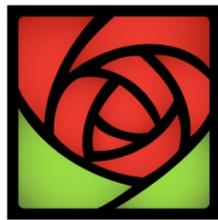




Commercial Cannabis Permit Screening Application Information Packet



PASADENA

December 14, 2018

<https://ww5.cityofpasadena.net/planning/marijuana-regulations/>



**COMMERCIAL CANNABIS PERMIT
SCREENING APPLICATION INFORMATION PACKET**
Planning & Community Development Department
175 N. Garfield Avenue
Pasadena, CA 91101

On June 5, 2018, Pasadena voters approved Ballot Measures CC and DD. Measure CC allows a limited number of cannabis (marijuana) retailers, cultivators, and testing labs to operate within specific zoning districts in the city. Measure DD levies a business license tax on commercial cannabis businesses of up to \$10/canopy square foot (for cultivation) and between 4-6% of gross receipts (for retail sales). Measures CC and DD allow up to:

- Six (6) Retailer Permits (with delivery)
- Four (4) Cultivation Site Permits
- Four (4) Testing Laboratory Permits

APPLICATION PROCESS OVERVIEW

The City will utilize a merit-based approach to selecting which applicants will receive the commercial cannabis permits listed above. The selection process starts with all interested applicants submitting a screening application to the City via the online submittal portal. The screening application will include information about the applicant's ownership/management team, proposed business plan, security plan, and experience. **Applicants do not need to have secured a physical location to submit a screening application.** Each screening application will be reviewed and scored by an independent Selection Committee appointed by the City Manager. The Selection Committee members will score the screening applications based on specific review criteria and weighting (points). The review criteria are included with this screening application as Exhibit A.

After the Selection Committee has reviewed and scored all the screening applications, the highest scoring applicants in each commercial cannabis permit category will be invited for an interview with the Selection Committee. Following the interviews, the top overall applicants will be allowed to move forward with obtaining a permit from the City. The first step for the selected applicants will be to secure a physical location for their business. Once an applicant has secured a physical location they will need to obtain the appropriate planning and health (if necessary) permits (e.g., use permit from the City's Planning & Community Development Department, public health permit, business license) affirming that the proposed use is permitted at the property. During the same time, the applicant is encouraged to apply for any necessary Building and Safety permits needed to make improvements to the property (e.g., building permits for tenant improvements). Prior to operation of the business, the applicant will also need to secure their State cannabis license. Failure to obtain a State cannabis license will render any City permit approvals null and void.

SCREENING APPLICATION REQUIREMENTS

Documents Required in Screening Application Submittal:

The following information shall be included in each screening application submittal:

- Required Submittal Item 1:** Completed Applicant/Owner Information Form
- Required Submittal Item 2:** Cover Letter
- Required Submittal Item 3:** Detail of the Applicant's Business Plan (submit for each license type if applying for more than one)

Sections shall include:

- Section 1: Qualifications of Owner/Operators
- Section 2: Business Plan
- Section 3: Neighborhood Compatibility & Enhancement
- Section 4: Security Plan

Further Information Regarding Required Items:

Applicant/Owner Information Forms – Each screening application shall complete the Applicant/Owner Information Forms (Required Submittal Item 1). These forms include basic information on the applicant, owners, and non-owners with a financial interest in the business. The information being requested by the City is similar to the information being requested by the State.

Cover Letter – The Cover Letter (Required Submittal Item 2) shall be a concise overview of the applicant's screening application, including the type of cannabis permit being applied for, both locally and with the State, and the proposed business concept. The Cover Letter cannot exceed three (3) pages.

Detail of Applicant's Business Plan – This section is the main portion of the screening application (Required Submittal Item 2). For each permit type, the applicant shall provide detailed information about their business plan, security plan, and owner/operator experience, and provide a description of how the business will be compatible with the surrounding neighborhood. As much detail as possible to clearly describe the day-to-day operations of each permit type being sought should be provided. This section is limited to a total of 75 pages of text (single-sided) and 25 pages of images for a total of 100 pages for each permit type. Applicants shall follow the ordering in the review criteria (Exhibit A)

Payment of Screening Application Fee – Applicants must pay a screening application fee for each type of permit they have applied for. Payment must be included with the screening application submittal via the online submittal portal which utilizes PayPal. Further information regarding the screening application fee is included on page 4.

Required Format and Submittal Guidelines for Screening Application:

Length – Screening applications shall be no longer than 100 pages for each permit type. The page total does not include the applicant/owner information forms or the cover letter (cover letter cannot exceed three pages). Double-sided pages count as two pages. Please limit the use of duplicative information throughout the submittal. All pages shall be numbered.

Font and Page Size – 11-point font shall be used in the narrative portions of the screening application. All pages shall be 8.5 x 11.

Order of Information – The required submittal items shall be provided (and labeled) in the screening application in the same order as shown above. Applicants must follow the ordering in the review criteria (Exhibit A) to the greatest extent possible when describing their business plan (Required Submittal Item 2) to make review of the screening applications as efficient as possible.

Submittal Period – Screening applications may be submitted to the City anytime between 12:00am (Pacific Time) on January 1, 2019 and 11:59pm (Pacific Time) on January 31, 2019. Screening applications received before or after this period will not be accepted. No additional weight will be given to screening applications that are submitted earlier than others (for example, a screening application received on January 1st will receive no additional advantage over an application received on January 30th).

Document Submittal – All screening applications shall be submitted electronically through a link that will be located on the City’s cannabis webpage (<https://ww5.cityofpasadena.net/planning/marijuana-regulations/>) starting on January 1, 2019. Applicants will need to drag and drop their PDF document(s) into the portal provided, no registration is required. If more than one PDF file is being submitted they shall be compressed into a single ZIP file, and that ZIP file shall be uploaded. **Applications must be complete when being submitted; there will be no opportunity to resubmit missing information.** Applicants should be aware that depending on the size of their screening application it may take some time for the document to upload. Please plan accordingly.

Screening Application Fees:

Applicants are required to pay the following fees online with the submittal of their screening application:

Permit Type	Screening Application Fee
Retailer	\$13,654.00
Cultivation Site	\$13,654.00
Testing Laboratory	\$13,654.00

If applicants are submitting screening applications for more than one type of commercial cannabis permit they must submit a separate application and pay the applicable screening application fee for each permit type. For example, if an applicant is submitting screening applications for a retailer permit and a cultivation site permit, they would need to pay \$27,308.00 (\$13,654.00 multiplied by two).

Screening application fees will not be refunded if an applicant is not selected as one of the top scoring applicants. Fees will not be refunded because they are used to cover the costs of City expenses (staffing time and other costs) to prepare and implement the screening application process, as well as expenses of the Selection Committee.

Payment must be included with the screening application submittal. Payments will only be accepted through the PayPal link on the online submittal portal. To learn more about and to sign-up for PayPal follow this link: <https://www.paypal.com/ai/webapps/mpp/home>

Other Key Information:

Contact with Members of the Selection Committee – Applicants (or their representatives) are prohibited from contacting any member of the Selection Committee in any way. Any violation will result in the dismissal of the applicant’s screening application.

Applicants should also be aware that City Councilmembers will not be reviewing or scoring the screening applications and will not be deciding which applicants will be eligible to receive commercial cannabis permits through the screening process.

Background Check – A background check of the top overall applicants will be required and should be anticipated. The applicant, owners, and non-owners with a financial interest in a commercial cannabis business shall be required to complete the background check.

Multiple Licenses – Applicants are allowed to submit screening applications for multiple types of commercial cannabis permits. However, 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.

Multiple Licenses in One Location – Due to distance requirements between establishments, applicants are not allowed to have more than one type of commercial cannabis permit at the same location. For example, a retailer permit and a cultivation site permit cannot be located at the same location (Municipal Code Sections 17.50.066(D)(5)(a), E(5)(e) and F(4)(b)).

Licenses Not Transferrable – The assignment of, or attempt to assign, any cannabis permit is unlawful and any such assignment or attempt to assign a permit shall render the permit null and void.

Public Records Requests and Proprietary Data – All screening applications will become the property of the City when received. Information contained in the screening applications may be subject to disclosure under the California Public Records Act. Any sections or pages the applicant considers proprietary should be clearly marked within the screening application, although such marking is not determinative of whether it is proprietary under state law. The City reserves the right to disclose and/or withhold any information contained therein in accordance with the law.

Ownership Stake in Multiple Applications (Same Permit Type) – Individuals may not be party to or listed as Owners in more than one of the same type of permit application. The definition of Owner is provided on the Applicant/Owner Information Form and is consistent with the State definition of “Owner.”

Original Ordinance – The commercial cannabis ordinance, previously referred to as ballot measures CC and DD as approved by Pasadena voters on June 5, 2018, can be found on the City’s cannabis webpage (<https://ww5.cityofpasadena.net/planning/marijuana-regulations/>).

Questions – Questions regarding the screening application and review criteria should be emailed to City staff at marijuanaregulations@cityofpasadena.net until December 7, 2018. The City will endeavor to answer all timely submitted questions on the City’s cannabis webpage by December 14, 2018, when the release of all final application materials will occur.

On November 13, 2018, the City held a workshop to answer questions related to the draft review criteria and application screening process. A recording of this meeting can be found on the City’s cannabis webpage. Additionally, the City has received a number of questions regarding the review criteria and application screening process since the workshop. These questions, and the City’s response to them, can also be found on the City’s cannabis webpage (<https://ww5.cityofpasadena.net/planning/marijuana-regulations/>).

Disclosure Regarding Changes to Published Information – While the City does not anticipate any changes to the published information, the City reserves the right to update the information on the City’s cannabis webpage as necessary to resolve any unanticipated issues that may arise before or during the screening period. Any updated information will be noted as updated. All applicants are encouraged to check the City’s cannabis webpage before submitting their application.