# **Cannabis Cultivation Application Process**

## Pre-application submission process

The City will accept pre-applications during regular business hours from March 3, 2025 through March 13, 2025 for inclusion in the lottery process. Pre-applications must be submitted in person to the City Clerk's Office. Applicants who have submitted a pre-application form that is deemed complete will be assigned a verification number. Otherwise, applicants will be notified that their application is incomplete and must re-submit a revised complete application on or before close of business on March 13, 2025. The list of applicants and corresponding verification numbers will be made publicly available when that process is completed.

Following the close of the pre-application period, the City will use an independent electronic system that conducts drawings on a random basis to determine the order of verification numbers/applicants. Following the random draw, applicants will be ordered from 1 to X, with X being the total number of applicants.

The first three lowest number applicants (i.e. nos. 1, 2 and 3) will be invited to move forward in the application process provided that at least one of the first three randomly drawn applicants is a verified equity applicant. As the City has reserved at least one of the three available licenses for an equity applicant, if the first two lowest number applicants (i.e. nos. 1 and 2) are not equity applicants, the third selected applicant shall be the equity applicant with the lowest drawn number. All non-selected applicants shall be placed on a waitlist based on their drawn number.

The list ranking all applicants in their randomly drawn order, the list of three applicants invited to move forward in the application process and the resulting waitlist will be posted on the City's website and emailed to all applicants.

The three applicants selected to apply for a cannabis cultivation license shall have five (5) business days from the date of notification to submit their Application and Special Use Permit (SUP) fees to the City Clerk's Office (fees are waived for verified equity applicants). Failure to do so shall result in the automatic termination of said applicant's application.

After this initial process is complete, and prior to the waitlist expiring, pre-applications will continue to be accepted in person only at the City Clerk's office and applicants will be added to the waitlist in the order of the time stamp applied to the pre-application by the City Clerk's office.

## **Pre-application review**

Staff will review the pre-applications submitted by the three applicants selected to apply for a cannabis cultivation license. If the applicants meet all minimum qualifications, these applicants will be invited to continue with the process. If any of these selected applicants do not meet the minimum qualifications, the applicant's application process shall be terminated and that applicant will be removed from the list of applicants.

## Steps and timeline

Applicants will have six (6) months (equity applicants shall have twelve (12) months) to submit a Special Use Permit application to the City for the cannabis cultivation business. If the applicant fails to timely submit said application, that applicant's application process shall be terminated and that applicant will be removed from the list of applicants.

If the applicant is unable to secure a Special Use Permit within nine (9) months of submitting the Special Use Permit application, the applicant's application process shall be terminated and that applicant will be removed from the list of applicants.

After obtaining a Special Use Permit, the applicant shall:

- submit a complete City of Vista Cannabis Cultivation Application
- apply for and obtain a Department of Cannabis Control (DCC) License for cultivation

Prior to receiving a City of Vista Cannabis Cultivation License, the business must also (in the order listed):

- submit insurance at coverage limits and with conditions as detailed in Exhibit A of the Indemnity Agreement
- obtain a Certificate of Occupancy
- obtain a City of Vista Business License

Upon receiving a City of Vista Cannabis Cultivation License and prior to commencing operations, the business must:

• obtain employee work permits

If the applicant allows the Special Use Permit to expire, the applicant's application process shall be terminated and that applicant will be removed from the list of applicants.

Equity applicants shall have up to one (1) year after any non-equity commercial cannabis cultivation businesses receive a commercial cannabis cultivation business license to obtain their cultivation license. If the three selected applicants are all equity applicants, all three equity applicants will have a maximum of three (3) years from the date applicants were notified of their selection in the pre-application process to obtain their commercial cannabis cultivation license. If the equity applicant(s) is/are unable to obtain a commercial cannabis cultivation business license within the applicable time provided, that equity applicant's application process shall be terminated and the applicant numerically next on the waitlist, regardless of equity status, will be given the opportunity to apply for a commercial cultivation license.

The waitlist, if any, shall automatically expire contemporaneous with the time when all three initial commercial cannabis cultivation business licenses have been issued.

## **Forfeited spots**

If a position on the list is forfeited, the next business on the waitlist will be notified in writing of the opportunity to apply for a commercial cultivation license. The business shall have fifteen (15) business days to pay the Application and Special Use Permit fees or automatically forfeit their place on the waitlist. Fees are waived for verified equity applicants, however a written notice of intent to move forward in the process must be received within fifteen (15) business days or that equity applicant shall forfeit its place on the waitlist.

## Unplanned license availability

If a commercial cultivation license becomes available any time after the initial three commercial cannabis cultivation licenses have been issued, the City shall use a lottery system to select an applicant who will be given the opportunity to obtain an available commercial cultivation license, as well as to establish a waiting list. If the commercial cultivation license that becomes available is due to an equity applicant's business losing its license for any reason, the lottery system to select an applicant shall only consist of equity applicants. If no equity applicants apply for the lottery, the City Manager shall conduct a new lottery and make that license available to non-equity applicants. If a selected applicant, both equity and non-equity applicants, fails to obtain a special use permit in the time allotted under the rules and procedures established by the City and/or City Manager, that applicant will forfeit the spot and the spot will be offered to the applicant numerically next on the waitlist. The waitlist, if any, shall automatically expire contemporaneous with the time when a successful applicant obtains a commercial cannabis cultivation business license.