

## City of Riverside Storefront Retail Commercial Cannabis Business Permit FAQs (Updated on 11/22/2023)

- 1. What cannabis business types are approved?
  - <u>Ordinance 7628</u> establishes the following:
    - Storefront retail (with or without deliver) 14 permits
    - Warehousing/manufacturing/distribution and laboratories- no maximum number of permits (Applications for these uses are not being considered at this time).
- 2. How will applications be submitted?
  - Applications and attachments must be submitted through the City's portal, available beginning on November 15, 2023, and closes on December 15, 2023.
  - There is no alternative to this submittal platform.
  - Any applications not received through the City's portal by the deadline stated above will not be eligible for review.
- 3. Is there a naming convention and type of files that are accepted?
  - Application Files are to be the business name, underscore (\_), and the phone number of the listed primary contact. (Ex: RiversideCannabisShop\_951-320-8024)
  - Only a PDF file will be accepted.
  - NOTICE: Failure to follow this naming convention or to upload in PDF format shall deem an application invalid and not eligible for review.
- 4. What if my application is missing an item?
  - Missing items can be uploaded after the initial submittal until the closing deadline of December 15, 2023, at 5:00PM.
  - Applicants must resubmit their entire PDF application and supporting documents before the December 15, 2023, at 5:00 PM deadline through the portal.
  - No missing items will be accepted after the close of the application period.
  - NOTICE: Failure to upload all required documents by this date and time will deem an application incomplete and ineligible.
- 5. Do you accept late applications?
  - No. Late submittals will not be accepted.
  - NOTICE: Failure to upload all required documents by the deadline will deem an application incomplete and ineligible.

- 6. Will fees be charged at the time of application submittal?
  - The Storefront Retail Commercial Cannabis Business Permit Application Fee of \$13,842 and must be paid prior to the application deadline of December 15, 2023, at 5:00PM.
  - Applicants are urged to pay this fee well in advance of the deadline.
  - NOTICE: Applications without a copy of a paid receipt will be considered incomplete and ineligible for review.
- 7. How will the permit awardees be selected?
  - All Storefront Retail CCB Permit applications shall be reviewed, and complete applications granted application clearance will be evaluated, scored, and ranked by a review panel composed of City staff selected by the City Manager.
  - The merit review criteria can be found <u>here</u>.
- 8. How do I find out about the status of my application?
  - The Cannabis Facilitator will contact each applicant to confirm your application has been received and is complete.
  - No scoring or ranking will be released until all of the applications have been reviewed, scored and ranked.
  - Final scores and ranking will be posted to the City's website.
- 9. Is the application fee refunded if the business is denied the license or withdraws their proposal?
  - No. Application fees will not be refunded.
- 10. How do I withdraw an application?
  - Send an email to <u>Cannabis@riversideca.gov</u> directing the City to withdraw your application.
- 11. Do I need to have the location selected at the time I submit the application?
  - No, no site selection is required for Phase 1.
  - Please refer to <u>Guidelines and Procedures</u>
- 12. Where can I locate my dispensary?
  - The site selection process will take place during Phase 2 of the application process.
  - Applicants should not pursue selecting a location during the Phase 1 Application process.
  - For information purposes only: Commercial Cannabis is generally allowed in the Commercial Retail (CR), Commercial General (CG), Commercial Regional Center (CRC), Mixed Use Neighborhood (MU-N), Mixed Use Village (MU-V), and Mixed-Use Urban (MU-U) Zones. Please note there are distance requirements to sensitive uses.
  - <u>Table 19.150.020 A of the City's Zoning Code provides additional zoning</u> information.

- 13. Will there be an equity program?
  - Yes, there will be an equity program. This program is currently under development and more information will be available as it becomes available.
- 14. Where do I go for information?
  - All questions must be submitted to the City by email to <u>Cannabis@RiversideCA.gov</u> and should be answered within two days of receipt in the order received when the application period begins, via the City's Cannabis webpage FAQs. Any verbal communications will not be considered or responded to.
  - No communication regarding the Storefront Retail CCB Permit should be directed to any elected or appointed City official or City staff, except for the City's Cannabis Project Manager.
  - To learn more about the City of Riverside's Retail Commercial Cannabis Business Permit procedure guidelines, please see our <u>guidelines</u> <u>document</u>.
  - Additionally, applicants can subscribe to the <u>e-notification list</u> for updates through the City's Cannabis webpage.
  - Check out our Resources tab for any supplemental information regarding the City of Riverside's cannabis program.
- 15. Is there a "green zone" within the City of Riverside for cannabis storefront retail?
  - The City does not have a designated Cannabis Zone; instead, the City has authorized the establishment of several types of Commercial Cannabis Businesses (CCBs) in existing Zones. Retail/Storefront CCBs are only permitted in Commercial Zones where other Retail uses are permitted (such as the CG – Commercial General or CR – Commercial Retail Zones). Cannabis Manufacturing/Distribution Facilities and Cannabis Testing Laboratories will be permitted in Industrial Zones (such as I – General Industrial or BMP) similar to other industrial land uses. An online Zoning Map can be found here.
- 16. Will transfers of ownership be permitted, and if so, what will the restrictions be, if any?
  - Please refer to Ordinance Section 5.77.270 Transfer of Cannabis Business
    Permit
- 17. In the 50 pages allotted for the business plan, are graphics allowed? For example, if we want to show an image of our team participating in philanthropic giving for the community benefits section is that allowed? Can our pages have the text in columns, or does it need to be traditional formatting?
  - Graphics and alternative formatting are allowed in the 50 pages allotted for the business plan. The only specific guidelines are stated in Section 12 of the Storefront Retail Commercial Cannabis Application Form.

- 18. Item 7 on the retail application sets forth insurance standards for applicants, do applicants need these policies for the application process or is this info for if/when an applicant is selected then they provide this?
  - The application requires the applicant to acknowledge and agree to provide and maintain the required certificates and endorsements to the City's insurance portal: <u>https://RiversideCA.gov/Coinportal.</u> This will be required of all selected applicants.
- 19. Are pictures acceptable in the narrative? Is there a specific font?
  - Pictures are acceptable in the narrative as part of the 50-page submission. No specific font is required, but the selected font must be 12 point.
- 20. Can the Application payment be made by the individual owner or does the payment need to be made by the Applicant Entity?
  - The payment may be made by the individual owner and a copy of payment receipt must be submitted in the application. Certified/Cashier's check or money orders will be the only acceptable form of payment.
- 21. Is there a city business license, use, or sales tax that will apply to cannabis retail businesses?
  - Please refer to Ordinance 7628 Section 5.77.360 B

All cannabis businesses authorized to operate under this chapter shall pay all sales, use, business and other applicable taxes, and all license, permit, registration, and other fees required under federal, state, and local law. Each cannabis business shall cooperate with the City with respect to any request to audit the cannabis business' books and records for the purpose of verifying compliance with this section, including but not limited to a verification of the amount of taxes or fees required to be paid during any period.

- 22. May a single company submit multiple applications or is it limited to one application per company?
  - Yes. The Guidelines, criteria, and RMC do not limit the number of permit applications any one owner can submit or permits they can hold. Accordingly, a corporation and/or its subsidiaries can submit multiple applications.
- 23. How do applicants pay the fee in advance of application submission?
  - Each applicant must pay application fees to cover the costs incurred by the City in the application process. Riverside Municipal Code Chapter 5.77.130.F, pursuant to Resolution 24048 and Resolution 24053, requires applicants to submit an initial Application Review fee. Fees are to be paid at the City of Riverside's Treasury Department, located on the first floor of

City Hall prior to application submittal. City Hall is located at 3900 Main Street, Riverside, CA 92522, and is open from 8:00AM to 5:00PM, Monday through Friday. All city business shall occur during these business hours. Applicants are required to pay the Phase 1 application review fee with a money order or cashier's/certified check. Applicants will receive a receipt of payment to upload with their respective application submittal. Payment can be made anytime during normal business hours, excluding holidays. All Storefront Retail CCB Permit applicants shall submit a City Treasury Department receipt of payment for the initial Phase 1 Application Review fee with their Storefront Retail CCB Permit application. Application that proceed past Phase 1 will be required to submit an additional Site Review fee to proceed to Phase 2 review. Applications that fail to pay and upload the Phase 1 Application Review receipt by the filing deadline will be deemed ineligible. The flat fee for Phase 1 is as follows: Phase 1: Application Review fee – \$13,842

- 24. How do I find the zoning and setbacks requirements for said ordinance?
  - Zoning and setback requirements are not required for Phase 1 applications. Information regarding zoning and setback requirements will be added to the Cannabis portal when Phase 2 of the application becomes available. Zoning information is available through the Planning and Building Dept.
- 25. Will applicants lose points for not offering delivery sales?
  - No, applicants do not lose points for not offering delivery sales. Section
    C.6 of the evaluation criteria addresses record keeping related to
    "delivery manifests", but "delivery sales" are not a weighted criteria.
- 26. What does the City consider minority groups or other underrepresented groups?
  - <u>SB 535 Disadvantaged Communities</u> addresses what the state considers "disadvantaged" or "underrepresented." Applicants receive points if their proposal demonstrates at least three mechanisms that address the issues of social equity. (Ex: Partnership with Riverside County Black Chamber of Commerce, Latino Business Action Network, etc.)
- 27. Are pages that only contain images (e.g. design renderings) included in the 50page limit?
  - Yes, design renderings and related images count towards the 50-page limit.
- 28. Does the City view LPA as a collective bargaining agreement?
  - No. Whether of not a collective bargaining agreement is in place, applicants must attest to complying with the Labor Peace Agreements <u>mandated by the State</u>.

- 29. Could you please clarify what does the City mean by a card check process under commitment to the Collective Bargaining section? "
  - Card check", also called "majority sign-up", is a method for employees to organize into a labor union in which a majority of employees in a bargaining unit sign authorization forms, or "cards", stating they wish to be represented by the union.
- 30. Website states that all files should follow the naming convention. It looks like we will be uploading multiple files. Do all files need to be named the exact same way, regardless of what document is being uploaded?
  - Applicants will be uploading <u>one</u> complete PDF file, following the naming convention.
  - Application Files are to be the business name, underscore (\_), and the phone number of the listed primary contact. (Ex: RiversideCannabisShop\_951-320-8024)
- 31. Will applicants be allowed to submit any additional materials/attachments for the Committee to review in addition to a Business Proposal?
  - Yes, as long as it is under the 50-page limit. Any application over the 50-page limit will be rejected.
- 32. What is the maximum size of the files that can be uploaded? Not in pages, in megabytes.
  - There is no size limit to the file being uploaded. With that said, please try to compress to lower file size below 100MB as a courtesy.
- 33. "Applicant demonstrates that they have entered into a collective bargaining agreement at another location under their ownership". Will points/full points only be awarded to other cannabis locations, if they entered into a collective bargaining agreement? What if a non-cannabis business under their ownership has entered into a collective bargaining agreement?
  - Applicants will be awarded full points if they can demonstrate that they have entered into a collective bargaining agreement as the owner of another business, non-cannabis businesses included.
- 34. Is proof of insurability, such as an LOI from an insurance company, required in the application? If so, where should this be included?
  - Proof of insurance is not required for Phase 1 of the application process. However, an attestation that applicant has or will be able to obtain and maintain the required insurance is required in the Phase 1 application. Please refer to City of Riverside Storefront Retail Commercial Cannabis Business Permit Procedure Guidelines and Application Review Criteria Section III Application Submittal Process.

- 35. What documentation is the City seeking for "Financial information for Section 9, "Cannabis Experience and Background", required by the State of California?"
  - Pursuant to California Code of Regulations title 4 § 15004,

(a) An applicant for a commercial cannabis license or a licensee shall disclose all financial interest holders. A financial interest holder of the commercial cannabis business includes all of the following, except as provided in subsection (b):

(1) A person with an aggregate ownership interest of less than 20 percent.

(2) A person providing a loan to the commercial cannabis business.

(3) A person entitled to receive 10 percent or more of the profits of the commercial cannabis business, including:

(A) An employee who has entered into a profit share plan with the commercial cannabis business.

(B) A landlord who has entered into a lease agreement with the commercial cannabis business for a share of the profits.

(C) A consultant who is providing services to the commercial cannabis business for a share of the profits.

(D) A person acting as an agent, such as an accountant or attorney, for the commercial cannabis business for a share of the profits.

(E) A broker who is engaging in activities for the commercial cannabis business for a share of the profits.

(F) A salesperson who earns a commission.

(G) A person who has entered into an intellectual property licensing agreement for a share of the profits.

(b) Financial interest holders do not include any of the following:

(1) A bank or financial institution whose interest constitutes a loan;

(2) Persons whose only financial interest in the commercial

cannabis business is through an interest in a diversified mutual fund, blind trust, or similar instrument;

(3) Persons whose only financial interest is a security interest, lien, or encumbrance on property that will be used by the commercial cannabis business; and

(4) Persons who hold a share of stock that is less than 10 percent of the total shares in a publicly traded or privately held company.