



City of Marina

City Manager's Office – City Hall
211 Hillcrest Avenue
Marina, CA 93933
P: 831.384.3715
E: www.cityofmarina.org

APPLICATION PROCEDURE GUIDELINES FOR COMMERCIAL CANNABIS BUSINESS – RETAIL

Information regarding the Commercial Cannabis Business (CCB) application process can be found on the City's website at <https://www.cityofmarina.org/> and may include the following:

- Marina Municipal Code (MMC)
- Chapter 19 – Cannabis Regulations
- Chapter 17 - Zoning Ordinances
- California state regulations and resources
- Commercial Cannabis Business License Application
- Background authorization and/or Live Scan form(s)
- Limitations on City's Liability waiver

Applications will be available from and must be returned to the City Manager's Office in City Hall located at 211 Hillcrest Avenue, Marina, CA, 93933. For questions regarding the application process, please review the information on the City of Marina website: <https://www.cityofmarina.org/>. This application process is adopted pursuant to Chapter 19 of the Marina Municipal Code.

CITY'S RESERVATION OF RIGHTS

The City reserves the right to reject any and/or all applications, with or without cause or reason. The City may modify, postpone, or cancel the request for a CCB license without liability, obligation, or commitment to any party, firm, or organization. In addition, the City reserves the right to request and obtain additional information from any candidate submitting an application. Late or incomplete applications WILL BE REJECTED. Furthermore, an application RISKS BEING REJECTED for the following reasons:

1. It is not responsive to this request for a CCB application.
2. The issuance of the CCB at the proposed location is inconsistent with state law, Chapter 17 of the Marina Municipal Code (MMC), or other applicable Marina Municipal Codes.

**PLEASE READ THE GUIDELINES CAREFULLY BEFORE SUBMITTING YOUR APPLICATION.
FAILURE TO SUBMIT A COMPLETE APPLICATION COULD RESULT IN DISQUALIFICATION.**

The following procedures outline the application evaluation and selection process, required materials, and other information necessary to apply for a business permit to participate in the selection process to operate a CCB in Marina.

Fees

All CCB related fees are listed in Exhibit A.

Prior to submitting a CCB application:

Applicants must obtain an approved Cannabis Zoning Verification Letter (CZVL) from the Planning Division of the Community Development Department in City Hall located at 209 Cypress Avenue, Marina, CA 93933 prior to submitting a CCB application, to ensure the proposed location meets requirements. CZVLs require a written request submitted to the Planning Division. CZVL's **will not** be completed over the counter to allow time for research and review. The City's review process takes approximately 15 working days. A CZVL costs \$200.00 and payment is due at the time a CZVL is requested. The CZVL must be included with the CCB application.

The issuance of a CZVL does not constitute written evidence of permission given by City or any of its officials to operate a 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. A regulatory permit for a CCB does not constitute a permit that runs with the land on which the cannabis business is established. Please note that the Cannabis Business will require a Cannabis Dispensary Application Conditional Use Permit issued by the City Council. This is a separate application that will be made only after a CCB is approved through the Dispensary Permit Application Process described below.

Phase 1: Application Submittal and Initial Determination of Eligibility

Fee Deposit: \$8000.00 Dispensary Permit Application

All applicants will be required to pay an initial deposit fee of \$8,000.00 to apply for the Dispensary Permit Application process, against which City and consultant staff time for application review will be charged for Phases 1-3 described below, plus any applicable Live Scan or background check fees. Unused deposit fees of applicants that are not chosen to move through all 3 initial phases will be returned.

Applications must be submitted, and fees paid, to the City Manager's Office in City Hall. The City requires two (2) complete, comprehensive and signed hard copy applications in three-ring binders and one (1) flash drive containing a comprehensive and signed digital copy of the application in PDF format, including attachments. Each individual application section to be reviewed should be identified by its own tab (i.e. Business Plan, Security Plan, etc). Payment must be made by personal check, certified check, cashier's check or money order made payable to the City of Marina. The City will not accept cash or credit cards. Applicants who are disqualified at any point will receive a refund for any unused portion of the application fee.

The City shall open an application period of April 8 to June 7, 2019 to allow prospective applicants to submit applications. Applicants must submit the following for evaluation:

- Marina Commercial Cannabis Business Application containing all of the following:
 - Business Plan: Applicants shall submit a Business Plan to the City that outlines an operational and financial plan. The Business Plan should include the names and resumes of key staff, operations plan, financial plan, sales projections and market study. Applicants are encouraged to provide a specific, written plan for how their operation will benefit the community.
 - Security Plan: All applicants shall submit a Security Plan outlining how the business expects to address security issues at their location. The Chief of Police and the City Manager or their designee shall have responsibility for review and approval of all Security Plans.
 - Property Owner Approval: Applicants shall submit proof of approval of the owner of the real property where the proposed dispensary will be located if approved. Applicants are not required to have a signed lease, but a letter from the property owner indicating that:
 - a. The property owner is aware of and approves the use being proposed.
 - b. The property owner will lease the property to the cannabis related use upon approval of application.

- c. The property owner understands that licenses for cannabis related uses are for one year and can be revoked at the City's sole discretion with or without reason.
- Live Scan: All owners, operators, and employees of any cannabis related business must submit a request for a Live Scan. The Police Chief shall have the discretion to require additional information, including a Live Scan arranged by the Police Department, that he/she deems necessary to conduct any investigation related to the Live Scan background check of an applicant. A Live Scan arranged by the Police Department will fulfill the requirements for applicants to obtain their own Live Scan.
- *Please note that City's Live Scan process may be delayed due to the pending of the DOJ/FBI authorization. Once the City has received authorization they will post the Live Scan submittal due date on the City website. The Live Scan must be conducted by the Marina Police Department (MPD). Applicants will be required to make an appointment in advance to ensure MPD staff is available.*
- The following documents are required for each principal employee's background check:
 - Commercial Cannabis Business Employee/Owner Background Application
 - Two passport-quality photographs (2"x2")
 - Copy of Social Security card or ITIN
 - Color copy of Driver's License or other valid government-issued photo identification
 - Proof of current address

Phase 2: Selection Criteria

General Eligibility Review: Applicants must submit an Operations Plan as required by Section 19.02.030 that clearly demonstrates how the cannabis business will operate consistent with state and local law, and any other applicable local regulations. If an applicant is unable to meet the minimum eligibility criteria in Phase 1, their application shall be denied. Those who advance to Phase 2 will be evaluated by the City Manager or his/her designee on the following:

1. Live Scan Results: Applicant must not have any criminal convictions that would result in ineligibility as defined in Section 19.02.020.
2. Completeness. Applications must be complete to be evaluated. Incomplete applications will be denied and must be resubmitted. Application fees must be paid for resubmittal.
3. Proposed location of business and proof of property owner's approval of use.
4. Signed and Notarized City of Marina Limitations on City's Liability and Certifications, Assurances and Warranties
5. Signed City of Marina Commercial Cannabis Business Application Financial Responsibility, Indemnity and Consent to Inspection Terms

Phase 3: Initial Ranking (38 Points)

In the initial ranking, applicants will be evaluated by the City Manager or his/her designee on the criteria below. From the initial ranking, up to twice as many qualified applicants as there are available licenses will be eligible for final ranking, as determined by the aggregate scores of the initial ranking.

- a. Business Plan (5 Points)

A business plan that demonstrates prior successful business operations (which need not be Cannabis business related) at a similar scale of annual revenue for at least two years and/or capitalization sufficient to insure at least one year of operation will receive five points. A business plan without such demonstration will receive zero points.

b. Local Enterprise & Community Benefits (8 points)

Community benefits may include commitment to employ persons who are City of Marina residents. Other community benefits could include a commitment to working with Marina-located businesses (including capital), a commitment to sponsoring nonprofits and / or other similar specific commitments within the Marina community. A maximum of eight points will be awarded, with one point for every City of Marina resident that a business commits to employ, and one point for every specified annual substantial commitment to of the applicant's choice to any non-profit or business within the community.

c. Neighborhood Compatibility (5 Points)

Applicants which demonstrate neighborhood support with a majority of property owners within 250 feet will receive five points. Applicants who do not demonstrate neighborhood support with a majority of property owners within 250 feet will receive zero points.

e. Safety and Security Plan (20 points)

The Marina Police Department will review the Safety and Security Plan and classify the Plan as inadequate, adequate or exemplary. Plans classified as inadequate will not be permitted to proceed. Plans classified as adequate will receive ten points. Plans classified as exemplary will receive twenty points.

Phase 4: Final Ranking and Issuance of Cannabis Dispensary Application Conditional Use Permits, and Cannabis Business Licenses

Fee: \$7000.00_Planning Commission and City Council Public Hearings

Only those applicants who have passed Phase 3 will be eligible to receive an applicable Use Permit in Phase 4. Prior to making a final decision, the City reserves the right to request and obtain additional information from any candidate who submitted an application.

Final Ranking

The City Manager or his/her designee will review the final ranking and make a final recommendation to the City Council, which may award only as many CCB's as allowed by the MMC. If requested by the City Manager, the top applicants who are recommended for consideration to the City Council should be prepared to attend a City Council meeting to respond to questions.

The top applicants equal to the number of licenses available will be eligible for a Cannabis Dispensary Application Conditional Use Permit and license to engage in a commercial cannabis business. Qualified applicants from the initial ranking may amend and combine their applications to optimize their scores. If following the opportunity to optimize scores, two or more applicants are tied, both applicants will proceed to the next step.

Cannabis Dispensary Application Conditional Use Permit

1. Applicants shall complete phases 1-3 prior to applying for a Cannabis Dispensary Application Conditional Use Permit and license.
2. At the next available Planning Commission meeting, allowing time for Staff review, a public hearing for each top application shall be held.

3. Members of the public, adjacent property owners and other interested parties will be given the opportunity at the public hearing to present concerns or support and provide additional consideration for potential permit conditions.
4. The Planning Commission will make a recommendation to City Council, including any conditions requested for final decision on awarding Cannabis Dispensary Application Use Permits and License.
5. At the next available City Council meeting, Planning Commission and Staff recommendations will be presented to City Council for a final decision.
6. If an available license is not filled for any reason and a business that qualified under phases 1- 3 but was not selected to move forward in the process requests consideration for phase 4, consideration shall be granted in order of ranking.
7. Cannabis Dispensary Application Conditional Use Permits for cannabis uses are for one year and do not run with land. No vesting of any land use rights are conveyed with any Cannabis Dispensary Application Conditional Use Permit for a cannabis related use. Holders of such conditional use permits shall have the opportunity to administratively renew as long as the business has complied with all state and local ordinances and with Conditions of Approval, including the timely payment of all fees and taxes.

Cannabis Business Licenses

Cannabis Business Licenses are for one year and may be revoked at any time for failure to comply with all state and local ordinances, or for failure to comply with Conditions of Approval. Licensees shall have the opportunity to automatically renew as long as the business has complied with all state and local ordinances and with Conditions of Approval, including the timely payment of all applicable fees and taxes, including the business operations tax (business license tax).

Note: Being awarded a CCB license 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 departments or governmental entities in charge of said permits. Nor does it guarantee that the plans submitted via the CCB application process meet the standards or requirements in this chapter and any other permit requirements from other City departments or agencies.

CONTACT

If you have any questions, please contact the Matt Mogensen at the City of Marina at 831.884.1240 or by email at mmogensen@cityofmarina.org.

APPENDIX A

DESCRIPTION OF EVALUATION CRITERIA

Proposed Location: The application shall include the following:

- Physical address and a detailed description of the proposed location.
- Proof of ownership, or a notarized letter of the owner's willingness to lease.
- Thorough physical description of the overall property, building and interior floor plan.
- Description of all known nearby state and locally defined sensitive use areas. The cannabis business must have the appropriate zoning and meet all the locational requirements as described in MMC Chapter 19.01.030.

Business Plan: With as much detail as possible, the Business Plan shall describe:

- Day-to-day operations shall be provided for each license type being sought. The proposed operations should acknowledge both state and local laws and should be consistent with industry best practices.
- How the cannabis business will conform to local and State law per MMC Section 19.08.010.
- How cannabis inventory will be tracked and monitored to prevent diversion.
- A schedule for beginning operation, including a narrative outlining any proposed construction and improvements and a timeline for completion.
- A budget for construction, operation, maintenance, compensation of employees, equipment costs, utility costs, and other operation costs.
- A description of the source(s) of capital and use(s) of capital funds. The budget must demonstrate sufficient capital in place to pay startup costs and at least three months of operating costs.
- Proof of capitalization, in the form of documentation of cash or other liquid assets on hand, Letters of Credit or other equivalent assets.
- A pro forma for at least three years of operation.
- CULTIVATION APPLICANTS ONLY: A cultivation plan that includes, but is not limited to:
 - A detailed premises diagram showing all boundaries and dimensions of the following areas: canopy, chemical storage, processing, packaging, composting, harvested cannabis storage
 - A lighting diagram, including the locations of all lights and the maximum wattage of each light
 - Water plan, including water supply sources and plans for runoff

Security Plan:* The application shall include a detailed security plan, including:

- A detailed diagram of the facility's overall security features.
- A security diagram capable of demonstrating the location of all cameras and recording equipment (DVR/NVR), access control equipment and all safes, vaults or locked and secured rooms.
- Written description of operational security, including but not limited to, general security policies for the facility, employee specific policies, training, sample written policies, transactional security, visitor security, 3rd party contractor security, and delivery security. Additionally, applications should address ingress and egress access, perimeter security, product security (at all hours), internal security measures for access (area specific), types of security systems (alarms and cameras), and security personnel to be employed.
- An assessment of site security by a qualified licensed security consultant.

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

Safety Plan: The application shall include a detailed safety plan, including:

- A detailed diagram of the overall facility's safety features.
- Written description of safety features, including but not limited to fire prevention, suppression, HVAC and alarm systems.
- An assessment of the facility's fire safety plan by a qualified licensed fire prevention and suppression consultant. 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.

Local Enterprise: The application shall state the extent to which the cannabis business will be a locally managed enterprise whose owners reside within Marina and/or the County of Monterey.

Neighborhood Compatibility Plan: The application shall describe how the cannabis business, including its private, semi-private and surrounding public areas, will be proactively managed to avoid becoming a nuisance or having negative impacts on its neighbors and the surrounding community.

Community Benefits: The application shall describe benefits that the cannabis business would provide to the local community, such as, community contributions, volunteer services and/or economic incentives.