The City of Union City is seeking qualified applicants to apply for commercial cannabis permit. Applicants must abide by requirements laid out in this procedure and in Union City Municipal Code (“UCMC”) section 5.44.030 (D).

The City is seeking to award up to one permit for a retail store, two permits for cultivation, two permits for manufacturing, two permits for distribution, and three testing lab permits. Please be advised that the City Council has already awarded two retail permits, one cultivation permit, one manufacturing permit, and one distribution permit to two operators.

Applicants who submitted a prior application for a commercial cannabis permit and were not awarded a permit by the City are invited to reapply.

Applicants should be prepared to address neighborhood concerns and plan accordingly on conducting early outreach to neighboring businesses in advance of the application submission.

The application process to obtain a permit to operate a Commercial Cannabis Use (“CCU”) in Union City will open October 15, 2020.

Applicants are invited to participate in a pre-application information call via Blue Jeans on Tuesday, October 20, 2020, 12:00 P.M. to 1:00 P.M. This will be the only opportunity to discuss the application process with City staff.

Login Meeting:  https://primetime.bluejeans.com/a2m/live-event/rczhcvky

Joining via a mobile device?
   a) Open this link : https://primetime.bluejeans.com/a2m/live-event/rczhcvky
   b) Download the app if you don’t have it already.
   c) Enter event ID : rczhcvky

Phone
Dial one of the following numbers, enter the participant PIN followed by # to confirm:
+1 (415) 466-7000 (US)
PIN 6108139 #
+1 (760) 699-0393 (US)
PIN 3011263822 #

Joining from outside the US? https://www.bluejeans.com/numbers/primetime-attendees/event?id=rczhcvky
APPLICATION CALENDAR

The application will be available on October 15, 2020 at https://www.unioncity.org/402/Commercial-Cannabis-Regulations-and-Prog

Applications will be accepted only online between October 15, 2020 through Thursday, November 19, 2020. **The Application Due Date is November 19, 2020, 5:00 P.M. Pacific Standard Time.**

**Phase 1:** November 20, 2020 through December 3, 2020 (eight business days)

**Phase 2:** December 4, 2020 – January 21, 2021 (twenty-three business days)

**Phase 3:** January 22, 2021 – February 8, 2021 (ten business days)

**Phase 4:** Dates determined by the City Manager

Please note that the proposed dates above are tentative and subject to change. Check for updated information on dates.

BEFORE YOU APPLY

REVIEW ALL MATERIALS IN ADVANCE

Review the application materials in their entirety and Union City’s Cannabis Ordinance, UCMC Chapter 5.44, before filling out the application and submitting the required documentation.

Due to COVID-19 each applicant as part of Phase 1 will be required to pay the total fee of $9,158 for all four phases of the application process with the submittal of their application. For each phase in which the applicant does not participate the City will refund the balance to the applicant.

The City webpage, https://www.unioncity.org/402/Commercial-Cannabis-Regulations-and-Prog includes the cannabis permit application and the following information:

1. Local regulations governing Union City CCU’s: UCMC Chapter 5.44.
2. Background Authorization Form
3. LiveScan Form
4. Zoning Verification Form
5. Local Zoning Ordinances UCMC Chapter 18.117
6. Zoning Map identifying MS and ML Districts
7. Zoning Map identifying Union Landing Subareas SRC and SRCS
OBTAIN A ZONING VERIFICATION LETTER

Pursuant to UCMC section 5.44.030(D)(6)(e), applicants are required to obtain a Zoning Verification Letter from the Economic & Community Development Department in City Hall, located at 34009 Alvarado-Niles Road, to ensure that the location proposed by the applicant complies with Title 18 of the UCMC prior to submitting the CCU application. Applicants requesting a Zoning Verification Letter are required to fill out and submit a Zoning Verification Form. Include the address of the proposed business location and a check payable to the City of Union City in the amount of $290.00 with the written request for a Zoning Verification Letter. The zoning review process typically takes approximately ten (10) working days. Be sure to plan adequate time to obtain the Zoning Verification Letter prior to submitting the permit application form. Applications without a Zoning Verification Letter confirming that the proposed location complies with Title 18 of the UCMC will be rejected.

The issuance of a Zoning Verification Letter does not constitute permission from the City of Union City or any of its officials to operate a CCU, nor does it not mean “permit” within the meaning of the Permit Streamlining Act, nor does it constitute an entitlement under the Zoning or Building Code.

COMPLETE A BACKGROUND CHECK

Completion of both a Background Check and Live/Scan is required for each owner and investor named in the application.

The background application form and fee of $300 will be transmitted to HdL Companies via the Portal when the application is processed https://hdlcompanies.formstack.com/forms/bc_unioncity

The application for the Live Scan is available at https://www.unioncity.org/background-application. If you complete a Live Scan with another jurisdiction, be sure to include the name of the cannabis applicant with the Live Scan Form. Please submit a complete Live Scan Form for each owner and investor to Lee Lapp, Union City Police Department.

Applicants that advance to Phase 3 may update or modify the names of the owners and investors listed in the original application. In addition, any new investor or owner will be required to complete a Live Scan and Background Check prior to the Phase 3 interview.

INDEMNIFICATION

To the maximum extent permitted by law, any selected operators shall be required to defend (with counsel acceptable to the City), indemnify and hold harmless the City and its respective officials, officers, employees, representatives, agents and volunteers from any liability, damages, actions, claims, demands, litigation, loss (direct or indirect), causes of action, proceedings, or judgment (including legal costs, attorneys’ fees, expert witness or consultant fees, City Attorney or staff time, expenses or costs) against the City to attack, set aside, void or annual, any cannabis-related approvals and actions and strictly comply with the conditions under which such permit is granted, if
any. The City may elect, in its sole discretion, to participate in the defense of said action and the operator shall reimburse the City for its reasonable legal costs and attorneys’ fees.

**PHASE 1: PRELIMINARY DETERMINATION OF ELIGIBILITY**

**REQUIRED MATERIALS AT THE TIME OF SUBMISSION**

The application must be submitted via the City online application portal at www.unioncity.org/cannabisapp. The online application will be available October 15, 2020. You will first need to create an account with a unique email address and password. Please note that the email address listed for the 24/7 Primary Contact person will receive the email notification indicating that your application has been received.

The online application allows you to start, stop and save your work, allowing you to complete your application over days or weeks. Submissions will be accepted only from October 15, 2020 through November 19, 2020. Late applications will not be considered.

All components of the application are to be submitted through the online process. More detailed instructions on what is to be submitted online are provided on the Application FAQs, which can be found at https://www.unioncity.org/402/Commercial-Cannabis-Regulations-and-Progress

All application submissions for Phase 1 shall include the following at the time of submission:

1. Payment submitted for Phase 1, Phase 2, Phase 3 and Phase 4 review totaling $9,158.00.
2. Proposed business location with zoning verification letter.
3. Complete the entire application form and submit documentation for the following:
   a) Proposed Location
   b) Business Plan
   c) Labor and Employment Plan
   d) Safety Plan
   e) Security Plan
   f) Neighborhood Plan
   g) Community Benefits Plan
   h) Qualification of Owners

All plans and descriptions submitted with the application must include information required by, and abide by, the UCMC including the requirements of UCMC 5.44.030(D)(6). Please note the expectations and criteria for plans and descriptions.

In order to move onto Phase 2, applicants must have achieved two requirements:

1. Submitted a fully completed application by the due date with all of the required information and documents.
2. All owners and investors named in the application have passed a background check for by
the Union City Police Department.

REQUIRED APPLICATION PLANS AND DESCRIPTIONS

PROPOSED LOCATION

Your application must include the address and a detailed description of the proposed
location. This section should also describe all sensitive uses described in within one
hundred (100) feet of the proposed location from the property line of a K-12 school,
commercial daycare center and youth center. The CCU must be in the appropriate zoning
district as required by UCMC Chapter 18.117 and meet all the distance requirements of UCMC
Chapter 5.44.040(E)(3), UCMC Chapter 5.44.050(E), and UCMC Chapter 5.44.060(C).

Proof of ownership, or a notarized copy of the executed lease for the property on which the
business will operate, will be given additional consideration in Phase 3 interviews.

BUSINESS AND DEVELOPMENT PLAN

With as much detail as possible, the Business Plan should describe:

1. Owner qualifications. Resumes/CV are not to exceed one (1) page per owner
2. A budget for construction, operation, and maintenance, compensation of employees
3. Equipment costs, utility cost, and other operation costs
4. Proof of capitalization
5. A pro forma for at least three years of operation
6. Fully describe hours of operation and opening and closing procedures
7. Fully describe the day-to-day operations for each license type being sought

Additional criteria for RETAIL applications only:

1. Describe customer check-in procedures
2. Identify procedures for receiving deliveries during business hours
3. Identify estimated number of customers to be served per hour/day
4. Describe the proposed product line and estimate the percentage of sales of flower and
   manufactured products
5. Describe the product handling procedures
6. Describe delivery service procedures, number of vehicles and product security during
   transportation
7. Fully describe inventory control procedures to include, identification point-of-sales and
   track and trace software
8. Fully describe cash handling procedures

Additional criteria for TESTING applications only:
1. Describe the sampling standard operating procedures
2. Describe procedures for transporting cannabis field samples
3. Describe the chain of custody for field samples
4. Describe the quality control procedures
5. Describe the Laboratory Supervisor/Manager responsibilities and qualifications
6. Identify location and procedures for storing cannabis products
7. Fully describe cash handling procedures

Additional criteria for **DISTRIBUTION** applications only:

1. Identify the number of delivery drivers, hours of delivery and vehicles to be used
2. Describe the transportation security procedures
3. Describe how inventory will be received, processed, stored and secured on the licensed premises
4. Describe the quality control procedures designed to ensure all cannabis is proper packaged, labeled and tested
5. Fully describe cash handling procedures

Additional criteria for **MANUFACTURING** applications only:

1. Identify all cannabis products manufactured within the licensed premises
2. Describe quality control procedures
3. Describe inventory control procedures
4. Describe the extraction process, equipment and room in which extractions will be conducted
5. Provide detail as to whether the extraction equipment has been reviewed and certified by a Professional Engineer or Certified Industrial Hygienist
6. Describe the sanitation procedures
7. Fully describe cash handling procedures

Additional criteria for **CULTIVATION** applications only:

1. Premises Diagram of the proposed licensed premises. Premises diagram requirements differ based on the license type. Each diagram must include information regarding specific areas listed on page #7 of the CDFA Annual Cannabis Cultivation Licenses, *A Reference Guide for the Cultivation Plan*.
2. Identify location and procedures for receiving deliveries of seedlings and immature plants.
3. Describe the planned square footage/acreage of the cultivation.
4. The estimated number of pounds produced per harvest, and number of anticipated harvests per year.
5. Describe whether the cultivation operation will use natural light, artificial light, or mixed light.
6. Identify how cultivation waste will be rendered unusable and unrecognizable, and how it will be stored and disposed of.
7. Describe the use of any gases used in the cultivation operation, such as CO2, including
storage, location, and monitoring systems for employee safety

**Development Plans** shall be submitted for the proposed location that address the provisions listed in UCMC 5.44.030(D)(6)(l-n). Plans shall address how the site will be utilized, include any necessary improvements, address deferred site maintenance issues, and mitigate potential impacts on the surrounding community. Development Plans shall be to scale and include: a vicinity map of the surrounding area; a dimensioned site plan that includes at a minimum: property lines, adjacent properties and businesses, parking and access layout, and all existing and proposed structures; and dimensioned floor plan.

**LABOR AND EMPLOYMENT PLAN**

1. Describe whether the Commercial Cannabis Business is committed to offering employees a **Living Wage**. (“**Living Wage**” shall mean 150% of the minimum wage mandated by California).
2. Describe compensation to and opportunities for continuing education and employee training.
3. Describe the extent to which the Commercial Cannabis Business will be a locally managed enterprise whose owners and/or managers reside within Union City or the surrounding area. Describe the number of employees, title/position and their respected responsibilities.
4. Thoroughly describe employee policies and procedures (complete manuals are not required to be submitted).
5. If the Commercial Cannabis Business has twenty (20) or more non-supervisory employees, the applicant must attest that they are committed to or have entered into a labor peace agreement and will abide by its terms.
6. Describe to what extent will the business be a locally managed enterprise whose Owners reside within Union City and/or the County of Alameda.

**SAFETY PLAN**

An thorough Safety Plan should consider all possible fire, medical and hazardous situations. **(Complete policy/procedures manuals are not required at this point of the application process. Please only provide a detailed description for each criteria).**

1. Identify all gases and/or chemicals to be used
2. Describe accident and incident reporting procedures
3. Describe evacuation routes
4. Describe procedures and training for all fire and medical emergencies
5. Describe and identify the location of all gas monitoring equipment

To the extent the applicant intends to use any hazardous materials in its operations, this plan shall include information required pursuant to UCMC 5.44.030(D)(6)(i).
SECURITY PLAN

A detailed security plan should include:

1. A description and detailed schematic of the overall facility security. It should have details on operational security, including but not limited to general security policies for the facility, employee specific policies, training, sample written policies, transactional security, visitor security, third-party contractor security, and delivery security.
2. Discuss if on-site security guards will be utilized including number of guards, hours the guards will be on-site, locations guards will be posted, and roles and responsibilities of the guards.
3. Address ingress and egress access, perimeter security, product security (at all hours), internal security measures for access (area specific), types of security systems (alarms and cameras), and security personnel to be employed.
4. An assessment of site security by a qualified licensed security consultant.
5. A floor plan showing the existing conditions. If changes are proposed as part of the project, then a proposed floor plan should also be submitted. The floor plan(s) should be accurate, dimensioned and to-scale.

THE SECURITY PLAN MUST COMPLY WITH THE REQUIREMENTS OF UCMC SECTION 5.44.030(J). SECURITY PLANS WILL NOT BE MADE PUBLIC UNLESS REQUIRED UNDER APPLICABLE LAW.

NEIGHBORHOOD PLAN

1. Describe how the CCB will proactively address and respond to complaints related to noise, light, odor, vehicle and pedestrian traffic
2. Describe how the CCB will be managed to avoid becoming a nuisance or having impacts on its neighbors and the surrounding community
4. Describe any proposed “green” business practices relating to energy and climate, water conservation, greenhouse gas emissions pursuant to UCMC 5.44.030(D) (6)(h). Please note you may need separate authorization from Alameda County Water District and Union Sanitary District regarding adequate water supply and waste treatment for the proposed use pursuant to UCMC 5.44.030(D)(6)(j-k).
5. Describe Air Quality/Odor Mitigation practices including potential sources of odor and/or odor activities; and describe odor control devices and techniques to ensure that odors from cannabis are not detectable beyond the licensed premises.
6. Describe odor control related to maintenance activities, frequency and role/titles of personnel performing such activities
7. Describe administrative controls such as staff training procedures and record keeping systems and forms associated with odor control

COMMUNITY BENEFITS PLAN

The application should describe all benefits the Commercial Cannabis Business and/or their owners and investors will provide to Union City in the next three years. Benefits may be in the form of financial support of Union City sponsored activities, programs, and organizations identified by the City; and in-kind donations to Union City and non-profit organizations and/or programs identified by the City.

QUALIFICATIONS OF OWNERS

In addition to the one (1) page resume/CV per owner/investor, all applicants, directors, managers and/or laboratory supervisors must provide details regarding any experience they have in operating a retail establishment, a regulated business, or managing employees. If you have any experience operating a cannabis business please provide the location of such activity and a copy of any permits, licenses, or other written forms of permission for such activity by a local or state government entity.

PHASE 2 OF THE APPLICATION PROCESS: EVALUATION AND RANKING BY CONSULTANT TEAM

Applicants who pass Phase 1 by submitting all necessary and required information with their application will be eligible to participate in Phase 2.

In this phase, applications will be evaluated by the following criteria for a total of 2,100 points:

1. Business and Development Plan – 600 points
2. Labor and Employment Plan – 300 points
3. Safety Plan – 100 points
4. Security Plan – 300 points
5. Neighborhood Plan – 300 points
6. Community Benefits Plan – 200 points
7. Qualifications of Owners – 300 points

Those applicants who score a minimum of 90% by the consultant team will move on to Phase 3 to be evaluated by a City Selection Committee.
PHASE 3 OF THE APPLICATION PROCESS: EVALUATION AND RANKING BY CITY SELECTION COMMITTEE

All applicants who score at least 90% in Phase 2 will be forwarded to the City Selection Committee who will evaluate and rank the applicants based on the results of an interview process and a review of their applications.

Applicants may update owners and investors prior to the Phase 3 interview. All new owners and investors must complete a Live Scan and Background Check.

Prior to the scheduling of the interviews, each of the applicants will be required to show proof of ownership of the property, or a signed and notarized statement from the Property Owner consenting to the use of the proposed location for commercial cannabis purposes.

The City Selection Committee will forward the results of Phase 3 to the City Manager along with their recommendation on finalists.

PHASE 4 OF THE APPLICATION PROCESS: CITY MANAGER RECOMMENDATION, PUBLIC HEARING AND CITY COUNCIL'S INITIAL APPROVAL

The City Manager reserves the right to ask for additional information or implement additional application requirements as he/she sees fit for this phase of the application process.

Applicants must have an executed lease to operate the cannabis business at the location listed in the application applied or show proof of ownership before the applicant can be forwarded to the City Council.

Applicants on the final list are the only businesses eligible for consideration to be issued a permit.

The City Manager will present to the City Council his/her recommendation on any award(s). Finalists being recommended by the City Manager for consideration to the City Council are required to attend a public hearing before the City Council.

The City Council is the final authority on choosing whether or not to make the initial declaration to award a permit.

Applicants who receive a Resolution of Intent to Award a Permit will have six months to secure a Resolution Awarding a Cannabis Permit. Applicants who receive a cannabis permit will have one year to pull building permits to construct improvements required to activate the cannabis permit.
SECTION 6: ADDITIONAL CONSIDERATIONS

PAYMENT OF APPLICATION FEES

Payments must be made by a certified check, cashier’s check, money order payable to the City of Union City or credit card. There is a 2.25% convenience fee added to all credit card payments over $2,500.00

Applicants are required to pay the application fees for all four phases totaling $9,158.00. Applicants who do not advance to Phases 2, 3, or 4 will be provided refunds for the application fees for the phase(s) in which they did not participate as noted below.

a. Phase 1: Preliminary determination of eligibility $3,979.00
b. Phase 2: Evaluation and ranking by consultant team $1,581.00
c. Phase 3: Evaluation and ranking by City Selection Committee $1,568.00 plus the Live/Scan Fee for each owner and investor.
d. Phase 4: City Manager evaluation and recommendation $2,030.00

In addition to the Phase 1-4 application fees, the following non-refundable fees will also need to be paid prior to submitting the application.

a. Criminal History Check, $300 paid to HdL Companies for each owner and investor listed in the application.
b. Life Scan Fee $174 per owner and investor listed in the application.
c. Zoning Verification Letter $290.00

The individual designated as the CCU contact on the application will be notified by e-mail as to whether the application is advancing to Phase 2, Phase 3 and Phase 4.

AMENDMENTS TO THE APPLICATION

Applicants will not be allowed to make amendments to their application or to supplement their application, except as otherwise specifically permitted in these procedures or as authorized in writing by the City Manager or his/her designee. During Phase 1, applicants will be notified if any of the Owners are ineligible and/or if their application is incomplete and will not move forward in the application process.

LAND USE ENTITLEMENTS

Please note that being awarded a CCU does not constitute a land use entitlement and does not waive or remove the requirements of applying for and receiving permits for all construction including electrical, plumbing, fire, planning permits or reviews, and any other permits, licenses, or reviews as may be necessary by the relevant departments or governmental entities in charge of said permits. Nor does it guarantee that the plans submitted via the CCU application process meet the standards or requirements in Title 18 and any other permit requirements from other city departments or agencies. Furthermore, a
commercial cannabis permit does not constitute a permit that runs with the land on which the CCU is established.

**CEQA AND CONDITIONS OF OPERATIONS**

Following initial approval by the City Council and as standard with any development application, any approved Applicants will be required to undergo California Environmental Quality Act (“CEQA”) review for the proposed commercial cannabis use and final approval by the City Council with any conditions of operation deemed necessary.

**THE CITY’S RESERVATION OF RIGHTS**

The City reserves the right to reject any and/or all proposals, with or without any cause or reason. The City may also, modify, postpone, or cancel the request for permit applications without liability, obligation, or commitment to any party, firm, or organization. In addition, the City reserves the right to request and obtain additional information from any candidate submitting a proposal. Late proposals WILL BE REJECTED. Furthermore, a proposal RISKS BEING REJECTED for any of the following reasons:

a. The application or documents submitted are incomplete, filed late, or not responsive to the requirements of this code.

b. The issuance of the permit or operation of the commercial cannabis business at the proposed location is inconsistent with State law, UCMC Chapter 5.44, or other applicable City of Union City Municipal Codes.