Q1: What happens if more applicants apply than the maximum number of permits issued by City Council?

A1: After the close of the first application period on May 9th, the City will count the number of complete applications received. If the number of completed applications exceeds the maximum number of permits permitted by City Council, before proceeding with Part 1 processing of applications in that business type category, the City would hold a lottery or use some other neutral process (but not first come first served) to determine which Applicants move forward. Applications that were not selected for processing during the lottery or some other process would be returned to the applicant and would not undergo Part 1 review. Remaining applications would undergo Part 1 review, and if applicable, continue on to Part 2 review.

Q2: Would you be able to clarify the permit fees? Is the permit fee and the application fee the same thing? Do we only pay the permit fees if our business is approved by the city?

A2: All applicable cannabis fees are listed in the Cannabis Business Permit Fee List. There are several fees that are due during the permit application process, before the applicant receives a permit. These are the Step 1 Fee, Background Check Fee, Step 2 Fee, Step 3 Fee, and Cash Payment Surcharge Fee. These fees allow the City to recover costs for staff to review the permit applications. These fees are due sequentially as the permit application is processed. The purpose of charging them to the applicant in steps (as opposed to one upfront fee) is to avoid charging an applicant fees for the entire process if they do not make it past Step 1, or Step 2, etc. At the end of the application review process, an Applicant will be invoiced for the Annual Permit Fee, which must be paid before the Applicant receives a Cannabis Business Permit to operate for the following 12 months. The Annual Permit Fee recovers the City’s cost to regulate the permit during the course of the year. The Annual Permit Fee is not due or applicable until the applicant successfully completes Step 3 of the application process.

Q3: When is the first Annual Permit Fee due? Is the annual fee applicable after the first 12 months (and every 12 months thereafter) for a successful cannabis business permit applicant - or is that fee in addition to the other Step-specific applicant fees contained in your Fee List?

A3: The first Annual Permit Fee is due after Step 3 and before the issuance of the first Commercial Cannabis Business Permit. The next Annual Permit Fee will be due 12 months afterwards, and every 12 months after that. The Annual Permit Fee is in addition to the other Step-specific applicant fees contained in the Fee List.

Q4: How soon after the May 9 cut-off date will the City begin issuing permits?

A4: The City will begin review of applications immediately after the close of the first application period on May 9th. This is a new process, so although the City plans to proceed expeditiously, it is currently unknown exactly how long it will take to complete the review process. The target is somewhere between 30-90 days for the permit review. However, there are many unknown variables that could lengthen or reduce the time: the scope and complexity of improvements being made to the applicant’s premises, the length of time for the Live Scan results to be returned by the DOJ and FBI, the length of
time for the LA County Department of Public Health review processes. The City will remain in close contact with applicants during this time and will be able to provide updates along the way.

**Q5:** Will the permits be granted administratively or do they need to be approved by the City Council?

A5: Permits for manufacturing, distribution, cultivation, testing laboratory, and delivery-only retail businesses will be granted administratively. Storefront retail permits need to be approved by the City Council.

**Q6:** Will Culver City allow outside delivery of cannabis from delivery-only retailers not located within city limits?

A6: Yes, the City will allow delivery to Culver City of cannabis from delivery-only retailers not located within city limits beginning April 25, 2018 if the business holds a Culver City business tax certificate, a valid cannabis operating permit from another jurisdiction, and a valid cannabis license to operate issued by the State. Please see CCMC 11.01.075 as modified by City Council Ordinance on March 26, 2018 for additional details.

**Q7:** For proposed neighborhood compatibility plan, the application asks for interior/exterior renderings. What specifically is the city looking for? Do renderings mean elevations? When you say renderings do you mean elevations?

A7: The City is asking for building and interior elevations, so that we can review the design, look, and feel of the facility as it relates to the neighborhood.

**Q8:** Business Plan #14: Does “Other business locations” mean locations within the city only or all other permits the applicant holds? Is this “Other business locations” only for the specific entity applying?

A8: “Other business locations” means any location, including outside the City and state of California, where the Primary Applicant is engaged in business.

**Q9:** In Application: Part 1 Attachment Instructions, page 4, Section G “Business Plan”, #1(a), did you mean “…required in (3)” where you put… “…required in (5)…”?

A9: Yes, that was an error. In the Application: Part 1 Attachment Instructions, page 4, Section G “Business Plan”, #1(a) should read: “Must demonstrate sufficient capital in place to pay startup costs and at least three months of operating costs, using the proforma required in (3), below.

**Q10:** Can you provide more details about what the City is looking for with “community benefits”?

A10: In the Application: Part 1 Attachment Instructions, Part F(5)(d), applicants were asked: “How do you intend to provide the local community with community benefits? Provide a detailed description of your plans to participate in community service within the City of Culver City. These plans may include, but are not limited to, involvement with non-profit associations, neighborhood associations, and community groups.”

The City is not requesting that applicants include a specific dollar figure, a specific charity organization, or certain cause in their plan. This part of the application is meant to help the City and community learn
more about the applicant and its culture, inspire a positive cannabis business culture in Culver City, and a good relationship between community and new companies locating here. There are many ways in which businesses can positively impact the community. We are hopeful that applicants will be thoughtful in their responses, and demonstrate an understanding of the needs and priorities of the Culver City community.

If you are new to Culver City and don’t yet know what the community wants or needs, but you want to be an engaged corporate citizen, take this opportunity to describe the process you intend to take to educate yourself, become engaged (organizing neighborhood meetings, attending City Council meetings, meeting with individual community leaders, etc.), and act positively. Be creative but remain true to your company’s identity.

(Note that, the meaning of “community benefit” in the context of this Application is not the same as the meaning of “community benefit” used in the Culver City Zoning Code 17.400.)

Q11: Are you able to clarify what is considered to be a Professional service?  Secondly, is this coverage still required if we, the applicant do not provide any professional services?

A11: Professional Liability Insurance is required by any Applicant who may recommend product or dosing requirements. The City considers any cannabis retailer (storefront or non-storefront) a provider of professional services.

Q12: What is the reason for requesting copies of certificates demonstrating business or professional qualifications for each "Responsible Person" (such as diplomas for masters’ degrees or higher, licenses, etc.)? Some of our executive team has earned these degrees (PhD and Masters) but not everyone has ready access to their diploma. If we are not able to submit an actual diploma, how will this be reflected in the City’s review of our qualifications?

A12: The City has established a rigorous process in order to sufficiently verify the identities and qualifications of the Responsible Persons. If the evidence is not available, please attach a brief note of explanation.

Q13: We would like clarification in regards to California State Fund Workers Compensation. Due to the nature of the business this is the only coverage which is available to our client. Would presenting a California State Fund Workers Compensation be sufficient to meet your requirements?

A13: As long as the coverage meets the City’s requirements for cannabis business permits, then it will be sufficient.

Q14: Is the property owner that the Applicant is leasing the building from considered a Responsible Person for purposes of Section B, Responsible Person Information?

A14: Status as an applicant’s landlord alone is not enough to qualify someone as a Responsible Person. However, some property owners may qualify as Responsible Persons, for example if they are also a major investor in the applicant to whom they are leasing.
Q15: Does the Applicant only need to include a description of the qualifications and experience for the Responsible Persons that will be involved in the operation of the proposed business or does this information need to be included for all individuals who qualify as a Responsible Person even though they will not be involved in operations? For example, would an Applicant need to include a description of the qualifications and experience for an entity that owned 10%? If so, how would the Applicant include a description of the qualifications and experience or the resume of an entity?

A15: Yes. Applicants need to include a description of the qualifications and experience for all Responsible Persons, including any entity who qualifies as a Responsible Person. A description of the qualifications and experience for an entity might include a description of the history and business activities of that entity. If the entity is newly created, it might include a description of the qualifications and experience and/or resume of the entity’s creators.

Q16: Does each entity with greater than 10% ownership interest in the Applicant need to fill out a Responsible Person form?

A16: Yes. Entities cannot submit a LiveScan, but the City needs the form in order to confirm Question 2(a): “Have you ever been sanctioned or fined for, or enjoined from, operating a cannabis dispensary or retailer in the state without the necessary permits and approvals from the applicable state and/or local jurisdictions?”

Q17: Do entities with less than 10% interest in an Applicant need to fill out a Responsible Person form?

A17: No.

Q18: Do individuals with less than a 10% interest in the Applicant through their ownership in an entity that has greater than 10% interest in the Applicant need to fill out a Responsible Person Form?

A18: If the individual does not have 10% or greater interest in the Applicant via ownership in an entity that has greater than 10% interest in the Applicant do not need to fill out a Responsible Person Form through the % ownership criteria. (However, they may qualify under another part of the Responsible Person criteria). For example, if LLC A has a 20% interest in the Applicant, and Individual B owns 40% of LLA A, then Individual B effectively owns 8% of the Applicant (40% x 20% = 8%), and is not considered a Responsible Person under that criteria. The individual may still be a Responsible Person if they will be involved in operation of the business and are onsite in apparent management or control of the Premises. (Note that, however, Individual B must still be listed in the “Equity Ownership Information Description Document”. See below.)

Q19: For purposes of Section A(3), if an entity owns 50% of an Applicant, but no individual owns more than 5% of that Entity, does only the Entity need to be included on the Equity Ownership Information Description Document or does ownership of the Entity also need to be explained? If it does need to be explained, can all individuals/entities with an interest in Entity be grouped as “Other Equity Holders” since none have more than 5% interest in the Entity?
A19: The equity ownership of an entity that owns 50% of the Applicant should be described. If no individual owns 10% or more equity in the entity (which is the case in your example since all equity holders own 5% or less), describe the equity ownership as “100% Other Equity Holders”.

Q20: For purposes of Section A(3), should there ever be an entity listed that has ownership in the Applicant without listing individuals/entities with ownership in that entity. For example, if Entity A owns 10% of the Applicant and Entity A is owned by Entity B and Entity C, each of who own 50% of Entity A, do the individuals with ownership in Entity B and Entity C need to be listed?

A20: The only instance in which you would not list any individuals/entities with ownership in an entity that has ownership in the Applicant is when all individuals/entities who own the entity have an equity interest of less than 10%. (This is the situation described in the previous question.) In this instance, you would group these together individuals/entities as “100% Other Equity Holders”.

In the example you give in this question, all individuals with 10% or greater ownership in Entity B and Entity C need to be listed. In other words, the threshold of whether or not you are listed in Section A(3) is not whether you own 10% or greater of the Applicant, but whether you own 10% or greater of each parent company, or grandparent company, or great-grandparent company, etc.

Q21: If a Responsible Person lost their social security card, what documentation should they submit for Section B(1)? Can they provide other documentation such as a birth certificate or citizenship documentation?

A21: If you have a social security number but do not have a social security card, please submit a brief letter of explanation using the same file naming convention in the Application: Part 1 Attachment Instructions. If you do not have a social security number, please provide an Individual Taxpayer Identification Number.

Q22: Would a storage area secured with a locked fence around it be considered compliant for purposes of 11.17.240(A)(3)?

A22: If the storage area is indoors and completely enclosed by the locked fence, then it would most likely comply, depending on the context of the Applicant’s overall business activities and proposal. If the storage area is simply surrounded by a six-foot high fence inside a larger warehouse, which could be easily scaled, then it would not comply. Please submit a description along with Attachment I: Security Plan – Part 1 (see 2(e)) and Security Plan 2 (see C(4)).

Q23: Is there any possibility that Applicants who submit early will receive an advantage over those who submit later?

A23: No.

Q24: Is there any possibility that the application period will close before May 9?

A24: No.

Q25: My question relates to properly-zoned, commercial real estate - specifically, how far can an applicant go throughout the application process (start to finish) without a signed lease? I've reviewed
the Property Owner Consent Form and that clearly references an "option to lease" as being sufficient in lieu of a signed lease agreement. There is also an "Other" section for the property owner to choose - could that include a "conditional lease" (conditional on securing city permit approval) or even just a confirmation by the property owner that they approve of the proposed use at their address for the primary applicant without any further agreement between the parties?

A25: In order to complete the Cannabis Business Permit Application: Part 1, an Applicant requires ownership, a signed lease, or option to lease or purchase the property with which it intends to do business in Culver City. The document must be legally binding on the owner to allow the applicant to lease the property for the proposed use at the site contingent only on the issuance of a permit by the City of Culver City.

Q26: The first step Zoning and Parking Verification Form also does not seem to require any type of signed agreement/attachment.

A26: Correct. The Zoning and Parking Verification Form does not require any agreement or attachment.

Q27: On [the Zoning and Parking Verification Form], it asks for the "APN(s) of Proposed Business Location." Could you verify what APN stands for?

A27: Assessor’s Parcel Number