



City of Oceanside

Development Services
300 North Coast Highway
Oceanside, CA 92054
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COMMERCIAL CANNABIS BUSINESS APPLICATION PROCEDURE GUIDELINES

Application Deadline
OPENS – August 17, 2020
CLOSES – October 1, 2020 @ 5:00 PM

Information regarding the Commercial Cannabis Business (CCB) Application process can be found on the City's website at https://www.ci.oceanside.ca.us/gov/dev/cannabis_facilities/default.asp and includes the following:

- California State regulations and resources
- Oceanside City Code (OCC) Chapters 7, Article XIII
- Cannabis Potential Zones Map
- Commercial Cannabis Business Application
- Live Scan form
- Limitations on City's Liability waiver

The application process to operate a CCB in Oceanside will open on July 17, 2020 and close at 5:00pm on October 1, 2020. CCB Applications will be available from the Development Services counter in City Hall at 300 N. Coast Hwy, Oceanside, CA 92054 and online: https://www.ci.oceanside.ca.us/gov/dev/cannabis_facilities/default.asp. CCB Applications must be returned to the Development Services counter prior to the deadline by appointment only. Please email cannabis@oceansideca.org to request an appointment.

CCB Applications and payment will be accepted by City staff during the submittal appointment. All Applications will be reviewed for completeness. Upon completing the initial Phase 1 review, Applicants will be advised of any missing material and will be given an opportunity to amend the application prior to the close of Phase 1. Applications that meet the established submittal requirements will be determined complete and will therefore be eligible to advance to Phase 2. Applicants will then be required to pay the Phase 2 fixed fee. Applications determined to be incomplete will be disqualified.

CCB APPLICATION SUBMITTAL REQUIREMENTS

All CCB Application materials required for Phases 1 – 4, must be submitted during the Phase 1 CCB Application submittal appointment. Applicants will be expected to hand deliver one (1) signed original CCB Application (pages 1 – 6), and one (1) USB flash drive containing a scanned copy of the signed CCB Application (pdf format) in addition to all the Evaluation Criteria (Sections 1 – 8).

Please Note: Responses to all of the Evaluation Criteria (Sections 1 – 8 found in the Appendix A of this document) shall be limited to 125 pages. Sections 1 – 5 will be evaluated and scored during Phase 2. Although Sections 6 – 8, Location, Community Benefits and Owner Qualification are Evaluation Criteria submittal requirements in Phase 1 and 2, they will not be scored until the interview in Phase 3. Responses related to Proof of Capitalization are not

included in the 125 page limit. Proof of Capitalization material shall be saved in a separate digital file (see directions below).

Submittal documents should be saved on a single USB flash drive in the following manner:

- Digital File #1 – “CCB Application” (pages 1 – 6, including all required signatures and related documents i.e. Zoning Verification Letter)
- Digital File #2 – “Evaluation Criteria” (Responses to the Evaluation Criteria found in Sections 1 – 8. This file shall not exceed 125 pages. Points may be deducted for every page over the described limit.)
- Digital File #3 – “Proof of Capitalization” (All bank statements, loan documents, promissory notes, financial and commitment letters)

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:

- It is not fully responsive to this request for a CCB application.
- It contains excess or extraneous material not called for in the request the CCB application.
- It exceeds 125 pages (File #2) in response to the evaluation criteria
- The issuance of the CCB license at the proposed location is inconsistent with State law, City of Oceanside Zoning Ordinance, or other applicable Oceanside city codes.

AMENDMENTS TO THE APPLICATION

Upon the close of Phase 1, Applicants will not be allowed to provide supplemental material or make amendments to their application, except as otherwise specifically permitted in these procedures or as authorized in writing by the City.

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

ZONING VERIFICATION LETTER (ZVL)

Prior to submitting a CCB Application (Phase 1), an Applicant must obtain a Zoning Clearance/Verification Letter from the Planning Division. To secure this letter, an Applicant should submit a completed application, available at the Developer Services Counter or online at:

<https://www.ci.oceanside.ca.us/documents/Planning/Zoning%20Verification%20Form%20-%20Cannabis.pdf>

which should specify the intended use of the building and proposed building location. Information on intended chemical use of the building and occupancy is also encouraged but not required.

Applications are accepted at the Development Services Counter. The City’s review and issuance of a ZC/ZVL takes approximately fifteen (15) calendar days. The City issued ZC/ZVL must be included with the CCB Application (Phase 1).

The issuance of a ZVL 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 discretionary permit. This is a separate application that will be made only after final evaluation and ranking by the City (Phase 4 below).

LIVE SCAN AND SUPPLEMENTAL BACKGROUND APPLICATIONS

As part of the application process, each individual applying as an owner must undergo a Live Scan to check fingerprints against the Department of Justice’s (DOJ) records. This form be found here:

<https://www.ci.oceanside.ca.us/civicax/filebank/blobdload.aspx?blobid=47514>

In the meantime, and in addition to the Live Scan, each individual applying as an owner shall complete the online Background Application found at https://hdlcompanies.formstack.com/forms/bc_oceanside. A fee of \$300 will be required at the time of submittal. The online Background Application is available currently.

Individuals who do not meet the State and/or City’s eligibility requirements will be disqualified. Eligibility disqualifiers may be found in State Law BPC Division 10, Chapter 5, Section 26057 (B) (4) and the City’s Ordinance Section 7.121.

Phase 1: Application Submittal and Determination of Eligibility Fixed Fee: \$3,471

Applications must be submitted, which constitutes submittal of all application materials and payment of all required fees, by 5:00pm on October 1, 2020. An appointment should be made to submit the Phase 1 CCB Application. The City requires one (1) complete signed original of the application and all materials identified below as part of Phase 1 – 4 and one (1) USB Flash Drive containing materials saved in three digital files as described on Page 2 of this document.

Payment should be made by certified check, cashier’s check, or money order made payable to the City of Oceanside. The City will not accept credit card payment and application fees are non-refundable. During Phase 1, applicants will be notified if any of the Owners are ineligible and/or if their application is incomplete and may not move forward in the application process (may not advance to Phases 2 – 4). Applicants reviewed during Phase 1 who meet established criteria will be notified and will be permitted to advance to Phase 2, including submittal of the required materials and submittal of Phase 2 application fees. **LATE APPLICATIONS WILL NOT BE CONSIDERED.**

Phase 2: Application Evaluation (1,000 points) Fixed Fee: \$2,448

Applications will be evaluated and scored based on the criteria below. These items should be saved in a single digital file not to exceed 125 pages. See APPENDIX A for a description of the evaluation criteria:

- Section 1. Business Plan (200 Points)
- Section 2. Labor and Employment Plan (200 Points)
- Section 3. Neighborhood Compatibility Plan (200 Points)
- Section 4. Safety Plan (200 Points)
- Section 5. Security Plan (200 Points)

Applications found to be deficient and fail to achieve the minimum score, will be given one (1) opportunity to amend their application. Applicants will receive a Letter of Incompleteness which, will identify the evaluation criteria requiring additional information. Upon receiving the amended material, the application will be scored. Those applications which score a minimum of 80% (800 points) in Phase 2 will move on to Phase 3 of the application process. Applicants who are unable to achieve the minimum score will be disqualified and encouraged to reapply after six (6) month.

Phase 3: Interviews and Second Ranking (1,300 points)

Fixed Fee: \$1,797

Those CCB Applications that receive a passing score as part of Phase 2 will be interviewed and evaluated by the City’s Cannabis Selection Committee. Prior to the scheduling of interviews, applicants may be required to have their proposed site inspected by the assigned City designee to ascertain current conditions of the site/facility.

Applicants will be interviewed and evaluated based upon the criteria below. See APPENDIX A for a description of the evaluation criteria:

- Business Plan (200 Points)
- Labor & Employment (200 Points)
- Neighborhood Compatibility Plan (200 Points)
- Safety Plan (200 points)
- Security Plan (200 Points)
- Location (100 Points)
- Community Benefits (100 Points)
- Qualifications of Owners (100 Points)

Phase 3 scores will be tabulated and combined with Phase 2 scores to establish an overall score. All applications that maintain a score of at least 80%, will advance to Phase 4 of the selection process.

Phase 4: City Manager Final Decision

Fixed Fee: \$736

Applicants who score at least 80% after Phase 3 will be eligible to apply for consideration of a CCB license (Phase 4). Prior to making a final decision, the City reserves the right to request and obtain additional information from any candidate who has submitted an application.

The City Manager will review the City Selection Committee’s evaluation and make a final determination on the awarding of licenses. However, the City reserves the right to award a lesser number of licenses or to award no licenses at all. Successful applicants will be authorized to apply for a discretionary permit upon the City Manager’s determination to award them a CCB license, and should be prepared to attend all discretionary permit hearings to represent their request for a Regulated Use Permit or Development Plan Review permit and to respond to questions.

Note: Payment should be made by certified check, cashier’s check, or money order made payable to the City of Oceanside. The City will not accept credit card payment and application fees are non-refundable. Being awarded a 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, business tax, 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 of those permitting departments.

CONTACT

If you have any questions or would like an update on the status of your application, please contact Stefanie Cervantes at 760.435.3544 or by email cannabis@oceansideca.org

APPENDIX A: DESCRIPTION OF EVALUATION CRITERIA

All of the following information must be submitted on a single USB thumb drive in PDF format (Please do not save any documents in Word format)

EVALUATION CRITERIA

1. BUSINESS PLAN Criteria to be evaluated and scored during Phases 2 & 3

- 1.1. Owner qualifications. Resumes are not to exceed one (1) page per owner.
- 1.2. A budget for construction, operation, and maintenance, compensation of employees, equipment costs, utility cost, and other operation costs.
- 1.3. Proof of capitalization in the form of documentation of cash or other liquid assets on hand, Letters of Credit, or other equivalent assets.
- 1.4. 3-year pro forma for at least three years of operation.
- 1.5. Fully describe hours of operation and opening and closing procedures.
- 1.6. Fully describe the day-to-day operations for each license type being sought.
 - 1.6.1. Additional criteria for **DISTRIBUTION** applications only:
 - a. Identify the number of delivery drivers, hours of delivery.
 - b. Describe the delivery vehicles and whether the vehicles will be company owned or employee owned.
 - c. Identify your proposed service area.
 - d. Describe how inventory will be received, processed, stored, and secured on the licensed Premises.
 - e. Describe the quality control procedures designed to ensure all cannabis is properly packaged, labeled, and tested.
 - 1.6.2. Additional criteria for **MANUFACTURING** applications only:
 - a. Identify all cannabis products to be manufactured within the licensed premises
 - b. Describe the quality control procedures
 - c. Describe inventory control procedures
 - d. Describe the extraction process, identify the equipment and room in which extractions will be conducted.
 - e. Provide details as to whether the proposed extraction equipment has been reviewed and certified by a professional engineer or certified industrial hygienist.
 - 1.6.3. Additional criteria for **TESTING** applications only:
 - a. Identify the Laboratory Supervisor/Manager and describe their qualifications and responsibilities.
 - b. Identify the number of samples per day the laboratory will handle. Estimate the number upon initial opening and in three (3) years.
 - c. Describe the sampling standard operating procedures.
 - d. Describe procedures for transporting cannabis field samples.
 - e. Identify the number of vehicles and hours of sample collection.
 - f. Describe the vehicles and whether the vehicles will be company owned or employee owned.
 - g. Describe the chain of custody for field samples.
 - h. Describe the quality control procedures.
 - i. Identify location and procedures for storing cannabis products.
- 1.7. Fully describe cash handling procedures.

2. LABOR AND EMPLOYMENT PLAN Criteria to be evaluated and scored during Phases 2 & 3

- 2.1. Describe compensation to and opportunities for continuing education and employee training.
- 2.2. Describe the extent to which the CCB will be a locally managed enterprise whose owners and /or managers reside within the North County area.
- 2.3. Describe the number of employees, title/position, and their respected responsibilities.
- 2.4. Thoroughly describe employee policies and procedures (complete manuals are not required to be submitted at this time).

3. SAFETY PLAN Criteria to be evaluated and scored during Phases 2 & 3

A thorough Safety Plan should consider all possible fire, medical and hazardous situations. Complete policy/procedures manuals are not required at this point of the application process. Please only provide a detailed description for each criteria which incorporates the following provisions:

- 3.1. The Safety Plan shall be prepared by a professional 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. Identify all gases and/or chemicals to be used and their storage locations (for Manufacturing and Testing applicants).
- 3.2. Identify fire alarm and monitoring systems including the name and contact information for the alarm company.
- 3.3. Describe accident and incident reporting procedures.
- 3.4. Describe all evacuation routes.
- 3.5. Describe the location of all fire extinguishers and other fire suppression equipment.
- 3.6. Describe procedures and training for fire and medical emergencies.
- 3.7. Describe and identify the location of all gas monitoring equipment.
- 3.8. Clarify if your building has sprinklers?
- 3.9. What date was the subject building constructed?

4. SECURITY PLAN Criteria to be evaluated and scored during Phases 2 & 3*

A thorough Security Plan should consider all access control, inventory control, and cash handling procedures. Complete policy/procedures manuals are not required at this point of the application process. Please only provide a detailed description for each criteria which incorporates the following provisions:

- 4.1. The Security Plan shall be prepared by a professional security consultant.
- 4.2. Premises (Security) Diagram. In addition to diagrams submitted for other sections of the application, applicants are expected to submit a premises diagram (floor plan, detail) which, focuses on the proposed security measures and how they relate to the overall business. (Pursuant to CCR Title 16, Division 42, §5006. Premises Diagram).
 - 4.2.1. The diagram all be accurate, dimensioned and to scale (minimum scale 1/8") the scale may be smaller if the proposed location exceeds more than a 1/2 acre parcel but must not be printed on larger than an 11" x 17" sheet of paper. (Blueprints and engineering site plans are not required at this point of the application process).
 - 4.2.2. The diagram must be drawn to scale and clearly identify property boundaries, entrances, exits, interior partitions, walls, rooms, windows, and doorways. The activity in each room and the location of all cameras must be identified on the diagram.
 - 4.2.3. Description of cannabis activity that will be conducted in each area of the premise. Commercial cannabis activities that must be identified on the diagram/floor plan may include but are not limited to the following if applicable to the business operations; storage areas, batch sampling areas,

loading/unloading of shipment areas, packaging and labeling, customer sales areas, training areas, employee break room areas, and testing areas.

- 4.2.4. Limited-access areas, defined as areas in which cannabis goods are stored or held and only accessible to a licensee, its employee or contractors, and areas used for video surveillance monitoring and storage devices (Pursuant to CCR Title 16, Division 42, §5000 (m) Limited-Access Area and §5042. Limited-Access Area).
- 4.2.5. Number and location of all video surveillance cameras.
- 4.3. Identify intrusion alarm and monitoring systems including the name and contact information for the monitoring company.
- 4.4. Discuss whether the CCB will utilize the services of on-site security guards. Include in the discussion:
 - 4.4.1. Number of guards
 - 4.4.2. Hours guards will be on-site
 - 4.4.3. Locations they will be positioned
 - 4.4.4. Their roles and responsibilities

* Security plans will not be made public.

5. NEIGHBORHOOD PLAN **Criteria to be evaluated and scored during Phases 2 & 3**

- 5.1. Describe how the CCB will proactively address and respond to complaints related to noise, light, odor, vehicle, and pedestrian traffic.
- 5.2. Describe how the CCB will be managed so as to avoid becoming a nuisance or having impacts on its neighbors and the surrounding community.
- 5.3. Describe odor mitigation practices:
 - 5.3.1. Identify potential sources of odor.
 - 5.3.2. Describe odor control devices and techniques employed to ensure that odors from cannabis are not detectable beyond the licensed premises.
 - 5.3.3. Describe all proposed staff training, and system maintenance plans.
 - 5.3.4. Describe the waste management plan. The plan shall include waste disposal locations, security measures, and methods of rendering all waste unusable and unrecognizable.

6. LOCATION **Criteria to be evaluated and scored by City staff during Phase 3 only**

- 6.1. In addition to the location related details provided in the CCB Application (pages 1-7), the application shall include a thorough description of the proposed location, including but not limited to the overall property, building and floor plan.
- 6.2. The application shall include photographs of the front (street facing) side of the building. In the event the proposed location is undeveloped land, photographs of the vacant land shall be taken from the street facing the property.
- 6.3. Site Plans for the proposed location. In addition to diagrams submitted for other sections of the CCB Application, applicants are expected to submit a full set of Site Plans that focuses on the overall property, neighboring buildings, common or adjoining walls and floor plan.
 - 6.3.1. A Premise (Site) Diagram must be accurate, dimensioned and to-scale (minimum scale of ¼"). The diagram shall provide a detailed description of all available/shared parking spaces, driveway locations, and auxiliary buildings on the parcel.

7. COMMUNITY BENEFITS PLAN Criteria to be evaluated and scored by City staff during Phase 3 only

7.1. The CCB Application should describe all benefits the CCB will provide to the local community. Benefits may be in the form of volunteer services, monetary donations to local non-profit organizations, financial support of City sponsored activities or organizations, in kind donations to the City or other charitable organizations and/or any other economic incentives to the City. Any community benefits identified by the applicant may be memorialized as a condition of granting a CCB license or associated Conditional Use Permit.

8. QUALIFICATION OF OWNERS Criteria to be evaluated and scored by City staff during Phase 3 only

8.1. In addition to the one (1) page resume required in the Business Plan section above; all applicants, directors, managers and/or laboratory supervisors must provide details regarding any experience they have in operating a retail establishment, a regulated business, or managing employees. If you have any experience operating a cannabis business please provide the location of such activity and a copy of all related permits, licenses, or other written forms of permission for such activity by a local or state government entity.