



# Medicinal Commercial Cannabis Application and Fees

El Monte City Council – December 5, 2017

# MEDICINAL COMMERCIAL CANNABIS PERMIT

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## Determination of Eligibility & Application

- Application
- Background Check
- Draft Development Agreement
- Staff Internal Review for Completeness

2-4

## Third Party Review, Interviews & Community Benefits Meeting

- Third-party review application items based on point-system.
- Qualified applicants to be interviewed by reps from Planning, Finance, Fire, Police.
- Qualified applicants attend community benefits meeting.

5

## Entitlements, DA & CEQA Review

- Applicants cleared to apply for conditional use permit, design review, if applicable.
- Development agreement (monetary and public benefits).
- CEQA review.
- Planning Commission & City Council approval.

6

## Permit Issuance

- Applicant submit building permits & outside agencies.
- Applicant apply for City Business License & Certificate of Occupancy.
- City Manager issues Medicinal Commercial Cannabis Permit (Valid for 12 months with annual renewal review).

# APPLICATION PROCESS – PHASE 1

## Phase 1: Determination of Eligibility & Application – Fee \$3,665

1. **Application**
2. **Background Check:** HdL and Live Scan
3. **Scoring Categories:**
  - Location
  - Neighborhood Compatibility Plan
  - Business Plan
  - Qualification of Owners
  - Safety & Security Plan
  - Air Quality Plan
  - Enhanced Product Safety
  - Labor & Employment
  - Local Enterprise
  - Conservation & Sustainability
  - Community Benefits & Fees

<b>Medicinal Cultivation</b>	\$12 per square foot
<b>Medicinal Manufacturing</b>	6% of gross receipts
<b>Medicinal Distribution</b>	2.5% of gross receipts
<b>Medicinal Laboratory Testing</b>	1.5% of gross receipts

# APPLICATION PROCESS – PHASE 2 & 3

## **Phase 2: Third Party Evaluation and Ranking – Fee \$713**

1. Applicants that pass background check will move onto Phase 2.
2. Applications evaluated and ranked by independent third-party, who shall score the 11 categories based on a point system.
3. Applicant's score based on ability to meet or exceed minimum requirements of each category.
4. Third-party reviewer recommends applicants who score a min. of 80% to advance to Phase 3.

## **Phase 3: Community Benefits Meeting – No Fee**

1. Applicants who score a min. of 80% in Phase 2 will be required to attend a community benefits meeting with stakeholders and the Development Ad Hoc Committee to discuss possible benefits to the community.
2. Applicants would use this information to respond to the “Community Benefits” category during the Interview process in Phase 4.

# APPLICATION PROCESS – PHASE 4

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## **Phase 4: Site Inspection & Selection Committee Interview – Fee \$1,798**

1. Applicants provide proof of ownership of the site or a signed and notarized statement from the owner.
2. Staff will conduct site inspection prior to interviews to determine if applicants have been operating prior to issuance of permits. Any applicant identified as having been in operation without a permit will be disqualified.
3. Panel interview by the Selection Committee: Representative from City Manager Office, Economic Development Dept., Finance Dept., Police Dept., and LA County Fire Dept.
4. Applicants who continue to maintain a score of at least 80% will advance to Phase 5.

# APPLICATION PROCESS – PHASE 5

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## **Phase 5: Entitlements and Environmental Review – Fee \$10,391**

1. Applicants scoring at least 80% in Phase 4 may apply for entitlements: Conditional Use Permit (CUP), Design Review (DR) and Development Agreement (DA).
  - 500 foot noticing requirements (increased from 300 feet).
  - Planning Commission and City Council can impose conditions to mitigate potentially negative impacts.
  - DA would set forth terms and conditions under which the facility will operate: signage and advertising, public outreach and education, community benefits, payment of fees and other charges as mutually agreed, and such other terms and conditions that will protect and promote the public health, safety and welfare.
  - Environmental Review pursuant to CEQA.
  - At the public hearings, the community will be allowed to present concerns and/or support and provide additional considerations for potential permit conditions that may be implemented by staff, the Planning Commission and the City Council.
  - Approval by Planning Commission and City Council.

# APPLICATION PROCESS – PHASE 6

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## **Phase 6: Issuance of Permit – Fee \$405**

1. Applicant apply for and receive permits for all construction related permits:
  - Building Division: tenant improvements, plumbing, electrical, etc.
  - Police Dept.: Security Plan
  - LA County Fire Dept.: Safety Plan
  - LA County Public Health Department
  - Utility agencies
  - El Monte Business License
2. Once all agencies have signed off on the permits, City Manager will issue the Medicinal Commercial Cannabis Business Permit.
  - Permit valid for 12 months and shall be renewed annually.

*(Applicants will also need to secure necessary State Licenses prior to operation)*

# EMPLOYEE PERMIT

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## Cannabis Employee Permit – Fee \$493

1. Required for all employees and volunteers.
2. Shall be at least 21 years of age.
3. Background check and Live Scan.
4. Required to wear photo identification badges while on the business premises.
5. Cannabis Employee Permit shall be valid for 12 months and shall be renewed annually.



# PERMIT FEES

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## Permit Fees – Total \$17,808

- Cost recovery to cover initial staff time for the City Manager's Office, Economic Development Department, Finance Department, City Attorney's Office, Police Department, Third-party Reviewer and inspections.
- Applicants pay separate fees by Phase, as they continue through the application process.
- Provisions to allow nominal fee adjustments on a yearly basis to cover general increases in expenses (e.g. increased costs related to noticing requirements, supplies, staffing resources, etc.) and Employee Cost Index for State and Local Government Employees.
- Ongoing monitoring and enforcement costs will be recovered through a separate annual medicinal commercial cannabis business permit on a cost-recovery basis to be set by the City Council at a future date.
  - Fee amount dependent on number of licensees

# SCHEDULE

DATES	TASKS
December 5	CC Application Process & Fee Resolution
Early December	Staff development of Cannabis Webpage
December 6	Applications Available
December 8	Ordinance Effective
January 11	Applications Due
January 13	Stakeholder Meeting
January	Review of Applications <ul style="list-style-type: none"> <li>• Phase 1 – Staff Review for Completeness, Background Check &amp; Live Scan</li> <li>• Phase 2 – Third Party Review (Point System)</li> </ul>
January 23	CC Resolution Regarding Allocation of Revenues
Early February	Phase 3 – Mandatory Meeting with Top Applicants on Community Benefits (Those scoring 80% or higher)
Late February	Phase 4 – Interview of Top Applicants
March	Phase 5 – Top Applicants apply for Conditional Use Permit and Development Agreement
Spring/Summer	Phase 6 – Issuance of Permit

# RECOMMENDATION

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Adopt the proposed Resolution by no fewer than three (3) affirmative votes, in accordance with Government Code Section 36936.



# Discussion

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