

City of Riverside Storefront Retail Cannabis Merit-Based Evaluation Criteria

All Storefront Retail Commercial Cannabis Business Permit applications for storefront retail cannabis businesses will be evaluated using the merit-based criteria outlined below to ensure that the most qualified and experienced businesses are authorized to operate within the City of Riverside. Applicants must include documentation, references, or descriptions within their Storefront Retail Commercial Cannabis Business Permit application packet that support the statements below for review by the City.

- 0 = no content provided,
- 1 = limited or below minimum information provided,
- 2 = minimum information provided,
- 3 = all information provided and offers additional benefits,
- 4 = all information provided with additional benefits and quality standards,
- 5 = information exceeds request and offers highest quality standards.

A. Qualifications of Ownership/Operators		
No.	Merit Criteria	Possible Points
A.1	<u>Cannabis Business Experience</u> - Proposal demonstrates Owner's experience in owning, managing, and operating a legally permitted or licensed retail cannabis business in the United States.	5
A.2	<u>Cannabis Industry Knowledge</u> - Proposal demonstrates Owner's overall knowledge of the cannabis industry (as demonstrated throughout the application), including identification of how industry best practices and state regulations have been incorporated in existing/prior legal businesses outside the City of Riverside.	5
A.3	<u>Compliance Record</u> - Proposal demonstrates record of operating a compliant commercial cannabis or other business, with more points awarded for operating a cannabis business. A compliant business operation is one that does not have a documented history of local or state level violations relating, but not limited to: business code, public safety, environmental impacts, employment, and financial payments.	5
A.4	<u>Other Business Ownership Experience</u> - Proposal demonstrates Owner's experience and successful management of a permitted or licensed non-cannabis retail business within the City of Riverside.	5
A.5	<u>Local Ownership</u> - Proposal demonstrates that a current resident or business owner within the City owns at least fifty-one percent (51%) of the cannabis business and describes the involvement of the ownership team in day-to-day operation of the business.	5
Category Subtotal		25

B. Business Plan & Financial Investment

No.	Merit Criteria	Possible Points
B.1	<u>Unique or Innovative Business Model</u> – Uniqueness of the proposed business model, such as the applicant's understanding and description of the intended market which the business plans to serve (for example: local residents, tourists, medical patients, or other niche markets) and how the business will utilize innovative approaches to integrating into the Riverside business market.	5
B.2	<u>Marketing and Design Concept</u> – Quality and detail of the key aspects of the marketing plan that would be generated and incorporated into the business plan and quality of design concept/aesthetic theme for proposed business, including exterior, interior, and sign concepts and inspiration.	5
B.3	<u>Financial Plan</u> - Proposal includes a financial plan/budget that demonstrates sufficient financial capacity to capitalize, start up, and sustain business operations, with more points awarded for including a valid proforma financial statement for at least 3 years of operation.	5
B.4	<u>Funding / Proof of Capitalization</u> - Proposal demonstrates or identifies access to operational capital and/or on-going line of credit once business is operational.	5
B.5	<u>Supply Agreements</u> - Proposal demonstrates that Owner has documented agreements with cannabis distributors to supply products to Owner's business.	5
Category Subtotal		25

C. Operations Plan

No.	Merit Criteria	Possible Points
C.1	<u>Standard Operating Procedures</u> – Overall quality and detail of the proposed operating procedures; including, the extent to which the applicant noted examples of industry best practices and incorporated them into operating procedures. Additionally, the applicant has shown specific examples of where the practices included in their SOPs have worked.	5
C.2	<u>Community Benefits</u> – Overall quality, scope, and commitment to providing community benefits pursuant to RMC 5.77.110. Includes community engagement plan that details how business will work with local nonprofits and other Riverside community groups (volunteer efforts, partnerships, etc.).	5

C. Operations Plan (Cont.)

No.	Merit Criteria	Possible Points
C.3	<u>Air Quality/Odor Control</u> - Quality of ventilation and air purification system, including demonstrated effectiveness (proposal may include examples of where a similar system has worked effectively).	5
C.4	<u>Customer Education Plan</u> - Quality and detail of plan for educating customers regarding cannabis products, include the potency and effects of products.	5
C.5	<u>Responsible Use Messaging</u> - Proposal includes a coherent strategy to keep adult-use cannabis products out of the hands of consumers under the age of 21 and business plans to use "responsible use" language on packaging and messaging.	5
C.6	<u>Records Software</u> - Standard operating procedures include electronic tracking and storage of required records of sales, delivery manifests, and inventory (over and above that required by the state's "track and trace" requirements).	5
C.7	<u>Daily Inspection</u> - Proposal includes a plan for daily inspection to ensure maintenance of the interior and exterior of the facility (i.e., free of trash, graffiti, etc.).	5
C.8	<u>Environmentally Conscious Business</u> – Quality of proposed environmentally conscious business practices in excess of those required by local and state law. Proposal includes "green" business practices relating to energy and climate, water conservation, and materials/waste storage and disposal.	5
Category Subtotal		40

D. Safety/Security Plan

No.	Merit Criteria	Possible Points
D.1	<u>Security Procedures</u> - Overall quality and detail of proposed Security Plan and measures contained therein. Additional weight given to a Security Plan prepared by a qualified professional consultant with a demonstrated successful track record of preparing Security Plans for other cannabis retail businesses.	5
D.2	<u>Security Guards</u> - Quality of proposed security guard plan for the business, including number of guards, hours, protocols, and day-to-day procedures/operations (over and above that required by the state).	5

D. Safety/Security Plan (Cont.)

No.	Merit Criteria	Possible Points
D.3	<u>Video Camera Surveillance</u> - Proposal includes video camera surveillance. at or greater than state minimum requirements. Consideration to be given to the overall quality of Owner's plan to use cameras, including number of cameras, locations, resolution, how long footage is saved, and whether live feed is proposed for law enforcement.	5
D.4	<u>Product Access Protocols</u> - Proposal includes a separate check-in area where identification is checked to ensure that only qualified persons gain access to where cannabis products are displayed.	5
D.5	<u>Cash Management Plan</u> - Quality and detail of cash management plan, including cash counting/reconciliation procedures, cash storage, cash transport, depositing into a banking institution, and employee training.	5
D.6	<u>Employee Safety Education</u> - Quality of employee safety education plan, including training regarding product handling, burglary/robbery protocols, and other potential hazards of the cannabis business.	5
D.7	<u>Employee Theft Reduction Measures</u> - Quality and extensiveness of employee theft reduction measures, including audits and check in/out.	5
D.8	<u>Product Deliveries</u> – Quality of plan for securing product deliveries to the business, from distribution vehicle to building.	5
D.9	<u>Background Checks</u> – Explain application process for background checks in the employee hiring process consistent with RMC 5.77.080.	5
D.10	<u>Driver Security and Safety Procedures</u> – Quality and detail of distribution driver security and safety procedures/plan, including driver education related to potential hazards and risks.	5
Category Subtotal		50

E. Labor, Employment, and Local Sourcing Plan

No.	Merit Criteria	Possible Points
E.1	<u>Local Hiring Practices</u> - Proposal includes plan to promote local hiring or provides incentives for local residents to work with the business.	5

E. Labor, Employment, and Local Sourcing Plan (Cont.)

No.	Merit Criteria	Possible Points
E.2	<u>Significant Social Equity Component</u> – Additional business practices or characteristics demonstrating a focus on social equity (including by way of example individuals from minority groups or other underrepresented groups involved in the business or ownership). Applicant details at least three mechanisms for social equity programs and partnerships with a social equity program or organization not owned or otherwise affiliated with applicant.	5
E.3	<u>Labor Peace Agreement</u> - Applicant agrees to enter into a labor peace agreement per RMC 5.77.130-G and will abide by the terms of the agreement.	5
E.4	<u>Prior Collective Bargaining Participation</u> – Applicant demonstrates that they have entered into a collective bargaining agreement at another location under their ownership.	5
E.5	<u>Commitment to Collective Bargaining</u> – Applicant describes the process they will follow to ensure the collective bargaining rights of employees who have demonstrated support for a bonafide labor union, including but not limited to a card check process.	5
E.6	<u>Employee Relations</u> - Owner proposes to provide employee health and retirement benefits for all employees.	5
E.7	<u>Employee Training Plan</u> - Overall quality of proposed employee training, including training on differences in products, potency of products, customer service, and laws governing personal use.	5
E.8	<u>Compensation Package</u> – Quality of compensation package to be offered to employees, including salary (above state minimum and City living wage) and paid leave.	5
E.9	<u>Living Wage</u> - Applicant demonstrates a commitment to paying a Living Wage and provide a basis for determining the current Living Wage.	5
E.10	<u>Local Sourcing Practices</u> - Proposal includes plan to secure supplies and equipment from local sources.	5
E.11	<u>Non-Discrimination</u> – Plan to promote and ensure local, state, and federal employee non-discrimination policies.	5
E.12	<u>Staffing Plan</u> – Application details anticipated staffing levels with titles and number of staff positions.	5
Category Subtotal		60
Total Possible Points		200