

RESOLUTION NO. 2018-93

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, APPROVING THE APPLICATION PROCEDURE TO OPERATE A COMMERCIAL CANNABIS BUSINESS UNDER CHAPTER 5.05 OF TITLE 5 OF THE CITY MUNICIPAL CODE

WHEREAS, the City of Moreno Valley is a General Law city organized pursuant to Article XI of the California Constitution; and

WHEREAS, pursuant to the authority granted the City by Article XI, Section 7 of the California Constitution, the City has the police power to adopt regulations designed to promote the public convenience or the general prosperity, as well as regulations designed to promote the public health and safety; and

WHEREAS, consistent with that authority the City Council lawfully adopted Ordinance 926 which became effective in December of 2017 and established a regulatory process for Commercial Cannabis Business Permits in the City by adding Chapter 5.05 to the Municipal Code; and


WHEREAS, Section 5.05.090 requires the City Council adopt by resolution the procedures to govern the Commercial Cannabis Business Permit Application process; and

WHEREAS, Section 5.05.170 requires the City Council adopt by resolution a procedure guideline and review criteria by which commercial cannabis business will be evaluated during the Commercial Cannabis Business Permit Application process;

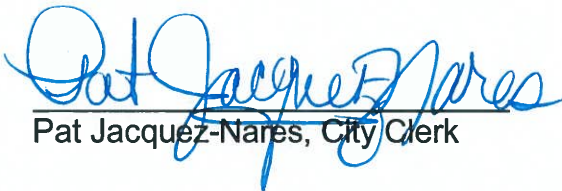
NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. The Commercial Cannabis Business Application Procedures, are hereby amended as depicted in Exhibit "A" attached to this Resolution and fully incorporated by this reference.

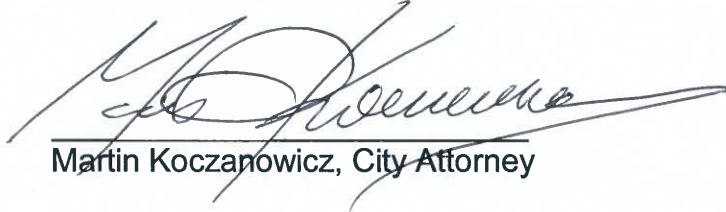
APPROVED AND ADOPTED this 18<sup>th</sup> day of December 2018.

  
\_\_\_\_\_  
Dr. Yxstian A. Gutierrez  
Mayor  
City of Moreno Valley

ATTEST:

  
\_\_\_\_\_  
Pat Jacquez-Nares, City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Martin Koczanowicz, City Attorney

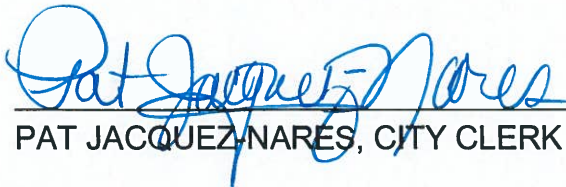
**RESOLUTION JURAT**

STATE OF CALIFORNIA        )  
COUNTY OF RIVERSIDE       ) ss.  
CITY OF MORENO VALLEY     )

I, Pat Jacquez-Nares, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2018-93 was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 18<sup>th</sup> day of December 2018 by the following vote:

- AYES:        Council Member Thornton, Council Member Cabrera, Mayor Pro Tem Baca and Mayor Gutierrez
  
- NOES:        None
  
- ABSENT:     Council Member Marquez
  
- ABSTAIN:    None

(Council Members, Mayor Pro Tem and Mayor)

  
\_\_\_\_\_  
PAT JACQUEZ-NARES, CITY CLERK

(SEAL)





## APPLICATION PROCEDURES FOR A COMMERCIAL CANNABIS BUSINESS PERMIT

This document outlines the Commercial Cannabis Business Permit (“CCBP”) application process, required materials, and other information necessary to operate a Commercial Cannabis Business (“CCB”) in Moreno Valley. Applications will be available from PlanetBids ([http://www.moval.org/rfps/bids\\_rfps.shtml](http://www.moval.org/rfps/bids_rfps.shtml)). For additional information regarding Commercial Cannabis Business, please visit our website [www.moval.org](http://www.moval.org). Applicants are solely responsible for timely submission of their application online. The City will only consider applications that have been transmitted successfully through PlanetBids. Transmission or submission of applications by any other means will not be accepted. Applicants shall be solely responsible to familiarize themselves with the online application system in order to properly utilize the application management system, for ensuring the capability of their computer system to upload the required documents, and for the stability of their internet service to successfully submit their application. Failure of the Applicant to successfully submit electronic forms shall be at the Applicant’s sole risk and no relief will be given for late and/or improperly submitted proposals. Proposers experiencing any technical difficulties with the submission process may contact PlanetBids at (818) 992-1771. Questions of an operational nature may be directed to the City’s Purchasing Division at (951) 413-3190. Neither the City nor PlanetBids makes any guarantee as to the timely availability of assistance or any assurance that any given problem will be resolved by the application submission deadline. **PLEASE NOTE: In addition to the provisional CCBP, the Plot Plan/Conditional Use Permit (“CUP”) process will need to be completed, as both permits, the CCBP and CUP, are needed to operate a CCB in the City of Moreno Valley. These permits will remain provisional until any combination of the three State Licensing Authorities have permitted your business to operate and the City of Moreno Valley has issued your business a Certificate of Occupancy.**

### IT IS RECOMMENDED THAT BEFORE INITIATING THE APPLICATION PROCESS YOU:

- Review the information to learn about the application process and which documents you will need
- Review the application in its entirety to ensure that it is complete and accurate
- Review the information regarding the commercial cannabis business permit application on the City webpage: [http://www.moreno-valley.ca.us/rfps/bids\\_rfps.shtml](http://www.moreno-valley.ca.us/rfps/bids_rfps.shtml) which includes the following information:
  - Application procedure to Operate a CCB in Moreno Valley
  - CCBP Application Form
  - Employee/Owner Background Application Form
  - Limitations on City’s Liability and Certifications, Assurances and Warranties
- Review the information regarding the CCBP process and other requirements on the City webpage: [www.moval.org](http://www.moval.org)
  - Local regulations governing Moreno Valley CCB’s: Moreno Valley Municipal Code (“MVMC”) Chapter 5.05 and Title 9 as it pertains to Commercial Cannabis Business Activities
  - Ordinance No. 926, No. 932 and No. 933
  - Resolutions 2018-10, 2018-11 and 2018-13
  - Commercial Cannabis Business Permit Live Scan Instructions
  - Frequently Asked Questions
- Review the information regarding the commercial cannabis business through the state of California
  - Medical and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA)
  - Any other state requirements

(1) **Application Process: Evaluation:** The selection process shall consist of the evaluation of the following required documents, which must be submitted electronically in PlanetBids and will be completed in the Four Phases below:

- a. City of Moreno Valley Commercial Cannabis Business Permit Application Form and all attachments specified in those documents.
- b. City of Moreno Valley Commercial Cannabis Business Owner Background Application.
- c. City of Moreno Valley Zoning Verification Letter from the Community Development Department in City Hall.
- d. City of Moreno Valley Limitations on City's Liability and Certifications, Assurances and Warranties. A completed form is required for each Owner.
- e. Copies of receipts for the payment of all applicable fees. Application Fees must be paid in full, prior to the application submittal in PlanetBids in order for your application to be considered.

Phase 1: Preliminary determination of eligibility.

Phase 2: Initial evaluation.

Phase 3: Second evaluation (Interview).

Phase 4: Lottery if needed.

**Note: a separate application and fee is required for each category of CCBP.**

For more information, see Evaluation and Selection Process section below in this procedure.

(2) **CCB Permit Application:** Applicants must submit a completed and signed copy of the City of Moreno Valley Commercial Cannabis Business Permit Application Form and all attachments specified in those documents in PlanetBids. A complete application will consist of the following information and payment:

- a. The City of Moreno Valley Commercial Cannabis Business Permit Application Form; and
- b. The City of Moreno Valley Commercial Cannabis Business Owner Background Application; and
- c. The City of Moreno Valley Commercial Cannabis Business Zoning Verification Letter; and
- d. Limitations on City's Liability and Certifications, Assurances and Warranties; and
- e. All the information about the proposed Cannabis Business to be evaluated which is described in the Evaluation and Selection Process section below in this procedure.
- f. Application Fee Payment which must be made by a card (debit/credit), check (personal, certified, cashier's) or money order made payable to the City of Moreno Valley. Please note the City will not accept cash and Application Fees are **non-refundable**.

(3) **Owner Background Application:** As part of Phase 1 of the Application Process, each owner must undergo and pass a criminal background check or be subject to "good cause" denial per MVMC Section 5.05.070 (d) or 5.05.310(m). Background checks are required to meet the minimum threshold qualifications pursuant to MVMC Section 5.05.070 (d) and 5.05.310 (k). Applicants/Owners who do not meet criminal history eligibility requirements will be disqualified. Payment must be made by a card (debit/credit), check (personal, certified, cashier's) or money order made payable to the City of Moreno Valley. Please note the City will not accept cash and Owner Background Application Fees are **non-refundable**.

(4) **Live Scan (Fingerprinting):** As part of Phase 1 of the Application Process, each owner must undergo and pass a Live Scan (Fingerprinting) background check through the California Department of Justice (DOJ) and the Federal Bureau of Investigation (FBI), which is required to be requested for each Responsible Person associated with the CCB Permit application per MVMC Section 5.05.070 (d) and 5.05.310(k). Owners who do not meet criminal history eligibility requirements will be disqualified. Payment must be made by a card (debit/credit), check (personal, certified, cashier's), money order made payable to the City of Moreno Valley. Please note the City will accept cash for this fee only and Live Scan Fees are **non-refundable**. Please review the Commercial Cannabis Business Permit Live Scan Instructions for further details.

- (5) **Zoning Verification Letter:** As part of Phase 1 of the Application Process, each applicant will be required to obtain a Zoning Verification Letter from the Community Development Department in City Hall. The Zoning Verification Letter will need to be included with the application package in PlanetBids. **PLEASE NOTE:** The issuance of a Zoning Verification Letter does not constitute permission or authorization by the City of Moreno Valley or any of its officials to operate a CCB Payment must be made by a card (debit/credit), check (personal, certified, cashier's) or money order made payable to the City of Moreno Valley. Please note the City will not accept cash and Zoning Verification Letter Fees are **non-refundable**.
- (6) **Limitations on City's Liability and Certifications, Assurances and Warranties:** This document must be signed and notarized by each owner on the application and is required to be included with the application package in PlanetBids.
- (7) **Application Fees:** Application fees are set forth in MVMC Section 505.300. A payment for the **Permit Application Fee, Owner Background Application check fee, Live Scan (Fingerprinting) fee for each owner and Zoning Verification Letter** must be submitted to the Cashier located on the first floor of 14177 Frederick Street, Moreno Valley, CA 92553 (City Hall). **The Application Fees must be paid prior to the submission of the application. Receipts from the payment of fees must be submitted with the application in PlanetBids.** Payment must be made as stated above in items 2 through 5 above. Please note if any form of payment is returned by any financial institution after the application has been submitted in PlanetBids, the application will be considered not fully responsive and will be rejected without the right of appeal.

**LATE AND/OR INCOMPLETE APPLICATIONS WILL NOT BE CONSIDERED**

- **Amendments to the Application:** Applicants will not be allowed to make amendments to their application or to supplement their application in PlanetBids after the close of application period, except as otherwise specifically permitted in these procedures or at City's sole discretion may request additional or clarifying information as authorized by the City Manager or his/her designee. During Phase 1, applicants will be notified if any of the Owners are ineligible and/or if their application is incomplete and will not move forward in the application process. However, in some cases the City may move forward in the application process to other phases should it anticipate that the Live Scan or background check may delay expediting the application process in a timely manner. In this case, Applicants wishing to move forward in the process acknowledge by signing the application that they agree to these terms and should they be disqualified because of a background or a Live Scan disqualification they may not be eligible for a refund of any fees collected resulting from the modification of this procedure.

**Notification:** The individual designated as the CCB contact on the application will be notified by e-mail as to whether the application is advancing to the various phases. A payment will be due before Phase 2, Phase 3 and Phase 4. Deadlines for these payments will be included in the e-mail notification to the primary contact person.

**EVALUATION AND SELECTION PROCESS:**

The evaluation and selection process shall consist of the following four phases:

**1. Phase 1: Determination of Eligibility of Application**

- Applications must be complete to be considered. Applications will be considered complete only if they include all the information required for Phases 1, 2, and 3.
- Each Owner must undergo a criminal history check and demonstrating compliance with the eligibility requirements of MVMC Section 5.05.070 (d) and 5.05.310 (k).
- Zoning Verification Letter of the proposed location of business must be included.
- Owner(s) must execute the Limitations on City's Liability and Certifications, Assurances and Warranties.
- City may request additional information.

- During Phase 1, applicants will be notified if any of the Owners are ineligible and/or if their application is incomplete and may not move forward in the application process.

**2. Phase 2: Initial Review (1,500 Points)**

- Applications will be evaluated based on the following criteria:
  - Proposed Location of business (200 Points)
  - Business Plan (400 Points)
  - Neighborhood Compatibility Plan (300 Points)
  - Safety and Security Plan (300 Points Each)
  - Applicants will not be allowed to resubmit information that is determined to be missing or deficient during the Phase 2 review. Only those applicants who scored a minimum score of 80% (1,200 points) in Phase 2 will move on to Phase 3 of the application process.

**3. Phase 3: Second Review (Interview) (2,500 Points)**

- Applications whom score a minimum score of 80% (1,200 points) in Phase 2, will be interviewed and evaluated by the Selection Committee based on the criteria listed below.
- Prior to the scheduling of the interviews in Phase 3 each of the applicants may be required to have their proposed site inspected by the assigned City designee to ascertain current conditions of the facility.
- The second review will be scored based on the following criteria:
  - Final Location (proof of ownership or a signed and notarized statement from the Property Owner (200 Points)
  - Business Plan (300 Points)
  - Neighborhood Compatibility Plan (200 Points)
  - Safety and Security Plan (200 Points Each)
  - Air Quality Plan (200 Points)
  - Labor & Employment (200 Points)
  - Community Benefits (300 Points)
  - Environmental Impact Mitigation (200 Points)
  - Local Enterprise (200 Points)
  - Qualifications of Owners (300 Points)
- All the applicants who continued to maintain a cumulative minimum score of at least 80% will move onto Phase 4 of the selection process.

**4. Phase 4: Lottery**

- Applicants receiving a minimum overall score of 80% from Phase 3 will be placed in a pool of eligible applicants. Permits will be issued by lottery from the pool of eligible applications in each category if the number of eligible applicants exceeds the number of allowed permits. The maximum number and type of authorized Commercial Cannabis Businesses Permitted is set forth in Section 5.05080.

**DESCRIPTION OF EVALUATION CRITERIA:**

- **Proposed Location.** Your application must include the address and a detailed description of the proposed location. (Proof of ownership or a notarized letter of the owner's willingness to lease must be included. This section must also describe all sensitive uses described in within six hundred (600) feet of the proposed location from the property line of a K-12 school, daycare center and youth center. The CCB must be in the appropriate zoning and meet all the locational requirements as described in the Moreno Valley Municipal Code.



- **Business Plan.** With as much detail as possible, the Business Plan must describe:
  - Description of day-to-day operations which meet industry best practices for the specific type of permit in which they will be applying for in the City.
  - How the CCB will conform to local and state law. See MVMC Sections 5.05.040, 5.05.210, 5.05.270, 5.05.290, 5.05.310 through 5.05.365 and Ordinance 926, 932 and 933.
  - How medical and adult-use will be tracked and monitored to prevent diversion.
  - A schedule for beginning operation, including a narrative outlining any proposed construction, improvements, and a timeline for completion.
  - Demonstrate the economic viability of the business in an evolving market place.

The Business Plan must also 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 the proposed location, your application must address how the CCB, including its exterior areas and surrounding public areas, will be managed, to avoid becoming a nuisance or having impacts on its neighbors and the surrounding community. Furthermore, a site plan (accurate, dimensioned and to-scale [minimum scale of 1/4"]) must be included for each potential location.
- **Safety and Security Plan.** For each proposed location, your application must include:
    - A detailed **safety plan**. This plan must describe the fire prevention, suppression, HVAC and alarm systems the facility will have in place. **It must include an assessment of the facility's fire safety by a qualified licensed 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 must include a description and detailed schematic of the overall facility security. It must 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 (storage and transportation) security. In particular, applications must 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 must also include an assessment of site security by a qualified licensed security consultant.** Security plans will not be made public. City reserves the right to require additional or different security measures during the entitlement process. Qualification of a proposed location for the CCB Permit is not per se approval of the Security Plan.
    - A **floor plan** showing existing conditions. If changes are proposed as part of the project, then a proposed floor plan must also be submitted. The floor plan(s) must be accurate, dimensioned and to-scale (minimum scale of 1/4").
- **Air Quality Plan.** Must demonstrate the air circulation does not impact the employees' health and welfare nor those in the surrounding businesses.
  - **Labor & Employment.** The application must describe to what extent the CCB 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 must provide proof of the CCB policy and regulations to employees);



- Providing a “living wage” to facility staff and employees. Wage scale must be provided in writing for all levels of employment at the facility. “Living Wage” shall mean 150% of the minimum wage mandated by California or Federal law, whichever is greater.
- **Community Benefits.** The application must describe benefits that the CCB would provide to the local community, such as employment for residents of the City, community contributions, or economic incentives to the City. Preference shall be provided to CCB’s which ensure quality projects (appearance, sophistication, etc.) and which may provide to the revitalization to commercial areas that would benefit from significant reinvestment.
- **Enhanced Product Safety.** The application must state how the CCB will ensure enhanced consumer safety as required by State and/or local law.
- **Environmental Impact Mitigation.** The application must describe any proposed “green” business practices relating to energy and climate, water conservation, and materials and waste management.
- **Local Enterprise.** The application must state the extent to which the CCB will be a locally managed enterprise whose Owners reside within Moreno Valley and/or the County of Riverside.
- **Qualifications of Owners.** The application must include information concerning any special business experience or professional qualifications or licenses of Owners that would add to the number or quality of services that the CCB would provide, especially in areas related to medical cannabis, such as scientific or health care fields.

### **The City’s Reservation of Right’s**

The City reserves the right to reject any and/or all applications, with or without any cause or reason. The City may also, modify, postpone, or cancel the request for permit applications without liability, obligation, or commitment to any party, firm, or organization and without a fee refund obligation. City also reserves its right to amend these procedures during the application process, no rights to the current process are bestowed on any applicant by the virtue of filing the application. In addition, the City reserves the right to request and obtain additional information or amendments from any candidate submitting an application. Late applications WILL NOT BE ACCEPTED OR CONSIDERED.

### **Award of Permits**

Provisional Permits will be awarded to successful Applicants, which are conditioned on obtaining all required land use approvals. Within sixty (60) days of receipt of the provisional commercial cannabis business permit, the applicant(s) shall apply to the City’s Community Development Department to obtain any required land use approvals or entitlements for the permittee’s location. This process is called the “**Plot Plan/Conditional Use Permit**” from the Planning Division of the Community Development Department. For deadline on existing provisional CCB Permits please see last section of these rules below. Information is located on the City website at [www.moreno-valley.ca.us/cdd/department/divisions--planning.html](http://www.moreno-valley.ca.us/cdd/department/divisions--planning.html).

**The Plot Plan/Conditional Use Permit (“CUP”) process will need to be completed, as both permits, the CCBP and CUP, are needed to operate a CCB in the City of Moreno Valley. These permits will remain provisional until any combination of the three State Licensing Authorities have permitted your business to operate and the City of Moreno Valley has issued your business a Certificate of Occupancy.**

A final CCB Permit (CCB Annual Permit) will only be issued following the receipt of the Conditional Use Permit, a State License, and issuance of a Certificate of Occupancy by the City of Moreno Valley Building Division.

Prior to the issuance of the CCB Annual Permit, payment for the CCB Annual Permit Fee must be submitted to the Cashier located on the first floor of 14177 Frederick Street, Moreno Valley, CA 92553 (City Hall). Payment must be made by a certified check, cashier's check or money order made payable to the City of Moreno Valley. Please note the City will not accept cash or credit cards and CCB Annual Permit Fees are **non-refundable**.

**CUP Application deadline for provisional CCB permits approved during the Initial Application Process**

On December 11, 2018, Council approved a change to the number of CCB permits allowed in the City of Moreno Valley as shown below:

	Dispensaries	Testing Facilities	Cultivation Facilities	Microbusinesses	Distribution Centers	Manufacturing Facilities	Total
Prior	8	2	8	2	2	5	27
Current	23	2	8	3	2	5	43

In light of this change, the qualified applicants that were not successful in the August 20, 2018 lottery will now move on to the provisional CCB permit phase. Due to passage of time, the City will be requesting updated information to verify the information on the Application is still current, including but not limited to, business ownership, background, site or location, etc. If changes from the original submittal exist, the City will require new information be submitted for review which will be evaluated based on the criteria listed in the Evaluation and Selection Process above to ensure the applicant is still qualified based on the new information.

All provisional permits are conditioned on obtaining all required land use approvals. Within sixty (60) days of receipt of the provisional commercial cannabis business permit, the applicant(s) shall apply to the City's Community Development Department to obtain any required land use approvals or entitlements for the permittee's location. This process is called the "Plot Plan/Conditional Use Permit" from the Planning Division of the Community Development Department. Information related to the process is located on the City website at [www.moreno-valley.ca.us/cdd/department/divisions--planning.html](http://www.moreno-valley.ca.us/cdd/department/divisions--planning.html).

**CONTACT:**

All questions related to the CCB Application shall be submitted through PlanetBids. If you have any questions or would like an update on the status of your application following submission, please contact the numbers below:

Application and Permit	Conditional Use Permit	Certificate of Occupancy
Business License 951-413-3080	Planning Division 951-413-3206	Building Division 951-413-3350

**PLEASE NOTE:** In addition to the provisional CCBP, the Plot Plan/Conditional Use Permit ("CUP") process will need to be completed, as both permits, the CCBP and CUP, are needed to operate a CCB in the City of Moreno Valley. These permits will remain provisional until any combination of the three State Licensing Authorities have permitted your business to operate and the City of Moreno Valley has issued your business a Certificate of Occupancy.