



REPORT TO THE CITY COUNCIL OF THE CITY OF GUADALUPE
Agenda of July 13, 2021

Todd Bodem

Prepared by:
Todd Bodem, City Administrator

SUBJECT: Cannabis Business Permit Applications Procedure and Guidelines

RECOMMENDATION:

Review, comment, and provide input on the proposed Cannabis Business Permit Applications Procedures and Guidelines document.

BACKGROUND:

At the City Council Meeting of March 9, 2021, staff presented a report on the topic of possible legalization of cannabis uses in the city. Staff provided a report on the history of legalization of cannabis in California, the City status with respect to regulation of cannabis, and current cannabis law and policy issues. Subsequently, Council gave staff direction to hire a cannabis consultant from Hinderliter, de Llamas & Associates (HdL), a leading company in assisting cities and counties in creating and managing cannabis tax and regulatory permit programs. On April 13, 2021, the City Council, city staff, and the public listened to a presentation from HdL which led to discussions about cannabis policy and strategy options, including direction from the Council for staff to hold at least one community workshop to get input from the community about possibly cannabis legalization in the City. A community workshop (a special joint meeting between the City Council and the Recreation and Parks Commission) was held on May 12, 2021.

At the May 12, 2021, Cannabis Education & Outreach Workshop in the City Hall Auditorium on the topic of cannabis, approximately 34-40 individuals participated and appreciated the presentation. The workshop also included breakout sessions where members of the audience were able to discuss the key policy questions which help guide some of the staff recommendations in the regulatory ordinance development. As such this led to the development of the commercial cannabis ordinance.

DISCUSSION:

With the assistance of HdL Companies, the City Attorney drafted a cannabis regulatory ordinance to govern cannabis businesses in the City of Guadalupe. On May 25, 2021, the City Council adopted Ordinance 494 repealing 9.21 and adding chapter 9.22 to Title 9 of the Guadalupe Municipal Code relating to Commercial Cannabis Businesses and amending various sections of Title 18 (Zoning) of the Guadalupe Municipal Code to Designate Zoning Districts for Commercial Cannabis Businesses.

The ordinance implements the provisions of the Medicinal and Adult Use Cannabis Regulation and Safety Act (“MAUCRSA”) and Proposition 64; imposes sensible regulations to protect the health, safety, and welfare of the residents of the City of Guadalupe; and enforces rules and regulations consistent with state law. The regulations on the use of land to protect the residents, neighborhoods, and businesses are necessary to mitigate possible negative impacts that might arise from the legalization of commercial cultivation, processing, manufacturing, testing, sale, delivery, and distribution of cannabis and cannabis products. The ordinance does not allow for indoor or outdoor cultivation but does permit indoor cultivation processing as a permitted use.

The ordinance details several components including the regulatory permit process, operating standards that must be met to be eligible for the regulatory permit to operate a cannabis business, buffer zones, zoning requirements, types of businesses activities, and location to name a few.

The ordinance amends various provisions of the City’s Zoning Code (Title 18 of the Municipal Code) to specifically designate commercial cannabis businesses in several of the City’s commercial zoning districts. All selected cannabis businesses would only be allowed in these zoning districts as conditional uses, and therefore, the City Council would need to approve a conditional use permit for the business before it would be allowed to open.

The ordinance did not include specific procedures regarding the application process for granting commercial cannabis business permits, but provided that the City Council would, by resolution, subsequently adopt procedure guidelines and review criteria for evaluation of cannabis business permit applications. (GMC Section 9.22.13). These procedural guidelines are required to provide for the process for soliciting applications including time frames, limitations, forms, and rules for completing applications, providing of review criteria, scoring on the review criteria, and payment of application and related fees.

Draft Application Procedures & Guidelines for a Commercial Business Permit

Attachment 1 contains the proposed application procedures for applications to operate a commercial cannabis business in Guadalupe. After City Council reviews and comments on the proposed Procedures and Guidelines document, staff will return with a separate resolution to finalize the proposed draft which must be approved by the Council, which is tentatively being scheduled for July 27, 2021. The number of each type of cannabis business that shall be permitted to operate in the City shall also be established by resolution by the City Council following this meeting.

The City Administrator’s Office, or its designee, is responsible for the processing and the administration of commercial cannabis permits, however, the City Council will make the final determination as to which Applicants might be awarded permit(s) and will hear all appeals.

If the proposed draft application procedure is adopted by resolution, this will establish a rigorous vetting process for commercial cannabis applications and allow the City Administrator or its designee(s) to administer it in a very transparent and objective matter.

The proposed procedures create a three-phase application process. Phase 1 will involve a preliminary determination of eligibility. Phase 2 will result in an initial ranking of applicants based on points earned for each of eight (8) defined criteria. Upon the completion of Phase 2, the City Administrator or its designee(s) will present to the City Council the top Applicants which qualify under the established

process which will be interviewed by the City Council to make a final determination as to who will be awarded a cannabis business permit(s). Phase 3. As part of this phase each applicant should be prepared to conduct a brief presentation and to be interviewed by the City Council.

In addition, all applicants will have to undergo a thorough criminal background check. The applications process requires that a location be identified and detailed description of the proposed location, a business plan that includes a budget and proof of financial ability, a neighborhood compatibility plan, a description of how the cannabis business will benefit the community, a description of product safety measures, a description of environmental benefits, labor and employment standards, a statement of the extent to which the business will be locally managed, qualifications of the owners, and an air quality plan.

There is no guarantee that applicants who successfully complete the application process will obtain a commercial cannabis business permit. The City retains the right to reject any or all applications, with or without cause.

To recover all associated with the development of the cannabis program and application process a separate resolution will need to be established to determine fees required of applicants to participate in each phase of the commercial cannabis business permit selection process. Applicants will pay a fee to participate in each phase. It is anticipated that the City will recoup City costs of reviewing the applications and administering the adopted procedures should it be able to solicit a reasonable number of applicants in the process. The proposed fee schedule includes the following elements.

Application fee costs shall be established upon the City Council's adoption of the proposed process. It currently is anticipated the fees will range from \$8,500-10,000. However, additional fees will need to be proposed for Zoning Verification Letters, LiveScan, and Background Checks pursuant to the actual cost to the City of Guadalupe for the Planning Department to write a Zoning Verification Letter, and City's cost to conduct the required background investigation, all of which shall be paid at the time application for a Cannabis Business Permit is submitted.

Background Investigation

The LiveScan Fee is for criminal background check. The Background Review comprehensively focuses on employment history, historical business operations, financial history, and places of residence. The fees must be paid for each applicant, principal in the business, and for each business employee and is further defined in Chapter 9.22.37.

The LiveScan Fee and Background Review Fee must be paid for the applicant and owners for the Phase 1 review. Each employee must pay an additional LiveScan Fee and Background Review Fee to work for an approved commercial cannabis business, and that potential employee must pass the Background Check before that employee can start working. Under municipal code Chapter 9.22.37(K) and (L), the Director of Public Safety, or its designee (s) has the authority to conduct unannounced investigations of all cannabis businesses and has the authority to conduct business financial audits.

Application fees are designed for the city to recover all costs of evaluating each application and conducting investigations. Fees will be established for ongoing inspections while the business is operating.

FISCAL IMPACT

Expansion of possible retail, manufacturing and commercial cannabis activities will result in some costs to the city, but these costs would be offset by increased revenue to the city. The consultant contract with HdL to assist in developing the cannabis regulatory program costs \$25,000 but it may be reimbursable from the applicant (s) during the application process as part of the program development cost. There are additional costs for processing cannabis-related business applications and one-time or ongoing monitoring.

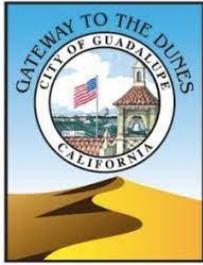
Based on proposed tax rates, HdL estimates potential revenue between \$150,000 to \$250,000 annually. This estimate assumes an average of \$3 million in gross receipts for one retailer, \$1 million for a manufacturer, and is exclusive of any tax revenue generated from testing labs, delivery services or hemp businesses. Therefore, even if the cost of the consultant's contract is not fully reimbursed during the application process, revenue will fully offset this cost.

Tentative Schedule (subject to change):

1. July 27. Adopt Resolution approving the application procedures and guidelines for granting of commercial cannabis business permits.
2. July 27. Adopt Resolution establishing and adopting fees to process applications for commercial cannabis business permits.
3. July 27. Adopt Resolution establish the number of each type of cannabis business that shall be permitted to operate in the City
4. Application Period: Opens on August 16, 2021, and Closes on September 29, 2021

ATTACHMENTS:

1. Draft Application Procedures & Guidelines for a Commercial Cannabis Business Permit



City of Guadalupe

Planning Department
918 Obispo Street
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Phone: 805.356.3903

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APPLICATION PROCEDURES & GUIDELINES FOR A COMMERCIAL CANNABIS BUSINESS PERMIT

Application Period
OPENS – August 16, 2021
CLOSES-September 29, 2021

Information regarding the Commercial Cannabis Business (CCB) Application process can be found on the City's website at <https://www.ci.guadalupe.ca.us>, and includes the following:

- Application Procedures & Guidelines
- City of Guadalupe Municipal Code (GMC) Chapter 9.22
- City of Guadalupe Municipal Code (GMC) Title 18 (Zoning Code)
- Financial Responsibility, Indemnity and Consent to Inspection Terms Agreement
- Background Check Portal Link
- Commercial Cannabis Business (CCB) Permit Application
- Ownership Acknowledgement Form

To be considered for issuance of a Cannabis Business Permit, final applications must be submitted to the Planning Department located at the address listed on these procedures by the deadline. There will be no exceptions. This application process is adopted pursuant to the Guadalupe Municipal Code (GMC) Chapter 9.22.13 and Title 18 (Zoning Code).

Applicants should monitor the City's web page for any additional information, FAQs, or updates. It is the responsibility of the Applicant to stay informed of this information.

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 posted on the City's website as a clarification update, or as authorized in writing by the City Administrator or his/her designee.

During Phase I, City staff and HdL Companies ("Consultant") will conduct a preliminary evaluation of the applications for completeness and will reject any application that is missing a major component (for example, a Security Plan), notifying the applicant by email that they have been disqualified. In addition, the City will be notifying applicants by email if their applications are found to be missing minor requirements (for example, signatures/dates on forms, proof of payment receipts, scanned pages in one of the scoring criteria documents, or incorrect formatting or organization of files). If this is the case, the Applicant may be granted five days from the date of the email to submit the required supplemental

information. Should you receive an email from the City we ask that you confirm receipt of it immediately. If the City does not get confirmation from your primary contact within two days, it may, but is not required to, make an attempt to notify the primary contact by phone in case the email went into the recipient's spam folder unnoticed. However, please note should this be the case you will not be provided additional time to complete the curing process so make sure you monitor your incoming or spam email carefully. Furthermore, you may not submit any additional information other than what was requested to cure the minor requirements. Finally, an applicant will be notified if their application is incomplete or if there is any other reason for which they will not be moving forward in the application process.

LIMITATIONS ON MULTIPLE APPLICATIONS

Applicants possessing an ownership interest of ten percent (10%), or more, in a retail or microbusiness cannabis permit application shall be limited to submitting only one retail application during this initial process. However, there will be no limitations on any other permit type which are permitted in the City, such as cultivation (processing only), manufacturing, distribution, and testing labs. In addition, the City will only accept two retail or microbusiness application Zoning Verification Letters (ZVL) per property (APN). Every owner on the application will be required to complete the Ownership Acknowledgement form which is provided on the City's website.

CITY'S RESERVATION OF RIGHTS

The City reserves the right to reject any and/or all applications, with or without cause or reason. The City may modify, postpone, or cancel the request for a CCB license 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 Applicant submitting an application in order to conduct a complete review of the application or an investigation into the truthfulness of the statements set forth in the application or provided at any stage of the application process and it is not fully responsive to this request for a CCB application.

Late proposals WILL BE REJECTED. Applications must be received by the Planning Department by 4:00 pm on September 29, 2021.

Furthermore, a proposal RISKS BEING REJECTED for the following reasons:

1. It is not responsive to this request for a Cannabis Business Permit application and the Procedures & Guidelines for a Cannabis Business Permit.
2. The issuance of the Cannabis Business Permit for the proposed location is inconsistent with State law, GMC Section 9.22.33, and/or Title 18.

APPLICATION PROCESS

This application process is adopted pursuant to GMC Section 9.22.13. Review the information regarding the application process and which documents you will need. Before submitting your application, review your application in its entirety to ensure that it is complete and accurate. Review the information regarding the Cannabis Business Permit application process for a CCB on the City webpage provided on page one.

The following procedures outline the application evaluation and selection process, required materials, and other information necessary to apply for a Cannabis Business Permit to operate a cannabis business in City of Guadalupe.

APPLICATION SUBMITTAL REQUIREMENTS

Applications must respond to all requirements outlined in the “Application Procedures & Guidelines for a Cannabis Business Permit.” Applicants must submit all required application materials together in one complete comprehensive application package. This can be done in person, by U.S. Mail, or by common carrier delivery service (e.g. FED EX, UPS, etc.) as long as it is a complete application. The application package must include all the following documents with original signatures for each document.

- (a) Cannabis Business Permit Application;
- (b) Financial Responsibility, Indemnity and Consent to Inspection Terms Agreement;
- (c) Agreement on Limitations of City’s Liability and Indemnification to City;
- (d) Application fee and Background Check fee(s); and
- (e) Owner Acknowledgment Agreement

FLASH DRIVE CONTENT

In addition, all Applicants must submit a USB flash drive containing one complete copy of the application submittal requirements as outlined in the below format. The application package and application fees must be received by the Planning Department at the same time.

Responses to the Evaluation Criteria (Sections A-H found in Appendix A of the Application Procedures & Guidelines) shall be limited to 200 pages. Responses pertaining to Backgrounds, Proof of Capitalization, Zoning Verification Letter, and Property Owner Consent/Lease Agreements, Property Owner/Landlord Affidavit, Owner Acknowledgement Agreement shall not be included in the 200-page limitation. Those responses should be saved in PDF files that are separate from the Evaluation Criteria (see below).

All materials must be submitted on a USB flash drive in a PDF format in the following files. You must submit the files in the correct format and organized correctly or your application may be rejected.

- PDF File #1 – Cannabis Business Permit Application (pages 1-3), Financial Responsibility, Indemnity and Consent to Inspection Terms Agreement (pages F1-F3), Agreement on Limitations of City Liability, and Certification, Assurances, Warranties, and Indemnification to City (pages F4-F6), proof of insurance or a letter of insurability; and Owners Acknowledgement Agreement. All copied documents shall display required signatures to be deemed complete.
- PDF File #2 – Evaluation Criteria (Responses to Sections A-H of Appendix A limited to 200 pages)
- PDF File #3 – Background Check documentation (All required documents for each owner). Upon submission of the online background application, Applicants will receive an email confirmation. This confirmation needs to be printed, scanned, and included within PDF File #3.
- PDF File #4 – Proof of Capitalization (Appropriate bank statements, loan documents, promissory notes, financial and commitment letters)
- PDF File #5 – Zoning Verification Letter (ZVL) which shows the correct location and units in the building being used. Proof of Insurance or a letter showing proof of insurability by a qualified insurance

company which shows the location being insured in City of Guadalupe, the type of activity being insured, and the name of the business being insured. Copies from another business location in another city owned by the Applicant will not be accepted.

CRIMINAL BACKGROUND CHECK

Each Owner must undergo a criminal history background check to demonstrate they do not provide “good cause” for denial per GMC Sections 9.22.08 and 9.22.38K. Owners who do not meet the criminal history eligibility requirements of Section 9.22.38K will be disqualified. The background form can be found online at https://hdlcompanies.formstack.com/forms/bc_guadalupe.

In addition, each successful applicant will be asked to submit to a Live Scan as part of the background check as determined by the Director of Public Safety. Prior to being issued a permit the Applicant’s primary contact will be notified by email with the instructions on how to schedule the Live Scan appointment.

The initial background check fee for each owner shall be \$300.00. This process will be required to meet the minimum threshold qualifications pursuant to GMC Section 9.22.38K. The results of the background check along with the City-issued Zoning Verification Letter must be included with the CCB Application (Phase I).

ZONING VERIFICATION LETTER (ZVL)

Prior to submitting a CCB application (Phase I), an Applicant must obtain a Zoning Verification Letter from the Planning Department. To secure this letter, an Applicant must make a written request which should specify the intended use of the building (cultivation (processing only), manufacturing, distribution, retail, or Microbusiness), and the proposed building location. Please advise the City if you currently occupy the premises or if there is a tenant currently occupying the premises.

The issuance of a ZVL does not constitute written evidence of permission given by the City or any of its officials to operate a cannabis business, nor does it establish a “permit” within the meaning of the Permit Streamlining Act, nor does it create an entitlement under the Zoning or Building Code. A regulatory permit for a CCB does not constitute a permit that runs with the land on which the cannabis business is established. Please note that the cannabis business will also require a discretionary, conditional use permit. This is a separate application that will be made only after the awarding of the permit at the conclusion of Phase III.

FEES

All applicants will be required to submit a fee of \$X,XXX.00. This amount will be charged against time spent by City staff and the Consultant in reviewing applications and administrating the application process. Applicants are advised that they may be required to pay additional amounts as required for the sole purpose of the City’s completion of the application review process. However, there will also be a separate fee for the Zoning Verification Letter (ZVL) of \$XXX.00 per site and the Background Check Fee of \$300. For the successful Applicants there will also be a Live Scan Fee of \$XX.00 prior to obtaining the Cannabis Business Permit.

Payment must be made by a certified check, cashier’s check or money order made payable to the City of Guadalupe. Please note the City will not accept cash or credit cards and application fees are non-refundable once the City has begun reviewing the application.

APPLICATION REVIEW, SCORING AND APPROVAL PROCESS

PHASE I: DETERMINATION OF ELIGIBILITY

Applications will be reviewed for completeness and compliance to meet the minimum submittal requirements. The determination of eligibility will be based on the criteria outlined in these procedures and as described in Appendix A. However, the criteria will be evaluated and scored with the process adopted in these procedures in accordance with GMC Chapter 9.22 and may be amended as provided in GMC Section 9.22.49 A & C in writing for clarification to application submittal questions which will be posted in the FAQ section of the Cannabis Information webpage and shall go into full effect immediately prior to the closing of the application process.

PHASE II: APPLICATION EVALUATION AND REVIEW (2,500 points)

During Phase II, the Consultant will review and score each application using a merit-based system. The top applicants as determined by the City which score a minimum of 90% or higher (2,250 points) in Phase II may be eligible to advance to Phase III. However, the decision as to how many applicants will be interviewed will be determined by the quantity of applicants and the overall quality the City receives. Notice of the results of Phase II will be provided in writing via email to the primary contact listed on the application.

See APPENDIX A for a description of the evaluation criteria:

- Section A. Business Plan (400 points)
- Section B. Labor, Equity, Diversity, and Inclusion Plan (300 points)
- Section C. Safety Plan (200 points)
- Section D. Security Plan (300 points)
- Section E. Qualifications of Owners (300)
- Section F. Neighborhood Compatibility Plan (300 points)
- Section G. Community Benefit and Investment Plan (500 points)
- Section H. Proposed Location (200 points)

PHASE III: CITY COUNCIL INTERVIEW AND FINAL RECOMMENDATION

Upon the completion of Phase II, the City Administrator will present to the City Council the top Applicants that will be interviewed by them in order to make a final determination as to who will be awarded a CCB permit(s). Each Applicant should be prepared to conduct a brief presentation and to be interviewed by the City Council.

After the City Council has made a determination as to who if any Applicants will be awarded a CCB permit and as a condition of issuance of the regulatory permit, the operator of each cannabis facility shall enter into a Community Benefit Agreement with the City setting forth the terms and conditions under which the cannabis facility will operate that are in addition to the requirements of Chapter 9.22.37.C, including, but not limited to community benefits such as public outreach and education, community service, payment of fees and other charges as mutually agreed, and such other terms and conditions that will protect and promote the public health, safety and welfare. It shall be very important for each applicant to strategically understand the Council Policy direction on reaching its economic incentive goals related to the community benefit when negotiating it with the City Administrator.

In addition, any community benefits that a commercial cannabis business agrees to provide shall be incorporated into the terms and conditions under which the commercial cannabis business will operate with the City of Guadalupe's approval, if and when a Community Benefit Agreement is executed. Upon successfully negotiations in this phase of the process the Applicant will then be authorized to proceed to apply for both a land use (conditional use) permit and a business license and related approvals.

Any Applicant wishing to appeal Phase I or Phase II of the Application Process may appeal to the City Council or appointed hearing officer within ten (10) days of the Applicant receiving a notice that they will not move forward in the application process or be issued a permit. Such appeals shall comply with the

requirements of GMC Sections 9.22.23 and 9.22.24.

Note: Being awarded a CCB does not constitute a land use entitlement and does not waive or remove the requirements of applying for and receiving permits for all construction including: electrical, plumbing, fire, Planning Department permits or reviews, and any other permits, licenses, or reviews as deemed necessary by the relevant departments or governmental entities in charge of said permits. Nor does the award of a CCB guarantee that the plans submitted via the CCB application process meet the standards or requirements in Title 18 and any other permit requirements from other City departments or agencies.

CONTACT

If you have any questions or would like an update on the status of your application, please contact Alice Saucedo, at 805.356.3903 or by email at Asaucedo@ci.guadalupe.ca.us.

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APPENDIX A: EVALUATION CRITERIA

The City is a public agency subject to the California Public Records Act (“CPRA”). In the event a request for information under the CPRA seeks disclosure of application materials marked by Applicant as “Confidential Information,” the City will make reasonable efforts to provide notice to Applicant prior to such disclosure to allow Applicant to seek a protective order, injunctive relief, or other appropriate remedy. If Applicant contends any designated application materials are exempt from the CPRA and wishes to prevent disclosure, it is required, at its own cost, liability, and expense to obtain a protective order, injunctive relief or other appropriate remedy from a court having jurisdiction over the matter at least two (2) days before City’s deadline to respond to the CPRA request. If Applicant fails to obtain such a remedy before the deadline for the City’s response to the CPRA request, the City will disclose the requested information and shall not be liable or responsible for such disclosure.

SECTION A: BUSINESS PLAN (400 points)

1. Finances* – A budget for construction, operations, maintenance, compensation of employees, equipment, property lease, security equipment and staff, City fees, state fees, utility costs, product purchases and other anticipated contingency 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.
 - A. Proof of capitalization, in the form of documentation of cash or other liquid assets on hand, Letters of Credit or other equivalent assets which can be verified by the City.
 - B. A pro forma for at least three years of operations.
 - C. A schedule for beginning operation, including a narrative outlining any proposed construction and improvements and a timeline for completion.
2. Daily Operations - The Business Plan should describe the day-to-day operations which meet industry best practices for the type of cannabis business you are applying.
 - 2.1 Describe the day-to-day operations if you are applying for a RETAIL permit. This should include at a minimum the following criteria:
 - A. Describe customer check-in procedures.
 - B. Identify location and procedures for receiving deliveries during business hours.
 - C. Identify the name of the Point-of-sale system to be used and the number of Point-of-Sale locations.
 - D. Estimate the number of customers to be served per hour/day.
 - E. Describe the proposed product line to be sold and estimate the percentage of sales of flower and manufactured products.
 - F. If proposed, describe delivery service procedures, number of vehicles and product security during transportation.
 - G. How the Cannabis Business will conform to local and state laws. See GMC Sections 9.22.40 and Title 18 as they pertain to retail establishments in the City of Guadalupe.
 - H. How cannabis and cannabis products will be tracked and monitored to prevent diversion. Describe the Point-of-Sale system to be used and how it will interact with the state’s mandated track and trace system.
 - 2.2 Describe the day-to-day operations if you are applying for a DISTRIBUTION permit. This should include at a minimum the following criteria:
 - A. Identify the number of delivery drivers, hours of delivery and vehicles to be used.
 - B. Describe the transportation security procedures.

- C. Describe how inventory will be received, processed, stored, and secured in the permitted premises.
 - D. Describe the quality control procedures designed to ensure all cannabis is properly packaged, labeled, and tested.
 - E. How the Cannabis Business will conform to local and state laws. See GMC 9.22.43 and Title 18 as they pertain to Distribution.
- 2.3 Describe the day-to-day operations if you are applying for a MANUFACTURING permit. This should include at a minimum the following criteria:
- A. Identify all cannabis products manufactured within the permitted premises.
 - B. Describe quality control procedures.
 - C. Describe inventory control procedures.
 - D. Describe the extraction process, equipment and room in which extractions will be conducted.
 - E. Provide detail as to whether the extraction equipment has been reviewed and certified by a Professional Engineer or Certified Industrial Hygienist.
 - F. Describe the sanitation procedures.
 - G. How the Cannabis Business will conform to local and state laws. See GMC 9.22.45 and Title 18, as they pertain to Manufacturing.
- 2.4 Describe the day-to-day operations if you are applying for a TESTING permit. This should include at a minimum the following criteria:
- A. Describe the sampling standard operating procedures.
 - B. Describe procedures for transporting cannabis field samples.
 - C. Describe the chain of custody for field samples.
 - D. Describe the quality control procedures.
 - E. Describe the Laboratory Supervisor/Manager responsibilities and qualifications.
 - F. Identify location and procedures for storing cannabis products.
 - G. Describe how the cannabis business will conform to local and State laws. See GMC 9.22.44 and Title 18 as they pertain to testing labs in the City of Guadalupe.
 - H. Describe how the cannabis and cannabis products will be tracked and monitored to prevent diversion.
 - I. Describe the Point-of-Sale system to be used and how it will interact with the State's mandated track and trace system.
- 2.5 Describe the day-to-day operations if you are applying for a CULTIVATION (processing only) permit. This should include at a minimum the following criteria:
- A. Identify all cannabis products processed within the permitted premises.
 - B. Describe quality control procedures.
 - C. Describe inventory control procedures.
 - D. Describe the drying, curing, grading, trimming, rolling, storing, packaging, and labeling of nonmanufactured processes which will be utilized for these activities.
 - E. Describe the sanitation procedures in such a way as to ensure the health, safety, and welfare of the public, the employees working at the processing facility, visitors to the area, neighboring properties, and to ensure the security of the cannabis processed; and to safeguard against diversion of cannabis.
 - F. How the Cannabis Business will conform to local and State laws. See GMC 9.22.48 and Title 18, as they pertain to cultivation (processing only).
 - G. Describe the plan for addressing public odor nuisances that may derive from the processing facility.
- 2.5 Describe the day-to-day operations if you are applying for a MICROBUSINESS permit. This should include at a minimum the following criteria:
- A. A microbusiness license engaged in retail shall describe all the requirements in subsection 2.1 of Appendix A, Section A in accordance with CCR §5500 and applicable requirements in GMC Section 9.22.40.

- B. A microbusiness license engaged in distribution shall describe all the requirements in subsection 2.2 of Appendix A Section A in accordance with CCR §5500 and applicable requirements in GMC Section 9.22.43.
- C. A microbusiness license engaged in manufacturing shall describe all the requirements in subsection 2.3 of Appendix A, Section A in accordance with CCR §5500 and applicable requirements in GMC Section 9.22.45.
- D. A microbusiness license engaged in cultivation (processing only) shall describe all the requirements in subsection 2.5 of Appendix A, Section A in accordance with CCR §5500 and applicable local and State laws. See GMC Section 9.22.48 and Title 18 as they pertain to Cultivation (processing only) in the City of Guadalupe.

SECTION B: LABOR, EQUITY, DIVERSITY & INCLUSION PLAN (300 points)

- 1. The application should describe to what extent the cannabis business will adhere to heightened pay and benefits standards and practices, including recognition of the collective bargaining rights of employees.
- 2. Identify number of employees at initial opening and the maximum number of employees when the business is at full capacity.
- 3. Describe any diversity and inclusion programs that will be developed as part of the business model which embraces a rich and diverse work force with a diverse set of perspectives, work and life experiences, as well as religious and cultural differences that provide equal opportunities for employee development.
- 4. Identify all positions and their responsibilities.
- 5. Describe compensation to and opportunities for continuing education and training for employees.
- 6. Describe whether the cannabis business is committed to offering employees a Living Wage.
- 7. Briefly describe benefits provided to employees such as health care, vacation, and medical leave, to the degree they are offered as part of employment.
- 8. Describe to the extent to which the cannabis business will be a locally owned enterprise and the owner(s) reside within the City of Guadalupe. In order to qualify for this criteria, an owner must have lived in the City of Guadalupe for at least one year prior to June 1, 2021.

SECTION C: SAFETY PLAN (200 points)

- 1. The detailed Safety Plan shall be prepared by a California professional fire prevention and suppression consultant.
- 2. This plan will describe all fire prevention and suppression measures, fire extinguisher locations, evacuation routes and alarm systems the facility will have in place.
- 3. Describe all accident and incident reporting procedures.
- 4. Describe the waste management locations and procedures.

SECTION D: SECURITY PLAN (300 points)

- 1. The security plan shall be prepared by a professional security consultant. This can be done with in-house staff or a consultant, but it must clearly demonstrate that it meets the professional standards requested to receive the appropriate points for each criterion in this section.
 - A. The plan should demonstrate how the cannabis business wishes to develop the floor plan and address other security issues on the property.
- 2. Premises Diagram: In addition to the site plans submitted for the Proposed Location (in Section H of Appendix A), a separate Premises Diagram must be included in this Security Plan section (Section D) of the application. The diagram must meet the requirements of the Bureau of Cannabis Control CCR Title 16, Division 42, §5006 Premises Diagram.

- A. The diagram shall show the boundaries of the property and the proposed location to be licensed, showing all boundaries, dimensions, entrances and exits, interior partitions, walls, rooms, windows, and doorways, and shall include a brief statement or description of the principal activity to be conducted therein.
 - B. The diagram shall show and identify commercial cannabis activities that will take place in each area of the premises and identify all limited-access areas.
 - C. The diagram shall show where all cameras are located and assign a number to each camera for identification purposes.
 - D. The diagram should be accurate, dimensioned and to-scale (minimum scale of 1/4”).
 - E. If the proposed location consists of only a portion of a property, the diagram must be labeled indicating which part of the property will be used for the licensed premises and what activities will be used for the remaining property.
3. Description of operational security, including but not limited to general security for access/visitor control, inventory control and cash handling procedures.
 4. Description of perimeter security, on-site security guards, lighting, and parking.
 5. Identify transportation techniques and security procedures.
 6. Description of employee training and general security policies.

SECTION E: QUALIFICATION OF OWNERS (300 points)

1. Experience – Demonstrate the business owner’s experience in owning, managing, and operating a retail cannabis business. For purposes of this section, owner shall mean the State definition of owner in the State Business and Professions Code Section 26001 and all persons, companies, and entities that will be directing, controlling, and/or managing the day-to-day operations of the business. Evidence that prior experience was from legally permitted activities.
2. Cannabis Industry Knowledge – Demonstrate overall knowledge of the cannabis industry (as demonstrated throughout the screening application), including identification of how industry best practices and State regulations have been incorporated in existing/prior legal businesses outside the City of Guadalupe.
3. Ownership Team – Describe the involvement of the ownership team in day-to-day operation of the business. Owner is defined based upon the State definition of owner, see Business and Professions Code Section 26001.

SECTION F: NEIGHBORHOOD COMPATIBILITY PLAN (300 points)

1. Describe how the business will proactively address and respond to complaints related to noise, light, odor, and vehicle and pedestrian traffic.
2. Describe how the business will be managed to avoid becoming a nuisance or having impacts on its neighbors and the surrounding community.
3. Describe odor mitigation practices:
 - A. Identify potential sources of odor.
 - B. Describe odor control devices and techniques employed to ensure that odors from cannabis are not detectable beyond the licensed premises.
 - C. Describe all proposed staff training and system maintenance plans.
4. Describe the waste management plan. The plan shall include waste disposal locations, security measures, methods of rendering all waste unusable and unrecognizable, and the vendor in charge of disposal.
5. The application should include the following information about the proposed location:
 - A. Physical address and a detailed description of the proposed location, including the overall property, building, and interior floor plan.

- B. Description of all known nearby State and local sensitive use areas. The cannabis business must have the appropriate zoning and meet all the locational requirements as described in GMC sections 9.22.33 and Title 18.
- C. List any nearby well-traveled paths to schools and describe how the cannabis business will proactively protect the youth on these paths from exposure to the cannabis business.
- D. Describe how the business will proactively take steps about community concerns to protect the youth generally from the impacts of the cannabis business.
- E. Proof of ownership, lease agreement, or a Letter of Intent to Lease.
- F. Vicinity map.
- G. Photographs of existing site and buildings.
- H. Evidence that the location has access to public transportation for employees or customers.

SECTION G: COMMUNITY BENEFITS AND INVESTMENTS PLAN (500 points)

The cannabis business should describe the benefits the business will provide to the local community, for example by directly aiding, participating in, or funding the work of local non-profits, community-based organizations, civic organizations, or social services organizations. Benefits may be in the form of volunteer services, monetary donations, financial support of City-sponsored activities or organizations, in-kind donations to the City or other charitable organizations and/or any other economic incentives to the City which will meet the revenue goals expected by the City Council.

SECTION H: PROPOSED LOCATION (200 points)

In addition to the location related details required in the Security Plan section of this application, the application shall include a thorough narrative description of the proposed location, including but not limited to the overall site, existing and/or proposed building(s), parking spaces, driveways, pedestrian sidewalks/rights-of-way, and neighboring businesses on the parcel. Description of floor plans and interior design are not a requirement of this section. In addition to the narrative description of the proposed locations, Applicants shall also include the following items.

1. The CBP applicant must have the appropriate zoning and meet all the locational requirements as described in GMC sections 9.22.33 and Title 18.
2. The application shall include photographs of the front (street facing) side of the building. In the event the proposed location is undeveloped land, photographs shall depict the property from all vantage points of the property.
3. The application must include a (Site) diagram depicting all details described in the narrative description of the proposed location. The diagram required for this section need not include a description of any building interior, floor plan or security detail.