

## FREQUENTLY ASKED QUESTIONS

### **1. Are tutoring centers like “Kumon Learning Center” considered a “school” or “youth center” under the Artesia Municipal Code?**

No, the City does not consider tutoring centers “schools” or “youth centers”. AMC 9-2.420 defines “school,” in relevant part, to mean: (ii) any institution of learning for minors, whether public or private, offering instruction in the courses of study required by the California Education Code and maintained pursuant to standards set by the State Board of Education. This definition includes a nursery school, kindergarten, elementary school, middle or junior high school, senior high school, or any special institution of education, but it does not include a vocational or professional institution of higher education, including a community or junior college, college or university.” Taking the two sections together (3-2.805 and 9-2.420) a tutoring center does not provide instruction as required by the California Education Code or maintain standards set by the State Board of Education and is therefore not a “school”.

Moreover, tutoring is not a “recreational or social activity” that would fit under the “youth center” category. Tutoring is academic enrichment. Therefore, the City will not factor tutoring centers, like Kumon, when taking into consideration distance requirements under its cannabis ordinances.

### **2. On the zone map on the website, it looks like this property is within the buffer area, but when I measure on Google maps, it’s further than 600 feet, is this site allowed?**

The map provided on the website is for visual purposes only. Each individual property will be measured independently using GIS data as part of the zoning clearance. Measurements are made from property line to property line to determine if the location meets the 600 foot buffer.

### **3. In which zones are cannabis retail business allowed?**

Per Ordinance No. 22-929, Cannabis storefront retail businesses are permitted in the following zones: Commercial General, Commercial Planned Development, Artesia Boulevard Specific Plan, Artesia Boulevard Corridor Specific Plan, and South Street Specific Plan which are south of California State Route 91 (Artesia Freeway).

### **4. How do I obtain zoning clearance?**

Requests for zoning clearance should be made in writing by emailing [cannabisinfo@cityofartesia.us](mailto:cannabisinfo@cityofartesia.us). Applicants should expect a response within two businesses days of the request. It is the Applicants responsibility to ensure zoning clearance requests are submitted in a timely manner before the application deadline. There is no fee associated with requesting zoning clearance.

### **5. Will the City tell me before I apply whether my proposed location complies with the zoning, sensitive use and location requirements?**

As part of a complete application packet, an Applicant must obtain a Zoning Verification Letter (ZVL) from the City. To secure this letter, an Applicant must make a written request

to [cannabisinfo@cityofartesia.us](mailto:cannabisinfo@cityofartesia.us) which should specify the intended use of the building, and the proposed building location. Please advise the City if you currently occupy the premises or if there is a tenant currently occupying the premises and what type of business activity is being conducted. The issuance of a ZVL does not constitute written evidence of permission given by the 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 or Building Code. A Cannabis Retail Business Permit does not constitute a permit that runs with the land on which the cannabis business is established.

**6. Is the Artesia Towne Center located at 18155-18197 Pioneer Blvd. available for lease for a potential cannabis business?**

No. The City will not be entering into leases with cannabis businesses at the City owned Artesia Towne Center shopping center.

**7. Will only the owners disclosed on the Ownership form be allowed to interview?**

Yes. Only the owners disclosed on page 2 of the application, having 10% ownership or more, will be allowed to participate in the interview process.

**8. How many permits will the City be issuing?**

The City will be issuing a maximum of 3 permits per Artesia Municipal Code Section 3-2.805. However, the City reserves the right to not issue any permits, at all.

**9. What is the application period?**

The tentative application period is February 6, 2023 through 3 p.m. on March 8, 2023. Applicants must verify final application period deadlines on the Application Procedures and Guidelines and Review Criteria document as dates are subject to change.

**10. Will appeals be heard by the City Council?**

No. Any appeals will be heard by a third-party Hearing Officer.

**11. How many applications can each applicant submit?**

Applicants possessing an ownership interest of ten percent (10%) or more, in a retail cannabis permit application shall be limited to submitting only one application for a retail cannabis permit.

**12. How many Property Owner Letters of Intent (LOIs) are allowed per property?**

The City will only accept a maximum of five (5) LOIs per property (APN). Only one Applicant may be issued a retail permit per location.

Applicants and property owners are responsible for determining how many LOIs have been issued for any particular property. The City shall not be responsible for keeping track or informing applicants of how many LOIs are connected to a particular property. If the City receives more than five applications (i.e., six) connected to one particular property (i.e., six LOIs have been issued from a particular property), then the City will

contact the property owner, who will be responsible for determining which five applications may move forward. Any applicant over the five LOI limit, which is not selected by the property owner, will be notified their application has been rejected.

**13. What happens if multiple applications score high for the same property (APN)?**

Should multiple Applicants from the same property (APN) receive the 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.

**14. May Cannabis Applicants speak directly with City Councilmembers and/or City Staff regarding cannabis-related issues, including the application process?**

All inquiries regarding the cannabis permit application process should be directed to Staff through [cannabisinfo@cityofartesia.us](mailto:cannabisinfo@cityofartesia.us). Generally, if an issue is raised that pertains to all applicants, then the City will attempt to provide an answer to all applicants through this FAQ to maintain fairness in the process.

The City has no formal policy relating to City Council or staff contacts with applicants, but note that the City's program provides that the City Manager is the final decision-maker on permits. Moreover, any appeals would be heard by a hearing officer. Because the City Manager is the final decision-maker, he will not be addressing any questions nor taking meetings with any prospective applicant.

**15. Are responses to Section D-H required in the written application that comprise the "Evaluation Criteria?" If not, are we allowed to bring images during our interview since the Guidelines states "Section G may consider photographs, site plans..."**

Please see page 4 of the Application Procedure Guidelines and Review Criteria document; PDF File #2 requires responses to Section A-G of Appendix A. The PDF file containing the response is limited to at 125 pages, excluding the Proof of Capitalization, which, is to be included separately in PDF #4.

**16. To confirm, we should not include a Section H: Proposed Location in our narrative document? The City will perform its own measurements?**

Correct, the City will conduct its own measurement based on the address provided in the Zoning Verification Letter. There is nothing that needs to be submitted for Section H in the narrative (PDF File #2).

**17. Does the Radius map in Section E: Neighborhood Compatibility, Item 3 need to be prepared by a professional? Or will a google aerial image suffice?**

No, the Radius map in Section E does not need to be prepared by a professional. A google aerial image will suffice.

**18. Can we mention past non-profits/city events that we have worked with/donated to in Section F: Community Engagement and Equity Plan?**

Yes, applicants can describe community benefits provided in the past. Please note, however, that the scoring criteria refers to benefits that the business will provide to the local community.

**19. For Section G: Proposed Site Plan, Item 1, does the City want an existing Site Plan?**

No, please see page 13, Section G, item 1 of Application Procedure Guidelines and Review Criteria document, regarding the required information for the existing site. A site plan is only required (per Section G, item 2 of Application Procedure Guidelines and Review Criteria document) for the proposed business.

**20. What is the ZVL fee? If there is one?**

The Zoning Verification Letter fee is included in the application fee. There is no separate fee.

**21. To confirm, are only the forms to be provided with hard copies? A hard copy of the Evaluation Criteria is not required? The Evaluation Criteria is only to be on the Flash Drive? If a hard copy of the Evaluation Criteria is required, what size should the Site Plan be printed on? Standard is 24"X36".**

Correct, only the items listed on page 3, items 1-6 of the Application Procedure Guidelines and Review Criteria document shall be submitted as hard copies. All other documents are to be submitted as PDF files on a Flash drive.

**22. Will all owners need to sign all of the forms? Or is only one owner required to sign certain forms?**

Owner signature requirements are specified in the application materials for each form.

**23. What is the cannabis retail tax rate in Artesia?**

Per the voter approved tax measure, Measure Q (AMC 3-5.505), the tax rate for retail cannabis sales is 15% of gross receipts.

**24. Section A.2.H. of Appendix A: Evaluation Criteria calls for "The proposed waste management plan, including waste disposal locations, security measures, methods of rendering all waste unusable and unrecognizable, and the vendor in charge of disposal."**

**a. State law no longer requires licensees to render waste unusable and unrecognizable prior to disposal. Is the City requiring this?**

No. Maximum points will be awarded to applicants who submit a waste management plan that is fully compliant with State and local regulations. Applicants should describe methods of rendering waste unusable and unrecognizable only to the extent it is part of their proposed daily operations.

**b. State law permits licensees to dispose of waste in several ways, one of which is utilizing a vendor to haul the waste. However, there are several other types of waste management techniques which do not involve a vendor which are allowed by the State. Is the City requiring**

**licensees to utilize a private waste hauling vendor for cannabis waste management?**

No. Maximum points will be awarded to applicants who submit a waste management plan that is fully compliant with State and local regulations. Applicants should identify the vendor in charge of disposal only to the extent it is part of their proposed daily operations.

**25. I am wondering if Security Guards must be employed by the applicant or may be contracted through a third-party, based on the language of AMC §3-2.806(b)(2) which refers to "security guards employed by the permittee."**

The Permittee may employ security guards through a third-party contract.

**26. I am wondering if valid medical patients ages 18-20 with a medical card/physician's recommendation will be permitted in future licensed Artesia cannabis retail stores, as I do not see anything regarding medical patients mentioned in the code.**

No. AMC 3-2.806 requires that only those 21 years of age and older are permitted into retail sales businesses and AMC 3-2.807 only permits delivery to those 21 years of age and older.

**27. Pursuant to the criteria "Location(s) and procedures for receiving deliveries during business hours," are deliveries required to be received during business hours, or may a permittee receive deliveries outside of business hours within the hours permitted by the State?**

The City will require businesses to comply with California Code of Regulations §15422 and AMC 3-2.806 and any other applicable State and local laws. Businesses may receive deliveries outside of business hours so long as deliveries are within hours permitted by State and local regulations.

**28. Is a separate, secure lobby required?**

Pursuant to AMC 3-2.806, entrances into any area where cannabis products are displayed or offered for sale shall be locked at all times with entry strictly controlled. This could be accomplished by having a secure lobby/check-in area where customers are allowed to freely enter prior to being granted access to the retail area, or could be accomplished another way so long as the requirements of AMC 3-2.806 are met.

**29. The Notary verification form is missing from the Property Owner Letter of Intent (LOI) form, can our Notary use our own?**

The LOI form on the website has been updated to include a Notary Verification page. To the extent that an applicant has already had the LOI notarized using the notaries verification form, that will also be accepted.

**30. Ordinance No. 22-929 states, "commercial cannabis uses with a valid City permit shall be allowed to locate and operate in the Commercial General and Commercial Planned Development zones, as well as the Artesia Boulevard Specific Plan, Artesia Boulevard Corridor Specific Plan, and**

**South Street Specific Plan which are south of California State Route 91 (Artesia Freeway).” Does “which are south of California State Route 91” refer to the location of the three specific plans, only, or, does it apply to the Commercial General, Commercial Planned Development, Artesia Blvd. Artesia Boulevard Corridor Specific Plan and the South Street Specific Plan areas?**

The section of the code “which are south of California State Route 91” refers to all of listed land use designations: Commercial General zone, Commercial Planned Development zone, Artesia Boulevard Specific Plan, Artesia Boulevard Corridor Specific Plan, and South Street Specific Plan.

**31. If we are not able to get our Fictitious Business Name (DBA) by the time the application is due, can we still put that name on our application?**

Yes, applicants may list the intended DBA on the application. However, the application must indicate that the DBA is still in the approval process with Los Angeles County. Also, if the DBA is not approved, provide a list of alternatives the applicant would try to use as alternatives.

**32. Are local owners required?**

No, local owners are not required.

**33. What is the anticipated timeline of the process from application submittal to City Manager approval (broken down by phase)?**

The City anticipates that Phases I/II of the application process will require 2-3 months to complete, and Phase III/IV will require an additional 2-3 months to complete. Actual timeframes may be subject to change, depending upon appeals and other factors outside of the City’s control.

**34. On Section A of the Waiver, Release and Indemnification Defense Agreement for Commercial Cannabis Permit, there is a field that called for application number. What do we do with this field? Do we leave it blank or will it be assigned to us before submitting our application?**

The blank line for the permit number in Section A of the Waiver, Release and Indemnification and Defense Agreement for Commercial Cannabis Permit should be left blank and the City will fill it in.

**35. Page 3 of the City’s “APPLICATION PROCEDURE GUIDELINES AND REVIEW CRITERIA FOR A COMMERCIAL CANNABIS BUSINESS PERMIT (STOREFRONT RETAIL APPLICATIONS)” indicates that a Zoning Verification Letter needs to be included in an application package in hard copy “with original signatures.” However, we have only been provided a PDF copy, rather than a hard copy with “with original signatures.” Can you please (1) clarify that the “with original signatures” requirement does not apply to Zoning Verification Letters or that “original signatures” includes PDF copies of signatures or (2) permit someone to come pick up the hard copy “with original signatures” of the Zoning Verification Letter?**

The PDF document of the Zoning Verification Letter, which is provided by the City via email, should be printed and included in the application, but is not required to have a “wet” signature.

**36. PDF File #6 for the cannabis application requires:**

***“Documents relating to other licensed cannabis facilities operated by the Applicant, including 1) copies of state and local cannabis business license(s), and 2) Profit and Loss Statement(s) form the most recently completed calendar year for each facility identified.”***

- a. The group I’m working with consists of several individuals who have ownership in separate cannabis businesses. They have created a new entity and that entity will be applying for a license with the City.
- b. When you say “applicant” do you mean the applying entity or do you want copies of licenses and P&L statements for all cannabis businesses that the individual owners of the applying entity hold?

Please refer to page 4 of the Commercial Cannabis Business Permit Application, which states: “Identify other retail cannabis businesses where one or more of the owners identified in the Application is also an owner of a retail cannabis business licensed or permitted within the State of California for a minimum of two (2) years. For purposes of this section, owner shall be defined as any person with ownership interest of 10% or more in the cannabis business... Applicants are not required to identify all other businesses licensed/permitted within the State of California.”

**37. Can you please confirm that PDF File #6 only requires copies of state and local cannabis business license(s) and profit and loss statement(s) for “other retail cannabis businesses where one or more of the owners identified in the Application is also an owner of a retail cannabis business licensed or permitted within the State of California for a minimum of two (2) years” listed on Page 4 of the “COMMERCIAL CANNABIS BUSINESS PERMIT APPLICATION (Cannabis Storefront Retailer)”?** The prompt for PDF File #6 on Page 4 of the City’s “APPLICATION PROCEDURE GUIDELINES AND REVIEW CRITERIA FOR A COMMERCIAL CANNABIS BUSINESS PERMIT (STOREFRONT RETAIL APPLICATIONS)” uses broader language than Page 4 of the “COMMERCIAL CANNABIS BUSINESS PERMIT APPLICATION (Cannabis Storefront Retailer)” such as “licensed cannabis facilities” rather than “other retail cannabis businesses where one or more of the owners identified in the Application is also an owner of a retail cannabis business licensed or permitted within the State of California for a minimum of two (2) years.”

Applicants are only required to submit the documents enumerated on page 4 of the Commercial Cannabis Business Permit Application.

**38. In Phase 3 of the application process section D-G, is section D-G part of the application required to be a written response included in the application?**

**Or is it only verbally asked questions in phase 3 and a written response in the application is NOT required?**

Pursuant to pages 3 and 4 of the Application Procedure Guidelines and Review Criteria, Applicants are required to provide written responses to Evaluation Criteria Section A-G in PDF File #2. Each section shall be clearly labeled, with responses provided in the appropriate section.

**39. The application fee, which is \$22,278.66, will be made via certified check. However, the guidelines also request an additional check for \$300 per owner for background check fees. Owners were required to submit background checks through HdL for \$300 each. Is an additional \$300 background check fee required?**

No. The \$300 background check fee refers to the fee collected through the online form.

**40. Can you further clarify the response to question #30?**

The relevant Code section is Artesia Municipal Code section 9-2.4402 "Allowable Zones for Commercial Cannabis." It reads, in relevant part: "(a)...commercial cannabis uses within a valid City permit shall be allowed to locate and operate in the Commercial General and Commercial Planned Development zones, as well as in the Artesia Boulevard Specific Plan, Artesia Boulevard Corridor Specific Plan, and South Street Specific Plan which are south of California State Route 91 (Artesia Freeway). All commercial cannabis uses are expressly prohibited in all other zones, including overlay zones, and specific plan areas in the City..."

Permitted retail cannabis businesses shall only be allowed to locate south of the 91 Freeway. To be abundantly clear, that means that permitted cannabis businesses shall only be allowed to locate south of the 91 Freeway in the following zones: Commercial General, Commercial Planned Development, Artesia Boulevard Specific Plan, Artesia Boulevard Corridor Specific Plan, and South Street Specific Plan. There are other zoning requirements to consider as well, including, without limitation, distance requirements from sensitive uses. Zoning verification requests that seek to locate a retail cannabis business north of the 91 Freeway will be denied. Applications that are submitted with a proposed location that is north of the 91 Freeway will be denied as not being in compliance with the City's Zoning Code.

**41. Page 4 of the "COMMERCIAL CANNABIS BUSINESS PERMIT APPLICATION" has an inconsistency on Page 4. The first box requests "Percent of Ownership in the Cannabis Business," whereas the second box requests "Type of Commercial Cannabis Activity" in the same field. Can you clarify what information the City is requesting?**

Page 4 contains a typo. The second box should match the first. In both instances, the City is requesting "Percent Ownership in Cannabis Business" in the second line. Applicants are requested to provide percent ownership information in this field.

**42. Will the City disclose the names and/or locations of any proposed applicants that did not pass any given phase of review?**

The application review process consists of four phases. At the conclusion of each phase, applicants will be notified if their application will move onto the next phase or not. The City will not disclose the results of any phase because the process is not complete until the City Manager issues permits. After the City Manager issues permits, the City will provide the names and locations of the approved applicants.

**43. Are Interviewees allowed to take notes in the interview?**

Applicants who reach the interview phase are permitted to take notes during their interview. During the interview, Applicants may have any paperwork they want in front of them to reference for their verbal responses to questions. However, Applicants cannot hand or show any materials to the panelists during the interview.

**44. Can you please clarify whether or not site plan poster boards will be allowed in the interviews?**

Poster boards and other visual aids are not allowed in the interview. Panelists will only be allowed to consider photographs and site plans submitted with the original application.

**45. Will the City provide a scoring breakdown of the total points in each category for Phase III scores for each Applicant?**

The City has posted the final scores for Phase III to the City's Cannabis Information Page. The posted table includes the total points possible, and the total points awarded along with a percentage score for each Applicant. The City does not have a report of the scoring breakdown by category or by question for each Applicant and has provided all available information related to the scores for Phase III.