



City of Tracy

Development Services Department
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Tracy, CA 95376
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APPLICATION PROCEDURES & GUIDELINES FOR A CITY OF TRACY CANNABIS BUSINESS PERMIT

Amended by Resolutions No. 2021-164 and 2021-165

OPENS – September 1, 2020
CLOSES – September 30, 2020 @ 3:00 PM

The City of Tracy may issue Cannabis Business Permits to individuals interested in operating a cannabis cultivation, distribution, manufacturing, testing laboratory, retail (storefront and non-storefront), or microbusiness in accordance with Chapter 6.36 of the Tracy Municipal Code (TMC). The application process to obtain a permit to operate a Cannabis Business in Tracy will open on September 1, 2020. Applications will be available from the Development Services Department located in City Hall or online on the City's website, www.cityoftracy.org.

The City's Cannabis Business Permit application process consists of three phases. Phase 1 is a merit-based evaluation/eligibility screening during which applications will be reviewed for completeness and compliance with these guidelines and applicable provisions of the TMC and California state cannabis laws and regulations, as well as evaluated against the selection criteria contained herein by the City's review committee. It is important to note that applications will be evaluated against one-another and provided an eligibility score. The applications will be reviewed and evaluated for clarity and responsiveness to the criteria in Appendix A, and the City will select the applications that best meet the City's criteria.

Phase 2 is a review of the application materials to determine if any waivers to the application requirements or procedures apply. This review is intended to address the City's interest in providing modified submittal requirements for applicants that demonstrate higher points in the review categories related to the Local Preference Plan or the Social Equity Plan. High scoring applicants (as described in Appendix A) in the Local Preference Plan or the Social Equity Plan will qualify for a waiver of the requirement to submit a form with a property owner acknowledgement that the applicant intends to use the property for cannabis related business and activities, if the applicant has been conditionally awarded a Cannabis Business Permit. High scoring applicants in the Local Preference Plan or the Social Equity Plan may have a different point system and thus may have different point totals used to determine their score.

Phase 3 is the final evaluation and final scoring by the City which precedes the award by the Chief of Police of the Cannabis Business Permits, if any. Applicants for retail storefront businesses receiving a minimum score of 80%, and applicants for all other cannabis business types receiving a minimum score of 60%, will be permitted to advance to Phase 3 during which applicants must submit to the City the extent of the proposed Community Benefit for final scoring of the applications.

Also, at this stage, applicants must submit a form with a property owner acknowledgement that the applicant intends to use the property for cannabis related business and activities, unless this requirement is waived to a later time due to the City determining in Phase 2 that the applicant has scored high in the Local Preference Plan or the Social Equity Plan. However, in any instance, applicants do not need to have secured a physical location in order to submit an application for a Cannabis Business Permit.

Pursuant to TMC Section 6.36.040(a)(vi), the City will only issue up to a maximum of 4 Retail-Storefront (Dispensary) permits.

Multiple Applications – Applicants applying for more than one business type that are anticipated to be located at the same location may consolidate their application submittal package. For example, an applicant submitting for an indoor Cultivation permit and a Distribution permit may submit one application, however, the application materials must demonstrate that both businesses/permit types would be operated at the same facility.

If an applicant is applying for multiple Cannabis Business Permit types, and it is not anticipated that the permits will be located at the same location, then the applicant must submit a separate application package for each business.

For questions regarding the application process, please review the information on the City's website: www.cityoftracy.org, which outlines the application process, forms and other, required materials, FAQs, and other information relevant to engaging in commercial cannabis activity in Tracy. Additional information relevant to the application process can be found in California state cannabis laws, regulations and resources, and TMC Chapter 6.36 and Section 10.08.3196.

To be considered for a Cannabis Business Permit, applications **must be** submitted by September 30, 2020 to the City Development Services Department located at 333 Civic Center Plaza, Tracy, CA, 95376 by 3:00 PM. This application process is established pursuant to Section 6.36.050(a) of the TMC.

Applicants should monitor the City's website for any additional information, FAQs or updates. It is the responsibility of the applicant to stay informed of any changes or new information during the application and selection process.

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 modify, postpone, or cancel the application submittal date for a Cannabis Business Permit application without liability, obligation, or commitment to any party, firm, or organization. Persons submitting applications assume the risk that all or any part of the program, or any particular category or permit potentially authorized under TMC Chapter 6.36, may be cancelled at any time prior to Cannabis Business Permit issuance. In addition, the City reserves the right to request and obtain additional information from any applicant submitting an application. Late applications WILL BE REJECTED. Furthermore, an application RISKS BEING REJECTED for the following reasons:

1. The Cannabis Business Permit Application is incomplete, non-responsive, or inconsistent with the application form and/or these Application Procedures & Guidelines, or the provisions of TMC Section 6.36.070.

Furthermore, the City will be placing a Cannabis Tax Measure on the November 2020 ballot for the voters to consider which would tax the sale of cannabis. Therefore, every applicant should be mindful that this should be a component of their business plan and failure to acknowledge or comply with this requirement may disqualify them from eligibility for a Cannabis Business Permit.

COMMUNITY BENEFIT REQUIREMENT

Applicants acknowledge by signing the application form that a requirement of the Cannabis Business Permit award process includes providing community benefits. Those applicants obtaining a screening score of 80% for retail storefront businesses and 60% for all other cannabis business types will be eligible to compete for a final score. The final score is determined after evaluating the community benefit. These procedures are further described below.

AMENDMENTS TO APPLICATIONS

Applicants will not be permitted to make amendments to their application or to supplement their application¹ except as otherwise specifically permitted in these procedures, as may be amended from time to time. At the conclusion of Phase 1, all applicants will be notified as to the status of their application and eligibility to proceed to Phases 2 and 3. Those applicants proceeding to Phase 3 will be eligible to submit information pertaining to the proposed community benefit. Information regarding the applicant's proposed community benefit must be submitted to the City no later than 15 City business days from notification of eligibility to proceed to Phase 3.

Public Records Requests and Proprietary Data

All applications will become property of the City when received. Information received in the applications may become subject to disclosure under the California Public Records Act. Any sections or pages the applicant considers proprietary should be clearly marked within the application, although such marking is not determinative of whether it is proprietary under state law. The City retains the right to disclose and/or withhold any information contained therein in accordance with the law.

APPLICATION PROCESS INSTRUCTIONS TO THE APPLICANT:

The information you provide in your application will be used to evaluate your application for a Cannabis Business Permit. Any interested applicants are advised to review the information regarding the application process and list of required documents. Review your application in its entirety to ensure that it is complete and accurate. Review the information regarding the Cannabis Business Permit application on the City website www.cityoftracy.org. The following procedures outline the application evaluation and selection process, required materials, and other information necessary to apply for a Cannabis Business Permit to operate in Tracy.

The City's application process to obtain a Cannabis Business Permit involves the following:

- 1) Application submittal to the City
- 2) Phase 1 Eligibility Review: City review of the applications for completeness and evaluation against the selection criteria. During Phase 1, applications scoring a minimum of 80% for retail storefront businesses and 60% for all other cannabis business types will be deemed eligible to proceed to Phases 2 and 3. The results of Phase 1 shall be communicated in writing to each applicant and the Chief of Police.
- 3) Phase 2: Application of Waivers/City Determination of High Scoring Applicants in the Local Preference Plan or Social Equity Plan: Applications will be evaluated to determine if the Local Preference Plan has attained 75% of the points in that category or if the Social Equity Plan has attained 85% of the points in that category. Applications that have received 75% point totals in the Local Preference Plan category or 85% point totals in the Social Equity Plan category will be deemed by the City to qualify for the waiver(s) from further application requirements, as follows:
 - A) Notarized Owner's Statement of Consent form - This form would be required for submittal, only if the applicant is conditionally awarded a permit.

For the purposes of establishing what constitutes a Tracy address, the following ZIP codes shall be used, whether or not such address is located within the City limits or not:
95304, 95376, and 95377

- 4) Phase 3 Final Scoring and Permit Award: Applicants receiving a minimum score of 80% for retail storefront businesses and 60% for all other cannabis business types will be permitted to advance to Phase 3 during which applicants must submit to the City the extent of the proposed Community Benefit for final scoring of the applications.

At this stage, applicants must submit the Notarized Owner's Statement of Consent Form, unless this requirement is waived to a later time due to the City determining in Phase 2 that the applicant has attained 75% of the points in the Local Preference Plan or 85% of the points in the Social Equity Plan, as provided, above, in 3).

During this Phase, the Chief of Police awards Cannabis Business Permits, if any, to applicants identified as receiving the highest applicable cumulative score. **Pursuant to TMC Section 6.36,040(a)(vi) the City will only issue up to a maximum of eleven (11) Retail-Storefront (Dispensary) permits.**

- 5) In the event of a tie in final (Phase 3) scores for retail-storefront (dispensary) applicants,

such that there are more than eleven applications in the top eleven scoring slots, the City, at a noticed public hearing, will conduct a random drawing or multiple random drawings, if necessary, between the applicants in those top slots in order to issue a maximum of eleven permits for this business type. The random drawing would be conducted only when necessary to break a tie.

Prior to commencing cannabis business operations, Cannabis Business Permittees must obtain additional permits, including a Conditional Use Permit, Cannabis Employee Permits, and a City Business License. Information on those permits and processes can be found on page four (4) of these Procedures and Guidelines.

Background Check

As part of the application submittal requirements, each owner must undergo a criminal background check demonstrating they do not provide "good cause" for denial per TMC Section 6.36.060 and 6.36.070 and pay applicable fees and charges. The Background Check Authorization Form will be available on the City website or in the Police Department located at 1000 Civic Center Drive, Tracy, CA 95376 (adjacent to City Hall). Owners must submit the Background Check Authorization Form to the Police Department. After the Background Check Authorization Form has been processed, owners will receive a Request for Live Scan services, State of California Form BCIA 8016 from the Police Department. At that time, the owners may conduct the Live Scan at the Police Department. Documentation demonstrating that owners' background checks have been completed or are in process is required on or before 3:00 pm on September 30, 2020 in order for your application to proceed. Owners who do not meet criminal history eligibility requirements will be disqualified and their application will be deemed disqualified.

APPLICATION SUBMITTAL REQUIREMENTS

Applicants must hand-deliver five hard copy of all materials, and a complete electronic copy (PDF format) of all materials on a USB thumb drive (i.e. flashdrive), at the time of application submittal. All applicants must submit, with the exception of site or building plans, all hard copy materials single sided in a simple 3-ring binder of 8.5 x 11 inch sized paper, in size 12 font. No applications in a "Spiral" or "Comb" type of binding, or stapled documents will be accepted. For larger size hard copy materials such as site or building plans, submit sheets no greater than 30x42 inches, folded, collated, unstapled, and secured together with rubber bands.

A complete application will consist of the following:

1. Application Forms:

- a) **City of Tracy Cannabis Business Permit Application Form with signatures**
- b) **Applicant Indemnification Form with signatures - Applicant will execute a waiver and release of liability and an agreement indemnifying the City from any liability**
- c) **Proof of Insurance for cannabis business, if operational**
- d) **Notarized Owner's Statement of Consent from property owner acknowledging that the applicant intends to use the property for cannabis related business**

and activities.

Note: Applicants will be required to submit the Owner's Statement of Consent at Phase 3 to the City AFTER Phase 1 eligibility review, and AFTER Phase 2 of the City's application of waivers process. For high scoring applicants in the Local Preference Plan or the Social Equity Plan, as determined by the City in Phase 2, those applicants will be required to submit the Owner's Statement of Consent to the City within ninety (90) business days upon notification from the City of conditional award, in order for the permit to become valid.

2. Background Check Authorization Form and Proof of Live Scan payment for each owner
3. The following information, which is further described in Appendix A:
 - a) Copies of State licenses relating to cannabis activities that the applicant holds, if any
 - b) Tax Compliance documentation including copy of state tax seller's permit, and applicant's recent year's financial statement and tax returns
 - c) Business and Operations Plan
 - d) Community Relations Plan
 - e) Safety and Security Plan
 - f) Local Preference Plan
 - g) Social Equity Plan
 - h) Community Benefit proposal required for all permit types during Phase 3, described below.
4. Cannabis Business Application Fee (see below)

FEES

All applicants will be required to pay a fee of \$10,800 for costs associated with City staff and consultant(s) time for reviewing applications and administrating the application process. Applicants are advised that they may be required to pay additional amounts as required for the sole purpose of the City's completion of the application review and evaluation process. Payment of the \$10,800 fee must be made by a certified check, cashier's check or money order made payable to the City of Tracy. Please note the City will not accept cash or credit cards and application fees are non-refundable.

APPLICATION EVALUATION PROCESS

THE CITY HAS A THREE PHASE APPLICATION REVIEW/EVALUATION AND SELECTION PROCESS

PHASE 1 – APPLICATION COMPLETENESS / EVALUATION AND ELIGIBILITY REVIEW

Applications received will be logged into the City's permit system, provided a permit number and will be evaluated by the City based on these Application Procedures and Guidelines, and Tracy Municipal Code Chapter 6.36. See APPENDIX A for additional descriptions of the evaluation criteria and scoring. Questions about the application

process from applicants after application submittal should be made in writing and the City will share questions and responses with applicants on the City's website, under FAQs.

For all Cannabis Business Permits, the City's Review Committee will assign points corresponding to conformance with the TMC requirements and these Application Procedures and Guidelines, as may be amended from time to time by Council resolution. It is anticipated that the City's process to review all of the applications could take 90 City business days.

An 80% score for retail storefront businesses and a 60% score for all other cannabis business types will enable the application to proceed to Phases 2 and 3.

PHASE 2 - APPLICATION OF WAIVERS/CITY DETERMINATION OF HIGH SCORING APPLICANTS IN THE LOCAL PREFERENCE PLAN OR SOCIAL EQUITY PLAN

After Phase 1 eligibility review, in this Phase 2, the City will determine whether or not one or more filed applications are eligible for waivers from certain application/processing requirements because the applications score 75% in the Local Preference Plan or 85% in the Social Equity Plan. It is not a requirement that any application scores 75% or 85% or higher in these categories; rather, applications that score 75% or higher (of the point total for the Local Preference Plan) or 85% or higher (of the point total for the Social Equity Plan category) shall be entitled to waivers from certain application/processing requirements until after Phase 3. Such waiver(s) include the following:

A) Notarized Owner's Statement of Consent

If an applicant has been deemed by the City to score 75% or higher in the Local Preference Plan or 85% or higher in the Social Equity Plan, the Notarized Owner's Statement of Consent form (form) shall only be required in order for a City- issued Cannabis Business Permit to take effect. In order for a permit to take effect for a Social Equity Applicant, the form shall be submitted within ninety (90) business days from the date the conditional permit issuance is granted by the Chief of Police in Phase 3.

PHASE 3 - CANNABIS BUSINESS PERMIT ISSUANCE

Applications receiving the minimum points as described in Phase 1 and 2 will be eligible to submit for evaluation the proposed community benefit. The City will assign a final score based on the community benefit.

At this stage, applicants must submit the Notarized Owner's Statement of Consent form, unless this requirement is waived to a later time due to the City determining in Phase 2 that the applicant has scored 75% or higher in the Local Preference Plan or 85% or higher in the Social Equity Plan, as provided above, in Phase 2.

The Chief of Police will award Cannabis Business Permits, if any, to applicant identified as receiving the highest applicable cumulative score from all phases in accordance with TMC Section 6.36.060 for all Cannabis Business Permit types. **Pursuant to TMC Section 6.36,040(a)(vi) the City will only issue up to a maximum of eleven (11) Retail-Storefront (Dispensary) permits.**

In the event of a tie in final (Phase 3) scores, such that there are more than eleven applications in the top eleven scoring slots for the Retail-Storefront (Dispensary) permit type, the City, at a noticed public hearing, will conduct a random drawing or multiple random drawings, if necessary, between the applicants in those top slots in order to issue a maximum of eleven permits. The random drawing would be conducted only when necessary to break a tie.

Furthermore, the City reserves the right to award a lesser number of Cannabis Business Permits than may be deemed eligible for Phase 3, or to award no permits at all.

After the Chief of Police makes the final decision to issue a Cannabis Business Permit, any applicant wishing to appeal the Chief of Police's final decision may appeal that decision to the City Manager within ten (10) City business days from the issuance of the permit. Such appeals shall comply with the requirements of TMC Chapter 1.12.

Written notice of the results of Phase 3 shall be provided within five City business days to all applications/applicants.

Please note that being awarded a Cannabis Business 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, 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 application process meet the standards or requirements in Chapter 6.36, Section 10.08.3196 or any other permit requirements from other City departments or agencies.

ADDITIONAL CITY APPROVALS REQUIRED PRIOR TO OPERATING A CANNABIS BUSINESS IN TRACY

Conditional Use Permit & Building Permit

Upon receiving a Cannabis Business Permit, applicants are then required to submit for a Conditional Use Permit (CUP), which will be reviewed by the Planning Commission and may require review pursuant to the California Environmental Quality Act (CEQA). After a CUP is obtained, applicants may then submit applications for building permits for any necessary renovation or construction. Information and application forms and requirements for a CUP can be found [here](#) and information and application forms for Building Permits can be found [here](#).

Please note that the CUP and the Building Permit require the payment of separate processing fees for each of those permits, in addition to the fee required for the Cannabis Business Permit.

City Business License

Prior to commencing any cannabis business operation, a City business license must be obtained. Information on obtaining a City business license may be found [here](#).

Cannabis Employee Permit

Pursuant to TMC Section 6.36.150, any person who is an employee or who otherwise works within a cannabis business must obtain a cannabis employee permit from the City prior to

performing any work at any cannabis business. Information on obtaining a City of Tracy cannabis employee permit may be found [here](#).

Community Benefit Agreement or Development Agreement

Prior to commencing any cannabis business operation, a Community Benefit Agreement or a Development Agreement must be executed between the permit holder and the City to ensure completion of the community benefit. The agreement will require the permit holder to provide community benefits in accordance with one of the options identified in Appendix B.

CONTACT INFORMATION

If you have any questions or would like an update on the status of your application, please call the Development Services Department at 209.831.6400 or by email at des@cityoftracy.org.

APPENDIX A: DESCRIPTION OF APPLICATION AND EVALUATION CRITERIA

SECTION 1: Application format and completion of required forms

This section relates to the form of the application and the thoroughness with which the application forms have been completed. Please note that if any of the required forms are not submitted, the application will be disqualified.

1. Are all of required forms included with signatures?
 - Commercial Cannabis Application Form
 - Applicant Indemnification Forms
 - Notarized Owner's Statement of Consent Form (when and if applicable, see Phase 2 information)
2. Has the application followed the required format?
3. Is there a flash drive?
4. Have the requisite number of copies been submitted?

SECTION 2: Background Check Authorization Form and Proof of Live Scan Payment

This section relates to the completion of a background check. If this process has not been initiated and documentation of proof of payment has not been completed, the application will be disqualified.

1. Has proof of the Live Scan payment been submitted?

SECTION 3: Information Pertaining to the Cannabis Business

This section relates to the Merit Based Selection Criteria (attached) for Commercial Cannabis Businesses. The detail and quality of responses will be used in scoring applications; applications will be reviewed against the criteria, the TMC, and each other. The City will review applications for clarity, responsiveness, and which applications best meet and are most responsive the City's criteria. The attached criteria establish the potential points per category, and also identifies required application components.

SECTION 4: Information Pertaining to the Community Benefit:

The community benefit should be quantified and described. The community benefit will be scored by the City. Examples of community benefit include those items identified in the merit based selection criteria.

CITY OF TRACY - MERIT BASED SELECTION CRITERIA FOR COMMERCIAL CANNABIS BUSINESS
via City Council Resolution 2020-137
PERMIT APPLICATION/ELIGIBILITY SCREENING

Revised July 21, 2020

DESCRIPTION OF CRITERIA	All Cannabis Business Types	Points Awarded
<p>The detail and quality of responses will be used in scoring applications against one another. All criteria are required meaning that if an application fails to address a criterion, or if the application lacks sufficient detail to demonstrate how the criterion will be met, the application will be deemed ineligible to receive a permit.</p>	<p>86-point system: Eligibility, then Final Score</p>	
<p>SECTION 1: BUSINESS AND OPERATIONS PLAN (18 possible points)</p>		
<p>a) Finances and Budget - Describe the budget for the construction, operation, 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 start-up costs and at least three months of operating costs, as well as a description of the sources and uses of funds.</p>	<p>0-3</p>	
<p>b) Daily Operations - With as much detail as necessary, the Business and Operations Plan should describe the day-to-day operations that meet the industry best practices for the type of business permit sought, and how such practices have been included into the business Standard Operating Procedures (SOPs).</p>	<p>0-3</p>	
<p>c) Conformance with Local and State Laws - Describe how the Cannabis Business will conform to local and state laws.</p>	<p>0-3</p>	
<p>d) Professional Qualifications – Do the owners demonstrate bona fide business experience? List and describe special business or professional qualifications or licenses of owners that would add to the number or quality of services that the Cannabis Business would provide, especially in areas related to medicinal cannabis, such as scientific or health care fields.</p>	<p>0-3</p>	
<p>e) Cannabis Business Experience - Describe any and all commercial cannabis activity engaged in as an owner, manager, lender, employee, volunteer, or agent by the Applicant and all owners of the Commercial Cannabis Business, officers and managers including but not limited to the location of such activity and a copy of any permits, licenses, or other written forms of permission for such activity by a local or state government entity.</p>	<p>0-3</p>	
<p>f) Conformance with State Testing – Describe the SOPs for how all cannabis products on the premises have met the testing requirements as defined by the State.</p>	<p>0-3</p>	

DESCRIPTION OF CRITERIA	All Cannabis Business Types	Points Awarded
SECTION 2: COMMUNITY RELATIONS PLAN (9 possible points)		
a) Customer Education - Describe the proposed process to educate customers regarding cannabis products, including the potency and effects of products, as well as variety. Describe the SOP for 24-hour minimum response time to issue cannabis recall notifications.	0-3	
b) Good Neighborliness - Describe how the Cannabis Business will proactively manage its private, semi-private, and surrounding public areas to avoid becoming a nuisance or having negative impacts on neighbors and surrounding community.	0-3	
c) Odor Control – Describe methods and plan for odor control and compliance with TMC Section 6.36.020 (d)	0-3	
SECTION 3: SAFETY AND SECURITY PLAN (18 possible points)		
a) Safety/Security Experience – Describe the security experience of the individual/firm designing the security plan. Does the firm have licensed professionals in areas of fire prevention and suppression?	0-3	
b) Employee Safety Education – Describe the employee safety education plan, including training regarding product handling, security and burglary/robbery protocols, and other potential hazards of the cannabis business.	0-3	
c) Security Guards – Describe the anticipated security guard plan for the business, including number of guards and hours.	0-3	
d) Video Camera Surveillance – Describe video camera surveillance and how they meet or exceed state requirements. Include detail on the number of cameras and resolution of cameras.	0-3	
e) Inventory Control/Visitor Access Control – Describe the visitor access control measures, and operational security related to inventory control.	0-3	
f) Alarm System – Describe the plan for alarm systems and how they are professionally monitored and how all alarms are responded to by a private security company.	0-3	
SECTION 4: LOCAL PREFERENCE PLAN (13 possible points)		
a) 51% Local Ownership – State the extent to which the Cannabis Business will be a locally managed enterprise whose owners (at least 51%) reside within Tracy, as defined by the following ZIP codes: 95304, 95376, and 95377. Applicants must show proof that at least 51% of the owners have been residents of Tracy for at least 2 years prior to June 6, 2020. Such proof shall consist of a utility bill with owners name(s), a lease, a deed, or other similar documentation.	0-5	

DESCRIPTION OF CRITERIA	All Cannabis Business Types	Points Awarded
b) Number of years of residency in Tracy of owners beyond 2 years	0-5	
c) Economic Inclusion (Production) – Describe future plans for how the Cannabis Business could incorporate products from cultivators or manufacturers located in San Joaquin County.	0-3	
SECTION 5: SOCIAL EQUITY PLAN (13 possible points)		
<p>Describe, in detail, the extent to which the Cannabis Business would implement any of the following, such as but not limited to:</p> <ul style="list-style-type: none"> a) Business practices or characteristics that emphasize women in leadership roles. b) Opportunities for seniors and individuals from underrepresented groups in the Cannabis Business ownership. c) Competitive compensation package to be offered to employees, including salary (above State minimum wage), health insurance, other insurance, retirement plan, and paid leave. d) A Cannabis Business ownership that includes either (i) individuals who, at the time of application, have annual family incomes below 80% of the Area Median Income (AMI) in San Joaquin County; or (ii) individuals who are residents or former residents of San Joaquin County that have lived in a low income household (below 80% of AMI in San Joaquin County). e) A Cannabis Business ownership that includes individuals that (i) have been arrested for or convicted of the sale, possession, use, manufacture, or cultivation of cannabis, excluding those offenses, which would be disqualifying for cannabis licensure under current State law; or (ii) have a parent, guardian, child, or sibling convicted of a crime relating to the sale, possession, use, or cultivation of cannabis, excluding those offenses, which would be disqualifying for cannabis licensure under current State law. 	0-13	
SECTION 6: COMMUNITY BENEFITS PROPOSAL (15 points)		
<ul style="list-style-type: none"> a) City Council Strategic Priorities – Describe and quantify the community benefit and how it facilitates or better furthers one or more of the City Council’s adopted Strategic Priorities, for example, by: <ul style="list-style-type: none"> Total Financial Contribution – Quantify the extent of the financial contribution as a component of the community benefit. The higher the contribution, the higher the points awarded; and/or by: Total Hours of Commitment – Quantify the extent of the involvement in volunteer hours that will be dedicated to furthering one or more of the City Council’s Strategic Priorities. The higher the contribution, the higher the points awarded 	0-15	

DESCRIPTION OF CRITERIA	All Cannabis Business Types	Points Awarded
b) Describe how the Cannabis Business would implement the proposed community benefit.		
Phase 1 Point Total: Points from Eligibility Screening (passing eligibility score for in all business types is 42.6 = 60% of 71 points)		
Phase 2 Point Total: Points from Local Preference Plan or Social Equity Plan (Score required is 75% of 13 points from the Local Preference Plan or 85% of 13 points for the Social Equity Plan categories. 75% of 13=10 points required; 85% of 13 = 11 points required. Such a point total of 10 points in the Local Preference Plan category or 11 points in the Social Equity Plan category enables applicant to be eligible for waiver(s) from certain application / processing requirements as established in the Guidelines.		
Points from Community Benefit (total of 15 points)		
Total Cumulative Points from Eligibility Screening and Community Benefit Proposal Combined (71 possible points from eligibility screening + 15 possible points from community benefit = 86 total possible points)		

Applicants who are awarded a cannabis business permit will be required to sign a community benefits agreement or development agreement to ensure completion of the community benefit. The agreement will require the permit holder to provide community benefits in accordance with their submitted community benefits proposal, or one of the options identified in Appendix B.

Appendix B

Community Benefit Agreement or Development Agreement

Prior to commencing any cannabis business operation, a Community Benefit Agreement or a Development Agreement must be executed between the permit holder and the City to ensure the completion of the community benefit. The Community Benefit Agreement or Development Agreement shall require the permit holder to provide one of the following community benefits:

1. The community benefits identified in the permit holder's original community benefit proposal.
2. A financial contribution to the City equal to 1.5% of the permit holder's gross receipts to be used to further the Council's strategic priorities. The amount of the financial contribution shall be decreased by 0.25% for every additional cannabis business of similar type over four (4) that commences regular legal operations in the City. However, in no case shall the financial contribution be less than 0.75% of the permit holder's gross receipts. For the purposes of this alternative financial contribution, the number of permits shall be established on the first day of every fiscal quarter.
3. The community benefits identified in a new community benefits proposal submitted by the permit holder. The new community benefits proposals will be reviewed by the City's Cannabis Application Review Committee, which will approve a new community benefits proposal only if it offers community benefits approximately similar to those provided by either the applicant's original community benefits proposal or the alternative financial contribution established by Option 2. The decision of the City's Cannabis Application Review Committee is final. If the City's Cannabis Application Review Committee does not approve the new community benefits proposal, the permit holder may select Option 1 or Option 2 above.

The permit holder shall have the right to choose between Option 1 and Option 2 above, and may select Option 3 if approved by the City's Cannabis Application Review Committee. A permit holder is not required to provide the alternative financial contribution established as Option 2 or submit a new community benefits proposal pursuant to Option 3 and has the absolute right to provide the community benefits identified in its original community benefits proposal. Any decision by the permit holder to provide the alternative financial contribution, or submit a new community benefits proposal, shall be a voluntary decision by the permit holder.