

**City of Oxnard**  
**City Council Approved**  
**Cannabis Community Benefit Agreement and**  
**Local Equity Program**  
**October 20, 2020**

The City of Oxnard is reserving three (3) retail cannabis permits and three (3) manufacturing cannabis permits to Local Equity Cannabis Applicants. Applicants who meet the definition as defined below shall be considered a Local Equity Applicant.

All cannabis applicants (Retail, Manufacturing, Distribution, Testing, and Cultivation Applicants) and Local Equity Applicants must execute a Community Benefits Agreement as a condition of permit approval.

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:
  - o \$25,000 for manufacturing and distribution;
  - o \$250,000 for retail cannabis applicants;
  - o \$50,000 for cannabis cultivation and testing.
- b. Local Equity Applicant operators have the option to pay the one time payment over the course of three years. The first payment (one-third of the total due) is due prior to issuance of a certificate of occupancy. The subsequent annual payment amount equal to one-third of the amount due is due at the time of business license renewal years 2 and 3, and would 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. Ownership is defined as residency within the City limits of the City of Oxnard
- b. A minimum of 40% of cannabis ownership (in the aggregate) is required to be composed of residents of the City of Oxnard for the duration of the local equity license.
  - i. In the aggregate, ownership by Oxnard residents shall not fall below 40% Oxnard residency, at any time and for the life of the Special Use Permit.
  - ii. Yearly Reporting - Cannabis Local Equity operators will be required to certify under penalty of perjury that a minimum of 40% of the ownership of the business is held by City of Oxnard residents. Such residency shall be maintained and verified by each Local Equity operator under penalty of perjury on a yearly basis as part of the business license renewal process. 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. Local Ownership is subject to ongoing verification under penalty of perjury. Failure to maintain a minimum of 40% local ownership is grounds for revocation of the permit.
  - iii. Transfer of License - Should a Local Equity operator wish to sell their equity percentage, and such sale would bring the total ownership percentage to less than 40% local residency, the interest in the business must be to someone who meets the requirements of "Local Ownership" and the proposed transfer must comply with all applicable City regulations. The licensee and all individual owners will be considered in violation of the Special Use Permit conditions of approval and revocation of the permit may be implemented if local ownership drops below 40% at any time during the life of the permit.