



COMMERCIAL CANNABIS SCREENING INFORMATION PACKET

7800 Katella Avenue, Stanton, CA 90680 Phone (714) 379-9222

Any commercial cannabis business seeking to operate within the City must first apply for and be issued a Commercial Cannabis Business Permit to operate within the City. The City Council approved Ordinance 1100 related to specific types of cannabis business licenses (as shown below), and approved the issuance of a maximum of four (4) of each of the following permits within the City limits.

- Storefront Retailers
- Delivery Retailer
- Distributor/Distributor-Transport Only
- Testing Laboratory
- Cultivation
- Manufacturing

A. APPLICATION PROCESS OVERVIEW

As part of the Commercial Cannabis Business Ordinance (Cannabis Ordinance) the City Council adopted a merit based approach to selecting which applicants would receive the permits listed above.

- Step 1:** The selection process starts with all interested applicants submitting a screening application to the City. The screening application will include information about the applicant's ownership/management team, proposed business plan, design concept, security plan, and experience. Applicants do not need to have secured a physical location to submit a screening application.
- Step 2:** Each screening application will be reviewed and scored by an independent three member Application Evaluation Committee appointed by the City Manager. The Application Evaluation Committee members will score the screening applications based on specific criteria and weighting (points). The Application Evaluation Committee members' scores will be totaled and averaged for each applicant. The applicant review criteria are included with this screening application as Exhibit A.
- Step 3:** After the Application Evaluation Committee has reviewed and scored all the screening applications, the top four scoring applicants ("Approved Applicants") in each cannabis business permit category will be allowed to move forward to:
- Secure a physical location for the business.
 - Apply for and obtain the appropriate zone clearance and/or planning permits affirming that the proposed use is permitted within the zoning for the property.
 - Apply for and obtain a business license from the City (applicants are

allowed up to 12 months to secure their City business license).

- Apply for and obtain any necessary building and safety permits needed to make improvements to the property (for example, building permits for tenant improvements).

Step 4: Following completion of all items in Step 3, obtain Commercial Cannabis Permit.

Step 5: Prior to operation, Approved Applicants will need to secure their state cannabis permit.

Renewal Annual renewals require the same process (with updated information) and a renewal fee. These must be filed 60 calendar days prior to expiration.

B. SCREENING APPLICATION REQUIREMENTS

1. 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:** Proof of Payment of Screening Application Fee (\$2,600) plus Deposit (\$100,000 per permit)
- Required Submittal Item 4:** Detail of the Applicant's Business Plan and Concept (submit for each permit type). Sections shall include:
 - Section 1: Business Plan
 - Section 2: Design Concept
 - Section 3: Security Plan
 - Section 4: Applicant Experience

2. Further Information Regarding Required Items:

Submittal Item 1 - Applicant/Owner Information Form – Each screening application should include a completed Applicant/Owner Information Form (Required Submittal Item 1). This form includes basic information on the applicant, owners, and non-owners with a financial interest in the business. The information being requested by the City mostly mirrors the information being requested by the State.

Submittal Item 2 - Cover Letter – The Cover Letter (Required Submittal Item 2) should be a concise overview of the applicant’s screening application, including the type of permits/licenses being applied for and the proposed business concept and design.

Submittal Item 3 - Proof of Payment for Screening Application Fee – Applicants must pay a screening application fee and a deposit of \$100,000 for each type of permit to which they have applied. Payment must be in the form of check. **No cash will be accepted.** Proof of payment must be included with the screening application submittal. The only proof of payment that will be accepted is a City of Stanton cashier receipt. Further information regarding the screening application fee and proof of payment is included on page 4.

Submittal Item 4 - This section is the main portion of the screening application.

- Section 1: Detail of Applicant’s Business Plan and Concept
- Section 2: Design Concept
- Section 3: Security Plan
- Section 4: Applicant Experience

3. Required Format and Submittal Guidelines for Screening Application:

For each permit type the applicant shall provide detailed information about their business plan, design concept, security plan, and experience. This section is limited to a maximum of 50 pages for each permit type. Double sided pages count as two pages. Pages must be numbered.

Applicants are encouraged to follow the order in the applicant review criteria supplement (Exhibit A) to the greatest extent possible when describing their business plan and concept; to make review of the screening applications as efficient as possible. Further information about the screening application is provided in the following pages.

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 inch.

Order of Information - The “required submittal items” shall be provided (and labeled) in the screening application in the same order as shown on page 2. Applicants are also encouraged to follow the ordering in the weighting criteria (Exhibit A) to the greatest extent possible when describing their business plan and concept (Required Submittal Item 4); 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 July 27, 2020 and 11:59pm (Pacific Time) on August 27, 2020**. 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.

Document Submittal – All screening applications shall be submitted electronically through a **Dropbox link** that will be located on the City’s cannabis webpage (<https://www.ci.stanton.ca.us/>) starting on July 23, 2020.

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 should be compressed into a single ZIP file, and that ZIP file shall be uploaded. 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).

Multiple Applications – Applicants applying for more than one permit type that are anticipated to be located at the same location are encouraged to combine their application submittal package. For a combined application package, applicants should submit only one applicant/owner information form (Item 1) and cover letter (Item 2) for the entire combined package, however, applicants need to submit separate proof of payment (Item 3) and a separate Business Plan and Concept (Item 4) for each permit type. The page limitation stated previously applies to the Business Plan and Concept for each permit type, not the combined application package (for example: if an applicant were submitting a combined application package for a Retail Storefront Permit and Delivery Permit, the Business Plan and Concept Section for each permit type could be up to 50 pages). It is necessary for applicants to submit a separate business plan and concept for each permit type, because they will be scored separately.

If an applicant is applying for multiple permit types, and it is not anticipated that the permits will be located at the same location, then the applicant should submit a separate application package for each location. In general, combined application packages should be for businesses that plan to have more than one permit type in the same location with a unified business plan and design concept.

C. SCREENING APPLICATION FEES

Applicants are required to pay a fee in the amount of \$2,600 prior to submittal of the screening application. A refundable deposit of \$100,000 is required in addition to application fees. This deposit will be returned following completion of the review process (approved or denied).

If applicants are submitting screening applications for more than one type of cannabis business permit they must pay the applicable screening application fee for each permit type (for example, if an applicant is submitting screening applications for a retailer-storefront, retailer-delivery, and cultivation permits they would need to pay \$7,800 plus a

COMMERCIAL CANNABIS BUSINESS PERMIT
INFORMATION PACKET

deposit of \$300,000 (\$100,000 multiplied by three). Applicants may pay with a single check, but they should indicate to the cashier what type of permits they are paying for, so that the receipt accurately reflects each permit type.

Screening application fees will not be refunded if an applicant is not selected as one of the top scoring applicants. However, the \$100,000 deposit will be refunded. 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 Application Evaluation Committee.

Proof of payment must be included with the screening application submittal. The only proof of payment that will be accepted is a City of Stanton cashier receipt. The City will not accept online payments. Payments must be made in person at the Cashier's counter at City Hall during normal operating hours (Monday-Thursday 8am-noon and 1pm-5pm). If an applicant is not able to come to City Hall they may mail a check to the City's Cashier for payment processing. The mailed check shall include a cover letter with an email address where a copy of the payment receipt can be emailed. A copy of the emailed receipt shall be included with the screening application submittal. If applicants choose to mail their payment, they should do so well in advance of the screening application submittal deadline; the City will not take any responsibility for checks not received on time. For any questions regarding mailing a check to City Hall please contact ____ (____ or ____).

Checks mailed to the City should be sent to the following address:

City of Stanton
Attn: ____
c/o ____
7800 Katella Avenue
Stanton, CA 90680-3162

D. OTHER KEY INFORMATION

Contact with City Officials, City Staff, and Members of the Application Evaluation Committee – It is prohibited for applicants (or their representatives) to contact any member of the Application Evaluation Committee in any way. Any violation will result in the dismissal of the applicant's screening application. City Council members or Planning Commissioners are also prohibited from contacting Application Evaluation Committee members.

Applicants are allowed to contact City Council members, but they should be aware that the City Council will not be reviewing or scoring the screening applications and will not be deciding which applicants will be eligible to receive business licenses through the screening process.

COMMERCIAL CANNABIS BUSINESS PERMIT INFORMATION PACKET

Multiple Permits – Applicants are allowed to have more than one type of cannabis business permit at the same location. 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-storefront permit, retailer-delivery permit, and cultivation permit, but could not submit for two retailer-storefront permits.

If an applicant submits screening applications for more than one type of permit, they do not need to be located at the same location (for example: an applicant can submit an application for a storefront retailer permit in one location and a cultivation permit in another).

Permits 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 listed as Owners in more than one of the same type of permit application. The definition of owner is consistent with the State definition of Owner.

Ties – After scoring is complete, if a tie exists that impacts which applicants are included in the top four (for example: a tie between the number 3 and number 4 ranking applicant) the Application Evaluation Committee will meet and discuss both of the applications to determine which is the highest quality application. If after further deliberation the Application Evaluation Committee still believes the two applications are tied, a game of chance (random drawing) will occur to select the top applicant.

The City's Cannabis webpage (<https://www.ci.stanton.ca.us/>).

Questions – Questions regarding the screening application and weighting criteria should be emailed to City staff at cannabis@ci.stanton.ca.us. The City will endeavor to answer all timely submitted questions on the City's cannabis webpage.

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

COMMERCIAL CANNABIS BUSINESS PERMIT
INFORMATION PACKET

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.