

Commercial Cannabis - Questions and Responses

	QUESTION	RESPONSE
1	If a facility is only for medical cannabis, how are such facilities affected by the city licensing?	A medical dispensary will be treated in the same fashion as an adult-use retailer and must apply for a retailer permit from the City.
2	Wanted clarification on the ability for an applicant, say an corporation, to change board members, sell additional stock, change executive officers, etc...	A response to this question will follow and will be posted separately on the City's Commercial Cannabis webpage: https://ww5.cityofpasadena.net/planning/marijuana-regulations/
3	If an applicant is selected for licensure, will their license fee be considered paid by having paid the Application Fee? If not, what will the license fee be for a cultivation license?	All applicants shall pay the \$13,654 screening application fee, and those top applicants who are selected to proceed with obtaining a commercial cannabis permit shall also submit a separate fee of \$10,639.
4	Might the City consider a lower application fee, based on an intended size of a cultivation site? Maybe a statement as to an intended size be required on the Application. I understand the City needs funds to administer the application process, but the fee still seems incredibly high. It is prohibitive for me as a small business, and works against the social equity of a small business person.	The fees apply equally to all proposed commercial cannabis businesses regardless of size and are based on cost recovery.
5	Might the City consider some sort of oversight or regulation on the various Pasadena commercial property owners, as to the rental rates? The bidding war on commercial property started long ago, even before the election, and property owners are tripling/quadrupling their rates for cannabis business seekers. This also works against the social equity of a small business owner.	The City does not have control over the local real estate market.
6	The Ordinance states at 5.28.070, "For cannabis cultivation, the tax due for each calendar quarter shall be based on the square footage of the business's canopy space during the quarter and the rate shall be twenty-five percent (25%) of the applicable annual rate. What is the "applicable annual rate"?	The applicable annual rate depends on the type of canopy space. Please refer to P.M.C. Sections 5.28.060.B. and 5.28.060.D.
7	For financial planning purposes, could you list each type of City tax and fee that a cultivator can expect to pay, as well as their rates?	Sections 5.28.060.B. and 5.28.060.D define the tax rates related to cultivation.
8	When zoning code is: CD5 General Plan is: Medium Density Mixed Use and there are condominiums in the vicinity is this the case where a property becomes non-compliant?	A retailer, for example, could locate in the Central District (CD) provided the minimum separation distances from sensitive uses are met. However, a retailer cannot locate in any mixed-use building that has a residential component, such as condominiums.
9	Can one applicant apply for more than one retail license?	An applicant may not submit a screening application for more than one of the same type of cannabis permit. For example, an applicant could submit screening applications for a retailer permit and a cultivation permit, but could not submit for two retailer permits.
10	Is there a website I can use where I can see the details of any property in Pasadena?	We have an interactive zoning map available at: https://ww5.cityofpasadena.net/planning/planning-division/current-planning-and-zoning/

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11	If we strictly want to purchase storage space in the city of Pasadena to hold cannabis products overnight in a storage facility and do no other cannabis business in within the city limits, would that still be restricted?	Storage, warehousing and/or distribution of cannabis and cannabis products is not permitted in Pasadena.
12	If we would like to apply for a license to test Cannabis in Pasadena, is there any preliminary work that we can get started on for the application to improve our chances for receiving one of the licenses?	All applications shall be reviewed equally based upon the same review criteria, which will be available on the City's website on December 14, 2018. https://ww5.cityofpasadena.net/planning/marijuana-regulations/
13	What will the application fee(s) be?	All applicants shall pay the \$13,654 screening application fee, and those top applicants who are selected to proceed with obtaining a commercial cannabis permit shall also submit a separate fee of \$10,639.
14	Will there be a zoning map depicting the green zones areas made available?	Applicants will be responsible for ensuring that their proposed location meets the requirements of the ordinance and will be required to create and submit a map showing compliance. The City does not plan to provide a cannabis zoning map at this time. https://ww5.cityofpasadena.net/planning/marijuana-regulations/
15	Does a cultivation location have to be separate from a retail site or will grow/wet rooms be permitted within one location/address?	While we recognize that the State allows permits for a micro-business, cultivation of any kind, including grow/wet rooms, is not permitted within a retail establishment. The ordinance requires a 1,000 ft. separation between a retail establishment and any cultivation site.
16	I had a question regarding the Funding/Proof of Capitalization. It says we need to demonstrate or identify access to operational capital and/or on-going line of credit once business is operational. What is the city looking for in terms of this? Bank Statements? Or show proof of tangible and liquid assets?	Please provide thorough and complete responses to each of the review criteria to the best of your ability.
17	Is this statement true: Top applicants secure a location (After being announced April 15th)	Selection of the top applicants in each permit category is not contingent upon location. Once selected, the top applicants can then move forward with securing a business location. The date that top applicants will be notified is to be determined and will depend upon the number of applications received.
18	Is this statement true: Top applicants have 12 months after being announced as a top applicant to secure a commercial cannabis permit.	Once selected as a top applicant, applicants are encouraged to secure a business location and obtain all necessary approvals to receive their commercial cannabis permit in a timely fashion.
19	Is this statement true: Top applicants must obtain a State License after the city commercial cannabis permit has been issued.	Yes, that is correct.
20	Once the Commercial Cannabis Permit and State license has been obtained, how soon must we be fully operational?	The time period to be fully operational will be specified in the commercial cannabis permit.

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21	Is there going to be a deadline for obtaining the State License after obtaining the Commercial Cannabis Permit?	A deadline for obtaining the State license will be specified in the commercial cannabis use permit issued by the City.
22	Is the selection of candidates based solely on the scoring of the review criteria?	Each application will be reviewed and scored against the review criteria. Based on the scoring, the top candidates will be invited for an interview.
23	Would applicants be able to submit property addresses to your department to confirm whether the zoning is compliant prior to submitting their application?	Location is not a factor being considered in the selection process.
24	With regards to retail sales storefronts vs. delivery: is the City going to allow non-store front retail (delivery) OR will it be a store front open to the public with the ability to do delivery as well?	Per P.M.C. Section 17.50.066 (D)(7), delivery service may operate only as a part of and in conjunction with a permitted retailer. Licensed retail delivery businesses outside the City shall also be permitted to operate delivery services.
25	I was wondering what the real estate requirements are for the application process? Do you need to have it secured, identified or just working diligently to find one at the time of application submission?	Location is not a factor being considered in the selection process.
26	I can't seem to find a zoning map of allowed and non allowed areas. Does one exist? Can you provide any guidance on acceptable guidelines?	A draft map for potential retail cannabis locations is available at www.cityofpasadena.net/planning/marijuana-regulations . Please note that the map does not include all sensitive uses and is not comprehensive.
27	When and where do we have a live scan done for the application process? Is this a requirement?	The live scan will be conducted for the top candidates only after submission of their use permit application.
28	Where is the "Applicant/owner information" form located to fill out? Is this an actual form that is provided by the city for an applicant to fill out?	The online application portal will be available on January 1, 2019 at www.cityofpasadena.net/planning/marijuana-regulations
29	Can you provide us to an ideal, high-scoring application template we can refer to while completing the process to ensure we are meeting Pasadena's standards? Where would we find that?	A template is not available.
30	Do you have a more specific map of allowable areas in the City?	A draft map for potential retail cannabis locations is available at www.cityofpasadena.net/planning/marijuana-regulations . Please note that the map does not include all sensitive uses and is not comprehensive.
31	Will it be possible for an applicant(an individual) to apply with multiple entities if that person has different partnerships? For instance if that person is part of Group A and also Group B, and there are other members of both groups, can they apply with both?	Refer to page 5 of the Screening Application Information Packet. Individuals may not be listed as Owners in more than one of the same type of permit application.
32	Please help clarify bullet point #3 in slide number 22 of the cannabis application workshop presentation. It states, "Section is limited to a total of 50 pages". Is that referring to Section 3 of the application? What is the page limit for each section and for the whole application in its entirety?	The cover letter is limited to 3 pages. The 50 page limit applies to Submittal Item 3 of the application.

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33	The Neighborhood Compatibility & Enhancement section of the Review Criteria is very location-dependent. Will applicants who have already obtained a location have an advantage over applicants without a location in this section? If applicants without a location are completely speculative in this section will that be sufficient to score the maximum number of potential points?	Thank you for your comments. Please see the revised Review Criteria addressing these concerns.
34	I understand that an applicant does not need to have secured a physical location; however does it strengthen one's application if they do have a location	Thank you for your comments. Please see the revised Review Criteria addressing these concerns.
35	I wanted to inquire as to the point scoring system for merit applications for a dispensary in Pasadena. I understand that there are points given for applicants who have experience in the industry in a licensed capacity. I wanted to find out if points are given regardless of whether the experience is in the same segment of the filed or if it is only evaluated for that specific use. For example, in applying for a dispensary permit, do you receive the same amount of points if the experience is in manufacturing and/or cultivation, or are the maximum amount of points allocated only if the experience is in owning/ operating another dispensary.	Thank you for your comments. Please see the revised Review Criteria addressing these concerns.
36	In addition, is there a minimum % of ownership in the business being applied for that the applicant with the experience must have?	There is no set minimum requirement.
37	Since its one license per district, assuming someone is selected as a top applicant for a retail dispensary and applies for a property in district 6 and another top applicant applies for a property in district 3, and both properties are within 1000 feet of each other, would that not matter since both properties are in different districts? If the 1000 foot rule still applies, then how will it be decided which applicant is granted use of the property?	The distance requirements apply in addition to the limit of one dispensary per district. Use permit applications will be processed in the order received.
38	Since a school is a sensitive use, what fits into the definition of a school? Would The Arts Center fit within the definition or is it limited to K-12 only?	Yes, only K-12 schools are included as a sensitive use. Please refer to the definitions in the Medicinal and Adult-Use Cannabis Regulation and Safety Act for future clarifications on definitions.
39	If you and another applicant in the top 6 both apply for retailer licenses in the same district and/or within 1,000 feet of each other, what steps will the city take next? Will you allow an applicant to look for a new location? How will you decide which applicant would need to move? Would this disqualify an applicant from the top 6?	Use permit applications will be processed in the order received. Applicants will be allowed to submit a new application for another location.
40	Will the number of top applicants match the number of licenses available (6 top applicants for retail, 4 for cultivation, 4 for laboratories) or will there be more top applicants than the number of licenses (e.g. 10 top applicants for retail and those 10 compete over locations)? Also, will the list of top applicants be released all at once or in waves based on the ranking of each top applicant?	The regulations allow for a maximum number of licenses. It is not guaranteed that the maximum number of permits will be issued by the City given the distance separation requirements established per the ordinance. The top scoring applicants will be staggered until the maximum number of licenses are reached.
41	Does having real estate help improve details of security plan?	Location is not a factor being considered in the selection process.
42	If an applicant decides to put a real estate property in the application that is not compliant does that automatically disqualify their application?	Location is not a factor being considered in the selection process.

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43	Can Delivery and retail from one license owner be in two different real estate locations?	No, delivery must be ancillary to and within the approved retail establishment.
44	In relation to the Neighborhood Integration section of the review criteria, does having real estate increase an applicants score?	Location is not a factor being considered in the selection process. Please see the revised review criteria.
45	Does an applicant who is considered social equity get points on the application for their status?	Please refer to the revised Review Criteria.
46	Is it the City's preference to see 1 retail location per zone? Or can there be more than 1 retail location in the same zone that follow the land use permit conditions?	The ordinance allows up to one retail dispensary per council district that meets all distance requirements.
47	What format does the city prefer for the standard operating procedures in the Business Plan? Descriptions of procedures in narrative/paragraph form or an itemized list of step-by-step procedures? Will one format be valued higher than another or will standard operating procedures be judged solely on the comprehensiveness of day-to-day operations?	Please provide thorough and complete responses to each of the review criteria to the best of your ability.
48	For Retail dispensary: Once top applicants are chosen, what does the process for entitlements look like for the dispensary location? Is it a typical site plan submission, form of application, or something else? And what is expected timing?	The use permit application and process will be released in the spring. The use permit application is anticipated to be similar in process and timing to a typical conditional use permit application.
49	Once a top applicant is selected for a retail dispensary, how does one apply for the property in order to secure that they can operate at that location?	The applicant must submit the use permit application with the proposed location. Staff will confirm the eligibility of the proposed location.
50	If an applicant operated a marijuana dispensary in Pasadena without explicit approval from the City after November 6, 2017, are they banned/prohibited from applying and obtaining a cannabis business license from Pasadena?	Yes, that is correct.
51	Would a property zoned CD5-AD2 be properly zoned for a cannabis retail location?	In addition to the property's zone, an applicant must consider the required distance separations outlined in the ordinance in order to determine if a site meets the location criteria.
52	Social Equity:? There seems to be no concrete criteria for Social equity written into the application process. In other jurisdictions like Long Beach there is a mandate that 40% of the employees be from Communities disproportionately impacted by prior cannabis laws. This is a major part of community engagement and social equity. Please include.	Sub-Section 2B of the review criteria refers to social equity.
53	There is no social equity component to reach out and fund local entrepreneurs who can be educated, trained, mentored and funded to be owners/operators in Pasadena. Please include.	Thank you for your comment. Please refer to the revised review criteria.
54	Engagement with local non-profits - there needs to be a minimum threshold identified for proceeds directed to non profits 3% or dollar amount based on profits. Please include.	Thank you for your comment. Please refer to the revised review criteria.
55	There is a large profit windfall for the successful applicants for a cannabis, license. The city has made sure that they will benefit financially. City must also look out for the impacted communities and make sure there is a major financial benefit for that community. JOB's is definitely a major benefit!! Entrepreneurial opportunities!! Include!!	Thank you for your comment. Please refer to the revised review criteria.

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56	<p>Recommendation to decrease points in Section 1 for Records software 5 point, Track and Trace 10 points, State Testing requirements 5 points . These are routine and a must for all applying. Move these points to sub-section 1B: Engagement with Local Non-profits to 40 points, Social Equity to 40 points to better reflect importance of Community Benefits.</p>	<p>Thank you for your comment. Please refer to the revised review criteria.</p>
57	<p>Please advise, which staff or combination thereof that is responsible for the final application process.</p>	<p>The final application process consists of obtaining a land use permit from the Planning Division. Staff in the Planning Division will process those entitlements. Land use permits are subject to approval by the Planning Commission. Only the selected top candidates will submit this land use permit application.</p>
58	<p>Will the City Council be reviewing and approving this application process?</p>	<p>The application process, as codified in Section 5.78 of the Pasadena Municipal Code, was approved by the City Council via Resolution No. 9635 on February 26, 2018 for submission as a proposed ordinance on the Special Municipal Election of June 5, 2018 and was subsequently approved by Pasadena voters.</p>
59	<p>Who will be the evaluation committee once the application is completed? Who will represent the impacted communities, non-profits and the adequacy of community engagement?</p>	<p>The evaluation committee will consist of a qualified third-party consultant group (not yet determined) who will review and evaluate each application based on the selection criteria provided by the City.</p>