



APPLICATION PROCEDURES & GUIDELINES FOR A COMMERCIAL CANNABIS PERMIT (STOREFRONT)

The City of El Centro may issue up to two (2) Commercial Cannabis Permits (CCP) to individuals interested in operating a Commercial Cannabis Storefront business in accordance to Chapter 13, Article X of the El Centro Municipal Code. The application process to obtain a permit to operate a Commercial Cannabis Storefront business will open on **September 14, 2020 and close on November 13, 2020 at 4:00 P.M.** To be considered for issuance of a CCP, a complete application must be submitted at the Community Development Department located at 1275 W. Main Street, El Centro, CA 92243. The application process is adopted pursuant to Chapter 13, Article X of the El Centro Municipal Code (“Commercial Cannabis Ordinance”). All terms used here are defined in the “Commercial Cannabis Ordinance”. The fees set out have been adopted pursuant to Resolution 20-78 approved on August 4, 2020.

I. Application Process and Fees:

A. Fees - The evaluation and selection process shall consist of three phases:

- Phase 1 – Preliminary Determination of Eligibility \$1,389.00
- Phase 2 - Initial Evaluation and Ranking \$1,790.00
- Phase 3 – Second Ranking, Interviews, and Selection \$4,600.00

B. Application: Applicants must hand deliver one (1) complete comprehensive and wet-ink signed original of the City of El Centro Commercial Cannabis Permit Application form with all attachments noted on the checklist below, a flash drive containing one copy of the application, including attachments in a PDF format, and payment of **\$1,389** for the Phase 1 application fee. **Application fees are non-refundable.** A complete application package must include, at a minimum:

- City of El Centro Commercial Cannabis Permit Application form (signed and notarized).
- Proof of Live Scan/Background Check for each owner/principal.
- Zoning Verification Letter issued by the Community Development Department.
- Property Owner Consent Form (signed and notarized).
- Agreement indemnifying the City from liability (signed and notarized).

Evaluation criteria items including:

- Business Plan
- Labor and Employment
- Safety Plan
- Security Plan
- Neighborhood Compatibility Plan
- Air Quality Plan
- Environmental Benefits
- Proposed Location

Community Benefits Plan

C. Criminal History Check: As part of Phase 1 of the application process, each owner must undergo a criminal background check demonstrating they do not provide “good cause” for denial. The application for the Live Scan will be available on the City website or at the Community Development Department. Proof of a completed Live Scan form must be submitted with your application. This process will be required to meet the minimum threshold qualifications. Owners who do not meet criminal history eligibility requirements will be disqualified.

D. Zoning Verification Letter: Applicants will be required to obtain a “Zoning Verification Letter” from the Planning Division of the Community Development Department prior to submitting the Commercial Cannabis Permit application to ensure the proposed location meets the requirements. The zoning verification review process typically takes approximately ten (10) to fifteen (15) working days and will cost \$289.63. The Zoning Verification Letter will need to be included with the application package. Please note the issuance of a Zoning Verification Letter does not constitute written evidence of permission given by the City of El Centro or any of its officials to operate a Commercial 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. Zoning Verification Letters require the submittal of an application and a written request to the Planning Division of the Community Development Department and will not be completed over the counter to allow for research and review.

Please note that the Commercial Cannabis business will require a Site Plan Review process. This is a separate application that will be made only after a conditional Commercial Cannabis Permit is approved.

E. 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 as authorized in writing by the City Manager or his/her designee. During Phase 1, applicants will be notified if any of the owners are ineligible and/or if their application is incomplete. These applications will not move forward in the application process.

F. Payment of Application Fees: The individual designated as the contact person on the application will be notified by e-mail if the application is advancing or not to Phase 2 and, subsequently, to Phase 3. A payment of **\$1,790** will be due before Phase 2 and a payment of **\$4,600** will be due before Phase 3. As part of Phase 3, the top two scoring applications will be recommended for approval to the City Manager. Issuance of a Commercial Cannabis Permit shall be contingent upon confirmation that all local and state requirements have been met and upon the completion of a Site Plan Review. The fee for the Site Plan Review is **\$742.63**.

For detailed information regarding the Evaluation and Selection Process refer to Page 3.

EVALUATION AND SELECTION PROCESS

Applications will be reviewed to determine that all application criteria has been met. An incomplete application will be rejected/disqualified and the fees retained. Those applications determined to be complete will be subject to the following review and evaluation process:

➤ Phase 1: Preliminary Determination of Eligibility

- Each owner must undergo a criminal history check demonstrating compliance with the eligibility requirements of Section 13-170 of the El Centro Municipal Code.
- Applications must be complete to be considered. Applications will be considered complete only if they include all the information required for Phases 1, 2, and 3 (Refer to Application Submittal Checklist on Page 1).
- Applicant will execute indemnification and release of the City from liability.

➤ Phase 2: Initial Evaluation and Ranking (1,600 Points)

- Applications will be evaluated based on the following criteria as more fully explained on pages 5-8.
 - Business Plan (400 Points)
 - Labor and Employment Plan (200 Points)
 - Safety Plan (200 Points)
 - Security Plan (300 Points)
 - Neighborhood Compatibility Plan (400 Points)
 - Air Quality Plan (100 Points)
- Applicants who score a minimum of 80% (1,280 points) in Phase 2 will move on to Phase 3.

➤ Phase 3: Second Ranking, Interviews, and Selection (2,000 Points)

- Prior to the scheduling of interviews in Phase 3, each of the applicants may be required to have their proposed site inspected by the assigned City designee to ascertain current conditions of the facility.
- The second ranking will be scored based on the following criteria:
 - Business Plan (300 Points)
 - Labor and Employment Plan (150 Points)
 - Safety Plan (150 Points)
 - Security Plan (200 Points)
 - Neighborhood Compatibility Plan (300 Points)
 - Air Quality Plan (100 Points)
 - Environmental Benefits (100 Points)
 - Location (300 Points)
 - Community Benefit (400 Points)
- Tabulated scores from Phase 3 will be combined with Phase 2 scores to establish a new ranking of the top applicants. The top two-ranked applications, scoring a minimum of 80% of the total possible points, will be recommended for approval to the City Manager. Prior to the final decision made by the City Manager, the City reserves the right to request and obtain additional clarification from any candidate who submitted a proposal. The City Manager

reserves the right to award a lesser number of Commercial Cannabis Permits, or to award no permits at all.

Appeals of Qualification and Ranking Determination

Pursuant to Section 13-163 of the Cannabis Code, within twenty (20) calendar days after the date of written notification of the determination by the City Manager, an aggrieved applicant may appeal such determination by filing a written appeal with the City Clerk setting forth the reasons why the determination was not proper. If no appeal or a determination is made within such twenty-day period, the City Manager's determination shall be final.

ADDITIONAL CITY APPROVALS REQUIRED PRIOR TO OPERATING A COMMERCIAL CANNABIS STOREFRONT BUSINESS

Site Plan Review Application

Upon receiving a conditional Commercial Cannabis Permit, applicants are required to submit a Site Plan Review Application, which will be reviewed by City Staff and may require review pursuant to the California Environmental Quality Act (CEQA). Failure to submit a Site Plan Review application within 90 days of notice of qualification under Phase 3 revokes such qualification for one year. (See Cannabis Code Section 13-164.) If an entity is disqualified, the City Manager may select another qualified entity to move forward with Site Plan Review.

After the Site Plan Review Application process is completed, applicants may then submit applications for building permits for any necessary renovation or construction. Information and application forms and Site Plan Review requirements may be obtained at the Community Development Department or online at www.cityofelcentro.org

City Business License

Prior to obtaining a Commercial Cannabis Permit, a City business license must be obtained.

Community Benefit Fee

Prior to receiving the Commercial Cannabis Permit, and as documented in that permit, the commercial cannabis retailer will negotiate a Community Benefit Fee with the City. The purpose of the fee is to provide compensation to the City for impacts to the community. The permit provisions will provide for payment of the fee of no less than 5% of gross sales.

NOTE: Award of a Commercial Cannabis Permit 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 permits or reviews and any other permits, licenses or reviews as may be necessary by the relevant department or governmental entities in charge of said permits. Nor does it guarantee that the plans submitted meet the standards or requirement from other City departments or agencies.

DESCRIPTION OF EVALUATION CRITERIA

All of the following information must be submitted on a USB thumb drive/flash drive in PDF format .

CRITERIA

1. BUSINESS PLAN *Criteria to be evaluated and scored during Phases 2 & 3*

- 1.1 Owner qualifications. Resumes are not to exceed one (1) page per owner.
- 1.2 A budget for construction, operation, and maintenance, compensation of employees, equipment costs, utility costs, and other operation costs for three (3) years.
- 1.3 Proof of capitalization in the form of documentation of cash or other liquid assets on hand, Letters of Credit or other equivalent assets.
- 1.4 A pro-forma for at least three years of operation.
- 1.5 Fully describe hours of operation and opening and closing procedures.
- 1.6 Fully describe the day-to-day operations:
 - a) Describe customer check-in procedures.
 - b) Identify location and procedures for receiving deliveries during business hours.
 - c) Identify number of Point-of-Sales location and estimated number of customers to be served per hour or day.
 - d) Describe the proposed product line and estimate the percentage of sales of flower and manufactured products.
 - e) Describe the product handling procedures.
 - f) If proposed, describe delivery service procedures, number of vehicles and product security during transportation.
- 1.7 Fully describe cash handling procedures.
- 1.8 Fully describe inventory control procedures including identification point-of-sales and track and trace software.
- 1.9 Describe business practices and procedures to prevent the unauthorized access of cannabis products.

2. LABOR AND EMPLOYMENT PLAN *Criteria to be evaluated and scored during Phases 2 & 3*

The application should describe to what extent the cannabis business will adhere to heightened pay and benefits standards and practices. Specific practices that are subject to consideration include the following:

- 2.1 Describe compensation and opportunities for continuing education and employee training.
- 2.2 Describe the extent to which the cannabis business will be a locally managed enterprise whose owners and /or managers reside within Imperial County area.
- 2.3 Describe the number of employees, title/position and their respective responsibilities.
- 2.4 Provide a copy of employee policy and procedures manual.

3. SAFETY PLAN *Criteria to be evaluated and scored during Phases 2 & 3*

A thorough Safety Plan should consider all possible fire, medical and hazardous situations. Complete policy/procedures manuals are not required at this point of the application process. Provide a

detailed description for each criteria which incorporates the following provisions:

- 3.1 An appropriate plan will consider 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.
- 3.2 Identify fire alarm and monitoring system including the name and contact information for the alarm company.
- 3.3 Describe accident and incident reporting procedures.
- 3.4 Describe evacuation routes.
- 3.5 Location of fire extinguishers and other fire suppression equipment.
- 3.6 Describe procedures and training for all fire and medical emergencies
- 3.7 Written description of safety features, including but not limited to fire prevention, suppression, HVAC, and alarm systems.

4. SECURITY PLAN *Criteria to be evaluated and scored during Phases 2 & 3*

A thorough Security Plan should consider all access control, inventory control, and cash handling procedures. Provide a detailed description for each criteria which incorporates the following provisions:

- 4.1 The Security Plan shall include an assessment of site security prepared by a professional security consultant.
- 4.2 Premises (Security) Diagram. In addition to diagrams submitted for other sections of the application, applicants are expected to submit a premises diagram (detailed floorplan) which focuses on the proposed security measures and how they relate to the overall business.
 - a) The diagram shall be accurate, dimensioned and to scale (minimum scale 1/4"). **(Blueprints and engineering site plans are not required at this point of the application process).**
 - b) The diagram must be drawn to scale and clearly identify property boundaries, entrances, exits, interior partitions, walls, rooms, windows and doorways. The activity in each room and the location of all cameras must be identified on the diagram.
 - c) Description of cannabis activity that will be conducted in each area of the premise. Commercial cannabis activities that must be identified on the diagram/floor plan may include but are not limited to the following, if applicable to the business operations; storage areas, loading/unloading of shipment areas, customer sales areas, training areas, and employee break room areas.
 - d) Limited-access areas, defined as areas in which cannabis goods are stored or held and only accessible to a licensee, its employee or contractors, and areas used for video surveillance monitoring and storage devices.
 - e) Number and location of all video surveillance cameras.
- 4.3 Identify intrusion alarm and monitoring system including the name and contact information for the monitoring company.
- 4.4 Discuss how the business will utilize the services of on-site security guards. Include in the discussion:
 - a) Number of security guards
 - b) Hours security guards will be on-site
 - c) Locations where security guards will be positioned
 - d) Security guards roles and responsibilities

*** Security plans will not be made public.**

5. NEIGHBORHOOD COMPATIBILITY PLAN *Criteria to be evaluated and scored during Phases 2 & 3*

- 5.1 Describe how the commercial cannabis business will proactively address and respond to complaints related to noise, light, odor, vehicle, and pedestrian traffic.
- 5.2 Describe how the design of the facility will be consistent with high-quality commercial development standards and improve the appearance and aesthetics of the surrounding area.
- 5.3 Describe how the commercial cannabis business, including its exterior areas and surrounding public areas will be managed to avoid becoming a nuisance or having impacts on its neighbors and the surrounding community.
- 5.4 Describe how the commercial cannabis business will not influence the desirability or attraction to the vicinity of the premises among youth.

6. AIR QUALITY PLAN *Criteria to be evaluated and scored during Phase 2 & 3*

- 6.1 The air quality plan must demonstrate the air circulation does not impact the employees' health and welfare or the surrounding businesses.
- 6.2 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.
 - d) Describe the waste management plan. The plan shall include waste disposal locations, security measures, and methods of rendering all waste unusable and unrecognizable.

7. ENVIRONMENTAL BENEFITS *Criteria to be evaluated and scored during Phase 3 only*

- 7.1 Describe any proposed "green" business practices relating to energy and climate, water Conservation, odor control, and waste management.

8. PROPOSED LOCATION *Criteria to be evaluated and scored during Phase 3 only*

The application must include the address and a detailed description of the proposed location.

- 8.1 Describe all sensitive uses within a six-hundred (600) foot radius from any parcel containing a school (public or private), a commercial daycare center, a youth center or a public park.
- 8.2 The proposed building shall not be within fifty (50) feet of any residentially zoned or residentially used parcel. The distance shall be measured in a straight line from the closest exterior wall to the residential parcel boundary line.
- 8.3 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.
- 8.4 Explain how the proposed location is adequate in size and shape to accommodate the proposed commercial cannabis business in addition to all applicable development requirements including parking, landscaping, screening, and setbacks.
- 8.5 Explain how the location is appropriate considering the adjacent size or condition of existing or proposed improvements for roadways, sidewalks, and other public facilities that will be utilized by the proposed commercial cannabis business.

NOTE: Proof of ownership, Letter of Intent or a notarized letter or the owner's willingness to lease will be not be given any additional consideration until Phase 3.

9. COMMUNITY BENEFIT PROGRAM AND FEE *Criteria to be evaluated and scored during Phase 3 only*

The application should include a community benefit program that would further the City's objectives and strategic priorities in support of quality of life programs. The community benefit program should also address public outreach and educational activities regarding the public health impacts and risks of cannabis use and addiction among local youth. The program shall include a community benefit fee paid to the City. The community benefit fee shall be a minimum of 5% of gross sales.