



Cannabis Retailer Permit Selection Request for Applications

Release Date	December 21, 2017
Applicant Questions Due	January 26, 2017
Applicant Questions Response Issued	February 7, 2018 (no later than)
Deadline for Applications	February 28, 2018 (noon)
Conflicts of Interest Challenge Period	March 5, 2018 to March 9, 2018
Evaluation Committee Review Period	March 10, 2018 to April 30, 2018
Ranking and Notice Issued	May 10, 2018
Appeal Period Deadline	May 22, 2018 (noon)

Authorized Contact: Salvador Valles, Assistant Director-Operations
Planning & Community Development
City of Santa Monica
salvador.valles@smgov.net
310-458-2216

Note: Questions regarding this Request for Applications may only be directed to the Authorized Contact.

Medicinal Cannabis Retailer Selection Description

The City is seeking applications for up to two (2) Medicinal Cannabis Retailers to be located within the City. On October 24, 2017 the Santa Monica City Council (the “City Council”) adopted an ordinance establishing a selection and permitting for two medicinal cannabis retailers. As a temporary measure, the City Council also instituted a prohibition on commercial activities related to Non-Medicinal Adult Use (i.e. “recreational”). On December 20, 2017 the Director of Planning and Community Development adopted administrative regulations to implement the provisions of the Ordinance (The “Cannabis Ordinance Rules” or “Rules”). A copy of the Rules is included with the Request for Applications package available on the City’s Business License website: www.smgov.net/businesslicense.

The permitted retailers in Santa Monica will only be permitted to sell and cultivate medicinal cannabis. No other commercial cannabis activities will be permitted within the retailer’s location, such as manufacturing.

Requirements

Each Medicinal Cannabis Retailer, including its owners, officers, managers and employees, is individually and jointly responsible for complying with all applicable state and local laws and regulations. In order to minimize confusion and to allow for consistency, the City of Santa Monica cannabis regulations attempt to avoid duplication with state adopted laws and regulations. In addition to all state regulations, Medicinal Cannabis Retailers are required to comply with the following local requirements.

- **Conditional Use Permit.** Each Medicinal Cannabis Retailer shall be subject to the approval of a Conditional Use Permit by the Planning Commission, appealable to the City Council.
- **Maximum size.** A Medicinal Cannabis Retailer may be no larger than 2,500 square feet.
- **On-site Cultivation.** A maximum area of 15% of the total floor area may be used for on-site cultivation of medicinal cannabis.
- **Distancing.** Medicinal Cannabis Retailers are prohibited within 600 feet of a Child Care and Early Education or Family Day Care Facility, park, school, library, Social Service Center, or other Medicinal Cannabis Retailer. Although the state also has 600 feet distancing requirements, please note the City of Santa Monica has a broader definition of a “sensitive use” when calculating distance. The distance shall be established on the date of application for the Conditional Use Permit.
- **Hours of Operation.** Medicinal Cannabis Retailers may operate between the hours of 10:00 a.m. and 8:00 p.m. Monday through Saturday and 12:00 p.m. to 7:00 p.m. on Sundays. Please note, these hours are a shorter duration than what the state allows.
- **Recommendations.** No recommendations for medicinal cannabis shall be issued on-site.
- **Delivery.** Delivery of medicinal cannabis to patients or primary care givers as defined in Health and Safety Code Section 11362.5 et seq. is permitted.
- **Source Requirement.** Only medicinal cannabis cultivated in California may be sold in a Medicinal Cannabis Retailer.

- **Litter.** Outdoor trash receptacles shall be available near the entrances to and exits from the establishment. The premises shall be continuously maintained in a safe, clean, and orderly condition with twice daily litter pick-up within 500 feet of the Medicinal Cannabis Retailer.
- **Inspections.** A Medicinal Cannabis Retailer owner shall authorize reasonable inspections of the property by the City of Santa Monica Code Enforcement and Police staff or other agents or employees of the City to ensure compliance with state and local regulations. The annual permit fees will cover the cost of four inspections annually. Inspections may be unannounced.
- **Enforcement Cooperation.** A Medicinal Cannabis Retailer, and all employees are required to use best efforts to assist the police in investigating and prosecuting any violations.
- **Insurance.** All Medicinal Cannabis Retailers are required to carry insurance. Although no specific minimum insurance requirements are mandated by the City, any insurance policy obtained by a Medicinal Cannabis Retailer shall be endorsed to state that coverage shall not be cancelled except after thirty days prior written notice has been given to the City. A permittee shall maintain Workers' Compensation insurance in force and effect at all times while the permit is active as required by law. If any insurance policy issued to a permittee is cancelled for any reason, the Medicinal Cannabis Retailer permit issued shall be automatically suspended. In order to reinstate the permit, the permittee shall provide a new certificate and policy of insurance to the City.
- **Background Check.** Each Medicinal Cannabis Retailer, including its owners, officers, and managers, is responsible for ensuring that all employees complete background checks, with approval from the Santa Monica Police Department prior to beginning employment. Retailers must maintain copies of each employee's approval at the retail location site and make it available for inspection by any authorized enforcement officer.
- **Warning Signs.** Retailers must post warning signs concerning the dangers of cannabis use by pregnant or breastfeeding mothers and the dangers associated with the use of vaporized and concentrated cannabis. Please refer to the Rules for more detailed information.
- **Training.** Each retailer must provide training to all employees on safe cannabis use consistent with the guidelines provided by the California Department of Public Health, including consuming edibles safely, risk associated with concentrates, and the risk to a baby from cannabis use by pregnant and breastfeeding women.
- **Security.** Each retailer must comply with written security procedures accepted by the State as part of the retailer's state permit application. These procedures would be provided only by the retailers selected to receive a permit and is required prior to the issuance of a permit.
- **Supervision.** An on-site supervisor must be present at all times that the retailer is open to the public for operation.
- **Compliance Liaison.** The retailer must identify a liaison to Police and Code Enforcement for both regular businesses hours and after hours prior to the issuance of a permit.

Selection Eligibility Requirements

Applicants may be denied a permit or disqualified from the selection process based on the following:

- Making one or more false or misleading statements, or material omissions on the application or during the application process;
- Failing to provide information requested or required by the City;
- Any condition set forth in California Business and Professions Code Section 26057;
- Repeated failure to comply with applicable laws or regulations;
- Operating or proposing to operate in a manner that endangers the health, safety, or welfare of the community.

Selection Criteria

A site location where the business will operate is not required during the Request for Application process. The two successful applicants will be issued a Preliminary Selection letter which will then allow the business to secure a location, alleviating the businesses from needing to invest in a location before knowing if they will be able to obtain a permit. The purpose of the selection criteria being used as part of this process is to evaluate the demonstrated effectiveness in managing a cannabis retail business. Applications will be reviewed and ranked according to how well the applicant demonstrates his or her effectiveness in meeting the requirements outlined below, consistent with SMMC Section 6.201.010. Each criterion shall be rated on a score of 1 to 10, 1 being extremely unqualified and 10 being extremely qualified.

1. Experience operating a retail establishment (25%).
2. Experience operating a medicinal cannabis retail establishment (i.e. dispensary) (20%).
3. Experience in cultivation practices, if cultivation is proposed, including sustainability practices (5%).
4. Experience operating in a regulated environment (10%).
5. Prior compliance record with permitting, business licensing, tax/fee payments in other jurisdictions where the applicant currently operates or has ever operated in within the past 10 years (10%).
6. Financial viability (25%).
7. Proposed community benefits (5%).

Lottery – If there is a tie for one or both of the top two spots, the final decision shall be made by lottery in accordance with the Cannabis Ordinance Rules.

Application Process Questions

Prior to the application submission deadline date, applicants are provided with an opportunity to submit written questions related to the Request for Application Process and Santa Monica Cannabis Rules and Regulations. Please see proposed schedule for the deadline for the application questions. All questions will be compiled by the City and all answers will be posted to the City's website. All other questions can still be sent to the Authorized Contact. Any question submitted to the City that is relevant to all applicants will be included with the posting of the compiled list of questions and answers.

Selection Application

Selection Applications must include and provide responses to all of the following sections organized in the same order outlined below, to be considered a complete application:

Company, Ownership, Responsible Persons, and Existing and Prior Permits

1. Completed Medicinal Cannabis Retailer Selection Application.
2. Introductory letter with general information about the company. Must include at a minimum information concerning 1) years in operation, 2) description of applicant's familiarity with and capability of operating in the City of Santa Monica, and 3) a statement detailing how the company satisfies the eligibility and selection criteria and why the company should be recommended for one of the two Medicinal Cannabis Retail Permits. *Note: For the purpose of the application, familiarity with and capability of operating in the City of Santa Monica is defined as one who has actively participated in retail operations in Santa Monica, or experience in either 1) operating a business or non-profit within the City, or 2) paid or un-paid experience working with a non-profit located in the City.*
3. A description of the proposed plan of operation, including but not limited to 1) proposed business plan, 2) operating budget, 3) organizational chart 4) detailed description of the business's regulatory compliance program, 5) training program for safe cannabis use, 6) information about any subcontractors or partnering organizations who will be actively involved in delivering services, 7) intent to operate as a non-profit or for-profit business, 8) proposed types of products to be sold, 9) if applicable, the address of the proposed location, and the name and address of the owner and owner's representative of the proposed location where a lease has been signed or bona fide leasing discussions have begun, and 10) detailed description of any plans for on-site cultivation, including a detailed description of chemical and water use.
4. A detailed description of any community benefits created by the proposed operation.
5. Complete licensing information for all current and anticipated cannabis testing facilities to be used.
6. A listing of all current and former cannabis-related business locations owned or operated by the applicant, including any person with any financial interest in any such cannabis-related operation, along with copies of any operating permits for all locations. Please include a list with detailed descriptions of all enforcement actions, permit suspensions/revocations, and the status and disposition of those actions. This list and detailed description must include actions against any businesses that no longer exist or where a person divested ownership, if any person listed in the application as an Owner, Officer, Director, General Partner, Officer, Principal, or Managing Member owned 10% or more of that business.

Parent/Subsidiary Information

7. The names and addresses of any parent or subsidiary of the applicant, namely, any other business entity owning or controlling the applicant in whole or in part, or owned or controlled in whole or in part by the applicant, and a statement describing the nature of any such parent or subsidiary business entity.

Financials

8. Detailed financial information/statements, including information on existing and proposed loans to the applicant for the proposed operation and the names and contact information for any lenders. For the purpose of this application, financial information/statements are defined as income statements, balance sheets, and cash flow statements for the prior two fiscal years of the business. Information must include details on funds proposed to be used to to fund the new location.

Background Checks

9. Completed Personal History Form for Each Person Listed on Sections B and C of the application.
10. Copies of Completed Live Scan Forms for Each Person Listed on Sections B and C of the application.
11. Completed authorization to conduct background checks on all individuals associated with the operation of the retailer, including but not limited to all principals, officers, directors, managers and employees.

Selection Application Submission

Selection Applications must be received by the City of Santa Monica no later than 12:00 noon (PST), Wednesday, February 28, 2018. Submissions must include 8 hard copies and one electronic copy (e.g. PDF) of the application. Selection Application submissions must be addressed to:

Salvador Valles, Assistant Director
Planning and Community Development
City of Santa Monica
ATTN: Medicinal Cannabis Retailer Selection Application Review
1685 Main Street, Room 214
Santa Monica, CA 90401

PLEASE NOTE: SELECTION APPLICATIONS NOT RECEIVED BY THE PUBLISHED DEADLINE SHALL NOT BE CONSIDERED, WITHOUT EXCEPTION. TO BE CONSIDERED "RECEIVED ON TIME", THE APPLICATION MUST MEET ONE OF THE FOLLOWING DELIVERY REQUIREMENTS:

1. **BE HAND DELIVERED TO THE FACILITOR AT THE ADDRESS PROVIDED ABOVE BY 12:00 NOON (PST), WEDNESDAY, FEBRUARY 28, 2018, OR**
2. **IF SUBMITTED BY MAIL (US POSTAL SERVICE, COMMON CARRIER, OR OVERNIGHT DELIVER SERVICE), THE MAILING MUST BE POSTMARKED WITH THE DATE THAT IS ON OR PRIOR TO THE PUBLISHED DEADLINE, AND AN EMAIL MUST BE SENT TO THE FACILITOR PRIOR TO THE 12:00 NOON (PST), WEDNESDAY, FEBRUARY 28, 2018 DEADLINE WITH A TRACKING NUMBER FOR THE PACKAGE.**

Live Scan

Live Scans are required for all owners and business managers identified on the Medicinal Cannabis Retailer Application Sections B and C at the time of application submission. Live Scans will need to be completed and copies of the Live Scan forms submitted with the application packet. All employees of the two Medicinal Cannabis Retailer businesses selected must have Live Scans completed upon hire and a copy of the Live Scan results must be included with the employee personnel file.

Live Scans may be performed by the Santa Monica Police Department (SMPD) or at any Live Scan provider approved by the California Department of Justice.

Applicants are required to complete all blank fields provided in the Santa Monica “Request for Live Scan Service” form included in the application materials. A separate form must be filled out for each person completing a Live Scan.

The bottom portion of the “Request for Live Scan” form will be filled out by the person conducting the Live Scan. All applications will be considered incomplete until all Live Scans have been performed by either the SMPD or a third party Live Scan operator for each person required to do so.

The Live Scan fee will be charged at the time of Live Scan by the SMPD or the third party Live Scan provider. Live Scan results will be sent directly to the SMPD. The SMPD will be responsible for conducting an additional background investigation upon receipt of the Live Scan results.

If an applicant chooses to use the Santa Monica Police Department service, the department provides Live Scan services on a walk-in, first come, first served basis, on selected days of the week. No appointments are taken.

The service is provided at the following location and times.

**Public Safety Facility
333 Olympic Drive, Santa Monica, CA 90401**

Tuesday - 1:00 pm to 4:30 pm

Wednesday - 8:30 am to 11:00 am and 1:00 pm to 4:30 pm

Thursday - 8:30 am to 11:00 am and 1:00 pm to 4:30 pm

Services not provided on Mondays or Fridays

What to Bring. To ensure rapid processing, please be sure to bring all of the items listed below, when you arrive for your Live Scan Fingerprinting.

- Three (3) copies of a completed Request for Live Scan Service form.
- Payment for the Live Scan service in the form of exact cash, check, Visa, Mastercard or Discover credit card.

Cost. Payments may be made in the form of exact cash, check or credit. All rates are subject to change and additional charges may apply depending on the type of application being processed. We will advise you of the total cost once you arrive for your Live Scan.

The fees for Live Scan services are as follows:

- Rolling fee: \$37.86
- Department of Justice (DOJ) Charge: \$32.00
- FBI fee: \$17.00

If, at any point, the SMPD background investigation determines that one or more of the responsible individuals required to complete a background check is ineligible pursuant to Section 6.200.090 of the Santa Monica Municipal Code (SMMC), the application will be determined to be rejected.

Review Process

Submitted proposals will be reviewed by City staff. Applications are vetted in advance of the review for satisfaction of minimum eligibility requirements. Staff will score the applications on the basis of the selection criteria listed above and on no other consideration. Recommendations are then approved by the Director of Planning & Community Development. The two applicants selected will be issued a Preliminary Selection Letter that can be used to apply for a Conditional Use Permit and California State permits.

Nothing contained in this request shall create any contractual relationship between an applicant and the City. The City accepts no financial responsibility for costs incurred by any applicant regarding this request.

It is understood that if the applicant selected fails to obtain all applicable permits for operation of a Medicinal Cannabis Retailer, the award shall be made to the next qualified applicant, who shall be eligible to proceed with obtaining all applicable permits as if that applicant was selected in the first instance. The City reserves the right to reject any or all proposals and any item or items therein, and to waive any non-conformity of proposals with this request whether of a technical or substantive nature, as the interest of the City may require. Finalists may be invited for an interview.

Proposed Schedule

- | | |
|--|----------------------------------|
| - Release of Request for Applications | December 21, 2017 |
| - Applicant Questions Due | January 26, 2018 |
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Fees

There is no application fee for the submission of a Medicinal Cannabis Retailer Selection Application. The following fees will apply for the two Medicinal Cannabis Retailers that are selected. These fees are not inclusive. Fees related to any construction or water-related fees that may apply, which are based on the scope of work for any improvements to the retail location and if there will be on-site cultivation.

Permit/Tax	Current Fees* / Tax
Medicinal Cannabis Retailer Permit - NEW	Jul – Sep: \$1,822.10 (4 Inspections) Oct – Dec: \$1,391.47 (3 Inspections) Jan – Mar: \$960.84 (2 Inspections) Apr – Jun: \$530.21 (1 Inspection)
Medicinal Cannabis Retailer Permit – RENEWAL	\$1,822.10 (4 Inspections) annually
Conditional Use Permit	\$17,204.55 (includes \$1,899.19 in mailing and preliminary review fees)
Business License Planning Review Fee	\$398.57
Fingerprint/Live Scan Fee (per person)	\$107.13
Business License Tax**	\$75 on first \$60,000, and \$1.25 for each \$1,000 or fraction thereof of gross receipts in excess of \$60,000 annually
State Mandated Fee CASp (eff: January 1, 2018)	\$4.00 annually

*Fees are adjusted annually by a cost of living factor and take effect July 1st of each year.

**Small business and non-profit exemptions exist. Speak with the Business License unit for more information.

Permit and Licensing Issuance

Each Medicinal Cannabis Retailer selected must complete a Business License and Medicinal Cannabis Retailer Permit application, and provide the following documentation prior to issuance of the Medicinal Cannabis Retailer's permit and business license (additional documentation may be required at time of permitting):

1. Completed compliance statement provided by the City stating that there are no changes to the facts presented in the applicant application; or if there are changes, a statement outlining each specific change. Changes may disqualify the applicant if they are material to the reasons the applicant was selected, such as a change in owners.
2. Proof of approved Conditional Use Permit
3. Proof of California State M Type 10 Retailer or M Type 12 Microbusiness Permit.
4. Proof of California State M Type 2 Cultivation Indoor-Small Permit if the Retailer will include onsite cultivation.
5. Proof of Valid County Health Permit (if Required).
6. Proof of Valid Seller's Permit.
7. Copy of Approved Compliance Report Issued by Code Enforcement.
8. Copy of the final version of the security procedures accepted by the state.
9. Completed Acknowledgement form provided by the City Signed by Building Owner (notarized).

[end]

MEDICINAL CANNABIS RETAILER SELECTION APPLICATION

All sections of this form must be typed or printed in blue or black ink.

SECTION A

BUSINESS ENTITY INFORMATION (ALL FIELDS REQUIRED)

Legal Business Name:	DBA (if applicable):				
Headquarters Address:					
<small>Number</small>	<small>Street</small>	<small>Unit/Suite #</small>	<small>City</small>	<small>State</small>	<small>Zip</small>
Federal Employer Identification number (FEIN):			Is this business a non-profit or exempt entity? <input type="checkbox"/> Yes <input type="checkbox"/> No		
			If yes, provide the IRS 501c3 documentation with your application.		
Number of shares issued by Corporation:			Number of shares retained by Corporation:		
Business Phone:		Alternate Phone: <input type="checkbox"/> Fax <input type="checkbox"/> Mobile <input type="checkbox"/> Other			

OWNERSHIP STRUCTURE

Select the type of ownership of this business. Complete this form and provide the information listed under the appropriate ownership type. If applicable, provide a copy of the fictitious business name statement.

<input type="checkbox"/> Sole Proprietorship ⇒ Application Contact Information ⇒ Owner/Officer Background information ⇒ Manager information ⇒ Acknowledgement & Confirmation	<input type="checkbox"/> Partnership (including limited partnership) ⇒ Owner information for each owner or partner Please Note: If one or more of the partners is a corporation, complete all of the provisions listed under Corporation for that partner ⇒ Manager information ⇒ Owner Background information ⇒ Acknowledgement & Confirmation <input type="checkbox"/> Attach a certified copy of the Certificate of Limited Partnership filed with the Secretary of State	<input type="checkbox"/> Corporation (including limited liability corporation) ⇒ Owner/Officer information for each of the current: <ul style="list-style-type: none"> ● Owners ● Officers ● Directors <ul style="list-style-type: none"> ● Stockholders holding more than 5% of the stock ● Agent of service ⇒ Designated Officer information ⇒ Manager information ⇒ Owner Background information ⇒ Acknowledgement & Confirmation <input type="checkbox"/> Attach a certified copy of the Certificate of Incorporation filed with the Secretary of State
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PARENT/SUBSIDIARY INFORMATION (If applicable)

Legal Business Name:
Business Physical Address:
<small>Number</small> <small>Street</small> <small>Unit/Suite #</small> <small>City</small> <small>State</small> <small>Zip</small>
Description of the nature of the parent/subsidiary relationship to the entity applying for this permit:

AGENT OF SERVICE CONTACT INFORMATION (If applicable)

First Name:	Last Name:				
Agent's Company Name (if applicable):	Department (if applicable):				
Agent Mailing Address:					
<small>Number</small>	<small>Street</small>	<small>Unit/Suite #</small>	<small>City</small>	<small>State</small>	<small>Zip</small>
Agent Phone:			Agent Email:		

APPLICATION CONTACT INFORMATION (NOTE: Contact information provided below will be used by the City to communicate with applicant.)

First Name:	Last Name:				
Phone:	Email:				
Contact Mailing Address:					
<small>Number</small>	<small>Street</small>	<small>Unit/Suite #</small>	<small>City</small>	<small>State</small>	<small>Zip</small>

All sections of this form must be typed or printed in blue or black ink.

SECTION B

OWNER/OFFICER INFORMATION *(Attach as many sheets as needed; Each person listed here must also complete a personal history form)*

List all owners, officers, directors, general partners, principals and managing members, position held and percentage owned *(if applicable)*. Include any person who has any form of ownership interest in the business, including but not limited to inventory, equipment, real estate or services.

OWNER 1	First Name:						Last Name:						
	Title:	<input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Partner <input type="checkbox"/> President <input type="checkbox"/> Managing Member <input type="checkbox"/> Trustee <input type="checkbox"/> Other: _____											
	Position / Interest held:						Percentage owned:						
	Residential Address:	_____					Phone:						
		Number	Street	Unit/Suite #	City	State	Zip						
Email:						Driver's License Number:						Issuing State:	
OWNER 2	First Name:						Last Name:						
	Title:	<input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Partner <input type="checkbox"/> President <input type="checkbox"/> Managing Member <input type="checkbox"/> Trustee <input type="checkbox"/> Other: _____											
	Position / Interest held:						Percentage owned:						
	Residential Address:	_____					Phone:						
		Number	Street	Unit/Suite #	City	State	Zip						
Email:						Driver's License Number:						Issuing State:	
OWNER 3	First Name:						Last Name:						
	Title:	<input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Partner <input type="checkbox"/> President <input type="checkbox"/> Managing Member <input type="checkbox"/> Trustee <input type="checkbox"/> Other: _____											
	Position / Interest held:						Percentage owned:						
	Residential Address:	_____					Phone:						
		Number	Street	Unit/Suite #	City	State	Zip						
Email:						Driver's License Number:						Issuing State:	

SECTION C

MANAGERS AND KEY PERSONS *(Attach as many sheets as needed; Each person listed here must also complete a personal history form)*

List any managers and key persons who will be responsible for the activities of the Santa Monica retail operation. Include any individuals that are also listed as owners, officers, etc., in the previous section.

MANAGER 1	First Name:						Last Name:						Title:	
	Residential Address:	_____					Phone:							
		Number	Street	Unit/Suite #	City	State	Zip							
Email:						Driver's License Number:						Issuing State:		
MANAGER 2	First Name:						Last Name:						Title:	
	Residential Address:	_____					Phone:							
		Number	Street	Unit/Suite #	City	State	Zip							
Email:						Driver's License Number:						Issuing State:		
MANAGER 3	First Name:						Last Name:						Title:	
	Residential Address:	_____					Phone:							
		Number	Street	Unit/Suite #	City	State	Zip							
Email:						Driver's License Number:						Issuing State:		

ACKNOWLEDGEMENT AND CONFIRMATION

The undersigned hereby states that the statements made in this form are true and correct to the best of their knowledge and belief, and that this statement is executed with the knowledge and understanding that any false statement, misrepresentation, or failure to reveal or provide requested information may be cause for refusal to issue, suspension, or revocation, of any License issued.

Signature

Print Name

Date

PERSONAL HISTORY FORM

E: Salvador.Valles@smgov.net
 W: smgov.net/departments/PCD

This form is required for each person listed in Sections B & C of the Medicinal Cannabis Retailer Selection Application Form. All forms must be typed or printed in blue or black ink.

BUSINESS ENTITY INFORMATION (ALL FIELDS REQUIRED)

Legal Business Name:
(must match Secretary of State business registry)

DBA:

Business Headquarters Address:

Number Street Unit/Suite # City State Zip

Business Mailing Address:

Number Street Unit/Suite # City State Zip

Business Contact Phone: _____ **Contact Email:** _____

PERSONAL HISTORY—OWNER, OFFICER, MANAGER AND KEY PERSONS

First Name: _____ **Last Name:** _____

Title/Position: _____

Residential Address:

Number Street Unit/Suite # City State Zip

Driver's License Number: _____ **State:** _____ **Exp. Date:** _____ **Phone:** _____

Date of Birth:

Month	Day	Year

I have resided in California for _____ years, in Los Angeles County for _____ years.

CRIMINAL RECORD

Have you been arrested for a crime in the last seven years, which resulted in conviction or plea of nolo contendere (no contest)? Yes No
 If yes, enter the information below. If you need more room, please attach a separate sheet.

Criminal Record 1	Description of Charge:	Date Charged:
	Disposition:	
	Jurisdiction:	

Criminal Record 2	Description of Charge:	Date Charged:
	Disposition:	
	Jurisdiction:	

Criminal Record 3	Description of Charge:	Date Charged:
	Disposition:	
	Jurisdiction:	

AFFILIATED BUSINESSES

List below the names of other cannabis businesses with which you are or have been affiliated. Attach additional sheets if needed.

Affiliated Business 1	Business Name:			Phone:		
	Dates Affiliated:			Interest Percentage:		
	Position Title:					
	Business Physical Address:					
Number Street Unit/Suite # City State Zip						
Affiliated Business 2	Business Name:			Phone:		
	Dates Affiliated:			Interest Percentage:		
	Position Title:					
	Business Physical Address:					
Number Street Unit/Suite # City State Zip						
Affiliated Business 3	Business Name:			Phone:		
	Dates Affiliated:			Interest Percentage:		
	Position Title:					
	Business Physical Address:					
Number Street Unit/Suite # City State Zip						

AFFILIATION HISTORY

Have you engaged in the direct management and operation of, or had 10 percent or more interest in, any business regulated by any jurisdiction whose license has been revoked or suspended? If yes, provide details below (attach additional sheets if needed). Yes No

Business 1	Business Name:			Phone:		
	Business Physical Address:					
	Number Street Unit/Suite # City State Zip					
	Ownership/Interest Percentage:			Dates of Employment: _____ to _____		
	Position Title:					
	Reason for Suspension or Revocation:					
Business 2	Business Name:			Phone:		
	Business Physical Address:					
	Number Street Unit/Suite # City State Zip					
	Ownership/Interest Percentage:			Dates of Employment: _____ to _____		
	Position Title:					
	Reason for Suspension or Revocation:					

ACKNOWLEDGEMENT AND CONFIRMATION

The undersigned hereby states that the statements made in this form are true and correct to the best of their knowledge and belief, and that this statement is executed with the knowledge and understanding that any false statement, misrepresentation, or failure to reveal or provide requested information may be cause for refusal to issue, suspension, or revocation, of any License issued.

Signature
Print Name
Date



REQUEST FOR LIVE SCAN SERVICE

Applicant Submission

ORI (Code assigned by DOJ)

Authorized Applicant Type

Type of License/Certification/Permit OR Working Title (Maximum 30 characters - if assigned by DOJ, use exact title assigned)

Contributing Agency Information:

Agency Authorized to Receive Criminal Record Information

Mail Code (five-digit code assigned by DOJ)

Street Address or P.O. Box

Contact Name (mandatory for all school submissions)

City State ZIP Code

Contact Telephone Number

Applicant Information:

Last Name

First Name Middle Initial Suffix

Other Name (AKA or Alias) Last

First Suffix

Date of Birth Sex Male Female

Driver's License Number

Height Weight Eye Color Hair Color

Billing Number (Agency Billing Number)

Place of Birth (State or Country) Social Security Number

Misc. Number (Other Identification Number)

Home Address Street Address or P.O. Box

City State ZIP Code

Your Number: OCA Number (Agency Identifying Number)

Level of Service: DOJ FBI

If re-submission, list original ATI number: (Must provide proof of rejection)

Original ATI Number

Employer (Additional response for agencies specified by statute):

Employer Name

Mail Code (five digit code assigned by DOJ)

Street Address or P.O. Box

City State ZIP Code

Telephone Number (optional)

Live Scan Transaction Completed By:

Name of Operator

Date

Transmitting Agency LSID

ATI Number

Amount Collected/Billed

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CITY OF SANTA MONICA CANNABIS ORDINANCE RULES AND REGULATIONS

v1.0 Effective: December 21, 2017

SCOPE AND INTENT

These rules and regulations (“Rules”) established pursuant to Santa Monica Municipal Code Section 6.200.030 shall be followed by commercial cannabis applicants and permittees, and evaluation committee members as applicable. All staff responsible for the administration and/or enforcement of the Cannabis Ordinance must implement and enforce the program in keeping with these rules. These Rules are not intended to be duplicative.

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MEDICINAL CANNABIS RETAILERS

I) Evaluation Committee

- a) The Assistant Director of Planning and Community Development shall serve as the “Facilitator” for the committee, including selecting and assembling the Evaluation Committee (“Committee”). The primary responsibility of the Facilitator is to ensure that the Rules governing the selection process are carried out in a fair manner.
- b) The Facilitator shall not be a voting member of the committee, but may be in attendance to advise and observe during deliberations and interviews with applicants.
- c) The Committee shall consist of a minimum of five (5) members but no more than seven (7), and shall include a mix of individuals, each of which meets at least one of the following criteria, background and/or experience:
 - i. Santa Monica Resident
 - ii. Environmental Sustainability Expertise
 - iii. Retail Business Experience
 - iv. Prior Experience with Cannabis Related Commercial Activities or Municipal Cannabis Regulations and/or Retailer Selection
- d) Committee members must be impartial and be free from any perceived or actual conflict of interest. Impartial shall mean the absence of bias or prejudice in favor of, or against, particular parties or classes of parties, as well as the maintenance of an open mind in considering issues that one may review. Conflict of interest means one having a financial or personal interest in the proceeding or in a party to the proceeding.

Committee members must complete a Conflicts of Interest form provided by the City.

The Facilitator shall review each potential committee member’s Conflict of Interest Form and may, in his or her sole discretion, disqualify potential

committee members for impartiality or a perceived or actual conflict of interest. After such review and exercise of disqualification authority, the Facilitator shall publish the names of Committee members to each Qualified Applicant.

- e) Any Qualified Applicant shall have 5 business days, from the date of publication pursuant to subsection (e) of this section, to challenge any Committee member, based on impartiality or perceived or actual conflict of interest. The Facilitator shall evaluate any challenge and issue a determination on whether the committee member may continue to serve or be disqualified. If a member is disqualified, the Facilitator may nominate another person to serve in the disqualified person's place if the minimum number of committee members is not met in accordance with subsection (c) of this Section. The Facilitator shall publish a revised list of Committee members to the Qualified Applicants, who shall have 5 business days to challenge the newly nominated member only.
- f) Once all members of the Committee have been confirmed by the Facilitator as described in subsection (f) of this section, the Facilitator shall issue notice to all applicants, the City Manager, and the Director of Planning and Community Development ("Director") that the Committee has been assembled. The Facilitator shall then proceed with implementation of the Competitive Evaluation process.
- g) Upon being selected as a committee member, such member shall have no ex parte communication with any applicant until such time the Competitive Evaluation Process has been finalized. For the purpose of this section, the Competitive Evaluation Process is finalized when two medicinal cannabis retailers have been issued a Preliminary Approval Letter and any appeals have been completed.

II) Competitive Evaluation Process

- a) The Facilitator shall prepare and issue the request for applications, schedule and facilitate all Committee meetings, maintain all minutes of the meetings, prepare the committees report for the Director, and serve as the primary contact for all applicants.

b) Request for Applications

- i. A request for applications shall be issued by the City that requests all information required by SMMC Section 6.201.020, these Regulations, any additional selection criteria or clarifications of selection criteria promulgated by the City, and the City's official application forms.
- ii. The request for applications shall include a form outlining the insurance requirements determined by the City's Risk Manager.
- iii. The request for applications shall be advertised on the City's web site, in a local publication, and at least one cannabis industry publication.
- iv. The application period shall be a minimum of 60 calendar days from the date the request for applications was issued.
- v. The Facilitator shall extend the application deadline by at least 30 calendar days if the City receives fewer than 6 applications at the end of the original application deadline. The Facilitator shall publish the new deadline in the same manner as the original request for applications was issued.
- vi. Applicants shall be required to provide a physical copy of the application for each committee member and the Facilitator, and one electronic copy of the application.
- vii. Applications that are not received by the published deadline shall not be considered, without exception. To be considered "received on time", the application must be hand delivered to the City by 12:00 noon on the posted deadline, or if submitted by the United States Post Office, Common Carrier, or Overnight Delivery Service, with a date that is on or prior to the posted deadline.
- viii. Applications that are "received on time" by the City and are fully complete shall be designated as the "Received Applications".

c) Application Format

Applications shall include, but not be limited to, the following sections:

- i. Company Information - Section shall include, but may not be limited to, information required by Sections 6.201.020 (c) (6), (7), (8), (9), (11), and (12). An Executive Summary must be included with this section that

includes a statement of eligibility detailing how the business satisfies the eligibility and selection criteria. This section must also include a description of:

- 1) Applicant's familiarity with and capability of operating in the City of Santa Monica;
- 2) A description from the applicant on its training curriculum for safe cannabis use;
- 3) Any prior enforcement actions taken by any licensing jurisdiction against the applicant, applicant's parent company, or any principals of the applicant company; and
- 4) Any prior enforcement actions taken against any owner or director for operating without approval from the local jurisdiction.

For the purpose of the application, familiarity with and capability of operating in the City of Santa Monica is defined as one who has actively participated in retail operations in Santa Monica, or has at least 3 years of experience within the last 5 years in one of the following two areas in Santa Monica: 1) operating a business or non-profit; or 2) paid or unpaid experience working with a business or non-profit.

- ii. Ownership Information – Section shall include, but may not be limited to, information required by Section 6.201.020 (c) (1). Each person listed must also be required to include a resume and provide answers to all questions in the City's application concerning each owner.
- iii. Responsible Persons – Section shall include, but may not be limited to, information required by Section 6.201.020 (c) (3). Information must include specific and detailed description of each listed person's relationship with and responsibilities within the proposed retailer.
- iv. Existing and Prior Permits – Section shall include, but may not be limited to, information required by Sections 6.201.020 (c) (4) and (11). Such information must include a list of all current and prior locations, permit numbers or copies of permits associated to those locations. A permit includes business licenses, regulatory permits, health permits, tax certificates, and similar governmental authorizations.

- v. Parent / Subsidiary Information – Section shall include, but may not be limited to, information required by Section 6.201.020 (c) (2). Such information must include the company name, its owners and directors, and locations where the business is organized and licensed.
- vi. Financials – This section shall include, but may not be limited to, information required by Section 6.201.020 (c) (5). Financial statements are defined as income statements, balance sheets, and cash flow statements for the prior two fiscal years of the business. Information must include details on funds proposed to be used to capitalize the business and to fund the new location.
- vii. Background Checks – This section shall include, but may not be limited to, information required by Section 6.201.020 (c) (10). Each person who is required to complete a background check must have completed LiveScan fingerprinting with the City prior to submission of the application and before the application deadline.

d) Selection Criteria

Applications will be reviewed and ranked according to how well the applicant demonstrates his or her effectiveness in meeting the requirements outlined below, consistent with SMMC Section 6.201.010. Greater weight shall be given in the ratings for financial viability and professional experience of the owners and directors outlined in criteria i, ii, and vi below. Each criteria shall be rated on a score of 1 to 10, 1 being extremely unqualified and 10 being extremely qualified.

- i. Experience operating a retail establishment.
- ii. Experience operating a medicinal cannabis retail establishment (i.e. dispensary).
- iii. Experience in cultivation practices, if cultivation is proposed, including sustainability practices.
- iv. Experience operating in a regulated environment.

- v. Prior compliance record with permitting, business licensing, tax/fee payments in other jurisdictions where the applicant currently operates or has ever operated in within the past 10 years.
- vi. Financial viability.
- vii. Proposed community benefits.

e) Evaluation and Ratings

- i. The Facilitator shall prepare a report of all “Received Applications” for the Director outlining the results of the review to determine if applicants are Qualified as defined in SMMC Section 6.201.030.
- ii. All applicants deemed not Qualified shall be issued a notice from the Director informing them of their application status and their appeal rights; those deemed Qualified shall be designated and placed on the “Qualified Applications List”.
- iii. The Facilitator shall prepare a staff report for all applications on the Qualified Application List for the Committee that will accompany each application outlining the 1) applicant’s prior experiences in other jurisdictions where it has operated, 2) information on all persons identified as “responsible” for the activities and owners of the retailer, 3) information on suppliers and testing facilities listed in the application, 4) status of existing operating permits held by the applicant in other jurisdictions, 5) location proposed in the application including verification of any lease arrangements and/or ownership, and 6) photos and summary of observations from any on-site visits that may have been conducted of existing facilities operated by applicant.
- iv. The Facilitator shall distribute all applications on the Qualified Applications List to Committee members, and assemble the Committee to conduct a “Table Review” evaluation for the applications based solely on the written materials submitted by the applicant and the Staff Report.

- v. The Committee shall rank all applications during the Table Review based on the categories and maximum points established in the request for applications as outlined in these Rules.
- vi. Based on the rankings of the Table Review, the Committee may recommend, by unanimous agreement, that the top ranking applicants be invited for an in-person presentation. If the Committee recommends to the Director an in-person presentation, the Committee shall unanimously agree to recommend up to three specific topics that each applicant would be required to answer. The responses to each topic shall be rated on a score of 1 to 10, 1 being extremely unqualified and 10 being extremely qualified. The questions may only be used as a means to obtain more details to assist with evaluating the applicants consistent with the selection criteria set forth in these regulations.

The following steps shall also be taken if the committee recommends in-person presentations:

- 1) The Facilitator shall submit the Table Review rankings with recommended questions to the Director for approval. The Director shall review the Committee's rankings, the Staff Report, and the Applications and modify the rankings consistent with his or her review. If the Director determines that the results of the Table Review are sufficient to make a selection, the Director may deny the Committee's request for in-person presentations and move immediately to the Selection Process set forth in these Regulations.
- 2) Should the Director determine that in-person presentations would assist in the selection process, the four applicants receiving the highest Table Review scores shall be invited for an in-person interview with the Committee. The Director may include more than four applicants to be interviewed, if the Director finds that the scores of any lower ranked applicants are not materially different from the fourth ranked applicant.

- 3) The Facilitator shall be responsible for scheduling, arranging, and preparing all materials for any in-person interviews.
 - 4) At the conclusion of the in-person interviews, the Committee shall award points based on the approved questions.
- vii. The Facilitator shall compile all ratings of each Committee member for the Table Review and any in-person presentations and prepare a staff report for the Director outlining the results of the evaluation process, and the feedback from the Committee members concerning the qualifications and rankings of the Qualified Applicants.

III) Selection Process

- a) The Director may request additional information from the Committee as part of the review of the staff report, and may change the rankings based on his or her independent review of the entire application record.
- b) At the direction of the Director, the Facilitator shall prepare the final rankings for approval and publishing.
- c) The Director shall certify and publish the final rankings.
- d) The Facilitator shall provide each Qualified Applicant with the results of the certified rankings.
- e) Upon completion of the appeal period or final administrative ruling on any appeals, the Director shall select the top two ranked applicants. If there is a tie for one or both of the top two spots, the final decision shall be made by lottery.
- f) In the event of a lottery as described in paragraph e, above, the Facilitator shall serve as the Lottery Proctor. The applicants who are part of the lottery shall be notified of the date and time the lottery will take place and must attend the lottery. The Facilitator shall place the names of each applicant on a 3 x 5 card ("Lottery Card"). The Lottery Cards will then be shown to each of the applicants participating in the lottery. At no time may any person other

than the Facilitator have control of the container or the Lottery Cards. The Facilitator shall fold the cards in half and place them in the container. The Director shall then draw the card from the container for any slot that is subject to the lottery. The name shall be read aloud. The results of the lottery are final.

- g) The Facilitator shall document the results of the lottery by amending the certified rankings to account for the results of the lottery.
- h) Based on the final rankings, the Director shall certify and publish the selection of the top two ranking applicants, and issue Preliminary Approval Letters.

IV) Business License and Permit Application Requirements

A business license shall not be issued to any medicinal cannabis retailer until such time they have provided the following documentation to the City.

- a) Completed statement on a form approved by the City stating that there are no changes to the facts presented in the applicants application; or if there are changes, a statement outlining each specific change and how each such change meets the City's requirements.
- b) Proof of California State M Type 10 Retailer or M Type 12 Microbusiness Permit
- c) Proof of California State M Type 2 Cultivation Indoor-Small Permit if the Retailer will Include Onsite Cultivation
- d) Proof of Valid County Health Permit (if Required)
- e) Proof of Valid Seller's Permit
- f) Approved Compliance Report Issued by Code Enforcement
- g) Proof of Insurance Endorsement
- h) Copy of the final version of the security procedures accepted by the state.
- i) Completed Acknowledgement form from Building Owner
- j) Any other documents required by law or regulation

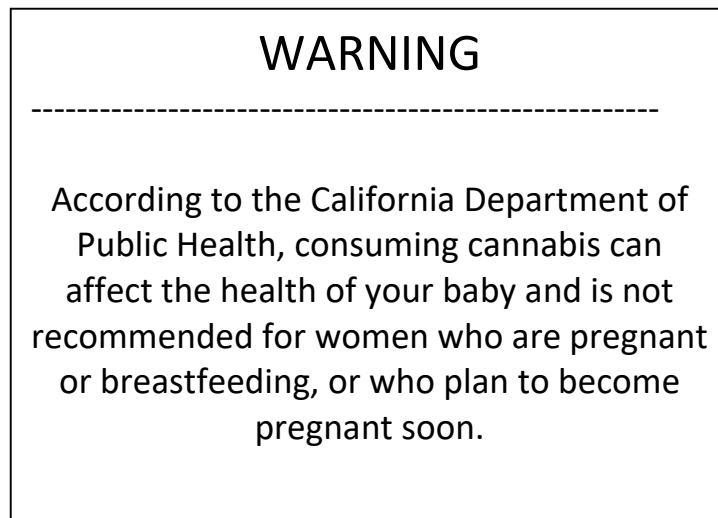
V) Background Check Standards

- a) For the purpose of the background review, a conviction means a plea or verdict of guilty or a conviction following a plea of nolo contendere (“No Contest”).
- b) An applicant shall be fingerprinted and undergo a background check by the Santa Monica Police Department who will provide the results of the findings to the committee Facilitator.
- c) The city may deny, suspend, or revoke a permit for any of the following:
 - i. Any person associated with the application has made one or more false or misleading statements, or omissions on the application or during the application process.
 - ii. Failure to provide information required by the City.
 - iii. The applicant, owner, officer, director, or manager has been convicted of an offense that is substantially related to the qualifications, functions, or duties of the business or profession for which the application is made.
 - iv. The applicant, owner, officer director or manager has been sanctioned by a licensing authority or a city, county, or city and county for unauthorized commercial cannabis activities, including but not limited to having had a cannabis related license or permit suspended or revoked in the three years immediately preceding the date of filing of the application.
 - v. Failure to obtain and maintain a valid seller’s permit required pursuant to Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code.
- d) For the purpose of sub-section c, Section 5017 of Chapter 1 of Title 16 Division 42 of the California Code of Regulations shall be the standards for determining substantially related.

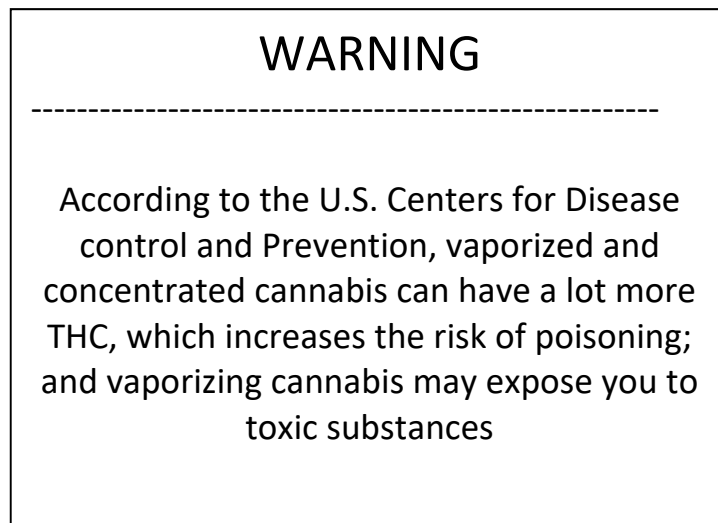
VI) Permit Conditions

A retailer must comply with the following permit conditions:

- a) Each retailer, including its owners, officers, managers and employees, are individually and jointly responsible for complying with all applicable state and local laws and regulations.
- b) Each retailer, including its owners, officers, and managers, is responsible for ensuring that all employees complete background checks, with approval from the Santa Monica Police Department prior to beginning employment. Retailers must maintain copies of each employee's approval at the retail location site and make it available for inspection by any authorized enforcement officer.
- c) Each retailer shall post the following warning notices in a conspicuous manner at an entrance or at a point of sale as to make it likely to be read and understood by a customer of the retailer. Signs must be 30-point type or larger and must include the word "WARNING" in all capital letters.
 - i. Pregnancy Warning



ii. Concentrates Warning



- d) Each retailer must provide training to all employees on safe cannabis use consistent with any guidelines provided by the California Department of Public Health, including consuming edibles safely, risk associated with concentrates, and the risk to a baby from cannabis use by pregnant and breastfeeding women.
- e) Each retailer must comply with the written security procedures submitted to and approved by the City.
- f) An on-site supervisor must be present at all times that the retailer is open to the public for operation.
- g) The retailer must identify a liaison to Police and Code Enforcement for both regular businesses hours and after hours.

[end]