



**COMMERCIAL CANNABIS BUSINESS
APPLICATION PROCEDURE GUIDELINES
RETAIL**

**Application Deadline
OPENS – FRIDAY, DECEMBER 4, 2020
CLOSES – THURSDAY, JANUARY 7, 2021 AT 6:00 PM**

Information regarding the Commercial Cannabis Business (CCB) Application process can be found on the City's website at <https://www.oxnard.org/cannabis>.

The application process to operate a CCB in Oxnard will open on December 4, 2020, and close at 6:00 p.m. on January 7, 2021. CCB Applications will be available online – see: <https://www.oxnard.org/cannabis>.

For questions regarding the CCB Application process, please review the information on the Oxnard website: <https://www.oxnard.org/cannabis>. This CCB Application process is adopted pursuant to Oxnard City Code Chapters 11 and 16 (as such provisions read as of January 14, 2021 when Ordinance 2994 becomes effective), and is subject to the provisions of those Chapters. All applicants are subject to the City's Local Equity program as approved by the City Council on October 20, 2020 (see Attachment A - Cannabis Community Benefit Agreement and Local Equity Program).

CCB APPLICATION SUBMITTAL REQUIREMENTS

All CCB Application materials required for Phases 1-3, must be submitted with the Phase 1 CCB Application submittal. To be considered a responsive submittal, items 1-5 are required to be submitted by no later than 6:00 p.m. on January 7, 2021, to City of Oxnard, Planning Division, 214 S. C Street, Oxnard, CA 93030. Postmarks will not be accepted.

1. One (1) signed original CCB Application (pages 1-8); including one (1) signed copy of the acknowledgement of, and agreement to participate in, the City's "Cannabis Community Benefit Agreement and Local Equity Program" (see Attachment A);
2. One (1) hard copy of all of the submittal requirements found at the bottom of page one (1) of the CCB Application form;
3. Payment of Phases 1-3 application fees as identified on the Commercial Cannabis Procedures Guidelines. If the Applicant submitted one CCB Application in the prior City CCB process that opened on February 18, 2020 through May 22, 2020, the Applicant shall **NOT** be required to pay the Phases 1-3 application fees for Phases 1-3 for a new CCB Application. An applicant who previously submitted more than one CCB application in the prior City CCB process shall receive a fee waiver on a one-for-one basis;
4. Proof of initiation of background check documentation is required for each owner, Board of Directors and person(s) who will control, direct or manage the operations of the facility. Upon submission of the online background application via HdL, applicants will receive an email confirmation. This confirmation is required to be included in the submittal package. If the Applicant previously received a preliminary

background check via HdL between February 18 - May 22, 2020, for owners, Board of Directors and persons who will control, direct or manage the operations of the facility, a copy of prior background checks may be submitted; and

5. A USB flash drive containing a scanned copy of the signed CCB Application (pdf format) and all of the submittal requirements found at the bottom of page one (1) of the CCB Application form (pdf format).

Please Note: Responses to the Evaluation Criteria (Sections 1-8 found in the Appendix A of the Application Procedures Guidelines) shall be limited to 125 pages. Only File #3 below is limited to the 125 page limit.

Submittal documents must be saved in a separate digital file from the Evaluation Criteria. Separate PDF files must be saved on the USB flash drive as follows:

- File #1 – CCB Application with signatures (pages 1-8), including copies of Phases 1-3 payment receipts, as relevant.
- File #2 - Background Check documentation is required for each owner, Board of Directors and person(s) who will control, direct or manage the operations of the facility. Upon submission of the online background application via HdL, applicants will receive an email confirmation. This confirmation is required to be printed, scanned, and included within PDF File #2. Alternatively, if the Applicant previously received a preliminary background check via HdL between February 18 - May 22, 2020, copies of the prior background check(s) may be submitted.
- File #3 – Evaluation Criteria - Responses to Sections 1-8 (from Appendix A) and limited to 125 pages.
- File #4 – Proof of Capitalization - Current bank statements, loan documents, promissory notes, financial and commitment letters.

CITY'S RESERVATION OF RIGHTS

The City reserves the right to reject any and/or all applications, with or without cause or reason. The City may modify, postpone, or cancel the request for a CCB license without liability, obligation, or commitment to any party, firm, or organization. The CCB applications and the subsequent City review of those applications will be pursuant to those City regulations that exist as of January 14, 2021, when Ordinance 2994 becomes effective. In addition, the City reserves the right to request and obtain additional information from any candidate submitting an application. Late applications WILL BE REJECTED. Furthermore, an application RISKS BEING REJECTED if:

- It is not fully responsive to this request for a CCB application.
- It contains excess or extraneous material not called for in the CCB application procedures guideline and exceeds 125 pages (File # 3) in response to the evaluation criteria.
- It does not contain the required elements, exhibits, nor organized in the required format.
- The issuance of the CCB license at the proposed location is inconsistent with State law or applicable Oxnard City Code provisions.

AMENDMENTS TO THE APPLICATION

Applicants will not be allowed to make amendments to their application or to supplement their application, except as otherwise specifically permitted in these procedures, or posted on the City's Website as an update clarification, or as authorized in writing by the City Manager or his/her designee.

During Phase 1, HdL staff will conduct a preliminary evaluation of the applications for completeness and will reject any application that is missing a major component (i.e. a Security Plan), notifying the applicant by email. Substantive evaluations of the applications will occur during Phase 2. At that time, the City will notify applicants by email if their applications are found to be missing minor requirements (for example, signatures/dates on forms, proof of payment receipts or missing scanned pages in one of the scoring criteria documents). If this is the case, Applicants may be granted five days from the date of the email to submit the required supplemental information. Furthermore, Applicants will be notified if their application is incomplete or if there is any other reason for which they will not be moving forward in the application process.

The following procedures outline the application evaluation and selection process, required materials, and other information necessary to apply for a permit to operate a CCB in Oxnard.

ZONING CLEARANCE (ZC)/ZONING VERIFICATION LETTER (ZVL)

A City-issued ZC/ZVL must be included with the CCB Application (Phase 1). If the Applicant has received a ZC/ZVL for the same property in the prior City CCB process, the Applicant may resubmit that same letter. For those applicants who have not previously received a ZC/ZVL for a prospective retail site, a request must be made for a ZC/ZVL along with payment of the required fee (\$210.00). Contact (805) 385-7863 or Jose.Coyotl@oxnard.org for questions regarding the ZC/ZVL process. To submit a request for a new site, complete the Request for Zoning Verification ([Zone Verification Form](#)) and pay the required fee. Payment must be made by certified check, cashier's check, or money order made payable to the City of Oxnard. **The City will not accept cash, or credit card payment and application fees are non-refundable.**

A Request for a Zoning Verification can be emailed to Jose Coyotl at Jose.Coyotl@oxnard.org. If an applicant elects to email a request, a hard copy of this request should accompany the payment. The request and payment should be mailed to Jose Coyotl, Associate Planner, City of Oxnard, Planning Division, 214 S. C Street, Oxnard, CA 93030. No new requests for ZC/ZVL's will be accepted after 5 p.m. on December 18, 2020.

The issuance of a ZC/ZVL does not constitute written evidence of permission given by City or any of its officials to operate a cannabis business, nor does it establish a "permit" within the meaning of the Permit Streamlining Act, nor does it create an entitlement under the Zoning Code, Building Code or the Oxnard City Code. A regulatory permit for a CCB does not constitute a permit that runs with the land on which the cannabis business is established. Please note that the cannabis business will require a discretionary permit. This is a separate application that will be made only after final evaluation and ranking by the City (Phase 4 below).

SUPPLEMENTAL BACKGROUND APPLICATIONS

Consistent with Chapter 11, Article XVII, Section 11-480 of the OCC, no person shall be issued a permit to operate a CCB unless a determination has been made that the Police Department accepts the results of the background check. This will consist of a provisional background check by means of an online portal available at https://hdlcompanies.formstack.com/forms/bc_oxnard. A fee of \$300 will be required for the background check; this fee will be collected via HdL when you initiate the HdL background check. Upon completing the online background check form, each applicant will be required to print an online receipt for all owners which must be submitted with the application as proof of completion.

If you already received a provisional background check from HdL as part of the City's prior retail cannabis application process, you do not need to request a provisional background check again. All applicants and prospective cannabis owners are required to receive a provisional background check. Copies of these requests for background checks should be submitted with the application materials as described in the submittal requirements at the beginning of this document.

Individuals who do not meet the State and/or City's eligibility requirements will be disqualified. Eligibility disqualifiers may be found in State Law BPC Division 10, Chapter 5, Section 26057 (B) (4) and the Oxnard City Code.

FEES & PAYMENT OF APPLICATION FEE

All applicants will be required to submit payment in the amount of \$8,236.87 for Phases 1 through Phase 3 (Phase 1: \$2,329.68 (Fixed Fee), Phase 2: \$3,067.79 (Fixed Fee), and Phase 3: \$2,839.40 (Deposit)). As Phases 3 and 4 are deposit based fees, applicants are advised that they may be required to pay additional amounts if selected to participate in Phases 3 and 4. Phase 4 will be at a minimum an additional \$7,326.65, and is required for the sole purpose of the City's completion of the CCB permit application review process. In addition to these costs, a provisional background check fee of \$300 will be required per owner and should be paid directly to HdL.

The individual designated as the Cannabis Business contact on the application will be notified by e-mail if the application is advancing or not to subsequent phases. The amount of the final fee charged will depend on if the Applicant is still under consideration for a commercial cannabis business permit.

Payments must be made by a certified check, cashier's check or money order made payable to the City of Oxnard. The City will not accept cash or credit cards and application fees are non-refundable. However, any remaining balance not used from the fees resulting in the Applicant not participating in any phase of the process will be returned to the Applicant.

Exception to Required Phases 1-3 payment: If the Applicant submitted one CCB Application in the prior City CCB process that opened on February 18, 2020 through May 22, 2020, the Applicant shall not be required to pay the Phases 1-3 application fees for Phases 1-3 for a new CCB Application. An applicant who previously submitted more than one CCB application in the prior City CCB process shall receive a fee waiver on a one-for-one basis. Please be advised that if you advance to a Phase in which you did not pay the fees from the previous process, you will be required to pay them in order to participate in that Phase.

Phase 1: Application Submittal and Determination of Eligibility

Fee: \$2,329.68 (Fixed Fee)

City Hall is currently closed to the public because of the COVID-19 pandemic; therefore, applications will only be accepted via US Mail and/or drop off at City Hall. Applications either mailed or dropped off in the Cannabis Drop Off Submittal Box must be submitted and received, which constitutes submittal of all application materials and payment of all required fees, as warranted, by 6:00 pm on January 7, 2021. Postmarks will not be accepted as a timely submission. LATE APPLICATIONS WILL NOT BE CONSIDERED.

If you are dropping off your application, it should be placed in the Cannabis Drop Off Submittal Box located outside of the Service Center (glass doors facing the municipal parking lot) at 214 S. C Street, Oxnard CA 93030. If mailing the application, they should be mailed to: City of Oxnard, Planning Division, Attn. Jose Coyotl, 214 S. C Street, Oxnard, CA 93030.

Phase 2: Application Evaluation and Initial Ranking (1,200 points)

Fee: \$3,067.79 (Fixed Fee)

During Phase 2, the City Manager or his/her designee will review and score each application using a merit-based system. The top Applicants which score a minimum of 80% or higher (960 points) in Phase 2 will advance to Phase 3. The decision as to how many Applicants will be interviewed will be determined by the quantity of applicants and the overall quality that the City receives. Applicants will be evaluated based upon the criteria below. See APPENDIX A for a description of the evaluation criteria to be scored in this phase.

- Section 1. Business Plan (500 Points)
- Section 2. Labor and Employment Plan (300 Points)
- Section 3. Safety Plan (200 Points)
- Section 4. Security Plan (200 Points)

- Section 5. Executed Cannabis Community Benefit Agreement and Local Equity Program (see Attachment A -- Pass / Fail)

Phase 3: Interviews and Second Ranking (1,800 points)

Fee: \$2,839.40 (Deposit)

During Phase 3, the City Manager or his/her designee will review and score each application using a merit-based system, evaluating the following categories based on the written materials provided, as well as the applicants interview.

Applicants will be interviewed and evaluated based upon the criteria below. See APPENDIX A for a description of the evaluation criteria.

- Neighborhood Compatibility Plan (550 Points)
- Location (550 Points)
- Cannabis Community Benefits (150 Points)
- Qualifications of Owners (550 Points)

Upon the completion of Phase 3, the City Manager's designee(s) will tabulate the aggregate scores of all applicants from Phases 2 and 3 to create a final ranking, subject to final approval by the City Manager. The purpose of the rankings is to produce an Eligibility List, which the City Manager will use to determine which applicants may file an application seeking a Special Use Permit at a specific location and, if such SUP is granted and conditions met, be issued a Commercial Cannabis Business Permit.

Phase 4: Authorization to File an Application for a Special Use Permit at Specific Location

Fee: \$7,326.65 (Deposit)

Applicants selected from the eligibility list will be eligible to apply for a special use permit as a retail or Local Equity Applicant at a specific location (Phase 4). The number of applicants selected is based upon the total number of retail cannabis businesses allowed by Chapter 11, Article XVII of the OCC. However, the City reserves the right to select a lesser number of applicants or to no applicants at all. The top Applicants, who are authorized to apply for a discretionary permit, should be prepared to attend all discretionary permit hearings to represent their request for a Special Use Permit and to respond to questions.

A Commercial Cannabis Business Permit will not be issued to an applicant selected from the eligibility list until the City's Community Development Director affirms that the applicant has obtained all required land use approvals and complied with all required conditions of approval. (OCC Section 11-457(D).)

LAND USE & BUILDING PERMIT PROCESS

The final selected applicants will be authorized to submit an application for a Special Use Permit (SUP) to the Community Development Department; review of this discretionary permit will occur in accordance with City regulations and the California Environmental Quality Act (CEQA).

The selection of the applicants does not constitute a land use entitlement and does not waive or remove the requirements of applying for and receiving permits for all construction including: electrical, plumbing, fire, planning permits or reviews, and any other permits, licenses, or reviews as may be required by the relevant departments or governmental entities in charge of said permits. The selection also does not guarantee that the plans submitted via the application process meet the standards or requirements in Chapter 11, Article XVII, and Chapter 16, or any other permit requirements from other City departments or agencies.

CONTACT

If you have any questions or would like an update on the status of your application, please contact the Planning Division at 805.385-7878 or by email at cannabisinfo@oxnard.org.

APPENDIX A: EVALUATION CRITERIA

All of the following information must be submitted on a USB thumb drive/flash drive in PDF format. Response to items 1-8 may not exceed 125 pages. Please do not save any documents in Word format when the application is filed. Responsive documentation shall be saved as a separate digital folder.

CRITERIA

1. BUSINESS PLAN *Criteria to be evaluated and scored during Phase 2*

- 1.1. A budget for construction, operation and maintenance, compensation of employees, equipment costs, utility cost, and other operation costs.
- 1.2. Proof of capitalization in the form of documentation of cash or other liquid assets on hand, Letters of Credit or other equivalent assets.
- 1.3. 3-year pro forma for at least three years of operation.
- 1.4. Fully describe hours of operation and opening and closing procedures.
- 1.5. Fully describe the day-to-day operations for each license type being sought.
 - 1.5.1. Additional criteria for **RETAIL** applications only:
 - a. Describe customer check-in procedures.
 - b. Identify location and procedures for receiving deliveries during business hours.
 - c. Identify number of Point-of-Sale locations and estimated number of customers to be served per hour/day.
 - d. Describe the proposed product line and estimate the percentage of sales of flower and manufactured products.
 - e. Describe the product handling procedures.
 - f. If proposed, describe delivery service procedures, number of vehicles and product security during transportation.
- 1.6. Fully describe cash handling procedures.
- 1.7. Fully describe inventory control procedures including identification point-of-sales and track and trace software.

2. LABOR AND EMPLOYMENT PLAN *Criteria to be evaluated and scored during Phase 2*

- 2.1. Describe compensation to and opportunities for continuing education and employee training.
- 2.2. Describe the extent to which the CCB will be a locally managed enterprise whose owners and/or managers reside within the Ventura County area.
- 2.3. Describe the number of employees, title/position and their respective responsibilities.
- 2.4. Thoroughly describe employee policies and procedures (complete manuals are not required to be submitted).

3. SAFETY PLAN *Criteria to be evaluated and scored during Phase 2*

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

- 3.1 The Safety Plan shall be prepared by a professional fire prevention and suppression consultant. An assessment of the facility's fire safety plan by a qualified licensed fire prevention and suppression consultant. An appropriate plan will consider all possible fire, hazardous material, and inhalation issues/threats and will have both written and physical mechanisms in place to deal with each specific situation. Identify all gases and/or chemicals to be used and their storage locations (testing).
- 3.2 Identify fire alarm and monitoring system including the name and contact information for the alarm company
- 3.3 Describe accident and incident reporting procedures
- 3.4 Describe evacuation routes
- 3.5 Location of fire extinguishers and other fire suppression equipment
- 3.6 Describe procedures and training for all fire and medical emergencies

- 3.7 Describe and identify the location of all gas monitoring equipment A detailed diagram of the overall facility's safety features.
- 3.8 Written description of safety features, including but not limited to fire prevention, suppression, HVAC and alarm systems.
- 3.9 Clarify if your building has sprinklers?
- 3.10 What date was the subject building constructed?

4. SECURITY PLAN *Criteria to be evaluated and scored during Phase 2**

A thorough Security Plan should consider all access control, inventory control, cash handling procedures. **Complete policy/procedures manuals are not required at this point of the application process.** Please only provide a detailed description for each criteria which incorporates the following provisions:

- 4.1. The Security Plan shall be prepared by a professional security consultant.
- 4.2. Premises (Security) Diagram. In addition to diagrams submitted for other sections of the application, applicants are expected to submit a premises diagram (floor plan, detail) which focuses on the proposed security measures and how they relate to the overall business. (Pursuant to CCR Title 16, Division 42, §5006. Premises Diagram).
 - 4.2.1. The diagram all be accurate, dimensioned and to scale (minimum scale 1/8") the scale may be smaller if the proposed location exceeds more than a 1/2 acre parcel but must not be printed on larger than an 11" x 17" sheet of paper. (**Blueprints and engineering site plans are not required at this point of the application process**).
 - 4.2.2. The diagram must be drawn to scale and clearly identify property boundaries, entrances, exits, interior partitions, walls, rooms, windows and doorways. The activity in each room and the location of all cameras must be identified on the diagram.
 - 4.2.3. Description of cannabis activity that will be conducted in each area of the premise. Commercial cannabis activities that must be identified on the diagram/floor plan may include but are not limited to the following if applicable to the business operations; storage areas, batch sampling areas, loading/unloading of shipment areas, packaging and labeling, customer sales areas, training areas, employee break room areas, and testing areas.
 - 4.2.4. Limited-access areas, defined as areas in which cannabis goods are stored or held and only accessible to a licensee, its employee or contractors, and areas used for video surveillance monitoring and storage devices (Pursuant to CCR Title 16, Division 42, §5000 (m) Limited-Access Area and §5042. Limited-Access Area).
 - 4.2.5. Number and location of all video surveillance cameras.
- 4.3. Identify intrusion alarm and monitoring system including the name and contact information for the monitoring company.
- 4.4. Discuss whether the CCB will utilize the services of on-site security guards. Include in the discussion:
 - 4.4.1. Number of guards
 - 4.4.2. Hours guards will be on-site
 - 4.4.3. Locations they will be positioned
 - 4.4.4. Their roles and responsibilities

*** Security plans will not be made public.**

5. NEIGHBORHOOD COMPATIBILITY PLAN *Criteria to be evaluated and scored during Phase 3 only*

- 5.1. Describe how the CCB will proactively address and respond to complaints related to noise, light, odor, vehicle and pedestrian traffic, including security protocols and measures, such as crime prevention through environmental design (CPTED).
- 5.2. Describe how the CCB will provide a positive contribution in and around the subject location and how it will be managed so as to avoid becoming a nuisance or having impacts on its neighbors and the surrounding community.
- 5.3. Provide a well thought out justification and business rationale for the selected cannabis retail location and store.

- 5.4. Describe odor mitigation practices:
 - 5.4.1. Identify potential sources of odor.
 - 5.4.2. Describe odor control devices and techniques employed to ensure that odors from cannabis are not detectable beyond the licensed premises.
 - 5.4.3. Describe all proposed staff training, and system maintenance plans.
 - 5.4.4. Describe the waste management plan. The plan shall include waste disposal locations, security measures, and methods of rendering all waste unusable and unrecognizable.

6. LOCATION *Criteria to be evaluated and scored by City staff during Phase 3 only*

- 6.1. In addition to the location related details provided in the CCB Application (pages 1-9), the application shall include a thorough description of the proposed location, including but not limited to the overall property, building and floor plan.
- 6.2. The proposed location must have the appropriate zoning and meet all the locational requirements as described in the OCC, including OCC Section 11-473.
- 6.3. The application shall include photographs of the front (street facing) side of the building. In the event the proposed location is undeveloped land, photographs shall depict the property from all vantage points of the property.
- 6.4. Premises (Site) Diagram for each proposed location. In addition to diagrams submitted for other sections of the CCB Application, applicants are expected to submit a premise/site diagram that focuses on the overall property, building and floor plan. **(Blueprints and engineering site plans are not required at this point of the application process):**
 - 6.4.1. A Premise (Site) Diagram must be accurate, dimensioned and to-scale (minimum scale of ¼"). The diagram shall provide a detailed description of all available/shared parking spaces, driveway locations, and auxiliary buildings on the parcel.

7. CANNABIS COMMUNITY BENEFITS *Criteria to be evaluated and scored by City staff during Phase 3 only*

- 7.1. In addition to the City's minimum requirement pertaining to Cannabis Community Benefit and Local Equity, your CCB Application should describe the additional plans for hiring local residents and the additional contributions above and beyond the City's minimum requirements (see Attachment A). Benefits may be in the form of volunteer services, monetary donations to local non-profit organizations, financial support of City sponsored activities or organizations, in kind donations to the City or other charitable organizations and/or any other economic incentives to the City. Consult the City's Cannabis Community Benefit Program.

8. QUALIFICATION OF OWNERS *Criteria to be evaluated and scored by City staff during Phase 3 only*

- 8.1. Experience - Demonstrate the business Owner's experience in owning, managing and operating a retail cannabis business. For purposes of this section, Owner shall mean the State definition of owner in the State Business and Professions Code Section 26001 and all persons, companies, or entities that will be directing, controlling, and/or managing the day to day operations of the business. Evidence that prior experience was from legally permitted activities.
- 8.2. Cannabis Industry Knowledge - Overall knowledge of the cannabis industry (as demonstrated throughout the screening application), including identification of how industry best practices and state regulations have been incorporated in existing/prior legal businesses outside the City of Oxnard.
- 8.3. Ownership Team - Describe the involvement of the ownership team in day to day operation of the business. Owner is defined based upon the State definition of owner; see State Business and Professions Code Section 26001.

ATTACHMENT A
City of Oxnard
City Council Approved
Cannabis Community Benefit Agreement
and Local Equity Program

The City of Oxnard is reserving three (3) retail cannabis permits for Local Equity Applicants and 13 retail cannabis permits for all other retail cannabis applicants. Applicants who meet the definition in Oxnard City Code Sections 11-454(MM) and (NN) shall be considered a Local Equity Applicant.

All applicants (Retail and Local Equity applicants) must sign a separate Community Benefits Agreement as a condition of approval for the issuance of the Commercial Cannabis Business Permit.

1. All Cannabis Applicants - One time Payment

- a. One time payment amounts by cannabis operator type, including timing for payment of one time funds, prior to issuance of a certificate of occupancy:
 - \$25,000 for manufacturing and distribution;
 - \$250,000 for retail cannabis applicants;
 - \$50,000 for cannabis cultivation and testing
- b. Local Equity Applicant operators pay the one time payment of \$250,000 over the course of three years. The first payment of \$83,333 is due prior to issuance of a certificate of occupancy. The subsequent annual payment amount of \$83,333 is due at the time of business tax certificate license renewal for year 2 and for year 3. Such amounts will be in addition to the yearly business license fee/process and voter approved taxes.

2. All Cannabis Applicants - Yearly 1% of gross revenues donation to City of Oxnard

- a. 1% of gross revenue donation required with yearly business license fee/process. This amount is in addition to the license fee and the City cannabis taxes.

3. Local Hire

- a. 75% of the employees of retail dispensary and cannabis manufacturing operators are required to be City of Oxnard residents.
- b. 50% of the employees of cannabis cultivation operators are required to be City of Oxnard residents.
- c. There is no local hire requirement for cannabis distribution and testing operators.

4. Local Equity Applicant Operators

- a. A minimum of 40% of Local Ownership is required for applicants who wish to be considered as a Local Equity Applicant.
- b. Local Ownership shall not fall below 40%, at any time while the Commercial Cannabis Business Permit and/or the Special Use Permit issued to a Local Equity Applicant is in effect.
- c. Yearly Reporting - Local Equity Applicants operators and the natural person(s) who claim Local Ownership in a Local Equity Applicant operator will be required to certify under penalty of

perjury that a minimum of 40% of the ownership of the business is owned by one or more City of Oxnard residents. Such local residency shall be maintained and verified on a yearly basis as part of the business license renewal process on forms prepared by the City.

- d. Factors used to determine local residency shall include (as applicable) but are not limited to the following: ownership or rental of dwelling unit within the city's corporate boundaries that is the primary residence; California driver's license with a residential address within the city's corporate boundaries that is the primary residence; voter registration at a residential address within the city's corporate boundaries that is the primary residence; residential address within the city's corporate boundaries used for filing state and federal income tax returns that is the primary residence; and the natural person does not have a homestead exemption in any jurisdiction other than within the city's corporate boundaries.
- e. The City reserves the right to verify the accuracy of the certifications. The Local Equity Applicant and the natural person(s) who claim Local Ownership agree to fully comply with the City's verification process.
- f. Transfer of License - Should one or more owner(s) of a Local Equity Applicant wish to sell their ownership interest(s), and such sale would bring the total ownership percentage to less than 40% Local Ownership, the interest in the business must be to someone who meets the requirements of Local Ownership.
- g. Failure to maintain a minimum of 40% Local Ownership, failure to verify Local Ownership and/or failure to cooperate with a City verification of the certifications are all grounds for revocation of the Commercial Cannabis Business Permit and/or the Specific Use Permit originally issued to a Local Equity Applicant.
- h. The defined terms in this section shall have the same meaning as used in Chapter 11, Article XVII of the Oxnard City Code.

The undersigned acknowledges that he/she has read and fully understands the content of this Cannabis Community Benefit Agreement and Local Equity Program and is the Applicant or his/her/its authorized signatory.

Applicant Signature

Date Signed

Print Name

Title

Company Name

Address/Telephone