



APPLICATION PROCEDURES TO OPERATE A CANNABIS BUSINESS IN SAN BENITO COUNTY

The application process to operate a Cannabis Business (“CB”) in San Benito County will open on **TBD**, and is adopted pursuant to San Benito County **Ordinance Chapter 7.02**. Applications will be available at the County Administrative Offices, Resource Management Agency located at 2301 Technology Parkway, Hollister, CA 95023 or online at <http://www.cosb.us/>. To be considered, final applications **must be** submitted by **4:00 pm on TBD**, at the Resource Management Agency Office at 2301 Technology Parkway, Hollister, CA 95023.

The following procedures outline the application process, required materials, and other information necessary to apply for a business permit and enter into the selection process to operate a CB in **the County of San Benito**. **PLEASE READ CAREFULLY BEFORE COMPLETING THE APPLICATION. FAILURE TO SUBMIT A COMPLETE APPLICATION COULD RESULT IN DISQUALIFICATION.**

Information regarding the cannabis business application process can be found on the County’s website: <http://www.cosb.us/> and will include the following:

- San Benito County Cannabis Business Permit Application Form
- San Benito County Cannabis Permit Employee/Owner Background Application and related waiver(s)
- Live Scan form
- Local regulations governing San Benito County CBs: San Benito County Code **Chapter 7.02**.
- Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA)
 - **Local Zoning Ordinances:** Compliance with San Benito County Code **Section 19.43 and Title 25**.
- Frequently Asked Questions

COUNTY’S RESERVATION OF RIGHTS

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

1. It is considered not fully responsive to this request for a permit application.
2. It contains excess or extraneous material not called for in the request for permit application.

AMENDMENTS TO THE APPLICATION

Applicants may not be allowed to make amendments to their application or to supplement their application, except as otherwise specifically permitted in these procedures or authorized in writing by the County. 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. However, in some cases the County may move forward

in the application process to other phases should it anticipate that the Live Scan or background check may be delayed. In this case, Applicants wishing to move forward in the process acknowledge by signing the application that they agree to these terms and should they be disqualified as a result of a background or a Live Scan, they will not be eligible for a refund of any fees collected resulting from the modification of this procedure.

DESCRIPTION OF APPLICATION EVALUATION AND SELECTION PROCESS:

Phase 1: Application Submittal and Determination of Eligibility (Fee: \$ _____) Note: All applicants will be required to pay a \$ _____ fee, against which County staff time is charged for reviewing applications. Applicants are advised that they may be required to pay additional amounts as required for the sole purpose of the County's completion of the application review process.

- Indemnification Agreement
 - Applicant executes an agreement indemnifying the County from liability.
- Live Scan Criminal History Check
 - Each individual applying to be an owner of the CB must undergo a Live Scan criminal history check demonstrating compliance with the eligibility requirements of **Section 7.02.310(m)** for background checks. The Live Scan process involves submitting fingerprints to the DOJ/FBI to review for criminal offender record information (CORI). CORI reports will be provided to the San Benito County Sheriff for the sole purpose of determining eligibility for operating a CB. Owners who do not meet criminal history eligibility requirements will be disqualified. There will be a processing fee of \$_____.00 per person, due at the time of the Live Scan.
 - The Live Scan must be conducted by the County Sheriff's Department unless otherwise stated on the County's website.
- Zoning Verification Letter
 - Prior to submitting their CB application, Applicant will be required to obtain a Zoning Verification Letter from the Resource Management Agency, to ensure that the applicant's proposed CB location meets the County's locational requirements. The cost to obtain a Zoning Verification Letter is \$_____ and the County's review process takes approximately ten (10) working days. Zoning Verification Letters require a written request to the Resource Management Agency and may not be completed over the counter since it may require additional research and review. The Zoning Verification Letter will need to be included with the application package.
 - The issuance of a Zoning Verification Letter does not imply written evidence of permission given by the San Benito County or any of its officials to operate a CB, nor does it not mean "permit" within the meaning of the Permit Streamlining Act, nor does it constitute an entitlement under the Zoning or Building Code. A regulatory permit for the purpose of regulating a CB does not constitute a permit that runs with the land on which the CB is established.
- Online Application

- Applicant may obtain the County Cannabis Business Permit Application Form online using the link on the County’s website.
- Applications and Background Check Form(s)
 - A complete application will consist of the following:
 - Complete, signed copy of the San Benito County Cannabis Business Permit Application Form;
 - Complete, signed San Benito County Cannabis Permit Employee/Owner Background Application for each of the Owners. If the Owner is an international applicant, please provide an ITIN or U.S.-issued Social Security Number or Driver’s License.
 - Intelifi Background Check Disclosure & Authorization Form
 - Proof of Live Scan fee payment for each of the Owners;
 - Zoning Verification Letter
 - All supplemental information to be evaluated in Phases 2 and 3, as described in Appendix A.
 - Applications will only be considered complete if they include all information required above.
 - Applicants must submit two (2) copies of the complete application, each in a three-ring binder; one (1) copy of the complete application in PDF format on a flash drive; with the paid Phase 1 fee of \$ [REDACTED]. The application and fee are due to the County by 4:00 PM on April 5, 2019. Payment must be made by certified check, cashier’s check, or money order made payable to “San Benito County.” The County will not accept cash and application fees are non-refundable.
 - Only the following information may be submitted after the initial application is received:
 - Proof of property ownership or lease agreement.
 - Should Applicant change locations after the application binder is submitted, a new Zoning Verification Letter is required and must be submitted with the application binder prior to Phase 3 of the selection process. Applicants may only submit a different location if the initial proposed site was eligible and submitted timely.

Phase 2: Application Evaluation and Initial Ranking (1,500 Points)

Applications will be evaluated and ranked based on the below criteria. *Please see Appendix A for a description of the evaluation criteria.*

- Business Plan (400 Points)
- Neighborhood Compatibility Plan (400 Points)
- Safety Plan (200 Points)
- Security Plan (200 Points)

Those applicants that score 80% or higher in this phase will move on to Phase 3.

Phase 3: Interviews and Second Ranking (2,500 Points)

The top applicants will be interviewed and evaluated by the County's Selection Committee. Prior to the scheduling of interviews, each of the applications may be required to have their proposed site inspected by the assigned County designee, if there is an existing building structure, to ascertain current conditions of the facility.

Applicants will be interviewed and evaluated based on the below criteria. ***Please see Appendix A for a description of the evaluation criteria.***

- Qualifications of Owners (300 Points)
- Location (proof of ownership or a signed and notarized statement of intent from the Property Owner) (200 Points)
- Neighborhood Compatibility Plan (200 Points)
- Environmental Impact Mitigation (300 Points)
- Labor & Employment/Local Enterprise (400 Points)
- Business Plan (300 Points)
- Enhanced Product Safety (200 Points)
- Safety Plan (150 Points)
- Security Plan (150 Points)
- Community Benefits (300 Points)

Phase 4: County Administrative Officer Recommendation and Final Approval

Phase 4 Steps to be followed:

1. Selection Committee's final review and evaluation.
2. County Administrator reviews results of Selection Committee's evaluation and makes final approval to qualified Applicants.

After Phase 3, and before Phase 4, the top applicants chosen from each category as determined by the Selection Committee which received a score of 80% or more shall participate in a public meeting which will be held in the County Board of Supervisors Chambers on a date and time to be determined by County staff. Notice of the public meeting shall be sent to all property owners located within one thousand (1,000) feet of the proposed business locations of each of the top finalists in each permitted category.

At the Public Meeting, the community will be allowed to present concerns and/or support and provide additional considerations for potential permit conditions that may be implemented by staff. The Public Meeting will not be determinative as to who gets the permit but shall inform staff of potential concerns for which a condition or conditions may be necessary to address. Furthermore, decisions, recommendations, and conditions will be based primarily on-site inspection results, business feasibility, and the viability of the proposed location. After the completion of the Public Meeting and prior to the Selection Committees final recommendation to the County Administrator, the County reserves the right to request and obtain additional information from any candidate who submitted a proposal. Upon the completion of the final review process, the Selection Committee will tabulate its final scores of the all applicants who were interviewed in Phase 3. The County Administrative Officer after

reviewing the Selection Committee’s evaluation will make a determination if he/she will award up to the amount permitted by San Benito County Code Section 7.02.030 (D). The County reserves the right to award a lesser number of permits, 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. Following initial approval by the County Administrative Officer Applicants will be required to undergo California Environmental Quality Act (“CEQA”) review and final approval with any conditions deemed necessary by the Planning Commission and/or Board of Supervisors.

Note: Being awarded a CB permit 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 CB application process meet the standards or requirements of those permitting departments. All permit awardees will still be required to complete all the permitting processes for the proposed construction or occupation of their facility.

CONTACT: If you have any questions during the application process or would like an update on the status of your application, please contact Dulce Alonso at (831) 636-4000, ext. 18 or by email at dalonso@cosb.us.



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APPENDIX A

DESCRIPTION OF EVALUATION CRITERIA:

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 CB would provide, especially in areas related to medical cannabis, such as scientific or health care fields.

Location: The application should include the following:

- Physical address and detailed description of the proposed/final location.
- Proof of ownership, or a notarized letter of the owner’s willingness to lease. (This information will be given consideration in Phase 3 only.)
- Zoning Verification Letter
- Description of all known nearby sensitive use areas. Note that a proposed/final location shall not be closer than 600 feet from any parcel containing a school, daycare facility, youth center, and other uses as dictated by the County ordinance – unless the County has designated via ordinance or resolution a different buffer zone from these sensitive uses. The CB must be located in the appropriate zoning and meet all of the locational requirements as in described in San Benito County Code Section 7.02.250.

Neighborhood Compatibility Plan: The application should include the following in the Neighborhood Compatibility Plan:

- How the CB, including its exterior areas and surrounding public areas, will be managed so as to avoid becoming a nuisance or having impacts on its neighbors and the surrounding community.
- A site plan for each potential location. The site plan must be accurate, dimensioned and to-scale (minimum scale of 1/4”).

Environmental Impact Mitigation: The application should describe any proposed “green” business practices relating to energy and climate, water conservation, and materials and waste management.

Labor & Employment/Local Enterprise: The application should describe to what extent the CB 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 CB policy and regulations to employees);
- Providing a “living wage” to facility staff and employees. Wage scale should be provided in writing for all levels of employment at the facility. “Living Wage” shall mean 150% of the minimum wage mandated by California or Federal law, whichever is greater.

Business Plan: The application should include the following in the Business Plan, with as much detail as possible:

- Description of day-to-day operations. See San Benito County Code Sections 7.02.310 and 7.02.320.
- How the CB will conform to local and state law. See San Benito County Code Section 7.02.040, and SB 94 Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA).

- 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. 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.

Enhanced Product Safety: The application should state how the CB will ensure enhanced consumer safety as required by State or local law.

Safety Plan: The application should include the following for each proposed location:

- A detailed safety plan. This plan should describe the fire prevention, suppression, HVAC and alarm systems the facility will have in place. **It should include an assessment of the facility's fire safety by a qualified fire prevention and suppression consultant.** An appropriate plan will have considered 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.

Security Plan: The application should include the following for each proposed location:

- A detailed security plan. This plan should 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 and locations 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 security consultant.** Security plans will not be made public.
- A floor plan showing existing building 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 CB would provide to the local community, such as employment for local residents of the County, community contributions, assistance to the homeless, youth organizations, schools, libraries or economic incentives to the County. **[Discuss: Possible Strike-out]**