



KIVA™

City of Alameda Planning Board
2263 Santa Clara Ave.
Alameda, CA 94501

Dear Alameda Planning Board Members,

This letter is to accompany the agenda item to adopt an amendment to the cannabis ordinance or zoning code to allow cannabis manufacturing at 2421 Blanding Ave.

About Kiva Confections

Kiva was founded in 2010 with a clear mission - change how the world views and uses cannabis. Frustrated by the inconsistent, low-quality edibles available at the time, a young couple named Scott and Kristi Palmer began making cannabis-infused chocolate bars out of their Bay Area home kitchen. The Kiva Bars are now widely recognized for setting the gold standard for the burgeoning industry: they were the first safe, consistent, and lab-tested edibles in California. Today, Kiva has grown into the nation's number one edibles brand. Kiva's award-winning chocolates, mints, gummies, and chews are the most trusted, recommended, and sought-after edibles on the market. Scott and Kristi have since married and made their home in Alameda, where they are excited to build both their family's future and Kiva's— with the potential site of Kiva's headquarters and food manufacturing operations.

Kiva Confections: East Bay Grown and Growing

Kristi was born and raised in the East Bay. Scott and Kristi founded Kiva at home in San Leandro, and grew the company to a national brand in Oakland. Kiva has spent years looking for buildings in the East Bay that are suitable for their expanding, award-winning business.¹ By 2018 they were currently operating in three cramped locations in the City of Oakland that they had long outgrown. When Scott and Kristi decided to make Alameda their home, they became inspired to move their business to the town they fell in love with.

For the last two and a half years they have worked with a broker to identify any buildings that were large enough to grow into, with a landlord willing to rent to a cannabis company. With rising crime and an unworkable tax structure for large supply chain businesses in Oakland, they redoubled their efforts to find a location in Alameda that could work for the rest of their business. In 2019, they found the perfect location for their distribution arm on North Loop and have been operating there with great success and no complaints since 2020. The search continued for a large enough space to house both of the remaining Oakland manufacturing facilities.

¹ See attached list of Kiva's awards (APPENDIX A)

The building is large enough to house both of Kiva's manufacturing operations currently operating in Oakland, with room to grow. It's an ideal location for manufacturing –which is why the City has kept the North Park area industrially zoned. Kristi and Scott were overjoyed to solve the most difficult part of the equation for any cannabis operator: a location.

About the project at 2421 Blanding Ave.

In or about March of 2022, Kiva became aware that the building at 2421 Blanding Ave. in Alameda was being offered for sale. Kiva moved quickly to inquire about the building and after viewing the property became convinced that the building, with a bit of TLC, would be the perfect location for Kiva's manufacturing headquarters. It is in close proximity to our distribution hub in Harbor Bay.

Overall Project Scope

- New tenant improvement of an existing building to be used for Cannabis Manufacturing and distribution (roughly 85,000 SF). The building is currently vacant, but previously housed a cement and aggregate manufacturing facility.
 - Number of People Onsite - Employees are staggered to mitigate pressure on neighborhood or traffic.
 - While 400 jobs will be moving from Oakland, Kiva does not anticipate having more than 60-75 people on site at any one time.
 - Truck Trips - Both incoming and outgoing.
 - Kiva plans to electrify their fleet of vehicles leaving the 2421 Blanding site to reduce emissions. They anticipate 5-10 truck and van trips per day.
- Improve the exterior building and surface lot so that it is clean and cohesive with the character of the neighborhood. This includes:
 - New paint that aligns with the approved colors provided by the municipal code
 - Repair/Removal of damaged building elements, removal of blighted existing conditions
 - New design elements on the building facade such as entrance canopies are to match the design and character of the building and neighborhood and meet city municipal code.
 - Surface parking lot improvements to include new landscaping and planting islands to exceed the minimum requirements of the municipal code.
 - New security profile with the intent being to provide security without being overt or noticeable to the public. Physical security measures will include well-lit parking, cameras, and 24hr manned security personnel.
 - Installation of state of the art odor mitigation and ventilation system, to ensure there will be no detectable smell outside of the manufacturing facility.

The City's appointed and elected officials, however, would need to take action for the project to move forward.

Adopt an amendment to the Alameda Cannabis Ordinance or Zoning Code to allow for cannabis use at 2421 Blanding Ave.

1. The Need for a Zoning/Code Change

When the City of Alameda wrote their Master Plan for its industrial zones, the California voters had not yet adopted Proposition 64 to legalize cannabis in the state. And, more importantly, the City had not yet adopted a cannabis business ordinance. When the City did adopt a cannabis ordinance, most of the focus was on retail uses and where they should locate, as those are the most competitive licenses available and the public facing ones. However, in doing that, the City precluded supply chain businesses from many industrial zones.

2421 Blanding Ave. is one of those zones where a cannabis supply chain business would, but for a single ingredient in their process, be an ideally suited use. The current zoning is NP-MM (North Park Maritime Manufacturing), which allows light and heavy industrial/manufacturing uses by right.

The City of Alameda provides for the ability of the City to adopt a zoning change or code amendment, “whenever the public necessity and convenience and the general welfare require such amendment.”

(Ord. No. 535 N.S. § 11-171; Ord. No. 1277 N.S.). The City offers three mechanisms for achieving that change.

Amendment of this article may be initiated by one (1) of the following methods:

- a. The petition of one (1) or more property owners affected by the proposed rezoning, which petition shall be filed with the Planning Department.*
- b. The City Council on its own initiative, who shall refer its request to the Planning Board for action pursuant to this section.*
- c. The Planning Board on its own initiative.*

(Ord. No. 535 N.S. § 11-172; Ord. No. 1277 N.S.)

The Findings for a Zoning Modification

At such hearings the Planning Board shall weigh:

- a. The effect of the proposed amendment on the integrity of the General Plan;*
- b. The effect of the proposed amendment on the general welfare of the community; and*
- c. The equitableness of the proposal.*

a. The effect of the proposed amendment on the integrity of the General Plan

The integrity of Alameda’s General Plan would not be affected by approving this simple zoning allowance. It creates jobs, brings a new industry to the City and customers to a hurting downtown corridor, is environmentally sensitive, and improves the public facing portions of the building. All goals of the General Plan.

b. The effect of the proposed amendment on the general welfare of the community

The general welfare of the community will not be impacted negatively by allowing Kiva to occupy 2421 Blanding Ave. There is a professionally designed state of the art security plan that will make the facility safe and will be unimposing to the general public. In fact, the proposed voluntary tax structure and the building improvements stand to benefit the general welfare of the City and its residents greatly.

c. The equitableness of the proposal

Without the baseless concerns over cannabis manufacturing, this would be a simple AUP. And, in all likelihood, a slam dunk. The idea that, somehow, cannabis manufacturing is detrimental to the community while other similar uses are not is solely based on old tropes that were a cause of the iniquities resulting from the “War on Drugs.” For manufacturing and zoning purposes, cannabis is one ingredient in the confections Kiva makes. 2421 Blanding will be transformed into a state of the art food manufacturing facility. This use brings an enormous economic benefit. It is consistent with the general plan, the goals of the City of Alameda, and the redevelopment of the blighted buildings in the North Park Zone. Allowing for this zoning change is a more equitable application of the City’s zoning code than the current zoning.

Kiva Meets or Exceeds Local Standards in the Following Areas:

Local Hire

Kiva has a voluntary Local Hire Plan.² Additionally, because Kiva is moving from Oakland, no jobs will be lost as the workforce is already local. Kiva will also enter into an MOU with Alameda Point Collaborative for hiring. One of the reasons Kiva is so keen on securing a site in Alameda is that it will ensure retention of its current workforce. Most of whom are local, and many of whom have been with the Company since the beginning. The makeup of the proposed work force will be diverse and include everything from entry level packaging jobs (paying above minimum wage) to C-level roles.

Environmental Benefits

Kiva plans to fully electrify the fleet of vehicles that will be operating out of 2421 Blanding Ave., and commits to using these zero emission trucks for transporting products for short haul trips within the Alameda city limits to reduce greenhouse gas emissions. They will also install and maintain electric automobile and bike charging stations adjacent to the premises if the City agrees.

Economic Benefits

Kiva will be moving approximately 400 jobs previously in Oakland over the bridge to Alameda, agreeing to a local hiring plan, and entering into an MOU with Alameda Point Collaborative for hiring new positions. The new addition of people in the downtown corridor is a desperately needed customer base for Alameda’s small businesses, restaurants, and other services. As Kiva grows in the next few years, so will the local economy.

² See Local Hire Plan (APPENDIX B)

Additionally, the proposed renovation budget is over \$10MM and would provide quality jobs and opportunities to local tradespersons and businesses.

More importantly, Kiva intends to make the City of Alameda its national corporate, manufacturing, and distribution headquarters. Given the nascent stages of the cannabis industry and inevitable federal legalization would materially change the trajectory of services and infrastructure projects in the City.

In Closing

Kiva would love the opportunity to grow a new Alameda family business that will provide significant new revenue to the City of Alameda. This project represents a mutually beneficial proposal for the businesses, their neighbors, Alameda Point, and the City as a whole. We look forward to working with City officials and staff to make this project something that we are all proud to have in Alameda.

Sincerely,

Kristi and Scott Palmer, Kiva Confections

CC:

Andrew Thomas
Planning Director

Gerry Beaudin
Acting City Manager

Lois Butler & Lisa Maxwell
Economic Development Department