



June 28, 2022

VIA EMAIL

Ms. Taylor Day, *Deputy City Clerk*  
taylord@cityofgrassvalley.com

**Re: Item 21; Cannabis Selection Appeal of NUG Inc., dba NUG Grass Valley**

Honorable Mayor Aguilar And The Grass Valley City Council:

I am writing you today about Item 21 at tonight's City Council meeting in the City of Grass Valley.

For the past ten years, I have proudly worked with NUG Inc., a premiere cannabis company in Northern California. NUG Inc. is a celebrated leader in the cannabis industry and currently owns and operates five (5) award-winning cannabis retail dispensaries in Sacramento, Redding, Oakland, El Cerrito, and San Leandro. Our company website is [www.nug.com](http://www.nug.com).

On August 12, 2021, my team and I submitted a very concise and complete Commercial Cannabis Business Application to the City of Grass Valley. Unlike other cities throughout California, the City of Grass Valley limited our dispensary application to only one hundred (100) pages. In our application, we included a "snap-shot" of our current businesses based on industry "best practices."

Out of a field of seven (7) total retail applicants, when the final "Score Sheets" were released, my team and I could not comprehend, nor could we accept, the City's final "Score Sheets" and its rankings. As industry leaders, NUG Inc. is very familiar with the work and business models of the co-applicants. In fact, all of the dispensary applicants have experience operating multiple retail cannabis dispensaries in California, with the exception of one applicant: Provisions.

In our Appeal and in our arguments before Judge Dover, my team (with the help of legal counsel), after spending hundreds of hours reviewing the applications and score-sheets of the other retail applicants, arrived at an obvious and compelling and dramatic conclusion:

**The City of Grass Valley and its decision by the Selection Committee to award a retail cannabis permit to Provisions was based on favoritism, nepotism, and bias. Further, a review of the final Score-Sheets for NUG Inc. and its dispensary application will reveal human error, gross oversight, and unacceptable mistakes.**

Please consider the following facts in favor of NUG Inc. and our Commercial Cannabis Business Application to the City of Grass Valley:

- **According to the City's Commercial Cannabis Application Review Criteria, the Selection Committee was asked to evaluate a total twenty-six (26) criteria sections.**



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- In twenty-two (22) out of twenty-six (26) criteria sections on the City's Commercial Cannabis Application Review Criteria, NUG Inc. scored a "perfect score" (or full points) from at least one Selection Committee Member.
- In the four (4) criteria sections that NUG Inc. did not receive a perfect score – in Ownership Team, Employee Training, Customer Education, and Community Benefits – a basic revisit and review of our team's Commercial Cannabis Application will show clear and present evidence in full of these four (4) criteria sections.
- Our team maintains that the City's Selection Committee did not receive the proper professional training, if any, to formally and effectively "judge" or "score" the Commercial Cannabis Application Review Criteria. In short, the final "Score-Sheets" should be deemed invalid or NUG's Commercial Cannabis Business Application should be rescored.

*(\*I have attached a copy of NUG's Review Criteria or "Score-Sheet" herein for your review.)*

*(\*Please See Attachment)*

Beyond the obvious and compelling legal and technical arguments raised by our attorney during the Appeal Hearing, the following "biases" still need to be recognized and addressed:

**1. Initially, the City of Grass Valley appointed Nevada City Planner, Amy Wolfson, to the Commercial Cannabis Application Selection Committee. Ms. Wolfson, in her work in Nevada City, managed all of the permitting requirements and today works very closely with Elevation 2477, the only permitted retail dispensary in Nevada City. The owners of Elevation 2477 and Provisions are nearly identical and closely related. Although Ms. Wolfson resigned from the Selection Committee due to a "conflict of interest," Grass Valley's Selection Committee was tainted from the start.**

**2. A large portion of the Provisions Commercial Cannabis Application features their team's proposed retail location at 403 Idaho Maryland Road in Grass Valley. At the time, this property housed Ag Natural. NUG Inc. did not include any proposed "Retail Property Information" in our Commercial Cannabis Application simply because it was not required. According to the City's Commercial Cannabis Screening Application Information Packet, it clearly states: "Applicants do not need to have secured a physical location to submit a screening application." NUG Inc. maintains that Provisions earned extra points and received preferential treatment for highlighting their retail property in their application.**



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**3. If the City of Grass Valley cares about the "retail experience" of its medical marijuana patients and its cannabis consumers in its community, the City of Grass Valley will go beyond just allowing Elevation 2477 of Nevada City to create a duplicate retail dispensary under the label Provisions of Grass Valley. Patients and customers in Grass Valley deserve to have diversity and a quality choice in the selection of their cannabis products. NUG Inc. can provide this "quality choice." NUG Inc. maintains that Provisions was picked as the "dispensary winner" because they were the local group and the Selection Committee unjustly favored their application.**

Under section 5(c) of the City's Commercial Cannabis Appeal Procedures, the Grass Valley City Council may adopt or modify the hearing officer's recommendation or remand it to the hearing officer for further consideration. To determine whether to adopt, modify, or remand the hearing officer's recommendation, the City Council has discretion to either: (1) make a final decision based on the administrative record before the hearing officer and the hearing officer's written recommendation without further input from the appellants, City staff, and Grass Valley Provisions; or (2) order an oral hearing on the hearing officer's recommendation. (Comm. Cannabis Appeal Proc., § 5(b).)

**Considering all the influential factors surrounding the key arguments of NUG's Appeal, my team and I humbly request that the Grass Valley City Council modify the hearing officer's final findings and remand the decision for further consideration. NUG Inc. requests that the Grass Valley City Council (1) "rescore" our Commercial Cannabis Application or (2) issue a second retail cannabis permit to NUG Inc.**

Due to a scheduling conflict, I will be unable to attend tonight's City Council meeting. My apologies for this unforeseen conflict. With that said, I do ask that my letter be received into the record and shared amongst the City Council.

I can be reached directly for any questions or comments at (916) 717-2664.

Thank you for your leadership in the City of Grass Valley.

Signed,

M. Max Del Real

NUG Inc., *Director of Government Relations*

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