



## CANNABIS WORKSHOP

November 9, 2021





# Agenda

## 1. Cannabis Workshop

- a. Recap of June 15th Workshop
- b. Application Survey Results
- c. Report on Comparable Cities' Social Equity Programs
- d. Local/Social Equity Components of Ordinance and Application
- e. Cannabis Application
- f. Development Agreement
- g. Public Comment
- h. Council Comments and Direction

## 2. Resolution of the City Council of the city of National City setting the number of commercial cannabis licenses authorized to operate in National City.

- a. Public Comment
- b. Council Comments and Direction



# WHAT WE HEARD ON NOVEMBER 2, 2021 WORKSHOP

- LOCAL PREFERENCE PROGRAM
- RAISING THE THRESHOLD IN PHASE TWO OF THE APPLICATION PROCESS
- REQUEST FOR MORE INFORMATION ON THE SURVEY RESULTS
- HOW TO DEFINE LOCAL OWNERSHIP

# Draft Application

## PHASE 1

Determination of Eligibility

## PHASE 2

Application Evaluation and Review

## PHASE 3

Lottery

## PHASE 4

Final Review By City Manager and Recommendation to City Council (Negotiation of a Development Agreement )

# CONSIDERATIONS FOR CITY COUNCIL

1. RAISE THE THRESHOLD TO 90% IN PHASE 2 OF THE APPLICATION PROCESS
2. ESTABLISH SELECTION PROCESS OF PHASE 3 OF THE APPLICATION PROCESS
  1. Lottery; OR
  2. First Come First Serve
3. ESTABLISH A POINT SYSTEM FOR THE VARIOUS APPLICATION EVALUATION CRITERIA, BASED OFF COMMUNITY FEED BACK.
4. ESTABLISH A LOCAL PREFERENCE PROGRAM
  1. add an additional 10% or 20% to each application with local ownership; OR
  2. dedicate a number of the available applications for businesses with local ownership
5. DEFINE LOCAL OWNERSHIP AS ANY RESIDENT WHO HAS LIVED IN NATIONAL CITY FOR AT LEAST (2, 3, 5) YEARS PRIOR TO NOVEMBER 9, 2021.

# Survey Results

#1: BUSINESS PLAN

#2: LABOR, EQUITY, DIVERSITY PLAN

#3: SAFETY PLAN

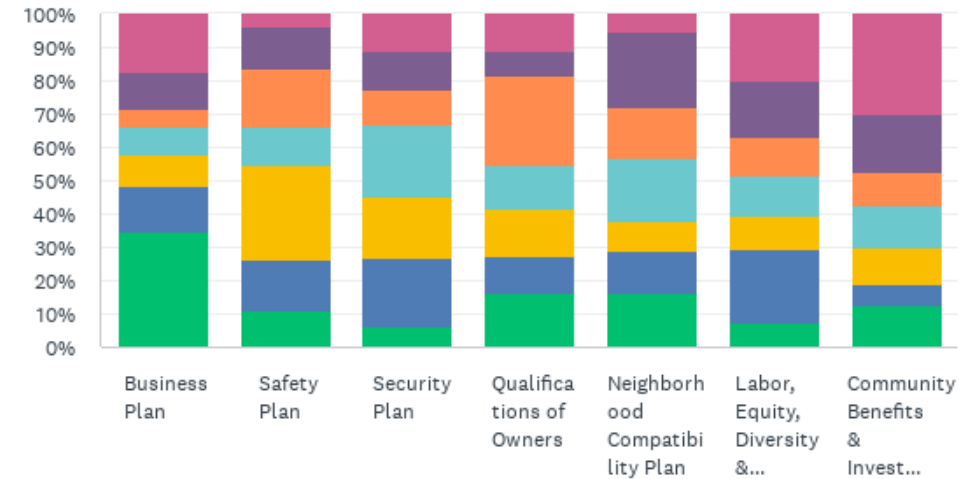
#4: SECURITY PLAN

#5: QUALIFICATION OF OWNERS

#6: NEIGHBORHOOD COMPATIBILITY

#7: COMMUNITY BENEFIT & INVESTMENT PLAN

	1	2	3	4	5	6	7	TOTAL	SCORE
Business Plan	34.86% 38	13.76% 15	9.17% 10	8.26% 9	5.50% 6	11.01% 12	17.43% 19	109	4.61
Safety Plan	10.91% 12	15.45% 17	28.18% 31	11.82% 13	17.27% 19	12.73% 14	3.64% 4	110	4.38
Security Plan	6.31% 7	20.72% 23	18.02% 20	21.62% 24	10.81% 12	11.71% 13	10.81% 12	111	4.12
Qualifications of Owners	16.36% 18	10.91% 12	14.55% 16	12.73% 14	27.27% 30	7.27% 8	10.91% 12	110	4.11
Neighborhood Compatibility Plan	16.22% 18	12.61% 14	9.01% 10	18.92% 21	15.32% 17	22.52% 25	5.41% 6	111	4.06
Labor, Equity, Diversity & Inclusion Plan	7.34% 8	22.02% 24	10.09% 11	11.93% 13	11.93% 13	16.51% 18	20.18% 22	109	3.71
Community Benefits & Investment Plan	12.73% 14	6.36% 7	10.91% 12	12.73% 14	10.00% 11	17.27% 19	30.00% 33	110	3.27



# CRITERIA WEIGHT EXAMPLE

ESTABLISH A POINT SYSTEM FOR THE VARIOUS APPLICATION PLAN REQUIREMENTS BASED OFF COMMUNITY FEED BACK.

#1: Business Plan (500 points)

#2: Labor, Equity, Diversity & Inclusion Plan (500 points)

#3: Safety Plan (400 points)

#4: Security Plan (400 points)

#5: Qualifications of Owners (300 points)

#6: Neighborhood Compatibility Plan (300 points)

#7: Community Benefits & Investment Plan (200 points)

#8: Proposed Location (100 points)

**Total Points: 2,700**

\*Additional 10% or 20% for Local Ownership

\* 90% = 2,430 points; 80% = 2,160 points

# LOCAL OWNERSHIP

It is the intent of the City of National City to promote equitable ownership and employment opportunities in the cannabis industry to decrease the disparities in life outcomes for marginalized communities and to provide opportunities for local residents to compete for cannabis business permits. Therefore, this notice is to clarify the eligibility requirements in order to receive qualification for Local Ownership by establishing this acknowledgement to provide additional protections to mitigate against potential predatory practices.

In order to qualify for the full points relating to the local ownership criteria, the business entity must have ownership that meets the respective eligibility factors and hold at least 51% ownership interest.

(\*add additional language as proposed on previous on previous slide)



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# **Public Comment**

# **City Council Comments and Direction**



**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY SETTING THE NUMBER OF COMMERCIAL CANNABIS LICENSES AUTHORIZED TO OPERATE IN NATIONAL CITY.**

**November 9, 2021**





# Background

- September 17, 2019 City Council Meeting
- February 18, 2020 City Council Meeting
- Section 9.60.080 of the National City Municipal Code creates a process in determining the maximum number of commercial cannabis businesses that may be issued permits to operate in the City of National City under each category.



# **Staff Recommendation**

STAFF RECOMMENDS ADOPTING A RESOLUTION SETTING THE NUMBER OF COMMERCIAL CANNABIS LICENSES AUTHORIZED TO OPERATE IN NATIONAL CITY TO SIX.

# **Public Comment**

# **City Council Comments and Direction**