

ORDINANCE NO. XXXX-XX

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, ADDING CHAPTER 6 TO TITLE 6 OF THE REDONDO BEACH MUNICIPAL CODE TO REGULATE COMMERCIAL CANNABIS BUSINESSES

WHEREAS, the City of Redondo Beach has historically and continues to currently ban all commercial cannabis activities except for deliveries and personal cultivation in order to protect the public health and safety of City residents; and

WHEREAS, in November of 2016, a majority of the voters of the City of Redondo Beach voted in favor of Proposition 64, known as the "Control, Regulate and Tax Adult Use of Marijuana Act"; and

WHEREAS, arising out of the passage of Proposition 64 and the promulgation of regulations and licensing structures by the state, the City Council had indicated it could revisit its ban as state licensing of such businesses and created a Cannabis Taskforce to review potential regulations; and

WHEREAS as a result of a recent citizen sponsored initiative measure that, if passed, would repeal the City's existing ban on commercial cannabis activities and establish new regulations that, among other things, would restrict the City's ability to regulate such uses and allow certain existing unpermitted and illegal cannabis businesses to continue operating while eliminating the City's ability to deny these uses or impose any operational conditions, the City must move more quickly than initially planned to bring forward a more protective ballot measure; and

WHEREAS, passing a City Council sponsored commercial cannabis ordinance would maintain the City's ability to develop important policy positions, business and land use regulations, and health and safety permits to preserve the quality of life that Redondo's residents, visitors and business community desire and expect; and

WHEREAS a critical companion to this ordinance is a City Council sponsored measure to adopt a Cannabis Business Tax, without the passage of which the City would be financially unable to address the secondary effects of commercial cannabis businesses; and

WHEREAS, this Ordinance is necessary to provide the City of Redondo Beach Police Department clearly established legal authority to protect the public and deter potential criminal cannabis activity; and

WHEREAS, on April 20, 2017 the Planning Commission held a noticed public hearing and took public testimony regarding regulatory options surrounding commercial and personal use of cannabis in the City of Redondo Beach (or "City") pursuant to the passage of the AUMA; and

ORDINANCE NO. 3240-22

WHEREAS, on May 18, 2017, the Planning Commission continued the public hearing and after further public input and discussion the Commission directed City staff to return with resolutions recommending the adoption of:

- (1) an ordinance restricting outdoor personal cultivation to secured locations or lockable out buildings only;
- (2) an ordinance disallowing all commercial cannabis activities in the City of Redondo Beach to allow staff to study and create appropriate guidelines for the operation of commercial cannabis facilities in the City;
- (3) an amendment to the City's existing medical cannabis regulations to allow the delivery of medical cannabis to qualified patients in the City; and

WHEREAS, in order to create comprehensive and cohesive local system of commercial cannabis regulations, the City enacted a temporary ban while City staff and the Cannabis Taskforce studied all aspects of permitted commercial cannabis activities; and

WHEREAS, on October 5, 2021 the Cannabis Steering Committee presented their findings to the City Council; and

WHEREAS, on March 3, 2022 the Planning Commission considered the draft commercial cannabis regulations and zoning amendments and made recommendations to the Council for consideration; and

WHEREAS, on May 10, 2022, the City Council reviewed draft amendments and directed staff to make changes in addition to engaging an outside consultant to review the ordinances; and

WHEREAS, staff made some of those changes and is leaving it to the City Council's discretion to make any of the other suggested amendments or their own changes to this and the other two (2) proposed ordinances; and

WHEREAS, this ordinance reflects the direction received from the Council and the consultant.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The above recitals are true and correct, and the recitals are incorporated herein by reference as if set forth in full.

SECTION 2. FINDINGS

1. In compliance with the California Environmental Quality Act of 1970, as amended (CEQA), and State and local guidelines adopted pursuant thereto, the zoning amendments qualify for CEQA exemption under Section 15060(c)(2) because the activity will not result in direct or reasonable foreseeable physical change in the

environment and Section 15060(c)(3) as the activity is not a considered a project under CEQA Section 15378.

2. The amendments to the Zoning Ordinance are consistent with the General Plan.
3. The amendments to the Coastal Land Use Plan Implementing Ordinance are consistent with the City's Local Coastal Plan (LCP).
4. These amendments do not require a vote of the people under Article XXVII of the City Charter.

NOW, THEREFORE, THE PLANNING COMMISSION OF THE CITY OF REDONDO BEACH, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 3. AMENDMENT TO CODE. Chapter 6 shall be added to Title 6 of the Redondo Beach Municipal Code and shall read as follows:

“Chapter 6 COMMERCIAL CANNABIS ACTIVITY FOR RETAIL STOREFRONT AND RETAIL DELIVERY

Section 6-5.00 Commercial Cannabis Retailer Permit Regulations.

Section 6-6.01 Definitions. The technical terms and phrases used in this Chapter are defined in Redondo Beach Municipal Code Section **10-2.1626**.

Section 6-6.02 Commercial cannabis permit required to engage in commercial cannabis activity. No person may operate a commercial cannabis business or engage in commercial cannabis activity within the City of Redondo Beach, including retail storefront sales and retail delivery, unless the person (1) has a valid commercial cannabis retailer permit from the City of Redondo Beach; (2) has any and all valid State or local permits; and 3) is currently in compliance with all applicable State and local laws and regulations pertaining to the commercial cannabis business and the commercial cannabis activity, including holding the necessary State licenses to engage in commercial cannabis activity.

6-6.03 Application Procedure.

(a) The city may, in its sole discretion, approve and direct the issuance of a notice inviting applications, a request for applications, or similar solicitation inviting persons interested in operating commercial cannabis activities in the city to apply for a Commercial Retail Cannabis Permit.

(b) Whether to issue a solicitation for applications, shall be subject to the sole and absolute discretion of the City Council. The manner of accepting applications, and the manner of application review, shall be determined by the Permit Administrator or designee. The criteria utilized in evaluating or scoring any application for a Commercial Retail Cannabis Permit shall be that specified in this ordinance in Section 6-6.04, elsewhere in the Redondo Beach Municipal Code, or in the solicitation for applications issued by the City Council. Subject to the discretion of the City Council, the solicitation may include provisions pertaining to: the information required to

be submitted by applicants, including but not limited to the application information specified in the regulations for a license from the Department, the city's application review, vetting, and approval processes; the review and scoring criteria that will be utilized by the city in distinguishing among applicants; applicant background checks and verification requirements; conditions of approval; security features and requirements; operating guidelines, standards, limitations, and requirements; site improvement obligations; maintenance requirements; and/or book, accounting, and record keeping requirements.

(c) A Commercial Retail Cannabis Permit is required before any person operates a retail site or retail delivery in the city. Said Commercial Retail Cannabis Permit shall set forth the terms and conditions under which the commercial cannabis activities may be undertaken, in addition to the terms and conditions otherwise set forth in this ordinance. Such additional terms and conditions of the Commercial Retail Cannabis Permit may include, but are not limited to, public outreach and education requirements, community service requirements, the payment of mutually agreeable fees and charges, development and operating plans (including site plan, floor plan, and elevations), security measures, operating standards and procedures, site location and design standards, and such other terms and conditions as may be agreed upon by a Permittee and the City Council, as well as those that the City Council deems necessary to protect and promote the public health, safety, and welfare of the community.

(d) In addition to a Commercial Retail Cannabis Permit, no person shall operate a retail site until a conditional use permit has been approved by the planning commission or City Council. The application process for the conditional use permit shall be the same as is generally applicable to conditional use permits in the city, provided that a Commercial Retail Cannabis Permit between the Permittee and the city shall be a condition precedent to approving a conditional use permit.

(e) Nothing in this chapter is intended or shall be construed as requiring the City to approve any Commercial Retail Cannabis Permit(s) or to otherwise allow commercial cannabis activities in the city. No application for a Commercial Retail Cannabis Permit will be accepted except during the times specified by the City Council in a solicitation for applications. The City Council's solicitation for a Commercial Retail Cannabis Permit is discretionary, and nothing in this ordinance is intended or shall be interpreted as rendering commercial cannabis activities a "by-right" land use in the city.

(f) The Permit Administrator, pursuant to Section 6-6.03 shall make available the necessary forms, adopt any necessary application rules for the submission, and intake retail cannabis business permit applications for retailers up to the number of retail cannabis business permits authorized in RBMC Section 10-2.1626.

(g) The Permit Administrator shall cease acceptance of retail cannabis business permit applications sixty (60) days after making available the necessary forms and adopting any necessary application rules for the submission, intake, review, and approval of retail cannabis business permit applications for retailers.

(h) The Permit Administrator shall review timely submitted retailer applications for the following minimum requirements:

- (1) Payment of a non-refundable application fee established by resolution

of the City Council;

- (2) Sufficient evidence of the legal right to use the proposed property for the proposed use, to include ownership, a lease, sublease, purchase agreement, assignment of purchase agreement, or lease or purchase option, in the name of the applicant, which may include nominal consideration and be contingent upon issuance of a retail cannabis business permit or other approvals. The City shall only consider one applicant per County Assessor's Identification Number. In the event that more than one applicant applies for a retail cannabis business permit application at a given property address or a given County Assessor's Identification Number, the Permit Administrator shall, as a ministerial duty, only accept the retail cannabis business permit application with the legal ability to control the site, including written approval by the fee owner of the land and building, landlord, and any lien holders of record on the property, that cannabis retail sales and retail delivery are permitted.
- (3) Sufficient evidence to demonstrate that the proposed property complies with location and zoning requirements described in **RBMC Title 10** and the Zoning Verification letter required as part of the Application, including a report from a licensed surveyor;
- (4) Proof of funds showing that the Applicant has access and control of over \$1,000,000.00 in liquid assets (which such liquid assets having been under possession for at least ninety (90) days prior to the date of the application submission under this Section), which may be shown via a binding legal agreement in the name of the Applicant such as a promissory note so long as said legal agreement is accompanied by a proof of funds in the name of a party to the agreement so long as that demonstrates access and control of over \$1,000,000.00 in liquid assets under possession for at least ninety (90) days prior to the date of the application submission under this Section. Applicants and Permittees shall not be required to show that the Applicant or Permittee has access and control of over \$1,000,000.00 in liquid assets except on initial application pursuant to this Section 6-6.03, a change in location application pursuant to Section 6-6.11, or an ownership transfer application pursuant to Section 6-6.09.

6-6.04 Application Scoring Criteria.

- (a) The permit applicant evaluation process will consist of two phases; an initial evaluation of the submitted application, followed by an evaluation conducted through interviews.
- (b) The evaluation criteria for the applications are as follows:

Section 1: Qualifications of the Applicant's Owners and Manager

80 Points Total

Evaluation Criteria

| Criteria # | Criteria | Max. Points | Scoring Method |
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| 1 | <p>Applicant must demonstrate cannabis retailer operations and ownership in California, with taxable gross sales of \$3,000,000/year generated by at least one retail, storefront location. If applicant has no experience in California, this information may be provided for operations outside of California, but must also then include a memo identifying regulatory differences between the two states.</p> | 10 | <p>0: No evidence provided of cannabis retailer operations with taxable gross sales of at least \$3,000,000/year. No memo provided for out of state operators.</p> <p>10: Evidence of cannabis retailer operations with taxable gross sales of at least \$3,000,000/year. Memo provided for out of state operators.</p> |
| 2 | <p>Applicant must provide a record of compliance with local, state, and federal regulations, including any disciplinary actions or violations. For any violations or disciplinary actions describe the corrective actions and evidence of their effectiveness. Demonstrate how applicant will avoid these issues in this application. (This does not require compliance with the Federal Controlled Substances Act Schedule 1.)</p> | 20 | <p>0: No compliance record provided or insufficient information to assess compliance.</p> <p>1-4: Compliance record provided, but contains significant issues such as repeated or severe violations. The response lacks clarity on corrective actions taken.</p> <p>5-8: Compliance record provided, but includes several minor violations or past disciplinary actions, with some explanation of corrective measures. The response suggests improvement but does not fully reassure regulatory adherence. Lack of clarity on how applicant would prevent reoccurrence in a Redondo location.</p> <p>9-12: Compliance record with isolated minor violations, all of which have been resolved appropriately. The response demonstrates a willingness to correct issues and improve practices. Application clearly demonstrates safeguards from reoccurrence in Redondo location.</p> <p>13-16: Strong compliance record with very few minor infractions, all of which have been swiftly and appropriately addressed. The response demonstrates a strong commitment to adhering to regulations. Application clearly demonstrates safeguards from infractions occurring in Redondo location.</p> <p>17-20: Exemplary compliance record with no violations or disciplinary actions. The response provides a thorough and transparent history, demonstrating a consistent and proactive approach to regulatory adherence. Application clearly demonstrates controls to ensure exemplary performance in Redondo location.</p> |

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| 3 | Applicant must provide a detailed description of owners' and managers' qualifications, including experience in cannabis operations or relevant professional fields. | 20 | 0: No qualifications provided. |
| | | | 1-4: Minimal experience or qualifications in related fields, lacking detail and depth. The response does not demonstrate an understanding of the cannabis industry or relevant operations. |
| | | | 5-8: Some relevant experience noted, but the response lacks specific examples or clarity regarding roles and achievements. The qualifications do not provide a clear picture of capability in managing cannabis operations. |
| | | | 9-12: Adequate qualifications provided, covering most relevant areas. The response includes some specifics about experience but may lack depth in certain critical areas, making it difficult to fully assess readiness for managing operations. |
| | | | 13-16: Strong qualifications presented, showcasing significant experience in cannabis or related fields. Only minor details may be missing, but overall, the response effectively conveys capability and preparedness for leadership roles. |
| 4 | Applicant must provide a description of their local experience and community involvement, highlighting their connections to the South Bay community and any prior civic engagement in other communities within which they operate a cannabis retail business. This shall include evidence of how the applicant has fulfilled the commitments outlined in Community Benefit Plans submitted to other cities. | 20 | 0: No information provided regarding local experience or community involvement within the South Bay. Insufficient evidence of compliance with Community Benefit Plans in other operating locations. Evidence supplied demonstrates lack of compliance with Community Benefits Plans in other operation locations. Independently obtained information by City of Redondo on Community Benefit Plan compliance in other operating locations demonstrates lack of compliance. |
| | | | 1-4: Minimal ties to the South Bay community; lacks evidence of fulfilling commitments made in other cities. The response does not convey a genuine connection or contribution to the local area. Evidence of compliance with Community Benefits Plans in other operating locations is unverifiable. |
| | | | 5-8: Some South Bay community engagement noted, but the response lacks specific examples or evidence of fulfilling prior commitments. The qualifications presented do not adequately demonstrate the applicant's dedication to community involvement. |
| | | | 9-12: Moderate South Bay community involvement demonstrated, with some evidence of fulfillment of commitments made in other cities. The response covers relevant experiences but lacks detail in terms of specific contributions or impacts on the community. |
| | | | 13-16: Strong South Bay community ties established, with clear evidence of fulfilling all commitments from previous Community Benefit Plans. The response provides substantial insights into community engagement and demonstrates a proactive approach to local involvement. |

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| | | | 17-20: Comprehensive description of South Bay community involvement, showcasing extensive connections and significant contributions to the local community. The response provides detailed examples of civic engagement and a proven track record of fulfilling commitments from previous Community Benefit Plans. |
| 5 | Applicant shall provide the total taxable gross sales and net profit for their first three years of operation at their highest revenue location. | 10 | 0: Gross revenue and gross profit not supplied in sufficient detail to analyze. Operating losses for first three years and/or in Year 3. |
| | | | 2: Submission is detailed enough to analyze. Show net positive profit in Year 2. |
| | | | 4: Submission demonstrates net operating profit in Year 1. |
| | | | 6: Submission is a balance sheet from an independent auditor demonstrating net profits in years 1, 2 and 3. |
| | | | 8: Submission is a balance sheet from an independent auditor demonstrating net profits in years 1, 2 and 3 with average profit between 3% and 5%.. |
| | | | 10: Submission is a balance sheet from an independent auditor demonstrating net profits in years 1, 2 and 3 with average profit greater than 5%. |

| Section 2: Plans, Renderings, and Overall Location | | | |
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| 70 Points Total | | | |
| Evaluation Criteria | | | |
| Criteria # | Criteria | Max. Points | Scoring Method |
| 1 | Applicant must provide a premises diagram in accordance with Title 4, Division 19, Chapter 1, Article 2, Section 15006 of the California Code of Regulations. | 10 | 0: No premises diagram submitted. |
| | | | 10: Diagram provided in compliance with regulations. |
| 2 | Applicant must provide a detailed site development plan that includes exterior photographs of existing structures, existing parking areas, landscaping, trash enclosures, signage, and adjacent properties for context. | 10 | 0: No site development plan provided. |
| | | | 1-2: Basic site information provided, but the plan lacks detail and clarity. Photos may be minimal or poorly presented, and key features such as landscaping or adjacent properties may not be fully considered. |
| | | | 3-4: General overview provided, but missing several key photographs and contextual details, leading to gaps in understanding how the site fits within its surroundings. |
| | | | 5-6: Adequate information provided, covering most elements. However, some details such as comprehensive landscaping or parking solutions are missing or unclear, and the quality of the photos or visual presentation may be subpar. |
| | | | 7-8: Detailed site development plan provided, with clear photos and well-documented elements. Minor clarifications may be needed in areas such as trash enclosures or adjacent property context. Overall quality is strong, but a few areas could be improved for thoroughness. |

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| | | | <p>9-10: Comprehensive and high-quality site development plan that is visually well-presented. All elements, including clear and context-rich photographs, parking areas, landscaping, and adjacent properties, are articulated thoroughly. The plan shows a deep understanding of site integration, spatial planning, and overall project vision. Fully complies with Chapter XX of Redondo Beach Municipal Code.</p> |
| 3 | Applicant must provide a well-designed floor plan that maximizes the usability of the space and incorporates creative, efficient layouts. | 10 | <p>0: No floor plan provided.</p> <p>1-2: Basic layout provided, but it lacks functionality, is unclear, or does not make effective use of the space. There may be significant inefficiencies in flow or design.</p> <p>3-4: General layout provided, but it is inefficient, with poor use of available space. Key areas are not optimized, and the plan lacks creative solutions for maximizing usability.</p> <p>5-6: Adequate layout with most key features included, but minor details are missing or certain areas feel underutilized. The design is functional but lacks innovative or creative elements.</p> <p>7-8: Well-designed floor plan that effectively meets usability requirements, showing strong consideration of space and flow. Minor improvements in efficiency or creative design elements may be possible, but the overall layout is effective.</p> <p>9-10: Exceptional floor plan that maximizes the usability of every area, incorporating creativity and efficiency. The design reflects innovative use of space, promotes smooth operational flow, and enhances both functionality and aesthetics. No significant improvements are needed. Fully complies with Chapter XX of Redondo Beach Municipal Code.</p> |
| 4 | Applicant must provide quality building elevations that demonstrate aesthetic improvements, including high-quality materials and finishes both inside and outside the building. | 10 | <p>0: No elevations provided.</p> <p>1-2: Basic elevations provided with little detail. The proposed improvements lack clarity, depth, and attention to the quality of materials or finishes.</p> <p>3-4: General overview of proposed improvements provided, but missing several key elements such as detailed materials, finishes, or architectural enhancements. The design lacks aesthetic depth and visual appeal.</p> <p>5-6: Adequate elevations with most features covered. The design demonstrates some attention to materials and finishes, though there are gaps in detail or quality. The aesthetic appeal is present but lacks sophistication.</p> <p>7-8: Detailed elevations provided with clear attention to materials, finishes, and overall design. Some minor clarifications may be needed, but the plan presents a strong visual and functional improvement. The aesthetic choices enhance the building significantly.</p> |

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| | | | <p>9-10: Comprehensive elevations showcasing all proposed improvements, with a focus on high-quality materials and finishes. The design reflects a well-considered aesthetic vision and demonstrates a clear commitment to architectural excellence both inside and outside the building. The improvements are visually striking and well-integrated. Fully complies with Chapter XX of Redondo Beach Municipal Code.</p> |
| 5 | Applicant must provide a conceptual landscape plan, including the percentage of landscaping in the parking lot, setback areas, and details on tree size and species. | 10 | 0: Conceptual landscape plan not provided. |
| | | | 1-2: Plan provided with necessary details. Does not comply with City landscaping requirements |
| | | | 3-5: Plan provided with necessary details. Fully complies with City landscaping requirements. |
| | | | 6-8: Plan provided with necessary details. Fully complies with City landscaping requirements. Landscaping avoids creating security issues. |
| | | | 9-10: Plan provided with necessary details. Fully complies with City landscaping requirements. Landscaping avoids creating security issues. Landscaping significantly contributes to overall attractiveness of premises. Fully complies with Chapter XX of Redondo Beach Municipal Code. If landscape plan is unfeasible due to property limitations, applicant will automatically receive a score of 10. |
| 6 | Applicant must provide colored interior and exterior renderings, including existing and/or proposed improvements. | 10 | 0: Renderings not provided. |
| | | | 1-2: Basic renderings provided with little detail. The proposed improvements lack clarity, depth, and attention to the quality of materials or finishes. |
| | | | 3-4: General renderings provided, but missing several key elements such as detailed materials, finishes, or architectural enhancements. The design lacks aesthetic depth and visual appeal. |
| | | | 5-6: Adequate renderings with most features covered. The design demonstrates some attention to materials and finishes, though there are gaps in detail or quality. The aesthetic appeal is present but lacks sophistication. |
| | | | 7-8: Detailed renderings provided with clear attention to materials, finishes, and overall design. Some minor clarifications may be needed, but the plan presents a strong visual and functional improvement. The aesthetic choices enhance the building significantly. |
| | | | 9-10: Comprehensive renderings showcasing all proposed improvements, with a focus on high-quality materials and finishes. The design reflects a well-considered aesthetic vision and demonstrates a clear commitment to architectural excellence. The improvements are visually striking and well-integrated. Fully complies with Chapter XX of Redondo Beach Municipal Code. |

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| <p>7</p> <p>Applicant must provide a traffic/transportation analysis that addresses ingress, egress, and delivery of products to the store. Applicant must provide a detailed description of transportation, loading and unloading, and delivery procedures. This should include plans to ensure that delivery operations do not disrupt traffic flow, align with the neighborhood compatibility plan, and do not obstruct fire lanes.</p> | <p>10</p> | <p>0: Traffic/transportation analysis not provided. No transportation procedures provided.</p> |
| | | <p>1-2: Traffic analysis lacks sufficient information to assess traffic impacts, capacity, safety, and delivery. Basic transportation information provided, lacking detail on logistics and compliance with local regulations.</p> |
| | | <p>3-4: Traffic analysis fails to accommodate/address capacity, mitigate safety and traffic impacts, and/or delivery impacts on traffic and surrounding properties. General overview provided but missing key procedures related to delivery scheduling and route planning to minimize disruption.</p> |
| | | <p>5-6: Traffic analysis is complete and demonstrates attempts to address capacity, traffic flow, safety, traffic impacts due to volume and vehicular ingress/egress, and details delivery to minimize traffic and noise impacts on surrounding properties. Adequate procedures with most key elements covered; however, minor details missing on potential disruptions and mitigation strategies.</p> |
| | | <p>7-8: Traffic analysis is complete, accommodates volume, includes safe vehicular ingress and egress, includes a solid delivery solution that minimizes traffic and noise impacts on surrounding properties, and mitigates traffic impacts to the extent practical for the site as determined by assigned Public Works evaluators. Detailed procedures provided but minor clarification needed on compliance with neighborhood compatibility and fire lane regulations.</p> |
| | | <p>9-10: Traffic analysis is complete, accommodates peak volume, includes safe vehicular ingress and egress, includes a solid delivery solution that minimizes traffic and noise impacts on surrounding properties, and mitigates all traffic impacts. Comprehensive transportation procedures with all elements clearly articulated; ensures minimal disruption to traffic flow and alignment with community standards, showing foresight in operational planning. Fully complies with Chapter XX of Redondo Beach Municipal Code.</p> |

Section 3: Business and Operations Plan

100 Points Total

Evaluation Criteria

| Criteria # | Criteria | Max. Points | Scoring Method |
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| 1 | Applicant must provide CPA-verified financial statements for at least three (3) years of operation. | 10 | 0: No CPA-verified financial statements provided. |
| | | | 10: CPA-verified financial statements provided. |

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| 2 | Applicant must provide a description of the type of products to be sold and the estimated quantity and value of product(s) to be sold. | 5 | 0: No product description provided. |
| | | | 5: Product description provided. |
| 3 | Applicant must provide financial projections, including costs of products and operations, other business expenses, expected profits and projected city revenues based on the description of type and quantity of products to be sold. | 10 | 0: Information not provided. |
| | | | 10: Information provided. |
| 4 | Applicant must provide a written description of the total square footage of the facility with estimated square footage of proposed uses. | 5 | 0: No description provided. |
| | | | 1: Basic information provided but lacks detail about total square footage and specific proposed uses, making it difficult to gauge feasibility. |
| | | | 2: General description with limited estimates and some proposed uses mentioned but insufficient for understanding overall functionality. |
| | | | 3: Adequate description with most estimates provided; some detail on proposed uses but lacks clarity on space utilization for operations. |
| | | | 4: Detailed description with all estimates provided; clearly articulates proposed uses and demonstrates understanding of spatial needs, though may require minor clarifications. |
| | | | 5: Comprehensive description with all details and estimates clearly articulated; demonstrates a thorough understanding of how each area contributes to overall operations and efficiency, including potential future needs. |
| 5 | Applicant must provide a budget for construction, operation, maintenance, compensation of employees, equipment costs, utility costs, and other operating costs. | 10 | 0: No budget provided. |
| | | | 1-2: Budget provided but lacks detail; essential categories missing and unclear assumptions limit viability assessment. |
| | | | 3-4: Basic budget outline present but several key categories are absent; vague assumptions affect overall reliability. |
| | | | 5-6: Adequate budget that covers most categories; minor details missing; demonstrates awareness of costs but lacks thorough justification for estimates. |
| | | | 7-8: Detailed budget covering all major categories; shows solid understanding of financial requirements but may need minor clarifications. |
| | | | 9-10: Comprehensive budget with detailed costs for all operational aspects; provides clear justifications for each cost and showcases robust financial planning and understanding of sustainable business operations. |

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| 6 | Applicant must provide a description of the sources(s) of capital and use(s) of capital. | 5 | 0: No description provided. |
| | | | 1: Basic information on sources provided but lacks detail on uses, making it hard to evaluate feasibility. |
| | | | 2: General description provided but missing key details on sources or uses; lack of clarity undermines confidence in financial planning. |
| | | | 3: Adequate description with most sources and uses covered; some details missing; demonstrates understanding of capital flow but may require additional justification. |
| | | | 4: Detailed description with clear sources and uses articulated; shows good understanding but minor clarification needed. |
| | | | 5: Comprehensive description detailing both sources and uses of capital; demonstrates sound financial planning and clarity on fund allocation and strategic alignment with business objectives; provides evidence of commitment from funding sources. |
| 7 | Applicant must provide a description of inventory control procedures, including identification of point-of-sale systems and track and trace software. | 5 | 0: No inventory control procedures provided. |
| | | | 1: Basic procedures provided but lacking critical details on systems, processes, and how they will be implemented, making it difficult to assess the effectiveness of inventory control. |
| | | | 2: General overview provided, but significant elements are missing (e.g. point-of-sale systems). Limited description of inventory management practices or compliance procedures is provided, affecting overall understanding. |
| | | | 3: Adequate procedures with most key elements covered, including some identification of systems. However, there are missing details, such as how inventory is received, stored, or audited, and lack of clarity on loss prevention measures or compliance with regulations. |
| | | | 4: Detailed procedures provided, including most required elements such as the type of POS and track and trace systems. However, minor clarifications are needed regarding integration, user training, or specific practices for inventory management and compliance. |
| | | | 5: Comprehensive inventory control procedures with all systems and software clearly identified. The description includes specific types of point-of-sale and track and trace software, how they integrate, training provided for users, and thorough inventory management practices. Details on receiving procedures, storage methods, inventory audits, loss prevention measures, compliance with regulations, documentation processes, and feedback mechanisms are all articulated. |
| | | | 7-8: Detailed description of prior experience with strong evidence of success using inventory control systems, including compliance with regulations and minimizing losses. Minor clarifications needed regarding the extent of the applicant's direct involvement. |
| | | | 9-10: Comprehensive and detailed description of significant prior experience with inventory control systems. Demonstrates a proven track record of effectively managing inventory, maintaining compliance with regulations, preventing losses, and achieving strong audit results. Clear evidence of consistent and impactful outcomes is provided. |

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| <p>8</p> <p>Applicant must provide a description of previous experience and effectiveness in using inventory control procedures, including the identification of point-of-sale systems, track and trace software, and other relevant systems. The description should demonstrate successful past outcomes, compliance with regulations, and loss prevention measures.</p> | <p>10</p> | <p>0: No prior experience with inventory control procedures is provided.</p> |
| | | <p>1-2: Minimal prior experience with inventory control, lacking a clear description of the applicant's role and effectiveness in using relevant systems.</p> |
| | | <p>3-4: General overview provided, but significant elements are missing (e.g. point-of-sale systems). Limited description of inventory management practices or compliance procedures is provided, affecting overall understanding.</p> |
| | | <p>5-6: General overview of prior experience, but key details on systems used and outcomes, such as compliance and loss prevention, are missing or unclear.</p> |
| | | <p>7-8: Detailed description of prior experience with strong evidence of success using inventory control systems, including compliance with regulations and minimizing losses. Minor clarifications needed regarding the extent of the applicant's direct involvement.</p> |
| | | <p>9-10: Comprehensive and detailed description of significant prior experience with inventory control systems. Demonstrates a proven track record of effectively managing inventory, maintaining compliance with regulations, preventing losses, and achieving strong audit results. Clear evidence of consistent and impactful outcomes is provided.</p> |
| <p>9</p> <p>Applicant must provide a description of marketing procedures and tactics, with a focus on ensuring responsible marketing that avoids targeting minors. The description should demonstrate clear strategies for compliance with regulations and responsible audience engagement.</p> | <p>5</p> | <p>0: No marketing procedures provided.</p> |
| | | <p>1: Basic marketing information provided, but lacks detail on target audience, channels, and clear tactics. No indication of how minors will be excluded from marketing efforts.</p> |
| | | <p>2: General overview provided but missing key tactics for engagement and outreach effectiveness, including insufficient consideration of measures to avoid marketing to minors.</p> |
| | | <p>3: Adequate procedures with most key elements covered; however, minor details missing regarding implementation, measurement, and adaptability of strategies. Some details missing regarding how marketing avoids minors or lacks clarity on implementation.</p> |
| | | <p>4: Detailed marketing procedures provided, including responsible audience targeting and a clear commitment to avoiding marketing to minors. Some slight clarifications needed on the effectiveness of certain strategies or channels.</p> |
| | | <p>5: Comprehensive marketing procedures with all elements clearly articulated. Demonstrates a strategic and responsible approach to outreach, clearly outlining measures to prevent marketing to minors, alongside strong engagement, compliance with regulations, and plans for assessment and adjustment.</p> |

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| 10 | Applicant must provide a description of the City tax payment management plan/procedures, ensuring no cash is managed by the City. | 10 | 0: No tax payment management plan provided. |
| | | | 1-2: Basic information provided, lacking detail on processes, accountability, and tracking mechanisms. |
| | | | 3-4: General overview provided but missing key procedures for compliance and clarity on financial management. |
| | | | 5-6: Adequate plan with most elements covered; minor details missing on reporting, payment and transparency measures. |
| | | | 7-8: Detailed plan provided but minor clarification needed on implementation and compliance monitoring. |
| | | | 9-10: Comprehensive tax payment management plan with all details clearly articulated; ensures compliance with City regulations and demonstrates transparency and accountability in financial management. |
| 11 | Applicant must demonstrate a plan for maintaining ongoing compliance with all applicable cannabis laws, including licensing requirements and reporting obligations. | 5 | 0: No compliance plan provided. |
| | | | 1: Basic compliance information provided, lacking detail on processes, monitoring, and accountability. |
| | | | 2: General overview provided but missing specific compliance elements, timelines, and reporting obligations. |
| | | | 3: Adequate plan with most elements covered; however, minor details missing on updates, audits, and compliance checks. |
| | | | 4: Detailed plan provided but minor clarification needed on implementation strategies and compliance monitoring. |
| | | | 5: Comprehensive compliance plan with all details clearly articulated; ensures adherence to all applicable laws and regulations, demonstrating a proactive approach to compliance and risk management. |
| 12 | Applicant must provide a schedule for beginning operations, including a timeline for construction completion. | 5 | 0: No schedule provided. |
| | | | 1: Schedule lacks sufficient detail to evaluate or is clearly unrealistic based on other submittals; or is unreasonably long time to occupancy and operations based on other submittals. |
| | | | 3: Schedule has some detail but not in all areas. Creates question as to whether the schedule is realistic and reasonable based on other submittals. |
| | | | 5: Schedule is detailed, realistic, and demonstrates occupancy and operations in a reasonable period of time based on amount of work to be done. |
| 13 | Applicant must provide a description of hours of operation, opening procedures and closing procedures. | 5 | 0: No description of hours and procedures provided. |
| | | | 1: Hours of operation provided, opening and/or closing procedures too vague to evaluate. |
| | | | 2: Hours of operation not respectful of adjacent properties, and/or opening and/or closing procedures pose security or operational risks. |
| | | | 3: Hours of operation respectful of adjacent uses; opening and/or closing procedures lack detail or include fixable exposure to security and operational risks. |
| | | | 5: Hours of operation respectful of adjacent uses; and opening and closing procedures address and demonstrate clear understanding of security and operational risks. |

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| 14 | Applicant must provide a description of cash handling procedures. | 5 | <p>0: No cash handling procedures provided.</p> <p>1: Basic information provided but in insufficient detail to fully evaluate.</p> <p>2: Sufficient information provided for evaluation however procedures do not instill confidence that cash is properly recorded, any discrepancies are always detected and traceable or that cash is handled securely.</p> <p>3: Procedures are in adequate detail and generally instill confidence that cash will be properly reported, that discrepancies are detected, and that cash is handled securely. Any procedural gaps are minor and easily fixable.</p> <p>5: Detailed procedures provided and procedures instill confidence that cash will be properly reported, discrepancies are always detected and traceable, and that cash will be handled securely.</p> |
| 15 | Applicant must provide a description of day-to-day operations that acknowledges both state and local laws and is consistent with industry best practices. | 5 | <p>0: No description of operations provided.</p> <p>1: Basic information provided but lacks detail to assess compliance with state and local laws and/or that the operations are consistent with industry best practices.</p> <p>3: Operations description generally demonstrates compliance with state and local laws and with industry best practices. Any gaps are fixable.</p> <p>5: Operations description is in sufficient detail that clearly demonstrates compliance with state and local laws and that the operations are consistent with industry best practices.</p> |

| Section 4: Security Plan | | | |
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| 95 Points Total | | | |
| Evaluation Criteria | | | |
| Criteria # | Criteria | Max. Points | Scoring Method |
| 1 | Applicant must provide a Security Plan prepared by a professional security consultant. | 5 | <p>0: Applicant did not provide a Security Plan or Security Plan was not prepared by a professional security consultant.</p> <p>5: Applicant provided a Security Plan prepared by a professional security consultant.</p> |
| 2 | Applicant must provide a description of the Panic Button installation, showing where the panic buttons are located in the facility. | 5 | <p>0: Security plan did not provide a description of the panic button installation; locations are inadequate for security.</p> <p>5: Security plan provided a description of the panic button installation; locations are adequate for security purposes.</p> |
| 3 | Applicant must provide evidence of Sensor installation to detect entry and exit from all secure areas of the premises. | 5 | <p>0: Security plan did not provide evidence of sensor installation or locations are insufficient to detect entry and exit from all secure areas.</p> <p>5: Security plan provided evidence of sensor installation, locations sufficient to detect entry and exit from all secure areas.</p> |

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| 4 | Applicant must describe how the business remains secure during a Power Outage, ensuring access doors are not solely controlled by electronic access panels. | 5 | 0: Security Plan did not describe how the business remains secure during a power outage. |
| | | | 5: Security Plan described how the business remains secure during a power outage. |
| 5 | Applicant must provide a commitment letter from a licensed insurance broker, which must include specific coverage details and effective date. At a minimum, the licensed insurance broker must commit to General Liability Coverage with a minimum coverage of \$2,000,000 and Workers' Compensation Insurance with a minimum coverage of \$1,000,000. | 5 | 0: Commitment letter not provided. |
| | | | 5: Commitment letter provided. |
| 6 | Applicant must provide a description of the Security Camera System, including camera placement and 24/7 monitoring capabilities. | 5 | 0: Security Plan did not provide a description of the security camera system or system does not meet requirements. |
| | | | 5: Security Plan provided a description of a security camera system that meets requirements. |
| 7 | Applicant must describe the Battery Backup system for surveillance equipment, ensuring a minimum of four hours of backup recording in the event of a power outage. | 5 | 0: Security Plan did not describe the battery backup system, or back up system insufficient. |
| | | | 5: Security Plan described a battery backup system that meets requirements. |
| 8 | Applicant must provide proof that the Surveillance System has a failure notification system that alerts the permittee and Police Department of any system interruptions. | 5 | 0: Security Plan did not provide proof of a surveillance system failure notification system. |
| | | | 5: Security Plan provided proof of a surveillance system failure notification system. |
| 9 | Applicant must describe the procedure for storing and retaining Surveillance Recordings for a minimum of 90 days, in a format that ensures no alteration of the recorded image. | 5 | 0: Security Plan did not describe an adequate procedure for storing and retaining surveillance recordings. |
| | | | 5: Security Plan described an adequate procedure for storing and retaining surveillance recordings. |
| 10 | Applicant must provide a description of the Alarm System, including monitoring company and schematic of security zones. | 5 | 0: Security Plan did not provide a description of an adequate alarm system. |
| | | | 5: Security Plan provided a description of an adequate alarm system. |
| 11 | Applicant must demonstrate that at least one licensed Security Guard is present at all times the premises is open to the public or employees. | 5 | 0: Security Plan did not provide proof of coverage by a licensed security guard. |
| | | | 5: Security Plan provided proof of coverage by a licensed security guard. |

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| 12 | Applicant must describe the record-keeping process for maintaining records related to surveillance, alarm systems, and track-and-trace systems for inspection by law enforcement. | 5 | 0: Security Plan did not describe an adequate record-keeping process for maintaining security-related records. |
| | | | 5: Security Plan described an adequate record-keeping process for maintaining security-related records. |
| | | | 4: Solid experience with high-risk industries, and methodologies that show thoughtful planning for cannabis retail operations, though lacking in some innovative features or specific best practices. |
| | | | 5: Extensive experience in cannabis or other high-risk industries. Methodology is detailed, innovative, and incorporates best practices from similar operations. Demonstrates a proactive approach to challenges unique to cannabis retail (e.g., theft, compliance). |
| 13 | Applicant must provide a detailed description of the consultant's or architect's qualifications and the methodologies used in preparing the Security Plan. | 5 | 0: No information provided. |
| | | | 1: Information provided, but lacks detail or clear connection to cannabis industry standards. Consultant appears inexperienced, with no mention of prior relevant projects. |
| | | | 2: Basic qualifications and methodology provided, but lacks depth or evidence of having worked in high-risk industries. The plan uses generic approaches to security that could apply to any business. |
| | | | 3: Qualifications and methodology are clear, with some experience relevant to high-risk industries. However, the plan lacks tailored features that specifically address the unique needs of cannabis retailers. |
| | | | 4: Solid experience with high-risk industries, and methodologies that show thoughtful planning for cannabis retail operations, though lacking in some innovative features or specific best practices. |
| | | | 5: Extensive experience in cannabis or other high-risk industries. Methodology is detailed, innovative, and incorporates best practices from similar operations. Demonstrates a proactive approach to challenges unique to cannabis retail (e.g., theft, compliance). |
| 14 | Security Plan must provide a description of the Security System Design, demonstrating how the system prevents unauthorized individuals, including minors, from entering and remaining on the premises and establishes limited access areas for authorized personnel only. | 5 | 0: No information provided. |
| | | | 1: The description lacks reasoning, or no specific measures are provided for preventing unauthorized access. Controls appear generic or minimal. |
| | | | 2: Basic system described with limited access areas, but the design lacks layers of protection or advanced features, there is little or no mention of measures to prevent minors from entering premises. |
| | | | 3: A functional system is described, with appropriate access controls and limited access areas, though there are gaps in covering all potential vulnerabilities. |
| | | | 4: Strong system with multi-layer controls, clear access zones for personnel, and a reasonable approach to securing high-risk areas (e.g., vaults or product areas). Some consideration given to employee movement and customer flow. |

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| | | | <p>5: Comprehensive system with automated controls, multi-layered protection, and proactive measures to address potential vulnerabilities, including comprehensive measures to ensure minors are unable to enter the premises. The system integrates employee monitoring, customer access, and emergency protocols seamlessly.</p> |
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| 15 | Security Plan must provide a description of the Surveillance System, including camera coverage, operational hours, and how the system meets 24/7 monitoring requirements. High-definition (HD) is defined as a minimum resolution of 720p or higher, with clear image quality in varying lighting conditions. | 5 | 0: No information provided. |
| | | | 1: Limited detail on the surveillance system, unclear coverage, or insufficient monitoring hours (less than 24/7). No mention of fps or low frame rate below 24 fps. |
| | | | 2: Basic camera coverage with gaps, standard HD quality (720p), but frame rate is below 24 fps. Limited effectiveness in capturing clear footage in all conditions. |
| | | | 3: Functional system with HD coverage (720p) at 24 fps in most areas, but there are blind spots or frame rate limitations in high-risk zones. |
| | | | 4: Extensive HD coverage (1080p) with 24 fps or higher, minimal gaps, providing clear image quality in all monitored areas. |
| | | | 5: Advanced system with full HD coverage (1080p or higher), at least 24 fps or higher with no blind spots. Ultra-HD (4K) available in key areas, with smart features like motion tracking, remote monitoring, and optimized performance in low-light conditions. |
| 16 | Applicant must provide details on Surveillance Footage Compatibility, including how the footage is accessible to law enforcement and compatible with City systems. | 5 | 0: No information provided. |
| | | | 1: The system is incompatible or requires extensive manual effort to extract footage for law enforcement use. |
| | | | 2: Limited compatibility, requiring manual extraction and some workarounds to provide footage to law enforcement. |
| | | | 3: Mostly compatible, but requires effort in sharing or integrating with City systems, including manual file transfers or significant delay in sharing. |
| | | | 4: Fully compatible with City systems, with streamlined sharing processes for law enforcement that allow easy access to footage as needed. |
| | | | 5: Real-time remote access for law enforcement, offering seamless integration with City systems and advanced features like automated alerts for incidents. The system is designed to be both easy to use and highly responsive to law enforcement needs. |
| 17 | Applicant must describe the Surveillance Equipment Maintenance Plan, including records of maintenance activity, service logs, and procedures for ensuring the system's operational reliability. | 5 | 0: No information provided. |
| | | | 1: Little to no information provided about the maintenance plan, with vague references to system upkeep. |
| | | | 2: Basic description of a maintenance plan, but no evidence of a structured process or regular logs for servicing the equipment. |

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| | | | <p>3: A functional maintenance plan with regular upkeep and basic records provided, though the depth of record-keeping may be minimal.</p> |
| | | | <p>4: Well-documented maintenance plan with regular servicing schedules and detailed logs. The plan includes preventive measures to avoid downtime or security risks.</p> |
| | | | <p>5: Comprehensive preventive maintenance plan with detailed logs of all service activities, including advanced monitoring systems that notify administrators when maintenance is required. The plan ensures maximum operational reliability with minimal downtime.</p> |

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| 18 | Applicant must provide a description of the Alarm System, including alarm system type and alarm monitoring methods. | 5 | <p>0: No information provided.</p> |
| | | | <p>1: Minimal information on the alarm system, with no clear monitoring strategy or backup plans in place.</p> |
| | | | <p>2: Basic system described, covering primary entry points but leaving some vulnerabilities, with no advanced features like motion detection or zoning.</p> |
| | | | <p>3: Good alarm system covering all critical access points, reliable but without advanced integration with other security systems.</p> |
| | | | <p>4: High-quality alarm system with zoning for different areas of the business. Comprehensive monitoring and reliable response protocols in place.</p> |
| | | | <p>5: Top-tier alarm system with advanced sensors, full integration with surveillance and security systems, and automatic notifications to law enforcement or monitoring services.</p> |

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| 19 | Applicant must provide description of Security Guard Training and Experience, including guard licensing, industry-specific training, and qualifications relevant to cannabis business security. | 5 | <p>0: No information provided or guards don't meet minimum qualifications.</p> |
| | | | <p>1: Guards have minimal training and licensing, with no evidence of cannabis-specific experience or experience in high-risk industries.</p> |
| | | | <p>2: Basic guard training and licensing provided, but no specialized training relevant to cannabis businesses or high-risk industries.</p> |
| | | | <p>3: Guards are well-trained with some relevant experience, though their qualifications may be more general rather than cannabis-focused.</p> |
| | | | <p>4: Guards have extensive experience in high-risk industries and relevant training specific to the cannabis industry, demonstrating an ability to handle cannabis-specific risks.</p> |
| | | | <p>5: Guards are highly trained specialists in cannabis security, with continuous education and advanced qualifications that include scenario-based training and proactive response protocols tailored to the unique risks of cannabis businesses.</p> |

Section 5: Safety Plan

35 Points Total

Evaluation Criteria

| Criteria # | Criteria | Max. Points | Scoring Method |
|------------|--|-------------|--|
| 1 | Applicant must provide a description of Access/Egress into the facility that meets building and fire code requirements. | 5 | 0: Applicant did not provide a description of access/egress that meets code requirements. |
| | | | 5: Applicant provided a complete description of access/egress that meets building and fire code requirements. |
| 2 | Applicant must provide a premises safety diagram that includes evacuation routes and locations of fire extinguishers and other fire suppression equipment. | 5 | 0: Applicant did not provide a premises safety diagram. |
| | | | 5: Applicant provided a complete premises safety diagram with required elements. |
| 3 | Applicant must identify all gases, pesticides, and chemicals to be used, along with their storage locations. | 5 | 0: Applicant did not identify gases, pesticides, or chemicals and their storage locations. |
| | | | 5: Applicant provided a complete identification of all gases, pesticides, and chemicals, including their storage locations. |
| 4 | Applicant must provide a description of the fire alarm and monitoring system, including the name and contact information for the monitoring company. | 5 | 0: Applicant did not provide a description of the fire alarm and monitoring system. |
| | | | 5: Applicant provided a complete description of the fire alarm and monitoring system with contact information. |

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| <p>5</p> <p>Applicant must provide a description of safety procedures, employee training for emergency situations, and safety equipment demonstrating compliance with safety requirements, including, but not limited to, Chapter 4 of the California Fire Code (CFC), Section 406, regarding Employee Training and Response Procedures.</p> <p>5</p> | <p>0: No information provided.</p> |
| | <p>1: Information provided but lacks detail on either safety procedures or training. The applicant includes some mention of safety procedures or training, but the submission is vague and lacks substance. No direct reference is made to specific safety standards or codes like the CFC, Section 406. The response may only provide high-level concepts with no actionable plans or procedures.</p> |
| | <p>2: Basic information provided, including safety procedures or training, but not both. The applicant addresses either safety procedures or employee training but fails to address both areas sufficiently. There may be limited reference to safety requirements but with no concrete detail about implementation or compliance with the CFC. Missing key elements such as detailed descriptions of emergency responses or protocols for hazardous situations.</p> |
| | <p>3: General overview provided of safety procedures and training, but lacks specific compliance details, including reference to Chapter 4 of the CFC. The applicant outlines both safety procedures and employee training but offers only a high-level view. Some elements of safety compliance are mentioned but lack specific references to Chapter 4 of the CFC or detailed safety requirements. Emergency response procedures may be described in broad terms without specific steps or training schedules.</p> |
| | <p>4: Detailed information provided on procedures and training, referencing Chapter 4 of the CFC, but missing minor elements of compliance. The applicant provides detailed safety procedures and employee training protocols, making specific reference to Chapter 4 of the California Fire Code (CFC), Section 406. The information is mostly complete, covering essential elements of emergency procedures and safety compliance. Minor areas may be incomplete or lack depth, such as missing updates on safety equipment or partial training timelines, but overall compliance is largely demonstrated.</p> |
| <p>5: Comprehensive information provided, including thorough details on safety procedures, training, compliance with Chapter 4 of the CFC, and response procedures in emergency situations. The applicant submits a fully developed and thorough plan addressing all aspects of safety, including, but not limited to 1) Clear, step-by-step safety procedures for various scenarios, 2) Complete employee training programs, 3) Explicit reference to compliance with Chapter 4 of the CFC, Section 406, and other relevant safety codes, 4) Demonstrated use of required safety equipment and technologies that comply with state requirements, 5) Detailed emergency response procedures tailored to potential risks at the dispensary, and 6) Continuous improvement processes to ensure ongoing compliance and readiness.</p> | |

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| 6 | Applicant must provide a detailed description of the processes, procedures, and practices included in the Safety Plan. The comprehensive Safety Plan will include, but is not limited to, the following: 1) A systematic assessment of risks associated with the specific cannabis retail environment and processes and procedures to mitigate those risks. 2) Integration of relevant regulations and standards, including local, state, and federal guidelines as well as industry best practices. 3) Development of clear procedures for emergency response and safety training. 4) Continuous improvement processes that would update the Safety Plan based on new information or incidents. | 5 | 0: No information provided. |
| | | | 1: Minimal details that make it difficult to assess confidence is the safe day-to-day operations of the business. |
| | | | 2: Processes and procedures are mentioned but lack depth making it difficult to assess confidence in safe day-to-day operations of the business. |
| | | | 3: Adequate qualifications and methodologies described, but lacking specific examples or context, including educational background or certifications. |
| | | | 4: Detailed and effective processes and procedures provided; clear application of industry best practices evidenced; some minor elements could be improved or clarified. Overall, leads to confidence in the safe day-to-day operation of the business. |
| | | | 5: Comprehensive and detailed processes and procedures clearly described with clearly defined roles and responsibilities of onsite staff. Clearly integrates specific industry experience and best practices. Leads to high confidence in the safe day-to-day operation of the business. |
| 7 | Credentials of Safety Plan author: professional fire prevention and suppression consultant or architect required. | 5 | 0: No information provided. |
| | | | 1-2: Author's qualifications submitted, but it is unclear if author meets requirements. |
| | | | 3-4: Author is clearly qualified, but no apparent experience with cannabis dispensaries. |
| | | | 5: Author is clearly qualified and has demonstrated experience with cannabis dispensaries, operations, and unique safety risks and concerns. |

Section 6: Neighborhood Compatibility Plan

55 Points Total

Evaluation Criteria

| Criteria # | Criteria | Max. Points | Scoring Method |
|------------|---|-------------|---|
| 1 | Applicant must provide a description of odor mitigation practices, including identifying potential sources of odor, odor control devices, and staff training for odor management. | 5 | 0: The applicant did not provide an odor mitigation description. 5: The applicant provided a description of odor mitigation practices. |

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| 2 | Applicant must provide a waste management plan, detailing waste disposal locations and methods to render waste unusable and unrecognizable. | 5 | <p>0: The applicant did not provide a waste management plan.</p> <p>5: The applicant provided a waste management plan.</p> |
| 3 | Applicant must describe efforts at sustainability/environmental impact mitigation. | 5 | <p>0: The applicant did not provide a description of sustainability efforts.</p> <p>5: The applicant provided a description of sustainability efforts.</p> |
| 4 | Applicant must provide a comprehensive description of their Community Engagement strategies, including how they plan to engage with the community and respond to concerns. | 20 | <p>0: No information provided on Community Engagement.</p> <p>1-2: Basic information provided, with minimal engagement strategies mentioned, lacking clarity and depth.</p> <p>3-4: General description of Community Engagement, mentioning some strategies but lacking specific details on execution and impact.</p> <p>5-6: Adequate information on Community Engagement strategies, demonstrating some understanding of community needs, but missing details on responsiveness and follow-up actions.</p> <p>7-8: Detailed information on Community Engagement strategies, including multiple methods of engagement, response plans to community concerns, and a commitment to regular updates, but missing some minor elements or specifics.</p> <p>9-10: Comprehensive information provided, demonstrating a proactive approach to community engagement with clear, actionable plans, detailed methods of engagement, and a well-defined feedback loop to ensure responsiveness to community concerns.</p> |
| 5 | Applicant must provide a "Good Neighbor Policy" that includes measures to protect adjacent uses from potential impacts related to the cannabis retailer, including but not limited to: facility, parking lot and landscaping cleanliness and upkeep; controlling noise exterior to the facility; ensuring no loitering or on site product use; practices to ensure minors are not attracted or served including by a surrogate; and ensuring the exterior building is not gaudy and blends in surrounding community and is free from product advertisements. | 20 | <p>0-2: The applicant did not provide a Good Neighbor Policy that clearly addresses all requirements.</p> <p>3-8: Good Neighbor Policy includes all required items, but includes significant gaps that lead to questions on whether business will generate substantive complaints from surrounding businesses and residential neighborhood.</p> <p>9-15: Good Neighbor Policy is complete and thorough and leads to high confidence that the business will be maintained to minimize substantive concerns of abutting businesses and nearby residential neighborhood.</p> <p>16-20: Good Neighbor Policy exceeds minimum requirements and leads to high confidence that the business will be maintained to minimize substantive concerns of abutting businesses and nearby residential neighborhood.</p> |

Section 7: Labor and Employment Plan

20 Points Total

Evaluation Criteria

| Criteria # | Criteria | Max. Points | Scoring Method |
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| 1 | Applicant must provide an organizational chart showing owners, managers, and employees, including operational daily/shift organization. | 5 | 0: No organizational chart provided. |
| | | | 1: Overall organizational chart clearly meets requirement. Operational Daily/shift organization missing or unclear. |
| | | | 2-3: All organizational charts complete. Shows clear chain of command during daily and shift operations. |
| | | | 4-5: All organizational charts complete. Shows robust control of staff and operations throughout operating hours. |
| 2 | Applicant must provide a description of the owner's and manager's roles in day-to-day operations and decisions. | 5 | 0: No description of roles provided. |
| | | | 1-3: Description addresses required items. Allocation of roles and responsibilities between owner and manager unclear, overlap heavily, and/or includes obvious gaps. |
| 3 | Applicant must provide a description of the number of employees, title/position, and their respective responsibilities. | 5 | 0: No description provided or description does not clearly address all requirements. |
| | | | 1: Description addresses all required items but lacks detail or is unclear in one or more of the required areas. |
| | | | 2-3: Description clearly covers all requirements but responses indicate correctable issues such as understaffing on a shift, too junior a staffing mix, unclear or inadequate description of roles, responsibilities and authorities. |
| | | | 4-5: Description clearly addresses all requirements and leads to high confidence in daily operations and compliance with all permit requirements and local and state laws. |
| 4 | Applicant must provide a description of hiring and employment practices included any local hire policy and practices, background checks (if any), other processes of vetting potential employees. | 5 | 0: No description provided. |
| | | | 1: Description addresses all required items. |
| | | | 2-3: Description clearly describes how the applicant will prioritize local hires and/or that the applicant utilizes and independent service for background checks. |
| | | | 4-5: Description clearly outlines robust processes that ensure attraction and prioritization of local hires, independent background checks and criteria for avoiding candidates with a history of drug or legal problems; and ensuring that employees remain free of illicit drug and criminal activities. |

- (c) The following are the evaluation criteria for the interviews:
- (1) QUALIFICATION OF OWNERS (150 points)
- (i) Describe the business owner’s prior experience in owning, managing, and operating a legally permitted or licensed cannabis Retailer in the United States. For purposes of this section, owner shall mean the definition of owner in the RBMC Section 10-2.1626.
 - (ii) 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 Redondo Beach.
 - (iii) Describe the involvement of the ownership team in the day-to-day operation and management of the proposed business.
- (2) NEIGHBORHOOD COMPATIBILITY (200 points)
- (i) 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, graffiti, and vehicle and pedestrian traffic.
 - (ii) 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.
 - (iii) Describe the steps you have taken to get to know the Redondo Beach community. Provide a detailed description of the neighborhood in which you are seeking to open a cannabis retail business, and how your business will contribute positively to the surrounding area.
 - (iv) Describe steps that the business will take to minimize any negative environmental impacts of the retail operation, including greenhouse gas emissions, vehicle miles travelled, excessive product packaging, energy and water utilization, and other impacts.
- (3) PROPOSED SITE PLAN (150 points)
- (i) Provide the following information about the existing site:
 1. Physical address;
 2. Narrative description of the existing site, including building(s), parking spaces, driveways, pedestrian sidewalks/rights-of-way,
 3. Photographs of the existing property and building(s);
 - a. Note: Photographs of building interior are not required.
 4. Description of how the site is currently being used;
 5. Description of any businesses currently operating on the parcel (if any), and any parcels directly adjacent to the existing site.
 - (ii) Provide the following information about the proposed site:
 1. A site plan, drawn to scale, of the proposed business showing perimeter fencing, driveways, streets, property lines, buildings, parking areas, and outdoor areas.
 2. A narrative description of proposed site improvements, including

façade rehabilitation, building expansion, parking, landscaping, fencing, or other exterior site improvements;

a. Note: Descriptions of interior site improvements are not a requirement of this section.

3. A narrative description of the proposed ventilation, air purification, and fire prevention systems.
4. Visual depictions of the proposed exterior of the cannabis business.

(iii) Describe how the proposed modifications and utilization of the site for cannabis Retailer activity will impact the public health, safety, welfare, environmental quality, and/or quality of life in the surrounding area.

6-6.05 Fees and Charges.

(a) Each applicant or Permittee shall timely and fully pay all fees set forth in this ordinance. Failure of an applicant to pay the requisite fees is grounds for denial, and the failure of a Permittee to pay the requisite fees shall constitute a breach of the Commercial Retail Cannabis Permit, and is grounds for revocation of the conditional use permit. Except as otherwise provided herein, the amount of each fee shall be established by resolution of the City Council.

(1) Application fee to cover the city's costs incurred in the initial acceptance and review of an application for a Commercial Retail Cannabis Permit due and payable in full at the time an application is submitted.

(2) Processing fee(s) to cover the costs incurred in the review, investigation, scoring, and/or selection of an applicant for the award of a Commercial Retail Cannabis Permit shall be due and payable in full at the time an application is submitted. The city may charge a separate processing fee for each round of the application review and selection process. Such Commercial Retail Cannabis Permit shall be granted in accordance with evaluation criteria specified by the City Council in a notice inviting applications, a request for proposal ("RFP"), or similar solicitation.

(b) In addition to the fees specified in subsection (a), applicants and Permittees shall timely pay all other applicable fees, including, but not limited to, fees associated with processing applications for conditional use permits, Commercial Retail Cannabis Permits, building permits, and plan checks, as well as the city's cost of preparing a Commercial Retail Cannabis Permit.

(c) In addition to the fees set forth in this Chapter, a Commercial Retail Cannabis Permit may provide for a Permittee to pay the city a fair share contribution towards the city's costs incurred. Such costs may include, without limitation, enforcing the provisions of this ordinance, inspecting for and remediating any direct or secondary negative impacts of the commercial cannabis activities, and mitigating impacts to the city's existing public facilities caused by the commercial cannabis facility. If applicable, the remediation payments described in this ordinance shall be memorialized in a Commercial Retail Cannabis Permit, and paid by a Permittee to the city in strict accordance with the terms thereof.

(d) No person may commence or continue any cannabis retail sales in the City without timely paying in full all fees and charges required for the operation of a cannabis retail sales. Fees and charges associated with the operation of such activity shall be established by

resolution of the City Council which may be amended from time to time.

(e) All cannabis retailers authorized to operate under this Chapter 6-6 shall pay all sales, use, business and other applicable taxes, and all license, registration, and other fees required under federal, State, and local law. Each cannabis retailer shall cooperate with City with respect to any reasonable request to audit the cannabis retailer' books and records for the purpose of verifying compliance with this Section 6-6.05, including, but not limited to, a verification of the amount of taxes required to be paid during any period.

(f) A tax of 4.5% or more of gross receipts is required of each Permit. Such a fee may be increased up to 9% or decreased down to 3% subject to City Council determination.

(g) Tax Compliance Bond Requirement. To ensure the timely and full payment of the required gross receipts fee outlined in Section (f), each Permit holder must secure a compliance bond to cover at least one (1) year of projected annual tax payment. The bond amount shall be determined based on the Permit holder's projected gross receipts for the initial operational period and adjusted annually thereafter.

- (1) Purpose of the Bond. The bond serves as a financial guarantee to the City that all applicable taxes and fees, including those determined by the City Council under Section (f), are paid in full and on time.
- (2) Bond Adjustment. The bond amount will be reviewed and adjusted annually based on the Permit holder's reported gross receipts and fee obligations from the prior year.
- (3) Default and Claims. If a Permit holder fails to remit the gross receipts fee as required, the City reserves the right to make a claim against the bond to recover the outstanding amount.
- (4) Bond Release. Upon the Permit holder's cessation of operations and confirmation of all fees paid, the bond will be released.

6-6.06 Commercial Retail Cannabis Permit and Operating Standards.

(a) Permittees, and the premises upon which commercial cannabis activities are operated, shall strictly comply with this ordinance, the Commercial Retail Cannabis Permit, the conditional use permit, the Act, and anything else required by the Department or the State licensing authority. To the extent of a conflict among any of the foregoing, the more restrictive provision shall control unless a different intent is clear from context.

(b) All premises where commercial cannabis activities are operated shall comply with the following minimum development and operating standards:

(1) Commercial cannabis activities shall occur in a fully enclosed and permanent building, as described in this ordinance.

(2) Persons under the age of twenty-one (21) shall be prohibited from the premises at all times, other than as lawful customers permitted under State law in the case of Medicinal cannabis retailers. If such retail establishment sells Medicinal cannabis, persons under the age of twenty-one (21) and over the age of eighteen (18) shall be permitted to enter the establishment only after verification that they possess a valid Medical Marijuana ID card.

(3) A premises shall notify patrons of the following through the posting of a sign outside the premises posted in a conspicuous location near the entrance of the building:

(i) That loitering on and around the premises is prohibited by California Penal Code § 647(e).

(ii) That patrons must immediately leave the site upon concluding the reason for their visit, and may not consume cannabis or cannabis products on the premises.

(iii) That patrons may be subject to prosecution under federal law.

(iv) That the use of cannabis or cannabis products may impair a person's ability to drive a motor vehicle or operate machinery.

(4) Permittees shall provide the name and phone number of an on-site staff person who shall be responsible for notification of any operational problems or emergencies associated with the premises or the operation thereof to the Police Department and Permit Administrator.

(5) All commercial cannabis businesses shall be operated within the specific part of the premises specified in the Commercial Retail Cannabis Permit and/or conditional use permit. No commercial cannabis activities shall take place in an area exceeding the square footage authorized in the controlling Commercial Retail Cannabis Permit, conditional use permit, or the licensee's license; whichever is most restrictive.

(6) All exterior windows, doors, loading and unloading docks or bays, and any points of ingress or egress to the premises where the commercial cannabis business will be operated, shall be secured from unauthorized entry by commercial grade, nonresidential locks, and in a manner specifically approved by the Police Department. The exterior of each of the foregoing areas shall be illuminated during twilight hours.

(7) The ingress and egress points of any storage areas for cannabis or cannabis products shall be locked and secured at all times, and shall be under the control of and accessible only to Permittee's authorized personnel as disclosed to the City.

(8) Each Permittee shall implement a track-and-trace system, compliant with the Act, to record the chain of supply of cannabis or cannabis products from "seed-to-sale." Each cannabis retailer shall have in place a point-of-sale or management inventory tracking system to track and report on all aspects of the cannabis retailer including, but not limited to, such matters as cannabis tracking, inventory data, gross sales (by weight and by sale), and other information which may be deemed necessary by the City. The cannabis retailer shall ensure that such information is compatible with the City's record-keeping systems as well as the State Mandated Track and Trace requirements and systems. In addition, the system must have the

capability to produce historical transactional data for review. Furthermore, any system selected must be approved and authorized by the Permit Administrator prior to being used by a permittee.

(9) The exterior appearance of the premises, including but not limited to the design, color, landscaping, screening, architectural treatments, signage, and other such aesthetic features of the premises shall comply with the standards applicable to the underlying zoning district, as may be modified or supplemented through the Commercial Retail Cannabis Permit and/or conditional use permit. Except as modified herein, or in a Commercial Retail Cannabis Permit or conditional use permit, the premises shall comply with the development standards applicable to the underlying zoning district.

(10) A valid Commercial Retail Cannabis Permit.

(11) All exterior signage on the premises shall comply with city standards, the Commercial Retail Cannabis Permit and/or conditional use permit. Should these provisions conflict, the terms of the Commercial Retail Cannabis Permit shall control.

(12) The exterior of the premises shall comply with the city's generally applicable lighting standards including, without limitation, fixture type, wattage, illumination levels, shielding; and associated approvals and permits.

(13) All waste generated by or resulting from commercial cannabis activities shall be disposed of as required by law, and pending disposal such waste shall be stored in a locked and secure area that is under the control of and accessible only to Permittee's authorized personnel.

(14) On-site sales of alcohol or tobacco products, and consumption of food, alcohol, tobacco, cannabis, or cannabis products on the premises is strictly prohibited except that employees may eat in an area separate from the sales floor on their breaks.

(15) The premises shall provide an odor absorbing ventilation and exhaust system so that odor generated inside the structure where commercial cannabis activities are taking place cannot be detected outside the structure, anywhere on adjacent property, public rights-of-way, or within any other unit or structure on the premises where commercial cannabis activities are not taking place.

(16) Be provided with adequate electricity, sewerage, disposal, water, fire protection, and storm drainage facilities for the intended purpose.

(17) The Permit Administrator shall have the power and authority to promulgate rules, regulations, and requirements consistent with the provisions of this chapter and other law in connection with the issuance of a registration certificate. The Permit Administrator may designate an employee of his or her department to make decisions and investigate and act pursuant to this chapter.

6-6.07 Permissible Delivery Locations.

(a) Cannabis delivery businesses permitted to engage in delivery of cannabis and cannabis products inside the City of Redondo Beach are subject to the following requirements:

(1) A permitted cannabis business shall not deliver cannabis goods to an address located on publicly owned land or any address on land or in a building leased by a public agency.

(2) A permitted cannabis business shall comply with all requirements of state and local law pertaining to the cannabis business permit and all subsequent policies, procedures and regulations which may be amended by the Permit Administrator from time to time in order to enforce this chapter.

(3) Any kiosk, i-Pad, tablet, smartphone, fixed location or technology platform, whether manned or unmanned, other than a retail location permitted by the city, that facilitates, directs, or assists the retail sale or delivery of cannabis or cannabis products is prohibited and shall be a violation of this Chapter.

6-6.08 Operating Standards for Delivery-Only Operators.

- (a) All cannabis businesses which conduct deliveries into or within the City of Redondo Beach shall be required to obtain a permit from the City of Redondo Beach in order to conduct retail sales regardless of whether they are located in the City or another local jurisdiction.
- (b) Application Procedures for Delivery-Only Operators:
 - (1) The city may, in its sole discretion, approve and direct the issuance of a notice inviting applications, a request for applications, or similar solicitation inviting persons interested in operating delivery-only cannabis activities in the city to apply for a Commercial Retail Cannabis Permit for delivery-only operations.
 - (2) Whether to issue a solicitation for applications, shall be subject to the sole and absolute discretion of the City Council. The manner of accepting applications, and the manner of application processing, shall be determined by the Permit Administrator or designee. The processing of applications for a Commercial Retail Cannabis Permit for delivery-only operators shall be that specified in this ordinance in Section 6-6.08, elsewhere in the Redondo Beach Municipal Code, or in the solicitation for applications issued by the City Council.
- (c) The permitting process for delivery-only operators is distinct and separate from the evaluation criteria outlined in Section 6-6.04 for storefront retail operators.
- (d) Prior to commencing operations, a cannabis out-of-City delivery-only service shall comply with the following requirements:
 - (1) Obtain from the City a permit authorizing the delivery of cannabis and cannabis products within the City limits. A copy of this permit shall be retained by all drivers.
 - (2) The retail business operating the delivery service shall provide the Permit Administrator with evidence of a valid state and local license for a cannabis business on whose authorization the delivery service is performing the delivery function.
 - (3) The retail business operating the delivery service shall furnish to the Permit Administrator the year, make, model, license plate number, and numerical Vehicle Identification Number (VIN) for any and all vehicles that will be used to deliver cannabis goods.
- (e) Operating hours of the out-of-City delivery service shall be limited to the hours of 6:00 a.m. through 10:00 p.m., Monday through Sunday.
- (f) Permitted delivery-only operators are subject to the auditing and record management requirements as outlined in Section 6-6.19 and Section 6-6.20.

6-6.09 Transfer or change in ownership.

- (a) Permittees may not sell, transfer, pledge, assign, grant an option, or

otherwise dispose of, in whole or in part, their rights under or interest in a Commercial Retail Cannabis Permit. It is strictly prohibited for any Owner to sell, transfer, pledge, assign, grant an option, or otherwise dispose of, in whole or in part, their ownership interest in the licensed cannabis business for a minimum period of three (3) years from the start of operation. No Permittee may allow for a separate entity to manage or operate their business or act as their agent in their place. Permittee may only transfer ownership after the initial period of time and with prior discretionary approval of the Permit Administrator. Before approving any such request, City may require the purchaser, assignee, or transferee to provide the same information and materials that are required of an initial applicant, including the payment of associated fees.

(b) The owner of a cannabis business permit shall not transfer ownership or control of the permit to another person or entity unless and until the transferee obtains an amendment to the permit from the Permit Administrator stating that the transferee is now the permittee.

- (1) Such an amendment may be obtained only if the transferee files an application with the Permit Administrator in accordance with the provisions of this chapter (as though the transferee were applying for an original Commercial Retail Cannabis permit).
- (2) The proposed transferee's application shall be accompanied by a transfer fee in an amount set by resolution of the City Council (or if not set, shall be the same amount as the application fee).
- (3) The transferee's application will be treated as a new application and will be evaluated according to criteria outlined in Section 6-6.04.
- (4) To be granted a permit transfer, the transferee's application must achieve a score equal to or higher than the original permit holder's score, as determined through the evaluation process outlined in Chapter 6-6.04.

- (c) Cannabis business permits issued through the grant of a transfer by the Permit Administrator shall be valid for the remainder of the permit term.
- (d) Before the transferee's permit expires, the transferee shall apply for a renewal permit and pay the appropriate fee in the manner required by this chapter.
- (e) A Commercial Retail Cannabis Permit shall not be transferred when the City has notified the permittee in writing that the permit has been or may be suspended or revoked.
- (f) Any attempt to transfer a cannabis business permit either directly or indirectly in violation of this Chapter is hereby declared a violation of the permit and this chapter. Such a purported transfer shall be deemed a ground for revocation of the permit.
- (g) Permittees shall not have a common owner.

6-6.10 Location

(a) As part of their application for a Commercial Retail Cannabis Permit, applicants shall demonstrate proof of lawful possession of the premises where commercial cannabis activities are proposed to take place. Such evidence shall consist of properly executed deeds of trust, leases, licenses, or similar documents evidencing the Permittee's right to possession and use of the premises.

(b) Commercial cannabis activities may only take place within the area, building, structure, and portion of the premises that is specifically described in the Commercial Retail Cannabis Permit and/or conditional use permit. A Permittee shall not relocate, move, or otherwise alter the location of its operations from the specific area so identified without obtaining prior approval from the City; regardless of any possessory interest or right to possession to such additional areas. No Permittee shall add additional or contiguous units or areas, thereby altering the initially approved premises, without prior approval of the Permit Administrator.

(c) Permittee shall not sublet, transfer, or otherwise assign any portion of any approved premises for any purpose, unless the Permit Administrator grants prior approval of such amendment.

(d) Permittee shall not make any physical change, alternation, or modification to the approved premises that, in the opinion or discretion of the building official, materially or substantively alters the location or usage of the premises from the plans approved in the Commercial Retail Cannabis Permit and/or conditional use permit, without the advanced approval of the Permit Administrator. For purposes of this subsection, the phrase "materially or substantively alters" shall mean any physical change, alternation, or modification to the area of the premises identified in the Commercial Retail Cannabis Permit or conditional use permit for the operation of commercial cannabis activities that either: (1) increases the capacity or scope of commercial cannabis activities by five percent (5%) or more; or (2) requires a building permit.

(e) If the proposed location will be leased from the property owner, the applicant shall be required to provide a signed and notarized statement from the owner and all lien holders of the property, acknowledging that the property owner and all lien holders have read this chapter and consents to the operation of the retail cannabis business on the owner's property.

6-6.11 Change in Location

(a) A permittee may change the business location specified in a Commercial Retail Cannabis permit upon submission and approval of a change in location application to the Permit Administrator pursuant to regulations adopted under Section 6-6.04 and only after a minimum of three (3) years of operation at the business location specified in the Commercial Retail Cannabis permit.

(b) Such a change in location may be obtained only if the permittee files an application with the Permit Administrator in accordance with the provisions of this chapter (as though the permittee were applying for an original Commercial Retail Cannabis permit).

(c) The application shall be accompanied by a fee in an amount set by resolution of the City Council (or if not set, shall be the same amount as the application fee).

(d) The permittee's application will be treated as a new application and will be evaluated according to criteria outlined in Section 6-6.04.

- (e) To be granted a change in location, the permittee's application must achieve a score equal to or higher than the original application score, as determined through the evaluation process outlined in Chapter 6-6.04.

6-2.12 Commercial Retail Cannabis Permit Term

(a) The term of each retail cannabis business permit shall be five (5) years, unless the permit is revoked by the City for any reason authorized by Section 6.2.13.

(b) Each permit may be extended for two (2) additional two-year terms twice at the sole discretion of the Permit Administrator. Such extensions may be obtained only if the permittee is able to demonstrate the following:

- (1) Nuisance Complaints: During the initial permit term or extension thereof, the permittee has no criminal conviction or pending criminal charges at the time of the application for extension; or a civil finding of liability for nuisance activity during the term of the initial permit of extension thereof.
- (2) Compliance with Advertising Regulations: The business adheres to all advertising restrictions, avoiding promotion in prohibited areas or formats.
- (3) Parking Management: During the initial permit term or extension thereof, the permittee has maintained parking requirements to ensure parking has not unnecessarily spilled over into neighborhood.
- (4) Queue Management: Permittee has ensured that customers are served and accommodated within the premises, and no queues form outside the premises.
- (5) Cleanliness: The property is maintained in a clean state, with no litter or trash visible outside the store.
- (6) Noise Control: Noise levels are kept within legal limits, and any noise complaints are promptly addressed and resolved.
- (7) Odor Management: No detectable odors emanate from the store, ensuring the business does not negatively affect nearby residents or businesses.
- (8) There is no other record demonstrating non-compliance with any part of the Commercial Cannabis Retail Permit.

(c) Permits that are extended twice by the Permit Administrator may request an extension of up to five (5) years by application to the Permit Administrator. Such an extension may be obtained only if the permittee files an application with the Permit Administrator in accordance with the provisions of this chapter (as though the permittee were applying for an original Commercial Retail Cannabis permit). The permittee's application will be the same as submitting a new application. The application will be treated as a new application and will be evaluated according to procedures adopted by the Permit Administrator, pursuant to Chapter 6-6.04.

(d) Upon the one (1) year anniversary of the date of issuance for each retail cannabis business permits and each year thereafter, the Permit Administrator shall conduct a performance review of the permittee to assess compliance with the requirements of this RBMC Title 6 Chapter 6-6. Within thirty (30) days of the conclusion of the annual performance review of the permittee, the Permit Administrator shall issue a letter of compliance or noncompliance outlining all items to be corrected to ensure full compliance. In the event of any noncompliance,

the permittee shall have sixty (60) days to remedy such noncompliance. However, in the event such noncompliance items cannot be remedied within sixty (60) days, such noncompliance items shall not constitute a material violation of any law and/or any rule, regulation, and/or standard adopted pursuant to this RBMC Title 6 Chapter 6-6 or subject to suspension or revocation under Section 6-6.13 if the permittee commences correction of such noncompliance items within sixty (60) days and thereafter diligently prosecutes correction of such noncompliance items to completion. The Permit Administrator shall have the final discretion and authority to determine whether a permittee is working diligently to correct all noncompliance items in a timely manner.

(e) The permittee shall pay a non-refundable fee in an amount to be set by the City Council via resolution to cover the costs of conducting the performance review, together with any costs incurred by the City to administer the program created under this RBMC Title 6 Chapter 6-6.

6-6.13 Suspension, revocation or modification of permits.

(a) Commercial retail cannabis permits may be suspended, revoked or modified for any violation of any state or local law and/or any rule, regulation, and/or standard adopted pursuant to this chapter or in this Code, whether committed by the Permittee or any employee or agent of the Permittee.

(b) Any premises, or portion of a premises, for which the cannabis public health permit has been suspended or revoked shall close, cease doing business, and remain closed until the cannabis Health Permit has been reinstated or reissued by the City Health Officer.

(c) Additionally, when there is an imminent threat to public health, safety or welfare, the city manager or his/her designee, may take immediate action to temporarily suspend a Commercial Retail Cannabis Permit issued by the city, pending a hearing before the Permit Administrator or his/her designee within ten (10) working days of suspension. The decision of the Permit Administrator may be appealed to the City Council, whose decision shall be final."

(d) A permittee shall inform the Permit Administrator or designee(s) of any suspension, revocation, or termination of a State license corresponding to its retail cannabis business permit within five (5) business days of the suspension, revocation, or termination of the State license.

(e) If the State of California or its respective department or division reinstates or reissues the state license, the cannabis business may seek reinstatement of its cannabis business permit if the business can demonstrate that the grounds for revocation of the license by the state no longer exist or that the underlying deficiency has otherwise been cured.

(f) Abandonment of permit. If the cannabis business has not been in regular and continuous operation in the preceding four months at the permitted location, the cannabis business permit shall be considered abandoned, unless mitigating circumstance occur which was beyond the control of the permittee and an extension has been authorized by the Permit Administrator.

(g) Suspension or revocation of a State license issued by the State or by any of its departments or divisions, corresponding to the retail cannabis business permit shall immediately result in the suspension of the associated retail cannabis business permit until the State, or its applicable department or division, reinstates the State license or otherwise lifts such suspension.

6-6.14 Appeals

(a) Notice of appeals.

(1) Within ten (10) calendar days after the notice of the decision of the Permit Administrator or their designee(s) to revoke, suspend or deny an initial or renewed permit, or to add conditions to a permit, an aggrieved party may appeal such action by filing a written appeal with the City Clerk. Date of service shall mean the date when a notice or written decision was personally delivered to the permittee, or the date when the notice was caused to be delivered by certified, first class mail. In cases in which the City can verify delivery of a notice to an applicant, or in which an applicant is documented as refusing delivery, lack of receipt of the notice cannot form the basis for an appeal.

(2) The Notice of Appeal shall be in writing and signed by the person making the appeal ("appellant"), or their legal representative, and shall contain the following:

- (i) Name, address, and telephone number of the appellant.
- (ii) Specify decisions, actions, or a particular part thereof, made that are the subject of the appeal.
- (iii) Include a true and correct copy of the notice issued by the Permit Administrator for which the appellant is appealing.
- (iv) State with specificity the reasons and grounds for making the appeal, including, but not limited to, a statement of facts upon which the appeal is based in sufficient detail to enable the City Council to understand the nature of the controversy, the basis of the appeal, and the relief requested.
- (v) All documents or other evidence pertinent to the appeal that the appellant requests the City Council to consider at the hearing.
- (vi) An appeal fee, as established by Resolution of the City Council.

(3) Failure of the City Clerk to receive a timely appeal constitutes a waiver of the right to appeal the notice issued by the Permit Administrator. In this event, the Permit Administrator's notice of denial, revocation, nonrenewal, suspension and/or other action is final and binding.

(4) In the event a written Notice of Appeal is timely filed, the denial, nonrenewal, suspension, revocation, or other action shall not become effective until a final decision has been rendered and issued by the City Council. Notices of appeal not served in a timely manner or served by non-operational businesses shall not serve to allow such businesses to operate pending appeal.

(5) If no appeal is timely filed in the event of a decision of nonrenewal, the Commercial Retail Cannabis Permit shall expire at the conclusion of the term of the permit. If no appeal is timely filed in the event of a decision supporting suspension or revocation, the suspension or revocation shall become effective upon the expiration of the period for filing a written Notice of Appeal.

(b) Review by City Council; appeal hearing and proceedings.

(1) All appellants shall, subject to filing a timely written Notice of Appeal, obtain review thereof before the City Council.

(2) Upon receipt by the City Clerk of a timely-filed appeal, the City Clerk shall forward such appeal to each member of the City Council. Any member of the City Council may within ten (10) days of such notification then request that the City Clerk place on a regularly scheduled City Council meeting or special Council meeting the appeal for consideration.

(3) The administrative appeal shall be scheduled no later than ninety (90) days, and no sooner than thirty (30) days, after receipt of a timely filed Notice of Appeal if such appeal is to be heard by the City Council. The appellant(s) listed on the written Notice of Appeal

shall be notified in writing of the date, time, and location of the hearing at least ten (10) days before the date of the hearing (“notice of appeal hearing”).

(4) All requests by an appellant to continue a hearing must be submitted to the City Clerk in writing no later than three (3) business days before the date scheduled for the hearing. The City Council may continue a hearing for good cause or on its own motion; however, in no event may the hearing be continued for more than thirty (30) calendar days, unless there is a stipulation by all parties to do so.

(5) The City Council shall preside over the hearing on appeal.

(c) At the date, time and location set forth in the Notice of Appeal hearing, the City Council shall hear and consider the testimony of the appellant(s), City staff, and/or their witnesses, as well as any documentary evidence properly submitted for consideration.

(d) The following rules shall apply at the appeal hearing:

(1) Appeal hearings are informal, and formal rules of evidence and discovery do not apply. However, rules of privilege shall be applicable to the extent they are permitted by law, and irrelevant, collateral, undue, and repetitious testimony may be excluded.

(2) The City bears the burden of proof to establish the grounds for nonrenewal, suspension or revocation of a permit by a preponderance of evidence. The appellant(s) or permittee(s) bear the burden of proof regarding denial of an initial permit.

(3) The issuance of the Permit Administrator’s notice constitutes prima facie evidence of grounds for the denial, nonrenewal, suspension or revocation, and City personnel who significantly took part in the investigation, which contributed to the Permit Administrator issuing a notice of decision, may be required to participate in the appeal hearing.

(4) The City Council may accept and consider late evidence not submitted initially with the Notice of Appeal upon a showing by the appellant of good cause. The City Council shall determine whether a particular fact or facts amount to a good cause on a case-by-case basis.

(5) The appellant may bring a language interpreter to the hearing at their sole expense.

(6) The City may, at its discretion, record the hearing by stenographer or court reporter, audio recording, or video recording. If the appellant requests from the City that said recording take place, the costs of same shall be deposited with the City at the time the Notice of Appeal and appeal fee are submitted to the City.

(e) If the appellant, or their legal representative, fails to appear at the appeal hearing, the City Council may cancel the appeal hearing and send a notice thereof to the appellant by certified, first class mail to the address(es) stated on the Notice of Appeal. A cancellation of a hearing due to non-appearance of the appellant shall constitute the appellant’s waiver of the right to appeal and a failure to exhaust all administrative remedies. In such instances, the Permit Administrator’s notice of decision is final and binding.

(f) Decision of the City Council; final decision.

(1) Following the conclusion of the appeal hearing, the City Council shall determine if any ground exists for the non-issuance, nonrenewal, suspension or revocation of a Commercial Retail Cannabis Permit or other action. If the City Council determines that no grounds for denial, nonrenewal, suspension, revocation, or other action exist, the Permit Administrator’s notice of decision shall be deemed vacated. If the City Council determines that one or more of the reasons or grounds enumerated in the notice of decision exists, a written final decision shall be issued within ten (10) business days, which shall at minimum contain the following:

(i) A finding and description of each reason or grounds for non-issuance, nonrenewal, suspension, revocation, or other action that exists.

(ii) Any other finding, determination or requirement that is relevant or related to the subject matter of the appeal.

(iii) A holding that the Permit Administrator's decision is affirmed or modified.

(2) The decision of the City Council is final and conclusive and is subject to the time limits set forth in **California Code of Civil Procedure Section 1094.6**.

(g) A copy of the final decision shall be served by certified, first class mail on the appellant. If the appellant is not the owner of the real property in which the commercial cannabis business is located, or proposed to be located, a copy of the final decision may also be served on the property owner by first class mail to the address shown on the last equalized assessment roll. Failure of a person to receive a properly addressed final decision shall not invalidate any action or proceeding by the City pursuant to this chapter.

6-6.15 Minimum Security Requirements.

(a) Permittees shall comply with the security standards and requirements set forth in this ordinance, the Commercial Retail Cannabis Permit, the conditional use permit, and the Act. If any of the foregoing are inconsistent, the most restrictive provision shall control unless a different intent is clear from context.

(b) Security Standards are as follows:

(1) Owner shall establish a security system that prevents individuals from remaining on the premises of the commercial cannabis business if they are not engaging in an activity directly related to the permitted operations of the commercial cannabis business and establishing limited access areas accessible only to authorized commercial cannabis business personnel.

(2) Panic buttons shall be installed in all commercial cannabis businesses

(3) Sensors shall be installed to detect entry and exit from all secure areas

(4) Each commercial cannabis business shall have the capability to remain secure during a power outage and shall ensure that all access doors are not solely controlled by an electronic access panel to ensure that locks are not released during a power outage.

(5) All Security Personnel shall be vetted through and approved by the Police Department.

(c) All Premises where commercial cannabis activities are operated and their personnel shall comply with the following minimum security standards:

(1) Security Cameras.

a. Security cameras shall be installed and maintained on the premises in a good working condition, and shall be capable of producing digitally recorded documentation in a format approved by the Police Department.

b. All security cameras on the premises shall be in use twenty-four (24) hours per day, seven (7) days per week. Permittees are responsible for ensuring that all

surveillance equipment is properly functioning and maintained so that the playback quality is suitable for viewing and the surveillance equipment is capturing the identity of all individuals and activities in the monitored areas.

c. All video surveillance equipment shall have sufficient battery backup to support a minimum of four (4) hours of recording in the event of a power outage.

d. The areas of the premises to be covered by the security cameras include, but are not limited to: (1) all storage areas for cannabis or cannabis products; (2) all areas where commercial cannabis activities are operated; (3) each location where weighing, packaging, transport, preparation, or tagging activities occur; (4) the interior and exterior of all points of ingress or egress to storage areas; (5) all doors and windows; (6) loading and unloading bays, the interior and exterior of all points of ingress or egress to the structure on the premises where commercial cannabis activities are operated, and (7) all points of ingress or egress to the premises.

e. Surveillance recording equipment must be housed in a designated, locked, and secured room or other enclosure with access limited to authorized employees or local law enforcement agencies for appropriate purposes.

f. All entrances and exits to the facility shall be recorded from both indoor and outdoor vantage points.

g. At least one camera shall be dedicated to recording the access points to the secured surveillance recording area.

h. Permittees shall keep a current list of all authorized employees and personnel who have access to the surveillance system and/or room on the premises.

i. Permittees shall keep a surveillance equipment maintenance activity log to record all service activity, including the identity of the individual performing the service, the service date and time, and the reason for service. Such records shall be maintained on the premises and shall be made available to the city upon request.

j. The system shall be capable of recording all pre-determined surveillance areas in any lighting conditions.

k. Video surveillance equipment shall, at a minimum, consist of digital or network video recorders, cameras capable of meeting the requirements described in this ordinance, video monitors, digital archiving devices, a color printer, and the capability to produce still color photograph from any camera image, live or recorded. The date and time shall be embedded on all surveillance recordings without significantly obscuring the picture. The time on the surveillance video is to be measured in accordance with the official United States time established by the National Institute of Standards and Technology and the U.S. Naval Observatory.

l. Video surveillance systems must be equipped with a failure notification system that provides prompt notification of any prolonged surveillance interruption and/or the complete failure of the surveillance system to the Permittee and Police Department.

m. All surveillance recordings must be kept for a minimum of ninety (90) days and be in a format that can be easily accessed for viewing. Video recordings must be archived in a format that ensures authentication of the recording as a legitimately captured video, and ensures no alteration of the recorded image has taken place.

n. After the ninety-day (90) surveillance video retention period has lapsed, surveillance video recordings must be erased or destroyed prior to being discarded or disposed of for any other purposes. Surveillance video recordings may not be destroyed if the permittee(s) knows, or should have known of a pending criminal, civil, or administrative investigation, or any other proceedings for which the recording may contain relevant information.

o. Upon request, Permittees shall make available to the Police Department or local law enforcement agency, for law enforcement purposes, all information related to security alarm systems, recordings, monitoring, and/or system activity.

p. Permittees may utilize off-site monitoring and video recording storage, or an independent third-party service, to satisfy the requirements of this ordinance, provided the standards exercised at the remote location meet or exceed all standards for on-site monitoring set forth herein.

q. The cannabis business shall be responsible for ensuring that the security surveillance camera footage is compatible with the city's software and hardware and remotely accessible by the Chief of Police. Alarm systems shall send real time alerts directly to the Police Department.

(2) Alarm System.

a. The premises shall be equipped with a reliable, commercial alarm system that is operated and monitored by a security company or alarm business twenty-four (24) hours a day, seven (7) days a week, operating in full compliance with this ordinance.

b. Permittees shall maintain on the premises up to date and current records and existing contracts with third party alarm system or security services providers that: (1) describe the location and operation of each security alarm system, (2) a schematic of security zones, (3) the name of the alarm company, and, if different from the name of the alarm company, (4) the name of any vendor monitoring the premises.

c. At a minimum, the alarm system shall monitor all exterior points of access into the structure on the premises where commercial cannabis activities are operated, including but not limited to windows and doors.

(3) Security Guard. At all times a premises is open to the public, at least one security guard shall be present who is licensed, possesses a valid department of consumer affairs "security guard card".

(4) Records. All records applicable to the surveillance system, alarm system, and track-and-trace system shall be maintained on the premises, and available for inspection upon request by the Police Department or other local law enforcement personnel for law enforcement purposes or to ensure compliance with this ordinance, the Act, or the Regulations.

6-6.16 County Health Permit. The City shall work with The County of Los Angeles to adopt the county's Cannabis Compliance and Enforcement Program and require the city's cannabis Permittees to obtain the county's health permit prior to operation.

6-6.17 Criminal Penalties.

(a) Any violation of any provision of this ordinance shall be deemed a misdemeanor and shall be enforced pursuant to **Title 1, Chapter 2 of Redondo Beach Municipal Code.**

(b) Separate offenses for each day. Any person who violates any provision of this ordinance shall be guilty of a separate offense for each and every day during any portion of which any such person commits, continues, permits, or causes a violation thereof, and shall be penalized accordingly.

(c) Use or activity prohibited by State law. Nothing in this ordinance shall be deemed to permit or authorize any use or activity which is otherwise prohibited by State law.

(d) Each and every material violation of the provisions of this Chapter 6-6 may be prosecuted as a misdemeanor and upon conviction be subject to a fine not to exceed five thousand dollars (\$5,000) or imprisonment in the County jail for a period of not more than six (6) months, or by both such fine and imprisonment. Each day a material violation is committed or permitted to continue shall constitute a separate offense.

6-6.18 Violations.

(a) The city may initiate abatement proceedings as authorized by this ordinance or state law to correct or cure any violation of this ordinance. The city shall be entitled to recover its courts costs and reasonable attorneys' fees in the event of a court order or judgment of abatement is entered in favor of the city.

(b) Any person violating any of the provisions of this ordinance shall be guilty of a misdemeanor.

(c) The remedies provided herein are not to be construed as exclusive remedies. The city is authorized to pursue any proceedings or remedies provided by law.

(d) Violations declared a public nuisance. Each and every violation of the provisions of this chapter is hereby deemed unlawful and a public nuisance.

6-6.19 Audits. No later than February 15 of every calendar year, each Permittee shall file with the city one copy of an audit of its operations for the previous calendar year, completed and certified by an independent certified public accountant in accordance with generally accepted auditing and accounting principles. The audit shall include, but not be limited to, a discussion, analysis, and verification of each of the records required to be maintained pursuant to this ordinance.

6-6.20 Records.

(a) Permittees shall maintain records at the premises accurately and truthfully documenting the following:

(1) Each cannabis retailer shall maintain accurate books and records in an electronic format, which detail all revenues and expenses of the business, including, but not limited to, all of its assets and liabilities. On no less than an annual basis (at the time of performance review of a retail cannabis business permit issued pursuant to this Chapter 6-6), or at any time upon reasonable request of the City, each cannabis retailer shall file a sworn statement detailing the number of sales by the cannabis retailer during the previous 3-month period (or shorter period based upon the timing of the request) detailing sales for each month within such period in question. The statement shall also include gross sales for each month and all applicable taxes paid or due to be paid.

(2) Permittees shall maintain a current register of the names and the contact information (including the full names, address, and telephone number) of anyone owning, holding an interest in or managing the commercial cannabis business, and separately of all the

officers, managers, employees, agents and volunteers currently employed or otherwise engaged by the commercial cannabis business. The register required by this paragraph shall be provided to the Permit Administrator or his/her designee upon a reasonable request.

(3) All receipts of the premises, including but not limited to all payments, purchases, contributions, reimbursements, and reasonable compensation, whether in cash or in kind, concerning commercial cannabis activities, whether among licensees or otherwise.

(4) Commercial cannabis businesses must record all commercial cannabis activity in the track and trace system as required by state law.

(5) Proof of compliance with the Act and regulations, including but not limited to the license issued by the Department authorizing a Permittee to operate commercial cannabis activities on the premises.

(6) Any other required documentation described in the Commercial Retail Cannabis Permit required to be maintained on the premises.

(7) The foregoing records shall be maintained by Permittees for a period of seven (7) years and shall be made available by the Permittee to the Police Department, other local law enforcement, or the Permit Administrator upon request. If such records are not produced as requested, the city may seek a search warrant, subpoena, or court order to compel access thereto. The records shall be stored at the premises in a manner capable of being reproduced promptly and accurately. Any loss, damage or destruction of the records shall be reported to the Police Department within twenty-four hours.

(b) Permittees shall keep all records as may be necessary to determine the amount of tax due hereunder and shall preserve the same for a period of four years. The Finance Director shall have the right to inspect such records at all reasonable times. The Finance Director shall determine the mode and method of recordkeeping required to assist the tax collector to perform the duties required of him under this section. At the time of permit renewal, each owner and operator shall submit to the city a financial audit of the business's operations conducted by an independent certified public accountant. Each permittee shall be subject to a regulatory compliance review and financial audit as determined by the Finance Director. The Finance Director shall be authorized to engage a third-party to perform such audit(s).

6-6.21 Inspection and Enforcement

(a) The Permit Administrator or designee(s) charged with enforcing the provisions of the City Municipal Code, or any provision thereof, may enter the location of a cannabis retailer at any time, without notice, and inspect the location of any cannabis retailer as well as any recordings and records required to be maintained pursuant to this Chapter or under applicable provisions of State law.

(b) It is unlawful for any person having responsibility over the operation of a cannabis retailer, to impede, obstruct, interfere with, or otherwise not to allow, the City to conduct an inspection, review or copy records, recordings, or other documents required to be maintained by a cannabis retailer under this RBMC Title 6 Chapter 6-6 or under State or local law. It is also unlawful for a person to conceal, destroy, deface, damage, or falsify any records, recordings or other documents required to be maintained by a cannabis retailer under this RBMC Title 6 Chapter 6-6 or under State or local law.

(c) The Permit Administrator or designee(s) charged with enforcing the

provisions of this RBMC Title 6 Chapter 6-6 may enter the location of a cannabis retailer at any time during business hours and without notice to obtain samples of the cannabis to test for public safety purposes. Any samples obtained by the City shall be logged, recorded, and maintained in accordance with the City law enforcement standards for evidence.

6-6.22 Compliance with laws.

Nothing in this chapter shall be construed as authorizing any actions that violate state or local law with respect to the operation of a commercial cannabis business. It shall be the responsibility of the owners and operators of the commercial cannabis business to ensure that the commercial cannabis business is, at all times, operating in a manner compliant with all applicable state and local laws, any subsequently enacted state law or regulatory, licensing, or certification requirements, and any additional operating procedures or requirements which may be imposed as conditions of approval of the commercial cannabis permit. Nothing in this chapter shall be construed as authorizing any actions that violate state law regarding the operation of a commercial cannabis business. Except as otherwise provided herein, this ordinance incorporates the requirements of the Act. In the event of any conflict between the provisions of this ordinance and the provisions of the foregoing, the more restrictive provision shall control.

6-6.23 Interpretation. The provisions of this ordinance shall be read to be consistent with all the provisions of state and local law, and their implementing regulations, as well as the other provisions of this ordinance.

6-6.24 Severability. Should any provision of this ordinance, or its application to any persons or circumstance, be determined by a court of competent jurisdiction to be unlawful, unenforceable, or otherwise void, that determination shall have no effect on any other provision of this ordinance or the application of this ordinance to any other person or circumstance and, to that end, the provisions hereof are severable.

6-6.25 Limitation of Liability

(a) To the fullest extent permitted by law, the city shall not assume any liability whatsoever, with respect to receiving, reviewing, processing, denying, or approving any application to operate commercial cannabis activities under this ordinance.

(b) As a condition of submitting an application for a Commercial Retail Cannabis Permit, and as a further condition of approval, each applicant or Permittee, as applicable, shall: (1) agree to indemnify the city and its elected and appointed officers, employees, and representatives, from and against any claims, damages, injuries, or liabilities of any kind relating to or arising from an application, the city's denial or approval of an application, or the operation of commercial cannabis activities; (2) waive any and all claims, damages, injuries, or liabilities of any kind against the city and its elected and appointed officers, employees, and representatives; (3) agree to defend, at its sole cost and expense, any action against the city and/or its elected and appointed officers, employees, and representatives, relating to or arising from an application, denial or approval of an application, or the operation of a commercial cannabis activity; and (4) agree to reimburse the city for any court costs and attorneys' fees (with legal counsel of the city's choice) incurred in any legal challenge relating to an application, the denial or approval of any application, or the operation of a commercial cannabis activity.

6-6.26 City's Reservation of Rights.

The City reserves the right to reject any or all applications for a Cannabis Business Permit. Prior to permit issuance, the City may modify, postpone, or cancel any request for applications, at any time without liability, obligation, or commitment to any party, firm, or organization, to the extent permitted under California law. Persons submitting applications assume the risk that all or any part of the Cannabis Business Permit program, or any particular category of permit potentially authorized under this Chapter, may be cancelled at any time prior to permit issuance. The City further reserves the right to request and obtain additional information from any candidate submitting an application. In addition to a failure to comply with other requirements in this Chapter, an application may be rejected for any of the following reasons:

- (a) The application was received after the designated time and date of the deadline.
- (b) The application did not contain the required elements, exhibits, or was not organized in the required format.
- (c) The application was considered not fully responsive to the request for a permit application.

SECTION 4. Any provisions of the Redondo Beach Municipal Code, or appendices thereto, or any other ordinances of the City inconsistent herewith, to the extent of such inconsistencies and no further, are hereby repealed.

SECTION 5. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the ordinance. The City Council hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid or unconstitutional.

SECTION 6. This ordinance shall be published by one insertion in the official newspaper of said city, and same shall go into effect and be in full force and operation from and after thirty (30) days after its final passage and adoption.

PASSED, APPROVED AND ADOPTED this 18th day of February, 2025.

James Light, Mayor

APPROVED AS TO FORM:

ATTEST:

Michael W. Webb, City Attorney

Eleanor Manzano, City Clerk

ATTEST:

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF REDONDO BEACH)

I, Eleanor Manzano, City Clerk of the City of Redondo Beach, California, do hereby certify that Ordinance No. XXXX-XX was introduced at a regular meeting of the City Council held on the 11th day of February, 2025, and approved and adopted by the City Council of the City of Redondo Beach, California, at a regular meeting of said City Council held on the 18th day of February, 2025, and there after signed and approved by the Mayor and attested by the City Clerk, and that said Ordinance was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Eleanor Manzano, CMC
City Clerk