



APPLICATION PROCEDURE TO OPERATE A MEDICAL MARIJUANA BUSINESS IN CALIFORNIA CITY

The application process for a license to operate a Medical Marijuana Businesses (“MMB”) in California City will open on **Monday October 17th, 2016**. Applications will be available at the Public Works Department, Planning Division located at City Hall. For questions regarding the application process please review the FAQ’s, at the California City’s webpage: www.Californiacity-ca.gov. This outlines the application process, required materials, and other information necessary to operate a MMB in California City. To be considered, final applications **must be** submitted on Monday, by **4:00 PM on December 19th, 2016** at the Public Works Department, Planning Division located at 21000 Hacienda Boulevard, California City, CA, 93505. This application process is adopted pursuant to California City Municipal Code Section 5-6.501.

BEFORE YOU APPLY:

- Review the information to learn about the application process and which documents you will need.
- Review the application in its entirety to ensure that it is complete and accurate.
- Review the information regarding the medical marijuana business application on the webpage: www.Californiacity-ca.gov which includes the following information:
 - Local regulations governing California City MMB’s: California City Municipal Code (“CCMC”) Title 5 Chapter 6.
 - Live Scan Form.
 - Additional application information: Ordinance No. 16-742
 - State laws governing MMB’s: The California Department of Justice Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use and Senate Bill 420 (Medical Marijuana Program Act).
 - Local Zoning Ordinance Title 9 Chapter 2
 - Frequently Asked Questions

- (1) **Application Process: Evaluation and Ranking:** The selection process shall consist of the following Four Phases:

Phase 1: Preliminary determination of eligibility. \$3,258.00

Phase 2: Initial ranking. \$701.00

Phase 3: Second ranking. \$1,790.00

Phase 4: Public Meeting and City Council Final Selection. \$1,937.00

For more information, see Evaluation and Selection Process below.

- (2) **Criminal History Check:** As part of Phase 1 of the Application Process, each individual applying to be a principal of the MMB (“Principal”) must apply for a Live Scan criminal history check. This process must be conducted only by California City Police Department unless these procedures are amended in which case the City will post the updated procedures on the City Website. However, the Police Department will be limited to processing no more than six (6) individuals per day and applicants will be required to make an appointment in advanced to ensure that the proper CCPD staff are available to conduct this process. In addition, due to limited staff resources you are encouraged to schedule your appointment as early as possible in order complete your Live Scan requirement before the due date of the application. The City cannot guarantee that it will be able to accommodate applicants who do not get their Live Scan completed closer to the application deadline. Please be advised that there will be a Live Scan **processing fee of**

\$78.00 per person which must be paid at the time of the Live Scan. The Live Scan process involves submitting fingerprints to the DOJ/FBI, which will review for criminal offender record information (CORI). CORI reports will be provided to California City for the sole purpose of determining eligibility for operating a MMB. See CCMC Chapter 5-6.906 (m) for background check requirements. Principals who do not meet criminal history eligibility requirements will be disqualified.

- (3) Applicants will be required to obtain a **“Zoning Verification Letter”** from the Public Works Department, Planning Division in City Hall, located at 21000 Hacienda Boulevard, in California City in order to ensure that the location proposal the applicant is applying for meets locational requirements prior to submitting their MMB application. The review process typically takes approximately ten (10) working days and cost **\$250.00**. The “Zoning Verification Letter” will need to be included with the application package. Please note the issuance of a “Zoning Verification Letter” does not mean the written evidence of permission given by California City or any of its officials to operate a MMB, nor does it not mean “permit” within the meaning of the Permit Streamlining Act, nor does it constitute an entitlement under the Zoning or Building Code. A regulatory permit for the purpose of regulating a MMB does not constitute a permit that runs with the land on which the MMB is established. Request for Zoning Verification Letters require a written request to the Public Works Department, Planning Division and will not be completed over the counter since it may require additional research and review.
- (4) **Application:** Applicants must hand deliver two (2) complete comprehensive and signed copies of the California City Medical Marijuana Business Application Form, and all attachments, if any, along with a flash drive which contains one comprehensive and signed copy of the application in a pdf format, and payment of **\$3,258.00** for the initial application fee by **4:00 PM on Monday December 19th, 2016**. Payment must be made by a certified check, cashier’s check or money order made payable to “California City”. Please note the City will not accept cash and Application Fees are non-refundable. A complete application will consist of the following information:
- The California City Medical Marijuana Business Application Form;
 - Proof of Live Scan payment for each of the Principals;
 - Zoning Verification Letter; and
 - All of the information about the MMB to be evaluated in Phase 1, Phase 2 and Phase 3 which is described in the Application and Evaluation Process section below in this procedure. The only information that can be submitted after the initial application is proof of property ownership or lease agreement. However, any change in location will require a new “Zoning Verification Letter” and must be submitted with the application package prior to Phase 3 of the selection process. Please note that should you choose to submit a different location prior to Phase 3 you can only do so if your initial proposed site was eligible as part of your original application package submitted on December 19th, 2016.

LATE AND INCOMPLETE APPLICATIONS WILL NOT BE CONSIDERED.

(5) Medical Cannabis Expertise Examination: The City at its sole discretion may require one Principal from each application to take and pass the Medical Cannabis Expertise Examination. The test may be administered for the top thirty (30) cultivation permit applicants and the top ten (10) finalists for each of the other permitted categories to award up to twenty-five (25) additional bonus points. The examination will test the applicant’s familiarity with the California City Ordinance, the Medical Marijuana Regulation and Safety Act, California Law related to medical cannabis, the Attorney General’s Guidelines on Medicinal Cannabis and subsequently any new marijuana laws which may go into effect prior to this examine. This Optional Phase 2A would be taken prior to the scheduling of interviews for Phase 3, should the City deem it necessary.

(6) Amendments to the Application: Applicants will not be allowed to make amendments to their application or to supplement their application, except as otherwise specifically permitted in these procedures or authorized in writing by the City. During Phase 1, applicants will be notified if any of the Principals are ineligible and/or if their application is incomplete and will not move forward in the application process. However, in some cases the City may move forward in the application process to

other phases should it anticipate that the Live Scan will take a significant amount of time to be returned to the City. In this case Applicants wishing to move forward in the process acknowledge by signing the application that they agree to these terms and should they be disqualified as a result of a background or a Live Scan disqualification they will not be eligible for a refund of any fees collected resulting from the modification of this procedure.

(7) Payment of Application Fees: The individual designated as the MMB contact on the application will be notified by e-mail as to whether the application is advancing to Phase 2 and, subsequently, to Phase 3. A payment of **\$701.00** will be due before Phase 2 and a payment of **\$1,790.00** will be due before Phase 3. As part of Phase 4 the top eligible Applicants for each category as determined by the Ordinance or by resolution will be presented to City Council and must pay a fee of **\$1,937.00** in order to move forward for final consideration for each permitted category. Deadlines for these payments will be included in the e-mail notification to the primary contact person.

(8) Public Meeting: After Phase 3, and before Phase 4, the top thirty (30) cultivation applicants and the top three (3) applicants for all other categories excluding dispensaries must participate in a public meeting which will be held at the California City Council Chambers located at 21000 Hacienda Boulevard, California City, CA 92870. Notice of this meeting must be provided by the City to any affected business within 300 feet of the proposed location for each of the top applicants for each category in accordance with CCMC Chapter 5-6.701. The cost of providing this notification will be paid by the applicants as part of the fee in Phase 4 of the selection process.

EVALUATION AND SELECTION PROCESS:

The evaluation and selection process shall consist of the following four phases:

- **Phase 1: Determination of Eligibility and Application**
 - Each Principal must undergo a criminal history check demonstrating compliance with the eligibility requirements of CCMC Chapter 5-6.906 (m) for background checks.
 - Applications must be complete to be considered. Applications will be considered complete only if they include all information required for Phases 1, 2 and 3.
 - Proposed location of business.
 - Execute an agreement indemnifying the City from liability.
- **Phase 2: Initial Ranking (1,500 Points)**
 - Applications will be evaluated based on the following criteria:
 - Proposed Location of business (300 Points)
 - Business Plan (400 Points)
 - Neighborhood Compatibility Plan (400 Points)
 - Safety and Security Plan (400 Points)
 - The top twenty five (25) applications for cultivation and the top ten (10) applications for all other categories excluding dispensaries at this time, if applicable, will move on to Phase 3.
- **Phase 3: Second Ranking (2,500 Points)**
 - The top twenty five (25) applications for cultivation and the top twenty (20) applications for all other categories excluding dispensaries, if applicable, will be interviewed and evaluated by the Selection Committee based on the criteria listed below.
 - Prior to the scheduling of the interviews in Phase 3 each of the applicants per category will be required to have their proposed site inspected by the assigned City designee if there is an existing building structure to ascertain current conditions of the facility.
 - One Principal may be required to pass a Medical Cannabis Expertise Examination, demonstrating a working knowledge of state and local compliance standards as well as the Attorney General's Guidelines on Medicinal Cannabis.
 - The second ranking will be scored based on the following criteria:

- Final Location (proof of ownership or a signed and notarized statement from the Property Owner) (200 Points)
 - Business Plan (300 Points)
 - Community Benefits (300 Points)
 - Enhanced Product Safety (200 Points)
 - Environmental Benefits (300 Points)
 - Labor & Employment (200 Points)
 - Local Enterprise (200 Points)
 - Neighborhood Compatibility Plan (200 Points)
 - Qualifications of Principals (300 Points)
 - Safety and Security Plan (300 Points)
- After all the applicants from Phase 3 scores have been tabulated they will be combined with Phase 2 to establish a new ranking of the top applicants. The top twenty (20) applicants for cultivation and the top three (3) applicants for each category, if applicable, will move onto Phase 4 of the selection process.

Phase 4 Steps to be followed:

1. Public Meeting of top twenty (20) Cultivators and top three (3) applicants for all other categories excluding dispensaries.
2. Selection Committee's final review and evaluation.
3. City staff prepares and presents final report to City Council.
4. City Council makes final selection.

After Phase 3, and before Phase 4, the top twenty (20) Cultivation applicants and the top three (3) applicants from all other categories shall participate in a public meeting which will be held in the California City Council Chambers on a date and time to be determined by City staff. At the Public Meeting the community will be allowed to present concerns and/or support and provide additional considerations for potential permit conditions that may be implemented by staff. The Public Meeting will not be determinative as to who gets the permit but shall inform staff of potential concerns for which a condition or conditions may be necessary to address. Furthermore, decisions, recommendations, and conditions will be based primarily on site inspection results, business feasibility, and the viability of the proposed location. After the completion of the Public Meeting and prior to the Selection Committees final recommendation to City Council, the City reserves the right to request and obtain additional information from any candidate who submitted a proposal. Upon the completion of the final review process, the Selection Committee will tabulate its final scoring of all the applicants for each category and present to the City Council final scoring of the top fifteen (15) cultivation applicants and the top two (2) applicants from all other categories excluding dispensaries for which the City Council will make the final decision on who may be awarded a permit for each of the qualified categories. The top applicants should be prepared to attend a City Council meeting in California City in case the Mayor and City Council has any additional questions before making their final decision.

Notice of the public meeting must be provided pursuant to CCMC Section 5-6.701. Notice of the public meeting shall be sent to all property owners located within three hundred (300) feet of the proposed business locations of each of the top finalists in each permitted category.

- Following an objective ranking of the application materials, interview process, and upon the completion of the public meeting, City staff shall prepare a report bringing forward to the City Council the final ranking by the Selection Committee of the top fifteen (15) cultivation applicants and top two (2) applicants for all other categories excluding dispensaries. Please note that being awarded a MMB does not constitute a land use entitlement and does not waive or remove the requirements of applying for and receiving permits for any and all construction

including electrical, plumbing, fire, planning permits or reviews, and any other permits, licenses, or reviews as may be necessary by the relevant departments or governmental entities in charge of said permits. Nor does it guarantee that the plans submitted via the MMB application process meet the standards or requirements of those permitting departments. All permit awardees will still be required to complete all the permitting processes for the proposed construction or occupation of their facility.

DESCRIPTION OF EVALUATION CRITERIA:

- **Proposed Location.** Your application must include the address and a detailed description of the proposed location. (Note that proof of ownership, or a notarized letter of the owner's willingness to lease will not be given any additional consideration until Phase 3). This section should also describe all sensitive uses and shall not be any closer than one thousand (1,000) feet from any parcel containing a school, college or university (whether public, private, or charter, including pre-school, transitional kindergarten, and K-12); churches or other house of worship; a park, daycare facility serving nine or more children and is licensed by the county; a drug or alcohol rehabilitation facility providing on-site medical treatment as described in Section CCMC 9-2-2903. The MMB must be located in the appropriate zoning and meet all of the locational requirements as in described in CCMC Chapter 2 Zoning.
- **Business Plan.** With as much detail as possible, the Business Plan should describe:
 - Description of day-to-day operations. See CCMC Section 5-6.1001.
 - How the MMB will conform to local and state law. See CCMC Sections 5-6.101, 5-6.1101, 5-6.1401, 5-6.1402, 5-6.1403, 5-6.1405, and the Attorney General's Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use.
 - Mechanisms for ensuring that the MMB will operate on a Not-for-Profit basis until the Medical Cannabis Regulation and Safety Act is fully in effect.
 - How medical cannabis will be tracked and monitored to prevent diversion.
 - A schedule for beginning operation, including a narrative outlining any proposed construction and improvements and a timeline for completion.

The Business Plan should include:

- A **budget** for construction, operation, maintenance, compensation of employees, equipment costs, utility costs, and other operation costs. The budget must demonstrate sufficient capital in place to pay startup costs and at least three months of operating costs, as well as a description of the sources and uses of funds.
Proof of capitalization, in the form of documentation of cash or other liquid assets on hand, Letters of Credit or other equivalent assets.
- A **pro forma** for at least three years of operation.
- **Neighborhood Compatibility Plan.** For the proposed location, your application should address how the MMB, including its exterior areas and surrounding public areas, will be managed, so as to avoid becoming a nuisance or having impacts on its neighbors and the surrounding community. Furthermore, a site plan (accurate, dimensioned and to-scale [minimum scale of 1/4"]) should be included for each potential location. The scale may be smaller if it exceeds more than a ½ acre parcel but must not be printed on no more than a 11X 17 sheet of paper.
- **Safety and Security Plan.** For each proposed location, your application should include:
 - A detailed **safety plan**. This plan should describe the fire prevention, suppression, HVAC and alarm systems the facility will have in place. **It should include an assessment of the facility's fire safety by a qualified fire prevention and suppression consultant.** An appropriate plan will have considered all possible fire, hazardous material, and inhalation issues/threats and will have both written and physical mechanisms in place to deal with each specific situation.
 - A detailed **security plan**. This plan should include a description and detailed schematic of the overall facility security. It should have details on operational security, including but not

limited to general security policies for the facility, employee specific policies, training, sample written policies, transactional security, visitor security, 3rd party contractor security, and delivery security. In particular, applications should address ingress and egress access, perimeter security, product security (at all hours), internal security measures for access (area specific), types of security systems (alarms and cameras), and security personnel to be employed. **The security plan shall also include an assessment of site security by a qualified security consultant.** Security plans will not be made public.

A **floor plan** showing existing conditions. If changes are proposed as part of the project, then a proposed floor plan should also be submitted. The floor plan(s) should be accurate, dimensioned and to-scale (minimum scale of 1/4"). The scale maybe smaller if it exceeds more than a ½ acre parcel but must not be printed on no more than a 11X 17 sheet of paper.

- **Community Benefits.** The application should describe benefits that the MMB would provide to the local community, such as employment for local residents of the City, community contributions, or economic incentives to the City.
- **Enhanced Product Safety.** The application should state how the MMB will ensure enhanced consumer safety as required by State or local law.
- **Environmental Benefits.** The application should describe any proposed “green” business practices relating to energy and climate, water conservation, and materials and waste management.
- **Labor & Employment.** The application should describe to what extent the MMB will adhere to heightened pay and benefits standards and practices, including recognition of the collective bargaining rights of employees. Specific practices that are subject to consideration include the following:
 - Providing compensation to and opportunities for continuing education and training of employees/staff (applications should provide proof of the MMB policy and regulations to employees);
 - Providing a “living wage” to facility staff and employees. Wage scale should be provided in writing for all levels of employment at the facility. “Living Wage” shall mean 200% of the minimum wage mandated by California or Federal law, whichever is greater.
- **Local Enterprise.** The application should state the extent to which the MMB will be a locally managed enterprise whose Principals reside within California City and/or Kern County.
- **Qualifications of Principals.** The application should include information concerning any special business or professional qualifications or licenses of principals that would add to the number or quality of services that the MMB would provide, especially in areas related to medical cannabis, such as scientific or health care fields.

The City’s Reservation of Right’s

The City reserves the right to reject any and/or all proposals, with or without any cause or reason. The City may also, modify, postpone, or cancel the request for permit applications without liability, obligation, or commitment to any party, firm, or organization. In addition, the City reserves the right to request and obtain additional information from any candidate submitting a proposal. Late and incomplete proposals WILL BE REJECTED. Furthermore, a proposal RISKS BEING REJECTED for any of the following reasons:

1. Proposal considered not fully responsive to this request for a permit application.
2. Proposal contains excess or extraneous material not called for in the request for permit application.

CONTACT:

If you have any questions or would like an update on the status of your application, please contact Hazel Munoz at 760-373-7152 or by email at cbldg-code@Californiacity-ca.gov