



# WELCOME!

CITY OF SANTA ANA COMMERCIAL  
CANNABIS PHASE 2/REGULATORY  
SAFETY PERMIT (RSP) APPLICATION  
PROCESS INFORMATION SESSION

Wednesday, April 18, 2018  
2:30 p.m. – 3:30 p.m.  
City Hall Ross Annex Room  
1600 (20 Civic Center Plaza)

# INTRODUCTIONS

*Jorge Garcia, Alvaro Nunez, & Ali Pezeshkpour – City Manager's Office & Planning and Building Agency*

*Have you filled out a question card?*

# INFORMATION SESSION GOALS & OUTLINE

- Provide a brief overview of current review status
- Review the required Phase 2 (RSP) application
- Provide information on the Phase 2 (RSP) and Merit Criteria review process
- Answer questions about the Phase 2 (RSP) process (question cards required)

# OVERVIEW

- Up to 30 adult-use commercial cannabis retailers permitted
- Registration Application (Phase 1) application period ended 3/01/2018
- Over 50 applications received
- City has completed its review of all Phase 1 applications
  - Outcome letters mailed Friday, April 13
  - Outcome emails sent Tuesday, April 17

# RSP APPLICATION SUBMITTAL CHECKLIST

- The Adult-Use Retailer RSP application and checklist are posted online
- The following forms and items are required:
  - Merit Criteria response packet
  - RSP Application & fee
  - RSP Checklist & checklist items
  - RSP Acknowledgement of operating standards

City of Santa Ana 20 Civic Center Plaza, Santa Ana, CA 92701 714.647.5400

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## Adult-Use Commercial Cannabis Portal

Revised: April 10, 2018

On November 9, 2017, the City Council approved Ordinance NS-2929, creating Chapter 40 (Commercial Cannabis) of the Santa Ana Municipal Code that **allows adult-use commercial cannabis retail businesses**. To view a copy of the ordinance, please click the link in the "Resources" section at right. The new ordinance went into effect on Monday, December 11, 2017. In addition, the City Council approved administrative amendments to the existing medicinal cannabis ordinance (Chapters 18 and 21).

The new ordinance allows up to 30 adult-use commercial cannabis retail locations; co-location with medicinal licenses is permitted. No other type of commercial cannabis business activity is permitted, including manufacturing, distribution, cultivation, testing, or microbusiness.

### How will the new commercial cannabis retail businesses be selected?

Details on the selection process and the applications required are found in the new adult-use commercial cannabis ordinance. Please view the ordinance in the "Resources" section on the right-hand side of this page.

### When can I download an application, and when will the City begin accepting applications?

The City posted the Phase I (Registration Application) packet on Tuesday, January 30, 2018. The 30-day application window began on that date and ended on Thursday, March 1, 2018 at 4:00 p.m.

The City held an **information session** for "newcomer" applicants on January 17, 2018 to discuss the new ordinance, the Phase I application process, and to answer questions from attendees. The PowerPoint presentation from the information session is available in the "Resources" section at right. A separate Phase 2 information session for individuals who submitted Phase 1 applications will be held on March 26, 2018. Information on the Phase 2 information session will be supplied directly to Phase 1 applicants.

Following a review of the commercial cannabis ordinances, the following **clarifications on buffer distances** measurements apply to commercial cannabis retail stores:

#### Resources

- [Adult-Use Commercial Cannabis Retail Ordinance \(Chapter 40\)](#)
- [Merit-Based Scoring Criteria](#)
- [Jan. 17, 2018 Information Session PowerPoint \(PPT\)](#)  
New: Please see clarification on buffer distances in the text at left.
- [Commercial Cannabis Eligible Areas Maps](#)

#### Applications

- [Adult-Use Retail Registration \(Phase I\) Application](#)  
application period was Jan. 30, 2018 to Mar. 1, 2018
- [Regulatory Safety Permit \(RSP\) Packet \(Phase 2\) Application Checklist](#)
- [Application Checklist for all Commercial Cannabis Businesses except Medicinal Retail \(Chapter 18\)](#)
- [Non-Retail Phase 1/Registration Application \(Testing Laboratories\)](#)

# PHASE 2 (RSP) APPLICATION PERIOD

- Phase 2/RSP applications are **available online**.
- Application window will be open for 30 days
  - Thursday, April 19, 2018 to May 22, 2018
  - **By appointment only** – please see outcome letter
  - The 30-day window is to submit the Merit Criteria response packet and RSP application and checklist materials
- Submittals after the 30-day window will not be accepted

# PHASE 2 (RSP) APPLICATION PROCESS

- **Step 1** – Those on the Eligibility List submit Phase 2 components
  - Merit response packets and \$12,086 fee to Planning by appointment only
  - RSP application and checklist materials to Police Department by appointment only
- **Step 2** – The City will review the Merit Criteria response packets and will score each packet on a scale of 0 to 100 points
- **Step 3** – The highest-scored packets will be eligible to complete the RSP process, based on the number of permits available
- **Step 4** – Submit construction drawings for plan check and complete the buildout and inspections process

# PHASE 2 (RSP) MERIT RESPONSE PACKETS & FEE

- Must be **submitted in person** (may not be mailed, faxed, or submitted online) by **appointment only**
- **Do not submit** RSP components (application, checklist, and acknowledgement form) to the Planning Division.
- Four (4) packet copies required

# MERIT CRITERIA - IMPORTANT CONSIDERATIONS

- Proof of **site control** and demonstration of **prior experience** are **baseline requirements**
  - Lease
  - Title (ownership)
- Locations with multiple Phase 1 applications: the first submitted Phase 2 Merit Criteria packet that demonstrates site control disqualifies any others that may be submitted for the same location
- Applications are site-specific (unit or suite)

Adult-Use Retail Cannabis Merit-Based Criteria and Possible Points		
All applications for a Regulatory Safety Permit (RSP) will be evaluated using the merit criteria outlined below. Applicants must submit supplemental documentation or references with the RSP application that support the statements below for review by the City.		
No.	Merit Criteria	Points
1	Applicant demonstrates control of a site that is in full compliance with the requirements of Chapter 18 and/or Chapter 40 of the Santa Ana Municipal Code (base requirement <sup>1</sup> ).	Up to 20
2	Applicant demonstrates experience in operating a permitted or licensed commercial cannabis activity within the United States (base requirement <sup>1</sup> ).	Up to 20
3	Applicant demonstrates past experience in and commits to any of the following <sup>2</sup> : <i>This criteria evaluates the items listed below.</i> <ul style="list-style-type: none"> <li>• Local hiring and sourcing practices<sup>3</sup></li> <li>• Sustainable business or building practices</li> <li>• Community benefit and/or youth programs in Santa Ana</li> </ul>	Up to 30
4	Applicant is currently on the Measure BB lottery waitlist.	Up to 10
5	Applicant's principal officer's, director's, or owner's primary residence is in the City of Santa Ana and the person has been residing at the primary residence for at least 12 consecutive months immediately preceding the date of the application; OR have been operating a business in the City of Santa Ana for at least 12 consecutive months immediately preceding the date of the application.	Up to 10
6	Applicant, entity, or premises: <i>This criteria evaluates the items listed below.</i> <ul style="list-style-type: none"> <li>• Has no previous record of failing to make timely reporting or remitting of their Santa Ana medical marijuana and/or commercial cannabis business license taxes or any other payments required by their entitlements if operating in another jurisdiction</li> <li>• Is not the subject of any outstanding code enforcement activity</li> </ul>	Up to 10
<b>Maximum Possible Points</b>		<b>100</b>

<sup>1</sup> Base requirement indicates that the applicant must satisfy a portion of each criteria (nos. 1 and 2) in order to qualify for consideration and scoring

<sup>2</sup> A community benefits plan will be reviewed and incorporated into the required operational agreement for any selected commercial cannabis business operating in Santa Ana.

<sup>3</sup> Note: Pursuant to Chapter 40, any facility employing two or more individuals is required to enter into a labor peace agreement.

Page 1 of 1, 2/5/2018

# MERIT CRITERIA - IMPORTANT CONSIDERATIONS

- Merit Criteria response packet may be up to 30 pages long
  - Does not include cover sheet and/or dividers
- All submissions will be reviewed together after the Phase 2 submittal period ends
- Specific point allocations have not yet been decided due to nature of comparative evaluation process, similar to an RFP or RFQ

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Page 1 of 1, 2/5/2018

# MERIT CRITERIA - IMPORTANT CONSIDERATIONS

- There are 11 spots available from the maximum 30
- Selected applicants may only sell adult-use cannabis; medicinal cannabis retail is subject to Measure BB and the waitlist
- In the event of a tie, the position will be given based on the order the Phase 1 application was received based on the time it was logged into the City's permits database
- Selected applications must comply with all sensitive land use buffers and separation requirements from other retailers

# MERIT CRITERIA — SCORING FRAMEWORK

- No. 1 (Site Control) — Scored based on type, percentage, and duration (length) of control, including ownership or lease
- No. 2 (Prior Experience) — Scored based on type and duration (length) of experience, and setting (in-state vs. out-of-state)
- No. 3 (Community Benefits) — Scored comparatively against all other applications

# MERIT CRITERIA — SCORING FRAMEWORK

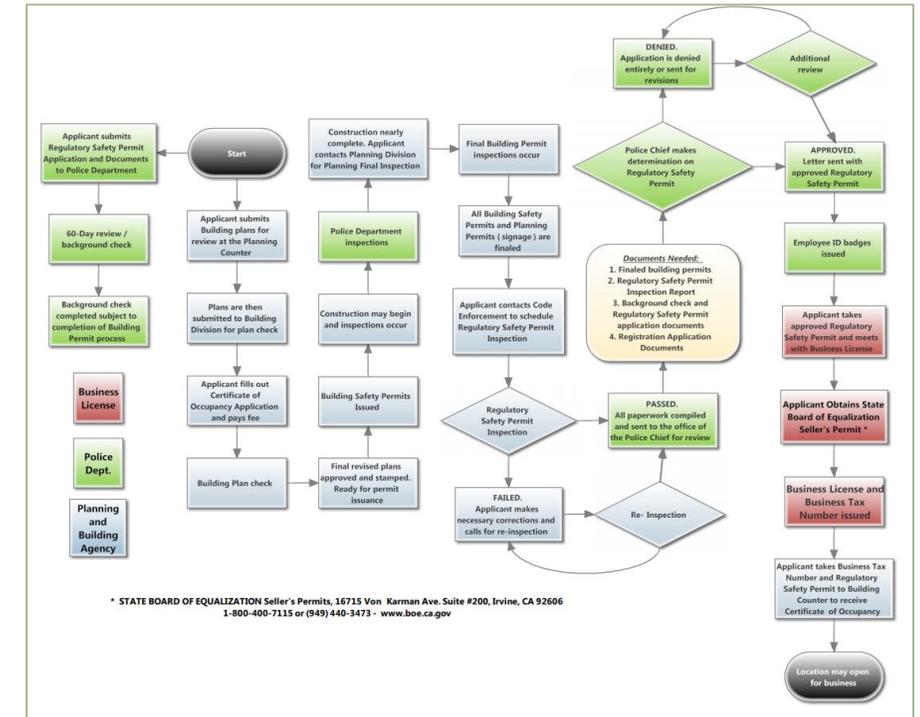
- No. 4 (Measure BB Waitlist) – Scored based on duration (length) on waitlist and percent of ownership (business genealogy may be provided as part of response packet), specific to the address & unit
- No. 5 (Residency) – Scored based on principal officer's, director's, or owner's duration (length) of residency or having operated a business in Santa Ana
  - For either, minimum 12 consecutive months preceding the date of the application submittal
- No. 6 (Standing) – Scored comparatively against all other applications based on records submitted in response packet and/or records research by City staff

## WHO WILL SCORE?

- Scoring will be done by a panel comprised of three (3) professionals
- Panel will be external (non-City staff)
- Panel will be anonymous

# NEXT STEPS AFTER MERIT CRITERIA REVIEW

- Scores and outcome will be shared with Phase 2 applicants
- RSP process with PD concludes
- Top-scoring applicants will be invited to submit to Building plan check
- Buildout and inspections process will be similar to the Measure BB flowchart



An RSP flowchart similar to the Measure BB flowchart will be posted online when the Merit Criteria response packet review concludes

# PROCESSING FEE

- \$12,086 for the Regulatory Safety Permit application due upon submittal of Merit Criteria response packet to Planning
- Payment may only be made by Cashier's Check, Money Order or Cash
- Credit cards and Personal/Company Checks will not be accepted
- This fee is non-refundable

# FOR FURTHER INFORMATION

- Online: [santa-ana.org/cannabis](https://santa-ana.org/cannabis)
- Email: [Cannabis@santa-ana.org](mailto:Cannabis@santa-ana.org)

# QUESTIONS?

*Question cards are available near the entrance. Please raise your hand if you would like to fill one out.*



# **THANK YOU**

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