

BEFORE THE BOARD OF SUPERVISORS, COUNTY OF SAN BENITO

A RESOLUTION OF THE SAN BENITO COUNTY )  
BOARD OF SUPERVISORS ADOPTING )  
CANNABIS BUSINESS PERMIT APPLICATION ) RESOLUTION NO. 2019-\_\_\_\_  
PROCEDURES AND ACKNOWLEDGING THE )  
INITIAL APPLICATION PERIOD DESIGNATED BY )  
THE COUNTY AGRICULTURAL COMMISSIONER )

**WHEREAS**, On December 11, 2018 the Board of Supervisors of County of San Benito has adopted Ordinance Nos. 974 (regulating cannabis businesses by amending Chapter 7.02), 975 (cannabis land use regulations by adopting Chapter 19.43), and 976 which amended Sections §§25.07.005, 25.17.023, 25.17.044, and 25.17.063 of Title 25 of the San Benito County Code to require a conditional use permit for certain commercial cannabis activities in certain zones; and

**WHEREAS**, any person engaged in any commercial cannabis activity within the unincorporated area of the County shall comply with requirements set forth in Chapter 19.43, 25.07, and 7.02 of the San Benito County Code, and the State of California State Law; and

**WHEREAS**, pursuant to San Benito County Code §7.02.051, subdivision (A), the procedures which govern the Cannabis Business Permit application process and the manner in which the decision whether to issue any permit under Chapter 7.02 may be established by resolution of the County Board of Supervisors; and

**WHEREAS**, the Agricultural Commissioner, as the County Administrative Officer's designee, has proposed the Cannabis Business Permit application procedures attached hereto and incorporated herein as Exhibit A;

**WHEREAS**, pursuant to San Benito County Code §7.02.051, subdivision (C)(1), the Agricultural Commissioner, as the County Administrative Officer's designee, may designate the initial application period to receive Cannabis Business Permit applications; and

**WHEREAS**, the Agricultural Commissioner has designated the initial application period to begin April 1, 2019, and to close at 4:00 p.m. on May 31, 2019.

**NOW, THEREFORE BE IT RESOLVED**, that the San Benito County Board of Supervisors hereby adopts the Cannabis Business Permit application procedures attached hereto and incorporated herein as Exhibit A;

**BE IT FURTHER RESOLVED**, that the San Benito County Board of Supervisors acknowledges the initial application period in which Cannabis Business Permit applications may be submitted is April 1, 2019 – May 31, 2019 at 4:00p.m.

PASSED AND ADOPTED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN BENITO THIS 19<sup>TH</sup> DAY OF March, 2019 BY THE FOLLOWING VOTE:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:


Date: \_\_\_\_\_

By: \_\_\_\_\_  
Mark Medina, Chairman

ATTEST:  
Janet Slibsager, Clerk of the Board

APPROVED AS TO LEGAL FORM:  
Barbara Thompson, County Counsel

By: \_\_\_\_\_

By:  03/14/19  
Sarah M. Dickinson  
Deputy County Counsel

## EXHIBIT A

# COUNTY OF SAN BENITO CANNABIS BUSINESS PERMIT APPLICATION PROCEDURES



The initial application period to submit a Cannabis Business Permit application, as designated by the County Agricultural Commissioner, shall open at **9:00 a.m. on April 1, 2019**. (SBCC §7.02.051, subd. (C)(1).) Cannabis Business Permit application forms will be available at the Agricultural Commissioner's Office located at 3224 Southside Road, Hollister, CA 95023 or online at <http://cosb.us/county-departments/cannabis-regulatory-program/>. To be considered, completed applications **must be** submitted by **4:00 p.m. on May 31, 2019**, at the Agricultural Commissioner Office at 3224 Southside Road, Hollister, CA 95023.

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

Information regarding the cannabis business permit application process can be found on the County's website: <http://cosb.us/county-departments/cannabis-regulatory-program/> and may include the following:

- San Benito County Cannabis Business Permit Application Form and Procedures
- San Benito County Cannabis Permit Owner/Employee Background/LiveScan Forms
- San Benito County Code Article V of Ch. 5.03 (Cannabis Business Activities Tax), Ch. 7.02 (Cannabis Businesses), Ch. 19.43 (Cannabis Business Land Use Regulations), and Title 25 (Zoning)
- Medicinal and Adult Use Cannabis Regulation and Safety Act ("MAUCRSA")
- 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 term of any application period 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 applicant. An application **MAY BE REJECTED** for the following reasons:

1. It is late, incomplete, or considered not fully responsive.
2. It contains excess or extraneous material not requested.

### AMENDMENTS TO THE APPLICATION

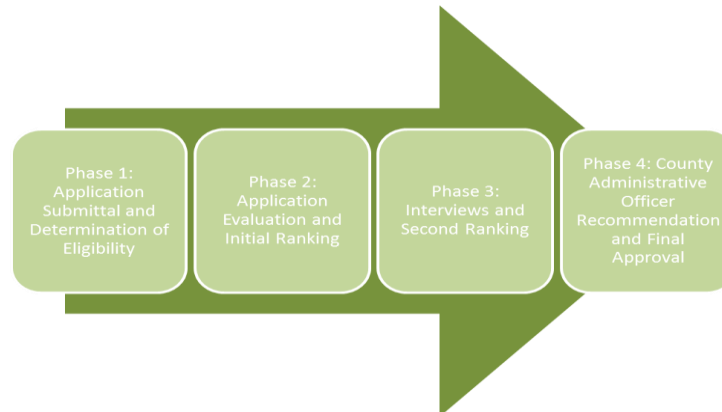
Applicants may not be allowed to make amendments to their application or to supplement their application, except as otherwise specifically provided for in SBCC Ch. 7.02, as permitted in these procedures, or as otherwise authorized in writing by the Agricultural Commissioner.

### CANNABIS BUSINESS PERMIT APPLICATION FEE

All applicants will be required to pay a \$10,650.00 fee, against which County staff time is charged for reviewing applications, concurrently with submission of a Cannabis Business Permit Application. 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.



# COUNTY OF SAN BENITO CANNABIS BUSINESS PERMIT APPLICATION PROCEDURES



## DESCRIPTION OF CANNABIS BUSINESS PERMIT APPLICATION SUBMISSION, EVALUATION, & SELECTION:

### Phase 1: Application Submittal and Determination of Eligibility

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. Applications will only be considered complete if they include all required information.

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. The application is due to the County by the close of the application period. The initial application period deadline is **4:00 p.m. on May 31, 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. ***A complete application shall consist of the following required information:***



***Please see Appendix A for a description of the required information for Phase 1.***

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

Those applicants that score 80% or higher in this phase will move on to Phase 3. **Applications will be evaluated and ranked based on the below criteria:**



***Please see Appendix A for a description of the evaluation of the Phase 2 criteria.***

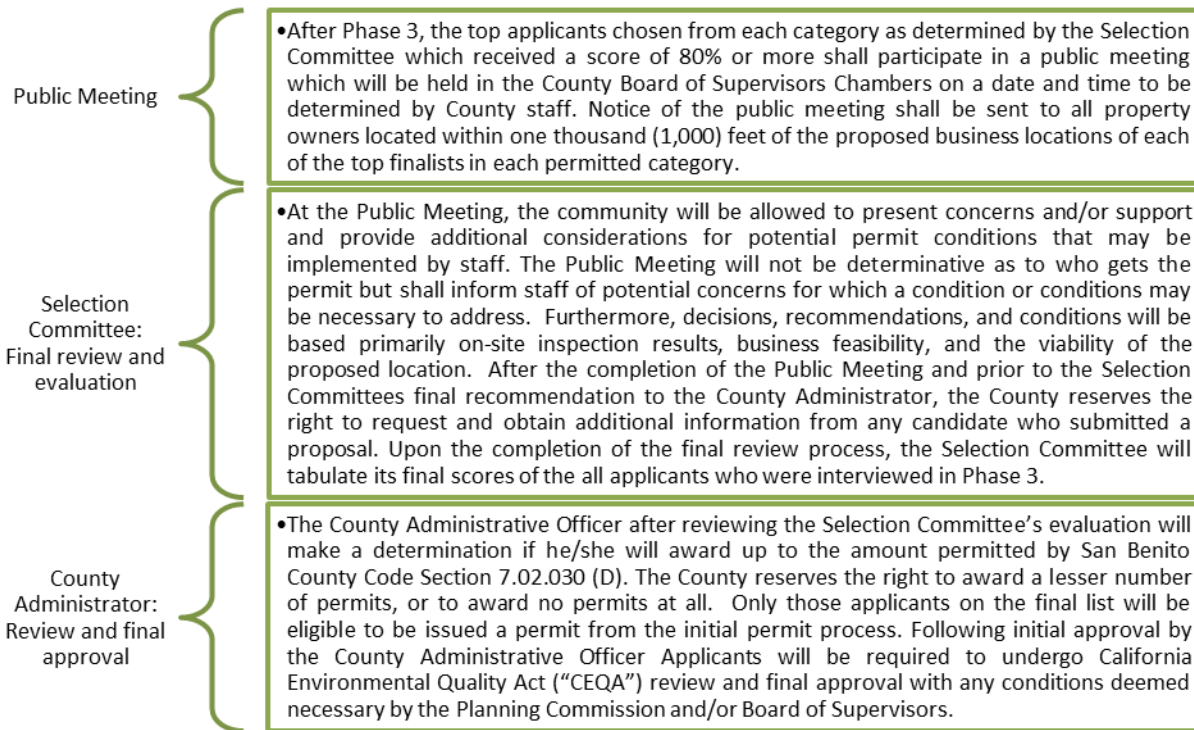
**Phase 3: Interviews and Second Ranking (2,500 Points)**

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 of the Phase 3 criteria.***

## Phase 4: County Administrative Officer Recommendation and Final Approval



**Note: Being awarded a CBP 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 CBP 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 Karen Overstreet at (831) 637-5344, or by email at [cannabis@cosb.us](mailto:cannabis@cosb.us).**

# APPENDIX A

## Phase 1: Application Submittal and Determination of Eligibility

1

### Complete, signed copies of the following forms:

- Business Permit Application Form.
- Background/LiveScan disclosure and authorization form for each Owner. If an Owner is an international applicant, a Social Security Number, State Driver's License, State Identification Card, ITIN, and/or A-Number, as applicable.
- Zoning Verification Letter.
- Proof of property ownership or lease agreement.
- Supplemental information to be evaluated in Phases 2 and 3, as described in Appendix A.

2

### Pay CBP Application Fee of \$10,650.00

- In the event of a delay in completing the background check and/or LiveScan, the County may, continue to process the application only if the applicant so indicates and the applicant signs an acknowledgement in which they understand and agree to the risk that they may be disqualified as a result of a background check and/or LiveScan results and will not be eligible for a refund of any fees charged resulting from continuing to process the application while the Background/LiveScan results were pending.

3

### Execute Indemnification Agreement with the County

- Applicant executes an agreement indemnifying the County from liability.

4

### Background Check/LiveScan

- Each individual applying as an owner of the cannabis business 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.
- The Live Scan must be conducted by the County Sheriff's Department unless otherwise stated on the County's website.

5

### Zoning Verification

- The proposed site of the cannabis business must comply with the Zoning Code and setback requirements.
- Zoning verification may not be completed over the counter and may require additional review; the process takes approximately ten (10) business days.
- If the proposed site appears to appropriate, a Zoning Verification Letter may be issued by the RMA and will become part of the application package.
- Issuance of a Zoning Verification Letter shall not imply evidence of permission to engage in commercial cannabis activity within the County, nor shall it mean "permit" within the meaning of the Permit Streamlining Act, nor does it constitute any entitlement.
- Should Applicant's proposed site change during the review process, a new Zoning Verification Letter shall be required to be submitted prior to Phase 3 of the selection process. Applicants may only submit a site amendment if the initial proposed site was otherwise appropriate.

## Phase 2: Application Evaluation and Initial Ranking

1

### Location (300 Points)

- 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 1,000 feet from any parcel containing a school, daycare facility, youth center, and other uses as dictated by the County ordinance. The cannabis business 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.

2

### Neighborhood Compatibility Plan (400 Points)

- 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").

3

### Business Plan (400 Points)

- Description of day-to-day operations. See San Benito County Code Sections 7.02.310 and 7.02.320.
- How the applicant 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.

4

### Safety Plan (200 Points)

- 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.

5

### Security Plan (200 Points)

- 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").



### Phase 3: Interviews and Second Ranking

1

#### **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.

2

#### **Environmental Impact Mitigation:**

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

3

#### **Labor & Employment/Local Enterprise:**

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);
- 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.

4

#### **Community Benefits:**

- The application should describe benefits that the cannabis business would provide to the local community, such as employment for local residents of the County, community contributions, or economic incentives to the County.