

## **DRAFT MEDICINAL CANNABIS LICENSE APPLICATION SUBMITTAL GUIDE**

### **SECTION A- APPLICANT/BUSINESS INFORMATION**

When completing the application, the applicant must select the license type and designation for the cannabis activity applying for:

#### License Application Type and Designation

Medicinal (Equivalent to State "M-License"): Sells and delivers medicinal cannabis or medicinal cannabis products to consumers.

Delivery-Only Retailer (Equivalent to State "Non-Storefront"): A delivery-only retailer must have a licensed premise but is not open to the public, and conducts sales exclusively by delivery.

#### Business Organizational Structure

All applicants are required to identify their business organizational structure.

#### Business Contact Information

If an individual, the first and last name of the applicant must be provided. If the applicant is a business entity, then the full legal business name is required. The applicant business name must be identical to the name listed on the business-formation documents submitted to the County. The applicant must provide the address of the business, and the mailing address if it is different. The applicant must also provide the business website address, email address, and telephone number.

#### Social Security Number/Individual Taxpayer Identification Number/Federal Employer Identification Number

Each applicant must provide a valid United States Social Security Number (SSN), an Individual Taxpayer Identification Number (ITIN), or a Federal Employer Identification Number (FEIN).

### **SECTION B- PRIMARY CONTACT PERSON**

The primary contact is the individual who is designated as the person the licensing authorities can contact for information regarding the business. The applicant must provide the primary contact's name, title, telephone number, and email address. Please be advised that the primary contact person for this license application will be listed on public notices and the application's webpage.

### **SECTION C- DECLARATIONS**

#### Seller's Permit Number

If the business purchases and sells cannabis goods applicant is required to obtain a seller's permit number from the Department of Tax and Fee Administration (CDTFA), formerly known as the Board of Equalization (BOE).

#### Labor Peace Agreement

If the business has 20 or more non-supervisory employees, the applicant must attest that they have entered or will enter into a labor peace agreement and will abide by its terms.

### **SECTION D- OWNER INFORMATION**

An owner is defined as a person with an aggregate ownership interest in the commercial cannabis business of 20 percent or more, unless the interest is solely a security, lien or encumbrance. List all owners as defined below:

- A person with an aggregate ownership interest of 20 percent or more in the person applying for a license or a licensee, unless the interest is solely a security, lien or encumbrance.
- The chief executive officer of a nonprofit or other entity (i.e. corporation).
- A member of the board of directors of a nonprofit.
- An individual who will be participating in the direction, control, or management of the person applying for a license.
- An owner who is an individual participating in the direction, control, or management of the commercial cannabis business included any of the following:
  - A partner of a commercial cannabis business that is organized as a partnership.

- A member of a limited liability company of a commercial cannabis business that is organized as a limited liability company.
- An officer or director of a commercial cannabis business that is organized as a corporation.

Each owner must also complete the supplemental Owner Submittal Form, and must submit fingerprint images to the Department of Justice (DOJ). The owner(s) must use the live scan form provided by the County. Live Scan locations can be found at: <https://oag.ca.gov/fingerprints/locations>

## **SECTION E- NON-OWNERS WITH A FINANCIAL INTEREST IN THE BUSINESS**

The applicant must provide a list of all non-owner individuals with a financial interest in the cannabis business. A financial interest means an investment into a cannabis business, a loan provided to a cannabis business, or any other equity in a cannabis business but not qualified as an owner.

## **SECTION F- FICTITIOUS BUSINESS NAMES**

The applicant must provide a list of all fictitious business names they will operate under and the proposed location of the businesses.

## **SECTION G- REQUIRED ATTACHMENTS**

### Business Plan

Provide a business plan that describes your business model, experience, organization, marketing and sales strategy, funding requirements and financial projections, including but not limited to the items listed below.

The Business Plan will be ranked on a score of 1 to 20, with 1 being an extremely unqualified applicant and 20 being an extremely qualified applicant with a plan that that will (a) virtually guarantee that there will be no difficulty, whatsoever, obtaining start-up costs and paying 100% of initial operating expenses for the first year, (b) be managed by a team that has prior cannabis industry experience, such that the County can be entirely confident that the team will be immediately familiar with all relevant laws and regulations, (c) undoubtedly demonstrate a commitment to serving the medical needs of patients through product line, marketing, and sales approach, (d) will undeniably foster a stable, reliable, well-trained, workforce through sound human resource policies, compensation structure, training, and development. An applicant scoring a 10 in this category would satisfy all of the bare minimum characteristics the County is looking for in a business plan, but would lack the exceptional qualities (i.e. "extremely qualified," "undoubtedly demonstrates," etc.), described above, of a 20-point applicant.

### *Business Description Summary*

Provide a summary description of the business including types of cannabis goods to be carried, hours of operation, proposed size, number of employees, and number of patients to be served.

### *Financial Information*

Provide a description of the finances of the company that demonstrates the ability to cover start-up costs, such as licensing/permitting fees, tenant improvements, equipment and product purchasing. Also demonstrate the ability to cover the initial operating expenses, such as rent, and wages. Provide a financial pro forma for a three-year period, with year one broken down by month and the following years by quarter.

### *Financial Information Form*

Provide a list of all investments, loans, funds, and gifts associated with the business, using the Financial Information Form.

### *Human Resources Information*

Provide a description of the organizational structure, types of employees, and estimated personnel costs.

### *Business Formation Documents*

Applicants are required to provide a copy of all business formation documents (by type).

- Sole Proprietorship: Fictitious Business Name form filed with local business permit office.
- Corporation: Articles of Incorporation, Statement of Information, Certificates of Stock and a Statement and Designation by Foreign Professional Corporation (if applicable).
- Limited Liability Company: Articles of Organization.

- Limited Partnership: Certificate of Limited Partnership, Partnership Agreement and Operating Agreements.
- General Partnership: Partnership agreement, Statement of Partnership Authority.
- Limited Liability Partnership: Partnership Agreements, Application to Register as a Limited Liability Partnership.
- Foreign Corporation: Certificate of Qualification issued by the Secretary of State.

### Operating Plan

Provide a plan of operations that describes how the business will operate consistent with State law and County code, and demonstrates how the applicant will excel in meeting all regulations, including but not limited to the items listed below.

The Operating Plan will be ranked on a score of 1 to 50, with 1 being an extremely unqualified applicant and 50 being an extremely qualified applicant with a plan that will be operated in a manner such that (a) the County can be entirely confident that there will be no foreseeable issues with the business adapting to and complying with all relevant laws and regulations, (b) records are kept in a manner that will absolutely guarantee that product is 100% accounted for by deploying appropriate inventory procedures and/or technologies, (c) product quality control measures far exceed the minimum requirements set by State law and demonstrate a commitment to customer health and safety, (d) sales practices and procedures virtually guarantee there will be no possible way for an ineligible customer to purchase product, (e) the County can be entirely confident that the business is dedicated to consumer education above profit and will not sacrifice the time needed for patient education and product consultation, (f) there will be no concern at all that delivery practices and procedures will be carried out in accordance with the provisions of Marin County Code and State law. An applicant scoring a 25 in this category would satisfy the minimum relevant laws and regulations but would lack the exceptional qualities (i.e. "extremely qualified," "virtually guarantee," etc.), described above, of a 50-point applicant.

### *Inventory Procedures*

Describe how the business will safely receive shipments of cannabis, securely store cannabis inventory, ensure inventory records are accurate, perform inventory reconciliation, and accurately maintain inventory records.

### *Non-Laboratory Quality Control Procedures:*

Describe how the business will prevent the deterioration of cannabis goods, ensure that cannabis goods are properly packaged and labeled, and how they will ensure the product was tested by a licensed Testing Laboratory.

### *Sales Procedures*

Describe how the business will ensure sales are only conducted with an eligible customer, ensure daily limits are upheld, exclude sales of non-cannabis products restricted by state and/or local code, perform returns, ensure sales records are accurate, and maintain records of the sales. Also describe how customers will discuss their needs or concerns with staff.

### *Delivery Procedures*

Describe how the business will safely deliver cannabis goods, ensure delivery to the eligible customer at a suitable physical address, maintain security of cannabis goods and employee or customer, limit the value of cannabis carried, ensure cannabis is not consumed, ensure receipt records are accurate, maintain accurate records of the delivery, and ensure the delivery path is not deviated.

### *Employee Training:*

Provide employee training procedures, which includes the inventory, quality control, sales and delivery procedures.

### Public Benefits Plan

Provide a public benefits plan that describes the benefits provided to customers, employees and the community, including but not limited to the items listed below.

The Public Benefits Plan will be ranked on a score of 1 to 30, with 1 being an extremely unqualified applicant and 30 being an extremely qualified applicant with a plan that (a) will set up a pricing and discount structure that does not just provide token discounts but is certain to improve the ability of seniors, veterans, low-income persons, or others to afford the product that they need, (b) deploys recruitment and hiring strategies that are virtually certain to hire a majority of employees who are Marin residents, veterans, people with disabilities, and/or those living in a "disadvantaged community" as defined by State Code 79505.5, (c) will completely assure the County that there is always a responsive point-of-contact at the time any potential public complaints or concerns are voiced, and (d) will have a well thought out and proactive campaign for educating customers and the community about cannabis products, such as a plan to collaborate with health advocacy groups or other groups or entities. An applicant scoring a 15 in this category would satisfy the bare minimum characteristics the County is looking for in a public benefits plan, but would lack the exceptional qualities (i.e. "virtually certain," "completely assure," etc.), described above, of a 15-point applicant.

### *Product Pricing Information*

Provide a description of the proposed product pricing plan. Describe any equity programs offered, such as reduced pricing or donation of goods for seniors, low-income residents, veterans, and people with disabilities.

### *Employee Benefits Information*

Provide a description of the company recruitment plan including community benefits such as percentage of Marin residents to be hired, and outreach efforts to include veterans, people with disabilities and people living in a disadvantaged community. Provide a description of the employee pay and benefits to be provided, including sick leave, vacation, health care and retirement.

### *Community Relations and Education Information*

Provide a description of the community communication and outreach plan, which may include educational awareness, treatment/counseling, and similar programs including collaboration with health advocates and County Health Department.

### *Green Business Information*

Provide a description of how the company would incorporate standards of Marin County's Green Business program, such as pollution prevention. In addition, describe how the product packaging would incorporate elements of Marin County's disposable bag reduction ordinance.