



COMMERCIAL CANNABIS BUSINESS LICENSE

SUPPORTING DOCUMENTS

APPLICATION PROCEDURE GUIDELINES FOR A COMMERCIAL CANNABIS BUSINESS

AMENDED MAY 29, 2020 (Amended Sections are in blue font)

INTRODUCTION

These are the official application procedure guidelines for this application period (March 2, 2020 to **June 15, 2020**), and all information in this document supersedes any previous drafts, reports or presentations given. These procedures are subject to amendment by the City Manager or designee pursuant to El Monte Municipal Code (EMMC) Section 5.18.300. Amendments shall become effective as posted on the City's website.

Information regarding the Commercial Cannabis Business application process can be found on the City of El Monte's (City) website at <http://www.elmonteca.gov/549/cannabis-guidelines> and may include the following:

- EMMC
- Ordinance No. 2960
- Commercial Cannabis Business Application (CCBA)
- Background Check at: https://hdlcompanies.formstack.com/forms/bc_el_monter
- Live Scan Form
- Limitations on City's Liability Waiver

The application to operate a Commercial Cannabis Business (CCB) in El Monte will be available on March 2, 2020. The application will be accessible from the City's Website at <http://www.elmonteca.gov/549/cannabis-guidelines>. The filing period will close at 5:00 p.m. on June 15, 2020. Applications will only be accepted by appointment. Please contact the Planning Division at 626.258.8626 or at cannabis@elmonteca.gov to set up an appointment. All application fees are due at the time of application submittal. This application process is adopted pursuant to EMMC Ordinance No. 2960. Some or all portions of application materials may be publicly available pursuant to the California Public Records Act.

City Reserves the Right

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 CCB license without liability, obligation, or commitment to any party, firm, or organization. In addition, the City reserves the right to request and obtain additional information from any candidate submitting an application. Late or incomplete applications WILL BE REJECTED. Furthermore, an application RISK BEING REJECTED for the following reasons:

- It is not responsive to this request for a CCB application.
- The issuance of the CCB at the proposed location is inconsistent with state law, EMMC Ordinance No. 2960, or other applicable El Monte Municipal Codes.

**PLEASE READ THE GUIDELINES CAREFULLY – FAILURE TO SUBMIT
A COMPLETE APPLICATION COULD RESULT IN DISQUALIFICATION.**



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Questions Regarding the Application

Applicants will have the opportunity to submit questions regarding the application. Applicants must submit the questions in writing to cannabis@elmonteca.gov by March 26, 2020. The City posted all questions and responses on the El Monte website on March 30, 2020. Additional clarifications were posted to the website on May 8, 2020, May 11, 2020, May 20, 2020, and May 29, 2020.

Amendments to the Application

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

Application Fees

Application fees shall be submitted as noted below in Table 1. Applications will not be accepted without payment of fees. If an applicant does not proceed to Phase 3, they may be subject to a partial refund (depending on the number of applications). The fees below do not include other standard fees such as building plan check fees, sign permit fees, design review fees, etc.

Payment must be made by cash, certified check, cashier's check or money order made payable to the City of El Monte. The City does not accept credit cards.

Table 1. Application Fees.*

# of Applications	PHASES 1 TO 3	PHASE 4	PHASE 5	TOTAL
	Due at application submittal	Due at building plan submittal check	Due at business license	
One	\$20,371.19	\$6,886.43	\$12,696.27	\$39,953.89
Two	\$30,556.79	\$10,329.64	\$12,696.27	\$53,582.70
Three	\$40,742.39	\$13,772.85	\$12,696.27	\$67,211.51
Four	\$50,927.97	\$17,216.06	\$12,696.27	\$80,840.31
	Annual Renewal Permit:		\$6,348.10	

* Fees are subject to annual cost of living adjustments



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PHASES OF SUBMITTAL AND REVIEW

Phase 1 – Application Submittal

- Application process opens and applications are made available on March 2, 2020.
- Final day to submit questions on March 26, 2020.
- City posted answers to questions on the City’s Cannabis Webpage on March 30, 2020. Additional clarifications were posted to the website on May 8, 2020 and May 11, 2020.
- Final day to submit applications and pay fees is by 5:00 p.m. on Monday, June 15, 2020.

Phase 2 – City Staff Review for Completeness

- City Staff consisting of City Manager’s Office, Police Department, City Attorney’s Office, Finance Department, and Community and Economic Development Department will review the applications for completeness.
- Applicants with complete applications are notified in writing and shall proceed to Phase 3.
- Applicants with incomplete applications are notified in writing and shall not proceed to Phase 3. This determination is not appealable.

Phase 3 – Third-Party Review

- Complete applications are forwarded to the third-party reviewer.
- The third-party consultant reviews each application in detail and scores the applications based on the Evaluation Criteria (as outlined starting on Page 9).
- Proposed retailers with the six (6) highest scores are notified in writing and may proceed to Phase 4.
 - In the event of a tie in scoring, applicants that score higher in the areas of: 1) Community Benefits; followed by: 2) Neighborhood Compatibility; and finally by: 3) Security Plan will proceed to Phase 4.
- Retailers that are not among those with the six (6) highest scores are notified, and shall not proceed to Phase 4.
- Proposed manufacturers, cultivators, distributors, and laboratory testing facilities with passing scores of a minimum of 800 points are notified in writing and may proceed to Phase 4. Manufacturers, cultivators, distributors, and laboratory testing facilities that did not have passing scores are notified in writing, and cannot proceed to Phase 4.
- Phase 3 scores are not appealable.



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Phase 4 – City Permits for the Cannabis Business

- The time needed to establish the cannabis business will vary depending on the type of cannabis licenses proposed and amount of site and/or building improvements needed.

Phase 5 – License to Operate the Cannabis Business

- Prior to issuing a Commercial Cannabis Business license, Planning, Building, Code Enforcement, Police, LA County Public Health and LA County Fire staff will review and inspect the property to confirm all requirements have been met.
- On the one (1) year anniversary of the business operating, a formal performance review will be completed to assess compliance with all the requirements.

PHASE 1 – APPLICATION SUBMITTAL

All applications must include all of the items listed below. City staff shall verify the submittal and completeness of all information during Phase 2. Applications shall be submitted and formatted as follows.

- A. One (1) complete, comprehensive wet-signed and notarized hard copy of the El Monte Commercial Cannabis Business Application (CCBA).
- B. One (1) complete, comprehensive set of attachments: Limitations on City's Liability Waiver, Owner(s) Information, Letter of Zoning Compliance, Proof of Financial Resources and Proof of Live Scan.
- C. Items A and B should be submitted in a three-ring binder.
- D. Four (4) hard copies of development plans as outlined in Phase 1, Items #14 and 15 and Phase 3, Items #2.2 – 2.7. Two (2) copies shall be provided in 24 inches by 36 inches. An additional two (2) copies shall be provided in 11 inches by 17 inches. If both retail and non-retail licenses are proposed for the same property, separate plans shall be made for a retail/non-retail option and a non-retail only option (in the event that the retail portion is not among the six (6) highest scores).
- E. One (1) hard copy of the 800 foot radius map from "sensitive uses" as outlined in Phase 1, Item #13 (24 inches by 36 inches).
- F. One (1) hard copy of the 300 foot radius map from other uses as outlined in Phase 3, Item #2.1 (24 inches by 36 inches).
- G. Items # A-F, AND all items listed in Phase 3 [Pages 9-19], Items #1-9 shall be submitted in two (2) flash drives with Items #1-9 saved as individual PDF files.

The number of pages for the full document shall not exceed 150 pages, excluding the following:

- ALL items Listed Under Phase 1 Pass/Fail (Phase 1 Items #1-15)



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- Qualifications of owners and experience (Phase 3, Items #1.1 and #1.2)
- 300 foot radius map (Phase 3, Item #2.1)
- Premise diagram (Phase 3, Item #2.2)
- Site Development Plan (Phase 3, Item #2.3)
- Floor Plan (Phase 3, Item #2.4)
- Building Elevations (Phase 3, Item #2.5)
- Grading Plan (Phase 3, Item #2.6)
- Colored Renderings (Phase 3, Item #2.7)
- Construction and operations budget (Phase 3, Items #3.8)
- Proof of financial resources (Phase 3, Item #3.9 and Item #3.10)
- Three year pro-forma (Phase 3, Item #3.11)
- Photographs and other info on existing conditions (Phase 3, Item #7.6)
- Collective Bargaining Agreement (Phase 3, Item #9.1)

All applications must include all of the items listed below. City staff shall verify the submittal and completeness of all information during Phase 2.

Applicant Information (pass/fail)

1. El Monte Commercial Cannabis Business Application (CCBA).
2. Proof of property ownership, proof of executed lease **or** purchase agreement, or a notarized letter of the owner's willingness to lease **or** sell the property.
3. Organizational structure documents (e.g., Articles of Incorporation, bylaws, partnership agreements, etc.).
4. Limitations on City's Liability Waiver. This shall be notarized.
5. Owner(s) Information:
 - Color copy of Driver's License or other valid government-issued photo identification.
 - Proof of current address
6. Background Check by HdL Companies for **all** "managers" **and** "owners" as defined in El Monte Municipal Code (EMMC) Section 5.18.030. The Background Check application can be submitted online via the following:
https://hdlcompanies.formstack.com/forms/bc_el_monte.

The fee for the each background check is \$300 per owner/manager and is payable through the website.



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Pursuant to EMMC Section 5.18.030 "Manager" means any individual who will be participating in the direction, control, or management of an applicant or a licensee, including but not limited to, any (i) manager or managing member or other officer of a limited liability company, or (ii) chief executive officer, secretary, treasurer/chief financial officer or other officer of a for profit corporation.

Pursuant to EMMC Section 5.18.030 "Owner" means any of the following:

- A. A person with an aggregate ownership interest of 20% or more in the applicant or a licensee, unless the interest is solely a security, lien, or encumbrance;
- B. The chief executive officer, secretary, or treasurer/chief financial officer of a nonprofit applicant or licensee; or
- C. A member of the board of directors of a nonprofit applicant or licensee.

Notwithstanding Section C above, every applicant and licensee must have at least one (1) individual person designated as an "owner" for the purpose of compliance with EMMC Chapter 5.18, including the review and evaluation of any commercial cannabis business license application. Additionally, when a business entity (e.g. limited liability company) is an owner in a commercial cannabis business, all entities and individuals with a financial interest in the entity shall be disclosed to the City.

Please be aware that applicants cannot move forward to Phase 4 until it has been confirmed by HdL Companies that a Background Check application has been submitted and cleared for each owner and manager.

7. Proof of submitting a Live Scan (which can be a receipt). A Live Scan and criminal history check for each owner/manager demonstrating they do not provide "good cause" for denial per EMMC Ordinance No. 2960. Please bring the Live Scan form to a location that provides Live Scan fingerprinting services (list of locations: <https://oag.ca.gov/fingerprints/locations>). The Live Scan process involves submitting fingerprints to the DOJ/FBI to review for criminal offender record information (CORI). CORI reports will be provided to the City for the sole purpose of determining eligibility for operating a CCB. Owners/Managers who do not meet criminal history eligibility requirements will be disqualified.

For out of state applicants where the subject state is not able to use California Live Scan ORI and Mail Code numbers, please complete the Live Scan process in the subject state and provide valid proof of Live Scan conducted from the Live Scan service provider.

Please be aware that applicants cannot move forward to Phase 4 until it has been confirmed by the El Monte Police Department that a California Live Scan application has been submitted and cleared for each Owner/Manager.



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8. Proof of minimum financial resources of \$400,000 in the form of lending/loan documents, promissory notes, bank statements, etc. Proof of capital shall be dated within the last six (6) months.
9. Confirmation that the licensee was issued a commercial medicinal cannabis business permit, Conditional Use Permit (CUP) or Development Agreement (DA) under City of El Monte Ordinance No. 2924 (regardless whether it was rescinded or not) prior to September 13, 2019; or

Confirmation that the licensee submitted an application for a commercial medicinal cannabis permit under City of El Monte Ordinance No. 2924 prior to September 13, 2019, upon payment of an application fee set by Resolution of the City Council.

Each applicant must provide the City with sufficient documentation in its application to allow the City to verify that the “person” (as defined in Section 5.18.030) serving as the applicant in its current application is the same “person” that was the applicant in its prior Medicinal Commercial Cannabis Business Permit Application Form under Ordinance No. 2924.

Please see the list of the Medicinal Commercial Cannabis Business Applications submitted prior to September 13, 2019 at the link below:

<https://www.ci.el-monte.ca.us/DocumentCenter/View/3913/Cannabis-Applications-September-2019?bidId=>

10. For retail only: Pursuant to EMMC Section 5.18.070.C.4: 1) Proof demonstrating that an individual owner of the applicant has an aggregate ownership interest of 20% or more; and 2) Proof that the individual owner of the applicant with an aggregate ownership interest of 20% or more has served as an owner, or manager of one or more other cannabis retailers licensed by a city, county, city/county or state since at least December 1, 2018.
11. For applicants with two (2) or more employees, proof of a labor peace agreement between a bona fide labor organization and the applicant. An applicant shall provide a copy of the page of the labor peace agreement that contains the signatures of the union representative and the cannabis business to the City. For applicants with only one employee, a notarized statement indicating that applicant will enter into and abide by the terms of a labor peace agreement within thirty (30) days after employing two (2) employees.



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Location Requirements (pass/fail)

12. Obtain a Letter of Zoning Compliance:

Applicants must obtain an approved Letter of Zoning Compliance (LZC) from the El Monte Planning Division located at 11333 Valley Boulevard – City Hall West.

This request must be made in writing and submitted by June 4, 2020. If the proposed location is in a qualifying zone, Planning Division staff will provide the LZC within three (3) business days after submittal. The fee for an LZC is \$326.17 and payment is due at the time of submittal.

- Retailers are permitted in the following zones: SP-4 (Downtown Specific Plan), MMU (Mixed-Use Zone), C-O, C-1, C-2, C-3, C-4 (Commercial Zones), M-1 and M-2 (Industrial Zones).
- Cultivation, manufacturing, distributors and microbusinesses are permitted in the following zones: C-3 (commercial zone, but limited to the East Valley Entryway Area overlay in Exhibit A of City Ordinance No. 2924, M-1 and M-2 (Industrial Zones).
- Testing facilities are permitted in the following zones: C-O, C-1, C-2, C-3, C-4 (Commercial Zones), M-1 and M-2 (Industrial Zones).

The issuance of a LZC does not constitute written evidence of permission given by 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.

13. Provide confirmation that the proposed location meets the minimum 800 foot buffer requirement from “sensitive uses”. Should the 800 foot buffer extend into adjacent cities or unincorporated areas (i.e. cities of Rosemead, Temple City, South El Monte, Arcadia and unincorporated Los Angeles etc.), the “sensitive uses” located within the adjacent cities shall apply.

“Sensitive uses” shall include all the following:

- All “City Parks” (including Pioneer Park, the “Tot Lot” playground on Main Street and Veterans Plaza at the northwest corner of Valley Boulevard and Santa Anita Avenue, etc.);
- All other “Youth Centers” (which currently includes the Aquatics Center, the Community Center, the Doris Dann Kids Campus and the Boys and Girls Club.);
- Daycare centers; and
- All K-12 public or private schools.

Refer to Ordinance No. 2960, Exhibit A for a full definition of each “sensitive use.”



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The 800 foot radius map shall be completed and wet-stamped by a licensed surveyor and shall identify all “sensitive uses” within a 1,000 foot radius of the proposed location. The distance shall be measured as the horizontal distance in a straight line from the property line of the sensitive use to the closest property line of the lot on which the cannabis is to be located, without regard to intervening structures.

If the proposed location is within a multi-tenant center, the radius shall be measured from the property boundary of the entire center. If the proposed location occupies more than one (1) lot (e.g. parking is on a separate parcel), the radius shall be measured from all lots.

Development Plans Required (pass/fail)

See further details on the Items below under Section 2 “Plans, Renderings, Location, and Other Diagrams”.

14. A set of plans, including site development plan, floor plans and building elevations (all four (4) sides), preliminary grading plan, and a conceptual landscape plan with the percentage of landscaping in the parking lot, setback areas, and tree size and species. *Pursuant to EMMC Section 5.18.070(C)(8).*
15. Colored interior renderings and exterior elevation renderings.

Third-Party Submittal Items

16. Submit all items identified in Phase 3, Items #1 through #9.

PHASE 2 – CITY STAFF REVIEW FOR COMPLETENESS

City staff will review all applications for completeness and confirm that all items in Phases 1 and 3 have been submitted. In addition, staff will review the following:

- Payment of all necessary fees for Phases 1 through 3.
- All necessary wet signatures have been provided.
- All items in Phase 1 that require proof or confirmation have been verified.

Applications that do not contain all the required information under Items #1-16 above shall be deemed incomplete and will not be further processed by the City. Applicants with incomplete submittals will be notified. This decision is not appealable.

Applications that are deemed complete will be notified in writing and shall proceed to Phase 3.



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PHASE 3 – THIRD-PARTY REVIEW

The third-party consultant will review each complete application. Each application will be given points, based on the below criteria (with a maximum of 1,000 points total).

1. QUALIFICATIONS OF OWNERS/MANAGERS (100 pts)

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

2. PLANS, RENDERINGS, LOCATION, AND OTHER DIAGRAMS (100 pts)

- 2.1. Provide a radius map, labeling any of the following uses within a 300 foot radius of the proposed location (with the understanding that that the uses listed below are not defined as a “sensitive use”):
 - Churches or other houses of worship;
 - Uses with off-site alcohol and/or tobacco sales; and
 - Single-family and multi-family residential uses.

If the location is directly adjacent to residential, outline any measures proposed to minimize any potential impacts from the CCB. Also clearly show if the location is directly adjacent to a river wash, freeway or railroad.

The 300 foot map shall be drawn to scale, but does not need to be completed by a licensed surveyor. The 300 foot radius map shall be drawn separately from the 800 foot buffer map from “sensitive uses.” The distance shall be measured as the horizontal distance in a straight line from the property line of the sensitive use to the closest property line of the lot on which the cannabis is to be located, without regard to intervening structures.



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- 2.2. Premise Diagram in accordance with the Bureau of Cannabis Control Rule 5006 and California Department of Public Health Rule 40105 (1/4 inch = 1 foot minimum scale)

Shall contain a minimum of the following information:

- North arrow, drawing scale, date of preparation and names of plan preparer.
- Areas: diagram shall show the property boundaries, premises boundaries, dimensions, entrances and exits, interior partitions, walls, rooms, windows, and doorways and shall include a brief statement or description of the principle activity to be conducted in each area of the premises and all limited-access areas.
- If the premises is on a property that will contain two or more licenses premises, it shall clearly show the designated entrances and walls under the exclusive control of the applicant for the premises, as well as the entrances and walls for each additional premises. All common areas must be labeled on the diagram, such as: lobbies, bathrooms, hallways and breakrooms, if applicable.
- If the premises is located on only a portion of a property that also includes a residence, the diagram shall clearly show the designated building for the premises and the residence.
- The premises shall not be in a location that requires persons to pass through an establishment that sells alcohol or tobacco to access the cannabis premises or requires persons to pass through the cannabis premises to access an establishment that sells tobacco or alcohol.
- All applicable cannabis activities must include the following on the diagram: storage, batch sampling, loading/unloading of shipments, packaging and labeling, customer sales, transportation activities such as loading and unloading of cannabis and cannabis products, and loading for deliveries, infusion and extraction, cultivation, or processing. If the premises consist of only a portion of a property, the diagram must be labeled indicating which part of the property is the cannabis premises and what the remaining property is used for.
- The activities in each room and the location of all cameras must be identified on the diagram.
- Square footage of all interior spaces.
- Proposed uses of all interior spaces.
- Cannabis waste disposal areas.
- Location of loading docks/spaces.
- If interior alterations are proposed (e.g. demolishing interior walls, remodeling of bathrooms), provide floor plans showing “existing conditions and proposed conditions”.
- If demolishing of existing buildings, expansion of existing buildings and/or construction of new buildings are proposed, provide separate floor plans showing “existing conditions and proposed conditions”.



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- A detailed premises diagram showing all boundaries and dimensions of the following areas: canopy, chemical storage, processing packaging, composting, harvesting and cannabis storage.
- A lighting diagram, including the locations of all the lights and the maximum wattage of each light.
- Water plan, including water supply sources.
- Additional requirements for microbusiness: the diagram must include measurements of the planned canopy, including aggregate square footage and individual square footage of separate cultivation areas, if any. All roads and water crossings on the property.
- **Video Surveillance requirement for all license types:** camera(s) must be permanently mounted and in a fixed location which must be identified on the premise diagram. Each camera must be numbered for identification purposes. Each camera shall be placed in a location that allows the camera to clearly record activity occurring within 20 feet of all points of entry and exit and allows for the clear and certain identification of any person and activities in all areas required to be filmed. The areas that shall be recorded include but are not limited to the following: 1) all areas where cannabis goods are weight, packed, stored, loaded and unloaded for transportation, prepared, or moved within the premises; 2) all limited-access areas; 3) all security rooms; 4) areas storing the surveillance-system storage device with at least one camera recording the access points to the secured surveillance recording area; and 5) all entrances and exits to the premises, which shall be recorded from both indoor and outdoor vantage points.
- **Additional Video Surveillance requirements for storefront retailers:** camera(s) must record point-of-sale areas and areas where cannabis goods are displayed for sale. The camera must allow for the recording of the facial features of any person purchasing or selling cannabis goods, or any person in the retail area, with sufficient clarity to determine identity.

If both retail and non-retail licenses are proposed for the same property, separate plans shall be made for a retail/non-retail option and a non-retail only option (in the event that the retail portion is not among the six (6) highest scores).

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

- If the site is currently vacant land, state such and refer to the photographs provided in Phase 3, Item #7.6.
- If existing buildings are to be demolished or expanded, provide separate site plans showing “existing conditions” and “proposed conditions.”



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

If the existing site is in poor condition, staff will require improvements as a condition of occupancy.

2.4. Floor plan showing information on existing layout and proposed layout to building interior (1/4 inch = 1 foot minimum scale).

2.5. Building Elevations. Provide information on existing conditions and proposed improvements to building elevations (1/8 inch = 1 foot minimum scale):

- Existing building elevations (all four (4) sides).
- If modifications are proposed for existing buildings, provide before and after elevations (all four (4) sides). Also label all colors and materials.
- If a new building(s) are proposed, provide full colored elevations. Also label all colors and materials and building height and width dimensions.



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If the existing building is in poor condition, Planning Division staff may require improvements as a condition of occupancy.

- 2.6. Preliminary grading plan, as required per EMMC Section 5.18.070(C)(8)..
- 2.7. Colored interior renderings and exterior elevation renderings (for both existing and/or proposed improvements).

3. BUSINESS PLAN (100 pts)

- 3.1. A written description of the total square footage of the facility with estimated square footage of proposed uses (i.e. administrative, cultivation, manufacturing, shipping/receiving, laboratory, dispensary, etc.).
- 3.2. An organizational chart of Owner/Leadership activity with store manager(s) and employees.
- 3.3. Describe the owner's roles in day-to-day operations and decisions.
- 3.4. Describe the number of employees, title/position and their respective responsibilities.
- 3.5. Describe compensation to and opportunities for continuing education and employee.
- 3.6. State the extent to which the CCB will be a locally managed enterprise whose owners and/or managers reside in the City of El Monte area.
- 3.7. A schedule for beginning operations, including a narrative outlining any proposed construction improvements and a timeline for completion.
- 3.8. A budget for construction, operation, maintenance, compensation of employees, equipment costs, utility costs and other operating costs.
- 3.9. A description of the sources(s) of capital use(s) of capital funds. The budget must demonstrate sufficient capital in place to pay startup costs and at least three (3) months of operating costs.
- 3.10. Proof of capitalization, in the form of documentation of cash or other liquid assets on hand, Letters of Credit or other equivalent assets.



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- 3.11. A pro forma for at least three (3) years of operation.
- 3.12. Type of products being cultivated, manufactured or sold.
- 3.13. Estimated quantity and value of product(s) to be cultivated, manufactured, or sold.
- 3.14. Describe marketing procedures and tactics.

4. OPERATIONS PLAN (100 pts)

- 4.1. Day-to-day operations shall be provided for each license type being sought. The proposed operations should acknowledge both state and local laws and should be consistent with industry best practices.
- 4.2. Describe hours of operation and opening procedures.
- 4.3. Describe cash handling procedures.
- 4.4. Describe inventory control procedures that will be included, identification of point-of-sales and track and trace software. Explain how cannabis inventory will be tracked and monitored to prevent diversion.
- 4.5. Describe transportation, loading and unloading, distribution, or delivery procedures.

5. SAFETY PLAN (100 pts)

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

- 5.1. The Safety Plan shall be prepared and/or evaluated by a professional fire prevention and suppression consultant. A “professional fire prevention and suppression consultant” would include but not be limited to, an accreditation, certification, license, etc. related to fire safety.
- 5.2. Identify all gases, pesticides, and chemicals to be used and their storage locations.
- 5.3. Identify all possible fire, hazardous material and inhalation issues/threats. Include written and physical mechanisms proposed to deal with each specific situation.



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- 5.4. Identify fire alarm and monitoring system including the name and contact information for the alarm company.
- 5.5. Description of accident and incident reporting procedures.
- 5.6. Description of evacuation routes.
- 5.7. Location of fire extinguishers and other fire suppression equipment.
- 5.8. Description of procedures and training for emergency situations.
- 5.9. Description and location of all gas monitoring equipment (for Cultivation and Manufacturing applicants only).
- 5.10. Compliance with IFC §407, location(s) of MSDS, proper labeling of containers and packaging containing hazardous materials, warning signage, and employee training in the event of an emergency involving hazardous materials on property.
- 5.11. *For manufacturing applicants only:* Identify the brand, type and model of the system used to recover volatile organic compounds used for extraction, distillation and/or concentration of cannabis products.

The Safety plan will also be reviewed and approved by Los Angeles County Fire Department prior to issuance of Commercial Cannabis Business License.

6. SECURITY PLAN (100 pts) *

- 6.1. The Security Plan shall be prepared and/or evaluated by a professional security consultant.
- 6.2. Premises (Security) Diagram per 40105. In addition to diagrams submitted for other sections of your application, applicants are expected to submit a premises diagram, which shall be accurate, dimensioned, and to scale (minimum scale = $\frac{1}{4}$ " = 1'); the scale may be smaller if the proposed location exceeds more than a $\frac{1}{2}$ acre parcel but must not be printed on larger than an 11 inch x 17 inch sheet of paper. The premises diagram shall include the following information:
 - A security diagram capable of demonstrating the location of all live-feed, Police Department accessible cameras and recording equipment (DVR/NVR), access control equipment and all safes, vaults or locked and secured rooms, location of



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audible exterior and interior alarms, panic buttons and or restricted access locations, locations of lockboxes and keypads and security lighting.

- Boundaries, dimensions, entrances and exits, interior partitions, walls, rooms, windows and doorways.
- Written description of operational security, including but not limited to, general security policies for the facility, employee specific policies, training, sample written policies, transactional security, visitor security and 3rd party contractor security, and delivery security.
- Description of cannabis activity that will be conducted in each area of the premises. Commercial cannabis activities that must be identified on the diagram may include, but are not limited to the following if applicable to the business operations: storage, batch sampling, loading/unloading of shipments, packaging and labeling, customer sales, extractions, infusions, cultivation, harvesting processing and testing.
- Identify all limited-access areas, (limited-access areas are defined areas in which cannabis goods are stored or held and only accessible to licensees, employees or contractors).
- Address ingress and egress access, perimeter security, product security (at all hours), internal security measures for access (area specific), types of security alarms (alarms and cameras) and security personnel to be employed. Note that the City must be provided with all keys, keycards, and access codes.

6.3. Identify intrusion alarm and monitoring system including the name and contact information for the monitoring company.

6.4 Discuss whether the CCB will utilize the services of on-site security guards. Please include the following in the description:

- Number of guards.
- Hours guards will be on-site.
- Locations they will be positioned.
- Their responsibilities.

The security plan will also be reviewed and approved by El Monte Police Department prior to issuance of Commercial Cannabis Business License.

** Security plans will not be made public.*

7. NEIGHBORHOOD COMPATIBILITY PLAN (200 pts)

7.1. Provide a “Good Neighbor Policy” that includes policies and measures in place to protect adjacent uses from any potential impacts (i.e. noise, light, odor, traffic, etc.)



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related to the proposed cannabis business. Describe how the cannabis business and its operating characteristics will be proactively managed so the business is not detrimental to the public health, safety, convenience, or welfare of persons residing, working, visiting or recreating in the surrounding area and will not result in the creation of a nuisance.

- 7.2. Describe odor mitigation practices:
 - Identify potential sources of odors.
 - Describe the system design, operational processes along with staff training, and maintenance plan. Please do not include equipment literature for this criteria.
- 7.3. Describe the waste management plan. The plan shall include waste disposal locations and their security measures, methods of rendering waste unusable and unrecognizable.
- 7.4. Describe the facility's sustainability efforts; provide a pledge to use locally sourced, low VOC, and energy efficient and sustainable materials and techniques (i.e. solar panels, renewable energy, etc.).
- 7.5. Describe how the location will be provided with adequate electricity, sewerage disposal, water and storm drainage facilities for the intended purpose.
- 7.6. Provide photographs and other information on existing conditions:
 - Exterior photographs showing all sides of any existing structure(s). Also include photograph of existing parking areas, landscaping, trash enclosure, and signage.
 - If more than one use currently exists on the site, provide information on all the uses, including their addresses, uses and square footages.
 - If the site is vacant, provide photographs of the existing site.
 - Provide photographs of adjacent properties for context.

8. COMMUNITY BENEFITS PLAN (175 pts)

- 1.1. Describe all quantifiable benefits the Commercial Cannabis Business will provide to the El Monte community. Benefits may include any one (1) or a combination of the items below (listed in descending order of preference):
 - Monetary contributions to the City to be used for General Municipal purposes.
 - Monetary contributions to the City to be used for new parks/park improvements.
 - Monetary contributions to the City to be used for recreational programs.
 - Monetary contributions to the City to be used for after school programs.



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- Monetary contributions to the City to be used for public safety including youth diversion programs.
- Monetary contributions to the City to be used for public safety including Explorer programs and Volunteers Caring and Patrolling (VCAP).
- Monetary contributions to the City to be used for public safety including Teaching, Obedience, Respect, Courage and Honor (TORCH).
- Monetary contribution to local non-profit organizations.
- In-kind contributions to local non-profit organizations.
- Use of local businesses and contractors for consulting, construction, start-up and ongoing operations.
- Other quantifiable measure that may benefit the community.

9. COLLECTIVE BARGAINING AGREEMENT (25 pts)

9.1. Documentation that an individual owner of the applicant with an aggregate ownership interest of 20% or more was disclosed as an owner, manager, or employee to a city, county, or city and county or state prior to September 13, 2019, of an existing licensed cannabis retailer, or an existing licensed microbusiness engaged in retail sales (and remains an owner, manager, or employee of said existing licensed cannabis retailer or microbusiness as of March 2, 2020) with a collective bargaining agreement with a labor organization that currently represents cannabis workers in the United States effective since at least December 1, 2018, inclusive of renewals and remains effective as of March 2, 2020.

**FINAL POINTS ARE TABULATED.
ALL SCORES REVIEWED UNDER PHASE 3
ARE ADDED TO ESTABLISH A FINAL SCORE.**

Proposed retailers with the six (6) highest scores are notified in writing and may proceed to Phase 4. In the event of a tie in scoring, applicants that score higher in the areas of Community Benefits, followed by Neighborhood Compatibility and then Security Plan would move forward. The remaining proposed retailers will be notified in writing that they were not among the top six (6) applicants and cannot proceed to Phase 4. This decision is not appealable.

Proposed manufacturers, cultivators, distributors and laboratory testing facilities with a passing score of 800 points or greater will be notified in writing and may proceed to Phase 4. The remaining proposed manufacturers, cultivators, distributors and laboratory testing facilities will be notified in writing that they did not meet a passing score and cannot proceed to Phase 4. This decision is not appealable.



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The ability to submit for Phase 4 shall expire one (1) year after notification. The Director of Community and Economic Development may approve one (1) time extension of up to one (1) year (by submitting a “Time Extension” application for an approved project, with a processing fee currently set at \$720.15). The approval shall expire once the extension time has lapsed.

PHASE 4 – CITY PERMITS FOR THE CANNABIS BUSINESS

The time to establish the cannabis business will vary considerably depending on the type of cannabis business proposed and the amount of site and/or building improvements required. For example, the following requires Design Review approval by the Planning Commission:

- Construction of new non-residential structures of 5,000 square feet or more;
- Expanding an existing non-residential structure by twenty-five (25) percent or more; or
- Physically modifying a structure that is visible from the street that involves a major portion of the structure or its surroundings.

In addition, the following requires Conditional Use Permit (CUP) approval by the Planning Commission:

- Construction of a new, primary non-accessory industrial structure in any M-zone within 150 feet of residentially zoned property.

Occupying an existing building with only tenant improvements and minor exterior modifications may only require a Zoning Clearance from the Planning Division and a Building Permit.

The following permits are required prior to operation of a cannabis business:

- City Zoning Permit (if applicable)
- City Building Permit
- City Business License
- Los Angeles County Fire Department Permit
- Los Angeles County Public Health Permit
- State Licenses
- Commercial Cannabis Business License



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PHASE 5 – LICENSE TO OPERATE THE CANNABIS BUSINESS

- Prior to issuing a Commercial Cannabis Business License, Planning, Building, Code Enforcement, Police, LA County Public Health, and LA County Fire staff will review and inspect the property to confirm all requirements have been met.
- On the one (1) year anniversary, a formal performance review will be completed to assess compliance with all the requirements.