

**2019 CITY OF OAKLAND**

**SCORED DISPENSARY PERMIT APPLICATION**

**INSTRUCTIONS**

- a. All applicant board members, partners and managers must undergo a LiveScan background check.<sup>1</sup> *Please use the LiveScan Form attached to this Application.*
- b. Complete the below application and gather all supporting documentation required.
- c. Before 3:00 p.m. February 27, 2020 *submit one full set (application plus attachments) and three (3) additional paper copies of the completed Dispensary Permit Application (no attachments) as well as the completed LiveScan form and all applicable fees to the Special Activity Permits office in the City Administrator’s Office, 1 Frank H. Ogawa Plaza, 1st floor, Room 123 (Accepted Monday through Friday, 9:30am-12pm and 1:00pm-3:30pm). The Dispensary Permit Application fee is \$3,005, the LiveScan processing fee is \$32 per person.<sup>2</sup> Payment shall be made in check, money order or cashier’s check payable to the City of Oakland. Cash and credit card payments will not be accepted.*
- d. **Please note that Applicant’s failure to provide truthful responses or fulfill any commitments made in this Application is grounds for dispensary permit disqualification as well as suspension and/or revocation of any dispensary permit issued in reliance on the responses below.**

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<sup>1</sup> The purpose of the background check is to determine whether an individual has been convicted or plead guilty or nolo contendere to violent offenses or those involving fraud or deceit in the last seven years. Applicants with such a conviction or guilty plea will be offered an opportunity to present evidence of mitigation or rehabilitation. Prior drug offenses will not be considered in the background check.

<sup>2</sup> The LiveScan fee covers the cost the Department of Justice charges the City to receive LiveScan results.

**2019 CITY OF OAKLAND  
SCORED DISPENSARY PERMIT APPLICATION**

**1. Applicant Information**

a. Name: \_\_\_\_\_

**b. Type of Corporate Structure:**

Corporation       Limited Liability Company       Partnership       Individual

Collective      Other: \_\_\_\_\_

c. Doing Business As: \_\_\_\_\_

d. Please Attach a Copy of State Registration (if applicable)

**e. Partner/Owner/Manager Information:**

Please list all persons directly or indirectly interested in the permit sought, including all officers, directors, general partners, managing members, stockholders, and partners. Please attach additional pages if necessary (additional pages should be on 8½ x 11” paper; single sided, *and include a Header with the applicant’s name on the top right corner of each page*).

Last Name:		First Name:		Middle Initial:
Alias(es):				
Title:				
Date of Birth:	Phone:		Email:	
Residential Address:				
City:		State:		Zip:
Business Address:				
City:		State:		Zip:

Last Name:		First Name:		Middle Initial:
Alias(es):				
Title:				
Date of Birth:	Phone:		Email:	
Residential Address:				
City:		State:		Zip:
Business Address:				
City:		State:		Zip:

<b>Last Name:</b>		<b>First Name:</b>		<b>Middle Initial:</b>	
<b>Alias(es):</b>					
<b>Title:</b>					
<b>Date of Birth:</b>		<b>Phone:</b>		<b>Email:</b>	
<b>Residential Address:</b>					
<b>City:</b>		<b>State:</b>		<b>Zip:</b>	
<b>Business Address:</b>					
<b>City:</b>		<b>State:</b>		<b>Zip:</b>	

<b>Last Name:</b>		<b>First Name:</b>		<b>Middle Initial:</b>	
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<b>City:</b>		<b>State:</b>		<b>Zip:</b>	
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<b>City:</b>		<b>State:</b>		<b>Zip:</b>	

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<b>City:</b>		<b>State:</b>		<b>Zip:</b>	

<b>Last Name:</b>		<b>First Name:</b>		<b>Middle Initial:</b>	
<b>Alias(es):</b>					
<b>Title:</b>					
<b>Date of Birth:</b>		<b>Phone:</b>		<b>Email:</b>	
<b>Residential Address:</b>					
<b>City:</b>		<b>State:</b>		<b>Zip:</b>	
<b>Business Address:</b>					
<b>City:</b>		<b>State:</b>		<b>Zip:</b>	

**2. Business Plan (twelve points, two points per question)**

Using only the spaces provided below, please answer the following questions.

- a) Describe Applicant's understanding of the cannabis dispensary market, what customers in this market are seeking, and how Applicant intends on capturing market share.

b) Describe Applicant's background and experience in cannabis dispensing or similar industries.

[Empty response box for describing applicant's background and experience in cannabis dispensing or similar industries.]

c) Explain how Applicant will cover its startup costs and working capital requirements. If Applicant's funds are currently available, please attach a letter of credit demonstrating sufficient capitalization to cover initial business costs. If these funds are not yet available, please outline how Applicant will gather enough capital to cover initial business costs. Examples include:

- I. Selling or converting other personal assets to raise funds.
- II. Borrowing against personal assets.
- III. Raising funds from investors.
- IV. Obtaining a loan from a third party.
- V. Obtaining a letter of credit from a third party.
- VI. Other (please describe)

d) Using the following tables, please provide Applicant's anticipated start-up expenses.

<b>REAL ESTATE AND ADMINISTRATIVE EXPENSES</b>	<b>\$ AMOUNT</b>
Purchase or Rent	
Construction or Remodeling	
Utility Deposits	
Legal and Accounting Fees	
Insurance	
Prepaid Insurance	
Pre-Opening Salaries and Benefits	
Other (please provide detail)	

<b>CAPITAL EQUIPMENT LIST</b>	<b>\$ AMOUNT</b>
Furniture	
Equipment	
Fixtures	
Machinery	
Other (please provide detail)	

<b>OPENING INVENTORY</b>	<b>\$ AMOUNT</b>
Category 1:	
Category 2:	
Category 3:	
Category 4:	
Category 5:	

<b>ADVERTISING AND PROMOTIONAL EXPENSES</b>	<b>\$ AMOUNT</b>
Advertising	
Signage	
Printing	
Travel/entertainment	
Other/additional categories	

<b>OTHER EXPENSES</b>	<b>\$ AMOUNT</b>
Reserve for Contingencies	
Other Expense 1:	
Other Expense 2:	

e) Please provide a staffing plan for the first three years using the following tables for each anticipated owner or employee:

**2021**

<b>Position Title:</b>	<b>Salary Costs per Month</b>	<b>Benefit Costs per Month</b>	<b>Number Employed at this Position</b>	<b>Anticipated Month of Hiring</b>

**2022**

<b>Position Title:</b>	<b>Salary Costs per Month</b>	<b>Benefit Costs per Month</b>	<b>Number Employed at this Position</b>	<b>Anticipated Month of Hiring</b>

**2023**

<b>Position Title:</b>	<b>Salary Costs per Month</b>	<b>Benefit Costs per Month</b>	<b>Number Employed at this Position</b>	<b>Anticipated Month of Hiring</b>



f) Please provide a forecast of your income statement (profit and loss) for each of the first three year, including:

	2021	2022	2023
<b>REVENUES</b>			
Product/Service 1			
Product/Service 2			
Product/Service 3			
Other Revenue			
<b>TOTAL REVENUES</b>			
<b>COST OF GOODS SOLD</b>			
Product/Service 1			
Product/Service 2			
Product/Service 3			
Salaries-Direct			
Payroll Taxes and Benefits-Direct			
Depreciation-Direct			
Supplies			
Other Direct Costs			
<b>TOTAL COSTS OF GOODS SOLD</b>			
<b>GROSS PROFIT (LOSS)</b>			
<b>OPERATING EXPENSES</b>			
Advertising and Promotion			
Automobile/Transportation			
Bad Debts/Losses and Thefts			
Bank Service Charges			
Business Licenses and Permits			
Charitable Contributions			
Computer and Internet			
Continuing Education			
Depreciation-Indirect			
Dues and Subscriptions			
Insurance			
Meals and Entertainment			
Merchant Account Fees			
Miscellaneous Expense			
Office Supplies			
Payroll Processing			
Postage and Delivery			
Printing and Reproduction			
Professional Services-Legal, Accounting			
Occupancy			

	<b>2021</b>	<b>2022</b>	<b>2023</b>
Rental Payments			
Salaries-Indirect			
Payroll Taxes and Benefits-Indirect			
Subcontractor			
Telephone			
Travel			
Utilities			
Website Development			
<b>TOTAL OPERATING EXPENSES</b>			
<b>OPERATING PROFIT (LOSS)</b>			
<b>INTEREST (INCOME), EXPENSE &amp; TAXES</b>			
Interest (Income)			
Interest Expense			
Income Tax Expense			
<b>TOTAL INTEREST (INCOME), EXPENSE &amp; TAXES</b>			
<b>NET INCOME (LOSS)</b>	\$	\$	\$

**3. Security Plan (five points)**

Using only the space provided below, describe what measures Applicant will take to

- i. to avoid diversion of cannabis to unregulated market;
- ii. to prevent a burglary or armed robbery;
- iii. to minimize the loss of product in the case of a burglary or armed robbery.

**4. Compliance with State Law (four points)**

Using only the space provided below, please describe how Applicant will comply with state law, including:

- i. The supply chain from which applicant will obtain cannabis and cannabis products (Applicants need not name specific vendors; identifying license categories is sufficient).
- ii. How Applicant plans to record the movement of cannabis and cannabis products in their custody, such as with a track and trace system.

**5. Tax Rates (four points, one point per question)**

Using only the space provided below, please answer the following questions regarding local and state tax laws that apply to cannabis dispensaries.

i. Local Taxes:

a. What are the City of Oakland's current business tax rates for cannabis businesses?

ii. State Taxes:

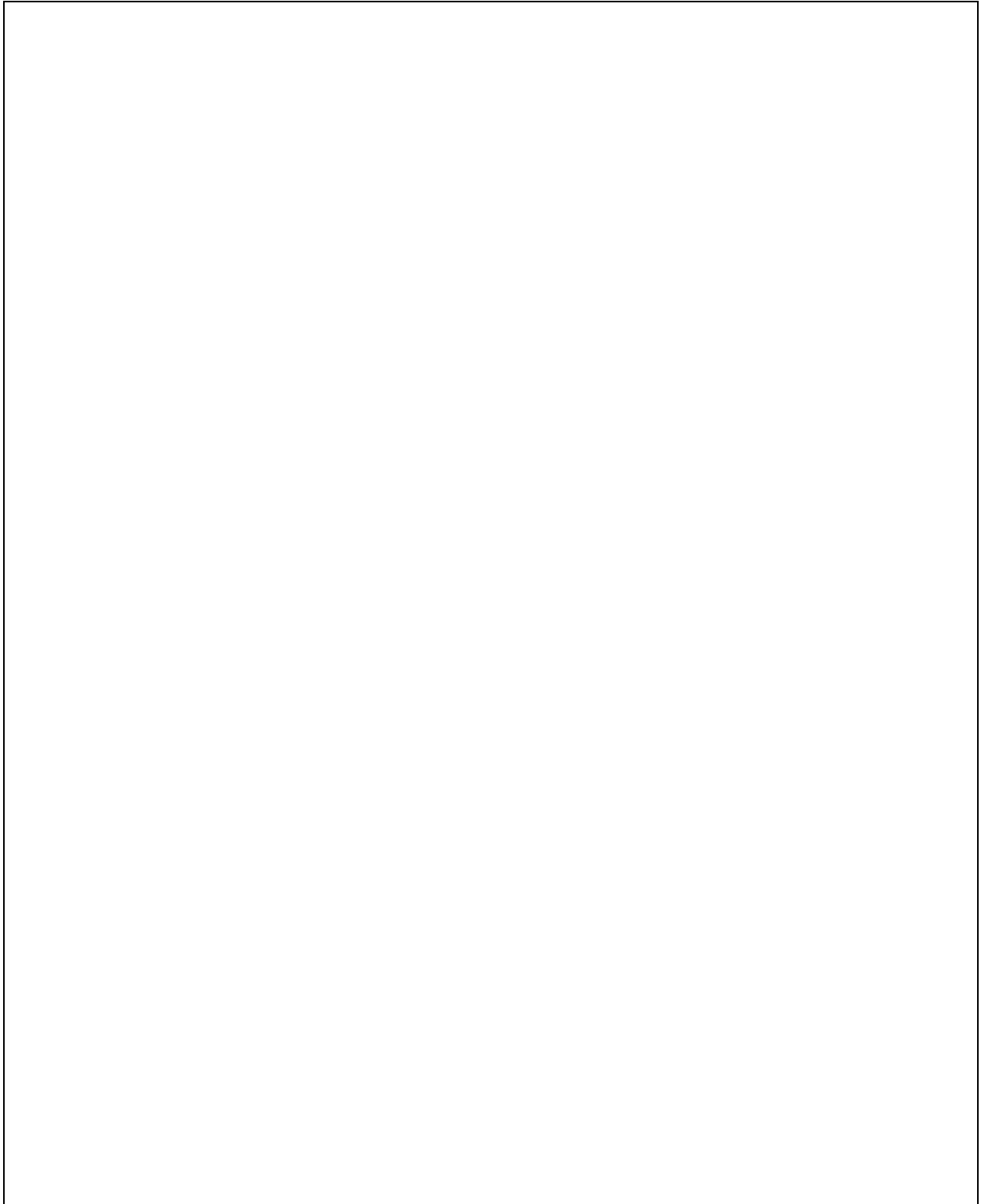
a. What is the cannabis excise tax rate for adult use cannabis purchases?

b. What is the sales tax rate for adult use cannabis sales?

iii. What measures, including point of sale systems, Applicant will implement to ensure proper collection of local and state taxes.

**6. Odor Mitigation (four points)**

Using only the space provided below, please submit a plan for how cannabis odors will not be detectable outside of the proposed facility, such as utilization of carbon filters.

A large, empty rectangular box with a thin black border, intended for the applicant to write their odor mitigation plan. The box occupies most of the page below the instructions.

**7. Neighborhood Beautification (five points)**

Using only the space provided below, please submit a community beautification plan detailing specific steps your business will take to reduce illegal dumping, littering, graffiti and blight and promote beautification of the adjacent community. Examples of specific steps include participating in City of Oakland Adopt a Spot/Drain program, installing murals, removing graffiti within 48 hours and providing landscaping.

**8. Labor (eighty points, twenty points per question)**

a. OMC 5.80 requires that half of all dispensary employees be Oakland residents. What percentage of Applicant's employees will be Oakland residents from equity program qualifying police beats as defined by OMC 5.80 and 5.81?

- 1-10%
- 11-20%
- 21-30%
- 31-40%
- 41-50%
- 51-100%

b. What percentage of Applicant's employees will be formerly incarcerated current Oakland residents?

- 1-10%
- 11-20%
- 21-30%
- 31-40%
- 41-50%
- above 50%

c. What will the pay ratio be between the dispensary's CEO compensation compared to the median compensation of the company's workforce?

- >5 to 1
- ≤5 to 1
- ≤3 to 1
- ≤2 to 1
- 1 to 1

d. How will you recruit employees from equity qualifying police beats and/or formerly incarcerated Oakland residents?



**9. Ownership (fifteen points)**

Does Applicant’s “ownership” as defined under 5.80.010 (M) satisfy the definition of an Equity Applicant<sup>3</sup>?

- yes
- no

If you answered yes to question 9, please provide supporting documentation as described below.

For proof of ownership please provide entity formation documents or documents filed with the California Secretary of State (e.g. articles of incorporation, stock issuance records, operating agreements, partnership agreements).

For proof of income please provide federal tax returns and at least one of the following documents: two months of pay stubs, current Profit and Loss Statement, Balance Sheet, or proof of current eligibility for General Assistance, Food Stamps, Medical/CALWORKs, or Supplemental Security Income or Social Security Disability (SSI/SSDI).

For proof of conviction should be demonstrated through Court documents, Probation documents, Department of Corrections or Federal Bureau of Prisons documentation.

For proof of residency please complete the below Proof of Residency Chart for all qualifying individuals and provide a minimum of two of the documents listed below evidencing 10 years of residency. All residency documents must list the applicant’s first and last name, and the Oakland residence address in applicable police beats.

- California driver's record; or
- California identification card record ; or
- Property tax billing and payments; or
- Verified copies of state or federal income tax returns where an Oakland address is listed as a primary address; or
- School records; or
- Medical records; or
- Oakland Housing Authority records; or
- Utility company billing and payment covering any month in each of the ten years.

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<sup>3</sup> an “Equity Applicant” is an Applicant whose ownership/owner:

1. Is an Oakland resident; and
2. Has an annual income at or less than 80 percent of Oakland Average Medium Income (AMI) adjusted for household size; and
3. Either

(i) has lived in any combination of Oakland police beats 2X, 2Y, 6X, 7X, 19X, 21X, 21Y, 23X, 26Y, 27X, 27Y, 29X, 30X, 30Y, 31Y, 32X, 33X, 34X, 5X, 8X and 35X for at least ten of the last twenty years OR

(ii) was arrested after November 5, 1996 and convicted of a cannabis crime committed in Oakland.

Proof of Residency Chart

NAME OF EQUITY INDIVIDUAL		
CURRENT OAKLAND ADDRESS	DATES	
	FROM	TO
PRIOR OAKLAND ADDRESS(ES)		

NAME OF EQUITY INDIVIDUAL		
CURRENT OAKLAND ADDRESS	DATES	
	FROM	TO
PRIOR OAKLAND ADDRESS(ES)		

NAME OF EQUITY INDIVIDUAL		
CURRENT OAKLAND ADDRESS	DATES	
	FROM	TO
PRIOR OAKLAND ADDRESS(ES)		

**10. Product (forty points)**

What percentage of its cannabis products will Applicant commit to placing on its shelves and electronic platforms from Oakland equity cultivators and manufacturers? This commitment shall be demonstrated to the City via quarterly reports and verified on an annual basis.

- 1-10%
- 11-20%
- 21-30%
- 31-40%
- 41-50%
- above 50%

**11. Distribution (forty points)**

What percentage of its cannabis products will Applicant commit to purchasing from Oakland equity distributors? This commitment shall be demonstrated to the City via quarterly reports and verified on an annual basis.

- 1-9%
- 10-20%
- 21-40%
- 41-60%
- 61-80%
- 81-100%

**12. Dispensary Incubator Program (maximum 60 points available with point allocation described below)**

- **Twenty-five points for first equity business incubated**
- **Fifteen points for second equity business incubated**
- **Ten points for third equity business incubated**
- **Five points for fourth equity business incubated**
- **Two points for fifth or any additional equity business incubated**
- **Five additional points per cultivation, testing lab, and manufacturing equity business incubated**
- **Five additional points per each license that is for an equity applicant who has not yet been incubated under the City of Oakland’s equity program since it was established in 2017**

General dispensary applicants that serve as incubators for cannabis equity applicants by providing free rent or real estate are entitled to bonus points for every cannabis equity business it incubates. Please note, the equity business may be any cannabis business type and it may be incubated either on the same property as the dispensary or at another site in Oakland.

In order to receive these bonus points, the General Applicant must comply with the following conditions:

- a. The free real estate or rent shall be for a minimum of three years.
- b. The Equity Applicant shall have exclusive access to a minimum of 1,000 square feet to conduct its business operations, with the exception of applicants in a Type S manufacturing space.<sup>4</sup>
- c. The General Applicant must provide any City required security measures, including camera systems, safes, and alarm systems for the space utilized by the Equity Applicant.
- d. The incubated equity applicant is not already being incubated in the proposed space under a separate permit application.
- e. The dispensary applicant cannot incubate themselves by possessing any ownership interest in an incubatee license.
- f. The same equity applicant cannot be incubated for more than three licenses per dispensary permit application.
- g. Should an incubated equity applicant cease operating its business within the three-year period, the General Applicant must notify the City of Oakland within 30 days and incubate a new equity applicant.

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<sup>4</sup> Please note that this exclusive access requirement under the Dispensary Incubator Program is different than the equity incubator program for non-dispensary uses, which allows for shared use of space.

In order to receive credit for incubating an equity business, general dispensary applicants must submit a copy of the lease and/or contractual agreements between General and Equity Applicants that provides the requirements listed under (a) through (e) above.

Please use the Dispensary Incubator Chart to list all equity applicants dispensary applicant intends on incubating under the conditions outlined above. Attach additional pages as necessary.

Dispensary Incubator Chart

NAME OF EQUITY APPLICANT	ADDRESS OF EQUITY BUSINESS	BUSINESS TYPE
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

**12. Supporting Documents.**

Please check the boxes below for each supporting document submitted with this application. Please ensure that all supporting documents include a Header with the applicant’s name on the top right corner of each page.

- Copy of State Registration for corporate structure
- Letter of Credit if applicable

***For Oakland Owners Applicants Only:***

- Proof of Oakland Residency

***For Oakland Equity Applicants Only:***

- Proof of Ownership
- Proof of Income

And either

- Proof of Residency
- or
- Proof of Conviction

***For Dispensary Incubators Only:***

- Lease or other contract providing free real estate or rent for a minimum of three years indicating square footage available to the Equity Applicant
- Proof of providing required security measures, including camera systems, safes, and alarm systems for the space utilized by the Equity Applicant.

**13. Oath of Application**

I, the undersigned, declare under penalty of perjury that to the best of my knowledge, the information contained in this application and its supporting documentation is truthful, correct and complete; and, the information contained in this application and its supporting documentation discloses all facts regarding the applicant and associated individuals necessary to allow the City Administrator to properly evaluate the Applicant's qualifications for registration.

I, the undersigned further agree and acknowledge that I may be required to provide additional information as needed, for a complete investigation by the City Administrator.

I, the undersigned, further agree and recognize that I am responsible for obeying all Federal, State, County and local laws.

I, the undersigned, further agree and understand that any misrepresentations, omissions or falsifications in the application or any documents attached thereto or amendments thereto will be immediate grounds for the City Administrator to deny this permit application and/or immediate grounds for revocation of a medical cannabis permit.

<b>APPLICANT NAME:</b>
<b>SIGNATURE:</b>
<b>DATE:</b>

**FOR OFFICE USE ONLY:**

**Application:**

Received by: \_\_\_\_\_ Date: \_\_\_\_\_

Receipt #: \_\_\_\_\_