

JANUARY 13, 2023

APPLICATION PROCEDURES TO OPERATE A COMMERCIAL CANNABIS BUSINESS IN UNION CITY

The City of Union City is seeking qualified applicants to apply for commercial cannabis permits. Applicants must abide by requirements laid out in this procedure and in Union City Municipal Code (“UCMC”) Chapter 5.44, *Cannabis*, Chapter 3.24, *Cannabis Business Tax*, and applicable sections of Title 18, *Zoning*.

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

This will be a competitive, merit-based, application process. Only one license type may be sought per application.

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 on January 13, 2022.

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 \$10,425.00 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 Letter Application

5. UCMC Chapter 18.117
6. Zoning Map identifying MS, ML, CC, CPA, CVR and CN Districts
7. Sensitive Use Map

OBTAIN A ZONING VERIFICATION LETTER

Pursuant to UCMC section 5.44.030(D)(6)(e), applicants are required to obtain a Zoning Verification Letter—Cannabis from the Economic & Community Development Department 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 Letter Application. Include the address of the proposed business location and a check payable to the City of Union City in the amount of \$310.00 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. Please note that the Zoning Verification Letter does not address proximity of sensitive uses, which is the responsibility of the applicant to determine. Zoning Verification Letter applications and required payment can be mailed to the address below or can be dropped off to the Planning Division during business hours Monday through Thursday from 9:00 am to 2:00 pm.

City of Union City
Attn. Planning Division
34009 Alvarado-Niles Road
Union City, Ca 94587

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 constitute a “permit” within the meaning of the Permit Streamlining Act, nor does it constitute an entitlement under the Zoning Ordinance 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.

Live Scan is not required for this application. The City reserves the right to require Live Scan at a future date for each owner, investor, and employee. The Live Scan fee, when charged in the future, will be \$198.00 for each owner/investor, and employee.

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 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 annul, 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.

REQUIRED MATERIALS AT THE TIME OF SUBMISSION

The application must be submitted via the City online [application portal](#). The online application portal will be available January 13, 2023. 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 the 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 January 13, 2023 through February 6, 2023. Late applications will be rejected.

All components of the application shall be submitted through the online process. More detailed instructions for the submittal requirements are provided on the Application FAQs, which can be found at <https://www.unioncity.org/402/Commercial-Cannabis-Regulations-and-Prog>.

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 \$10,425.00.

2. Zoning Verification Letter with proposed business location listed.
3. Complete the entire application form and submit documentation for the following:
 - a) Proposed Location
 - b) Business Plan
 - c) Development Plan
 - d) Labor and Employment Plan
 - e) Safety Plan
 - f) Security Plan
 - g) Neighborhood Plan
 - h) Community Benefits Plan
 - i) Qualification of Owners
 - j) List location and status of each cannabis permit held by applicant located in California. Include date each permit was awarded and the date the business opened for each permit.
 - k) Proof of property ownership or the Executed Lease signed by the property owner or authorized agent for the proposed business use.

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 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 materials.
2. All owners and investors named in the application have passed a background check 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. The CCU must be located in an allowed zoning district, which includes Light Industrial (ML) and Special Industrial (MS). Click here for a link to the City's [Zoning Map](#). *Please note that the City is proposing to allow retail cannabis uses in the following commercial zoning districts including: Community Commercial (CC), Neighborhood Commercial (CN), Visitor and Recreational Commercial (CVR) and Professional and Administrative Commercial (CPA) through an amendment to the Zoning Ordinance.* If a retail cannabis permit is proposed in these zoning districts prior to the effective date of the amendment, a conditional zoning verification letter will be issued subject to adoption

of the proposed Ordinance by the City Council and completion of the 30-day enactment period. It is anticipated that the City Council will adopt the Ordinance in late November, and it will be in effect in late December.

Proposed location shall 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) for sensitive uses. These sections require a minimum of 100-foot setback from sensitive uses, which include parks, library, K-12 schools, child-care facility and youth-oriented centers. See “Sensitive Uses” map for locations of these uses within the City. Please note that the City makes no warranty, representation or guaranty as to accuracy or completeness of the information provided. The map has been provided as a courtesy and it is recommended that the applicant also perform their own analysis regarding setbacks to sensitive uses.

The distance requirements may be waived or modified by the City Council when the applicant can show that an actual physical separation exists between land uses or parcels such that no off-site impacts could occur, unless otherwise prohibited under State law.

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 delivery service procedures, number of vehicles and product security during transportation.
6. Fully describe inventory control procedures during business hours
7. Fully describe how all on-hand inventory in the Retail Area will be stored/secured during non-business. Preference given to applicants that secure all product during non-business hours.

8. Identify the point-of-sales and track and trace software. Include in your response the number of sales terminals to be used when the business is at full capacity.
9. Fully describe cash handling procedures from the point of sales through the bank deposit.
10. Union City is seeking geographic diversity in retail locations. Preference provided to locations east of I-880.
11. Minimize impacts on neighboring uses.
12. Union City is seeking timely opening of the retail store.

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.
6. Minimize impacts on neighboring uses.

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.
8. Minimize impacts on neighboring uses.

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.
8. Minimize impacts on neighboring uses.

Development Plan

Development Plans shall be submitted for the proposed location that address the provisions listed in UCMC 5.44.030(D)(6)(l-n). In addition, 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. Describe in detail the timeframe for completing all improvements and the estimated cost for all improvements. Preference will be provided to applicants that demonstrate the ability to open the business in a timely manner.

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. Refer to: <https://livingwage.mit.edu/counties/06001>).
2. Describe compensation to and opportunities for continuing education and employee training.
3. 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 the business will be a locally managed enterprise whose Owners reside within Union City and/or the County of Alameda.

SAFETY PLAN

A 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. The Safety Plan shall be prepared by a professional fire prevention and suppression consultant (Qualified in-house consultants are acceptable. In order to received full points, the consultant's qualifications must be included in the application.)
2. Identify all gases and/or chemicals to be used
3. Describe accident and incident reporting procedures
4. Describe evacuation routes
5. Describe procedures and training for all fire and medical emergencies
6. 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. The Security Plan shall be prepared by a professional security consultant (Qualified in-house consultants are acceptable. In order to receive full points, the consultant's qualifications must be included in the application.)
2. 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.
3. 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.
4. 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.

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 take proactive steps to avoid becoming a nuisance or having negative impacts on its neighbors or surrounding community. Additionally, describe how the business will react and respond to complaints specifically related to noise, light, odor, public consumption, loitering, littering, and vehicle and pedestrian traffic.
2. Describe the waste management, recycling plan, and composting of organic materials plan. Describe cannabis waste disposal security measures, methods of rendering all cannabis waste product, damaged product, and expired product unusable and unrecognizable, and method of disposal.
3. 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).
4. 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 (Please note: odor mitigation practices should be relative to the type of license being sought).
5. Describe odor control related to maintenance activities, frequency and role/titles of personnel performing such activities.
6. 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 annually after the City Council adopts a resolution awarding the permit. 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.

Has the Applicant or any of its owners been the subject of any administrative action, including but not limited to suspension, denial, or revocation of a cannabis business license at any time during the past five (5) years? If so, please list and explain.

APPLICATION CALENDAR AND APPLICATION REVIEW PROCESS

The application will be available online at <https://www.unioncity.org/402/Commercial-Cannabis-Regulations-and-Prog>.

Applications will be accepted only online between Friday, January 13, 2023 through Monday, February 6, 2023. **The Application Due Date is Monday, February 6, 2023 at 5:00 P.M. Pacific Standard Time.**

Proposed dates for Phases 1-4 and City Council Action are tentative and subject to change.

PHASE 1: EVALUATION OF APPLICATION FOR COMPLETENESS BY THE CONSULTANT TEAM

Phase 1: February 7, 2023 through February 17, 2023 (nine business days)

PHASE 2: EVALUATION AND RANKING BY CONSULTANT TEAM

Phase 2: February 21, 2023 through March 24, 2023 (twenty-four business days)

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: EVALUATION AND RANKING BY CITY SELECTION COMMITTEE

Phase 3: March 27, 2023 through April 18, 2023 (fifteen business days)

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.

The City Selection Committee will conduct structured interviews using the same evaluation criteria considered in Phase 2 above.

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.

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

PHASE 4: CITY MANAGER RECOMMENDATION, PUBLIC HEARING AND CITY COUNCIL'S INITIAL APPROVAL

Phase 4: Dates Determined by the City Manager

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

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.

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. This process entails submittal of a Site Development Review or Administrative Site Development Review (depending on extent of proposed improvements) to the Planning Division for consideration by the City Council along with the Cannabis Permit. Fees for these applications can be found in the [City's Master Fee Schedule](#). Applicants who receive a permit will have one year to pull building permits to construct improvements required to activate the Cannabis Permit.

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 \$10,425.00. 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 \$4,529.00
- b. Phase 2: Evaluation and ranking by consultant team \$1,800.00
- c. Phase 3: Evaluation and ranking by City Selection Committee \$1,785.00 plus the Live/Scan Fee for each owner and investor.
- d. Phase 4: City Manager evaluation and recommendation \$2,311.00

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, \$300.00 paid to HdL Companies for each owner and investor listed in the application.
- b. Live Scan Fee \$198.00 per owner and investor listed in the application. The Live Scan is not required for this application, but the City reserves the right to require all owners, investors, partners, and employees in the future.
- c. Zoning Verification Letter \$310.00

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

Award of Cannabis Permit is subject to the California Environmental Quality Act (“CEQA”). Additional fees will apply for this review, which will be part of the ASD or SD review. Fee amount will depend on extent of CEQA review required.

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.