

City Manager Process and Procedure on Scoring Applications (Phase III)

Authority and Purpose: Pursuant to Artesia Municipal Code (AMC) section 3-2.802, the City Council has authorized the City Manager to promulgate processes and procedures for the merit-based scoring of commercial cannabis permit applications. This document does not prescribe the criteria against which an application is scored. That has been approved by the City Council. However, this document lays out how applications will be scored.

Scorer/Evaluators: The City Manager may choose at least three individuals to review, analyze, and score commercial cannabis applications. At a minimum, the individuals shall:

- Have no pecuniary interest in any application; and
- Should have expertise in either the cannabis industry or a municipally-related industry, which could include, without limitation, administration, finance, community development, community services, or public safety.

Individuals may be comprised of City staff, outside consultants or contractors, or a mix thereof, in the City Manager's sole and absolute discretion.

Scoring process:

Date/Time: Top applicants, as provided in the City Council adopted "Application Procedure Guidelines and Review Criteria for a Commercial Cannabis Permit" shall be notified that they will be interviewed by the scorers/evaluators at a specified date and time. Interviews shall be in-person at a location selected by the City Manager, in their sole discretion. An Applicant is required to attend such interview with a maximum of three number of Owners, as defined AMC section 3-2.801. Only Owners may participate in an interview. If an Applicant team cannot make the proposed date and time, the City Manager shall propose a minimum of two other dates and times for the interview. If an Applicant team is unable or fails to attend any of the proposed dates or times, then the application shall be forfeit.

City Team: The City Manager will not be a scorer/evaluator in this Phase III and will not attend any interview. Only scorers/evaluators selected by the City Manager and the City's designated cannabis consultant, may attend the interview.

Interview: All applicant teams shall have forty-five minutes to answer questions by City scorers/evaluators. Each applicant team shall be asked the same questions as other applicant teams. Because of the time limit, applicant teams should take care to answer questions succinctly. If an applicant team is not able to answer all of the pre-set questions, then the City shall not be responsible for any damages or liability that the applicant may incur.

Post-Interview: Upon the completion of all the interviews, scorers/evaluators will tabulate the scores of all applicants who were interviewed to create a preliminary ranking that will

form the basis for determining who will be invited to participate in Phase IV. The ranking will be based upon the scores received through the Phase III merit-based interview process. Should there be a tie in any scoring, the scorers/evaluators shall force rank each of the applicants who participated in Phase III, in order to establish an eligibility list. Should multiple Applicants from the same property (APN) receive highest ranking during the Phase III interview process, only the top ranked Applicant from that property (APN) will be eligible to proceed to Phase IV.

Reservation of Rights: This Process and Procedure may be changed at any time, with or without cause, in the City Manager's discretion and in accordance with the law.

By participating in Phase III of the review process, Applicants acknowledge and agree that there is no guarantee that they will proceed to Phase IV of the City's review, nor is there a guarantee that any Applicant will ultimately be awarded a permit.