

RESPONSE TO COMMENTS & FAQ UPDATE 12.22.22

In the application scoring rubric, there are 60 points provided for applicants who also submit an application for a non-retail business such as manufacturing, cultivation, distribution or a testing lab. Does an applicant have to apply for only 1 of the additional license types to receive the entire 60 points?

The number of points awarded will be determined based on how the applicant demonstrates efficiency with building space. For example, utilizing one building for multiple cannabis activities will result in a higher score than having multiple buildings. The application will be scored at the Evaluation Panel's discretion.

In section 1E, there are 60 points available for applying for "other" cannabis businesses within the City. If you apply for just one additional non-retail license, like cultivation, do you qualify for all of the 60 points, or only a portion of them? In other words, to achieve the entire 60 points, how many additional licenses do you have to apply for to achieve the full points?

The number of points awarded will be determined based on how the applicant demonstrates efficiency with building space. For example, utilizing one building for multiple cannabis activities will result in a higher score than having multiple buildings. The application will be scored at the Evaluation Panel's discretion.

Is the entire 60 points awarded simply for filing the application, pass/fail, or can partial points be awarded based on the review of the additional application?

No, the entire 60 points will not be awarded for simply filing the application. No, there is no pass/fail system. Yes, partial points may be awarded on the quality of the information presented, as outlined in the scoring criteria. Please note that non-retail business activities alone, as defined in the ordinance, are not subject to scoring. As such, points will be awarded based on applicant's ability to demonstrate business design and operational efficiencies, within the context of the overall Business Plan.

The application guidelines suggest that each selected applicant will have 12 months to locate a property for their cannabis retail, delivery and/or consumption business. Are applicants also given 132 months to locate a building for non-retail businesses such as manufacturing, cultivation, distribution, or a testing lab as well?

All applicants have up to 12 months to secure a building and the appropriate approvals for a business license, including but not limited to, location and state licenses. Further, retailers have 6 months to file for the required Conditional Use Permit and up to an additional 6 months to get final approvals (12 months total).

If an applicant applies for a retail/delivery/consumption license and applies for a non-retail business to achieve the 60 points allocated in section 1E, will they still be permitted to operate their retail business if they are unable to locate a property for the manufacturing, cultivation, distribution, testing lab business, also applied for? In other words, what is the City's plan for

enforcing applicants who apply for non-retail/consumption businesses to actually open those businesses as opposed to applying for them simply to achieve the points?

The points allocated for integrated business models are designed to encourage operators to utilize the same building for the various cannabis business activities. As noted in the score criteria, the "Multiple Operations" points are allocated to promote efficiencies of scale. Therefore, the Conditional Use Permit would require both the retail and additional uses to be inaugurated for the permit to be valid. Failure to meet any of the conditions of the conditional use permit the applicant applied for would be grounds for termination or revocation of the conditional use permit for noncompliance.

Medical cannabis discounts is a category on the scoring criteria. Medical patients holding an MMIC card or physicians' recommendation are provided with a waiver of excise taxes. Are you seeking retailers to provide an additional discount above and beyond the waiver of excise tax for medical patients?

Points are awarded to applicants with business models offering discounts to medical cannabis patients beyond the tax relief already offered by state law.

I see that there is no requirement for an applicant to have control of a property in order to apply for a license, however there is a zoning verification form provided in the application packet. Is this form simply being provided for those who are selected?

Correct. Those who have a property secured or a potential property location, should complete the zoning verification form. Those with no potential property location will be required to submit the form prior to licensing approval, as outlined in the ordinance.

Is any additional weight / points being given to those who have a property in place at the time of applying and who submit a zoning verification form with their application?

No. There are no additional points for solely securing a property. However, 500 points will be awarded for your location's design concept.

On the Application Disclosures Form, second paragraph it indicates that applicants **may** still contact City Council Members. In contrast, on the Cannabis Business License Application document, first page, last paragraph it states, "The City of Hawthorne strictly prohibits cannabis applicants (or their representatives) from contacting any member of the Application Evaluation Committee, **city officials**, city staff, or City cannabis consultants in any way." Are City Council Members considered something other than City Officials?

Applicants MAY contact their elected officials. During the application process, applicants must submit any communications for city staff, including the City Attorney's Office, City Manager's Office, Planning Department or consultants, via email at cannabis@cityofhawthorne.org. Applicants are allowed to discuss zoning questions or other land use or application matters with staff during their application intake appointment. Applicants should be aware that all Application Evaluation Panel members and consultants are required to immediately report any attempted

contact by an applicant (email, phone, in person, by mail, etc.) to the City Manager. The Application Cover Sheet has been updated to address the conflicting information.

Did the City conduct a fee schedule analysis when imposing the fees for this application process? If so, where can the results of that fee schedule analysis be found?

The City did a fee analysis based on costs. City of Hawthorne Resolution 8384 has the results of the analysis and the adopted fees.

Why is the fee for applying for a delivery license to deliver outside the City so high, when delivering outside the City will be identical to delivering inside the City from an application standpoint?

The fee for Delivery located outside of the City of Hawthorne is for those businesses that are located outside of the city but plan to delivery within the City of Hawthorne. Applicants who plan to have their business located within the City will be subject to all City requirements, whereas a location outside of the City will be subject to the requirements of the jurisdiction in which it is located.

How does the City plan to track deliveries outside the City versus inside the City?

The City does not plan to track individual deliveries. The City will, however, monitor business activity within the city (i.e. outside businesses delivering within the city) as it would any other business, including but not limited to, accessing state records and monitoring by City Code Enforcement and/or compliance officers.

What is the City currently doing or planning to do to prevent license holders in nearby cities from delivering into the City of Hawthorne?

The City does not plan to prevent deliveries to the City, however, a business license is required for outside delivery services to deliver in the City of Hawthorne.

In section 1D: Significant Social Equity Component, what does the City consider "significant"? Open ended terms such as this, leave far too much room for interpretation and generally result in litigation.

"Significant Social Equity Component" is a header for this section of the application and does not specify any specific criteria. Significant is generally defined as sufficiently great or important to be worthy of attention; noteworthy. Please refer to the scoring criteria within this section for details on what information will be scored.

What is the definition of a "minority" business owner?

The City uses the term "minority" as described by most Federal, State and local agencies, to classify those individuals generally from underrepresented or underserved communities, including

African Americans/Black Americans, Asian Americans, Hasidic Jews, Hispanic or Latino Americans, Native Americans, and Pacific Islanders.

"Minority Business Owner" is a business at least 51% owned by one or more minority individuals, and whose management and daily operations are controlled by one or more of those individuals. Recognized minorities include Asian Americans, African Americans/Black Americans, Hispanic/Latino Americans, Native/Indigenous Americans, Subcontinent Asian American, among others.

There are multiple issues with Section 1D as it is written. Please see the following questions which all relate to the language "Are you a first time minority business owner?"

In section 1D: Significant Social Equity Component, it states, "Are you a first time minority business owner?" How many points in this section will be given to an individual (minority person) who is a first time business owner, versus those who are not?

The application does not specify that points will be given to each component of the criteria or questions there within. The applications will be scored based on the overall comprehensive information provided by the applicant, at the sole discretion of the Evaluation Panel.

Are the points in this criteria divided in some way between the analysis of the "additional business practices, or characteristics demonstrating a focus on social equity" and those provided to a "first time minority business owner"?

The application does not specify how points will be divided or the points given to each component of the criteria or questions therewithin. The applications will be scored based on the overall comprehensive information provided by the applicant, at the sole discretion of the Evaluation Panel.

In section 1D: Significant Social Equity Component, it states, "Are you a first time minority business owner?" Is the City asking if the applicant is a first time business owner (of any kind) in the City of Hawthorne (or in any city, state, or country-wide), and a minority person?

The question is whether the applicant is a first-time minority business owner. That is, a minority individual embarking on their first business venture. A minority business owner is defined as a business at least 51% owned by one or more minority individuals, and whose management and daily operations are controlled by one or more of those individuals. Recognized minorities include Asian Americans, African Americans/Black Americans, Hispanic/Latino Americans and Native Americans, or Subcontinent Asian American, among others.

In section 1D: Significant Social Equity Component, it states, "Are you a first time minority business owner?" Is the City asking if the applicant is a first time cannabis business owner in the State (or Country) and a minority person?

The question is whether the applicant is a first-time minority business owner. That is, a minority individual embarking on their first business venture of any type. Cannabis is not expressly covered by this question.

In section 1D: Significant Social Equity Component, it states, "Are you a first time minority business owner?" Is the City asking if an owner on the application owns less than 51% of the equity, thus being a minority owner?

The question is whether the applicant is a first-time minority business owner. That is, a minority individual embarking on their first business venture.

The City uses the term "minority" as described by most Federal, State and local agencies, to classify those individuals generally from underrepresented or underserved communities, including African Americans/Black Americans, Asian Americans, Hasidic Jews, Hispanic or Latino Americans, Native Americans, and Pacific Islanders.

"Minority Business Owner" is a business at least 51% owned by one or more minority individuals, and whose management and daily operations are controlled by one or more of those individuals. Recognized minorities include Asian Americans, African Americans/Black Americans, Hispanic/Latino Americans and Native Americans, Subcontinent Asian American, among others.

Will the City be holding winning applicants to the conceptual designs provided as part of the application? This is an important distinction, as in the City of West Hollywood, Pasadena, and Stanton (all who used a version of the West Hollywood Application and did not require property) extreme design concepts were provided yet very few operations actually produced a store to match their "conceptual design." This is because there were no properties within the city available to even realize such a concept. What is the City intending to do to prevent unrealistic concepts from being chosen? What is the City intending to do to hold applicants to the design concepts they promised (and were scored on) in their applications?

As indicated in the ordinance and application materials, applicants will be scored on their design concepts. Design concepts are conceptual and are reviewed and analyzed as such. Selected applicants will have to obtain a Conditional Use Permit. At that time, design conditions may be imposed on the project to ensure compliance with City requirements.

Operating a cannabis consumption lounge is something that very few people have done in the State of California. The regulations are somewhat murky as there is no consumption lounge license at the state level. It is simply a retail license. For those applying for a consumption lounge license, will the "Section 4: Experience" section be based on operating *any* cannabis retail organization, or based on operating a retail consumption lounge specifically?

The City is aware that it is a leader in offering on-site consumption and understands applicants' specific experience may be limited in this particular area. However, all relevant business experience should be detailed in the application. The Evaluation Panel will review all pertinent and appropriate data and information when issuing its score for this section and all others.

Is the city aware that there are no consumption lounge licenses at the state level, and that a consumption lounge license is simply an adult-use retail license as far as legal licenses are concerned?

Yes, the City is aware that it is a leader in offering on-site consumption and understands applicants' specific experience may be limited in this particular area. However, all relevant business experience should be detailed in the application. The Evaluation Panel will review all pertinent and appropriate data and information when issuing its score for this section and all others.

It is not an uncommon practice for applicants to inflate their pro-forma projections to appear as if they will be more successful than the market will actually allow. Has the City considered asking applicants to provide assumptions explaining their pro-forma projections and how they will achieve the 'number of customers per day' identified in their application and utilized to calculate their projections? Nothing in the application asks for an explanation of how an applicant came to the projections provided, as opposed to simply providing them.

As indicated in the ordinance and/or application materials, any false, misleading, or fraudulent information contained in the cannabis application may cause one's cannabis business license application to be denied or cannabis business license to be suspended or revoked. Any false, misleading, or fraudulent information contained in the cannabis conditional use may cause one's cannabis business license application to be denied or my cannabis business license to be suspended or revoked.

I'm writing to find out whether or not appointments that have been scheduled for an application submission can be cancelled and if there is a timeframe for acceptable cancellations? For instance, if for some reason our application wasn't ready on the scheduled appointment date could we cancel our submission date and submit as a walk-in on the submission day instead?

Applicants can cancel their reservation anytime before the reservation time and either re-schedule to an alternative date or walk-in and apply at Hawthorne City Hall. Please note that all walk-in times are subject to availability and are available Monday – Thursday, 10AM-2PM PST and will be accepted around existing reservations. There will be a waiting queue applicants can join that will provide estimated wait times.

How many copies of the application are required at submittal? In what format should copies be submitted (i.e. hardcopies, flashdrives, etc.)?

One paper copy of your application is required for initial submittal. We strongly encourage applicants to provide a USB drive with an identical copy of the application, but it is not mandatory.

To whom should the cashier's check be made out?

Checks of all types should be made to: City of Hawthorne

Memo: Applicant ID (will be provided during application intake).

Under section 1D of the screening criteria, it states 20 points are awarded for significant social equity component and asks if the applicant will be a first-time minority business owner. Will more

points be awarded if a minority owner has prior business experience or if do they need to be a first-time business owner?

The question is whether the applicant is a first-time minority business owner. That is, a minority individual embarking on their first business venture.

The City uses the term "minority" as described by most Federal, State and local agencies, to classify those individuals generally from underrepresented or underserved communities, including African Americans/Black Americans, Asian Americans, Hasidic Jews, Hispanic or Latino Americans, Native Americans, and Pacific Islanders.

"Minority Business Owner" is a business at least 51% owned by one or more minority individuals, and whose management and daily operations are controlled by one or more of those individuals. Recognized minorities include Asian Americans, African Americans/Black Americans, Hispanic/Latino Americans and Native Americans, Subcontinent Asian American, among others.

Section 4 states that 100 points will be awarded for an applicant with more than 10 years of experience (based on experience) but only a maximum of 70 points will be awarded to somebody with less than 10 years of experience. Is it possible, and would we be awarded the maximum number of points if we have 2 owners: 1 with 10+ years of experience and 1 who is a first-time minority business owner?

Yes, the years of experience can be a team comprehensive/combined total. The application will be scored at the Evaluation Panel's discretion.

Section 1E asks if the applicant will apply to operate other cannabis businesses within the City. Will the maximum 60 points be awarded if we apply for 2 licenses within the City for one establishment (i.e. retail and consumption, manufacturing, &/or delivery)?

The number of points awarded will be determined based on how the applicant demonstrates efficiency with building space. For example, utilizing one building for multiple cannabis activities will result in a higher score than having multiple buildings with one licensed activity in each building. The application will be scored at the Evaluation Panel's discretion.

If we intend to apply for an adult-use retail license and also intend to deliver from this location, thus requiring a separate Delivery Service Business License, would the page limit for the business plan be 100 pages? Also, could you clarify what is meant on page 4 of the information packet where it says "This section is limited to a total of 50 pages for each license type (pages of text and 25 pages of images)"? Is it required that half of the page total is reserved for images?

Correct. The maximum number of pages per application type is 50 pages. If you plan to apply for three separate activities (ex. Cultivation, manufacturing and delivery), your application page total must not exceed 150 pages. However, we encourage applicants to consolidate any duplicative information within the business plan, cover letter or design concept.

"This section is limited to a total of 50 pages for each license type (pages of text and 25 pages of images)." This statement is to reiterate that the page limit is 50 pages and there should be no

more than 25 pages reserved for images of the design concept. The info sheet has been updated to clarify this statement.

If an applicant was interested in having a cannabis retail dispensary that also did delivery, do we need to pay for both a retail license application fee and a delivery with location license fee for a total of \$24,604?

Correct. As noted in the cannabis application materials and ordinance, there is a separate application fee for each cannabis activity or license type. Please see the Cannabis Application Fees section of the application information for reference.

Cannabis Application Fees

Applicants are required to pay the following fees prior to submittal of their application.

License Type	Application Fee
Adult-Use Retail	\$12,302 non-refundable
Cannabis Consumption Area	\$12,302 non-refundable
Delivery Service (with retail location or non-storefront)	\$12,302 non-refundable
Cultivation, Manufacturing, Distribution and Testing	\$12,302 non-refundable
Cannabis Delivery Services without a physical location in Hawthorne	\$8,996 non-refundable
Conditional Use Permit (storefront retail locations)	\$31,504 fees may be subject to a partial refund if the application is withdrawn. Only actual costs incurred by the City for processing of a withdrawn CUP will be withheld.

If applicants are submitting applications for more than one type of cannabis business license, they must pay the applicable application fee for each license type (for example, if an applicant is submitting applications for an adult-use retail license, and consumption area license they would need to pay \$24,604 (\$12,302 multiplied by two). Applicants may pay with a single domestic check, money order, cashier's check, or credit card (fees may apply) but they should indicate to the cashier what type of licenses they are paying for, so that the receipt accurately reflects each license type. Please note: CASH PAYMENTS WILL NOT BE ACCEPTED.

Under the fee schedule (Resolution NO. 8384) it lists Cultivation, Manufacturing, Distribution, & Testing on the same line with one fee of \$12,302. I would like some clarity on if each of these license types require a separate cost. For example, I want to start a business that cultivates, manufactures, and has a retail storefront. In this scenario would the application fee cost \$24,604 or \$36,906?

As noted in the cannabis application materials and ordinance, each cannabis activity/license

type requires a separate application fee. Please see the Cannabis Application Fees section of the application information for reference. If applicants are submitting applications for more than one type of cannabis business license, they must pay the applicable application fee for each license type (for example, if an applicant is submitting applications for an adult-use retail license, and consumption area license they would need to pay \$24,604 (\$12,302 multiplied by two). In the scenario provided, the application fee for three cannabis business types/activities is \$36,906 (\$12,302 x 3).

Will cannabis retailers be permitted to operate in the Commercial and Manufacturing districts?

Please see the zones approved for licensed cannabis activity by the Planning Commission.

CANNABIS USE	ZONE	
	All C-zones	All M-zones
Retail with or without consumption lounge or ancillary delivery service	CSA & CUP*	CSA & CUP*
Commercial indoor cultivation, delivery service not ancillary to retail, distribution, manufacturing, or testing laboratory	NP	CSA
Commercial outdoor cultivation (greenhouses included)	NP	NP

Key: CUP – Conditional Use Permit; CSA – Cannabis Screening Application; NP – Not Permitted
 * Only one CUP is required for retail. Delivery or consumption that is ancillary to retail is cover

Are there zoning districts in your finalized ordinance?

Zoning has been established and approved by the Planning Commission and the Zoning Text Amendment is scheduled for City Council in early January.

Can you confirm that if an applicant wishes to open an adult use retail facility that has a delivery element at its location, we would need to pay for all three fees (retail, delivery and CUP) prior to application submission for a total of \$56108?

There are potentially two separate fees a retailer applicant is subject to. The first is the application fee of \$12,302 per cannabis business/activity. If the applicant is selected as a “top applicant”, then the applicant is required to secure a conditional use permit (CUP). The CUP fee is \$31,504. Therefore, the initial application fee for a business proposing both retail and delivery is \$24,604. If selected, the CUP fee would then be required. As such, a “top applicant” with storefront retail and delivery would ultimately pay \$24,604 + \$31,504 = \$56,108.

Can any 12 point font be used for the cannabis application?

Yes, however, script style fonts are highly discouraged. Ariel, Times, or the other standard professional fonts are all acceptable.

For the in-person initial submittal – what medium should be used to present/submit the application – paper, electronic or both? If electronic, should we prepare a USB flash drive?

One paper copy of your application is required for initial submittal. We strongly encourage applicants to provide a USB drive with an identical copy of the application, but it is not mandatory.

Will any information in the cover letter be used to calculate and/or award points according to the scoring criteria?

Yes. All submitted information is subject to the scoring criteria, when/where applicable.

Are applicants applying for multiple licenses at the same location limited to one Business Plan and Concept with a maximum of 50 pages? Or can the applicant have up to 50 pages for the Business Plan and Concept for each license type? For example, if an applicant is applying for storefront retail, manufacturing and distribution, all anticipated to be located at the same location/property, can the applicant submit 3 separate Business Plans and Concepts of up to 50 pages for each license type?

The maximum number of pages per application type is 50 pages. If you plan to apply for three separate activities (ex. Cultivation, manufacturing and delivery), your application page total must not exceed 150 pages. However, we encourage applicants to consolidate any duplicative information within the business plan, cover letter or design concept. The statement regarding the max for design concept images is to reiterate that the page limit is 50 pages and there should be no more than 25 pages reserved for images of the design concept. The info sheet has been updated to clarify this statement.

What are considered images? Are logos considered images? Do we need to mark pages that are images? Are page borders considered images?

Any page that has an image of any sort, including pictures, logos, graphics, etc., will be counted as a page. If the image takes up more than ½ of the page, the page will be counted towards the 25-image page maximum. Please note, the total number of pages per application/activity type is 50, including the 25 maximum image pages.

For example, an application for a storefront retail and delivery in the same building could be up to 100 pages total, of which 25 pages should be limited to images. However, if the application is for a storefront and delivery in different locations, each application could include up to 25 image photos. Essentially, the design concept section should be limited to 25 images per location. We encourage applicants to consolidate business plan and cover letter information to ensure minimal duplicative information is submitted.

In the scoring criteria under Sub-Section 1E, what are the point allocations for each additional license type?

The number of points awarded will be determined based on how the applicant demonstrates efficiency with building space. For example, utilizing one building for multiple cannabis activities

will result in a higher score than having multiple buildings. The application will be scored at the Evaluation Panel's discretion.

Do I need to have a location to submit an application?

No; pursuant to the adopted cannabis ordinance and application materials, a location is not required to apply, but a building must be secured prior to business license issuance. Further, applicants have up to 12 months to secure a location before the application expires. Please note that retailers requiring a condition use permit, must apply for a CUP within six months of being selected as a "top applicant". A CUP cannot be evaluated without a physical location.

Do we need to submit 50 pages for cultivation, retail, and consumption lounge if we apply for all three?

The maximum number of pages per application type is 50 pages. If you plan to apply for three separate activities (ex. Cultivation, storefront retail and delivery), your application page total must not exceed 150 pages. However, we encourage applicants to consolidate any duplicative information within the business plan, cover letter or design concept.

Note: "This section is limited to a total of 50 pages for each license type (pages of text and 25 pages of images)." This statement is to reiterate that the page limit is 50 pages and there should be no more than 25 pages reserved for images of the design concept. The info sheet has been updated to clarify this statement.

Can we submit the cultivation with out a building attached?

Yes, you can apply for cultivation without a building secured. No building is required for any of the application types. Applicants have up to 12 months to secure a business location and meet the city requirements for a cannabis business license before the application is deemed expired.

Is the 150 feet for zoning considered from building to building or parcel to parcel?

Please see the City's map for sensitive uses available on the city cannabis webpage. The map identifies all areas that are within the city identified buffers.

UPDATE 1.2.23

Regarding submission of an application in person - in what format does it need to be submitted? If it's a physical print out of an application, how many copies need to be submitted? Is a flash drive with a digital copy of an application required to be submitted?

Please refer to the updated FAQ document. This question has been previously asked and answered.

On all the forms that need to be signed, does the City accept digital signatures or wet signatures only?

Wet signatures are required for all required signed documents. Electronic signatures will not be accepted.

Do any of the signatures need to be notarized?

No, the forms and signatures requested do not require notarization.

Applicant/Owner information form. If an entity that is applying is owned by another entity, do I specify that entity in the "If applicant is a business, list individual applying on behalf of the business" line and list each owner of that entity?

Correct. You will want to identify each and every individual owner of the entity. For example, if the entity applying is held by a larger business entity that includes 10 owners, you must disclose all business entities down to the 10 individual owners. Please be sure that all Secretary of State Statement of Information records are current and reflect the information provided on the applicant/owner form.

Applicant/Owner Information form. If an entity has multiple owners, does only one of them need to sign? There's only one place for one signature on the bottom of the form.

If the entity is managed by one member, then only the designated manager of the entity needs to sign the form. However, if the entity is a multi-member managed entity, then all members need to sign the form and can do so by submitting separate signature pages of the form.

Signed Applicant Intake Checklist. I assume it will be provided during an in-person submission. Can a point of contact person, who will be submitting an application, sign it or can it only be an owner?

Correct, the intake checklist will be provided at the time of application intake. The signed application checklist must be signed by an owner/applicant at the time of submission. The owner/applicant who signs the application checklist must be listed as an owner/applicant on the application. As indicated in the ordinance and/or application materials, any false, misleading, or fraudulent information contained in the cannabis application may cause one's cannabis business license application to be denied or cannabis business license to be suspended or revoked.

Application materials state that The page total does not include the applicant/owner information form, proof of payment, or the cover letter. What about the rest of the forms? Does the total page limit include Waiver and Release of Liability, Verification authorization and Application Disclosure form?

The additional forms, authorizations and disclosures are separate and not a part of the 50-page limit. The 50-page limit is for the Business Plan which includes the overall business plan, design concept, experience and security plan for each business type. More information on the page limit policy can be found on the FAQ document.

Is this correct that the Security Plan is also included in a 50 page limit?

Correct. The security plan is included in the 50-page limit.

Does the City have any concerns that it's simply not feasible to fit all required information on 50 pages? Especially considering that application materials are asking for detailed SOP, specific examples and in depth explanations of certain sections?

No, the City does not have concerns that pertinent information cannot fit into 50 pages. The 50-page limit is per business plan/business type. Also, the application does not ask for detailed SOPs for every aspect of the operation. The scoring criteria outlines what information will be scored.

The Security Plan requires the purchase and installation of a FUSUS system. What is the cost of this system?

Only "top applicants" (i.e., those selected for licensure) are required to purchase and install the FUSUS system. The cost of the system and installation plan will be determined by the Hawthorne Police Department after an assessment of each business location and design.

Application materials clearly state that nobody with the exception of this email address should be contacted about anything cannabis application related. I don't want to violate anything so please let me know what the cost is or if the Police Department should be contacted about it directly.

Correct. All inquiries should be directed at the cannabis business email address, only. No city departments, staff or consultants should be directly contacted for cannabis business information.

If an applicant is applying for multiple licenses on the same property, for example retail and distribution, is there a chance that distribution license will be approved faster than a retail one and an applicant will have to move forward with finding and securing the property without knowing where they stand/score in the retail application process?

If the applicant submits two separate application packages -- one for retail and one for distribution WITHOUT an integrated business model, the distribution application could be approved before the retail. For example, if the city receives two applications for the same property, but there is no mention of the two businesses being operated together, the City will review those applications as separate businesses and will not allocate points for having an integrated business model.

All applicants will have up to 12 months to secure a location for their business, as outlined in the cannabis ordinance. Retail applications will be evaluated, scored, and ranked by the Evaluation Panel. Once selected, "top applicants will be notified and will have up to 6 months to secure a property and apply for a Conditional Use Permit (CUP). Those applicants will have an additional 6 months (total of 12 consecutive months) to have the CUP granted. Distribution licenses are not subject to the Evaluation Panel and do not require a CUP, independently. However, if the business plan includes an integrated model (i.e. both uses operating within the same building footprint), the City may require both uses to be inaugurated as a condition of approval for the CUP.

Could you please clarify what exactly does "diverse design team" mean? Does it mean that a hired design firm needs to have Social Equity diversity on their team (such as women, people of color, LGBTQIA+ etc) or is it something else?

This question is asking if the applicant has or plans to contract an architectural or design firm that is diverse (i.e., a firm that has women, people of color, LGBTQIA+, Veterans, etc.), as the City is committed to providing and supporting equitable and inclusive opportunities. As defined by the US Department of Housing and Community Development, diversity encompasses the range of similarities and differences each individual brings to the workplace, including but not limited to national origin, language, race, color, disability, ethnicity, gender, age, religion, sexual orientation, gender identity, socioeconomic status, veteran status, and family structures.

Can you explain what the city is looking for regarding criteria: SOP: Demonstration of knowledge and compliance with all applicable state regulations. Detailed SOPs for complying with applicable Department of Cannabis Control regulations. A standard operations plan for complying with all DCC regulations can easily take 25-50 pages alone for retail not including delivery. Can you provide additional information on what topics specifically you would like applicants to address? What does an applicant need to show in order to score maximum points in this category?

*The Evaluation Panel will issue points based on how well the applicant demonstrates knowledge of the applicable state regulations and how the operation will be set up to comply with said regulations. For example, the state regulations for retail (Chapter 3, Sections 15400-15427) have a number of regulations an applicant must acknowledge and describe how the business will maintain compliance with said regulations. As indicated on the scoring criteria document, SOP stands for Standard Operating Procedures. The Evaluation Panel will examine the 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. Higher scores will be given to applicants who include specific examples of where the practices or procedures identified have worked before. **The application will be scored at the Evaluation Panel's discretion.** The City strongly encourages applicants to be thorough and concise. Please see the FAQ document for more information regarding page limits, as this information has been clarified previously.*

I'm writing to get clarification on where I can find application instructions for a distribution license as well as for delivery without a Hawthorne location. Specifically, what are the submission requirements for both license types and when are these applications and payments due?

You can find all application materials on the city cannabis webpage <https://www.cityofhawthorne.org/government/going-forward-with-cannabis>. There is one application that can be used for all cannabis business types.

I'm still a little confused based on the information provided in the Application Instructions that state " applicants should submit only one applicant/owner information form (Item/Form #1) and cover letter (Item 2) for the entire combined package, however, **applicants need to submit** separate proof of payment (Item 3) and **a separate Business Plan and Concept (Item 4) for each license type**" and "**Applicants** securing multiple licenses within the same property **may submit one Business Plan and Concept (max of 50 pages total)** but each section must address each of the proposed licensed activities."

This question has been previously asked and answered. The full response can be found on the updated FAQ page on the city's cannabis webpage. In summary, the 50-page limit is per activity type. For example, if the applicant is submitting a business plan that includes two different businesses (i.e. retail and cultivation) with two different business plans, the total page limit is 100 pages and requires a design concept for both businesses. However, if the applicant is proposing a business with an integrated business model (i.e. retail and delivery), the applicant should consolidate the business plan where there is overlapping operational information and provided one design concept since delivery services would not require a separate design for the retail design.

However, based on your email, it appears you want us to be as concise as possible so it would make more sense to have one Business Plan and Concept for two license activities (such as retail and delivery or retail and consumption) and that the business plan and concept can be a total of 100 pages if two activities occur. **If this is correct, would it be best if I submitted one business plan and concept but have subsections for the parts of the narrative that have different content for the two different activities, and integrate the two activities where it makes sense?**

For example:

In the Community Engagement section, where we may discuss engaging with local non-profits, there is no need to differentiate between how the retail storefront arm would engage differently with non-profits than our consumption lounge arm, so we would talk about our business as a whole in this case. But for instance in the Financial Planning section we could provide two pro formas one for a retail storefront and one for a consumption lounge and we would create subsections to make this clear in our narrative.

Your understanding is correct, and your examples will meet the criteria. Essentially, applicants should demonstrate how any particular business activity may be unique from the primary business, where applicable. With the varying number of combinations of business activities and models, applicants may meet the criteria differently, but ultimately, the Evaluation Panel will be reviewing the totality of the business plan.

When is the deadline for submitting cannabis applications for distribution, cultivation and manufacturing, since there's no limit on these licenses? If an applicant is applying for 2-3 different licenses located on the same premises, can they be submitted a week apart? For example, can an application for retail be submitted by January 19th and for Distribution a week later?

No, you cannot submit any application after the January 19, 2023, deadline. As indicated on the application materials and city cannabis webpage, all cannabis business applications must be submitted by January 19, 2023. Please see the city webpage and application materials for information on how to submit an application, required fees and reservation instructions.

Do we have to pay a CUP fee with the submission of an application or when we actually apply for CUP after securing the property?

This question has been asked and answered previously. You can find the detailed answer in the updated FAQ document. In summary, there are potentially two separate fees a storefront retail applicant is subject to. The first is the application fee of \$12,302 per cannabis business/activity. If the applicant is selected as a “top applicant”, then the applicant is required to secure a conditional use permit (CUP). The CUP fee is \$31,504. If selected, the CUP fee would then be required. The CUP fee is NOT required at the time of Cannabis Business License application submittal.

We intend to apply for a retail and a distribution license in the same building. If we apply for a retail and distribution license, but we do not actually open up a distribution facility because we are not able to find a location that allows distribution, would our retail license be forfeited as well?

The State allows packaging of cannabis (such as rolling pre-rolls from a pre-purchased dry flower and filling vape cartridges with pre-purchased oil) under a distribution license. The City ordinance doesn't specify that, does the City follow the State regulations and allow the same?

Correct. The city requirements specify that operators must meet and comply with all state regulations. As such, packaging under distribution, as state regulations allow, is permitted in the city with a distribution license.

On the FAQ released on 12/22/22, it states the following about payment: To whom should the cashier's check be made out? Checks of all types should be made to: City of Hawthorne Memo: Applicant ID (will be provided during application intake). Application instructions clearly state that payment must be submitted BEFORE submitting an application and a proof of payment must be submitted with an application. So how do we do that if we need an ID number for a check that we can't get until we submit an application?

Applicants will arrive at City Hall and check-in on the 2nd Floor for their intake reservation or join the walk-in queue if they do not have a reservation. At that time, the intake coordinator will provide applicants with their applicant ID and confirm their application payment amount on the application cover sheet. The applicant will then be instructed to take the cover sheet (with applicant ID) downstairs to the Cashier's office for payment processing. Once the payment has been made, the applicant will bring the receipt back up to the intake counter, at which time, the applicant can submit their application. The city will not accept any application before payment is made. The Cashier's Office will not accept any payments from applicants who have not first checked-in for their reservation or joined the walk-in queue.

I do not see any criteria outlined for the non-retail applications. There are no guidelines as to what the City requires in an application for manufacturing, cultivation, distribution or testing lab. Should an applicant simply make up what they feel should be included in an application covering these license types?

No, an applicant should not make up what they feel should be included. As indicated on the application materials, “...the selection process starts with all interested applicants submitting a

cannabis business application.” As such, all applicants must complete the application materials. This includes non-retail applicants.

The page limitation is not entirely clear. One license type totals 50 pages, and of those 50 pages, UP TO 25 can have images. A page is considered an image page if it has more than 1/2 the page covered with images. Correct?

This is correct. If the image is more than ½ the page, it will be counted as an image page. Please also keep in mind that the image pages are a part of the total page count limit. This question has been asked and answered. Please review the FAQ sheet and updated informational sheet for more information.

Now, if a person applies for Cultivation and Retail, they have 100 pages for the application, but only 25 can have images? The more license types you add, the more images you will have based on the various renderings and designs. Why is the number of images not increased per license type, 25 pages of ANY license type may include photos, but no more than 50 TOTAL pages per license type?

The instructions on the page limits and images are on the information sheet. Please review the FAQ and informational sheet for information on page limits. This question has been previously asked and answered.

Under section 1D of the screening criteria, it states 20 points are awarded for a significant social equity component and asks if the applicant will be a first-time minority business owner. Are you stating that points are being awarded to applicants based on their ethnicities?

The application scoring criteria is not the cannabis business license application. It is a guide to help applicants understand what information the Evaluation Panel will be evaluating and indicates maximum points that will be awarded by the Evaluation Panel in each category. As previously advised, the Evaluation Panel will review and evaluate each application and points will be awarded based on applicant’s ability to demonstrate the business plan/model, within the context of the overall Business Plan. Points will be allocated at the discretion of the Evaluation Panel.

The question was asked Is any additional weight / points being given to those who have a property in place at the time of applying and who submit a zoning verification form with their application? The City responded with "No. There are no additional points for solely securing a property. However, 500 points will be awarded for your location’s design concept." Are you saying that applicants who have a building and design a concept to an actual building will receive more points as their concepts are more realistic?

No, there are no points allocated for having a location. There are 500 points awarded for design concept. Please review the Scoring Criteria to determine the general breakdown of these 500 points.

How is the City going to prevent unrealistic design concepts from receiving maximum points simply for being artfully designed, when in reality they are not feasible? The FAQ says that

building and planning can impose restrictions and additions to a plan submittal, but at that point it is too late as a license has been given to an applicant based on an unrealistic design. Please clarify.

This question has been previously asked and answered.

Has the City reviewed the results of West Hollywood, Stanton, or Pasadena when choosing to use the West Hollywood application for this process? All three cities have been extremely unsuccessful in actual cannabis stores opening and it is surprising that another city would choose to use such an antiquated application when the industry has advanced significantly since this application was formed.

The city has adopted the Hawthorne cannabis ordinance and application process with several open public hearings and extensive public outreach. The process is voluntary, and applicants have the option to apply for a cannabis business license in a number of cities throughout the state and country. The city strongly recommends that applicants evaluate if the City of Hawthorne's process is right for their business before applying.

If I am applying for both storefront retail and consumption lounge should I submit 1 application that is a maximum of 100 pages and 25 pages of images? 1 cover letter and 2 proof of payment.

Correct. There should be a maximum of 100 pages for two cannabis uses. You only need one cover letter. You must limit images to 25 pages as the two businesses are co-located and share a design concept. You will submit proof of payment for both uses. Please note that you should check-in for your application reservation before making payment and you will be directed to the Cashier for payment.

Do I need to submit a signed item 5: Waiver and Release of Liability (Form #2), item 6: Verification Authorization (Form #3), item 7: Application Disclosures Form (Form #4) for each owner identified on Applicant/Owner Information Form?

Only one member of the ownership group needs to sign the waiver and release of liability, verification authorization, application disclosures and application checklist (will be provided at intake). You need a signed owner/application form (signature page) for each individual owner. For example, if you have an ownership group with 10 owners, each of them needs to sign the owner/applicant information form (signature page only).

I see that "Applicants must bring ONE paper copy of their completed application." Are there any other instructions for the paper copy? Can the application be submitted in a 3 ring binder for example?

Applicants are encouraged to select a professional binding at their discretion. A three-ring binding method is acceptable.

The Application Guidelines state that no more than 25 pages may be images, and the FAQ Responses posted online state "Any page that has an image of any sort, including pictures, logos,

graphics, etc., will be counted as a page. If the image takes up more than ½ of the page, the page will be counted towards the 25-image page maximum."

These 2 sentences are contradictory. Will any page with any image be counted as a page or only if the image takes up more than 1/2 the page?

These sentences are not contradictory. Each page will be counted towards the total 50-page limit whether it has an image or not. However, only images taking up ½ the page will be counted towards the 25-page limit for images. For example, if you have 47 pages of text, you are limited to three pages of images. Those three pages can have images taking up ½ or more of the page (if less than ½ the page would count as a text page). The 50-page limit is inclusive of the 25-page image limit. The requirement is 50 pages total, including images. The FAQ addresses a question about how images will be counted (i.e., how much of the page the image takes up before its counted as an image page). Applicants are to limit 50 pages per use; however, no more than 25 pages of images should be included in the total regardless of the number of uses if the design is reflective of the same space.

As previously addressed in the FAQ, if you are submitting two different businesses that would independently operator in different locations, you must submit separate applications for each and in that situation, you would have 25 images for each location as they are not the same design concept.

How will you treat small images, such as headshots of the owners or photos of the applicant's existing locations if those photos are less than 1/4 a page and the remaining portion of the page contains text?

If the images do not make up ½ of the page, the page will be counted as a text page.

Will charts and graphs included as part of Section 1 Business Plan (e.g., a line graph of projected revenue or chart of customers per day) be considered images that count toward the 25 page image limit?

Graphs and charts will be counted as graphics and are limited to 25 pages.

Do we need to have a signature page for each owner?

Yes, you need a signature page of the Owner/Applicant Information form for each owner.

Can we verify if this address is acceptable with the zoning map?

A property/location is not required to apply. We recommend that you submit the zoning form if you have a location in mind. City Planning Department staff will review your location and contact you if there are any concerns with your proposed location.

In the past I had committed a felony about 18 years ago and it has been taken care of and cleared. Would that be an automatic disqualification on my application?

Some felony convictions are not cause for disqualification. Please review the City's cannabis ordinance for information regarding convictions. In relevant part, the City of Hawthorne Cannabis Ordinance No. 2235 Section 5.100.40 (e) states:

The applicant, owners, and proposed manager shall undergo a background investigation by the Hawthorne Police Department. Neither the applicant, nor any proposed or prospective manager, shall have a record of conviction for any of the following offenses:

- 1. Any offense relating to possession, manufacture, sales, or distribution of a controlled substance, with the exception of cannabis related offenses.*
- 2. Any offense involving the use of force or violence upon another;*
- 3. Any offense involving theft, fraud, dishonesty, or deceit.*
- 4. For purposes of this subsection, a conviction includes a plea or verdict of guilty or a conviction following a plea of nolo contendere.*

This is a follow-up question to the Webinar Q&A. The Owner Applicant Info Form has various license types that the applicant is applying for. There are 3 license type options for delivery - Adult-Use Delivery, Delivery Service (within the City) and Delivery Service (outside City). Are these three different license types? Which one should we be selecting if we wish to apply for delivery with storefront retail?

The owner/application should be completed based on whether the applicant is proposing to have the delivery service inside of the city limits or outside of the city limits (business located in another city but makes deliveries within the city). The form has been updated to provide additional instructions. If you propose to operate a storefront retail business with a delivery service component, you will select Adult Us Retail and both Adult Use Delivery and Delivery Service within the city. This will indicate to city staff and the evaluation panel that your retail store will also provide delivery services.



**City of Hawthorne
Cannabis Business Screening Application
Applicant/Owner Information Form
(Attachment 3)**

SECTION A - APPLICANT INFORMATION Please provide the below business information for your cannabis business.
*****THE APPLICANT MUST BE AN OWNER*****

1. License Type: (check all that apply) Adult-Use Retail Consumption (with retail sales)

Cultivation Manufacturing Distribution Testing Lab Adult-Use Delivery (select inside or outside of city below)

Delivery Service (outside of Hawthorne) Delivery Service (within the City)

2. Business Organizational Structure: (check one)

Sole Proprietorship Limited Liability Company General Partnership

Corporation Limited Partnership Limited Liability Partnership

3. Name (individual or sole proprietor first and last; all other business types use legal business name) Doing Business As (DBA)

In regards to the page count for multiple license types in one location, the FAQ is unclear about this - if an applicant is applying for 4 license types - storefront retail, delivery service within the City as part of storefront retail, manufacturing and distribution, it's our understanding that we are allowed 200 pages total for the application package. Are we limited to 50 pages for each license type within the 200 pages, or **can the applicant allocate any number of pages for each license type** as long as the applicant complies with the image page limits?

The FAQ and the information sheet address the page limits. The 50-page limit is per use/license activity. As such, each use or license activity is limited to 50 pages. For example, if you have four uses (retail, delivery, manufacturing and distribution), each of those four uses are limited to 50 pages each within the Business Plan. You cannot re-allocate or redistribute the pages to the other uses. You are allowed a total of 200 pages maximum, of which 50 page maximum would be allocated to each use/license type and of those 200 pages, only 25 pages can be images for each unique design concept. Assuming all uses are within the same building footprint, there would be a limit of 25 pages for images. If the activities are not within the same building footprint, the city would allow up to 25 pages per unique design concept.

The Business Plan of the application is asking for a medical discount program for low-income medical patients. On the application form, there's only an option to apply for an adult-use dispensary, no option for medical or both. Could you please clarify that? Are adult-use only dispensaries in Hawthorne allowed to sell to medical patients without being a medical dispensary?

Correct. While the city does not have a separate business license for medical use, the state regulations allow both adult use and medical use with an adult-use license. As such, adult-use businesses within the city are authorized for both adult use and medical/medicinal use.

Can you advise if any of the cannabis licenses will be awarded on an equity basis? Or is social equity not even a factor?

The city has not adopted a Social Equity program. Please review the application scoring criteria for more information regarding what factors will be evaluated by the Evaluation Panel.

Given that this application is going to cost qualified applicants approximately \$100,000, I would like to recommend that the City delay the application deadline until after appropriate zoning amendments have been made. The reason being that these applicants are going to have to go back and revise their application once adjustments are made to the process, and only having sacrificed their holidays with their family and paying likely 70-80% of the cost associated with preparing a winning application.

The application cost is \$12,302 per activity as adopted by city resolution. The application window is 30 days as prescribed by ordinance. Both federally recognized holidays (Christmas and New Year's Day) that occur within this 30-day window occur on Sundays which are not operating business days. As indicated on the city website and throughout the application materials, the deadline to submit an application is 2:00PM PT on January 19, 2023, without exception.

Currently, Section 17.90 does not permit commercial cannabis activities of any kind. Only medicinal cannabis activities are permitted - home grows and deliveries for non-ambulatory individuals. The City's website further confirms that zoning amendments will be made in January 2023, which we assume will take place AFTER the applications are submitted. *Please continue reading after this illustration.*

The Zoning Text Amendment has been approved by the Planning Commission. The website does NOT give a date for the City Council hearing. There is no evidence to suspect that the Council will not accept the Planning Commission's recommendation for approval before licenses are issued. Please review the FAQ document for more information regarding zoning, as this issue has been previously addressed. You can also find a copy of the draft zoning text amendment on the city's cannabis webpage <https://www.cityofhawthorne.org/government/going-forward-with-cannabis>.

The issue is that there are 60 points for more than one location, and Section 5.100.050.A.6 states, "A separate business license is required for each cannabis business activity but multiple cannabis business activities are permitted at one location subject to the zoning restrictions in Chapter 17.090". As explained above, there are no permitted uses for commercial cannabis activities in 17.090 [sic] of Hawthorne's municipal code.

As expressed in the FAQ document, the Zoning Text Amendment does, in fact, specify zoning for cannabis. Please review the updated FAQ for additional information, as questions around zoning and allowed uses have been asked and answered previously. You can also find a copy of the draft zoning text amendment on the city's cannabis webpage <https://www.cityofhawthorne.org/government/going-forward-with-cannabis>.

In reviewing the general plan, it would seem that those who chose to engage in activities other than storefront retail, will be put into the industrial zones of the City. Thus, storefront retail and all other cannabis activities seem to be incompatible uses in either the industrial or commercial zones and collocation of activities will not be possible. Given that the application instructions specifically state that the use is contemplated to be on the same property, this is going to create a very difficult process for your scoring committee to implement objectively. It is hard not to be wowed by beautiful designs that will likely never materialize. We believe this is one of the major issues facing Pasadena and why they have been sued repeatedly and have only 3 licensed dispensaries open after accepting applications in January 2019.

As expressed on the FAQ document, the Zoning Text Amendment does, in fact, specify zoning for cannabis. Please review the updated FAQ for additional information, as questions around zoning and allowed uses has been asked and answered previously. You can also find a copy of the draft zoning text amendment on the city's cannabis webpage <https://www.cityofhawthorne.org/government/going-forward-with-cannabis>.

Having written a number of winning applications through out the State, typically, indoor cultivation is not accepted in commercial zones. The same is typically true of manufacturing operations, especially those involving volatile solvents or closed loop extraction systems. As such, applicants without a property are able to essentially fabricate design plans irrespective of zoning practices.

Cultivation and manufacturing applications are not scored or ranked; however, zoning will be reviewed prior to cannabis business licenses issuance. As indicated in the ordinance and application materials, retail applicants will be scored on their design concepts. Design concepts are conceptual and are reviewed and analyzed as such. Selected retail applicants must obtain a Conditional Use Permit. At that time, design conditions may be imposed on the project to ensure compliance with City requirements. As indicated in the ordinance and/or application materials, any false, misleading, or fraudulent information contained in the cannabis application may cause one's cannabis business license application to be denied or cannabis business license to be suspended or revoked. Any false, misleading, or fraudulent information contained in the cannabis conditional use may cause one's cannabis business license application to be denied or my cannabis business license to be suspended or revoked.

We understand why the City did not require a property initially. However, it is important that the applications, plans and submissions are realistic and that the scoring not award any weight whatsoever to the selection of a property prior to the application deadline and simultaneously hold applicants to the extravagant designs you can expect to be submitted.

Applicants can apply without a property. Applicants will have up to 12 months to secure a location that meets the city's requirements. The scoring criteria is provided as a part of the application materials. Design concepts will be scored according to the criteria, which is incorporated by reference into the cannabis ordinance.

Please reply to this email as soon as possible as we are all working next week, a week law firms and entrepreneurs usually take off to spend time with family.

As indicated on the city website and email message, please allow five business days for a response to emails before resubmitting. We understand that applicants may be limited by their time and other resources or factors, but the cannabis business application process is voluntary. Applicants must balance their resources to determine if the requirements of the process can be met. Applicants have the option of applying for business licenses in a number of cities throughout the state and country. The city strongly recommends that applicants evaluate if the City of Hawthorne's process is right for their business before applying.

Does this total page count also include community support letters and other such assets?

Yes. All pages count towards the page limit. Please review the updated FAQ for additional information regarding page limits as questions regarding page limits have previously been asked and answered.

In one section it states that we can make one payment for two license types but then above it states, "applicants need to submit separate proof of payment"

Your question is unclear. You will need to pay for each individual license type that you are applying for, but you can do that with one form of payment. If that is not what you are asking, please resubmit your question with additional details.

I want to know first of all, is it in any school zone and next what else I need to do to open it in your city.

Please refer to the city's Buffer Map and application instructions and materials. You can find this information and more on the city's cannabis webpage. [Going Forward With Cannabis In Hawthorne | Hawthorne, CA \(cityofhawthorne.org\)](http://www.cityofhawthorne.org/going-forward-with-cannabis)

Webinar Q&A (Webinar hosted on 12.30.22)

Is 10 years of experience required to apply?

No. As stated in the scoring criteria, 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. 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). Experience can be cumulative between owners/applicants and managers.

When evaluating designs, will applicants be held to the proposals they submit? What happens if an applicant cannot find a suitable location?

When evaluating designs, will applicants be held to the proposals they submit? What happens if an applicant cannot find a suitable location?

This question has been asked and previously answered. Please refer to the FAQ document for further information.

Are financial plans being evaluated based on who promises the most revenue for the city or who makes the most sound proposal? Is the city taking market conditions into account when evaluating financial plans?

This question was answered during the webinar. Please review the webinar for information on how revenue projections will be evaluated.

what will the city be looking for during their city zoning and code review considering that a property is not required as part of the application?

The city will be reviewing zoning for those who submit the zoning verification form. The city will also review the project for other applicable municipal code requirements.

If my reservation is in the name of my representative (lawyer), will that be an issue when I come to submit if my representative is with me?

This question was answered during the webinar. Please review the webinar for information on how revenue projections will be evaluated. Additionally, information regarding who should attend the intake appointment is on the FAQ document and the city cannabis webpage.

Why would you disqualify an application in phase ii for a bad location if a location is not required at stage?

An applicant will not be disqualified solely based on the proposed location as applicants are not required to submit a location and have up to 12 months to find a location. However, if a zoning verification form is submitted, city staff will evaluate if the zoning requirements are met. If the proposed location is not compliant with the zoning requirements, the applicant will be notified of such.

Is there an appeal process and if so how does it work?

This question was answered during the live webinar. Please refer to the cannabis ordinance and business license regulations regarding license decision appeals.

are they any other formatting requirements other than the 12 point font requirement for the application?

No. There are no other formatting requirements. However, the city recommends using general professional formatting.

Is the evaluation panel only scoring storefront retail applications? If so, who is reviewing other cannabis license types?

This question was answered during the webinar. Additionally, as stated in the application materials, only retail applications will be evaluated by the application evaluation panel. Other applications will be evaluated by city planning staff for zoning and municipal code compliance.

If an identified location does not comply with the code in phase ii, will the application be rejected?

An applicant will not be disqualified solely based on the proposed location as applicants are not required to submit a location and have up to 12 months to find a location. However, if a zoning verification form is submitted, city staff will evaluate if the zoning requirements are met. If the proposed location is not compliant with the zoning requirements, the applicant will be notified of such.

The FAQ specifically states that there will be NO evaluation for properties. There are no scores, and therefore no evaluation. Why are you suggesting it is?

This question was addressed live. An applicant will not be disqualified solely based on the proposed location as applicants are not required to submit a location and have up to 12 months to find a location. However, if a zoning verification form is submitted, city staff will evaluate if the zoning requirements are met. If the proposed location is not compliant with the zoning requirements, the applicant will be notified of such.

so to clarify if you submit a location with your app will you be disqualified if you don't meet the zoning? or would the City allow you to find a different location instead of being denied entirely?

This question was addressed live. An applicant will not be disqualified solely based on the proposed location as applicants are not required to submit a location and have up to 12 months to find a location. However, if a zoning verification form is submitted, city staff will evaluate if the zoning requirements are met. If the proposed location is not compliant with the zoning requirements, the applicant will be notified of such.

If your location changes after submitting your application, can the application be amended?

The application cannot be amended, but as previously stated, an applicant will not be disqualified

solely based on the proposed location as applicants are not required to submit a location and have up to 12 months to find a location.

Can we receive a copy of your presentation?

Yes, the presentation will be posted on the city's cannabis webpage.

Can questions be submitted after 12/30?

This question was answered during the webinar. Questions can be submitted after 12/30 but the city guarantees that they will be answered before your application intake reservation.

Regarding zoning, please confirm that all retail businesses that have ancillary manufacturing, distribution or cultivation are required to be in M1 and M2. The cannabis department emailed this to us, but there is nothing published online about it. The only businesses allowed in C-zone are those without ancillary manufacturing, cultivation or distribution. Please confirm this.

This question has been asked and previously answered. Please refer to the FAQ document for further information.

On the scoring criteria, it outlines points for a “first time minority business owner” in section 1D: significant social equity and in the ownership experience section, there is a maximum amount of points awarded for someone for 10 years. How can an applicant satisfy both of these requirements as they are contradictory.

This question has been asked and previously answered during the webinar. Please refer to the webinar and FAQ document for further information.

are there more points given for an applicant who has retail and distribution in the same building versus an applicant who has a retail store in one building and distribution in another building? if so, how many more points for having them in the same building

This question has been asked and previously answered. Please refer to the FAQ document for further information.

Who is on the Evaluation panel and what expertise do they have?

This question has been asked and previously answered live during the webinar. Please the webinar and the city cannabis ordinance for more information regarding the evaluation panel.

If I'm disqualified, will I receive a refund?

No, you will not receive a refund. Please review the application materials and cannabis ordinance for more information regarding refunds.

how does on give a concept without a property?

This question has been asked and previously answered live during the webinar and also on the FAQ. Please the webinar and FAQ document for more information regarding conceptual design evaluation.

Your FAQ mentions hassidic jews as a minority. Are all jewish people considered minorities or is it literally just hassidic jews?

This question has been asked and previously answered live during the webinar and also on the FAQ. Please the webinar and FAQ document for more information regarding the definition of minority.

**Does the 10 years cannabis experience include operating before California legalized Cannabis?
so how would you obtain full points without a minority owner?**

Questions regarding how points will be allocated have been previously asked and answered on the FAQ document. All relevant experience will be evaluated.

Is the city considering the possibility of extending the deadline?

No, the deadline is 2PM PT on January 19, 2023.

If I am applying for both storefront retail and consumption lounge should I submit 1 application that is a maximum of 100 pages and 25 pages of images?

This question has been asked and previously answered live during the webinar and also on the FAQ. Please the webinar and FAQ document for more information on page limits.

how would you prove prop 215 ownership? especially when collectives are not owned by anyone?

This question has been asked and previously answered live during the webinar. Please review the webinar for more information.

Regarding zoning, please confirm that all retail businesses that have ancillary manufacturing, distribution or cultivation are required to be in M1 and M2. The cannabis department emailed this to us, but there is nothing published online about it. The only businesses allowed in C-zone are those without ancillary manufacturing, cultivation or distribution. Please confirm this.

This question has been asked and previously answered live during the webinar and also on the FAQ. Please the webinar and FAQ document for more information.

Is there a formal appeal process in this ordinance or during this application process?

This question has been asked and previously answered live during the webinar and also on the FAQ. Please the webinar and FAQ document for more information

Entrance into the premises by persons under the age of 21 is prohibited.” – Can customers

under 18 with a valid medical MJ card be allowed to enter? Or do they need to designate a Caregiver 21 years of age or more?

This question has been asked and previously answered live during the webinar. Retailers must comply with all applicable state regulations. More information regarding medical sales is available in the FAQ document.

Is there an appeal process for unsuccessful applicants?

This question has been asked and previously answered live during the webinar and also on the FAQ. Please the webinar and FAQ document for more information.

Hello , Will the cup application fee be refunded if a applicant does not end up being selceted to move forward with retail license ? thanks .

This question has been asked and previously answered live during the webinar and also on the FAQ. Please the webinar and FAQ document for more information.

how would someone prove working in a 215 market?

This question has been asked and previously answered live during the webinar and also on the FAQ. Please the webinar and FAQ document for more information.

Do I need to submit a signed item 5: Waiver and Release of Liability (Form #2), item 6: Verification Authorization (Form #3), item 7: Application Disclosures Form (Form #4) for each owner identified on Applicant/Owner Information Form?

This question has been asked and previously answered live during the webinar and also on the FAQ. Please the webinar and FAQ document for more information.

do we have to do live scans for the application?

This question has been asked and previously answered live during the webinar. Please see the cannabis ordinance regarding Live Scan requirements. In summary, yes, a Live Scan is required if you are selected as a "top applicant".

What are the objective points the review team will look at when scoring the "Overall Quality and thoroughness of application" ?

Information regarding point allocation has been previously asked and answered in the FAQ document. In summary, points will be allocated at the discretion of the evaluation panel.

Do Managers (employees) need to sign the indemnification document?

Owners/applicants must sign the indemnification form.

Does the zoning form count towards your total pages allowed?

No, the zoning form does not count towards the total allowed pages.

Business Plan calls for demonstration of fund - in what format do funds need to be demonstrated? Bank statements? Please define “demonstration”

This question has been asked and previously answered live during the webinar. Please review the webinar for more information.

Peace! I appreciate the Professional Presentation. Do all the fees have to be submitted at the time of dropping off the application?

This question has been asked and previously answered live during the webinar. In summary, application fees are due at the time of submittal.

Can questions still be asked after tomorrow 5pm? Or will they not be answered if emailed after tomorrow?

This question was answered during the webinar. Questions can be submitted after 12/30 but the city makes no guarantees that they will be answered before your application intake reservation.

if you have been convicted of a past cannabis offense, does this disqualify you

No, cannabis offenses do not immediately disqualify applicants. Please see the cannabis ordinance and FAQ for more information regarding minimum qualifications for obtaining a cannabis business license.

So an applicant can score 500 points using ‘conceptual design’ and once getting the cup, will the points be deducted if the ‘conceptual design’ is not viable?

This question was answered during the webinar and on the FAQ document. Please review the webinar and FAQ document regarding the CUP process for more information.

If a person is submitting for a retail and manufacturing in the same building, will that application be allowed up to 50 pages of images because it's application is permitted to be 100 pages in total?

This question was answered during the webinar and on the FAQ document. Please review the webinar and FAQ document regarding page limits for more information.

Will the city favor applicants who apply for multiple licenses toward having a vehicle business in the city versus just one license type?

This question was answered during the webinar and on the FAQ document. Please review the webinar and FAQ document for more information.

In regards to the page count for multiple license types in one location, if an applicant is applying for 4 license types - storefront retail, delivery service within the City as part of storefront retail, manufacturing and distribution, it's our understanding that we are allowed 200 pages total for the application package. Are we limited to 50 pages for each license

type within the 200 pages, or can the applicant allocate any number of pages for each license type as long as the applicant complies with the image page limits?

This question was answered during the webinar and on the FAQ document. Please review the webinar and FAQ document regarding page limits for more information.

The Owner Applicant Info Form has various license types that the applicant is applying for. There are options for Adult-Use Delivery and Delivery Service (within the City). Are these different license types? If so, does the application require fees for each of Adult-Use Delivery and Delivery Service (within the City)?

This question was answered during the webinar and on the FAQ document. Please review the webinar and FAQ document for more information.

An applicant can promise the world on a design to simply score high. When getting a cup, the applicant cannot deliver what was promised, will the points be redacted from the already scored applicant. how is this fair?

This question was answered during the webinar and on the FAQ document. Please review the webinar and FAQ document regarding the CUP process for more information. All applicants have the same application materials and requirements.

Why does an applicant need to submit an application for another license (in addition to retail) to receive full Points in section 1E? When I have other licenses near the city and can demonstrate in my application economies of scale...

You must provide the information the application is asking for to have a complete application. However, there is no requirement to have multiple licenses/businesses within the city.

Does the 12 point font apply to pro formas, image captions, text .on charts, etc? is the decision on the applicaiton appealable?

This question was answered during the webinar and on the FAQ document. In summary, yes, please use 12 point font for all text pages.

Are there margin limits on the pages for the application?

This question was answered during the webinar. In summary, there are no margin requirements.

What are the specific zones that Retail WITH an ancillary business (cultivation, manufacturing, distribution) can be located? M1 and M2 only?

Please see the draft cannabis zoning text amendment and/or the FAQ document, as this information has been provided and can be found on the city website.

can we get a zoning verification if we have a current building prior to the application dead line for retail ?

This question was answered during the webinar and on the FAQ document. Please review to the webinar and FAQ document for more information.

Why is SOP in front of first 8 subheadings under Operations: What does it mean for response purposes? Can you provide an example? i.e., SOP Funding (Start-Up) Why is SOP in front of Financial Plan (Start-Up)

SOP is defined on the score criteria sheet as “standard operating procedures”.

If a retail application submits a bad location, why would you not evaluate the application as not having a set application? It doesn't make sense to disqualify a retail application for a bad location when a location is not required.

An applicant will not be disqualified solely based on the proposed location as applicants are not required to submit a location and have up to 12 months to find a location. However, if a zoning verification form is submitted, city staff will evaluate if the zoning requirements are met. If the proposed location is not compliant with the zoning requirements, the applicant will be notified of such.

When getting a cup, the applicant cannot deliver what was promised on conceptual design , will the points be redacted from the already scored applicant?

This question was answered during the webinar and on the FAQ document. Please review the webinar and FAQ document regarding page limits for more information.

You discussed zoning, but not those questions. Please address them.

This question is unclear. Please review the webinar, FAQ sheet and all provided application materials for more information regarding zoning.

Sub-Section 1D: Community Benefits: Economic Inclusion (Production) - How does this relate to Retail? Are you asking about purchases from Distributors as Retailers do not Produce anything.

Yes. As stated on the scoring criteria sheet, the extent to which products will be purchased from cultivators, manufacturers and brands located in census tracts with income and poverty levels below state averages, will be evaluated. In addition, proposed partnerships and the selection process should be explained.

Because the City has not yet adopted the zoning ordinance, how will applicants be rejected for noncompliance with requirements adopted after submission?

The Zoning Text Amendment has been approved by the Planning Commission. This question was answered during the webinar and on the FAQ document. Please review the webinar and FAQ document.

Do you understand that the winners will be within 5-10 points of each other?

This question was answered during the webinar.

While applying for the CUP, the applicant cannot deliver what was promised on conceptual design, will the points be redacted from the already scored applicant?

This question was answered during the webinar and on the FAQ document. Please review the webinar and FAQ document regarding the CUP process for more information.

Please explain how allocating points based on applicant race does not violate federal law.

This question was answered during the webinar and on the FAQ document. Please review the webinar and FAQ document for more information. In summary, there are no points allocated solely based on race. There are no federal laws that prevent asking if businesses includes first time minority business owners. In fact, there are various state and federal programs created to support minority business owners.

SECTION 3: SECURITY PLAN: Armored Car - Why is there a question asked regarding Armored Cars when Banking is not available to Cannabis businesses?

Banking services are available for cannabis businesses in California. As such, this question is valid and should be answered accordingly.

**we understand the criteria. most people will get close to full points.
please confirm this is a subjectively measured application if this is at the discretion of the scoring committee.**

This question was answered during the webinar and on the FAQ document.

Could I apply for Deliver License Only? Or Do I have to Apply for Adult-Use Retail License in conjunction with the Delivery License. Do Delivery Services Available with the Adult-Use Retail License?

Yes, you may apply for a delivery service license. The city offers two types of delivery service license (within and outside of the city). Please review the application materials and city cannabis ordinance for more information regarding the types of delivery service licenses available.

can you submit a location for retail and not for another use and still get the full points for applying for more than one use?

You will not get points for "multiple businesses/licenses" if you have a single license. Questions regarding point allocation and multiple businesses have previously been asked and answered. Please review the FAQ document for more information.

Can someone get a refund for an application if they withdraw at anytime during the phases? Assuming they had not been disqualified

This question has been previously asked and answered. Please review the FAQ document and

city cannabis ordinance for more information regarding refunds.

will applicants get to make a pitch to the evaluation committee?

This question was answered live during the webinar. In summary, no, there will be no contact between the evaluation panel and applicants. Please review the application materials regarding the city's contact policy for more information.

what does and others mean for minority purposes?

This question has been previously asked and answered. Please review the FAQ document.

Thank you that was not my question. **Anyone could say they have worked in 215 for 15 years. How will you ever vet that?**

This question was answered live during the webinar. Please review the webinar for more information.

When applying for the CUP, the applicant cannot deliver what was promised on conceptual design , will the points be redacted from the already scored applicant?

This question has been asked and previously answered live during the webinar and also on the FAQ. Please the webinar and FAQ document for more information. In summary, applicants will may be conditioned to operate (as a condition of approval for the CUP) as proposed in their cannabis business license application.

Can you clarify how images will be calculated toward the 25 page limit if they are smaller than 1/2 page. For example, if there is a headshot of an owner or photograph of an applicant's existing location that is 1/4 page and the remainder of the page is text, how will you account for that?

This question has been asked and previously answered live during the webinar and also on the FAQ. Please the webinar and FAQ document for more information.

Fee Schedule: Is Cultivation, Manufacturing, Distribution, and Testing Charged Independently per Application \$12,302 Or it represents 1 application for 4 Business. They called this Micro-Business.

There is no microbusiness license in the city. If you plan to have an integrated business (i.e., multiple cannabis businesses/activities), you must submit a separate application fee for each.

Thank you for the thorough presentation this evening. I recognize that you have addressed property many times in response to a number of questions. In the avoidance of all doubt, please confirm that an applicant will receive no additional points for including a retail location over a retail application that does not include a location simply by virtue of including a location?

Specifically, will any preference (scoring or otherwise) be afforded to applicants who submit with property versus those who do not? Apologies for any redundancy in questions, and again - thank you.

As previously advised and indicated on the scoring criteria sheet, there are no points allocated for having a business location. A location is NOT required to apply for a cannabis business license. Please refer to the FAQ document for more information regarding locations.

How can an applicant come up with financial projects without a location? Not knowing how much rent and expenses will be?

This question was answered live during the webinar. Please see the webinar for more information.

The City of West Hollywood collected significantly more in licensing fees than it took to process them and were threatened to be sued since state laws says you cannot profit off of licensing fees. It ultimately resulted in them offering a refund. Is that at all a concern of the City of Hawthorne?

No, this is not a concern as the fees were calculated based on the projected costs. Please review the city fee ordinance for more information.

The FAQ states the City is using the federal definition of minority, but minority is defined differently in various federal regulations. Please specify which federal agency or regulatory code provision definition of minority the City is following in this application

This question has been previously asked and answered. Please review the FAQ document regarding the definition of minority.

As a follow-up to the delivery service type in the Owner Applicant Info form, there are three options for delivery - Adult-Use Delivery, Delivery Service (within the City) and Delivery Service (outside the City). Are there three different delivery license types? You addressed two delivery license types.

This question has been previously asked and answered. Please review the FAQ document.

does the city know if dazzling properties are located in the manufacturing zones where co-located businesses must be located? it seems strange someone can make up a castle concept and end up in a 4 sided box - and while someone else did not promise the world lost, the person with a pie in the sky concept will win. How is that fair or objective?

This issue has previously been addressed. Please refer to the FAQ document regarding conceptual designs.

I do not see any criteria outlined for the non-retail applications. There are no guidelines as to what the City requires in an application for manufacturing, cultivation, distribution or testing lab.

This issue has previously been addressed. Please refer to the FAQ document and application materials for more information

Should an applicant simply make up what they feel should be included in an application covering these license types? The FAQ says ancillary businesses will be scored as a whole with retail.

This issue has previously been addressed. Please refer to the FAQ document and application materials for more information. In summary, no, the applicant should not make up what they think should be covered. Rather, applicants should submit a complete application using the provided application materials.

The FAQ states "Any page that has an image of any sort, including pictures, logos, graphics, etc., will be counted as a page. If the image takes up more than ½ of the page, the page will be counted towards the 25-image page maximum." These 2 sentences conflict. Does any page with an image count as a page or only pages where the image is more than 1/2 the page?

This question has been previously asked and answered. Please refer to the FAQ document.

How will the review panel verify what's realistic and what's not? Will they be able verify if certain proforma projects can be realistic or not?"

This question was addressed during the live webinar. Please review the webinar for more information. In summary, the panel will include a department head from the Finance Department. This individual is qualified to review proformas.

The FAQ sheet does not specify which federal definition of minority is used. There are many federal definitions of minorities - many throughout federal regulations and used by different federal agencies. Please specify WHICH federal definition of minority the City is following.

The FAQ document includes the minority definition the city is using. Please review what was previously provided in the FAQ document, as this question has been asked and answered. The definition is clear and includes which groups are included as minorities. If there are questions about a specific group, please send an email asking if the specific group qualifies.

In the event I find a location, and I'm not sure if it's in the proper Zone, Is there an opportunity for us to have the proper channels confirm the location is legit to go forward with a prospective lease?

Yes. As indicated in the application materials and FAQ, applicants can submit their zoning verification form for review with their application. If the location does not meet the zoning, applicants will be notified of such. Applicants have up to 12 months to find a compliant location.

How many people on the panel have cannabis experience?

This question was addressed during the live webinar. Please review the webinar for more information.

Does each panel review each app individually or is it once as a group?

Both. The panel will review applicants individually and ultimately score and rank as a collective group.

Will the Powerpoint also be available?

Yes. The webinar presentation will be added to the city's cannabis webpage.

The ordinance states that there are 2 types of consumption lounges. Edible and then Edible/smoking/vaping. Is the City still planning to issue edible consumption licenses given the restricting state regulations?

At this time, only applications for lounges (edible, smoking and/or vaping) with retail will be accepted. All operators are required to meet all state requirements and comply with city and state regulations.

UPDATE 1.18.23 (final application FAQ update)

Can you advise if any of the cannabis licenses will be awarded on an equity basis? Or is social equity not even a factor?

The city has not adopted a Social Equity program. Please review the application scoring criteria for more information regarding what factors will be evaluated by the Evaluation Panel.

Should an application for an integrated business with retail and distribution at separate locations be submitted as a single package or two separate applications. If they are submitted as two separate applications but have an integrated model, will they be awarded some points for operating more than one business in the city.

Please review the application instructions. You can submit businesses at separate locations as separate applications or together, depending on your business model. Points for multiple operations will be evaluated if it is indicated in the retail application that there are multiple operations associated with the retail location.

If an application is applying for a retail and distribution activities on the same property, in case they are selected as top 6, will they have to pay only one CUP fee or two CUP fees? (One for retail, one for distribution).

The CUP fee is paid for the project. As such, there is only one CUP application fee per property (includes all activities within the building).

For this section, 50 points total can be awarded. Could you please clarify if 50 will be awarded for the overall quality and detail of the SOP items listed below that (Funding, Financial Plan, Customer Education etc.) or does it need to be its own separate section?

This section is referring to all operations and operating procedures presented for Sub-Section 1C: As such, point allocations will be evaluated based on the overall quality and detail of the proposed operating procedures including the financial plan, funding, financial plan, etc.

Can you please provide guidance for submitting a payment via cashier's check given that we can not include an Application ID after the check has been drafted?

*INTAKE RESERVATIONS: At the time of your intake reservation, applicants will arrive at City Hall and check-in on the 2nd Floor for their intake reservation or join the walk-in queue if they do not have a reservation. At that time, the intake coordinator will provide applicants with their applicant ID and confirm their application payment amount on the application cover sheet. The applicant will then be instructed to take the cover sheet (with applicant ID) downstairs to the Cashier's office for payment processing. Once the payment has been made, the applicant will bring the receipt back up to the intake counter, at which time, the applicant can submit their application. **The city will not accept any application before payment is made. The Cashier's Office will not accept any payments from applicants who have not first checked-in for their reservation or joined the walk-in queue.***

Please be advised, at least one owner/applicant must be present to submit the cannabis business license application and sign the application checklist.

Can you tell me when you plan to post the recorded webinar, so I can get access to the set of questions and responses that are only available there?

You can find the presentation on the City's Youtube channel <https://youtu.be/UoU3TqHZo4E>.

Do you have any guidance in terms of acceptable font sizes for images with text? For instance can we decrease the font size of a chart or graph in order for it to fit on one page while still ensuring optimal readability?

As indicated on the FAQ, charts and graphs will be counted as images, and count towards the 25-max image limit. As such, you may decrease text size on charts, graphs and images.

Can you confirm that a standard check issued from a business/personal checking account will be acceptable as payment for the application fees and that a cashier's check is not required?

The City Cashier's Office accepts personal and business checks.

I have read thru the FAQs and the answers provided to address the public questions that were submitted. We understand that we will need to show up to get on the list to get in the queue. What time can we arrive to get on the list? 10am? Do you stop reviewing applications at 2pm? Is there a specific place that we need to go within City Hall to get on the list? If we are put on the list tomorrow but do not get to be seen tomorrow, do we stay on the list for the following day or do we need to arrive the next day to get on the list again? Is there currently a list for walk-ins? If so, can you share with us how many ppl are on the list? Is it reasonable to assume that we will be seen if we are on the list? If we are on the list, do we need to wait there on the premises or will we be called for the time when we can be seen?

Yes, you can submit a complete application without a reservation. Walk-ins will be accommodated on a first come basis. To join the waiting queue for a walk-in appointment, please visit the Cannabis intake counter located on the 2nd Floor of City Hall. Applicants can join the waitlist 10:30AM – 2:00PM, M-Th through January 19, 2023 (the last day to apply). If

you are unable to be seen the day you walk-in, you can return the following day or any day BEFORE the 2:00PM January 19, 2023, deadline.

In an email from Gregg McClain, he stated that "a retail co-location with distribution or cultivation can only be permitted in the industrial zones (M-zones)." Please confirm the following in the FAQ. Is the only zone that will be permitted for Retail with Cultivation / manufacturing / distribution an M-zone?

Yes, retail businesses with an ancillary industrial/manufacturing type of use (for example, distribution, manufacturing or cultivation) must be located in one of the M-zones. As previously addressed on the FAQ document, stated in the zoning text amendment and Ord 2237, the approved zones for cannabis are as follows:

CANNABIS USE	ZONE	
	All C-zones	All M-zones
Retail with or without consumption lounge or ancillary delivery service	CSA & CUP*	CSA & CUP*
Commercial indoor cultivation, delivery service not ancillary to retail, distribution, manufacturing, or testing laboratory	NP	CSA
Commercial outdoor cultivation (greenhouses included)	NP	NP

Key: CUP – Conditional Use Permit; CSA – Cannabis Screening Application; NP – Not Permitted

* Only one CUP is required for retail. Delivery or consumption that is ancillary to retail is covered by the retail CUP.

As indicated on the chart above (excerpt from Ord. 2237), Cultivation, delivery not ancillary to retail, distribution, manufacturing, and testing businesses are not permitted (NP) in retail zones. They are allowed in all M zones with a cannabis screening application and ultimately a cannabis business license.

In the application scoring criteria, up to 60 points are being awarded to retail applicants who also apply for a non-retail ancillary business such as cultivation, manufacturing, and/or distribution AND who operate these businesses on the **same** premises as their retail business (co-locate). But, applying for this ancillary license on the same property will knock the retail business out of the commercial zone and into an industrial manufacturing zone. This seems a bit unfair. By applying for an additional non-retail license, and qualifying for the additional points, an applicant loses the opportunity to be in a more desirable zone, i.e. commercial. Is the City willing to consider allowing retail businesses with distribution to locate in the commercial zone?

No, the city will not consider allowing distribution in the commercial zone as the current zoning code does not permit such.

Please confirm that the only way a retail business can operate in a commercial zone, is if they apply **only** for a retail license with/without delivery and/or consumption. Any other license type will render the business ineligible for a commercial zone.

Retail businesses can only operate retail uses, as indicated by the zoning code, in the commercial zone. However, retail applicants may apply for other cannabis uses in the M-zone. As previously stated, industrial/manufacturing-type uses are not currently permitted in the commercial zones.

Up to 60 points are being awarded to applicants who also apply for non-retail businesses. Will any points be awarded if the applicant chooses to utilize two separate buildings for these licenses due to the restrictions on commercial zone use? In other words, are any points possible of the 60 if the applicant does not combine the non-retail business with the retail business in the same building but instead ops for two buildings?

This question has been addressed on the FAQ a number of times. Please review the FAQs for additional information. As previously explained within the FAQ document, yes, partial points may be awarded on the quality of the information presented, as outlined in the scoring criteria. Points will be awarded based on applicant's ability to demonstrate business design and operational efficiencies, within the context of the overall Business Plan. The points allocated for integrated business models are designed to encourage operators to utilize the same building for the various cannabis business activities. The number of points awarded will be determined based on how the applicant demonstrates efficiency with building space. For example, utilizing one building for multiple cannabis activities will result in a higher score than having multiple buildings with one licensed activity in each building. The application will be scored at the Evaluation Panel's discretion.

The ordinance says that "up to 3 licenses are reserved for retail with consumption." If Applicant A applies for a retail only license, but Applicant B applies for a retail w/ consumption, will they be scored and ranked against one another? In other words, are all applications that include consumption being separated from retail without consumption?

Yes, all retailers will be subject to the same scoring criteria.

If 6 applicants apply for retail without consumption, and 3 applicants apply for retail with consumption, and the 6 applications without consumption score the highest, how will the licenses be awarded? Will the top 3 be given to retail without consumption and the next 3 to retail with consumption? In other words, does an applicant applying for consumption have to score in the top 6 to receive a license in a pool with non-consumption applicants combined?

As indicated in the cannabis ordinance, up to three lounge licenses may be awarded. If the top applicants do not have a business plan that includes a lounge, the city may not grant a lounge license.

It appears that many applicants applying for a retail license are unaware that if they add on a non-retail license they must locate in the industrial zone. If an applicant applies for a retail license combined with non-retail and propose in their application one building for all uses in order to achieve the 60 points for integrated businesses, will they be permitted to utilize two buildings after winning the license if they cannot locate a building that works with their concept?

Yes, applicants may utilize more than one building to accommodate their business plan. However, changing the original business plan to locate all business activities in one location will result in the application being re-scored, points re-allocated, or my application re-ranked. If the applicant changes the business proposal during the Conditional Use Permit process, the applicant's CUP application may be subject to termination. Additional information regarding how the City will enforce CUP conditions is available within the FAQ document. Please be sure to review the City's disclaimer regarding application scoring of Sub-Section 1E: Multiple Operations. You can find the disclaimer on the City's cannabis page.

What structure is in place to ensure that applicants do not submit an application for retail and non-retail businesses in one building simply to achieve the 60 points being offered for this type of business, but then separating the businesses into different buildings after being awarded the opportunity to move forward?

This question has been asked and answered within the FAQ document and Sub-Section 1E: Multiple Operation Disclaimer.

Has the consultant / cannabis lawyer selected by the City to facilitate the merit-based process ever represented cannabis retail businesses who might be applying for licenses in the City of Hawthorne?

As previously addressed in the webinar, in the ordinance and application materials, the Evaluation Panel is made up of 7 city department heads. The city's cannabis consultants were not hired to facilitate the application review/scoring process. That process will be handled by the Evaluation Panel (city staff).

There has been a lot of discussion as to the definition of minority for purposes of section 1D Significant Social Equity Component. All of the definitions seem to imply that the City will be awarding points based on ethnicity of an applicant. Please confirm that it is the City's intent to award points in this category for business owners of minority ethnicity groups.

This question has been asked and answered within the FAQ document.