



APPLICATION PROCEDURE TO OPERATE A MEDICAL CANNABIS FACILITY IN OCEANSIDE

The application process to operate a Medical Cannabis Facility (“Local License”) is currently an open process. Applications will be available from the Development Services Department located in City Hall. For questions regarding the application process, please review the information on the Oceanside webpage: https://www.ci.oceanside.ca.us/gov/dev/cannabis_facilities/default.asp which outlines the application process, required materials, FAQ’s, and other information necessary to operate a Local License in Oceanside. To be considered for issuance of a Local License, a complete application submittal must be submitted in the Development Services Department located at 300 North Coast Highway, Oceanside, CA, 92054 by appointment. This application process is adopted pursuant to the Oceanside City Code Sections 7.120, 7.125, 7.126 and 7.132.

BEFORE YOU APPLY:

- Review the information regarding the application process and which documents you will need.
- Review your application in its entirety to ensure that it is complete and accurate.
- Review the information regarding the Local License application on the City webpage: https://www.ci.oceanside.ca.us/gov/dev/cannabis_facilities/default.asp which includes the following information:
 - Local regulations governing Oceanside Local License: Oceanside City Code (“OCC”) Chapters 7, Article XIII.
 - Background authorization form and/or Live Scan
 - Additional application information: Ordinance No. 18-OR0199-1
 - Medical and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA)
 - Oceanside -Zoning Ordinances Article 4, 13, 14, and 36
 - Frequently Asked Questions

- (1) **Application Process: Evaluation and Ranking:** The selection process shall consist of the following four Phases:

Phase 1	Preliminary determination of eligibility	\$3,471
Phase 2	Initial ranking	\$2,448
Phase 3	Second ranking	\$1,797
Phase 4	City Manager’s Final Approval and Issuance of Local License	\$736

For more information, see Evaluation and Selection Process below.

- (2) **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 per OCC Section 7.121 and the background check fee shall be **\$582**. The application for the Live Scan will be available on the City website or in the Development Services Department in City Hall. Please provide proof of a completed background form and/or Live Scan form along with proof of payment with your application. This process will be required to meet the minimum threshold qualifications pursuant to OCC Section 7.120. Owners who do not meet criminal history eligibility requirements will be disqualified.

- (3) Applicants will be required to obtain a “**Zoning Verification Letter**” from the Development Services Department in City Hall located at 300 North Coast Highway, prior to submitting their Local License application to ensure the proposed location meets requirements. The review process typically takes approximately ten (10) to fifteen (15) working days and will cost **\$221**. 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 Oceanside 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 Local License does not constitute a permit that runs with the land on which the Cannabis Business is established. Zoning Verification Letters require a written request to the Development Services Department and will not be completed over the counter to allow for research and review. Please note that the Cannabis Business will require a conditional use permit issued by either the City Planner or the Planning Commission. This is a separate application that will be made only after a Local License is approved.
- (4) **Application:** Applicants must hand deliver two (2) complete comprehensive and wet-ink, signed originals of the City of Oceanside Medical Cannabis Facility Application Form, all attachments, a flash drive containing one comprehensive and signed copy of the application including attachments in a pdf format, and payment of **\$3,471** for the initial application fee. Payment must be made by a certified check, cashier’s check or money order made payable to the City of Oceanside. **Please note the City will not accept cash or credit cards and application fees are non-refundable.** A complete application will consist of the following information:
- a. The City of Oceanside Medical Cannabis Facility Application Form and Attachments;
 - b. Background Authorization Form and/or Proof of Live Scan payment for each of the owners;
 - c. Zoning Verification Letter; and
 - d. All information pertaining to the Local License which will be evaluated in Phase 1, Phase 2 and Phase 3 as described in the Application and Evaluation Process section below as well as all application requirements listed in Oceanside City Code (“OCC”) Chapter 7, Article XIII. The only information that can be submitted after the initial application is proof of property ownership or lease agreement. Remember, any change in location will require a new “Zoning Verification Letter” and must be submitted with the application package prior to being interviewed as part of Phase 3 of the selection process. An applicant may only choose to submit a different location prior to Phase 3 if the initial proposed site was approved as part of the original application package.
- (5) **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. However, when the City anticipates the Live Scan or background check may be delayed, the City may continue with the application process beyond the background check/Live Scan to prevent undue delays for the applicant. In these cases, applicants acknowledge, by signing the application, that expedition of the application without the positive Live Scan or background check will not create eligibility for a refund of any fees collected resulting from continuing the process while waiting for the background check and Live Scan.
- (6) **Payment of Application Fees:** The individual designated as the Cannabis Business contact 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 **\$2,448** will be due before Phase 2 and a payment of **\$1,797** will be due before Phase 3. As part of Phase 4, the top Applicants will be reviewed by the City Manager or his/her delegate which shall make the final determination as to which Cannabis

Businesses shall be issued a Local License as authorized by the Ordinance. However, such issuance shall be contingent upon confirmation that all requirements have been met for the Local License and Phase 4, fee of \$736 has been paid prior to issuance. Deadlines for these payments will be included in the e-mail notification to the primary contact person.

EVALUATION AND SELECTION PROCESS:

The evaluation and selection process shall consist of the following four phases:

- **Phase 1: Determination of Eligibility and Application**
 - Each Owner/Principal must undergo a criminal history check demonstrating compliance with the eligibility requirements of OCC Sections 7.120 and 7.126.
 - 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.
 - Proposed location of business must be eligible for Local License.
 - Applicant will execute an agreement indemnifying the City from liability.

- **Phase 2: Initial Ranking (1,500 Points)**
 - Applications will be evaluated based on the following criteria:
 - Proposed Location of business (200 Points)
 - Business Plan (400 Points)
 - Neighborhood Compatibility Plan (300 Points)
 - Safety and Security Plan (300 Points)
 - Air Quality Plan (100 Points)
 - Labor and Employment Plan (200 Points)
 - Applications which score a minimum of 80% (1,200 points) in Phase 2 will move on to Phase 3.

- **Phase 3: Second Ranking (2,500 Points)**
 - All applications that score at least 80% in Phase 2 will be interviewed and evaluated by the Selection Committee based on the criteria listed below.
 - 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:
 - Final Location (proof of ownership or a signed and notarized statement from the Property Owner (200 Points)
 - Business Plan (300 Points)
 - Community Benefits (300 Points)
 - Enhanced Product Safety (200 Points)
 - Environmental Benefits (200 Points)
 - Labor & Employment (200 Points)
 - Local Enterprise (200 Points)
 - Neighborhood Compatibility Plan (200 Points)
 - Qualifications of Owners (300)
 - Safety and Security Plan (200 Points)
 - Air Quality Plan (200 Points)

 - After all the scores from Phase 3 have been tabulated they will be combined with Phase 2 scores to establish a new ranking of the top applicants. All the applications that maintain a score of at least 80% or a percentage determined by resolution will move onto Phase 4 of the selection process.

➤ **Phase 4: City Manager' Final Approval and Issuance of Local License**

Phase 4 Steps:

- (1) City Manager review of Selection Committee's final evaluation.
 - a. The Selection Committee is comprised of consultants and staff that have subject matter expertise in the ranking criteria subjects.
- (2) City Manager makes final decision and issues Local License.

Upon the completion of the final review process, the Selection Committee will tabulate final scores of all applicants interviewed in Phase 3. In addition, prior to the final decision made by the City Manager, the City reserves the right to request and obtain additional information from any candidate who submitted a proposal. The City Manager may award only as many Local Licenses as allowed by OCC Section 7.117 and the City Manager reserves the right to award a lesser number of Local Licenses, or to award no permits at all. Only those applicants on the final list will be eligible to be issued a permit from the initial permit process.

Please note that being awarded a Local 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 Local License application process meet the standards or requirements in Article 4 and any other permit requirements from other City departments or agencies.

DESCRIPTION OF EVALUATION CRITERIA:

➤ **Proposed Location.**

Your application must include the address and a detailed description of the proposed location. (Note that proof of ownership or a notarized letter of the owner's willingness to lease will not be given any additional consideration until Phase 3). This section should also describe all sensitive uses within one thousand (1,000) feet of the proposed location from the property line of a K-12 (public or private) school, park, playground, public beach, child care, preschool facility center, youth center and church or other similar religious facility. The Cannabis Business must have the appropriate zoning and meet all the locational requirements as described in OCC Article 4 Sections 13, 14 and 36.

➤ **Business Plan.**

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

- Day-to-day operations which meet industry best practices for the specific type of permit.
- How the Cannabis Business will conform to local and state law. See OCC Sections 7.120, 7.125, 7.126, 7.132 and Ordinance 18-OR0199-1.
- How medical use 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.

The Business Plan should include:

- A **budget** for construction, operation, maintenance, compensation of employees, equipment costs, utility costs, and other operation costs. The budget must demonstrate sufficient capital in place to pay startup costs and at least three months of operating costs, as well as a description of the sources and uses of funds.
- **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.

➤ **Neighborhood Compatibility Plan.**

For the proposed location, your application should address how the 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.

Furthermore, a site plan (accurate, dimensioned and to-scale [minimum scale of 1/4"']) should be included for each potential location.

➤ **Safety and Security Plan.**

For each proposed location, your application should include:

- A detailed **safety plan**. This plan will describe the fire prevention, suppression, HVAC and alarm systems the facility will have in place. **An assessment of the facility's fire safety by a qualified licensed fire prevention and suppression consultant is required.** 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.
- A detailed **security plan**. This plan will include a description and detailed schematic of the overall facility security. It should have details on 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. In particular, 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. **The security plan shall also include an assessment of site security by a qualified licensed security consultant.** Security plans will not be made public.
- A **floor plan** showing existing conditions. If changes are proposed as part of the project, then a proposed floor plan should also be submitted. The floor plan(s) should be accurate, dimensioned and to-scale (minimum scale of 1/4").

➤ **Community Benefits.**

The application should describe benefits that the Cannabis Business would provide to the local community, such as employment for residents of the City, community contributions, or economic incentives to the City.

➤ **Enhanced Product Safety.**

The application should state how the Cannabis Business will ensure enhanced consumer safety as required by State and/or local law.

➤ **Environmental Benefits.**

The application should describe any proposed "green" business practices relating to energy and climate, water conservation, and materials and waste management.

➤ **Labor & Employment.**

The application should describe to what extent the Cannabis Business will adhere to heightened pay and benefits standards and practices, including recognition of the collective bargaining rights of employees. Specific practices that are subject to consideration include the following:

- Providing compensation to and opportunities for continuing education and training of employees/staff (applications should provide proof of the Cannabis Business policy and regulations to employees);

➤ **Local Enterprise.**

The application should state the extent to which the Cannabis Business will be a locally managed enterprise whose owners reside within Oceanside and/or the County of San Diego.

➤ **Qualifications of Owners.**

The application should include information concerning any special business or professional qualifications or licenses of Owners that would add to the number or quality of services that the Cannabis Business would provide, especially in areas related to medical cannabis, such as scientific or health care fields.

➤ **Air Quality Plan.**

Must demonstrate the air circulation does not impact the employees' health and welfare or the surrounding businesses.

THE CITY OF OCEANSIDE RESERVATION OF RIGHTS:

The City reserves the right to reject any and/or all proposals, with or without any cause or reason. The City may also, modify, postpone, or cancel the request for a Local License application 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 a proposal. Late proposals WILL BE REJECTED. Furthermore, a proposal RISKS BEING REJECTED for the following reasons:

1. The application or documents submitted are incomplete, filed late, or not responsive to the requirements of this code.
2. The issuance of the Local License or permit of the Cannabis Business at the proposed location is inconsistent with the state law, Chapter 7, Article XIII, or other applicable City of Oceanside City Codes.

CONTACT:

If you have any questions or would like an update on the status of your application, please call the cannabis line at 760.435.3544 or by email at cannabis@ci.oceanside.ca.us.