

## Attachment 3

### CITY OF SAN BRUNO APPLICATION PROCEDURES AND GUIDELINES FOR COMMERCIAL CANNABIS OPERATORS PERMIT

Information regarding the Commercial Cannabis Operators Permit (CCOA) Application process for Storefront Sales or Distribution uses can be found on the City's website at [www.sanbruno.ca.gov](http://www.sanbruno.ca.gov) and includes the following:

- California state regulations and resources
- San Bruno Municipal Code (SBMC)
- Commercial Cannabis Operators Permit Application
- Application Procedures and Guidelines
- Background check application and Live Scan form(s)

**The application period to apply for a permit to operate a CCOP in San Bruno will open on \_\_\_\_, 2022, and will close at 4:00 p.m. on \_\_\_\_, 2022.** Applications will be available from the Community and Economic Development Department located at 567 El Camino Real, San Bruno, CA 94066. Applications must be submitted to the Community and Economic Development Department prior to the deadline. Incomplete and late applications will not be accepted.

*Applicants should monitor the City's web page for any additional information, FAQ's, or updates. It is the responsibility of the Applicant to stay informed of this information.*

#### APPLICATION INQUIRIES AND APPOINTMENTS

City staff will not be meeting with applicants or their representatives prior to the application deadline. All questions related to application submission, or the review process should be submitted in writing to the Community and Economic Development Director. Please also consult the F.A.Q. document posted on the City's cannabis website.

#### CITY'S RESERVATION OF RIGHTS

The City reserves the right to reject any and/or all applications in accordance with the San Bruno Municipal Code (SBMC) and these procedures and guidelines. The City may modify, postpone, or cancel the application period or review process for CCOP 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 applying. Late or incomplete applications at the time of application closing will be rejected. Furthermore, an application RISKS BEING REJECTED for the following reasons:

- It is not fully responsive to this request for a CCOP application.
- It exceeds a collective application page limit of 300 pages within a PDF.
- If the application fails to respond to the Review Criteria as noted in the SBMC and this application packet.
- The issuance of a CCOP permit at the proposed location would be inconsistent with State law, or other applicable provisions of the SBMC.

## APPLICATION PROCESS

Before submitting, review your application in its entirety to ensure that it is complete and accurate. Review the information regarding the CCOP application on the City's website: [www.sanbruno.ca.gov](http://www.sanbruno.ca.gov)

***The following procedures outline the application evaluation and selection process, required materials, and other information necessary to apply for a permit to operate a CCOP in San Bruno.***

### CCOP APPLICATION SUBMITTAL REQUIREMENTS

All required CCOP Application materials must be submitted together prior to the application deadline. Applicants must hand-deliver one (1) signed original CCOP Application and one (1) USB flash drive containing a scanned copy of the complete, signed CCOP Application (PDF format).

**Please Note:** Responses to the Review Criteria (Appendix A of this document) shall be limited to 300 pages. Those responses should be saved in a PDF file that is separate from the Review Criteria (see below). All materials must be submitted in both hard copy and on a USB flash drive in a PDF format, in the following files:

- PDF File #1 – CCOP Initial Application with authorized signatures
- PDF File #2 – Review Criteria responses
- PDF File #3 – Background Check documentation (All required documents for each owner; Board of Directors; and person(s) who will control, direct, or manage the operations of the facility). Upon submission of the online background check application, applicants will receive an email confirmation. This confirmation needs to be printed, scanned, and included within PDF File #3.
- PDF File #4 – Proof of Capitalization (All bank statements, loan documents, promissory notes, and, financial and commitment letters)
- PDF File #5 – A signed and notarized Property Owner Consent form, Lease Agreement, or a "Letter of Intention" to Lease.

### BACKGROUND CHECK

Each Owner, as defined in the San Bruno Municipal Code, must undergo a criminal history background check to demonstrate that they do not provide "good cause" for denial per the SBMC. Owners who do not meet the criminal history eligibility requirements of SBMC will be disqualified. Background check information can be found online at [www.sanbruno.ca.gov](http://www.sanbruno.ca.gov). In addition, each successful applicant/owner will be asked to submit to a Live Scan prior to permit issuance in order to complete the background check process. This will require the owner(s) to submit fingerprints to the city. The process will be conducted by the San Bruno Police Department, which will submit the Live Scan to the DOJ/FBI to review for criminal offender record information (CORI). The CORI reports will be provided to the City for the sole purpose of determining eligibility for operating a CCOP. Each applicant/owner's primary contact will be notified by email with the instructions on how to schedule the Live Scan appointment after the City determines which applicant(s) will be awarded a CCOP. There will be a fee for a provisional background check. Successful applicants will also be subject to a separate Live Scan fee.

### FEES

All applicants will be required to submit a deposit based on the current fee schedule for the City of San Bruno for each Storefront Sales and Distribution CCOP application. Time spent by City staff and any City consultant in reviewing applications and administering the application process will be tracked and charged against this amount. The deposit amount is based on the preliminary cost analysis; however, applicants are advised that they may be required to post an additional deposit, if necessary, for the City

to complete the application review processes. The provisional background check is a separate fee of \$\_\_\_ per owner and is due when requesting a criminal background check through the city website. Successful applicants will be subject to a Live Scan fee of \$\_\_\_ per owner and is due upon request of the City. **Please note the City will not accept cash or credit cards. Application fees are non-refundable.** However, any remaining deposit balance that is unused as a result of the applicant not participating in any phase of the application process will be returned to the Applicant.

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## **APPLICATION REVIEW, SCORING AND SELECTION PROCESS**

### **SELECTION PROCESS**

#### **PHASE I: DETERMINATION OF ELIGIBILITY**

Applications must be submitted in their entirety, no later than \_\_\_, 2022 at 4:00 p.m. LATE APPLICATIONS WILL NOT BE CONSIDERED. Upon receiving a complete application, the City will review the application in its entirety using the Application Submittal checklist on Page 1 of the CCOP Application. Applications that meet the minimum eligibility requirements will be forwarded to the Consultant for Phase II (Application Evaluation and Initial Ranking). If the City determines in the initial screening that an application does not meet minimum eligibility requirements, the applicant shall be notified in writing that the application has been denied. Within five (5) business days of the date of the decision, an applicant may file a request for immediate reconsideration.

#### **PHASE II: APPLICATION COMPLETENESS DETERMINATION**

Applications will be reviewed by City staff to determine if the application submittal package is complete. If the application is determined to be incomplete, the City shall provide written notice to the applicant and owner advising what information is required. The applicant shall have fourteen (14) days from City provision of the incompleteness notice to file the required information. Failure to provide the required materials within this timeframe shall result in the City's disqualification of the CCOP application from further consideration in the application review.

#### **PHASE III: APPLICATION EVALUATION AND SCORING**

Applications will be reviewed by a team of City staff representing the Community and Economic Development, Fire and Police Departments, and based on the criteria explained below. As instructed, responses to the Review Criteria must be saved in PDF File #2. See APPENDIX A for a description of the Review Criteria:

- 1) Business Plan
- 2) Labor and Community Benefit Plan
- 3) Neighborhood Compatibility Plan & Odor Control Plan
- 4) Safety and Hazardous Materials Plan
- 5) Security Plan
- 6) Location and Site Plans

Applicants will not be allowed to resubmit information that is determined to be missing or deficient during the Phase III review. Those applications which are determined to provide complete information which address all health and safety concerns in Phase III will move on to Phase IV of the application process.

#### **PHASE IV: SELECTION BY THE CITY COUNCIL**

Those CCOP Applications that have been cleared as part of Phase III process will be forwarded to the City Council for review and consideration. The City Council will hold a publicly noticed meeting to initially select up to three (3) CCOP applicants for retail establishments and one for a distribution establishment. If there are less than 3 initial submittals, the City Council may open the CCOP process again at any time in the future. At which time there are fewer than three approved retail CCOP's and fewer than one distribution CCOP, the City Council may open the CCOP application process to receive additional applications.

## **PHASE V: CITY FINAL DETERMINATION AND ISSUANCE OF CCOP LICENSE**

Operators selected by the City Council will be eligible to receive a CCOP permit after receiving Planning Commission approval of a Conditional Use Permit.

However, the City reserves the right to award a lesser number of CCOP permits or to award no permits at all.

## **CONTACT**

If you have any questions or would like an update on the status of your application, please contact the Community and Economic Development Department at (650) 616-7058, or by email at: \_\_\_\_.

## APPENDIX A: DESCRIPTION OF REVIEW CRITERIA

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All of the following information must be submitted on a USB flash drive in PDF format (please do not submit any documents in Word format) when the application is initially filed for consideration. Responses to the Review Criteria shall be limited to 300 pages.

### **REVIEW CRITERIA**

#### **1. BUSINESS PLAN**

- 1.1. Owner qualifications. Resumes are not to exceed two (2) pages per owner.
- 1.2. A budget for construction, operation, and maintenance, compensation of employees, equipment costs, utility cost, and other operation costs.
- 1.3. Proof of capitalization in the form of documentation of cash or other liquid assets on hand, Letters of Credit, or other equivalent assets.
- 1.4. Proof of corporation status.
- 1.5. Tax compliance.
- 1.6. Proof of insurance (required prior to City approval of the CCOP).
- 1.7. Financial pro forma and budget for at least three years of operation.
- 1.8. Fully describe hours of operation, and opening and closing procedures.
- 1.9. Describe the day-to-day operations per license type:
  - 1.9.1. Additional criteria for **Storefront Sales** applications only:
    - a. Describe customer check-in procedures.
    - b. Identify location and procedures for receiving deliveries during business hours.
    - c. Identify the name of the point-of-sale system to be used and the number of point-of-Sale locations.
    - d. Estimate the number of customers to be served per hour/day.
    - e. Describe the proposed product line to be sold and estimate the percentage of sales of flower and manufactured products.
    - f. If proposed, describe delivery service procedures, number of vehicles and product security during transportation.

#### **2. LABOR AND COMMUNITY BENEFITS PLAN**

- 2.1. Describe whether the CCOP is committed to offering employees a living wage.
- 2.2. Briefly describe benefits provided to employees such as health care, vacation, and medical leave, to the degree they are offered as part of employment.
- 2.3. Describe compensation to and opportunities for continuing education and employee training.
- 2.4. Describe the extent to which the CCOP will be a locally managed enterprise whose owners and/or managers reside, own a commercial business, or operate a non-profit within the City of San Bruno.
- 2.5. Describe the expected number of employees, title/position, and their responsibilities.
- 2.6. In addition to the hiring of San Bruno residents, describe any other proposed community benefit programs or provisions (which may include, though not be limited to, donation of equipment and supplies to San Bruno youth programs, provision of park equipment, etc.) related to the proposed commercial cannabis operation.

#### **3. NEIGHBORHOOD COMPATIBILITY PLAN (AND ODOR CONTROL PLAN)**

- 3.1. Describe how the CCOP will proactively address and respond to complaints related to noise, light, odor, litter, and, vehicle and pedestrian traffic and on-site and/or on-street parking.
- 3.2. Describe how the CCOP will be managed so as to avoid becoming a nuisance or having impacts on its neighbors and the surrounding community.

- 3.3. Describe odor mitigation practices.
- 3.4. Identify potential sources of odor and odor mitigation practices.
- 3.5. Describe odor control devices/equipment and techniques employed to ensure that odors from cannabis are not detectable beyond the licensed premises.
- 3.6. Describe all proposed system maintenance.
- 3.7. Describe the waste management plan. This should include handling and disposal of any unused or unsold cannabis products.

#### **4. SAFETY AND HAZARDOUS MATERIALS PLAN**

- 4.1. The Safety Plan should consider all possible fire, medical, and hazardous situations, and shall be prepared and/or assessed by a professional fire prevention and suppression consultant. Complete policy/procedures manuals are not required with the initial application materials but may be requested by the City during the application evaluation process. Please describe each of the following:
  - 4.1.1. Types, amounts, use and storage/transport details for any hazardous material to be used as part of project operations.
  - 4.1.2. Accident and incident reporting procedures.
  - 4.1.3. Evacuation routes.
  - 4.1.4. The location of fire extinguishers and other fire suppression equipment.
  - 4.1.5. Procedures and training for all fire and medical emergencies.

#### **5. SECURITY PLAN\***

- 5.1. The Security Plan should consider all access control, inventory control, cash handling procedures, and shall be prepared and/or assessed by a professional security consultant. Complete policy/procedures manuals are not required to be submitted with the initial application materials but may be requested by the City during the application evaluation process. Please describe each of the following:
  - 5.1.1. Premises (Security) Diagram. Applicants shall submit a premises diagram (or site plan) which focuses on the proposed security measures and how they relate to the overall business. (This is identical to the state requirement for such a diagram contained in CCR Title 16, Division 42, § 5006. Premises Diagram).
    - a. The diagram shall be accurate, dimensioned and to scale (minimum scale ¼"). The scale may be smaller if the proposed location exceeds more than a 1/2-acre parcel but must not be printed on larger than an 11" x 17" sheet of paper. (Blueprints and engineering site plans are not required to be submitted with the initial application materials but may be requested by the City during the application evaluation process)
    - b. The diagram must be drawn to scale and clearly identify property boundaries, entrances, exits, interior partitions, walls, rooms, windows, and doorways, as well as lighting plans for proposed exterior and interior lighting that will be used to help in providing necessary security lighting for the site. The activity in each room and the location of all cameras must be identified in the diagram.
    - c. The diagram must describe cannabis activity that will be conducted in each area of the premises. Commercial cannabis activities that must be identified on the diagram/site plan include the following, if applicable to the business operations: storage areas, batch sampling areas, loading/unloading of shipment areas, packaging and labeling areas, customer sales areas, training areas, employee break room areas, extraction areas, infusion areas, processing areas, and testing areas.
    - d. The diagram must include limited-access areas, defined as areas in which cannabis goods are stored or held and only accessible to the permittee, or its employees or contractors and areas used for video surveillance monitoring and storage devices
  - 5.1.2. Number, types and locations of all video surveillance cameras.
- 5.2. Identify the intrusion alarm and monitoring system including the name and contact information for the

monitoring company (if the company has been selected).

5.3. Briefly describe cash handling procedures.

5.4. Discuss whether the CCOP will utilize the services of on-site security guards. Include in the discussion:

5.4.1. Number of guards.

5.4.2. Hours guards will be on-site.

5.4.3. Locations at which they will be positioned.

5.4.4. Guard roles and responsibilities.

\* Security Plans will not be made public. (See Government Code Section 6254(f)).

## **6. LOCATION AND SITE PLANS**

6.1. The application shall include a thorough description of the proposed CCOP location, including but not limited to the overall property, building, and floor plan.

6.2. The application shall include at least one (1) photograph of the building frontage or street view of the vacant parcel.

6.3. Premises (Site) Diagram for each proposed location. In addition to the Premises (Security) Diagram, applicants shall submit a premises/site and building floor plan diagram that focuses on the overall property and building(s). This diagram should show the parcel and adjoining or neighboring buildings that may be affected by the CCOP.

6.3.1. A Premise (Site) Diagram must be accurate, dimensioned and to-scale (minimum scale of ¼"). The diagram shall provide a detailed description of all available/shared parking spaces, driveway locations, and auxiliary buildings on the parcel. (Blueprints and engineering site plans are not required to be submitted with the initial application but may be requested by the City during the application evaluation process. Security features are not required for this section.)