



# City of HOLLISTER CALIFORNIA

## APPLICATION PROCEDURE TO OPERATE A MEDICAL CANNABIS FACILITY IN HOLLISTER

The application process for a license to operate a Medical Cannabis Facility (“MCF”) in Hollister will open on March 15, 2017. Applications will be available at the Planning Department located at City Hall. For questions regarding the application process please review the FAQ’s, at the City of Hollister’s webpage: [www.hollister.ca.gov](http://www.hollister.ca.gov). This outlines the application process, required materials, and other information necessary to operate a MCF in Hollister. To be considered, final applications **must be** submitted by 4:00 PM on April 17th 2017 at the Planning Department located at 339 5<sup>th</sup> Street, Hollister, CA 95023. This application process is adopted pursuant to Hollister Municipal Code (“HMC”) section 5.42.290(A).

### **BEFORE YOU APPLY:**

- Review the information to learn about the application process and which documents you will need.
- Review the application in its entirety to ensure that it is complete and accurate.
- Review the information regarding the Medical Cannabis Facility (“MCF”) application on the webpage: [www.hollister.ca.gov](http://www.hollister.ca.gov) which includes the following information:

- Local regulations governing Hollister MCF’s: Hollister’s Municipal Code (“HMC”) Chapter 5.42.
- Live Scan Form.
- Additional application information: Ordinance No. 1131.
- Local Zoning Ordinance Chapter 17.16
- Frequently Asked Questions

- (1) **Application Process: Evaluation and Ranking:** The selection process shall consist of the following Stages:

- Stage 1: Preliminary Determination of Eligibility (\$1,500)
- Stage 2: Evaluation
- Stage 3: Public Meeting and City Council Final Selection

*(Combined stages 2 & 3 \$5,992)*

Total Application Fee: **\$7,492.00**

For more information, see Evaluation and Selection Process below.

- (2) **Criminal History Check:** As part of Phase 1 of the Application Process, each individual applying to be a principal of the MCF (“Principal”) must apply for a Live Scan criminal history check. This process must be conducted by the City of Hollister by appointment only. Please contact Eva Foster by phone at (831)636-4330 or by email at [efoster@police.hollister.ca.us](mailto:efoster@police.hollister.ca.us) in order to schedule your appointment. 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 City cannot guarantee that it will be able to accommodate applicants who do not

attempt to schedule an appointment until near the application deadline, and the City is not responsible for applicants who are unable to schedule an appointment prior to the application deadline. Please be advised that there will be a Live Scan **processing fee of \$93** per person, which must be paid at the time of the Live Scan. The Live Scan process involves submitting fingerprints to the DOJ, which will review for criminal offender record information (CORI). CORI reports will be provided to the City of Hollister for the sole purpose of determining eligibility for operating a MCF. See Hollister Municipal Code Section 5.42.290 for background check requirements. Principals who do not meet criminal history eligibility requirements will be disqualified.

- (3) **Application:** Applicants must hand deliver a complete comprehensive and signed copies of the Hollister Medical Cannabis Facility Application Form, and all attachments along with a flash drive which contains one comprehensive and signed copy of the application in a pdf format, and payment of **\$7,492**, starting on March 15, 2017 for Dispensary Operations the initial application and fee must be received by **4:00 PM on April 17, 2017**. Payment must be made by a certified check, cashier's check or money order made payable to the City of Hollister. Application Fees are **non-refundable**. A complete application will consist of the following information:
- a. The Hollister Medical Cannabis Facility Application Form;
  - b. Proof of Live Scan payment for each of the Principals;
  - c. Indemnification Agreement (attached); and
  - d. All of the information about the MCF to be evaluated in Stages 1 - 3 which are described in the Application and Evaluation Process section below in this procedure. Any change in location will require a new Application submission.

**LATE DISPENSARY AND ANY INCOMPLETE APPLICATIONS WILL NOT BE CONSIDERED.**

**(6 ) 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 authorized in writing by the City. During Stage 1, applicants will be notified if any of the Principals are ineligible and/or if their application is incomplete and will not move forward in the application process.

**EVALUATION AND SELECTION PROCESS:**

**The City Manager or Designee (along with relevant City Staff) will review and evaluate all applications.** The evaluation and selection process shall consist of the following four phases:

- **Stage 1: Determination of Eligibility and Application**
  - Hollister Business Tax License Application
  - Corporate Documentation (Articles, Bylaws/Operating Agreement, Statement of Information, Certificate in Good Standing California Tax Franchise Board, BOE Seller's Permit).
  - Each Principal must undergo a criminal history check demonstrating compliance with the eligibility requirements of HMC Section 5.42.050 for background checks.
  - Applications must be complete to be considered. Applications will be considered complete only if they include all information required for Stages 1 and 2.
  - Proposed location of business with proof of ownership or a signed and notarized statement from the Property Owner.
- **Stage 2: Ranking (1475 Points for Medical Cannabis Facilities and 1675 Points for Medical Cannabis Dispensaries \*indicate Dispensaries Only criteria)**
  - Applications will be evaluated based on the following criteria:
    - Qualifications of Principals (150 Points)
    - Business Plan (100 Points)
    - Community Benefits Plan (50 Points)

- Site and Floor Plans – (100 Points)
- Security Plan (200 Points)
- Proof of “Living Wage” – (25 Points)
- Employee Handbook – (100 Points)
- Standard Operating Procedures (100 Points)
- Disposal Procedures (50 Points)
- Inventory Control (150 Points)
- Odor Management Plan (150 Points)
- Signage Plan (25 Points)
- Policies Enforcing Chapter 5.42 of the HMC (100 Points)
- Development Agreement (200 Points)
- Preference to participate in Clinical or Academic Research (25 Points)
- \* Dispensary Procedure including Delivery Protocols (100 Points)
- \* Cash Management (100 Points)

After all the applicants from Stage 2 scores have been tabulated those applicants for cultivation, manufacturing, distribution, testing which amount to 1425 or greater and the top eight (8) applicants for dispensaries, if applicable, will move onto Stage 3 selection process.

➤ **Stage 3: Selection Committees Final Evaluation and City Council’s Final Selection**

**Stage 3 Steps to be followed:**

1. City Manager or designee (and relevant City staff) final review and evaluation.
2. City Manager presents final rankings and recommendation report to City Council.
3. City Council makes final selection.

The City reserves the right to request and obtain additional information from any candidate who submitted a proposal. The City Manager will present to the City Council the final ranking in which the City Council may award at its discretion cultivation, manufacturing, distribution and testing but only two (2) Dispensary permits pursuant to HMC Section 5.42.290. The City Council reserves the right to award a lesser number of permits, 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. The top Applicants which are being recommended by the City Manager for consideration to the City Council should be prepared to attend a City Council meeting in Hollister in order to provide a public presentation before the Mayor and City Council introducing their team and providing an overview of their proposal if requested by the City Manager.

- Please note that being awarded a MCF does not constitute a land use entitlement and does not waive or remove the requirements of applying for and receiving permits for any and 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 MCF application process meet the standards or requirements in MCF Section 5.42.290 or any other permit requirement from other city departments or agencies. All permit awardees will still be required to apply and receive a Conditional Use Permit (CUP) with the City of Hollister for the proposed construction or occupation of their facility.

**DESCRIPTION OF EVALUATION CRITERIA:**

- **Proposed Location.** Your application must include the address and a detailed description of the proposed location. This section should also describe all sensitive uses within a one thousand (1,000) foot radius of the proposed location and should certify that the proposed location is not within six hundred (600) foot radius of a school whether it be public or private as described in HMC Section 5.42.160. The

MCF must be located in the appropriate zoning meet all of the locational requirements as in described in HMC Chapter 5.42.

- **Business Plan.** With as much detail as possible, the Business Plan should describe:
  - Description of day-to-day operations. See HMC Section
  - How the MCF will conform too local and state law.
  - Odor control plan with detailed ventilation options for mitigating noxious odors.
  - The application should describe any proposed “green” business practices relating to energy and climate, water conservation, and materials and waste management.
  - Signage
  - A schedule for beginning operation, including a narrative outlining any proposed Construction/improvements and a timeline for completion.

The Business Plan should include:

- 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 and Security Plan.** For each proposed location, your application should include:

- A detailed **safety plan**. This plan should identify a Security Manager and 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.
- A detailed **security plan**. This plan should include a description and detailed schematic of the overall facility security. It should have details on both facility and operational security, including but not limited to general security policies for the facility, employee specific policies, training, sample written policies, transactional security, visitor procedures, 3rd party vendor 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(s). For all security consultants their name, contact information and business license number shall be provided. Security plans will not be made public.**
- A **floor plan and site plan** showing existing 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”).
- Photographs accurately depicting the entire interior and exterior and exterior of the proposed site(s), including entrance(s), including entrance(s), street frontage(s), parking, front, rear and sides of the proposed site.

**Community Benefits.** The application should appoint a Community Liaison and describe benefits that the MCF

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

**Enhanced Product Safety and Labeling.** The application should state how the MCF will ensure enhanced consumer safety beyond that required by HMC 5.42.190.

**Inventory Control Plan.** The application should describe the POS software the business will be using to track inventory and/or sales of medical cannabis. The applicant should provide evidence of ability to secure Worker's Comp and General liability insurance with an aggregate limit of not less than \$1,000,000.00.

**Labor & Employment.** The application should describe to what extent the MCF 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 MCF policy and regulations to employees – Employee Handbook);
- 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 200% above the Federal Poverty Level for a family of two.

**Local Enterprise.** The application should state the extent to which the MCF will be a locally managed enterprise whose Principals reside within Hollister and/or the County of San Benito.

**Qualifications of Principals.** The application should include information concerning any special business or professional qualifications or licenses of principals that would add to the number or quality of services that the MCF would provide, especially in areas related to medical cannabis, such as scientific or health care fields.

### **The City's Reservation of Right's**

The City reserves the right to reject any and/or all proposals, with or without any 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 a proposal. Late Medical Cannabis Dispensary Applications and/or generally incomplete Applications WILL BE REJECTED. Furthermore, a proposal RISKS BEING REJECTED for any of the following reasons:

1. Proposal considered not fully responsive to this request for a permit application.
2. Proposal contains excess or extraneous material not called for in the request for permit application.

### **CONTACT:**

If you have any questions or would like an update on the status of your application, please contact Maria C. Mendez at (831)636-4360 x12 or by email at [maria.mendez@hollister.ca.gov](mailto:maria.mendez@hollister.ca.gov).