



COMMERCIAL CANNABIS BUSINESS

SCREENING APPLICATION FAQ

City of Stanton | 7800 Katella Avenue, Stanton, CA 90680 | www.ci.stanton.ca.us

FREQUENTLY ASKED QUESTIONS

Q1. Please clarify the processing of fees?
<p>There is a nonrefundable fee of \$2,600 per application prior to submittal of the screening application. You must also pay a refundable deposit of \$100,000 per application. This deposit will be returned following completion of the review process (approved or denied).</p> <p>Please refer to https://www.ci.stanton.ca.us/Portals/0/Cannabis%20Information%20Packet.pdf for a full explanation of fees and deposits.</p>
Q2. Are applicants able to physically drop off payment and the documents at the office? Are cashier checks an acceptable form of payment for the application and deposit fee associated with a cannabis application? Can the deposit be made on behalf of an applicant?
<p>The application can only be submitted electronically through www.wetransfer.com. Payments can be brought to the office or mailed. Once payment is processed, you will receive a receipt that must be included with the application package.</p> <p>A personal check or cashier's check is an acceptable form of payment.</p> <p>Yes, payment can be made on behalf of the applicant. All refunds will be made to the payee, not the applicant.</p>
Q3. Please explain what section 4, question 4 is referring to?
<p>Question 4 section 4 is asking if you are also an owner in any other business application being submitted. The City is looking for variety and diversity of ownership, so if any owner/part owner is also included in another application, please identify that business and type of license.</p>
Q4. Please clarify if applying for the storefront retail permit includes having delivery services operations? If applying for a storefront retail and a delivery retail license, is the total payment due \$105,200 or will two separate application deposits be required?
<p>Storefront retail does include delivery. Please see the City and State of California definitions for each license. If you are applying for retail with delivery, only one fee and deposit will be required. If you are also applying for a separate delivery only business, a separate fee and deposit will be required.</p>
Q5. If an applicant applies for a storefront retail permit, will they lose points for applying for the retail delivery permit category too?
<p>Please see section on diversity and respond accordingly to obtain the maximum number of points.</p>
Q6. Does "Retailer – Delivery" include a "storefront" or will it be for a "non-storefront"?



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Retail delivery does not include storefront. Please see the City as well as the State of California definitions.

https://cannabis.ca.gov/wp-content/uploads/sites/13/2019/02/BCC_Retailer_Non-Storefront_Fact_Sheet_v3.pdf

Q7. How many retail licenses is the City issuing?

Up to 4 retail licenses will be issues.

Q8. Who will be your reviewing party?

The operational screening applications will be reviewed by an internal subcommittee.

Q9. Is the application time stamped or is every applicant going to be reviewed with the same merit?

There is no preference or points awarded for early submittal. All applications received before the deadline will receive the same review.

Q10. Does the city have a rough estimate on how long it may take to render a decision on the applications? How long will the 100k deposit be tied up. Also, if an application is withdrawn prior to the City completing its reviews, will the deposit be returned before the end of the review?

It is estimated the review committee will take up to 45 days to review the applications. Anyone withdrawing their application ahead of the final review can request the return of their deposit immediately. Once the decision is made on the screening review all deposits will be returned.

Q11. What is the cannabis zone and what is the buffer required? Is there an official GIS map? Can you provide the link for the zoning map?

There is not a specific "cannabis zone". The City Council has identified specific industrial areas for cannabis businesses. There is a buffer of 400 feet from any residentially zoned property and 600 feet from sensitive uses. There is not an official GIS map, but please see the website for the Council approved map for eligible areas as well as the City's Zoning Map.

Q12. To ensure we do not speak to screening committee members, please confirm the members and how many members are on the committee.

There will be three members on the committee and each member will review each application. The City cannot provide the screening committee members at this time. Instead all inquiries should go by email to cannabis@ci.stanton.ca.us or by phone at 714-890-4294 or you can contact Jennifer Lilley, Community and Economic Development Director for the City.

Q13. Please confirm the current members of the City Council and Planning Commission.

Mayor David Shawver, MPT Carol Warren, Rigoberto Ramirez, Gary Taylor, Hong Alyce Van Planning Commission Chair Thomas Frazier, VC Debi Grand, Elishabeth Ash, Andrew Marques.

Q14. Please clarify the requirements related to design concept, community integration, internal and external design and other features when the property location is not secured? Additionally, clarify if there



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are requirements to provide the property location, proof of sale or lease and a notarized affidavit from the property owner.

There is no requirement for property location, property owner information, etc. at this stage of review. All applications are expected to have a concept plan for both interior and exterior design (depending on type of license) as well as the other related features. Please see the screening criteria for specific information.

Q15. Can the footer/header information (page numbers) be outside the 1-inch margin restrictions and smaller than 11-point font?

Yes, header and/or footers can include page numbers and can be smaller than 11-point font. Any other information in the header or footer will not be considered. Smaller fonts are acceptable for graphics and charts but if it becomes difficult to read that could affect the review of the submittal.

Q16. When are the approved operators expected to find a property?

Securing a physical location is expected to occur in step 5 of the application process. We are currently in Step 1. <https://www.ci.stanton.ca.us/Portals/0/Cannabis%20Information%20Packet.pdf>

Q17. According to Criteria #9 of Sub-Section 1C of the Business Plan, retail applicants will be screened based on its "Quality and detail of product Distribution protocol". Does this criterion only apply to applications for delivery licenses or is delivery considered a part of retail operations?

No. This applies to all license types. Criteria 9 states as follows: "SOP: Delivery Plan – Quality and detail of product Distribution protocol, including items such as (but not limited to) security and safety procedures, customer verification methods, cash and product storage (when on deliveries), vehicle type to be used, and community sensitivity (for example: parking). Please note the detail is meant as an example "including but not limited to". If you are a laboratory or other business without delivery, please respond accordingly.

Q18. To apply for a delivery license, which of the following would we need to do: Complete a separate 50-page application put down an additional \$100,000 deposit, pay an additional \$2,600 application fee?

All applications for all types of licenses must follow the application criteria and include all steps outlined in the information packet including the 50 page application, deposit and fee.

Q19. According to Criteria #11 of Sub-Section 1C of the Business Plan, retail applicants will be screened based on its "Standard operating procedures including plans and procedures for how all cannabis products on the premises or held by the applicant have met State testing requirements." 1. Because CA Bus. & Prof. § 26100(c) requires that testing be conducted only by licensed testing laboratories, do retail storefront applicants still have to provide this information?

Yes. All application should address all criteria included in the screening review for the most points available. Criteria #11 asks applicants to address how products have met testing, not how the applicant tests the products.



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Q20. According to Criteria #12 of the Security Plan, retail applicants must provide "Quality and detail of distribution driver security and safety procedures/plan, including driver education related to potential hazards". Because Cal. Bus. & Prof. Code § 26070 requires distribution be conducted only by a licensed distributor, do retail storefront applicants still have to provide this information?

Please see criteria 12 for actual language. It does not state "retail applicants". All criteria apply to all applications. This information will be helpful for the screeners in their review. If you cannot respond, skip the information. However, if there is an aspect that applies to your business you are encouraged to include that information. To the question specific to retail storefront applications, retail storefront licenses do include delivery.

Q21. Are the (4) Retail Storefront License and the (4) Non-Storefront Delivery Licenses separate or attached to each other. Will retail storefront also come with a non-storefront delivery license, for a total of (8) non storefront delivery license.

Retail Storefront does include delivery. However, Retailer Delivery does not include storefront. Please see the City as well as the State of California definitions
https://cannabis.ca.gov/wp-content/uploads/sites/13/2019/02/BCC_Retailer_Non-Storefront_Fact_Sheet_v3.pdf

Q22. What type of Manufacturing Licensing will be available under Manufacturing? (Ex. Type-7 Volatile?)

All manufacturing will be considered. Please include the specific State license you will be applying for and explain the need for the type of manufacturing process as well as safety measures, storage for chemicals, equipment, etc.

Q23. Will the City increase the page limit? Will you exempt plans, drawings, security plan and safety plans from the page limit? Given the number of SOPs requested and depth of the information requested in application, it will be extremely difficult, if not impossible, to properly address all the criteria in 50 pages. Do the requirements listed under Section 5.77.070 D. Application Contents count toward the 50-page limit?

The City has determined the page limit is set. Please note that the content does ask for your full security plan but to provide a section on your security plan.

The focus of the response should be the four sections: Section 1: Business Plan, Section 2: Design Concept, Section 3: Security Plan, Section 4: Applicant Experience.

When reviewing the criteria, you should consider what pieces will be relevant and best represent and respond to the criteria. Including the various checklists and procedures may not be the most responsive way to address the 12 screening criteria the committee will use to review the application. The criteria are meant to be a guidance tool. The specific detail, plans, checklists, etc. are expected to come later but we do need enough detail to understand your proposal and that you are a credible and experienced operator.

No additional data/materials will be allowed to be submitted as part of an Appendix. Any information submitted outside of the 50-page limit will not be considered. (Note: this is a change from additional information could be submitted in an appendix but may not be reviewed, to now this final response).



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Q24. When will the selected applicants be notified and how soon could they start setting up business?

Applications will be accepted through October 29, 2020 at 11:59 PM. It is estimated the review committee will take up to 45 days to review the applications. Notification should take place shortly thereafter.

Upon approval, the applicant must submit the physical location for the business and obtain zoning clearance and/or planning permits; Apply for and obtain a business license from the City. (You have up to 12 months to secure your 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); Prior to operation and occupancy permit, you will need to secure your State Cannabis permit.

Q25. For out of State owners, is there a process for mailing in the live scans?

The live scan will be required at steps 3 and 4, at which time we will determine the best way to submit background information.

Q26. In order to obtain a Commercial Cannabis Manufacturing and distribution business, can you clarify if this is multiple permits (manufacturing and distribution), one for each permit, or one application that would cover both uses?

Can you clarify if the nonrefundable fee of \$2,600 for the application review would need to be submitted once or twice for both a manufacturing and a distribution permit?

The request is for two separate licenses. This would require two applications and two fees. There is no provision for grouping requests.

Q27. Please explain in detail the format and process for submitting a Type 12 micro license, (3 or more licenses located in one location). If the management team and location remain the same for each license type, then each license application would be almost identical, please clarify.

Based on your description, you would each need to submit your own screening application.

Q28. Can 3D renderings be included to demonstrate the planned interior and exterior design concepts? Can we also include renderings as part of our cover letter?

You may submit any plans, renderings, or exhibits, however, you must not exceed the 50-page limit. The cover letter is to be a concise overview of your application. No renderings should be included in the cover letter.

Q29. If we have more than one property under contract and include more than one property in an application for a given category, how will the City approve the property?

Stanton is not reviewing locations only operators. No information about locations or multiple locations will be considered. Securing a physical location is expected to occur in step 5.

Please refer to the Cannabis Application Packet to review the details of all the steps:

<https://www.ci.stanton.ca.us/Portals/0/Cannabis%20Information%20Packet.pdf>



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Q30. Does bankruptcy hurt an applicant's chances of being chosen?
There is no point penalty for prior bankruptcy.
Q31. Can you confirm the tax rate for cannabis businesses?
The tax rate is \$12.00 per square-foot of cultivation, 2.5% for cannabis products, and 6% for retail sales.
Q32. Where do I find census and demographic information
You do not need to provide census tract and demographic specific information. Instead, what is the standard practices for purchasing from cultivators or manufacturers within a City with income and poverty levels below state averages. Most importantly, explain how proposed partnerships and selection process to partner with Stanton businesses.
Q33. Is the City retaining any outside vendor or consultant to assist with the cannabis applications? If yes, who are they?
No we are not.
Q34. Should we submit an EIN, or an SEIN, or is neither required for Step 1?
No you do not need to submit that at this time.
Q35. Is it appropriate to join the Stanton Business Alliance is there an application to fill out?
You are welcome to join. However, this may not have any effect on your application or points. The page to join the SBA is http://www.stantonbusinessalliance.com/Join-Now/Join-The-SBA
Q36. Is the home address of an owner required or can a mailing address be used instead?
The application requires the home address of each owner.
Q37. Does the application need to be notarized by the owner who signs or by each individual owner?
Only the applicant's signature will need to be notarized on the application.