

SCREENING APPLICATION

Total Potential Points=2,000 for retail and 1,500 for delivery

SECTION 1: BUSINESS PLAN

800 Potential Points

Sub-Section 1A: INNOVATIVE BUSINESS MODEL

Innovative business models consistent with the Hawthorne community

Business Model - Soundness of the proposed business model; such as, the applicant’s understanding and description of the market the business plans to serve (for example: local residents, tourists, medical patients, or other niche markets), and how the business plans to integrate into the Hawthorne business market.

80

Marketing - Quality and detail of the key aspects of the marketing plan that would be generated and incorporated into the business plan.

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Sub-Section 1B: COMMUNITY ENGAGEMENT

Connection to Hawthorne; Ability to Serve Hawthorne; and Familiarity with the City

Community Engagement – Overall quality and detail of the proposed Community Engagement Plan; including, understanding of the community, its values, the City’s unique aspects, and how the business plans to integrate into the community.

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Hawthorne Core Values – Community Engagement Plan and business plan actively incorporates the City of Hawthorne’s mission and core values. The mission of the City of Hawthorne is: “to preserve, protect and enhance the quality of life for those who live and work in our community by providing the highest quality services while utilizing fiscal responsibility”.

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Sub-Section 1C: OPERATIONS

Employee Training, Standard Operating Procedures, Online Ordering Systems, and Procedures for Providing Cannabis to Disadvantaged or Disabled Persons

Standard Operating Procedures (“SOP”) - Overall quality and detail of the proposed operating procedures; including, the extent to which the applicant noted examples of industry best practices and incorporated them into operating procedures. Additionally, did the applicant show specific examples of where the practices they included in their SOPs have worked before?

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SOP: Financial Plan (Start-up) - Financial plan and budget to start the business (based on the business plan and design concept included in the application), including items such as tenant improvements, employee costs, legal costs, consultant costs, initial inventory.

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<u>Sub-Section 1C: OPERATIONS (Continued)</u>	
<u>SOP: Funding (Start-Up)</u> - Demonstration of funding availability to achieve the financial plan detailed in the previous category.	30
<u>SOP: Financial Plan (Ongoing Operations)</u> - Financial plan and budget to operate the business as described in the application (for example: business pro forma, cash flow, accounting procedures, employees dedicated to financial matters).	30
<u>SOP: Funding (Ongoing Operations)</u> – Demonstration or identification of access to operational capital or on-going line of credit once business is operational.	30
<u>SOP: Customer Education</u> – Detail and quality of plan for educating customers regarding cannabis products, including the potency and effects of products, as well as variety.	20
<u>SOP: (Recalls)</u> – Description of the comprehensive process for 24-hour minimum response time to cannabis product recall notifications.	10
<u>SOP: Demonstration of knowledge and compliance with all applicable state regulations.</u> Detailed SOPs for complying with applicable Department of Cannabis Control regulations.	100
<u>SOP: State Testing Requirements</u> – Standard operating procedures include plans and procedures for how all cannabis products on the premises or held by the applicant have met the testing requirements as defined by the state.	20
<u>SOP: Track and Trace</u> - Standard operating procedures include detailed Track and Trace Procedures as outlined by the state.	20
<u>Employee Training</u> – Quality of proposed employee training; for example, training about differences in products, potency of products, customer service, laws governing personal use.	40
<u>Impaired Customers or Serving Limits</u> – Employee training and guidelines related to intoxicated or impaired customers. Including plan for handling intoxicated or impaired customers (retail/lounge). Demonstration of state laws regarding maximum serving limits (including delivery).	20
<u>Medical Cannabis Discounts</u> - Quality of discount program for low-income medical patients; including income brackets, discount provided, ease of program, and procedure.	20

<u>Sub-Section 1D: Community Benefits</u>	
Community Benefits in Terms of Provision of Providing a Living Wage and Employee Benefits and Compliance with Local, State, and Federal Employee Non-Discrimination Policies	
<u>Hiring Practices</u> – Quality and detail of plan to promote social equity in hiring (for example: seeking employees from, and advertising positions to, veterans, women, and communities disproportionately impacted by prior cannabis laws or the War On Drugs).	40
<u>Compensation Package</u> - Quality of compensation package to be offered to employees; including, salary (above state minimum and City living wage), health insurance, other insurance, retirement plan, and paid leave.	50
<u>Economic Inclusion (Production)</u> – Extent to which products will be purchased from cultivators, manufacturers and brands located in census tracts with income and poverty levels below state averages. Proposed partnerships and selection process should be explained.	30
<u>Non-Discrimination</u> – Plan to promote and ensure local, state, and federal employee non-discrimination policies.	20
<u>Significant Social Equity Component</u> – Additional business practices, or characteristics demonstrating a focus on social equity (including by way of example, individuals from minority groups involved in the business or ownership). Are you a first time minority business owner?	20
<u>Sub-Section 1E: Multiple Operations</u>	
Integrated Facilities to promote efficiencies of scale.	
With the exception of ancillary deliver and lounge for retail establishments, did the applicant apply to operate other cannabis businesses within the City?	60

SECTION 2: DESIGN CONCEPT (For delivery only applications, skip this section) 500 Potential Points

Ability to incorporate exceptional architectural, interior, and landscape design.

<p><u>Exterior Design Concept</u> - Quality of proposed exterior presence of the physical location, including the applicant's concept for the architecture, landscaping, signage, lighting, entry experience, relationship to the street and sidewalk, parking, and the overall sense of welcome and security.</p>	<p>100</p>
<p><u>Interior Design Concept</u> - Quality of proposed interior presence of the physical location, including the applicant's concept for the interior experience, and how the architecture, layout, fixtures, displays, and lighting would help accomplish the concept.</p>	<p>100</p>
<p><u>Design Concept Creativity</u> - Creativity of the physical design concept, how visually and experientially unique is the concept, including innovation and originality in aesthetics, atmosphere, imagery, signage, and branding.</p>	<p>50</p>
<p><u>Design Concept Integration</u> - Quality of fit within the City (integration into existing general urban fabric and architectural landscape found throughout the City). If the applicant anticipates locating in a specific neighborhood in the City, a description of how the business fits into that neighborhood is encouraged; however, this is not required.</p>	<p>50</p>
<p><u>Integration of Security Measures</u> – Quality and detail of applicant's plan to integrate security enhancements into the physical design/concept, so as not to be overly noticed by customers or the public.</p>	<p>80</p>
<p><u>Odor Control</u> – Describe ventilation and air purification system, including demonstrated effectiveness (may include examples of where a similar system has worked effectively before).</p>	<p>80</p>
<p><u>Diverse Design Team</u> - Is there a diverse architectural or design team committed to work with the application team to create and execute the design concept?</p>	<p>40</p>

SECTION 3: SECURITY PLAN**400 Potential Points***At a minimum, state guidelines should be followed.*

<u>Overall Quality</u> - Overall detail and quality of security plan.	50
<u>Cash Management Plan</u> – Quality and detail of cash management plan, including cash counting/reconciliation procedures, cash storage, cash transport, deposit into a banking institution (if any), and employee training.	50
<u>Employee Safety Education</u> - Quality of employee safety education plan; including training regarding, product handling, burglary protocols, robbery protocols, and other potential hazards of the cannabis business.	50
<u>Security Experience</u> – Security experience of individual/firm designing the security plan. (Individual/firm should be identified & experience described)	50
<u>Product Deliveries</u> - Quality of plan for securing product deliveries to the business (from delivery vehicle to building).	40
<u>Employee Theft Reduction Measures</u> – Quality and extensiveness of employee theft reduction measures including audits and check in/out.	20
<u>Security Guards</u> – Quality of the anticipated security guard plan for the business; including, number of guards, hours, protocols, and day-to-day operational procedures.	50
<u>Video Camera Surveillance</u> - Security Plan includes video camera surveillance at, or greater, than state minimum requirements. Additionally, overall quality of the applicant's plan to use cameras; including number of cameras, locations, resolution, and how long images are saved. Include use of the City of Hawthorne's Police Department FUSUS system.	30
<u>Armored Car</u> - Daily armored car pick-up of cash deposits.	30
<u>Product Access Protocols</u> – Business plans to include a separate check-in area where identification is checked to ensure that only qualified employees gain access to where cannabis products are stored.	20
<u>Background Checks</u> – Applicant plans to use background checks in the initial employee hiring process.	10

SECTION 4: EXPERIENCE		250 Potential Points
<i>Previous adult-use retail, medical-use dispensing, or consumption area operation experience that was subject to state cannabis regulation, or experience in a similarly state-regulated activity (for example, alcohol sales).</i>		
<u>Experience</u> - Quality and Quantity (number of years) of experience in the cannabis industry (or a similarly state regulated industry) of the individual (or individuals) that will be directing, controlling, or managing the day- to-day operations of the business. Individual (or individuals) must also be considered an owner (See CA. Business and Professions Code 26001). To receive the maximum 100 points at least one individual must have 10 or more years of experience (however, total points awarded (0-100) will be based on quality of experience). Applications with individuals with less than 10 years of experience can receive up to 70 points (however, total points awarded (0-70) will be based on quality of experience).	100	
<u>Cannabis Industry Knowledge</u> – Overall knowledge of the cannabis industry (as demonstrated throughout the screening application), including industry best practices and state regulations.	100	
<u>Ownership Team</u> – Describe the involvement of the ownership team in day-to-day operation of the business. “Owner” (as defined in CA Business and Professions Code 26001.)	30	
<u>Diversity of Ownership and Management Team</u> – Is ownership/management team made up diverse individuals (women, People of Color, LGBTQIA+, etc.)?	20	

SECTION 5: OVERALL QUALITY		50 Potential Points
Quality and Thoroughness of Application Materials.	50	