

APPLICATION INSTRUCTIONS FOR A COMMERCIAL CANNABIS PERMIT

The City of Colton is accepting Commercial Cannabis Permit applications for the following medicinal and adult-use cannabis businesses:

- Cultivation (indoor)
- Manufacturing
- Distribution Services
- Testing Lab
- Microbusiness (non-retail)

Information regarding the Commercial Cannabis Business application process can be found on the City's website at <https://coltonca.gov> and may include the following:

- Colton City Code (CMC) Chapter 5.54 (Ordinance No. O-17-19)
- Marijuana Candidate Sites (MCS) Overlay Zone Exhibits
- Commercial Cannabis Permit Fee Schedule
- Background Business Employee/Owner Background Application
- Commercial Cannabis Permit Application
- Cannabis Tax Rates

Applications to operate a Cannabis Facility ("Local License") in Colton are available from Development Services Department located in at 659 N. La Cadena Drive (Civic Center Annex, across La Cadena Drive from City Hall). For questions regarding the application process, please review the information on the Colton webpage listed above. To be considered for issuance of a Local License, final applications **must be** submitted by the business owner or authorized representative in the Development Services Department by appointment. Application appointments may be scheduled by calling 909.370.5079 or via email at planning@coltonca.gov.

Step 1: ZONING VERIFICATION LETTER (ZVL) (In advance of application submittal)

Fee: \$178.98

Applicants will be required to obtain a Zoning Verification Letter from the Development Services Department prior to submitting their Local License application to ensure the proposed location meets requirements. The review process typically takes approximately ten (10) working days and will cost \$178.98. The ZVL will need to be included with the application package.

Please note the issuance of a ZVL does not constitute written evidence of permission given by the City of Colton 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 Local License does not constitute a permit that runs with the land on which the Cannabis Business is established. Zoning Verification Letters require a written request to the Development Services Department and will not be completed over the counter to allow for research and review. Please note that the Cannabis Business, if a Commercial Cannabis Permit is approved and a Business License is issued, subsequent approval of a

Conditional Use Permit by the Planning Commission will be required. This is a separate application that will be accepted only after a Local License is approved.

Step 2: CRIMINAL HISTORY CHECK (Concurrent with application submittal)

Live Scan Fee: \$154.82

As part of Phase 1 of the Application Process each owner must undergo a criminal background check demonstrating they do not provide “good cause” for denial per CMC Sections 5.54.090(b) and 5.54.095. This consists of a two part application process:

- (a) Live Scan: The application with payment for the Live Scan must be submitted to the Police Department in City Hall. Please provide proof of a completed background form and/or Live Scan form along with proof of payment for the Live Scan concurrent with submittal of your application. Owners who do not meet criminal history eligibility requirements will be disqualified. Please contact the Police Department/Records Division for a copy of the application and to make a Live Scan appointment:

- Colton Police Department/Records Division
 - Attention: Administrative Assistant, Anita Betancur
 - P: 909-370-5015

- (b) Cannabis Business Employee/Owner Background Application: This application allows the City to conduct a more detailed background investigation. Please complete application and submit it to the Development Services Department concurrent with your application submittal, along with proof of payment for Live Scan.

Step 3: APPLICATION SUBMITTAL AND REVIEW

PHASE 1: APPLICATION SUBMITTAL AND DETERMINATION OF ELIGIBILITY

Fee: \$2,714 (paid concurrent with Initial Ranking fee)

Applicants must hand deliver **one** complete comprehensive and signed original of the City of Colton Commercial Cannabis Business Application Form, all attachments, a **flash drive** containing one comprehensive and signed copy of the application including attachments in a pdf format, and payment of initial application fee.

Note: This is in addition to the Zoning Verification Letter fee and Live Scan fee.

A complete application will consist of the following information:

1. The City of Colton Commercial Cannabis Business Application;
2. Background Authorization Form and/or Proof of Live Scan payment for each owner;
3. Zoning Verification Letter; and
4. All information pertaining to the Local License which will be evaluated in Phase 1, Phase 2 and Phase 3 as described in the Application and Evaluation Process section below. The only information that can be submitted after the initial application is proof of property ownership or lease agreement. Remember, any change in location will require a new ZVL and must be submitted with the application package prior to being interviewed as part of Phase 3 of the selection process. Please note an applicant may only choose to submit a different location prior to Phase 3 if the initial proposed site was approved as part of the original application package.

Additionally, note the following:

- Applications must be complete to be considered. Applications will be considered complete only if they include all the information identified in the Application Submittal Checklist on last page of the Commercial Cannabis Business Application form.
- Application shall not exceed a total of 125 pages
- Proposed location of business must be eligible for Local License

- Applicant will agree to execute an agreement indemnifying the City from liability

PHASE 2: INITIAL RANKING (1,000 POINTS)

Fee: \$3,000

Applications will be evaluated by a Selection Committee, appointed by the City Manager, based on the following criteria. See APPENDIX A and CMC Section 5.54.100 for a description of the evaluation criteria.

- A. Business Plan (500 Points)
- B. Safety and Security Plan (200 Points)
- C. Labor and Employment Plan (100 Points)
- D. Neighborhood Compatibility/Proposed Location (200 Points)

Those applications which score a minimum of 80% (800 points) in Phase 2 will move on to Phase 3

PHASE 3: SECOND RANKING (APPLICANT INTERVIEWS) (TBD POINTS)

Fee: \$1,600

The Selection Committee will interview and evaluate selected top-rated applicants based on the following criteria. See APPENDIX A for a description of the evaluation criteria.

- A. Neighborhood Compatibility/Proposed Location
- B. Business Plan
- C. Safety and Security Plan
- D. Labor & Employment Plan
- E. Community Benefits

PHASE 4: CITY MANAGER'S FINAL APPROVAL AND ISSUANCE OF LOCAL LICENSE

Fee: \$612

Upon the completion of the final review process, the Selection Committee will tabulate final scores of all applicants interviewed in Phase 3. In addition, prior to the final decision made by the City Manager, the City reserves the right to request and obtain additional information from any candidate who submitted a proposal. The City Manager will review the Selection Committee's final evaluation. If the City Council, by resolution, determines a maximum number of commercial cannabis businesses that may be permitted to operate in the City, the City Manager may award only as many Local Licenses as allowed pursuant to said resolution (CMC Section 5.54.080 (a)). The City Manager also reserves the right to award a lesser number of Local Licenses, 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.

Please note that being awarded a Local License does not constitute a land use entitlement and does not waive or remove the requirements of applying for and receiving permits for the proposed land use all construction including: **conditional use permit**, electrical, plumbing, fire, or other building 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 Local License application process meet the standards or requirements in Article 4 and any other permit requirements from other City departments or agencies.

CITY'S RESERVATION OF RIGHTS

The City reserves the right to reject any and/or all proposals, with or without any cause or reason, including but not limited to a determination by the City Manager that a sufficient number of Local License applications have been submitted for processing at any given time. The City may modify, postpone, or cancel the request for a Local License application 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 a proposal. Furthermore, a proposal **RISKS BEING REJECTED** for the following reasons:

1. It is not responsive to this application requirements contained in CMC Chapter 5.54.
2. The Zoning Verification process determines that the proposed business is not located with a MCS Overlay Zone, or the proposed use does not comply with the development standards and/or permitted uses contained in CMC Chapter 5.54.
3. The applicant, property owner and/or employees do not pass the required Live Scan/background check process.
4. The issuance of the Local License or permit of the Cannabis Business at the proposed location is inconsistent with the state law, or other applicable City of Colton Municipal Codes.

AMENDMENTS TO THE APPLICATION

Applicants will not be allowed to make amendments to their application or to supplement their application, except as otherwise specifically permitted in these procedures or as authorized in writing by the City Manager or his/her designee. During Phase 1, applicants will be notified if any of the owners are ineligible and/or if their application is incomplete. These applications will not move forward in the application process. However, when the City anticipates the Live Scan or background check may be delayed, the City may continue with the application process beyond the background check/Live Scan to prevent undue delays for the applicant. In these cases, applicants acknowledge, by signing the application, that expedition of the application without the positive Live Scan or background check will not create eligibility for a refund of any fees collected resulting from continuing the process while waiting for the background check and Live Scan.

APPENDIX A: DESCRIPTION OF EVALUATION CRITERIA

SECTION A: NEIGHBORHOOD COMPATIBILITY/PROPOSED LOCATION

1. Describe the neighborhood, property, building and floor plan. A site plan (accurate, dimensioned and to-scale [minimum scale of ¼"]) At minimum there should be a site plan capable of describing the overall property and the building interior with accurate floor plan)
2. Identify and describe any sensitive use areas within one thousand (1,000) feet of the proposed location
3. Confirm the property has the appropriate zoning and meets all the locational requirements as identified on the Official Zoning Map (Marijuana Candidate Sites Overlay Zone – CMC Chapter 18.06, Ordinance No. O-04-19) and as described in the Commercial Cannabis Business Regulations (CMC Chapter 5.54, Ordinance No. O-17-19).
4. Neighborhood Compatibility Plan;
 - Address how the Cannabis Business, including its exterior and surrounding public areas, will be managed to avoid becoming a nuisance or having negative impacts on its neighbors and/or surrounding community
 - Describe proactive measures designed to reduce or eliminate quality of life complaints associated with noise, odor, light, loitering, and vehicle and pedestrian traffic
5. Air Quality Plan;
 - Describe the measures designed to reduce or eliminate odor. The odor plan should include elements of building design, air circulation equipment and polices used to prevent impacts to employees and surrounding businesses.

SECTION B: BUSINESS PLAN

1. Ownership – Identify all owners and their percentage of ownership. Each owner should include information concerning any special business or professional qualifications.
2. Finances – A budget for construction, maintenance, compensation of employees, equipment costs, utility costs, and other operational expenditures. 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 schedule for beginning operation, including a narrative outlining any proposed construction and improvements and a timeline for completion.
3. Daily Operations – With as much detail as possible, the Business Plan should describe the Day-to-day operations, which meet industry best practices for the specific type license being sought.
4. How the Cannabis Business will conform to local and state law.
5. How cannabis will be tracked and monitored to prevent diversion. Describe the Point of Sales system to be used and how it will interact with the state’s mandated track and trace system.

SECTION C: SAFETY & SECURITY PLAN

Safety

1. **The Safety Plan shall be prepared by a professional fire prevention and suppression consultant**
2. A detailed safety plan. This plan will describe all fire prevention and suppression measures, fire extinguisher locations, evacuation routes and alarm systems the facility will have in place.
3. Identify storage locations of all gases, pesticides, and chemicals
4. For Manufacturing – Description of extraction process, solvents and equipment
5. Extraction room construction, suppression systems, gas detection equipment and exhaust systems
6. Accident and incident reporting procedures
7. Waste management locations and procedures

Security

1. **The security plan shall be prepared by a professional security consultant.** (Security plans will not be made public)
2. Premises Diagram: In addition to the site plans submitted for the Proposed Location section of this application, a Premises Diagram must be included with the Security Plan section. The diagram must meet the requirement of the Bureau of Cannabis Control CCR Title 16, Division 42, §5006. Premises Diagram.
 - The diagram shall show the boundaries of the property and the proposed location to be licensed, showing all boundaries, dimensions, entrances and exits, interior partitions, walls, rooms, windows, and doorways, and shall include a brief statement or description of the principal activity to be conducted therein.
 - The diagram shall show and identify commercial cannabis activities that will take place in each area of the premises, and identify all limited-access areas.
 - The diagram shall show where all cameras are located and assign a number to each camera for identification purposes.
 - The diagram should be accurate, dimensioned and to-scale (minimum scale of 1/4").
 - If the proposed location consists of only a portion of a property, the diagram must be labeled indicating which part of the property is the proposed location and what the remaining property is used for.
3. Describe the operational security, including but not limited to general security for access/visitor control, inventory control and cash handling procedures.
4. Describe the perimeter security, on-site security guards, light and parking
5. Describe the transportation security, techniques and security procedures.
6. Describe employee training and general security policies

SECTION D: LABOR & EMPLOYMENT PLAN

1. 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.
2. Identify number of employees at initial opening and the maximum number of employees when the business is at full capacity.
3. Identify all positions and their responsibilities.
4. Describe compensation to and opportunities for continuing education and training for employees
5. State the extent to which the Cannabis Business will be a locally managed enterprise whose owners and/or managers reside within Colton and/or Inland Empire.

SECTION E: COMMUNITY BENEFITS

The application should describe benefits that the Cannabis Business would provide to the local community, such as employment for residents of the City, community contributions, or economic incentives to the City.