



## CITY COUNCIL STAFF REPORT

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**TO:** Honorable Mayor and City Council **DATE:** June 5, 2017

**FROM:** Matthew Bronson, City Manager

**PREPARED BY:** Bruce Buckingham, Community Development Director  
David Hale, City Attorney  
John Peters, Police Chief  
Steve Lieberman, Five Cities Fire Chief

**SUBJECT:** Medical Cannabis Dispensary Pre-Application Process

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### **RECOMMENDATION**

Adopt a Resolution establishing a dispensary pre-application process for commercial medical cannabis businesses and adopt a Resolution amending the Master Fee Schedule to include a dispensary pre-application fee.

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### **BACKGROUND**

On May 15, 2017, the City Council adopted Commercial Medical Cannabis Ordinances that allow for the establishment and regulation of commercial medical cannabis uses including, cultivation, manufacturing, distribution, testing laboratories and two dispensaries. The ordinances take effect on June 14, 2017 at which time the City will start accepting applications for all commercial medical cannabis uses, except for dispensaries which will involve a pre-application process described further below.

In order to operate a commercial medical cannabis business, all applicants will be required to obtain a Use Permit approved by the City Council that would establish the location, size and types of uses allowed and a Commercial Cannabis Permit to assure that all regulatory requirements are met before the applicant could begin operating the business. In addition, businesses will be required to obtain a State license within one year of such licenses being available.

At the same meeting, the Council reviewed key implementation actions related to the ordinances. The Council directed staff to prepare a dispensary pre-application process to establish a selection process that would identify the two dispensary operators that would be eligible to submit applications for a Use Permit and Commercial Cannabis Permit. The Council also directed staff to work with the Five Cities Fire Authority in developing fire and life safety regulations for cannabis uses.

#### **Dispensary Pre-Application Process**

The adopted ordinance allows a maximum of two medical cannabis dispensaries. In anticipation of high demand for the two dispensaries, the Council provided direction for staff to prepare criteria to select eligible applicants to proceed with submitting a Use Permit and Commercial Cannabis Permit applications. The purpose of the dispensary pre-application process is to review the overall strengths of the applicants to increase the probability of having responsible and successful operators.

In the May 15, 2017 staff report, a summary of a four-phased process was provided to the Council. However, after further consultation with HdL Companies, staff believes that the process

was more comprehensive than needed because the dispensary pre-application process would culminate in the requirement to proceed with submitting an application for a Use Permit and Commercial Cannabis Permit. Therefore, staff has modified the process to three phases by combining Phases 2 (Initial Ranking) and 3 (Second Ranking) into a single review and ranking process to accelerate the process. As a result, staff has drafted a public handout that describes the three-phased pre-application process and the submittal requirements (reference Attachment 3). The three phases are as follows with a brief description of the purpose:

- *Phase 1: Preliminary Determination of Eligibility* – The purpose of this phase is to determine that the proposed location is allowed (i.e., meets minimum setback requirements), a complete application with all the required information has been submitted, and the applicants have passed the Live Scan and background check, and there is no “good cause” for denial of the permit. Applicants that do not pass this phase would be disqualified.
- *Phase 2: Ranking Process* - The purpose of this phase is to have the Staff Selection Committee comprehensively review, rank and interview all applicants based on seven evaluation criteria. Prior to finalizing the scores, the Staff Selection Committee could also request any additional information from the applicants.
- *Phase 3: City Council Approval of the Eligibility Ranking List* – The purpose of this phase is to have the City Manager present the final ranking and recommendation to the City Council.

As part of the dispensary pre-application, staff is proposing that the following evaluation criteria be submitted with the weighted score for each category shown (a more detailed description can be found on pages 3 and 4 of the Dispensary Pre-Application Handout shown in Attachment 3):

1. Proposed Dispensary Site (10 Points)
2. Business Plan (25 Points)
3. Qualifications and Experience of Principals (25)
4. Neighborhood Compatibility Plan (10 Points)
5. Operations and Security Plan (10 Points)
6. Environmental Benefits (10 Points)
7. Local Enterprise (10 Points)

Once an applicant has satisfied the requirements of Phase 1, staff is recommending a Staff Selection Committee (consisting of the City Manager, Police Chief, Fire Chief, City Attorney and Community Development Director) review, interview, and rank all applications as part of Phase 2. The Council could consider other alternatives for members of the Committee. Staff is also recommending that HdL Companies assist staff and provide technical assistance to the Committee. Based on a total score of 100 points, all applicants that receive a score of 80 points or higher would be recommended to be placed on the Eligibility Ranking list.

Staff is recommending that there be a limited timeframe that applicants can submit the dispensary pre-application. In order to provide adequate time for applicants to secure a location and prepare the required submittal requirements, staff is recommending that applicants be provided approximately six weeks. The Council could consider if more or less time is needed. Assuming the Council approves the dispensary pre-application process, staff is anticipating that all the submittal requirements can be posted on the City’s website by Monday, June 12, 2017. Based on a six week timeframe from June 5, staff is suggesting that all dispensary pre-applications be submitted by no later than Monday July 17, 2017.

Once the Council has adopted the Eligibility Ranking List, the two highest-ranked (i.e., highest scored) candidates would be able to proceed with submitting the Use Permit and Commercial Cannabis Permit applications. The applicants are not guaranteed that a Use Permit and

Commercial Cannabis Permit would be approved for the proposed dispensary as that could only occur as a result of the public hearing process and approval by the Council. If either of the top two ranked applicants failed to receive approval of the Use Permit or Commercial Cannabis Permit, the next ranked applicant could apply. In order to assure that the top two ranked applicants proceed with submitting the applications in a timely manner, staff would recommend that a complete Use Permit and Commercial Cannabis Permit application be submitted to the City within 60 days of the Council's approval of the Eligibility Ranking List. The Council could consider if more or less time is needed.

In summary, staff is requesting the Council provide direction on the dispensary pre-application process as follows:

- Three-phased process approach
- Seven evaluation criteria
- Weighting of the seven evaluation criteria
- Submittal of dispensary pre-applications by July 17, 2017, or six weeks from June 5
- Following adoption of the Eligibility Ranking List, applicants have 60 days to submit Use Permit and Commercial Cannabis Permit applications

### **Fire and Life Safety Requirements**

The City has contracted with THC Safety to work with the Five Cities Fire Authority in preparing fire and life safety regulations for cannabis uses. The regulations are in addition to the adopted California Building and Fire Codes, and National Fire Protection Association (NFPA) requirements. The regulations are being drafted and staff expects to bring a final draft for Council consideration to the June 19, 2017 Council meeting.

### **FISCAL IMPACT**

There would be a one-time \$8,100 Dispensary Pre-Application fee plus \$750 for each principal/owner to conduct the background check. The fee is based on an average of 8 hours to review each application by a five member Selection Committee, administrative time, and consulting fees by HdL Companies. If an applicant is disqualified as part of Phase 1, the application fee would be refunded less the cost to conduct the background check and staff time spent reviewing the application.

### **ALTERNATIVES**

The City Council has the following alternatives to consider:

1. Adopt a Resolution establishing a dispensary pre-application process; and
2. Adopt a Resolution amending the Master Fee Schedule to include a dispensary pre-application fee; or
3. Provide alternative direction to staff.

### **PUBLIC NOTIFICATION**

The agenda was posted in accordance with the Brown Act. Notification of the meeting was sent to parties that previously provided contact information.

### **ATTACHMENTS**

1. Draft Resolution No. 17-\_\_ Adopting a Dispensary Pre-Application Process
2. Draft Resolution No. 17 \_\_ Amending the Master Fee Schedule
3. Draft Dispensary Pre-Application Process Handout

**RESOLUTION NO. 17-\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF GROVER BEACH ESTABLISHING A COMMERCIAL MEDICAL CANNABIS  
DISPENSARY PRE-APPLICATION PROCESS**

**WHEREAS**, On May 15, 2017, the City Council adopted two Commercial Medical Cannabis ordinances that allow for the establishment and regulation of commercial medical cannabis uses including, cultivation, manufacturing, distribution, testing laboratories and dispensaries; and

**WHEREAS**, Section 4000.160 of Ordinance 17-06 adopted by the City Council on May 15, 2017 authorizes the City Council to develop written regulations governing the implementation of the Commercial Medical Cannabis Permit Application process; and

**WHEREAS**, it is not the intent of this resolution to replace or repeat the procedures governing the implementation of the permitting process but to expand upon, and further clarify the requirements of the ordinance and provide additional guidance to City staff in reviewing applications for dispensaries and making recommendations to the City Council for its approval of the issuance of each dispensary permit; and

**WHEREAS**, Ordinance 17-05 was adopted by the City Council on May 15, 2017, adding section 4.10.045 of the City of Grover Beach Municipal Code limiting the number of Commercial Cannabis Permits issued for dispensaries to two, and

**WHEREAS**, the procedures adopted and approved by this resolution is established to develop a fair and equitable means by which staff can recommend and Council can approve the issuance of two permits especially in the event the City receives a greater number of applications than allowable permits.

**[The remaining portion of this page intentionally left blank]**

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Grover Beach does hereby adopt this Resolution to supplement the procedures contained within Section 4000.160 of the City of Grover Beach Municipal Code with the policy and procedures attached as Exhibit "A" hereto.

On motion by \_\_\_\_\_ seconded by \_\_\_\_\_, and on the following roll-call vote, to wit:

AYES: Council Members -  
NOES: Council Members -  
ABSENT: Council Members -  
ABSTAIN: Council Members -

the foregoing Resolution was **PASSED, APPROVED, and ADOPTED** at a Regular meeting of the City Council of the City of Grover Beach, California this 5<sup>th</sup> day of June, 2017.

**\*\* D R A F T \*\***

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JOHN P. SHOALS, MAYOR

ATTEST:

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DONNA L. McMAHON, CITY CLERK

**RESOLUTION NO. 17-\_\_**  
**Exhibit A**

**Dispensary Pre-Application Process**

**APPLICATION REQUIREMENTS**

Applicants must submit two (2) copies of the complete Dispensary Pre-application including all submittal requirements and a flash drive with a copy of the application in pdf format no later than 4:00 PM on Monday July 17, 2017. A complete application will consist of the following information:

- Dispensary Pre-application Form;
- City Indemnification Form;
- Dispensary Pre-Application fee of \$8,100 plus \$750 for the background check of each principal owner. If an applicant is disqualified as part of Phase 1, the application fee will be refunded less the cost to conduct the criminal background check.
- Setback Verification Exhibit prepared and stamped by a licensed surveyor or civil engineer indicating that the proposed location meets the minimum setbacks as required by GBMC Article IX Section 4.10.045(F).
- All the Submittal Requirements listed on pages 3 and 4.

If a delay occurs in the Live Scan or background check, the City may move forward with the Phase 2 Ranking Process to expedite the application process. In this case Applicants wishing to move forward in the process will acknowledge by signing the application that they agree to these terms and should they be disqualified because of a background check or a Live Scan disqualification they will not be eligible for a refund of the application fees. Applicants will not be allowed to make amendments to their application or to supplement their application once submitted.

**EVALUATION AND SELECTION PROCESS**

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

**Phase 1: Preliminary Determination of Eligibility**

The purpose of this phase is to determine that the proposed location is allowed (i.e., meets minimum setback requirements), a complete application with all the required information has been submitted, and the applicants have passed the Live Scan and background check and there is no "good cause" for denial of the permit as defined in GBMC Article III Chapter 18 Section 4000.40. Applicant is defined in GBMC Article III Chapter 18 Section 4000.20(B). Applicants that do not pass this phase will be disqualified.

**Phase 2: Ranking Process**

The purpose of this phase is to have the Selection Committee comprehensively review, rank and interview all applicants based on the seven evaluation criteria listed below as the submittal requirements. Prior to finalizing the scores, the Selection Committee could also request any additional information from the applicants. The City Manager would recommend that the City Council adopt an Eligibility Ranking List with all applicants that score 80 points or higher ranked from highest to lowest score. The applications will be evaluated based on the following seven criteria (weighted scores shown in parentheses):

- Proposed Dispensary Site (10 Points)
- Business Plan (25 Points)
- Qualifications and Experience of Principals (25 Points)
- Neighborhood Compatibility Plan (10 Points)
- Operations and Security Plan (10 Points)
- Environmental Benefits (10 Points)
- Local Enterprise (10 Points)

### **Phase 3: City Council Approval of the Eligibility Ranking List**

The purpose of this phase is to have the City Manager present the final ranking and recommendation to the City Council. Applicants that are being recommended by the City Manager for inclusion on the Eligibility Ranking List should attend the City Council meeting and be prepared to respond to questions from the City Council. The City Council is solely responsible for determining the final Eligibility Ranking List including the number of dispensaries. The City Council also reserves the right to approve an Eligibility Ranking List with less than two dispensaries, or no dispensaries at all.

#### **Eligible Applicants**

The top two applicants on the final Eligibility Ranking List may proceed to submit a Use Permit and Commercial Cannabis Permit applications. If the applications are not submitted to the Community Development Department within 60 days of the City Council approval of the Eligibility Ranking List, the applicant will be disqualified and removed from the Eligibility Ranking List.

Please note that being placed on the Eligibility Ranking List does not constitute approval of the Use Permit or the Commercial Cannabis Permit and does not waive or remove the requirements of applying for and receiving construction permits. It also does not guarantee that the plans submitted for the dispensary pre-application process meet the standards or requirements of the City's Commercial Medical Cannabis Ordinances or other permitting agencies.

#### **SUBMITTAL REQUIREMENTS**

The items listed below must be submitted with the Dispensary Pre-application and will be used as the criteria to evaluate the proposals. Please provide a response to all items even if it is not applicable to your dispensary pre-application.

- 1. Proposed Dispensary Location.** At a minimum, the following information must be submitted on the proposed dispensary location:
  - The address and Assessor Parcel Number.
  - Proof of property ownership, or a notarized letter of the property owner's willingness to lease the property.
  - Describe all sensitive uses within three hundred feet as measured from the lot boundary of the proposed location to the lot boundary of the sensitive use including residential uses, youth oriented activities/uses and commercial daycare centers.
  - A Conceptual Site Plan that is accurate, dimensioned and to-scale (minimum scale of 1"=10') indicating at a minimum the lot dimensions, all buildings, parking, parking aisles, public entry, delivery area, and other information relevant to the site. Also indicate if there are other non-dispensary uses existing or proposed on the site.
  - Setback Verification Exhibit prepared and stamped by a licensed surveyor or civil engineer indicating that the proposed location meets the minimum setbacks as required by GBMC Article IX Section 4.10.045(F).
  
- 2. Business Plan.** At a minimum, the Business Plan must describe in detail the following:
  - Description of day-to-day operations which meet industry best practices for medical cannabis dispensaries.
  - How the proposed dispensary will conform to the City's ordinances, state law, and the Attorney General's Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use.
  - Mechanisms for ensuring that the dispensary will operate on a Not-for-Profit basis until the Medical Cannabis Regulation and Safety Act is fully in effect or until the implementation of the Adult Use Marijuana Act (AUMA) or those requirements stipulated by Chapter 18.
  - How cannabis will be tracked and monitored to prevent diversion.
  - A detailed description of all proposed site and building improvements including other proposed non-dispensary cannabis uses (i.e., vertically integrated uses).

- A schedule including the timeline for submitting required construction plans, construction of site and building improvements, and dispensary opening.

The Business Plan should also include the following (this information is confidential and will not be made available to the public):

- 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.
  - A description of banking practices, if applicable.
- 3. Qualifications and Experience of Principals.** The application must provide the following:
- Resumes of all principals including experience operating dispensaries.
  - Information regarding any special business or professional qualifications or licenses of principals that would add to the number or quality of services that the dispensary would provide, especially in areas related to medical cannabis, such as scientific or health care fields.
- 4. Neighborhood Compatibility Plan.** The application must provide the following:
- How the dispensary, including its exterior areas and surrounding public areas, will be managed to avoid becoming a nuisance or having impacts on adjacent properties and the surrounding neighborhood.
  - Demonstrate how odors would remain within the building and not be detectable from adjacent properties or businesses as required by GBMC Article III Chapter 18 Section 4000.180(H).
- 5. Environmental Benefits.** The application should describe the following:
- Any proposed “green” business practices relating to energy or water conservation.
  - Process for materials and waste management/recycling.
- 6. Local Enterprise.** The application should state the following:
- Extent to which the dispensary will be a locally managed enterprise and/or if principals reside with Grover Beach and/or San Luis Obispo County or Northern Santa Barbara County.
- 7. Operations and Security Plan.** The application must demonstrate compliance with Article III Chapter 18 including the following (this information is confidential and will not be made available to the public):
- A **preliminary floor plan** that is accurate, dimensioned and to-scale (minimum scale of 1/4”=1’) indicating the proposed uses.
  - A security plan including a description and schematic of the overall facility security with 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, delivery loading/unloading security, and third party contractor security, if applicable. In particular, the plan 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.



**RESOLUTION NO. 17-**

**A RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF GROVER BEACH AMENDING THE MASTER FEE SCHEDULE**

**WHEREAS**, the City Council of the City of Grover Beach has created a Master Fee Schedule by adopting Resolution No. 03-61; and

**WHEREAS**, on May 15, 2017 the City Council of the City of Grover Beach adopted Ordinance Nos. 17-05 and 17-06 amending Articles IX and III of the Grover Beach Municipal Code and approved a Local Coastal Program Amendment to the establishment, operation, and regulation of commercial medical cannabis uses; and

**WHEREAS**, the City’s implementation of the commercial medical cannabis uses will require the imposition of certain regulatory, processing and other related fees to recover City costs associated with the ordinances implementation; and

**WHEREAS**, the attached Exhibit “A” incorporates and amends Resolution No. 03-61 to include the necessary fees for implementation of the City’s commercial medical cannabis permitting process.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GROVER BEACH:**

**THAT** the Master Fee Schedule be amended as set forth in Exhibit “A” attached to this Resolution;

**THAT** the fees listed in Exhibit “A” of this Resolution shall become effective June 6, 2017.

On motion by Council Member \_\_\_\_\_, seconded by Council Member \_\_\_\_\_, and on the following roll-call vote, to wit:

AYES:	Council Members –
NOES:	Council Members –
ABSENT:	Council Members –
ABSTAIN:	Council Members –

the foregoing Resolution was **PASSED, APPROVED, and ADOPTED** at the Regular Meeting of the City Council of the City of Grover Beach, California, this 5<sup>th</sup> day of June, 2017.

**\*\* D R A F T \*\***

\_\_\_\_\_  
JOHN P. SHOALS, MAYOR

ATTEST:

\_\_\_\_\_  
DONNA L. McMAHON, CITY CLERK

CITY OF GROVER BEACH  
MASTER FEE SCHEDULE

**COMMUNITY DEVELOPMENT DEPARTMENT**

Fee Description & Unit/Time	Effective 6/6/17
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**PLANNING DIVISION**

<b>Dispensary Pre-Application</b>	\$	8,100.00
Plus Each Principal/Owner	\$	750.00

*Any requested services not covered by Master Fee Schedule will be charged actual costs based on time and materials.  
A deposit may be required by the City.*

*Deposits may be adjusted, based on the project, as determined by the Community Development Director*



# City of Grover Beach Planning Division

## MEDICAL CANNABIS DISPENSARY PRE-APPLICATION PROCESS

**154 South Eighth Street - Grover Beach, CA 93433 – Phone (805) 473-4520 - [www.groverbeach.org](http://www.groverbeach.org)**

The City of Grover Beach Municipal Code allows a maximum of two medical cannabis dispensaries. In anticipation of high demand for the two dispensaries, the Council has adopted criteria to select eligible applicants to proceed with submitting a Use Permit and Commercial Cannabis Permit application to operate the two dispensaries. Eligible applicants are not guaranteed that a Use Permit and Commercial Cannabis Permit will be approved for the proposed dispensary. The City will accept applications for a limited time **beginning on Monday, June 12, 2017**. To be considered, applications **must be submitted by 4:00 PM on Monday July 17, 2017** to the Community Development Department at 154 South 8<sup>th</sup> Street, Grover Beach, CA, 93433. Application materials will be available on the City's website at [www.groverbeach.org](http://www.groverbeach.org) or at City Hall.

This handout outlines the pre-application process, required submittal materials, and other information necessary to submit a Dispensary Pre-application. For questions regarding the dispensary pre-application process, please review the Cannabis Dispensary FAQ's on the City's webpage at [www.groverbeach.org](http://www.groverbeach.org). This application process is adopted pursuant to City Council Resolution 17-XX.

### **BEFORE YOU APPLY**

Review the information available on the City's webpage at [www.groverbeach.org](http://www.groverbeach.org) and be knowledgeable about the following:

- City's dispensary pre-application process and the submittal requirements.
- City's Commercial Medical Cannabis Ordinance requirements.
- Current State laws governing medical cannabis and medical cannabis dispensaries.
- The California Department of Justice Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use and Senate Bill 420 (Medical Marijuana Program Act).
- Medical Cannabis Safety Act (MCRSA).
- Review the application in its entirety to ensure that it is complete and accurate prior to submitting.

### **APPLICATION REQUIREMENTS**

Applicants must submit two (2) copies of the complete Dispensary Pre-application including all submittal requirements and a flash drive with a copy of the application in pdf format **no later than 4:00 PM on Monday July 17, 2017**. A complete application will consist of the following information:

- Dispensary Pre-application Form;
- City Indemnification Form;
- Dispensary Pre-Application fee of \$8,100 plus \$750 for the background check of each principal owner. If an applicant is disqualified as part of Phase 1, the application fee will be refunded less the cost to conduct the criminal background check.
- Setback Verification Exhibit prepared and stamped by a licensed surveyor or civil engineer indicating that the proposed location meets the minimum setbacks as required by GBMC Article IX Section 4.10.045(F).
- All the Submittal Requirements listed on pages 3 and 4.

If a delay occurs in the Live Scan or background check, the City may move forward with the Phase 2 Ranking Process to expedite the application process. In this case Applicants wishing to move forward in the process will acknowledge by signing the application that they agree to these terms and should they be disqualified because of a background check or a Live Scan disqualification they will not be eligible for a refund of the application fees. Applicants will not be allowed to make amendments to their application or to supplement their application once submitted.

## **EVALUATION AND SELECTION PROCESS**

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

### **Phase 1: Preliminary Determination of Eligibility**

The purpose of this phase is to determine that the proposed location is allowed (i.e., meets minimum setback requirements), a complete application with all the required information has been submitted, and the applicants have passed the Live Scan and background check and there is no “good cause” for denial of the permit as defined in GBMC Article III Chapter 18 Section 4000.40. Applicant is defined in GBMC Article III Chapter 18 Section 4000.20(B). Applicants that do not pass this phase will be disqualified.

### **Phase 2: Ranking Process**

The purpose of this phase is to have the Selection Committee comprehensively review, rank and interview all applicants based on the seven evaluation criteria listed below as the submittal requirements. Prior to finalizing the scores, the Selection Committee could also request any additional information from the applicants. The City Manager would recommend that the City Council adopt an Eligibility Ranking List with all applicants that score 80 points or higher ranked from highest to lowest score. The applications will be evaluated based on the following seven criteria (weighted scores shown in parentheses):

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- Neighborhood Compatibility Plan (10 Points)
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- Environmental Benefits (10 Points)
- Local Enterprise (10 Points)

### **Phase 3: City Council Approval of the Eligibility Ranking List**

The purpose of this phase is to have the City Manager present the final ranking and recommendation to the City Council. Applicants that are being recommended by the City Manager for inclusion on the Eligibility Ranking List should attend the City Council meeting and be prepared to respond to questions from the City Council. The City Council is solely responsible for determining the final Eligibility Ranking List including the number of dispensaries. The City Council also reserves the right to approve an Eligibility Ranking List with less than two dispensaries, or no dispensaries at all.

### **Eligible Applicants**

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Please note that being placed on the Eligibility Ranking List does not constitute approval of the Use Permit or the Commercial Cannabis Permit and does not waive or remove the requirements of applying for and receiving construction permits. It also does not guarantee that the plans submitted for the dispensary pre-application process meet the standards or requirements of the City’s Commercial Medical Cannabis Ordinances or other permitting agencies.

## **SUBMITTAL REQUIREMENTS**

The items listed below must be submitted with the Dispensary Pre-application and will be used as the criteria to evaluate the proposals. Please provide a response to all items even if it is not applicable to your dispensary pre-application.

- 1. Proposed Dispensary Location.** At a minimum, the following information must be submitted on the proposed dispensary location:
  - The address and Assessor Parcel Number.
  - Proof of property ownership, or a notarized letter of the property owner's willingness to lease the property.
  - Describe all sensitive uses within three hundred feet as measured from the lot boundary of the proposed location to the lot boundary of the sensitive use including residential uses, youth oriented activities/uses and commercial daycare centers.
  - A Conceptual Site Plan that is accurate, dimensioned and to-scale (minimum scale of 1"=10') indicating at a minimum the lot dimensions, all buildings, parking, parking aisles, public entry, delivery area, and other information relevant to the site. Also indicate if there are other non-dispensary uses existing or proposed on the site.
  - Setback Verification Exhibit prepared and stamped by a licensed surveyor or civil engineer indicating that the proposed location meets the minimum setbacks as required by GBMC Article IX Section 4.10.045(F).
  
- 2. Business Plan.** At a minimum, the Business Plan must describe in detail the following:
  - Description of day-to-day operations which meet industry best practices for medical cannabis dispensaries.
  - How the proposed dispensary will conform to the City's ordinances, state law, and the Attorney General's Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use.
  - Mechanisms for ensuring that the dispensary will operate on a Not-for-Profit basis until the Medical Cannabis Regulation and Safety Act is fully in effect or until the implementation of the Adult Use Marijuana Act (AUMA) or those requirements stipulated by Chapter 18.
  - How cannabis will be tracked and monitored to prevent diversion.
  - A detailed description of all proposed site and building improvements including other proposed non-dispensary cannabis uses (i.e., vertically integrated uses).
  - A schedule including the timeline for submitting required construction plans, construction of site and building improvements, and dispensary opening.

The Business Plan should also include the following (this information is confidential and will not be made available to the public):

  - 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.
  - A description of banking practices, if applicable.
  
- 3. Qualifications and Experience of Principals.** The application must provide the following:
  - Resumes of all principals including experience operating dispensaries.
  - Information regarding any special business or professional qualifications or licenses of principals that would add to the number or quality of services that the dispensary would provide, especially in areas related to medical cannabis, such as scientific or health care fields.

4. **Neighborhood Compatibility Plan.** The application must provide the following:
  - How the dispensary, including its exterior areas and surrounding public areas, will be managed to avoid becoming a nuisance or having impacts on adjacent properties and the surrounding neighborhood.
  - Demonstrate how odors would remain within the building and not be detectable from adjacent properties or businesses as required by GBMC Article III Chapter 18 Section 4000.180(H).
5. **Environmental Benefits.** The application should describe the following:
  - Any proposed “green” business practices relating to energy or water conservation.
  - Process for materials and waste management/recycling.
6. **Local Enterprise.** The application should state the following:
  - Extent to which the dispensary will be a locally managed enterprise and/or if principals reside with Grover Beach and/or San Luis Obispo County or Northern Santa Barbara County.
7. **Operations and Security Plan.** The application must demonstrate compliance with Article III Chapter 18 including the following (this information is confidential and will not be made available to the public):
  - A **preliminary floor plan** that is accurate, dimensioned and to-scale (minimum scale of 1/4”=1’) indicating the proposed uses.
  - A security plan including a description and schematic of the overall facility security with 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, delivery loading/unloading security, and third party contractor security, if applicable. In particular, the plan 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.

## **QUESTIONS**

If you have any questions, please visit the Cannabis FAQs on the City's website at [www.groverbeach.org](http://www.groverbeach.org). Questions can also be email to [commdev@groverbeach.org](mailto:commdev@groverbeach.org).