

RESOLUTION NO. 022-2024

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA, ADOPTING THE COMMERCIAL CANNABIS RETAIL BUSINESS APPLICATION PROCESS, INCLUDING PROCEDURES, FEES AND APPEAL PROCESS, AND FINDING THE ACTION IS COVERED BY THE PREVIOUSLY ADOPTED MITIGATED NEGATIVE DECLARATION FOR THE SANTEE CANNABIS BUSINESS ORDINANCE PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

WHEREAS, in August of 2022, the City Council enacted Ordinance 602, the Cannabis Business Permit Ordinance of the City of Santee (City), codified as Chapter 7.04 of the Santee Municipal Code; and

WHEREAS, at a hearing was held on December 13, 2023, staff presented the draft Commercial Cannabis Retail Business (CCB) Application Process, including Application Procedures and Review Criteria (“Procedures”), fees and related documents to City Council; and

WHEREAS, Santee Municipal Code Section 7.04.130 provides that the Procedures for the City’s evaluation of CCB applications shall be established by resolution of the City Council; and

WHEREAS, the Procedures shall provide the process for soliciting applications including time frames, limitations, forms, and rules for completing applications; and

WHEREAS, the review criteria shall include detailed instructions on the methodology to be used to evaluate applications on a point, or other evaluation system, tied to particular sets of criteria; and

WHEREAS, the scoring on review criteria shall be used to determine which candidates will be eligible to proceed to the final selection process as established by resolution of the City Council; and

WHEREAS, the City Manager shall be authorized to prepare any necessary forms and adopt any necessary rules to implement the Procedures; and

WHEREAS, at the time of filing, each applicant shall pay an Application Fee established by resolution of the City Council to cover all costs incurred by the City in the application process; and

WHEREAS, Santee Municipal Code Section 7.04.180 provides that an Annual Renewal Fee shall be established by resolution of the City Council to cover the costs of processing the renewal permit application, together with any costs incurred by the City to administer the program created under this chapter; and

WHEREAS, Santee Municipal Code Section 7.04.230 provides that a Change in Information Fee may be established to cover the cost of reviewing an updated application; and

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WHEREAS, Santee Municipal Code Section 7.04.240 provides that a Transfer of Ownership Fee shall be established by resolution of the City to cover the cost of reviewing an updated application; and

WHEREAS, Santee Municipal Code Section 7.04.220 provides that a CCB Appeal Fee shall be established by resolution of the City Council to cover all costs incurred by the City in the appeal process; and

WHEREAS, Santee Municipal Code Section 7.04.330 provides that all fees and charges associated with the operation of a cannabis activity shall be established by resolution of the City Council and shall be subject to adjustment in accordance with the Consumer Price Index; and

WHEREAS, Santee Municipal Code Section 7.04.220 provides that appeals relating to denial of a cannabis business permit application; denial of advancement to the final selection process; revocation or suspension of a cannabis business permit; denial of renewal of a cannabis business permit; or the addition of conditions to a cannabis business permit shall be conducted as prescribed by resolution of the City Council and shall be subject to a fee as established by resolution of the City Council; and

WHEREAS, the City Council desires to adopt the Santee Procedures, fees and appeal process attached to this Resolution and incorporated herein.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santee, California, as follows:

SECTION 1: The Recitals provided above are true and correct and are hereby incorporated into this Resolution.

SECTION 2: The Santee CCB Procedures attached as Exhibit “A” is hereby adopted.

SECTION 3: The Santee CCB Fee Schedule attached as Exhibit “B” is hereby adopted.

SECTION 4: The Santee CCB Appeals Process attached as Exhibit “C” is hereby adopted.

SECTION 5: Pursuant to the requirements of the California Environmental Quality Act (“CEQA”), the City Council adopted a Mitigated Negative Declaration (“MND”) and Mitigation Monitoring and Reporting Program for the Santee Cannabis Business Ordinance in July 2022 (State Clearinghouse No. 2022060058), and adopted Ordinance 602 in August 2022. The CCB Application Process involves the adoption of the Procedures and fees for the implementation of the CCB Ordinance of the City of Santee, and is therefore covered by the analysis in the 2022 MND. No subsequent environmental review is required as none of the circumstances in State CEQA Guidelines Section 15162 have occurred. Further, adoption of the CCB Procedures and fees does not have the

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potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment and therefore the CCB Application Process is not a "project" as defined by CEQA (Public Resources Code section 21065; CEQA Guidelines section 15378). Any necessary compliance with CEQA for individual projects would be required prior to construction authorization.

SECTION 6: This Resolution shall take effect immediately upon its passage.

ADOPTED by the City Council of the City of Santee, California, at a Regular Meeting thereof held this 27th day of March 2024, by the following roll call vote to wit:

AYES: KOVAL, MCNELIS, MINTO, TROTTER

NOES: HALL

ABSENT: NONE

APPROVED:



JOHN W. MINTO, MAYOR

ATTEST:



ANNETTE FAGAN ORTIZ, CMC, CITY CLERK

Exhibit "A" – Santee CCB Procedures

Exhibit "B" – Santee CCB Fee Schedule

Exhibit "C" – Santee CCB Appeals Process

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Exhibit "A"
Santee CCB Procedures



City of Santee

10601 Magnolia Ave
Santee, CA 92071

Email: cannabisinfo@cityofsanteeca.gov

**APPLICATION PROCEDURES AND REVIEW CRITERIA
FOR A COMMERCIAL CANNABIS BUSINESS PERMIT
(RETAIL APPLICATIONS)**

Application Period (45 Days)
OPENS – TBD
CLOSES – TBD

These Application Procedures and Review Criteria apply solely to Cannabis Retail applications. Applicants wishing to operate a Microbusiness with Retail are required to apply for a Cannabis Retail permit, prior to being considered for a Microbusiness permit. Additional information regarding Microbusiness permits is provided in Appendix A.

NUMBER OF PERMITS

During this application period, the City of Santee (City) will allow up to four (4) cannabis retail permits under this process.

RETAIL BUSINESS

- "Retailer" is defined as having a physical location from which commercial cannabis activities are conducted. A retailer's premises may be closed to the public. A retailer may conduct sales exclusive by delivery. (See Section 26070(a)(1) of the California Business and Professions Code and Santee Municipal Code (SMC) Section 7.04.060).

CONTACT

If you have any questions prior to submitting your application or would like an update on the status of your application, please email your questions to cannabisinfo@cityofsanteeca.gov.

APPLICABLE REGULATIONS AND FORMS

Information regarding the Commercial Cannabis Retail Business (CCB) application process can be found on the City's website at <https://www.cityofsanteeca.gov/business/cannabis-business>.

To be considered for issuance of a CCB Permit, applications must be submitted through the City's online permitting system by the deadline. There will be no exceptions. These Application

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Procedures and Review Criteria (hereafter referred to as “Procedures”) constitute the City Council’s adopted Procedures to be used for the City’s evaluation of CCB Permit applications pursuant to SMC Section 7.04.130.

Applicants should monitor the City’s web page (<https://www.cityofsanteeca.gov/business/cannabis-business>) for information on the process. It is the responsibility of the Applicant to stay informed of all information provided on the webpage.

LIMITATIONS ON MULTIPLE SUBMISSIONS

Persons possessing an individual or cumulative ownership interest of ten percent (10%) or more in a retail cannabis business shall be limited to being a part of only one retail application during this application period. Any applications that share an owner of ten percent (10%) or more will be deemed incomplete.

In addition, the City will only accept one application per property. If the City receives more than one application per property, the City will notify the property owner and the property owner will need to notify the City, in writing, which application is authorized.

Without exception, only one retail permit will be issued per property.

CITY’S RESERVATION OF RIGHTS

The City reserves the right to reject any and/or all applications in accordance with these Procedures. The City may modify, postpone, or cancel the opportunity to submit an application for a CCB permit without liability, obligation, or commitment to any Applicant, person, owner, party, firm, organization or other entity of whatever form related to the process. 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

APPLICATION SUBMITTAL REQUIREMENTS

Applications must adhere to the requirements in SMC Chapter 7.04.130 and respond to all requirements of these Procedures. Applicants must submit the required application materials (except the application fee) listed below to the City’s online permitting system. As noted below, the application fee must be submitted in person to the City before the application deadline.

1. Cannabis Business Permit Application;
 - A. Business Plan
 - B. Labor and Employment Plan
 - C. Security Plan
 - D. Qualification of Owners
 - E. Neighborhood Compatibility Plan
 - F. Community Benefits and Investment Plan

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G. Proposed Site Plan

2. Financial Responsibility, Indemnity and Consent to Inspection Agreement;
3. Agreement on Limitations of City's Liability and Indemnification to City;
4. Verification of Live Scan background submittal;
5. Property Owner Consent/Landlord Affidavit;
6. Proof of Insurance or Letter of Insurability from the Insurance Company;
7. Proof of Capitalization;
8. Zoning Verification Letter;
9. Application fee. (This fee shall be submitted in person to the City.)

Please note that responses to the Evaluation Criteria, Sections A-G of #1 above and as further described in Appendix A of the Procedures, shall be limited to 125 pages. If the response exceeds 125 pages, points will be deducted. Responses pertaining to Items #2-8 above shall not be included in the 125-page limitation.

The electronic application portal will ask for each of the items (not including the application fee) listed above to be provided as PDF files. Please compile the PDF files as noted above. Responses shall be saved in separate PDF files.

Applicant responses to the Evaluation 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 may receive a deduction in points.

CRIMINAL BACKGROUND CHECK

Each owner, operator, investor, manager, and employee of the proposed CCB will be required to pass a criminal history background check as required by SMC Section 7.04.080. For the purposes of this application process, only owners as defined in SMC Section 7.04.060 will be required to submit verification that they have applied for their background verification.

Evidence of a conviction by an owner of any the offenses enumerated below shall be grounds for rejection of the application:

1. A violent felony as defined by California Penal Code 667.5 or equivalent offenses in other states;
2. A felony for hiring, employing, or in transporting, carrying, selling, giving away, preparing for sale, or peddling, any controlled substance; or selling, offering to sell, furnishing, offering to furnish, administering, or giving any controlled substance to a minor;
3. A felony for drug trafficking with enhancements pursuant to Section 11370.4 or 11379.8 of the Health and Safety Code; or
4. A crime involving dishonesty, fraud or deceit, including, but not limited to, fraud, forgery, theft, or embezzlement as those offenses are defined in California Penal Code Sections 186.11, 470, 484, and 504a, or equivalent offenses in other states.

This process will be required to meet the minimum threshold qualifications pursuant to SMC Section 7.04.080.

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Live Scans will be performed by the San Diego County Sheriff's Department (SDCSD) by appointment only. A copy of the Live Scan form is required as part of the application materials. Applicants shall complete all blank fields provided in the "Request for Live Scan Service" form under the "Applicant Information" section. Applicants shall not alter the pre-completed sections of the Live Scan request form, as any modification may result in Live Scan rejection and/or delay by the DOJ or FBI. A separate form shall be filled out for each owner of the business receiving a Live Scan. The bottom portion of the "Request for Live Scan" form must be filled out by the person conducting the Live Scan. Live Scan results will be sent directly to the SDCSD. If, at any point, the SDCSD background investigation determines that one or more of the owners is ineligible pursuant to the SMC, the application will be denied.

ZONING VERIFICATION LETTER (ZVL)

As part of a complete application packet, an Applicant must obtain a Zoning Verification Letter from the Planning & Building Department. To secure this letter, an Applicant must make a written request to the Planning & Building Department, which shall specify the intended use of the building (for example, retail only or part of a microbusiness proposal) and the proposed building location with its assessor's parcel number.

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 once a cannabis business is established.

FEES

All applicants will be required to submit a fee of \$25,711. Payment must be made by a certified check, cashier's check or money order made payable to the City of Santee by 4pm on TBD. Please note that application fees are non-refundable once the City has begun reviewing the application.

A separate fee for the Zoning Verification Letter (ZVL) of \$267 per application will be paid upon submittal of the request to the Planning and Building Department. The Live Scan fee of the actual cost will be assessed by TBD at time of application for the background check by TBD. Additional Live Scan fees will be applicable if the application is approved.

SUBMITTAL DEADLINE

Applications must be submitted through the City's online permitting system by 4:00 pm on Date. Late applications will not be accepted. Furthermore, applications may be rejected for the following, but not limited to, reasons:

1. It does not meet the requirements of the Procedures.
2. The issuance of the Cannabis Business Permit for the proposed location does not comply with State law or SMC.

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INTEGRITY GUIDELINES

The following Integrity Guidelines (“Guidelines”) shall be operative from the start of the adoption of the application procedures, until the completion of Phase IV: City Council Interviews and Final Selection. Each applicant is individually and solely responsible for ensuring compliance with the Guidelines. This responsibility extends to the applicant’s employees, agents, consultants, lobbyists, affiliates, and all other parties or individuals engaged for purposes of developing or supporting the application.

1. Collusive activities among applicants are expressly forbidden and may result in immediate disqualification of any involved parties.
2. Applicants are prohibited from offering promotional outreach, hospitality, gifts, or other like activities directed toward City staff, elected or appointed officials, application reviewers, or consultant(s) hired by the City to assist with the application process (collectively referred to as “City Officials”).
3. All communication related to Phases II – IV cannabis application process with City Officials must be directed to the City designated contact, listed on page 1 of these Procedures. Any attempt to communicate with other City Officials regarding Phases II – IV of the cannabis application process may result in disqualification of the application.
4. Notwithstanding the restrictions on communications set forth in point 3 above, nothing in these Guidelines is intended to restrict or prohibit applicants from communicating with City staff and officials during interviews in Phase III or during an open and public City Council or Commission meeting.
5. Any evidence which indicates an applicant has failed to comply with the Guidelines may result in that applicant’s disqualification. Any questions regarding the Guidelines shall be in writing and shall be transmitted by email to City designated contact.

APPLICATION REVIEW, SCORING, AND APPROVAL PROCESS

PHASE I: DETERMINATION OF ELIGIBILITY

During Phase I, applications will be reviewed by City staff for completeness and compliance to meet the minimum submittal requirements of the Procedures. The determination of eligibility will be based on the criteria outlined in these Procedures. City staff may issue clarifications of these Procedures in writing, and any such clarifications will be posted on the City’s webpage (<https://www.cityofsanteeca.gov/business/cannabis-business>) and shall go into full effect immediately upon being posted on the website. A determination that an application is not eligible for advancement from Phase I to Phase II is subject to appeal in the manner and within the time frame prescribed by resolution of the City Council in accordance with SMC 7.04.220.

PHASE II: APPLICATION EVALUATION AND REVIEW (1,200 points)

During Phase II, City staff 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)

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The top applicants from Phase II, as determined by the City Manager, may be eligible to advance to Phase III. The decision as to how many applicants will advance will be determined in the City Manager's sole discretion based on the quantity and the quality of applications the City receives. Notice of the individual application results of Phase II will be provided via email to the primary contact listed on the application. After the conclusion of Phase II, the points assigned to each applicant will be reset. A determination that an application is not eligible for advancement from Phase II to Phase III is subject to appeal in the manner and within the time frame prescribed by resolution of the City Council in accordance with SMC 7.04.220.

PHASE III: INTERVIEWS (1,600 points)

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

- Section D – Qualifications of Owners (500 Points)
- Section E – Neighborhood Compatibility (400 Points)
- Section F – Community Benefits and Investments Plan (450 Points)
- Section G – Proposed Site Plan (250 Points)

The City reserves the right to impose requirements on the interview process prior to conducting the interviews, and the City may issue written instructions regarding the manner in which the interviews are conducted.

Upon the completion of Phase III, the Committee will tabulate the scores of all Applicants from Phase III to create a preliminary ranking, which will form the basis for determining who will be invited to participate in Phase IV. The ranking will only be based upon the scores received during Phase III. No more than ten applicants will advance to Phase IV with the final number of applicants (i.e., ten or less) determined at the City Manager's sole discretion based on the overall quantity and quality of Applicants under consideration. After the conclusion of Phase III, the points assigned to each applicant will be reset.

Prior to the tabulation of scores in Phase III, the City reserves the right to request and obtain additional information from any applicant, for purposes of clarifying or validating information provided during Phase III interviews. The City Manager may review the totality of the information received, including any additional information received, to determine which applicants are authorized to participate in Phase IV. A determination that an application is not eligible for advancement from Phase III to Phase IV is subject to appeal in the manner and within the time frame prescribed by resolution of the City Council in accordance with SMC 7.04.220.

PHASE IV: CITY COUNCIL INTERVIEWS AND FINAL DECISION

Upon the completion of Phase III, the City Manager will present to the City Council, at a properly noticed public meeting, the qualifying Applicants that advanced from the Phase III process. The presentation of Applicants by the City Manager shall exclude the Phase I-III scores and rankings. However, the information provided by the Applicants in Phase I-III will be made available to the City Council for purposes of its interviews and final decision.

During Phase IV, the City Council will interview Applicants and make a final determination as to which Applicant(s) will be awarded a CCB permit. **In making this decision, the City Council**

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has full discretion over which Applicant(s), if any, will be awarded a CCB permit, consistent with the purposes and intent of the City's Cannabis Business Permit Ordinance. In making this decision, the City Council shall not be limited by the specific Evaluation Criteria identified in Appendix A or these Procedures. Each Applicant should be prepared to conduct a brief presentation and answer questions from the City Council. Further details as to the date, time, place, and length of presentation will be provided prior to the date of public meeting.

In addition to reserving all of its rights, the City Council expressly reserves the right to consider microbusinesses for purposes of making final determination as to whether to award a CCB permit. In addition, the City also expressly reserves the right to award a lesser number of CCB Permits than the maximum allowed under the application process, or to award no permits at all. Any decision made by the City Council to award or not to award a cannabis permit shall be final and shall not be subject to appeal. Notice of the individual application results of Phase IV will be provided in writing via email to the primary contact listed on the application.

After the City Council has made a determination as to which, if any, Applicants may be awarded a CCB permit, the selected Applicants shall enter into a Community Benefit Agreement with the City setting forth the terms and conditions under which the cannabis business will operate that are in addition to the requirements of the SMC within 30 days of being notified of the City Council's intent to issue the CCB permit. The Community Benefit Agreement must be approved by the City Council before the CCB permit may be issued.

Any Applicant wishing to appeal final completeness or selection determination made in Phases I through III 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. Such appeals shall comply with the requirements of SMC Section 7.04.220 or procedures established thereunder and is subject to an appeal fee. Any decision made by the City Council during Phase IV to award or not award a cannabis permit shall be final and shall not be subject to appeal.

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, Planning & Building 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 SMC Titles 11 and 13 and any other permit requirements from other City departments or agencies. Those awarded a CCB permit will be required to demonstrate compliance with all development standards outlined in SMC Title 13.

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APPENDIX A: EVALUATION CRITERIA

Public Records Act

The City of Santee is a public agency subject to the California Public Records Act (“CPRA”). Subject to review by a court of competent jurisdiction, the City shall make all determinations under the CPRA regarding when any record is required to be disclosed under the CPRA or when a record may be non-disclosable because an exemption to disclosure under the CPRA or other law applies. Depending on the circumstances, a particular record may be disclosable, permanently non-disclosable or may be non-disclosable at a particular phase of the application process and then disclosable during a later phase. By submitting any application, an Applicant acknowledges the applicability of the CPRA to this process, and agrees that the City, subject to judicial review, is the sole decision maker regarding compliance with the CPRA. Applicants should assume that anything submitted to the City as part of this process may become a disclosable public record.

Microbusiness Applicants

Responses to Evaluation Criteria Sections A-G shall focus primarily on storefront retail operations. Applicants intending to operate cannabis microbusiness operation shall communicate this intent through the Commercial Cannabis Business Permit Application form, under the section entitled “Applicant (Entity) Information.” No additional information regarding proposed microbusiness operation is required in Applicant written responses to Sections A-G of the Evaluation Criteria. Nothing within the Procedures prohibits an Applicant from providing information relating to their microbusiness operations in their written responses. However, Applicants should be aware that no additional points will be awarded during Phase II to Applicants who provide information related to proposed microbusiness operation in their written responses. For Applicants selected to progress to Phase III interviews, the City reserves the right to ask questions related to proposed microbusiness operation, if the Applicant selected one or both of these options on the application form.

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 Evaluation 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 three months of operating costs, as well as a description of the sources and uses of

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- funds. The application must also 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 shall be submitted in a separate PDF file. See "Application Process" section 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.
 - D. A letter from a bank, credit union, or similar financial institution stating that the cannabis applicant has, or will be provided, access to banking services. This letter should be within the last calendar month.
2. Daily Operations – The application describes the day-to-day operations of the proposed retail business. This shall 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 the name of the system, to be used and how it will interact with the state's mandated track and trace system. Locate and identify the number of Point-of-Sales terminals to be used when the business is at full capacity.
 - D. The expected 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 SMC Section 7.04.360 for local requirements pertaining to retail establishments in the City of Santee.
 - G. How cannabis and cannabis products will be tracked and monitored to prevent diversion.
 - H. The proposed waste management plan, including waste disposal locations and security measures.

SECTION B: LABOR AND EMPLOYMENT PLAN (400 points)

1. Number of Employees – The application identifies the number of employees at initial opening and the maximum number of employees when the business is at full capacity.
2. Employee Responsibilities – The application identifies all positions to be employed at the proposed business, their responsibilities, and the salary ranges for those employment positions.
3. Employee Benefits – The application identifies the benefits provided to employees, including health care, vacation, and medical leave, to the degree they are offered as part of employment.

SECTION C: SECURITY PLAN (400 points)

1. Qualified Security Professional – The application includes a security plan prepared by a qualified professional that meets or exceeds all the security requirements of SMC Section 7.04.320 and state law. 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

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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 (DCC) California Code of Regulations (CCR) 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.

PHASE III EVALUATION

Important Instructions:

- During Phase III Interviews, Applicants will be asked questions related to some or all of the Evaluation Criteria Sections D-G.
- Due to the time limitation of interviews, Phase III questions may not address all of the criteria identified within each Section D-G, and the City reserves the right to develop Phase III questions in its sole discretion.
- Scoring for this phase will be based upon information conveyed verbally by Applicants, in response to the questions asked. Any 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, in the City's sole discretion, become a condition on the business permit, if issued.

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- Phase III scoring is independent of results from Phase II. Phase II scoring resets to zero when Phase III commences.

SECTION D: QUALIFICATION OF OWNERS (500 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. *For purposes of this section, owner has the definition provided in SMC Section 7.04.060.*
2. Describe the owner and/or team's 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 Santee.
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, including the business's plan for the use of social media to monitor and respond to complaints.
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.

SECTION F: COMMUNITY BENEFITS AND INVESTMENT PLAN (450 points)

1. Describe the benefits that the business will provide to the local community, for example 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 only intended to capture the overall commitment of Applicants to fund or support local community-based activity in general.*
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 shall 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 Santee 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. Identify the anticipated minimum percentage of total annual payroll hours that will be performed at the business by City of Santee residents.

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4. The Community Benefits and Investment Plan shall also include a description of the direct fee that will be offered to the City, expressed as a percentage of annual gross receipts. The City anticipates a minimum of 5% of annual gross receipts.

SECTION G: PROPOSED SITE PLAN (250 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 and building(s);
 - 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.

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Exhibit "B"
Santee CCB Fee Schedule

Cannabis Business Permit Fee Schedule	
Fee Name/Type	Fee
Application Fee	\$ 25,711
Zoning Verification Letter	\$ 267
Annual Renewal Fee	\$ 27,749
Annual Compliance Fee (pass through)	Actual Cost
Change in Information Fee (deposit)	\$ 1,000
Transfer of Ownership Fee (deposit)	\$ 1,000
Appeal Fee	\$ 7,319
Criminal Background Investigation Fee (pass through)	Actual Cost

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Exhibit "C" Santee CCB Appeals Process

Santee Cannabis Business Permit Appeals Process

Any appeal right provided for in Santee Municipal Code Section 7.04.220 must be conducted as set forth below. This Appeals Process does not govern appeal rights set forth in other sections or chapters of the Santee Municipal Code.

I. Submission of Appeal.

- a. An applicant or permittee may appeal a decision to deny advancement in the selection process at each phase of the process leading to (but not including) the final selection phase by the City Council; to revoke or suspend a cannabis business permit; to deny the renewal of a cannabis business permit; or to add conditions to a cannabis business permit by filing with the City Clerk a written appeal within 10 calendar days from the date of service of the notice of decision or action.
- b. The appeal shall be in writing and signed by the person making the appeal, or the person's legal representative, and shall contain the following:
 - i. The name, address, telephone number of the appellant;
 - ii. A statement of whether the appellant is an applicant, owner, or permittee of a cannabis business;
 - iii. A true and correct copy of the notice of the decision or action issued that the appellant is appealing;
 - iv. A specific statement of all of the reasons and grounds for making the appeal in sufficient detail to enable the hearing officer to understand the nature of the controversy and the basis of the appeal; and
 - v. All documents or other evidence pertinent to the appeal that the appellant requests the hearing officer to consider at the hearing.
- c. At the time of filing, the appellant must pay the designated appeal fee, which shall be established by resolution of the City Council.
- d. In the event a written appeal is timely filed, the denial, revocation, suspension, nonrenewal, or addition of conditions is not effective until a final order has been rendered and issued by the hearing officer in accordance with and in the timeframes established by this resolution.
- e. If no timely, proper written appeal is filed in the event of a decision of denial (i.e., relating to a new application or renewal application, or advancement

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to the final selection process), the decision is final. In the event the renewal is denied and no timely, proper written appeal is filed, the permit, and any associated rights, terminates at the end of the permit's term.

- f. If no timely, proper written appeal is filed in the event of a suspension or revocation, the decision is final. The suspension or revocation is effective upon the date of the expiration of the period for filing a written notice of appeal.
- g. If no timely, proper written appeal is filed in the event of the addition of conditions to a cannabis business permit, the decision to add the conditions is final. The additional conditions are effective upon the date of the approval of the permit.
- h. Failure of the applicant or permittee to file a timely and proper appeal, or pay the requisite fee, is a waiver of the right to appeal the decision and a failure to exhaust all administrative remedies. In this event, the decision is final and binding.

II. Hearing Procedure.

- a. The City will retain a hearing officer(s) through a request for proposal process to hearing all appeals commenced under the procedures established by this resolution.
- b. Upon receipt of the written appeal, the City Clerk, in their sole discretion, shall choose the date and set the matter for a hearing before the hearing officer. The City Clerk's notice will inform the appellant of the date, time, and location of the hearing. Once set, the hearing date shall only be continued by the hearing officer upon a written showing for good cause by the requestor. For purposes of this subsection, the term "good cause" means the hearing date must be continued due to circumstances outside of the requestor's control. The appeal must be held within a reasonable time after the date of filing of the appeal.
- c. Upon selection of a hearing officer and date, the City Clerk will submit to the hearing officer the appellant's appeal and documentation, if any. This shall constitute appellant's written submittal to the hearing officer. The City may submit its own written response to the appeal along with any evidence it wishes the hearing officer to consider, if any, at least three (3) calendar days before the hearing.
- d. The hearing officer will preside over the appeal in accordance with the rules stated herein. The hearing officer will conduct its review of the decision to determine whether there was an abuse of discretion. Abuse of discretion is established if the City has not proceeded in a manner required by law. The hearing officer does not substitute their judgment for that of any application reviewer, evaluator, or scorer, nor re-weigh the evidence or rescore an

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application. If the hearing officer determines that there was an abuse of discretion, the decision shall be deemed canceled.

- e. The hearing shall be conducted as follows:
 - i. No new matter or evidence shall be received or considered by the hearing officer that was not addressed or identified in the appeal unless the appellant can show why such new matter or evidence could not with due diligence have been argued or produced at the time of filing the appeal.
 - ii. Appellant bears the burden of proof to establish that the City abused its discretion by issuing the decision.
 - iii. At the hearing, the parties may present arguments and evidence relevant to the decision appealed. Formal rules of evidence and procedure applicable in a court of law shall not apply to the hearing. However, rules of privilege are applicable to the extent they are permitted by law; and irrelevant, collateral, and repetitious evidence may be excluded.

III. Hearing Officer's Decision.

- a. No later than fifteen (15) calendar days following conclusion of the appeal hearing, and after considering all of the arguments and evidence submitted at the hearing, the hearing officer will determine whether the issuance of the decision constituted an abuse of discretion.
- b. The hearing officer must issue a written decision containing findings and analysis supporting their decision to uphold or reverse the decision, and any other finding that is relevant or necessary to the subject matter of the appeal.
- c. The decision of the hearing officer is final. The decision must contain the following statement: "The decision of the hearing officer is final. Judicial review of this decision is subject to the time limits set forth in California Code of Civil Procedure Section 1094.6."
- d. A copy of the hearing officer's decision must be served by first class mail on the appellant. Failure of a person to receive a properly addressed hearing officer's decision does not invalidate any action or proceeding by the City pursuant to the rules stated herein.