BACKGROUND

Context

The applicant, Northern RE Investments LLC, is proposing to construct a 2,000 square foot medical marijuana dispensary at 8970 N 91st Avenue, which is located at the southwest corner of 91St Avenue and Olive Avenue. (Exhibit A)

General Plan

The subject property is designated Community Commercial on the General Plan Land Use Map, which promotes the development of large-scale retail buildings and shopping centers.

Zoning

The site is zoned Intermediate Commercial (C-2). The C-2 district is intended to provide opportunities for the sale of convenience goods and services. (Exhibit B)

Adjacent Uses and Zoning

Table 1 summarizes the existing land use, General Plan designation and zoning for the surrounding areas.

Table 1 - Ex	isting Land Use.	General Plan.	and Current Zoning

	EXISTING LAND USE	GENERAL PLAN	ZONING
Subject Property	Undeveloped Land	Community Commercial	Intermediate Commercial (C-2)
North	QuikTrip Gas Station	Community Commercial	Planned Area Development (PAD)
South	Olive Retail Park	Community Commercial	Intermediate Commercial (C-2)
East	McDonald's Restaurant	Low Density Residential	Intermediate Commercial (C-2)
West	Loop 101 Freeway	Community Commercial	N/A

Other Related Policies and Project History

A previous site plan was approved for this location on August 19, 2009 with case PR09-09 (Exhibit C), with a six month site plan extension approved on March 1, 2011. A building permit was submitted on February 8, 2010, approved on July 22, 2011, but expired on September 19, 2013 due to inactivity. This site plan consisted of two buildings, one approximately 1,803 square feet and the second a multi-tenant building approximately 42,913 square feet. Both the previous and proposed site plans (Exhibit D) are similar in nature, in terms of circulation, parking, and building location.

State Regulations

Proposition 203 was passed on November 2, 2010 authorizing the use, sale, and cultivation of medical marijuana in Arizona. Prop 203 also authorized cities the ability to enact reasonable zoning regulations that limit the use of land for registered nonprofit medical marijuana dispensaries and cultivation. The Arizona Department of Health

Services (ADHS) is the agency responsible for the adoption and enforcement of the regulatory system currently used for the distribution of medical marijuana, including the system used for registering qualifying patients, designated caregivers, nonprofit dispensary/cultivation sites, and dispensary/cultivation agents.

The Medical Marijuana Act went into effect on April 14, 2011. Applications for a dispensary registration certificate were not accepted until May, 2012. The total number of certificates authorized was based on the number of pharmacies within the State. For every ten (10) licensed pharmacies, one (1) medical marijuana dispensary was allowed. This equated to one-hundred twenty-six (126) possible certifications/dispensaries. In an effort to ensure patient access throughout the State, ADHS limited the number of registered dispensaries according to geographic regions referred to as Community Health Analysis Areas (CHAA). One dispensary was permitted within each CHAA (Exhibit E). A random selection process was used if more than one (1) application was received for a CHAA.

The City of Peoria currently lies within three (3) different CHAAs: #38 Maricopa Co. N, #39 Wickenburg, and #41 Peoria. The CHAA referred to as #41 Peoria contains a majority of the City and currently has a medical marijuana dispensary operating west of the southwest corner of 91st Avenue and Peoria Avenue (Exhibit F). This dispensary received approval for a Conditional Use Permit through the Planning and Zoning Commission on April 18, 2013. This has been the only operating medical marijuana dispensary within the City limits to date.

For the first time since the initial calculation, the number of pharmacies within the State has been re-evaluated and there are now thirty one (31) dispensary registration certificates available. ADHS was accepting applications between July 18-29, 2016. The CHAAs will remain as-is and the disbursement of the dispensaries within the CHAAs will be based on the areas with the most registered patients. The CHAA referred to as #41 Peoria is currently ranked number seven (7) on the priority list for another dispensary (Exhibit G).

APPLICANT'S PROPOSAL

Goal/Purpose of Request

The applicant is requesting the approval of a Conditional Use Permit to operate a medical marijuana dispensary within a proposed 2,000 square foot building, which will consist of a lobby, patient consulting area, order assembly/cashier area, along with office and storage space (Exhibit H). The proposed hours of operation are Sunday through Saturday from 8:00 a.m. to 9:00 pm.

Development Information

Existing Use: Undeveloped Land

Proposed Use Medical Marijuana Dispensary

Property Size: 1.03 Acres

DISCUSSION AND ANALYSIS

Details of Request (Exhibit I)

As stated above, the applicant is proposing to operate daily from 8:00 a.m. to 9:00 p.m. The number of employees present at any one time will range from eight (8) to fourteen (14) depending on the staffing needed to serve patients. The average number of patients during a non-peak time is five (5) with peak times increasing to fifteen (15). The waiting area has capacity for twenty (20) patients. The applicant is anticipating approximately 150 patients per day. Patient visits are typically short, lasting less than ten (10) minutes.

Once a patient enters the facility, they are required to check in and produce a valid ADHS Medical Marijuana Patient Registration Card (MMRC) along with an Arizona issued License or Identification Card. Their MMRC is also checked against the State's database to ensure expiration has not occurred and that the patient has a sufficient allotment allowed to purchase, which is no more than two and one-half (2.5) ounces of medical marijuana during any fourteen-day (14) period. This is all done in the lobby where there is no access to any medical marijuana. Once the patient has been verified, they wait to be brought back to the patient consulting area with a patient consultant. At this point, they would be able to look at the various products offered. The patient would then place their order. Staff would then assemble the order and receive payment in the order assembly/cashier area. The patient is then given their product in a plain unmarked bag where each product is sealed separately. The patient then leaves the building without reentering

The medical marijuana is offered in its natural plant form, as well as preparations made from the marijuana plant, including infused edibles, topical lotions, balms, and oils. There will be limited ancillary sales of products designed to aid in the administration of the medical marijuana. This includes items such as grinders, lighters, electronic vaporizer pens, and similar delivery methods. Items such as water pipes, which are typically found in "smoke" shops will not be sold.

Security measures have been taken as required by ADHS and the City. There will be signage clearly posted making patients aware that on-premise use of any product is strictly prohibited. A security guard will be posted onsite during all business hours to ensure no one is loitering or using product on the premises. There will also be a security system installed to include a video surveillance system consisting of thirty-two (32) cameras covering the entrance, outside walls of the building, parking lot, and the interior of the building. The cameras will record 24-hours per day and footage will be kept for sixty (60) days. If a patient violates any rules, they will no longer be allowed to make purchases from the dispensary and could lose their MMRC privileges altogether.

Applicability

The subject property is zoned C-2, which allows a medical marijuana dispensary through the issuance of a Conditional Use Permit, subject to limitations.

Article 14-9-5-M.1-2 of the Zoning Ordinance provides the following limitations on medical marijuana dispensaries. Staff responses are in *italics*.

- 1. Medical Marijuana remnants or by-products shall be disposed of according to an approved plan and not placed within the facility's exterior refuse containers.
 - All Medical Marijuana products are pre-packaged; therefore there will not be any remnants or by-products. If a pre-packaged product is discarded, it will be transported in an unmarked vehicle by a registered dispensary agent carrying a manifest listing all products to be returned and a trip plan back to the original source. All transportation of product is in accordance with State regulations.
- 2. There shall be no emission of dust, fumes, vapors, or odors into the environment from the premises.
 - All Medical Marijuana products are pre-packaged and on-premise consumption is prohibited; therefore the emission of dust, fumes, vapors, or odors will not occur onsite.
- 3. Signage for dispensaries shall be limited to the name of the business only, and no advertising of the goods and/or services shall be prohibited.
 - Signage for the dispensary will be limited to the name of the business only with no advertising of goods or services.
- 4. Medical Marijuana Dispensaries shall be located in a permanent building on an established foundation adhering to Peoria building codes and shall not include any temporary, portable, or self-powered mobile facilities.
 - A 2,000 square foot permanent building is proposed as shown on the attached site plan. All City codes and requirements will be met. Any temporary, portable, self-powered mobile facility is prohibited.
- 5. An active Security Management Plan shall be approved by the Police Department The Plan shall include, but is not limited to:
 - a. Security Cameras shall be installed and maintained in good condition, and used in an on-going manner. Recordings shall be retained for a minimum of 60 days and comply with any additional standards defined by the Security Management Plan.

- b. The business space shall be alarmed with an alarm system that is operated and maintained by a recognized security company.
- c. A security guard shall be provided at the main entrance during all hours of operation. For the purposes of this Section, "security guard" shall mean licensed and duly bonded security personnel registered pursuant to A.R.S. 32-601.

The Peoria Police Department have reviewed and approved the security plan (Exhibit J) for the dispensary. Thirty-two (32) security cameras are proposed with footage kept for sixty (60) days. There will be an alarm system and a security guard will be posted at the main entrance during hours of operation.

6. Vehicular access into the center or site containing the dispensary shall be from an arterial roadway.

The dispensary can be accessed from 91st Avenue through the Olive Retail Park, which is the adjacent parcel to the south. There is a cross-access easement currently recorded allowing this access.

7. The use shall not be located within 2,640-feet of another Medical Marijuana Dispensary or Medical Marijuana Manufacturing or Cultivation Facility.

The closest location, Arizona Natural Selections, is over 2,640 feet away.

8. The use shall not be located within 1,000-feet of the property line of Day-Care Facilities, Pre-Schools, Public/Charter or Private Schools.

The closest location, Alta Loma Elementary School, is over 1,000 feet away.

9. The use shall not be located within 1,000-feet of a Retail Liquor Store; Tavern, Bar or Lounge; Adult Use; Substance Abuse Treatment Centers; or State Local Alcohol Reception Center.

The area surrounding the proposed location does not contain any of these uses.

10. The use shall not be located within 500-feet of the property line of a residentially-zoned property.

The closest location, Crosspointe single-family subdivision, is just over 500 feet away.

11. The product offered for retail sales to Medical Marijuana Cardholders shall be inaccessible to the public entering the Medical Marijuana Dispensary. All product provided for retail sales shall be located behind a counter staffed by a Nonprofit Medical Marijuana Dispensary Agent as defined by A.R.S.§ 36- 2801.et.seq.

The dispensary will only sell product to Medical Marijuana Cardholders that are inaccessible to the public and placed behind a counter staffed with a Dispensary Agent.

12. The Dispensary shall have operating hours not earlier than 8:00 a.m. and not later than 9:00 p.m.

The hours of operation will be daily from 8:00 a.m. to 9:00 p.m.

13. The Cultivation of Marijuana is prohibited.

No on-site cultivation is proposed.

14. Delivery services are prohibited.

The dispensary will not be making any deliveries.

15. Drive-through services and sales are prohibited.

The proposed site plan does not include a drive-through.

16. Alcoholic beverages shall not be sold, stored, distributed or consumed on the premises.

No alcoholic beverages will be sold, stored, distributed or consumed on the premises.

17. The Dispensary shall not have outdoor seating areas, but shall have adequate indoor seating to prevent outside loitering.

There is no outdoor seating proposed on the site plan. The dispensary will have seating in the lobby for up to 20 patients.

18. The business entrance and all window areas shall be illuminated during evening hours and shall comply with the City's lighting standards regarding fixture type, wattage, illumination levels, shielding etc.

The dispensary will utilize lighting in line with City standards.

19. The windows and/or entrances shall not be obstructed and must maintain a clear view into the premises during business hours.

The windows and/or entrances of the dispensary will not be obstructed and will maintain a clear view into the premises during business hours.

20. The use shall provide a plan to ensure that no consumption of Marijuana or any product containing Marijuana occurs on the premises of a Medical Marijuana Dispensary.

Marijuana consumption is prohibited on the premises. Signs will be posted on site, along with security personnel.

21. Tenant improvement plan shall ensure that ventilation, air filtration, building and design standards are compatible with adjacent uses and the requirements of adopted building codes.

The applicant will utilize all proper ventilation, air filtration, and building design according to the building codes adopted by the City of Peoria.

Section 14-39-12 of the Zoning Ordinance outlines the applicable criteria for evaluating Conditional Use Permits. In general, the purpose of a CUP is to mitigate any identified negative impacts on the surrounding neighborhood that may result from a specific use, and provide controls to ensure maximum compatibility between nearby land uses.

Compatibility With Surrounding Land Uses

The proposal meets all distance separations required for medical marijuana dispensaries, including separation from schools, day care centers, bars, taverns, liquor stores, substance abuse treatment centers, and residentially-zoned properties (Exhibit K). A list of all businesses located within 1,000 feet has also been provided (Exhibit L).

A second dispensary in the City creates an opportunity to better serve the citizens requiring this service, as Peoria has been identified by the ADHS as having the seventh (7th) highest number of Medical Marijuana cardholders in the state. The proposal will also utilize a vacant piece of land that contains an irregularly shaped utility easement, a wireless communications facility, and has no direct access to the two adjacent arterial roads. The proposed use is in character with the surrounding commercial uses located at each corner, which include two gas stations and a fast food restaurant.

If any issues arise regarding the operation of the business, Section 14-39-12.I of the Zoning Ordinance provides the Planning Manager with continuing jurisdiction over all Conditional Use Permits. This means that a permit may be revoked, modified, or suspended should any of the following occur:

- a. The permit was obtained by fraud or misrepresentation;
- b. The use authorized by the CUP has been exercised in violation of the conditions of approval.
- c. A change in circumstances where the following has occurred:
 - 1. Impacts from the approved CUP to neighboring properties; and
 - 2. Changes in aesthetic or environmental impacts such as noise, odors, or pollution.

d. The use authorized by the CUP is operated in a manner that constitutes a nuisance to neighboring property owners, adjacent neighborhoods, or the City; or is exercised in a manner that is detrimental to the public health, welfare or safety.

COMMUNITY INVOLVEMENT

Outreach Requirements

The application was properly noticed pursuant to Section 14-39-6 of the Peoria Zoning Ordinance, which includes notification to all property owners within 600 feet of the site and registered HOA's within one (1) mile, posting a sign on the site, and placing an ad in the Peoria Times at least 15 days prior to the Public Hearing.

Support / Opposition

Opposition was received on June 20, 2016 from South Peoria Baptist Church (Exhibit M). The church is located approximately 390 linear feet away, property line to property line (Exhibit N) and is opposed to the use of marijuana and sees it as a 'pathway' drug. The applicant has made numerous attempts to meet with the church, but has been unsuccessful (Exhibit O).

Opposition was also received on July 25, 2016 from a representative of the Westgreen Townhouses Association (Exhibit P). The townhomes are located approximately 530 linear feet away, property line to property line (Exhibit Q). The opposition is outlined in Exhibit P, but the main concerns were the increase of crime and traffic in the immediate area due to the proposed use. The townhomes' representative was not able to attend the neighborhood meeting; therefore a special meeting was held at the townhomes' clubhouse on August 3, 2016, to include the representative, the applicant, and staff. A short video was played depicting business operations and security measures in use for an existing medical marijuana dispensary currently operated by the applicant. Information concerning trip generation in comparison to other commercial uses out-right permitted at the subject property was also discussed. By the conclusion of the meeting, the townhomes' representative was no longer opposed to the medical marijuana dispensary at the proposed location (Exhibit R).

Since the opposition was received within 21 days of the notice of application in accordance with Section 14-39-12.F a neighborhood meeting was required to be held by the applicant. The applicant provided notice for the neighborhood meeting in accordance with Section 14-39-6. The meeting was held on July 26, 2016, at the Peoria Public Library in the Willow conference room at 6:00 p.m. One member of the public was in attendance at the neighborhood meeting (Exhibit S). There was no opposition or concerns given by the public at the neighborhood meeting.

Proposition 207 Waiver

The voters of Arizona approved Proposition 207, which among other things requires municipalities to compensate property owners for actions which have the effect of

diminishing the value of property. The City Attorney's Office has drafted an agreement which waives the applicant's rights to future Proposition 207 claims against the City. Accordingly, the applicant has furnished a signed and notarized Proposition 207 Waiver.

STAFF RECOMMENDATION

Based on the following findings:

- 1. The request is consistent with the City of Peoria Zoning Ordinance and compatible with the uses in the surrounding area;
- 2. The proposal meets the Conditional Use Permit standards and complies with the use limitations for a Medical Marijuana Dispensary;
- 3. The application has been reviewed and approved by the Peoria Police Department;
- 4. The use will be located and will operate in a manner that protects the adjacent properties and businesses from nuisances and is consistent with a retail/service character of the area:
- 5. The use, in conjunction with the conditions of approval, will operate in a manner that will not negatively impact the adjoining uses; and,
- 6. The applicant/owner has submitted a signed and notarized a Proposition 207 waiver, which will be recorded with the conditions outlined below.

Staff recommends that the Planning and Zoning Commission take the following action:

Approve the applicant's request for a Conditional Use Permit under Case CU16-0009, subject to the following conditions:

- 1. The development and use shall substantially conform to the Project Narrative, Security Plan, Floor Plan, and Site Plan as contained in the staff report to the Planning & Zoning Commission dated September 29, 2016.
- A formal Site Plan application is required, at which time additional revisions may be required. If revisions cause the site layout to no longer substantially conform to the site plan approved with this Conditional Use Permit (CUP), an amendment to the CUP will be required.
- 3. In accordance with Section 14-39-12.B.5 of the Peoria Zoning Ordinance (1977 Edition), the Conditional Use Permit will expire on March 29, 2018 if the use has not begun operating or a building permit has not been obtained.
- 4. The applicant shall secure any necessary security system and/or alarm system permits from the Peoria Police Department.
- 5. The use shall fully comply with all state and local laws and Arizona Department of Health Services regulations pertaining to medical marijuana dispensaries;
- 6. The applicant shall post a "No Loitering" sign on all sides of the building.

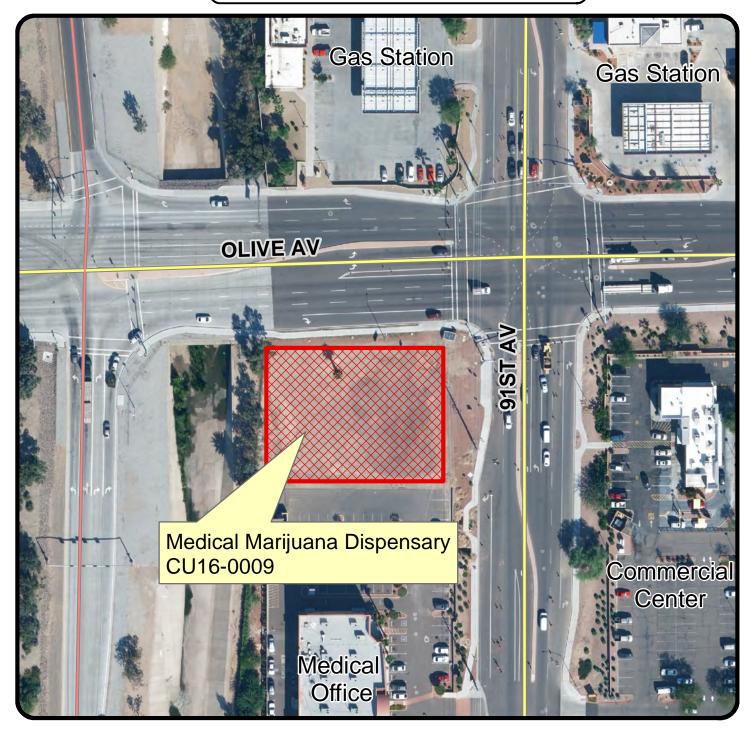
REPORT PREPARED BY

Jennifer Fostino Planner 623-773-7565 Jennifer.fostino@peoriaaz.gov

ATTACHMENTS:

Exhibit A	Vicinity Map
Exhibit B	Zoning Map
Exhibit C	Previous Site Plan Approval
Exhibit D	Proposed Site Plan
Exhibit E	CHAA's Within Peoria
Exhibit F	Current Dispensary Location
Exhibit G	CHAA Priority List
Exhibit H	Floor Plan
Exhibit I	Project Narrative
Exhibit J	Security Plan
Exhibit K	Distance Separation Map
Exhibit L	Surrounding Business List
Exhibit M	Opposition – South Peoria Baptist Church
Exhibit N	Distance Separation Map – South Peoria Baptist Church
Exhibit O	Outreach Efforts to South Peoria Baptist Church
Exhibit P	Opposition – Westgreen Townhomes
Exhibit Q	Distance Separation Map – Westgreen Townhomes
Exhibit R	Retracted Opposition – Westgreen Townhomes
Exhibit S	Neighborhood Meeting Documentation

CU16-0009 Vicinity Map



CU16-0009 Medical Marijuana Dispensary

Applicant: Edward Judice

Request: The applicant is requesting a Conditional Use Permit for a medical marijuana dispensary.

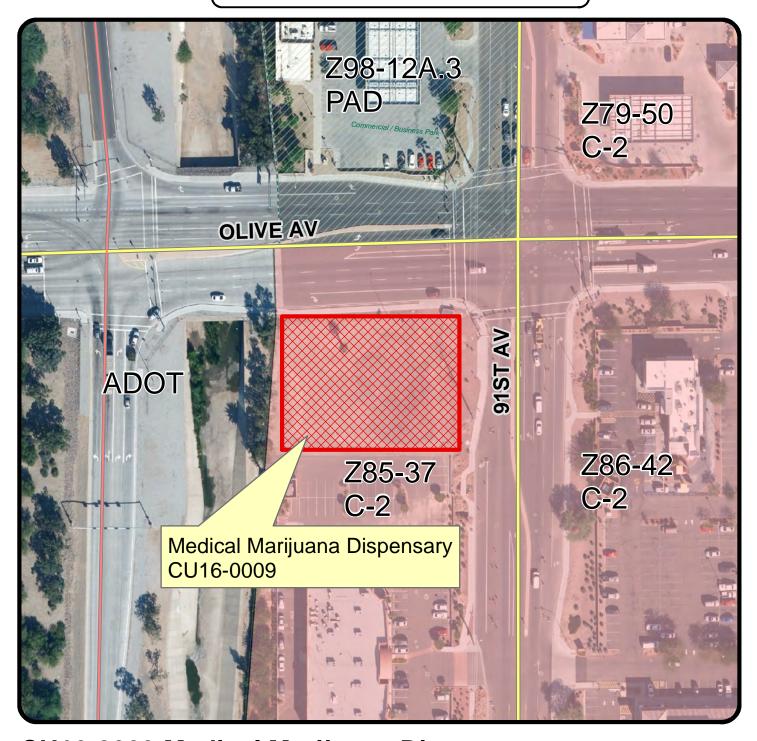
Location: The southwest corner of 91st Avenue and Olive Avenue.

Exhibit A



Not to Scale

CU16-0009 Zoning Map



CU16-0009 Medical Marijuana Dispensary

Applicant: Edward Judice

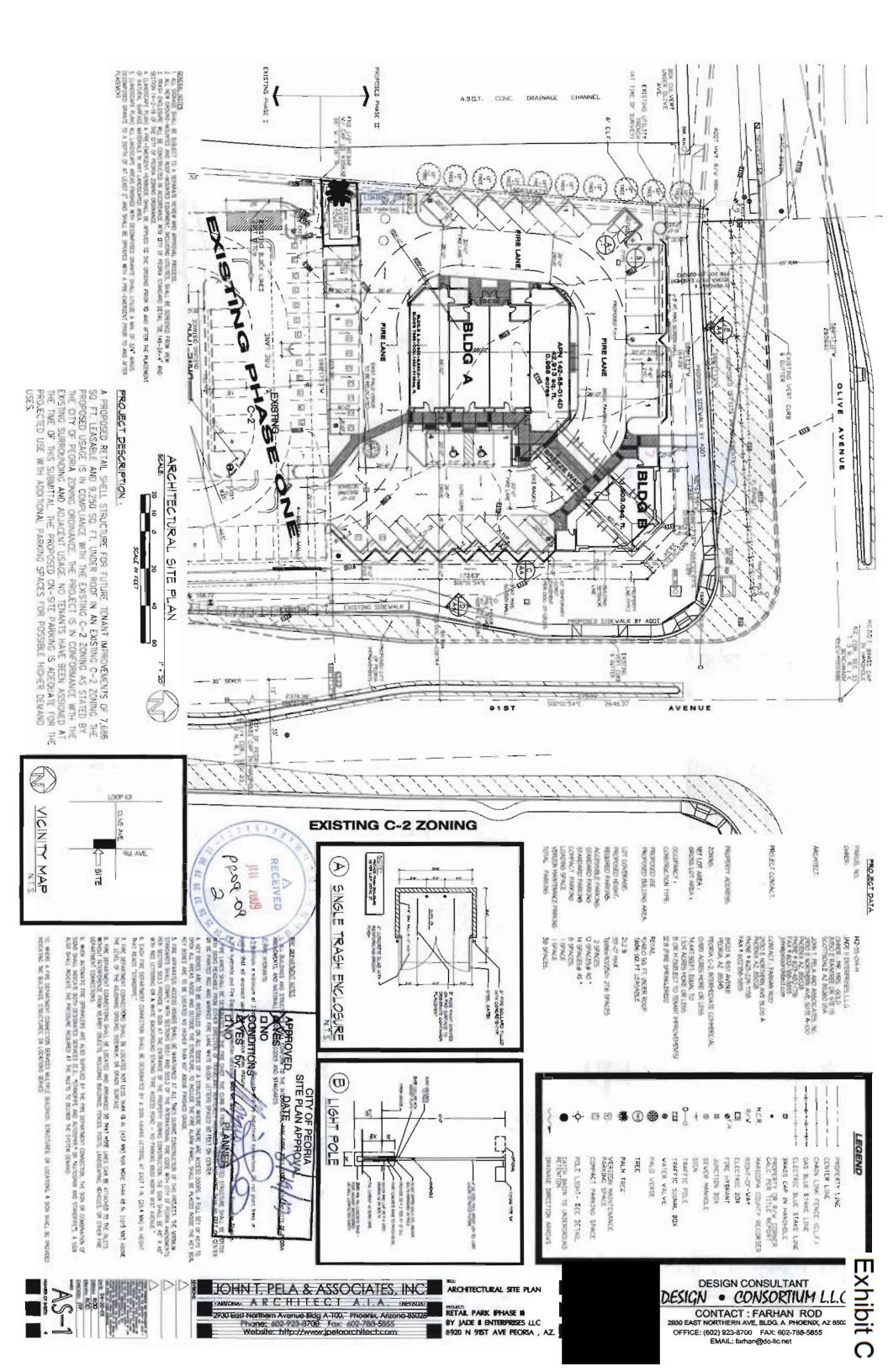
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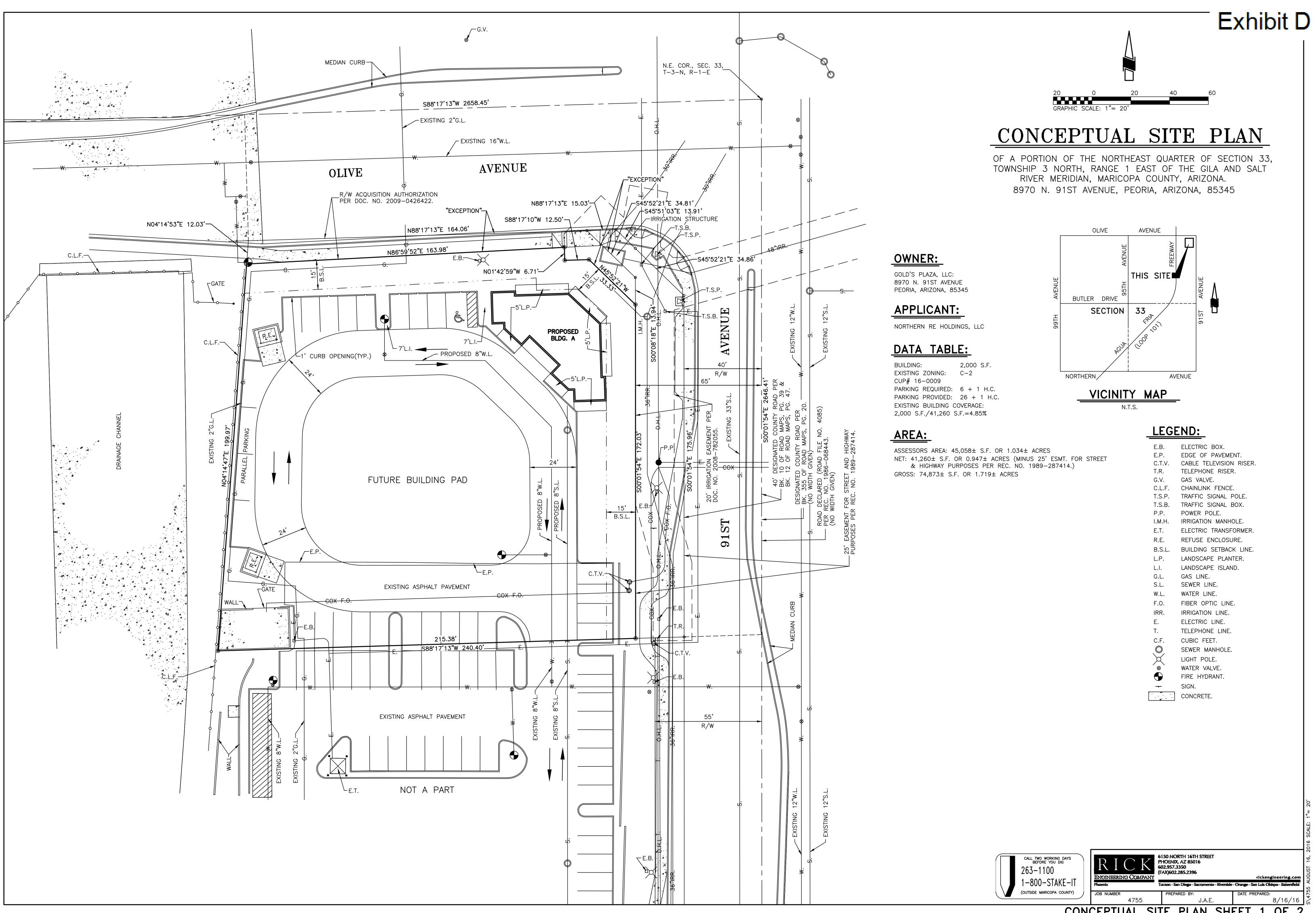
Location: The southwest corner of 91st Avenue and Olive Avenue.

Exhibit B

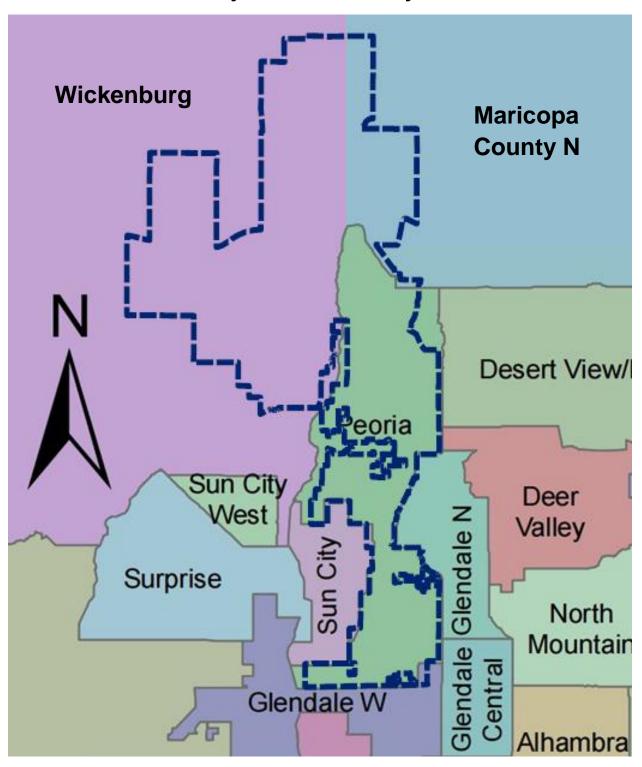


Not to Scale





Community Health Analysis Areas



– – Peoria City Limits



Current Peoria Dispensary Location

Arizona Natural Selections

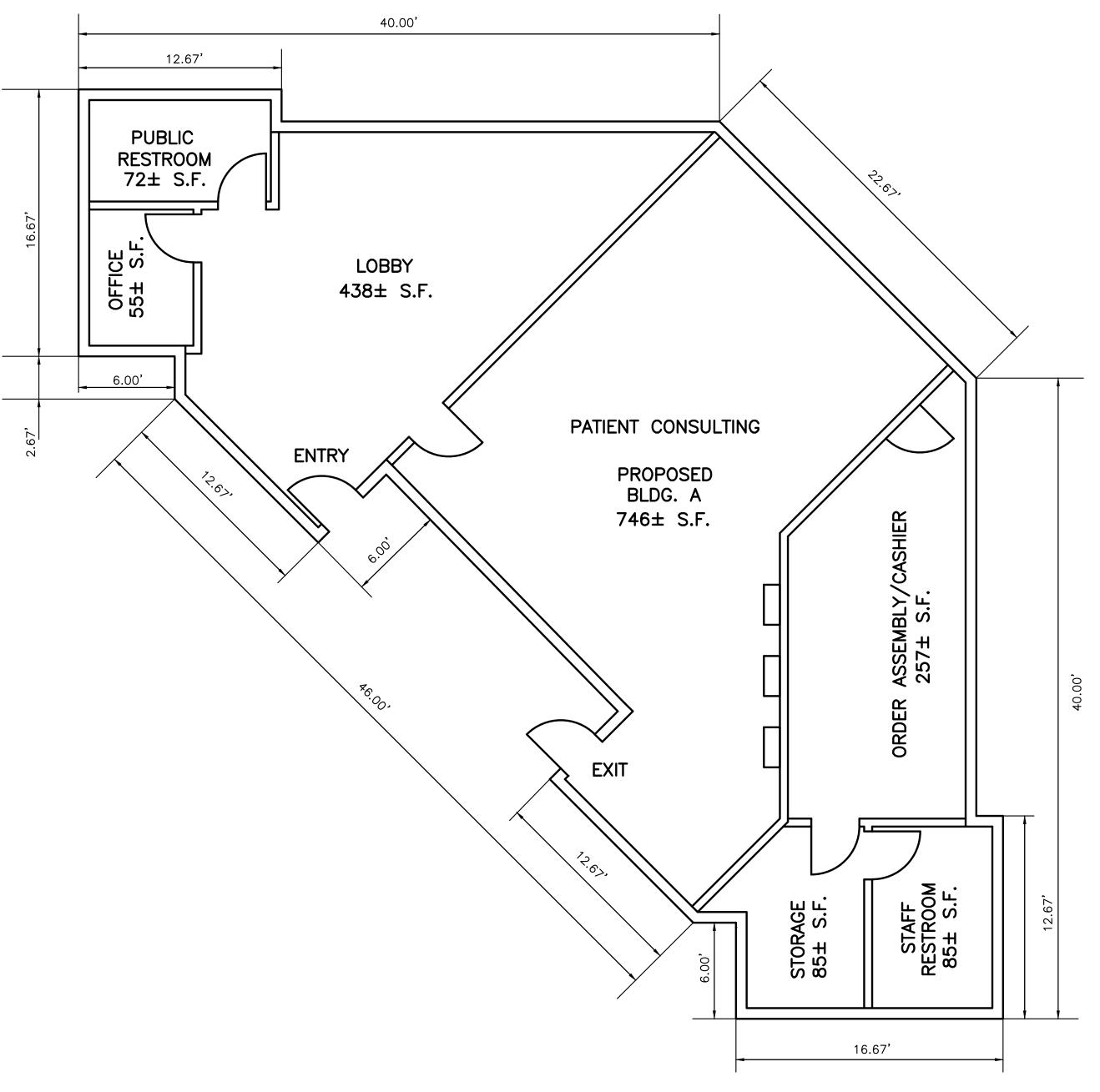


June 16, 2016

Top 31 CHAAs prioritized under R9-17-303(B)(2)

Rank	CHAA	CHAA ID
1	Paradise Valley Village	46
2	North Mountain	52
3	Deer Valley	44
4	Chandler SE	80
5	Scottsdale N	40
6	Camelback East	56
7	Peoria	41
8	Gilbert E	77
9	Mesa E	65
10	Scottsdale S	58
11	Surprise	47
12	Tanque Verde	106
13	Tucson NE	105
14	Tempe N	68
15	Mesa W	69
16	Tempe S	74
17	Maryvale	60
18	Alhambra	59
19	Yavapai Co. NE	26
20	Superior/Kearny	93
21	Chandler NW	79
22	Tucson E Central	109
23	South Mountain	71
24	Glendale N	45
25	Desert View/North Gateway	42
26	Mesa Central	70
27	Ahwatukee Foothills	78
28	Maricopa Co. W	51
29	Lake Havasu City	8
30	Mesa S	73
31	Apache Junction	92

Douglas A. Ducey | Governor Cara M. Christ, MD, MS | Director



FLOOR PLAN

SCALE: 1"= 5'

CONDITIONAL USE PERMIT APPLICATION NARRATIVE

8970 N 91ST AVE., PEORIA, AZ 85345

GENERAL DISCUSSION AND BACKGROUND

INTRODUCTION

This narrative is being submitted in conjunction with a Conditional Use Permit (sometimes referred to as "CUP") to allow the operation of a medical marijuana dispensary on the parcel of land located at 8970 N 91st Avenue, Peoria, Arizona. This lot has been empty for a number of years looking for a suitable occupant, and this use would be beneficial not only for the use of the land, but also for the City of Peoria as well as its citizens.

Northern RE Holdings LLC ("Northern") has contracted to lease space in the future development of the vacant parcel of land located at 8970 N 91st Ave., Peoria, Arizona 85345 (the "Subject Parcel"). As part of that agreement, the owner of the land will develop the parcel, including a space for Northern's operation of a medical marijuana dispensary. The proposed development includes plans to build a 2,000 square foot building on the Northeastern corner of the property for occupancy by Northern. Northern's lease makes the entire project economically feasible for the developer, and therefore the grant of this CUP is a prerequisite to the development going forward.

The use of a portion of the Subject Parcel as a dispensary is harmonious with the surrounding uses and the City's General Plan. The Subject Parcel is located on the Southwest Corner of Olive Avenue and N 91st Avenue, which lies within a Community Commercial Land Use zone. The General Plan defines this zone as:

COMMUNITY COMMERCIAL (CC) Denotes areas where commercial development that is more intense than that of neighborhood commercial areas may take place in the form of large-scale retail buildings and shopping centers that serve a market radius of generally 3 - 5 miles. Community Commercial areas rely on larger trade areas and typically have a wider variety of goods and services than neighborhood shopping areas and should be located with adequate controlled access to arterial streets. Community Commercial centers should coincide with adequate affordable housing accessible to the center to supply housing for employees.

This request is in keeping with the goals for a Community Commercial zone. This type of use is well suited to more heavily developed commercial areas which makes it accessible to patients seeking this product, but keeping it separated from residential and family uses. The Community Commercial zone would appear to perfectly embrace this use.

Further, the request is in keeping with the general goals of balancing employment opportunities with residential uses, and preserving resources and community character. The proposed dispensary would offer high quality employment and there will be between 15 and 20 jobs created for people from Peoria (not to mention jobs created by construction and the full development of the parcel). Because the Subject Parcel is located at the corner of two arterial streets and adjacent to Highway 101, the site is accessible for employees and customers without putting any undue

strain on existing transportation infrastructure. This results in a preservation of city resources and directs traffic away from less well served areas. Additionally, with the development surrounding the Subject Parcel, the request for the CUP is in harmony with the character of the area.

The Subject Parcel is currently a vacant dirt lot with no improvements, except for a cellular phone antenna in the Southwest corner of the property. The Subject Parcel has a very large and irregularly shaped water utility easement which makes developing the lot problematic. This easement has undoubtedly contributed to the Subject Parcel remaining vacant for so long. Because a dispensary is already limited to a certain size by the Ordinance, the construction of such a relatively small commercial building on the property becomes feasible for such a use. This unique condition of this property makes the dispensary use one of the few viable development options for the Subject Parcel.

The Subject Parcel is the last remaining empty parcel at this intersection. It has been vacant for an inordinately long period of time, and its uses are somewhat limited. However, the requested CUP would allow for a use that is in keeping with the character of the area and allows a business that will put this piece of land to use. Currently two of the corners of the intersection are occupied by gas stations and there is a McDonald's restaurant on the third corner. Each of these uses is a transient commercial experience where customers are only there for a short period of time. The proposed use would follow the same pattern.

Specifically, it appears that the Subject Parcel also meets the criteria of the Peoria Zoning Ordinance pertaining to medical marijuana dispensaries. These well considered zoning regulations were designed to make sure that the location of such businesses were compatible with the surrounding area, subject to the approval of a CUP. In each direction along the major arterial streets, there are no businesses or uses which are incompatible with this retail use. Moreover, with the sign and advertising restrictions created by the Ordinance, it is unlikely that anyone who does not already know what the business is will even know it is a dispensary.

It is worth mentioning that Medical Marijuana Dispensaries follow strict security rules as imposed by the State and by the City of Peoria. Dispensaries do not allow use of product on the premises, and have strict rules against loitering. The experience has been that patients come to the dispensary, make their purchases, and then leave the area to go home. Providing this access to those patients who have received a doctor's recommendation is in keeping with the development zone, the zoning, and is compatible with the other businesses in the area.

The preliminary plans for the property are attached to this narrative. However, in short, the plan is to build a 2,000 square foot building on the Northeast corner of the property with a separate larger mixed use type building to the Southwest of the water utility easement in the future. Parking would be on the Southern and Northern edges of the property. The lot is relatively flat so drainage would be engineered in such a way as to control runoff from any impervious surfaces. There is an existing access easement for the Subject Parcel so that ingress and egress would be to the south of the intersection of N 91st and Olive Avenues.

PROJECT DETAILS

Summary

Hours of Operation: Monday through Sunday, 8:00 a.m. to 9:00 p.m.

Number of Patient (At Once): Approximately 15 at Peak, 5 at Off Peak

Expected Daily Patients: 150

Waiting Area Capacity: 15 to 20

Air/Odor Filtration: Activated Carbon Filters, as needed. All saleable product is

pre-packaged off-site. There will be no emission of dust, fumes, vapors, or odors into the environment from the

premises.

Refuse Disposal Method: Everyday trash will be collected in an on-site dumpster for

removal. Saleable product is pre-packaged in sealed units, so there is no marijuana waste expected. Any unsaleable units are returned to source for disposal. Such transport will be in accordance with A.A.C. R9-17, and will be done in an unmarked vehicle by a registered dispensary agent carrying a manifest listing all products to be returned and a trip plan

back to the original source.

Operation Policy: All product is stored and accessible only to state-certified

staff. All product is pre-packaged so patients do not have access to saleable products until the point of sale. Use or

loitering is strictly forbidden on the premises.

HOURS OF OPERATION

The City of Peoria Ordinance allows for operation between the hours of 8:00 a.m. and 9:00 p.m., Monday through Sunday. Patient access is one of the key concerns of the dispensary, and patients can be best served when they have ample time to access the dispensary. Maximizing the operating hours of the dispensary allows patients to have such access. Additionally, being open during these hours maximizes the time that staff is present and lessens the opportunity for theft.

PATIENT NUMBERS

Patient visits to the dispensary are usually short, lasting less than ten (10) minutes each. However, each patient has the opportunity to consult with staff members who can help them select the products that will provide the most benefit for their medical condition, and those visits are typically longer in duration. During the course of a week, the average patient count in the dispensary at one time is approximately five (5). However, there will be peak times when this number will be higher.

During the normal course of a week, the highest number of patients in the dispensary at any one time would be fifteen (15), but this is rare.

The design of the dispensary will be intended to create the shortest wait times possible, which means that the dispensary will have the capacity to serve between five (5) and eight (8) patients at one time during peak periods. After checking in, patients will be served in the Patient Consultation Room, where they can view products for sale, ask questions and get advice on the use of medical marijuana. The Patient Consultation Room is the only part of the dispensary where the public will be in the presence of medical marijuana (but, only those people who have valid Medical Marijuana Registry Cards. In addition, waiting space for between fifteen (15) and twenty (20) people will be available.

AIR AND ODOR FILTRATION

The dispensary plans to employ a standard Heating and Air Conditioning ventilation system which will circulate and filter the air in the dispensary, within acceptable air exchange rates. The dispensary will not have open saleable product. The dispensary's products are all packaged offsite and come in sealed plastic or Mylar bags which eliminates the odor associated with the product. Additionally, patients are not allowed to open products in the store. Inside the building, the odor of any products would be barely noticeable, and outside the building, there is virtually no odor whatsoever. There will be no emission of dust, fumes, vapors, or odors into the environment from the premises.

REFUSE DISPOSAL

A dispensary operates like any other business and will generate a small amount of trash which needs to be disposed of. However, the dispensary does not dispose of any product. All product at the dispensary is pre-packaged and will be sold off during its shelf-life period. Therefore, there is no product to dispose of in the trash. In the event that there was product that needed to be disposed of, the packaged product would be returned to its source (off-site) where it would be rendered inert and disposed of according to that facility's protocol. Such transport will be in accordance with A.A.C. R9-17, and will be done in an unmarked vehicle by a registered dispensary agent carrying a manifest listing all products to be returned and a trip plan back to the original source. Because no production takes place at the dispensary and the product is pre-packaged, there will be no byproducts. Additionally, because inventory is limited to what is needed for the next few days of sales, there will be no expired product.

BUSINESS OPERATION POLICIES

Product Storage. Storage of product is maintained in a closed locked area of the facility that can only be accessed by management personnel. This area has additional safeguards including steel doors, reinforced walls, and a floor safe. Additionally, storage areas contain cameras and at least one panic button. The storage area (as well as the whole dispensary) is protected by a monitored alarm system and HD cameras with 60 day video storage. There is no product stored in an area where patients can come into contact with it. A constant inventory of all products at the dispensary is kept and verified with frequent physical counts that are reconciled against the inventory records

of the dispensary and reported to the Arizona Department of Health Services ("AZ DHS") which regulates the dispensary. Using separation, monitoring, and reconciliation of inventory ensures that all product is safely maintained and there is no loss or theft.

Sales. Product sales are all conducted by state-registered dispensary agents, all of which must clear background checks with fingerprints submitted to AZ DHS. Patients do not come into direct contact with the saleable product. Rather, they place an order with a dispensary agent, and then the order is assembled and is packaged in non-descript opaque packaging prior to leaving the dispensary. Finally, the patient does not take possession of the product until they have paid, and then they leave the dispensary. All sales are video recorded and the recording is kept for at least 60 days.

For illustration, when a patient comes into the facility, they are required to check in which involves checking to make sure they have a valid Arizona Department of Health Services Medical Marijuana Patient Registration card, checking their Arizona issued License or Identification Card (or U.S. Passport). Their Medical Marijuana Registry card is also checked against the state's database to make sure that the patient's card is current and the patient has sufficient allotment to purchase medicine. There is no medical marijuana in this space. If a patient is accompanied by a helper or caretaker, that person may wait in the lobby. The patient would then go to the Patient Consultant room to meet with a patient consultant. At that point, they would be able to look at the various products offered for them to get their medical marijuana. There is no sampling or use allowed, and only small amounts (one gram or less) of any particular product are on display. The patient would then make their order, which would then be assembled separately. The patient would then pay, and be given their medical marijuana products in a plain unmarked bag. Inside the bag, all products are in separate sealed packages. From there, the patient would leave the building and the premises. The dispensary will strictly prohibit and enforce a no loitering and no use policy as detailed below. All steps in the process are captured on the video system for the premises, which keeps the recordings for sixty (60) days. Additionally, a security guard will be posted by the door at all times the dispensary is open for business.

There will be limited ancillary sales of products designed to aid in the administration of the medical marijuana. This includes items such as grinders, lighters, electronic vaporizer pens, and similar delivery methods. There are no plans to sell items, such as water pipes, which are typically found in "smoke" shops. Medical marijuana is offered in its natural plant form, as well as preparations made from the marijuana plant, including infused edibles, topical lotions, balms, and oils.

On-Premises Use Prevention. On premises use of the product is prevented using several methods. First, the dispensary has strict rules against on-premises use which are clearly posted and all patients are made aware of. If a patient violates these rules, then they are no longer allowed to make purchases from the dispensary and may lose their cardholder privileges from AZ DHS. Second, the dispensary has strict rules against loitering inside and outside the dispensary and is required by AZ DHS to post signage and to enforce this policy. It is then easy to see anyone who might be getting ready to use the product on the premises and then direct them to leave. Each of these rules and policies are backed up by video camera surveillance a record of which is kept for 60 days, allowing for further review and enforcement if a problem arises. The dispensary will also

have a security guard who will be responsible for monitoring the exterior of the building and making sure no one is loitering or using product on the premises.

Video Cameras. Based on the final layout of the building, the number of cameras may be adjusted. However, as required by Arizona regulations there will be sufficient camera coverage to show any activity taking place in every room of the facility. Additionally, there will be cameras covering the entrance and the outside walls of the building, as well as the parking lot. The cameras will record 24-hours per day. The applicant has installed thirty-two (32) cameras in its 2,000 square foot affiliated medical marijuana facility in Phoenix. These cameras provide more than adequate coverage and are in excess of what is required by the Department of Health Services.

Number of Employees. The number of employees present at any one time will range from eight (8) to fourteen (14) depending on the staffing needed to serve patients.

Accessibility to Non-Cardholders. Non-cardholders are not allowed in the dispensary except in situations where they are serving as a helper or caretaker to a cardholder. Regardless, non-cardholders are allowed only in the designated waiting area.

Illumination. The business entrance and all window areas shall be illuminated during evening hours and shall comply with the City of Peoria's lighting standards regarding fixture type, wattage, illuminating levels, shielding, etc.

Doors and Windows. The windows and/or entrances of the dispensary shall not be obstructed and must maintain a clear view into the premises during business hours. No medical marijuana product will be visible from the outside of the building.

Access to Medical Marijuana. All of the products offered for retail sale to Medical Marijuana cardholders shall be inaccessible to the public entering the dispensary. All product provided for retail sales shall be located behind a counter staffed by a Nonprofit Medical Marijuana Dispensary Agent as defined by A.R.S. § 36-2801, et seq.

Signage. Signage for the dispensary will be limited to the name of the business only and no advertising of the goods or services will be done on the building.

FACILITY LICENSING

The Subject Property is located within the Community Health Analysis Area number 41 which the Arizona Department of Health Services has named the Peoria CHAA. Geographically, the Peoria CHAA is one of the larger designated CHAAs. Additionally, its narrow yet tall shape gives it one of the longest distances from end to end for any urban CHAA. Additionally, the Peoria CHAA's patient density is one of the highest in the state. The Peoria CHAA is listed as number 7 on the list of CHAAs receiving priority for a new license, which was issued by the Arizona Department of Health Services on June 16, 2016. This means that as of the record date used by the Department, the Peoria CHAA had the seventh highest number of patients of living there of all the CHAAs in the state. Because of its patient density, the Department of Health Services intends to issue an additional license to a site within the Peoria CHAA.

The applicant will be applying for a new license to be issued by the Arizona Department of Health Services for the Peoria CHAA. As an affiliate of an experienced operator within the State of Arizona, with four currently licensed locations under it management, the applicant has the requisite skill, staff, infrastructure, and capital to obtain such a license. This would include a new Dispensary Registry Certificate for this location. Prior to opening, the site would also have to meet all of the State requirements prior to receiving an Approval to Operate from the Department of Health Services. In the alternative, the applicant would move its currently operating dispensary located in the town of Oracle to this location. That dispensary operates under Dispensary Registration Certificate number 00000020DCGM00200033 (a copy of the Dispensary Registration Certificate is attached). This dispensary has operated without incident since it opened. Under the Department of Health Services' rules, this dispensary became eligible to be moved to another location within the state in August of 2015.

ANTICIPATED CONSTRUCTION

Construction for this project shall be accomplished as quickly as possible. Once all site planning and permits are approved, the applicant anticipates immediately beginning construction. Plans for the building have not been completed at this time and are contingent on the approval of the CUP. Plans are expected to take three (3) weeks to complete after approval of the CUP, and will then be submitted for approval. Ideally, site preparation should take one (1) month followed by two (2) to three (3) weeks for the foundation. Construction of the building itself is expected to take six (6) weeks. Once the building has been "dried in", electrical, mechanical, and plumbing can proceed simultaneously and are expected to take two (2) weeks. Life safety, fire, and security systems can be installed simultaneously with the preceding services. Drywall and paint will be completed in two (2) weeks, followed by flooring and finishes which should take two (2) weeks. Site paving and preparation of the parking lot can be carried out simultaneously with interior work at the space and is expected to take two (2) weeks. This tentative schedule does not take into account delays for unexpected site conditions, or inspections and corrections.

CONCLUSION

In summary, this is a highly regulated and secure use which is consistent with the General Plan and that meets all of the City's strict zoning requirements. It will be professionally run, strictly regulated by AZ DHS and will provide a valuable and needed service to the medical marijuana patients in the City. Furthermore, granting this CUP will enable development of a long vacant and challenging parcel that is otherwise likely to remain vacant for the foreseeable future.

SECURITY MANAGEMENT PLAN (Revised)

8970 N 91ST AVENUE, PEORIA, ARIZONA 85345

1. Written Program (Program Requirements, components, management structure)

This Security Plan is designed to meet or exceed the requirements as set forth in A.A.C. § R9-17-318 and the ordinances of the City of Peoria. To address the security requirements for a dispensary, the applicant will take the following steps:

- a. Applicant will install sufficient Security equipment to deter and prevent unauthorized entrance into limited access areas. Such equipment will include, but is not necessarily limited to:
 - 1. A monitored alarm system using either wired or wireless detectors that will, when the system is armed detect and alert to the opening of any door, or the occurrence of motion within the premises. Such system will be monitored by a recognized off-site alarm company and will include notification to law enforcement in the event that the alarm is triggered. The alarm system will also provide for immediate automatic or electronic notification to alert local law enforcement agencies of an unauthorized breach of security at the medical marijuana establishment in the interior of the dispensary.
 - 2. Lighting will be installed on the outside of the building to provide sufficient illumination for all surveillance cameras to produce clear images of any point along the perimeter of the building. Such lights will be adjusted as needed. Such lighting will meet or exceed the requirements of the City of Peoria.
 - 3. A video monitoring system will be installed throughout the interior and exterior of the building so that activity in each room within the building is covered. Any room in which medical marijuana is to be handled will have sufficient cameras such that all activity within the room is covered. Cameras will also be installed to cover all entrances and exits from both the inside and outside. Additionally, cameras will be installed along the perimeter of the building so that each side of the building can be seen. The surveillance system shall also meet the following criteria:
 - Sufficient monitors at least nineteen (19) inches in size capable of displaying multiple camera displays at one time or switching to a larger view.
 - A method of printing which will allow for the immediate production of a clear still photo from any video camera image.
 - All video cameras shall have a resolution of at least 704 x 480 pixels.
 - Approximately thirty-two (32) cameras will be installed, with sufficient coverage to meet or exceed regulatory requirements.
 - Cameras will record all activity, twenty-four (24) hours per day.
 - Applicant will install and maintain sufficient digital video recorders (DVRs) to record and store at least sixty (60) days of video from all cameras.
 - The video camera system will be equipped with an audible and visual notification system which will alert the staff to any equipment failures.

- Each video camera system and DVR will be connected to a power supply with sufficient battery back-up such that in the event of a loss of power, the system can continue to run uninterrupted.
- In addition to the general coverage of the building, the security camera system will cover and identify any activity in or adjacent to all of the following areas:
 - o all entrances to and exits from limited access areas
 - o all entrances to and exits from the building
 - o each point-of-sale location which allows for the identification of any person who holds a valid registry identification card or his or her designated primary caregiver purchasing medical marijuana
- 4. Applicant will also provide for a system of "panic buttons" linked to an offsite alarm company that will provide for the immediate electronic notification of law enforcement in the event of an emergency. Panic buttons will be installed as provided for in the included Handbook.
- 5. A security guard will be stationed at the main entrance during all hours of operation of the dispensary. All security guards will be licensed and duly bonded security personnel registered pursuant to A.R.S. § 32-601.
- 6. Transportation Security Measures will be implemented in accordance with the requirements
- b. Policies and Procedures. As an additional security protocol, Applicant has adopted policies and procedures for access to certain areas of the medical marijuana establishment. These policies are set forth in the attached Handbook and generally cover the following:
 - 1. Access to the areas of the medical marijuana establishment that contain medical marijuana is restricted to persons authorized to be in those areas only. Those areas that contain medical marijuana will require either special keys or electronic passes that are distributed only to those who need access to those areas and only while those persons are on duty. At the end of each shift, any access device will be returned to the manager on duty at the end of that person's shift. Staff will not be allowed to take any access device outside of the building.
 - 2. Each person authorized to be in the areas of the establishment that contain medical marijuana shall at all times they are on duty wear a badge identifying them as an Arizona Department of Health Services Registered Dispensary Agent.
 - 3. Neither staff, patients, nor the general public shall be allowed to loiter in or around the dispensary premises. It shall be the duty of the dispensary's security personnel to ask anyone who is loitering to leave the premises. If such person does not leave the premises on request, then law enforcement shall be notified. If the person in question poses a risk to the safety of anyone else on the premises then the panic button system will be used to notify law enforcement so as not to create a confrontation.

- 4. All staff shall be advised of the electronic monitoring of the premises. Additionally, there shall be signs on the exterior and interior of the building notifying anyone around or in the building that the premises are under electronic monitoring. Patients will also be advised in writing that the premises are being monitored electronically. It shall be the duty of the manager on duty to verify that the electronic monitoring system is functioning properly. Additionally, at least daily, the manager shall spot check to make sure that the system is recording properly.
- 5. As stated above, the building shall be outfitted with panic buttons at critical locations throughout the building, as well as person panic buttons that may be worn by staff working directly with patients. These panic buttons will provide for the automatic or electronic notification to alert local law enforcement agencies of any breach of security at the medical marijuana establishment.
- 2. Physical & Procedural Security Measures.
- a. Physical Security Measures are covered in Section I of the attached Handbook which is included as a part of this Security Management Plan. Physical Security Measures will include, but not be limited to the following:
 - Electronic Surveillance System covering the interior and exterior of the building.
 - Automatic or electronic notification of authorities by alarm, activation of fixed panic button, or activation of panic buttons worn by a staff member.
 - All restricted areas shall be kept locked at all times, and access will require a key (or other means of access such as a key card, RFID, key fob, or similar access control).
 - All medical marijuana will be kept in a restricted area up until the point it is dispensed to the patient.
 - All exterior doors will be reinforced steel. Any windows will be covered with reinforced steel bars.
- b. Procedural Security Measures are covered in Section I of the attached Handbook which is included in this Security Management Plan. Procedural Security Measures will include, but not be limited to the following:
 - All staff will be required to have badges identifying them as Registered Dispensary Agents and the areas to which they have access.
 - Entry into the facility shall be controlled via security staff and video monitoring.
 - Entrances and exits that are not monitored or attended must remain locked at all times. Doors must not be propped open.
 - Staff with access to restricted areas must not allow unauthorized individuals access to those restricted areas and should report to management any unidentified persons who have gained, or seek to gain access.
 - A current Access Worksheet which describes the access allowed for each staff member.
 - A log of staff who have been given a key, key card, or access code that gives them access to Facilities or areas where medical marijuana or electronic data is maintained. This log must be updated when staff leaves or work functions change.

- A log of non-Dispensary persons, including patients, who need regular or recurrent access to areas or Facilities where medical marijuana or electronic data is maintained. Logs should include name of person, date, purpose of access, and any other relevant details.
- A log of physical access by individuals performing maintenance services, when feasible. Logs should include name, date, materials brought into the facility and materials removed, and other appropriate details.
- 3. Security Inspections. The dispensary shall have a security officer who will be responsible for performing monthly checks of all security systems and documenting these checks. The security officer will report to the dispensary manager any deficiencies with any system. Annually, the dispensary will have an outside consultant review the security plans of the dispensary to make sure that they are in compliance with all applicable codes and rules. Any time that there is a physical change to the building, the security officer will review all security measures to make sure that no additional security measures are needed.
- 4. Security Risk Assessments. The following security risks have been identified:
 - Any windows in the patient waiting area that will be selected to remain, will be covered with security bars on the exterior to provide further protection.
 - All doors present a possible risk. All doors will be security type doors, with appropriate alarms, sensors, and camera coverage.
 - Restricted Areas where medical marijuana will be kept. These areas will be kept locked at all times. The walls to these rooms will be reinforced, and the room will have additional electronic -security features such as digital access key fobs.

5. Vulnerable Security Areas

Windows. Steel reinforced bars or other similar security measures for all windows.

Doors. Access to the dispensary will be through a single locking entrance. However, where life and safety codes dictate additional doors, these will be reinforced security doors which will stay locked from the outside at all times.

- 6. Restricted Areas. See Section I.3 below for details.
- 7. Employee Policies relating to security. See, Section I below.
- 8. General Access to Premises. See, Section I below.
- 9. Sign-in, sign-out, keys, access, passes and badging policy. See, Section I below.
- 10. Policy for access by Local Law Enforcement Agencies.
 - During business hours, Law Enforcement may have access to the premises as needed
 with verification of their credentials upon entry into the building. Law Enforcement
 are some of a dispensary's most important allies and tours and information will be
 available to Law Enforcement upon request.

- Outside of business hours, there will at all times be a member of management available to provide access to Law Enforcement upon notice. Law Enforcement will be informed of how to contact this person using the best methods available.
- 11. Access Controls. See, Section I below.
- 12. Personnel Monitoring Measures. See, Section I below.
- 13. Security Force Standards, Requirements and responsibilities
- 14. Review & Evaluation of security system/policies. See, Section I, below.
- 15. Specifications for Surveillance System. See 1.a., above; Section I, below.
- 16. Locations of surveillance cameras and coverage areas. See, Rendering under this Tab.
- 17. Safety policies. See, Section I below.

SECURITY HANDBOOK FOR DISPENSARY

Security

I.1 Facility Access Control Policy

I.1 Purpose

To establish policy and procedures to limit physical Access to facilities and electronic Information Systems and to protect Facilities where medical marijuana or electronic information is stored from unauthorized physical access, tampering, and theft.

I.2 Policy*

Dispensary staff members must protect their facilities and data by controlling and monitoring physical access to their sites. The dispensary must continually develop and implement procedures designed to control and monitor Access to their Facilities that maintain electronic data of medical marijuana.

I.3 Procedure

- A. Dispensary management shall establish Facility access control procedures that must include, but are not limited to, requirements to maintain the following:
 - 1. A current Access Worksheet which describes the access allowed for each Dispensary staff member.
 - 2. A log of staff who have been given a key, key card, or access code that gives them access to Facilities or areas where medical marijuana or electronic data

- is maintained. This log must be updated when staff leaves Dispensary or work functions change.
- 3. A log of non-Dispensary persons, including patients, who need regular or recurrent access to areas or Facilities where medical marijuana or electronic data is maintained. Logs should include name of person, date, purpose of access, and any other relevant details.
- 4. A log of physical access by individuals performing maintenance services, when feasible. Logs should include name, date, materials brought into the facility and materials removed, and other appropriate details.
- B. Dispensary's Security Officer, with the assistance of the Dispensary administration, shall periodically review physical security of any site containing medical marijuana or electronic data, especially after any significant change that may affect the security of facilities and/or data at a particular site.
- C. Required access control procedures must include the following:
 - 1. Entrances and exits that are not monitored or attended must remain locked at all times. Doors must not be propped open.
 - Staff with access to restricted areas must not allow unauthorized individuals access to those restricted areas and should report to management any unidentified persons who have gained, or seek to gain, access.
 - 3. When practicable and in all cases where required by regulation, all entrances, exits, windows, strategic areas of the building, and other means of Access into the building should be alarmed, monitored, and/or covered by a security camera (see section I.6 for detailed information).
- D. Safe Room A Safe Room is a restricted area devoted to storage of Medical Marijuana. Dispensary shall restrict access to any Safe Room located in their Facilities to authorized persons only and shall log or video record all such access.
- E. Network Wiring/Communications Closets These locations house network termination equipment including switches and routers. Dispensary shall keep doors to any closets located in their Facilities locked and limit key distribution to prevent unauthorized access.
- F. All restricted access areas are to be identified by a sign with the following or equivalent information:

Signs as shown below will be posted in all areas where marijuana is handled or stored. The instructions on these signs will be obeyed by all patients, staff and visitors.

--- Authorized Personnel Only --- NOTICE

Only State Licensed Dispensary Agents or those escorted by State Licensed Dispensary Agents are permitted beyond this point.

Any infraction of this notice will be reported to law enforcement.

In compliance with R9-17-310(A)(7)

I.4 Transportation

All transportation of marijuana will be recorded on the Bill of Lading form. A copy of the form will be left at the point of departure in a binder provided for that purpose. Upon arrival the Bill of Lading will be completed and signed by the consignee and a copy will be maintained at the destination in a binder provided for that purpose. See below for an example of the Bill of Lading form, which is located in the Dispensary forms directory. Actual transportation will be performed by licensed and bonded secure transport company(ies) as needed, but is expected to be handled primarily by the Cultivation company from which marijuana is purchased.

1.5 Panic Button Policy & Procedures

This Panic Button Policy & Procedures Handbook ("Handbook") is designed to summarize the guidelines for use, activation, and deactivation of panic buttons and to acquaint employees with situations appropriate for the implementation of their use. This Handbook applies to all employees, and compliance with the Company's policies is a condition of employment. This Handbook supersedes all previous employment policies, written and oral, express and implied. The Company reserves the right to modify, rescind, delete, or add to the provisions of this Handbook from time to time in its sole and absolute discretion. This Handbook is not a binding contract between the Company and its employees, nor is it intended to alter the at-will employment relationship between the Company and its employees. The Company reserves the right to interpret the policies in this Handbook and to deviate from them when, in its discretion, it determines it is appropriate.

I.5.1 Changes in Policy

Since our business is constantly changing, the Company expressly reserves the right to revise, modify, delete, or add to any and all policies, procedures, or rules stated in this handbook or in any other document. Nothing in this handbook or in any other document creates or is intended to create a promise or representation of continued employment for any employee. Any changes to this policy and procedures, described below, must be in writing and must be signed by the Company.

With respect to all other changes to Company policies, we will notify you of these changes in writing. No oral statements or representations can in any way alter the provisions of this Handbook. Changes will be effective on dates determined by Dispensary and you may not rely on policies that have been superseded.

If you are uncertain about any policy or procedure, please check with your manager or Human Resources.

I.5.2 Terms of Use

By virtue of the Company's stance on employee and patient safety, all employees are implored to use panic buttons whenever deemed appropriate in the protection of human life and Company assets. However, if the activation of security alert systems threatens a life or the lives of patients or employees, employees are advised not to utilize panic buttons and cooperate if at all possible.

I.5.3 Occasions of Use

As the Company cannot foresee all occasions for possible use, it is stringent on the employee's personal risk assessment whether or not to activate panic buttons. If an employee assesses that immanent robbery or bodily harm is likely, they are encouraged to activate the security alert system.

For all other cases not requiring an immediate armed police response, employees are to call local emergency services and/or 911.

1.5.4 Panic Button Monitoring and System Locations

Locations [FOR ILLUSTRATION ONLY – WILL EDITED AS BUILT]

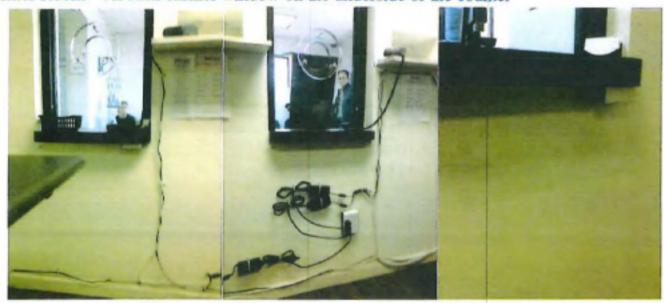
Receptionist Area – Under-Side of Receptionist Desk



Patient Consultation Room - At each Patient Consultant Station



Cashier Room - At each cashier window on the underside of the counter



Safe Room - On the wall near the door



Press and hold any one of the four buttons on the security device remote to activate.

Security Monitoring Key Pad - On the wall near the front door



*Press and hold # and * on the keypad to activate.*

I.5.5 Panic Button Procedure

Activation

Once an employee has determined that the application of security alert systems are appropriate, the employee may depress the panic button.

Panic buttons must be depressed fully for more than two continuous seconds (example: while holding down the button, count to yourself, "One-one thousand, Two-one thousand.") in order to active. Depression lasting fewer that one second or rapid repetitive depression of panic buttons will not trigger the panic button alarm feature.

Once activated, request for immediate armed police response will be sent.

Deactivation

After police response or in the unlikely occasion of accidental activation, facility managers are to do the following:

- 1. Enter their personal security password on the security key pad and deactivate the silent alarm.
- 2. Immediately call the local police dispatching office to confirm the accidental activation of the security system.
- 3. Call the security monitoring service and inform them of the accidental activation. Then confirm with the security monitoring service that police response is not needed.

Only facility managers are to deactivate security monitoring systems.

I.5.6 Reporting

Security Incident Report

The Security Incident Report is to be filled out with as much information as possible and turned in to appropriate management for review. Please see below for a partial example to the form:

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Reporting Party	
Name:	770 NE:
ite:	Eneir:
location:	Pepe directs:
Emergency Response Perty	
Keng:	?e ≠:
Cose Officer:	Phone:
Emok.	
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Date: Location: Type	Room:
Date: Location: Type	
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Date: Location: Type	Room:
Date: Location: Type DiRobbery DiAttempted	Room:
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Date: Location: Type DiRobbery DiAttempted	Room:

The Security Incident Report can be acquired from management upon request, or it can be located in the Dispensary forms directory.

Reporting Parties

All reports must be given to appropriate management immediately after the initial incident.

Contact Information

Below are appropriate contact information for local police dispatching, security monitoring services, and appropriate management contacts:

Peoria Police Department

- Communications (Dispatch) Non-Emergency: (623) 773-8311
- Emergency: 911

On Guard Security www.onguardaz.com

False Alarm: (480) 752-7148

Direct: (602) 433-1271

Corporate Reporting Contacts

- TBD
- TBD

I.6 Security Cameras and DVR System

AZDHS requires that all dispensaries install a video camera system capable of retaining 30 days of recorded video for all camera locations (City of Peoria requires 60 days). Cameras are required at every entrance and exit, as well as any place medical marijuana or marijuana infused products will be handled, as well as any place cash is exchanged or payment tendered. Follow the instructions below to export still photos or video segments to an external USB drive.

How to Export Photo and Video from the Security Cameras

- Go into the safe room
- Find the mouse to control the security camera system
- Right-click anywhere on the security camera monitor
- Click SEARCH
- Click the drop-down box next to USER on the LOGIN SEARCH window
- Select the proper USER (TBD)
- Click the arrow next to the PASSWORD box to reveal the keyboard
- Enter the correct PASSWORD (TBD) then press ENTER
- Click OK on the LOGIN SEARCH window
- With EZSearch selected, click NEXT >
- Select the desired date and click NEXT >
- Choose the desired CHANNEL from CH 1 through CH 16 (See Attachment #1)
- Click PLAY
- Double-click on the desired hour block (time-stamps are in 24:00:00 format)
- Double-click on the desired minute block (blocks are in 00:02:30 intervals)
- Hover over each blue control button to see its function
- Use the controls at the bottom of the screen to locate the desired time-stamp
- Insert a USB flash drive into one of the front 2 USB ports

To Export a Still Image

- Click the second blue button from the right, EXPORT
- With STILL IMAGE selected, click NEXT >
- With USB DRIVE selected, click START
- Once the progress bar has reached 100% and is COMPLETE, click CLOSE

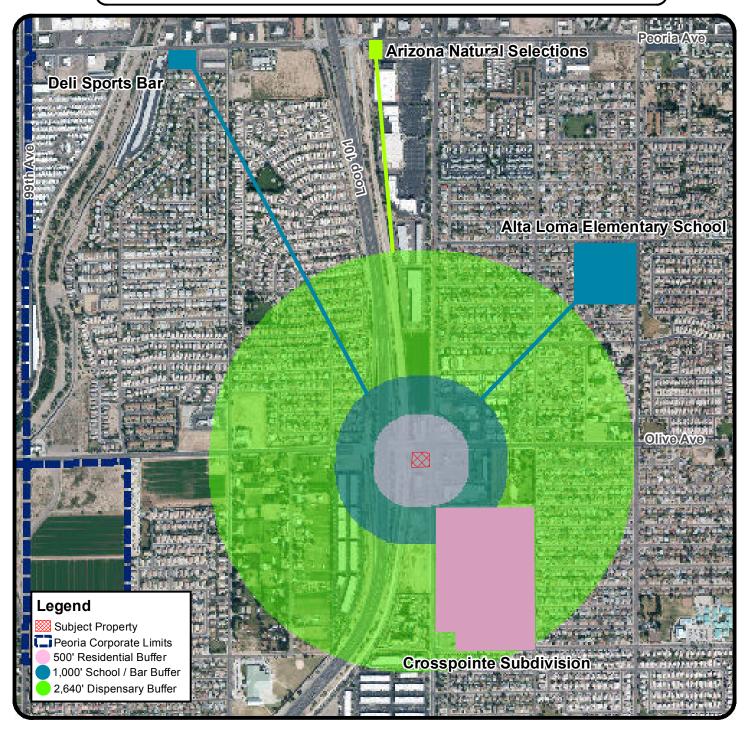
To Export a Video

- Use the controls at the bottom of the screen to locate the desired start point
- Click the second blue button from the right, EXPORT
- Select AVI SEPARATED SUBTITLE, MAC COMPATIBLE and click NEXT >
- Ensure that USB DRIVE is selected and click NEXT >
- Ensure the START TIME is correct
- Select the desired DURATION by making a selection from the drop down bar
- Click START
- Once the progress bar has reached 100% and is COMPLETE, click CLOSE
- Remove the USB flash drive
- To exit playback, click the blue X button on the far right, CLOSE
- After ensuring you are done, click CLOSE

Rec Rm	Pmt Area	Wait Rm	Cashier Rm
CH1	CH 2	СН 3	CH 4
Cashier 1	Cashier 2	Cashier 3	Assembly
CH 5	CH 6	CH 7	CH 8
Safé Rm	Rear Exit	Nug 1	Nug 2
CH 9	CH 10	CH 11	CH 12
Entrance	Exterior N	Park Lot	Back Foyer
CH 13	CH 14	CH 15	CH 16

Attachment #1 - Bloom Phoenix Camera Monitor Layout

CU16-0009 Distance Separation Map



CU16-0009 Medical Marijuana Dispensary

Applicant: Edward Judice

Request: The applicant is requesting a Conditional Use Permit for a medical marijuana dispensary.

Location: The southwest corner of 91st Avenue and Olive Avenue.

Exhibit K



Not to Scale

Business's within 1,000 feet of 8920 N. 91st Ave, Peoria, AZ 85345

Business	Address	Suite # City	State	Zip Code
Service King Collision Repair	8800 N 91st Ave	Peoria	AZ	85345
Westgate Pharmacy	8914 N 91st Ave	100C Peoria	ΑZ	85345
Desert Vista Surgery Center	8914 N 91st Ave	100 Peoria	AZ	85345
World Buffet	8914 N 91st Ave	130 Peoria	AZ	85345
Peoria Medical Center	8914 N 91st Ave 8914 N 91st Ave	100 Peoria Peoria	AZ AZ	85345 85345
Peoria Dental Center	8914 N 91st Ave 8950 N 91st Ave	Peoria	AZ AZ	85345
Melody Wireless Infrastructure El Tri	8987 W Olive Ave	134 Peoria	AZ	85345
Subway	8987 W Olive Ave	132 Peoria	AZ	85345
Papa Johns Pizza	8987 W Olive Ave	131 Peoria	AZ	85345
Cricket Wireless	8987 W Olive Ave	128 Peoria	ΑZ	85345
Best China	8987 W Olive Ave	126 Peoria	ΑZ	85345
GNC	8987 W Olive Ave	125 Peoria	AZ	85345
Desert View Dental	8987 W Olive Ave	120 Peoria	AZ	85345
Tanja's Natural Magick	8987 W Olive Ave	119 Peoria	AZ	85345
At Your Service Notary	8987 W Olive Ave 8987 W Olive Ave	117-129 Peoria 118 Peoria	AZ AZ	85345 85345
Smokers Village Pack Mail & More	8987 W Olive Ave	117 Peoria	AZ	85345
Dolce Yogurt	8995 W Olive Ave	115 Peoria	AZ	85345
Angel Nails by Ann	8995 W Olive Ave	114 Peoria	AZ	85345
Metro PCS Authorized Dealer	8995 W Olive Ave	113 Peoria	AZ	85345
South Peoria Baptist Church	9000 W Olive Ave	Peoria	AZ	85345
QuickTrip	9020 N 91st Ave	Peoria	AZ	85345
KFC	9039 W Olive Ave	Peoria	AZ	85345
Fry's	9043 W Olive Ave	Peoria	AZ	85345
Fry's Pharmacy	9043 W Olive Ave	Peoria	AZ	85345
CoinStar	9043 W Olive Ave	Peoria	AZ	85345
JP Morgan Chase	9043 W Olive Ave	Peoria Peoria	AZ AZ	85345 85345
Jack in the Box West Olive Animal Hospital	9066 W Olive Ave 9069 W Olive Ave	101 Peoria	AZ AZ	85345
Nationwide Vision	9069 W Olive Ave	112 Peoria	AZ	85345 85345
RS Pawn	9069 W Olive Ave	109 Peoria	AZ	85345
Crossroads Books & Coffee (Christian Bookstore)	9069 W Olive Ave	105 Peoria	AZ	85345
Allstate	9069 W Olive Ave	104 Peoria	AZ	85345
Cost Cutters	9069 W Olive Ave	111 Peoria	AZ	85345
Buttons & Bows Pet Salon	9069 W Olive Ave	102 Peoria	AZ	85345
Mcdonalds	9071 W Olive Ave	Peoria	AZ	85345
Chevron	9080 W Olive Ave	Peoria	AZ AZ	85345
Jiffy Lube	9113 N 91st Ave 9299 W Olive Ave	Peoria 101 Peoria	AZ AZ	85345 85345
Winery 101 Ticket Hippie	9299 W Olive Ave	101 Peoria	AZ AZ	85345
Quick Dispense	9299 W Olive Ave	105 Peoria	AZ	85345
Envision Security Inc.	9299 W Olive Ave	107 Peoria	AZ	85345
Custom Air Design	9299 W Olive Ave	108 Peoria	AZ	85345
Southwest Bond Services	9299 W Olive Ave	109 Peoria	ΑZ	85345
FILANC	9299 W Olive Ave	110 Peoria	AZ	85345
TLV	9299 W Olive Ave	111 Peoria	AZ	85345
Valley Environmental Resources Inc.	9299 W Olive Ave	112 Peoria	AZ	85345
AZ West Valley Fund Services	9299 W Olive Ave	113 Peoria	AZ	85345
Synergetic Systems	9299 W Olive Ave 9299 W Olive Ave	301 Peoria 406 Peoria	AZ AZ	85345 85345
Empty Civiltec Engineering Inc.	9299 W Olive Ave	405 Peoria	AZ	85345
Arts. Arts. Arts	9299 W Olive Ave	404 Peoria	AZ	85345
Empty	9299 W Olive Ave	403 Peoria	AZ	85345
Original Rufnek	9299 W Olive Ave	402 Peoria	AZ	85345
International Minute Press	9299 W Olive Ave	401 Peoria	AZ	85345
Tri-Star Visual Communication	9299 W Olive Ave	202 Peoria	ΑZ	85345
Naturoli Beautiful	9299 W Olive Ave	201 Peoria	AZ	85345
Envision Security Inc.	9299 W Olive Ave	213 Peoria	AZ	85345
State Farm - Barry Swartz	9299 W Olive Ave	212 Peoria	AZ	85345
Vargas General Engineering, LLC	9299 W Olive Ave 9299 W Olive Ave	211 Peoria 210 Peoria	AZ AZ	85345 85345
Onix Sports Inc.	9299 W Olive Ave	209 Peoria	AZ AZ	85345
Empty Empty	9299 W Olive Ave	208 Peoria	AZ	85345
Plumbing Masters	9299 W Olive Ave	207 Peoria	AZ	85345
All About Catering Co.	9299 W Olive Ave	203 Peoria	AZ	85345
Penny Royal Productions	9299 W Olive Ave	204 Peoria	AZ	85345

From: james hayes
To: Jennifer Fostino

Subject: marijuana dispensary at 91st and Olive Date: Monday, June 20, 2016 12:20:04 PM

Hello Ms Fostino

Thank you for alerting us to the possibility of a Marijuana Dispensary in our neighborhood.

We would like to register a formal concern with you and ask that a permit not be granted to this business.

We deal with the effects of drugs and alcohol often through our church and see the consequences in the lives of young people and families. Although this is a Medical Dispensary we are opposed to Marijuana use as we see it as a 'pathway' drug.

Thank you so much for your help, please contact us for any further information.

James Hayes

James Hayes South Peoria Baptist Church 9000 W. Olive Peoria Az. 85345 623-486-1556 www.spbch.org

CU16-0009 South Peoria Baptist Church Separation



CU16-0009 Medical Marijuana Dispensary

Applicant: Edward Judice

Request: The applicant is requesting a Conditional Use Permit for a medical marijuana dispensary.

Location: The southwest corner of 91st Avenue and Olive Avenue.

Exhibit N



Not to Scale

From: <u>Jennifer</u>
To: <u>Jennifer</u>

Cc: Jennifer ; Angelica Ryan
Subject: CU16-0009; Outreach Efforts

Date: Wednesday, August 03, 2016 1:31:40 PM

Attachments: RE Follow up; Meeting Request for Pastor Jeremiah

Hi Jennifer,

Here is an update of our outreach efforts (to no avail) with South Peoria Baptist Church for the case file. Attached please find the emails referenced below. Thanks!

6/21 left voicemail for Pastor Hayes re: meeting to discuss concerns

6/21 email to Pastor Hayes re: meeting

6/22 spoke to Terry in church office re: Pastor Hayes in

6/27 left voicemail for Pastor Hayes re: meeting

7/7 email to Pastor Hayes re: meeting

7/13 mailed Open House invitation to church

7/27 left voicemail for Pastor Jeremiah Hayes re: meeting

7/29 email to Pastor Jeremiah re: meeting

8/3 stopped by church office and spoke to Terry; Pastor out of town



7144 E Stetson Drive, Suite 300 Scottsdale, Arizona 85251

Direct: 480.505.3938 Cell: 602.369.0810

roselawgroup.com roselawgroupreporter.com social.roselawgroup.com

RLG is Service

Winner "Best place to work in Arizona"

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Think green, please don't print unnecessarily

From:
To:

Jennifer

Cc: Christina

Subject: RE: CU 16-0009 Medical Dispensary location

Date: Monday, July 25, 2016 1:54:17 PM

Attachments: <u>marjane.docx</u>

Ms. Hhall and Ms. Fostino,

Good Afterrnoon. I am attaching a statement re the above project. I am sorry but I have sincere misgivings and they are noted in my attachement. We are a planned community located at 8940 W. Olive Avenue in downtown Peoria. Our main entrance is directly across the street from the Old Peoria swim club and our back entrance is located at 91 Avenue and Sunnyslope

Dr.. On the north we are next to the South Peoria Baptist Church.

Please feel free to email or call me. It had planned on attending the open house but duty to my Board preckludes me from attneding.

Thank you, Frances E.

Statement AGAINST Dispensary @ 91 & Olive Avenue

- 1. Westgreen Townhomes and Westgreen Townhomes Condos, total 182 Homeowners who pay property taxes to city, county and state.
- 2. New housing development directly behind fry's 100-200 homes purchased between 2-4 hundred thousand.
- 3. Proposed housing development directly across from Westgreen Townhomes main entrance within Old Peoria swim club grounds. This development I believe has 40 proposed unit
- 4. So around total about 400 families that pay City, County, and State taxes. All with children in residence.

I do not believe the location for this dispensary is a viable one. Location wise, YES it is in a commercial zoned area, The City of course will give an incentive to the owner/builders in the way of a tax break for developing vacant lot, HOWEVER, see above there are residential homes very close by. An alternate location for this dispensary would be within the existing Olive Business Park directly North of the Loop 101 where there are existing businesses already OR on Olive or Peoria Avenue between 67 and 83 Avenues where there are NUMEROUS, VACANT strip malls and shops.

I have resided within Westgreen Townhomes for 20 years. We are a small townhome community. We are gated for privacy. In the 20 years I have lived here there has NEVER been an issue requiring a heavy police presence and I do not want that to change. The patients who will eventually be purchasing the product, yes have a legal card. However, there is more of an opportunity for undesirable individuals to congregate in, around and near the facility for the purpose committing illegal activities.

There are young school age children residing within our walls, again they should not be exposed to an element that could cause them harm.

Traffic has always been an issue but I am sorry, the location of this dispensary will cause a traffic flow issue. Many times trying to Enter the Fry's parking lot from the 91 Avenue side I wait 2 to 3 minutes before turning in. Traffic from the "The World Buffet" has a difficult time leaving the premises. A neighbor has already been involved in an accident with an individual leaving the "World Buffet" and the person was not paying attention. Personally I do not care that traffic flow will be directed in a proper manner, from what I see on a daily basis, the police department would constantly be monitoring that corner.

I am sorry, but I really feel this location is not the right place for the dispensary. I CAN NOT attend the
meeting as I have a commitment with my Homeowner's Association of which I am President that
precludes me from attending. I can be reached at

meeting as I have a commitment with my Homeowne	r's Association of which fam President that
precludes me from attending. I can be reached at	
Respectfully submitted,	

President

Frances E.

Westgreen Townhouses Association

CU16-0009 Westgreen Townhomes Separation



CU16-0009 Medical Marijuana Dispensary

Applicant: Edward Judice

Request: The applicant is requesting a Conditional Use Permit for a medical marijuana dispensary.

Location: The southwest corner of 91st Avenue and Olive Avenue.

Exhibit Q



Not to Scale

From:

To: <u>Jennifer</u>

Subject: RE: Requested email re CU 16-009

Date: Friday, August 12, 2016 10:16:57 AM

Attachments: <u>cuyes.docx</u>

To Whom It May Concern,

I the below signed party am hereby removing my objection to a CU permit # CU 16-0009. Upon discussing my concerns and actually viewing a video of an operating pharmacy here in the valley I am assured that the customer, employees and parties near the pharmacy will be safe.

Thank You,

France E.

Open House Meeting

SUMMARY

JULY 26, 2016 6:00 PM

NORTHERN RE HOLDINGS, LLC

CUP APPLICATION (CU16-0009)

MEETING CALLED BY	Northern RE Holdings, LLC	
TYPE OF MEETING	Open House to discuss the proposed Conditional Use Permit request to allow the operation of a medical marijuana dispensary at 8970 N. 91 st Avenue.	
LOCATION	Peoria Public Library (Willow Room) 8463 W. Monroe Street Peoria, AZ 85345	
NOTE TAKER	Jennifer Hall, RLG	
ATTENDEES	Project Team: Ryan Hurley – Rose Law Group (attorney) Tom Galvin – Rose Law Group (attorney) Jennifer Hall – Rose Law Group Edward Judice – Applicant Ed Vartughian - Applicant Stephanie Pereyra – Applicant	

	There were only 4 other attendees: Councilman Leone and his staffer Anthony Alejandro, Jennifer Fostino who is the Peoria City Planner assigned to this case and An Nguyen who was passing by the room and decided to stop in to listen to the presentation.
SUMMARY	At 6:15PM Ryan Hurley welcomed the group and introduced the Applicants as the current operators of the existing Bloom Dispensary. A short video played that showed the existing safe and secure operation of the Bloom Dispensary including checking in patients, verifying valid cards, educating patients on the illness specific strains, showing the secure purchase and delivery of the medicine in pre-sealed packages.
	Applicant, Edward Judice, spoke after the video. He explained how he became involved in medicinal marijuana program and had a power point presentation that discussed the process in great detail. At the end of the presentation Edward invited questions from the audience. There were no questions after the presentation.

NORTHERN RE HOLDINGS, LLC | Open House Sign-in Sheet CUP APPLICATION FOR MEDICAL MARIJUANA DISPENSARY AT 8970 N. 91ST AVENUE

Tuesday, July 26, 2016, 6:00PM

	Name	Address	Email	Phone
1.	AN Nagyen			
2.	Anthony Alexandro	8401 W. Monroe 5	+ peoria, MZ anthony alej	023-773-753 autora provingos 1023-773-756.
3.	Jennifer Fostino	Dev Sus	jenn fer fosti	ne permaz 50V
4.				,
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				