



APPLICATION GUIDELINES TO OPERATE A MEDICAL CANNABIS DISPENSARY IN BERKELEY

The application process for a license to operate a Medical Cannabis Dispensary (“MCD”) in Berkeley will open on **Monday, January 12, 2015**. Applications will be available at the Planning Department and on the dispensary application webpage: http://www.cityofberkeley.info/Planning_and_Development/Commissions/Commission_for_Medical_Cannabis/Dispensary_Selection.aspx. This outlines the application process, required materials, and other information necessary to operate a MCD in Berkeley. To be considered, final applications **must be** submitted by **4:00 PM** on **Friday, March 20, 2015**.

BEFORE YOU APPLY:

- Review the information provided here to learn about the application process and documents you will need.
- Review the application.
- Review the information on the medical cannabis dispensary application webpage: <http://cityofberkeley.info/DispensarySelection/>. This page includes the following information:
 - Local regulations governing Berkeley MCDs: Berkeley Municipal Code (“BMC”) Chapters 12.26 and 12.27.
 - Additional application information: Resolution No. 66,711-N.S.
 - State laws governing MCDs: the California Department of Justice Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use and Senate Bill 420 (Medical Marijuana Program Act).
 - Map of schools and existing dispensaries to determine eligible location(s) for a MCD. The MCD must be located in a commercial (C-) district and must not be within a 600-foot radius of schools or other legally operating MCDs. You may propose multiple potential locations, but are required to include a Neighborhood Compatibility Plan and Safety and Security Plan for each. In the end, only one location will be approved.

APPLICATION PROCESS:

- (1) **Evaluation and Ranking:** The selection process shall consist of the following four rounds:
 - Round 1: Preliminary determination of eligibility.
 - Round 2: Initial ranking.
 - Round 3: Second ranking.
 - Round 4: Public meeting and final selection by City Council.For more information, see Evaluation and Selection Process below.
- (2) **Criminal History Check:** As part of Round 1 of the evaluation process, each individual applying to be a principal of the MCD (“Principal”) must apply for a Live Scan criminal history check at the Berkeley Police Department and include proof of Live Scan payment with the application. The Live Scan process involves submitting fingerprints to the DOJ/FBI, which will review for criminal offender record information (CORI). CORI reports will be provided to the Planning Department for the sole purpose of determining eligibility for operating a MCD. See BMC Section 12.27.030 for eligibility requirements. Principals who do not meet criminal history eligibility requirements will be disqualified.
- (3) **Application:** Hand deliver a complete, comprehensive application, with payment of the \$878 initial application fee by **4:00 PM** on **Friday, March 20, 2015**. A complete application will consist of the following information:
 - The application form;

- Proof of Live Scan payment and proof of residency for each of the Principals; and
- All of the information about the dispensary to be evaluated in Round 2 and Round 3. The only information that can be submitted after the initial application is information on the final location, and consolidation information

Late and incomplete applications will not be considered.

- (4) **Medical Cannabis Competency Test:** Each Principal must take and pass the Medical Cannabis Competency Test. The test will be administered one to two weeks after the application deadline. Principals who do not attain a passing score on the Medical Cannabis Competency Test will be disqualified.
- (5) **Amendments to the Application:** Applicants will have **one** opportunity to amend specific items in their application. During Round 1, applicants will be notified if any of their Principals are ineligible and/or if their application is incomplete. Applicants will have 30 days from the point of notification to replace Principals that do not meet eligibility requirements and/or to provide missing materials. To qualify as a Principal, replacement candidates will need to complete the Live Scan criminal history check by a specified date, meet criminal history eligibility requirements, and pass the Medical Cannabis Competency Test. A special administration of the test will be scheduled for these individuals.
- (6) **Payment of Application Fees:** The individual designated as the Dispensary Contact on the application will be notified by e-mail as to whether the application is advancing to Round 2 and, subsequently, to Round 3. A payment of \$2,948 will be due before Round 2 and a payment of \$2,948 will be due before Round 3. Deadlines for these payments will be included in the e-mail notification.
- (7) **Public Meeting:** After Round 3 and within 45 days of notification, the top five applicants must conduct a public meeting in the area of their respective proposed location. Notice of this meeting must be provided in accordance with BMC Chapter 23B.32.

EVALUATION AND SELECTION PROCESS:

The ranking and allocation process shall consist of the following four rounds of evaluation.

- **Round 1: Determination of Eligibility and Application**
 - Each Principal must undergo a criminal history check demonstrating compliance with the eligibility requirements of Section 12.27.030.
 - Each Principal is required to pass a Medical Cannabis Competency Test, demonstrating a working knowledge of state and local compliance standards.
 - Applications must be complete to be considered. Applications will be considered complete only if they include all information required for Rounds 1, 2 and 3.
- **Round 2: Initial Ranking**
 - Applications will be evaluated based on the following criteria:
 - Proposed Location(s) of business
 - Business Plan
 - Neighborhood Compatibility Plan
 - Safety and Security Plan
 - The top 10 applications will move on to the next round.
- **Round 3: Second Ranking**
 - The top 10 applications will be evaluated based on the criteria listed below. These criteria, except the Final Location information, are optional but encouraged:
 - Final Location (proof of ownership or lease agreement)
 - Availability of Professional Services
 - Community Benefits
 - Enhanced Product Safety
 - Environmental Benefits
 - Labor & Employment
 - Local Enterprise
 - Qualifications of Principals
 - Consolidation

- The top five applications will move to the Selection process.
- **Round 4: Selection**
 - Within 45 days of the Second Ranking, each of the five applicants shall conduct a public meeting in the area proposed for its MCD. Notice of the public meeting must be provided pursuant to BMC Chapter 23B.32.
 - Applications shall be presented to the Medical Cannabis Commission for review and recommendation to the City Council.
 - The City Council will make the final selection.

DESCRIPTION OF EVALUATION CRITERIA:

- **Proposed Location(s).** Your application must include the address and a detailed description of the proposed location(s). (Note that proof of ownership, signed lease, and/or letter of owner’s willingness to lease will not be given any additional consideration until Round 3.) This section should also describe all confronting and abutting uses, transit access and accessibility, and nearby sensitive uses, such as schools. The MCD must be located in a commercial (C-) district and must not be within a 600-foot radius of schools or other legally operating MCDs. **If you are considering more than one location, please provide information about each potential location, including a Neighborhood Compatibility Plan and a Safety and Security Plan.**
- **Business Plan.** With as much detail as possible, the Business Plan should describe:
 - Description of day-to-day operations.
 - How the MCD will conform to local and state law. See BMC Chapters 12.26 and 12.27, Resolution No. 66,711-N.S., and the Attorney General’s Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use.
 - Mechanisms for ensuring that the MCD will operate on a Not-for-Profit basis.
 - How medical cannabis will be tracked and monitored to prevent diversion.
 - A schedule for beginning operation, including a narrative outlining any proposed construction and improvements and a timeline for completion.

The Business Plan should include:

- A **budget** for construction, operation, maintenance, compensation of employees, equipment costs, utility costs, and other operation 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 funds.
- **Proof of capitalization**, in the form of documentation of cash or other liquid assets on hand, Letters of Credit or other equivalent assets.
- A **pro forma** for at least three years of operation.
- **Neighborhood Compatibility Plan.** For each proposed location, your application should address how the MCD, including its exterior areas and surrounding public areas, will be managed, so as to avoid becoming a nuisance or having impacts on its neighbors and the surrounding community. Further, a site plan (accurate, dimensioned and at a minimum scale of 1/16”) should be included for each potential location.
- **Safety and Security Plan.** For each proposed location, your application should include:
 - A detailed **safety plan**. This plan should describe the fire prevention, suppression, HVAC and alarm systems the facility will have in place. **It should include an assessment of the facility’s fire safety by a qualified fire prevention and suppression consultant.** An appropriate plan will have considered all possible fire, hazardous material, and inhalation issues/threats and will have both written and physical mechanisms in place to deal with each specific situation.
 - A detailed **security plan**. This plan should include a description and detailed schematic of the overall facility security. It should have details on operational security, including but not limited to general security policies for the facility, employee specific policies, training, sample written policies, transactional security, visitor security, 3rd party contractor security, and delivery security. In particular, applications should address ingress and egress access, perimeter security, product security (at all hours), internal security measures for access (area specific), types of

security systems (alarms and cameras), and security personnel to be employed.

The security plan shall also include an assessment of site security by a qualified security consultant. Security plans will not be made public.

- A **floor plan** showing existing conditions. If changes are proposed as part of the project, then a proposed floor plan should also be submitted. The floor plan(s) should be accurate, dimensioned and at a minimum scale of 1/8".
- **Availability of Professional Services.** The application should state the extent to which the MCD will provide professional services related to the use of medical cannabis to members. Such services may include, but are not limited to, medical or technical consulting, referrals to providers of such services, mental health services, alternative health care to the extent permitted by law, diet and nutritional advice, and similar types of services, but shall not include recommending the use of medical cannabis.
- **Community Benefits.** The application should describe benefits that the MCD would provide to the local community, such as provision of re-entry jobs, community contributions, etc. For additional examples, see Resolution No. 66,711-N.S.
- **Enhanced Product Safety.** The application should state how the MCD will ensure enhanced consumer safety beyond that required by BMC Section 12.27.070.
- **Environmental Benefits.** The application should describe any proposed "green" business practices relating to energy and climate, water conservation, and materials and waste management. For specific "green" practices that are encouraged, see Resolution No. 66,711-N.S.
- **Labor & Employment.** The application should describe to what extent the MCD will adhere to heightened pay and benefits standards and practices, including recognition of the collective bargaining rights of employees. Specific practices that are subject to consideration include the following:
 - providing compensation to and opportunities for continuing education and training of employees/staff (applications should provide proof of the MCD's policy and regulations);
 - being a "card check-neutral" facility;
 - having obtained pre-existing recognition from a certified labor union;
 - being party to a collective bargaining agreement with a certified labor union; and
 - providing a "living wage" to facility staff and employees. Wage scale should be provided in writing for all levels of employment at the facility. "Living Wage" shall mean 200% of the minimum wage mandated by California or Federal law, whichever is greater.
- **Local Enterprise.** The application should state the extent to which the MCD will be a locally managed enterprise whose Principals reside within Berkeley and/or the following adjacent cities: Albany, Kensington, Oakland and Emeryville.
- **Qualifications of Principals.** The application should include information concerning any special business or professional qualifications or licenses of principals that would add to the number or quality of services that the Dispensary would provide, especially in areas related to medical cannabis, such as scientific or health care fields.
- **Consolidation.** Two or more of the ten dispensaries selected for Round 3 may choose to combine their applications. Should they choose to do so, a new application would need to be submitted. The new application would detail who the principals for the new entity would be, identify the location, and amend the bonus point categories to reflect the merger. **THE PRINCIPALS AND LOCATION MUST HAVE BEEN INCLUDED ON ONE OF THE APPLICATIONS – NEW PRINCIPALS AND LOCATIONS CANNOT BE CONSIDERED AT THIS POINT.** Since applicants will not know if they have been selected for Round 3 until after Round 2, consolidation information will be accepted at Round 3. Please advise staff if you are considering this option.

CONTACT:

If you have any questions or would like an update on the status of your application, please email Elizabeth Greene at egreene@cityofberkeley.info.