



APPLICATION PROCEDURE TO OPERATE A COMMERCIAL CANNABIS FACILITY IN HOLLISTER

Applications to operate a Commercial Cannabis Facility (CF) are available on the City’s website at: hollister.ca.gov. For questions please contact Maria C Mendez (831) 636-4356 Ext. 1253 at Development Services Department located at 339 Fifth St., Hollister, CA 95023.

This application process is adopted pursuant to Hollister Municipal Code (“HMC”) section 5.42. Ordinance 1179.

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 Cannabis Facility (“CF”) application on the webpage: 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. 1179.
 - Local Zoning Ordinance Chapter 17.16
 - Frequently Asked Questions

1. Application Process: The review process consists of the following Stages:

- Stage 1: Preliminary Determination of Eligibility
- Stage 2: Evaluation/Review
- Stage 3: Public Meeting and City Council Decision

Application Fee: **\$8,812.80**

No application will be processed prior to obtaining approval of Live Scan by the Hollister Police Department.

- #### **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 the Hollister Police Department at (831) 636-4330 x 0 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. Please be advised that there will be a Live Scan **processing fee**, 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 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 **\$8,812.80**. 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 Cannabis Facility Application Form;
- b. Proof of Live Scan payment for each of the Principals;
- c. Indemnification Agreement; and
- d. All of the information about the CF 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.

EVALUATION AND 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**

- Each Principal must undergo a criminal history check demonstrating compliance with the eligibility requirements of HMC Section 5.42.050 for background checks.
- 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).
- 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: Evaluation**

- Applications will be evaluated based on the following criteria:
 - Qualifications of Principals
 - Business Plan
 - Community Benefits Plan
 - Site and Floor Plans
 - Security Plan
 - Proof of “Living Wage”
 - Employee Handbook
 - Standard Operating Procedures
 - Disposal Procedures
 - Inventory Control
 - Odor Management Plan

- Signage Plan
- Policies Enforcing Chapter 5.42 of the HMC
- Development Agreement
- Preference to participate in Clinical or Academic Research

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

Stage 3 Steps to be followed:

1. City Manager or designee (and relevant City staff) final review and evaluation.
2. City Manager or designee makes 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. 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.

Please note that being awarded a CF 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 CF application process meet the standards or requirements in CF 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 Cannabis 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 CF 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.
 - ✓ How the CF 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 Plan.
 - ✓ A schedule for beginning operation, including a narrative outlining any proposed Construction/improvements and a timeline for completion.

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 CF 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 CF 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 CF 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 CF 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 CF 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 CF would provide, especially in areas related to medical cannabis, such as scientific or health care fields.

The City’s Reservation of Rights

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 an 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) 636-4356 x1253 or by email at maria.mendez@hollister.ca.gov.