



**Commercial Cannabis Permit Series 2017B  
Addendum #1**

**Submitted Questions and Answers  
December 20, 2017**

- 1. If our application is in and complete before December 20th will you communicate with the State that we are in the application process even though Hayward permits will not be available by then?**

No, the state already has a dedicated City staff member who they will contact.

- 2. Is there going to be any extra consideration or extra points in the point system for local Hayward residents?**

Scoring of applications will be based on responses provided to the questions asked in the RFP application form and according to the evaluation criteria and weighting system described in the RFP Instructions here: <https://www.hayward-ca.gov/sites/default/files/2017-12-8%20RFP%20Instructions.pdf> .

- 3. The \$5,000 will be reimbursed if the applicant is not chosen?**

No. The \$5,000 deposit is to cover the cost of processing and reviewing each application. If the cost of reviewing the application is less than \$5,000, then the remaining balance will be refunded back to the applicant.

- 4. Question page 12 and 13 of the RFP guidelines do we sign those and bring them in. And also do we print your whole guide line as well or is it simply that a guide line?**

Yes, please sign and provide physical copies of those two pages in your application.

- 5. If someone fails to send you a notice of intent by December 15th, are they precluded from applying?**

No. The Notice of Intent is solely for staff to gage the total interest in this program and to ensure we have contact information in case the City needs to contact applicants prior to the submission deadline.

- 6. I obtained my Live Scan in Post & Parcel in Milpitas. They obviously don't have the HPD files. Is a different live scan required so that HPD is also covered?**

Yes. The Live Scan form provided on the website is pre-filled with the City's information to ensure results return to the Hayward Police Department. Applicants MUST use the form on the website.

- 7. We are not requesting a license for manufacturing or packaging. Are the sections of the RFP dealing with quality control, packaging, air quality monitoring, etc., still needed or do we leave them blank?**

Yes, applicants are required to respond to all questions.

- 8. Is the deposit of \$5000 fully refunded if our team is not selected for the next step?**

No. The \$5,000 deposit is to cover the cost of processing and reviewing each application. If the cost of reviewing the application is less than \$5,000, then the remaining balance will be refunded back to the applicant.

- 9. How many applicants have shown interest and how many licenses (of each kind) are you issuing?**

At this time, we have received over 100 individual application notices of interest. The City will determine the number of licenses of each type following the review of all applications. Per our existing regulations, only retail dispensaries will be limited to three total.

- 10. As with other branches of government, is there any point preference for a woman-owned business and minority-owned business?**

Scoring of applications will be based on responses provided to the questions asked in the RFP application form and according to the evaluation criteria and weighting system described in the RFP Instructions here: <https://www.hayward-ca.gov/sites/default/files/2017-12-8%20RFP%20Instructions.pdf> .

- 11. I do not see any option to file for a nursery permit. May I apply for a cannabis nursery permit or is this being issues under one of the other licenses like "cultivation"?**

A nursery operator will need to apply for a Commercial Cannabis Cultivation license.

- 12. I have already performed a live scan background with the City of Oakland 12/08/16 and the City of San Jose for my San Jose cannabis permits do I still need to apply through the city of Hayward PD?**

Yes, using the Live Scan form on the website.

- 13. I have scheduled live scans for staff we have a retired Hayward police officer who is going to be managing our security firm does she have to do a live scan?**

As stated in the RFP and RFP Instructions, all Applicant Team members (defined as the Applicant and Owner per the City of Hayward Ordinance) must complete a Live Scan background check and submit the completed documentation along with the permit application.

- 14. I wanted to know if the notification of our intent to attain a production license in the City of Hayward to you would suffice if we also wanted to attain a “micro business”. We are still trying to navigate through this process and we think that a “micro business” would be more our model in the industry, Bottom line, do I need to inform you about my group wanting to attain production and a micro license? Or just a “microbusiness” which will allow us to prove and distribute?**

Not at this time. You will need to indicate on your final application(s).

- 15. If Hayward doesn't issue a nursery license, can a cultivator with a cultivation license produce all their own clones even if they do not have a nursery permit? If yes, can a cultivation licensee sell their surplus clones to a distribution company or on the open market?**

No. Any growing of cannabis plants will require a license for Commercial Cannabis Cultivation. Any surplus plants can be sold to a Distributor with a valid Commercial Cannabis license or the clones can be sold directly to the consumer with an additional Commercial Cannabis Delivery license.

- 16. Micro business - can a micro business do white labeling and contract processing? I know a micro business can only sell what they produce, but can a micro business buy trim from a distributor and extract it and then sell the final product at their micro business retail location?**

Applicants must comply with all relevant California state regulations related to cannabis cultivation, manufacturing, and distribution.

- 17. Can a micro business distribute cannabis products that are produced from other cannabis businesses, example cultivators and manufactures transfer to micro business distributor who then distributes it state wide?**

Applicants must comply with all relevant California state regulations related to cannabis cultivation, manufacturing, and distribution.

- 18. Do I need to secure a location prior to applying?**

No, you do not have to have a location secured prior to applying.

- 19. I couldn't find any information on a set tax rate for Measure EE on your website. The only information I found is that taxes will not exceed 15% of gross receipts. Do you know what the exact tax rate will be and what the formula will be for calculating that (or is it strictly based on total sales without deductions)?**

The tax rate has not been set by the City Council. This will happen after the start of the new year. Information on this will be posted on the CCP website once finalized.

**20. Can I apply for adult use and medical on the same license or will each be considered a separate license?**

The City does not differentiate adult use from medical cannabis operations and as such, both can be considered within a single license.

**21. The process provides for a public hearing regarding proposed cannabis sites. Did the city consider that the addresses of the properties that are NOT dispensaries (in the industrial zone) become public and this may make those properties targets for criminals and targets for federal authorities? Did the city consider closed sessions and/or, perhaps, neighbor survey?**

All discretionary reviews for Commercial Cannabis land uses are subject to the legal noticing and/or public hearing requirements consistent with State and local laws. Not all discretionary entitlement processes in Hayward require a public hearing but even staff level discretionary reviews are subject to public noticing requirements and if deemed appropriate, can be forwarded to the Planning Commission for full review and consideration at a public hearing.

**22. What is the soonest an applicant can reasonably begin operation considering the process: application for permit, site location, administrative clearance of site location, public hearing of proposed locations, bringing the site to the code, clearance with fire and police department, state license, equipping the site?**

The timeline is unknown given the number of variables but once an applicant has secured a Commercial Cannabis license, the Administrative Use Permit or Conditional Use Permit process can take 3-4 months once land use applications have been filed.

**23. What the buffer sq. ft. away from school and day care?**

600 feet

**24. What if you don't secure a location yet after you submit your application. Will Hayward gives us a grace period to find a space?**

Once a license has been granted, applicants will have six (6) months to select a location and file the necessary land use applications.

**25. Do you have to live in Hayward?**

No, applicants do not have to reside in Hayward to apply.

**26. What is the annual permit fee?**

Currently, Commercial Cannabis permit fees are \$15,000 per year.

**27. We do not have a location yet. Is it appropriate to still submit an application January 12th?**

You do not need a location to apply for a Commercial Cannabis permit.

**28. Is the \$5,000 deposit with January 12th application refundable?**

No. The \$5,000 deposit is to cover the cost of processing and reviewing each application. If the cost of reviewing the application is less than \$5,000, then the remaining balance will be refunded back to the applicant.

**29. The Hayward licenses are one year licenses, but considering the property selection process, then the property has to be updated since the zoning changes, then it's approval by inspectors, and only then equipping it, plus the state licensing, - so considering all that we are looking at probably another 6 months best case before the property goes into operation - So it seems like there is no way for a cannabis business to actually operate for a year under the Hayward license. Or will the license term start from the date the state issues its license?**

Applicants will have six (6) months to file a planning application once their Commercial Cannabis license has been issued by the City. Once land use approvals have been issued, applicants will have six (6) additional months to start their business otherwise the Use Permit is void and the applicant will need to submit a new proposal at the next RFP period.

**30. Will you be able to issue us a letter of acknowledgement that we have submitted an application for a permit to manufacture our cannabis capsules in Hayward.**

Yes, we will be issuing letters of acknowledgement, however this will not permit you to operate a commercial cannabis business.

**31. How many notices of intent were submitted for each business type.**

Cultivation: 19 NOI  
Delivery: 27 NOI  
Distribution: 16 NOI  
Manufacturing: 17 NOI  
Microbusiness: 12 NOI  
Retail: 28 NOI  
Testing Lab: 2 NOI  
To Be Determined: 4 NOI

**32. The \$5,000 deposit is said to be refundable.**

Yes, the \$5,000 deposit is to cover the cost of processing and reviewing each application. If the cost of reviewing the application is less than \$5,000, then the remaining balance will be refunded back to the applicant.

**33. How many applications have been submitted for each business type**

Only one application has been submitted. It was for Commercial Cannabis Manufacturing license.

**34. Is there a limit on the amount of delivery and manufacturing licenses given out?**

There is no limit, however the number of licenses will depend on the overall quality and quantity of applications received.

**35. Is there a separate cost (\$5000 or more per permit per permit application even if all three are under one roof?)**

Yes, \$5,000 is for ONE Commercial Cannabis permit. So, you are applying for three separate types, your deposit total will be \$15,000 (\$5,000 x 3 applications).

**36. Does a delivery need to have a storefront or will a safe storage facility be okay?**

A storefront or storage facility where the delivery-only business keeps products is not allowed. However, it is appropriate for a delivery-only business to have an office where employees conduct business and where delivery vehicles are parked and stored when not in use.

**37. For the financials do I need to provide my credit report as well as everyone else involved in the ownership?**

Credit reports are not required. The required financial information is specified in the "Business Plan and Operation" section of the RFP application form.

**38. How specific does the site plan need to be? I plan on operating in a small location about 750-1200sqft. Should I hire an architect?**

All site plans need to be prepared by a registered and licensed professional, per the Hayward Municipal Code. At minimum, site plans shall include:

- A scaled map or diagram of the property;
- A statement describing the existing improvements or use of the subject property and any proposed changes; and
- Other documents or information in such form and number as may be required by the Planning Director, including, but not limited to, title reports, dimensioned architectural drawings showing elevations of existing and proposed buildings, existing and proposed landscaping and other ground treatment, required parking facilities and circulation, provisions for refuse, fencing, lighting, storage, signs, proposed open space, building materials and drainage facilities, and existing and proposed grades.

For more information about specific planning documents required, please contact the Development Services Department, Planning Division.

**39. I don't have any direct experience or reference that I could use a reference, will that affect my score and how flexible is the scale?**

Yes. The City of Hayward values relevant management experience.

**40. Is there allowed any revisions to make this permit eventually get approved?**

Revisions will not be accepted following submission. If an applicant does not be approved this round, they have the ability to re-apply in the future.

**41. Will workers comp be necessary for company that intends to be a 4-5 person company?**

Yes. All operators will be required to comply with California workers compensation laws.

**42. Our delivery menu items will be backed by testing provided by the vendors who sell their product to us. Will that be acceptable?**

All applicants must comply with all relevant California state regulations related to cannabis cultivation, manufacturing, and distribution.

Applicants for Cannabis Distribution permits should describe the product and safety testing systems provided by their vendors, as well as discuss their own proposed inventory management plan, data management systems, consumer safety, etc. as described in the “Product Testing and Safety” section of the RFP application form.

**43. Should we apply for Business License in Hayward before submitting the applications?**

Business licenses must be obtained prior to starting business operations in the City.

**44. Should we point the property address before we submit the applications?**

Property addresses or the identification of site locations are not required as part of this RFP process.

**45. Should we ask Police Department for the list of companies that could install the security cameras and make everything in compliance?**

The City and HPD does not make recommendations on private service providers.

**46. It said that security person should be on duty during business hours. Should we have a contract with Local Security Company or person could be hired by us? There will be no any retailer activity there.**

It is up to each applicant to decide how it will provide the required state-licensed security guard. The guard may be an employee of the business but the employee must obtain a state security guard license.

- 47. Any lab is using ethanol for winterization and cleaning. It is not much but still required. Product that produced without winterization will be low quality. Extraction process could be done using medical grade CO2 but small amount of 190-200 proof of Ethanol will be used anyway. Would it be still considered Level 1 or Level 2?**

The City of Hayward cannabis ordinance does not specify differentiation of Level 1 and Level 2 businesses. Applicants should describe the use of hazardous materials, including volatile solvents or gases, as required per the “Safety and Security Plan” section of the RFP application form.

- 48. I was also wondering if delivery services had to be associated with brick and mortar dispensaries and if there are any zoning restrictions in either case?**

Delivery-only businesses are allowed in the City and do not need to be associated with a retail dispensary in the City. All Delivery-Only Commercial Cannabis uses are subject to the City’s recently adopted Commercial Cannabis land use regulations.

- 49. We would like to know why cannabis businesses other than dispensaries should get approvals of the property neighbors? Is it warranted that cannabis businesses that already have to follow stringent requirements (i.e. safe) are treated defiantly than an auto body shop, for example, that makes noise and uses paints and solvents that smell? Our concern is that among neighbors in industrial areas there are those that oppose and this may impact the property permit. Some may consider extorting payments from cannabis businesses in exchange to their agreement.**

Commercial Cannabis operators are not required to obtain approval from the neighborhood; however, it is advised that any cannabis operator engage their neighborhood and discuss their pending application with impacted neighbors and stakeholders as this could help identify neighborhood issues or concerns surrounding the cannabis operations.

- 50. Are there other businesses in the city that have to be approved by neighbors to transact business? We are talking about a non-dispensary business.**

All discretionary land use applications are subject to public comment and/or a public hearing but neighborhood approval is not required. As stated above, it is advised that any cannabis operator engage their neighborhood and discuss their pending application with impacted neighbors and stakeholders as this could help identify neighborhood issues or concerns surrounding the cannabis operations.

- 51. If we are applying for a Commercial Cannabis Retail business for both Medical and Adult-use within the same location, do we need to submit separate applications for both activities?**

The City does not differentiate adult use from medical cannabis operations and as such, both can be considered within a single application.



- 52. What criteria is used by ICF in scoring previous cannabis experience? Local licensing does not guarantee State license approval as many current operators are finding out. Emergency Regulations for cannabis were not released until November and as such, it is too early to determine if previous operational experience would be an indication of success under the new model. (I.E Many operations still registered as cooperatives or collectives).**

For an overview of the scoring criteria being used in this RFP, see the “Evaluation and Scoring of Application” section in the RFP Instructions (<https://www.hayward-ca.gov/sites/default/files/2017-12-8%20RFP%20Instructions.pdf>). The “Management Experience” section of the RFP application form describes what information is required for relevant experience of the management team.

- 53. In the scoring process of a cannabis application, does ICF score according to the recent state regulations or only the local guidelines? Which regulations, in particular, will ICF be considering in their application review.**

Scoring of applications will be based on responses provided to the questions asked in the RFP application form and according to the evaluation criteria and weighting system described in the RFP Instructions here: <https://www.hayward-ca.gov/sites/default/files/2017-12-8%20RFP%20Instructions.pdf> .

- 54. Does having a property already selected weigh more favorably than not having any property on the application?**

No points are awarded for having a property selected.

- 55. How much weight is given to an applicant with commercial cannabis experience when the license they are applying for is in a different cannabis classification? For example, if an applicant has experience in cannabis cultivation or manufacturing, how much of this experience will be weighed in favor if they are applying for a retail license. If it is weighed in favor, please explain why as retail, cultivation, and manufacturing are regulated by separate agencies.**

Applicants should explain the value of their relevant experience to the proposed business type. Please see evaluation criteria and weighting system described in the RFP Instructions here: <https://www.hayward-ca.gov/sites/default/files/2017-12-8%20RFP%20Instructions.pdf> .

- 56. To what extent will references relevant to operation of permitted cannabis businesses in other jurisdictions be vetted? (I.E If an elected official writes a letter of support for a business, will ICF verify or require the applicant to disclose if any sort of campaign contribution has been made to the official writing a letter?)**

The City reserves the right to contact references provided by the applicant. The City also reserves the right to contact references not provided in the submittal.

- 57. How will ICF go about verifying that the previous cannabis experience from an applicant was licensed and not illicit like many current delivery services or operators? (I.e. Operating without local licenses from their respective jurisdictions they serve).**

As specified in the “General Conditions of Submittal” section of the RFP, the City reserves the right to request additional information not included in this application from any or all applicants. The City also reserves the right to contact references not provided in the submittals. This may include vetting previous cannabis experience of the applicant. Additionally, all Applicants must undergo the Live Scan background check process.

- 58. Can an application be submitted if a location has not yet been secured?**

Yes.

- 59. Why is “not yet secured a location” an answer option in the application?**

This is for informational purposes only.

- 60. Does not having a secured location at the time of the application immediately disqualify an applicant from a retail adult-use cannabis license?**

No, you do not need to have a location secured for this application.

- 61. Can the intended location we submit for a retail adult-use cannabis license change later? If so, what would be the procedure to submit this change?**

Yes. Applicants have up to six (6) months to find a location and file the necessary planning applications.

- 62. In the event a group is awarded a license, can they submit a request to change locations to the city of Hayward by suggesting/proving that the new location is advantageous to the consumer (safety/accessibility) and the City of Hayward (greater tax revenue)?**

Yes. Applicants have up to six (6) months to find a location and file the necessary planning applications.

- 63. Is a zoning verification letter or any kind of preliminary certification of compliant land use from the City of Hayward Development Services Planning Division needed for submission with the application?**

No. The disclosure of a site-specific location is not required.

- 64. Are you still using ICF to review and score the application? If not, what company are you using?**

Per the RFP Instructions, applications will be evaluated by neutral third-party reviewer.

**65. What is the number for the “subset of applicants” that will be chosen by ICF (or other 3rd party company) for interviews with the City Manager?**

The City has not determined the number of applicants that may be invited to participate in interviews.

**66. Is there a quota or percentage of applicants per permit type who will receive interviews?**

Not at this time. Interviews will be determined based on the overall quality and quantity of applications received.

**67. What are the rules/restrictions around License Transferability, Ownership/Equity, and add-ons or changes?**

If a cannabis business owner intends to sell or transfer the business, the owner must notify the City before doing so. A commercial cannabis permit is not transferrable, the new owner of the business must submit its own application for a permit. If a permit is issued to a new owner, the new owner does not need to obtain new land use approval (i.e. Conditional Use Permit/Administrative Use Permit) and will be subject to the same land use conditions as the prior business owner/permit holder. However, a new land use approval will be required if normal business operations cease for six months or more after the transfer of ownership. Refer to Hayward Municipal Code sections 6-14.11(g) and 10-1.3604.E

**68. If an applicant has secured more than one location for a retail adult-use cannabis license, may the applicant submit separate applications for those locations?**

**1.) If so, may an individual, corporation, or group apply with different entities for different locations?**

If an applicant has secured one commercial cannabis license by the City, only one planning application for a location will be accepted for processing at a time.

**69. Is a background check and/or Live Scan required if applicants have completed it for other municipalities in the recent past? If not, how recently should the background check have been done?**

Yes, every applicant must complete a Live Scan background check with their application. Please use the form on the website.

**70. If submitting as a Corporation is every managing member's qualification/resume needed for submission?**

Yes.

**71. Is there a limit to principals/owners?**

No.

**72. Will the qualification of non-principals/owners be taken into consideration? Like our Board of Advisers, employees, and consultants?**

Please describe the relevant qualifications and experience of your management team, as specified in the “Management Experience” section of the RFP application form.

**73. Is California Bay Area merit preferred over (i.e., merit being previous cannabis experience under the license being applied for):**

- 1.) California merit outside of the nine bay area counties?**
- 2.) Out-of-state (regulated recreational state) merit?**

Per the “Management Experience” section of the RFP application form, please describe all relevant experience and qualifications

**74. Can a principal/owner, operator, executive team member or any person named on one application be listed in a similar or other role on another separate application?**

Yes, except if that individual has a financial interest in a testing lab, per state regulations

**75. Management experience section of the RFP requests contact information for references relevant to the operation of permitted cannabis business. Please clarify the kind of reference/individual/authority you are looking for.**

Applicants should provide the names and contact information for any references who can provide verification of the team’s capabilities and qualifications relevant to operation of the proposed commercial cannabis business.

**76. Will any extra consideration or points be given to applicants that have secured a property? Conversely, the application requests information about the property that the applicant intends to use could providing information about a potential location adversely impact an applicant's score?**

No. Applicants, at their discretion, may disclose a location of the proposed commercial cannabis land use; however, no extra consideration or points will be awarded.

**77. Will the applications be published in its entirety online for public review?**

No.

**78. Does the dispensary ordinance parking requirement override other local parking requirements? For instance, if a dispensary applicant selected a site that has an existing commercial use that was previously deemed to have sufficient parking, but not the one spot for every 175-sq. ft. dispensary standard, would that location/application be disqualified?**

Commercial Cannabis Retail Dispensaries are required to provide the required parking as detailed in Section 10-2.340, Off-Street Parking Regulations.

- 79. Will the applicant have the ability to provide as an exhibit or attachment, that is not included in the page count, material marked as proprietary information and that will be kept proprietary and confidential or will the Security Plan be the only item listed as confidential information in accordance to the Public Records Act? (for example: a more detailed operations guide that included proprietary information that could be harmful to the business if made public but could show the extent of the expertise of the applicant.) As a follow up question: Are we allowed to mark items confidential?**

Applicants should only submit those exhibits and attachments that are explicitly requested in the RFP application form and RFP Instructions.

Applicants can mark items confidential but should segregate the material and clearly mark the materials with the term “Confidential – Proprietary Trade Secret Information.” Trade secrets are generally exempt from disclosure pursuant to the Public Records Act but the City may be compelled to disclose the information by a Court and it will be the applicant’s responsibility to prove that it is a trade secret and should remain confidential.

- 80. Can the applicant submit as attachments items such as Will Serve Letter, Compliance Plans, Specifications on Equipment, Operational manual, or Sample Disposal Tickets which support the Business Operations plan without affecting the page count?**

Applicants should only submit those exhibits and attachments that are explicitly requested in the RFP application form and RFP Instructions. Any exhibits or attachments provided by the applicant that were not explicitly requested in the RFP will not be evaluated or scored

- 81. Does the city want as an attachment to the application (and not affecting page count) the articles of incorporation/organization and supporting documents of the business entity?**

Applicants should only submit those exhibits and attachments that are explicitly requested in the RFP application form and RFP Instructions. Any exhibits or attachments provided by the applicant that were not explicitly requested in the RFP will not be evaluated or scored

- 82. As a condition of submittal, the city states they will have the right to contact references not listed in the submittals. Where would the additional references come from? Would that information be subject to review beforehand for relevancy / legitimacy?**

The City reserves the right to contact any parties that it deems necessary to inform its review of submitted applications. This information would not be subject to prior review. The City will make the determination of whether the information it receives is relevant or credible.

**83. In the Proposed Business Locations section, the application form gives the applicant the opportunity to state whether or not they have identified a location. If an applicant does not have a site identified in the submitted material, or for strategic reasons would prefer not to identify a site at the application stage, would that impact the score in the RFP process (being that there are no points identified with the Proposed Location section)?**

**1.) Can it be revealed after the point scoring stage to the City Council prior to the Council making its final decision?**

No evaluation points are being assigned to the “Proposed Business Location(s)” section of the RFP application form, so the inclusion of that information would not impact an application’s score. If selected for an interview with the City Manager or her designees, applicants may share their proposed business location(s) at that stage.

**84. Must an Applicant seek a "Delivery" license if delivery is part of a customer facing brick and mortar retail location, or is the Delivery license the City identifies only for those Applicants seeking to operate a non-storefront brick and mortar Delivery business within the City?**

A customer facing retail dispensary that also provides delivery services does not need to obtain a separate permit/license for delivery from the City. However, as part of the land use approval process, the permittee must specify that delivery services will be provided as part of the business operation so that the entire business operation can be properly evaluated. Applicants that will be operating delivery-only businesses must obtain a delivery permit and obtain the necessary land use approval (i.e. Conditional/Administrative Use Permit) for the business.

**85. Other than limiting three licenses for dispensing, are there any other limits to the number of other license types issued?**

Not statutorily, however the City reserves the right to make a determination on the total number of Commercial Cannabis Permits issued following review of all applications.

**86. Will a licensee (especially cultivation and manufacturing) be able to expand in the future? Specifically, can a licensee**

**1.) expand into a different building within the same zone?**

Any expansion or intensification of a permitted commercial cannabis land use will be subject to an additional discretionary review and approval process whether on the same parcel or adjacent parcels.

**2.) expand vertically within the licensed building while keeping the same footprint?**

Yes, but the licensee must obtain a separate regulatory permit and discretionary land use approval for each additional use and also obtain the applicable state license for each additional use.

**3.) expand by building additional building(s) on the current licensed parcel/lot or adding on to an existing building?**

Any expansion or intensification of a permitted commercial cannabis land use will be subject to an additional discretionary review and approval process whether on the same parcel or adjacent parcels.

**87. Is it possible to receive a cannabis license and share a building with a non-cannabis co-tenant? Our assumption is that the non-cannabis co-tenant would be in a different suite, with a different entrance/exit, but in the same building.**

**1.) To clarify—can a building hold multiple license (excluding testing) types? If so, under what conditions?**

Yes. All land use applications are subject to the City's review and entitlement process. Applicants can co-locate multiple cannabis activities on the same parcel as long as all land use activities have been legally approved and licensed.

**88. Can you please clarify the ongoing tax treatment and license fees for commercial cannabis?**

The tax treatment will be set by the City Council after the new year. As of now, license fees will be \$15,000 annually.

**89. Once this round of application closes on January 12th, 2018, do you foresee opening up other licensing possibilities in the future?**

Yes, the City plans on having another round beginning in the late Spring.

**90. At what point might you require proof of funds or capitalization?**

Proof of capitalization is required as part of the permit application. Please see the "Business Plan and Operation" section of the RFP application form for details.

**91. What are the ongoing licensing requirements? Will licenses be renewed annually? Other?**

Commercial Cannabis licenses are valid for one year and require renewal annually.

**92. Do you have any equity criteria requirements for applicants?**

Please refer to footnotes #1 and #2 of the RFP and RFP Instructions which define the terms "Applicant" and "Owner" and specifies the relevant equity threshold.

**93. When do you anticipate making final decisions on who is granted licenses?**

This depends on the total number of applications received. Right now, we anticipate making final decisions around late February/March.

**94. Would the Micro-Business Permit allow for a tasting room with onsite sales and customer consumption?**

- 1.) **Would onsite sales be only allowed for consumption on the premises?**
- 2.) **Would onsite sales be allowed for consumption off the premises? (Like filling a growler at a brewery)**
- 3.) **Would food trucks be allowed to set up onsite?**
- 4.) **Would the Micro-Business be allowed to set up a cannabis delivery service to its customer base?**

No. Per the City's recently adopted land use ordinance for cannabis, there is no on-site consumption allowed for customers. Food trucks will be reviewed and evaluated on a case-by-case basis as part of the planning entitlement process. Applicants who qualify for a microbusiness license can establish a delivery service but, similar to other uses, will need to submit a separate business proposal that details the activity associated with the customer delivery.

**95. If we are not able to pull the RFP requirements together by January 12th, 2018 will you be opening the RFP process again in 2018? If so when?**

Yes, Spring 2018.

**96. Is Hayward going to allow cultivation in converted steel shipping cargo containers if they meet fire and safety codes?**

The City does not have a prohibition on the use of shipping containers but as with any land use entitlement, the applicant/operator is subject to discretionary review by the City to evaluate site specific and environmental specific impacts associated with that use.

**97. With the micro business type 12 permit is delivery services part of the retail definition? Or do delivery services require a separate delivery permit?**

Delivery of Commercial Cannabis will require a separate license from the City and are not considered a part of the microbusiness activity.

**98. Is Hayward allowing delivery only services? If so are they allowed to have cannabis and cannabis products on site?**

Yes. Delivery-only service is the transport of the product from the supplier to the consumer. No storage of cannabis products on-site is allowed with delivery-only land uses.



- 99. I'm wondering when in the application process, an applicant will be issued temporary local authorization or TLA to conduct cannabis activity? Will applicants be allowed to operate while moving through the permitting process or will applicants only be given authorization to conduct cannabis activity after a permit has been issued?**

The City will not be issuing temporary local authorization to any entity regardless of cannabis activity. Applicants will not be allowed to operate until they have secured a Commercial Cannabis Permit and their appropriate land use approvals, in addition to all State requirements.

**[End of Addendum]**