



City of Indio

Community Development Department
100 Civic Center Mall
Indio, CA 92201
Phone: 760-541-4207
Email: cannabis@indio.org

APPLICATION PROCEDURE GUIDELINES AND REVIEW CRITERIA FOR A COMMERCIAL CANNABIS BUSINESS PERMIT (STOREFRONT RETAIL APPLICATIONS)

Application Period
OPENS – SEPTEMBER 1, 2022
CLOSES – OCTOBER 6, 2022

These Procedure Guidelines apply solely to Cannabis Storefront Retail Applications

NUMBER OF PERMITS

During this application period the City will be allowing up to five (5) Cannabis Storefront Retail permits under this process.

RETAIL BUSINESS

- “Retailer” shall have the same meaning as that contained in Section 26070(a)(1) of the California Business and Professions Code.

ORIENTATION “KICK OFF” MEETING

The City will hold a virtual Orientation “Kick Off” Meeting on August 9, 2022 from 1:30 p.m. to 3:00 p.m. and will be held in person at the Indio City Council Chambers, 150 Civic Center Mall, Indio, CA 92201 and virtually. Participants must pre-register for the Orientation Meeting, however, attendance at the Orientation Meeting is not required to apply for a Cannabis Business Permit. The registration link will be available on the City’s website at:

https://www.indio.org/your_government/development_services/cannabis.htm

CONTACT

If you have any questions or would like an update on the status of your application, please contact the Community Development Department at 760-541-4207 or by email at cannabis@indio.org.

APPLICABLE REGULATIONS

Information regarding the Commercial Cannabis Business (CCB) Application process can be found on the City's website at:

https://www.indio.org/your_government/development_services/cannabis.htm

Information relevant to the CCB Application process includes the following:

- Application Procedures Guidelines and Review Criteria
- City of Indio Municipal Code (IMC) Chapter 123 (Business Regulations)
- City of Indio Municipal Code (IMC) Chapter 159 (Zoning Regulations)
- Property Owner Consent/Landlord Affidavit
- Financial Responsibility, Indemnity and Consent to Inspection Terms Agreement
- Background Check Portal Link
- Commercial Cannabis Business (CCB) Permit Application
- Cannabis website FAQ

To be considered for issuance of a Cannabis Business Permit, applications must be submitted via the online submittal portal to be found on the City's cannabis website by the deadline. There will be no exceptions. These Procedure Guidelines and Review Criteria (hereafter referred to as "Procedures") constitute the application process and are adopted pursuant to the Indio Municipal Code (IMC) Chapter 123.13.

Applicants should monitor the City's web page for any additional information, FAQs, or updates. It is the responsibility of the Applicant to stay informed of this information.

AMENDMENTS TO THE APPLICATION

Applicants will not be allowed to make amendments to their application or to supplement their application, except as otherwise specifically permitted in these Procedures, or posted on the City's website as a clarification update, or as authorized in writing by the City Manager or his/her designee.

City staff and/or the Consultant will conduct a preliminary evaluation of the applications for completeness.

Applications missing a major component (for example, a Security Plan), will be rejected and the City will notify the Applicant by email that they have been disqualified.

For Applications missing essential information, (for example, signatures/dates on forms, proof of payment receipts, scanned pages in one of the scoring criteria documents, or incorrect formatting or organization of files), the primary contact will be notified by email that their application is found to be missing minor requirements. If this is the case, the Applicant may be granted five business days from the date of the email to submit the required supplemental information.

Should you receive an email from the City we ask that you confirm receipt of it immediately. If the City does not get confirmation from your primary contact within two days, it may, but is not required to, make an attempt to notify the primary contact by phone in case the email went into the recipient's spam folder unnoticed. Please note additional time to complete the curing process will not be provided, and Applicants should monitor incoming and spam email carefully.

Furthermore, any additional information, other than what was requested to cure deficiencies, will not be considered. Finally, an Applicant will be notified if their application is incomplete or if there is any other reason for which they will not be moving forward in the application process.

LIMITATIONS ON MULTIPLE SUBMISSIONS

Applicants possessing an ownership interest of ten percent (10%), or more, in a retail cannabis permit application shall be limited to submitting only one application which includes retail during this application period. In addition, the City will only accept a maximum of two application Zoning Verification Letters (ZVL) per property (APN). Furthermore, without exception, only one retail Applicant will be issued a retail permit per location by the City Council.

CITY'S RESERVATION OF RIGHTS

The City reserves the right to reject any and/or all applications, with or without cause or reason. The City may modify, postpone, or cancel the request for a CCB permit without liability, obligation, or commitment to any person, party, firm, or organization. In addition, the City reserves the right to request and obtain additional information from any Applicant in order to conduct a complete review of the application or an investigation into the truthfulness of the statements set forth in the application or provided at any stage of the application process.

APPLICATION PROCESS

This application process is adopted pursuant to IMC Chapter 123.13. Applicants are encouraged to review all information regarding the application process. Before submitting an application, Applicants should review the application in its entirety to ensure that it is complete and accurate. In addition, Applicants should regularly monitor the information regarding the Cannabis Business Permit application process on the City webpage for any additional information.

APPLICATION SUBMITTAL REQUIREMENTS

Applications must respond to all requirements outlined in the "Application Procedure and Review Criteria for a Commercial Cannabis Business Permit." Applicants must submit all required application materials together via the online submittal and payment portal to be found on the cannabis portion of the City's website.

The application package must include all of the following documents with original signatures for each document (where applicable).

1. Cannabis Business Permit Application;
2. Financial Responsibility, Indemnity and Consent to Inspection Terms Agreement;
3. Agreement on Limitations of City's Liability and Indemnification to City;
4. Application fee and Background Check fee(s);
5. Property Owner Consent/Landlord Affidavit;
6. Proof of Insurance or Letter of Insurability from the Insurance Company;
7. Proof of Capitalization;
8. Zoning Verification Letter.

ONLINE APPLICATION SUBMITTAL CONTENTS

All Applicants must submit one complete digital copy of the application package per the requirements as outlined in the below format. The entire application package must be received by the Community Development Department at the same time using the online submittal portal.

Please note that responses to the Evaluation Criteria, Sections A-G (found in Appendix A of the Procedures) shall be limited to 200 pages, otherwise points will be deducted. Responses pertaining to Backgrounds, Proof of Capitalization, Zoning Verification Letter, Property Owner Consent/Landlord Affidavit, and Business Owner Acknowledgement Form shall not be included in the 200-page limitation. Those responses should be saved in PDF files that are separate from the Evaluation Criteria (see below). Applicant responses to the Evaluations Criteria (Sections A-G) must be provided in the section order identified in Appendix A. Each section shall be clearly labeled, with responses provided in the appropriate section. Any response to Evaluation Criteria that is not placed within the appropriate section will receive a deduction in points.

All materials must be submitted in a PDF format in the following order. Please submit the files in the correct format and organized correctly or your application may be rejected.

PDF File #1	Cannabis Business Permit Application (pages 1-4); Financial Responsibility, Indemnity and Consent to Inspection Terms Agreement (pages F1-F3); Agreement on Limitations of City's Liability and Indemnification to City (pages F4-F6); and Property Owner Consent/Landlord Affidavit. All copied documents shall display required signatures to be deemed complete.
PDF File #2	Evaluation Criteria (Responses to Sections A-G of Appendix A limited to 200 pages)
PDF File #3	Background Check documentation (All required documents for each owner). Upon submission of the online background application, Applicants will receive an email confirmation. This confirmation needs to be printed, scanned, and included within PDF File #3.
PDF File #4	Proof of Capitalization (Appropriate bank statements, loan documents, promissory notes, financial and commitment letters)
PDF File #5	Zoning Verification Letter (ZVL) which shows the correct location, unit, space, or suite number in the building being used. Proof of Insurance or a letter showing proof of insurability by a qualified insurance company which shows the location being insured in City of Indio, the type of activity being insured, and the name of the business being insured. Copies from another business location in another city owned by the Applicant will not be accepted.

CRIMINAL BACKGROUND CHECK

Each Owner as defined in Chapter 123.06 (N) must undergo a criminal history background check to demonstrate they do not provide "good cause" for denial per IMC Chapters 123.08 and 123.37 (K). Owners who do not meet the criminal history eligibility requirements of Chapter 123.37 (K) will be disqualified. The background form can be found online at:

https://hdlcompanies.formstack.com/forms/bc_indio

The initial background check fee for each owner shall be \$300.00. This process will be required to meet the minimum threshold qualifications pursuant to IMC Chapter 123.37 (K).

In addition, each successful Applicant will be asked to submit to a Live Scan as part of the background check as determined by the Chief of Police. Prior to being issued a permit, the Applicant's primary contact will be notified by email with the instructions on how to schedule the Live Scan appointment.

ZONING VERIFICATION LETTER (ZVL)

As part of a complete application packet, an Applicant must obtain a Zoning Verification Letter from the Community Development Department. To secure this letter, an Applicant must make a written request to the Community Development Department which should specify the intended use of the building, and the proposed building location. Please advise the City if you currently occupy the premises or if there is a tenant currently occupying the premises and what type of business activity is being conducted.

The issuance of a ZVL does not constitute written evidence of permission given by the City or any of its officials to operate a cannabis business, nor does it establish a "permit" within the meaning of the Permit Streamlining Act, nor does it create an entitlement under the Zoning or Building Code. A regulatory permit for a CCB does not constitute a permit that runs with the land on which the cannabis business is established.

FEES

All Applicants will be required to submit a fee of \$10,856. This amount will be charged against time spent by City staff and the Consultant in reviewing applications and administering the application process. Applicants may be required to pay additional amounts, as required, for the sole purpose of the City's completion of the application review process. Payment must be made by credit card through the online payment portal, or by mail through a certified check, cashier's check or money order made payable to the City of Indio. Please note that payment by credit card will include a separate processing fee. Applicants paying by certified check, cashier's check or money order must submit payment by mail to the following address:

Community Development Department
Attn: Administrative Assistant
Indio City Hall
100 Civic Center Mall
Indio, CA 92201

Payments sent by mail shall clearly indicate which application is associated with the certified check, cashier's check or money order, and must be postmarked no later than October 6, 2022. The City will not accept payment by cash. Application fees are non-refundable once the City has begun reviewing the application.

A separate fee for the Zoning Verification Letter (ZVL) of \$452 per site and a Background Check Fee of \$300 per owner, will also be required.

SUBMITTAL DEADLINE

Applications must be received by the Community Development Department by 4:00 p.m. on October 6, 2022. Late applications will not be accepted. Furthermore, an application may be rejected for the following reasons:

1. It is not responsive to this Cannabis Business Permit application and the Application Procedure Guidelines for a Commercial Cannabis Business Permit.
2. The issuance of the Cannabis Business Permit for the proposed location does not comply with State law, IMC Chapter 123 (Business Regulations) and/or IMC Chapter 159 (Zoning Regulations).

APPLICATION REVIEW, SCORING, AND APPROVAL PROCESS

PHASE I: DETERMINATION OF ELIGIBILITY

Applications will be reviewed for completeness and compliance to meet the minimum submittal requirements. The determination of eligibility will be based on the criteria outlined in these Procedures, in accordance with IMC Chapter 123.13. These Procedures may be amended as provided in IMC Chapter 123.43, in writing, for clarification to application submittal questions which will be posted in the FAQ section of the Cannabis Information webpage and shall go into full effect immediately upon being posted on the website.

PHASE II: APPLICATION EVALUATION AND REVIEW (1,200 points)

During Phase II, the City's consultant will review and score each application using a merit-based system. Applicants will be scored using the following evaluation criteria identified in Appendix A:

- Section A – Business Plan (400 points)
- Section B – Labor and Employment Plan (400 points)
- Section C – Security Plan (400 points)

The top applicants, as determined by the City, which score a minimum of 90% or higher (1,080 points) in Phase II may be eligible to advance to Phase III. The decision as to how many applicants will be interviewed will be determined by the quantity of applicants and the overall quality the City receives. Notice of the results of Phase II will be provided in writing via email to the primary contact listed on the application.

PHASE III: INTERVIEWS (1,600 points)

During Phase III, a Staff Selection Committee designated by the City Manager will conduct a merit-based interview process. Applicants will be scored using the following evaluation criteria identified in in Appendix A:

- Section D - Qualifications of Owners (400 Points)
- Section E - Neighborhood Compatibility (400 Points)
- Section F - Community Benefits and Investments Plan (400 Points)
- Section G - Proposed Site Plan (400 Points)

Upon the completion of Phase III, the Staff Selection Committee will tabulate the scores of all Applicants from Phase III to create a preliminary ranking which will form the basis for determining who will be invited to participate in Phase IV. The ranking will be based upon the scores received through the Phase III merit-based interview process. Should there be a tie in any scoring, the Staff Selection Committee shall force rank each of the Applicants who participated in Phase III, in order to establish an eligibility list.

Prior to the tabulation of scores, the City reserves the right to request and obtain additional information from any candidate, for purposes of clarifying or validating information provided during Phase III interviews. The City Manager may review the totality of the information received, including any additional information received, to determine which applicants are authorized to participate in Phase IV.

PHASE IV: CITY COUNCIL INTERVIEWS AND FINAL DECISION

Upon the completion of Phase III, the City Manager will present to the City Council the top Applicants from the Phase III process. The City Council will interview top Applicants and make a final determination as to which Applicant(s) will be awarded a CCB permit. Each Applicant should be prepared to conduct a brief presentation in order to be interviewed by the City Council. Further details as to date, time, place, and length of presentation will be provided prior to the City Council interviews.

After the City Council has made a determination as to who if any Applicants will be awarded a CCB permit and as a condition of issuance of the regulatory permit, the operator of each cannabis facility shall enter into a Community Benefit Agreement with the City setting forth the terms and conditions under which the cannabis facility will operate that are in addition to the requirements of Chapter 123.36 (C), including, but not limited to community benefits such as public outreach and education, community service, payment of fees and other charges as mutually agreed, and such other terms and conditions that will protect and promote the public health, safety and welfare.

In addition, any community benefits that a commercial cannabis business agrees to provide shall be incorporated into the terms and conditions under which the commercial cannabis business will operate with the City of Indio's approval, if and when a Community Benefit Agreement is executed. Upon successfully negotiations in this phase of the process the Applicant will then be authorized to proceed to apply for any required land use permits and a business license and related approvals.

Any Applicant wishing to appeal Phase I through Phase III of the Application Process may file an appeal with the City Clerk's Office within ten (10) days of the Applicant receiving a notice that they will not move forward in the application process or be issued a permit. Such appeals shall comply with the requirements of IMC Chapters 123.22 through 123.25. Any decision made by the City Council to award or not to award a cannabis permit shall be final and shall not be subject to appeal.

NOTE: Being awarded a CCB permit does not constitute a land use entitlement and does not waive or remove the requirements of applying for and receiving permits for all construction including: electrical, plumbing, fire, Community Development Department permits or reviews, and any other permits, licenses, or reviews as deemed necessary by the relevant departments or governmental entities in charge of said permits. Nor does the award of a CCB permit

guarantee that the plans submitted via the CCB application process meet the standards or requirements in IMC Chapter 159 or as amended and any other permit requirements from other City departments or agencies.

APPENDIX A: EVALUATION CRITERIA

The City of Indio is a public agency subject to the California Public Records Act (“CPRA”). In the event a request for information under the CPRA seeks disclosure of application materials marked by Applicant as “Confidential Information,” the City will make reasonable efforts to provide notice to the Applicant prior to such disclosure to allow Applicant to seek a protective order, injunctive relief, or other appropriate remedy. If Applicant contends any designated application materials are exempt from the CPRA and wishes to prevent disclosure, it is required, at its own cost, liability, and expense to obtain a protective order, injunctive relief or other appropriate remedy from a court having jurisdiction over the matter at least two (2) days before City’s deadline to respond to the CPRA request. If the Applicant fails to obtain such a remedy before the deadline for the City’s response to the CPRA request, the City will disclose the requested information and shall not be liable or responsible for such disclosure.

PHASE II EVALUATION

Important Instructions:

- Evaluation Criteria identified in Sections A-C will be scored based upon Applicant response. Points may be deducted for responses that fail to meet State/local regulatory requirements, or best practices for the cannabis industry.
- Applicant responses to the Evaluations Criteria must be provided in the same order identified in Sections A-C below. Each section shall be clearly labeled, with responses provided within the appropriate section. Any response to Evaluation Criteria that is not placed within the appropriate section will receive a deduction in points.
- Any commitments made by an Applicant during the evaluation process will become terms and conditions under which the cannabis business must operate. Applicants awarded a permit that fail to meet commitments made during the evaluation process may have their cannabis business license suspended or revoked by the City.

SECTION A: BUSINESS PLAN (400 points)

1. Finances – Application includes a budget for construction, operations, maintenance, compensation of employees, equipment, property lease, security equipment and staff, City fees, state fees, utility costs, product purchases and other anticipated contingency 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. Application must address the following:
 - A. Proof of capitalization, in the form of documentation of cash or other liquid assets on hand, Letters of Credit or other equivalent assets.
 - B. A pro forma for at least three years of operations.
 - C. A schedule for beginning operation, including a narrative outlining any proposed construction and improvements and a timeline for completion.
2. Daily Operations – Application describes the day-to-day operations of the proposed Retail business, which meet industry best practices. This should include, at a minimum, a description of the following criteria:

- A. Customer check-in procedures.
- B. Location(s) and procedures for receiving deliveries during business hours.
- C. The Point-of-Sale system (including name) to be used and how it will interact with the state's mandated track and trace system. Identify the number of Point-of-Sales terminals to be used when the business is at full capacity.
- D. The number of customers to be served per hour/day.
- E. The proposed product line, including brand names, to be sold at the business, and estimate the percentage of sales of flower and manufactured products.
- F. How the Cannabis Business will conform to local and state laws. See IMC Chapters 123.38 and 159 as they pertain to retail establishments in the City of Indio.
- G. How cannabis and cannabis products will be tracked and monitored to prevent diversion.
- H. The proposed waste management plan, including waste disposal locations, security measures, methods of rendering all waste unusable and unrecognizable, and the vendor in charge of disposal.

SECTION B: LABOR AND EMPLOYMENT PLAN (400 points)

- 1. Collective Bargaining – Application describes to what extent the cannabis business will recognize the collective bargaining rights of employees in accordance with MMC Chapter 123.13 (G).
- 2. Number of Employees – Application identifies the number of employees at initial opening, and the maximum number of employees when the business is at full capacity.
- 3. Employee Responsibilities – Application identifies all positions to be employed at the proposed business, and their responsibilities.
- 4. Employee Benefits – Application identifies the benefits provided to employees, including health care, vacation, and medical leave, to the degree they are offered as part of employment.
- 5. Living Wage – Application commits to offering employees a Living Wage, as defined by the MIT Living Wage calculator (<https://livingwage.mit.edu/>).

SECTION C: SECURITY PLAN (400 points)

- 1. Security Plan – The Application includes a security plan that has been prepared by a qualified professional. The security plan can be prepared with in-house staff or a third-party security consultant, but must clearly demonstrate that it meets the professional standards requested to receive the appropriate points for each criterion in this section. The qualifications of the person(s) preparing the security plan must be provided, for verification that they are able to meet these standards.
- 2. Premises Diagram – The Application includes a Premise Diagram in the Security Plan that meets the following requirements:
 - A. The diagram meets all of the standards identified in Department of Cannabis Control DCR Title 4, Division 19, §15006 Premises Diagram.

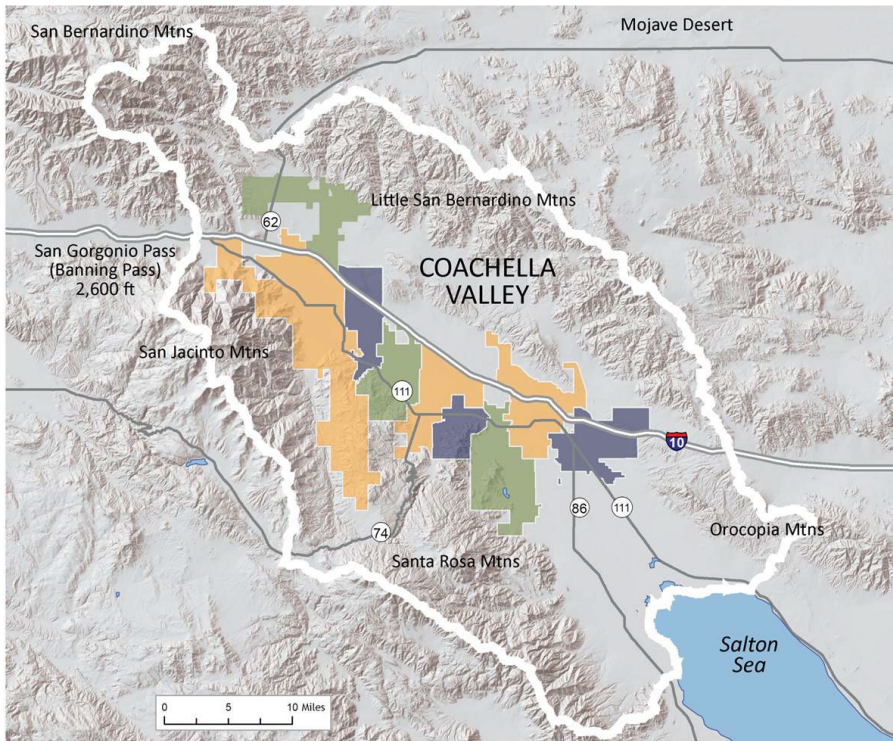
- B. The diagram shows the boundaries of the property and the proposed location to be licensed, showing all dimensions, entrances and exits, interior partitions, walls, rooms, windows, and doorways, and includes a brief statement or description of the principal activity to be conducted therein.
 - C. The diagram shows and identifies commercial cannabis activities that will take place in each area of the premises and identifies all limited-access areas.
 - D. The diagram shows where all cameras are located and assigns a number to each camera for identification purposes.
 - E. If the proposed location consists of only a portion of a property, the diagram is labeled indicating which part of the property will be used for the licensed premises and what activities will be used for the remaining property.
3. Operational Security – The Application includes a description of operational security, including but not limited to general security for access/visitor control and inventory control.
 4. Cash Handling – The Application includes a description of cash handling procedures, including the process for receiving, tracking, storing and transporting cash generated by the retail business.
 5. Perimeter Security – The Application includes a description of perimeter security, exterior lighting, on-site security guards, proposed guard hours and their responsibilities.
 6. Employee Training and Policies – The Application includes a description of employee training and general security policies.

PHASE III EVALUATION

SECTION D: QUALIFICATION OF OWNERS (400 points)

1. Describe the business owner’s prior experience in owning, managing, and operating a legally permitted or licensed retail cannabis business in the United States. For purposes of this section, owner shall mean the State definition of owner in the State Business and Professions Code Section 26001.
2. Describe your overall knowledge of the cannabis industry, including identification of how industry best practices and State regulations have been incorporated in existing/prior legal businesses outside the City of Indio.
3. Describe the involvement of the ownership team in the day-to-day operation and management of the proposed business. Owner is defined based upon the State definition of owner, see Business and Professions Code Section 26001.
4. Describe to the extent to which the cannabis business will be a locally owned enterprise. In order to qualify for this criteria, the owner(s) must have lived in the City of Indio for at least one year prior to June 1, 2022, and collectively own greater than 50% of the proposed cannabis business. Partial points will be awarded to owner(s) that have lived in the Coachella Valley for at least one year prior to June 1, 2022, and collectively own

greater than 50% of the proposed cannabis business. Please refer to the following map for guidance on what constitutes the Coachella Valley:



SECTION E: NEIGHBORHOOD COMPATIBILITY PLAN (400 points)

1. Describe how the business will take proactive steps to avoid becoming a nuisance or having negative impacts on its neighbors or surrounding community. Additionally, describe how the business will react and respond to complaints specifically related to noise, light, odor, public consumption, loitering, littering, and vehicle and pedestrian traffic.
2. Describe any diversity and inclusion programs that will be developed as part of the business model which embraces a rich and diverse work force with a diverse set of perspectives, work and life experiences, as well as religious and cultural differences that provide equal opportunities for employee development.
3. Describe the policies that you would implement, and how you would enforce these policies, to ensure your cannabis products do not end up in the hands of underage youth.
4. Provide a 1,000-foot radius map/aerial-photo of the proposed location, and a narrative description of the neighborhoods and/or business corridors immediately surrounding the proposed location.

SECTION F: COMMUNITY BENEFITS AND INVESTMENTS PLAN (400 points)

Describe the benefits that the business will provide to the local community, for example by directly aiding, participating in, or funding the work of local non-profits, community-based organizations, civic organizations, or social services organizations. Benefits may be in the form of volunteer services, monetary donations, financial support of City-sponsored activities or organizations, in-kind donations to charitable organizations and/or any other incentives to help achieve the strategic policy goals of the City Council.

The Community Benefits and Investment Plan should also include a description of the direct fee that will be offered to the City, expressed as a percentage of gross receipts, which will sunset upon the establishment of a local cannabis business license tax.

SECTION G: PROPOSED SITE PLAN (400 points)

1. Provide the following information about the existing site:
 - A. Physical address;
 - B. Narrative description of the existing site, including building(s), parking spaces, driveways, pedestrian sidewalks/rights-of-way,
 - C. Photographs of the existing property and building(s);
 - i. Note: Photographs of building interior are not required.
 - D. Description of how the site is currently being used;
2. Description of any businesses currently operating on the parcel (if any), and any parcels directly adjacent to the existing site.
3. Provide the following information about the proposed site:
 - A. A site plan, drawn to scale, of the proposed business showing perimeter fencing, driveways, streets, property lines, buildings, parking areas, and outdoor areas.
 - B. A narrative description of proposed site improvements, including façade rehabilitation, building expansion, parking, landscaping, fencing, or other exterior site improvements;
 - i. Note: Descriptions of interior site improvements are not a requirement of this section.
 - C. Visual depictions of the proposed exterior of the cannabis business.