

2019 CITY OF OAKLAND

EQUITY APPLICANT DISPENSARY PERMIT APPLICATION

INSTRUCTIONS

- a. Individuals and entities may only be a part of one Equity Applicant Dispensary Permit Application. The City will automatically disqualify any Applicant composed of individuals or entities that are a part of more than one equity applicant dispensary permit application.
- b. All applicant board members, partners and managers must undergo a LiveScan background check.¹ *Please use the LiveScan Form attached to this Application.*
- c. Complete the below application and gather all supporting documentation required.
- d. Before 3:00 p.m. February 27, 2020 submit one full set (application plus attachments) of the completed Dispensary Permit Application 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). Equity Applicants are exempt from the \$3,005 Dispensary Application fee, but must pay the \$32 LiveScan processing fee per person. Payment shall be made in check, money order or cashier's check payable to the City of Oakland. Cash payments will not be accepted.
- e. **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.**

¹ 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.

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EQUITY APPLICANT 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:	

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:	

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

2. Verification of Equity Status

OMC 5.80.010 and OMC 5.81 define an “Equity Applicant” as an Applicant whose ownership/owner²:

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.

² “Ownership” shall mean the individual or individuals who:

- i. With respect to for-profit entities, including without limitation corporations partnerships, limited liability companies, has or have an aggregate ownership interest (other than a security interest, lien, or encumbrance) of 50% or more of the entity.
- ii. With respect to not for-profit entities, including without limitation a non-profit corporation or similar entity, constitutes or constitute a majority of the board of directors.
- iii. With respect to collective has or have a controlling interest in the collective’s governing body.

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 and provide a minimum of two of the documents listed below, evidencing 10 years of residency shall be considered acceptable proof 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.

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)		

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

3. Business Plan

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.

A large, empty rectangular box with a thin black border, occupying the upper half of the page. It is intended for the applicant to provide information or a response to the question below.

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

A large, empty rectangular box with a thin black border, occupying the lower half of the page. It is intended for the applicant to describe their 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)

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

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

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

OPENING INVENTORY	\$ AMOUNT
Category 1:	
Category 2:	
Category 3:	
Category 4:	
Category 5:	

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

OTHER EXPENSES	\$ AMOUNT
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

Position Title:	Salary Costs per Month	Benefit Costs per Month	Number Employed at this Position	Anticipated Month of Hiring

2022

Position Title:	Salary Costs per Month	Benefit Costs per Month	Number Employed at this Position	Anticipated Month of Hiring

2023

Position Title:	Salary Costs per Month	Benefit Costs per Month	Number Employed at this Position	Anticipated Month of Hiring

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

	2021	2022	2023
REVENUES			
Product/Service 1			
Product/Service 2			
Product/Service 3			
Other Revenue			
TOTAL REVENUES			
COST OF GOODS SOLD			
Product/Service 1			
Product/Service 2			
Product/Service 3			
Salaries-Direct			
Payroll Taxes and Benefits-Direct			
Depreciation-Direct			
Supplies			
Other Direct Costs			
TOTAL COSTS OF GOODS SOLD			
GROSS PROFIT (LOSS)			
OPERATING EXPENSES			
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			

	2021	2022	2023
Insurance			
Meals and Entertainment			
Merchant Account Fees			
Miscellaneous Expense			
Office Supplies			
Payroll Processing			
Postage and Delivery			
Printing and Reproduction			
Professional Services – Legal, Accounting			
Occupancy			
Rental Payments			
Salaries-Indirect			
Payroll Taxes and Benefits- Indirect			
Subcontractor			
Telephone			
Travel			
Utilities			
Website Development			
TOTAL OPERATING EXPENSES			
OPERATING PROFIT (LOSS)			
INTEREST (INCOME), EXPENSE & TAXES			
Interest (Income)			
Interest Expense			
Income Tax Expense			
TOTAL INTEREST (INCOME), EXPENSE & TAXES			
NET INCOME (LOSS)	\$	\$	\$

4. Security Plan

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.

5. Compliance with State Law

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.

6. Tax Rates

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:

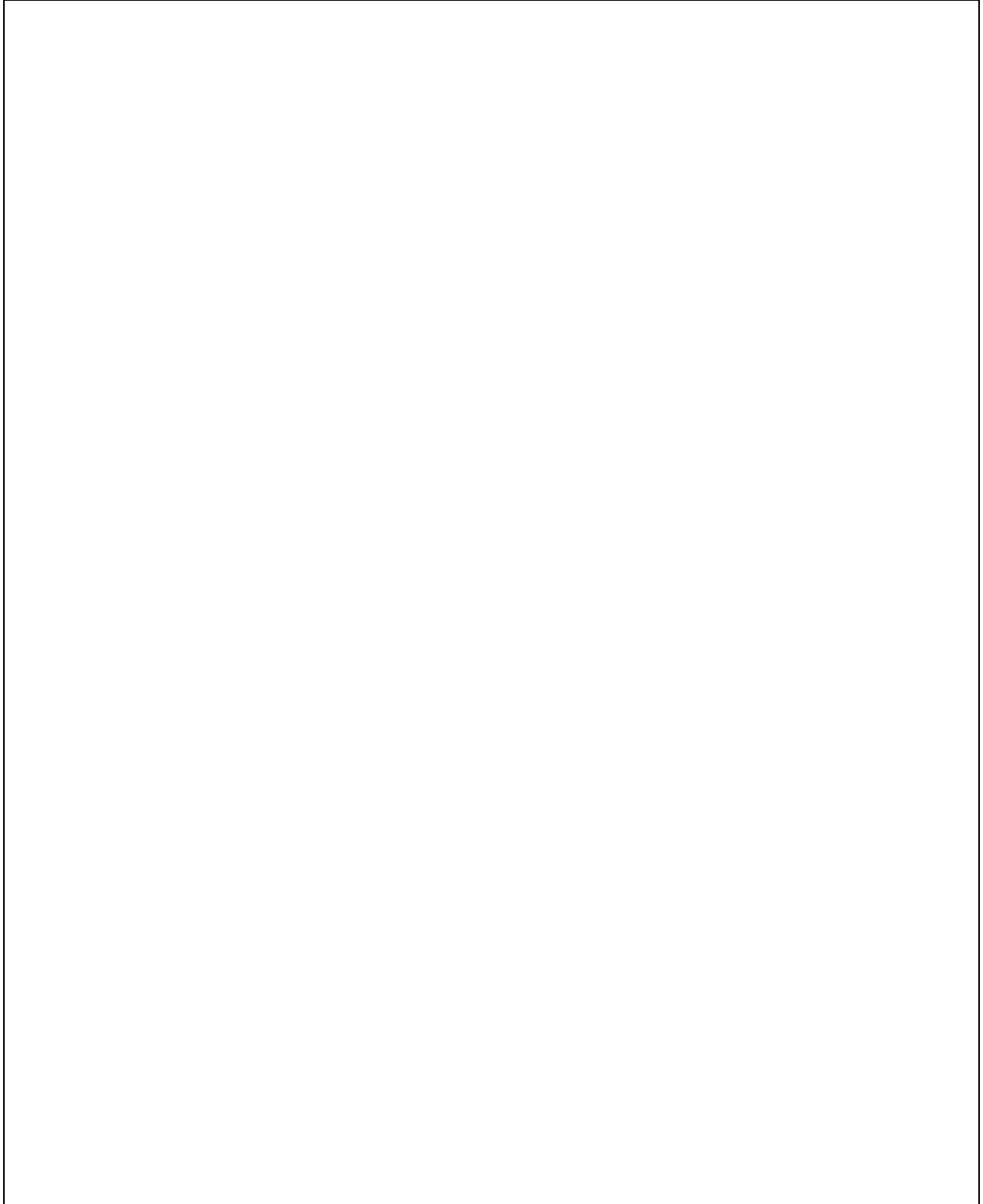
a. What is the cannabis excise tax rate for adult use cannabis purchases?

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.

7. Odor Mitigation

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 provide their odor mitigation plan. The box occupies most of the page below the instructions.

8. Neighborhood Beautification

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.

9. 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

Proof of Ownership

Proof of Income

And either

Proof of Residency

or

Proof of Conviction

10. Commitment to Participate in Post-Public Drawing Training

By submitting this application, I agree to participate in a technical assistance training provided by the City of Oakland for equity dispensary applicants selected in the public drawing and I understand that failing to participate in this training is grounds for the City of Oakland proceeding with the public drawing runner-up.

11. 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.

APPLICANT NAME:
SIGNATURE:
DATE:

FOR OFFICE USE ONLY:

Application:

Received by: _____ Date: _____

Receipt #: _____