

**CITY COUNCIL MEETING
TUESDAY, MAY 7, 2019**

**DOCUMENTS RECEIVED
AFTER PUBLISHED AGENDA**

ITEM #9 – LB 19-023

**APPROVAL OF ROUND 1, TIER 2 COMMERCIAL
CANNABIS PERMITS FOR CANNABIS
CULTIVATION, MANUFACTURING,
DISTRIBUTION, DELIVERY, AND
MICROBUSINESSES**

E-MAIL FROM CITY MANAGER KELLY MCADOO

From: Kelly McAdoo <Kelly.McAdoo@hayward-ca.gov>

Sent: Friday, May 3, 2019 3:31 PM

To: List-Mayor-Council <List-Mayor-Council@hayward-ca.gov>

Cc: Miriam Lens <Miriam.Lens@hayward-ca.gov>; Michael Lawson <Michael.Lawson@hayward-ca.gov>; Maria Hurtado <Maria.Hurtado@hayward-ca.gov>; Jennifer Ott <Jennifer.Ott@hayward-ca.gov>; John Stefanski <John.Stefanski@hayward-ca.gov>; Laura Simpson <Laura.Simpson@hayward-ca.gov>; Jeremy Lochirco <Jeremy.Lochirco@hayward-ca.gov>

Subject: For 5/7 Council Meeting: Council Memo for Cannabis Applications

Good afternoon Mayor and Council,

In anticipation of Tuesday's legislative business item for Commercial Cannabis Permits, please find attached a brief memo and link to a sharepoint folder with all of the Tier 2 redacted applications for your review. Staff will be uploading these to the City's website over the next week.

Please let me know if you have any questions or have any issues accessing the files.

Kelly

Kelly McAdoo

City Manager

City of Hayward | 777 B Street | Hayward, CA 94541

☎ Phone: 510.583.4305 | Fax: 510-583-3601 | * Email: kelly.mcadoo@hayward-ca.gov





DATE: May 3, 2019

TO: Mayor and City Council

FROM: City Manager

THROUGH: Deputy City Manager

SUBJECT: LB 19-023 Supplemental Information: Redacted Tier Two Commercial Cannabis Application Files

RECOMMENDATION

That Council receives this memo accompanying agenda item #15, LB 18-032, regarding the applications of Round 1, Tier 2 Commercial Cannabis Permit applications

DISCUSSION

The City Council will be considering awarding eight Commercial Cannabis Permits under Legislative Business Item 18-032 for Tuesday's Council Meeting.

The redacted applications for these businesses are available for viewing at the following Sharepoint file: https://haywardca.sharepoint.com/:f:/s/group-cm/EqdpLbMgVr1MihtsHM5Gf18BOZzm_bmhDrMWgjGfdndXTQ?e=hQHqe5

This file includes the applications for the following businesses:

Applicant Name	Type	Interview	Recommendation
Baldwin Partners LLC	Distribution	No Interview	Withdrew
Hayward Industrial Operations	Distribution	No Interview	Withdrew
Doja Dash	Microbusiness	No Interview	Withdrew
BAS Research	Manufacturing	03/25/2019	Award Permit
Empress Extracts	Manufacturing	03/25/2019	Award Permit
Gupreet Singh	Manufacturing	03/25/2019	Award Permit
CBRA, Inc.	Delivery	03/26/2019	Award Permit
Meristematic, Inc.	Cultivation	03/26/2019	Award Permit
Mijosa, LLC	Distribution	03/26/2019	Award Permit
Always <u>On</u> Time Consulting	Microbusiness	04/02/2019	Award Permit
Precision Apothecary	Microbusiness	04/02/2019	Award Permit
Cypress Ventures	Manufacturing	03/25/2019	No Permit
MDLM Consulting	Microbusiness	04/02/2019	No Permit

Staff will be uploading these files to our website over the next few days. Please let the City Manager know if you have any issues accessing the files.

Recommended by: John Stefanski, Management Analyst II

Approved by:

A handwritten signature in black ink, appearing to read 'K. McAdoo', written over a horizontal line.

Kelly McAdoo, City Manager

AGENDA QUESTIONS & ANSWERS

Item 5

AGENDA QUESTIONS & ANSWERS

MEETING DATE: May 7, 2019

Item # 5: [CONS 19-263](#) Professional Services Agreement with Advanced Mobility Group, Inc.: Approval of Amendment No. 2 to Increase the Total Agreement Amount to \$267,500 and Appropriation of Funds

\$145,000 to review the Foothill/D intersection seems excessive. We have tried many times to adjust that intersection timing to make it more efficient. At some point it seems more logical to invest our time and money elsewhere. For example, on increased funding for citywide traffic calming measures.

This effort would address more than just signal timing. It would also examine potential geometric changes that could be implemented to address safety concerns. That being said, as stated in the staff report, the funding request is only partially for the Foothill/D analysis (which is about \$45,000). The balance of the funding is to retain the City's on-call services contract with AMG until the end of the calendar year.

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MICROBUSINESSES**

E-MAIL FROM ASH COLE

From: Ash Cole < >

Sent: Monday, May 6, 2019 10:30 PM

To: List-Mayor-Council <List-Mayor-Council@hayward-ca.gov>; Kelly McAdoo <Kelly.McAdoo@hayward-ca.gov>; Michael Lawson <Michael.Lawson@hayward-ca.gov>

Cc: HaywardPDNarcs <HaywardPDNarcs@hayward-ca.gov>

Subject: Commercial Cannabis Violations

CAUTION: This is an external email. Do not click on links or open attachments unless you know the content is safe.

Please see the attached document for more information regarding the Legislative Business for the May 07, 2019 Agenda.

We have included all corresponding parties in this e-mail to ensure full transparency and accountability. While we have not referred this case to the Bureau of Cannabis Control as no local license has been yet granted to the violating individual, we may have to file a complaint with the Bureau depending on the City's decision which may include the contents of this email. We appreciate your time and consideration on this matter.

- Transparent Cannabis

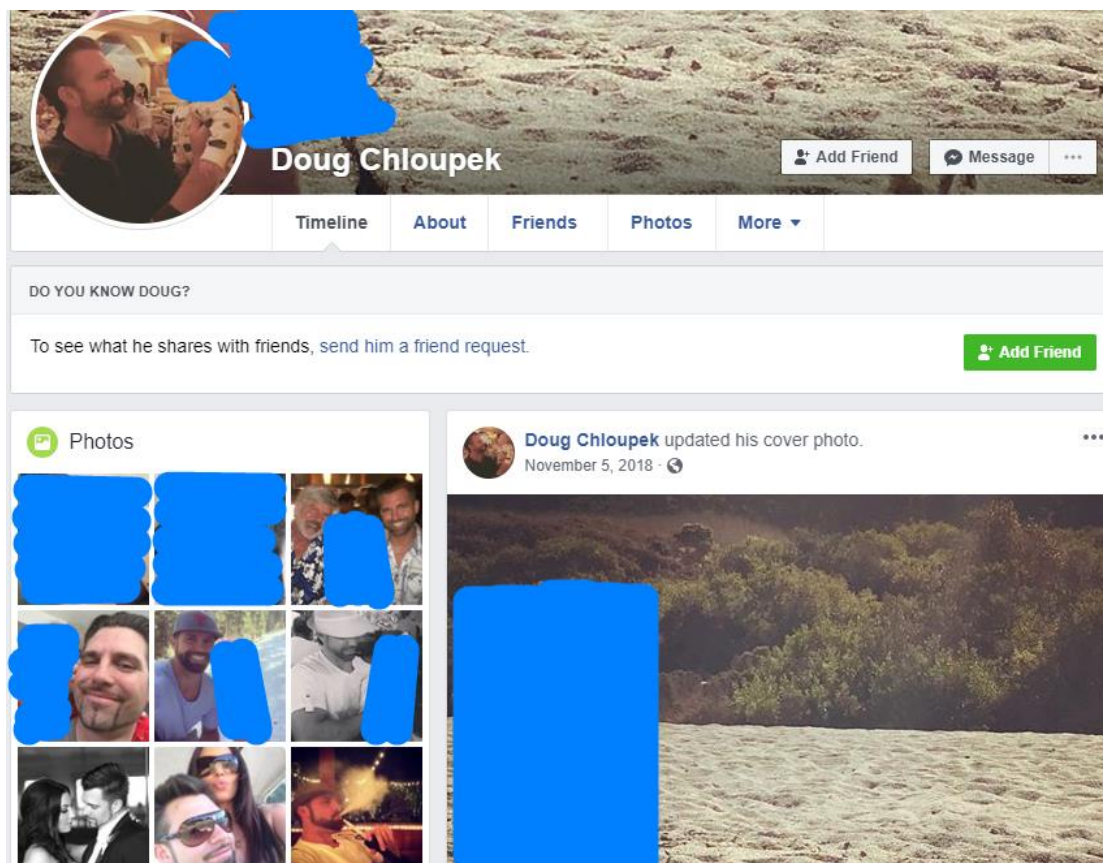
Hello Mayor, Council Members, City Manager, and City Attorney,

The purpose of this letter is to ask you to reconsider granting of Microbusiness licenses to both **Always on Time Consulting** and **Precision Apothecary (JUVA LIFE)**.

The city currently has two legislative business items on the May 07, 2019 Agenda regarding cannabis businesses LB 19-023 and LB 19-025 which although are separate items have overlapping similarities.

The approval of both JUVA LIFE facilities is particularly concerning given that under LB 19-025, staff is recommending rescinding approval of a commercial cannabis permit for Vista Development Enterprises indicating that Vista is associated with an individual who was recently arrested by Hayward Police Department for illegal cannabis cultivation. From the Summary Attachment 1 of the LB 19-025 Staff Report "Vista did not disclose this individual's involvement with Vista during the application review process. This was an omission of material information that affected the outcome of Vista's application and justifies the City Council rescinding the prior approval. While the staff's recommendation to rescind the permit of a bad faith actor in Hayward is welcome, this also applies to Mr. Chloupek and the 2 businesses he claims to be overseeing. Using the same standard of illegal cultivation in Hayward, please see corresponding evidence below. (Children's faces have been blurred to protect their privacy). These posts are from Mr. Chloupek's Facebook account.

Doug Chloupek Facebook Profile



November 22, 2016: Post about Cannabis Nursery in Hayward

**Doug Chloupek**
November 22, 2016 · 🌐

Good morning Facebook friends I have a job posting, so please share this...

I am looking to hire someone to work at our cannabis nursery in Hayward. This is a 30-40hour per week job. Days typically start between 6:30-7am and this is a hands on job. You will be assisting to our nursery manager in the day to day operation of a commercial cultivation site. Job entails changing pots, cleaning rooms, potting plants, assisting in the harvest and a multitude of other cultivation related tasks. The right person should have a willingness to learn about cannabis cultivation, be a hard worker, not afraid to get dirty, punctual, reliable and honest.

You must be able to pass a federal background screening and be ok driving to Hayward daily. Entry pay is \$12 per hour.

If you or anyone you know may be interested please email me at frosteddoug@gmail.com

Thank you,
Doug

 9 5 Comments 2 Shares

 Like  Comment  Share

August 29, 2017: Post about Hayward Medical Marijuana Cultivation Facility

**Doug Chloupek**
August 29, 2017 · 🌐

I need to hire 2 new FULL time employees to work at my Hayward medical marijuana cultivation facility.

- 1 full time trimmer (trimming dried cannabis flowers)
- 1 full time cannabis packaging and assembly work

If you are interested or know anyone who is interested please send me a message and feel free to share this posting.

Thank you
Doug



  27 17 Comments 14 Shares

 Like  Comment  Share

February 20, 2018: Post about Sale of Marijuana Grow Facility (Not as Owner but Broker)



Doug Chloupek

February 20, 2018 · 🌐

...

Marijuana Grow facility for sale in Hayward \$425,000 - fully operational in the green zone

ROOM 1: Back room with active grow.

- 34 Lights at 1,000watts
- 15 lights at 350 watts
- 18 wall fans
- 1 Quest D-Humidifier
- 18-slot, CO2 Burner
- 2 10 ton AC units
- 21 stands/Trays
- 1 control unit for temperature
- 2 max fax fans with filter
- 2 water barrels
- Miscellaneous hose
- 5 – 7 buckets

ROOM 2: first room, vacant to left, next to dry room

- 38 1,000 watt lights
- 26 350 watt lights
- 2 Quest D-humifiers- 215 model
- 3 10-ton AC units (30 Tons of AC total in this room)
- 13 wall fans
- 2 water barrels
- 3 charcoal filters - pro 150's
- 3 12 inch max fans
- 28 stands/trays

ROOM 3: MAIN AREA

- 1600 sf ROOM
- 4 camera alarm system
- 22 brand new trays
- tom tumbler
- 2 charcoal filters
- 7 boxed new fans
- 34 lights 350 watt
- 1 D-Humidifier
- 3 ac units 10 ton each- 30 tons total - 36B – 15 bulbs
- 11 1,000 watt bulbs
- 9 max filters TOTAL IN ALL SPACE
- 2 pumps 1/2 HP
- 6 - 50 gallon water barrels

VEG ROOM: Small Room to right of entrance

- 22 - 600 - watt lights
- 8 wall fans
- 2 charcoal filters 12 inch -1 10 ton AC unit
- 12 trays/stands

UPSTAIRS:

- 3 TRAYS
- 6 Lights 315 watts
- 2/4 T5's
- 2 LEVEL, 2X4 SHELVING
- OPEN UNFINISHED AREA

DRY ROOM/DOCKING ROLL UP ROOM:

- all extra material and fixtures
- doors, security mechanisms shall be included in sale, including security gate/fencing

GENERAL AREA:

- Both bathrooms shall be delivered in working and operating conditions I.E. working order toilets, sink, etc
- hallway and office space- shall be delivered in open and vacant condition, no damage
- damaged doors are accepted as is to all rooms
- Building POWER 400 AMP 408v



9

6 Comments 2 Shares



Like



Comment



Share



Anthony Martinez Cool bro. Check inbox

Like · Reply · 1y



Damian Mejia woah.... did you guys upgrade?

Like · Reply · 1y



Doug Chloupek No this isn't my grow. I am helping broker the sale of another grow site in Hayward

Like · Reply · 1y



1



Write a reply...



Aaron Joshua Adams Heather Mata-Baldock

Like · Reply · 1y



1



Heather Mata-Baldock Thank you for thinking of me **Aaron Joshua Adams** ! 😊 ...if I can drum up the seed money to get my foot in the door, this would be THE dream realized! ...time to think of how to make it happen!...

Like · Reply · 1y · Edited



Doug Chloupek Hi All I wanted to let you know that this location has been sold. I will post again when the next one becomes available.

Like · Reply · 1y



1

To verify these posts, you can scroll down to the respective dates listed above from the link below:

<https://www.facebook.com/doug.chloupek>

We ask that the City of Hayward be consistent in enforcing its policies and deny the JUVA LIFE applications until it can verify that Mr. Chloupeks operations were compliant with local and state law, otherwise they should be disqualified and removed from consideration. We also recommend grabbing applicable screenshots before applicant removes them when confronted about it. Removing of posts does not clear them from the Facebook servers and may be retrieved if warranted.

We urge staff to consider this extra due diligence provided to them and that they take appropriate actions to ensure the integrity of the Hayward cannabis licensing process.