



# APPLICATION PROCEDURES TO OPERATE A COMMERCIAL CANNABIS BUSINESS IN CITY OF PLACERVILLE

The application process to operate a Commercial Cannabis Business (“CCB”) in the City of Placerville will open on **Monday, February 25, 2019**, and is adopted pursuant to City of Placerville Code Sections 5.28.020, and 5.28.060. Applications will be available at the Development Services Department located at City Hall. To be considered, final applications **must be** submitted by **4:00pm on Monday, April 29, 2019**, at the Development Services Department located at 3101 Center Street, Placerville, CA 95667.

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 CCB in Placerville.

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

**Information regarding the commercial cannabis business application process can be found on the City’s website ([www.cityofplacerville.org](http://www.cityofplacerville.org)), and may include the following:**

- City of Placerville Commercial Cannabis Business Permit Application Form
- City of Placerville Cannabis Permit Employee/Owner Background Application
- Local regulations governing City of Placerville CCBs: Placerville City Code (“PCC”) Title 5, Chapter 28, specifically including but not limited to Sections 5.28.030, 5.28.060, and 5.28.320
- Live Scan form
- Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA)
- Local Zoning Ordinances, Title 10 of the PCC
- Frequently Asked Questions

## **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 also modify, postpone, or cancel the request for permit applications 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 **MAY BE REJECTED**. Furthermore, an application **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 permit or operation of the commercial cannabis business at the proposed location is inconsistent with State law, Chapter 5.28, or other applicable City of Placerville Municipal Codes.

## **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 City. 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 City may move forward in the application process to other phases should it anticipate that the Live Scan will take a significant amount of time to be returned to the City. 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.

**CONTACT: If you have any questions during the application process or would like an update on the status of your application, please contact the Development Services Department at 530-642-5252 or by email at [pv.planning@gmail.com](mailto:pv.planning@gmail.com)**

## **DESCRIPTION OF APPLICATION EVALUATION AND SELECTION PROCESS:**

### **Phase 1: Application Submittal and Determination of Eligibility (Fee: \$4,165)**

- Indemnification Agreement
  - Applicant executes an agreement indemnifying the City from liability.
- Live Scan Criminal History Check
  - Each individual applying to be an Owner/ Operator /Employee of the CCB must undergo a Live Scan criminal history check demonstrating compliance with the eligibility requirements of PCC Chapter 5.28.070(d) and 5.28.320(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 City of Placerville for the sole purpose of determining eligibility for operating a CCB. Owners who do not meet criminal history eligibility requirements will be disqualified. There will be a processing fee of \$ 476.00 per person, due at the time of the Live Scan.
  - The Live Scan must be conducted by the City of Placerville Police Department unless otherwise stated on the City's website. Due to limited staff resources, you are encouraged to schedule your appointment as early as possible in order complete your Live Scan requirement before the due date of the application. The Police Department cannot guarantee that it will be able to accommodate applicants who do not get their Live Scan completed closer to the application deadline.
- Zoning Verification Letter
  - Prior to submitting their CCB application, Applicant will be required to obtain a Zoning Verification Letter from the Development Services Department in City Hall, located at 3101 Center Street, Placerville, CA 95667, to ensure that the applicant's proposed CCB location meets the City's locational requirements. The cost to obtain a Zoning Verification Letter is **\$205.00** and the City's review process takes approximately ten (10) working days. Zoning Verification Letters require a written request to the Development Services Department and will 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 Placerville or any of its officials to operate a CCB, 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 operating a CCB does not constitute a permit that runs with the land on which the CCB is established.
- Applications and Background Check Form(s)
  - A complete application will consist of the following:
    - Complete, signed copy of the City of Placerville Commercial Cannabis Business Permit Application
    - Complete, signed City of Placerville 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 must be complete to be considered. Applications will be considered complete only 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; and the Phase 1 fee of **\$4,165**. The application and fee are due to the City by **4:00 PM on Monday, April 29, 2019**. Payment must be made by certified check, cashier’s check, or money order made payable to “City of Placerville.” Credit card payments will also be accepted. The City will not accept cash payments and all 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.

**Phase 2: Application Evaluation and Initial Ranking (1,500 Points) (Fee: \$1,586)**

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

- Location (200 Points)
- Business Plan (400 Points)
- Neighborhood Compatibility Plan (300 Points)
- Safety Plan (150 Points)
- Security Plan (150 Points)
- Air Quality Plan (100 Points)
- Labor and Employment Plan (200 Points)

Those applicants who scored a minimum of 80% will move on to Phase 3.

This section should also describe all sensitive uses described in within Two hundred fifty (250) feet of the proposed location from the property line of a K-12 school, daycare center and youth center. The CCB must be in the appropriate zoning and meet all the locational requirements as described in PMC Chapter 5.28, PMC Chapter 5.28.180(c), 5.28.240, and 5. 28.250.

**Phase 3: Interviews and Second Ranking (2,300 Points) (Fee: \$1,518)**

A. Interview.

- Applicants who scored at least 80% in Phase 2 will be interviewed and evaluated by the City'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 City designee 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 (200 Points)
- Labor & Employment (200 Points)
- Local Enterprise (200 Points)
- Business Plan (300 Points)
- Safety Plan (100 Points)
- Security Plan (100 Points)
- Community Benefits (300 Points)
- Air Quality Plan (200 Points)

After all Phase 3 scores have been tabulated, they will be combined with Phase 2 scores to establish an overall ranking of the applications. Applicants who continued to maintain a score of at least 80% will move on to Phase 4 of the selection process.

B. Public Meeting.

- The top applications will be expected to participate in a public meeting to be held in the City Council Chambers on a date and time to be determined by City staff. At the public meeting, the community will be allowed to present concerns and/or support and inform City staff of potential concerns for which a condition(s) may be necessary to address. The public meeting will not determine which applicants receive permits.
- A notice of the public meeting must be provided pursuant to PMC Section 5.28.180(b). Notices shall be sent to all property owners located within three hundred (300) feet of the proposed business locations of each of the top finalists. The cost of providing this notification will be paid by the applicants as part of the Phase 4 fee.

#### **Phase 4: City Manager Final Approval and Issuance of Local Permit (Fee: \$1,067)**

Only those applicants who have scored above 80%, or a percentage determined by resolution, after Phase 3 will be eligible to receive a Local 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. The City Manager will review the Selection Committee's evaluation, make a final decision and issue Local Permit(s).

The City Manager may award only as many Local Permits as allowed by PCC Title 5, Chapter 28 Section 80. Furthermore, the City Manager reserves the right to award a lesser number of Local Permits or to award no permits at all.

Note: Being awarded a Local 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 deemed necessary by the relevant departments or governmental entities in charge of said permits. Nor does it guarantee that the plans submitted via the Local Permit application process meet the standards or requirements in Title 5 and any other permit requirements from other City departments or agencies.

#### **CONTACT**

If you have any questions or would like an update on the status of your application, please call the Development Services Department at 530-642-5252 or send an email to [pv.planning@gmail.com](mailto:pv.planning@gmail.com).

## 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 CCB 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.)
- Description of all known nearby sensitive use areas. Note that a proposed/final location shall not be closer than two hundred fifty feet from the property line of K-12 school, daycare facility, youth center, and other uses as dictated by the City ordinance. The CCB must be located in the appropriate zoning and meet all of the locational requirements as in described in PCC Title 5, Chapter 28, including but not limited to PCC Chapter 5 sections 220, 230, and 250. Locations that are within two hundred fifty feet of non-statutory "sensitive uses" that involve children or persons under twenty-one years of age such as school bus stops, libraries, etc. may be taken into consideration in the scoring evaluation for this criteria.
- **Neighborhood Compatibility Plan:** The application should include the following in the Neighborhood Compatibility Plan:
  - How the CCB, 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:** The application should describe to what extent the CCB will adhere to heightened pay and benefits standards and practices. Specific practices that are subject to consideration include the following:

- Recognition of the collective bargaining rights of employees;
- Providing compensation to and opportunities for continuing education and training of employees/staff (applications should provide proof of the CCB policy and regulations to employees).

**Local Enterprise:** The application should state the extent to which the CCB will be a locally managed enterprise whose Owners reside within Placerville and/or the County of El Dorado.

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

- Description of day-to-day operations.
- How the CCB will conform to local and state law. See PMC Section 5.28.040.
- 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.

**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 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 CCB would provide to the local community, such as employment for local residents of the City, community contributions, or economic incentives to the City.

**Local Enterprise:** The application should state the extent to which the CCB will be a locally managed enterprise whose Owners reside within Placerville and/or the County of El Dorado.

**Air Quality Plan:** Must demonstrate the air circulation does not impact the employees' health and welfare nor the surrounding businesses.