than expensive, extra-curricular classes

Allen Davenport, President of SAM
- Appreciate the Council’s support, they are a 100% volunteer organization

Mayor Toussaint closed the item to public comment at 9:13 p.m.

Staff report by Xenia Bradford, Interim Administrative Services Director.

Mayor Toussaint recuses himself from the decision on grant funding for the Theaterfest due to a conflict of interest.

Mayor Pro Tem Clarke leads discussion of the Theaterfest item.

Council Member Waite stated that in light of the Council goals developed at the retreat, she does not feel that adding $5,000 to the grant is appropriate at this time.

Council Member Djernaes discussed a change in policy relating to matching funds. City Manager Gassaway indicated that a change in the Grant Funding policy would be required. There is discussion regarding bring that change back prior to next year’s grant funding cycle.

Council Member Johnson agrees with Council Member Waite that the amount of $30,000 instead of $35,000 is adequate, as the city has major expenses to contend with.

Motion made by Council Member Waite to grant $30,000 to the Theaterfest, seconded by Council Member Johnson, and carried with a roll call vote of 4-0-1 with Mayor Toussaint not participating.

Motion made by Council Member Clarke to approve the grant funding as recommended by the Finance Committee with the exception of adding $5,000 to the Therapeutic Riding Program.
Council Member Djernaes would also like to see Atterdag at Home and Veggie Rescue funded.

Council Member Johnson is fine with making changes in amounts, but he does not want to see the Council increase the overall amount of money granted.

There was discussion regarding balancing wants vs. budget needs for funding capital improvements, unfunded liabilities, etc.

**Motion reiterated by Mayor Toussaint to approve the grant funding as indicated by the Finance Committee with the exception of adding $5,000 to the Therapeutic Riding Program.**

Council Member Djernaes **amended** the Motion to bump Atterdag at Home to $10,000 (from $2,000).

Mayor Toussaint does not accept amended Motion.

**Motion by Council Member Clarke to approve the grant funding as recommended by the Finance Committee with the exception of adding $5,000 to the Therapeutic Riding Program and increasing the Atterdag at Home funding to $10,000. Motion seconded by Council Member Djernaes, and failed on a roll call vote of 2-3 with Mayor Toussaint and Council Members Johnson and Waite voting No.**

**Substitute Motion made by Council Member Clarke to approve the grant funding as recommended by the Finance Committee with the exception of adding $5,000 for the Therapeutic Riding Program. Seconded by Council Member Johnson, and carried with a roll call vote of 3-2 with Council Members Waite and Djernaes voting No.**

Discussion ensued regarding the funding for the Solvang Conference & Visitors Bureau and Solvang Chamber of Commerce.

Council Member Djernaes commented that there is a great need for a Visitors Bureau, but does not feel that it is run efficiently, it may need to be defunded and reorganized.

Council Member Waite disagreed and indicated she is a great supporter of the CVB and Chamber and that they need substantial investment.

Council Member Clarke noted he had spoken to many other entities, and they think Solvang is crazy to spend so much on their Visitors Bureau and Chamber. Per capita Solvang is the most generous city in California.

Council Member Johnson agreed that the spending is out of hand, but appreciates that the Chamber reduced their request by $100,000.

Mayor Toussaint expressed concern that insufficient funding could result in a loss of valuable income and appreciated the SCVB’s marketing vision for 2019-20, and also noted that the Visitors Center is manned by the CVB and is very important.
Council Member Djernaes suggested that the CVB needs more oversight and control. Tracy Farhad has done a great job but in his opinion we could do the same thing more efficiently.

**Motion** made by Council Member Waite to approve funding the SCVB in the amount of $600,000. Seconded by Mayor Toussaint, and **carried** with a roll call vote of 3-2 with Council Members Djernaes and Johnson voting No.

**Motion** made by Council Member Waite to approve funding the Solvang Chamber of Commerce in the amount of $200,000. **Motion dies** for lack of a second.

Council Member Johnson commented that in light of the hard cut to the SCVB funding, he would like to see a bigger reduction in the Chamber funding, and proposed that the City match their membership dues income which he estimates at approximately $50,000. Mayor Toussaint asked if he was requesting that we match membership dues only and not donations or other income. Council Member Johnson indicated that was correct.

**Motion** made by Council Member Johnson to approve funding the Solvang Chamber in an amount matching their membership dues, not to exceed $50,000. **Motion dies** for lack of a second.

Council Member Djernaes indicated that in his discussions with many other entities he discovered that most cities spend about $25,000 on their chamber, and reiterated his point that he thinks both CVB and the Chamber need more oversight and added that he felt they were too political.

**Motion** made by Council Member Djernaes to approve a matching funds grant to Solvang Chamber in the amount of $25,000. **Motion dies** for lack of a second.

**Motion** made by Council Member Clarke to approve funding the Solvang Chamber in the amount of $175,000. Seconded by Council Member Waite, and **failed** with a roll call vote of 2-3 with Mayor Toussaint and Council Members Djernaes and Johnson voting No.

Mayor Toussaint discussed his concern that the city cannot support additional tourism without the needed infrastructure improvements.

**Motion** made by Council Member Djernaes to approve funding the Solvang Chamber in the amount of $50,000 with additional oversight as to how their board is structured and what their strategies are. **Motion dies** for lack of a second.

**Motion** made by Council Member Clarke to approve funding the Solvang Chamber in the amount of $150,000. Seconded by Council Member Waite.

**Motion amended** by Council Member Djernaes to add additional oversight. Council Member Clarke accepted the amendment. **Motion failed** on a 2-3 vote with Mayor Toussaint and Council Members Djernaes and Johnson voting No.
Mayor Toussaint expressed his desire to amend the grant funding policy to include apolitical language.

City Manager Gassaway responded that policies within the budget could be updated now.

Council Member Johnson stated that Council could still do that with CVB to include the desired language – approve the money now, and change the policy later. Mayor Toussaint explained to the other councilors that the whole budget is up for discussion.

Council Member Djernaes asked for clarification that the budget as a whole was still open and whether that meant they could still change the amounts of the grants – in a week or so.

City Attorney Wullbrandt replied that although the City needs to have an approved budget to expend funds to operate without having to come back to Council for every little thing. That doesn’t mean that the Council can’t give direction to staff about particular items. He would note that these grantees are not guaranteed this money until a contract is executed. In light of that, the Council could come back with these two entities or any of the others to add requirements for metrics or anything else.

**Motion made by Council Member Waite to approve funding the Solvang Chamber in the amount of $150,000. Seconded by Council Member Clarke, and carried with a roll call vote of 3-2 with Council Members Djernaes and Johnson voting No.**

Council moved on to discussion on the Operating portion of the budget and discretionary funding.

Mayor Toussaint has no issue with the Priority 1 discretionary items. Update of the Design Guidelines is a very high priority.

Council Member Johnson mentioned the Solvang Park shade structure and that he would rather remove that and integrate that into the Parks master plan.

There was a minor discussion on various discretionary items, and it was determined that the Sunny Fields Park repair cost items that were listed twice are correct. The total of the item is $100,000.

Public Works Director van der Linden requested that Council consider moving the Facilities Master Plan item which is listed as a Priority 2 item up to a Priority 1 based on the goals developed by Council.

**There was Council consensus to move the Facilities Master Plan up to a Priority 1 item.**

Mayor Toussaint questioned the water fund breakdown on pg. 229 of the packet and actuals of purchased water and State water. Page 149 also shows a big jump in purchased water. With the addition of Well 22 he would think the amount of purchased water would be lower. After a discussion between Mayor Toussaint and Public Works Director van der Linden it is decided to only approve the $60,000 for the meter fees.

Staff noted the discrepancy and City Manager Gassaway noted that in order to move on tonight, staff could zero out that item and come back with a number for supplemental water if there is a need to purchase.
Council Member Djernaes questioned the Water and Wastewater salary and benefits increases.

City Manager Gassaway indicated that staff would have to come back with an explanation for percentage of increases of both Water and Wastewater.

**Motion** made by Council Member Johnson to accept the operating budget as is with approval of the Priority 1 discretionary items with the recognition that there may be minor changes to the final budget as staff investigates some of the noted discrepancies; and with the inclusion of the following goal language from the June 22 retreat: “Reduce and contain City Hall operating expenses to be a best practice financial model for small city governments, identify outsourcing opportunities, technology options, and analyze staffing and internal systems to meet critical demands, efficiency, and effectively restructure accordingly.” Motion seconded by Council Member Waite.

Mayor Toussaint commented that it might be the appropriate time to add something regarding prohibition of political activities to contracts.

City Attorney Wullbrandt questioned staff as to whether the grant recipients sign a contract of any type. Staff responds that both the Chamber and SCVB have contracts, but the other grant recipients do not.

City Manager Gassaway responded that staff can draft something this year for grant recipients that will include something along the lines of a policy or a contractual obligation that they not be involved in any litigation or political activities.

Council Member Djernaes liked that idea but would also like to include language that required broader oversight and supervision and to open up their boards to the public.

City Attorney Wullbrandt suggested that the agreements for the Chamber and SCVB be brought back to the Council for review.

City Manager Gassaway offered to research and bring back a comprehensive staff report on other chambers and visitors bureaus throughout the State and develop some best practices.

There is Council consensus to bring back an agenda item back to Council on the subject.

City Manager Gassaway reiterated the Motion, stating it as: “to approve the budget as presented, with direction to modify the budget as needed after the Staff retreat and our identification of work plans to meet Council’s goals as discussed on Saturday, addition of goals language such as the Be More Effective By Doing More With Less Goal of the City Council specifically, as well as review of best practices for chamber and CVB funding throughout the state.”

**Motion carries** with a roll call vote of 5-0.

6. **COUNCIL MEMBER AB1234 AND COMMITTEE REPORTS**

- Santa Barbara County Association of Governments
- Air Pollution Control Board
- Finance Committee
• League of California Cities
• Chumash Tribe
• Water Committee
• CA Joint Powers Authority
• Joint Wastewater Committee
• Library Advisory Committee
• EMA Groundwater Sustainability Agency
• Economic Development Committee

None.

7. COUNCIL COMMENTS AND REQUESTS

None.

8. CLOSED SESSION
Government Code Section 54957.6 Conference with Labor Negotiators, Agency Representative – David Gassaway, City Manager – Employee Organization Teamsters Local 986

The Closed Session was cancelled at the direction of the City Attorney that it was not necessary.

9. ADJOURNMENT: Mayor Toussaint adjourned the City Council meeting at 11:28 p.m.
TO: SOLVANG CITY COUNCIL MEMBERS

FROM: Lisa S. Martin, City Clerk/Executive Assistant

MEETING DATE: August 26, 2019

DATE PREPARED: August 21, 2019

SUBJECT: ORDINANCE AMENDING THE SOLVANG CITY MUNICIPAL CODE REGARDING CONFLICT OF INTEREST DISCLOSURES

I. RECOMMENDATION:

Adopt on second reading, by title only, Ordinance No. 19-____, an Ordinance of the City Council of the City of Solvang updating Section 1-11-1 of the Solvang Municipal Code to include the Special City Auditor as a position required to disclose all investments, income, and interests in real property pursuant to California Government Code Section 87200.

II. DISCUSSION:

Chapter 11 of Title 1 of the Solvang Municipal Code is known as the Conflict of Interest Code. Section 1-11-1 of the Solvang Municipal Code requires identifies the certain officials who shall disclose investments, interest in real property, and income, pursuant to Government Code Section 87200.

Persons holding these positions must disclose all of the information set forth on a conflict of interest (Statement of Economic Interests) form prescribed by the Fair Political Practices Commission (FPPC).

As the position of Special City Auditor is an appointed public official it is subject to the Political Reform Act of 1974, which provides that public officials shall not participate in matters in which it is known or in which there is reason to know that the official has a financial interest. It is foreseeable that the Special City Auditor could participate in discussions or decisions regarding City of Solvang matters.
The City Council approved the first reading of the ordinance amendment at its August 12, 2019 meeting.

III. **FICAL IMPACT:**

None.

IV. **ATTACHMENT:**

- Ordinance No. 19-____
ORDINANCE NO. 19-____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SOLVANG
AMENDING THE SOLVANG MUNICIPAL CODE TITLE 1 CHAPTER 11,
CONFLICT OF INTEREST CODE

WHEREAS, the Political Reform Act of 1974 (Section 81000, et. Seq., California Government Code) provides that public officials shall not participate in matters in which it is known or in which there is reason to know that the official has a financial interest; and

WHEREAS, the Political Reform Act and implementing State regulations (Section 18730, et. Seq., Title 2, Division 6, California Code of Regulations) adopted by the Fair Political Practices Commission set forth various rules applicable to conflicts of interest, including rules of disclosure and participation; and

WHEREAS, to enhance ready public access and transparency, this Council finds that it is desirable to update the list of positions designated to comply with such codes to include the Office of the Special City Auditor.

NOW, THEREFORE BE IT ORDAINED BY THE PEOPLE OF THE CHARTERED CITY OF SOLVANG that the City Council of the City of Solvang does hereby approve:

Section One. Amendment to Section 1-11-1-A is amended to read as follows:

1-11-1: Disclosure of Certain Officials:

A. As provided in section 87200 et seq., of the California Government Code, the Mayor, members of the City Council, the Special City Auditor, the City Manager, the City Attorney, the Administrative Services Director, and the Planning Commissioners, shall disclose investments, interest in real property and income pursuant to the requirements set out in said section 87200 et seq.

Section Two. Effective Date:

This ordinance shall be in full force and shall take effect thirty (30) days after its passage.

Section Three. Publication:

Solvang is a Charter City and has adopted its own rules for posting ordinances once they are adopted. The ordinance will be posted in three locations after adoption as directed in the Solvang Municipal Code with a record of the vote of each Council Member.
Section Four. Exemption From CEQA:

The City Council finds, pursuant to Title 14 of the California Code of Regulations, section 15061 (b)(3), that this ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) in that it is not a project, which has the potential for causing a significant effect on the environment.

PASSED, APPROVED, AND ADOPTED as an Ordinance by the City Council of the City of Solvang on this ____ day of _________, 2019.

BY: ____________________________
    Ryan Toussaint, Mayor

ATTEST:

Lisa S. Martin, City Clerk

STATE OF CALIFORNIA   )
COUNTY OF SANTA BARBARA )
CITY OF SOLVANG        )

I, Lisa S. Martin, City Clerk of the City of Solvang, do hereby certify that the foregoing Ordinance had its first reading on August 12, 2019 and was adopted on second reading on __________, 2019 by the following vote:

AYES: __________________________

NOES: __________________________

ABSENT: _________________________

ABSTAIN: _________________________

BY: ____________________________
    Lisa S. Martin, City Clerk
I. **RECOMMENDATION:**

Accept the FY 2019-20 Pavement Repair and Crack Seal Project, PW 130, and direct the City Manager to execute and record the Notice of Completion.

II. **BACKGROUND:**

On June 24, 2019, the Solvang City Council awarded the construction contract for the FY 2019-20 Pavement Repair and Crack Seal Project to Ramsey Asphalt Construction for $149,698.85, with a contingency amount of $15,000 for a construction budget of $164,698.85. This work was done as part of our ongoing maintenance, repairs, and improvements benefitting the residents, businesses, and visitors of the City of Solvang. The work was performed throughout the City as shown in the attached Project Location Map.

III. **DISCUSSION:**

The FY 2019-20 Pavement Repair and Crack Seal Project consisted of asphalt concrete overlay skin patching, crack sealing, asphalt concrete pavement dig-out repairs, placement of traffic striping, markings and markers, and bike lanes on Atterdag Road and Fjord Drive. The Fjord Drive bike lanes are the City’s initial attempt to introduce residents to the conceptual Santa Ynez Valley River Trail alignment. The River Trail was identified as a...
high priority (Tier 1) project in the Santa Ynez Valley Bicycle Master Plan. The hope is that one day a river trail will provide a bicycle, pedestrian, and equestrian connection between Buellton and Solvang along the Santa Ynez River.

A summary of all costs associated with this project is as follows:

- Engineering-Design Work (performed in-house) $ 0.00
- Construction Management and Inspection (in-house) $ 0.00
- Initial Construction Contract $ 149,698.85
- Adjusted Actual Quantities $ 4,198.65
- Total $ 153,897.50

The FY 2019-20 Pavement Repair and Crack Seal Project was a success, being completed ahead of schedule and under budget. The project provided valuable improvements for the City of Solvang, as pavement maintenance and rehabilitation restore riding quality and maintain structural integrity of the pavement. The Notice of Completion records project completion and starts the warranty clock, setting the period within which concerned subcontractors and material suppliers may exercise their lien rights with the general contractor as may be applicable.

IV. **FISCAL IMPACT:**

There is no fiscal impact with the Notice of Completion. The FY 2019-20 Pavement Repair and Crack Seal Project was funded by Measure A funds.

V. **ATTACHMENTS:**

1. Notice of Completion
2. Location Map
3. Project Photos
NOTICE OF COMPLETION

Notice is hereby given that:

1. The undersigned is owner or corporate officer of the owner of the interest or estate stated below in the property hereinafter described.

2. The full name of the owner is City of Solvang.

3. The full address of the owner is 1644 Oak Street, Solvang CA 93463.

4. The nature of the interest or estate of the owner is; in fee.

5. A work of improvement on the property hereinafter described was completed on August 19, 2019. The work done was FY 2019-20 Pavement Repair and Crack Seal Project, PW 126.

6. The name of the contractor, if any, for such work of improvement was Ramsey Asphalt Construction.

7. The property on which said work of improvement was completed is in the City of Solvang, County of Santa Barbara, State of California, and is described as follows:

   Various roadway repairs, AC overlay skin patching, crack sealing, AC pavement dig-out repairs, disposal of AC debris, traffic control, placement of traffic striping markings and markers, and bike lanes; and related work.

Dated: August 26, 2019

City of Solvang: Matthew van der Linden, PE, Public Works Director

VERIFICATION

I, the undersigned say: I am the City Manager of the declarant of the foregoing Notice of Completion; I have read said Notice of Completion and know the contents thereof is true of my own knowledge. I declare under penalty of perjury that the foregoing is true and correct.

Executed on ________________________, 2019, at ________________________, California
(Date of Signature) (City where signed)

City of Solvang: David Gassaway, City Manager

Accepted by The Solvang City Council on _______________________
(Date Accepted)
Fjord Dr. Bike Lanes

Dig Out Repairs

Skin Patch

Before

After
CITY COUNCIL
STAFF REPORT

TO: SOLVANG CITY COUNCIL MEMBERS
FROM: David Gassaway, City Manager
MEETING DATE: August 26, 2019
DATE PREPARED: August 19, 2019
SUBJECT: TERMINATION OF LANDSCAPE MAINTENANCE AGREEMENT
WITH MERKANTILE PROJECT FOR SIDEWALK
INSTALLATION ALONG MISSION DRIVE

I. RECOMMENDATION:

City Council approve termination of a Landscape Maintenance Agreement with the Merkantile project and authorize City Manager to execute and record termination documents.

II. BACKGROUND:

On May 15, 2019, Josh Richman, the developer of the Merkantile (“Project”), located at the intersection of Mission Drive (Highway 246) and Alamo Pintado Road, requested the City waive a development condition placed on the Project for construction of street improvements and sidewalk along the Mission Drive frontage of the site. In response to a rejection letter issued by the City Manager on May 28, 2019, Mr. Richman requested an appeal of the City Manager’s decision to the City Council.

At their regular meeting on June 24, 2019, the City Council publicly considered Mr. Richman’s request for appeal and termination of the requirement to construct the sidewalk. The City Council discussed the merits of a shortened sidewalk project and directed the City Manager to renegotiate the Agreement for Land Development Improvements with Mr. Richman. The City Council identified interest in having some sidewalk to serve the Santa Ynez Valley Transit bus stop along Mission Drive.
III. DISCUSSION:

Through negotiation, Mr. Richman agreed to complete installation of the sidewalk to the bus stop location identified on the original plans, as requested by City Council. In exchange, Mr. Richman requested the City rescind a landscaping agreement tied to the sidewalk improvements (Attachment 1).

The Caltrans encroachment permit for the sidewalk improvements requires the maintenance of a strip of landscaping between the Merkantile property line and the sidewalk installed within the Caltrans right-of-way. This created an approximately 3-4 feet wide landscaped area running the length of the sidewalk. The parties entered into an agreement for the Project to maintain the landscaped strip and recorded the agreement against the property.

By shortening the sidewalk to the bus stop, the Project eliminates the need for much of the landscape maintenance. The City Manager agreed in principle with Mr. Richman that the City would maintain any portions of landscaping behind the sidewalk (within the road right-of-way) as required by Caltrans. This represents approximately 150 feet of landscaping as opposed to more than 500 feet of landscaping originally required.

To terminate the Landscape Maintenance Agreement, the City and Mr. Richman will draft a simple document terminating the Agreement and record it against the property. Staff recommends City Council approve termination of the Landscape Maintenance Agreement and authorize the City Manager to execute and record the termination.

IV. ALTERNATIVES:

The City Council may reject the offer by Mr. Richman and provide the City Manager further direction.

V. FISCAL IMPACT:

Staff estimates a nominal annual fiscal impact to maintain the shortened landscaping strip.

IV. ATTACHMENTS

1. Recorded Landscape Maintenance Agreement
LANDSCAPE MAINTENANCE AGREEMENT

This LANDSCAPE MAINTENANCE AGREEMENT (the "Agreement") is by and between the City of Solvang ("City") and 1980s Old Mission Drive, LLC ("Owner"). This Agreement shall be effective the date it is fully executed by all parties (the "Effective Date").

SECTION I — RECITALS

A. Owner is the record owner of Assessor's Parcel Nos. 139-540-051 and 139-540-052, located at 1980-1992 Old Mission Drive, Solvang, CA 93463 (the "Parcels").

B. The California Department of Transportation ("Caltrans") has issued Encroachment Permit 0517 6CD 0464 (the "Permit") authorizing the installation of certain sidewalk and drainage improvements, landscaping, and an irrigation system within State of California right-of-way on State Route 246, along the Parcels' southern property line (the "ROW").

C. Under the terms of the Permit, City has assumed certain duties and obligations to maintain the landscaping and irrigation system adjacent to the new sidewalk within the Caltrans ROW. Attached hereto as Exhibit, and incorporated herein by this reference, is a depiction of the landscape area within the ROW (the "Landscape Area").

D. Owner agrees to assume the City's duties and obligations under the Permit to maintain the landscaping and irrigation system within the Landscape Area.

In consideration of the mutual covenants and promises herein contained, City and Owner agree as follows:

SECTION II — AGREEMENT

1. Owner agrees to discharge City's obligation under the Permit to maintain the landscaping and irrigation system installed within the Landscape Area. Owner shall not be responsible for maintaining or repairing sidewalks, curbs, bus stops, or any other non-landscaping related infrastructure that may be constructed by Caltrans, City, or others within the ROW. Owner further agrees to do the following with respect to the Landscape Area:
1.1. Prepare and submit plans and specifications ("Plans") for the landscaping and irrigation system to be installed within the Landscape Area to City and Caltrans for approval.

1.2. Install the landscaping and irrigation system within the Landscape Area as shown on the approved Plans.

1.3. Maintain the landscaping and irrigation system within the Landscape Area to keep a neat and attractive appearance. Owner shall replace, repair, or remove from service any landscaping component within the Landscape Area that has become unsafe or unsightly.

1.4. Furnish electricity for irrigation system controls, water, and fertilizer necessary to sustain healthy plant growth.

1.5. Replace unhealthy or dead plants within a reasonable time, or within 30 days of receiving a written notice from the City that plant replacement is needed.

1.6. Prune shrubs and trees to control extraneous growth to ensure that lines of sight to signs and corner sight distances are always maintained for the safety of the public. City and/or Caltrans shall be responsible for notifying Owner if trimming or other maintenance is necessary to comply with this paragraph.

1.7. Operate and repair the irrigation system in a manner that prevents water from flooding or spraying onto the highway, spraying parked or moving automobiles, spraying pedestrians on public sidewalks/bike paths, or leaving surface water that becomes a hazard to vehicular, pedestrian, or bicyclist travel.

1.8. Control weeds at a level acceptable to the City. Any weed control performed by chemical weed sprays (herbicides) shall comply with all laws, rules, and regulations established by the California Department of Food and Agriculture. All chemical spray operations shall be reported quarterly (Form LA17) to the City’s Director of Public Works.

1.9. Inspect the Landscape Area on a monthly basis for dangerous conditions.

1.10. Allow random inspection of the Landscape Area by the City.

1.11. To keep the Landscape Area free of litter and deleterious material.

2. City agrees to provide Owner with timely written notice of unsatisfactory conditions within the Landscape Area that require correction. However, the non-receipt of notice shall not excuse Owner from maintenance responsibilities under this Agreement.

3. General

3.1. This Agreement shall be filed with the Santa Barbara County Recorder to place third parties on notice regarding its contents.

3.2. The duties and obligations set forth in this Agreement shall run with the land and be automatically passed along to, assigned to, and assumed by successive owners/buyers of the Parcels by the conveyance of title. In the event of a sale or disposition of one or both of the Parcels, seller shall be fully released of all duties and obligations imposed by
this Agreement. Owner (and successors to Owner) shall be under no obligation to notify City or Caltrans of any sale, disposition, or other transaction affecting ownership or title to the Parcels.

3.3. Nothing in this Agreement is intended to create duties or obligations to, or rights in, third parties or affect the legal liability of either party to this Agreement by imposing any standard of care pertaining to the design, construction, and maintenance of the improvements contemplated by the Plans other than the standards of care imposed by law.

3.4. If during the term of this Agreement, Owner should cease to maintain the Landscape Area to the satisfaction of City as provided in this Agreement, City may undertake to perform the maintenance on behalf of Owner. In such a case, City shall first provide written notice to Owner and provide Owner a thirty-day period within which to cure the default. In the event that City undertakes the maintenance obligation, Owner shall only be responsible for City’s reasonable costs of performing the maintenance.

3.5. Neither Owner, nor any officer, director, manager, or employee thereof, shall be responsible for any injury, damage, or liability occurring by reason of anything done or omitted to be done by City under or in connection with any work, authority, or jurisdiction arising under this Agreement. It is understood and agreed that City shall fully defend, indemnify, and save harmless Owner, and its officers, directors, managers, and employees, from all claims, suits, or actions of every name, kind, or description brought forth under, including, but not limited to, tortious, contractual, inverse condemnation, and other theories or assertions of liability occurring by reason of anything done or omitted to be done by City under this Agreement with the exception of those actions of City necessary to cure a noticed default on the part of Owner.

3.6. Neither City, nor any of its elected and appointed officials, officers, or employees thereof shall be responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by Owner under or in connection with any work, authority or jurisdiction arising under this Agreement. It is understood and agreed that Owner shall fully defend, indemnify and save harmless City and all of its elected and appointed officials, officers and employees from all claims, suits or actions of every name, kind and description brought forth under, including, but not limited to, tortious, contractual, inverse condemnation, or other theories or assertions of liability occurring by reason of anything done or omitted to be done by Owner under this Agreement.

3.7. Owner and its contractors shall maintain in force, during the term of this Agreement, a policy of general liability insurance, including coverage of bodily injury liability and property damage liability, naming the City and Caltrans, their elected and appointed officials, officers, agents and employees as the additional insured in an amount of $1 million per occurrence and $5 million in aggregate. Coverage shall be evidenced by a certificate of insurance in a form satisfactory to the City that shall be delivered to the City with a signed copy of this Agreement. In no event shall Owner be liable for bodily injury or property damage in an amount that exceeds that which is covered by the aforementioned insurance policy.

3.8. This Agreement shall become effective upon the date it is fully executed by the parties and shall remain in full force and effect until amended or terminated by the mutual consent of the parties.
IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates set forth below.

Dated: 11/7/18

1980s Old Mission Drive, LLC
By: Joshua J. Richman
   Its Manager

Dated: 10-25-18

City of Solvang
By: Jim Richardson
   Mayor

ATTEST:
By: Lisa S. Martin
   City Clerk

Approved as to Form:

By: David Fleishman, City Attorney
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Santa Barbara

On November 7, 2018 before me, Lisa Suzanne Martin, Notary Public, personally appeared Joshua J. Richman, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

LISA SUZANNE MARTIN  
Notary Public - California  
Santa Barbara County  
Commission # 2150843

Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Maint. Agreement
Document Date: 
Number of Pages: 
Signer(s) Other Than Named Above: 

Capacity(ies) Claimed by Signer(s)

Signer's Name: Joshua J. Richman

Owner

Signer Is Representing: Owner

Signer’s Name:

Corporate Officer — Title(s): 
Partner — Limited General
Individual Attorney in Fact
Trustee Guardian or Conservator
Other:

Signer Is Representing:

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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Santa Barbara

On April 10, 2019 before me, Lisa Suzanne Martin, Notary Public, personally appeared James Donald Richardson who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Lisa Suzanne Martin
Notary Public - California
Santa Barbara County
Signature of Notary Public
Commission Expires April 28, 2020

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document
Title or Type of Document: landscape maintenance agreement
Document Date: 
Number of Pages: 
Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer(s)
Signer’s Name: Jim Richardson
☐ Corporate Officer — Title(s):
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other:
Signer Is Representing: 

Signer’s Name:
☐ Corporate Officer — Title(s):
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other:
Signer Is Representing:

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Certification

Pursuant to Government Code 27361.7, I certify (or declare) under penalty of perjury that the following is a true and correct copy of the illegible portions of this document, which are not photographically reproducible.

Select the Appropriate Box

☐ See attachment(s) for clarification

☐ The illegible portions of the document read as follows:
   (Print or type the page number(s) and wording below)

Executed at Solvang, CA on 4/25/19
   (City and State) (Date)

Signature of Declarant

Lisa S. Martin, City Clerk

Printed Name of Declarant
EXHIBIT

FINANCE AGREEMENT AREA (SHADED)

THE MERKANTILE

EXISTING EPS

MISSION DRIVE

EXISTING EPS

STATE ROUTE 246
2nd Quarter 2019 Report of the Santa Ynez Valley Hotel Association (dba Visit the Santa Ynez Valley) – Submitted 8/7/19

VisitSYV is reporting activity since the 2019 1st quarter report. This report is submitted to the City of Solvang, the City of Buellton and the Santa Barbara County Board of Supervisors, in accordance with the fulfillment of the provisions of the SYVTBID.

Financial

Beginning balance on April 1st, 2019: $286,166

Q2 Income

TBID Funding received 4/1/19 through 6/30/19: $216,646
Membership income: $5,875
Total Income received 2nd quarter: $222,271

Expenses
Advertising/Marketing: $77,459
Grants/Special Projects: $15,165
Travel & Conventions: $16,403
Personnel Costs: $58,838
Contract services: $10,810
Facilities/equipment: $1,215
Operations: $1,656
Other types of expenses: $1,280
Total expenses 2nd quarter: $182,826

Ending Balance as of June 30, 2019: $325,611
Membership
We receive TBID funding from 34 lodging properties and currently have 222 total members that pay a basic membership fee of $250, a nonprofit fee of $125, and trade members where services are traded for membership such as wine, catering, photography. We held 1 networking reception in Q2 at Grassini Family Vineyards that was well attended by membership, public officials and constituents.

Annual Meeting
VisitSYV celebrated a successful 2018 calendar year with our members, community, and attending public officials at our Annual Meeting held at Hotel Corque on Thursday, June 13th. We highlighted 2018 successes, along with early 2019 accomplishments, including increased visitation. As a Tourism Business Improvement District (TBID), we measure part of our success by assessing an increase in hotel occupancy, reflected in our annual funds. The SYVTBID funds collected in 2018 saw an 8.31% increase in comparison to 2017. Further, the TBID saw a Q1 28.5% increase comparing 2018 and 2019. We presented our new Board of Directors slate, who will begin serving the 2019 – 2021 term in July. We honored three industry professionals for their efforts with awards. Marcy Payne, Director of Recreation at Alisal Guest Ranch and Resort, was recognized for her 26 years of service in hospitality with the “Spirit of the Santa Ynez Valley” award. Crystal “Pink” DeLongpre, Chef de Cuisine at Root 246 and Hotel Corque, was recognized for her passion for supporting local, and promoting the Santa Ynez Valley through her media presence with the “Ambassador of the Santa Ynez Valley” award. Giorgio Curti, owner of Amaranto Catering and partner of Leonardo’s, was recognized for exceptional community support and service with the “Spirit of Community” award.

Marketing (April 1, 2019 – June 30, 2019)

Santa Ynez Valley Marketing Campaign
The 2019 VisitSYV Marketing Campaign consists of VisitSYV as the sole stakeholder with $200k invested. DVA Advertising & PR Agency has been contracted for public relations and began our new digital marketing campaign after ad testing was completed by Oniracom in Q1. The new digital campaign utilized findings from the Actionable Intelligence Report developed in Q1, targeting and identifying a new aspirational audience and target demographic. VisitSYV is pleased to report on the metrics supporting the benefits of the collective marketing program. Second quarter marketing results are detailed below.
Creative
VisitSYV kicked off 2019’s Q2 marketing program with new campaign creative developed by DVA Advertising, targeting the personas identified in the aforementioned Q1 Actionable Intelligence Report.

Public Relations Campaign
Public relations efforts for Q2 2019 continued to focus on outreach to major regional and national media outlets, Santa Barbara airport direct flight markets, and key drive markets. Press releases were drafted and distributed covering the region’s rebound/recovery from wildfire and drought, and the upcoming 15th anniversary of Sideways.

Media coordination for planned or completed visits in the second quarter of 2019 included:
- Respond to query from Tanvi Chheda re: what’s new in the Santa Ynez Valley for a pitch to Endless Vacation editors.
- Influencer visit coordination for Melanee Shale (184k followers) for May 19-21 visit to Skyview and Los Alamos.
- Coordination of a May 17-18 media visit for Julie Tremaine, for a Forbes.com story about the wines and wineries of the Happy Canyon AVA.
• Coordination with influencer and former Bachelor contestant Tenley Molzahn (270k followers) for May 17-19 visit to the Santa Ynez Valley.
• Coordination with influencer Travis DesLaurier (960k followers) for April 29-May 1 visit to the Santa Ynez Valley.
• Coordination of June Naylor’s itinerary for Dallas-based 360 West Magazine feature on California’s Central Coast.
• Research, compile, and draft SYV entry for Best Wine Town in the 2019 Sunset Travel Awards competition.
• Planning and coordination for media visit from Sara Samson, senior editor at WestJet inflight magazine, re: May visit for food/wine focused feature.
• Initial outreach and planning for Jillian Murray and a group of lifestyle influencers (combined 5mm+ followers) for a visit to SYV.
• Media visit planning for AZ-based family travel writer Nadine Bubeck, with visit dates scheduled for June 3-6.
• Outreach to, and communication with Valerie Chen, Senior Editor at TravelAge West, re: planning an October visit for editorial coverage.
• Coordination with Elaine Schoch of Carpe Travel regarding an August 5-9 family-focused visit to the Santa Ynez Valley, and a winemaker podcast.
• Media visit coordination for Dora Finaczy & Robert Lang, Travelo (Hungarian) magazine, re: June 13-15 visit.
• Jim Farber, Creators Syndicate, re: August visit to explore the Santa Ynez Valley.

Total value of public relations media coverage for Q2 2019 = $418,109*
Total circulation of editorial coverage for Q2 2019 = 11,201,326
Total unique visitors/month of editorial coverage for Q2 2019: 389,026,083

*PR value is calculated by multiplying the advertising rate times the size of the story, and then doubling that number to reflect the added value of editorial coverage

Digital Results

In Q2 of 2019 VisitSYV ran the bulk of the budget on the Facebook network (including Instagram), utilizing still, lightweight motion and video content, optimizing toward clicks to book. We also introduced Search and have seen it perform quite well so far.
Facebook
Impressions: 545,445
Clicks: 3,479
CTR: 0.64%

Search
Impressions: 19,244
Clicks: 462
CTR: 2.4%

Website
Since our website debuted in April 2014, we have now received 2,070,019 pageviews. The site has also garnered 122,111 clicks to our members’ individual websites. The top 5 most popular pages on the site are as follows: (1) Homepage; (2) Wine Tasting; (3) Restaurant Week; (4) Events; (5) Discover Los Olivos.

VisitSYV Promotions
In Q2 VisitSYV officially announced the development of Taste of the Santa Ynez Valley, a four-day food, wine and experiential festival that will act as a showcase of all that our six distinct communities have to offer. Running over the course of four days (October 17 - 20th) the event begins in Los Alamos on Thursday afternoon, continues in Santa Ynez on Friday, in Solvang, Ballard, and Los Olivos on Saturday, and ends in Buellton on Sunday. The inaugural event will include curated experiences, wine and beer events, and dinners, showcasing what each of our unique communities has to offer. The goal is to provide a “taste” so that attendees will return to spend more time. A comprehensive marketing campaign and accompanying assets are in development.

Q2 Social Media Stats
- Our Facebook audience increased to over 16,757 likes.
- VisitSYV Twitter account increased to 4,149 followers.
- VisitSYV Instagram continued to climb in followers, with 5,897 followers.
**Additional Print Advertising**

Santa Ynez Valley Star
VisitSYV sponsors a monthly 1/4 page ad in the Santa Ynez Valley Star, which is used to highlight upcoming special events and draw users back to our events calendar at VisitSYV.com/events.

**Additional Display Advertising**

Airport Digital Display Ad Buy
VisitSYV continued to run digital display advertising in the Santa Barbara Airport which encourages travelers to visit the Santa Ynez Valley, highlighting that we are only 30 minutes north of the airport. Our ads play on a digital screen strategically placed by baggage claim and tourist information. Ads began June 1, 2017 and concluded June 30, 2019. In addition, VisitSYV has contracted with Certified Folder to distribute our 2019 Destination Guide in the airport, featured just below our digital display advertising.

**Trade Shows**

IPW
VisitSYV partnered with the Solvang Conference & Visitors Bureau, Buellton Visitors Bureau, Alisal Guest Ranch & Resort, Santa Ynez Valley Marriott, and Hotel Corque for 3 days of intensive travel buyer & media appointments at IPW in Anaheim, June 1-6, 2019. IPW is the travel industry’s premier international marketplace and the largest generator of travel to the U.S. In just three days of pre-scheduled business appointments, more than 6,000 delegates representing U.S. travel organizations from every region of the USA and international and domestic buyers and media from 70+ countries meet face-to-face to conduct future travel business to the USA. Buyers & media received flash drives with Santa Ynez Valley lodging options, press releases, itineraries, story ideas and photography for their catalogues. For this year's IPW held in Anaheim, VisitSYV expanded its presence by partnering with our visitor bureau partners and hotels in a newly designed booth. The booth held 47 appointments on the showroom floor while Shelby and Danielle took an additional 20 appointments on Monday in the media marketplace, meeting with travel journalists from around the globe. This year's show was a resounding success, and we look forward to bringing a large presence to IPW in Las Vegas in 2020.
Onsite Activations

Visit California Headquarters
VisitSYV had the great fortune of presenting at Visit California’s headquarters to approximately 90 attendees in Sacramento as part of their monthly “Third Thursday” series on Thursday, May 23, 2019. Shelby Sim and Danielle Laudon Ruse created and executed a presentation which educated their entire staff, along with representatives from 20 different California Welcome Centers from across the state. We shared our region’s unique geography and what makes our six distinct communities so special, while also providing a taste of our local wine with Sonja Magdevski of Casa Dumetz in the house. Read Visit California’s own recap from our presentation here.

Grants & Special Projects 2nd Quarter 2019
The purpose of our grants program continues to be to assist with publicity and outreach for valley events which encourage overnight stays. Primary consideration goes to events which occur mid-week (Sunday to Thursday) and/or in off-season. For marketing of valley events, grants were given to:

- Summer Jazz & Beyond Concert Series, produced by Solvang Festival Theater: $1,500
- Polo Classic, produced by People Helping People: $2,750
- Los Olivos Jazz & Olive Festival, produced by Los Olivos Rotary: $2,000
- 4th of July Fireworks Celebration, produced by SYV Rotary: $3,500
- 4th of July Waterfront Fireworks, produced by PARC: $500
- Vintners 5 Miler, produced by Santa Barbara Vintners Foundation: $1,500
• Wildling Museum of Art & Nature fundraiser: $1,000
• Film Screening, produced by Central Coast Film Society: $325
• LO + CAL Field Feast, produced by Los Olivos School Foundation: $500

Collaborations with Santa Barbara County DMOs and other organizations
VisitSYV collaborates actively with other county destination marketing organizations, including the Solvang Conference & Visitors Bureau, Buellton Visitors Bureau, the Santa Barbara County Vintners Association, Visit Santa Barbara, the Los Olivos, Buellton, Solvang, and Santa Ynez Chambers as well as the Los Alamos Business Association, the Santa Barbara Film Commission, The Chumash Foundation, and the Santa Barbara County Association of Governments.

Public comment
Members of the board and the President continue to be called upon to make written and/or verbal public comment on a number of hotel and tourism related issues. Each question is raised on a board agenda and voted upon by the board, or authorized by the president, before comment is made. Ongoing participation with our water challenges, cannabis, wine ordinance and special events ordinance hearings is anticipated by President, Shelby Sim, and, when needed, Linda Johansen, Chairman.
Organization

In April, Nedra Johnson, General Manager for the Alamo Hotel stepped down from the board and was replaced by John Richardson, General Manager for the Santa Ynez Inn. In May, Luca Crestanelli, Owner/Executive Chef, S.Y. Kitchen stepped down and was replaced with Will Henry, Owner PICO Restaurant.

The board continues to meet monthly, normally the 2nd Thursday of the month, 9:00 a.m. at the Chumash Casino. The board consists of nine individuals, seven of which are from the hotel industry and the other two are an at large representation of the membership base.

Staff & Board of Directors

President & CEO - Shelby Sim
Vice President of Marketing - Danielle Laudon Ruse
Digital Coordinator & Member Services – Marisa Yott

The board members are:

Chairman – Linda Johansen, Owner, Pea Soup Andersen’s Inn, Buellton
Vice Chairman – Andrew Economon, Director of Hospitality, Chumash properties, including Hotel Corque and Hadsten House
Secretary – Sherrie FitzGerald, Director of Marketing, Alisal Guest Ranch and Resort, Solvang
Treasurer – Bryan Maroun, General Manager, Sunstone Winery, Santa Ynez

John Richardson, General Manager for the Santa Ynez Inn, Santa Ynez
Budi Kazali, Owner, Ballard Inn, Ballard
Karla Azahar, General Manager, Santa Ynez Valley Marriott, Buellton
Will Henry, Owner PICO Restaurant, Los Alamos

Respectfully submitted by:
Shelby Sim, President and CEO
Santa Ynez Valley Hotel Association, dba Visit the Santa Ynez Valley
Shelby@VisitSYV.com
PO Box 633, Solvang, CA 93464
www.visitsyv.com, 805-451-6038
NOTE: There is no correlation between graph color and data listed above
## Activity Statistics

### MAY CRIME AND ACTIVITY STATISTICS

<table>
<thead>
<tr>
<th>Category</th>
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NOTE: There is no correlation between graph color and data listed above.
### Activity Statistics

#### July Crime and Activity Statistics

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<td>Out of Area Car in City- Incidents</td>
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</tbody>
</table>
MEMORANDUM

Date: August 15, 2019

To: Solvang City Council

From: Senior Deputy Charlie Uhrig

Subject: Solvang Statistics and Activity Report for July

CC: Lt. Eddie Hsueh

This statistics report provides a general overview of law enforcement activity in the City of Solvang for the month of July. The report highlights and describes patterns of activity, significant felonies in the city, and noteworthy performances by deputies assigned to the Solvang station.

Burglary:

There were 7 burglaries reported in Solvang during the month of July.

On 07-01-19 (case 19-8284), Solvang Patrol was dispatched to a report of a burglary that occurred in the 2000 block of Mission Drive, a commercial property. Upon arrival, the reporting party was contacted, and he said an unknown person(s) broke into the front door, and stole various items from the locked display cases, and store rooms. There was also significant damage to the building, and display cases. At the writing of this report, it was not determined the loss value from the stolen merchandise or the damage to the property. The case is pending further leads and is being followed up by Patrol.

On 07-27-19 (case 19-9510), Solvang Patrol responded to the 600 block of Atterdag Road to a report of burglary from a residence. Upon arrival, the victim was contacted and he said that unknown persons(s) stole about $700 from inside his apartment while he was away. He strongly believes that either the maintenance or cleaning staff are responsible for the theft of cash. However, at this time, the facility manager was not available to gather the surveillance video. The case is pending further investigation.
On 07-29-19 (case 19-9554), the reporting party/victim came to the Solvang station to report a stolen gas-powered bicycle. The victim said the previous evening unknown suspect(s) stole a gas-powered bicycle from an unlocked storage shed at their residence in the 300 block of Fifth Street. She was not able to provide any detailed information on the bike, except it was valued at around $1200. The case is pending further leads and information. The investigation will be handled by Patrol.

On 07-30-19 (case 19-9609), Solvang Patrol responded to the 500 block of Alamo Pintado Road, for a report of an attempt burglary of the night drop safety deposit box. Upon arrival, the bank manager was contacted and she said an unknown suspect attempted to steal deposits from inside of the night drop box, and bank staff had located a sticky mouse trap with a string attached left behind. The manager contacted the corporate office and confirmed that an unknown male had attempted to fish out the deposits. The case is pending further follow up investigation, which will be conducted by Patrol.

On 07-30-19 (case 19-9611), Solvang Patrol responded to the 600 block of Alamo Pintado, for another report of an attempt burglary of a night deposit drop box. The manager said bank staff found a sticky mouse trap inside the drop box, but it appeared that nothing was actually taken. The manager was able to give photos, of poor quality, from the surveillance video at the bank. The photos showed a single male suspect, similar to the previous incident above. The case is pending further investigation by Patrol.

On 07-30-19 (case 19-9618), Solvang Patrol responded to the 1500 block of Mission Drive to a report of a burglary. The bank manager was contacted and he stated that when checking through the night deposit box, he discovered a large amount of loose cash and change at the bottom of the box. He said he contacted the corporate office, and confirmed that an unknown single male suspect had successfully fished out about $520 in cash from the box. The deputy had the manager look at photos from the other burglary attempts and confirmed it was the same suspect. He further stated that he was still checking to see if any other deposits were stolen in this incident. The case is pending further leads and the investigation will be conducted by Patrol.

On 07-30-19 (case 19-9620), Solvang Patrol responded to the 1900 of Old Mission Drive, to a report of an attempt burglary. The manager stated that while collecting the deposits from the night drop box she discovered a sticky mouse trap with fishing line attached to it. She also said that an envelope, containing checks, was stuck to the mouse trap. At this time, the manager will review the surveillance video and contact deputies with further information. The case is pending further leads and the investigation will be conducted by Patrol.

Other Significant Activity:

During the month of July, deputies conducted 92 traffic stops, which resulted in 18 citations written for various offenses, including 2 moving violations, and 1 equipment
violation. Deputies also wrote 5 Parking citations in the month of July. Deputies responded to four-911 Follow-up calls, and 9 Alarm calls. Deputies also conducted 21 Check the Welfare Calls and 11 Premises Checks, dealt with 4 suicidal subjects, and handled 54 phone requests into the station. There were also 9 calls involving transients, which resulted in 1 arrest, and 3 reports generated. There were 15 traffic related investigations during the month of July. There was 4 suspected Child Abuse cases and 7 Adult Protective Service cases reported for the month of July. There were no coroner cases reported in Solvang.

On 07-03-19 (case 19-8291), Solvang Patrol responded to the Skatepark, to a report of suspicious activity. Upon arrival, the two subjects were contacted at their vehicle. During a consensual search, multiple knifes, and a set of brass knuckles, were located inside the vehicle. The owner of the items was arrested for felony possession of illegal weapons, transported and booked into County Jail.

On 07-21-19 (case 19-9173), Solvang Patrol responded to the 1900 block of Old Mission Drive to a report of domestic disturbance. Upon arrival, deputies contacted the involved parties, and conducted an interview. During the investigation it was learned that both parties had outstanding warrants for their arrest; the male a no bail felony warrant, and the female a $10,000 misdemeanor warrant. Deputies arrested both parties for their respective warrants, transported and booked them into County Jail.

On 07-26-19 (case 19-9431), deputies responded to SYV Cottage Hospital for a report of a combative patient. Deputies contacted the subject inside the Emergency Room. He was reported by staff to be erratic and yelling at them. During the investigation it was learned the subject had a $40,000 felony arrest warrant out of Riverside County. He was arrested for the felony warrant, transported and booked into County Jail, after receiving medical clearance.

Murder:
There were no murders reported in Solvang for the month of July.

Rape:
There were no rapes reported in Solvang in the month of July.

Robbery:
There were no robberies reported in Solvang during the month of July.

Domestic Assault/Assault:
There were 6 incidents of domestic disturbance reported in Solvang for the month of July. There were two cases of felony domestic violence/assault reported in July.

On 07-01-19 (case 19-8291), Solvang Patrol responded to a report of domestic violence in Solvang. The victim was contacted and stated she had been assaulted by her
husband, who had left the residence prior to their arrival. She stated that he had put his hands around her neck and lifted her off the ground, causing visible injuries to her person. The victim stated this is not the first time her husband has assaulted her. Deputies attempted to contact the suspect, but at the writing of this report he had not been contacted. The case is being sent to detectives for follow up.

On 07-12-19 (case 19-8803), multiple deputies responded to the 400 block of Alisal Road, to a report of a fight and person bleeding. Upon arrival, deputies found an adult male on the dance floor near a pool of blood with an altered mental status surrounded by other patrons. Security officers identified the suspect and said they found a weapon on his person. Deputies attempted to detain and arrest the suspect but he actively resisted and pushed a deputy down, causing injury. The suspect was eventually restrained, taken outside, and placed inside a Sheriff unit. During the subsequent investigation, it was learned the suspect was on Probation. The Probation Officer was contacted and he placed a felony detainer on the suspect. He was arrested for felony assault on a peace officer, the felony probation detainer, transported and booked into County Jail, without further incident. The victim was treated at the scene, but declined to be transported for further observation.

**Grand Theft:**

There were no grand thefts reported in Solvang during the month of July.

**Auto Theft**

There was one theft of an auto reported in Solvang during the month of July.

On 07-11-19 (case 19-8980), Solvang Patrol responded to the 1100 block of Mission Drive to a report of theft of a utility trailer. The victim was contacted and stated that unknown suspect(s) had cut the hitch pin lock, and took the trailer from the last known location. A canvas of the area was conducted but nothing of evidentiary value was found. The case is closed pending further leads. The loss value is over $4500.

**Misdemeanors/Thefts:**

There were 2 petty thefts, and 2 vandalisms reported during the month of July.

**Arrests:**

During the month of July, deputies made 15 misdemeanor arrests and 4 felony arrests. These arrest totals included the following types of Misdemeanor arrests: 2 for DUI, 2 for Public Intoxication, and 1 for Narcotics. See felony arrests in the previous entries.
Monthly Activity Report for July

This is the July end of the month report from the Solvang Community Resource Deputy. It highlights all the activities, meetings, and presentations by the Community Resource Deputy for the month of July.

**MEETINGS:**

On July 1, I confirmed the transportation needs for the upcoming Summer Camp.

On July 2, I attended a meeting of our Solvang Station culture 36 staff.

On July 3, I met with staff from Lompoc regarding Summer Camp.

On July 10, I met with Fred Lageman regarding an update of our sheriff service contract for special events. I also attended our Monthly CRD meeting in Goleta.

On July 11 and 18, I attended City Staff meetings.

**PRESENTATIONS:**

No presentations for the month of July.

**ACTIVITIES:**

On July 4, I coordinated and worked the Independence Day Parade with 4 Deputies, 2 Sheriff Volunteers, and 18 Parade Monitors from the Solvang Rotary. I also worked a traffic detail for the Fireworks Show. I believe that both events had the largest crowds we have seen in Solvang.

On July 5, I worked with Fred Lageman for our summer's second Movie in the Park. We had about 175 persons attend the event.

On July 8 and 12, I chaperoned 15 kids from the Santa Ynez and Lompoc Valley's to the Salvation Army Summer Camp.

On July 9, I transported the Command Post Vehicle to Santa Maria, and picked up the Explorer van for transport to Santa Barbara.

On July 10, I attended our Coffee with a Cop in Solvang at The Corner Coffee House in Los Olivos. There were a few citizens who attended and shared their concerns.

On July 15 and 16, I worked as a bailiff in SB Courts.
On July 16, I went to Sheriff HQ’s to pick up gas cards for Central station vehicles.

On July 18, I worked on the June Sheriff CRD recap report.

On July 19-29, I was on vacation.

On July 30, I was scheduled to attend a meeting of the Grape Stomp, but it was cancelled due to possible event cancellation by SCVB.
<p>| ACTIVITY          | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | YTD Total |
|-------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----------|
| Log Entries       | 395 | 388 | 416 | 458 | 496 | 471 | 569 |     |     |     |     |     |     | 3193      |
| OAI Reports       | 40  | 44  | 40  | 55  | 61  | 69  | 62  |     |     |     |     |     |     | 371       |
| Trfc Invest.      | 8   | 6   | 13  | 8   | 14  | 14  | 15  |     |     |     |     |     |     | 78        |
| Coroner           | 0   | 0   | 0   | 0   | 0   | 0   | 0   |     |     |     |     |     |     | 0         |
| Burglaries        | 1   | 1   | 1   | 2   | 0   | 1   | 4   |     |     |     |     |     |     | 10        |
| Attempts          | 0   | 0   | 0   | 1   | 0   | 0   | 0   |     |     |     |     |     |     | 4         |
| Residential       | 0   | 0   | 1   | 1   | 0   | 0   | 0   |     |     |     |     |     |     | 3         |
| Vehicle           | 0   | 1   | 0   | 0   | 0   | 0   | 0   |     |     |     |     |     |     | 1         |
| Commercial        | 1   | 0   | 0   | 1   | 0   | 1   | 5   |     |     |     |     |     |     | 8         |
| Other             | 0   | 0   | 0   | 0   | 0   | 0   | 0   |     |     |     |     |     |     | 1         |
| Felonies          | 3   | 2   | 5   | 6   | 1   | 5   | 5   |     |     |     |     |     |     | 27        |
| Murder            | 0   | 0   | 0   | 0   | 0   | 0   | 0   |     |     |     |     |     |     | 0         |
| Rape              | 0   | 0   | 0   | 0   | 0   | 0   | 0   |     |     |     |     |     |     | 0         |
| Robbery           | 0   | 0   | 0   | 1   | 0   | 1   | 0   |     |     |     |     |     |     | 2         |
| Assault           | 0   | 0   | 2   | 3   | 0   | 2   | 2   |     |     |     |     |     |     | 9         |
| Grand Theft       | 2   | 1   | 0   | 2   | 0   | 0   | 0   |     |     |     |     |     |     | 5         |
| Auto Theft        | 1   | 1   | 0   | 0   | 0   | 1   | 1   |     |     |     |     |     |     | 4         |
| Other             | 0   | 0   | 3   | 0   | 1   | 1   | 2   |     |     |     |     |     |     | 7         |
| Misd./Thefts      | 1   | 4   | 3   | 9   | 6   | 2   | 4   |     |     |     |     |     |     | 29        |
| Arrests           | 7   | 10  | 17  | 15  | 13  | 30  | 19  |     |     |     |     |     |     | 111       |
| Misd.             | 7   | 10  | 12  | 12  | 12  | 26  | 15  |     |     |     |     |     |     | 94        |
| Felony            | 0   | 0   | 5   | 3   | 1   | 4   | 4   |     |     |     |     |     |     | 17        |
| DUI               | 1   | 1   | 2   | 3   | 1   | 8   | 2   |     |     |     |     |     |     | 18        |
| Public Intox.     | 0   | 2   | 4   | 0   | 1   | 6   | 2   |     |     |     |     |     |     | 15        |
| Narcotic          | 2   | 1   | 2   | 1   | 0   | 5   | 1   |     |     |     |     |     |     | 12        |
| Citations         | 10  | 7   | 16  | 21  | 30  | 29  | 18  |     |     |     |     |     |     | 131       |
| Moving            | 2   | 2   | 5   | 5   | 12  | 7   | 2   |     |     |     |     |     |     | 35        |
| Equipment         | 0   | 4   | 0   | 1   | 3   | 3   | 1   |     |     |     |     |     |     | 12        |
| Other             | 6   | 1   | 1   | 5   | 8   | 3   | 10  |     |     |     |     |     |     | 34        |
| Parking           | 0   | 0   | 10  | 10  | 7   | 15  | 5   |     |     |     |     |     |     | 47        |
| Viborg Rd.        | 2   | 0   | 0   | 5   | 4   | 0   | 1   |     |     |     |     |     |     | 12        |
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I. **RECOMMENDATION:**

Staff recommends that the City Council Receive and File the forthcoming Solvang Parks and Recreation fall calendar.

II. **DISCUSSION:**

The Solvang Parks and Recreation Department publishes a program calendar three times per year: Winter/Spring, Summer and Fall. The calendar lists all available programs, activities, sports and special events for a given season. The calendar is distributed valley wide to schools, libraries, senior centers, etc. The calendar is co-produced by the City of Solvang and the City of Buellton. It is designed, created and published by City of Solvang Staff. Members of the public can register for the various programs by visiting the office, telephoning the office, or online.

The fall calendar is tentatively scheduled to be published prior to Labor Day.
III. **FISCAL IMPACT:**

The City of Solvang contributes staff time in the creation of the published calendar. The City of Buellton assumes the cost of the paper for production. There are minor costs in fuel and staff time in distributing the calendar throughout the Santa Ynez Valley.

IV. **ATTACHMENTS:**

1. Draft Fall Program Calendar
The Haunt returns for its 26th year with “FRIGHT FARM.” Thrills and chills await all those brave enough to enter. If you would like to be a part of this tremendous community event as a volunteer, guide, monster or donor, please call 688-7529 today for full details on how to participate! A special Halloween Streetfest both nights outside the theater on Second St, Solvang. Call 688-7529 for info. Tickets available on web at cityofsolvang.com and buelltonrec.com or at night of event.

**Huntington Library and Gardens**
Thurs, Sept 26, 8:30am-6pm, $65
Art and culture set amongst 150 acres of breathtaking gardens featuring over 14,000 plants. Collections include Gainsborough’s Blue Boy and Lawrence’s Pinkie, plus an original Gutenberg Bible. If you’ve never been, take this opportunity to experience Southern California’s cultural gems. Extensive walking required.

**Santa Barbara to San Luis Obispo by Train**
Wed, Oct 9, 10:45am-6:15pm, $65
(Non-refundable payment due by Sept 25)
Catch the train in Goleta and see the beautiful views of the coast, including VAFB. Our bus will pick you up at the SLO station for shopping in downtown SLO. Travel back by Parks and Rec bus.

**Griffith Observatory**
Tues, Oct 15, 9am-7pm, $40
Southern California’s gateway to the cosmos! Look through telescopes, explore exhibits, and enjoy spectacular views of LA and the Hollywood sign plus admission to the planetarium show. Lunch on your own at museum café.

**The Hammer Museum**
Tues, Nov 19, 7:45am-6pm, $43
Experience this diverse collection of historical and contemporary works. Visit will start with a 60 minute guided tour followed by free time for lunch and to view more of the museum.

**COLLABORATIVE EXCURSIONS WITH WILDLING & ELVERHOJ MUSEUMS**

**Morro Bay Birding and Natural History Museum**
Thurs, Oct 10, 8:15am-5pm, $43
Join birding expert Peter Schneekloth to see and learn about various birds in marshes, creeks and shores of Morro Bay. A quick stop to the Natural History Museum and lunch/shopping time in Morro Bay on the Embarcadero.

**Turkey Trot** - Nov 29, 10am @ Sunny Fields, $20
Register at www.cityofsolvang.com. Proceeds from this 9th annual event help support the local Salvation Army chapter.

**Santa Sprint** - Dec 7, 10:30am, $15
Solvang Park. Dress in the holiday spirit of the holiday and run the 3/4 mile parade route as parade patrons cheer you on. The whole family can participate in this new event!
Hearst Castle
Tues, Dec 10, 9am-5pm, $50
Decorated for the holidays, experience the ground floor rooms of the Casa Grande (Big House). The tour visits the Assembly Room, the Refectory, Morning Room, Billiard Room and Theater. You'll hear stories of Mr. Hearst, his many guests and the art collection it contains. Tour is recommended for participants who can handle stairs and heavy walking.

Holiday Extravaganza at the Melodrama
Thurs, Dec 12, 5:15-10:30pm, $50
See Scrooge find his Christmas spirit in a heart-warming tale of holiday magic. Laugh until your sides ache at the zany characters in a fractured fairy tale opera, and celebrate the music of the season in the Holiday Vaudeville Revue.

Christmas Lights and Sights
Tues, Dec 17, 6-7:15pm or 7:30-8:45pm $13/pp
Join us for the Christmas light tour through the Santa Ynez Valley. See the many houses that get into the Christmas spirit! Christmas music and hot chocolate are sure to be served. No Grinches allowed! Trip departs from the Vets Hall parking lot.

Letters to Santa
During December, Santa Ynez Valley boys and girls can receive a letter via Solvang Parks and Recreation from Santa Claus and his elves! Children should mail their letters to Solvang Parks and Rec, 411 Second Street, Solvang, CA 93463 and we’ll be sure to get them to Santa! You must include a self addressed, stamped envelope and be postmarked by December 18. Any letters collected after Dec 18 or no return stamp has no guarantee of return response.

Kind Kids
Thursdays, Nov 14-Dec 5 (no class 11/28), 4-5pm, Ages 6+, $20
Teach your kids the importance of volunteerism and random acts of kindness this holiday season. The group will have tasks and projects around town while visiting with people in need and supervised/led by Parks and Rec staff. Positive attitude required.

Winter Break Mini Camp/Trips
9am-2pm, $35/day K-5th grade, meet at the Vets Hall School’s out and the kids need something to do! Play with us!
Dec 23 - Ice Skating
Dec 30 - Bowling
Jan 3 - Rockin' Jump

Pre Soccer
Thursdays, Sept 19-Oct 10, Ages 3-4, 4-4:45pm, $38, Sunny Fields Park
Introduction to the game of soccer. Developmentally appropriate and fun learning experience. Parent participation required.

Skate Board Clinic
Wednesdays, Sept 25-Oct 23, Ages 5+, $65
Beginners: 3:30-4:30pm
Intermediate: 4:30-5:30pm
Skateboard, helmet, knee and elbow pads required. Beginners will learn standing, pushing, stopping and small ramps. Intermediate skaters will improve skills and better navigate the park as well as tricks, turns and ramps plus skating in the bowl.

Teen Dance - Back to School
September 27, 7-10pm, 6-8th grades, $10 @ Buellton Rec Center
Great fun for valley wide students. Permission slip required. Chaperones needed.

Adult Dance- Lindy Hop
Indulge in the fun of a classic American dance! Lindy hop is just as playful as it is invigorating. Join Hannah Rasby for lessons at the Solvang Vets Hall on Wednesday nights. Every week will focus on a different set of moves or techniques. Each lesson will also include a basic step, so beginners are always welcome to drop in! No partner required.
7:10 - All Levels Lesson $5/class
8:00 - Open practice/social dancing – FREE

SOLVANG PARKS & FACILITIES
Solvang rentals are available at the beautiful Hans Christian Andersen Park, Sunny Fields (pictured) and the Solvang Veterans Hall. For details call Solvang Parks and Rec at 688-7529.
CITY COUNCIL
STAFF REPORT/CONSENT AGENDA

TO: SOLVANG CITY COUNCIL MEMBERS
FROM: Matt van der Linden, Public Works Director/City Engineer
MEETING DATE: August 26, 2019
DATE PREPARED: August 16, 2019
SUBJECT: LAND ACQUISITION FOR WASTEWATER TREATMENT PLANT WATER QUALITY PROJECT

I. RECOMMENDATIONS:

1. Approve the Right-of-Way (purchase) Agreement with Alisal Ranch to acquire 2.35 acres of land for $70,500 plus closing costs, and authorize execution of the Agreement by the Mayor.
2. Accept the Grant Deed to acquire 2.35 acres of land from Alisal Ranch, and direct the City Manager to execute the Certificate of Acceptance.

II. BACKGROUND:

At the City Council Meeting of September 10, 2018, Staff presented the findings and recommendations of the Wastewater Treatment Plant (WWTP) Enhanced Treatment Study & Alternative Analysis Final Report. At a Special Meeting on April 15, 2019, this material was updated and re-presented for the benefit of the three new City Council members, and to further educate the community on the need for major WWTP upgrades and Project alternatives. At this meeting, the City Council directed staff to develop two additional upgrade alternatives, further evaluate project financing and sewer rate impacts, and proceed with the necessary land acquisition for the WWTP Water Quality Project.

III. DISCUSSION:

Prior to the Special Meeting, Staff proceeded with the necessary land surveying and Grant Deed, secured the services of a right-of-way agent (Hamner & Jewell),
and arranged for an appraisal. The appraised value for the 2.35 acres needed for WWTP upgrades is $70,500. Subsequent to the Special Meeting, Staff presented a purchase offer to Alisal Ranch (property owner) and negotiated the terms of their requested Right-of-Way (purchase) Agreement. The City Attorney previously reviewed and approved the Right-of-Way Agreement. Alisal Ranch has accepted the City’s purchase offer of $70,500 with the City paying all closing costs.

Alisal Ranch insisted on a Right-of-Way Agreement in which the City would agree to file a Certificate of Compliance for the lot line adjustment, and complete the necessary Williamson Act coordination. The Williamson Act is a California law that provides relief of property tax to owners of farmland and open-space land in exchange for a ten-year agreement that the land will not be developed or otherwise converted to another use.

In accordance with the Agreement, after City Council approval, Staff will work with our surveyor to complete the Certificate of Compliance, and our right-of-way agent to complete the necessary Williamson Act coordination/documentation. The cost of the proposed land acquisition is considered very reasonable, and Staff recommends that the City Council proceed with the purchase at this time.

IV. ALTERNATIVES:

The City Council could choose to not proceed with the land acquisition for the WWTP Water Quality Project at this time. However, delay in purchasing the land at this time may result in a higher appraised value at a later date, and there is no guarantee that the property owner will be a willing seller in the future.

V. FISCAL IMPACT:

Funding for the land acquisition for the WWTP Water Quality Project is included and approved in the City’s Fiscal Year 2019-20 Budget in Account No. 501-5300-503-70951. The cost of the proposed land acquisition is considered very reasonable, and consistent with the approved Project budget. Therefore, funding for the recommended purchase is available.

VI. ATTACHMENTS:

1. Right-of-Way Agreement
2. Grant Deed
RIGHT OF WAY AGREEMENT
(WITH ESCROW INSTRUCTIONS)

THIS AGREEMENT is made and entered into by and between Palmer G. Jackson, Trustee of the Palmer Gavit Jackson Trust under an Agreement dated February 25, 1988, (hereinafter called “Grantor”), and

The City of Solvang, a municipal corporation and charter city in the County of Santa Barbara, State of California, its successors and assigns, (hereinafter called “City”).

An instrument in the form of a Grant Deed (“Deed”) covering the property particularly described therein (“Property”), has been executed concurrently with this Agreement and delivered to City representatives.

In consideration of which, and other considerations hereinafter set forth, it is mutually agreed as follows:

1. The parties have herein set forth the whole of their agreement. The performance of this Agreement constitutes the entire consideration for said document and shall relieve the City of all further obligation or claims on this account, or on account of the location, grade or construction of the proposed public improvement, except as stated in Paragraphs 2.E. and 2.F. below.

2. The City shall:

   A. PAYMENT - Pay to the order of the Grantor the sum of $70,500 as consideration in full for the property described in the Grant Deed, for the loss, replacement and moving of any improvements, and for entering into this Agreement. Said sum shall be paid when title to the property described in the Grant Deed has vested in City free and clear of all liens, encumbrances, assessments, easements and leases recorded or unrecorded, except for recorded public utility easements and public right of way.

   B. RECORDATION OF INSTRUMENT – Accept the Deed and cause the same to be recorded in the office of the Santa Barbara County Recorder at such time as when clear title can be conveyed.

   C. MISCELLANEOUS COSTS - Pay any escrow, title insurance, and recording fees incurred in this transaction.
E. **HAZARDOUS SUBSTANCES** - Represents and warrants, to the best of Grantor’s knowledge, and after reasonable inquiry, the following:

During Grantor’s ownership of the Property, Grantor knows of no disposal, releases, or threatened releases of hazardous substances on, from, or under the Property or Grantor’s remaining adjacent property. Grantor further represents and warrants that Grantor has no knowledge of disposal, release, or threatened release of hazardous substances on, from, or under the Property, or Grantor’s remaining adjacent property, which may have occurred prior to Grantor’s ownership.

There is no pending claim, lawsuit, agency proceeding, or any administrative challenge concerning the presence or use of hazardous substances on or within the Property or Grantor’s remaining adjacent property.

Grantor has not used the Property, or Grantor’s remaining adjacent property, for any industrial operations that use hazardous substances. Grantor is not aware of any prior use of such property. Grantor has not installed any underground storage tanks, above ground storage tanks, barrels, sumps, impoundments or other containers used to contain hazardous substances on any part of the Property or Grantor’s remaining adjacent property. Grantors are not aware of any such prior installations. The purchase price of the property being acquired pursuant to the Grant Deed reflects the fair market value of such property without the presence of contamination. If the Property is found to be contaminated by the presence of hazardous substances which require mitigation under Federal or State law, City may elect to recover its cleanup costs from those who caused or contributed to the contamination.

4. The Parties agree:

A. **ESCROW** - At City’s option, to open an escrow in accordance with this Agreement at an escrow company of City’s choice. Opening an escrow shall be at City’s sole discretion and City may decide to process this transaction without the use of an escrow agent. However, if an escrow agent is utilized, this Agreement constitutes the joint escrow instructions of City and Grantor, and the escrow agent to whom these instructions are delivered is hereby empowered to act under this Agreement. The parties hereto agree to do all acts necessary to close this escrow in the shortest possible time.

If an escrow is utilized, as soon as possible after opening of escrow, City will deposit the executed Deed by Grantor, with Certificate of Acceptance attached, with the escrow agent on Grantor’s behalf. City agrees to deposit the purchase price upon demand of escrow agent. City and Grantor agree to deposit with escrow agent all additional instruments as may be necessary to complete this transaction. All funds received in this escrow shall be deposited with other escrow funds in a general escrow fund account(s) and may be transferred to any other such escrow trust account in any State or National Bank doing business in the State of California. All disbursements shall be made by check or wire transfer from such account.

Any taxes which have been paid by Grantor, prior to opening of this escrow, shall not be pro-rated between City and Grantor, but Grantor shall have the sole right after close of escrow, to apply to the County Tax Collector of said County for any refund of such taxes which may be due Grantor for the period after City’s acquisition.
i) **ESCROW AGENT DIRECTIVES** - Escrow Agent is authorized to, and shall:

   a) Pay and charge Grantor for any unpaid delinquent taxes and/or any penalties and interest thereon, and for any delinquent assessments or bonds against that portion of Grantor's property subject to this transaction as required to convey clear title.

   b) Pay and charge City for any escrow fees, charges and costs payable under Paragraph 2.C. of this Agreement;

   c) Disburse funds and deliver Deed when conditions of this escrow have been fulfilled by City and Grantor.

   d) Following recording of Deed from Grantor, if requested by City, provide City with a CLTA Standard Coverage Policy of Title Insurance in the amount of $70,500 issued by First American Title Company showing that title to the portion of the Property conveyed in the Grant Deed is vested in City, subject only to the following exceptions, and the printed exceptions and stipulations in said policy:

      1) Real Property Taxes for the fiscal year in which escrow closes;

      2) Public utility easements and public rights of way;

      3) Items No. 1-13 of the preliminary title report issued by First American Title Company, dated October 10, 2013, referenced as Order No. 4205-4513481;

      4) Other items that may be approved in writing by City in advance of the close of escrow.

ii) **CLOSE OF ESCROW** - The term "close of escrow", if and where written in these instructions, shall mean the date necessary instruments of conveyance are recorded in the office of the County Recorder. Recordation of instruments delivered through this escrow is hereby authorized.

B. **JUDGMENT IN LIEU OF DEED** - In the event Grantor does not deliver title in a reasonable time under the terms of the Agreement, the City may file an action in eminent domain to pursue the acquisition of the Property, and this Agreement shall constitute a stipulation which may be filed in said proceedings as final and conclusive evidence of the total amount of damages for the taking, including all of the items listed in Section 1260.230 of the Code of Civil Procedure, regarding said property rights.

C. **ARTICLE HEADINGS** - Article headings in this Agreement are for convenience only and are not intended to be used in interpreting or construing the terms, covenants and conditions of this Agreement.

D. **COMPLETE UNDERSTANDING** - This Agreement constitutes the entire understanding between the parties with respect to the subject matter hereof, superseding all negotiations, prior discussions, and preliminary agreements or understandings, written or oral.
This Agreement may not be amended except in writing by the parties hereto or their successors or assigns.

E. CITY COUNCIL APPROVAL - This Agreement is subject to and conditioned upon approval by the City of Solvang City Council. This Agreement is not binding upon the City until executed by the appropriate City official(s) acting in their authorized capacity.

F. COUNTERPARTS - This Agreement may be executed in counterparts, each of which so executed shall irrespective of the date of its execution and delivery be deemed an original, and all such counterparts together shall constitute one and the same document.

G. ELECTRONIC AND FACSIMILE SIGNATURES – In the event that the parties hereto utilize electronic or facsimile documents which include signatures, such documents shall be accepted as if they bore original signatures provided that documents bearing ORIGINAL SIGNATURES are provided following transmittal of the electronic or facsimile signature. Documents for recordation by the Clerk Recorder must contain original signatures.

No Obligation Other Than Those Set Forth Herein Will Be Recognized.

GRANTOR:
Palmer G. Jackson, Trustee of the Palmer Gavit Jackson Trust under an Agreement dated February 25, 1988

By: [Signature]
Palmer G. Jackson, Trustee

Date: 7/16/2019

GRANTOR’S MAILING ADDRESS:
Palmer G. Jackson, Trustee
2300 E. Valley Road
Santa Barbara, CA 93463

CITY OF SOLVANG

By: [Signature]
Name:
Title:

MAILING ADDRESS OF CITY:
The City of Solvang
Attn: Matt van der Linden
411 Second Street
Solvang, CA 93463
Recording requested by:

City of Solvang

When recorded, mail to:

City of Solvang
City Clerk
1644 Oak Street
Solvang, CA 93463

GRANT DEED
(To the City of Solvang)

APN: 137-270-025

For a valuable consideration, receipt of which is hereby acknowledged,

Palmer G. Jackson, Trustee of the Palmer Gavit Jackson Trust under an Agreement dated February 25, 1988 (hereinafter referred to as “Grantor”),

hereby grants to:

The City of Solvang, a municipal corporation and charter city in the County of Santa Barbara, State of California, its successors and assigns (hereinafter referred to as “Grantee”),

All that certain property located in the County of Santa Barbara, State of California, described in Exhibit “A” and depicted in Exhibit “B,” attached hereto and incorporated herein.

GRANTOR:

Palmer G. Jackson, Trustee of the Palmer Gavit Jackson Trust under an Agreement dated February 25, 1988

By: 

[Signature]

Palmer G. Jackson, Trustee
ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Santa Barbara

On July 16, 2019 before me, M. Bates, Notary Public, personally appeared Palmer G. Jackson, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature M. Bates (Seal)
CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the deed or grant herein from Palmer G. Jackson, Trustee of the Palmer Gavit Jackson Trust under an Agreement dated February 25, 1988, Grantor therein, to the City of Solvang, a municipal corporation and charter city in the County of Santa Barbara, State of California, is hereby accepted by the undersigned City Manager by order of the City Council, pursuant to the authority conferred by Resolution No. 18-18-1049 of the City Council adopted May 14, 2018, and the Grantee consents to recordation thereof.

In Witness Whereof, I have hereunto set my hand this _____ day of ____________________, 20__.

City of Solvang

By: ____________________________
    David Gassaway, City Manager

ATTEST:

By: ____________________________
    Lisa S. Martin, City Clerk
TO: SOLVANG CITY COUNCIL MEMBERS

FROM: Council Member Daniel Johnson; and
       Chip Wullbrandt, Interim City Attorney

MEETING DATE: August 26, 2019

DATE PREPARED: August 21, 2019

SUBJECT: DIRECTION ON SOLVANG STOMP NEGOTIATIONS WITH VISIT SANTA YNEZ VALLEY AND POTENTIAL CONTRACT

I. RECOMMENDATION

A. Consider for approval the Agreement with Visit the Santa Ynez Valley (“VisitSYV”) for Solvang Stomp as outlined below;
B. Authorize the Interim City Attorney and Council Member Johnson to make final negotiations with VisitSYV;
C. Authorize Mayor Pro Tem Clarke to execute an Agreement with Visit SYV in substantial conformity with the attached agreement.

II. BACKGROUND AND DISCUSSION

As discussed at prior Solvang City Council (“Council”) meetings, the City of Solvang (“City”) desires to host the second annual Solvang Stomp on October 19, 2019. Last year the City contracted with Solvang Conference and Visitors Bureau (“SCVB”) to manage Solvang Stomp. Pursuant to direction given at the August 12, 2019 Council meeting, Council Member Daniel Johnson and Interim City Attorney Chip Wullbrandt entered into negotiations with VisitSYV to host Solvang Stomp.

After engaging in discussions with VisitSYV President/CEO Shelby Sim, on August 21, 2019, the City proposed the agreement attached hereto as Attachment A and incorporated herein by reference, which contained the following essential terms:
A. Services provided by VisitSYV: Conduct Solvang Stomp festival on October 19, 2019.

B. City funding and return of City Funds: City would expend a total of $50,000*, with any unused funds plus event income to be returned to City.

C. Indemnification, release of claims, and limitation on right to sue language proposed by City.

Mr. Sim promptly responded to the City’s proposed Agreement, indicating that he would review and get back to the City as soon as possible.

* Note that the budget for Solvang Stomp is being analyzed with VisitSYV, and will be provided with the final agreement. SCVB had provided a budget of approximately $46,000 but as all income will be provided by VisitSYV to the City, an additional contingency to total $50,000 as “seed money” is recommended.

III. FISCAL IMPACT

If VisitSYV agreed to the City’s proposal, the City would expend total of approximately $50,000 for Solvang Stomp, which would be offset by the income from Solvang Stomp.

IV. ATTACHMENTS

1. City’s proposed Agreement between the City and VisitSYV for Solvang Stomp.
2. SCVB’s Budget for Solvang Stomp
AGREEMENT FOR CONTRACT SERVICES – SOLVANG STOMP

This Agreement for Contract Services (“Agreement”) is made and effective this __ day of August 2019, by and between THE CITY OF SOLVANG, a municipal corporation (hereinafter referred to as “City”) and the VISIT THE SANTA YNEZ VALLEY, a California nonprofit corporation (hereinafter referred to as “VisitSYV”) in consideration of the mutual promises made herein, as follows:

RECITALS:

A. City desires VisitSYV to provide services designed to enhance the quality of life throughout the City of Solvang and the Santa Ynez Valley by promoting economic development through the generation of jobs, increasing capital investment, supporting retention while at the same time creating business expansion and new business attraction.

B. VisitSYV is willing to undertake the services hereinafter set forth on behalf of the City for the purposes of promoting sustainable economic vitality for the City of Solvang.

NOW, THEREFORE, in consideration of the mutual promises and agreements of the parties hereto, it is hereby agreed by and between the parties as follows:

1. **Services Provided**: VisitSYV hereby agrees to conduct the Solvang Stomp festival on October 19, 2019, including but not limited to marketing, ticket sales, securing permits, securing sponsorships, staffing, organizing, managing, and hosting.

2. **Funding**: In consideration of the services enumerated in paragraph 1 above, the City shall pay to VisitSYV a total of $50,000.00 (“City Funds”) pursuant to the Stomp Budget (“Stomp Budget”) attached hereto as Exhibit A and incorporated herein by reference. The City shall provide said payment to VisitSYV within __________ days of the date set forth in the first paragraph of this Agreement. An expense report including invoices in support of expenses shall be provided by VisitSYV for City review by no later than November 19, 2019. Copies of all contracts entered by VisitSYV relating to Solvang Stomp shall be provided at that time.

By no later than **November 19, 2019**, Visit SYV shall transfer all income arising out of Solvang Stomp to the City. To the extent any income arising out of Solvang Stomp is received by VisitSYV after November 19, 2019, Visit SYV shall promptly transfer such income to the City.

It is a material term of this Agreement that City Funds shall only be used for the services set forth in Paragraphs 1 and 2. City Funds shall not be used for any other purpose including but not limited to payment of legal fees, severance payments, and bonus payments. If there is any question as to whether the expenditure of City Funds is authorized by this Agreement, SCVB must communicate that question in writing to
3. **Relationship**: City retains VisitSYV solely on an “independent contractor” basis, and not as an “employee” of City. As such, VisitSYV will determine the method, details, and means of performing the above-described services. VisitSYV shall employ and pay such personnel, as VisitSYV deems necessary to perform the services required of VisitSYV by this Agreement. City may not control, direct, or supervise VisitSYV’s employees in the performance of those services. Under no circumstances shall employees of VisitSYV be deemed employees of City.

4. **Termination**: This Agreement may be terminated by the City as a result of VisitSYV’s failure to comply with its obligations under the Agreement. Prior to giving VisitSYV notice of termination, City shall give to VisitSYV written notice of default specifying the nature of the default, demanding cure thereof within ten (10) days. In the case of defaults not capable of being cured within said ten (10) day period due to factors beyond the control of either VisitSYV or the City, the Notice of Default shall request VisitSYV to take and continue action to cure such default with all reasonable diligence until the same is cured, but not for more than twenty (20) days from such notice. In the event the default is cured within the time provided in the Notice of Default, then no notice of termination shall be given by the City to VisitSYV. In the event any default specified in the notice from the City is not cured within the time provided thereof, then City may immediately terminate this Agreement by written notice to VisitSYV. Any funds in the possession of VisitSYV that were provided by City pursuant to Paragraph 2 which have not been contractually committed by VisitSYV at the time of its receipt of written notice of termination from City shall be returned by VisitSYV to the City within ten (10) days following receipt of the notice of termination.

5. **Indemnification, Release, and Limitation on Right to Sue**: To the fullest extent permitted by law, VisitSYV agrees to defend, indemnify and hold harmless the City, its elective officials, officers, employees and agents (collectively with respect to paragraph 5, “City”) from any and all actions, claims, liabilities, obligations, judgments, losses, costs, and/or damages, including without limitation attorneys’ fees and court costs (“claims”) of any type whatsoever due or claimed to be due arising out of VisitSYV’s performance of this Agreement or out of the operations conducted by VisitSYV, including the City’s active or passive negligence or strict liability, except for such loss or damage arising from the sole negligence or willful misconduct of the City. In the event the City is made a party to any action, lawsuit, or other adversarial proceeding arising from VisitSYV’s performance of this Agreement, VisitSYV shall provide a defense to the City or at the City’s option, shall reimburse the City its cost of defense, including reasonable attorneys’ fees, incurred in defense of such claims.

VisitSYV further agrees that in consideration for the receipt of funds set forth in Paragraph 2, VisitSYV (including its officers, directors, Board members, employees,
and agents, and their next of kin, heirs and representatives) releases from any and all 
liability and promises not to sue the City for any and all claims, including claims of 
negligence and breach of contract, resulting from or relating to this Agreement, 
whether existing now or in the future.

VisitSYV further agrees that VisitSYV – including its officers, directors, Board 
members, staff, and agents – shall not use funds received from City pursuant to 
paragraph 2 to sue the City for any claim whatsoever. The term “use” shall refer to 
using such funds to pay for attorneys’ fees, expert fees, legal costs, and staff 
compensation for work performed relating to such litigation.

6. **Insurance**: VisitSYV shall, throughout the term of the Agreement and any 
subsequent extensions, maintain liability insurance in the minimum amount of 
$1,000,000.00 per occurrence, and such insurance policy shall name City as 
additional insured via endorsement of the policy. VisitSYV shall also maintain all 
other legally required form of insurance, including but not limited to workers’ 
compensation insurance. All policies of insurance maintained by VisitSYV shall 
extend coverage to the City as an additional insured. VisitSYV shall furnish to the 
City certificates of insurance confirming that such insurance is in full force and effect 
and VisitSYV shall notify City at least thirty (30) days prior to cancellation, 
termination or modification of such insurance.

7. **Political Action**: VisitSYV shall not allocate any funds received from the City for 
any political or election related purpose.

8. **Legal Notices**: All written notices and demands of any kind which either party may 
be required or may desire to serve upon the other in connection with the Agreement 
may be served either personally, by registered or certified mail, or by first class mail, 
postage prepaid addressed as follows:

To City:  City Manager, 
City of Solvang, 
1644 Oak Street 
Solvang, CA 93464 
-with copy to- 
Chip Wullbrandt, Esq. 
Price, Postel & Parma LLP 
200 E. Carrillo St., Suite 400 
Santa Barbara, CA  93101 

To VisitSYV:  President/CEO 
Visit the Santa Ynez Valley 
P.O. Box 633 
Solvang, California 93464 

-with copy to- 
Tom Widroe, Special City Auditor 
435 Farmland Drive 
Buellton, CA  93427
9. **Enforcement:** If any provision of this Agreement, or its application to any person, place, or circumstance, is held by an arbitrator or a court of competent jurisdiction to be invalid, unenforceable, or void, such provision shall be enforced to the greatest extent permitted by law, and the remainder of this Agreement and such provision as applied to other persons, places, and circumstances shall remain in full force and effect. No failure to exercise and no delay in exercising any right, remedy, or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, or power under this Agreement preclude any other or further exercise thereof, or the exercise of any other right, remedy, or power provided herein or by law or in equity.

10. **Binding Agreement:** This Agreement shall be binding upon each of the parties and upon their heirs, administrators, representatives, executors, successors, and assigns, and shall inure to the benefit of the parties and each of them, and to their heirs, administrators, representatives, executors, successors, and assigns.

11. **California Law:** This Agreement and the rights and obligations of the parties set forth herein shall be governed by, construed and interpreted in accordance with the laws of the State of California. The prevailing party in any action filed arising out of the terms of this agreement or any alleged violation thereof shall be entitled to recover that party’s reasonable attorneys’ fees and costs incurred in such an action.

12. **Entire Agreement:** This Agreement constitutes the entire agreement between the parties and supersedes any prior agreement, policy, practice or understanding between the parties, written or oral. The terms of this Agreement may not be modified, except by a writing signed by both parties. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Agreement has been executed by the parties as of the day and year first above indicated.

City of Solvang

Visit the Santa Ynez Valley

By: Robert Clarke, Vice Mayor

By: Shelby Sim, President/CEO

Approved as to Form:

C.E. Chip Wullbrandt, Interim City Attorney
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<td>$274.36</td>
<td>$300.00</td>
</tr>
<tr>
<td><strong>Marketing</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DVA Advertising</td>
<td>$10,000.00</td>
<td>$7,981.25</td>
<td>$8,000.00</td>
</tr>
<tr>
<td>SY Star Ads</td>
<td>$550.00</td>
<td>$816.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Photography + Videography</td>
<td>$648.00</td>
<td>$648.00</td>
<td>$1,000.00</td>
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<tr>
<td><strong>Social Media Advertising + Management</strong></td>
<td>$400.00</td>
<td>$277.08</td>
<td>$1,500.00</td>
</tr>
<tr>
<td><strong>Flags</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Merchandise - Tees</td>
<td>$1,555.00</td>
<td>$1,670.03</td>
<td>$0.00</td>
</tr>
<tr>
<td>Merchandise - Hats</td>
<td>$1,435.75</td>
<td>$1,435.75</td>
<td>$0.00</td>
</tr>
<tr>
<td>Graphic Design</td>
<td>$750.00</td>
<td>$750.00</td>
<td>$1,500.00</td>
</tr>
<tr>
<td>Raffle Prizes/baskets/gifts</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Street Sweeper</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Misc Expenses</td>
<td>$100.00</td>
<td>$304.62</td>
<td>$100.00</td>
</tr>
<tr>
<td>First &amp; Oak Payout</td>
<td>200</td>
<td>$195.00</td>
<td>$750.00</td>
</tr>
<tr>
<td>Cecco Payout</td>
<td>$200.00</td>
<td>$250.00</td>
<td>$750.00</td>
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<tr>
<td>CA Tacos Payout</td>
<td>$200.00</td>
<td>$220.00</td>
<td>$750.00</td>
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<tr>
<td>10% Contingency</td>
<td></td>
<td></td>
<td>$5,900.00</td>
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<tr>
<td><strong>Total Expenses</strong></td>
<td>$45,575.25</td>
<td>$43,649.23</td>
<td>$64,326.50</td>
</tr>
</tbody>
</table>
Vendor
City of Solvang - 2018: only 1 deputy worked event
ABC
SB County Fire
Marborg
Miller Event Management
Doublewide Kings
Road Radios
Nightout
Myra Howard
Kim Heuring
Cultivate Events

Elite Party Rentals

Marborg
GlassTech
4imprint
Mission Linen - in-kind trade for 4 GA tickets
Table Factory - CVB has in storage

Water with Life
Glacier Ice Co.
Daniel the Builder

Amazon

CVB
CVB
CVB
CVB has canvas wagon and dolly

$1k per ton, Red Grapes

Rug Street
Home Depot
Nielsen's
Nielsen's

CVB
Inklings
Inklings

DVA Advertising
Notes
includes $435 Sheriff (1 foot patrol officer 12-5pm), $125 permit app fee, $200 maintenance fee

pay via check day of
4 units - 1 ADA, 3 reg, HW station; 10 rolling trash bins, 10 rolling recycle bins
6 guards 12-5pm
band providing own sound equipment
Staff + Security radios
5 scanners w/ 3 cc readers, 1 hot spot
12:30pm-5pm - paid with case of wine
recruits volunteers and manages them on site - paid with case of wine

updated quote is $8,028 but includes 20x40 tent for Chumash
Gazebo
1000 feet of bicycle barricade
900-1000 stemless Solvang USA 12oz
600 w/ SS logo
60 8’ table drapes - $3.60/ea
40-50 runners for wine, merch, ticket booth, stage table
10 Grape Vines in storage - what else should we order?
Solvang Patch
providing 4 water stations with 5-gallon dispensers, water for 30 wineries water pitchers (dolphin purr
64 20# bags of ice in a trailer - needs 120v power access and parking space
2 8’ wide ramps to be built by Daniel

provided by Chumash?
provided by Chumash?
provided by Chumash?
provided by Chumash?
provided by SYV?
provided by SYV?
provided by SYV?
Need to purchase a few decor items to hang, etc - Already have throw pillows, pumpkins, paper mac
on Elite order
on Elite order

2 4x4 Cubbies for shoes/purses
on Elite order
on Elite order
stored at Visitors Center
In storage
In storage
tape, terry towels, etc
Bolt of burlap to cover grapes not in use - need 50'
4 tons from L/L
L/L
Tent Area Rugs - https://www.rugstreet.com/PROD/turf-area-rugs.html We order 10'x30' and 10'x20',

Wristbands, Volunteer Snacks, misc production supplies from HD

not needed for 2019
not needed for 2019
based on impression clicks
Street Pole Banners
ON site signage + Banners + Stomp Posters and handouts
not needed for 2019
not needed for 2019
Logo
donated by participating vendors
not needed for 2019
Tracy to specify
$7.50/VIP ticket
$7.50/VIP ticket
$7.50/VIP ticket
TO: SOLVANG CITY COUNCIL MEMBERS

FROM: Council Member Daniel Johnson; and
Chip Wullbrandt, Interim City Attorney

MEETING DATE: August 26, 2019

DATE PREPARED: August 21, 2019

SUBJECT: DIRECTION ON SOLVANG CONFERENCE AND VISITORS BUREAU
NEGOTIATIONS AND POTENTIAL CONTRACT

I. RECOMMENDATION

A. Consider for approval the contract with Solvang Conference and Visitors Bureau
(“SCVB”) as outlined below;
B. Authorize the Interim City Attorney and Council Member Johnson to conclude
negotiations with the SCVB;
C. Authorize the Mayor to execute a contract with SCVB in substantial conformity with the
attached agreement.

II. BACKGROUND AND DISCUSSION

As discussed at prior Solvang City Council (“Council”) meetings, the City of Solvang (“City”) has
continued its attempts to negotiate a new contract with SCVB. The current Grant Funding
Agreement will expire on August 31, 2019.

Pursuant to the direction given at the August 12, 2019 Council meeting, Council Member Daniel
Johnson, the Interim City Attorney, and Special City Auditor, met on August 13, 2019 with SCVB
President Kim Jensen and reached a tentative agreement which was further refined over the
following days. On Monday August 18, 2019, the office of Interim City Attorney Chip Wullbrandt
sent a proposed contract to SCVB President Kim Jensen, a copy of which is attached hereto as
Attachment 1. City also requested a meeting with Mr. Jensen for either Thursday August 22nd or Friday August 23rd, 2019. On August 21, 2019, Mr. Jensen advised City that SCVB would consider City’s proposal at SCVB’s next Board meeting on Monday August 26, 2019 at 8:30 a.m., and in the meantime they would review the proposed contract with the SCVB attorney, Jack Collison.

The terms of the proposed contract are as follows:

A. Duration: September 1, 2019 through December 31, 2019.

B. City funding and return of City Funds: City would expend a net total of $56,000, which would be offset by the income from Julefest and other income.

1. City to pay SCVB $15,000 per month (monthly payments on 8/30/2019, 9/30/2019, 10/31/2019, 11/27/2019) for the following services:
   i. Operation of the Solvang Visitors Center ($5,500 per month)
   ii. Operation and staffing of the SCVB office with two employees and maintenance of all Digital Assets ($9,500 per month)

2. Due to the fact that SCVB previously received funds from City and said funds were not been expended by SCVB for the purposes set forth in those agreements, within five (5) business days of signing the Agreement, SCVB will issue payment to the City in the amount of $30,000 or the amount contained in SCVB’s Money Market Account, whichever is greater.

3. SCVB to conduct Julefest in exchange for $26,000 [timing of payment to be agreed upon by the City and SCVB] – note that SCVB will return to City all such funds not expended on Julefest plus any income received.

4. City Funds are only to be used for the above services and are not to be used for legal fees, severance payments, bonus payments, etc.

5. All income received by SCVB from any source – Julefest, advertising, sales, etc. – is deemed City funds and returned to the City by January 15, 2020.

C. SCVB services and transfer of Digital Assets:

1. SCVB operates and staffs Solvang Visitor Center from September 1, 2019 through December 31, 2019 and cooperates in transfer to the Center to any successor.

2. SCVB operates and staffs the SCVB office and website from September 1, 2019 through December 31, 2019, including Visitor Guide fulfillment.

3. SCVB conducts Julefest.

4. SCVB maintains, inventories, and transfers all Digital Assets and related physical
This Grant Funding Agreement is made and effective as of the ___ day of August, 2019, by and between THE CITY OF SOLVANG, a municipal corporation (hereinafter referred to as "City") and the SOLVANG CONFERENCE AND VISITORS BUREAU, a California nonprofit corporation (hereinafter referred to as "SCVB"), in consideration of the mutual promises made herein, as follows:

RECITALS:

A. City desires SCVB to provide services designed to advertise and promote the interests of the City of Solvang and its citizens by methods, which will be of the greatest benefit to the people of the City.

B. SCVB is willing to undertake the services hereinafter set forth on behalf of the City for the purposes of promoting tourism and travel to the City.

NOW, THEREFORE, in consideration of the mutual promises and agreements of the parties hereto, it is hereby agreed by and between the parties as follows:

1. Term: The term of this Agreement shall be from July 31, 2019 through December 31, 2019. This Agreement may be extended upon mutual agreement of the parties, upon such terms and conditions as may be agreed upon by the parties. For the duration of this Agreement and thereafter, the Parties will continue to work cooperatively together in good faith regarding the potential for additional contracts.

2. City Funding and Return of City Funds: At the request of SCVB and in consideration of the services enumerated herein and detailed in Paragraph 4 in Columns C and E of the SCVB Budget dated July 30, 2019, attached hereto as Exhibit “A” and incorporated herein (the “SCVB Budget”), the City shall pay to SCVB the following Monthly Payments of $15,000 per month based on SCVB’s line item budget attached hereto as Exhibit A and incorporated herein by reference (the “SCVB Budget”) indicating that it needs $5,500 per month to operate and staff the Solvang Visitors Center (see Paragraph 4(a)) and $9,500 per month to operate and staff a Conference and Visitors Bureau office and maintain all Digital Assets including the website (see Paragraph 4(b), (d)) by 4 p.m. on July 31, 2019. The SCVB Budget shall include estimates of income. City shall make each Monthly Payment by 4 p.m. on the following dates: August 30, 2019; September 30, 2019; October 31, 2019; and November 27, 2019.

Due to the fact that SCVB previously received funds from City under prior agreements, and that those funds have not been expended by SCVB for the purposes set forth in those agreements, within five (5) business days of signing this Agreement, SCVB shall issue payment to the City in the amount of $30,000 or the amount contained in SCVB’s Money Market Account, whichever is greater.
In addition, SCVB shall conduct Julefest in exchange for $26,000 based on the SCVB’s estimated expenses set forth in SCVB’s Budget. City and SCVB to discuss timing of payment. All revenue from Julefest shall be provided to the City by no later than January 15, 2020.

The Monthly Payments and the Julefest funds shall collectively be referred to as “City Funds”. All such City Funds shall be expended by the SCVB for services only as enumerated in paragraphs 2 and 4. Monthly expense reports and financial statements for July 31 through August 31, 2019 shall be provided to the City by SCVB by no later than the 10th of each month for review by the City. This review will require that invoices in support of expenses be provided by the SCVB. Upon request by City, copies of current year contracts relating to the services enumerated in paragraph 4 entered into by SCVB shall be provided to City. It is a material term of this Agreement that City Funds shall only be used for the services set forth in Paragraphs 2 and 4. City Funds shall not be used for any other purpose including but not limited to payment of legal fees, severance payments, and bonus payments. If there is any question as to whether the expenditure of City Funds is authorized by this Agreement, SCVB must communicate that question in writing to the Special City Auditor prior to spending or undertaking any obligation to spend such City Funds.

In addition to the above, all income received by SCVB from any source – advertising boards, online advertising, sales, etc. – from September 1, 2019 through December 31, 2019 shall be deemed City Funds.

By no later than January 15, 2020, SCVB shall return all excess, unused City Funds to City.

2.3. Relationship: City retains SCVB solely on an "independent contractor" basis, and not as an "employee" of City. As such, SCVB will determine the method, details, and means of performing the above-described services. SCVB shall employ and pay such personnel, as the SCVB deems necessary to perform the services required of SCVB by this Agreement. City may not control, direct, or supervise SCVB's employees in the performance of those services. Under no circumstances shall employees of SCVB be deemed employees of City.

3.4. Services Provided and Transfer of Digital Assets: The SCVB hereby agrees to provide the following services to the City of Solvang from September 1, 2019 through December 31, 2019:

a. To continue to operate and staff the Solvang Visitors Center located at Copenhagen Drive, for the hours of 9:00AM to 5:00PM daily, for the specific purpose to promote Solvang as a tourist center and destination and to provide visitor information services to the benefit of visitors to the City. SCVB shall cooperate with City in the transfer of the Solvang Visitors Center to any successor.

b. To continue to operate and staff a Conference and Visitors Bureau office and website for the specific purpose to promote Solvang as a tourist center and
destination. The SCVB shall pursue such purpose by conducting promotional activities, including but not limited to brochure preparation and dissemination, advertising, and encouragement of festivals and events, to motivate members of the general public to visit, shop and stay in Solvang as tourists, and to promote and facilitate filming in Solvang. Brochure dissemination shall include Visitor Guide fulfillment, meaning SCVB shall ensure that Visitor Guides are mailed to potential visitors requesting such guides. As requested by SCVB, SCVB shall continue to employ at least two employees – Susan Williams-Lee (events, administration, books, and calendar) and Daniel Lahr (film, sales, event, and content) – to carry on the services and promotional activities enumerated in this paragraph.

b.c. **To conduct Julefest.**

d. To maintain all digital assets (“Digital Assets”) including but not limited to the “solvangusa.com” website and URL, trademarks, digital documents, audible content, motion pictures, photographs, illustrations, animations, spreadsheets, word documents, files, websites or organizations set up and run with City Funding, etc., whether stored on computers/laptops, in the cloud, in electronic storage devise, on telecommunication devices, or on any and all apparatuses which are, or will be, used by SCVB, notwithstanding the proprietorship of the physical devices onto which the digital asset is located.

e.c. **To inventory all Digital Assets.** Immediately following the date of this Agreement, SCVB shall contact the Special City Auditor to begin the process of inventorying all Digital Assets as well as any related physical assets. This inventory shall be completed by September 30, 2019 unless an extension is so agreed in writing between SCVB and the Special City Auditor. SCVB shall promptly meet any requests by City related to the inventory of such assets, as well as relating to the eventual transfer of those assets as discussed further below. SCVB shall open all books and files to the Special City Auditor and fully cooperate in the inventorying of assets, including but not limited to providing all contracts and marketing plans including in particular those provided by DVA Advertising.

d.f. **To promote and promptly answer all correspondence relative to conference and visitor facilities in the City of Solvang.**

g. **To generally promote conference and visitor activities that will bring additional revenue to the City and to businesses within the City.**

At no later than the conclusion of this Agreement – whether by expiration on December 31, 2019 or by Termination pursuant to Paragraph 7 – SCVB shall immediately transfer all Digital Assets, as well as related physical assets, to the City, including any necessary passwords, licenses, or other information reasonably requested by City. SCVB shall cooperate in good faith with transferring the Digital Assets and related physical assets to the City as soon as it becomes practicable to do so, such that the transfer commences and as much of the transfer as is practicable is completed prior to the termination of this Agreement.
4.5 Standards: SCVB shall follow generally accepted accounting principles (GAAP) and to provide safeguards concerning public funds:

   a. SCVB shall follow its by-laws, and instead of having staff perform all functions, the Secretary of the Board of Directors of SCVB shall be responsible for review of the minutes and records and the Treasurer shall be responsible for review of all financial reports.

   b. There will be two signatures required for all checks in excess of $1,000.00.

   c. Any monies received from Advertising Boards at the Visitor Center(s) shall be considered public funds and accounted for as such.

   d. No public funds shall be accumulated to be used for any private purpose or to be used for any purpose not authorized by the Approved Budget and Paragraph 4.

   e. SCVB is considered a component unit of the City of Solvang for audit purposes and therefore subject to an annual audit performed by the City of Solvang's Auditor. The City shall provide thirty days' notice of the week that the City audit will occur. If at any time the annual audit of the SCVB's records is unable to be completed in timely manner, due to reasons that relate to inadequate record keeping by the SCVB or unavailability of staff, it shall become the financial responsibility of the SCVB to rehire the City's auditor to return for the audit at their own expense.

   f. City acknowledges that SCVB "hospitality" expenses include, but are not limited to, the purchase or in-kind receivership of dining and alcohol, accommodations, tour guides and services, sporting activities, event tickets, collateral and other gift items as part of the SCVB public relations program that promotes Solvang and the Santa Ynez Valley as a destination to the travel trade industry. All such expenditures and the receipt of any such in-kind gifts or services shall be included by the SCVB in its monthly report to the City.

   g. SCVB shall maintain a reserve target of 10% of its current year's budget.

   h. All funds received and derived from City funding shall be considered as public.

6. Board of Directors Meetings: All minutes and other documents related to SCVB Board of Directors meetings shall be available to the public and a copy of which shall be provided to the City Clerk. All meetings of the SCVB Board of Directors shall be preceded, not less than 72 hours before the beginning of the meeting, by a written agenda containing a brief description of matters to be considered and potential action to be taken. Such agenda shall be posted at City Hall, and at such other locations as may be determined from time to time by the City Council.

§7 Termination: This Agreement may be terminated by the City as a result of the SCVB's failure to comply with its obligations under this Agreement. Prior to giving SCVB notice of termination, City shall give to SCVB written notice of default specifying the nature of the default, demanding cure thereof within ten (10) days. In the case of defaults not capable of being cured within said ten (10) day period due to factors beyond the control of either the SCVB or the City, the Notice of Default shall request the SCVB to take and continue action to cure such default with all reasonable diligence until the same is cured.
but not for more than twenty (20) days from such notice. In the event the default is cured within the time provided in the Notice of Default, then no notice of termination shall be given by the City to the SCVB. In the event any default specified in the notice from the City is not cured within the time provided thereof, then City may immediately terminate this Agreement by written notice to SCVB. City may also terminate this Agreement, without cause, upon thirty (30) days written notice. Any funds in the possession of SCVB that were provided by City pursuant to paragraph 2 which have not been contractually obligated by SCVB at the time of its receipt of written notice of termination from City shall be returned by the SCVB to the City within ten (10) days following receipt of the notice of termination.

6.8. Indemnification, Release, and Limitations on Right to Sue: To the fullest extent permitted by law, SCVB agrees to defend, indemnify and hold harmless the City, its elective officials, officers, employees and agents (collectively with respect to paragraph 7-8 in its entirety, "City") from any and all actions, claims, liabilities, obligations, judgments, losses, costs, and/or damages, including without limitation, attorney's fees and court costs ("claims") of any type whatsoever due or claimed to be due arising out of SCVB's performance of this Agreement or out of the operations conducted by SCVB, including the City's active or passive negligence or strict liability, except for such loss or damage arising from the sole negligence or breach of contract or willful misconduct of the City. In the event the City is made a party to any action, lawsuit, or other adversarial proceeding arising from SCVB's performance of this Agreement, SCVB shall provide a defense to the City or at the City's option, shall reimburse the City its cost of defense, including reasonable attorney's fees, incurred in defense of such claims.

SCVB further agrees that in consideration for the receipt of funds set forth in paragraph 2, SCVB (including its officers, directors, Board members, employees, and agents, and their next of kin, heirs and representatives) releases from any and all liability except for City's breach of contract and promises not to sue the City, its elected officials, employees, and agents, for any and all claims, including claims of negligence, but excepting breach of contract, resulting from or relating to this Agreement, whether existing now or in the future.

SCVB further agrees that SCVB - including its officers, directors, Board members, staff, and agents - shall not use funds received from City pursuant to paragraph 2 to sue the City for any claim whatsoever except for breach of contract. The term "use" shall refer to using such funds to pay for attorney's fees, expert fees, legal costs, and staff compensation for work performed relating to such litigation.

7.9. Insurance: SCVB shall, throughout the term of this Agreement and any subsequent extensions, maintain liability insurance in the amount of $1,000,000.00, and such insurance policy shall name City as additional insured SCVB shall also maintain all other legally required form of insurance, including but not limited to workers' compensation insurance. All policies of insurance maintained by the SCVB shall extend coverage to the City as an additional insured SCVB shall furnish to the City certificates of insurance confirming that such insurance is in full force and effect and SCVB shall notify City at
least thirty (30) days prior to cancellation, termination or modification of such insurance.

8.10. **Political Action:** For the duration of this Agreement, SCVB shall not become involved in any way or manner in political or election related purposes, including but not limited to a political action committee, with respect to elections of the City of Solvang, nor will it lend its name or support to any organization or party in any political or election related activity, nor will it allocate any funds received from the City for any of those purposes.

9.11. **Legal Notices:** All written notices and demands of any kind which either party may be required or may desire to serve upon the other in connection with the Agreement may be served either personally, by registered or certified mail, or by first class mail, postage prepaid addressed as follows:

To City:  
City Manager  
City of Solvang  
1644 Oak Street  
Solvang, CA 93464  
-with copy to-  
Chip Wullbrandt, Esq.  
Price, Postel & Parma LLP  
200 E. Carrillo St., Suite 400  
Santa Barbara, CA 93101  
-with copy to-  
Tom Widroe, Special City Auditor  
435 Farmland Drive  
Buellton, CA 93427

To SCVB:  
President  
Solvang Conference & Visitors Bureau  
P.O. Box 70  
Solvang, CA 93464  
-with copy to-  
Jack L. Collison, Esq.  
1610 Oak Street, Suite 106  
Solvang, CA 93463

11. **Enforcement:** If any provision of this Agreement, or its application to any person, place, or circumstance, is held by an arbitrator or a court of competent jurisdiction to be invalid, unenforceable, or void, such provision shall be enforced to the greatest extent permitted by law, and the remainder of this Agreement and such provision as applied to other persons, places, and circumstances shall remain in full force and effect. No failure to exercise and no delay in exercising any right, remedy, or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, or power under this Agreement preclude any other or further exercise thereof, or the exercise of any other right, remedy, or power provided herein or by law or in equity.

12. **Binding Agreement:** This Agreement shall be binding upon each of the parties and upon their heirs, administrators, representatives, executors, successors, and assigns, and shall inure to the benefit of the parties and each of them, and to their heirs, administrators, representatives, executors, successors, and assigns.

13. **California Law:** This Agreement and the rights and obligations of the parties set forth
herein shall be governed by, construed and interpreted in accordance with the laws of the State of California. The prevailing party in any action filed arising out of the terms of this Agreement or any alleged violation thereof shall be entitled to recover that party's reasonable attorney's fees and costs incurred in such an action.

14. Entire Agreement: This Agreement constitutes the entire agreement between the parties and supersedes any prior agreement, policy, practice or understanding between the parties, written or oral. The terms of this Agreement may not be modified, except by a writing signed by both parties. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Agreement has been executed by the parties as of the day and year first above indicated.

THE CITY OF SOLVANG
A Municipal Corporation

By: ________________________________
Ryan Toussaint, Mayor

SOLVANG CONFERENCE AND VISITORS BUREAU
A California Nonprofit Corporation

By: ________________________________
Kim Jensen, President

Approved as to Form:

By: ________________________________
C.E. Chip Wullbrandt
Interim City Attorney
assets to the City.

D. Agreement may be terminated by City without cause upon thirty (30) days written notice.

E. Indemnification, release of claims, and limitation on right to sue language previously proposed by City.

III. FISCAL IMPACT

If SCVB agrees to the City’s proposal, the City would expend a net total of $56,000 through December 31, 2019 on services provided by SCVB. This would be offset by the income from Julefest and other income, including the approximately $30,000 of prior year City funds to be returned by the SCVB.

IV. ATTACHMENTS

1. City’s proposed Agreement between the City and the SCVB for September 1, 2019 through December 31, 2019. Track changes reflect City’s modifications to the July 31, 2019 Grant Funding Agreement.
2. Julefest 2019 Budget
### Julefest 2019 Budget

<table>
<thead>
<tr>
<th>Category</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Permit</td>
<td>$125.00</td>
</tr>
<tr>
<td>Street Pole Banners Application</td>
<td>$250.00</td>
</tr>
<tr>
<td>Santa &amp; Mrs. Clause</td>
<td>$4,300.00</td>
</tr>
<tr>
<td>SC Hotel</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>TREE LIGHTING</strong></td>
<td></td>
</tr>
<tr>
<td>Alan Satchwell Production</td>
<td>$850.00</td>
</tr>
<tr>
<td>Sound Operator</td>
<td>$75.00</td>
</tr>
<tr>
<td>Dance Floor Rental</td>
<td>$350.00</td>
</tr>
<tr>
<td>Chairs</td>
<td>$575.00</td>
</tr>
<tr>
<td>Labor &amp; Delivery</td>
<td>$575.00</td>
</tr>
<tr>
<td>Decorations</td>
<td>$300.00</td>
</tr>
<tr>
<td><strong>NISSE ADVENTURE</strong></td>
<td></td>
</tr>
<tr>
<td>Nisse Dolls - Hunt</td>
<td>$250.00</td>
</tr>
<tr>
<td>Nisse Dolls - Merchandise</td>
<td>$750.00</td>
</tr>
<tr>
<td>Set Up</td>
<td>$0.00</td>
</tr>
<tr>
<td>Buttons/Prizes</td>
<td>$500.00</td>
</tr>
<tr>
<td>Printing</td>
<td>$500.00</td>
</tr>
<tr>
<td><strong>JULEFEST PARADE</strong></td>
<td></td>
</tr>
<tr>
<td>Sherrieff Services</td>
<td>$1,050.00</td>
</tr>
<tr>
<td>Ribbons</td>
<td>$150.00</td>
</tr>
<tr>
<td>Trophies</td>
<td>$250.00</td>
</tr>
<tr>
<td>Printing &amp; Misc. Material</td>
<td>$500.00</td>
</tr>
<tr>
<td>Street Sweeper</td>
<td>$525.00</td>
</tr>
<tr>
<td><strong>SKAL STROLL</strong></td>
<td></td>
</tr>
<tr>
<td>Wine glasses</td>
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I. RECOMMENDATION:

City Council consider the appeal of Fristaden Wellness challenging the rejection of its application for a medical cannabis dispensary permit for failure to include the requisite owner authorization; and uphold the rejection of the application as deficient under the existing ordinance regulating cannabis in the City.

II. BACKGROUND:

On August 27, 2018, the City Council adopted Ordinance No. 18-332 to comprehensively regulate cannabis within the City of Solvang, establish the allowance of medical cannabis dispensaries within the C-3 zone, and to allow other commercial medical cannabis uses in the same location and associated with the dispensary, such as cultivation, manufacture, and production (the “Ordinance”). The Ordinance became effective on September 26, 2018.

On December 10, 2018, the City Council approved the medical cannabis dispensary permit application and selection process (the “Application and Selection Process”) and the associated fees. Copies of the Ordinance, the Application and Selection Process, the permit application (the “Application”), and the City’s medical cannabis dispensary permit application submittal checklist (the “Checklist”) are attached for the Council’s reference. The application acceptance period ran from January 21, 2019 through February 22, 2019.
On February 22, 2019, appellant Fristaden Wellness ("Fristaden") submitted a medical cannabis dispensary permit application (the "Application"), a copy of which is attached for the Council’s reference. In a cover letter Fristaden noted that it was submitting its Application without the property owner authorization required under Section 5-4-3-5.H.5 of the Ordinance (the "Authorization") because the owner (the "Landlord") of one of only two permissible properties for a medical cannabis dispensary under the Ordinance (1210 Mission Drive) (the "Property") declined to sign the Authorization, and instead only signed the Authorization for a different applicant (Mountain View Elemental Wellness). In its cover letter Fristaden “implore[d] the City to waive the Authorization requirement as it applies to the Property and accept applications that are otherwise complete,” claiming that the City’s current zoning restrictions have created an unintended monopoly over the application process by effectively placing all decision-making power into the hands of the Landlord.

On March 6, 2019, staff sent Fristaden a letter providing notice that the Application was deemed incomplete and rejected for failure to include the Authorization required under the Ordinance. A copy of staff’s letter is attached for the Council’s reference.

On March 15, 2019, Fristaden submitted a written appeal of staff’s rejection of its medical cannabis dispensary permit application (the "Appeal"), a copy of which is attached for the Council’s reference. The Appeal claims that by limiting the permissible location for a medical cannabis dispensary in the City, and/or requiring that the Authorization be submitted with all applications, the Ordinance constitutes: (1) illegal spot zoning against public interest; (2) creation of an illegal monopoly over the City’s regulatory permitting process; and (3) impermissible delegation of municipal legislative power to the Landlord. The Appeal requests that the City “reconsider the Ordinance and accept otherwise completed applications that were rejected for failure to meet the [Authorization] requirement.”

At the March 25, 2019 City Council meeting, Fristaden agreed to stay the appeal pending the Council’s review of the Ordinance and related application process. At the May 28, 2019 City Council meeting, the Council directed staff to reconsider the zoning restrictions for the dispensary location in the City, establish revised regulations regarding the Authorization in order to increase competition for permit applications, and expand benchmark criteria within the application process to better detail specific business model objectives. The Council further directed staff to set the date of August 26, 2019 for the hearing to consider Fristaden’s Appeal under the existing Ordinance.

On June 13, 2019, staff sent Fristaden a Notice of Time and Place of Appeal Hearing, a copy of which is attached for the Council’s reference.
III. DISCUSSION:

The Appeal contends the Ordinance, as applied to Fristaden, constitutes illegal spot zoning against public interest, improperly creates a monopoly for a single property owner, and violates the prohibition on municipal delegation of legislative authority to private parties.

As discussed below, the Ordinance unlikely constitutes illegal spot-zoning or improper creation of a monopoly, and it is not a delegation of legislative authority to the Landlord. However if a lawsuit were filed challenging the Ordinance on any one of these bases, the Ordinance could potentially be ruled invalid. A court’s determination of the validity of the Ordinance would be fact specific, so the outcome of any litigation is difficult to predict.

It is worth noting that the C-3 zone actually consists of two properties that could potentially allow a dispensary under the Ordinance: 1210 and 1230 Mission Drive. 1230 Mission Drive is an active building materials company (Nielsen’s Building Materials) and the owner did not entertain inquiries from medical cannabis dispensary applicants. Therefore the Landlord (the current owner of 1210 Mission Drive) is currently the only property owner willing to consider medical cannabis dispensary permit applicants at this time.

Additionally, although Fristaden conflates the Authorization requirement with the C-3 zone limitation, it should also be noted that the Authorization requirement is applicable only to the issue of delegation of legislative authority. The Authorization has no bearing on the spot zoning or monopoly issue, which is limited to the C-3 zone restriction under the Ordinance.

Spot Zoning / Creation of a Monopoly

Certain categories of zoning ordinances may be held invalid and unreasonable as applied to a particular property. One example is known as “spot zoning” against public interest. “The essence of spot zoning is irrational discrimination.”\(^1\) Spot zoning may occur when a small parcel of property is subject to more or less restrictive zoning than the surrounding properties. Spot zones or “islands” of territory zoned for additional or different uses from the surrounding territory may consist of areas as small as a single city lot. However, spot zoning may or may not be impermissible, depending on the circumstances. The relevant ordinance may be justified if a substantial public need exists, even if the private owner of the tract will also benefit.\(^2\) In other words, the test is whether there is a rational basis for the spot zoning caused by the ordinance. If a municipality can document why an ordinance is in the public interest (i.e., that it has a substantial relation to the public

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\(^1\) Avenida San Juan P'ship v. City of San Clemente (2011) 201 Cal. App. 4th 1256, 1268.
health, safety, morals or general welfare) despite resulting in spot zoning, the ordinance may be upheld.³

Zoning ordinances may also be deemed invalid and unreasonable as applied to a particular property where the restrictions create a monopoly. A municipality is not permitted, under the guise of regulating business and segregating it to a particular district, to grant a monopoly to business establishments and enterprises already situated in unrestricted districts.⁴ However, even when regulation of economic competition can be viewed as a direct and intended effect of a zoning ordinance or action, so long as the primary purpose of the ordinance or action is not an impermissible, private, anticompetitive goal of protecting or disadvantaging a particular favored or disfavored business or individual, but instead is the advancement of a legitimate public purpose, the ordinance reasonably relates to the general welfare of the municipality and constitutes a legitimate exercise of the municipality’s police power.⁵ A zoning ordinance cannot be held invalid as creating a monopoly in favor of existing businesses merely because of economic inequities resulting from its enforcement; it is not invalid in the absence of a showing that the districts or zones in which businesses may be operated have been so constricted as to indicate an intent to shut out newcomers.⁶

There currently are two permissible locations in the City for a medical cannabis dispensary under the existing Ordinance. Under California case law, this may be deemed to create an “island” and thus result in spot zoning. Given that only two properties are available under the Ordinance (regardless of which owners are willing to rent or sell to medical cannabis dispensary permit applicants), this may also be considered to create a “monopoly.”

Even if the Ordinance constitutes spot zoning or creates a monopoly, the analysis does not stop there. The City Council must determine, based on the Ordinance drafting and approval process, as well as the plain language of the Ordinance, whether a rational basis exists to justify the Ordinance as drafted. Is there sufficient justification to uphold the Ordinance as serving a substantial public need? Or was the Ordinance designed with the intent to shut out all other prospective locations in the City in order to grant a monopoly to the owners of property in the C-3 zone?

In this case the City in enacting the Ordinance likely did not intend to limit permissible dispensary locations to a single parcel. Nor was the intent to benefit a single property owner at the expense of others. Fristaden admits as much in its Appeal. The City has no control over which property owners will consider cannabis activities on their property.

³ Wilkins v. City of San Bernardino (1946) 29 Cal. 2d 332, 339.
⁴ Pac. Palisades Ass'n v. City of Huntington Beach (1925) 196 Cal. 211, 216.
Section 5-4-3-1 of the Ordinance sets forth the City’s primary general justification for the regulation of medical cannabis dispensaries:

“If medical cannabis dispensary, cultivation, manufacturing, testing, distribution, transportation, and delivery facilities were permitted to be established or if existing businesses were permitted to distribute, sell, cultivate, test, transport, or deliver medical cannabis, or manufacture medical cannabis products without appropriate regulation, such uses might be established in areas that would conflict with the requirements of the general plan, be inconsistent with surrounding uses, or be detrimental to the public health, safety and welfare, or the operation of such facilities may be in conflict with applicable state law and regulations. The city council desires to enact reasonable regulations pertaining to medical cannabis dispensary, cultivation, manufacturing, testing, distribution, transportation, and delivery facilities to ensure that qualified patients and their primary caregivers are afforded safe and convenient access to medical cannabis, while at the same time ensuring that such uses do not conflict with the general plan, are not inconsistent with surrounding uses, and are not detrimental to the public health, safety and welfare, and the operation of such facilities is in compliance with applicable state law and regulations.” (Mun. Code § 5-4-3-1.B (emphasis added).)

The Planning Commission approved the C-3 zone after review of different areas of the City and deemed this area to be the most appropriate in terms of the health and safety of the community, as well as State requirements for 1,000 foot setbacks from sensitive receptors. The City Council, at the recommendation of the Planning Commission, likewise determined that limiting the medical cannabis dispensary location to the C-3 zone was in the best interests of the City for public health, safety and welfare. For these reasons the Ordinance, although potentially resulting in spot zoning and creating a monopoly for the Property, is not illegal.

The issue of spot zoning creating a monopoly for commercial cannabis is not limited to the City of Solvang. On February 9, 2018, a San Bernardino Superior Court judge ruled that a voter-approved ballot initiative allowing commercial cannabis in only certain parts of the City of San Bernardino was impermissible spot zoning because, as applied, it limited the possible dispensary sites to just two addresses.7 While the City of San Bernardino has since re-worked its regulations, the owner of one of the two permissible parcels awarded a permit has filed an appeal. This provides an example of the inevitably litigious nature of local cannabis regulation, regardless of which direction the municipality takes. In this case the fear of litigation over spot zoning or creating a monopoly should not drive the City

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7 The “Measure O Cases,” San Bernadino Superior Court Case Nos. CIVDS 1702131, 1704276, 1712424.
Council’s decision on the Appeal.

Delegation of Legislative Authority

Fristaden also contends that the Ordinance improperly delegates legislative authority to the Landlord by effectively giving the Landlord the final decision as to which application will be accepted for consideration. The Ordinance requires an applicant for a medical cannabis dispensary permit to provide, among other items:

“The name and address of the owner and lessor of the premises and a copy of the lease or other such proof of the legal right to occupy and use the premises and a statement from the owner or agent of the owner of the real property where the facility will be located demonstrating the landowner has acknowledged and consented to permit dispensary, cultivation, distribution, manufacturing, or transportation activities to be conducted on the property by the applicant.” (Mun. Code § 5-4-3-5.H.5.)

This requirement is included on page 2 of the Application, and considered during Phase I of the Application and Selection Process. The City Manager may reject an application upon making a finding that the applicant fails to meet any requirements of the Ordinance or any regulation adopted pursuant to the Ordinance. (Mun. Code § 5-4-3-7.A.4.) The City Manager therefore has the authority to reject any application submitted without the requisite Authorization.

While it is true that cities are proscribed from delegating legislative power to private parties, the doctrine is not implicated when the governing body’s powers are in no way negated or diminished. (Redwood City v. Moore (1965) 231 Cal. App. 2d 563, 576.) On the one hand, only applicants who obtain the Authorization can be accepted for consideration under the Ordinance. In this case, this resulted in only one application being accepted because the Landlord only signed one Authorization, and the owner of the other permissible property in the C-3 zone would not consider cannabis operations on its property. However the plain language of the Ordinance does not preclude the Landlord (or any other property owner) from executing multiple Authorizations for multiple applicants, contingent upon such applicant’s successful registration with the City for a medical cannabis dispensary permit. Either way, the City Manager still makes the final determination as to which applicants, if any, will be considered for a permit in the Phase 3 lottery. If a property owner signs an Acknowledgment for an otherwise unqualified applicant, the City Manager has no obligation to approve that applicant. The Authorization requirement therefore unlikely constitutes illegal delegation of legislative power. This issue, however, has not been extensively litigated, therefore the risk of having the Ordinance overturned in a legal challenge on this basis remains uncertain.

Review on Appeal
Any action taken by the City Manager or designee pursuant the Ordinance may be appealed to the City Council. The decision of the City Council on such appeal shall be final and binding on all parties concerned. (Mun. Code § 5-4-3-29.) The hearing on appeal shall be de novo, in that an independent reexamination of the matter shall be made, and the appellant shall have the burden of proof in all cases. (Mun. Code § 1-6-6.A.) “Upon the hearing of the appeal, the city council may refer the matter back to the respondent board, commission or officer, with directions, for further consideration, or it may reverse, affirm or modify the determination or action of the respondent, and it may make such decision or determination as may appear just and reasonable in the light of the evidence presented, and its decision or determination shall be final and conclusive.” (Mun. Code § 1-6-7.)

In its Appeal Fristaden is asking the City Council to take any combination of two actions: (1) revise the Ordinance to expand permissible zones for the dispensary beyond the C-3 zone, and accept applications with Authorizations for properties located outside the C-3 zone; and/or (2) waive the Authorization requirement, at least in the initial stages of the application process, and accept all applications for review without the Authorization.

Staff recommends denying the Appeal because Fristaden’s application is deficient on its face under the current Ordinance for failure to include the requisite Authorization. Although the City Council has directed staff to explore both of Fristaden’s requested revisions to the Ordinance, this issue is not before the Council for consideration during the hearing on the Appeal.

IV. ALTERNATIVES:

The Ordinance confers a certain amount of discretion during the application review process. “The city manager or designee may place reasonable conditions upon registration if grounds exist for denial of the registration and those grounds may be removed by the imposition of those conditions.” (Mun. Code § 5-4-3-7.B.) Thus the City Council may alternatively choose to refer the matter back to the City Manager with directions for further consideration of Fristaden’s application by temporarily waiving the Authorization requirement. However, this alternative would necessitate further consideration of the applications of any other applicants who were rejected for failure to submit the Authorization, and would result in a de facto re-writing of the Ordinance.

V. FISCAL IMPACT
There is no fiscal impact related to this decision on appeal. The application and processing fee paid by Fristaden Wellness was refunded upon the rejection of their application.

VI. ATTACHMENTS:

1. City of Solvang Ordinance No. 18-332
2. City of Solvang Application and Selection Process
3. City of Solvang Application Submittal Checklist
4. Fristaden’s Cannabis Permit Application
5. Solvang Notice of Rejection Letter
6. Fristaden’s Written Notice of Appeal
7. Notice of Time and Place of Appeal Hearing
ORDINANCE NO. 18-332

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SOLVANG, CALIFORNIA, REPEALING AND AMENDING SOLVANG MUNICIPAL CODE CHAPTER 11-12 AND ADDING CHAPTER 5-4 TO COMPREHENSIVELY REGULATE CANNABIS

The People of the Chartered City of Solvang, State of California, do hereby ordain as follows:

SECTION 1. Title 11, chapter 12 section 22 of the Solvang Municipal Code is amended in its entirety to read as follows: medical cannabis uses, as defined and regulated in Chapter 5-4 et. seq. are allowed only in the C-3 zone. Notwithstanding anything to the contrary in this code no cannabis uses as defined in Section 5-4-2 other than medical cannabis uses shall be a permitted use in any zone of the city, no conditional use permitted shall issue permitting cannabis uses other than medical cannabis uses, and no medical cannabis uses are allowed in any zone except the C-3 zone.

SECTION 2. Title 11 Chapter 3 Section 1 is hereby amended to add a definition of Cannabis which shall read as follows: CANNABIS: Section 5-4-2-A is hereby incorporated by this reference as though fully set forth at this point.

SECTION 3. Title 5 of the Solvang Municipal Code is hereby revised to add a new chapter 4 to read as follows:

CHAPTER 5-4 CANNABIS REGULATIONS

Section 5-4-1. Purpose and Intent.

The purpose and intent of this Chapter is to comprehensively regulate cannabis within the City of Solvang, as authorized by State law.

Section 5-4-2. Definitions.

For purposes of this Chapter, the following definitions apply:

A. "Cannabis" and "Marijuana" mean all parts of the plant Cannabis sativa L., Cannabis Indica, or Cannabis Ruderalis, whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. It does not include "industrial hemp" as defined by Section 81000 of the Food and Agricultural Code or Section 11018.5 of the Health and Safety Code. "Marijuana" and "cannabis" may be used interchangeably, but shall have the same meaning.

B. "Commercial cannabis activity" means the cultivation, harvesting, manufacture, processing, storing, laboratory testing, labeling, transportation, distribution, delivery or sale of cannabis or cannabis products.

C. "Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis, including the private cultivation of not more than six living cannabis plants when in compliance with the restrictions set forth at Health and Safety Code Section 11362.2(a) and when located within a private residence or
inside an accessory structure of a private residence located upon the grounds of a private residence that is fully enclosed and secure.
D. “Cultivation site” means any facility or location where cannabis is planted, grown, harvested, dried, cured, graded, or trimmed, or that does all or any combination of those activities.
E. “Delivery” means the commercial transfer of cannabis or cannabis products to a customer. “Delivery” also includes the use by a retailer of any technology platform owned and controlled by the retailer, or independently licensed, that enables customers to arrange for or facilitate the commercial transfer by a licensed retailer of cannabis or cannabis products.
F. “Distribution” means the procurement, sale and transport of cannabis and cannabis products between parties to a transaction.
G. “Manufacture” means to compound, blend, extract, infuse or otherwise make or prepare a cannabis product.
H. “Cannabis accessories” means any equipment, products or materials of any kind which are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, smoking, vaporizing or containing cannabis, or for ingesting, inhaling or otherwise introducing cannabis or cannabis products into the human body.
I. “Cannabis dispensary” means a facility or location, whether fixed or mobile, where cannabis or cannabis products are made available for sale, whether for medical purposes or otherwise.
J. “Cannabis products” means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.
K. “Nursery” means a producer of clones, immature plants, seeds and other agricultural products used specifically for the planting, propagation, and cultivation of cannabis.
L. “Sell,” “sale” and “to sell” include any transaction whereby, for any consideration, title to cannabis is transferred from one person to another, and includes the delivery of cannabis or cannabis products pursuant to an order placed for the purchase of same and soliciting or receiving an order for same.
M. “Smoke” and “smoking” means to inhale, exhale, burn, or carry any lighted or heated device or pipe, or any other lighted or heated cannabis or cannabis product intended for inhalation, whether natural or synthetic, in any manner or in any form. “Smoke” and “smoking” includes the use of an electronic smoking device that creates an aerosol or vapor, in any manner or in any form, or the use of any oral smoking device for the purpose of circumventing the prohibition of smoking in a place.
N. “Testing service” means a laboratory, facility or entity that offers or performs tests of cannabis or cannabis products, including the equipment provided by such laboratory, facility or entity.
Section 5-4-3. Medical Cannabis Dispensary Allowed subject to the following regulations.

5-4-3.1 Purpose and intent.

A. The purpose and intent of this chapter is to establish a comprehensive system to control and regulate the cultivation, distribution, transport, storage, manufacturing, processing, and sale of medical cannabis and medical cannabis products for patients with valid physician's recommendations. This chapter does not apply to adult-use cannabis and adult-use cannabis products for adults twenty-one (21) years of age and over.

B. If medical cannabis dispensary, cultivation, manufacturing, testing, distribution, transportation, and delivery facilities were permitted to be established or if existing businesses were permitted to distribute, sell, cultivate, test, transport, or deliver medical cannabis, or manufacture medical cannabis products without appropriate regulation, such uses might be established in areas that would conflict with the requirements of the general plan, be inconsistent with surrounding uses, or be detrimental to the public health, safety and welfare, or the operation of such facilities may be in conflict with applicable state law and regulations. The city council desires to enact reasonable regulations pertaining to medical cannabis dispensary, cultivation, manufacturing, testing, distribution, transportation, and delivery facilities to ensure that qualified patients and their primary caregivers are afforded safe and convenient access to medical cannabis, while at the same time ensuring that such uses do not conflict with the general plan, are not inconsistent with surrounding uses, and are not detrimental to the public health, safety and welfare, and the operation of such facilities is in compliance with applicable state law and regulations.

C. Medical cannabis facilities shall be permitted, upon application and approval of a regulatory permit in accordance with the criteria and procedures set forth in this chapter.

D. The provisions of this chapter shall be interpreted and applied consistent with all applicable state laws and regulations. To the extent any provision of this chapter conflicts with or contradicts any applicable state law or regulation, or establishes a criteria, procedure, standard, requirement, or regulation that does not meet the minimum standards of any applicable state law or regulation, the requirements of the applicable state law or regulation shall take precedence. To the extent any provision of this chapter imposes a criteria, procedure, standard, requirement, or regulation that is more restrictive than that imposed by any applicable state law or regulation, the more restrictive provisions of this chapter shall take precedence, unless otherwise prohibited by applicable state law or regulation. The city manager or designee shall make interpretations and determinations under this subsection for consistency with all applicable state laws and regulations, subject to the appeal procedures of section 5-4-3-29.

E. The provisions of this chapter shall be interpreted and applied to avoid conflict with any other provision of this chapter. The city manager or designee shall make interpretations under this chapter to avoid any such conflict. If the city manager or designee is unable to make a good faith interpretation to avoid any such conflict, the city manager or designee shall make a determination as to which conflicting provision shall take precedence and shall report such determination to the city council.
5-4-3-2 Medical cannabis facilities.

A. Medical cannabis facilities permitted under this chapter include medical cannabis dispensary, cultivation, manufacturing, testing, distribution, and transportation facilities that are owned and operated by bona fide nonprofit organizations such as a cooperative or a collective, subject to the provisions of the Compassionate Use Act of 1996 (California Health and Safety Code Section 11362.5), the Medical Marijuana Program Act of 2004 (California Health and Safety Code Sections 11362.7 through 11362.83), the California Attorney General’s Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use issued in August 2008, and any other state laws pertaining to dispensing, cultivating, manufacturing, testing, distributing, transporting, or delivering medical cannabis or medical cannabis products. Upon implementation of the licensing and regulatory scheme established by the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) of 2017, and the phasing out of the existing statewide model of cannabis cooperatives and collectives as provided for thereunder, medical cannabis facilities permitted under this chapter shall be as authorized by that Act and regulations issued by the state thereunder.

B. Medical cannabis facilities permitted under this chapter shall comply with the licensing and regulatory requirements of the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) of 2017 as codified in California Business and Professions Code Sections 26000 et seq. and as may be amended from time to time, and regulations issued by the state pursuant thereto.

C. Medical cannabis facilities permitted under this chapter shall apply for and obtain the appropriate license issued by the state for the type of medical cannabis business for which a regulatory permit is issued under this chapter.

D. This chapter shall not apply to a qualified patient or primary caregiver who possesses, stores, or transports medical cannabis or medical cannabis products exclusively for his or her personal medical use, or for that of qualified patients of the primary caregiver, and who does not provide, donate, sell, or distribute medical cannabis or medical cannabis products to any other person or qualified patient.

E. This chapter shall not apply to the following:
   1. A clinic licensed pursuant to Health and Safety Code Division 2, Chapter 1;
   2. A healthcare facility licensed pursuant to Health and Safety Code Division 2, Chapter 2;
   3. A facility licensed pursuant to Health and Safety Code Division 2, Chapter 2;
   4. A residential care facility for persons with chronic life-threatening illness licensed pursuant to Health and Safety Code Division 2, Chapter 3.01;
   5. A residential care facility for the elderly licensed pursuant to Health and Safety Code Division 2, Chapter 3.2;
   6. A residential hospice; or
   7. A home health agency licensed pursuant to Health and Safety Code Division 2, Chapter 8, as long as such use complies with applicable law, including, but not limited to, Health and Safety Code Sections 11362.5 et seq.

F. "Cannabis" shall have the meaning set forth in California Business and Professions Code Section 26001(f). “Medical cannabis” shall have the same meaning as set forth in Business and Professions Code Section 26001(ai). "Marijuana" and "cannabis" may be used interchangeably, but shall have the same meaning.

G. "Customer" is a natural person twenty-one (21) years of age or over who possesses a physician’s recommendation for the use of medical cannabis or a primary caregiver.

H. "Manufactured medical cannabis" means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, an edible
product, or a topical product.
I. A "medical cannabis cultivation facility" includes any facility where medical cannabis is planted, grown, harvested, dried, cured, graded, or trimmed, or that does all or any combination of those activities, or any facility that produces only clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of medical cannabis. Cultivation as used in this chapter shall include both cultivation and nursery as those terms are defined in California Business and Professions Code Sections 26001(l) and (aj).
J. "Medical cannabis delivery" is the commercial transfer of medical cannabis or medical cannabis products to a customer. Delivery also includes the use by a retailer of any technology platform owned and controlled by the retailer.
K. A "medical cannabis dispensary" is a facility authorized under this chapter where medical cannabis, medical cannabis products, or devices for the use of medical cannabis or medical cannabis products are offered, either individually or in any combination, for retail sale, including an establishment that delivers medical cannabis and medical cannabis products as part of a retail sale. As used in this chapter, the term "medical cannabis dispensary" also means "medical cannabis retailer" or "medical cannabis retail facility" and vice versa.
L. A "medical cannabis distribution facility" is a facility used to facilitate the procurement, sale, and transport of medical cannabis or medical cannabis products between medical cannabis facilities and to customers as allowed under this chapter.
M. A "medical cannabis manufacturing facility" is a facility that produces, prepares, propagates, or compounds manufactured medical cannabis, as described in subsection H of this section, or medical cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages medical cannabis or medical cannabis products or labels or relabels its container.
N. A "medical cannabis testing facility" is a facility that offers or performs tests of medical cannabis or medical cannabis products.
O. A "medical cannabis transporter" is a person or entity that transports or transfers medical cannabis or medical cannabis products between medical cannabis facilities for the purposes of conducting commercial medical cannabis activity authorized pursuant to this chapter.
P. "Premises" means the designated structure or structures and land specified in the regulatory permit application that is owned, leased, or otherwise held under the control of the applicant or permit holder where the commercial cannabis activity will be or is conducted. The premises shall be a contiguous area and shall only be occupied by one permit holder.
Q. "Physician's recommendation" means a recommendation by a physician and surgeon that a patient use cannabis provided in accordance with the Compassionate Use Act of 1996 (Proposition 215), found at California Health and Safety Code Section 11362.7.
R. "Primary caregiver" has the same meaning as in California Health and Safety Code Section 11362.7.
S. "Retail sale" means the sale and delivery of medical cannabis or medical cannabis products to customers.

5-4-3-3 Definitions.
Words and phrases not specifically defined in this chapter shall have the meaning ascribed to them as defined in the following sources:
A. The Compassionate Use Act of 1996 (California Health and Safety Code Section 11362.5); and
B. The Medical Marijuana Program Act of 2004 (California Health and Safety Code Sections
11362.7 through 11362.83); and
C. The California Attorney General's Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use issued in August, 2008; and
D. The consolidated provisions of the Medical Cannabis Regulation and Safety Act (MCRSA) and the Adult Use Marijuana Act (AUMA) (Proposition 64) known as the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) of 2017 (enacted by SB 94).

5-4-3-4 City Manager review and approval.
A. The issuance of a regulatory permit as required by this chapter shall be subject to the prior review and approval by the city manager.
B. In addition to the requirements set forth in this chapter, as a condition of issuance of a regulatory permit as required by this chapter, the city manager may impose such additional terms and conditions on the issuance of the regulatory permit and the operation of the facility as the city manager deems appropriate.
C. A development agreement and operations plan allowed by this chapter shall be subject to the review and approval of the city council prior to the issuance of a regulatory permit under this chapter.
D. If the city manager or designee revokes a regulatory permit as allowed by this chapter, as soon thereafter as is reasonable under the circumstances, the city council shall be informed of such revocation and the city council shall review and approve such revocation. If the city council does not approve the revocation, the city manager or designee shall reinstate such regulatory permit upon such additional terms and conditions as the city council deems appropriate.

5-4-3-5 Regulatory permit required.
A. Prior to initiating operations and as a continuing requisite to operating a medical cannabis facility from a physical location within the city, the persons or legal representative of the persons wishing to operate a medical cannabis facility shall first obtain a regulatory permit from the city manager or designee under the terms and conditions set forth in this chapter.
B. Each regulatory permit shall expire one year from its date of issuance. Renewal of regulatory permits shall be as provided for in section 5-4-3-12.
C. Regulatory permits are not transferable and any attempt to assign or transfer such permits shall render the permit null and void.
D. The number of each type of medical cannabis facility permitted in the city may be limited or restricted by resolution of the city council.
E. Applications for the required regulatory permit may be submitted during those applications periods as may be designated from time to time by the city manager or designee. Each application submitted and deemed complete by the city during the application period will be evaluated and processed in accordance with application regulations and procedures adopted pursuant to section 5-4-3-31.
F. Except as provided for in subsection G of this section, the holder of a regulatory permit may apply for and be issued a regulatory permit for more than one type of medical cannabis facility; provided the permitted premises are separate and distinct.
G. The holder of a regulatory permit for a testing facility shall not hold a regulatory permit for any other medical cannabis facility for which a regulatory permit is required under this chapter, shall not own or have ownership interest in such a facility, and shall not employ an individual who is also employed by any other permittee that does not hold a testing facility regulatory permit.
H. The legal representative of the regulatory permit applicant shall file an application for a
regulatory permit with the city manager or designee upon forms provided by the city and shall pay an "application fee" and a "processing fee" as required by this chapter and as established by resolution adopted by the city council as amended from time to time. A separate application shall be made for each type of medical cannabis facility, i.e., dispensary, cultivation, manufacturing, testing, or distribution facility, for each license classification specified in California Business and Professions Code Section 26050; and for each location at which a medical cannabis facility will operate. An application for a regulatory permit for each type of medical cannabis facility shall include, but shall not be limited to, the following information:

1. The legal name, and any other names, under which the facility will operate.
2. The address of the location and the on-site telephone number, if known, of the medical cannabis facility.
3. The following information for each owner (defined as any person having an economic interest in the medical cannabis facility and/or real property holding company upon which the medical cannabis business is operating), officer, director, and manager of the medical cannabis facility:
   a. Complete legal name and any alias(es), address, and telephone number;
   b. Date and place of birth;
   c. Copy of a valid state or federal government issued photo identification card or license;
   d. If required, copy of the owner's and manager's medical cannabis identification card or copy of the attending physician's recommendation for each owner and manager;
   e. Applicant's seller's permit number or indication that the applicant is currently applying for a seller's permit;
   f. A list of all criminal convictions, other than infractions for traffic violations, the jurisdiction of the conviction(s) and the circumstances thereof;
   g. One set of fingerprints in a form acceptable to the chief law enforcement officer;
   h. A detailed explanation of the owner's or manager's involvement with any other cannabis facility, including, but not limited to, the name and address of the cannabis facility; the capacity in which the owner or manager is or was involved with the cannabis facility; whether the cannabis facility is or was the subject of any criminal investigation or prosecution, civil investigation, administrative action or civil lawsuit; whether the owner or manager or the cannabis facility with which the owner or manager is or was associated has ever been denied or is in the process of being denied registration, a permit, a license or any other authorization required to operate a cannabis facility in any other city, county or state; and whether the owner or manager or the cannabis facility with which the owner or manager is or was associated has ever had a registration, license, permit or any other authorization required to operate a cannabis facility in any other city, county or state, suspended or revoked, and the reasons therefor; and
   i. A detailed explanation of the owner's or manager's involvement with any other retail business in the city of Solvang, including, but not limited to, the name and address of such business; the type of business; the capacity in which the owner or manager is or was involved with the business; whether the business is or was the subject of any criminal investigation or prosecution, civil investigation, administrative action or civil lawsuit; whether an owner or manager of the business with which the owner or manager is or was associated has ever been denied, or is in the process of being denied registration, a permit, a license or any other authorization required to operate a business requiring licensing through the state of California in any other city, county or state; and whether an owner or manager of the business with which the owner or manager is or was associated has ever had a registration, license, permit or any other authorization required to operate a business that requires a license in the state of
California, or any other city, county or state, suspended or revoked, and the reasons therefor.
4. An operations plan which shall be in conformance with the requirements of this chapter and shall include, at a minimum:
   a. A list of the names, addresses, telephone numbers, and responsibilities of each owner and manager of the facility.
   b. The hours and days of operation for the facility.
   c. For medical cannabis dispensary applications only, whether delivery service of medical cannabis to any location outside the medical cannabis facility will be provided and the extent of such service.
   d. A site plan and floor plan of the facility denoting the layout of all areas of the medical cannabis facility, including, as applicable, storage/warehousing, cultivation, nursery, reception/waiting, dispensing, manufacturing, testing, distribution, and all ancillary support spaces, and the relationship of the facility to adjacent properties and land uses.
   e. A security plan, including lighting, alarms, fencing, and video cameras, to ensure the safety of persons, and to protect the premises from theft, vandalism, and fire. The security plan shall address both interior and exterior areas of the facility and its premises.
   f. The medical cannabis cultivation and manufacturing procedures to be utilized at the facility, including, as applicable, a description of how chemicals and fertilizers will be stored, handled, and used; extraction and infusion methods; the transportation process; inventory procedures; track and trace program and procedures; quality control procedures; and testing procedures.
   g. Procedures for identifying, managing, and disposing of contaminated, adulterated, deteriorated or excess medical cannabis product.
   h. Procedures for inventory control to prevent diversion of medical cannabis to nonmedical use, employee screening, storage of medical cannabis, personnel policies, and recordkeeping procedures.
   i. An odor management plan detailing steps that will be taken to ensure that the odor of medical cannabis will not emanate beyond the exterior walls of the facility, including as necessary the installation and use of air purification systems and/or air scrubbers.
   j. For medical cannabis distribution and transportation facilities and distributors and transporters only, procedures for transporting medical cannabis and medical cannabis products from cultivation and manufacturing facilities to the distribution center, quality assurance and inspection by the distributor, transportation to and from a medical cannabis testing facility, and distribution and transportation to a medical cannabis dispensary.
   k. For medical cannabis testing facilities only, procedures for testing medical cannabis and medical cannabis products for concentration, pesticides, mold, other contaminants, and purity.
   l. If the medical cannabis cultivation, manufacturing, or dispensary facility will include on-site testing facilities, describe proposed testing procedures and processes.
   m. Policies and procedures for adopting, monitoring, implementing, and enforcing all requirements of this chapter.

5. The name and address of the owner and lessor of the premises and a copy of the lease or other such proof of the legal right to occupy and use the premises and a statement from the owner or agent of the owner of the real property where the facility will be located demonstrating the landowner has acknowledged and consented to permit dispensaries, cultivation, distribution, manufacturing, or transportation activities to be conducted on the property by the applicant.
6. The name and account number of all savings accounts, checking accounts, investment accounts and trusts associated with the operation of the facility.
7. Provide evidence that the proposed location is located beyond at least a one-thousand-foot (1,000') radius from a school providing instruction in kindergarten or any grades one
through twelve (12), day care center, or youth center that is in existence at the time the regulatory permit is issued.

8. Authorization for the city manager or designee to seek verification of the information contained within the application, including, but not limited to, a criminal history investigation by the chief of police with the California Department of Justice and any other law enforcement agencies.

9. Until such time as the licensing regulations promulgated under the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) are implemented and become operative, evidence that the organization operating the medical cannabis facility is organized as a bona fide nonprofit cooperative, affiliation, association, or collective of persons comprised exclusively and entirely of qualified patients and the primary caregivers of those patients in strict accordance with the Compassionate Use Act of 1996, the Medical Marijuana Program Act of 2004, and the 2008 Attorney General Guidelines. This subsection shall become inoperable after said state licensing regulations are implemented and become operative.

10. A statement in writing by the applicant that he or she certifies under penalty of perjury that all the information contained in the application is complete, true and accurate.

11. Any such additional and further information as is deemed necessary by the city manager or designee to administer this section or to show that the medical cannabis facility and its ownership and operation is in compliance with the provisions of this chapter.

5-4-3-6 Background check.
All applicants for a regulatory permit for a medical cannabis facility, including any owner or manager responsible for the day-to-day operations and activities of the medical cannabis facility, and every employee or individual member of the medical cannabis facility who participates in the dispensing, cultivation, processing, manufacturing, distributing, testing, transporting, or delivery of medical cannabis or who participates in the daily operations of the medical cannabis facility shall be required to submit to a fingerprint-based criminal history records check conducted by the city law enforcement department.

5-4-3-7 Grounds for denial.
A. The city manager or designee may reject an application upon making any of the following findings:
1. The applicant made one or more false or misleading statements or omissions on the registration application or during the application process;
2. Until such time as the licensing regulations promulgated under the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) are implemented and become operative, the medical cannabis facility's related cooperative or collective, if applicable, is not properly organized in strict compliance pursuant to the Compassionate Use Act of 1996, the Medical Marijuana Program Act of 2004, the 2008 Attorney General Guidelines and any other applicable law, rules and regulations. This subsection shall become inoperable after said state licensing regulations are implemented and become operative;
3. If applicable, the applicant is not a primary caregiver or qualified patient or the legal representative of the medical cannabis facility;
4. The applicant fails to meet the requirements of this chapter or any regulation adopted pursuant to this chapter;
5. The medical cannabis facility or its location is in violation of any building, zoning, health, safety, or other provision of this code, or of any state or local law which substantially affects the public health, welfare, safety, or morals, or the facility or its location is not permitted in the
proposed area, or the issuing or continuation of a regulatory permit would be contrary to the public health, welfare, safety, or morals;
6. The applicant, or any of its officers, directors, owners, managers, or employees is under twenty-one (21) years of age;
7. The applicant, or any of its officers, directors, or owners, or any person who is managing or is otherwise responsible for the activities of the medical cannabis facility, or any employee who participates in the dispensing, cultivation, processing, manufacturing, delivery, transporting, distribution, or testing of medical cannabis or medical cannabis products, or who participates in the daily operations of the medical cannabis facility, has been convicted of an offense that is substantially related to the qualifications, functions, or duties of the business or profession for which the application is made, except that if the city manager or designee determines that the applicant, owner, or permittee is otherwise suitable to be issued a regulatory permit, and granting the regulatory permit would not compromise public safety, the city manager or designee shall conduct a thorough review of the nature of the crime, conviction, circumstances, and evidence of rehabilitation of the applicant, owner, or permittee and shall evaluate the suitability of the applicant, owner, or permittee to be issued a regulatory permit based on the evidence found through the review. In determining which offenses are substantially related to the qualifications, functions, or duties of the business or profession for which the application is made, the city manager or designee shall include, but not be limited to, those offenses and convictions set forth in California Business and Professions Code Section 26057(b)(4)(A) through (E), as said code may be amended from time to time. Except as provided in subsection 26057(b)(5) of said code, a prior conviction, where the sentence, including any term of probation, incarceration, or supervised release, is completed, for possession of, possession for sale, sale, manufacture, transportation, or cultivation of a controlled substance is not considered substantially related, and shall not be the sole ground for denial of a regulatory permit. The foregoing notwithstanding, conviction for any controlled substance felony subsequent to issuance of a regulatory permit shall, however, be grounds for revocation of a regulatory permit or denial of the renewal of a regulatory permit;
8. The applicant, or any of its officers, directors, owners, or managers, is a licensed physician making patient recommendations for medical cannabis;
9. The applicant, or any of its officers, directors, owners, or managers has been sanctioned by the city, the state of California, or any city or county for unauthorized cannabis activities or has had a registration, license, or regulatory permit revoked under this chapter in the previous three (3) years immediately preceding the date the application is filed with the city;
10. The applicant did not pay to the city the required application and processing fees as set forth in section 5-4-3-8.

B. The city manager or designee may place reasonable conditions upon registration if grounds exist for denial of the registration and those grounds may be removed by the imposition of those conditions.

5-4-3-8 Fees and charges.
A. Prior to operating in the city, the operator of each medical cannabis facility shall timely and fully pay all fees associated with the registration of that facility. The fees shall be as set forth in the schedule of fees and charges established by resolution of the city council, including but not limited to the following:
1. "Application fee" for accepting a registration application; due and payable in full at the time a registration application is submitted;
2. "Processing fee" for the cost to the city of processing a registration application and
reviewing, investigating, and evaluating each application in accordance with the application regulations and procedures adopted pursuant to section 5-4-3-31 to determine eligibility for issuance of a regulatory permit; due and payable in full at the time a registration application is submitted;
3. "Permit issuance fee" for the cost to the city of preparing a development agreement, city council review and approval of the development agreement and the regulatory permit, and preparation and issuance of the regulatory permit as authorized by the city council, due and payable in full at the time the city issues a regulatory permit;
4. "Annual operating fee" for the cost to the city of operating a medical cannabis regulatory program; due and payable in full at the time the city issues a regulatory permit;
5. "Amended registration fee" for the cost to the city of reviewing amendments or changes to the registration form previously filed on behalf of the medical cannabis facility; due and payable in full at the time amendments or changes to a registration form are submitted to the city;
6. "Regulatory permit renewal fee" for the cost to the city of processing an application to renew a regulatory permit; due and payable in full at the time application is made to renew a regulatory permit; and
7. Any fees for inspection or investigation that are not included within the other fees associated with registration; due and payable in full upon request of the city.

5-4-3-9 Development agreement.
Prior to operating in the city and as a condition of issuance of a regulatory permit, the operator of each medical cannabis facility may, but is not required, to enter into a development agreement with the city setting forth the terms and conditions under which the medical cannabis facility will operate that are in addition to the requirements of this chapter, including, but not limited to, public outreach and education, community service, payment of fees and other charges as mutually agreed, and such other terms and conditions that will protect and promote the public health, safety, and welfare.

5-4-3-10 Cessation of operations.
In the event a medical cannabis facility that receives a regulatory permit ceases to operate for any reason, the city manager or designee shall consider the next qualified applicant on the waiting list, if such a waiting list has been established and, at the discretion of the city manager, provide an opportunity for new applicants to be considered for a permit.

5-4-3-11 Change in location--Updated registration form.
A. Any time the dispensing, cultivation, manufacturing, testing, distribution, or transportation facility location specified in the regulatory permit is changed, the applicant shall re-register with the city manager. The process and the fees for re-registration shall be the same as the process and fees set forth for registration in sections 5-4-3-5 and 5-4-3-8.
B. Within fifteen (15) calendar days of any other change in the information provided in the registration form or any change in status of compliance with the provisions of this chapter, including any change in the medical cannabis facility’s ownership or management members, the applicant shall file an updated registration form with the city manager for review along with a registration amendment fee, as set forth in section 5-4-3-8.

5-4-3-12 Renewal or revocation of regulatory permit.
A. The renewal or revocation of a regulatory permit under this chapter shall be subject to the prior review and approval by the city manager or designee. Any action taken by the city
manager or designee pursuant hereto may be appealed to the city council in accordance with the appeal procedures of section 5-4-3-29.
B. No regulatory permit issued under this chapter may be renewed by the city manager or designee unless:
1. A new registration form has been filed with the city manager as set forth in section 5-4-3-5 a minimum of sixty (60) days prior to the expiration date of the regulatory permit;
2. The annual renewal registration fee, as set forth in section 5-4-3-8, has been paid to the city; and
3. The medical cannabis facility and its owners and managers all meet the requirements of this chapter for registration.
C. As a condition of renewing a regulatory permit under this chapter, the city manager or designee may impose such additional terms and conditions on the renewal of the regulatory permit and the operation of the facility as the city manager or designee deems appropriate.
D. The city manager or designee may elect not to renew a regulatory permit issued under this chapter if:
1. The medical cannabis facility and its owners and managers have not complied at all times with all the requirements for registration as set forth in this chapter;
2. Any of the conditions or circumstances of subsection 5-4-3-7A or 5-4-3-8D, singularly or in combination, have occurred; or
3. The city manager or designee is aware of any other facts or circumstances which indicate that renewal of the regulatory permit will be detrimental to the health, safety, or welfare of the residents of the city.
E. The city manager or designee may revoke a regulatory permit issued under this chapter, upon such notice as deemed appropriate by the city manager or designee, if:
1. The medical cannabis facility and its owners and managers have not complied at all times with all the requirements for registration as set forth in this chapter;
2. Any of the conditions or circumstances of subsection 5-4-3-7A or 5-4-3-8D, singularly or in combination, have occurred; or
3. The city manager or designee is aware of any other facts or circumstances which indicate that continued operation of the medical cannabis facility will be detrimental to the health, safety, or welfare of the residents of the city.

5-4-3-13 Limitations on city's liability.
A. To the fullest extent permitted by law, the city shall not assume any liability whatsoever, with respect to approving any regulatory permit pursuant to this chapter or the operation of any medical cannabis facility approved pursuant to this chapter.
B. As a condition of approval of a regulatory permit as provided in this chapter, the applicant or its legal representative shall:
1. Execute an agreement indemnifying the city from any claims, damages, injuries, or liabilities of any kind associated with the registration or operation of the medical cannabis facility or the prosecution of the medical cannabis facility or its owners, managers, directors, officers, employees, or its qualified patients or primary caregivers for violation of federal or state laws;
2. Maintain insurance in the amounts and of the types that are acceptable to the city manager or designee;
3. Name the city as an additionally insured on all city required insurance policies;
4. Agree to defend, at its sole expense, any action against the city, its agents, officers, and employees related to the approval of a regulatory permit; and
5. Agree to reimburse the city for any court costs and attorney fees that the city may be required to pay as a result of any legal challenge related to the city's approval of a regulatory
permit. The city may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve the operator of its obligation hereunder.

5-4-3-14 Additional terms and conditions.
Based on the information set forth in the application, the city manager or designee may impose reasonable terms and conditions on the proposed operations of the medical cannabis facility in addition to those specified in this chapter.

5-4-3-15 Signage.
Except as provided in a development agreement approved by the City Council there are no sign code exemptions allowed to a medical cannabis facility.

5-4-3-16 Cultivation, dispensary, manufacturing, testing, distribution, and transportation locations.
A. A medical cannabis facility may be located only in a C-3 zoning district.
B. A permitted medical cannabis facility shall operate at a single location only. At the discretion of the city manager or designee, multiple buildings on the same or adjacent site may be considered a single medical cannabis facility operating at a single location.
C. No medical cannabis facility shall be located within one thousand feet (1,000') of a school providing instruction in kindergarten or any grades one through twelve (12), day care center, or youth center that is in existence at the time the regulatory permit is first issued, measured in a straight line from the nearest property line of the school, day care center, or youth center to the closest property line of the lot on which the medical cannabis is located without regard to intervening structures. For purposes of this subsection, school, day care center, or youth center does not include any private school, home study program, day care center, or youth center in which such programs or services are primarily conducted in private homes.
D. No person under the age of twenty-one (21) shall be allowed in any medical cannabis facility or at its location.
E. All medical cannabis cultivation shall be conducted only in the interior of enclosed structures, facilities and buildings, and all cultivation operations including all cannabis plants at any stage of growth shall not be visible from the exterior of any structure, facility or building containing the cultivation of medical cannabis.
F. The identification of zoning districts in which medical cannabis facilities may be located as provided for in this section shall be interpreted and applied consistent with the requirements of and the allowed zoning districts specified in title 11.

5-4-3-17 Dispensing of medical cannabis.
A. Medical cannabis shall be sold, transferred, dispensed, or otherwise distributed to customers only from a licensed retail premises which is a physical location from which commercial cannabis activities are conducted. No sales, transfers, dispensing, or distribution of any kind to the public or customers shall be from a cultivation, manufacturing, distribution, transportation, or testing facility; except as may otherwise be allowed under section 5-4-3-20.
B. A medical cannabis dispensary or retail facility may be closed to the public. A dispensary or retailer may conduct sales exclusively by delivery.
C. Medical cannabis dispensaries or retailers shall sell, transfer, dispense, or otherwise distribute medical cannabis only to customers authorized to purchase, receive, or possess medical cannabis or medical cannabis products.
D. Medical cannabis sales, transfers, dispensing, or distribution to customers shall only occur inside the premises of the medical cannabis dispensary or retail facility. The foregoing notwithstanding, delivery services may be provided by the medical cannabis dispensary or retail facility as provided for in section 5-4-3-18.

E. Until such time as state licenses are required pursuant to California Business and Professions Code Section 26050 et seq., no medical cannabis shall be provided to any persons other than the individual cooperative or collective members of the medical cannabis dispensary of which the qualified patient or primary caregiver is a member, or to such other individual or entity authorized to purchase, receive, or possess medical cannabis or medical cannabis products from a medical cannabis dispensary or retail facility.

F. No medical cannabis provided to a primary caregiver may be provided by the primary caregiver to any person other than the primary caregiver’s qualified patient for whose care the primary caregiver is responsible.

G. No medical cannabis shall be provided to any customer more than once per day.

H. Until such time as state licenses are required pursuant to California Business and Professions Code Section 26050 et seq., no cooperative or collective shall allow more medical cannabis or plants per member, other than the amounts permitted pursuant to state law, to be stored, provided, or cultivated at the collective’s premises and/or location. This subsection shall become inoperable after said state licensing regulations are implemented and become operative.

5-4-3-18 Delivery of medical cannabis.

A. A medical cannabis dispensary or retailer may operate a delivery service subject to the requirements of California Business and Professions Code Section 26090.

B. Medical cannabis deliveries to customers shall only be made by and from a state-licensed retailer.

C. Medical cannabis deliveries to customers shall only be during the normal operating hours of the medical cannabis dispensary or retailer during which it is open to customers.

D. A list of the names and cellular telephone contact numbers for all employees of a medical cannabis dispensary or retailer delivering medical cannabis or medical cannabis products shall be provided to the city law enforcement department. Such list shall at all times be kept current and up to date.

5-4-3-19 Testing of medical cannabis.

A. A medical cannabis testing facility holding a regulatory permit issued under this chapter shall have adopted a standard operating procedure using methods consistent with general requirements for the competence of testing and calibration activities, including sampling and using verified methods.

B. A medical cannabis testing facility shall obtain and maintain ISO/IEC 17025 accreditation and hold a valid state-issued testing laboratory license.

C. A medical cannabis testing facility shall comply with the requirements and procedures set forth in California Business and Professions Code Sections 26100 through 26106.

D. A medical cannabis cultivation, manufacturing, or dispensing facility may perform on-site testing for the purposes of quality assurance. Such on-site testing is not in lieu of the testing otherwise required under this section, any such on-site testing facility need not be licensed by the state, and on-site testing by the permittee does not exempt the permittee from the testing requirements of California Business and Professions Code Sections 26100 through 26106.
5-4-3-20 Distribution and transportation of medical cannabis.
A. Medical cannabis and medical cannabis products shall be transported only between permitted medical cannabis facilities. The transportation of medical cannabis and medical cannabis products shall only be conducted by a person or entity holding a state-issued distribution license.
B. Notwithstanding subsection A of this section and sections 5-4-3-17 and 5-4-3-18, a medical cannabis distribution facility may make a retail sale or delivery to a customer who does not reside in the city, who does not have a residential or business address in the city, and where the transfer or delivery of medical cannabis or medical cannabis product is not made to an address or location within the city, without holding a dispensary regulatory permit issued under this chapter. Such facility shall, however, hold a state-issued retail or other license as required by state law. A distribution facility making such retail sale and/or delivery to a customer shall not be open to the public; shall not provide, make, or offer to provide or make any on-site sale, distribution, or delivery to a customer; shall not have any on-site public display of medical cannabis or medical cannabis products; shall not make any retail sale or delivery of medical cannabis or medical cannabis products to a customer who resides in the city or who has a residential or business address in the city; and shall make no transfer or delivery to a customer of any medical cannabis or medical cannabis product to an address or location within the city.
C. A medical cannabis distribution facility making a retail sale or delivery to a customer as allowed pursuant to subsection B of this section shall be subject to the provisions of sections 5-4-3-17 and 5-4-3-18 as related to such retail sale or delivery to the extent such provisions are not inconsistent with the provisions of this section.
D. A medical cannabis distributor requires a regulatory permit for each physical location in the city where the distributor conducts business. A distributor providing transportation between permitted medical cannabis facilities or delivery to customers shall have a regulatory permit for each location where transportation equipment, while not in transport, or any equipment that is not currently transporting medical cannabis or medical cannabis products, permanently resides. If the medical cannabis distributor is not required to hold a regulatory permit from the city because it does not have such a physical location in the city, it shall hold a distribution permit or license issued by another jurisdiction.
E. All medical cannabis cultivation and manufacturing facilities permitted under this chapter shall send all medical cannabis and medical cannabis products to a state licensed distributor for quality assurance and inspection by the distributor and batch testing by a state licensed testing laboratory prior to distribution to a dispensary or the retail sale and delivery to a customer by a distributor as may be allowed under subsection B of this section.
G. A medical cannabis cultivation or manufacturing facility is not required to sell medical cannabis or medical cannabis products to a distributor and may directly contract for sale with a medical cannabis licensee authorized to sell medical cannabis and medical cannabis products to purchasers. The distributor performing services pursuant hereto may collect a fee from the licensee for the services provided, including, but not limited to, costs incurred for laboratory testing as well as applicable state or local taxes and fees.
5-4-3-21 Packaging of medical cannabis.
A. Prior to delivery or sale at a medical cannabis dispensary or other authorized retailer, medical cannabis and medical cannabis products shall be packaged and labeled as required by California Business and Professions Code Sections 26120 and 26121 and applicable requirements and regulations issued by the state pursuant thereto.
B. If edible medical cannabis products are present on site or offered for distribution or sale at a medical cannabis dispensary facility, the medical cannabis dispensary facility shall first secure any approval from the county of Santa Barbara health department required for handling food products.
C. Edible products distributed or sold by any medical cannabis facility shall not be produced, manufactured, stored, or packaged in private homes.
D. All edible medical cannabis products shall be individually wrapped at the original point of preparation.

5-4-3-22 Medical cannabis facility operations.
A. No cooperative or collective operating a medical cannabis facility shall operate for profit, except as otherwise allowed by state law. Cash and in-kind contributions, reimbursements, and reasonable compensation provided by members towards the association's actual expenses for the growth, cultivation, and provision of medical cannabis shall be allowed; provided, that they are in strict compliance with state law. All such cash and in-kind amounts and items shall be fully documented in accordance with section 5-4-3-23. This subsection shall become inoperable after state licensing regulations promulgated under the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) are implemented and become operative.
B. Medical cannabis dispensary or retail facilities may only be open to customers between the hours of nine o'clock (9:00) a.m. and seven o'clock (7:00) p.m. and may operate as many as seven (7) days per week. Medical cannabis cultivation, manufacturing, distribution, and dispensary facilities shall not otherwise be open to the public.
C. The sale, dispensing, or consumption of alcoholic beverages on or about the medical cannabis facility or in the parking area for the facility is prohibited.
D. Medical cannabis may not be inhaled, smoked, eaten, ingested, vaped, or otherwise used or consumed on the premises or in the parking areas of the premises.
E. The loitering by persons outside the facility, either on the premises or within one hundred feet (100') of the premises, is prohibited.
F. Customers purchasing or otherwise receiving medical cannabis or medical cannabis products from a medical cannabis dispensary or medical cannabis distribution facility as allowed under this chapter shall sign an agreement with the facility that states that the person purchasing or otherwise receiving medical cannabis or medical cannabis products shall not sell, transfer, or otherwise distribute medical cannabis or medical cannabis products to any person other than a qualified patient, primary caregiver, or other individual or entity authorized to purchase, receive, or possess medical cannabis or medical cannabis products, and shall not use medical cannabis or medical cannabis products for other than medicinal purposes.
G. The medical cannabis dispensary shall not sell, transfer, or otherwise distribute medical cannabis to any person violating any provision of this chapter.
H. A copy of the regulatory permit issued by the city and any licenses or certifications issued by the state of California, and any conditions thereof, shall be posted on the premises in a prominent place, readily viewable by any member of the general public.
I. Consistent with the "Memorandum for all United States Attorneys," issued by the U. S. Department of Justice, from James M. Cole, Deputy Attorney General (known as the "Cole
Memo"), the medical cannabis facility shall take all necessary and reasonable steps to prevent:
1. The distribution of cannabis to minors;
2. Revenue from the sale or distribution of cannabis from going to criminal enterprises, gangs and cartels;
3. The diversion of cannabis from California to any other state;
4. State-authorized cannabis activity from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity;
5. Violence and the use of firearms in the cultivation, manufacture, and distribution of cannabis;
6. Drugged driving and the exacerbation of other adverse public health consequences associated with cannabis use;
7. Growing of cannabis on public lands and the attendant public safety and environmental dangers posed by cannabis production on public lands; and
8. Preventing cannabis possession or use on federal property.
Any violation of this provision may result in the immediate suspension of any permit authorized under this chapter, and pending investigation and a hearing, may result in revocation of the permit at the election of the city manager or designee.

5-4-3-23 Public health and safety.
A. Each medical cannabis facility shall operate in a manner such that the cultivation, manufacture, testing, distribution, dispensing, delivery, or transporting of medical cannabis or medical cannabis products does not adversely affect the health or safety of nearby properties through creation of mold, mildew, dust, glare, heat, noise, noxious gasses, odor, smoke, traffic, vibration, or other impacts.
B. The cultivation, manufacture, testing, distribution, dispensing, delivery, and transporting of medical cannabis or medical cannabis products shall not create hazards due to the use or storage of materials, processes, products, chemicals, fertilizers, or wastes.
C. The interior and exterior of the medical cannabis facility, including driveways, sidewalks, parking strips, fire access roads and streets on or adjacent to the premises shall be kept in a clean and safe condition.
D. Exterior lighting on the premises and location shall ensure the safety of the public and the members and employees of the facility while not disturbing surrounding residential or commercial areas.

5-4-3-24 Records.
A. Medical cannabis facilities shall maintain accurate records of medical cannabis activity and an inventory control and reporting system that accurately documents the present location, amounts, and descriptions of all medical cannabis products throughout the distribution chain until purchase by or distribution to a customer. The records management and inventory control and reporting systems shall comply with the records management requirements of California Business and Professions Code Sections 26160 through 26162.5 and the track and trace program requirements of California Business and Professions Code Sections 26067 through 26069.9, and regulations issued pursuant thereto.
B. Medical cannabis facilities shall have an electronic point of sale system that produces historical transactional data for review by the city manager or designee for compliance and auditing purposes.
C. Each medical cannabis facility shall maintain at the premises all records and documents required by applicable state law or regulation. Each medical cannabis facility shall also maintain
at the premises the following information and records:
1. The name, address, and telephone number(s) of the owner, landlord and/or lessee of the location;
2. The following information concerning each customer to whom medical cannabis is dispensed through a permitted medical cannabis dispensary or from a permitted medical cannabis distribution facility as allowed under this chapter:
   a. Name, address, telephone number, and a confidential member number unique to that individual which is used solely for the log identified in subsection C9 of this section;
   b. A copy of a valid government issued photo identification card or license; and
   c. A copy of the qualified patient’s identification card or the attending physician’s recommendation for the patient;
3. The name, address, and telephone number of each primary caregiver to whom medical cannabis is dispensed through a permitted medical cannabis dispensary or from a permitted medical cannabis distribution facility as allowed under this chapter, along with a copy of the written documentation provided by each qualified patient designating the caregiver as his or her primary caregiver;
4. The name, business address, and telephone number of each attending physician who provided a physician’s recommendation to any qualified patient to whom medical cannabis is dispensed through a permitted medical cannabis dispensary or from a permitted medical cannabis distribution facility as allowed under this chapter;
5. The records of all qualified patients with a valid identification card and primary caregivers with a valid identification card may be maintained by the medical cannabis dispensary or medical cannabis distribution facility, as the case may be, using only the identification card number issued by the state pursuant to California Health and Safety Code Section 11362.7 et seq., in lieu of the information required by subsections C2a through c, C3, and C4 of this section;
6. Information identifying the names of patients, their medical conditions, or the names of their primary caregivers received and contained in records kept by the medical cannabis facility or medical cannabis distribution facility, as the case may be, or received by the city through its audit, inspection, and compliance enforcement activities authorized pursuant to this chapter, including any such information contained in a physician’s recommendation, are confidential and shall not be disclosed pursuant to the California Public Records Act, California Government Code Sections 6250 through 6276.48, except as necessary for authorized employees of the city to perform official duties pursuant to this chapter or as otherwise required by law; and such information shall be maintained in accordance with California Health and Safety Code Sections 123100 et seq. and California Civil Code Sections 56 through 56.37;
7. Up-to-date information for all savings accounts, checking accounts, investment accounts and trusts associated with the operation of the medical cannabis facility;
8. Complete and up-to-date records regarding the amount of medical cannabis cultivated, produced, manufactured, harvested, stored, distributed, delivered, packaged, or sold at each medical cannabis facility;
9. Until such time as state regulations are implemented under the track and trace program required by California Business and Professions Code Sections 26067 and 26068, complete and up-to-date records regarding medical cannabis transfers throughout the distribution chain from cultivation, to manufacturing, to testing, to distribution, and to its dispensing location, including the date and time of the transfer; the name and address of the cultivation and manufacturing facility, the name and address of the testing facility, and the name and address of the supplier or distributor if different from the cultivation or manufacturing facility; the amount,
form, type, batch and lot number of cannabis transferred; the time of departure from the cultivation, manufacturing, testing, distribution, or transportation facility; the time of arrival at the distribution, testing, or dispensing location; the names of the employees transporting the product; and the name of the employee who received the product at the distribution, transportation, or dispensing location;
10. All receipts of the medical cannabis facility, including but not limited to all contributions and all expenditures incurred by the medical cannabis facility for the cultivation, manufacture, distribution, testing, dispensing, transportation, delivery, and sale of medical cannabis;
11. A copy of the annual audit reports required pursuant to section 5-4-3.25;
12. Proof of completed registration with the city manager in conformance with this chapter;
13. Records demonstrating compliance with local, state, and federal rules and regulations regarding reporting and taxation of income received; and
14. All medical cannabis facilities shall perform an inventory on the first business day of each month and shall record the total quantity of each form of cannabis on the premises.

D. All records required by this section shall be maintained by the medical cannabis facility for a minimum period of seven (7) years and shall be made available to the city manager and any city official charged with enforcing the provisions of this chapter upon request.

5-4-3-25 Audit.
No later than February 15th of every year, each medical cannabis facility shall file with the city manager an audit of its financial operations for the previous calendar year, completed and certified by an independent certified public accountant in accordance with generally accepted auditing and accounting principles. The audit shall include but not be limited to a discussion, analysis, and verification of each of the records required to be maintained pursuant to this chapter. The information contained in the audit shall be made available to the city manager in standard electronic format as designated by the city manager.

5-4-3-26 Community relations.
A. Each medical cannabis facility shall provide the city manager or designee with the name, telephone number, and email address of an on-site community relations or staff person or other representative to whom the city can provide notice if there are operating problems associated with the medical cannabis facility or refer members of the public who may have any concerns or complaints regarding the operation of the medical cannabis facility. Each medical cannabis facility shall also provide the above information to all businesses and residences located within one hundred feet (100') of the medical cannabis facility.
B. During the first year of operation of a medical cannabis facility authorized under this chapter, the owner, manager, and community relations representative from each such medical cannabis facility shall attend a quarterly meeting with the city manager and/or designee to discuss costs, benefits and other community issues arising as a result of implementation of the medical cannabis regulatory permit program authorized by this chapter. After the first year of operation, the owner, manager, and community relations representative from each such medical cannabis facility shall meet with the city manager and/or designee when and as requested by the city manager or designee.

5-4-3-27 Compliance.
A. All medical cannabis facilities shall pay any applicable sales, use, business or other tax, and all license, registration, or other fees pursuant to federal, state, and local law.
B. All medical cannabis facilities shall fully comply with all the provisions of the
Compassionate Use Act of 1996, the Medical Marijuana Program Act of 2004, the 2008 Attorney General Guidelines, the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) of 2017, any subsequently enacted state law or regulatory, licensing, or certification requirement, all applicable provisions of this code, and any specific, additional operating procedures and measures as may be imposed as conditions of approval of the regulatory permit.

C. Nothing in this chapter shall be construed as authorizing any actions which violate state or local law with regard to the cultivation, transportation, manufacture, distribution, testing, provision, sale, transfer, disposition, or delivery of medical cannabis or medical cannabis products.

5-4-3-28 Inspections and enforcement.
A. The city manager, chief law enforcement official, or their designees shall have the right to enter all medical cannabis facilities from time to time unannounced during the facility’s hours of operation for the purpose of making reasonable inspections to observe and enforce compliance with this chapter, to inspect and copy records required to be maintained under this chapter, or to inspect, view, and copy recordings made by security cameras, all without requirement for a search warrant, subpoena, or court order.

B. Nothing in this chapter requires the disclosure of any private medical record or confidential information contained in such medical record.

C. Operation of a medical cannabis facility in non-compliance with any conditions of approval or the provisions of this chapter shall constitute a violation of the municipal code and shall be enforced pursuant to the provisions of this code.

D. The city manager or designee may summarily suspend or revoke a medical cannabis regulatory permit, or disqualify an applicant from the registration process, or elect not to renew a regulatory permit if any of the following, singularly or in combination, occur:
1. The city manager or designee determines that the medical cannabis facility has failed to comply with any requirement of this chapter or any condition of approval or a circumstance or situation has been created that would have permitted the city manager or designee to deny the regulatory permit under section 5-4-3-7 or elect not to renew or revoke the regulatory permit under section 5-4-3-12;
2. The medical cannabis facility has conducted itself or is being conducted in a manner that creates or results in a public nuisance;
3. The medical cannabis facility ceased operations for more than ninety (90) calendar days, including during change of ownership proceedings;
4. The operator under whose name the regulatory permit is issued is changed without the new operator applying for and securing a regulatory permit under this chapter;
5. The medical cannabis facility relocates to a different location or premises; or
6. The medical cannabis facility fails to allow inspection and/or copying of the security recordings, the activity logs and records required under this chapter, or the premises by authorized city officials.

5-4-3-29 Appeals.
Any decision regarding or pertaining to the regulatory permit process set forth in this chapter, or any action taken by the city manager or designee pursuant hereto, may be appealed to the city council. Such appeal shall be taken by filing with the city clerk, within ten (10) days after notice of the action or decision complained of has been issued, a written statement setting forth the grounds for the appeal. The city clerk shall transmit the written statement to the city council
and at a regular meeting the council shall set a time and place for a hearing on the appeal. Notice of the time and place of such hearing shall be mailed to the appellant. The decision of the city council on such appeal shall be final and binding on all parties concerned.

5-4-3-30 Violations.
A. Any violation of any of the provisions of this chapter is unlawful and a public nuisance.
B. Any violation of any of the provisions of this chapter shall constitute a misdemeanor violation and upon conviction thereof any violation shall be punishable by a fine not to exceed one thousand dollars ($1,000.00), or by imprisonment in the county jail for a period of not more than six (6) months, or by both such fine and imprisonment.
C. In lieu of issuing a misdemeanor citation, the city may issue an administrative citation, and/or assess an administrative fine of up to one thousand dollars ($1,000.00) for each violation of this chapter.
D. A separate offense occurs for each day any violation of this chapter is continued and/or maintained.
E. The remedies provided herein are not to be construed as exclusive remedies, and in the event of violation, the city may pursue any proceedings or remedies otherwise provided by law.

5-4-3-31 Implementation procedures.
A. The city manager or designee may develop additional written regulations governing the implementation of the medical cannabis facility regulatory permit process authorized by this chapter.
B. Regulations for dispensary, cultivation, manufacturing, testing, or distribution permits may be developed and approved separately or jointly by the city manager and city council. The city council may approve regulations for one or several types of permits and the approval of regulations for each type of permit shall operate independently of and not be dependent on the approval of regulations for any other type of permit authorized by this chapter.

Section 5-4-4. Commercial Cannabis Activity Prohibited.
Commercial cannabis activities are prohibited in the City. No person shall operate or allow to be operated a commercial cannabis activity in or upon any premises in the City.

Section 5-4-5. Cultivation Prohibited.
Cultivation of cannabis is prohibited in the City, except for cultivation of up to six (6) living plants for personal use as otherwise permitted by California Health and Safety Code Section 11362(a)(3) and when located within a private residence or inside an accessory structure of a private residence located upon the grounds of a private residence that is fully enclosed and secure on the grounds of a private residence. Outdoor cultivation of cannabis for person use on the grounds of a private residence (e.g., in a garden area) is prohibited. No person shall operate or allow to be operated a cultivation site or nursery in or upon any premises in the City.

Section 5-4-6. Delivery Restricted.
Delivery of cannabis or cannabis products is limited to the delivery for medical purposes to a qualified patient or primary caregiver pursuant to Health and Safety Code Section 11362.5.
Section 5-4-7. Distribution Prohibited.
The distribution of cannabis or cannabis products is prohibited in the City. Except for deliveries pursuant to Section 5-4-6, no person shall conduct or allow to be conducted a distribution operation in or upon any premises in the City.

Section 5-4-8. Manufacture Prohibited.
The manufacture of cannabis or cannabis products is prohibited in the City. No person shall manufacture or allow the manufacturing of cannabis or cannabis products in or upon any premises in the City.

Section 5-4-9. Testing Services Prohibited.
The provision of testing services of cannabis or cannabis products is prohibited in the City. No person shall operate or allow testing services of cannabis or cannabis products in or upon any premises in the City.

Section 5-4-10. Smoking Prohibited.
Smoking cannabis and ingesting cannabis products are subject to the regulations contained in California Health and Safety Code Section 11362.3. A. Smoking shall be prohibited in all enclosed public places within the City of Solvang with the following exceptions:
(1) This ordinance does not regulate smoking in hotel and motel rooms rented to guests. Smoking is regulated by State law in these locations;
(2) This ordinance does not regulate smoking in residences. Smoking may be regulated by state law in these locations.

Section 5-4-11. Public Nuisance.
A. Except as permitted by this chapter, the operation of a cannabis dispensary, commercial cannabis activities, cultivation sites and nurseries, distribution, provision of testing services, and manufacturing of cannabis and cannabis products from any property, structure or building in the City is declared to be a public nuisance.
B. In addition to the penalties provided in Section 5-4-14, any violation of this Chapter shall constitute a public nuisance and may be abated by the City by administrative process, or by civil restraining order, preliminary or permanent injunction, or in any manner provided by law for the abatement of a nuisance. All remedies herein are cumulative and non-exclusive.
C. Any person, including the City, who prevails in an action or proceeding for the abatement of a public nuisance as provided herein shall be entitled to recover attorney's fees and costs incurred in any such action or proceeding.

Section 5-4-12. Confiscation of Cannabis and Cannabis Products.
Any peace officer who issues a criminal citation under this Chapter shall confiscate any cannabis or cannabis products and store them according to law, pending the conclusion of the criminal case.

Section 5-4-13. Suspension or Revocation of Business License.
No person or business holding a City business license and owning or operating a business in the City may use that business to operate a cannabis dispensary, conduct commercial cannabis activities, operate a cultivation site or nursery, distribute (except as provided in Section 5-4-6), provide testing services or manufacture of cannabis and cannabis
products without full compliance with this Chapter. A violation of this Chapter shall constitute grounds for suspension or revocation of a business license in accordance with the procedures set forth in this Code.

Section 5-4-14. Penalties.
A. Failure to comply with this Chapter is a misdemeanor punishable by imprisonment in the County Jail for a period not exceeding six (6) months, or by fine not exceeding $1,000.00, or by both, provided that where the City Attorney determines that such action would be in the interest of justice, he/she may specify in the accusatory pleading that the offense is an infraction.
B. Each person committing, causing, or maintaining a violation of this Chapter, or failing to comply with the requirements set forth herein shall be deemed guilty of a separate offense for each and every day during any portion of which any violation of any provision of this Chapter is committed, continued, maintained, or permitted by such person and shall be punishable accordingly.

Section 5-4-15. Exclusions.
A. Nothing in this Chapter is intended to prohibit individuals from cultivating not more than six (6) living cannabis plants and possessing the cannabis produced by the plants when in compliance with the restrictions set forth at Health and Safety Code Section 11362.2(a) and when located within a private residence or inside an accessory structure of a private residence located upon the grounds of a private residence that is fully enclosed and secure.
B. Nothing in this Chapter is intended to prohibit individuals 21 years of age or older to possess, process, transport, purchase, obtain, or give away to persons 21 years of age or older without compensation, not more than 28.5 grams of cannabis and_not in the form of concentrated cannabis, as set forth at Health and Safety Code Section 11362.1(a)(1).
C. Nothing in this Chapter is intended to prohibit individuals 21 years of age or older to possess, process, transport, purchase, obtain or give away to persons 21 years of age or older without any compensation, not more than eight (8) grams of cannabis in the form of concentrated cannabis, including as contained in cannabis products, as set forth at Health & Safety Code Section 11362.1(a)(2).
D. Nothing in this Chapter is intended to prohibit individuals 21 years of age or older to possess, transport, purchase, obtain, use, manufacture, or give away cannabis accessories to persons 21 years of age or older without compensation, as set forth at Health and Safety Code Section 11362.1(a)(5).
E. Cannabis and cannabis products involved in any way with conduct deemed lawful by this Section are not contraband and not subject to seizure. No conduct deemed lawful by this Section shall constitute the basis for detention, search or arrest.

Section 5-4-16. Severability.
If any section, subsection, sentence, clause or phrase of this Chapter is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction or preempted by State or Federal legislation, such decision or legislation shall not affect the validity of the remaining provisions of this Chapter.

SECTION 4.

This ordinance shall be in full force and shall take effect thirty (30) days after its passage.
SECTION 5.

Solvang is a Charter City and has adopted its own rules for summarizing and posting ordinances once they are adopted. A summary of this ordinance will be prepared by the City Attorney. The summary will be posted in three locations after adoption as directed in the Solvang Municipal Code. A true and correct copy of the full ordinance together with a record of the vote of each council member shall be kept by the City Clerk.

SECTION 6.

This Ordinance has been reviewed for compliance with the California Environmental Quality Act (CEQA), and the CEQA guidelines, and the City's environmental procedures, and has been found to be exempt pursuant to § 15601(b)(3) (general rule) of the CEQA Guidelines, because the City Council hereby finds with certainty that there is no possibility the passage of this Ordinance will have a significant effect on the environment.

SECTION 7.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Solvang on this 27th day of August, 2018.

[Signature]
Jim Richardson
Mayor

ATTEST:

[Signature]
Lisa S. Martin, CMC
City Clerk

STATE OF CALIFORNIA )
COUNTY OF SANTA BARBARA )
CITY OF SOLVANG )

I, Lisa S. Martin, City Clerk of the City of Solvang, do hereby certify that the foregoing Ordinance had its first reading at the regular meeting of August 13, 2018 and was adopted on second reading at the regular meeting of August 27, 2018, by the following roll call vote:

AYES: Council Members Jamieson, Toussaint, Waite

NOES: Mayor Richardson

ABSENT: Council Member Zimmerman
APPLICATION REQUIREMENTS

Applicants must submit two (2) copies of the complete Medical Cannabis Permit Application and all items on the Submittal Checklist in a binder under numerated tabs that correlate to the item numbers on the checklist, and one (1) flash drive containing a pdf format version of the complete application, during the application period running from Monday, January 21, 2019 through 5:00 p.m. on Friday, February 22, 2019. A complete application will consist of the following:

- Medical Cannabis Permit Application form;
- City Indemnification form;
- Owner/Operator/Employee Background Application form;
- Application & Processing fee of $5,240.00;
- All Submittal Requirements on Medical Cannabis Permit Submittal Checklist.

Applicants will not be allowed to make amendments to their application or to supplement their application once submitted.

EVALUATION AND QUALIFICATION PROCEDURES

The evaluation and qualification process shall consist of the following three phases:

Phase 1: Preliminary Determination of Eligibility

The purpose of this phase is to determine that a complete application with all the required information has been submitted, and the applicant(s) have passed the Live Scan and background check and there is no “good cause” for denial of the permit as defined in Municipal Code Section 5-4-3-7. Applicants that do not pass this phase will be disqualified.

Phase 2: Application Review and Qualification Process

The purpose of this phase is to have a Cannabis Application Review Committee comprehensively review the applications, interview the applicants, and ensure that appropriate application benchmarks are met.

Submittal Items 8 (Security Plan), 12 (Demonstration of Local Enterprise), and 14 (Medical Cannabis Experience and Qualifications) will require a minimum benchmark to be considered qualified. Those benchmarks are quantified below:

1) Meet or exceed 80% of the State requirements for security measures;
2) Prove 75% or more of employees reside in Solvang/Santa Barbara County, 50% or more of third-party contractors/vendors utilized are located in Solvang/Santa Barbara County, and 50% of cannabis product, goods, and supplies are purchased from Solvang/Santa Barbara County businesses;

*Note: Applicant/Owners need not currently reside within the area. If the applicant/owner does not currently have a manager or employees who reside in the area, please submit a letter indicating the company’s intent to hire local employees.*

3) An applicant must include in their application a description of any and all experience and qualifications in developing and implementing a medical cannabis business which meets or exceeds one of the following criteria:

   a. Has engaged in a medical cannabis business as an owner, manager, or supervisor of a lawful medical cannabis dispensary or cooperative within the last five years verified with permits, licenses, or other written forms of permission for such activity by a local or state government entity.

   b. At least one of the applicants has one of the following types of experience: A minimum of twelve consecutive months within the previous five years as a manager with managerial oversight or direct engagement in the day to day operation of a commercial cannabis business must be of a type substantially similar to that allowed by the Solvang Regulatory Permit for which the applicant is applying.

**Phase 3: City Council Approval of Qualified Applicants and Selection of Regulatory Permit Recipient**

The purpose of this phase is to have the City Manager present the list of final qualified applicants to the Council for approval. The City Council will select by lottery method the recipient of the Regulatory Permit from the pool of qualified applicants.

**LAND USE CLEARANCE AND STATE LICENSE PROCEDURES**

The applicant selected to receive the Regulatory Permit may proceed to submit a Land Use Clearance or Development Plan application to the Planning Department. A Building Permit Application for Tenant Improvement must also be submitted for the required construction permit.

Please note that being selected to receive the Regulatory Permit does not constitute approval of the Land Use or other Development permit and does not waive or remove the requirements of applying for and receiving construction permits prior to any tenant improvements being made within the building or lease space. It also does not guarantee that the preliminary plans submitted for the dispensary application process meet the standards or requirements of the City’s building code ordinance or the California Building Code.

If the selected applicant does not file for the appropriate Planning permit within sixty (60) days of Council approval, the applicant will be disqualified and removed from the Qualified Applicant list.
Applicant shall apply for all appropriate State licenses within ninety (90) days and shall demonstrate reasonable progress in obtaining those licenses. Should the applicant not be able to obtain the appropriate licenses within 180 days for any reason it may be just cause for disqualification for a permit unless the deadline is extended by the City Manager.
The information on this checklist must be submitted with your Medical Cannabis Permit application to be accepted for review. These are the minimum requirements and additional information and plans may be required to evaluate your application following initial review by staff. A copy of this list will be used to check your application for completeness after it is submitted. Applications not containing the necessary information as shown on this checklist will not be accepted for review. If you believe an item is not applicable to your application, please indicate. If you have any questions regarding this form or uncertain if a specific requirement applies to your project, please contact the planning staff at (805) 688-4414. The following items shall be submitted:

<table>
<thead>
<tr>
<th>ITEM NUMBER</th>
<th>SUBMITTAL ITEM REQUIRED</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Completed Medical Cannabis Application form for each license required by the State.</td>
</tr>
<tr>
<td>2</td>
<td>Completed Medical Cannabis Owner/Operator/Employee Background Application form for all applicants, including a copy of government-issued identification.</td>
</tr>
<tr>
<td>3</td>
<td>Provide a description of the Commercial Cannabis Business organizational status and provide proof of status, such as articles of incorporation, by-laws, partnership agreements, and other documentation as may be necessary. This shall include a list of all owners/entities that have an interest of 5% or greater in the business.</td>
</tr>
<tr>
<td>4</td>
<td>Payment of Application &amp; Processing fee as established by the Fee Schedule.</td>
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<tr>
<td>5</td>
<td>An Operations Plan including a list of the names, addresses, 24-hour telephone numbers, and responsibilities of each owner and manager of the facility; day to day operations which meet industry best practices for medical cannabis dispensaries; the hours and days of operation of the facility; the number of employees, a full description of the proposed activities and products of the commercial cannabis operation; water conservation measures to be taken (if cultivation is proposed), the method and extent of delivery services outside of the medical cannabis facility; procedures for transportation of medical cannabis and product from cultivation and manufacturing facilities to the retail dispensary (facility) including quality assurance and inspection by the distributor, transport to and from a medical cannabis testing facility; and/or cultivation and manufacturing procedures (non-volatile only) to be utilized (if applicable) including chemicals and fertilizer storage, handling, and use; and extraction and infusion methods.</td>
</tr>
<tr>
<td>6</td>
<td>A Business Plan including policies and procedures for adopting, monitoring, implementing, and enforcing all requirements of City of Solvang Municipal Code Section 5-4-3-5; a Business Model detailing product display, customer interaction, and method of point of sale transactions; proposed vertically integrated uses; a schedule for submittal of construction plans, construction timing, and dispensary opening; and a proposed Budget for construction, operation, maintenance, employee compensation, equipment costs, utility costs, etc. The budget must demonstrate sufficient capital for startup and at least three months of operating costs, as well as a description of the sources and uses of funds and the name and account number of all savings and checking accounts, investment accounts, and trusts associated with the operation of the facility.</td>
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<td></td>
<td>Description</td>
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<td>7</td>
<td>Site (minimum scale 1&quot;=10’) and preliminary Floor (minimum scale ¼&quot; = 1’) plans of the facility denoting the layout of all areas of the facility including, as applicable, retail sales, storage/warehousing, cultivation, office, reception/waiting, dispensing, manufacturing, testing, distribution, and all ancillary support spaces.</td>
</tr>
<tr>
<td>8</td>
<td>A Security Plan complying with State law and the City of Solvang Municipal Code (Solvang Ordinance No. 18-332).</td>
</tr>
<tr>
<td>9</td>
<td>A Quality Control Plan including procedures for testing and demonstration of compliance with state standards for non-contamination.</td>
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<tr>
<td>10</td>
<td>An Inventory Control Plan to prevent diversion of medical cannabis to nonmedical use, track and trace program and procedures, employee screening, storage of medical cannabis, personnel policies, and recordkeeping procedures.</td>
</tr>
<tr>
<td>11</td>
<td>An Odor Management Plan detailing steps that will be taken to ensure that the odor of medical cannabis will not emanate beyond the exterior walls of the facility, including vestibules and, if necessary, the use of air purification or scrubber systems.</td>
</tr>
<tr>
<td>12</td>
<td>Demonstration of Local Enterprise including the extent to which the dispensary will be a locally managed enterprise including employees residing within Solvang or Santa Barbara County and the source of the medical grade cannabis product.</td>
</tr>
<tr>
<td>13</td>
<td>A Waste Management Plan meeting the standards of state regulations including identifying, managing, and disposing of contaminated, adulterated, deteriorated or excess medical cannabis product.</td>
</tr>
<tr>
<td>14</td>
<td>Resumes detailing the qualifications and experience of all principals including experience operating a Medical Cannabis dispensary facility, and information regarding special experience or professional qualifications or licenses regarding medical cannabis such as scientific or health care fields.</td>
</tr>
<tr>
<td>15</td>
<td>Copy of Business Operating Procedure Manual.</td>
</tr>
<tr>
<td>16</td>
<td>Evidence of fingerprint-based criminal history records check (Live Scan) conducted by the Solvang/County of Santa Barbara Sheriff’s Department for all business owners, operators, managers, and employees. The background check should disclose no felonies in accordance with California Business and Professions Code section 26057, as may be amended.</td>
</tr>
<tr>
<td>17</td>
<td>Completed and Signed Indemnification Agreement</td>
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</tbody>
</table>

I, the undersigned Applicant/Representative, have verified that all the submittal items required on this checklist are included in the application materials and/or plans.

Signature _______________________________ Date __________

Print Name _______________________________

[Revised November 2018]
February 22, 2019

RE: City of Solvang Commercial Cannabis Retailer Application - Fristaden Wellness

Dear City of Solvang,

Fristaden Wellness (“Fristaden”) is submitting its Commercial Cannabis Retailer Application (the “Application”) to the City of Solvang (the “City”) without the requisite property owner authorization (the “Authorization”) for the property located at 1210 Mission Drive (the “Property”). After much back and forth between the Fristaden team and agents for the property owner (“Landlord”), Fristaden is informed that the Landlord has declined to sign the Authorization contained in Fristaden’s Medical Cannabis Permit Application. Fristaden is further informed that the Landlord intends to execute only one (1) Authorization to accompany the application of a prospective purchaser of the Property.

Fristaden is disappointed in this turn of events and implores the City to waive the Authorization requirement as it applies to the Property and accept applications that are otherwise complete. It is Fristaden’s view that the City’s current zoning restrictions have created an unintended monopoly over the application process by effectively placing all decision-making power into the hands of the Landlord. Fristaden believes that the decision among retailer applicants should be made by the City, not the Landlord.

Fristaden does not believe it was the City’s intent to receive and review only one (1) application according to the machinations of third parties and urges the City to accept and consider all otherwise completed applications pending a re-examination of its zoning ordinance. While Fristaden understands that the City’s zoning decisions are made with careful consideration, the City and community do not benefit from an unintended and distorted reduction of the applicant pool.

As an act of good faith, Fristaden has identified an alternative property located at 1714 Mission Drive (“1714 Mission”). The premises at 1714 Mission is a defunct banking facility with ample security features that following Fristaden’s retail build-out would be a discreet and tasteful addition to the City’s existing landscape. Fristaden began its search for an alternative property on
realizing that negotiations with the Landlord had stalled and offers the same as an accommodation to the City and in an attempt to meet all Medical Cannabis Permit Application requirements. Fristaden has opened negotiations with the property owner at 1714 Mission and is submitting a property owner authorization executed by the same.

Fristaden looks forward to continued engagement with the application process and is asking the City to go back to the drawing table in order to remediate the unfortunate situation at hand. A first step toward such remediation should be the City’s acceptance and consideration of project proposals from Fristaden and other applicants, all of whom have spent considerable time, money and effort attempting to meet all of the City’s application criteria.

Our firm specializes in the development of commercial cannabis businesses and has assisted clients in submitting cannabis related applications throughout California, as well as in other states. In general, owner authorizations are not required to be submitted at this stage of the application process and certainly not where zoning restrictions have resulted in only one site being available. We are more than happy to share our knowledge with the City and believe we can be helpful in offering some ideas and creative solutions to address the issues detailed herein. To that end, please contact us directly at your convenience.

Sincerely,

Tiffany M. Carrari, Esq.
(805) 714-3184
tiffany@margolinlawrence.com
City of Solvang
Administration Division
MEDICAL CANNABIS PERMIT APPLICATION

1714 Mission Dr  *  Solvang, CA 93463  *  Phone (805) 688-5575  *  www.cityofsolvang.com

Please complete this application form and submit with all required submittal information. If you have any questions regarding the project information required to be submitted with this application, please contact the City Clerk at (805) 688-5575.

<table>
<thead>
<tr>
<th>FOR STAFF USE ONLY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date Application Submitted:</td>
</tr>
<tr>
<td>Application Number:</td>
</tr>
<tr>
<td>Receipt Number/Accepted By:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Address or Location:</th>
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<tbody>
<tr>
<td>1714 Mission Dr, Solvang, CA 93463</td>
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</table>

<table>
<thead>
<tr>
<th>Assessor Parcel No.:</th>
</tr>
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<tbody>
<tr>
<td>139-240-034</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Lot Size:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 ACRE</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Zoning:</th>
</tr>
</thead>
<tbody>
<tr>
<td>C2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Legal Name and any other names, under which the Facility will Operate:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fristaden Wellness</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Please indicate all the State cannabis licenses that you hold or are seeking:</th>
</tr>
</thead>
<tbody>
<tr>
<td>California &amp; Oregon</td>
</tr>
</tbody>
</table>

**General Information**

<table>
<thead>
<tr>
<th>Applicant:</th>
<th>Fristaden Wellness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phone:</td>
<td>8583951013</td>
</tr>
<tr>
<td>Mailing Address:</td>
<td>8484 Wilshire Blvd, Beverly Hills, CA 90211</td>
</tr>
<tr>
<td>Business Owner(s):</td>
<td>Jacob Gamble, Andrew Cross</td>
</tr>
<tr>
<td>Email:</td>
<td><a href="mailto:across@venturacanna.com">across@venturacanna.com</a></td>
</tr>
<tr>
<td>Phone:</td>
<td>858-395-1013</td>
</tr>
<tr>
<td>Mailing Address:</td>
<td>8484 Wilshire Blvd, Beverly Hills, CA 90211</td>
</tr>
<tr>
<td>Authorized Agent/Representative:</td>
<td>Andrew Cross</td>
</tr>
<tr>
<td>Email:</td>
<td><a href="mailto:across@venturacanna.com">across@venturacanna.com</a></td>
</tr>
<tr>
<td>Phone:</td>
<td>858-395-1013</td>
</tr>
<tr>
<td>Mailing Address:</td>
<td>8484 Wilshire Blvd, Beverly Hills, CA 90211</td>
</tr>
<tr>
<td>State of California Seller's Permit Number:</td>
<td>264155904</td>
</tr>
<tr>
<td>State of California Employer Identification Number:</td>
<td>83-3485127</td>
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</tbody>
</table>

If known, list any and all business partners with 5% or more ownership interest who have been found guilty of, pled guilty to, entered a plea of nolo contendere or has a criminal record expunged that involved a felony or misdemeanor involving fraud, deceit, embezzlement, violent behavior, moral turpitude, or the illegal use, possession, transportation, distribution or similar activities related to controlled substances as defined in the Federal Controlled Substance Act, with the exception of medical cannabis related offenses for which the conviction occurred after the passage of the Compassionate Use Act of 1996.

Not Applicable
Owner/Applicant Authority to File Application

Please read carefully before signing this application. Submission of this application does not imply approval by the Administration Division, Planning Commission, or the City Council.

APPLICANT/REPRESENTATIVE: By signing this application I certify that the information provided is accurate to the best of my knowledge.

Signature

Andrew Cross

Print Name

PROPERTY OWNER AUTHORIZATION By signing this application I certify that I am the legal owner of the property that is the subject of this application and that I have read this completed application and attached materials and consent to its filing. I agree to allow the City to duplicate and distribute plans to interested persons as it determines is necessary for the processing of the application. If the undersigned is different than the legal property owner, the City's Agent Authorization form must accompany this application.

Signature

Alice Chan, Authorized Agent for Owner

Print Name

AGREEMENT TO PAY APPLICATION FEES I (we) hereby agree to pay all personnel and related direct and indirect costs for the review and processing of the Development Application for the subject property, at such time as requested by the Community Development Director, or designee. Direct costs include, but are not limited to, the review of the application for completeness and Code compliance by all applicable City departments; telephone or written communication with applicant/property owner/architect, engineer, noticing, outside consultants, etc.; preparation of staff reports; and attendance by staff at public hearings.

Deposits paid at the time of application are estimates based on the typical amount of staff time and other costs required to process an application. In the event the deposit is not sufficient to reimburse the City for processing the application, the applicant shall provide additional deposits to the City to complete the processing of the application. The City shall not perform any further review of the application until the applicant submits the required deposit. No interest shall accrue on amounts deposited. Any unused portion of the deposit will be returned to the applicant.

I (we) hereby certify that the information stated on forms, plans and other materials submitted herewith in support of the application is true and correct to the best of my knowledge. It is my (our) responsibility to inform the City, through the assigned project planner, of any changes to the information represented in these submittals. If there are multiple owners/authorized agents of the property, by signing below you are acknowledging that you have been provided authorization to sign by the other owners/authorized agents.

Signature

Andrew Cross

Print Name

2/12/2019

Date

02/22/2019

Date
# Medical Cannabis Dispensary

## Applicant Information

<table>
<thead>
<tr>
<th>Name:</th>
<th>Last Name</th>
<th>First Name</th>
<th>Middle Name</th>
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</thead>
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<tr>
<td></td>
<td>Gamble</td>
<td>Jacob</td>
<td>Michael</td>
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### Business/Employer Information

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<th>Name of Cannabis Business</th>
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## Applicant or Employee Information

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<th>First Name on Social Security Card</th>
<th>Middle Name on Social Security Card</th>
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<tbody>
<tr>
<td></td>
<td>Gamble</td>
<td>Jacob</td>
<td>Michael</td>
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<table>
<thead>
<tr>
<th>Driver's License Number</th>
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<th>First Name on Driver's License</th>
<th>Middle Name on Driver's License</th>
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<tbody>
<tr>
<td>WA</td>
<td>Gamble</td>
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<td>Michael</td>
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### Personal Information

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<tr>
<th>Sex</th>
<th>Age</th>
<th>Date of Birth</th>
<th>Place of Birth</th>
<th>Height</th>
<th>Weight</th>
<th>Hair Color</th>
<th>Eye Color</th>
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<tbody>
<tr>
<td>Male</td>
<td>42</td>
<td>04/18/1976</td>
<td>Apple Valley, CA</td>
<td>6'02&quot;</td>
<td>180</td>
<td>Brown</td>
<td>Green</td>
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</table>

List your current home address, city, zip code (no p.o. boxes allowed):

511 West 34th Street, Vancouver, WA

List any other names you have ever used (Maiden, Married, Nicknames, etc.): N/A

Languages spoken: English

## Previous Residences

Please list all previous home addresses in the past 5 years, attached additional sheets if needed.

- 400 West 8th Street, #228, Vancouver WA 98660

## Statement of Perjury

I declare under the penalty of perjury, under the laws of the State of California and the City of Solvang, that the foregoing is true and correct to the best of my knowledge.

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<td></td>
<td>President</td>
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### CRIMINAL HISTORY

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<td>ARREST DATE</td>
<td>ARRESTING AGENCY / LOCATION / COURT NAME</td>
<td>CHARGE / REASON FOR ARREST</td>
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<tr>
<td>DISPOSITION (WHAT WAS THE OUTCOME OF THE CASE: Were you sentenced? Did you have to pay a fine? Probation? Parole? Etc.)</td>
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</tr>
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<td>ARREST DATE</td>
<td>ARRESTING AGENCY / LOCATION / COURT NAME</td>
<td>CHARGE / REASON FOR ARREST</td>
</tr>
<tr>
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<td></td>
<td></td>
</tr>
<tr>
<td>DISPOSITION (WHAT WAS THE OUTCOME OF THE CASE: Were you sentenced? Did you have to pay a fine? Probation? Parole? Etc.)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### STATEMENT OF PERJURY

I declare under the penalty of perjury, under the laws of the state of California and the city of Solvang, that the foregoing is true and correct to the best of my knowledge.

**Applicant's Signature**

[Signature]

**Job Title (Position on the Application)**

President

**Date**

02/11/2019
## EMPLOYMENT HISTORY

List employment history within the last five years and all regulated commercial cannabis employment history regardless of timeframe.

<table>
<thead>
<tr>
<th>BUSINESS NAME</th>
<th>ADDRESS</th>
<th>PHONE</th>
<th>POSITION</th>
<th>START DATE</th>
<th>END DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ventura Cannabis &amp; Wellness Corporation</td>
<td>800 W 6th St Suite 1415 Los Angeles, CA 90017</td>
<td>360-314-4294</td>
<td>CEO</td>
<td>01/01/2019</td>
<td>Present</td>
</tr>
<tr>
<td>Cannabis Investor</td>
<td>P.O. Box 872462, Vancouver WA 98687</td>
<td>650-474-9909</td>
<td>Independent Consultant</td>
<td>01/01/2016</td>
<td>12/31/2018</td>
</tr>
<tr>
<td>Paulson Investment Company</td>
<td>5335 Meadows Rd, Lake Oswego, OR 97035</td>
<td>855-653-3444</td>
<td>Managing Director</td>
<td>01/01/2016</td>
<td>12/31/2017</td>
</tr>
<tr>
<td>Coremix Capital (Paci Properties)</td>
<td>9604 NE 126th Ave Ste 2330, Vancouver, WA 98682</td>
<td>(360) 859-4030</td>
<td>Investment Manager</td>
<td>07/01/2016</td>
<td>12/31/2015</td>
</tr>
<tr>
<td>Fisher Investments</td>
<td>5525 NW Fisher Creek Dr, CAMAS, WA 98607</td>
<td>800-550-1071</td>
<td>Vice President</td>
<td>08/17/2002</td>
<td>06/30/2015</td>
</tr>
</tbody>
</table>

## STATEMENT OF PERJURY

I DECLARE UNDER THE PENALTY OF PERJURY, UNDER THE LAWS OF THE STATE OF CALIFORNIA AND THE CITY OF SOLVANG, THAT THE FOREGOING IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

APPLICANT'S SIGNATURE: [Signature]

JOB TITLE (POSITION ON THE APPLICATION): President

DATE: 02/11/2019
### ADDITIONAL BACKGROUND INFORMATION

Please attach separate sheet, as necessary.

List whether you have had any other Cannabis licenses and/or permits issued to and/or revoked from any agency, in the three years prior to the date of this application. Please list the type of, current status of, issuing/denying agency for each license/permit.

**Oregon Liquor Control Commission Marijuana Worker Permit, active. expires 01/23/2024, #1G952K**

List whether you have had any involvement with any other retail business in the City of Solvang, including the name and address of such business, the type of business, the capacity in which you were involved; and whether the business is or was the subject of any criminal investigation or prosecution, civil investigation, administrative action or civil lawsuit; or whether you have ever been denied registration, a permit, or a license required to operate a business in any other city, county, or state.

N/A

### BACKGROUND INVESTIGATION RELEASE

To Whom It May Concern:

I am an applicant / employee for a Medical Cannabis Business in the City. I desire and request the City Manager or Sheriff of the City of Solvang, and/or his/her agents, employee or lawful representative(s) to take my photograph and fingerprints or use the information in this application for the purpose of conducting a background check to verify that I meet the qualifications required to obtain a Medical Cannabis Permit to operate or to be employed with such business as required by the Solvang Municipal Code and State Law. I agree to provide any information requested or deemed necessary to provide the State of California Department of Justice and the Federal Bureau Investigation, or any other law enforcement agency or third party consultant authorized by the City Manager or Sheriff.

I understand this will serve to disclose any record of arrests to which I have been the subject that resulted in conviction. I further agree to hold the City of Solvang, its officers, agents, or lawfully delegated representatives, harmless from any action(s), or damages whatsoever or at all, which may result from the taking of such fingerprints or forwarding them to the appropriate law enforcement agency for a record’s check and/or obtaining access to any other documentation which pertains to meeting the qualification for a Medical Cannabis Permit.

By signing this form I acknowledge and agree to comply with all the conditions and terms of this application. I also understand that falsifying and/or omitting any information on this application may be grounds for denial of a permit or is grounds for termination of employment per the Solvang City Ordinance.

<table>
<thead>
<tr>
<th>APPLICANT'S SIGNATURE</th>
<th>JOB TITLE (POSITION ON THE APPLICATION)</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>President</td>
<td>02/11/2019</td>
</tr>
</tbody>
</table>
**City of Solvang**

**Medical Cannabis Dispensary**

### Applicant Information

<table>
<thead>
<tr>
<th>Name:</th>
<th>Cross Andrew Law</th>
</tr>
</thead>
</table>

### Business/Employer Information

<table>
<thead>
<tr>
<th>Name of Cannabis Business</th>
<th>Fristaden Wellness Inc</th>
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<tbody>
<tr>
<td>Business Address</td>
<td>8484 Wilshire Blvd, Beverly Hills, CA 90211</td>
</tr>
<tr>
<td>Business Phone</td>
<td>8583951013</td>
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</tbody>
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### Applicant or Employee Information

<table>
<thead>
<tr>
<th>Social Security Number</th>
<th>Cross Andrew Law</th>
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</thead>
<tbody>
<tr>
<td>Driver's License Number</td>
<td>FL C6200</td>
</tr>
<tr>
<td>State</td>
<td></td>
</tr>
<tr>
<td>Place of Birth</td>
<td>San Diego, CA</td>
</tr>
<tr>
<td>Date of Birth</td>
<td>09/16/1992</td>
</tr>
<tr>
<td>Height</td>
<td>6'3&quot;</td>
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<tr>
<td>Weight</td>
<td>200 lb</td>
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<tr>
<td>Hair Color</td>
<td>Brown</td>
</tr>
<tr>
<td>Eye Color</td>
<td>Blue</td>
</tr>
<tr>
<td>List Your Current Home Address, City, Zip Code (No P.O. Boxes Allowed)</td>
<td>4401 Sepulveda Blvd Unit 109, Sherman Oaks, CA 91403</td>
</tr>
<tr>
<td>Languages Spoken</td>
<td>English, Spanish, Mandarin</td>
</tr>
</tbody>
</table>

### Previous Residences

- 45 SW 9th st, unit 2907, Miami, FL 33130
- 6932 Tourmaline PL, Carlsbad CA 92009
- Room 1607, Lane 3, 751 Lingling Road, Xuhui District, Shanghai, PRC
- 714 Levering Ave, Unit 4, Los Angeles, CA 90024

### Statement of Perjury

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<tr>
<td></td>
<td>Treasurer/Secretary</td>
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Owner/Operator/Employee Background Application
CRIMINAL HISTORY

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<tr>
<td>DISPOSITION (WHAT WAS THE OUTCOME OF THE CASE: Were you sentenced? Did you have to pay a fine? Probation? Parole? Etc.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ARREST DATE</td>
<td>ARRESTING AGENCY / LOCATION / COURT NAME</td>
<td>CHARGE / REASON FOR ARREST</td>
</tr>
<tr>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DISPOSITION (WHAT WAS THE OUTCOME OF THE CASE: Were you sentenced? Did you have to pay a fine? Probation? Parole? Etc.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ARREST DATE</td>
<td>ARRESTING AGENCY / LOCATION / COURT NAME</td>
<td>CHARGE / REASON FOR ARREST</td>
</tr>
<tr>
<td>8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DISPOSITION (WHAT WAS THE OUTCOME OF THE CASE: Were you sentenced? Did you have to pay a fine? Probation? Parole? Etc.)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

STATEMENT OF PERJURY

I declare under the penalty of perjury, under the laws of the State of California and the City of Solvang, that the foregoing is true and correct to the best of my knowledge.

APPLICANT'S SIGNATURE

JOB TITLE (POSITION ON THE APPLICATION)  DATE

Treasurer/Secretary  2/12/2019
## EMPLOYMENT HISTORY

List employment history within the last five years and all regulated cannabis employment history regardless of timeframe.

<table>
<thead>
<tr>
<th>BUSINESS NAME</th>
<th>ADDRESS</th>
<th>PHONE</th>
<th>POSITION</th>
<th>START DATE</th>
<th>END DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ventura Cannabis &amp; Wellness Corporation</td>
<td>800 W 6th St Suite 1415, Los Angeles, CA 90017</td>
<td>360-314-4294</td>
<td>Director of Operations</td>
<td>01/01/2019</td>
<td>Present</td>
</tr>
<tr>
<td>Right Track Wellness Management Consultant</td>
<td>3330 Caminito Daniella, Del Mar, CA 92014</td>
<td>858-395-1013</td>
<td>CEO/Owner</td>
<td>05/01/2016</td>
<td>01/01/2016</td>
</tr>
<tr>
<td>EIC Group</td>
<td>899 Lingling Road, Unit 25F Xuhui District, Shanghai, PRC</td>
<td>+86 5432 5782</td>
<td>Senior Consultant</td>
<td>05/01/2015</td>
<td>05/01/2016</td>
</tr>
<tr>
<td>UCLA AIDS Institute Zack Lab</td>
<td>615 Charles E Young Dr S, Los Angeles, CA 90095</td>
<td>310-825-0876</td>
<td>Research Assistant Undergraduate</td>
<td>03/01/2013</td>
<td>06/01/2015</td>
</tr>
</tbody>
</table>

## STATEMENT OF PERJURY

I DECLARE UNDER THE PENALTY OF PERJURY, UNDER THE LAWS OF THE STATE OF CALIFORNIA AND THE CITY OF SOLVAIRG, THAT THE FOREGOING IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

APPLICANT'S SIGNATURE: [Signature]

JOB TITLE (POSITION ON THE APPLICATION): Treasurer/Secretary

DATE: 2/12/2019
ADDITIONAL BACKGROUND INFORMATION

PLEASE ATTACH SEPARATE SHEET, AS NECESSARY

List whether you have had any other Cannabis licenses and/or permits issued to and/or revoked from any agency, in the three years prior to the date of this application. Please list the type of, current status of, issuing/denying agency for each license/permit.

NA

List whether you have had any involvement with any other retail business in the City of Solvang, including the name and address of such business, the type of business, the capacity in which you were involved; and whether the business is or was the subject of any criminal investigation or prosecution, civil investigation, administrative action or civil lawsuit; or whether you have ever been denied registration, a permit, or a license required to operate a business in any other city, county, or state.

NA

BACKGROUND INVESTIGATION RELEASE

To Whom It May Concern:

I am an applicant/employee for a Medical Cannabis Business in the City. I desire and request the City Manager or Sheriff of the City of Solvang, and/or his/her agents, employee or lawful representative(s) to take my photograph and fingerprints or use the information in this application for the purpose of conducting a background check to verify that I meet the qualifications required to obtain a Medical Cannabis Permit to operate or to be employed with such business as required by the Solvang Municipal Code and State Law. I agree to provide any information requested or deemed necessary to provide the State of California Department of Justice and the Federal Bureau Investigation, or any other law enforcement agency or third party consultant authorized by the City Manager or Sheriff.

I understand this will serve to disclose any record of arrests to which I have been the subject that resulted in conviction. I further agree to hold the City of Solvang, its officers, agents, or lawfully delegated representatives, harmless from any action(s), or damages whatsoever or at all, which may result from the taking of such fingerprints or forwarding them to the appropriate law enforcement agency for a record’s check and/or obtaining access to any other documentation which pertains to meeting the qualification for a Medical Cannabis Permit.

By signing this form I acknowledge and agree to comply with all the conditions and terms of this application. I also understand that falsifying and/or omitting any information on this application may be grounds for denial of a permit or is grounds for termination of employment per the Solvang City Ordinance.

APPLICANT’S SIGNATURE

[Signature]

JOB TITLE (POSITION ON THE APPLICATION)

Treasurer/Secretary

DATE

2/12/2019
# Medical Cannabis Dispensary

## Applicant Information

<table>
<thead>
<tr>
<th>Name:</th>
<th>CUSTOMER NAME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zumbaum</td>
<td>Erin</td>
</tr>
</tbody>
</table>

## Business Employer Information

<table>
<thead>
<tr>
<th>Name of Cannabis Business</th>
<th>Business Address</th>
<th>Business Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frisaden Wellness</td>
<td>8484 Wilshire Blvd, Beverly Hills, CA 90211</td>
<td>858.395.1013</td>
</tr>
</tbody>
</table>

## Applicant or Employee Information

<table>
<thead>
<tr>
<th>Social Security Number</th>
<th>Driver's License Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zumbaum</td>
<td>Erin</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>State</th>
<th>Last Name on Driver's License</th>
<th>First Name on Driver's License</th>
<th>Middle Name on Driver's License</th>
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</thead>
<tbody>
<tr>
<td>SC</td>
<td>Zumbaum</td>
<td>Erin</td>
<td>Charyl</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age</th>
<th>Date of Birth</th>
<th>Place of Birth</th>
<th>Height</th>
<th>Weight</th>
<th>Hair Color</th>
<th>Eye Color</th>
</tr>
</thead>
<tbody>
<tr>
<td>29</td>
<td>12-6-1979</td>
<td>Silverton, ID</td>
<td>5'1</td>
<td>180</td>
<td>Brown</td>
<td>Hazel</td>
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</table>

<table>
<thead>
<tr>
<th>Cell phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>4975 SE Division St</td>
</tr>
</tbody>
</table>

## Previous Residences

### Address, City, Zip Code (No P.O. Boxes Allowed)

1. 1905 N. 10th Pl Renton, WA 98057
2. 1827 E. 1st St. Long Beach, CA 90802

## Statement of Perjury

I declare under the penalty of perjury, under the laws of the State of California and the City of Solvang, that the foregoing is true and correct to the best of my knowledge.

<table>
<thead>
<tr>
<th>Applicant's Signature</th>
<th>Job Title (Position on the Application)</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>[Signature]</td>
<td>Manager</td>
<td>02.11.19</td>
</tr>
</tbody>
</table>

Owner/Operator/Employee Background Application: [161]
<table>
<thead>
<tr>
<th>BUSINESS NAME</th>
<th>ADDRESS</th>
<th>PHONE</th>
<th>POSITION</th>
<th>START DATE</th>
<th>END DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amberlight Cannabis</td>
<td>Portland, OR</td>
<td>503-233-0420</td>
<td>Owner/Owner</td>
<td>6/16</td>
<td>Current</td>
</tr>
<tr>
<td>Boeing</td>
<td>Seattle, WA</td>
<td></td>
<td>Senior Buyer</td>
<td>10/15</td>
<td>4/17</td>
</tr>
<tr>
<td>Toyota North America</td>
<td>Huntington Beach, CA</td>
<td></td>
<td>Senior Buyer (contract)</td>
<td>4/15</td>
<td>10/15</td>
</tr>
<tr>
<td>Future's Automotive</td>
<td>Torrance, CA</td>
<td></td>
<td>Senior Buyer</td>
<td>4/14</td>
<td>10/15</td>
</tr>
<tr>
<td>EHC Group</td>
<td>Fort Mill, SC</td>
<td></td>
<td>Senior Buyer</td>
<td>8/13</td>
<td>6/14</td>
</tr>
</tbody>
</table>

**STATEMENT OF PERJURY**

I declare under the penalty of perjury, under the laws of the State of California and the City of Solvang, that the foregoing is true and correct to the best of my knowledge.

APPLICANT'S SIGNATURE: [Signature]

JOB TITLE (POSITION ON THE APPLICATION): Manager

DATE: 2/11/19
## CRIMINAL HISTORY

List all arrests and/or convictions other than infractions for traffic violations. If additional space is needed, attach additional sheets to this application. Please note: any false statements, misleading statements or omissions on this application or the cannabis permit shall be grounds for disqualification.

<table>
<thead>
<tr>
<th>ARREST DATE</th>
<th>ARRESTING AGENCY / LOCATION / COURT NAME</th>
<th>CHARGE / REASON FOR ARREST</th>
<th>DISPOSITION (WHAT WAS THE OUTCOME OF THE CASE: Were you sentenced? Did you have to pay a fine? Probation? Parole? Etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 2008</td>
<td>C.P.A Police, Lorena County</td>
<td>DUI</td>
<td>Fine, one year unsupervised probation, then dismissed</td>
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<tr>
<td>ARREST DATE</td>
<td>ARRESTING AGENCY / LOCATION / COURT NAME</td>
<td>CHARGE / REASON FOR ARREST</td>
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<tr>
<td>[Signature]</td>
<td>Manager</td>
<td>2-11-19</td>
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</tbody>
</table>
ADDITIONAL BACKGROUND INFORMATION
PLEASE ATTACH SEPARATE SHEET, AS NECESSARY

List whether you have had any other Cannabis licenses and/or permits issued to and/or revoked from any agency, in the three years prior to the date of this application. Please list the type of, current status of, issuing/denying agency for each license/permit.

- Issued by OLCC Portland, OR
- Currently in good standing w/ zero violations

List whether you have had any involvement with any other retail business in the City of Solvang, including the name and address of such business, the type of business, the capacity in which you were involved; and whether the business is or was the subject of any criminal investigation or prosecution, civil investigation, administrative action or civil lawsuit; or whether you have ever been denied registration, a permit, or a license required to operate a business in any other city, county, or state.

- NO

BACKGROUND INVESTIGATION RELEASE

To Whom It May Concern:
I am an applicant/employee for a Medical Cannabis Business in the City. I desire and request the City Manager or Sheriff of the City of Solvang, and/or his/her agents, employee or lawful representative(s) to take my photograph and fingerprints or use the information in this application for the purpose of conducting a background check to verify that I meet the qualifications required to obtain a Medical Cannabis Permit to operate or to be employed with such business as required by the Solvang Municipal Code and State Law. I agree to provide any information requested or deemed necessary to provide the State of California Department of Justice and the Federal Bureau Investigation, or any other law enforcement agency or third party consultant authorized by the City Manager or Sheriff.

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By signing this form I acknowledge and agree to comply with all the conditions and terms of this application. I also understand that falsifying and/or omitting any information on this application may be grounds for denial of a permit or is grounds for termination of employment per the Solvang City Ordinance.

APPLICANT’S SIGNATURE: 

JOB TITLE/POSITION ON THE APPLICATION: Manager

DATE: 2.11.19
**Livescan Documentation**

**State of California**

**REQUEST FOR LIVE SCAN SERVICE**

<table>
<thead>
<tr>
<th>ORI: A1547</th>
<th>Code assigned by DOJ</th>
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<tbody>
<tr>
<td>Job Title or Type of License, Certification or Permit: Commercial Cannabis Regulatory Permit</td>
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**Agency Address and Contributing Agency:**

<table>
<thead>
<tr>
<th>City of Solvang</th>
</tr>
</thead>
<tbody>
<tr>
<td>1644 Oak Street</td>
</tr>
<tr>
<td>Solvang, CA, 93463</td>
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</tbody>
</table>

**Name of Applicant:**

<table>
<thead>
<tr>
<th>Gamble Jacob</th>
<th>First Name</th>
<th>M</th>
<th>Last Name</th>
</tr>
</thead>
</table>

**Alias:** N/A

**Date of Birth:** 04/18/1976

**Height:** 6'2"  **Weight:** 180

**Eye Color:** Green  **Hair Color:** Brown

**Place of Birth:** Apple Valley, CA

**Social Security Number:**

**Driver's License No.**

<table>
<thead>
<tr>
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**GCA No. (Agency Identifying No.)**

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**Level of Service:**

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<th>☑ DOJ</th>
<th>☑ FBI</th>
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**Your Number:** 146181

<table>
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<th>Employer: (Additional response for agencies specified by statute)</th>
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**Employer Name:**

<table>
<thead>
<tr>
<th>Street No.</th>
<th>Street or PO Box</th>
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**Mail Code (five digit code assigned by DOJ):**

| ( ) |

**Agency Telephone No. (optional):**

| ( ) |

**Live Scan Transaction Completed By:**

<table>
<thead>
<tr>
<th>Cora Wilo 5725</th>
<th>Date 7/14/19</th>
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<table>
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<tr>
<th>Transmitting Agency</th>
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**Transmitting Agency:**

<table>
<thead>
<tr>
<th>ATI No.</th>
<th>Amount Collected/Paid</th>
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</thead>
</table>

ORIGINAL - Live Scan Operator; SECOND COPY - Applicant; THIRD COPY (if needed) - Requesting Agency
<table>
<thead>
<tr>
<th><strong>ORI:</strong> A1547</th>
<th><strong>Type of Application:</strong> Cannabis Licensing</th>
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</thead>
<tbody>
<tr>
<td><strong>Agency Address Set Contributing Agency:</strong></td>
<td></td>
</tr>
<tr>
<td>City of Solvang</td>
<td></td>
</tr>
<tr>
<td>1644 Oak Street</td>
<td></td>
</tr>
<tr>
<td>Solvang, Ca 93463</td>
<td></td>
</tr>
<tr>
<td><strong>Mail Code (five-digit code assigned by DOJ):</strong> 01147</td>
<td></td>
</tr>
<tr>
<td><strong>Contact Name (Mandatory for all school submissions):</strong> Lisa Martin</td>
<td></td>
</tr>
<tr>
<td><strong>Contact Telephone No.:</strong> (805) 688-5575</td>
<td></td>
</tr>
<tr>
<td><strong>Name of Applicant:</strong> Zumbaum Erin C</td>
<td></td>
</tr>
<tr>
<td><strong>Sex:</strong> Female</td>
<td><strong>Driver's License No.:</strong> [obfuscated]</td>
</tr>
<tr>
<td><strong>Height:</strong> 5'1''</td>
<td><strong>Agency Billing Number:</strong> 146181</td>
</tr>
<tr>
<td><strong>Weight:</strong> 180</td>
<td><strong>Home Address:</strong> 4975 SE Division St #409 Portland, OR 97206</td>
</tr>
<tr>
<td><strong>Place of Birth:</strong> Silverton, ID</td>
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</tr>
<tr>
<td><strong>Social Security Number:</strong> [obfuscated]</td>
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</tr>
<tr>
<td><strong>Your Number:</strong> 146181</td>
<td><strong>Level of Service:</strong> DOJ</td>
</tr>
<tr>
<td><strong>OCA No. (Agency Identifying No.):</strong></td>
<td>FBI</td>
</tr>
<tr>
<td><strong>If resubmission, list Original ATI Number:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Employer:</strong> (Additional response for agencies specified by statute)</td>
<td></td>
</tr>
<tr>
<td><strong>Employer Name:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Street No.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Street or PO Box:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Mail Code (five digit code assigned by DOJ):</strong></td>
<td></td>
</tr>
<tr>
<td><strong>City</strong></td>
<td></td>
</tr>
<tr>
<td><strong>State</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Zip Code:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Agency Telephone No. (optional):</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Live Scan Transaction Completed By:</strong> Corsan Talys 2/14/15 24</td>
<td></td>
</tr>
<tr>
<td><strong>Transmitting Agency</strong></td>
<td></td>
</tr>
<tr>
<td><strong>ATI No.:</strong> TRUSTU6005</td>
<td></td>
</tr>
<tr>
<td><strong>Amount Collected/Billed:</strong></td>
<td></td>
</tr>
</tbody>
</table>

ORIGIONAL – Live Scan Operator; SECOND COPY – Applicant; THIRD COPY (if needed) – Requesting Agency
State of California
REQUEST FOR LIVE SCAN SERVICE
RBN 8016 (2/20)

Applicant Submission

<table>
<thead>
<tr>
<th>OIR:</th>
<th>A1547</th>
<th>Type of Application:</th>
<th>Cannabis Licensing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Title or Type of License, Certification or Permit:</td>
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</table>

Agency Address Set Contributing Agency:

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</tr>
<tr>
<td>Street No. Street or PO Box</td>
</tr>
<tr>
<td>Solvang Ca 93463</td>
</tr>
<tr>
<td>City State Zip Code</td>
</tr>
<tr>
<td>01147 Mail Code (five-digit code assigned by DOJ)</td>
</tr>
<tr>
<td>Lisa Martin Contact Name (Mandatory for all school submissions)</td>
</tr>
<tr>
<td>(805) 688-5575 Contact Telephone No.</td>
</tr>
</tbody>
</table>

Name of Applicant: Cross Andrew L

<table>
<thead>
<tr>
<th>First Last</th>
<th>MI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Driver's License No:</td>
<td>146181 Agency Billing Number</td>
</tr>
<tr>
<td>Misc. No. BIL:</td>
<td>146181</td>
</tr>
<tr>
<td>Misc. Number:</td>
<td></td>
</tr>
<tr>
<td>Home Address:</td>
<td>4401 Sepulveda Blvd, Unit 109</td>
</tr>
<tr>
<td>Street No. Street or PO Box</td>
<td></td>
</tr>
<tr>
<td>Sherman Oaks, CA 91403</td>
<td></td>
</tr>
<tr>
<td>City State and Zip Code</td>
<td></td>
</tr>
</tbody>
</table>

Social Security Number: 234-56-7890

Your Number: 146181 OCA No. (Agency Identifying No.)

If resubmission, list Original ATI Number:

Employer: (Additional response for agencies specified by statute)

Employer Name

<table>
<thead>
<tr>
<th>Street No. Street or PO Box</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mail Code (five digit code assigned by DOJ)</td>
</tr>
<tr>
<td>() Agency Telephone No. (optional)</td>
</tr>
</tbody>
</table>

Live Scan Transaction Completed By: Corsaw S J 2/14/19

<table>
<thead>
<tr>
<th>Name of Operator</th>
</tr>
</thead>
<tbody>
<tr>
<td>7045 CRAWDY</td>
</tr>
</tbody>
</table>

Transmitting Agency

<table>
<thead>
<tr>
<th>Sending Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>SB50 ATN No.</td>
</tr>
</tbody>
</table>

ORIGINAL – Live Scan Operator; SECOND COPY – Applicant; THIRD COPY (if needed) – Requesting Agency
State of California  
Secretary of State  

Statement of Information  
(Domestic Stock and Agricultural Cooperative Corporations)

FEES (Filing and Disclosure): $25.00.
If this is an amendment, see instructions.

IMPORTANT – READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

1. CORPORATE NAME
   FRISTADEN WELLNESS

2. CALIFORNIA CORPORATE NUMBER
   C4240464

No Change Statement (Not applicable if agent address of record is a P.O. Box address. See instructions.)

3. If there have been any changes to the information contained in the last Statement of Information filed with the California Secretary of State, or no statement of information has been previously filed, this form must be completed in its entirety.
   If there has been no change in any of the information contained in the last Statement of Information filed with the California Secretary of State, check the box and proceed to Item 17.

Complete Addresses for the Following (Do not abbreviate the name of the city. Items 4 and 5 cannot be P.O. Boxes.)

4. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE  
   CITY  STATE  ZIP CODE
   1267 WILLIS ST, STE 200, REDDING, CA 96001

5. STREET ADDRESS OF PRINCIPAL BUSINESS OFFICE IN CALIFORNIA, IF ANY  
   CITY  STATE  ZIP CODE

6. MAILING ADDRESS OF CORPORATION, IF DIFFERENT THAN ITEM 4  
   CITY  STATE  ZIP CODE

Names and Complete Addresses of the Following Officers (The corporation must list these three officers. A comparable title for the specific officer may be added; however, the preprinted titles on this form must not be altered.)

7. CHIEF EXECUTIVE OFFICER/ADDRESS  
   JACOB GAMBLE  1267 WILLIS ST, STE 200, REDDING, CA 96001

8. SECRETARY/ADDRESS  
   ANDREW CROSS  1267 WILLIS ST, STE 200, REDDING, CA 96001

9. CHIEF FINANCIAL OFFICER/ADDRESS  
   ANDREW CROSS  1267 WILLIS ST, STE 200, REDDING, CA 96001

Names and Complete Addresses of All Directors, Including Directors Who are Also Officers (The corporation must have at least one director. Attach additional pages, if necessary.)

10. NAME/ADDRESS  
    JACOB GAMBLE  1267 WILLIS ST, STE 200, REDDING, CA 96001

11. NAME/ADDRESS  

12. NAME/ADDRESS  

13. NUMBER OF VACANCIES ON THE BOARD OF DIRECTORS, IF ANY:

Agent for Service of Process If the agent is an individual, the agent must reside in California and Item 15 must be completed with a California street address, a P.O. Box address is not acceptable. If the agent is another corporation, the agent must have on file with the California Secretary of State a certificate pursuant to California Corporations Code section 1505 and Item 15 must be left blank.

14. NAME OF AGENT FOR SERVICE OF PROCESS  
   NORTHWEST REGISTERED AGENT, INC

15. STREET ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL  
   CITY  STATE  ZIP CODE

Type of Business

16. DESCRIBE THE TYPE OF BUSINESS OF THE CORPORATION  
   WELLNESS

17. BY SUBMITTING THIS STATEMENT OF INFORMATION TO THE CALIFORNIA SECRETARY OF STATE, THE CORPORATION CERTIFIES THE INFORMATION CONTAINED HEREIN, INCLUDING ANY ATTACHMENTS, IS TRUE AND CORRECT.

02/13/2019 MORGAN NOBLE PREPARER

DATE  TYPE/PRINT NAME OF PERSON COMPLETING FORM  TITLE  SIGNATURE  169

SI-200 (REV 01/2013)  APPROVED BY SECRETARY OF STATE

Page 1 of 1
Fristaden Wellness, Inc.

List of Owners (individuals/entities with interest of 5% or greater)

1. Andrew Cross
2. Jacob Gamble
Secretary of State
Articles of Incorporation of a
General Stock Corporation

IMPORTANT — Read instructions before completing this form.

Filing Fee - $100.00
Copy Fees - First page $1.00; each attachment page $0.50;
Certification Fee - $5.00

Note: Corporations may have to pay minimum $800 tax to the California Franchise
Tax Board each year. For more information, go to https://www.ftb.ca.gov.

1. Corporate Name (Go to www.sos.ca.gov/business/be/name-availability for general corporate name requirements and restrictions.)

The name of the corporation is Fristaden Wellness

2. Business Addresses (Enter the complete business addresses.)

<table>
<thead>
<tr>
<th>Address Type</th>
<th>Address</th>
<th>City (no abbreviations)</th>
<th>State</th>
<th>Zip Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Street Address of Corporation</td>
<td>1267 Willis St. STE 200</td>
<td>Redding</td>
<td>CA</td>
<td>96001</td>
</tr>
<tr>
<td>Initial Mailing Address of Corporation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3. Service of Process (Must provide either Individual OR Corporation.)

INDIVIDUAL – Complete Items 3a and 3b only. Must include agent’s full name and California street address.

<table>
<thead>
<tr>
<th>Item</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>3a</td>
<td>California Agent’s First Name (if agent is not a corporation)</td>
</tr>
<tr>
<td>3b</td>
<td>Street Address (if agent is not a corporation) - Do not enter a P.O. Box</td>
</tr>
</tbody>
</table>

CORPORATION – Complete Item 3c. Only include the name of the registered agent Corporation.

<table>
<thead>
<tr>
<th>Item</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>3c</td>
<td>California Registered Corporate Agent’s Name (if agent is a corporation) - Do not complete Item 3a or 3b</td>
</tr>
</tbody>
</table>

Northwest Registered Agent, Inc.

4. Shares (Enter the number of shares the corporation is authorized to issue. Do not leave blank or enter zero (0).)

This corporation is authorized to issue only one class of shares of stock.
The total number of shares which this corporation is authorized to issue is 1000000.

5. Purpose Statement (Do not alter the Purpose Statement.)

The purpose of the corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

6. Read and Sign Below (This form must be signed by each incorporator. See instructions for signature requirements.)

Morgan Noble
Signature

Morgan Noble
Type or Print Name

ARTS-GS (REV 04/2017)
Applicant: Fristaden Wellness
License Type: 10M
Leadership Team: Andrew Cross, Jacob Gamble
# Table of Contents

Legal Name 3

Address and Location 3

Owner Information 4

Seller’s Permit 4

**Section 1: Qualifications of Owners / Operators 4**

- Experience 4
- Cannabis Industry Knowledge 5
- Ownership Team 7
- Company History 8

**Section 2 Operations and Business Plan 9**

- Hours of Operation 12
- Financial Plan 25
- Funding and Proof of Capitalization 25
- Pro-Forma 26
- Construction Timeline 29
- Delivery Service 29
- Records Software 30
- Track and Trace 32
- State Testing Requirements 33
- Employee Training 34
- Customer Education 35
- Marketing 36
Section 3: Neighborhood Compatibility & Enhancement 37

Design Concept Integration 37
Exterior Design Concept 38
Design Enhancement Features 38
Air Quality and Odor Control 39

Demonstration of Local Enterprise 39

Cannabis Harm Reduction 40
Source of Cannabis Products 42

Section 4: Security Plan 43

Fristaden Security Plan: 43
Consultant Qualifications 44
Site Inspection 44
Security Risks 45
Security Mitigations 45
Security Culture 45

Operational Security 46

General Security Policies for the Facility 46
Business Premise Access Plan 46
Transactional Security 46
Confidential Information Security 47
Visitor and Vendor Security 47
Third Party Contractor Security 47
Security Officer Policies and Procedures 47
Security Officers Duties and Responsibilities 48
Site Security Responsible Party 48
Transportation Security 48
Transportation Company Policies and Procedures 48
Product Security 48
Track and Trace/Inventory/Record Keeping 49
Reporting Responsibility 49
Threats, Risks and Appropriate Responses 49
Security Program Implementation 49

**Facility Security**

Physical Security 50
Perimeter Security 50
Security Lighting 50
Access Control 51
ID Badges and Access Logs 51
Event Logging 51
Sheriff's Department Access 51
Surveillance Camera and Video System 52
Alarms 53
Site Hardening 54
Metal Keys 54

**Operational Security 55**

General Security Policies for the Facility 55
Business Premise Access Plan 55
Transaction Security 55
Confidential Information Security 56
Visitor and Vendor Security 56
Third Party Contractor Security 57
Security Officer Policies and Procedures..57
Security Officers Duties and Responsibilities..58
Designated Responsible Party..59
Retail Commercial Cannabis Activity Security 60
Transportation Security 61
Track and Trace/Inventory/Record Keeping 61
Reporting Responsibility 62
Threats, Risks and Appropriate Responses 63

On-Site Consumption 63

**Facility Security 64**

Physical Security 64

Perimeter Security 64

Security Lighting 64

Signage 65

Access Control 66

Sheriff’s Department Access 67

Surveillance Camera and Video System 67

Alarms 69

Intrusion Detection 69

Video Alarm Assessment 70

Alarm Response 70

Performance Measurement and Evaluation 71

Site Hardening 72

Integration of Security Measures 73

Background Checks 73

Employee Safety Education 73

Employees will receive Security/Safety Awareness Training 74
Employee Theft Reduction Measures 74
  Cash Management Plan 75
  Product Access Protocols 76
  Checks and Balances 76
  Armored Vehicle 76

Additional Security Measures as per the Solvang Ordinance and the State of California Cannabis Regulations 77
  Power Backup for Electronic Security Measures 77
  Retail 77
  Lobby and Customer Buzz-in Procedure 77
  Notice and Signage 77
  Perimeter Security 77
  ID Checks 78
  Restrooms 78
  Cannabis Waste Management 78
  Delivery Security for Retailer Commercial Cannabis Activity 78
Legal Name
The dispensary will operate under the legal name Fristaden Wellness.

Address and Location
Fristaden Wellness has secured a location if they should receive this license. The group has been in communication with the landlord at the location, 1210 Mission Drive, Solvang, CA 93463. Should Fristaden Wellness secure a medical dispensary cannabis license for the city of Solvang, we will proceed with the proposed location, pictured below.
Owner Information

Andrew Cross  
Jacob Gamble  
Erin Zumbaum

Seller’s Permit

Section 1: Qualifications of Owners/Operators

EXPERIENCE

The owners and members that will be directing, controlling, and managing the day-to-day operations of Fristaden Wellness are Erin Zumbaum, Andrew Cross and Jacob Gamble. Together, with their advisors and partner locations they bring 15 years in combined experience in owning, managing and operating legally permitted cannabis businesses in accordance with the industry’s best standards and practices. In addition to their cannabis experience they all have extensive management, financial and analytical experience allowing them to bring high quality corporate governance and controls to the marijuana industry. They will provide steady guidance and brand leadership based on their years of operating and managing lawful cannabis dispensaries in order to make Fristaden Wellness a formidable and well managed competitor in the market.
CANNABIS INDUSTRY KNOWLEDGE

Cannabis has been an extremely lucrative pursuit for the 33 states (plus the District of Columbia) that have pursued legalization thus far. California’s and Solvang’s experiences will be no different. Of the tourist destinations in California, Solvang might be the most unique with its nod to Danish culture from the architecture and food. Locals and 1.5 million visitors annually enjoy Solvang’s charming downtown area, wineries and restaurants. Fristaden Wellness will be a boutique medical dispensary to fit in with Solvang’s rich European style and sophistication.

Solvang city council members have proven themselves eager for a medical marijuana dispensary in their city1. The city council vote to approve a medical marijuana dispensary passed 4-1. While there is genuine concern that a medical marijuana dispensary will affect the city’s image as a global tourist destination, the principals at Fristaden Wellness believe there is a way to provide medical marijuana products to the local residents and visitors in a tasteful manner and maintain the city’s reputation.

The local cannabis industry should be in line with the City’s high standards and will only thrive with a brand identity that attracts residents and visitors alike. Fristaden Wellness’s intended location on 1210 Mission Drive places it right outside the downtown area of Solvang2. This location will allow it to tap into the steady stream of local traffic heading in and out of downtown Solvang. As the city’s only proposed medical dispensary, this accessibility is key.

In 2016, North America’s cannabis sales grew to $6.9 billion, an increase of 34% over 2015. In the United States, sales totaled $5.8 billion, or 84% of North America’s spending3. According to early reports of spending in 2017, cannabis consumers in the United States and Canada will have spent around $10 billion. By 2021, it is expected that sales in North America will reach $24.5 billion, a 28% compound annual growth rate4. Arcview Market Research, which released these findings, states, “Very few consumer industry categories reach $5 billion in annual spending and then post anything like 25% compound annual growth across the following five years. The 20%+ annual growth rate is likely to continue for many years past 2021 as more states and countries legalize cannabis.”5 The following map illustrates the number of states allowing which form of cannabis use6.

![Map showing cannabis legalization by state](https://example.com/cannabis-map)

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The Arcview Group’s CEO Troy Dayton has noted, “Aside from cryptocurrency, there is simply no other industry changing as rapidly or as unevenly as the cannabis sector. That makes capturing the data, predicting consumer behavior, and forecasting political developments both extraordinarily difficult and complicated, and one of the most vital tools for investors, entrepreneurs, and regulators trying to make sense of it all.”

The above chart reflects the growth of legal cannabis sales and overall economic impact of retail sales in the U.S., illustrating the industry’s potential to contribute up to $44 billion per year to the nation’s economy by 2020.

In 2015, sales of medicinal cannabis in California reached $2.7 billion, accounting to nearly half of all legal cannabis sales in the United States. Additionally, BDS Analytics’ GreenEdge point-of-sale tracking service reported that California’s medicinal market is already as big as the total markets in Colorado, Washington, and Oregon combined. According to market research firm IBISWorld, the West has the highest distribution of revenue versus population and revenue versus number of growing establishments. This is largely thanks to California, which has the highest number of cannabis growing business locations in the United States.

Fristaden Wellness will operate within the $8.1 billion Medical & Recreational Marijuana Stores industry, which has shown tremendous growth over the last five years due to the increased adoption and legalization of cannabis products across the country and the world. As more states legalize, the industry experiences a boost in revenue and operators. In Washington and Colorado, the legalization of the plant and opening of the first stores led to a 70.5% growth in revenue. In the next five years, the industry will continue to grow at a strong rate as more states choose to legalize cannabis in the face of rising demand. Increased demand and higher disposable income will widen profit margins for industry operators. The above graphics project the growth of the Medical & Recreational Marijuana Stores industry through 2022.

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OWNERSHIP TEAM

The ownership team of Fristaden Wellness that will have a direct involvement in the day-to-day operations of the business are Andrew Cross, Jacob Gamble, and Erin Zumbaum.

Andrew Cross
Address: 4401 Sepulveda Blvd, Unit 109, Sherman Oaks, CA 91403
Phone: (858) 395-1013

Andrew Cross has a B.S. degree in molecular biology and in biomedical research. He is currently the operational and scientific director for Fristaden Wellness. He has extensive experience working as management and healthcare consultant across multiple verticals in the United States. At Fristaden Wellness Andrew drives the project development team as well as the training and research division. He works closely with scientists and technicians around the United States to ensure that Fristaden Wellness’s staff and materials are up to date on the latest research and offer well informed and educated guidance to customers and partners.

Erin Zumbaum
Address: 4975 SE Division St. #409, Portland, OR, 97206
Phone: (208) 660-1998

Erin has been the owner and manager of Amberlight Cannabis House since 2016. In their first year, the company achieved sales in excess of $1M. At Amberlight Cannabis House Erin created a distinct brand identity of a quality product consumers can trust and rely on. At Fristaden Wellness she will create a distinct experience for customers built around unique patient needs and high quality products. She will be managing the day-to-day operations of the dispensary. She is responsible for not only ensuring the facility is compliant with the laws and regulations set forth by the city of Solvang and the City of California but also that the facility exceeds the high expectations of the Fristaden Wellness Team.

Native to Portland, Oregon, Erin Zumbaum holds a degree in business with a minor in math and marketing from Lewis and Clark State College. Erin has over a decade of experience as operational manager and marketing working for companies such as Toyota and Boeing.
Jacob Gamble
Address: 511 West 34th Street, Vancouver, WA 98660
Phone: (650) 474-9909

Jacob Gamble brings over a decade of experience in executive management working for investment and finance consulting companies. Jacob is a Stanford graduate with a degree in economics and holds a master’s degree in human resources management from the Florida Institute of Technology. Jacob has since merged into the cannabis market as private investor and consultant. Now, the CEO of Fristaden Wellness and Ventura Cannabis & Wellness, Jacob utilizes his years of experience and expertise to manage the operations of Fristaden as well as Ventura’s nation wide interests.

At Fristaden Wellness, Jacob serves as the Chief Executive Officer and Brand Strategist. Jacob will oversee all activities and direct the dispensary manager, Erin Zumbaum on policies and procedures for staff to follow.

COMPANY HISTORY

Fristaden Wellness is committed to preserving and assimilating with Solvang’s historical heritage. Our goal is to create a space that reflects the rich, cultural history of both Solvang and Denmark. To this effect we have chosen the name Fristaden Wellness as an homage to the historic Fristaden Christiania district in Copenhagen. Fristaden Christiania is a community built around trust and individual freedoms. The Fristaden Wellness team felt this was an appropriate name for a dispensary located in a town representing both American and Danish culture and history. Further, Fristaden Christiania has historic ties to community cannabis making the name choice all the more appropriate. Fristaden Wellness aims to be a blend of both the modern trends in cannabis, patient care and hospitality mixed with the deep and beautiful history of Solvang and Danish culture. Fristaden Wellness is a Ventura Cannabis & Wellness business, which is a publicly traded company on the Canadian Stock Exchange (CSE:VCAN). As a part of the Ventura Cannabis & Wellness family Fristaden Wellness can take advantage of the expertise of the existing cannabis businesses within Ventura as well as the unparalleled access to capital that the public markets provide. Ventura Cannabis & Wellness has over $15,000,000 USD in assets as of their last audited and publicly available financial statements. Ventura Cannabis & Wellness’s historic work in addiction treatment also presents an opportunity for greater and deeper research into the medical applications of marijuana in assisting those seeking freedom from opiates and other addictive chemicals. With compassion as their focus both now and in their historic work, Ventura Cannabis looks forward to helping to improve the lives of patients and working closely with the city of Solvang moving forward.
Section 2: Operations and Business Plan

Executive Summary

California and Santa Barbara County have many great medical cannabis dispensaries. Few of them cater to them, however, cater to the primary demographics represented in Solvang’s resident and tourist populations. Many medical cannabis dispensaries throughout California target millennials, offering no shortage of celebrity-branded product with mass appeal. While Fristaden Wellness will create an environment conducive to all demographics, they will largely target the more mature market of Solvang that is often underserved in the medical cannabis industry.

The lack of cannabis dispensaries catering to the needs of a more mature population has been widely criticized. Fristaden Wellness sees this as an opportunity to utilize its expert and extensively experienced management team to pioneer a new type of dispensary business model focusing on this demographic. The high quality, education oriented environment of Fristaden Wellness will not only cater specifically to the residents and tourists of Solvang but will offer a previously unheard of level of service to the city’s predominantly mature medical cannabis market. To foster a more education oriented approach to medical cannabis, our qualified, extensively trained and vastly knowledgeable staff will work individually with patients and customers to identify which products would best aid them. The layout of Fristaden Wellness will reflect this focus. Fristaden Wellness will offer an elegant and well-informed experience for patients. The location will provide educational materials, and a library and reading space for all, not just patients, that will focus on science, medicine, the history of cannabis in the United States. Further, this library area will provide a place for its patients and the greater community to learn more about medical cannabis. Further within the secured patient only area there will be private rooms set aside for 1 on 1 consultations to allow our specialized Cannabis Consultants a pleasant and private place to help patients find the products best suited to their needs. The Fristaden Wellness team is dedicated to providing the medical benefits of cannabis to those who need it the most, including people with illnesses such as cancer, epilepsy, and other medical conditions.

The median age of Solvang’s residents is 48, which is 32% higher than the California average. Older populations tend to require a more medical approach to Cannabis as they look for alternative means to address their medical needs. In order to accommodate the medical needs of Solvang’s residents Fristaden Wellness will undertake an ambitious and medically backed training program for its staff. Each of our Cannabis Consultants will be able to assist patients in navigating the sometimes complex world of marijuana dosages, means of consumption and help find a solution that best fits their unique needs.

Many boomers are turning toward cannabis for medicinal purposes, most commonly to treat chronic pain. One study found a 58% increase in cannabis use among adults aged 50-64 from 2007 to 2013 and a 250% increase in cannabis use for adults aged 65 and over. Cannabis has been found to have a remarkable impact on reducing opioid usage especially among seniors. Expanded legalization has encouraged more and more seniors to explore medicinal cannabis in place of, or in addition to their existing pain treatment methods. Fristaden Wellness will supply products to assist with managing medical conditions such as arthritis, chronic pain and join pain.

Seniors using cannabis are one of the fastest growing demographics in America. Studies from a 2015 and 2016 National Survey on Drug Use and Health showed an increase in adults using cannabis between the ages of 50 and 64 from previous years. Marijuana use among adults aged 50-64 has doubled in the past decade from reports by the Center for Drug Use and HIV/HCV Research (CDUHR) at NYU, and more than seven times the percentage of seniors reported in the years 2006-2007.

In addition to the medical dispensary storefront in Solvang, Fristaden Wellness will utilize its county and state-wide delivery business division to work with the drug rehabilitation community outside of Solvang to assist in recovery. Medical cannabis is becoming an increasingly popular and sought-after form of medication in harm reduction for opioids, defined as a set of practical strategies and ideas aimed at reducing negative consequences associated with drug use. Since 1996, doctors have been allowed to medically recommend marijuana for “any illness” including drug addiction. Recently, this has included medical cannabis to treat opiate addiction.

A study by the British Columbia Center on Substance Use found daily marijuana use by recovering individuals increased the likelihood by 21% that the patients stayed in treatment\(^\text{14}\). Fristaden Wellness will cater to the number of rehabilitation centers and Medication Assisted Treatment (MAT) facilities located around Santa Barbara County including the so-called “rehab row” in the city of Santa Barbara. Other forms of anti-opioid medications such as methadone and buprenorphine, widely used in MAT centers, have been criticized for their own potentially addictive and harmful side effects as they are opioid drugs themselves. Medical cannabis is seen as a safer and less harmful treatment method than attempting to treat opioid use with more opioids.

\(^{14}\) Loriau, Amy (September, 2018) Marijuana Helps Opioid Addicts Stay In Treatment. Retrieved from https://www.labroots.com/trending/canna-bis-sciences/12806/marijuana-helps-opioid-addicts
Fristaden Wellness will provide a clean, modern sophistication with a sense of nostalgia in ambience and style that fits Solvang’s rich cultural history and charm. Fristaden will also operate a delivery service out of the retail storefront. This delivery arm will be focused on, but not limited to, bringing medical marijuana to those in the rehab community outside of Solvang, as well as the elderly and disabled who have difficulty traveling to retail storefront locations. Delivery services will be beneficial to many aging patients who prefer to keep their privacy or are limited by some physical mobility. With the delivery arm, Fristaden Wellness will also be able to deliver anywhere in the state of California.

Fristaden Wellness will fill a commercial and medically necessary vacuum in the region. Solvang has a population of less than 6,000, and until now, its medical cannabis patients have needed to drive to Lompoc or Santa Barbara to access cannabis. This location on Mission Drive will not only service Solvang’s patients and residents but also the surrounding enclaves such as Buellton, Santa Ynez, Los Olivos, Ballard Canyon and Los Alamos.

Through the implementation of standard operating procedures including extensive employee training, state of the art track and trace systems, a clear and distinct marketing strategy, and startup capital in excess of six million US Dollars ($6,000,000), Fristaden Wellness will have an operation that meets and exceeds Solvang’s and California’s standards for operation of a retail dispensary.

As a new operation, the funding we have currently have in our bank account is more than adequate to cover our Year 1, 2 and 3 costs. We will deploy our funding to maximize growth and profitability, establish our brand identity, and build a secure foundation for our next five to ten years of operation.

With a storefront, it is essential to have customer traffic from day 1, and we will ensure this by launching a coordinated marketing strategy across multiple platforms and channels, building social media buzz, as well as engaging news organizations that have covered our founders previously in advance of launch day.
STANDARD OPERATING PROCEDURES (SOP)

The Fristaden Wellness team is familiar with industry best practices and will continue to implement standard operating procedures at Fristaden Wellness that are in compliance with local and state laws. The full procedures are in the “Business Operating Procedure Manual” and will include, but not be limited to, each of the following procedures:

Hours of Operation
The hours of operation of the medical dispensary will be limited to Monday through Sunday, 9:00 a.m. to 7:00 p.m., as required by the city of Solvang.16

When Fristaden Wellness is not open for business, the premises will be securely locked with commercial-grade, nonresidential door locks, and equipped with an active alarm system, which will be activated when employees are not on the licensed premises.17 Outside of the hours of operation, only employees and contractors of Fristaden Wellness will be allowed to enter the premises.

Waste Management
The Fristaden Wellness team will implement a waste management plan that will properly store, handle, and dispose of all cannabis waste in accordance with the city of Solvang and state law.

Fristaden Wellness will dispose of cannabis waste by-products and shall characterize the volume and types of waste generated for all commercial cannabis activities in compliance with the best management practices and state law and regulations. Fristaden Wellness will not sell cannabis waste. Cannabis waste will be disposed of and stored in a secured waste receptacle or area restricted to the business, its employees, and the local agency, or waste hauler contracted by a local agency. Public access to the designated receptacle or area will be prohibited. Fristaden Wellness has no current plans to self-haul waste to a solid waste facility. If Fristaden Wellness chooses to compost cannabis waste on its licensed premises, it will do so in compliance with California Code of Regulations Title 14, Chapter 31, commencing with §17850.

Fristaden Wellness plans to use Solid Waste Collection serviced by Waste Management/Health Sanitation Services, to collect and process its cannabis waste. Therefore, in keeping with state regulations18, Fristaden Wellness will do all of the following:

- Provide the Bureau with the following information for the local agency, or waste hauler franchised or contracted by a local agency, who will collect and process the licensee’s cannabis waste;
  - Name of local agency providing waste hauling services, if applicable;
  - Company name of the local agency franchised or contracted or permitted waste hauler, if applicable;
  - Company business address;
  - Name of the primary contact person at the company and contact person’s phone number.

16. Solvang Municipal Code, Title 5, §5-4-3-22.
17. California Code of Regulations, Title 16, Division 42, §5403.
18. California Code of Regulations Title 16, Division 42, §5055(e)
● Obtain documentation from the entity hauling the waste that indicates the date and time of each collection of cannabis waste at the licensed premises; and

● Obtain a copy of the certified weight ticket or other documentation prepared by the entity hauling the waste confirming receipt of the cannabis waste at one, or more, of the following solid waste facilities:
  ‣ A manned, fully permitted solid waste landfill or transformation facility;
  ‣ A manned, fully permitted composting facility or manned composting operation;
  ‣ A manned, fully permitted in-vessel digestion facility or manned in-vessel digestion operation;
  ‣ A manned, fully permitted transfer/processing facility or manned transfer/processing operation; or
  ‣ A manned, fully permitted chip and grind operation.

Premises & Location
All cannabis activity conducted by Fristaden Wellness will take place on its licensed business premises. The premises will be located at a distance at least 1,000 feet from a school providing instruction in kindergarten through grades 12, day care center or youth center as in accordance with the Solvang Cannabis Ordinance. In accordance with California law, the premises will be located on a property that is over 600 feet away from any Child Care and Early Education or Family Day Care Facility, park, school, library, Social Service Center, any other Medicinal Cannabis Retailer, and any other Sensitive-Use Area. In accordance with the City of Solvang Cannabis Ordinance, the retail space will be located in the C-3 zoning district. The premise will not be located within 1,000 feet of another cannabis retailer. Fristaden Wellness will comply with all zoning regulations and land use requirements laid out by the City of Solvang and California law.

Fristaden Wellness’s business premises will not be in a location that requires persons to pass through a business that sells alcohol or tobacco to access the licensed premises, or that requires persons to pass through the licensed premises to access a business that sells tobacco or alcohol.

The proposed location for Fristaden Wellness is 1210 Mission Drive, Solvang, CA.
No Physical Modifications of Premises Representing Substantial Modification from Site Plan Submitted for Licensure
Fristaden Wellness will not make a physical change, alteration, or modification of the licensed premises that materially or substantially alters the licensed premises or the use of the licensed premises from the premises diagram originally filed with the license application without filing a request for premises modification with the Bureau of Cannabis Control and receiving written approval.

Fristaden Wellness understands that material or substantial changes, alterations, or modifications requiring approval include, but are not limited to, the removal, creation, or relocation of a common entryway, doorway, passage, or a means of public entry or exit, when such common entryway, doorway, or passage alters or changes limited-access areas within the licensed premises.

All approval requests will be made in compliance with the California state regulations20.

No Subletting of Premises
Fristaden Wellness will not sublet any area designated as the licensed premises for commercial cannabis activity.

Transition to Regulated Commercial Cannabis Market
Fristaden Wellness will only receive and sell cannabis goods or products that are in full compliance with current state and local law.

Responsibility for Acts of Employees and Agents
Fristaden Wellness understands that, in construing and enforcing the provisions of state laws and regulations, the act, omission, or failure of an agent, officer, representative, or other person acting for or employed by Fristaden Wellness, within the scope of his or her employment or office, will in every case be deemed the act, omission, or failure of Fristaden Wellness21.

Employee Age Restriction
Fristaden Wellness will not employ or retain persons under 21 years of age.

Commercial Cannabis Activity Will Be Conducted Only Between Licensees
All commercial cannabis activity conducted by Fristaden Wellness will be between other cannabis licensees.

20. California Code of Regulations Title 16, Division 42, §5027.
Storage of Inventory
In keeping with California state regulations\(^{22}\), no cannabis goods will be stored outdoors, employees’ break rooms, changing facilities, and bathrooms will be separated from all storage areas, and each location where cannabis goods are stored will be separately licensed. Fristaden Wellness will only store cannabis goods on its licensed retail premises.

Significant Discrepancy
Fristaden Wellness is aware that the state defines a “significant discrepancy” in inventory as a difference in actual inventory compared to records pertaining to inventory of at least $5,000 or 2 percent of the average monthly sales of the licensee, whichever is less, where average monthly sales are calculated by taking a per-month average of the total sales for the previous 6 months (or, if the licensee has not been in operation for at least 6 months, for the last months in which the licensee was operating).

Additionally, Fristaden Wellness is aware that, for the purposes of defining a “significant discrepancy”, the acquisition price will be used to determine the value of cannabis goods in the business’ inventory.

As described in the sections below, Fristaden Wellness will promptly notify the Bureau of Cannabis Control and local authorities if any significant discrepancy in the business’ inventory or records is discovered.

Notification of Criminal Acts, Civil Judgments, and Revocation of License
Fristaden Wellness will ensure that, in the event of a criminal conviction of any owner, the Bureau of Cannabis Control is notified in writing via mail or email within 48 hours of the conviction\(^{23}\).

The written notification to the BCC will include the date of conviction, the court docket number, the name of the court in which the owner was convicted, and the specific offenses for which the owner was convicted.

Fristaden Wellness will ensure that the BCC is notified in writing of a civil penalty or judgment rendered against the business or any owner in their individual capacity, either by mail or email, within 48 hours of delivery of the verdict or entry of judgment, whichever is sooner. The written notification will include the date of verdict or entry of judgment, the court docket number, the name of the court in which the matter was adjudicated, and a description of the civil penalty or judgment rendered against the licensee.

Fristaden Wellness will ensure that the BCC is notified in writing of the revocation of a local license, permit, or other authorization, either by mail or email, within 48 hours of receiving notice of the revocation. The written notification will include the name of the local agency involved, a written explanation of the proceeding or enforcement action, and the specific violations that led to revocation.

\(^{22}\) California Code of Regulations Title 16, Division 42, §5033.

\(^{23}\) California Code of Regulations Title 16, Division 42, §5035.
Notification of Theft, Loss, and Criminal Activity
As required by state regulations and the Solvang municipal code, Fristaden Wellness will notify the Bureau of Cannabis Control, the Solvang city manager and/or his/her designee, and the Solvang Police Department within 24 hours of discovery of any of the following situations:

- A significant discrepancy, as defined above in the business’ inventory.
- Diversion, theft, loss, or any other criminal activity pertaining to the operations of the business.
- Diversion, theft, loss, or any other criminal activity by an agent or employee of Fristaden Wellness pertaining to the operations of the business.
- Loss or unauthorized alteration of records related to cannabis goods, customers, or the business’ employees or agents.
- Any other breach of security.

In all of these cases, the notification to the BCC will be in writing and will include the date and time of occurrence of the theft, loss, or criminal activity, the information that the Solvang Police Department was notified, the names of any other local law enforcement agencies that were notified, and a description of the incident including, where applicable, the items that were taken or lost.

Record Retention
Fristaden Wellness will keep and maintain the following records related to commercial cannabis activity for at least seven years:

- Financial records including, but not limited to, bank statements, sales invoices, receipts, tax records, and all records required by the California Department of Tax and Fee Administration (formerly Board of Equalization) under title 18, California Code of Regulations, §1698 & §4901.
- Personnel records, including each employee’s full name, social security or individual taxpayer identification number, date employment began, and date of termination of employment if applicable.
- Training records including, but not limited to, the content of the training provided and the names of the employees that received the training.
- Contracts with other licensees regarding commercial cannabis activity.
- Permits, licenses, and other local authorizations to conduct commercial cannabis activity.
- Security records, except surveillance recordings required by state regulations.
- Records relating to the composting or destruction of cannabis goods.
- Documentation for data or information entered into the track and trace system.
- All other documents prepared or executed by an owner or his or her employees or assignees in connection with Fristaden Wellness.

Fristaden Wellness understands that the Bureau of Cannabis Control may make any examination of the books and records of any licensee as it deems necessary to perform its duties. Records will be kept in a manner that allows the records to be produced for the Bureau at the licensed premises in either hard copy or electronic form, whichever the Bureau requests. Fristaden Wellness understands that it may contract with a third party to provide custodial or management services of the records, and that such a contract does not relieve the business of its responsibilities with regard to record retention.

Managers and Employees Will be At Least 21 Years of Age
Under the Solvang Cannabis Ordinance, the applicant, or any of its officers, directors, owners, managers, or employees of an applicant for a commercial cannabis business must be at least twenty-one years of age. Fristaden Wellness will ensure via a strict policy that all of its managers, officers, directors, or employees are at least 21 years old. The proposed manager for the location is Erin Zumbaumand, who is at least 21 years old. Erin and her colleagues have a wide array of unrivaled experiences in the cannabis industry making them more than qualified to manage this operation.

No Licenses Revoked or Denied
Under the Solvang Cannabis Ordinance, the applicant, manager, supervisor, employee or volunteer are required to submit fingerprints and undergo a background check by the County of Santa Barbara Sheriff’s Department. The applicant will not be eligible for issuance of a commercial cannabis license if:

a) either the applicant has been denied a permit, or had a state license to engage in commercial cannabis activity suspended and not reinstated, or revoked, by any city, county, city and county, or any other state cannabis licensing authority;

b) the applicant was notified that they were conducting commercial cannabis activity in non-compliance with the City of Solvang’s ordinances, codes, and requirements and failed to discontinue operating in a timely manner;

c) evidence that the applicant failed to pay federal, state, or local taxes and/or fees when notified by the appropriate agencies;

d) the applicant was conducting commercial cannabis activity in the City of Solvang in violation of local and state law;

e) the applicant enters into an agreement to lease, sublease, or any other agreement regardless if it is verbally or in writing related to any terms of use of the premises from a property owner, commercial broker, or third party who has violated Section 5.78.100 unless that property is leased at fair market value and such lease, sublease, or agreement does not have any terms or conditions for the commercial cannabis permittee to pay the property owner, commercial broker, or any third party a percentage of cannabis related gross receipts, royalties, or equity, or other unreasonable compensation as determined by the City.
Neither has the applicant, Fristaden Wellness, nor any of its managers, officers or employees of Fristaden Wellness has had any license revoked or denied to engage in commercial cannabis activity. We will maintain a strict policy that no person may work as a manager at Fristaden Wellness who has had any such license revoked or denied.

**Access to Limited-Access Areas**
Fristaden Wellness will ensure that any person on the licensed premises, except for employees and contractors of the business, are escorted at all times by at least one Fristaden Wellness employee when in the limited-access areas of the premises.

**Customer Access to Retail Area**
Fristaden Wellness will only sell medical cannabis to patients verified to be at least 21 years of age and have a verified valid physician’s recommendation for medicinal cannabis. Age verification by government ID will be required of all cannabis customers before any sales are made, and before any access is given to areas where cannabis is sold. Valid proof of identification will clearly indicate the age or birthdate of the individual. Patrons entering the premises will be limited to individuals at least 21 years of age in possession of a valid physician’s recommendation for medicinal cannabis, and individuals who are at least 21 years of age with a legitimate and legal business purpose. A Fristaden Wellness employee will be present at all times when a customer, patient, or other individual who are not employees of Fristaden Wellness is in the retail area.

Acceptable forms of identification will include the following:

- A document issued by a federal, state, county, or municipal government, or a political subdivision or agency thereof, including, but not limited to, a valid motor vehicle operator’s license, that contains the name, date of birth, physical description, and photo of the person;
- A valid identification card issued to a member of the Armed Forces that includes a date of birth and a photo of the person; or
- A valid passport issued by the United States or by a foreign government.

**Inspections**
The City of Solvang or any of its agents of the City will be given unrestricted access during business hours to Fristaden Wellness site for the purpose of determining compliance with any applicable laws and inspect any recordings and records required to be maintained at the site. Fristaden Wellness will not deter, impede, obstruct or interfere, or otherwise not allow the City to enter the premises and conduct an inspection as well as obtain samples of cannabis to test for public safety purposes.
Disaster Relief
Fristaden Wellness understands, that, if the business is unable to comply with any licensing requirements due to a disaster (e.g. a fire, flood, storm, tidal wave, earthquake, or similar public calamity, whether or not resulting from natural causes), it may notify the Bureau of Cannabis Control of this inability to comply and request relief from the specific licensing requirement, and the BCC may exercise its discretion to provide temporary relief from specific regulatory requirements and from other licensing requirements when allowed by law28.

License Posting
Upon issuance of any license, Fristaden Wellness will prominently display the license on the licensed premises where it can be viewed by state and local agencies29. The licensed premises will not be open to the public, but the license will be displayed in an area that is within plain sight of anyone authorized to access the retail area (individuals who are at least 21 years of age and have a valid physician’s recommendation).

Cannabis Goods Display
Cannabis goods for display and sale will only be displayed in the retail area. Fristaden Wellness will not display cannabis goods in such a way that they are visible from outside the licensed premises. Cannabis goods may be removed from their packaging and placed in containers to allow for customer inspection, but these containers will not be readily accessible to customers without assistance from Fristaden Wellness personnel, who will provide the containers and remain with the customer at all times that the container is being inspected by the customer. Cannabis goods removed from their packaging for display will not be sold or consumed. In keeping with state regulations30, all display goods will be destroyed once they are no longer used for display.

Non-Cannabis Goods for Sale
Fristaden Wellness plans to sell a variety of non-cannabis products from its retail storefront. Fristaden Wellness will remain in compliance with any city, county, and state laws or regulations related to all products sold31.

No Live Plants Sold
Fristaden Wellness will not sell any live, immature cannabis plants and/or seeds, nor will it sell live plants of any other kind. In keeping with state regulations32, the business will not apply nor use any pesticide, nor cause any pesticide to be applied nor used, on live plants.

28. California Code of Regulations Title 16, Division 42, §5038.
30. California Code of Regulations Title 16, Division 42, §5405(d).
32. California Code of Regulations Title 16, Division 42, §5408.
Business Will Verify All Cannabis Goods
California cannabis regulations require that retail operations not make any cannabis goods available for sale or delivery unless the cannabis goods were received and delivered to the business by a licensed distributor\(^33\), that all manufactured goods comply with state standards\(^34\) and the business has verified the cannabis goods have not exceeded their expiration or sell-by date, if one is provided. Fristaden Wellness will only sell inventory that is within its sell-by date and which was received through the proper channels.

No On-Site Consumption of Cannabis or Cannabis Product
No cannabis or cannabis product will be consumed by any retail customer, employee or agent of Fristaden Wellness on the premises. Cannabis will neither be dispersed throughout any portion of the premises by an oil diffuser or any other vaporizing device in accordance with state law\(^35\) and Business and Professions Code section 26200(g). Fristaden Wellness will ensure no cannabis is inhaled, smoked, eaten, ingested, vaped, or otherwise used or consumed on the premises or in the parking area\(^36\).

No Cannabis or Cannabis Product will be Visible from the Exterior of the Premises
No cannabis or cannabis product will be visible from the exterior of the retail premises. No graphics depicting cannabis or cannabis product will visible from the exterior of the retail premises nor will the storage of cannabis or cannabis goods be kept outdoors.

No On-Site Sale or Consumption of Alcohol or Tobacco
No alcohol or tobacco will be sold or consumed on Fristaden Wellness premises. In keeping with Division 9 of the Business and Professions Code and California state law, Fristaden Wellness will not sell or transport cannabis goods that are labeled as beer, wine, liquor, spirits, or any other term that may create a misleading impression is an alcoholic beverage\(^37\).

Purchasers of Medical Cannabis will Sign an Agreement with Medical Dispensary
Fristaden Wellness will ensure all patients or caregivers of patients sign an agreement with Fristaden Wellness verifying that the person purchasing or otherwise receiving medical cannabis or medicinal cannabis product will not divert the cannabis to anyone other than the qualified patient for whom it is purchased.

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33. California Code of Regulations Title 16, Division 42, §5406.
34. Business and Professions Code §26130 and all other relevant laws.
35. California Code of Regulations, Title 16, Division 42, §5025
36. Solvang Municipal Code, Title 5, §§5-4-3-22
37. California Code of Regulations, Title 16, Division 42, §5040.1
Business Will Accept and Destroy all Cannabis Returns
As per state regulations\(^\text{38}\), Fristaden Wellness will accept returns of cannabis goods that were previously sold at the same Business Premises and will not resell cannabis goods that have been returned. Fristaden Wellness will treat any cannabis good abandoned on the Business Premises as a return and will destroy all cannabis goods that have been returned.

All cannabis goods will be destroyed in a manner that ensures they are indiscernible as cannabis products and cannot be used as such. Moreover, Fristaden Wellness will keep the waste in a restricted access area until it is properly disposed of.

No Free Samples Will Be Provided
In compliance with state regulations and Solvang law, Fristaden Wellness will not allow representatives of other companies or organizations to provide free samples of any type, including cannabis goods, to individuals on the Business Premises\(^\text{39}\). Additionally, Fristaden Wellness will not provide free samples of any type, including cannabis goods, to any person. Fristaden Wellness will only provide free medicinal goods in compliance with state and local law.

Fristaden Wellness Will Not Provide Free Medicinal Cannabis Unless Allowed by the City
The Solvang Health & Safety Ordinance provides that permitted retail cannabis facilities are prohibited from giving away any amount of cannabis or cannabis products and are prohibited from giving coupons. In accordance with that rule, Fristaden Wellness will refrain from providing free cannabis to any consumers. California state law allows medical cannabis retailers to provide free cannabis goods to qualified medicinal cannabis patients who have trouble affording it, or to donate cannabis goods and the use of equipment in compliance with any compassionate use, equity, or other similar program administered by a local jurisdiction\(^\text{40}\). Fristaden Wellness will not provide any such donations unless allowed by Solvang, but if allowed by the City, will be happy to participate in any programs providing medical cannabis or other products or services to those in need. Fristaden Wellness will also provide discounts and credits to patients and customers in need, to the extent allowed by Solvang law.

Packaging and Labeling
In compliance with state regulations\(^\text{41}\), Fristaden Wellness will not accept, possess, or sell cannabis goods that are not packaged as they will be sold at final sale. As a retailer, the business will not package or label any cannabis goods itself.

\(^{38}\) California Code of Regulations Title 16, Division 42, §5410.
\(^{39}\) California Code of Regulations Title 16, Division 42, §5411(a).
\(^{40}\) California Code of Regulations Title 16, Division 42, §5411(b).
\(^{41}\) California Code of Regulations Title 16, Division 42, §5412.
Exit Packaging
As required by state regulations\textsuperscript{42}, Cannabis goods purchased by a customer will not leave Fristaden Wellness’s licensed business premises unless the goods are placed in an opaque exit package meeting state and local exit packaging requirements\textsuperscript{43}.

Warning Signs
Fristaden Wellness will post clear and easily readable warning signs concerning the dangers of cannabis use by pregnant or breastfeeding mothers and the dangers associated with the use of vaporized and concentrated cannabis. All signs will be 30-point type or larger and will include the word “WARNING” in all capital letters. The following notices will be posted in a conspicuous manner at an entrance or at a point of sale as to make them likely to be read and understood by a customer:

\begin{center}
\textbf{WARNING}

According to the California Department of Public Health, consuming cannabis can affect the health of your baby and is not recommended for women who are pregnant or breastfeeding, or who plan to become pregnant soon.

\end{center}

\begin{center}
\textbf{WARNING}

According to the U.S. Centers for Disease control and Prevention, vaporized and concentrated cannabis can have a lot more THC, which increases the risk of poisoning; and vaporizing cannabis may expose you to toxic substances

\end{center}

Signage
The city of Solvang does not have any sign code exemptions in place at this time. Signage of Fristaden Wellness will be in accordance with California law and is set forth in the proposed Development Agreement.

\textsuperscript{42} California Code of Regulations Title 16, Division 42, §5413.
\textsuperscript{43} §26013, Business and Professions Code. Reference: § 26120, Business and Professions Code.
Business Will Not Exceed Daily Sale Limits
As per the State of California regulations on cannabis sales, Fristaden Wellness will not sell more than the maximum per-individual daily limit established for cannabis goods, including edibles.

The daily limits on cannabis sales to a single customer are as follows:

- 8 ounces of medicinal cannabis as defined in §11362.77 of the Health and Safety Code.
- An amount of medicinal cannabis consistent with a valid recommendation issued by the patient’s physician, if greater than 8 ounces and allowed by Solvang.

In addition to following these limits, Fristaden Wellness will monitor all other state and local regulations on the legal limit of daily cannabis sales allowed per person. Fristaden Wellness will inform employees and customers of these daily limits and will continue to only sell within the legal limits.

Employee Badges
Managers and employees will wear identification badges with clear color identifying photographs. Badges will be used to access areas of the store not designed for public access. The badge access system will be linked to Fristaden Wellness’ point of sales and timekeeping system. Electronic logs of those who enter and exit the store’s restricted areas will be kept for at least 90 days.

All agents, officers, or other persons acting for or employed by Fristaden Wellness will display a laminated or plastic-coated identification badge issued by the licensee at all times while engaging in commercial cannabis activity. The identification badge will, at a minimum, include the licensee’s “doing business as” name and license number, the employee’s first name, an employee number exclusively assigned to that employee for identification purposes, and a color photograph of the employee that clearly shows the full front of the employee’s face and that is at least 1 inch in width and 1.5 inches in height.

Community Relations Employee Will Be Made Available
All businesses and residences located within one hundred feet of the business will be provided with the name, telephone number, and email address of a community relations employee to notify if there are operational problems with the establishment. The name of the community relations employee for this operation will be Andrew Cross. His phone number is 858-395-1013. He will be made available at all hours of the day to accept any incoming phone calls regarding operational problems with the establishment.

Operators Will Attend Regular Meetings with City Manager
The owners, managers, and community relations representative of Fristaden Wellness will attend regular meetings with the City of Solvang during the first year of operation to review costs, benefits and other community issues associated with the operations. After the first year, the owners, managers and community relations representative will be made available to meet with the City Manager or any of its agents or employees at the request of the city.
Cannabis Will Be Properly Sourced
Cannabis sold by Fristaden Wellness will be sourced from an off-site location cultivated in accordance with applicable state law and zoning regulations in the jurisdiction in which it is cultivated.

- Manager Will Be Onsite at All Times During Business Hours

Procedure and Plan for Recalls
In keeping with Solvang health and safety regulations, Fristaden Wellness will effectuate a recall if the safety of a consumer is ever at risk. For example, if a cannabis cultivator recalled its product due to pesticide residue, we would determine that there is risk to our consumers and recall. The standard for risk assessment will be on a case by case basis, but we take consumer safety extremely seriously. Additionally, a recall will be implemented if any products fail to meet quality standards.

We will establish and implement written procedures for recalling cannabis products stored at Fristaden Wellness that are determined to be misbranded or adulterated. These procedures will include factors which necessitate a recall, personnel responsible for implementing the recall procedures, and notification protocols, including a mechanism to notify all customers that have, or could have, obtained the product, including communication and outreach via media, as necessary and appropriate, a mechanism to notify any licensees that supplied or received the recalled product, and instructions to the general public and/or other licensees for the return and/or destruction of recalled product. A Recall Coordinator, will be appointed to oversee the process of any required recall.

Loitering
Fristaden Wellness shall prohibit at all times the loitering of persons on the premises.
FINANCIAL PLAN

The funding for this operation will come from the parent company Ventura Cannabis & Wellness.

FUNDING AND PROOF OF CAPITALIZATION

Fristaden Wellness will have sufficient capital to finance the retail operation. Evidence for the proof of funds is as follows:

Audited Sheet as of November 30, 2018
Ventura Cannabis & Wellness Corp.
Amount in ‘000 of US Dollars

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>November 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td></td>
</tr>
<tr>
<td>Cash and restricted cash (note 4)</td>
<td>$6,097</td>
</tr>
<tr>
<td>Accounts receivable, net (note 5)</td>
<td>$964</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>$753</td>
</tr>
<tr>
<td>Other current assets</td>
<td>$246</td>
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<tr>
<td><strong>Total current assets</strong></td>
<td><strong>$8,060</strong></td>
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<tr>
<td>Long-term</td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment (note 6)</td>
<td>$5,606</td>
</tr>
<tr>
<td>Prepaid Finance Fee (note 17)</td>
<td>$411</td>
</tr>
<tr>
<td>Deposits and other assets</td>
<td>$245</td>
</tr>
<tr>
<td><strong>Total long-term assets</strong></td>
<td><strong>$6,262</strong></td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$14,321</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities</td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$2,113</td>
</tr>
<tr>
<td>Current portion of finance leases (note 9)</td>
<td>$56</td>
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<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>$2,169</strong></td>
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<tr>
<td>Long-term liabilities</td>
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<tr>
<td>Long-term portion of finance leases (note 9)</td>
<td>$3,094</td>
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<tr>
<td><strong>Total long-term liabilities</strong></td>
<td><strong>$3,094</strong></td>
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<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>$5,263</strong></td>
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<table>
<thead>
<tr>
<th>SHAREHOLDERS’ EQUITY</th>
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<tbody>
<tr>
<td>Share capital (note 10)</td>
<td>$31,326</td>
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<tr>
<td>Shares to be issued (note 17)</td>
<td>$1,800</td>
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<tr>
<td>Contributed surplus (note 11)</td>
<td>$2,343</td>
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<tr>
<td>Accumulated other comprehensive gain</td>
<td>$2,201</td>
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<tr>
<td>Accumulated deficit</td>
<td>($28,610)</td>
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<tr>
<td><strong>TOTAL SHAREHOLDERS EQUITY</strong></td>
<td><strong>$9,059</strong></td>
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<tr>
<td><strong>TOTAL LIABILITIES AND SHAREHOLDER’S EQUITY</strong></td>
<td><strong>$14,321</strong></td>
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### PRO-FORMA

#### Revenue Forecast

<table>
<thead>
<tr>
<th>RETAIL YEAR 1 (75%)</th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Revenue: Storefront</td>
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<td></td>
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<tr>
<td># transactions in a year</td>
<td>65,160</td>
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<tr>
<td>Avg. Transaction</td>
<td>$60.00</td>
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<tr>
<td>Total</td>
<td>$3,909,600</td>
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<td>Revenue: Delivery</td>
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<tr>
<td># transactions in a year</td>
<td>16,290</td>
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<tr>
<td>Avg. Transaction</td>
<td>$100.00</td>
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<tr>
<td>Total</td>
<td>$1,629,000</td>
<td>$1,629,000</td>
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<table>
<thead>
<tr>
<th>RETAIL YEAR 2 (100% ramp-up)</th>
<th></th>
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<tbody>
<tr>
<td>Revenue: Storefront</td>
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<tr>
<td># transactions in a year</td>
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<tr>
<td>Avg. Transaction</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$5,212,800</td>
<td>$5,212,800</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue: Delivery</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td># transactions in a year</td>
<td>21,720</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Avg. Transaction</td>
<td>$100.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$2,172,000</td>
<td>$2,172,000</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TOTAL YEAR 1 REVENUE</th>
<th>$5,538,600</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 2 Growth rate**</td>
<td>33%</td>
</tr>
<tr>
<td>Year 2</td>
<td>$7,784,800</td>
</tr>
<tr>
<td>Year 3 Growth rate**</td>
<td>8%</td>
</tr>
<tr>
<td>Year 3</td>
<td>$7,975,584</td>
</tr>
<tr>
<td>Year 4 Growth rate**</td>
<td>6%</td>
</tr>
<tr>
<td>Year 4</td>
<td>$8,454,119</td>
</tr>
</tbody>
</table>

** Annual growth driven by productivity and sales volume improvements

#### Net Income & Cash Flow

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 1 - 4 Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Retail</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$5,538,600</td>
<td>$7,384,800</td>
<td>$7,975,584</td>
<td>$8,454,119</td>
<td>$29,353,103</td>
</tr>
<tr>
<td>% change as of FY</td>
<td>33%</td>
<td>8%</td>
<td>8%</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- COGS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Margin</td>
<td>55.0%</td>
<td>55.6%</td>
<td>55.0%</td>
<td>55.0%</td>
<td></td>
</tr>
<tr>
<td>Gross Profit</td>
<td>$2,769,300</td>
<td>$3,692,400</td>
<td>$3,967,782</td>
<td>$4,227,060</td>
<td>$14,676,552</td>
</tr>
<tr>
<td>- General &amp; Admin</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Depreciation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Income before Taxes</td>
<td>$1,557,947</td>
<td>$2,437,073</td>
<td>$2,694,680</td>
<td>$2,902,350</td>
<td>$9,592,660</td>
</tr>
<tr>
<td>Margin</td>
<td>28.1%</td>
<td>33.6%</td>
<td>33.8%</td>
<td>34.3%</td>
<td>32.2%</td>
</tr>
<tr>
<td>Taxes (38% marginal rate*)</td>
<td>$996,698</td>
<td>$1,363,981</td>
<td>$1,476,373</td>
<td>$1,571,600</td>
<td>$5,413,515</td>
</tr>
<tr>
<td>Federal (21%)</td>
<td>$811,503</td>
<td>$776,404</td>
<td>$827,436</td>
<td>$887,682</td>
<td>$3,082,076</td>
</tr>
<tr>
<td>State (9%)</td>
<td>$140,215</td>
<td>$219,327</td>
<td>$242,621</td>
<td>$261,212</td>
<td>$883,284</td>
</tr>
<tr>
<td>Local (5%)</td>
<td>$276,930</td>
<td>$369,240</td>
<td>$398,779</td>
<td>$422,776</td>
<td>$1,477,855</td>
</tr>
<tr>
<td>Net Income</td>
<td>$560,249</td>
<td>$1,073,092</td>
<td>$1,215,043</td>
<td>$1,330,750</td>
<td>$4,179,034</td>
</tr>
<tr>
<td>Margin</td>
<td>10.7%</td>
<td>14.5%</td>
<td>15.2%</td>
<td>15.7%</td>
<td>14.2%</td>
</tr>
<tr>
<td>Net Cash Flow</td>
<td>$672,382</td>
<td>$1,166,230</td>
<td>$1,329,086</td>
<td>$1,443,933</td>
<td>$4,831,806</td>
</tr>
</tbody>
</table>


cash flow (Year 1 - Year 4) 33.8%
## Retail Forecast

### Year 1 | Year 2 | Year 3 | Year 4 | Total
---|---|---|---|---
Revenue: Storefront (Sales transactions x per year)
| $65,160 | $66,880 | $68,600 | $70,320 | $345,301 |
| Avg. Transaction | $80 | $80 | $80 | $80 | $80 |
| Total | $5,212,800 | $5,292,824 | $5,372,848 | $5,452,872 | $21,712,337 |

Revenue: Delivery (Sales transactions x per year)
| $10,290 | $10,290 | $10,290 | $10,290 | $41,160 |
| Avg. Transaction | $100 | $100 | $100 | $100 | $100 |
| Total | $2,058,380 | $2,116,760 | $2,175,140 | $2,233,520 | $8,683,700 |
| Total Revenue | $5,331,180 | $5,409,584 | $5,548,018 | $5,686,392 | $20,405,357 |

**Marketing and Advertising**
| 60,000 | 70,000 | 80,000 | 90,000 | 300,000 |

**Rent**
| 180,000 | 180,000 | 180,000 | 180,000 | 720,000 |

**Utilities/Phone/Internet**
| 22,000 | 23,200 | 24,400 | 25,600 | 95,200 |

**Insurance**
| 25,000 | 26,500 | 28,000 | 29,500 | 105,000 |

**Outside Services**
| 5,000 | 6,000 | 7,000 | 8,000 | 30,000 |

**Security Services**
| 186,440 | 186,440 | 186,440 | 186,440 | 745,760 |

**Security System/Server Maintenance**
| 2,000 | 2,000 | 2,000 | 2,000 | 8,000 |

**Supplies**
| 3,000 | 3,500 | 4,000 | 4,500 | 18,000 |

**Repairs and Maintenance**
| 2,000 | 2,500 | 3,000 | 3,500 | 12,000 |

**POS/Track and Trace System Software**
| 5,000 | 5,000 | 5,000 | 5,000 | 20,000 |

**Accounting/Bookkeeping/Book Shelves/Sales/Inventory Services**
| 27,000 | 27,500 | 28,000 | 28,500 | 112,000 |

**Licenses, Fees, Permits**
| 80,000 | 81,300 | 82,630 | 83,960 | 329,530 |

**Salaries and Wages**
| 365,000 | 412,950 | 460,900 | 508,850 | 1,954,700 |

**Fringe Benefits**
| 59,870 | 61,843 | 63,806 | 65,769 | 255,631 |

**Legal Fees**
| 20,000 | 20,000 | 20,000 | 20,000 | 80,000 |

**Consultants (PR/Ad)**
| 20,000 | 20,000 | 20,000 | 20,000 | 80,000 |

**Vehicle Expenses (Delivery Cars)**
| 30,000 | 30,000 | 30,000 | 30,000 | 120,000 |

**Other**
| 3,000 | 3,000 | 3,000 | 3,000 | 12,000 |

**Total O & A**
| $1,089,910 | $1,142,160 | $1,195,410 | $1,248,660 | $4,675,140 |

**Depreciation**
| $113,143 | $113,143 | $113,143 | $113,143 | $452,571 |

**Net Income before Taxes**
| $1,557,474 | $2,437,073 | $2,394,680 | $2,352,350 | $9,694,167 |

**Taxes**
| $39,146 | $39,146 | $39,146 | $39,146 | $156,584 |

**Federal (21%) gross profit**
| $1,518,328 | $2,408,927 | $2,355,534 | $2,313,204 | $9,237,587 |

**California (8%) net profit**
| 140,215 | 219,337 | 242,521 | 281,212 | 893,064 |

**Local (5%) gross profit**
| 276,330 | 306,250 | 336,170 | 366,090 | 1,312,880 |

**Net Income**
| $552,249 | $1,273,082 | $1,215,943 | $1,158,705 | $4,175,034 |

**Cash Flow**
| $672,382 | $1,166,236 | $1,335,085 | $1,443,883 | $4,631,305 |

---

- **Team consulted with Allison Margolin, Esq. for guidance on legal compliance and requirements for compliance testing, security requirements and reasonable cost ranges for license costs.**
- **The team has added an additional $3.00 per hour incremental to the minimum wage in the state of California for each of the years, Year 1 through Year 4, $12.15, $12.35, $12.55 and $13.05 respectively.**

<table>
<thead>
<tr>
<th><strong>Base Minimum Wage</strong></th>
<th><strong>Year 1</strong></th>
<th><strong>Year 2</strong></th>
<th><strong>Year 3</strong></th>
<th><strong>Year 4</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dispersary Hourly Rate</strong></td>
<td>$15.00</td>
<td>$16.25</td>
<td>$17.50</td>
<td>$18.75</td>
</tr>
<tr>
<td><strong>Cannabis Consultants (6 H/7)</strong></td>
<td>$6.00</td>
<td>$6.00</td>
<td>$6.00</td>
<td>$6.00</td>
</tr>
<tr>
<td><strong>Daily Hourly Pay</strong></td>
<td>$900</td>
<td>$975</td>
<td>$1,050</td>
<td>$1,125</td>
</tr>
<tr>
<td><strong>Weekly Hourly Pay</strong></td>
<td>$209,600</td>
<td>$209,600</td>
<td>$209,600</td>
<td>$209,600</td>
</tr>
</tbody>
</table>
## Storefront Projections

### Storefront Projections

<table>
<thead>
<tr>
<th>Assumptions Year 2 (100% ramp up)</th>
<th>Year 2</th>
<th>Year 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Number of cannabis consultants at all times</td>
<td>4</td>
<td>100%</td>
</tr>
<tr>
<td>2 Cannabis consultant transactions per hour</td>
<td>6</td>
<td>24</td>
</tr>
<tr>
<td>3 Transactions per hour 100% capacity</td>
<td>24</td>
<td>6,516,000</td>
</tr>
<tr>
<td>4 Number of hours open daily</td>
<td>10</td>
<td>24</td>
</tr>
<tr>
<td>5 Number of days open per year</td>
<td>365</td>
<td>24</td>
</tr>
<tr>
<td>6 Average $ Transaction</td>
<td>$ 60</td>
<td>Ramp up Adjustment %</td>
</tr>
<tr>
<td>Estimated Annual Revenue</td>
<td>$ 5,212,800</td>
<td>4 cannabis consultants x 6 transactions per hour</td>
</tr>
<tr>
<td>Average transaction time (minutes)</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Transactions per hour - 100% capacity</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>Demand Adjustment (capacity utilization)</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Transactions per hour estimate</td>
<td>24</td>
<td></td>
</tr>
</tbody>
</table>

## Delivery Projections

### Delivery Projections

<table>
<thead>
<tr>
<th>Assumptions Year 2 (100% ramp up)</th>
<th>Year 2</th>
<th>Year 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>11 Number of delivery cannabis consultants at all times</td>
<td>2</td>
<td>45</td>
</tr>
<tr>
<td>12 Cannabis delivery consultant transactions per hour</td>
<td>3</td>
<td>2,172,000</td>
</tr>
<tr>
<td>13 Transactions per hour 100% capacity</td>
<td>6</td>
<td>Ramp up Adjustment %</td>
</tr>
<tr>
<td>14 Number of hours open daily</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>15 Number of days open per year</td>
<td>365</td>
<td></td>
</tr>
<tr>
<td>16 Average $ Transaction</td>
<td>$ 100</td>
<td>2 cannabis consultants x 3 transactions per hour</td>
</tr>
<tr>
<td>Estimated Annual Revenue</td>
<td>$ 2,172,000</td>
<td></td>
</tr>
<tr>
<td>Average transaction time (minutes)</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Transactions per hour - 100% capacity</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Demand Adjustment (capacity utilization)</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Transactions per hour estimate</td>
<td>6</td>
<td></td>
</tr>
</tbody>
</table>
## Financial Plan Start-Up Costs

### Building Expenses
- Lease & 1 month of rent
- Security Deposit
- Insurance:
  - Property tax
  - Architect
- Interior Designer
- Construction build out + supplies
- Permits (for build out)
- Electric, HVAC, Plumbing
- Lighting & Acoustics
- Flooring & Installation

$212k

### Equipment Expenses
- Computers (2)
- Electronic menu boards (4)
- Cases & Displays
- Storefront Sign (1) + Neon Signs (2)
- Visitor System (iPad Sign in)
- Decor & Furniture
- Registers

$125k

### Compliance Infrastructure
- Fees & Permits - Application & Legal Service
- Local Licensing
- State Licensing
- Accounting - Setup (corporate, banking)
- Payroll Setup
- Safe
- Security Monitoring System

$159k

### Working Capital
- Inventory: 3 months of COGS
- PR, Marketing, Consulting, Managing
- Recruitment
- Logo & Brand identity
- Website + Apple/Google Play Apps Development
- SEO
- Billboards - grand opening campaign
- Social Media + Bloggers
- Branded Merchandise + Flags, Banners, A-Frames
- Packaging
- Online Marketing (Weedmaps, thc finder, etc)
- Newspapers, Magazines - grand opening campaign
- Stickers, Postcards, Business cards

$779k

### Operating Expenses
- 3 months of G&A

$275k

### Contingency Cash
- Miscellaneous

$50k

### Total

$1.6M

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### CONSTRUCTION AND OPENING TIMELINE:

Should Fristaden Wellness be granted the opportunity to move forward with developing their project in Solvang, their construction plans would be presented to the City for approval within 2 months. Tim Zamora has already been retained to assist with producing those plans. Then, depending on the City’s approval timeline, our estimate being ~4 months, Fristaden will begin construction which is anticipated to take between 6 and 8 months to complete. Immediately upon receiving permission to move forward, Fristaden Wellness intends to engage a local construction firm to complete the premises build-out. Fristaden Wellness will reach out to Pete Kopcrak with JF Will Company, Inc. in order to get recommendations for contractors in the area. From the point of approval to opening, Fristaden Wellness is budgeting one year.

### DELIVERY SERVICE:

Fristaden wellness will also offer a delivery service to its patients. Through this delivery service authorized cannabis consultants will bring medicinal cannabis products ordered by the patient to their residence. This will also allow for our senior patients with limited mobility or living in a retirement community to have access to the highest quality medicinal cannabis products delivered to them in the comfort of their homes.
RECORDS SOFTWARE

For commercial cannabis retail, California requires a comprehensive Track and Trace system, similar to the ones that have been required in Washington and Colorado. The regulations require technology that installs a barcode and allows the state to track each cannabis plant, from seed to sale, in real time. Fristaden Wellness will get approval from the city manager or agent prior use of the track and trace software to ensure it is compliant with the city of Solvang’s record keeping software. All records will be kept in compliance with the requirements of the Solvang municipal code.45

Fristaden Wellness will use BioTrack THC as its primary records keeping software. Through BioTrack THC, Fristaden Wellness will maintain records of all incoming products and inventory levels at all times. BioTrack THC Solutions, Inc. founded in 2014 is based in Toronto, Canada with an additional office in Oakland, California. On January 17th of this year, the California Cannabis Authority (CCA) approved BioTrack THC Solutions, Inc. as a third-party provider for its cannabis seed-to-sale data programs.

The BioTrack THC software system is designed to carefully track and record all commercial cannabis as it moves across the entire distribution chain, including cultivation, manufacturing, distribution, testing, and retail sales. It is a comprehensive system that will track the disposal of cannabis waste, chain of custody records and all data inventory of cannabis and cannabis products. Through the use of this software, for all products received and sold by the business, Fristaden Wellness will be able to ensure that all of its cannabis and cannabis products are safe, properly labeled and packaged, and have been handled only by entities licensed by both their state and local governments. All employees at Fristaden Wellness will be fully trained on the use of the track-and-trace software, and Fristaden Wellness will implement strict policies ensuring that all transactions are processed through the track-and-trace system, which will track cannabis quantities and provide inventory controls.

If at any point Fristaden Wellness loses access to its track and trace system for any reason, Fristaden Wellness will prepare and maintain comprehensive records detailing all commercial cannabis activities that were conducted during the loss of access and will ensure that all transactions occurring during the loss of access are fully recorded when the access is restored. In addition to complying with the track and trace system, Fristaden Wellness will have full video surveillance of the entire facility, an alarm system installed, and security guards on site to ensure there is no diversion of any product as described in the Security Plan (see Section 4).
Fristaden Wellness will keep and maintain the following records related to commercial cannabis activity for at least seven years:

- Financial records including, but not limited to, bank statements, sales invoices, receipts, tax records, and all records required by the California Department of Tax and Fee Administration (formerly Board of Equalization) under title 18, California Code of Regulations, §1698 & §4901.
- Personnel records, including each employee’s full name, social security or individual taxpayer identification number, date employment began, and date of termination of employment if applicable.
- Training records including, but not limited to, the content of the training provided and the names of the employees that received the training.
- Contracts with other licensees regarding commercial cannabis activity.
- Permits, licenses, and other local authorizations to conduct commercial cannabis activity.
- Security records, except surveillance recordings required by state regulations46.
- Records relating to the composting or destruction of cannabis goods.
- Documentation for data or information entered into the track and trace system.
- All other documents prepared or executed by an owner or his or her employees or assignees in connection with Fristaden Wellness.

Fristaden Wellness understands that the Bureau of Cannabis Control may make any examination of the books and records of any licensee as it deems necessary to perform its duties. Records will be kept in a manner that allows the records to be produced for the Bureau at the licensed premises in either hard copy or electronic form, whichever the Bureau requests. Fristaden Wellness understands that it may contract with a third party to provide custodial or management services of the records, and that such contract does not relieve the business of its responsibilities with regard to record retention.

46. California Code of Regulations Title 16, Division 42, §5044.
47. California Code of Regulations Title 16, Division 42, §5048.
Fristaden Wellness will use BioTrack THC, a seed-to-sale data storage and inventory software solution, for inventory management. By implementing this central management and the California Cannabis Track-and-Trace (CCTT) procedures outlined by the state, this will ensure real-time inventory management, analysis, and reporting of all retail-based operations, including all CCIA reports and audits. As the Company becomes operational, its POS and inventory management software will help the Company streamline and surpass state regulatory mandates with full CCIA integration, transaction limits, customer verification, and immediate CCIA reports and audits as verified via METRC. is fully integrated into METRC via a secure, backend API and was the premier technologies partner that wrote the code and operating protocol for METRC’s system.

In keeping with state regulations, Fristaden Wellness’s track and trace program will meet the following requirements:

- The business will create and maintain an active and functional account within the track and trace system prior to engaging in any commercial cannabis activity, including the purchase, sale, test, packaging, transfer, transport, return, destruction, or disposal of any cannabis goods.
- The business will designate one individual owner as the track and trace system account manager. The account manager may authorize additional owners or employees as track and trace system users and will ensure that each user is trained on the track and trace system prior to its access or use.
- The account manager will attend and successfully complete all required track and trace system training, including any orientation and continuing education. If the account manager did not complete the required track and trace system training prior to receiving their annual license, the account manager shall sign up for and complete state mandated training, as prescribed by the Bureau of Cannabis Control, within five business days of license issuance.
- The account manager and each user will be assigned a unique log-on, consisting of a username and password. The account manager or each user accessing the track and trace system will only do so under his or her assigned log-on, and will not use or access a log-on of any other individual.
- No account manager or user shall share or transfer his or her log-on and username, or password to be used by any other individual for any reason.
- The account manager will maintain a complete, accurate, and up-to-date list of all track and trace system users, consisting of their full names and usernames.

Fristaden Wellness will monitor all compliance notifications from the track and trace system and will resolve in a timely manner all issues detailed in the compliance notification. Fristaden Wellness will keep a record, independent of the track and trace system, of all compliance notifications received from the track and trace system, and how and when compliance was achieved. If Fristaden Wellness is unable to resolve a compliance notification within three business days of receiving the notification, the business will notify the Bureau immediately.
Fristaden Wellness is aware that a cannabis licensee is accountable for all actions its owners or employees take while logged into or using the track and trace system, or otherwise while conducting track and trace activities.

Fristaden Wellness’s track and trace system will record all commercial cannabis activity, including:

- Packaging of cannabis goods.
- Sale of cannabis goods.
- Transportation of cannabis goods to a licensee.
- Receipt of cannabis goods.
- Return of cannabis goods.
- Destruction and disposal of cannabis goods.
- Laboratory testing and results.
- Any other activity as required by California state regulations\(^{48}\) or by any other licensing authority.

The following information will be recorded for each activity entered in the track and trace system:

- Name and type of the cannabis goods.
- Unique identifier of the cannabis goods.
- Amount of the cannabis goods, by weight or count.
- Date and time of the activity or transaction.

**STATE TESTING REQUIREMENTS**

Fristaden Wellness will conform to all applicable state and local laws including state testing requirements. The Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) will require that all marijuana products be tested at a third-party testing facility before they reach any potential patient or consumer. We will have a separate account for conducting random batch tests to ensure that all the cannabis products received are well within compliance. Fristaden Wellness will make sure that all the cannabis products received from licensed distributors have gone through a third-party testing facility. Fristaden Wellness will exclusively sell cannabis products that have been thoroughly tested by a third-party lab for THC, CBD and other cannabinoids, terpenes content, as well as undergoing photo gas chromatographic testing and mass spectrographic testing. Photo gas chromatographic testing determines the exact strength of the product, as well as the mixture of active ingredients present. Mass spectrographic testing is used on the finished product to test for potentially harmful contaminants such as insecticides, molds, or mildew. Purchasing products that have undergone (but are not limited to) the above tests will provide information gathered from these rigorous testing procedures to ensure our customers will enjoy a curated selection of quality controlled and quality measured products. Furthermore, this testing will be used to make educated and informed purchasing and distribution decisions, as well as determine the safety and potency of each product.

\(^{48}\) California Code of Regulations Title 16, Division 42.
EMPLOYEE TRAINING

Fristaden Wellness intends to provide the following training to its employees, in order to ensure that they can effectively help operate a cannabis-related business of the highest quality, that complies with all applicable local and state laws, and provides the greatest benefits to its customers and the greater Solvang community:

- Fristaden Wellness will provide diversity training to all employees to ensure that everyone feels the business premises to be professional and a safe space. Relatedly, Fristaden Wellness will establish a line of communication in which employees may address problems they face at work.

- Fristaden Wellness is committed to employing knowledgeable staff who not only understand the various strains of medicinal cannabis but are also qualified to consult patients on their treatment needs. We will implement a comprehensive training program that will fully train all of its employees working in the retail area about the various cannabis products available, including potency of the products, absorption time, and effects of the products. Fristaden Wellness will also specifically train its employees on how to educate all customers about these aspects of its cannabis products, in order to ensure responsible and effective cannabis consumption.

- Fristaden Wellness will train all employees on fire safety, refreshing the fire safety training with every new hire or every year. Employees will be proficient on fire safety rules and escape routes should there be a fire inside.

- Fristaden Wellness will provide training for various types of security scenarios, along with a list of emergency numbers posted in the employee break room. A security guard will be on the business premises during business hours in order to ensure the safety of all employees working in the business premises.

- Fristaden Wellness will provide training to all its employees on how to handle medical emergencies involving employees, customers, or anyone else onsite at the premises, and will provide easy access to ambulances and other emergency medical workers in the event of any medical emergency.

- All employees of Fristaden Wellness will be educated regarding relevant aspects of state and local laws, as well as all internal Fristaden Wellness employee rules and regulations as part of a rigorous employee training.

- Fristaden Wellness will also assume responsibility for monitoring employee conduct on the Business Premises and within parking areas under Fristaden Wellness’s control to ensure that bad behavior does not detract from the quality of living in the neighborhood. Fristaden Wellness will also train employees on how to handle a situation and will also remind employees that their behavior is directly reflective of Fristaden Wellness. Therefore, Fristaden Wellness hopes to build a friendly environment where employees will act respectful towards the neighborhood.

**Dress code**

A dress code will be implemented that will reflect the sleek and sophisticated style of Fristaden Wellness. Employees will be required to dress professionally with a dark button-up or polo shirt and professional pants or dark jeans.
CUSTOMER EDUCATION

Fristaden Wellness will educate its consumers on the potency and potential side effects of products they are purchasing. At the point of purchase, customers will be provided with an in-depth description of all the various products, some of which include THC percentage, health benefits, and absorption time.

In addition, Fristaden Wellness will train its employees about the various products sold, including potency of the products, absorption time, and effects of the products. Employees will go through a scientifically vetted and supported training program to ensure accuracy and efficacy of consultations. Employees will educate all customers as to the items mentioned, in an effort to ensure customer satisfaction and responsible consumption for every person who walks through the store.

Fristaden Wellness will have a group of researchers working to design an educational platform using tablets and other interactive media devices in the stores for educational purposes. Employees of Fristaden Wellness will be educated on all the strains and products listed on the menu. They will inform and educate every customer walking through the store.

It is important that Fristaden Wellness be able to effectively and efficiently provide its customers, and particularly the uninitiated, with all relevant product information. To that end, Fristaden Wellness will display products in a manner that helps customers quickly and easily visually identify products and examine them. For instance, Fristaden Wellness will display flower products in glass jars that can be easily opened to give customers a chance to smell and look at the product to help them make a selection. Touch-Screen menu displays will also help customers to privately and conveniently browse the current inventory and compare prices.
ADVERTISING AND PROMOTIONS

Fristaden Wellness will advertise through various social media platforms such as, Weedmaps, Leafly, Yelp and Google. Fristaden Wellness will also provide shuttle service or other ride service discounts to seniors for ride sharing services such as Lyft and Uber. To further attract senior medical patients, we will offer specials on the most common medicinally relevant products for their demographic.

DEVELOPMENT AGREEMENT

Community benefit is central to our values, and we would only want to open a store that enhances the neighborhood and community. Fristaden Wellness understands that the criminalization of cannabis has been harmful to society in general and especially damaging in low income areas that have an unusually high rate of cannabis convictions. This damage was further exacerbated when sick patients were denied the benefits of cannabis or ended up facing criminal charges relating to cultivation, possession and use. Fristaden Wellness seeks to ensure that persons most harmed by cannabis criminalization and poverty are able to benefit from cannabis legalization. Fristaden Wellness intends to purchase products from cultivators and manufacturers located in census tracts with income and poverty levels below state averages to help accomplish this goal.

Fristaden Wellness will implement hiring practices that seek to employ persons in low income areas and minority groups. Employees will be offered a competitive living wage, generous compensation program and ongoing industry training and education. All Fristaden Wellness employees will be given a high-quality compensation package, including a salary that is above the State minimum and City living wage, health insurance, other insurance options, a retirement plan, and paid leave. Employees will be eligible for full benefits after the standard 90-day probation period. After the probation period, employees will be provided with health, dental and vision insurance. In addition to that, there will be additional perks given to employees for every additional year that they decide to stay on board. Some examples of these perquisites are extra vacation days and bonuses.

Fristaden Wellness will provide employees with extensive training and ongoing education in industry best practices and standards. Fristaden Wellness will reach out to different communities in Solvang such as, representatives from different cultural groups, non-profits, etc. and attend job fairs to promote employment opportunities. Fristaden Wellness will make a sustained effort to seek employees from, and advertise positions to, veterans, women, and communities disproportionately impacted by prior cannabis laws.
PRODUCT OFFERINGS

Fristaden Wellness will be a sophisticated retailer offering only the highest quality cannabis and cannabis products to its patients. The team takes into careful consideration the products it supplies to its customers. Fristaden Wellness intends to reach out to senior centers in Solvang and provide outreach and education where desired.

CBD products are a hot and growing commodity among senior cannabis users. Many patients prefer the medicinal relief without the psychoactive reaction from the THC. Topicals, tinctures, oils and vape pen cannabis products will be sold at Fristaden Wellness. Quality trained staff will educate patients on the different elements of the cannabis plant and their reactions to the human body. Comprehensive customer education helps the customer feel confident their treatment methods are in good hands.

Fristaden Wellness will reach out to cultivators and manufacturers owned by seniors. In lieu of quality dispensaries and living on a fixed income, many seniors have turned to growing their own cannabis and in turn, making a profit. Fristaden Wellness will source some of its cannabis and cannabis products from these ‘Mom and Pop’ branded cultivators, manufacturers, and distributors. We will also source from those who are from other lower socio-economic statuses.

Fristaden Wellness’s exterior design concept will be focused on how the business can enhance and fit in with the surrounding community, with the aim of boasting a design that is seamlessly integrated into the existing urban fabric and reflect the City’s tradition of hosting some of the state’s most beautiful architecture.

In addition to being an aesthetically pleasing structure in its own right, Fristaden Wellness’s property will be designed with consideration of the character and scale of the existing development in the vicinity. Every possible effort will be taken to ensure that the business’ architectural features, color, and materials all align appropriately with the property’s surroundings.

Section 3: Neighborhood Compatibility & Enhancement

DESIGN CONCEPT INTEGRATION

Fristaden Wellness recognizes that Solvang’s rich architectural heritage is part of what makes Solvang such an amazing and romantic City.

Fristaden Wellness understands that integrating the design of its retail business into Solvang’s existing unique Danish style and architectural landscape.

To ensure this is the case, Fristaden Wellness is engaging designer Tim Zamora to help them with a design concept that will fit into the architecturally distinct city of Solvang.
EXTERIOR DESIGN CONCEPT

Below are renderings of the proposed interior & exterior design for Fristaden Wellness business site:

Design Enhancement Features
The design of Fristaden Wellness’s retail storefront and showroom will project cleanliness, contribute to a relaxed but professional and tasteful ambience, deliver a premium in-store experience, and be ADA compliant (comply with access to the built environment for persons with disabilities). Fristaden Wellness’s floor plan allows easy access and navigation of the physical space, ensuring a well-ventilated area, well-lit and accented with natural light as well as targeted lighting for product display and visibility.

ENVIRONMENTAL SUSTAINABILITY - CENTRAL TO OUR DESIGN & OUR BRAND

All modern businesses should be committed to environmental sustainability and Fristaden Wellness is no exception. Our commitment to sustainability will contribute to our competitive advantage by appealing to modern-day, environmentally conscious consumers. Our store design will reflect this commitment by allowing for maximum natural light in the store and a reduced reliance on artificial light. Green design is essential not only to our operations, but also to the aesthetic experience our store will provide. Through our design and our environmental sustainability commitments, we will strengthen our association with conscious consumption.

Fristaden Wellness will explore the use of sustainability methods such as:

- Daylighting: effectively using natural light via windows, skylights, mirrors, and other design features, lessening the need for electric lighting during the day.
- Sourcing from organic suppliers who use sustainable farming methods (mixed-light and sun-grown product).
- Use of reusable, renewable, or recyclable building materials, such as bamboo, straw, dimension stone, recycled stone or metal, self-healing concrete, etc. for store construction and design.
- Cleaning products that are all-natural and emit fewer volatile organic compounds (VOCs) into the air.
- A properly designed ventilation system to reduce VOCs, moisture, allergens and more in the facility’s air.
- A properly designed building envelope that effectively separates the conditioned and unconditioned environment of the building, reducing energy requirements attributed to poor insulation, moisture buildup and heat loss.

Through these efforts, the Fristaden Wellness aims to minimize its environmental impact while improving its consumer’s retail experience.
APOTHECARY WALL
DISPLAY/RETAIL AREA
LEGAL INFORMATION
ADDRESS:
1210 MISSION RD.
SOLVANG, CA 93463

APN: 137-260-026
TRA: 006005
USE: LIGHT MANUF.
OFFICE/RETAIL
CLASS: B
JURISDICTION: CITY OF SOLVANG
YR. BLT.: 1969
AREA: 4082 SF

ADDRESS:
1210 MISSION RD.
SOLVANG, CA 93463
APN: 137-260-026
TRA: 006005
USE: LIGHT MANUF.
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USE: LIGHT MANUF.
OFFICE/RETAIL
CLASS: B
JURISDICTION: CITY OF SOLVANG
YR. BLT.: 1969
AREA: 4082 SF

AREA OF TENANT IMPROVEMENT

E) BUILDING NOT IN SCOPE

E) BUILDING NOT IN SCOPE

PLOT PLAN
scale: 1"=500'-0"
SYMBOLS

- Glassbreak Sensor
- Motion Detector
- Key Pad
- Panic Button
- Sounder

NOTES

1. EVERY EXTERIOR DOOR MUST A CONTACT.
2. SOUNDER/STROBE COMBO AT ENTRANCES

A: SECURITY PLAN

001 scale: 1"=16'-0"
SYMBOLS
--camera/ fixed dome/bullet
- camera/ fixed panoramic/180 deg.
- camera/ fixed fisheye/360 deg.
- facial recognition camera

NOTES
1. Monitoring system and monitors location in security room
2. Monitors must be placed in a location where they are not visible to building patrons.
SYMBOLS

- BADGE ACCESS

BADGE ACCESS PLAN

A

001

scale: 1"=16'-0"
(E) MECHANICAL WELL

(E) MECHANICAL WELL

scale: 1/16" = 1'-0"
SECTION 1

scale: 1'-0"=1/8"

(E) VAULTED CEILING TO REMAIN

(P) WAITING AREA

(P) COMMUNITY EDUCATION

THE CHUMASH AND THE SANTA YNEZ VALLEY

ENTRY STAIR WELL

FIRST LEVEL BELOW NOT IN SCOPE

(E) 2ND FLOOR

A :: SECTION 1

001

scale: 1'-0"=1/8"

:: FRISTADEN WELLESS ::

:: ZAMORA DESIGN WORKSHOP :: 213-290-1846 :: 2-22-19 ::
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**SECTION 3**

- **Scale:** 1'-0" = 1/8"

- **(E) VAULTED CEILING TO REMAIN**

- **(P) COMMUNITY EDUCATION**

- **(P) SECURITY OFFICE**

- **(P) MEDICAL SALES AREA**

- **FIRST LEVEL BELOW NOT IN SCOPE**

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FIRST LEVEL BELOW
NOT IN SCOPE

(E) VAULTED CEILING
TO REMAIN

(A) 4 SECTION/PERESPECTIVE

(E) 2ND FLOOR

(P) CONSULTATION ROOM

(P) MEDICAL SALES AREA

(E) WINDOW BEYOND
INTERIOR ELEVATION
APOTHECARY WALL/SALES/DISPLAY

APOTHECARY DISPLAY
STORAGE CONTAINERS
LED MENU DISPLAYS
APOTHECARY JARS
RETAIL COUNTER
DISPLAY CASES

THE RETAIL SALES AREA IS INSPIRED BY THE OLD APOTHECARY SHOPS WHICH IN PAST TIMES WERE REPOSITORIES OF HEALING AND MEDICAL KNOWLEDGE.
INTERIOR ELEVATION - APOTHECARY WALL

ACCESS LADDER

SECURED STORAGE

DOOR TO VAULT

scale: 1'-0"=1/4"
INTERIOR ELEVATION-RETAIL DISPLAY

- Frosted glass window/relight
- Retail display with secured storage below
- Door to security office
- Door to waiting area
- (E) Wood structure to remain
COMMUNITY EDUCATION REFERENCE LIBRARY:

A COMMUNITY EDUCATION REFERENCE LIBRARY IS INCLUDED AS PART OF THE PROGRAM. THIS LIBRARY WILL CONTAIN BOTH PRINT AND ELECTRONIC RESOURCES ON THE HISTORY OF THE WAR ON DRUGS, HEALTH BENEFITS OF CANNABIS, AND CANNABIS HISTORY.
COMMUNITY EDUCATION

A key component of the proposed project is community education with specific references to local history. These community education museum walls tell the story of Solvang, the Danish in America and the Chumash people who previously inhabited the Santa Ynez Valley.
NOTE: ALL RETAIL DISPLAYS ARE SECURED BY LOCK AND KEY

:: PERSPECTIVE-MEDICAL SALES AREA

scale: NTS

001

235
LOCAL HISTORY
CHUMASH CANOE DISPLAYED FROM ABOVE AND COMMUNITY RESOURCES BEYOND
LOCAL HISTORY

WALL ART WILL BE COMBINATION OF CHUMASH AND DANISH INSPIRED ART.
DANISH MODERN DESIGN:

The proposed project is inspired by the simplicity and design quality of Danish modern design. Furniture and display fixtures will be made of natural materials that connect in color and texture to the surrounding Central California landscape. The furniture and fixture will also in accordance with the Danish modern design principles stress connection to proportions of the human body.
ODOR CONTROL

In keeping with the Solvang city ordinances\(^\text{49}\), Fristaden Wellness will install and implement odor control devices and techniques that will ensure all odors generated from cannabis and cannabis products are not detectable off-site. Fristaden Wellness will install and use an exhaust air filtration system that prevents internal orders from permeating the outside area and an air system that creates negative air pressure between Fristaden Wellness’s retail business interior and the exterior of the building. Fristaden Wellness will use a carbon filtration and ionic central air system called Smog Hog, which is world-renowned for its service as a high-quality mist collector and fume extractor.

Solvang has several hydroponics stores from which to source these odor management devices and systems. Some examples are Better Grow Hydro and Alternative Hydro. Fristaden Wellness also intends to hire NCM Environmental Solutions as a consultant on meeting the state and city requirements for odor control.

These ventilation and odor control systems will prevent any odors from being detected on the adjacent property or public rights-of-way, on or about the exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within any other unit located inside the same building as the business.

Fristaden Wellness will maintain records of any odor complaints received and response actions thereto. Fristaden Wellness will also maintain records relating to odor management, including system installation, maintenance, equipment malfunctions, if any, and deviations from Odor Management Plan. Additionally, Fristaden Wellness will update its Odor Management Plan within 30 days of any facility modification.

Demonstration of Local Enterprise

Fristaden Wellness is committed to creating economic opportunities for the residents of Solvang and Santa Barbara County, starting with hiring employees from the area. The principals at Fristaden Wellness will advertise job openings in local publications like Santa Ynez Valley News and on the bulletin boards in coffee shops like Good Seed Coffee Boutique and The Coffee House by CHOMP in addition to advertising on online jobs boards.

The purpose of these outreach efforts is to ensure that the day-to-day management of Fristaden Wellness is handled by local residents. The principals are committed to meeting and exceeding the City of Solvang’s requirement that 75% of more of the employees reside in Santa Barbara County.

\(^{49}\) Solvang Municipal Code, Title 8, §8.11.060.

\(^{50}\) “Amid opioid crisis, researchers aim to put medical marijuana to the test,” NBC News: https://www.nbcnews.com/storyline/legal-pot/amid-opioid-crisis-researchers-aim-put-medical-marijuana-test-n904276
CANNABIS AS HARM REDUCTION

Fristaden Wellness aims to serve the health needs of all medical marijuana patients with a particular focus on people recovering from addiction as a harm reduction method. Harm reduction is a school of thought where, instead of outlawing all drugs - which the failed war on drugs has proven to be futile - the focus is put on minimizing the harm that comes with drug use. In recent years, there have been increasing reports that medical marijuana is a good harm reduction tool for people who are struggling with addictions to opioids\(^50\). In a study published in the Journal of the American Medical Association (JAMA), researchers found states with medical marijuana laws had about 6% fewer opioid prescriptions among Medicaid patients compared with states without medical marijuana laws\(^51\).

As the directors, officers and managers of Ventura Cannabis & Wellness, BLVD Treatment Centers, principals Andrew Cross and Jacob Gamble have witnessed the struggles of addicted persons experiencing detox or withdrawal. Part of their mission at BLVD Treatment Centers has been to provide a holistic approach to recovery including 12-step and non-12-step programs, therapy, and community.

Now the principals want to fold medical marijuana into the recovery narrative. There are proven benefits of introducing medicinal cannabis to people recovering from addictions to other drugs and alcohol. Not only is cannabis a safe and non-habit forming alternative to painkillers but it can also help ease the symptoms of withdrawal like stomach cramps or nausea\(^52\).

While there are a few rehab centers in the Solvang area - like Recovery Ranch LLC and its affiliates - the vast majority of options for rehab or treatment centers are in Lompoc or Santa Barbara: Recovery Road Medical Center is a medication-assisted detox in Santa Barbara; the Aegis Clinic in Santa Barbara; the Alcoholics Anonymous locations in Goleta and Santa Maria; a Narcotics Anonymous that services the Santa Barbara area; and the alcoholism treatment program Alano Club in Lompoc.

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Fristaden wellness will have on their board of directors Allison Margolin who is a harm reduction expert who has been working on harm reduction since she was 12 years old.

These experts in treatment have offered the following quotes:

“Our recent research finds that specific constituents in cannabis may have very profound effects—not only modulating the addictive effects of opioids but possibly serving as a treatment for opioid dependence and withdrawal.”  
- Steven Laviolette

“Self-medication using marijuana decreases anxiety for opiate addiction, and potentials harms of opioids are remarkably reduced. Hence, in the long term, the use of marijuana as an adjunct therapy for opioid dependence can decrease opioid-related morbidity and mortality in addition to reducing the overall burden on the health care system.”  
- Griffith C. and La France B.

“In addition to keeping people in treatment, replacing and reducing the opioids, improving the pain relief that opioids provide, and preventing opioid dose escalation and tolerance, cannabis can also treat the symptoms of opioid withdrawal: nausea, vomiting, diarrhea, abdominal cramping, muscle spasms, anxiety, agitation, restlessness, insomnia, and also minor symptoms like runny nose and sweating. Cannabis can treat all of these withdrawal symptoms.”  
- Dr. Dustin Sulak

SOURCE OF CANNABIS PRODUCTS

Santa Barbara County is leading the state in cannabis businesses, specifically cannabis cultivation, and Fristaden Wellness intends to source at least 50% of its products from local businesses.

Cannabis products that Fristaden Wellness will source cannabis products from include, but are not limited to:

- **Lowell Farms: Pre-rolled Joints**
- **Raw Garden: Concentrates**
- **Glass House Farms: Marijuana flower**
- **Santa Barbara CBD: CBD**
- **Elite Garden: Marijuana flower**
- **Alliance Farms: Marijuana flower**
Section 4: Security Plan

FRISTADEN WELLNESS SECURITY PLAN

Introduction

Fristaden Wellness is applying for a license to operate cannabis businesses in the City of Solvang. The Fristaden Wellness facility is located at 1210 Mission Road, Suite 201, Solvang, CA 93463. See Figure 1.

Figure 1: 1210 Mission Road, Suite 201, Solvang, CA 93463

Fristaden Wellness is applying for the following licenses:

1. 1210-Retail-Medical

Fristaden Wellness proposes to utilize the site for retail sales. Fristaden Wellness plans to use 5-10 employees in the dispensary with at least one manager on site at all times. Fristaden Wellness currently will have on-site security during business hours and security personnel on-site after hours. If allowed to do so by the City of Solvang and the Santa Barbara County Sheriff’s Office, Fristaden will substitute overnight on-site security personnel with a robust electronic security system that is monitored by off-site security personnel.

Fristaden Wellness has designated Terry Blevins as the primary physical security representative/ liaison to the City of Solvang, who will be available to meet with the City Manager, the Santa Barbara County Sheriff, or their designees, regarding any security related measures or operational issues.
Blevins, a qualified security expert, developed this security plan for Fristaden Wellness and the design meets, or exceeds, all security requirements set forth by the City of Solvang Municipal Code and the State of California. The following documents were used in the preparation of this document:

- City of Solvang Municipal Code:
  - Title 5, chapter 4
- California Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA)
- Best practices and standards according to ASIS International Security Trade Organization:

**Consultant Qualifications:**
Blevins has over 30 years of experience in Law Enforcement and Security and is considered an Industrial Site Security Subject Matter Expert by the U.S. Department of State. With a master’s degree in Security Management and extensive training in conducting threat and risk assessments from both private industry as well as the Federal government, Blevins is considered a qualified physical security expert.

Blevins has developed numerous cannabis business security plans that are then submitted with Cannabis Business license applications. He has analyzed many cannabis businesses in California and other states, learning what works and doesn’t work, including industry better and next practices and has drawn from those to develop the security strategy for Fristaden Wellness.

**Site Inspection:**
The business is located in a unit of the multi-tenant complex at 1210 Mission Drive, Solvang, CA 93463 inside the City of Solvang boundaries. The site is located on Mission Drive just south of Skytt Mesa Road.

Patron access to the building is obtained from the sidewalk just south of Mission Drive. The patron parking area is on the west side of the building and is accessed from both sides of the property. See Figure 1.

The Santa Barbara County Sheriff’s Department provides law enforcement services for the City of Solvang. The Solvang Station is located at 1745 Mission Drive, Solvang, CA 93463 which is approximately 1.2 miles from the Fristaden site. The Chief of Police for the City of Solvang is Lieutenant Eddie Hseuh. The Community Resource Deputy, Charlie Uhrig, handles community crime prevention and awareness programs within the city limits.
Security Risks:
Recommendations have been made to the client and in the plan that will mitigate gaps in the physical security that were detected during this inspection and client has agreed to make those improvements.

This plan is based on the City of Solvang and the State of California Security Requirements, but also on the risks that the consultant has determined would be most probable as well as the most impactful. Blevins has obtained information from the leadership and operations personnel of Fristaden Wellness to determine the proposed uses of the space and the risks that those activities present. The City of Solvang is well-known for being one of the safest communities in California with an extremely low crime rate. This status lowers the risk rating of the cannabis business located in the City.

Blevins will continue to advise Fristaden Wellness on a long-term basis regarding their security operations and help to mitigate security risks and to ensure ongoing compliance with City of Solvang and California State requirements regarding security and related issues. This security plan will not only be used as part of the qualifying documents for license application submission but will serve as the overall policy guideline that directs the development and implementation of an ongoing security operations plan for Fristaden Wellness.

Security Mitigations:
The Fristaden Wellness security plan is based on the standard security industry best practices of “Concentric Circles of Protection” and “Checks and Balances Security.”

Concentric Circles of Protection practice requires that there be multiple layers of protection that a perpetrator would need to defeat in order to reach the protected assets. Measures that deter, delay, detect, and interdict/respond are standard security industry practices that were used during the preparation of this plan. This gives responders time to react in order to thwart the attempt and prevent the loss.

Checks and Balances Security requires that no single individual be allowed unrestricted access to assets. This not only prevents insider theft but also avoids situations where that single individual is taken hostage and coerced to provide access to unauthorized person/s.

Security Culture:
The management of Fristaden Wellness understands the importance of creating a security culture to assist in the overall success of the enterprise security plan and will emphasize the importance of security to all employees as leaders in this area. Managers will follow all security policies and procedures in order to set the example and promote this compliance culture. Security at the site is important as it not only reflects on the cannabis industry as a whole but also impacts public safety in the area.
In a broad sense, every Fristaden Wellness employee should be considered part of the security program. Through a security awareness program, employees will be taught to understand the relationship between security and the organization’s success, learn their obligations under the security program, understand how various security measures support security program objectives, and become familiar with available resources to help with security concerns.

Fristaden Wellness will maintain a security and compliance training program in order to ensure that all new employees are trained prior to taking on responsibilities, and a regular in-service training program that ensures employees are up to date on the latest procedures, laws and regulations. Security officers will receive regular training updates regarding specific skills needed for their particular roles, as outlined later in this plan.

The consumption of cannabis or the sale or consumption of alcohol on the Business Premises is strictly prohibited. Employees and agents of Fristaden Wellness are prohibited from soliciting or accepting any cannabis or alcohol products from any customer or vendor while on the Business Premises. All employees, at the time of their hiring, are required to sign a Drug Policy form indicating that they have read and understand the terms and conditions that drug usage on site, is strictly prohibited and grounds for termination.

**Security Plan Executive Summary**

**OPERATIONAL SECURITY**

**General Security Policies for the Facility**

Fristaden Wellness will implement and train employees on a detailed operations and security Policy and Procedure Manual and all will be required to sign acknowledging receipt and understanding of this manual. The manual will detail general policies to be followed by all employees but will also have additional measures assigned to specific personnel at the business.

**Business Premise Access Plan**

Fristaden Wellness recognizes that pursuant to the City of Solvang Municipal Code and Cannabis Rules and Regulations it shall be subject to inspection, investigation or audit by the City or its agents, with no notice required, to determine compliance with this article. This can be an inspection, an investigation, or audit (being a review of any books, records, accounts, inventory) of onsite operations specific to the Business Premises and License.

**Transactional Security**

Fristaden Wellness will minimize the number of cash transactions that occur on site by providing as many electronic payment options as possible to clients and vendors. It will direct as many cash exchanges as possible to take place at other locations such as banks and private safe deposit vaults and through the use of licensed couriers. All transactions that take place on site, will be recorded either digitally or on paper to keep in compliance with Track and Trace POS systems and will be done in full view of camera systems. The amount of cash kept on hand will also be kept to a minimum in order to reduce the risk of theft or robbery.
Confidential Information Security

Fristaden Wellness prioritizes the safekeeping of customer and patient data and will implement specific policies and procedures to ensure that this information is kept confidential in accordance with all requirements. Fristaden will always comply with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and other government requirements. Other confidential information will be handled and stored with the same degree of caution and security.

Visitor and Vendor Security

Fristaden Wellness will follow the below policies and will implement and maintain a strict procedure to provide for authorized visitor access. No visitors will be allowed entry to the site unless they are authorized, are at least 21 years of age, and have a specific business purpose to be there.

The employee database will provide easily accessible verification credentials to the Security Team to prevent unauthorized access into the facility. A vendor database will track all outside vendors, contractors, or labor representatives that enter the facility. Vendors may include contractors or other industry professional that would require entry to maintain and support the facility operations.

A visitor logging system will enable facility management, security and City appointed staff to have immediate access to administrative event logs for filing of incident reports with management and the local Santa Barbara County Sheriff department as required by regulation.

Third Party Contractor Security

Security services will meet or exceed the Solvang requirements regarding the posting of on-site security personnel. The security personnel will meet requirements put forth by the California Department of Consumer Affairs and approved by officials of the Santa Barbara County Sheriff.

Security Officer Policies and Procedures

Security officers are trained and will be required to follow a specific set of policies and guidelines directing their activities. The training program provided to Fristaden Wellness contract security officers will use the following curriculum: role of private security officers, crime and loss prevention in the cannabis industry, use of force and force continuum, security officer conduct, observation and incident reporting, patrol techniques, customer service and public relations, principles of access control, electronic security systems, safeguarding information, emergency response procedures, life safety awareness, employer orientation and policies, substance abuse, workplace violence, conflict resolution awareness and de-escalation techniques, parking lot security, Cannabis Track and Trace, and first aid.
Security Officers Duties and Responsibilities

Security officers will carry out various responsibilities including, but not limited to: screening employees and visitors in the receiving area; controlling access to the facility at all access points; monitoring security and life safety equipment; conducting patrols; responding to security incidents; documenting incidents; escorting visitors; assisting with parking issues; Inspecting packages and vehicles; utilizing various security measures (doors, locks, alarms, video surveillance cameras, lighting, etc.); and notifying Santa Barbara County Sheriff in case of an emergency or incident.

Site Security Responsible Party

Although Fristaden Wellness has designated Terry Blevins as the primary security consultant/ liaison for regulatory compliance, management will also designate a person as responsible party for the security on-site on a day to day basis. This person can be a lead security officer, or another Fristaden Wellness employee. They will ultimately have responsibility for overseeing security systems, policies, procedures, and other security personnel assigned to the site on all shifts as well as ensure compliance with government regulations.

Transportation Security

The Fristaden Wellness shipping and receiving process will follow strict policies and procedures in order to ensure full compliance with all Track and Trace regulations and to ensure the security of the assets as well as the safety of all personnel.

Transportation Company Policies and Procedures

The transportation company used by Fristaden Wellness will comply with any and all regulations and requirements as set forth by the City of Solvang or State of California, as well as any and all Track and Trace protocols and will operate within the full scope of the requirements set forth by the City of Solvang.

Product Security

Product security will be maintained as a priority and all employees and contractors will strictly adhere to Fristaden Wellness policies and procedures or disciplinary/removal measures will be taken. In compliance with the Solvang Security Requirements, and the State of California, Fristaden Wellness will implement the below policies and procedures in order to secure all cannabis product and ensure that none is lost or diverted to individuals who are not authorized to possess it or person/s under the age of 21.

All product will be stored in a vault room or safe secured with a commercial-grade lock in a limited access, locked room, that is under video surveillance. At the end of each day, all loose product will be secured in the same manner.
Employee lockers will be provided outside the product storage and processing areas and employees will be required to store all bags, containers and oversized or baggy clothing outside the Cannabis product areas in order to prevent theft. Employees will submit to an inspection upon entering the site in order to prevent the ingress of weapons or other prohibited items, and upon exit in order to prevent the unauthorized egress of Cannabis product or other valuables. A list of items prohibited from egress will be displayed at the entrance and searching area.

**Track and Trace/Inventory/Record Keeping**

Fristaden Wellness sales transactions and POS system will meet all Track and Trace requirements of the State of California at all times.

**Reporting Responsibility**

Fristaden Wellness agrees that it will notify the Santa Barbara County Sheriff (or designee) and the State of California, if a discrepancy or security breach is discovered.

**Threats, Risks and Appropriate Responses**

The following scenarios have been considered during the preparation of this security plan:

- Armed assault during business hours
- Insider theft during business hours
- After business hours insider threat
- After business hours threat to security officer
- After hours burglary attempt through walls or ceiling
- Insider theft after business hours

**Security Program Implementation**

During the startup phase of the operation, there will be an implementation and testing period of the security systems and procedures. These steps and milestones will be followed:

1. Design and deploy the system
2. Provide appropriate training including the provision of operational and response procedures, training manuals, schedules, plans, training agendas, and trainee evaluations
3. Define operation and maintenance roles and responsibilities
4. Establish a process of systems installations, commissioning, testing, evaluating, acceptance, and rejection
FACILITY SECURITY

Physical Security
According to security industry best practices, these are the elements that are essential to a comprehensive facility physical security program:

1. Building design that lends itself to being secured
2. Physical barriers and site hardening
3. Physical entry and access control
4. Security lighting
5. Intrusion detection
6. Video surveillance
7. Electronic and network controls
8. Personnel
9. Administrative procedures

Perimeter Security
The main entrance via the secured entry will be the primary patron access/egress to the building. Patrons wishing to enter the building will enter through the main entrance and then climb the stairs to the lobby. Once inside the lobby, patrons will present the appropriate identification and a determination will be made if the patient is qualified to purchase cannabis product. Once authorized, the patient will then be allowed to enter the product browsing area by means of a “buzzer entry,” or remote electronic lock. The lobby will be monitored by a receptionist and by a uniformed security guard. All other doors will be secured, and alarmed, and only opened from the inside in the event of an emergency.

Security Lighting
The Fristaden Wellness site outdoor security lighting will be designed to augment other security measures such as physical barriers, intrusion detection systems, video surveillance, and security personnel activities. These lights will be regularly inspected and properly maintained. Some lights will have emergency power backup capabilities.
Access Control

A comprehensive access control program is an important part of any effective commercial cannabis operation. Access to the Fristaden Wellness site, and entry and exit to all limited access areas will have electronic access control requiring identity verification that records the movements of employees. Fristaden Wellness will only permit authorized individuals to enter the limited access areas of the premises. Authorized individuals include individuals employed by Fristaden Wellness as well as any outside vendors, contractors, labor representatives, or other individuals who have a bona fide business reason for entering the limited access area. An individual who is not an authorized individual for purposes of entering the limited access areas will not be permitted to enter the area unless there is a special circumstance and they are escorted by an individual employed by the Fristaden Wellness at all times.

ID Badges & Access Logs

Access to different areas on the site will be compartmentalized and employee access credentials will be determined according to “need for access.” Not all employees will be allowed into restricted access areas, including security personnel.

The Fristaden Wellness will maintain a log of all authorized individuals that enter limited-access areas and are not employees. Fristaden Wellness will provide the City of Solvang, the Santa Barbara County Sheriff, and the BCC with access to the logs at their request. Fristaden Wellness will ensure that a policy is in place and strictly adhered to that states that no consideration or compensation will be received for permitting an individual to enter the limited-access area.

Event Logging

The Fristaden Wellness access control system will have event logging capabilities that record successful entries as well as unsuccessful attempts to access an area. This is important in the event a person is attempting to gain access to an area that restricted without proper clearance.

Sheriff’s Department Access

Security officers and employees will be instructed that Santa Barbara County Sheriff Officials will have unfettered, 24/7 access to the premises without any delays.
Surveillance Camera and Video System

The Fristaden Wellness digital security camera and monitoring system will be an important part of maintaining security at the site as well as compliance with the Solvang Security Requirements. The internet protocol (IP) based camera system will utilize at minimum HD, low light cameras for maximum definition and resolution and recording in low light conditions and will have memory and power backup capabilities.

A live feed of camera views, as well as historical footage, will be available remotely on a secure, password based platform, and accessible by the Santa Barbara County Sheriff or designee/s. The system shall monitor no less than:

- The front and rear of the property.
- All points of ingress and egress at the business.
- All points of sale within the business.
- All areas where cannabis goods are weighed, packed, stored, quarantined, loaded and unloaded for transportation, prepared, or moved within the premises.
- Areas where cannabis is destroyed.
- Limited-access areas.
- Security rooms.
- Areas storing a surveillance-system storage device with at least one camera recording the access points to the secured surveillance recording area.
- Areas where product will be handled will have extra coverage to prevent diversion.
- All entry and exit doors and all areas where human traffic could occur (Excluding restrooms and locker/changing rooms) shall be recorded on video continuously.
- Cameras will be employed to cover the entire exterior of the facility, trash receptacles, and all points of entry and exit.
- Inside the restricted security area recording all security officer activity.
- In the hallway recording anyone attempting to access the secure vault.
- In the vault/secure room recording individuals accessing the room and recording individuals who are accessing the safes.
The digital security camera and monitoring system will provide the following features:

- Fristaden will have a digital video surveillance system with a minimum camera resolution of $1280 \times 720$ pixels.
- Cameras will record continuously 24 hours per day and at a minimum of 15 frames per second (FPS).
- System will have local access to immediately call up all cameras for live view through various camera view options including event based alarms allowing all cameras near the alarm to become visible to the operator through a video monitor.
- Video management system will include web access to provide City officials access to view the system remotely in accordance with the City Ordinance.
- Video management will allow exporting of video single and multiple video clips by emailing, printing screen shots or recording to digital media. The physical media or storage device on which surveillance recordings are stored will be secured in a manner to protect the recording from tampering or theft.
- System will allow operator to simultaneously research and review archive footage while still recording live video.
- Systems will provide the ability to view pre-alarm footage, alarm and post alarm footage giving security the ability to see the entire event as it happens not just the event itself.
- System will be capable of back up for redundancy to meet the requirements of at least 90 days of storage as outlined in the city ordinance.

**Alarms**

The entire building will be equipped with a centrally monitored fire and burglar alarm system. Features will include:

- The system will be monitored by a UL 24/7 Central Monitoring Station and supervised by our onsite Security Team via internet, Analog or Cellular communications, in the event anyone of the three should have a communications failure;
- The systems main control panel will be in a secured room, accessible by management or the Security Team only;
- For ease of access, the systems keypad for local alarm annunciation, building arming and disarming will be located at the main front entrance, with a secondary control panel in the main equipment room;
- All building perimeter entry doors and roll up doors will be provided with door position switches to monitor door status, in addition to the standard alarms contact switch which would activate immediately upon unauthorized or forced entry;
- Main corridors will be provided with interior ceiling or wall mounted motion detectors that will detect activity after the building has been secured.
The intrusion detection system will function along with video surveillance systems (video alarm system), and alarm communications systems to provide a comprehensive alarm assessment. Video alarm assessment means that if an alarm is activated, on-site security personnel, offsite Fristaden Wellness management, and Santa Barbara County Sheriff personnel, can check surveillance footage to ascertain if an incident requiring a response has occurred, or if there has been a false alarm activation. Fristaden Wellness security personnel and management will do everything possible to avoid false alarm activations which are understood to generate costly repeated use of the Santa Barbara County Sheriff personnel and resources.

An intrusion or duress event will be recorded on local video while security and law enforcement are in route to respond to the incident location. The site will also have a fire alarm system that meets or exceeds City of Solvang requirements. All of these alarms will also be monitored 24 hours a day, 7 days a week.

The performance measurements of the Fristaden Wellness intrusion detection systems will assess:

- Its probability of intrusion detection
- The correct assessment of an intrusion
- The sensor device nuisance alarm rate
- The system’s vulnerability to defeat

**Site Hardening**

All high security areas, buildings and structures that contain Cannabis product, will be designed and constructed according to security industry standards and City of Solvang and California State requirements.

**Metal Keys**

All doors that are electronically controlled must have a key lock that can open the door in case of an emergency. Fristaden Wellness will maintain a key management system with strict protocols and allow limited access to the keys and master keys. Fristaden Wellness managers will conduct initial and periodic inventories of keys, maintain records of who has which keys, and maintain a secure key storage safe or lockbox.
Security Plan

OPERATIONAL SECURITY

General Security Policies for The Facility

Fristaden Wellness will implement and train employees on a detailed operations and security Policy and Procedure Manual and all will be required to sign acknowledging receipt and understanding of this manual. The manual will detail general policies to be followed by all employees but will also have specific procedures to be followed for each role at the business. New employees will be trained on compliance and security and continuing employees will receive periodic training to reinforce existing policies and to support the implementation of changes and improvements to company operations and security.

Business Premise Access Plan

Fristaden Wellness recognizes that pursuant to the City of Solvang Municipal Code and Cannabis Rules and Regulations it shall be subject to inspection, investigation or audit by the City or its agents, with no notice required, to determine compliance with this article. An inspection, an investigation, or audit being a review of any books, records, accounts, inventory, or onsite operations specific to the Business Premises and License.

Fristaden Wellness will in no way prevent or hinder the aforementioned officials access to its business premises for the purposes of conducting inspections, investigations, or audits. Fristaden Wellness will further allow City access to the business premises for any of the following purposes: to determine the accuracy and completeness of the Business License Application; to determine compliance with the City of Solvang Municipal Code and the Rules and Regulations set forth by the City; audit or inspections of records; investigation of a complaint received by the City regarding the application or License; inspection of incoming or outgoing shipments of cannabis and cannabis products, storage areas, production processes, labeling and packaging processes, and conveyances used in the manufacture, storage or transportation of cannabis products; inspection pertinent to equipment, raw material, finished and unfinished materials, containers, packaging and labeling that relates to whether cannabis or cannabis product is compliant; investigation into the adulteration or misbranding of any cannabis product, or production of any cannabis product without a license, including the ability to inspect any place where any cannabis product is suspected of being illegally manufactured or held; and investigations of the operations and other activities associated with Commercial Cannabis Activity engaged in by Fristaden Wellness.

Transactional Security

Fristaden Wellness will minimize the number of cash transactions that take place on site by conducting those exchanges at other locations such as banks and private safe deposit vaults and through licensed couriers. The amount of cash kept on hand will also be kept to a minimum in order to reduce the risk of theft or robbery.

Any transactions that do take place, will be recorded either digitally or on paper and in keeping with Track and Trace POS systems and will be done if full view of camera systems.
Confidential Information Security

Fristaden Wellness prioritizes the safekeeping of customer and patient data and will implement specific policies and procedures to ensure that this information is kept confidential in accordance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and other government requirements. Other confidential information will be handled and stored with the same degree of caution and security. Fristaden Wellness staff is trained to adhere to the following procedures:

- No staff shall voluntarily disclose personal information about a customer or patient, including his or her diagnosis, except with the written consent of the party;
- All digital and paper files are to be secured at all times. This may include user passwords and encryption on computers and locks or other access control for paper files;
- All documents that are to be discarded or recycled are shredded; and
- A patient’s or patron’s status or identity shall never be disclosed to any party without that individual’s explicit consent or a subpoena.

Visitor and Vendor Security

Fristaden Wellness will follow the below policies and will implement and maintain a strict procedure to provide for authorized vendor, contractor, or visitor access to areas other than lobby and showroom. No person will be allowed entry to these areas unless they have a specific business purpose there.

A security officer or trained employee should request access permission for the visitor from a manager and specify the following:

- Date and time of the visit
- The point of contact for the visitor, company name etc.
- The purpose of the visit
- Who will be escorting the visitor during their visit
- Name of vendor, contractor, or labor representative

The following procedures will be followed regarding visitors:

- Visitors, vendors, and contractors who are providing a service or product to the Fristaden Wellness dispensary must be authorized by dispensary management to enter the Patron Browsing Area and must have a specific purpose for the visit. The visit will be limited to the time and scope of that purpose and the visitor will leave immediately after this purpose has been completed.
- All vendors, contractors, labor representatives, and visitors will be logged with entry and exit times and other pertinent info.
- Visitor badges will be dated so they cannot be used later.
- All vendors, contractors, labor representatives, and visitors must be escorted at all times by at least one employee of Fristaden Wellness when in limited-access areas, must be at least 21 years of age, and instructed not to wander from the escort.
• Photos are not allowed unless authorized by Fristaden Wellness management or authorized government officials.
• Vendors can be issued long term vendor ID badges (not electronic access cards) but this does not allow unescorted access to high security zones.
• Vendors will be logged with entry and exit times and other pertinent info.
• Authorized visitors will exit the site as soon as their business is finished.
• Measures will be taken to prevent individuals from remaining on the premises if they are not engaging in an activity directly related to the permitted operations of the enterprise.

Third Party Contractor Security

Security services will meet or exceed the Solvang requirements regarding the posting of on-site security personnel. The security personnel will meet requirements put forth by the California Department of Consumer Affairs and approved by officials of the Santa Barbara County Sheriff. Security personnel will not be employees of the Fristaden Wellness unless the business has obtained a California State Proprietary Patrol Operator license. All security personnel hired or contracted for by Fristaden Wellness will maintain an active first-aid card.

Security Officer Policies and Procedures

1. During business hours, there will be at least one security officer, or a designated manager, assigned specifically to security duties, including the monitoring of video surveillance cameras, alarms and responding to security incidents. After hours, a security officer will monitor the lobby and the exterior of the building, as well as the parking area. If allowed to do so by the City of Solvang and the Santa Barbara County Sheriff’s Office, Fristaden will substitute overnight on-site security personnel with a robust electronic security system that is monitored by off-site security personnel.

2. All personnel assigned to security detail at site will be able to show proof of:
   a. Any certificates relating to firearm eligibility (if applicable)
   b. Current state guard card (or PC 832 card if applicable)
   c. Current first aid/CPR certification

3. The contract security manager will be able to show proof of the following for guards assigned to the site:
   a. DOJ and FBI Live Scan clearance
   b. All training records
   c. Security schedule and roster

4. Security company will provide a security roster to include scheduling of personnel and dates and times worked and this shall be able to be reviewed at any time by Fristaden Wellness management or by Santa Barbara County Sheriff.
5. Daily security logs will be completed by security personnel and will include employee name, ID number, date and time, and all areas patrolled/monitored on a daily basis as well as incidents or events that need to be documented.

6. All issues pertaining to the health and or safety of the facility and/or the public or acts that are or may be considered criminal in nature are mandatorily ordered to be reported to site management, Santa Barbara County Sheriff, and/or fire department.

**Security Officers Duties and Responsibilities**

Security officers will carry out various responsibilities including, but not limited to:

- Screening employees and visitors in the reception area.
- Controlling access to the facility at all access points.
- Monitoring security and life safety equipment.
- Conducting patrols.
- Monitoring visitor and employee conduct on the premises and within the parking areas under Fristaden Wellness control to assure behavior does not adversely affect or detract from the quality of life for adjoining residents, property owners, and businesses. All concerns or issues will be brought to Fristaden Wellness management in a timely manner.
- Actively discouraging illegal, criminal, or nuisance activity on the premises and any parking areas which have been made available or are commonly utilized for visitor, vendor or employee parking.
- Ensuring that no loitering is permitted on or around the premises or the area under control of Fristaden Wellness.
- Ensuring no consumption of Cannabis products occurs on the Business Premises, the parking-lot, and the public areas directly adjacent to the Business Premises.
- Ensuring the property and all associated parking, including the adjacent area under the control of Fristaden Wellness and any sidewalk or alley, is maintained in an attractive condition and kept free of obstruction, trash, litter, and debris at all times. All discovered issues will be reported to Fristaden Wellness in a timely manner.
- Responding to security incidents.
- Documenting incidents.
- Escorting visitors.
- Assisting with parking issues.
- Inspecting packages and vehicles.
- Utilizing various security measures (doors, locks, alarms, video surveillance cameras, lighting, etc.)
- Notifying Santa Barbara County Sheriff in case of an emergency or incident.
Designated Responsible Party

Although Fristaden Wellness has designated Terry Blevins as the primary security consultant/ liaison for regulatory compliance, management will also designate a person as responsible party for the security on-site on a day to day basis. This person can be a lead security officer, or another Fristaden Wellness employee. They will ultimately have responsibility for overseeing security systems, policies, procedures, and other security personnel assigned to the site on all shifts as well as ensure compliance with government regulations.

The designated person should understand the compliance requirements regarding cannabis security activities as well be knowledgeable in the issues that could arise such as the legal aspects of officer selection and screening, authority to detain or arrest, and use of force as it applies to the Fristaden Wellness enterprise.

The designee’s responsibilities may include, but are not limited to the following:

- Physical security of the organization’s assets
- Development and enforcement of security policy and procedures for all personnel, including non-security personnel
- Security Officer Recruitment and Selection
- Fristaden Wellness employee Pre-employment screening
- Crisis management
- Investigation of security incidents
- Employee security awareness
- Law enforcement and governmental liaison
- Information protection
- Workplace violence prevention
- Termination support for Fristaden Wellness HR/management
- Security officer employment and supervision
- Security systems management
- Conduct monthly security audits of the site
Retail Commercial Cannabis Activity Security

Product security will be maintained as a priority and all employees and contractors will strictly adhere to Fristaden Wellness policies and procedures or disciplinary/removal measures will be taken. In compliance with the City of Solvang Security Requirements, Fristaden Wellness will implement the below policies and procedures in order to secure all cannabis product and insure that none is lost or diverted to individuals who are not authorized to possess it and preventing the diversion of medical cannabis to other states. Fristaden Wellness will implement the following measures as part of its dispensary operations:

● Fristaden Wellness will limit customers to the daily allotment of cannabis they can acquire as allowed by law.

● All Fristaden Wellness personnel will receive training to detect suspicious behavior that might indicate diversion. Purchases of large quantities, frequent visits, use of a “shopping list” or the presence of friends are all indicators of diversion.

● All staff will strictly adhere to our policy any patron who diverts cannabis will be prohibited from purchasing any products from Fristaden Wellness permanently.

● Any Cannabis product that is under the control of Fristaden Wellness personnel will be handled in accordance with specific policies and procedures in order to prevent theft or diversion. Each person handling the product will be tracked by means of a chain-of-custody system that insures no diversion or theft will occur.

● No persons under the age of 21 will be allowed to enter the premises or to purchase cannabis product.

● An electronic age verification device will be purchased and retained on the premises to determine the age of any individual attempting to purchase cannabis goods.

● Sales through exterior openings, such as drive through or walk-up windows will be prohibited.

● During business hours, a minimum quantity of cannabis products will be maintained in the Patron Browsing area.

● Excess cannabis products not needed for display will be stored inside a vault room which will be inside of a secure limited access area. Only managers will have access to the office.

● After hours, all cannabis products will be stored in accordance with the requirements of the State of California and the City.
Transportation Security

Fristaden Wellness shipping and receiving process will follow strict policies and procedures in order to ensure full compliance with all state and local Track and Trace regulations. It also ensures the security of the assets and the safety of all personnel, which includes but is not limited to the following:

1. Product will be packaged in compliance with all regulatory requirements that identify the contents of each package, its origin or inventory numbers, and any and all additional internal, city or state mandated tracking requirements.

2. Shipments will be scheduled as often as needed to ensure that the supply and demand of the operators and their clients are met and that:
   a. The company’s policies and procedures are followed to avoid the transport of excessive amounts of product with a high total value.
   b. Shipments are scheduled at random times and hours in order to avoid predictability that can elevate the risk of theft.

3. Shipments will be conducted through the use of a licensed, insured and state authorized transport company or by Fristaden Wellness trained transport personnel, if allowed to do so by the City of Solvang and the State of California.

4. When shipments are scheduled, this information will only be provided to individuals who occupy a “need to know” position in order to avoid risk of theft.

5. At the time of the incoming shipment, transportation team members and vehicle will be logged onto the site as visiting vendors upon each visit.

6. If the electronic Track and Trace system is down, all entries must be done by hand and entered when the system is back up.

Track and Trace/Inventory/Record Keeping

A Track and Trace system and/or other platforms as approved by the Santa Barbara County Sheriff and the State of California will be implemented and strictly followed in order to maintain records of all cannabis product movement and make those records available for audit. All Cannabis material will be tracked via standard inventory control protocols from receipt, through the manufacturing stage and finally the packaging and shipment process in accordance with requirements.

At the end of each day product that is vulnerable to diversion or theft will be stored securely. All loose product will be placed in the secure room that is locked and designated as a high security, restricted access area. Security officers will not have access to this room when operations personnel are not on site as a checks and balances measure.
Fristaden Wellness will meet all Track and Trace System requirements of the State of California at all times.

Fristaden Wellness Inventory Tracking and record keeping system will ensure that:

1. Fristaden Wellness will register/record any incoming cannabis material, which includes entering the ID numbers into the tracking system software
2. Fristaden Wellness will record each cannabis sale or transfer transaction
3. Any cannabis product that is considered waste during the process will be recorded and entered into the tracking software, along with a daily disposition of how these were disposed of, if any.

The process of destroying cannabis waste:

1. Will be rendered unusable by grinding and combining with other materials as required by regulations
2. Picked up by an authorized Hemp/Cannabis recycler, or as allowed by regulation

All easily diverted product will be placed in the secure, designated room at the end of each day; bulk product will be placed in a high security location dedicated to product storage; and Security officers will not have access to the secure storage rooms without operations personnel present as a checks and balances measure.

**Reporting Responsibility**

Fristaden Wellness will notify the Santa Barbara County Sheriff Department and the City within 24 hours of discovery of any of the following situations:

- The discovery of a significant discrepancy in its inventory;
- Confirmed or suspected diversion, theft, loss, or any other criminal activity pertaining to the operation of the business.
- Confirmed or suspected diversion, theft, loss, or any other criminal activity by an agent or employee pertaining to the operation of the business.
- Confirmed or suspected loss or unauthorized alteration of records related to cannabis goods, registered medical cannabis patients or primary caregivers, patrons, or dispensary employees or agents
- Any other suspected breach of security
Threats, Risks and Appropriate Responses

The following scenarios have been considered during the preparation of this security plan:

- **Armed assault during business hours**
  Perpetrators would not gain access into the limited access areas as the door from the secure entry will always be locked and can only be opened by authorized personnel. Personnel inside the secured area or inside the limited access area will activate panic alarm and Santa Barbara County Sheriff will be notified. The manager will enter the office area immediately in order to avoid being taken hostage and forced to relinquish passwords or keys.

- **Insider theft during business hours**
  Employees will not be allowed to enter with baggy clothing or bags and will be inspected upon exit at the end of the day. All Cannabis product will be weighed, inventoried and accounted for at the end of the day with the use of the Track and Trace system. If there is product missing, employees will be asked to submit to a search or a review will be performed of security camera footage prior to employees leaving the premises.

- **After business hours insider threat**
  Maximum security is obtained with the use of a system of checks and balances. No one person will have access to product or cash without either electronic verification or by means of a second individual. For example: After hours no one will not be able to cancel or deactivate an alarm by themselves. This can only be done by an authorized manager who has access to the security camera coverage remotely and has verified that there has not been an incident and a second person either in person or remotely. This will prevent malfeasance by an employee or manager who attempts to access the space alone at night.

- **After business hours threat to security officer or other personnel**
  If an employee or officer were taken hostage and used to access the space, they would only be able to access the common areas but not the space where the product and cash is located.

- **After hours burglary attempt through walls or ceiling**
  If perpetrators attempt to enter the space by forcing a door or from the rear through the walls, or through the roof, the motion detection alarms in the office will be activated, the offsite monitoring center will be notified, and Santa Barbara County Sheriff personnel will be summoned. Perpetrators would not have time to enter the building, enter the secure space and then defeat the vault prior to the arrival of Law Enforcement.

On-site Consumption

The consumption of cannabis or the sale or consumption of alcohol on the Business Premises is strictly prohibited. Employees and agents of Fristaden Wellness are prohibited from soliciting or accepting any cannabis or alcohol products from any customer or vendor while on the Business Premises. All employees, at the time of their hiring, are required to sign a Drug Policy form indicating that they have read and understand the terms and conditions that drug usage on site, is strictly prohibited and grounds for termination.
FACILITY SECURITY

Physical Security
According to security industry best practices, these are the elements that are essential to a comprehensive facility physical security program:

1. Building design that lends itself to being secured
2. Physical barriers and site hardening
3. Physical entry and access control
4. Security lighting
5. Intrusion detection
6. Video surveillance
7. Electronic and network controls
8. Personnel
9. Administrative procedures

Concentric Circles of Protection requires there to be multiple layers of protection that a perpetrator would need to defeat in order to reach the assets that are being protected. This would give responders time to react in order to thwart the attempt and prevent the loss.

Perimeter Security
The main entrance via the secured entry will be the primary patron access/egress to the building. All other doors will be secured, and alarmed, and only opened from the inside in the event of an emergency.

Security Lighting
The Fristaden Wellness site’s outdoor security lighting will be designed to augment other security measures such as physical barriers, intrusion detection systems, video surveillance, and security personnel activities.

The security lighting will provide several advantages such as:

- Patron and employee peace of mind when using the site after dark;
- Possible deterrence of adversaries and suspicious activities;
- Improved surveillance and security response;
- Reduced liability;
- Witness potential;
- Enhanced observation; and
- Allow officers to respond visually to alarms at night
Outdoor security lighting will be an important part of the Fristaden Wellness outdoor security intrusion detection system. The following elements will be incorporated into the security lighting system design:

- The cameras will be able to record in low light conditions.
- All exterior portions of the premises will be adequately illuminated in the evening as to make discernible the faces and clothing of persons utilizing the space.
- The front pedestrian walkways will be well lit in order to allow security officers to view anyone approaching during low light conditions.
- The parking area will be well lit to provide lighting for employees or patrons who are coming or going at night.
- Some lighting may be controlled by motion sensors to:
  - Save energy
  - Deter intruders
  - Alert security guards
- Lighting will be designed so as not create a nuisance for neighbors after dark. To this end, outdoor lighting will be shielded and directed onto the site, such that the light source cannot be seen by persons on adjacent properties or from the public right-of-way.
- Lighting fixtures will be used that are aesthetically pleasing; and
- Lighting will not create a hazard for drivers on nearby streets.

Security personnel will conduct regular inspections of all outdoor security lighting equipment and either replace immediately or notify maintenance. In that process, one should do the following:

- Ensure proper lamp functionality
- Ensure that lamps are kept clean and maintain their proper lighting angle
- Ensure that the lighting intensity continues to meet security requirements
- Ensure that batteries are charged for emergency lighting in compliance with regulations

**Signage**

“No Loitering, Public Drinking, or Public Smoking/Consumption of Cannabis” signs will be posted in and outside of the Fristaden Wellness premises.
Access Control

A comprehensive access control program is an important part of an effective commercial cannabis operation. The term access control refers to the practice of restricting entrance to a property, a building, or a room to authorized persons. Physical access control barriers refer to the use of walls, doors, locks, bars, etc., in order to secure an area. Electronic access control is performed by technological means using a network that stores authorizations, and mechanical means by controlling an electric strike, or door lock. The system decides whether to allow access to a particular person based on authorization permissions previously granted and entered into the system by an administrator. Access to the Fristaden Wellness site, and entry and exit to all limited access areas, will have access control requiring identity verification. Fristaden Wellness will ensure that the limited-access areas can be securely locked using commercial-grade, nonresidential door locks in accordance with this security plan. Fristaden Wellness will also use commercial-grade, nonresidential locks on all points of entry and exit to the premises. In addition, the following measures will be put into place:

- Facility security systems will limit access to areas where product and/or cash is stored or handled;
- No single individual will be allowed unrestricted access to assets;
- Employees will be issued electronic access cards (badges) and these electronic badges will be needed in order to gain access to restricted areas;
- Electronic log shall be maintained with all exit/entry movements of employees; and
- Security system will restrict access to afterhours entry in vital areas of facility.

Checks and Balances Security requires that no single individual be allowed unrestricted access to assets. This not only prevents insider theft but also avoids situations where that single individual is taken hostage and coerced to provide access to unauthorized person/s.

The Fristaden Wellness will maintain a log of all authorized individuals that enter limited-access areas and are not employees. Fristaden Wellness will provide the City of Solvang, the Santa Barbara County Sheriff and the BCC with access to the logs at their request. Fristaden Wellness will ensure that a policy is in place and strictly adhered to that states that no consideration or compensation will be received for permitting an individual to enter the limited-access area.

It is important that access credentials or personal codes be updated by managers on a constant basis in order to:

- Prevent current employees from entering areas they are no longer allowed to access.
- Update employee access according to changing schedules and roles.
- Prevent former employees from having access to the site.

All doors leading into high security areas will have electronic access control with the use of access cards or personal codes. All doors will have emergency egress capabilities, but an alarm will always sound when the door is opened without the use of a keycard or biometric identification.
Sheriff’s Department Access

Security officers and employees will be instructed that Santa Barbara County Sheriff personnel will have unfettered, 24/7 access to the premises without any delays. If security personnel suspect that individuals are requesting access who might be impersonating Santa Barbara County Sheriff personnel, they should phone dispatch to confirm identity prior to allowing access. This should be done selectively and not in a manner that would prevent Santa Barbara County Sheriff response to an emergency incident on-site or that would impede Santa Barbara County Sheriff personnel from exercising their authority. In addition, Agents or employees of the BCC requesting admission to the Business Premises for the purpose of determining compliance will be given unrestricted access during regular business hours and must maintain and provide their City of Solvang issued identification badge upon request.

Surveillance Camera and Video System

The Fristaden Wellness digital security camera and monitoring system will be an important part of maintaining security at the site as well as compliance with the Solvang Security Requirements. The installation of security technology will be done by a licensed California company according to best practices and standards. Fristaden Wellness will install and maintain a fully operational digital video surveillance and camera recording system.

The surveillance-system storage device or the cameras will be capable of being accessed through the internet. All areas recorded by the video surveillance system will at all times have adequate lighting to allow the surveillance cameras to effectively record images. Cameras must be immobile and in a permanent location. Cameras will be placed in a location that allows the camera to clearly record activity occurring within 20 feet of all points of entry and exit on the business premises and allows for the clear and certain identification of any person and activities in all areas required to be filmed.

A live feed of camera views, as well as historical footage, will be available remotely on a secure, password based platform, and accessible by the Santa Barbara County Sheriff or designee/s.

The IP based camera system will have the following features:

- The internet protocol (IP) based camera system will utilize at minimum HD, low light cameras for maximum definition and resolution and recording in low light conditions and will have memory and power backup capabilities.
- Be of adequate quality, color rendition and resolution to allow the ready identification of any individual committing a crime anywhere on or adjacent to the exterior of the property.
- There will be 24-hour surveillance camera coverage, even inside the building.
- A minimum of 90 consecutive days of archival footage will be maintained as required by the City of Solvang. The recordings will clearly and accurately display the date and time (Time as measured in accordance with the United States National Institute Standards and Technology standards). The physical media or storage device on which surveillance recordings are stored will be secured in a manner to protect the recording from tampering or theft.
• Access to camera views and footage will be restricted to authorized personnel only and will be made available remotely from any computer with internet access for authorized personnel.

• A live feed of camera views will be available remotely on a secure, password based platform, and accessible by the Santa Barbara County Sheriff or designee/s.

• Historical footage will be available to the Sheriff in case there is a need for an investigation. Videos will also be made available for inspection by the BCC upon request.

• A sign will be posted in a conspicuous place near each monitored location on the interior or exterior of the premises which will be not less than twelve (12) inches wide and twelve (12) inches long, composed of letters not less than one (1) inch in height, stating “All Activities Monitored by Video Camera” advising all persons entering the premises that a video surveillance and camera recording system is in operation at the facility and recording all activity.

• The system will have the ability to print color images from video freeze frames and to copy video clips to portable storage media for investigative purposes.

• Outdoor cameras will be designed for weather resistance.

• Rooms that experience high humidity or heat will be equipped with cameras that have resistance to these conditions.

• Technical issues with any of the cameras or recording devices will be reported to managers and dealt with immediately.

• The system shall monitor no less than:
  • The front and rear of the property.
  • All areas where cannabis goods are weighed, packed, stored, quarantined, loaded and unloaded for transportation, prepared, or moved within the premises.
  • Areas where cannabis is destroyed.
  • Limited-access areas.
  • Security rooms.
  • Areas storing a surveillance-system storage device with at least one camera recording the access points to the secured surveillance recording area.
  • Entrances and exits to the Business Premises, which shall be recorded from both indoor and outdoor vantage points.
  • All point-of-sale areas and areas where cannabis goods are displayed for sale. At each point of sale location, camera placement will allow for the recording of the facial features of any person purchasing or selling cannabis goods, or any person in the retail area, with sufficient clarity to determine identity.
  • Within 20 feet of all points of ingress and egress at the business. Entrances and exits to the premises will be recorded from both indoor and outdoor vantage points.
Areas where product will be handled will have extra coverage to prevent diversion.

All areas where human traffic could occur (Excluding restrooms and locker/changing rooms) will be recorded on video continuously.

In the hallway recording anyone attempting to access the vault/secure room.

In the vault/secure room recording individuals accessing the room and recording individuals who are accessing the safes.

Alarms
The entire building will be equipped with a fire and burglar alarm system that is monitored by a third party professional company that is staffed twenty-four hours (24) a day, seven (7) days a week. Intrusion, panic and motion detection devices will be a part of the system that will sound an alarm and notify on site security (as well as the Santa Barbara County Sheriff as required) in case of an unauthorized intrusion. The site will also have a fire alarm system that meets or exceeds City of Solvang requirements. Fristaden Wellness will maintain the alarm system in accordance with this security plan as required by the State of California and the City. Fristaden Wellness will ensure a licensed alarm company operator or one or more of its registered alarm agents installs, maintains, monitors, and responds to the alarm system. Fristaden Wellness will make available to the City or the Santa Barbara County Sheriff Department all information related to the alarm system, monitoring, and alarm activity. Fristaden Wellness will apply for, and maintain in good standing, an Alarm System Permit issued pursuant to LAMC Section 103.206.

In addition:

- The alarm system shall be registered with Santa Barbara County Sheriff.
- The system shall automatically notify Santa Barbara County Sheriff dispatch directly or through a private alarm dispatch center contracted by Fristaden Wellness.
- The digital camera system will allow access by Sheriff’s dispatch to relay vital information to responding officers on alarm activations.

Intrusion Detection
Intrusion detection is defined as the detection of a person or vehicle attempting to gain unauthorized entry (directly or remotely) into an area that is being protected by someone who is able to authorize or initiate an appropriate response. The Fristaden Wellness intrusion detection will consist of visual detection and intervention by any employee or by security personnel.

The electronic intrusion detection system (burglar alarm) consists of devices that will detect an intrusion and then initiate an early warning to enable a response to an attempted or unauthorized entry onto the site or into a high security zone. The system will provide the protective elements of deterrence, detection and delay, allowing time for the appropriate response by security personnel and/or Santa Barbara County Sheriff personnel.
The technical components of the Fristaden Wellness intrusion detection system will be comprised of the following three elements:

1. An alarm sensor: A device specifically designed to sense and respond to a certain change in its environment’s conditions.
2. A circuit or sending device: A device that transmits the changes in the condition of the alarm sensor to another location where it can be assessed by the specific responder forces.
3. An enunciator or sounding device: A device that alerts a change in the alarm condition.

Video Alarm Assessment

Video alarm assessment means that if an alarm is activated on-site security personnel, off site Fristaden Wellness management, and Santa Barbara County Sheriff Personnel, can check video to see if an incident requiring response has actually occurred or if it was a false alarm activation. The Fristaden Wellness security personnel and operations management will do everything possible to avoid false alarms which generate costly and repeated use of Santa Barbara County Sheriff resources and personnel.

Alarm Response

The Fristaden Wellness intrusion detection system will incorporate the following features:

- The alarm system will be registered with SBSO as required to facilitate response.
- Any activated alarm will send a notification to the monitoring agency of an alarm and the specifics.
- SBSO dispatchers will have immediate assessment capabilities as they will have access to the onsite IP cameras via access that was provided to them by Fristaden Wellness.
- The system will also notify on-site security personnel of an alarm activation.

On site security personnel will:

- Make an assessment as to the nature of the alarm activation.
- If there is an actual intrusion, security personnel will:
  - Immediately notify SBSO
  - Respond to the location if safe to do so
  - Take necessary actions to prevent the intrusion
- Or, notify SBSO dispatch immediately if it is a false alarm and clear the alarm on the panel.
- If it is a false alarm, SBSO Deputies may still wish to check the Fristaden Wellness site to clear the alarm and will be allowed to do so.
In order to meet or exceed Solvang Security requirements, Fristaden Wellness intrusion detection system will be designed and operated according to those requirements. It will also be designed according to security industry standards and operated and maintained in keeping with best practices. Based on that premise, it will consist of operators, monitoring devices, sensors, and support equipment. Intrusion detection sensors perform four functions of detection:

1. Intruder penetration of a boundary;
2. Intrusion motion detection within a protected space;
3. Operator validation by means of secret codes or pins; and
4. The movement of a protected property within a protected space.

**Performance Measurement and Evaluation**

The performance measurements of the Fristaden Wellness intrusion detection systems will be:

- Its probability of intrusion detection;
- The correct assessment of an intrusion;
- The sensor device nuisance alarm rate; and
- The system’s vulnerability to defeat.

When evaluating the long-term effectiveness of the intrusion detection system, the Fristaden Wellness management team and the security personnel should insure that the system and its ongoing maintenance:

- Meets or exceeds Solvang security requirements;
- Meets the security needs of the facility;
- Operates in harmony with other systems;
- Does not interfere with business operations; and
- Is cost-effective (i.e., that the value of benefits derived from the system is at least equal to the costs of the system).
Site Hardening

All high security areas, buildings and structures that contain Cannabis product, will be designed and constructed according to security industry standards with increased security for all openings. They will incorporate the following elements:

- Commercial grade: doors, frames, hinges, and locks.
- Windows on high security areas will be burglar resistant and will have bars that allow egress during an emergency (as allowed by fire and safety codes).
- Security bars will only be installed on the interior of windows, not on the exterior.
- Exterior mounted devices will not be used, including security bars, grates, grills, barricades, and similar devices. No wrought iron spears and barbed wire (cyclone) will be used on the premises.
- Other openings include shafts, vents, ducts, or fans; utility tunnels; channels for heat, gas, water, electric power, and telephone; and sewers and other drains. Where such openings exceed 96 square inches, openings should be fortified with steel bars or grills, wire mesh, expanded metal, and fencing. Consideration will also be given to other objects that might be passed through an opening (contraband, weapons, etc.).
- A separate safe will be used to store cash. This safe will have the following features:
  - A drop slot that will allow cash drops throughout the day
  - A timer that will only allow the safe to be accessed at specific times when bank deposits are performed
  - Attached to the concrete floor
INTEGRATION OF SECURITY MEASURES

The security measures for the site will be designed and installed with aesthetics in mind, ensuring that the equipment is not obtrusive and does not contrast with the architectural flow of the building or the neighboring buildings. Any bars installed on the windows and doors of Fristaden Wellness building will be installed only on the interior of the building. These bars will allow for emergency egress as required by City fire/safety code.

All of Fristaden Wellness’s security measures will be coordinated with our professional security advisor, Terry Blevins who has customized a security plan for Fristaden Wellness’s specific business location. All security measures are considered in light of the overall design and concept of Fristaden Wellness’s retail business for which a professional designer has been engaged. All components of Fristaden Wellness security plan will be integrated to enhance its overall design concept so as not to be overly noticeable by customers or the public.

BACKGROUND CHECKS

In compliance with the City of Solvang Security Requirements, Fristaden Wellness will provide fingerprints and other information deemed necessary by the City of Solvang or its designee for a background check. All owners, managers, supervisors, employees or volunteers must submit to this check. All employees will also undergo a Live Scan fingerprint analysis with the highest level allowed by Department of Justice standards. Only employees or volunteers who are at least 21 years old and successfully pass the background check, as determined by the Sheriff’s Office and/or his/her designee, will be hired.

EMPLOYEE SAFETY EDUCATION

Fristaden Wellness will implement and train employees using a detailed Operations and Security Policy and Procedure Manual, and all will be required to sign acknowledging receipt and understanding of this manual. The manual will detail general policies to be followed by all employees but will also have additional measures assigned to specific personnel at the business. New employees will be trained on compliance and security and continuing employees will receive periodic training to reinforce existing policies and to support the implementation of changes and improvements to company operations and security. Fristaden Wellness will designate a person as responsible party for the security on-site. This person can be a lead security officer, or another Fristaden Wellness employee. They will ultimately have responsibility for overseeing security systems, policies, procedures, and other security personnel assigned to the site on all shifts as well as ensure compliance with government regulations. They will also have the responsibility to train employees regarding security procedures and monitor their compliance with basic safety and security protocols.
Employees will receive Security/Safety Awareness Training

Employees will be trained in the following subjects:

- Retail Cannabis Operations – safety, security, operating procedures, quality control, etc.;
- Equipment and Machine safety – safety protocols for any equipment or machines used per job requirements;
- Transactional safety – related to cash payments for products;
- Lobby capacity – monitoring lobby to ensure overcrowding is kept at a minimum;
- Cash deposits – process for moving cash to safe until bank run can occur;
- Robbery – process for how to handle a robbery;
- Emergency shut down – all safety precautions and processes related to an emergency shut down;
- Product handling – necessary actions for handling cannabis and cannabis products to prevent cross-contamination and to ensure customer safety and product quality;
- Material Safety Data Sheet – What is an MSDS and when to use the information from an MSDS;
- Safety process for securing products and exiting the building during a power outage or other emergency;
- Be aware – watch for suspicious activity, surveillance detection (pre-attack/robbery prevention);
- Emergency Equipment Placement – fire extinguishers, panic buttons, alarms;
- Fire Prevention – safety policies and where safety exit maps are located;
- Personal Protective Equipment – where equipment is stored and how to use equipment;
- Workplace Violence- procedures for prevention and reporting;
- Parking Lot Security – Safety precautions and using security;
- Procedures for First Aid, Cardiopulmonary Resuscitation (CPR), and other medical emergencies.

EMPLOYEE THEFT REDUCTION MEASURES

A comprehensive access control program is an important part of any effective commercial cannabis operation. Product security will be maintained as a priority and all employees and contractors will strictly adhere to Fristaden Wellness’ policies and procedures or disciplinary/removal measures will be taken. In compliance with the Solvang security requirements, and the State of California, Fristaden Wellness will implement policies and procedures in order to secure all cannabis product and ensure that none is lost or diverted to individuals who are not authorized to possess it or person/s under the age of 21. All product will be stored in a vault or safe secured with a commercial-grade lock in a limited access, locked room, that is under video surveillance. At the end of each day, all loose product will be secured in the same manner.
All employees will leave bags and baggy clothing in lockers as they are entering the building to begin their shift. Upon exiting the building employees will not be allowed to remove any packages or other objects that would allow the concealment of cannabis product unless they consent to an inspection of those items. Audits and inventories will be conducted as often as is possible in order to determine if product is missing and an investigation needs to be conducted.

“Compartmentalization” means that employee access to different areas on the site will be determined according to “need for access.” Employee access credentials will be programmed according to this principle. Not all employees will be allowed into restricted access areas, including security personnel. This not only prevents insider theft, but also avoids situations where that single individual is taken hostage and coerced to provide access to unauthorized person/s. To accomplish the above, the following will be set in place:

Dual authentication, swipe card and pin number (keypad entry) or two (2) person rules for limited access areas and vaults with high value product.

Area restriction based upon an individual employees’ security level; entry will be limited to their specific area of assignment and based upon the time of day, and security operations protocol.

The following rules will be enforced regarding the use of key cards/badges:

- All employees or other persons acting for Fristaden Wellness will clearly display a laminated or plastic-coated identification badge issued by Fristaden Wellness at all times while engaging in commercial cannabis activity and while on site.
- Employees must challenge others who are not displaying a badge.
- Sharing of access cards will be prohibited.
- Tailgating or piggybacking is prohibited, each employee must swipe their own card.
- Lost badges will require the filing of a security incident report and/or police report.
- Credential tampering will not be tolerated.

Cash Management Plan

Fristaden Wellness will minimize the number of cash transactions that take place on site by accepting electronic payment options. Vendor cash exchanges will be minimized as Fristaden Wellness will be conducting most of those exchanges at other locations such as banks and private safe deposit vaults and through licensed couriers. The amount of cash kept on hand will also be kept to a minimum in order to reduce the risk of theft or robbery. Each cash drawer will be limited to $500 in order to be able to make change for customers. When the amount of cash exceeds this limit, it will be counted by a manager and removed to be placed in a cash drop safe. The cash drop safes will be on timers and cannot be opened until the end of the evening when secure transport personnel are present to remove the cash to a more secure location. All transactions will be recorded via POS system and the cash drawers will be reconciled at the end of every evening.
Employees will be trained in the above procedures as well as being instructed in maintaining personal security discipline. Adherence to specific policies and procedures is the most effective method of reducing the risk of theft and of decreasing risk to personal safety.

**Product Access Protocols**
Employees who handle cannabis product in order to transfer that product to customers will be required to check-in and take responsibility for the product they are handling.

**Checks and Balances**
Security requires that no single employee be allowed unrestricted access to cannabis product storage areas or high value assets. Managers will monitor and approve the access that employees have to areas where cannabis is stored.

Fristaden Wellness will implement the use of physical barriers (walls and doors), electronic measures and employee procedures in order to deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products, and to deter and prevent the theft of cannabis or cannabis products at the commercial cannabis business.

All points of access to the business will be controlled with electronic access controls, key pads, key cards and remote electronic lock (buzz-in) features. Individuals who are not engaging in an activity directly related to the permitted operations of the commercial cannabis business will not be allowed to remain on the premises.

**ARMORED VEHICLE**

All cash will be removed from the site twice per day by the security personnel of licensed cash removal company, who will use armored vehicles to perform the transport. Fristaden Wellness will keep a bank account if allowed to do so, and all cash and other revenue will be deposited to this account. As an alternative, all cash will be deposited at private vault facilities. Small amounts of cash will then be taken out of the vault in order to pay suppliers and providers in order to avoid risk of robbery.
ADDITIONAL SECURITY MEASURES AS PER THE SOLVANG ORDINANCE AND THE STATE OF CALIFORNIA CANNABIS REGULATIONS

Power Backup for Electronic Security Measures
Fristaden Wellness will use battery backups in order to remain secure during a power outage. Electronic door locks will not release during a power outage but instead have the ability to be controlled manually, especially during an emergency egress event.

Retail
Fristaden Wellness patrons will be instructed that they must leave the site and not consume cannabis until at home or in an equivalent private location. Security guards shall monitor the site and vicinity to ensure compliance.

Lobby and Customer Buzz-in Procedure
Customers will enter the lobby area through an unlocked front door as there will be no screening conducted outside or in the public right of way. Once inside, the visitors will be screened by store personnel according to City and State requirements. After screening, customers will be buzzed into the retail area of the store. Note: This lobby and buzz-in procedure was designed based on City Ordinances, answers to questions and other guidance but can be changed based on what is approved or recommended by the City of Solvang.

Notice and Signage
Fristaden Wellness will notify patrons of the following verbally and through posting of a sign in a conspicuous location readily visible to persons entering the premises:

(a) Patrons must leave the site and not consume cannabis until at home or in an equivalent private location, unless the adult-use business has a valid cannabis consumption license issued by the City. Adult-Use retail employees shall monitor the site and vicinity to ensure compliance.

(b) Entry into the premises by persons under the age of 21 is prohibited in all adult-use spaces, however qualified patients as young as 18 years of age may enter the Medicinal-Use Dispensary.

(c) Use of cannabis shall be limited to a qualified purchaser identified on a state-issued form of identification with a medical cannabis recommendation from a licensed California physician. This announcement will also be made to patrons each night prior to closing.

Perimeter Security
The main entrance via the secured entry will be the primary patron access/egress to the building. The main entrance will be monitored during business hours by a uniformed security guard manning the front entrance. All other doors will be secured, and alarmed, and only opened from the inside in the event of an emergency. If allowed by the City of Solvang, the rear door may be used for delivery of product but only while being constantly monitored by a security guard.
ID Checks
There will be a single access point at the front of the business. Any person who approaches will first enter a controlled vestibule that is being monitored by surveillance cameras. Upon approaching, personnel will request identification and will scan the document using an electronic ID scanner. Personnel will be advised by alerts if the ID is not valid, if a customer is underage, or if the customer has been banned from the establishment.

Restrooms
All restroom facilities will remain locked and under the control of management.

Cannabis Waste Management
All cannabis waste and any device or container with a residue of cannabis product will be stored and disposed of according to City and State requirements. This waste will be stored in a controlled area and will be transferred to a licensed cannabis waste disposal company such as GAIACA, which currently services 16 counties and 25 cities throughout California, for destruction.

Delivery Security for Retailer Commercial Cannabis Activity
The following procedures will be adhered to at all times:

- All deliveries of cannabis goods will be performed by a delivery employee of Fristaden Wellness conducting Delivery for Retailer Commercial Cannabis Activity.
- Each delivery employee will be at least 21 years of age.
- Only authorized employees of Fristaden Wellness will be in the delivery vehicle during the time of delivery.
- The vehicle used for the delivery of cannabis goods will be outfitted with a dedicated Global Positioning System (GPS) device for identifying the geographic location of the delivery vehicle.
- At all times, Fristaden Wellness shall be able to identify the geographic location of all delivery vehicles that are making deliveries and shall provide that information to the City officials and the BCC upon request.

While making deliveries of cannabis goods, the delivery will only travel from Fristaden Wellness premises to the delivery address; from one delivery address to another delivery address; or from a delivery address back to Fristaden Wellness premises. The delivery employee will not deviate from the delivery path, except for necessary rest, fuel, or vehicle repair stops, or because road conditions make continued use of the route unsafe, impossible, or impracticable.

Delivery begins when the delivery employee leaves the business premises with the cannabis goods for delivery. The process of delivering ends when the delivery employee returns to the Business Premises after delivering the cannabis goods. If a delivery was not successful, the product will be placed back into the safe storage immediately upon return to the dispensary.
All cash held by drivers will also be placed inside a locked container and will be transferred to
the manager upon return to the dispensary. The delivery employee of Fristaden Wellness will,
during deliveries, carry a copy of the Licensee’s License, the employee’s government-issued
identification, and an employer provided badge containing a picture and the name of the
delivery employee. Fristaden Wellness will maintain an accurate list of its delivery employees.

While carrying cannabis goods for delivery, the delivery employee will ensure the cannabis
goods are not visible to the public. The delivery employee will not leave cannabis goods in an
unattended motor vehicle unless the motor vehicle is equipped with an active vehicle alarm system.

Fristaden Wellness delivery drivers will not carry cannabis goods in the delivery vehicle with a
value in excess of $5,000 at any time. The value of cannabis goods carried in the delivery vehicle
for which a delivery order was not received and processed by the licensed retailer prior to the
delivery employee departing from the licensed premises will not exceed $3,000.

Delivery drivers will be required to sign for the manifest and verify receipt of each delivery order
with the manager, in order to provide a complete chain-of-custody for all marijuana product.
Each driver will secure all marijuana product inside a locked container in their vehicle and will
only remove when effecting the delivery at each location on the route.

Delivery employees are prohibited from consuming cannabis goods and shall not be under the
influence of any substance that impairs the ability of the employee while delivering cannabis goods.
EXECUTIVE MANAGEMENT ▪ ORGANIZATIONAL DEVELOPMENT ▪ STRATEGIC INITIATIVES

Qualifications Profile

Executive with extensive experience growing organizations, leadership development, public speaking, organizational development, and change management initiatives.

Professional Experience

Ventura Cannabis & Wellness Corporation, Los Angeles, California
Chief Executive Officer (2019 – Present)
Oversee all activities and operations of the organization, formulate policies and planning recommendations to the Board of directors, and decide on courses of action for cannabis operations by staff.

Cannabis Investor and Consultant, Vancouver, Washington
Consulting focused on deploying capital into cannabis and cannabis-related enterprises by collaborating with management to develop and implement strategies which leverage existing resources.

PAULSON INVESTMENT COMPANY LLC, Portland, Oregon
Managing Director – Investments (2016 – 2018)
Managed and led the expansion of institutional sales for a newly reorganized boutique investment bank. Responsible for geographic expansion, hiring, capital raising, and business development.

COREMIX CAPITAL LLC, Vancouver, Washington
Investment Manager – CIO (2015 – 2016)
Investment Policy Committee member responsible for global-macro strategy, asset allocation, and pipeline development of alternative, private and direct investment opportunities for the investment arm of a newly formed Family Office.

FISHER INVESTMENTS LLC, Camas, Washington
Vice President – Portfolio Specialist (2013 – 2015)
Promoted to manage Fisher Investments European institutional business development and client service ($3.3 billion) efforts within the United Kingdom, Norway, Denmark, Sweden, the Netherlands, Austria, Germany and Switzerland.

Corporate Communications Manager – Investor Relations (2011 – 2013)
Selected by COO to spearhead organizational change management and development initiatives following executive branch restructuring which involved conducting more than 125 investor relations meetings and regional seminars in more than 30 states.

Content Manager & Analyst (2010 – 2011)
Appointed by CEO to develop and manage a media communication strategy in combination with ongoing search engine optimization (SEO) and online reputation management (ORM) teams through increased digital brand awareness and content production.

Investment Advisor (2002 – 2009)
Selected by CEO to assist executive management with organizational change initiative to develop strategic direction, mission statement, and corporate vision after successfully spearheading the buildout of a research group which annually saves the firm millions in revenue. Daily responsibility: Manage portfolio strategy and risk management for 160 client relationships ($350 million).

Education

Florida Institute of Technology, Melbourne, Florida
Master of Science – Human Resources Management

Stanford University, Palo Alto, California
Post-Bachelor Studies – Economics

Oregon State University, Corvallis, Oregon
Bachelor of Science – Pre-Med
Minor – Analytical Chemistry
Certificate – Applied Ethics
Andrew Cross
45 SW 9th St, Unit 2907, Miami, FL 33130
858-395-1013 | Andrew.Law.Cross@gmail.com

EDUCATION

UCLA Honors College
Bachelor of Science, Major in Molecular Biology, Minor in Biomedical Research, GPA 3.83/4.00

LIFE SCIENCES EXPERIENCE

Inspira Financial Inc, Miami, FL, USA
Healthcare Operations Consultant
October 2017 – Present
• Identified and oversaw the closure of an unprofitable department, improving quarterly profits by $300,000.
• Rebuilt sales platform, increasing revenue by 20% within 6 months through new account acquisition.
• Managed financial reporting and human resources teams during the financial reporting cycle.
• Created and executed a new HIPAA compliance program, improving compliance with national standards by 80%.
• Rebuilt the operating procedures for the lending division and increased monthly collections by 55% on delinquent accounts.

Right Track Wellness, Denver, CO, Salt Lake City, UT, Phoenix, AZ, Las Vegas, NV, San Diego, CA, USA
CEO and Founder
May 2016 – October 2017
• Founded a distribution company focused on sales into the retail medical equipment channel and developed growth centered relationships with four manufacturers.
• Developed and executed business plan based on multiple distribution channels and product lines which resulted in a $50,000 profit the first year and employed 4 individuals.
• Took over flagging 1.2M retail territory from DJO Global and improved monthly YoY growth from an 18% loss to a 22% gain in under 6 months.
• Developed strong value-based relationships with over 300 DME/HME business owners across the United States.

UCLA Medical and Research Center, Los Angeles, CA, USA
Undergraduate Researcher and Volunteer Manager
March 2013 – June 2015
• Researched abortive HIV DNA products and presented findings to the UCLA biomedical research faculty, shaping the direction of future research on abortive cDNA products in drugs of abuse patients.
• Built the tracking and training infrastructure for a 50+ volunteer program and oversaw its implementation.

CONSULTING EXPERIENCE

BLVD Centers Inc, Los Angeles, CA, USA
Management Consultant
May 2017 - Present
• Identified opportunities to consolidate vendors and cut overall corporate costs by 30%.
• Developed and maintained a strict capital markets schedule for banking, investor relations and financial reporting in concert with CEO.
• Advised and executed on management transitions for West Coast facilities.
• Advised management team on insurance collections and changes in insurance company policies to mitigate risk.

EIC Global Education, Shanghai, PRC
Senior Consultant
June 2015 – May 2016
• Developed and executed new revenue-generating education programs. The education programs generate $100K annually.
• Designed and implemented new team structure to facilitate mentoring of new hires and existing employees.
• Awarded Best Consultant of team of 6 Senior Consultants on the Shanghai Team.

ADDITIONAL QUALIFICATIONS
• Fluent in Spanish, Beginner-Intermediate in Mandarin Chinese.
• Experienced Traveler, Comfortable with extensive travel of 80% of time or more. Comfortable with relocation.

287
ERIN ZUMBAUM

Owner + General Manager
Amberlight Cannabis House
Portland, OR | June 2016–Present

As the owner of Amberlight Cannabis House, I developed the brand identity and have organically grown the brand as well as the company by creating strong brand loyalty known for consistent quality at fair prices.

As General Manager, during the first full year of operation we were able to achieve over $1M in sales and that number continues to rise as we adjust our company strategies to align with the ever changing cannabis market and consumer needs.

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PROFESSIONAL HISTORY

Purchasing Manager
Senior Automotive Buyer
Strong negotiator with a proven track record of results that contribute substantially to the bottom line

- **Procurement Agent IV**
The Boeing Company
Seattle, WA | October 2015–April 2017

- **Senior Buyer (Contract)**
Toyota North America
Torrance, CA | June 2015–October 2015

- **Lead Senior Buyer**
Futuris Automotive Interiors
Melbourne, Australia | June 2014 – June 2015

- **Regional Lead Senior Buyer**
Schaeffler Group
Fort Mill, SC | August 2013- June 2014

- **Buyer III**
Calsonic Kansai North America
Shelbyville, TN | October 2011 – July 2013

- **Purchasing Manager**
Premier Electric Motors
Hayden, ID | July 2003 – September 2011

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EDUCATION

Bachelors in Business with Minors in Math + Marketing
Lewis & Clark State College, Lewiston, Idaho

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Contact me 208-660-1998 | erin.zumbaum@gmail.com | Portland, Oregon
Section 1 - Introduction

This Manual is designed to acquaint you with Fristaden Wellness and provide you with information about working conditions, benefits, and policies affecting your employment.

The information contained in this Manual applies to all employees of Fristaden Wellness. Following the policies described in this Manual is considered a condition of continued employment. However, nothing in this Manual alters an employee’s status. The contents of this Manual shall not be construed as a promise of employment or as a contract between Fristaden Wellness and any of its employees. The Manual is a summary of our policies, which are presented here only as a matter of information.

You are responsible for reading, understanding, and complying with the provisions of this Manual. Our objective is to provide you with a work environment that is constructive to both personal and professional growth.

1.1 Changes in Policy

Fristaden Wellness reserves the right to interpret, change, suspend, cancel or dispute, with or without notice, all or any part of our policies, procedures, and benefits at any time. We will notify all employees of these changes. Changes will be effective on the dates determined by Fristaden Wellness, and all superseded policies will be null following those effective dates.

No individual supervisor or manager has the authority to unilaterally change policies. If you are uncertain about any policy or procedure, speak with your direct supervisor.

1.2 Employment Applications

Fristaden Wellness relies upon the accuracy of information contained in your employment application and the accuracy of other data presented throughout the hiring process and employment. Any misrepresentations, falsifications, or material omissions in any of this information or data may result in exclusion of the individual from further considerations for employment or, if the person has been hired, termination of employment.

1.3 Employment Relationship

Your employment is voluntarily and at-will. You are free to resign at any time for any reason or no reason. Similarly, Fristaden Wellness is free to conclude its relationship with any employee at any time for any reason or no reason.
1.4 Background Checks

All prospective Fristaden Wellness employees are required to submit a Livescan and clear a background check in order to be considered for employment.

Section 2 - Employee Benefits

After a 45 day probation period, Fristaden Wellness employees will be eligible to receive full benefits. The benefits package includes health, dental and vision insurance, a retirement plan, and paid leave. In addition, any continuing cannabis industry education or training courses are complimentary of Fristaden Wellness. Fristaden Wellness will reimburse all approved out of pocket expense by employees.

2.1 Compensation

Fristaden Wellness will pay Employees base pay for his/her services rendered hereunder at an initial rate of $_______. Employee’s salary shall be paid in accordance with Fristaden Wellness’ regular payroll practices as determined by Fristaden Wellness, subject only to such payroll withholding deductions as are required by law and such other payroll deductions, as are determined by Fristaden Wellness policy or as Employee may approve.

2.2 Vacation

Employee shall be entitled to 2 weeks paid vacation (selected by Employee, but subject to the reasonable business requirements of Fristaden Wellness as determined by Employee’s immediate supervisor) during each year of employment. Vacation granted, but not used in any year shall be forfeited at the end of such one-year period and may not be carried over to any subsequent year.

2.3 Fringe Benefits

In addition to any other right the Employee may have hereunder, the Employee shall also be entitled to receive those fringe benefits, including, complimentary food and beverages, medical insurance, disability insurance and life insurance, etc., if any, as may be provided by the Employer to similar employees of the Employer.

2.4 Duties

Employee shall fill the position and shall have the duties ascribed to this position and any other duties as assigned to him/her by Fristaden Wellness from time to time in its sole discretion. Employee shall act at all times to promote Fristaden Wellness’ business interests.

2.5 Conflicting Employment
Employee agrees that, during the term of employment with Fristaden Wellness, Employee will not engage in any other activities that conflict with Employee's obligations to Fristaden Wellness.

Section 3 - Employee Training and Conduct

3.1 Employee Badges

All Fristaden Wellness employees shall at all times wear an employee identification badge while on the business premises during their working shift. Upon hiring, each employee will be given a unique employee number. This number will be used for all recorded actions taken by the Fristaden Wellness employee.

3.2 Dress code

All employees are to follow the strict dress code policy of Fristaden Wellness. Employees are to wear a dark button-up or polo shirt and professional pants or dark jeans.

3.3 Employee Training

All Fristaden Wellness employees are required to complete an extensive and comprehensive training program that will emphasize the following: safety, security and standard operating procedures (SOP). Employees will also be trained on how to educate customers regarding the medicinal qualities and different types of cannabis products for effective, safe and responsible consumption.

Diversity Training

❖ Fristaden Wellness employees will undergo diversity training to ensure the work environment remains a safe and professional space for employees as well as customers.

Customer Education

❖ The purpose of this module is to train employees on the various strains of medicinal cannabis including but not limited to, absorption time, potency, and side effects.
❖ Employees will be trained on how to properly consult patients and build a treatment plan around each patient's individual needs.
❖ Cannabis consultants will educate customers about all aspects of cannabis products carried by Fristaden Wellness and with regard to safe and responsible consumption.

Safety and Security Training

❖ At the time of commencing employment all Fristaden Wellness employees will complete a course on fire safety and prevention.
❖ Fristaden Wellness will train employees on various security scenarios that could impose a threat to the safety or security of employees or customers. Employees will be provided with a list of emergency numbers and procedures to be readily available at all times.
❖ Fristaden Wellness will train all employees on how to handle medical emergencies involving employees, customers, or anyone on site or at the premises.

Standard Operating Procedures (SOP)

❖ All employees of Fristaden Wellness will be educated regarding relevant aspects of state and local laws, as well as all internal Fristaden Wellness rules and policies (see Section 4 “Standard Operating Procedures”).

Cannabis Consultant Training

❖ All Cannabis Consultants will be educated on the neurological and physiological effects of cannabis and its constituent compounds. All training will draw on current US published, peer reviewed papers from respected journals. All materials used in education will require at least 1 (one) independent verification before inclusion in training materials.
❖ Cannabis Consultants will be trained on the basic physiology of common ailments, pains, and disorders.
❖ Cannabis Consultants will be educated on the manufacturing, cultivation and processing of cannabis to develop a deeper understanding of how products are created, the chemicals involved and potential interactions with human physiology.
❖ Cannabis Consultants will be required to understand the Mechanism Of Action (MOA) of cannabinoids in the brain and the various neurotransmitters they stimulate the release of. They will be further educated and expected to understand the broad role these neurotransmitters play in the brain.

Section 4 - Standard Operating Procedures (SOP)

The following are compliance policies of Fristaden Wellness. It is the responsibility of all employees of Fristaden Wellness to understand and comply with all of the policies set forth in this Manual. Failure to adhere to the policies outlined in this section, or any other section in this Manual may subject an employee to termination of employment or other disciplinary action as determined by Fristaden Wellness.

4.1 Hours of Operation

Fristaden Wellness hours of operation are Monday through Sunday from 9:00am to 7:00pm.

4.2 Daily Sales Limits

Fristaden Wellness employees will not exceed the daily sales limits to any customer. Maximum sales limits are as follows:
- 28.5 grams of non-concentrated cannabis
- 8 grams of cannabis concentrate, including cannabis concentrate contained in cannabis products
- 8 ounces of medicinal cannabis
- Amount of medicinal cannabis consistent with a valid physician’s recommendation

### 4.3 Patient and Age Verification

All customers entering Fristaden Wellness must first be verified by an authorized employee to be at least 18 years of age and hold a valid physician’s recommendation for medicinal cannabis. There are two points of verification. The first checkpoint will be in the lobby. The security guard will request identification and physician’s recommendation from every customer intending to enter the retail area. The second checkpoint will be by the cannabis consultant prior to transacting the sale.

Identification must include the **name, date of birth and photo** of the individual requesting access to the retail area and shall be scanned using a biometric scanning device. Proper forms of identification include:

- Driver’s license or valid government issued identification.
- Identification card issued by the Armed Forces.
- A valid passport issued by the United States or foreign government.

Physician’s recommendations will be verified by entering the medical ID number using the point of sale software BioTrack THC.

Only customers who have provided identification showing they are at least 18 years of age and have presented a valid physician’s recommendation shall be allowed to enter the retail area and make a purchase.

### 4.4 Transaction of Sale

Prior to the transaction of any sale, employees will first check the patient’s identification as the second point of verification ensuring the customer is at least 18 years of age and has a valid physician’s recommendation.

Only goods that are within their sale-by date will be sold. Packaging of cannabis product from the time of delivery from a licensed distributor to time of sale shall not be opened, repackaged or otherwise tampered with. All cannabis products leaving the premises shall be placed in the Fristaden Wellness shopping bag.

All sales are to be entered and recorded in the track and trace system (see Section 4.12 - Track and Trace).
4.5 Product Returns

Product returns shall be entered into the track and trace system at the time of return. Cannabis consultants are required to enter the date, product being returned including batch number or SKU number, reason for the return, name of the customer making the return and name of the cannabis consultant issuing the return.

All returned cannabis products are to be disposed of in accordance with Fristaden Wellness policy (see 4.11 Cannabis Waste Management).

4.6 Cannabis Goods for Sale

All cannabis goods and products received by Fristaden Wellness are packaged for final sale. Cannabis goods and products are not to be opened, re-packaged or otherwise tampered with in any way by Fristaden Wellness employees or agents. All products sold are to be placed in the appropriate exit packaging as provided by Fristaden Wellness.

All cannabis goods and/or products returned by customers will be treated as cannabis waste, no matter the condition (see 4.11 Cannabis Waste Management).

Unless otherwise authorized by the City of Solvang to do so, Fristaden Wellness employees are prohibited from providing or distributing free samples of cannabis goods or product at any time.

4.7 Storage of Inventory

All inventory is to be held in the secure storage room. The storage area is to be securely locked at all times. Access to the storage area is allowed by authorized personnel of Fristaden Wellness in accordance with their unique employment identification number.

No inventory of cannabis product will be stored outside the premises, inside the employee break room or any other area that is not in the retail area or designated storage area. All Fristaden Wellness employees are responsible for ensuring the proper storage and handling of inventory.

It is the responsibility of all employees to maintain a clean and safe environment at all times. All Fristaden Wellness employees are to comply with the proper handling and storage of cannabis product as set forth in this Manual from receipt of incoming shipments of inventory to sale and disposal.

4.8 Product Deliveries

All deliveries are to be accepted through the parking lot area located on the back of the premises. At the time of delivery, a security certified Fristaden Wellness employee will request the shipping manifest and certificate of analysis from the licensed distributor delivering the product.
The Fristaden Wellness employee will verify the shipping manifest and make sure the certificate of analysis matches the product being delivered. Any product that does not match the shipping manifest or certificate of analysis will not be accepted and will instead be returned with the distributor.

Deliveries will be immediately stored and locked in the inventory storage area and is only accessible by authorized employees of Fristaden Wellness. Once all product has been securely stored in the inventory storage area, record of the delivery and items received shall be entered into the track and trace system.

Employees will ensure they have received and entered into the track and trace system the batch or unit number, weight of product received (if applicable), description or type of goods, quantity, license number of distributor who delivered the goods, name of distributor's representative who made the delivery, date and time of delivery, and employee of Fristaden Wellness accepting the delivery including his/her unique employee identification number.

4.9 Inspections

Fristaden Wellness is subject to inspections by the City of Solvang and/or the Bureau of Cannabis Control (BCC) at any time during operating business hours. Fristaden Wellness employees are to alert their immediate supervisor upon the arrival of an agent of the city or state to conduct an inspection and are not to interfere with the city or state agents or officers while the inspection is taking place.

4.10 Cannabis Consumption Prohibited

All Fristaden Wellness employees and its customers are strictly prohibited from consuming or otherwise dispersing cannabis on the business premises. Fristaden Wellness employees are responsible for instructing customers verbally and by the posting of a sign, “CONSUMPTION OF CANNABIS IN OR ON THE BUSINESS PREMISES OR PARKING AREA IS STRICTLY PROHIBITED.”

4.11 Cannabis Waste Management

Fristaden Wellness contracts with Solid Waste Solutions serviced by Waste Management / Health Sanitation Services. Any and all cannabis waste generated from the day-to-day operations of Fristaden Wellness shall be disposed of in one of the secured waste receptacles labeled, “CANNABIS WASTE ONLY”.

Only goods designated as cannabis waste shall be disposed of. All packaging or containers will be removed from cannabis waste and destroyed so that it is unrecognizable and unusable. Once cannabis waste is destroyed it is to be placed in the secured waste receptacle.

Fristaden Wellness employees are responsible for maintaining a clean and safe environment. At the end of each business day, or as needed, the waste bins shall be disposed of in the secured
storage container located at the back of the premises to await collection from Solid Waste Solutions.

All cannabis waste is to remain in the secured receptacles or storage container at all times and is not to be touched or otherwise tampered with. There shall be no sale of cannabis waste to any customer and employees are responsible for ensuring public access to either the cannabis waste receptacles or storage container is prohibited.

At the time of collection, an employee of Fristaden Wellness shall obtain a certified weight ticket a receipt or invoice from Solid Waste Solutions that includes:

❖ Date of collection
❖ Time of collection

Employees are to input a record after each waste collection into the track and trace system that includes:

❖ Date of collection
❖ Time of collection
❖ Name of agency and individual collecting waste
❖ Name of employee disposing waste

4.12 Track and Trace

The track and trace system used by Fristaden Wellness is BioTrack THC. BioTrack THC tracks all the cannabis activities taking place on the business premises from delivery to final sale. All new employees will be fully trained and cleared to use the system.

Employees will enter their unique employee identification number into the track and trace system to login. All cannabis activities that are required to be recorded into BioTrack THC are:

❖ Transaction of sale
❖ Receipt of cannabis goods delivered
❖ Returned customer product
❖ Destroyed and disposed cannabis goods
❖ Inventory of cannabis goods
INDEMNIFICATION AGREEMENT FOR
MEDICINAL CANNABIS DISPENSARY PERMIT
AND ASSOCIATED LAND USE PERMITS

THIS AGREEMENT is made and entered into on the 20th day of February, 2019, by (“Applicant”) and the City of Solvang, California, a California charter city, referred to herein as “City of Solvang” or the “City.”

WHEREAS, Applicant has requested that City of Solvang process its application for a Medicinal Cannabis Dispensary Permit and/or Land Use Permit (collectively “Permit”) submitted by Applicant which, when both permits are issued by the City, will allow Applicant to operate a Medicinal Cannabis Business as described in Applicant’s submittal documents.

WHEREAS, City is not legally mandated to grant Applicant’s application for the Permit, such Permit being wholly discretionary, and due to the supremacy of federal law, there are unresolved questions regarding City’s authority to grant the Permit.

WHEREAS, Applicant desires to defend and indemnify City from liability or loss City might suffer in connection with the approval of the Permit and environmental clearances, if any, as provided in this Agreement.

NOW, THEREFORE, IT IS MUTUALLY AGREED between City and Applicant as follows:

1. Parties

For the purposes of this Agreement, the term City shall include the City of Solvang, the City of Solvang Planning Commission, the City of Solvang Board of Architectural Review, the City Council, City Manager, City Attorney and/or any City of Solvang agencies, departments, commissions, agents, officers, and/or employees. For the purposes of this Agreement, the term Applicant shall include all parties applying for approval on the Permit, including but not limited to the owner or owners of the property or properties upon which the Medicinal Cannabis Business will be sited and the Applicant(s) successor(s)-in-interest, if any.

2. Indemnification and Defense by Applicant

Applicant shall defend (with legal counsel chosen by City), indemnify, and hold harmless the City from and against any and all claims, damages, demands, suits and/or proceedings of any kind brought by anyone attempting to attack, set aside, void or annul the Permit, including any contention the Permit or its approval is defective because a City ordinance, resolution, policy, standard or plan is not in compliance with local, California or federal law. Applicant shall further defend, indemnify, and hold harmless the City from and against any and all claims, damages, demands, suits, and/or proceedings of any kind brought by anyone challenging the validity and/or legality of the Applicant’s Medicinal Cannabis Business that is the subject of the Permit, including but not limited to City’s processing and/or determination of environmental review for the Permit.

Applicant shall defend (with legal counsel chosen by City), indemnify, and hold harmless the City from and against any and all liability whatsoever that relates in any way to the Medicinal Cannabis Business that is the subject of the Permit and/or arising out of the acts or omissions of Applicant in the operation of the Medicinal Cannabis Business that is the subject of the Permit.
Applicant shall pay all costs of defense, including but not limited to, attorneys’ fees and costs, City staff time, and City Attorney time. The defense and indemnification of City set forth herein shall remain in full force and effect throughout all stages of litigation including appeals of any lower court judgments rendered in the proceeding. The obligations of the Applicant under this Agreement shall apply regardless of whether a Permit is actually issued.

3. Cooperation in the Event of Initiative or Legal Challenge

a. Legal Challenge

If any legal action or special proceeding related to the Permit is commenced by anyone for any reason, the City and Applicant agree to cooperate with each other in good faith to defend the City. In any legal action or special proceeding in which the City is a party, the Applicant shall not settle such action or proceeding without the consent of the City, which consent shall not be unreasonably withheld. In the event of a disagreement between City and the Applicant over litigation issues, City shall have the authority to control the litigation and make litigation decisions, including, but not limited to, the manner in which the defense is conducted. If City reasonably determines that having common counsel would present such counsel with a conflict of interest, or if the Applicant fails to promptly assume the defense of the claim or to promptly employ counsel reasonably satisfactory to City, then City may employ separate counsel to represent or defend City and the Applicant shall pay the reasonable attorneys’ fees and costs of such separate counsel.

b. Initiative

Should a non-City initiative measure or measures be enacted which could affect the Permit:

1. Applicant and City shall meet and confer to mutually determine the proper course of action; and

2. In the event Applicant determines to challenge such initiative measure, Applicant shall do so at its sole cost and expense. In the event City and Applicant jointly determine to challenge such initiative measure, the parties shall jointly determine the allocation of costs for such challenge, and in the absence of an agreement regarding such allocation, each party shall bear its own costs and expenses incurred in such challenge.

3. In the event that a court other legal determination has the effect of preventing, delaying or modifying the Permit, City and Applicant shall meet and confer to determine if there are alternative means of achieving the mutual goals and objectives of this Agreement.

4. No Duty of City

Applicant acknowledges and agrees that the Medicinal Cannabis Business that is the subject of the Permit is a private development and City has no interest in, responsibility for, or duty to anyone concerning the Permit and/or the business operated by the Applicant pursuant to the Permit. Nothing in this Agreement shall be construed to limit, direct, impede or influence the City’s review and consideration of Applicant’s application to the City for the Permit. The parties agree that this Agreement shall constitute a separate agreement from any Permit approval, and that if the Permit, in part or in whole, is invalidated, rendered null or set aside by a court of competent jurisdiction, the parties agree to be bound by the terms of this Agreement, which shall survive such invalidation, nullification or setting aside. The Applicant is solely responsible for compliance with all local, California, and federal laws and for obtaining necessary
authorizations, approvals, and/or permits from other local, California, and federal agencies. Any failure of the Applicant to comply with applicable laws or to obtain necessary authorizations, approvals, and/or permits shall not invalidate this Agreement or excuse the obligations of the Applicant under this Agreement except where such indemnification is prohibited by law.

5. Termination

The City may without cause terminate this Agreement by giving written notice as provided below. Applicant may not terminate this Agreement for any reason.

6. Notices

Except as may be otherwise required by law, any notice to be given shall be written and shall be either personally delivered, sent by facsimile transmission or sent by first class mail, postage prepaid and addressed as follows:

City: City of Solvang
Attention: City Manager
1644 Oak Street
Solvang, CA 93463

With a Copy to:
David Fleishman, City Attorney
Hanley & Fleishman, LLP
8930 Morro Road
Atascadero, CA 93422

Applicant:

Name: Fristaden Wellness
Address: PO Box 520932, Miami, Florida 33152

Notice personally delivered is effective when delivered. Notice sent by first class mail shall be deemed received on the fifth day after the date of mailing. Either party may change the above address by giving written notice pursuant to this paragraph.

7. Waiver

The failure of either party to insist on strict compliance with any provision of this Agreement shall not be considered a waiver of any right to do so, whether for that breach or any subsequent breach. The acceptance by either party of performance shall not be considered to be a waiver of any preceding breach of the Agreement by the other party. The undersigned Applicant expressly warrants his/her/its authority to enter into this Agreement.

8. Enforcement Action

If any action, proceeding, or arbitration arising out of or relating to this Agreement is commenced by either party, the prevailing party shall be entitled to receive from the other party, in addition to any other relief that may be granted, the reasonable attorneys' fees, costs, and expenses incurred in the action, proceeding, or arbitration by the prevailing party. For any breach of this Agreement the City may rescind its approval of the Permit. This Agreement shall
be binding upon the parties and upon their heirs, administrators, representatives, executors, successors and assigns.

9. Severability

Should any provision of this Agreement be declared or be determined by any court of competent jurisdiction to be illegal or invalid, the validity of the remaining parts, terms or provisions shall not be affected thereby and said illegal or invalid part, term, or provision shall be deemed not to be a part of this Agreement.

10. Governing Law

The rights and obligations of the parties and the interpretation and performance of this Agreement shall be governed by the laws of the State of California and venue shall be in the County of Santa Barbara.

11. No Third Party Beneficiaries Intended

The parties to this Agreement do not intend to provide any other party with any benefit or enforceable legal or equitable right or remedy.

12. Entire Agreement

This Agreement sets forth the entire agreement between the parties hereto, and supersedes any and all prior agreements or understandings, written or oral, between the parties hereto pertaining to the subject matter of this Agreement. The terms of this Agreement may not be modified, except by a writing signed by all parties. The paragraph headings used in this Agreement are intended solely for convenience of reference and shall not be used in any manner to amplify, limit, modify or otherwise be used in the interpretation of any provisions in this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed, the day and year first-above written.

City of Solvang

By:  
City Manager

Date:

Applicant

By:  
[Signature]

Jacob Gamble (print name)

Date: 02/20/2019
March 6, 2019

Fristaden Wellness
c/o Margolin & Lawrence
8484 Wilshire Blvd. #440
Beverly Hills, CA 90211

Re: Application for Medical Cannabis Dispensary Regulatory Permit

To Whom It May Concern:

Thank you for your February 22, 2019 application packet in connection with a medicinal cannabis dispensary regulatory permit from the City of Solvang.

As you recognize in the February 22, 2019 letter from your counsel Tiffany Carrari, the application was submitted without documentation indicating property owner consent for the proposed dispensary. As you are aware, the City's ordinance requires the following to be included in the application packet for a regulatory permit:

The name and address of the owner and lessor of the premises and a copy of the lease or other such proof of the legal right to occupy and use the premises and a statement from the owner or agent of the owner of the real property where the facility will be located demonstrating the landowner has acknowledged and consented to permit dispensary, cultivation, distribution, manufacturing, or transportation activities to be conducted on the property by the applicant.

Without this documentation, the application is incomplete, and under the ordinance, the City is rejecting the application for failure to meet the requirements of the ordinance.

While we understand you have identified an alternate property at 1714 Mission Drive, that property is not in the C-3 zone, and it is therefore ineligible to be used as a medicinal cannabis dispensary.
We regret that your application must be denied, but we thank you for your interest in serving the community.

We will be refunding your application and processing fee. Please allow deliver time of two weeks.

Sincerely,

Lisa S. Martin
City Clerk/Executive Assistant
City of Solvang
March 15, 2019

RE: Appeal from Rejection of Fristaden Wellness’s Application for City of Solvang Medical Cannabis Dispensary Regulatory Permit

Dear City of Solvang,

Fristaden Wellness ("Fristaden") is submitting this Appeal ("Appeal") from Rejection of Fristaden’s Application for a City of Solvang Medical Cannabis Dispensary Regulatory Permit (the “Application”). According to the rejection letter dated March 6, 2019, Fristaden’s Application was rejected for failure to meet the requirements of the City’s ordinance (the “Ordinance”) because Fristaden did not provide documentation indicating property owner consent (“Consent”) for a property located in the C-3 zone (the “Allowable Zone”). Fristaden voiced its initial concerns related to the City’s Ordinance restricting the location for a medical dispensary to the Allowable Zone in a cover letter submitted with Fristaden’s Application and enclosed herein for reference. Those concerns are reiterated in this Appeal.

The City’s Ordinance is an example of illegal spot zoning against public interest and also creates an impermissible monopoly over the City’s regulatory permitting process for establishing a medical dispensary within the City. See Foothill Communities Coalition v. County of Orange (2014) 222 Cal. App. 4th 1302, 1312; Wilkins v. City of San Bernardino (1946) 29 Cal.2d 332, 338-340. Because the Ordinance restricts the Allowable Zone to a single property located at 1210 Mission Drive (the “Property”), it is an example of illegal, unreasonable, arbitrary and discriminatory zoning, as well as an impermissible delegation of legislative power to a property owner (the “Landlord”) presumably not otherwise affiliated with the City’s governing body. See enclosed zoning map and overhead image showing the only Property located in the Allowable Zone. This Property was identified and referred to as “The Castle” by Planning Commissioner David Brents at the Planning Commission Meeting held July 2, 2018 during which the commission voted to recommend C-3 as the only Allowable Zone.

The Planning Commission’s Allowable Zone recommendation was not properly decided and the City’s decision to adopt the same was ill-advised. Planning Commission staff originally identified three zones as possible locations for a medical dispensary: PO, C-2 and C-3. The Planning Commission chose to recommend C-3 as the only Allowable Zone after a brief discussion during which it was decided that the PO zone was closer to more residences housing
children than C-3. The appropriateness of C-2 was never even discussed. Proximity to residences with children is not a proper consideration for rejecting the PO zone as an Allowable Zone. State law already mandates a 600 ft. set-back from schools to avoid the presence of children and the City has already included a 100 ft. set-back from residences within the Ordinance.

The Planning Commission’s recommendation was arbitrary and unreasonable, lacking in evidentiary support and seemingly intended to discourage rather than facilitate placement of a medical dispensary within the City. The Planning Commission’s position has been staunchly averse to allowing for any dispensary in Solvang and its Allowable Zone recommendation was made under duress and with, in the words of Commissioner Aaron Peterson at the July 9, 2018 City Council meeting, a figurative “gun to their head.” It therefore comes as no surprise that Planning Commission’s recommendation was unreasonable, arbitrary and invalid, as well as an impermissible delegation of legislative power to the Landlord.

Fristaden does not believe it was the City’s intention to delegate the entire medical dispensary permitting process to the Landlord. Unfortunately however, the City’s Ordinance does exactly that. Because obtaining Landlord Consent was a preliminary requirement to proceed forward in the application process, all decision-making authority was effectively delegated to the Landlord who singularly decided which applicant would meet the Consent requirement. Our recent communications with the City indicate such delegation was neither intended nor anticipated. The enclosed declaration by Raza Lawrence shows that the Landlord’s unexpected deviation from his intentions as originally communicated to the City has resulted in only one applicant meeting the Consent requirement.

Fristaden believes that the decision among medical retailer applicants should be made by the City as opposed to the Landlord. In order to remedy the unintended monopoly created by the spot zoning at issue, Fristaden implores the City to reconsider the Ordinance and accept otherwise completed applications that were rejected for failure to meet the Consent requirement. Such reconsideration by the City is both necessary and desirable to ensure the City’s ability to secure “the best representation of this type of business possible to come into Solvang” in accordance with Planning Director Holly Owen’s comments at the July 2, 2018 Planning Commission Meeting regarding implementation of a regulatory permitting process with a “ranking and rating system.” The City and community do not benefit from an unintended and distorted reduction of the applicant pool to a single applicant chosen at the Landlord’s discretion. The City should have the chance to rank and rate multiple proposals in order to determine the best representation for a medical dispensary in Solvang and delegation of such legislative power to the Landlord is improper. The doctrine prohibiting delegation of legislative authority “is well established in California . . . and precludes the delegation of the legislative power of a city.” See *Kugler v. Yocum* (1975) 69 Cal.2d 371, 375.

Fortunately, the City has already indicated a willingness to address the detrimental effects of nominating “The Castle” as the only viable dispensary location in Solvang. Fristaden appreciates
the City’s inclination to do so and looks forward to continued engagement with the City. We also look forward to addressing the City Council directly. Again, the first step toward remediating this unfortunate situation should be the City’s acceptance and consideration of project proposals from Fristaden and other applicants, all of whom have spent considerable time, money and effort attempting to meet all of the City’s application criteria.

Sincerely,

[Signature]

James Raza Lawrence, Esq.
Margolin & Lawrence
Attorneys for Fristaden Wellness
raza@margolinlawrence.com
(213) 309-2590
February 22, 2019

RE: City of Solvang Commercial Cannabis Retailer Application - Fristaden Wellness

Dear City of Solvang,

Fristaden Wellness ("Fristaden") is submitting its Commercial Cannabis Retailer Application (the "Application") to the City of Solvang (the "City") without the requisite property owner authorization (the "Authorization") for the property located at 1210 Mission Drive (the "Property"). After much back and forth between the Fristaden team and agents for the property owner ("Landlord"), Fristaden is informed that the Landlord has declined to sign the Authorization contained in Fristaden’s Medical Cannabis Permit Application. Fristaden is further informed that the Landlord intends to execute only one (1) Authorization to accompany the application of a prospective purchaser of the Property.

Fristaden is disappointed in this turn of events and implores the City to waive the Authorization requirement as it applies to the Property and accept applications that are otherwise complete. It is Fristaden’s view that the City’s current zoning restrictions have created an unintended monopoly over the application process by effectively placing all decision-making power into the hands of the Landlord. Fristaden believes that the decision among retailer applicants should be made by the City, not the Landlord.

Fristaden does not believe it was the City’s intent to receive and review only one (1) application according to the machinations of third parties and urges the City to accept and consider all otherwise completed applications pending a re-examination of its zoning ordinance. While Fristaden understands that the City’s zoning decisions are made with careful consideration, the City and community do not benefit from an unintended and distorted reduction of the applicant pool.

As an act of good faith, Fristaden has identified an alternative property located at 1714 Mission Drive ("1714 Mission"). The premises at 1714 Mission is a defunct banking facility with ample security features that following Fristaden’s retail build-out would be a discreet and tasteful addition to the City’s existing landscape. Fristaden began its search for an alternative property on
realizing that negotiations with the Landlord had stalled and offers the same as an accommodation to the City and in an attempt to meet all Medical Cannabis Permit Application requirements. Fristaden has opened negotiations with the property owner at 1714 Mission and is submitting a property owner authorization executed by the same.

Fristaden looks forward to continued engagement with the application process and is asking the City to go back to the drawing table in order to remediate the unfortunate situation at hand. A first step toward such remediation should be the City’s acceptance and consideration of project proposals from Fristaden and other applicants, all of whom have spent considerable time, money and effort attempting to meet all of the City’s application criteria.

Our firm specializes in the development of commercial cannabis businesses and has assisted clients in submitting cannabis related applications throughout California, as well as in other states. In general, owner authorizations are not required to be submitted at this stage of the application process and certainly not where zoning restrictions have resulted in only one site being available. We are more than happy to share our knowledge with the City and believe we can be helpful in offering some ideas and creative solutions to address the issues detailed herein. To that end, please contact us directly at your convenience.

Sincerely,

[Signature]

Tiffani Carrari, Esq.
(805) 714-3184
tiffany@margolinlawrence.com
HARD COPY VIA US POSTAL SERVICE

June 13, 2019

James Raza Lawrence, Esq.
Tiffany M. Carrari, Esq.
Margolin & Lawrence
8484 Wilshire Blvd., Ste. 440
Beverly Hills, CA 90211

Re: Notice of Time and Place of Appeal Hearing

Dear Mr. Lawrence and Ms. Carrari:

The purpose of this letter is to inform you of the time and place of the hearing on your Appeal of your client’s (Fristaden Wellness) Medical Cannabis Dispensary Regulatory Permit application disqualification, pursuant to Solvang Municipal Code §5-4-3-29.

Please be advised that the Appeal Hearing is set for August 26, 2019 at 6:30 p.m.

Sincerely,

David Gassaway
City Manager
City of Solvang
I. RECOMMENDATION:

Adopt Resolution No. 19-___ and give direction to Staff regarding the initiation of and details for a Building Department Amnesty Program, to be offered to customers for any construction work completed without the required permits.

II. DISCUSSION:

Under the City’s adoption of the International Building Code, the following is required:

109.4 Work commencing before permit issuance.

Any person who commences any work on a building, structure, electrical, gas, mechanical or plumbing system before obtaining the necessary permits shall be subject to a fee established by the building official that shall be in addition to the required permit fees.

In the case of Solvang, the fee for unpermitted work is $500.00 as listed under ‘Building Permits required’ in the City of Solvang Fees, Charges and Fines. This fee applies to both commercial and residential projects.
At the request of City Council, the Planning Director researched the potential of implementing a Building Department Amnesty Program for Solvang. Staff research identified a number of cities and counties that offer similar programs. Some of these programs are a month long, and others are of longer duration, or have come and gone and then revived at a later date.

The programs all have a common purpose, which is to provide property owners the opportunity to apply for permits for buildings, additions and remodels where unpermitted work has been done, without application of the penalty fee for unpermitted work. Unpermitted work may have happened through ignorance of the need for permits, or may have been done by a previous property owner, and the sale of the property may have revealed the unpermitted work. Unpermitted work can complicate real estate transactions and be a life and safety issue. An amnesty program provides incentive to correct unpermitted work in a supportive environment, with information available as to the scope of work needed to correct the issues.

In addition, amnesty programs provide opportunity to educate the public about building codes through outreach activities. This may be done through a class offered by the Building Department in conjunction with the Chamber or though the Small Business Administration. An open house/free information session with Building and Planning could also be offered. The cities that offer this amnesty program during the month of May (Building Safety month) often combine the amnesty program with educational opportunities.

The following items were components that the various programs had in common:

- All the programs studied waived the ‘investigation fee’ or ’penalty fee,’ which is set by the jurisdiction to be at least two times the value of the permit for permitted work (referenced in the Uniform Building Code), or any other fee identified in their fee schedule for work without a permit.
- Most programs included residential permits only, not commercial properties. An amnesty program for residential properties ensures that the value of that program serves residents and taxpayers of that city, not outside investors in commercial properties.

Attachment 2 shows some of the jurisdictions that offered an amnesty program and the various details associated with the programs.

For Solvang, an amnesty program would, for the identified time period, waive the $500.00 fee for work done without a permit. Staff recommends including a free inspection to determine the extent of the work done, if possible, and identify any health and safety issues caused by unpermitted work. Building permits will still be required to bring the unpermitted work into compliance.
Staff’s recommendation is to initiate a program for a trial period to gauge the demand for this service and assess the costs to offering these services. At the conclusion of the trial period, Staff will report the results of participation in the program back to City Council.

Council is free to choose the specifics of creating an amnesty program and to direct Staff to implement it at the time and the duration of their choosing. The services of the PIO will be utilized in communicating details of the program, and flyers, similar to Attachment 3 will be created for Solvang.

III. ALTERNATIVES:

1) Council could offer an amnesty program for the month of October 2019 as an experiment to measure the interest and response level from the community. It would also allow Staff to assess the resources needed to fulfill a program of this type. If successful, it could be offered again in May 2020 as part of a larger month of outreach dedicated to education about building safety.

2) Council could offer this program for a longer time period.

3) Council could limit the program to residential construction or expand it to commercial construction as well.

4) Council could also offer an inspection to ensure compliance with the building and safety code. This would give the applicant an assessment as to time and resources needed to bring the property into compliance.

5) Council could request a combination of any of the above alternatives.

6) Council could choose not to implement an amnesty program at this time.

IV. FISCAL IMPACT:

The building inspector’s hourly rate is $70.00 and an inspection at no cost to the applicant will be a cost to the City. The waiver of the $500.00 work without permits fee would be a fiscal impact. The usual building permit fees would apply for work undertaken as part of this program.

V. ATTACHMENTS:

1. Resolution 19-
2. Table of Selected Cities offering a Building Department Amnesty Program
3. Sample Informational Flyer for Amnesty Month (San Rafael)
RESOLUTION NO. 19-____

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF SOLVANG CREATING AN AMNESTY PROGRAM SPONSORED BY THE
BUILDING AND PLANNING DEPARTMENT

WHEREAS, a building permit and other permits are required in order to erect, enlarge or
structurally alter any building or other structure in the City of Solvang, and

WHEREAS, there currently exists an administrative citation fine in the amount of
$500.00 in the City of Solvang schedule of fees which is assessed if any of the above work is
performed without permits; and

WHEREAS, the City Council and the Building and Planning Department of Solvang
wish to encourage compliance with any and all permit requirements in the interest of maintaining
property values and safety; and

WHEREAS, the Planning Director has researched programs from other cities around the
United States that have offered programs to waive, for a specific time, penalty fees for any
construction work that was previously engaged in but was unpermitted; and

WHEREAS, the City Council has considered the recommendations of the Planning
Director and evaluated the options available to create an amnesty program to encourage
compliance with building permit requirements.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Solvang
hereby authorizes the Building and Planning Department to initiate an Amnesty program to
waive the $500.00 citation fine for any unpermitted work and to advertise the details of this
program to the residents and business community of Solvang.

PASSED, APPROVED, AND ADOPTED this 26th day of August, 2019, by the
following roll call vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

__________________________________
Ryan Toussaint, Mayor
ATTEST:

___________________________
Lisa S. Martin, City Clerk
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<th>Jurisdiction</th>
<th>Details</th>
<th>Duration</th>
<th>Type</th>
<th>Notes</th>
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<tr>
<td>San Rafael CA</td>
<td>Waive 2x permit fee</td>
<td>March 2019</td>
<td>Residential</td>
<td>N/A for current enforcement</td>
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<td>Clark County</td>
<td>Waiver of penalty fees</td>
<td>Ongoing, originally</td>
<td>Residential</td>
<td>N/A for current enforcement</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Building Safety Month</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>in May</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rye Brook, NY</td>
<td>Waiver of penalty fees</td>
<td>Started 2013, ongoing</td>
<td>Residential</td>
<td>N/A for current enforcement</td>
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<td>Pierce County (WA)</td>
<td>Waiver of penalty fees</td>
<td>November 2009-12</td>
<td>Residential</td>
<td>N/A for current enforcement; program offered when discovered by inspector</td>
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<td>Waiver of penalty fees</td>
<td>120 Days</td>
<td>Residential</td>
<td>N/A for Current enforcement; program offered when discovered by inspector</td>
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<td>Building Amnesty Program</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Hialeah, FL Building Relief Program</td>
<td>Waive 2x permit fee and 50% reduction for permit cost</td>
<td>3 years from 2018</td>
<td>Residential</td>
<td>Not for current enforcement; Building official determines time to completion of project</td>
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<td>Santa Cruz County</td>
<td>Participation results in low code</td>
<td>Ongoing</td>
<td>Residential</td>
<td>Must have been before January 2014</td>
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<td>enforcement priority, not waiver of penalty</td>
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<td>Butte County</td>
<td>60% permit fee fine waived</td>
<td>May 2013, May 2015</td>
<td>Residential/</td>
<td>N/A for current enforcement; Assignment of a staff member to assist property owners through application process</td>
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<td></td>
<td></td>
<td></td>
<td>Commercial</td>
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<td>Alameda</td>
<td>Waiver of penalty fees which are 4x regular fees</td>
<td>Ongoing</td>
<td>Residential</td>
<td>N/A for current enforcement; Have a year to correct unpermitted work, $210 inspection fee</td>
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<td>Ridgewood, NJ</td>
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<td>120 days (2015)</td>
<td>Residential</td>
<td>N/A for current enforcement</td>
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LEGALIZE UNPERMITTED WORK DURING RESIDENTIAL PERMIT AMNESTY MONTH

DO YOU HAVE UNPERMITTED WORK ON YOUR HOUSE?
ARE YOU PLANNING ON RESELLING OR REFINANCING?
NO PENALTY FEES!

MARCH 1, 2019 - MARCH 31, 2019

TYPICAL PROJECTS THAT REQUIRE PERMITS INCLUDE:

- Basement conversions and room additions
- Water heaters and water softeners
- Retaining walls over 48" in height
- Storage buildings and sheds larger than 120 square feet in area
- New electrical wiring for outlets and fixtures
- Gas lines for barbeques and other outdoor appliances; any gas appliance
- New plumbing lines (i.e. water, waste and vent)
- Remodels that include any mechanical, electrical, plumbing or new framing, insulation, windows
- Awnings and patio covers

Protect Your Investment!
Homeowners who take advantage of this temporary amnesty program will pay normal permit and applicable plan review fees to permit and legalize the unpermitted work. Investigative fees will not apply during this amnesty period. Please see the reverse of this handout or details.

For more information visit www.cityofsanrafael.org/building or call (415) 485-3367

City of San Rafael Building Division
cityofsanrafael.org/building | (415) 485-3367

1400 Fifth Avenue, San Rafael CA
City Hall, Third Floor
Office Hours: Monday - Thursday 8:30 am to 4:30 pm

Department of Community Development is waiving penalties for homeowners who come forward from March 1, 2019 through March 31, 2019 to resolve any building, electrical, plumbing or mechanical construction or repair work done to their homes without permits.

Work done without obtaining permits and inspections is an unlawful act per Title 12 of the San Rafael Municipal Code. Failure to obtain permits may result in the recording of a notice against the property or citing the owner with a misdemeanor. Notices recorded against your property and/or California disclosure laws, requiring disclosure of unpermitted work, could impact refinancing or any future sale of your property. Additionally, insurance companies may not cover any claims that originate from illegal work.
OVERVIEW

Work that was done without obtaining required permits is in violation of San Rafael’s Building Code and is considered illegally constructed work. So why would you put yourself through the City review process? In addition to peace of mind there are distinct reasons to do so:

- Legalization of non-permitted construction will assure that the work was done safely and meets minimum code.
- Future sale of the property may be adversely impacted. California’s disclosure laws require illegal work to be declared. See California Seller Real Property Disclosure Form.
- Increasingly banks and appraisers will not include non-permitted work for property value calculations.
- Projects not constructed to code can affect your home’s insurability.
- San Rafael Code allows a notice to be recorded against your property and administrative fees to become a lien if not resolved. Work without a permit can also result in a misdemeanor citation.
- You will sleep better.

PROCEDURES

Application for a permit is identical to applying for new work with one important exception. Is the work concealed or is all the work visible?

All work visible: Small projects such as most simple electrical, plumbing or electrical permits, water heaters, fences and reroofs. Start the permit application process and obtain a permit.

Work concealed: There are two options when permitting work that is not visible for inspection. The first is to expose the work prior to the inspection. If this is not feasible or financially prohibitive, the work can be certified by a third party. A licensed design professional such as an engineer, architect, and residential designer or a contractor licensed in the correct discipline may provide the certification.

Work Denied: There may be some projects that will be unable to obtain a permit. Setback violations, location in drainage ways or adding a second non-conforming residence are some of the reasons that may deny the project. A demo permit would then be required to bring the property into compliance.

FREQUENTLY ASKED QUESTIONS

Q. What projects are covered by amnesty?
Currently this program is for residential homes only including single family, duplexes, triplexes, and townhomes. Multi-family and apartments over three units and commercial properties are not included in this program at this time.

Q. Will my taxes increase if I permit this work?
The Marin County Tax Assessor generates their property valuations based on their own policy and procedures that include neighborhood reconnaissance and site evaluations of properties. San Rafael does share complaint and permit information with the Assessor to generate site inspections.

Q. Where are you located?
Our office is in City Hall, third floor, at 1400 Fifth Avenue, San Rafael, CA 94901

Q. How do I obtain a permit?
Please check our web site http://www.cityofsanrafael.org/building for the appropriate handout and application. If you have any questions, please call (415) 485-3367 and our staff will be able to assist you through the submittal process. There is a flow chart attached to this document for a typical permit process for work done without a permit.

Q. How long does it take to get a permit?
The time to get a permit issued varies. Some permits can be issued the same day, over the counter and others require that the plans be left for review.

Q. What type of work needs a permit?
Our adopted ordinance states: “The provisions of this code shall apply to the construction, alteration, movement, enlargement, replacement, repair, equipment, use and occupancy, location, maintenance, removal and demolition of every building or structure or any appurtenances connected or attached to such buildings or structures”. Please see San Rafael’s Title 12 for a list of work exempt from permits. See our FAQ on our web site at: http://www.cityofsanrafael.org/building

Q. Who may obtain a permit?
Licensed contractors and qualified homeowners.

Q. What happens if my improvement cannot be permitted?
In many cases, the work can be permitted, however there is a possibility that the work cannot be permitted because of workmanship, setback violations, location in drainage ways or adding a second non-conforming residence. In those cases, a demo permit would be required to remove the unpermitted work to bring the property into compliance.
I. RECOMMENDATION:

Review City Council Goals - Action Plans and provide feedback, direction, and authorization to proceed as desired.

II. BACKGROUND:

On June 22, 2019, the City Council held their annual goal-setting workshop to identify the Council’s major goals and other important goals. After the City Council workshop, the City Manager and Department Heads held a strategic planning retreat in July to develop and identify strategies to deliver on the City Council’s Goals.

III. DISCUSSION:

The attached Action Plan Document (Attachment 1) provides an overview of initiatives that seek to deliver on City Council goals starting in the current fiscal year. The Action Plan Document sets forth the City Council Goals precisely as established by the Council with numerical identifiers added to allow for clear identification of action plans for each goal:

Major Council Goals

1. Develop Fiscal Policies that Guide Use of City Resources
2. Determine Future Financial Needs and Required Revenues and Other Funding Sources (Including Reserve Requirements)

3. Develop and Evaluate Capital and Operational Options for New Water and Wastewater Treatment Services

Other Important Goals

4. Create a Master Plan for Solvang’s Future
5. Be More Effective by Doing More with Less
6. Enhance Walkability, Safety and Enjoyment of Public Streets and Spaces
7. Spruce Up Solvang Park and Make It More Useful for Events
8. Enhance Public Engagement

Determined by the City Council on June 22, each Goal also includes a broad statement providing guidance as to the intention of the Goal. Each City Council Goal is a separate section in the Action Plan Document. Each section states the Goal followed by the guiding text.

Following each Goal title and description statement, Staff identified individual actions, provided as sub-numbered lists that help clearly identify specific initiatives for the coming year. For example, Goal 1.A identifies the development of specific policies that guide the use of City resources. To help further identify sub-tasks, Goal 1.A.1 states that a Fiscal Policy will be developed and presented to the City Council for consideration that guides the future Strategic Goal setting process and Financial Plan Development. In other words, the City Council will be presented with a policy stating the City will utilize a strategic goal setting process, similar to that of June 22nd. The Strategic Goal setting process will allow the Council to identify their strategic direction and priorities ahead of the budget adoption process. These priorities will provide guidance and direction for staff in development of the next financial plan (budget).

Under the specific actions identified within each section, the Action Plan Document provides a table that shows the estimated timeline to deliver each of the action and (and sub-tasks), along with an estimated cost for the task. Some Goals, actions, and sub-tasks Staff anticipates to be performed in-house, with Staff time only. Other Goals identify a cost associated with the tasks and sub-tasks when outside consulting or expertise is required to efficiently deliver on the overall Council Goal.

The Action Plan Document also provides a timeline ‘Gantt-chart’ to identify timing to complete or initiate each of the actions within the Fiscal Year. This provides an
at-a-glance view for the Council and the public to understand when we anticipate substantial completion of each action plan.

Future Staff Reports and Agendas

City Council previously asked for modifications to Staff Reports and Agendas to more clearly identify items responsive to the Council Goals. Staff modified the Staff Report structure to include a section at the beginning of the report identifying the Council Goal the item delivers on (Attachment 2). Under the new template, the Staff Report clearly identifies how the item for Council consideration responds to specific Council Goals based on the Action Plan Document.

To create the revised Staff Report layout, Staff researched close to 20 cities’ staff reports to create a best practice template that shows Council Goal alignment directly after the Recommended Action.

In addition to the revised Staff Report template, the City Council Agenda format will include a new section dedicated to Council Goals (Attachment 3). Under the new Agenda format, a new section for Council Goals Agenda is added after the Consent Agenda for any item that specifically responds to Council Goals identified in the Action Plan Document. This helps identify for the Council and public agenda items specific to Council Goals.

Starting with the City Council meeting on September 9, 2019, all published Agendas and Staff Reports will utilize the new templates to show how items for Council action or consideration implement the City Council Goals.

Overall Timeline

Attachment 4 provides an overall timeline for delivery of Council Goals. The format aggregates the individual goal Gantt-charts for an at-a-glance look at the coming Fiscal Year. Staff utilized this format to ensure that all Council Goals can be delivered in reasonable timeframes within the year. Three primary considerations led to the timeframes delivered for each Goal task and sub-task:

1. The estimated time necessary to complete the Staff work to complete the task
2. Appropriate sequence of events
3. City Council regular meetings schedule

Overall, Staff wants to provide the City Council with high-quality work products that provide the analysis necessary for the Council to make informed decisions. Additionally, Staff recognizes that there are limitations to how many discussions and decisions are possible within a bi-weekly meeting schedule. In other words,
having too many tasks scheduled within the same timeframe creates an unrealistic expectation for public input and decision.

Overall Summary

The Action Plan Document is intended as a living document to deliver on City Council’s Goals. On June 22nd, the City Council set a bold and intelligent vision for Solvang 2.0. Staff acknowledges we cannot know all of what City Council intended based on a one-day goal setting workshop. Therefore, Staff seeks City Council input, discussion, and direction on the Action Plan Document to insure that the priority focus of Staff efforts delivers on the City Council’s intent.

Staff recommends that the Council review the Action Plan Document and provide specific feedback on Staff’s understanding of the Goals, proposed actions and sub-tasks, and timeframes to clearly set expectations and desires.

IV. **FISCAL IMPACT**

If the City Council directs staff to proceed with the Action Plans as proposed, the total fiscal impact is $3.11 million. The fiscal impact detail is provided in Attachment 5. The two largest cost components are the engineering for the Wastewater Treatment Plant Project ($1.175 million) and Sunny Field Park Playground improvements ($670 thousand). These two projects represent $1.845 million of the total $3.11 million, or nearly 60%.

On June 24th 2019, the City Council adopted the budget for Fiscal Year 2019-20. The total General Fund budget Surplus (Revenue over Expenditure) for Fiscal Year 2019-20 was $915 thousand. Following budget adoption, the City Council reduced the contracts for the Solvang Conference and Visitor’s Bureau from $600 thousand and the Chamber of Commerce from $150 thousand to current temporary contracts of $26 thousand and $37.5 thousand respectively.

The reductions in funding for the CVB and Chamber create an additional $686 thousand current projected surplus. This brings the total surplus to more than $1.6 million. The General Fund surplus could provide available funding for the City Council Goals as presented, minus the Wastewater Treatment Plant engineering and Sunny Fields Park Playground improvements.

V. **ATTACHMENTS:**

1. City Council Goals Action Plan Document
2. Sample Staff Report Template
3. Sample Council Meeting Agenda
4. At-a-Glance Goal Timeline
5. Fiscal Impact Summary by Goal
SOLVANG CITY COUNCIL
GOALS & ACTION PLAN

Goal

1. DEVELOP FISCAL POLICIES THAT GUIDE USE OF CITY RESOURCES

2. DETERMINE FUTURE FINANCIAL NEEDS AND REQUIRED REVENUES AND OTHER FUNDING SOURCES (INC. RESERVE REQUIREMENTS)

3. DEVELOP AND EVALUATE CAPITAL AND OPERATIONAL OPTIONS FOR NEW WATER AND WASTEWATER TREATMENT OPTIONS

4. CREATE A MASTER PLAN FOR SOLVANG’S FUTURE

5. BE MORE EFFECTIVE BY DOING MORE WITH LESS

6. ENHANCE WALKABILITY, SAFETY, AND ENJOYMENT OF PUBLIC STREETS AND SPACES

7. SPRUCE UP SOLVANG PARK AND MAKE IT MORE USEFUL FOR EVENTS

8. ENHANCE PUBLIC ENGAGEMENT
Develop fiscal policies that guide use of City resources. Ensure that financial stability and fiduciary oversight systems are in place in ways that provide residents and businesses with the security that the City is thriving.

LEAD DEPARTMENT: Administrative Services

ACTION PLAN:

A. Ensure that the City of Solvang is fiscally sustainable by developing fiscal policies that guide the use of City resources and set forth Council guiding principles for decision making:

The policies will ensure that the Council considers fiscal sustainability impacts when making future decisions in the areas of 1) strategic planning and financial plans development, 2) economic development, 3) land use and long-range planning, 4) community development, and 5) investment in infrastructure. The following policies will be developed and presented for Council consideration.

1. Strategic Goals & Financial Plan Development
   a. Strategic & Long-Term Financial Planning (see Goal 2.A)
   b. Budget Process

2. Long-Term Financial Planning
   a. Balanced Budget
   b. Fiscal Forecast
   c. Fund structure and use of revenue
   d. Capital Improvement Program
      i. Capital Asset Management
      ii. Capital Planning
      iii. Economic Development & Capital Improvement Program Integration
      iv. Master Plans and Capital Improvement Planning
      v. Technology in Capital Improvement Planning

3. Economic Development
   a. Incentive Policy
      i. Goals and Objectives of Economic Development
      ii. Financial Incentive Tools and Limitations
      iii. Evaluation Process
   b. Monitoring Economic Development Performance
   c. Public Private Partnerships
4. Revenue diversification
   a. Tax levels
   b. Cost recovery

5. Use of debt
   a. Factors favoring long-term financing
   b. Debt financing revenue source
   c. Debt Capacity

6. Management of Unfunded liabilities
   a. CalPERS
   b. OPEB
   c. Infrastructure

7. Reserve requirements
   a. General Fund
   b. Enterprise Funds
   c. Capital Improvement Program
   d. Internal Service Fund

B. Ensure that fiduciary oversight systems are in place by establishing fiscal operating policies and controls in the areas of 1) budgeting, 2) procurement, and 3) accounting -- to safeguard the City’s assets and ensure efficient use of the City resources. The following policies will be developed and brought for Council consideration:

1. Financial Management
   a. Service Levels evaluation & alternative service delivery (see Goal 5.A)
   b. Risk Management
   c. Grants Management
   d. Procurement
   e. Contracts Management

2. Budget Monitoring
   a. Revenue
   b. Expenditure
   c. Performance Measurement

3. Budget Control
   a. Budget control authority
   b. Budget amendments

4. Accounting & Financial Reporting
   a. Auditing
   b. Cost Accounting
   c. Accounting Procedures
   d. Internal Controls
   e. Financial Reporting
**Italics/bold** represent unbudgeted items.

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Goal 2 – DETERMINE FUTURE FINANCIAL NEEDS AND REQUIRED REVENUES AND OTHER FUNDING SOURCES (INCLUDING RESERVE REQUIREMENTS)

Update long-term financial needs including capital improvement plan, prioritize items for revenue generation and expense savings, and establish funding strategies (including Public Private Partnerships, JPAs, etc.) and reserve targets.

LEAD DEPARTMENT: Public Works and Administrative Services

ACTION PLAN:

A. Update financial forecasts for operating funds (General Fund, Water Fund, and Wastewater Fund) and Capital Improvement Program based on current revenue and expenditure trends, historic data analysis, economic outlook and known capital improvement needs (including reserve targets).

B. Complete or initiate infrastructure/capital needs assessments (master plans):

2. Solvang WWTP Alternatives and Additional Analysis - Completed August 2019
3. Solvang Pavement Management System Update (road pavement capital needs assessment)
4. SBCAG Santa Ynez Valley Bicycle Master Plan (with conceptual cost estimates)
5. Solvang Storm Drain Master Plan
6. Solvang Public Parking Study
7. Facilities Master Plan
8. Sewer Collection System Master Plan
9. Water System Master Plan

C. Evaluate ongoing operating needs (See Goals 1 & 5)
D. Prioritize items for revenue generation by developing economic development strategy and evaluating revenue levels.

1. Develop Economic Development Strategy (See Goals 1.A & 4)

2. Evaluate revenue levels to determine whether the tax levels and fee cost recovery rates are set at the appropriate level to meet the City’s financial needs as well as promote healthy economic growth

E. Establish funding strategies

1. Explore feasibility of Public Private Partnerships (PPP) and Joint Powers Authorities (JPA)

2. Explore grant programs

3. Explore debt financing and land-use financing options

4. Explore options to raise tax rates, increase cost recovery through fees, and new revenue streams

*Italicics/bold* represent unbudgeted items.

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Goal 3 – DEVELOP AND EVALUATE CAPITAL AND OPERATIONAL OPTIONS FOR NEW WATER AND WASTEWATER TREATMENT SERVICES

Look at range of options -

A. Pursue MBR with recycled water (Council decisions).
B. Determine sequencing - all at once, phasing, etc. and financing structures.
C. Decide about owning, operating, or working with another district (regional), Solvang owns (outsources operations), Solvang outsources entirely - pros and cons and next steps.

LEAD DEPARTMENT: Public Works and Administrative Services

ACTION PLAN:

A. Pursue MBR with Recycled Water (Alternative 3 identified as preference August 12, 2019):
   1. Complete WWTP Alternatives Analysis (3 alternatives including MBR) - Completed July 2018
   2. Acquire additional land required for WWTP Water Quality Project
   3. Complete WWTP Water Quality Project engineering work and environmental review (ON HOLD) (See Goal 3.C.2)
   4. Pursue feasible grant opportunities

B. Determine Sequencing and Financing Structure:
   1. Complete analysis of two additional WWTP alternatives (phasing options for the preferred MBR alternative) - Completed July 2019
   2. Evaluate sewer rate impact of WWTP alternatives, and financing options - Completed August 2019
   3. Sewer Rate Study
      a. Update financial model from last rate study performed in FY 2016-17 with up to date expenditures
b. Use the model to develop estimated rates for Alt 3 & Alt 4 assuming both 20 and 30 year revenue bond financing options

c. Issue an RFP, select consultant, and perform Sewer Rate Study as part of the required Proposition 218 process

4. Develop funding and financing strategy
   a. Wastewater rates only
   b. Subsidy from General Fund
   c. Grants
   d. Financing options

C. Evaluate Operational Options:

1. Develop draft Scope of Work for Water & Wastewater Consolidation Concept Study - Completed August 2018

2. Request proposal from SYCSD to operate Solvang wastewater treatment plant and sewer collection system and assist SYCSD in collection of information required to submit a proposal

3. Request participation in Water & Wastewater Consolidation Concept Study and complete Study (regional water & wastewater district)

4. Pursue/evaluate contingency plans as necessary
   a. Joint powers agency with SYCSD? ID#1? Buellton?
   b. Contract with SYCSD? ID#1? Buellton?

**Italics/bold** represent unbudgeted items.

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Goal 4 – CREATE A MASTER PLAN FOR SOLVANG’S FUTURE

Preserve and build upon Danish heritage and pursue vibrant ways to update the City and create compelling experiences for residents and visitors that generate revenues to support and enhance City services.

LEAD DEPARTMENT: City Manager, Administrative Services and Planning Department

ACTION PLAN:

A. Explore options to streamline and make more transparent the functions of the Board of Architectural Review and Planning Commission in developmental review:

1. Explore merger of Board of Architectural Review and Planning Commission
   a. Consider opening up applications to Santa Ynez Valley area to increase pool of specialized candidates with architectural or design professional experience
   b. Analyze comparator cities for structure and process to identify working alternatives: size, schedule, meeting cost, level of expertise, other variables
   c. Consider hiring a design professional to advise the potential new review body, if sufficient design experience cannot be accommodated on the board

B. Consideration of Conference Center – Veterans Hall Hotel/Conference Center (highest priority in Master Plan)

1. Issue RFP to hire planning and design firm to engage community in update of Community Design Element to develop a Master Plan to include new “vibrancy” districts, determine options for highest and best use of Veterans Hall and adjoining properties, and update of Design Guidelines (incorporate Goals 6A, 7B and 4.B.2)

2. Develop a specific plan, looking at a conference center and incorporating the Veterans Hall as a component of a hotel/conference center
   a. Utilize consultant for community visioning process in creating options for a specific plan overlay zone on the Veterans Hall and adjoining properties
   b. Investigate alliances with Danish corporations for possible Public Private Partnerships as a tie-in to the specific plan (e.g., Lego, American Valve Company (AVK), Carlsberg, etc)
C. Identify opportunities to diversify future revenue:

1. Develop Economic Development Strategy
   a. Identify commercial opportunity sites by mapping within the City spending and tax data overlaid with property ownership or other significant variables
   b. Review options for lease, or a public/private partnership for sale of City-owned properties
   c. Analyze seasonality of tourist traffic and impact/effectiveness of selected events in the past
   d. Investigate options to attract high-tech industries

2. Research and create a ‘retail to restaurant’ program to assist applicants with this specific change of use

D. Create and analyze options for future west end of City, including pros and cons, regarding uses for economic and infill development, urban growth boundary, sphere of influence and annexation issues:

1. Review financial data from annexation study which assigned land use values for different scenarios

2. Work with Save Our Solvang to research Urban Growth Boundary, Sphere of Influence, and Annexation issues

3. Under Master Plan, issue RFP for high-level analysis and community engagement relating to westerly SOI area for potential annexation and determination of revenue generating land use scenarios
   a. Explore potential effects of Fjord extension, including land use options (See Goal 6)

E. Explore opportunities for implementing smart city approaches:

1. Purchase and implement new Permitting Software for Planning/Building, Special Events, Code Enforcement, Business Licensing (See Goal 8)

2. Analyze business activity within Solvang to develop data driven economic development strategy and key performance metrics using:
   a. MasterCard or similar consumer spend data
   b. TOT & Sales tax data
   c. Research purchase and installation of license plate reader technology to assist in traffic counts, traffic flow studies, source of tourist origin, and law enforcement (See 6.B.2)
   d. Property ownership/turnover
**Italicics/bold** represent unbudgeted items.

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Goal 5 – BE MORE EFFECTIVE BY DOING MORE WITH LESS

Reduce and contain City Hall operating expenses to be a best practice financial model for small city governments. Possible solutions: identify outsourcing opportunities; technology options, and analyze staffing and internal systems to meet critical demands efficiently and effectively and restructure accordingly.

LEAD DEPARTMENT: City Manager

ACTION PLAN:

A. Create and implement policy to ensure cost effective City operations:

   1. Implement standard management practices to review vacant positions to determine conditions precedent for:
      a. Workload assessments for eliminating vacant positions; or
      b. Changing positions or job descriptions to meet current service needs; or
      c. Contracting for services

B. Undertake organizational effectiveness assessments:

   1. Analyze historical personnel expenditure trends
   2. Analyze City staffing levels and costs as compared to other cities
   3. Assess divisional operations and current workload and capacities:
      a. Public Works and Parks Maintenance
      b. Planning and Building
      c. Waste Water Treatment and Collection
      d. Water Systems Maintenance and Operations
      e. Administrative Services

C. Analyze program delivery structures:

   1. Restructure cost center accounting
   2. Review and identify opportunities for regional partnerships for joint service delivery that produces program cost savings:
      a. Building Department Services
b. Wastewater Enterprise (See Goal 3.C.2)
c. Water Enterprise (See Goal 3.C.3)
d. Recreation Programming

3. Improve organizational development program:
   a. Research and structure a pay-for-performance system
   b. Develop employee training programs
   c. Evaluate and modernize Human Resource policies and practices

4. Measure performance and outcomes through workload measures and assessment of alternative means of service delivery

*Italicics/bold* represent unbudgeted items.

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Goal 6 – ENHANCE WALKABILITY, SAFETY AND ENJOYMENT OF PUBLIC STREETS AND SPACES

A. Explore ways to get traffic into parking garages in strategic locations so that people enjoy walking and shopping through town.

B. Analyze data about transits through Solvang.

C. Examine opportunities for traffic calming, dealing with bypasses, etc. (plan to participate and build upon SBCAG Study in next fiscal year).

D. Conclude consideration of Santa Ynez Valley Bicycle Master Plan.

LEAD DEPARTMENT: Public Works and Parks and Recreation

ACTION PLAN:

A. Parking Garages:
   1. Complete or initiate the following actions:
      a. Public Parking Capital Needs Assessment (See Goal 2.B.7)
      b. Explore wayfinding options for vehicles and pedestrians to channel traffic away from pedestrian paths

B. Transits through Solvang:
   1. Implement vehicle, pedestrian and bicycle counts (quarterly? annually? OR)
   2. Research purchase and installation of Automated License Plate Reader (ALPR) technology to assist in traffic counts, traffic flow studies, source of tourist origin, and law enforcement. (See Goal 4.E.4)

C. Traffic Calming and Bypasses:
   1. Complete or initiate the following actions:
      a. Viborg, Fredensborg Canyon & Chalk Hill Traffic Calming Study and measures
      b. Traffic Calming Study for additional Solvang neighborhoods?
      c. Participate in SBCAG Santa Ynez Valley Traffic Circulation & Safety Study
      d. Partner with SBCAG to evaluate bypass options under their regional planning
   2. Pursue additional flashing beacon crosswalks along Mission Drive at First Street and Fourth Place
D. Santa Ynez Valley Bicycle Master Plan:

1. Consider adoption of SBCAG Santa Ynez Valley Bicycle Master Plan (See Goal 2.B.4)

2. Add pump track in Hans Christian Andersen Park (See Goal 7.C.1)

*Italic/bold* represent unbudgeted items.

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Solid bar represents estimated time of completion. Hashmark bar represents on-going.
Goal 7 – SPRUCE UP SOLVANG PARK AND MAKE IT MORE USEFUL FOR EVENTS

Potential cost savings through consolidation, shared services, etc., roll into Solvang Master Plan potential opportunity for miniature Tivoli (eat, shop, amuse), including public private partnerships and upgrading of parks to enhance Solvang feel.

LEAD DEPARTMENT: Parks and Recreation

ACTION PLAN:

A. Explore potential cost savings through consolidation, shared services, etc.:
   1. Outsource janitorial duties for Solvang Park, Hans Christian Andersen Park and Sunny Fields

B. Coordinate with the Solvang Master Plan (See Goal 4.B.1) opportunity for a miniature Tivoli (i.e. eat, shop, amuse):
   1. Create conceptual uses and drawings converting Parking Lot 2 to a more user friendly area with gathering spaces, public seating, and new restaurants with outdoor café-style seating

C. Explore the possibility of public private partnerships:
   1. Partner with a local bike club or bicycle shop in the fundraising and eventual construction of a bicycle pump track in Hans Christian Andersen Park
   2. Explore other biking improvements within the parks system
   3. Explore opportunities for the construction of pickleball courts in Hans Christian Andersen Park

D. Upgrade the parks to enhance the Solvang feel and experience:
   1. Re-design Solvang Park to better serve the community, visitors and benefit special events. Improvements include, but are not limited to:
      a. Building a new gazebo on the west end of the park nearer the restrooms, including an A/V (audio/visual) room to help administer concerts and other special events and various uses of the gazebo
      b. Relocating the Christmas tree planter closer to the corner of First Street and Mission Drive
      c. Constructing a new European style gathering space of decorative concrete, brick or pavers in a circular form around the new Christmas tree, plus installing a new
walking path connecting the existing sidewalk along Mission Drive in the middle of the park past the new gathering space to the sidewalk on First St near the southeast end of the park
d. Relocating the bust statue of Hans Christian Andersen to the northeast corner of the park as a new welcoming entrance landmark
e. New bench seating throughout the park in strategic locations
f. New tree plantings for additional shade on the west end while keeping a large open space for a different variety of seasonal and special event use purposes

2. Hire design firm to create a professional rendering of the above improvements with scaling and precise locations.

E. Repair or replace playground in Sunny Fields Park in response to a recently completed professional playground audit and safety inspection

*Italics/bold* represent unbudgeted items.

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Solid bar represents estimated time of completion. Hashmark bar represents on-going.
Goal 8 – ENHANCE PUBLIC ENGAGEMENT

Boost branding and public information, including use of web resources, to enhance outreach for more engaged residents and tourists.

LEAD DEPARTMENT: City Manager

ACTION PLAN:

A. Update website:

1. Short-term – review City website to identify improvements Staff can make in-house with current content management system and website design

2. Long-term – assess options for substantive website update utilizing public sector website best practices and utilizing more online self-service capabilities to enhance customer service for residents and businesses

B. Continue to improve the budget document:

1. Update and improve upon financial forecasts as part of budget decision process (See Goal 2.A)

2. Implement City Council Goals into document and link expenditures to identified Goals

3. Utilize workload measures to identify how expenditures impact public services provided

4. Improve narrative details of departments, service programs, and financial policies as created under City Council Goal 1

5. Explore online technology to provide interactive budget and expenditure information online

C. Establish PIO program for improving public communications:

1. Research current City communication practices and programs

2. Create communications plan for ensuring routine distribution of information to public including, but not limited to:
   a. Digital communications: website, e-news, social media, mobile
   b. Printed communication: letters, flyers and newsletters
c. Media: training, relations, database, e-newsletter, press releases  
d. Media & Public Communication: advertising, press releases, calendars  
e. Events: community workshops, promotions of City events  
f. Branding and brand consistency  

D. Research and implement use of technology to provide greater public input on City policy considerations:

1. Utilize online voting and engagement tool to seek broad community input for stabilizing water & wastewater rates, park improvements, and economic development priorities  

E. Create community engagement process to identify long-term strategic priorities for the community and develop a 2-year budget cycle that implements strategic priorities.  

F. Council Chamber Remodel:

1. Update Council Chambers for better audience viewing and presentation capabilities  
2. Review safety improvement options  
3. Review cosmetic update options  

G. City brand identity update:

1. Ensure use of City brand standards across mediums to create uniformity in communications  
2. Explore options for City rebranding campaign to update  

*Italic/bold* represent unbudgeted items.  

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RECOMMENDATION:

That the City Council discuss and provide staff direction on the Action Plan developed by City management staff as a strategic plan to achieve the Goals established by Council on June 22, 2019.

ALIGNMENT WITH COUNCIL GOALS:

This agenda item aligns with all City Council goals established on June 22, 2019.

BACKGROUND:

DISCUSSION:

ALTERNATIVES:

FISCAL IMPACT:

ATTACHMENTS:
REGULAR MEETING OF THE SOLVANG CITY COUNCIL

COUNCIL CHAMBERS
1644 OAK STREET

____________, 2019

6:30 PM

Please be advised that, pursuant to State Law, any member of the public may address the Council concerning any item on the Agenda. Please be aware that Items on the Consent Calendar are considered to be routine and are normally enacted by one vote of the Council.

If you wish to speak regarding an item on the Consent Agenda, please do so during Public Communications.

Regular City Council meetings are broadcast live on Channel 23 in the Santa Ynez Valley, and stream live on the City’s website at www.cityofsolvang.com/City Council

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

1. PUBLIC COMMUNICATIONS – WRITTEN OR VERBAL

2. CITY MANAGERS REPORT & ADVANCE CALENDAR
   Informational Report and Calendar – No Action

3. SPECIAL CITY AUDITOR’S REPORT
   Informational Report – No Action

4. CONSENT AGENDA

5. COUNCIL GOALS AGENDA
   Agenda Items

6. REGULAR BUSINESS AGENDA
   Agenda Items
7. COUNCIL MEMBER AB1234 AND COMMITTEE REPORTS (Oral reports: Each Council Member will give oral reports on their activities in relation to the following committee or agencies. In addition, each member may report on items that will be included on the agenda for such committee or agency and seek guidance from the Council as a whole on such items, including on what position to take on behalf of the City)

- Santa Barbara County Association of Governments
- Air Pollution Control Board
- Joint Wastewater Committee
- Chumash Ad Hoc Committee
- Library Ad Hoc Committee
- EMA Groundwater Sustainability Agency
- Water Ad Hoc Committee
- Economic Development Ad Hoc Committee

8. COUNCIL COMMENTS AND REQUESTS
   Comments and requests from City Council Members. No action will be taken at this meeting.

9. ADJOURNMENT

Copies of staff reports and supporting documentation pertaining to each item on this agenda are available for public viewing and inspection at City Hall, 1644 Oak Street, Solvang, during regular business hours and on the City’s website www.cityofsolvang.com, in addition, any writings relating to an open session agenda item provided to a majority of the Council that is distributed within 72 hours of the meeting, after the posting of the agenda, will be identified and available separately at City Hall and may be posted to the website.

In Compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, you should contact the office of Administrative Services at 688-5575 or the California Relay Service. Notification 48 hours prior to the meeting would enable the City to make reasonable arrangements to ensure accessibility to this meeting.
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- **Ongoing**: Ongoing
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TBD: To Be Determined
### GOAL 2: Determine Future Financial Needs and Required Revenues and Other Funding Sources (Including Reserve Requirements)

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<td><strong>GOAL 2 TOTAL</strong></td>
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### GOAL 3: Develop and Evaluate Capital and Operational Options for New Water and Wastewater Treatment Services

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<tr>
<td>3.A.3</td>
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### GOAL 4: Create a Master Plan for Solvang's Future

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<tr>
<td>4.B.1</td>
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### GOAL 6: Enhance Walkability, Safety and Enjoyment of Public Streets and Spaces

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<td>6.A.1.b</td>
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<td>6.A.1.c</td>
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</table>
| 6.B.1 | $50,000 | *(high end of estimate used here)*
| 6.C.1.b | $30,000 | *(high end of estimate used here)*
| 6.C.1.d | $75,000 | *(high end of estimate used here)*
| **GOAL 6 TOTAL** | **$290,000** |

### GOAL 7: Spruce up Solvang Park and Make it More Useful for Events

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| 7.A.1 | $75,000 | *(annually) - offset by labor cost reductions*
| 7.C.1 | $70,000 | *(high end of estimate used here)*
| 7.C.3 | $50,000 |
| 7.D.1 | $50,000 | *(high end of estimate used here)*
| 7.F | $670,000 | *(high end of estimate used here)*
| **GOAL 7 TOTAL** | **$840,000** |

### GOAL 8: Enhance Public Engagement

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| 8.A.2 | $75,000 | *(high end of estimate used here)*
| 8.B.5 | $15,000 | *(plus unknown ongoing license)*
| 8.C | $25,000 |
| 8.D | $5,000 |
| **GOAL 8 TOTAL** | **$120,000** |

**GRAND TOTAL ALL GOALS** | **$3,110,000**