



## COMMERCIAL CANNABIS BUSINESS PERMIT APPLICATION PROCEDURE GUIDELINES

### Introduction

The application process to operate a Commercial Cannabis Business (“CCB”) in Colfax will open on **September 25, 2020 and will close at 4:00PM on November 24, 2020**. Applications will be available at City Hall or on the City’s Website at [www.colfax-ca.gov](http://www.colfax-ca.gov). To be considered, final applications **must** be submitted by **4:00 PM on November 24, 2020** to the Planning Department located at 33 South Main Street, Colfax, CA, 95713. This outlines the application process, required materials, and other information necessary to operate a CCB in Colfax.

A total of eight (8) commercial cannabis business permits will be available, with a maximum of two (2) permits allocated for each of the following cannabis activities: cultivation, distribution, manufacturing, and testing. Applicants wishing to apply for a microbusiness permit (cultivation, distribution, manufacturing) must mark all three activities on their application. Applications for more than one (1) activity will be separated by activity and scored against applications for similar activity. Microbusiness applications will be scored based on the average of all three activities they are applying for. An applicant must be awarded all three (3) activities they apply for in order to receive a microbusiness permit from the City.

Information regarding the Commercial Cannabis Business application process can be found on the City of Colfax website at [www.colfax-ca.gov](http://www.colfax-ca.gov) which includes the following:

- Commercial Cannabis Business Application (CCBA)
- Owner Background Application and Intelifi Background Waiver
- Zoning Verification Form
- Ordinance No. 542: Colfax Municipal Code Chapter 5.32 (Commercial Cannabis Activity) and Title 17 (Zoning – Commercial Cannabis Activities)
- Cannabis Fee schedule

### The City’s Reservation of Rights

The City reserves the right to reject any and/or all applications, 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 applicant submitting a proposal. Late or incomplete applications will be rejected. Furthermore, an application risks being rejected for the following reasons, and the City reserves the right to reject any application for any reason whether or not listed below:

- The application or documents submitted are incomplete, filed late, or not responsive to the City’s requirements.
- The issuance of the permit or operation of the commercial cannabis business at the proposed location is inconsistent with State law, Colfax Municipal Code (“CMC”) Chapter 5.32 or Title 17 or other applicable City of Colfax rules, regulations, or ordinances.

### Questions Regarding the Application

Applicants will have the opportunity to submit questions regarding the application. Applicants must submit the

questions in writing to [city.clerk@colfax-ca.gov](mailto:city.clerk@colfax-ca.gov) by **October 19, 2020**. The City will post all questions and responses on the Colfax website on **October 26, 2020**.

### **Amendments to the Application**

Applicants will not be allowed to make amendments to their application or to supplement their application once submitted, except as otherwise specifically permitted in these procedures or as authorized in writing by the City.

### **Application Fees**

Application fees shall be submitted as noted below in Table 1. Applications will not be accepted without payment of fees. If the applicant does not proceed to the subsequent phase(s), a full refund of the phase(s) the applicant does not progress to will be issued within 30-days. The fees below do not include other standard fees such as building plan check fees, sign permit fees, design review fees, etc.

**Table 1**

Phase 1: Completeness Review and Determination of Eligibility	\$855 per application
Phase 2: Third-Party Review	\$2,996 per application; \$500 per each additional activity
Phase 3: City Manager's Recommendation and City Council's Approval	\$3,766 per application
Zoning Verification	\$406 per application
Background Check (Per Owner)	\$425 per owner

Payment must be made by cash, certified check, cashier's check or money order made payable to the City of Colfax. The City does not accept credit cards. All refunds will be issued by check to the party identified in the original payment method.

### **Criminal Background Check:**

Each owner must undergo a criminal background check demonstrating that they do not provide "good cause" for denial pursuant to CMC 5.32.310(I). The application forms for the background check will be available on the City website or at City Hall. Please provide a copy of your completed background check application forms along with proof of payment with your application. Owners who do not meet criminal history eligibility requirements will be disqualified.

### **Zoning Verification Letter:**

Applicants will be required to obtain a "Zoning Verification Letter" from the Planning Department in City Hall, located at 33 South Main Street, to ensure that the proposed location the applicant is applying for meets the locational requirements pursuant to CMC 17.162.080 prior to submitting their CCB application. The review process typically takes approximately ten (10) working days. The "Zoning Verification Letter" will need to be included with the application package. Please note the issuance of a "Zoning Verification Letter" is not written evidence of permission given by the City of Colfax or any of its officials to operate a CCB, nor does it mean "permit" within the meaning of the Permit Streamlining Act, nor does it constitute an entitlement under the Zoning or Building Code. A regulatory permit for regulating a CCB does not constitute a permit that runs with the land on which the CCB is established. Request for Zoning Verification Letter(s) require a written request submitted to the Planning Department and will not be completed over the counter since it may require additional research and review. Zoning Verification forms will be available at City Hall or on the City's Website.

### **CONTACT:**

If you have any questions or would like an update on the status of your application, please contact the City Clerk at (530)-346-2313 or by email at [city.clerk@colfax-ca.gov](mailto:city.clerk@colfax-ca.gov).

## **PHASES OF SUBMITAL, REVIEW, AND SELECTION:**

### **Application Submittal**

The City will establish an initial application submittal deadline (the “Initial Deadline”) which will ordinarily be 60 days after the City opens the application submittal process. The City reserves its right to establish a shorter or longer Initial Deadline. For a period of 30 days after the Initial Deadline, City staff and/or the City’s consultant will review each application for completeness (the “Completeness Review Period”). During the Completeness Review Period, City staff and/or the City’s consultant shall notify every applicant whose application is incomplete of the additional information needed for the City to deem the application complete and a deadline for submitting the additional information (the “Final Deadline”). Additional information submitted prior to the Final Deadline shall be considered by the City and its consultant. No additional information shall be submitted or accepted, and no application shall be modified, after the Final Deadline.

Applicants must hand deliver two (2) complete comprehensive and signed (**wet signatures in blue ink**) hard copies of the City of Colfax Commercial Cannabis Business Application and all attachments, along with two (2) flash drives, which contain one comprehensive signed copy of the Commercial Cannabis Business Application and all attachments in a pdf format. All applications must include all the items listed below and formatted as follows:

1. City of Colfax Commercial Cannabis Business Application
2. Property Owner Consent Form
3. Limitations on City’s Liability Waiver
4. Proof of payment of Application fees
5. Organizational structure documents (e.g., Articles of Incorporation, bylaws, partnership agreements, etc.).
6. Zoning Verification Letter
7. Owner(s) information
  - Color copy of Driver’s License or other valid government-issued photo identification.
  - Color copy of Social Security Card
  - Proof of address (DMV issued ID/Driver’s License and/or recent utility bill under Owner’s name)
8. Owner Background Application and Intelifi Background Waiver
9. Phase 2 – Third-Party Submittal Items (outlined on Application Procedure Guideline)
  - Qualification of Owners/Managers (1.1 – 1.3)
  - Plans, Location, and Other Diagrams (2.1 – 2.4)
  - Business Plan (3.1 – 3.13)
  - Operations Plan (4.1 – 4.5)
  - Safety Plan (5.1 – 5.9)
  - Security Plan (6.1 – 6.5)
  - Neighborhood Compatibility Plan (7.1 – 7.5)
  - Community Benefits Plan (8.1)
  - Labor and Employment (9.1 – 9.3)

### **Phase 1: Completeness Review and Determination of Eligibility**

- City Staff and/or consultant will review the applications for completeness.
- Background Checks conducted on Owners to determine eligibility.
- Applicants with complete applications are notified in writing and shall proceed to Phase 2.
- Applicants with incomplete applications after the Final Deadline are notified in writing and shall not proceed to Phase 2. This determination is not appealable.

## **Phase 2: Third-Party Review**

- Complete applications are forwarded to the third-party reviewer.
- Applications will be sorted by proposed cannabis activity. If an applicant applies for more than one (1) activity (i.e. microbusiness), the activities applied for will be divided and grouped with applications for similar use. Microbusiness applications will be scored based on the average of all three activities they are applying for. An applicant must be awarded all three (3) activities they apply for in order to receive a microbusiness permit from the City.
- The third-party consultant reviews each application in detail and scores the applications based on the Evaluation Criteria (as outlined starting on Page 5).
- If more than two applications are received for a particular activity, applicants with the two (2) highest scores are notified in writing and may proceed to Phase 3. Applicants that are not among those with the two (2) highest scores are notified and shall not proceed to Phase 3. If a microbusiness applicant is not selected for all three activities they apply for, the microbusiness application will not proceed to Phase 3.
  - In the event of a tie in scoring, applicants shall be entered into a lottery. Each eligible applicant will be notified in writing of the lottery location, date, and time, which will be conducted through a drawing at a public location.
- If no more than two (2) applications are received for a cannabis use, applicants must receive a passing score of a minimum 80% of total points possible. Applicants who received a passing score are notified in writing and may proceed to Phase 3. Applicants that do not have passing scores are notified in writing and cannot proceed to Phase 3.
- Phase 2 scores are not appealable.

## **Phase 3: City Manager's Recommendations and City Council's Final Approval**

- Once the Third-Party review is completed and all applicants have been notified, the highest scoring applicants or applicants who received a passing score will participate in a public meeting which will be held in the City of Colfax Council Chambers on a date and time to be determined by City staff. The public meeting shall be noticed pursuant to CMC Section 5.32.170 (c).
- At the Public Meeting, the City Manager will present the City Council with his/her recommendation after which the City Council will determine whether to approve, deny, or continue the application.
- The Applicant being recommended by the City Manager for consideration to the City Council should be prepared to attend a City Council meeting in City of Colfax 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 CCB does not constitute a land use entitlement and does not waive or remove the requirements of applying for and receiving permits for 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 CCB application process meet the standards or requirements of CMC Chapter 17 or any other permit requirements from other city departments or agencies.

## **Phase 4: City Permits for the Commercial Cannabis Business**

- The time needed to establish the cannabis business will vary depending on the type of cannabis permits requested and amount of site and/or building improvements needed.
- Prior to issuing a Commercial Cannabis Business Permit, Planning, Building, Code Enforcement, Placer County Fire staff, Placer County Public Health Department, and City Cannabis Consultant will review and

inspect the property to confirm all requirements have been met.

## **PHASE 2 – THIRD-PARTY REVIEW (EVALUATION CRITERIA):**

The third-party consultant will review each complete application. Each application will be given points, based on the nine (9) criteria established below (with a maximum of 240 points total). Each sub-criteria will be scored on 0-5 point range. Once the points for each of the nine (9) categories have been tallied by the consultant, they will be multiplied by the multiplier value (1-5 range) established by the City Council. The multiplier value will be established by Council at the City Council Meeting on August 26, 2020.

### **1. QUALIFICATION OF OWNERS/MANAGERS: (15 POINTS) x (3 COUNCIL MULTIPLIER)**

- 1.1 Description of owner qualifications. Resumes are not to exceed one (1) page per owner/manager and shall detail any special business or professional qualifications or licenses of Owners that would add to the quality of services that the cannabis business would provide, including in areas related to cannabis, such as scientific or health care fields. The experience can be in California or other states where recreational and/or medicinal cannabis is permitted.
- 1.2 Proof that the Owner(s) and/or Manager(s) have experience operating a commercial cannabis business in any State or local jurisdiction where Medical and/or Adult Use Cannabis Business activities are permitted.
- 1.3 State the extent to which the CCB will be a locally managed enterprise whose owners and/or managers reside in the City of Colfax or Placer County.

### **2. PLANS, LOCATION, AND OTHER DIAGRAMS: (20 POINTS) x (2 COUNCIL MULTIPLIER)**

- 2.1 Site Development Plan. Provide information on existing conditions and proposed improvements to the site; show how it meets or will meet the development standards outlined in the Colfax Zoning Code (1/8 inch = 1 foot minimum scale):

If existing buildings are to be demolished or expanded, provide separate site plans showing “existing conditions” and “proposed conditions.”

- North arrow, drawing scale, date of preparation and name of plan preparer.
- Property lines and any existing easements.
- Dimensions of subject site (include square footage).
- Dimensions and names of all adjacent streets and public rights-of-way.
- Location, dimensions and property line setbacks for all buildings and structures.
- Square footages for all buildings and structures.
- Location of trash enclosures.
- Location of ground mounted and/or roof mounted mechanical or other equipment.
- Location of loading docks/spaces.
- Location and number of all parking areas spaces and driveways and means of ingress and egress.
- Location and dimensions of all disabled parking spaces, ramps, curb ramps, and signs.
- Location and dimensions of all disabled-accessible “Path of Travel” to building entrance, sidewalks, and interior walks.
- Conceptual landscape plan detailing new/replacement landscaping and percentage of landscaping in the parking lot, setback areas, and tree size and species.
- Uses for all buildings and structures indicated on the site plan; if part of a multi-tenant center, include information on all existing tenant spaces.

- 2.2 Floor plan showing information on existing layout and proposed layout to building interior (1/4 inch = 1 foot minimum scale).
- 2.3 Building Elevations. Provide information on existing conditions and proposed improvements to building elevations (1/8 inch = 1 foot minimum scale):
  - Existing building elevations (all four (4) sides).
  - If modifications are proposed for existing buildings, provide before and after elevations (all four (4) sides). Also label all colors and materials.
  - If new buildings are proposed, provide full colored elevations. Also label all colors and materials and building height and width dimensions.
- 2.4 Preliminary grading plan.

### **3. BUSINESS PLAN: (65 POINTS) x (3 COUNCIL MULTIPLIER)**

- 3.1 A written description of the total square footage of the facility with estimated square footage of proposed uses (i.e. administrative, cultivation, manufacturing, shipping/receiving, laboratory, dispensary, etc.).
- 3.2 An organizational chart of Owner/Leadership activity with business manager(s) and employees.
- 3.3 Describe the owner's roles in day-to-day operations and decisions.
- 3.4 Describe the number of employees, title/position and their respective responsibilities.
- 3.5 Describe compensation for employees and opportunities for continuing education.
- 3.6 A schedule for beginning operations, including a narrative outlining any proposed construction improvements and a timeline for completion.
- 3.7 A budget for construction, operation, maintenance, compensation of employees, equipment costs, utility costs and other operating costs.
- 3.8 A description of the sources(s) of capital funds. The budget must demonstrate sufficient capital in place to pay startup costs and at least three (3) months of operating costs.
- 3.9 Proof of capitalization, in the form of documentation of cash or other liquid assets on hand, Letters of Credit or other equivalent assets.
- 3.10 A pro forma for at least three (3) years of operation.
- 3.11 Type of products being cultivated, manufactured or sold.
- 3.12 Estimated quantity and value of product(s) to be cultivated, manufactured, or sold.
- 3.13 Describe marketing procedures and tactics.

### **4. OPERATIONS PLAN: (25 POINTS) x (3 COUNCIL MULTIPLIER)**

- 4.1 Day-to-day operations shall be provided for each license type being sought. The proposed operations should acknowledge both state and local laws and should be consistent with industry best practices.
- 4.2 Describe hours of operation and facility opening procedures.

- 4.3 Describe cash handling procedures.
- 4.4 Describe inventory control procedures that will be included, identification of point-of sales and track and trace software. Explain how cannabis inventory will be tracked and monitored to prevent diversion.
- 4.5 Describe transportation, loading and unloading, distribution, or delivery procedures.

**5. SAFETY PLAN: (45 POINTS) x (5 COUNCIL MULTIPLIER)**

*Detailed safety plan that describes fire prevention, suppression, and alarm systems the business will have in place. The plan will have considered all possible fire, hazardous material, storage and handling of flammable gases and liquids, and inhalation issues/threats and will have both written and physical mechanisms in place to deal with each specific situation, including but not limited to:*

- 5.1 The Safety Plan shall be prepared and/or evaluated by a professional fire prevention and suppression consultant. A “professional fire prevention and suppression consultant” would include but not be limited to, an accreditation, certification, license, etc. related to fire safety.
- 5.2 Identify all gases, pesticides, and chemicals to be used and their storage locations.
- 5.3 Identify all possible fire, hazardous material, and inhalation issues/threats. Include written and physical mechanisms proposed to deal with each specific situation.
- 5.4 Identify fire alarm and monitoring system including the name and contact information for the alarm company.
- 5.5 Description of accident and incident reporting procedures.
- 5.6 Description of evacuation routes.
- 5.7 Location of fire extinguishers and other fire suppression equipment.
- 5.8 Description of procedures and training for emergency situations.
- 5.9 Description and location of all gas monitoring equipment (for Cultivation and Manufacturing applicants only).

**6. SECURITY PLAN: (25 POINTS) x (4 COUNCIL MULTIPLIER)**

- 6.1 The Security Plan shall be prepared and/or evaluated by a professional security consultant.
- 6.2 A premises diagram, which shall be accurate, dimensioned, and to scale (minimum scale =  $\frac{1}{4}'' = 1'$ ); the scale may be smaller if the proposed location exceeds a  $\frac{1}{2}$  acre parcel. The premises diagram shall include the following information:
  - North arrow, drawing scale, date of preparation and names of plan preparer.
  - Areas: diagram shall show the property boundaries, premises boundaries, dimensions, entrances and exits, interior partitions, walls, rooms, windows, and doorways and shall include a brief statement or description of the principal activity to be conducted in each area of the premises and all limited-access areas.
  - Square footage of all interior spaces.
  - Proposed uses of all interior spaces.
  - Commercial cannabis activities that must be identified on the diagram include, but are not limited to the following if applicable to the business operations: storage, batch sampling, loading/unloading of shipments, packaging and labeling, customer sales, extractions, infusions, cultivation, harvesting, processing, testing, and

cannabis waste disposal areas.

- If the premises consist of only a portion of a property, the diagram must be labeled indicating which part of the property is the cannabis premises and what the remaining property is used for.
- If the premises is on a property that will contain two or more licensed premises, it shall clearly show the designated entrances and walls under the exclusive control of the applicant for the premises, as well as the entrances and walls for each additional premises. All common areas must be labeled on the diagram, such as: lobbies, bathrooms, hallways, and breakrooms, if applicable.
- Identify all limited-access areas, (limited-access areas are defined areas in which cannabis goods are stored or held and only accessible to licensees, employees, or contractors).
- Address ingress and egress access, perimeter security, product security (at all hours), internal security measures for access (area specific), types of security alarms (alarms and cameras) and security personnel to be employed.
- Location of surveillance cameras and recording equipment (DVR/NVR), access control equipment and all safes, vaults or locked and secured rooms, location of audible exterior and interior alarms, panic buttons and restricted access locations, locations of lockboxes and keypads and security lighting. Camera(s) must be permanently mounted and in a fixed location which must be identified on the premises diagram. Each camera must be numbered for identification purposes. Each camera shall be placed in a location that allows the camera to clearly record activity occurring within 20 feet of all points of entry and exit and allows for the clear and certain identification of any person and activities in all areas required to be filmed.

- 6.3 Written description of operational security, including but not limited to, general security policies for the facility, employee specific policies, training, sample written policies, transactional security, visitor security and 3rd party contractor security, and delivery security.
- 6.4 Identify intrusion alarm and monitoring system including the name and contact information for the monitoring company.
- 6.5 Discuss whether the CCB will utilize the services of on-site security guards. Please include the following in the description:
- Number of guards.
  - Hours guards will be on-site.
  - Locations they will be positioned.
  - Their responsibilities.

\* Security plans will not be made public.

## **7. NEIGHBORHOOD COMPATIBILITY PLAN: (25 POINTS) x (3 COUNCIL MULTIPLIER)**

- 7.1 Provide a “Good Neighbor Policy” that includes policies and measures in place to protect adjacent uses from any potential impacts (i.e. noise, light, odor, traffic, etc.) related to the proposed cannabis business. Describe how the cannabis business and its operating characteristics will be proactively managed so the business is not detrimental to the public health, safety, convenience, or welfare of persons residing, working, visiting or recreating in the surrounding area and will not result in the creation of a nuisance.
- 7.2 Describe odor mitigation practices:
- Identify potential sources of odors.
  - Describe the system design and operational processes along with staff training, and maintenance plan. Please do not include equipment literature in this description.



- 7.3 Describe the waste management plan. The plan shall include waste disposal locations and their security measures, methods of rendering waste unusable and unrecognizable.
- 7.4 Describe the facility's sustainability efforts; provide a pledge to use locally sourced, low VOC, and energy efficient and sustainable materials and techniques (i.e. solar panels, renewable energy, etc.).
- 7.5 Describe how the location will be provided with adequate electricity, sewerage disposal, water, and storm drainage facilities for the intended purpose.

**8. COMMUNITY BENEFITS PLAN: (5 POINTS) x (4 COUNCIL MULTIPLIER)**

- 8.1 Describe benefits that the CCB would provide to the local community, such as employment for residents of the City, community contributions, or economic incentives to the City.

**9. LABOR AND EMPLOYMENT: (15 POINTS) x (2 COUNCIL MULTIPLIER)**

- 9.1 Provide number of new jobs created by proposed business.
- 9.2 Provide wage scales for all levels of employment.
- 9.3 Describe compensation and opportunities for continuing education and training of employees.