

RESOLUTION NO. 23-2920

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARTESIA, CALIFORNIA ESTABLISHING PROCEDURAL GUIDELINES AND REVIEW CRITERIA TO GOVERN THE APPLICATION AND SELECTION PROCESS FOR THE CITY OF ARTESIA RETAIL CANNABIS PERMIT PROGRAM AND DETERMINING THAT THE ADOPTION OF THESE PROCEDURES ARE EXEMPT FROM REVIEW UNDER CEQA PURSUANT TO CEQA GUIDELINES SECTION 15061(B)(3)

WHEREAS, on June 27, 2017, the Medical and Adult Use Cannabis Regulation and Safety Act (MAUCRSA) was signed into law, which provides a comprehensive regulatory framework for licensing, control, and taxation of medical and adult-use cannabis-related businesses in California;

WHEREAS, in November 2020, Artesia voters approved Measure Q, a ballot measure that would allow for certain taxes to be collected from the cultivation and sale of cannabis in Artesia if the City Council were to lift the current prohibitions on medical and commercial cannabis activities in the City;

WHEREAS, on October 10, 2022 the City Council adopted Ordinance No. 22-929, amending Article 44 of Chapter 2 of Title 9 of the Artesia Municipal Code establishing that retail commercial cannabis may be a permitted use subject to the review and approval of various entitlements within a portion of the Commercial General and Commercial Planned Development zones, as well as in a portion of the Artesia Boulevard Specific Plan, Artesia Boulevard Corridor Specific Plan and South Street Specific Plan areas that are south of State Route 91;

WHEREAS, on November 14, 2022, the City Council adopted Ordinance No. 22-930 adding Article 8 to Chapter 2 of Title 3 of the Artesia Municipal Code regarding Adult Cannabis Businesses and Establishing Permit Criteria and Regulations and Repealing Chapter 21 of Title 5 of the Artesia Municipal Code, and adopted Ordinance No. 22-938 on January 17, 2023, amending Article 8 of Chapter 2 of Title 3 of the Artesia Municipal Code to clarify that a signed lease is not required to be submitted with the application packet; and

WHEREAS, Ordinance No. 22-930 specifies that application procedures, guidelines and review criteria shall be adopted by resolution of the City Council to assist the City in effectively and transparently administrating the City's Cannabis Retail Business Permit Program.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ARTESIA, CALIFORNIA, HEREBY RESOLVES, FINDS AND DETERMINES AS FOLLOWS:

SECTION 1. The City Council hereby specifically finds that all of the facts set forth in the recitals of this Resolution are true and correct and are incorporated herein.

SECTION 2. The Application Procedures Guidelines and Review Criteria for a Cannabis Retail Business Permit Application attached hereto as Exhibit "A" is hereby adopted and incorporated herein by reference.

SECTION 3. The City Manager, or designee, is authorized to make non-substantive corrections, clarifications, and revisions to the Application Procedures Guidelines and Review Criteria as deemed necessary to facilitate the orderly and efficient implementation of any cannabis retail business permit application and selection process initiated or conducted by the City.

SECTION 4. CEQA Findings. The City Council finds that the adoption of the Application Procedures Guidelines and Review Criteria for the administration of the City of Artesia Cannabis Retail Business Permit Program is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of the CEQA Guidelines. The City Council previously adopted Ordinance No. 22-929 governing the locations of commercial cannabis retail. The City Council also approved Ordinance Nos.

22-930 and 22-938, which regulate the operation of commercial cannabis retail and cannabis delivery in the City. The adoption of the aforementioned fees will allow the City to obtain reasonable and appropriate recovery of costs based on fee studies conducted of public services in the administration of the Cannabis Retail Business Permit Program. Therefore, the adoption of said fees is covered by the common sense exemption in that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Accordingly, the City Council finds the adoption of said fees exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines.

SECTION 5. Effective Date. This Resolution shall take effect upon its adoption.

SECTION 6. Certification. The City Clerk shall certify to the passage, approval, and adoption of this Resolution.

PASSED, APPROVED AND ADOPTED this 1st day of February, 2023.



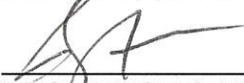
MONICA MANALO, MAYOR

ATTEST:



JENNIFER ALDERETE, ACTING CITY CLERK

APPROVED TO FORM:



BEST BEST & KRIEGER, CITY ATTORNEY

I, Jennifer Alderete, Acting City Clerk of the City of Artesia, do hereby certify that the foregoing Resolution was adopted at the Special City Council Meeting held on the 1st day of February, 2023, by the following roll call vote:

AYES:	COUNCIL MEMBERS:	RAMOSO, TREVINO, TAJ, LIMA, MANALO
NOES:	COUNCIL MEMBERS:	NONE
ABSENT:	COUNCIL MEMBERS:	NONE
ABSTAIN:	COUNCIL MEMBERS:	NONE



JENNIFER ALDERETE, ACTING CITY CLERK



City of Artesia

Community Development Department
18747 Clarkdale Ave
Artesia, CA 90701
Email: cannabisinfo@cityofartesia.us

APPLICATION PROCEDURE GUIDELINES AND REVIEW CRITERIA FOR A COMMERCIAL CANNABIS BUSINESS PERMIT (STOREFRONT RETAIL APPLICATIONS)

Application Period
OPENS – February 6, 2023
CLOSES – March 8, 2023

These Procedure Guidelines apply solely to Cannabis Storefront Retail Applications

NUMBER OF PERMITS

During this application period the City will be allowing up to three (3) cannabis Retail permits.

RETAIL BUSINESS

- “Retailer” shall have the same meaning as that contained in Section 26070(a)(1) of the California Business and Professions Code, except that it shall be open to the public and may not conduct sales exclusively by delivery, but may have a delivery as a component of the storefront retail business.

CONTACT

If you have any questions regarding the application process, please contact the Community Development Department by email at cannabisinfo@cityofartesia.us.

APPLICABLE REGULATIONS

Information regarding the Commercial Cannabis Business (CCB) Application process can be found on the City’s website at www.cityofartesia.us and includes the following:

- Application Procedures Guidelines and Review Criteria
- City of Artesia Municipal Code (AMC) Title 3, Chapter 2, Article 8 (Adult Cannabis Businesses and Activities) (Ordinance 22-930 and 22-938)
- City of Artesia Municipal Code (AMC) Title 9, Chapter 2, Article 44 (Commercial Marijuana Use and Cultivation) (Ordinance 22-929)
- Financial Responsibility, Indemnity and Consent to Inspection Terms Agreement
- Property Owner Letter of Intent (LOI)
- Commercial Cannabis Business (CCB) Permit Application

To be considered for issuance of a Cannabis Business Permit, applications must be submitted to the Community Development Department located at the address listed on these procedures by the deadline. There will be no exceptions. These Procedure Guidelines and Review Criteria (hereafter referred to as “Procedures”) constitute the application process and are adopted pursuant to the Artesia Municipal Code (AMC) Section 3-2.802.

Applicants should monitor the City’s web page for any additional information, FAQs, or updates. It is the responsibility of the Applicant to stay informed of regarding the application process and any updates thereto.

AMENDMENTS TO THE APPLICATION

Applicants will not be allowed to make amendments to their application or to supplement their application, except as otherwise specifically permitted in these Procedures, or posted on the City’s website as a clarification update, or as authorized in writing by the City Manager or his/her designee.

City staff and/or the City’s Consultant will conduct a preliminary evaluation of the applications for completeness.

Applications missing a major component (for example, a Security Plan), will be rejected and the City will notify the applicant by email that they have been disqualified from further application review.

For Applications missing essential information, (for example, signatures/dates on forms, proof of payment receipts, scanned pages in one of the scoring criteria documents, or incorrect formatting or organization of files), the primary contact will be notified by email that their application is found to be missing minor requirements. If this is the case, the Applicant may be granted five business days from the date of the email to submit the required information.

Should you receive an email from the City, we ask that you confirm receipt of it immediately. If the City does not get confirmation from your primary contact within two business days, it may, but is not required to, make an attempt to notify the primary contact by phone. Please note, any additional time to cure any Application deficiencies will not be granted beyond the five day period. Applicants should monitor incoming and spam email, carefully. Further, any additional information that is submitted other than what was requested to cure the minor deficiencies will not be considered. Finally, an applicant will be notified if their application is incomplete or if there is any other reason for which they will not be moving forward in the application process.

LIMITATIONS ON MULTIPLE SUBMISSIONS

Applicants possessing an ownership interest of ten percent (10%), or more, in a retail cannabis permit application shall be limited to submitting only one application for a retail cannabis permit during this application period. In addition, the City will only accept a maximum of five (5) Property Owner Letters of Intent (LOIs) per property (APN). Further, without exception, only one retail Applicant will be issued a retail permit per property (APN).

CITY’S RESERVATION OF RIGHTS

The City reserves the right to reject any and/or all applications, with or without cause or reason. The City may modify, postpone, or cancel the request for a retail cannabis permit without

liability, obligation, or commitment to any person, party, firm, or organization. In addition, the City reserves the right to request and obtain additional information from any Applicant in order to conduct a complete review of the application or an investigation into the truthfulness of the statements set forth in the application or provided at any stage of the application process.

APPLICATION PROCESS

This application process is adopted pursuant to AMC Section 3-2.802. Applicants are encouraged to review all information regarding the application process. Before submitting an application, Applicants should review the application in its entirety to ensure that it is complete and accurate. In addition, Applicants should regularly monitor the information regarding the Cannabis Business Permit application process on the City webpage for any additional information.

APPLICATION SUBMITTAL REQUIREMENTS

Applications must respond to all requirements outlined in the “Application Procedure and Review Criteria for a Commercial Cannabis Business Permit.” Applicants must submit all required application materials together in one complete comprehensive application package. This can be done in person, by U.S. Mail, or by common carrier delivery service (e.g., FED EX, UPS, etc.). The complete application package must be secured in an envelope or box addressed as follows:

Community Development Department
Attn: Cannabis Application Process
City of Artesia
18747 Clarkdale Ave
Artesia, CA 90701

The application package must include hard copies of all the following documents with original signatures for each document (where applicable):

1. Cannabis Business Permit Application;
2. Financial Responsibility, Indemnity and Consent to Inspection Terms Agreement;
3. Agreement on Limitations of City’s Liability and Indemnification to City;
4. Application Fee and Background Check Fee(s) Payment;
5. Property Owner Letter of Intent;
6. Zoning Verification Letter.

FLASH DRIVE CONTENT

In addition to the above hard copies, all Applicants must submit a USB flash drive containing one complete digital copy of the application package per the requirements as outlined in the below format. The application package, including the flash drive and application fees, must be received by the Community Development Department at the same time.

Please note that responses to PDF File #2: Evaluation Criteria, Sections A-G (found in Appendix A of the Procedures) shall be limited to 125 pages, otherwise points will be deducted. Responses pertaining to Proof of Capitalization shall not be included in the 125-page limitation,

and should be saved in PDF File #4, separate from the Evaluation Criteria (see below). Applicant responses to the Evaluations Criteria (Sections A-G) must be provided in the section order identified in Appendix A. Each section shall be clearly labeled, with responses provided in the appropriate section. Any response to Evaluation Criteria that is not placed within the appropriate section will receive a deduction in points.

All materials must be submitted on a USB flash drive in a PDF format in the following files. Please submit the files in the correct format and organized correctly or your application will receive a deduction in points.

PDF File #1	Cannabis Business Permit Application (pages 1-3); Financial Responsibility, Indemnity and Consent to Inspection Terms Agreement (pages F1-F3); Agreement on Limitations of City’s Liability and Indemnification to City (pages F4-F6); and Property Owner Letter of Intent (LOI). All copied documents shall display required signatures to be deemed complete.
PDF File #2	Evaluation Criteria (Responses to Sections A-G of Appendix A limited to 125 pages, excluding Proof of Capitalization, which shall be included separately in PDF File #4).
PDF File #3	Background Check documentation (All required documents for each owner). Upon submission of the online background application, Applicants will receive an email confirmation. This confirmation needs to be printed, scanned, and included within PDF File #3.
PDF File #4	Proof of Capitalization (Appropriate bank statements, loan documents, promissory notes, financial and commitment letters); Copies of business entity formation and organizing documents (e.g. articles of incorporation, statement of information, articles of association, and fictitious business name statement, as applicable).
PDF File #5	Zoning Verification Letter (ZVL) which shows the correct location, unit, space, or suite number in the building being used. Proof of Insurance or a letter showing proof of insurability by a qualified insurance company which shows the location being insured in City of Artesia, the type of activity being insured, and the name of the business being insured. Copies from another business location in another city owned by the Applicant will not be accepted.
PDF File #6	Documents relating to other licensed cannabis facilities operated by the Applicant, including 1) copies of state <u>and</u> local cannabis business license(s), and 2) Profit and Loss Statement(s) from the most recently completed calendar year for each facility identified.

CRIMINAL BACKGROUND CHECK

Each Owner and proposed Manager, as defined in Section 3-2.801, must undergo a criminal history background check. Interested parties who do not meet the criminal history eligibility requirements will be disqualified. The background form can be found online at:

https://hdlcompanies.formstack.com/forms/bc_artesia

The initial background check fee for each owner shall be \$300.00. This process will be required to meet the minimum threshold qualifications pursuant to AMC Section 3-2.805.

ZONING VERIFICATION LETTER (ZVL)

As part of a complete application packet, an Applicant must obtain a Zoning Verification Letter from the Community Development Department. To secure this letter, an Applicant must make a written request to the Community Development Department which should specify the intended use of the building, and the proposed building location.

The issuance of a ZVL does not constitute written evidence of permission given by the City or any of its officials to operate a cannabis business, nor does it establish a “permit” within the meaning of the Permit Streamlining Act, nor does it create an entitlement under the Zoning or Building Code. A regulatory permit for a CCB does not constitute a permit that runs with the land on which the cannabis business is established.

FEES

All applicants will be required to submit a fee of \$22,278.66 This amount will be charged against time spent by City staff and the Consultant in reviewing applications and administering the application process. Applicants may be required to pay additional amounts through a deposit, as required, for the sole purpose of the City’s completion of the application review process. Such deposit is authorized pursuant to AMC section 3-2.802. Payment must be made by a certified check, cashier’s check or money order made payable to the City of Artesia. Please note the City will not accept cash or credit cards and application fees are non-refundable once the City has begun reviewing the application.

A separate Background Check Fee of \$300 per owner will also be required.

SUBMITTAL DEADLINE

Applications must be received by the Community Development Department by 3:00 pm on March 8, 2023. Late applications will not be accepted. Furthermore, an application may be rejected for the following reasons:

1. It is not responsive to this Cannabis Business Permit application and the Application Procedure Guidelines for a Commercial Cannabis Business Permit.
2. The issuance of the Cannabis Business Permit for the proposed location does not comply with State law, AMC Title 3, Chapter 2 (Business Permits and Business Permit Fees) and/or Title 9, Chapter 2 (Zoning).

APPLICATION REVIEW, SCORING, AND APPROVAL PROCESS

PHASE I: DETERMINATION OF ELIGIBILITY

Applications will be reviewed for completeness and compliance to meet the minimum submittal requirements. The determination of eligibility will be based on the criteria outlined in these Procedures, in accordance with AMC Section 3-2.802. These Procedures may be amended as

provided in AMC Chapter 3-2.802, in writing. Such amendments will be for clarification to application submittal questions and will be posted in the FAQ section of the Cannabis Information webpage. Any amendments shall go into full effect immediately upon being posted on the website.

PHASE II: QUALITY ASSURANCE REVIEW (1,200 points)

During Phase II, the City's consultant will review and score each application using a merit-based system. Applicants will be scored and ranked using the following evaluation criteria identified in Appendix A:

- Section A – Business Plan (400 points)
- Section B – Labor and Employment Plan (400 points)
- Section C – Security Plan (400 points)

The top applicants, as determined by the City, which score a minimum of 90% or higher (1,080 points) in Phase II may be eligible to advance to Phase III. The decision as to how many applicants will advance to Phase III will be determined by the quantity of applicants and the overall quality the City receives. Notice of the results of Phase II will be provided in writing via email to the primary contact listed on the application.

PHASE III: STAFF EVALUATION COMMITTEE (1,700 points)

During Phase III, a Staff Evaluation Committee designated by the City Manager will conduct a merit-based interview process. Applicants will be scored using the following evaluation criteria categories identified in Appendix A:

- Section D – Qualifications of Owners (400 Points)
- Section E – Neighborhood Compatibility (400 Points)
- Section F – Community Engagement and Equity Plan (400 Points)
- Section G – Proposed Site Plan (400 Points)
- Section H – Proposed Location (100 Points)

Upon the completion of Phase III, the Staff Evaluation Committee will tabulate the scores of all Applicants from Phase III to create a preliminary ranking that will form the basis for determining who will be invited to participate in Phase IV. The ranking will be based upon the scores received through the Phase III merit-based interview process. Should there be a tie in any scoring, the Staff Evaluation Committee shall force rank each of the Applicants who participated in Phase III, in order to establish an eligibility list. Should multiple Applicants from the same property (APN) receive highest ranking during the Phase III interview process, only the top ranked Applicant from that property (APN) will be eligible to proceed to Phase IV.

PHASE IV: CITY MANAGER FINAL DECISION

Upon the completion of Phase III, the Staff Evaluation Committee will present to the City Manager the top Applicants from the Phase III process. The City Manager reserves the right to request and obtain additional information from any Applicant who advances to Phase IV in order to conduct a complete review of the application or an investigation into the truthfulness of the statements set forth in Phases I through III of the application process. The City Manager may review the totality of the records to verify the eligibility of the top ranked Applicants to receive a Cannabis Business Permit.

The City Manager reserves the right to award a lesser number of Commercial Cannabis Business Permits than the maximum allowed under the application process, or to award no permits at all. Notice of the results of Phase IV will be provided in writing via email to the primary contact listed on the application.

After the City Manager has made a determination as to which, if any, Applicants may be awarded a CCB permit, Applicants shall enter into an Community Benefit Agreement with the City setting forth the terms and conditions under which the cannabis facility will operate that are in addition to the requirements of AMC Section 3-2.802 within 30 day of being notified of the City's intent to issue the CCB permit. Applicants should be prepared to negotiate with the City Manager directly regarding the final terms and conditions that will be memorialized in the Community Benefit Agreement including, but not limited to, the commitments made by Applicants in the written application.

Any Applicant wishing to appeal Phases I through IV of the Application Process may file an appeal with the City Clerk's Office within ten (10) days of the Applicant receiving a notice that they will not move forward in the application process or be issued a permit. Such appeals shall comply with the requirements of AMC Section 3-2.809.

NOTE: Being awarded a CCB permit 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, Community Development Department permits or reviews, and any other permits, licenses, or reviews as deemed necessary by the relevant departments or governmental entities in charge of said permits. Nor does the award of a CCB permit guarantee that the plans submitted via the CCB application process meet the standards or requirements in AMC Chapter 3-2 and any other permit requirements from other City departments or agencies.

APPENDIX A: EVALUATION CRITERIA

The City of Artesia is a public agency subject to the California Public Records Act (“CPRA”). The Applicant should mark in their application materials what they deem to be “Confidential Information.” Notwithstanding the Applicant’s designation of “Confidential Information,” City shall have the right to make its own determination of whether such information is subject to disclosure under the CPRA.

However, in the event a request for information under the CPRA seeks disclosure of application materials marked by Applicant as “Confidential Information,” the City will make reasonable efforts to provide notice to the Applicant prior to such disclosure to allow Applicant to seek a protective order, injunctive relief, or other appropriate remedy. If Applicant contends any designated application materials are exempt from the CPRA and wishes to prevent disclosure, it is required, at its own cost, liability, and expense to obtain a protective order, injunctive relief or other appropriate remedy from a court having jurisdiction over the matter at least two (2) days before City’s deadline to respond to the CPRA request. If the Applicant fails to obtain such a remedy before the deadline for the City’s response to the CPRA request, the City will disclose the requested information and shall not be liable or responsible for such disclosure.

PHASE II EVALUATION

Important Instructions:

- Evaluation Criteria identified in Sections A-C will be scored based upon Applicant written response. Points may be deducted for responses that fail to meet State/local regulatory requirements, or best practices for the cannabis industry.
- Applicant responses to the Evaluations Criteria must be provided in the same order identified in Sections A-C below. Each section shall be clearly labeled, with responses provided within the appropriate section. Any response to Evaluation Criteria that is not placed within the appropriate section will receive a deduction in points.
- Any commitments made by an Applicant during the evaluation process will become terms and conditions under which the cannabis business must operate. Applicants awarded a permit that fail to meet commitments made during the evaluation process may have their cannabis business license suspended or revoked by the City.

SECTION A: BUSINESS PLAN (400 points)

1. **Finances** – Application includes a budget for construction, operations, maintenance, compensation of employees, equipment, property lease, security equipment and staff, City fees, state fees, utility costs, product purchases and other anticipated contingency costs. The budget must demonstrate sufficient capital in place to pay startup costs and at least five months of operating costs, as well as a description of the sources and uses of funds. Application must address the following:
 - A. Proof of capitalization, in the form of documentation of cash or other liquid assets on hand, Letters of Credit or other equivalent assets. *(Note: Proof of Capitalization should be submitted in a separate PDF file. See “Application Process” procedures for more information.)*
 - B. A pro forma for at least three years of operations.
 - C. A schedule for beginning operation, including a narrative outlining any proposed construction and improvements and a timeline for completion.

2. Daily Operations – Application describes the day-to-day operations of the proposed Retail business, which meet industry best practices. This should include, at a minimum, a description of the following criteria:
- A. Customer check-in procedures.
 - B. Location(s) and procedures for receiving deliveries during business hours.
 - C. The Point-of-Sale system (including name) to be used and how it will interact with the state’s mandated track and trace system. Identify the number of Point-of-Sales terminals to be used when the business is at full capacity.
 - D. The number of customers to be served per hour/day.
 - E. The proposed product line, including brand names, to be sold at the business, and estimate the percentage of sales of flower and manufactured products.
 - F. How the Cannabis Business will conform to local and state laws. See AMC Chapters 3-2 and 9-2 as they pertain to retail establishments in the City of Artesia.
 - G. How cannabis and cannabis products will be tracked and monitored to prevent diversion.
 - H. The proposed waste management plan, including waste disposal locations, security measures, methods of rendering all waste unusable and unrecognizable, and the vendor in charge of disposal.
 - I. The proposed odor control plan, including description of the odor control system, to ensure that odor generated inside the business is not detected outside the property or lease area boundaries.
 - J. The proposed storefront retail hours of operation, provided in the following format:

Day	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Start Time (AM/PM)							
End Time (AM/PM)							

3. Other Operations – Application describes other licensed retail cannabis facilities currently operated by the Applicant owner(s) in other California jurisdictions, if applicable. The description shall include the total number of years that the facilities have been licensed by the State of California and local jurisdiction, and the total annual profit of each location over the most recently completed calendar year. Points will be awarded to Applicants who are able to prove: 1) a minimum of two (2) years of state and local licensure at one or more cannabis facilities in California, and 2) profitability at one or more of those locations over the most recently completed calendar year. *(Note: Applicant response to evaluation criteria must be supported by documents provide in PDF File #6 and page 4 of the Commercial Cannabis Business Application form.)*

SECTION B: LABOR AND EMPLOYMENT PLAN (400 points)

1. Collective Bargaining – Application describes to what extent the cannabis business will recognize rights of employees to collective representation through a bona fide labor organization.

2. Number of Employees – Application identifies the number of employees at initial opening, and the maximum number of employees when the business is at full capacity.
3. Employee Responsibilities – Application identifies all positions to be employed at the proposed business, and their responsibilities.
4. Employee Benefits – Application identifies the benefits provided to employees, including health care, vacation, and medical leave, to the degree they are offered as part of employment.
5. Living Wage – Application commits to offering employees, at minimum, a Living Wage, as defined by the MIT Living Wage calculator (<https://livingwage.mit.edu/>).

SECTION C: SECURITY PLAN (400 points)

1. Qualified Security Professional – The Application includes a security plan that has been prepared by a qualified professional. The security plan can be prepared with in-house staff or a third-party security consultant, but must clearly demonstrate that it meets the professional standards requested to receive the appropriate points for each criterion in this section. The qualifications of the person(s) preparing the security plan must be provided, for verification that they are able to meet these standards.
2. Premises Diagram – The Application includes a Premise Diagram in the Security Plan that meets the following requirements:
 - A. The diagram meets all of the standards identified in Department of Cannabis Control DCR Title 4, Division 19, §15006 Premises Diagram.
 - B. The diagram shows the boundaries of the property and the proposed location to be licensed, showing all dimensions, entrances and exits, interior partitions, walls, rooms, windows, and doorways, and includes a brief statement or description of the principal activity to be conducted therein.
 - C. The diagram shows and identifies commercial cannabis activities that will take place in each area of the premises and identifies all limited-access areas.
 - D. The diagram shows where all cameras are located and assigns a number to each camera for identification purposes.
 - E. If the proposed location consists of only a portion of a property, the diagram is labeled indicating which part of the property will be used for the licensed premises and what activities will be used for the remaining property.
3. Operational Security – The Application includes a description of operational security, including but not limited to general security for access/visitor control and inventory control.
4. Cash Handling – The Application includes a description of cash handling procedures, including the process for receiving, tracking, storing and transporting cash generated by the retail business.
5. Perimeter Security – The Application includes a description of perimeter security, exterior lighting, on-site security guards, proposed guard hours and their responsibilities.

6. Employee Training and Policies – The Application includes a description of employee training and general security policies.
7. Inventory Control – The Application includes the following information:
 - A. A description of the process for receiving, tracking and storing cannabis inventory.
 - B. A description of the procedure(s) that the business will follow to document the source of cannabis inventory sold at the retail site, including whether the cannabis was obtained from a licensed facility operating in compliance with the regulations of the jurisdiction in which it is located.

PHASE III EVALUATION

Important Instructions:

- During Phase III Interviews, Applicants will be asked questions related to Evaluation Criteria Sections D-G.
- Due to the time limitation of interviews, Phase III questions will cover only a portion of the criteria identified within each Section D-G.
- Scoring for Sections D-G will be based upon information conveyed verbally by Applicants, in response to the questions asked. Scoring for Section G may also consider photographs, site plans, and other visual depictions provided by Applicants.
- All Applicants will be asked the same questions and be provided the same amount of time for response.
- Any commitment made by an Applicant during the Phase III Interview process may become a condition on the business permit, if issued, and may be incorporated as terms to the Community Benefit Agreement during Phase IV.

SECTION D: QUALIFICATION OF OWNERS (400 points)

1. Describe the business owner's prior experience in owning, managing, and operating a legally permitted or licensed retail cannabis business in the United States, or other business in a similarly State-regulated activity (e.g. alcohol sales). *For purposes of this section, owner shall mean the State definition of owner in the State Business and Professions Code Section 26001.*
2. Describe your overall knowledge of the cannabis industry, including identification of how industry best practices and State regulations have been incorporated in existing/prior legal businesses outside the City of Artesia.
3. Describe the involvement of the ownership team in the day-to-day operation and management of the proposed business.

SECTION E: NEIGHBORHOOD COMPATIBILITY PLAN (400 points)

1. Describe how the business will take proactive steps to avoid becoming a nuisance or having negative impacts on its neighbors or surrounding community. Additionally, describe how the business will react and respond to complaints specifically related to noise, light, odor, public consumption, loitering, littering, and vehicle and pedestrian traffic.
2. Describe the policies that you would implement, and how you would enforce these policies, to ensure your cannabis products do not end up in the hands of underage youth.
3. Provide a 600-foot radius map/aerial-photo of the proposed location, and a narrative description of the neighborhoods and/or business corridors immediately surrounding the proposed location.

SECTION F: COMMUNITY ENGAGEMENT AND EQUITY PLAN (400 points)

1. Describe the benefits that the cannabis business will provide to the local community through collective bargaining rights, comprehensive employee benefits and training, hiring practices ensuring promotion of diversity of employees, inclusionary programs which support a diverse workforce, and compliance with local, state and federal employee non-discrimination policies.
2. Identify the minimum wage that will be offered to employees of the proposed business, excluding tips and gratuities. If entry-level employees are salaried, the Applicant should divide the minimum annual salary by 2,087 hours to arrive at an hourly rate.
3. Describe the Applicant's plans for local outreach to City of Artesia residents for open positions, and any other actions proposed by the Applicant that are intended to benefit the local workforce and/or Applicant's local employees.
4. Describe the benefits that the business will provide to the local community by directly aiding, participating in, or funding the work of local non-profits, community-based organizations, civic organizations, or social services organizations ("Community Organizations"). *Note: Applicants should not identify any specific Community Organization at this time, or provide commitment letter(s) from local Community Organizations in the Application submittal. This section is intended to capture the overall commitment of Applicants to fund or support local community-based activity in general.*

SECTION G: PROPOSED SITE PLAN (400 points)

1. Provide the following information about the existing site:
 - A. Physical address;
 - B. Narrative description of the existing site, including building(s), parking spaces, driveways, pedestrian sidewalks/rights-of-way,
 - C. Photographs of the existing property, building(s), and immediate neighborhood;
 - i. Note: Photographs of building interior are not required.
 - D. Description of how the site is currently being used;
 - E. Description of any businesses currently operating on the parcel (if any), and any parcels directly adjacent to the existing site.
2. Provide the following information about the proposed site:
 - A. A site plan, drawn to scale, of the proposed business showing perimeter fencing, driveways, streets, property lines, buildings, parking areas, and outdoor areas.
 - B. A narrative description of proposed site improvements, including façade rehabilitation, building expansion, parking, landscaping, fencing, or other exterior site improvements;
 - i. Note: Descriptions of interior site improvements are not a requirement of this section.
 - C. Visual depictions of the proposed exterior of the cannabis business.
3. Describe how the proposed modifications and utilization of the site for cannabis retail activity will impact the public health, safety, welfare, environmental quality, and/or quality of life in the surrounding area.

SECTION H: PROPOSED LOCATION (100 points)

Important Instructions:

- In addition to Phase III Interviews, Applicants will be scored by the Staff Evaluation Committee using the Evaluation Criteria identified in Section H below.
 - Applicants are not required to provide a written or verbal response to the Evaluation Criteria identified in Section H. Section H will be scored by the Staff Evaluation Committee based upon the applicant's proposed location, identified in the Cannabis Business Permit Application.
 - Where applicable, distances will be measured using the City's Geographic Information System.
1. Buffer Distances in Excess of Minimum Required – Proposed location exceeds the 600-foot minimum sensitive-use buffer requirement established in the Artesia Municipal Code by an additional 50-feet, as measured from the closest property line of the proposed location to the closest property line of the closest sensitive-use. Additional points will be awarded to Applications that exceed the minimum buffer to the nearest sensitive-use by a greater distance than other Applicants.
 2. Distance from Residential Zones – Proposed location maintains a minimum 50-foot distance from the closest property zoned Single-Family Residential (R-1), Multiple Residential (M-R), Medium-Density Residential (M-D-R), or Agriculture Residential (A-1). Additional points will be awarded to Applications that exceed the 50-foot minimum by a greater distance than other Applicants.