

Stanton City Manager Regulations for Cannabis Applications and Implementation of the City's Commercial Cannabis Business Permit Program
(Updated as of March 10, 2021)

These regulations supplement and clarify the provisions in the City's Commercial Cannabis Business ordinance and cannabis permit application information documents that have been posted on the City's website. These regulations are provided pursuant to Stanton Municipal Code ("SMC") section 5.77.070(D).

An overarching goal of the City's process and these regulations is to implement a fair process. Occasionally there will be unanticipated issues as the City moves through this process and these regulations aim to implement the process in a fair manner that does not allow any applicant to obtain a competitive advantage. These regulations may be updated from time to time to reflect new issues that have arisen through the commercial cannabis permitting process.

I. Regulations related to applications

The City's Commercial Cannabis Business Application Information Packet requires that the following items must be submitted for initial screening: (1) Completed Applicant/Owner Information Form; (2) Cover Letter; (3) Payment of Application Deposit, and (4) Business Plan and Concept.

1. *Completed Applicant/Owner Information Form*

The City will send a letter requesting that the applicant to submit the form. There is no competitive advantage to filing a late owner form, since the applicants are not scored on any information in the form. If no form is submitted following five (5) calendar days of the mailed request, the application will be rejected as incomplete.

2. *Cover Letter*

The City will send a letter requesting that the applicant submit the cover letter. There is no competitive advantage to filing a late cover letter, since the cover letter generally summarizes information that is contained in the applicant/owner information form and the business plan and concept. If no cover letter is submitted following seven (7) calendar days of the mailed request, the application will be rejected as incomplete.

3. *Payment of Application Deposit*

(a) Late payments will not be accepted. There is a competitive advantage to filing a late payment, as they have more time to raise/locate/identify/transfer the money. All applicants shall be notified within sixty (60) calendar days' of the City's receipt of the refundable deposit, that they may request a refund of their money, which shall be returned without interest. The City shall process reimbursement requests in the order that they are received, and deposits shall be returned to applicants in accordance with the City's normal check processing schedule.

(b) City will accept application without proof of payment so long as it can be independently verified that payment was received on time.

(c) If the City cannot independently verify the proof of payment, a letter will be sent to the applicant providing notice that proof of payment was not submitted, and City records do not show a payment made on behalf of this applicant. The applicant will have up to ten (10) calendar days to contact staff with the name of the payee to verify payment in City records. If no contact is made or if payment is still unconfirmed, the application will be rejected as incomplete.

(d) Notwithstanding above, if the payment was timely submitted but the applicant's banking institution terminated the account or stopped payment because it was used for cannabis related activities before the City received the funds to pay for the application, the City will allow the applicant to submit the payment again after the deadline provided that the applicant can provide proof that that this was the reason for the account shutdown was for being a cannabis related business and it was out of their control. There must have been sufficient funds in the account on the date the original payment was made.

4. *Business Plan and Concept*

(a) Applicant submits more than 50 pages. The City will send a letter to the applicant notifying it that it may remove pages from the application (equal to the number of extra pages that exceed 50 pages). The application may not be re-drafted to omit the extra pages; pages should simply be removed in order to meet the 50-page limit. Rather, the applicant should indicate, in writing, which pages should be removed from the application, and the City will remove those pages. If the applicant does not respond within ten (10) calendar days of the mailed request, the City will remove the appropriate number of pages from the end of the application.

(b) Page Numbering: If an application lacks page numbering, the City will send a letter to the applicant notifying it that the City will insert the page numbers. Adding page numbers does not provide any competitive advantage to an applicant and assists in the City's review. If the page numbering demonstrates that the application exceeds 50 pages, then apply Number 4(a), above. Pages removed from an application pursuant to this Number 4 will not be scored.

(c) Notarized applications. If an application was not notarized, the City will send a letter to the applicant notifying it that the applicant must notify the application. Allowing notarization of the application does not offer a competitive advantage because the application is not scored on the notarization. If the application is not notarized following ten (10) calendar days of the mailed request, the application will be rejected as incomplete.

5. Late applications will not be accepted, and applicants are eligible for a refund of the deposit. There is an inherent competitive advantage to submitting a late application, as it gives the applicant more time to draft or refine an application. All applicants had the same access to all information about the City's application process and had the same amount of time to submit applications up until 11:59 p.m. on October 29, 2020.

6. If the defect in an application can be resolved in accordance with the above regulations, the City will send letters to applicant with instructions for resolving the issue by a firm deadline, as provided herein. Failure to respond and resolve the issue to the City Manager's, or designee's, satisfaction, will result in rejection of the application as incomplete.

7. City staff will be available to discuss and answer questions from applicants about these various issues.

II. Regulations related to the Cannabis Application Evaluation Committee

1. The City Manager shall create a Cannabis Application Evaluation Committee ("Committee") made up of three members of City Staff representing Police Services, Code Enforcement, and the Planning Division to evaluate each application, based upon objective review criteria per SMC section 5.77.080(B). Committee members will independently evaluate and score applications.

Committee members were chosen because they each have relevant expertise that differs from the other members. Therefore, once they have submitted their scores, the scores will not be changed by the City, except to correct minor, clerical or scrivener's errors. The four applications that collectively received the highest scores from the Committee (as a whole, not from individual members) will be forwarded to the business permit application process for additional investigation and review, pursuant to SMC section 5.77.080(A).

2. Committee members shall notify City Manager immediately upon identifying an application for which they have a conflict of interest, business or personal relationship with the applicant or other reason for which they cannot be fair and impartial. Committee members shall recuse themselves from scoring those applications for which the City Manager determines a conflict of interest exists and/or the committee member cannot be fair and impartial.

3. Committee members shall immediately report to the City Manager any contact from applicants and/or their representatives, or designees.

NOTE: This is a working document and may be updated and amended from time to time as the cannabis ordinance implementation activities proceed. If they are updated, they will be re-sent to all applicants.