



City Council

Mayor John W. Minto
Vice Mayor Rob McNelis – District 1
Councilmember Ronn Hall – District 2
Councilmember Laura Koval – District 3
Councilmember Dustin Trotter – District 4

CITY OF SANTEE

NOTICE & AGENDA FOR A SPECIAL MEETING

Santee City Council

Interim City Manager | Gary Halbert

City Attorney | Shawn D. Hagerty

City Clerk | James Jeffries

SPECIAL MEETING AGENDA

Day 1, Convene – Tuesday, July 8, 2025, 8:30 a.m.

Day 2, Reconvene – Thursday, July 10, 2025, 8:00 a.m.

Day 3, Reconvene – Friday, July 11, 2025, 8:00 a.m.

Council Chamber | Building 2

10601 Magnolia Ave • Santee, CA 92071

Notice is hereby given that the Mayor of the City of Santee has called and will convene a Special Meeting of the City Council at the time and location stated on this agenda. This meeting is to be conducted over three different days (July 8, 10, and 11, 2025). Each day the meeting will be adjourned to the next meeting day, continuing the meeting to the dates and times specified on this Agenda. Day 1 the meeting will convene on Tuesday, July 8, 2025, at 8:30 a.m. Day 2 the meeting will reconvene on Thursday, July 10, 2025, at 8:00 a.m. Day 3 the meeting will reconvene on Friday, July 11, 2025, at 8:00 a.m.

Days 1 and 2 of the meeting are reserved for staff presentations and applicant interviews. Day 3 of the meeting is reserved for public comment, City Council deliberations and the final selection.

TO WATCH LIVE:

AT&T U-verse channel 99 (SD Market) | Cox channel 117 (SD County)

www.cityofsanteeca.gov

IN-PERSON ATTENDANCE

Members of the public who wish to view the Council Meeting live may watch the live taping of the in the Council Chamber on the meeting dates and times listed above.

LIVE PUBLIC COMMENT

All public comment on matters on the City Council Agenda will be heard on Day 3 of the meeting, Friday, July 11, 2025, at 8:00 a.m. Members of the public who wish to comment may appear in person and submit a speaker slip, before the item is called. Your name will be called when it is time to speak. It is not anticipated that applicants will speak during public comment. The public comment period is intended to provide members of the public who do not otherwise have a time to address the Council with the opportunity to comment on the item. Applicants should address the Council during their interview session.

Please Note: While members of the public are generally permitted to speak for three minutes during the public comment period, in accordance with Legislative Policy Memorandum (LPM) 2019-1, the Mayor may reduce the usual three-minute time limit to provide for an orderly meeting when numerous comments are expected. (LPM 2019-1, § 10.2; Gov. Code § 54954.3) Any reduction of speaker time will be announced before the public comment period begins.



The City of Santee complies with the Americans with Disabilities Act. Upon request, this agenda will be made available in appropriate formats to persons with disabilities, as required by Section 12132 of the American with Disabilities Act of 1990 (42 USC § 12132). Any person with a disability who requires a modification or accommodation in order to participate in a meeting should contact the City Clerk at (619) 258-4100, ext. 114 at least 48 hours before the meeting, if possible.

CALL TO ORDER/ROLL CALL:**NEW BUSINESS:**

- (1) **Public Hearing for the Selection of Up to Four Retail Commercial Cannabis Businesses (CCBs) with Up to Four Alternate CCBs and Finding the Action Exempt from the California Environmental Quality Act (CEQA) Pursuant to CEQA Guidelines Section 15303. (Planning and Building – Sawa)**

Recommendation:

- 1) Conduct and close the Public Hearing; and
- 2) Hear all 16 applicant interviews; and
- 3) Determine which applications, if any, will be selected to pursue a CCB Permit; and
- 4) Determine an alternate list; and
- 5) Find the action exempt from the California Environmental Quality Act (CEQA); and
- 6) Adopt the Resolution that will be completed after the selection process; and
- 7) Authorize the City Attorney to begin the Community Benefits Agreement process with the selected CCBs and bring back the final agreements to City Council for approval.

CLOSED SESSION:

- (2) **Conference with Legal Counsel—Anticipated Litigation**
(Government Code section 54956.9(d)(2))
Significant exposure to litigation: Twelve potential cases related to the retail cannabis business selection process

ADJOURNMENT:

As noted previously, the meeting will be adjourned each day to the next meeting day. Day 1 of the meeting will be adjourned to day 2 on Thursday, July 10, 2025, at 8:00 a.m. Day 2 of the meeting will be adjourned to day 3 on Friday, July 11, 2025, at 8:00 a.m.



MEETING DATES July 8, 10, and 11, 2025

ITEM TITLE PUBLIC HEARING FOR THE SELECTION OF UP TO FOUR RETAIL COMMERCIAL CANNABIS BUSINESSES (CCBs) WITH UP TO FOUR ALTERNATE CCBs AND FINDING THE ACTION EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO CEQA GUIDELINES SECTION 15303.

DIRECTOR/DEPARTMENT Sandi Sawa, AICP, Planning & Building Department 

SUMMARY

The purpose of this item is for the selection of up to four retail Commercial Cannabis Businesses ("CCB") in accordance with adopted Ordinances 602 and 614. The City Council may also select up to four additional CCBs as alternates with the first alternate being ranked and up to three other alternates chosen. The alternates list will be valid for two years.

The CCB Application Procedures and Review Criteria ("Procedures") provides guidance on the application process for a commercial cannabis retail business license. The Procedures detail the four-phase process: Phase I: Determination of Eligibility, Phase II: Application Evaluation and Review, Phase III: Interviews, and Phase IV: City Council Interviews and Final Decision.

16 applications have been determined eligible for advancement to Phase IV. Details regarding their applications have been provided in the staff report.

ENVIRONMENTAL REVIEW

Pursuant to the requirements of the California Environmental Quality Act ("CEQA"), the City Council adopted a Mitigated Negative Declaration ("MND") and Mitigation Monitoring and Reporting Program for the Santee Cannabis Business Ordinance in July 2022 (State Clearinghouse No. 2022060058) and adopted Ordinance 602 in August 2022. Ordinance 614 involved the adoption of the Procedures and fees for the implementation of the CCB Ordinance and therefore Phase IV was covered by the analysis in the 2022 MND.

Each project and project site was assessed and determined exempt from CEQA pursuant to CEQA Section 15303 New Construction or Conversion of Small Structures because all sites are located within an urbanized area, are zoned for the permitted use, have all public services available and are not adjacent to an environmentally sensitive area and the proposed use will not utilize hazardous materials or build or convert space exceeding 10,000 square feet. No exceptions to the Class 3 exemption apply. Notice of Exemptions will be filed for any site awarded a permit.

FINANCIAL STATEMENT *EB for HJ*

Staff time spent on this project will be recovered through the CCB application fees paid by each applicant.

CITY ATTORNEY REVIEW

☐ N/A

☒ Completed

RECOMMENDATION *OK*

- 1) Conduct and close the Public Hearing; and
- 2) Hear all 16 applicant interviews; and
- 3) Determine which applications, if any, will be selected to pursue a CCB Permit; and
- 4) Determine an alternate list; and
- 5) Find the action exempt from the California Environmental Quality Act (CEQA); and
- 6) Adopt the Resolution that will be completed after the selection process; and
- 7) Authorize the City Attorney to begin the Community Benefits Agreement process with the selected CCBs and bring back the final agreements to City Council for approval.

ATTACHMENTS

Staff Report

A- Application Procedures and Review Criteria

B- Aerial Vicinity Maps

C- CCB Retail Applications – In Interview Order – Confidential Sections Redacted or Removed

1. Siesta Life - 9855 Prospect Ave, Suite C
2. Flame - 10723 Prospect Avenue
3. Green Reserve - 10612 Prospect Avenue
4. Catalyst - 8625 Cuyamaca Street
5. Dr. Green Thumb's - 10439 Prospect Avenue
6. Flyte - 9805 Prospect Avenue
7. Embarc - 8017 Mission Gorge Road
8. Off the Charts - 8069 Mission Gorge Road
9. Mission Greens - 9945 Prospect Avenue
10. Hightend - 9035 Mission Gorge Road
11. Wellgreens - 7751 Mission Gorge Road
12. BUZZ - 8011 Mission Gorge Road
13. Culture Cannabis Club - 8781 Cuyamaca Street, Suites A-D
14. Leaf Society - 10806 Prospect Ave
15. March and Ash - 8665 Argent Street, Suite #B1
16. Santee Holistics - 10017 Prospect Avenue

D- Resolution

STAFF REPORT

PUBLIC HEARING FOR THE SELECTION OF UP TO FOUR RETAIL COMMERCIAL CANNABIS BUSINESSES (CCBs) WITH UP TO FOUR ALTERNATE CCBs AND FINDING THE ACTION EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (“CEQA”) PURSUANT TO CEQA GUIDELINES SECTION 15303.

APPLICANT: CITY OF SANTEE

CITY COUNCIL MEETINGS JULY 8, 10, and 11, 2025

A. BACKGROUND

In August of 2022, the City Council enacted Ordinance 602, the Cannabis Business Permit Ordinance of the City of Santee (“City”), codified in Santee Municipal Code (“SMC”) Chapter 7.04: Cannabis Businesses. Ordinance 602 permits the issuance of cannabis business permits for up to four (4) retailers, including microbusinesses with storefront retail activities. Ordinance 602 also permits the issuance of cannabis business permits, with no limit on the number, for manufacturing, testing laboratories or microbusinesses that do not include storefront retail. Ordinance 602 prohibits all other types of cannabis business permits.

On March 27, 2024, the City Council adopted Ordinance 614 which included the application process, procedures and review criteria (Procedures) for the retail business licenses. The Procedures are attached for review and include required application materials, limitations on multiple submissions and ownership interest, and the components of each of the four phases by which City Council will consider retail applications. These Procedures are consistent with Ordinance 602.

A 45-day application period was provided from September 10, 2024 to October 24, 2024 to allow adequate time for applicants to compile responsive and compliant application packets that included all the required materials, and the fee listed within the Procedures. The City received 16 applications (Figure 1).

As detailed in the Procedures, a four-phase process to review and score the applications began after the applicant period closed. Each phase is scored independently from the next. After the conclusion of a phase, the points assigned to each applicant reset. A summary of the phases and the associated review timelines are provided below.

Phase I: Determination of Eligibility (October 25, 2024 – January 30, 2025)

Staff reviewed the applications to ensure that all materials had been submitted, and any submittal limitations were met. During this time, the Zoning Verification Letters were also reviewed to ensure the site was in a permitted zone, met sensitive use buffers and that only one application had been submitted per legal lot.

Phase II: Application Evaluation and Review (January 31, 2025 – March 31, 2025)

Once applications were determined complete, staff reviewed and scored each application

using a merit-based system. The Procedures outlines what sections of the application were reviewed during this phase and the points available.

Phase III: Interviews (April 1, 2025 – May 29, 2025)

A Staff Evaluation and Interview Committee, comprised of the Engineering Director, Finance Director, and Community Services Director, used merit-based interviews to score the applicants on the remaining sections of the applications. Based on the interviews, the City Manager determined that all applications were qualified for advancement to Phase IV.

Phase IV: City Council Interviews and Final Decision (July 8, 10 and 11, 2025)

The City Council will interview the 16 qualified applicants and make a final determination, which, if any, will be awarded a permit.

B. SUMMARY

Phase IV City Council Interviews and Final Decision

There will be two days of interviews on Tuesday, July 8th and Thursday, July 10th with City Council deliberations and selection on Friday, July 11th.

Interview Format:

Each interview will be 45 minutes, and seven questions will be asked by the City Clerk to each of the qualified applicants.

Selection Process:

After all 16 applicant interviews have been heard, the City Council will make a final determination as to which, if any, applicants will be awarded a permit. Under the City's current ordinance, up to four permits may be awarded. It is recommended that up to four additional applications be selected as alternates. The first alternate will be ranked with up to three other alternates chosen. The alternates list will be valid for two years.

To begin narrowing down the applications, each councilmember will select their top eight applicants. Any application/applicant that is not selected by a councilmember will not move forward. Councilmembers can discuss and ask clarifying questions of applicants to reduce each councilmember's list down to the top six and finally their top four. If there is an inability to achieve consensus on the top four, the Council reserves the right to use a ranking process.

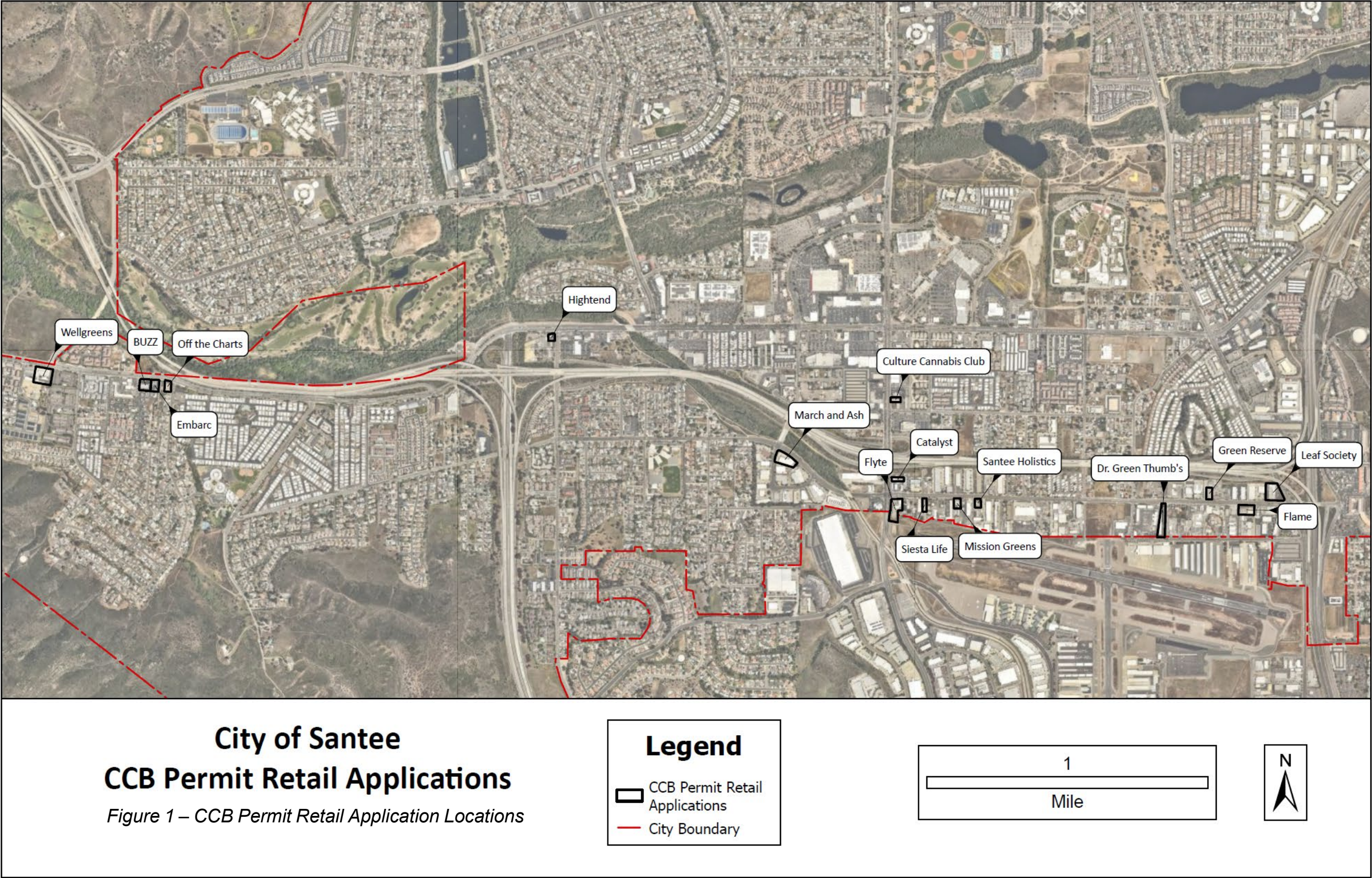
Staff will use a spreadsheet similar to the one used during the Community Development Block Grant fund allocation process to assist the City Council identify and track consensus and narrow down the applications until final decisions are made.

Next Steps

After the City Council has determined which Applicants, if any, may be awarded a CCB permit, the selected applicants will enter into a Community Benefit Agreement with the

City to memorialize the terms and conditions under which the cannabis business will operate that are in addition to the requirements of the SMC and that include all community benefits offered by the applicant during the selection process.

Award of a CCB permit does not constitute a land use entitlement and does not waive or remove the requirements of obtaining permits for all construction, including electrical, plumbing, fire, planning, and any other permits, licenses, or reviews deemed necessary by the relevant departments or governmental entities in charge of said permits. Award of a CCB permit does not guarantee that the plans submitted during the CCB application process meet the standards or requirements of SMC Titles 11 and 13, or any other permit requirements from other City departments or agencies. Those awarded a CCB permit will be required to demonstrate compliance with all development standards set forth in SMC Title 13.



C. ANALYSIS**Comparison Chart (in interview order)**

Business Name	Location (Address & APN(s))	Lot Size (Square Feet)	Building Area (Square Feet)	Zone	Site Improvements	Direct Fee To City (Percentage of Gross Receipts)
Siesta Life (Siesta Life Santee LLC)	9855 Prospect Avenue, Suite C 384-190-73-00	13,819	1,404	General Industrial	Improvements to Existing Building/Suite	9%
Flame (Market Equities LLC)	10723 Prospect Avenue 384-261-23-00 384-261-06-00	37,970	2,956	General Industrial	Improvements to Existing Building/Suite	10%
Green Reserve (East County Prospect LLC)	10612 Prospect Avenue 384-260-09-00 384-260-10-00 384-260-11-00	16,107	2,600	Light Industrial	Improvements to Existing Building/Suite	8%
Catalyst (South Cord Holdings LLC)	8625 Cuyamaca Street 384-161-24-00	12,037	2,000	General Commercial	Improvements to Existing Building/Suite	6%
Dr. Green Thumb's (Santee Project LLC)	10439 Prospect Avenue 384-250-13-00	48,843	2,428	General Industrial	Improvements to Existing Building/Suite	6%
Flyte (9805 Prospect LLC)	9805 Prospect Avenue 384-190-74-00 384-190-44-00	56,591	2,284	General Commercial	Improvements to Existing Building/Suite	6%

Business Name	Location (Address & APN(s))	Lot Size (Square Feet)	Building Area (Square Feet)	Zone	Site Improvements	Direct Fee To City (Percentage of Gross Receipts)
Embarc (Santee Responsible and Compliant Retail LLC)	8017 Mission Gorge Road 383-261-51-00	23,593	3,700	General Commercial	Improvements to Existing Building/Suite	6%
Off the Charts (OTC Santee LLC)	8069 Mission Gorge Road 383-160-07-00 383-160-09-00	17,670	3,321	General Commercial	New Construction	6%
Mission Greens (Santee Prospect LLC)	9945 Prospect Avenue 384-190-65-00	17,299	4,528	General Industrial	Improvements to Existing Building/Suite	6.5%
Hightend (OC Coast Inc.)	9035 Mission Gorge Road 383-121-49-00	11,303	1,029	General Commercial	Improvements to Existing Building/Suite	6%
Wellgreens (Mission Gorge Ventures LLC)	7751 Mission Gorge Road 386-701-06-00 386-701-07-00 386-701-08-00 386-701-09-00 386-701-10-00 386-701-11-00	69,280	2,494	General Commercial	New Construction	5%
BUZZ (Hilife Group Santee LLC)	8011 Mission Gorge Road 383-261-25-00	31,957	3,363	General Commercial	Commercial TI	5%

Business Name	Location (Address & APN(s))	Lot Size (Square Feet)	Building Area (Square Feet)	Zone	Site Improvements	Direct Fee To City (Percentage of Gross Receipts)
Culture Cannabis Club (Santee Store LLC)	8781 Cuyamaca Street, Suites A, B, C, D 384-041-54-00	11,795	2,548	General Commercial	Commercial TI	7%
Leaf Society (Prospect Avenue Holdings LLC)	10806 Prospect Ave 384-260-76-00	65,086	5,500	Light Industrial	Commercial TI	5%
March and Ash (March and Ash Santee Inc.)	8665 Argent Street, Suite #B1 384-311-20-00	54,114	2,211	General Industrial	Commercial TI	10%
Santee Holistics (TD Santee Inc.)	10017 Prospect Avenue 384-180-01-00	13,047	1,137	General Industrial	Commercial TI	5.5%

D. ENVIRONMENTAL REVIEW

Pursuant to the requirements of the California Environmental Quality Act ("CEQA"), the City Council adopted a Mitigated Negative Declaration ("MND") and Mitigation Monitoring and Reporting Program for the Santee Cannabis Business Ordinance in July 2022 (State Clearinghouse No. 2022060058) and adopted Ordinance 602 in August 2022. Ordinance 614 involved the adoption of the Procedures and fees for the implementation of the CCB Ordinance and therefore was covered by the analysis in the 2022 MND. Each project and project site was assessed and determined exempt from CEQA pursuant to CEQA Guidelines Section 15303 New Construction or Conversion of Small Structures (Class 3) because all sites are located within an urbanized area, are zoned for the permitted use, have all public services available and are not adjacent to an environmentally sensitive area and the proposed use will not utilize hazardous materials or build or convert space exceeding 10,000 square feet. No exceptions to the Class 3 exemption apply. Notice of Exemptions will be filed for any site awarded a permit.

E. STAFF RECOMMENDATION

- 1) Conduct and close the Public Hearing; and
- 2) Hear all 16 applicant interviews; and
- 3) Determine which applications, if any, will be selected to pursue a CCB Permit; and
- 4) Determine an alternate list and select a first alternate; and
- 5) Find the action exempt from CEQA; and
- 6) Adopt the Resolution that will be completed after the selection process; and
- 7) Authorize the City Attorney to begin the Community Benefits Agreement process with the selected CCBs and bring back the final agreements to City Council for approval.



Attachment A

City of Santee

10601 Magnolia Ave
Santee, CA 92071
Email: cannabisinfo@cityofsanteeca.gov

APPLICATION PROCEDURES AND REVIEW CRITERIA FOR A COMMERCIAL CANNABIS BUSINESS PERMIT (RETAIL APPLICATIONS)

Application Period (45 Days)
OPENS – September 10, 2024 at 3 PM
CLOSES – October 24, 2024 at 3 PM

These Application Procedures and Review Criteria apply solely to Cannabis Retail applications. Applicants wishing to operate a Microbusiness with Retail are required to apply for a Cannabis Retail permit, prior to being considered for a Microbusiness permit. Additional information regarding Microbusiness permits is provided in Appendix A.

NUMBER OF PERMITS

During this application period, the City of Santee (City) will allow up to four (4) cannabis retail permits under this process.

RETAIL BUSINESS

- “Retailer” is defined as having a physical location from which commercial cannabis activities are conducted. A retailer’s premises may be closed to the public. A retailer may conduct sales exclusive by delivery. (See Section 26070(a)(1) of the California Business and Professions Code and Santee Municipal Code (SMC) Section 7.04.060).

CONTACT

If you have any questions prior to submitting your application or would like an update on the status of your application, please email your questions to cannabisinfo@cityofsanteeca.gov.

APPLICABLE REGULATIONS AND FORMS

Information regarding the Commercial Cannabis Retail Business (CCB) application process can be found on the City’s website at <https://www.cityofsanteeca.gov/business/cannabis-business>.

To be considered for issuance of a CCB Permit, applications must be submitted through the City’s online permitting system by the deadline. There will be no exceptions. These Application Procedures and Review Criteria (hereafter referred to as “Procedures”) constitute the City

Council's adopted Procedures to be used for the City's evaluation of CCB Permit applications pursuant to SMC Section 7.04.130.

Applicants should monitor the City's web page (<https://www.cityofsanteeca.gov/business/cannabis-business>) for information on the process. It is the responsibility of the Applicant to stay informed of all information provided on the webpage.

LIMITATIONS ON MULTIPLE SUBMISSIONS

Persons possessing an individual or cumulative ownership interest of ten percent (10%) or more in a retail cannabis business shall be limited to being a part of only one retail application during this application period. Any applications that share an owner of ten percent (10%) or more will be deemed incomplete.

In addition, the City will only accept one application per legal lot (referred to as "property"). If the City receives more than one application per property, the City will notify the property owner and the property owner will need to notify the City, in writing, which application is authorized.

Without exception, only one retail permit will be issued per property.

CITY'S RESERVATION OF RIGHTS

The City reserves the right to reject any and/or all applications in accordance with these Procedures. The City may modify, postpone, or cancel the opportunity to submit an application for a CCB permit without liability, obligation, or commitment to any Applicant, person, owner, party, firm, organization or other entity of whatever form related to the process. In addition, the City reserves the right to request and obtain additional information from any Applicant in order to conduct a complete review of the application or an investigation into the truthfulness of the statements set forth in the application or provided at any stage of the application process.

APPLICATION PROCESS

APPLICATION SUBMITTAL REQUIREMENTS

Applications must adhere to the requirements in SMC Chapter 7.04.130 and respond to all requirements of these Procedures. Applicants must submit the required application materials (except the application fee) listed below to the City's online permitting system. As noted below, the application fee must be submitted in person to the City before the application deadline.

1. Cannabis Business Permit Application;
 - A. Business Plan
 - B. Labor and Employment Plan
 - C. Security Plan
 - D. Qualification of Owners
 - E. Neighborhood Compatibility Plan
 - F. Community Benefits and Investment Plan
 - G. Proposed Site Plan

2. Financial Responsibility, Indemnity and Consent to Inspection Agreement;
3. Agreement on Limitations of City's Liability and Indemnification to City;
4. Verification of Live Scan background submittal;
5. Property Owner Consent/Landlord Affidavit;
6. Proof of Insurance or Letter of Insurability from the Insurance Company;
7. Proof of Capitalization;
8. Zoning Verification Letter;
9. Application fee. (This fee shall be submitted in person to the City.)

Please note that responses to the Evaluation Criteria, Sections A-G of #1 above and as further described in Appendix A of the Procedures, shall be limited to 125 pages. If the response exceeds 125 pages, points will be deducted. Responses pertaining to Items #2-8 above shall not be included in the 125-page limitation.

The electronic application portal will ask for each of the items (not including the application fee) listed above to be provided as PDF files. Please compile the PDF files as noted above. Responses shall be saved in separate PDF files.

Applicant responses to the Evaluation Criteria (Sections A-G) must be provided in the section order identified in Appendix A. Each section shall be clearly labeled, with responses provided in the appropriate section. Any response to Evaluation Criteria that is not placed within the appropriate section may receive a deduction in points.

CRIMINAL BACKGROUND CHECK

Each owner, operator, investor, manager, and employee of the proposed CCB will be required to pass a criminal history background check as required by SMC Section 7.04.080. For the purposes of this application process, only owners as defined in SMC Section 7.04.060 will be required to submit verification that they have applied for their background verification.

Evidence of a conviction by an owner of any the offenses enumerated below shall be grounds for rejection of the application:

1. A violent felony as defined by California Penal Code 667.5 or equivalent offenses in other states;
2. A felony for hiring, employing, or in transporting, carrying, selling, giving away, preparing for sale, or peddling, any controlled substance; or selling, offering to sell, furnishing, offering to furnish, administering, or giving any controlled substance to a minor;
3. A felony for drug trafficking with enhancements pursuant to Section 11370.4 or 11379.8 of the Health and Safety Code; or
4. A crime involving dishonesty, fraud or deceit, including, but not limited to, fraud, forgery, theft, or embezzlement as those offenses are defined in California Penal Code Sections 186.11, 470, 484, and 504a, or equivalent offenses in other states.

This process will be required to meet the minimum threshold qualifications pursuant to SMC Section 7.04.080.

Live Scans will be performed by the San Diego County Sheriff's Department (SDCSD) by appointment only. A copy of the Live Scan form is required as part of the application materials. Applicants shall complete all blank fields provided in the "Request for Live Scan Service" form under the "Applicant Information" section. Applicants shall not alter the pre-completed sections of the Live Scan request form, as any modification may result in Live Scan rejection and/or delay by the DOJ or FBI. A separate form shall be filled out for each owner of the business receiving a Live Scan. The bottom portion of the "Request for Live Scan" form must be filled out by the person conducting the Live Scan. Live Scan results will be sent directly to the SDCSD. If, at any point, the SDCSD background investigation determines that one or more of the owners is ineligible pursuant to the SMC, the application will be denied.

ZONING VERIFICATION LETTER (ZVL)

As part of a complete application packet, an Applicant must obtain a Zoning Verification Letter from the Planning & Building Department. To secure this letter, an Applicant must make a written request to the Planning & Building Department, which shall specify the intended use of the building (for example, retail only or part of a microbusiness proposal), the proposed building location with its assessor's parcel number and evidence of legal parcel documentation in compliance with the City's Determination of Legal Parcel handout.

The issuance of a ZVL does not constitute written evidence of permission given by the City or any of its officials to operate a cannabis business, nor does it establish a "permit" within the meaning of the Permit Streamlining Act, nor does it create an entitlement under the Zoning or Building Code. A regulatory permit for a CCB does not constitute a permit that runs with the land once a cannabis business is established.

FEES

All applicants will be required to submit a fee of \$25,711. Payment must be made by a certified check, cashier's check or money order made payable to the City of Santee by 3 pm on October 24, 2024. Please note that application fees are non-refundable once the City has begun reviewing the application.

A separate fee for the Zoning Verification Letter (ZVL) of \$267 per application must be paid upon submittal of the request to the Planning and Building Department. The applicable Live Scan fee of the actual cost will be assessed by the Sheriff's Department at time of application for the background check. Additional Live Scan fees will be applicable if the application is approved.

SUBMITTAL DEADLINE

Applications must be submitted through the City's online permitting system by 3:00 pm on October 24, 2024. Late applications will not be accepted. Furthermore, applications may be rejected for the following, but not limited to, reasons:

1. It does not meet the requirements of the Procedures.
2. The issuance of the Cannabis Business Permit for the proposed location does not comply with State law or SMC.

INTEGRITY GUIDELINES

The following Integrity Guidelines (“Guidelines”) shall be operative from the start of the adoption of the application procedures, until the completion of Phase IV: City Council Interviews and Final Selection. Each applicant is individually and solely responsible for ensuring compliance with the Guidelines. This responsibility extends to the applicant’s employees, agents, consultants, lobbyists, affiliates, and all other parties or individuals engaged for purposes of developing or supporting the application.

1. Collusive activities among applicants are expressly forbidden and may result in immediate disqualification of any involved parties.
2. Applicants are prohibited from offering promotional outreach, hospitality, gifts, or other like activities directed toward City staff, elected or appointed officials, application reviewers, or consultant(s) hired by the City to assist with the application process (collectively referred to as “City Officials”).
3. All communication related to Phases II – IV cannabis application process with City Officials must be directed to the City designated contact, listed on page 1 of these Procedures. Any attempt to communicate with other City Officials regarding Phases II – IV of the cannabis application process may result in disqualification of the application.
4. Notwithstanding the restrictions on communications set forth in point 3 above, nothing in these Guidelines is intended to restrict or prohibit applicants from communicating with City staff and officials during interviews in Phase III or during an open and public City Council or Commission meeting.
5. Any evidence which indicates an applicant has failed to comply with the Guidelines may result in that applicant’s disqualification. Any questions regarding the Guidelines shall be in writing and shall be transmitted by email to City designated contact.

APPLICATION REVIEW, SCORING, AND APPROVAL PROCESS

PHASE I: DETERMINATION OF ELIGIBILITY

During Phase I, applications will be reviewed by City staff for completeness and compliance to meet the minimum submittal requirements of the Procedures. The determination of eligibility will be based on the criteria outlined in these Procedures. City staff may issue clarifications of these Procedures in writing, and any such clarifications will be posted on the City’s webpage (<https://www.cityofsanteeca.gov/business/cannabis-business>) and shall go into full effect immediately upon being posted on the website. A determination that an application is not eligible for advancement from Phase I to Phase II is subject to appeal in the manner and within the time frame prescribed by resolution of the City Council in accordance with SMC 7.04.220.

PHASE II: APPLICATION EVALUATION AND REVIEW (1,200 points)

During Phase II, City staff will review and score each application using a merit-based system. Applicants will be scored and ranked using the following evaluation criteria identified in Appendix A:

- Section A – Business Plan (400 points)
- Section B – Labor and Employment Plan (400 points)
- Section C – Security Plan (400 points)

The top applicants from Phase II, as determined by the City Manager, may be eligible to advance

to Phase III. The decision as to how many applicants will advance will be determined in the City Manager's sole discretion based on the quantity and the quality of applications the City receives. Notice of the individual application results of Phase II will be provided via email to the primary contact listed on the application. After the conclusion of Phase II, the points assigned to each applicant will be reset. A determination that an application is not eligible for advancement from Phase II to Phase III is subject to appeal in the manner and within the time frame prescribed by resolution of the City Council in accordance with SMC 7.04.220.

PHASE III: INTERVIEWS (1,600 points)

During Phase III, a Staff Evaluation and Interview Committee (Committee) designated by the City Manager will conduct a merit-based interview process. Applicants will be scored using the following evaluation criteria identified in in Appendix A:

- Section D – Qualifications of Owners (500 Points)
- Section E – Neighborhood Compatibility (400 Points)
- Section F – Community Benefits and Investments Plan (450 Points)
- Section G – Proposed Site Plan (250 Points)

The City reserves the right to impose requirements on the interview process prior to conducting the interviews, and the City may issue written instructions regarding the manner in which the interviews are conducted.

Upon the completion of Phase III, the Committee will tabulate the scores of all Applicants from Phase III to create a preliminary ranking, which will form the basis for determining who will be invited to participate in Phase IV. The ranking will only be based upon the scores received during Phase III. No more than ten applicants will advance to Phase IV with the final number of applicants (i.e., ten or less) determined at the City Manager's sole discretion based on the overall quantity and quality of Applicants under consideration. After the conclusion of Phase III, the points assigned to each applicant will be reset.

Prior to the tabulation of scores in Phase III, the City reserves the right to request and obtain additional information from any applicant, for purposes of clarifying or validating information provided during Phase III interviews. The City Manager may review the totality of the information received, including any additional information received, to determine which applicants are authorized to participate in Phase IV. A determination that an application is not eligible for advancement from Phase III to Phase IV is subject to appeal in the manner and within the time frame prescribed by resolution of the City Council in accordance with SMC 7.04.220.

PHASE IV: CITY COUNCIL INTERVIEWS AND FINAL DECISION

Upon the completion of Phase III, the City Manager will present to the City Council, at a properly noticed public meeting, the qualifying Applicants that advanced from the Phase III process. The presentation of Applicants by the City Manager shall exclude the Phase I-III scores and rankings. However, the information provided by the Applicants in Phase I-III will be made available to the City Council for purposes of its interviews and final decision.

During Phase IV, the City Council will interview Applicants and make a final determination as to which Applicant(s) will be awarded a CCB permit. **In making this decision, the City Council has full discretion over which Applicant(s), if any, will be awarded a CCB permit, consistent with the purposes and intent of the City's Cannabis Business Permit Ordinance. In making**

this decision, the City Council shall not be limited by the specific Evaluation Criteria identified in Appendix A or these Procedures. Each Applicant should be prepared to conduct a brief presentation and answer questions from the City Council. Further details as to the date, time, place, and length of presentation will be provided prior to the date of public meeting.

In addition to reserving all of its rights, the City Council expressly reserves the right to consider microbusinesses for purposes of making final determination as to whether to award a CCB permit. In addition, the City also expressly reserves the right to award a lesser number of CCB Permits than the maximum allowed under the application process, or to award no permits at all. Any decision made by the City Council to award or not to award a cannabis permit shall be final and shall not be subject to appeal. Notice of the individual application results of Phase IV will be provided in writing via email to the primary contact listed on the application.

After the City Council has made a determination as to which, if any, Applicants may be awarded a CCB permit, the selected Applicants shall enter into a Community Benefit Agreement with the City setting forth the terms and conditions under which the cannabis business will operate that are in addition to the requirements of the SMC within 30 days of being notified of the City Council's intent to issue the CCB permit. The Community Benefit Agreement must be approved by the City Council before the CCB permit may be issued.

Any Applicant wishing to appeal final completeness or selection determination made in Phases I through III of the application Process may file an appeal with the City Clerk's Office within ten (10) days of the Applicant receiving a notice that they will not move forward in the application process. Such appeals shall comply with the requirements of SMC Section 7.04.220 or procedures established thereunder and is subject to an appeal fee. Any decision made by the City Council during Phase IV to award or not award a cannabis permit shall be final and shall not be subject to appeal.

NOTE: Being awarded a CCB permit does not constitute a land use entitlement and does not waive or remove the requirements of applying for and receiving permits for all construction including: electrical, plumbing, fire, Planning & Building Department permits or reviews, and any other permits, licenses, or reviews as deemed necessary by the relevant departments or governmental entities in charge of said permits. Nor does the award of a CCB permit guarantee that the plans submitted via the CCB application process meet the standards or requirements in SMC Titles 11 and 13 and any other permit requirements from other City departments or agencies. Those awarded a CCB permit will be required to demonstrate compliance with all development standards outlined in SMC Title 13.

APPENDIX A: EVALUATION CRITERIA

Public Records Act

The City of Santee is a public agency subject to the California Public Records Act (“CPRA”). Subject to review by a court of competent jurisdiction, the City shall make all determinations under the CPRA regarding when any record is required to be disclosed under the CPRA or when a record may be non-disclosable because an exemption to disclosure under the CPRA or other law applies. Depending on the circumstances, a particular record may be disclosable, permanently non-disclosable or may be non-disclosable at a particular phase of the application process and then disclosable during a later phase. By submitting any application, an Applicant acknowledges the applicability of the CPRA to this process, and agrees that the City, subject to judicial review, is the sole decision maker regarding compliance with the CPRA. Applicants should assume that anything submitted to the City as part of this process may become a disclosable public record.

Microbusiness Applicants

Responses to Evaluation Criteria Sections A-G shall focus primarily on storefront retail operations. Applicants intending to operate cannabis microbusiness operation shall communicate this intent through the Commercial Cannabis Business Permit Application form, under the section entitled “Applicant (Entity) Information.” No additional information regarding proposed microbusiness operation is required in Applicant written responses to Sections A-G of the Evaluation Criteria. Nothing within the Procedures prohibits an Applicant from providing information relating to their microbusiness operations in their written responses. However, Applicants should be aware that no additional points will be awarded during Phase II to Applicants who provide information related to proposed microbusiness operation in their written responses. For Applicants selected to progress to Phase III interviews, the City reserves the right to ask questions related to proposed microbusiness operation, if the Applicant selected one or both of these options on the application form.

PHASE II EVALUATION

Important Instructions:

- Evaluation Criteria identified in Sections A-C will be scored based upon Applicant written response. Points may be deducted for responses that fail to meet State/local regulatory requirements, or best practices for the cannabis industry.
- Applicant responses to the Evaluation Criteria must be provided in the same order identified in Sections A-C below. Each section shall be clearly labeled, with responses provided within the appropriate section. Any response to Evaluation Criteria that is not placed within the appropriate section will receive a deduction in points.
- Any commitments made by an Applicant during the evaluation process will become terms and conditions under which the cannabis business must operate. Applicants awarded a permit that fail to meet commitments made during the evaluation process may have their cannabis business license suspended or revoked by the City.

SECTION A: BUSINESS PLAN (400 points)

1. Finances – Application includes a budget for construction, operations, maintenance, compensation of employees, equipment, property lease, security equipment and staff, City fees, state fees, utility costs, product purchases and other anticipated contingency costs. The budget must demonstrate sufficient capital in place to pay startup costs and at

least three months of operating costs, as well as a description of the sources and uses of funds. The application must also address the following:

- A. Proof of capitalization, in the form of documentation of cash or other liquid assets on hand, Letters of Credit or other equivalent assets. *(Note: Proof of Capitalization shall be submitted in a separate PDF file. See “Application Process” section for more information.)*
 - B. A pro forma for at least three years of operations.
 - C. A schedule for beginning operation, including a narrative outlining any proposed construction and improvements and a timeline for completion.
 - D. A letter from a bank, credit union, or similar financial institution stating that the cannabis applicant has, or will be provided, access to banking services. This letter should be within the last calendar month.
2. Daily Operations – The application describes the day-to-day operations of the proposed retail business. This shall include, at a minimum, a description of the following criteria:
- A. Customer check-in procedures.
 - B. Location(s) and procedures for receiving deliveries during business hours.
 - C. The Point-of-Sale system, including the name of the system, to be used and how it will interact with the state’s mandated track and trace system. Locate and identify the number of Point-of-Sales terminals to be used when the business is at full capacity.
 - D. The expected number of customers to be served per hour/day.
 - E. The proposed product line, including brand names, to be sold at the business, and estimate the percentage of sales of flower and manufactured products.
 - F. How the Cannabis Business will conform to local and state laws. See SMC Section 7.04.360 for local requirements pertaining to retail establishments in the City of Santee.
 - G. How cannabis and cannabis products will be tracked and monitored to prevent diversion.
 - H. The proposed waste management plan, including waste disposal locations and security measures.

SECTION B: LABOR AND EMPLOYMENT PLAN (400 points)

1. Number of Employees – The application identifies the number of employees at initial opening and the maximum number of employees when the business is at full capacity.
2. Employee Responsibilities – The application identifies all positions to be employed at the proposed business, their responsibilities, and the salary ranges for those employment positions.
3. Employee Benefits – The application identifies the benefits provided to employees, including health care, vacation, and medical leave, to the degree they are offered as part of employment.

SECTION C: SECURITY PLAN (400 points)

1. Qualified Security Professional – The application includes a security plan prepared by a qualified professional that meets or exceeds all the security requirements of SMC Section 7.04.320 and state law. The security plan can be prepared with in-house staff or a third-

party security consultant but must clearly demonstrate that it meets the professional standards requested to receive the appropriate points for each criterion in this section. The qualifications of the person(s) preparing the security plan must be provided, for verification that they are able to meet these standards.

2. Premises Diagram – The application includes a Premise Diagram in the Security Plan that meets the following requirements:
 - A. The diagram meets all of the standards identified in Department of Cannabis Control (DCC) California Code of Regulations (CCR) Title 4, Division 19, §15006 Premises Diagram.
 - B. The diagram shows the boundaries of the property and the proposed location to be licensed, showing all dimensions, entrances and exits, interior partitions, walls, rooms, windows, and doorways, and includes a brief statement or description of the principal activity to be conducted therein.
 - C. The diagram shows and identifies commercial cannabis activities that will take place in each area of the premises and identifies all limited-access areas.
 - D. The diagram shows where all cameras are located and assigns a number to each camera for identification purposes.
 - E. If the proposed location consists of only a portion of a property, the diagram is labeled indicating which part of the property will be used for the licensed premises and what activities will be used for the remaining property.
3. Operational Security – The application includes a description of operational security, including but not limited to general security for access/visitor control and inventory control.
4. Cash Handling – The application includes a description of cash handling procedures, including the process for receiving, tracking, storing and transporting cash generated by the retail business.
5. Perimeter Security – The application includes a description of perimeter security, exterior lighting, on-site security guards, proposed guard hours and their responsibilities.
6. Employee Training and Policies – The application includes a description of employee training and general security policies.

PHASE III EVALUATION

Important Instructions:

- During Phase III Interviews, Applicants will be asked questions related to some or all of the Evaluation Criteria Sections D-G.
- Due to the time limitation of interviews, Phase III questions may not address all of the criteria identified within each Section D-G, and the City reserves the right to develop Phase III questions in its sole discretion.
- Scoring for this phase will be based upon information conveyed verbally by Applicants, in response to the questions asked. Any scoring for Section G may also consider photographs, site plans, and other visual depictions provided by Applicants.
- All Applicants will be asked the same questions and be provided the same amount of time for response.

- Any commitment made by an Applicant during the Phase III Interview process may, in the City's sole discretion, become a condition on the business permit, if issued.
- Phase III scoring is independent of results from Phase II. Phase II scoring resets to zero when Phase III commences.

SECTION D: QUALIFICATION OF OWNERS (500 points)

1. Describe the business owner's prior experience in owning, managing, and operating a legally permitted or licensed retail cannabis business in the United States. *For purposes of this section, owner has the definition provided in SMC Section 7.04.060.*
2. Describe the owner and/or team's overall knowledge of the cannabis industry, including identification of how industry best practices and State regulations have been incorporated in existing/prior legal businesses outside the City of Santee.
3. Describe the involvement of the ownership team in the day-to-day operation and management of the proposed business.

SECTION E: NEIGHBORHOOD COMPATIBILITY PLAN (400 points)

1. Describe how the business will take proactive steps to avoid becoming a nuisance or having negative impacts on its neighbors or surrounding community. Additionally, describe how the business will react and respond to complaints specifically related to noise, light, odor, public consumption, loitering, littering, and vehicle and pedestrian traffic, including the business's plan for the use of social media to monitor and respond to complaints.
2. Describe the policies that you would implement, and how you would enforce these policies, to ensure your cannabis products do not end up in the hands of underage youth.

SECTION F: COMMUNITY BENEFITS AND INVESTMENT PLAN (450 points)

1. Describe the benefits that the business will provide to the local community, for example by directly aiding, participating in, or funding the work of local non-profits, community-based organizations, civic organizations, or social services organizations ("Community Organizations"). *Note: Applicants should not identify any specific Community Organization at this time/or provide commitment letter(s) from local Community Organizations in the application submittal. This section is only intended to capture the overall commitment of Applicants to fund or support local community-based activity in general.*
2. Identify the minimum wage that will be offered to employees of the proposed business, excluding tips and gratuities. If entry-level employees are salaried, the Applicant shall divide the minimum annual salary by 2,087 hours to arrive at an hourly rate.
3. Describe the Applicant's plans for local outreach to City of Santee residents for open positions, and any other actions proposed by the Applicant that are intended to benefit the local workforce and/or Applicant's local employees. Identify the anticipated minimum percentage of total annual payroll hours that will be performed at the business by City of Santee residents.

4. The Community Benefits and Investment Plan shall also include a description of the direct fee that will be offered to the City, expressed as a percentage of annual gross receipts. The City anticipates a minimum of 5% of annual gross receipts.

SECTION G: PROPOSED SITE PLAN (250 points)

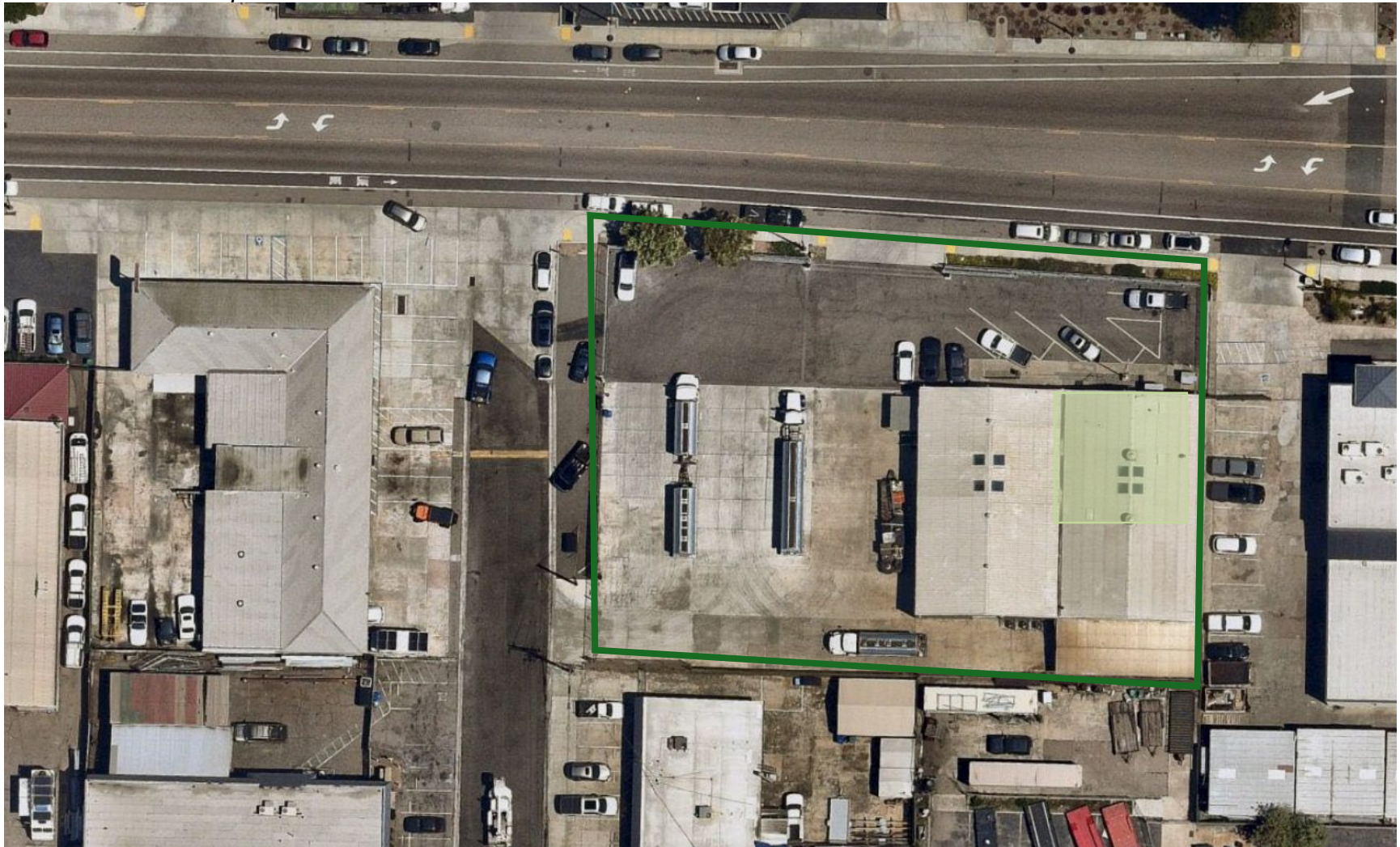
1. Provide the following information about the existing site:
 - A. Physical address;
 - B. Narrative description of the existing site, including building(s), parking spaces, driveways, pedestrian sidewalks/rights-of-way,
 - C. Photographs of the existing property and building(s);
 - i. Note: Photographs of building interior are not required.
 - D. Description of how the site is currently being used;
 - E. Description of any businesses currently operating on the parcel (if any), and any parcels directly adjacent to the existing site.
2. Provide the following information about the proposed site:
 - A. A site plan, drawn to scale, of the proposed business showing perimeter fencing, driveways, streets, property lines, buildings, parking areas, and outdoor areas.
 - B. A narrative description of proposed site improvements, including façade rehabilitation, building expansion, parking, landscaping, fencing, or other exterior site improvements;
 - i. Note: Descriptions of interior site improvements are not a requirement of this section.
 - C. Visual depictions of the proposed exterior of the cannabis business.
3. Describe how the proposed modifications and utilization of the site for cannabis retail activity will impact the public health, safety, welfare, environmental quality, and/or quality of life in the surrounding area.

Attachment B

Siesta Life - 9855 Prospect Ave, Suite C



Flame - 10723 Prospect Avenue



Green Reserve - 10612 Prospect Avenue



Catalyst - 8625 Cuyamaca Street



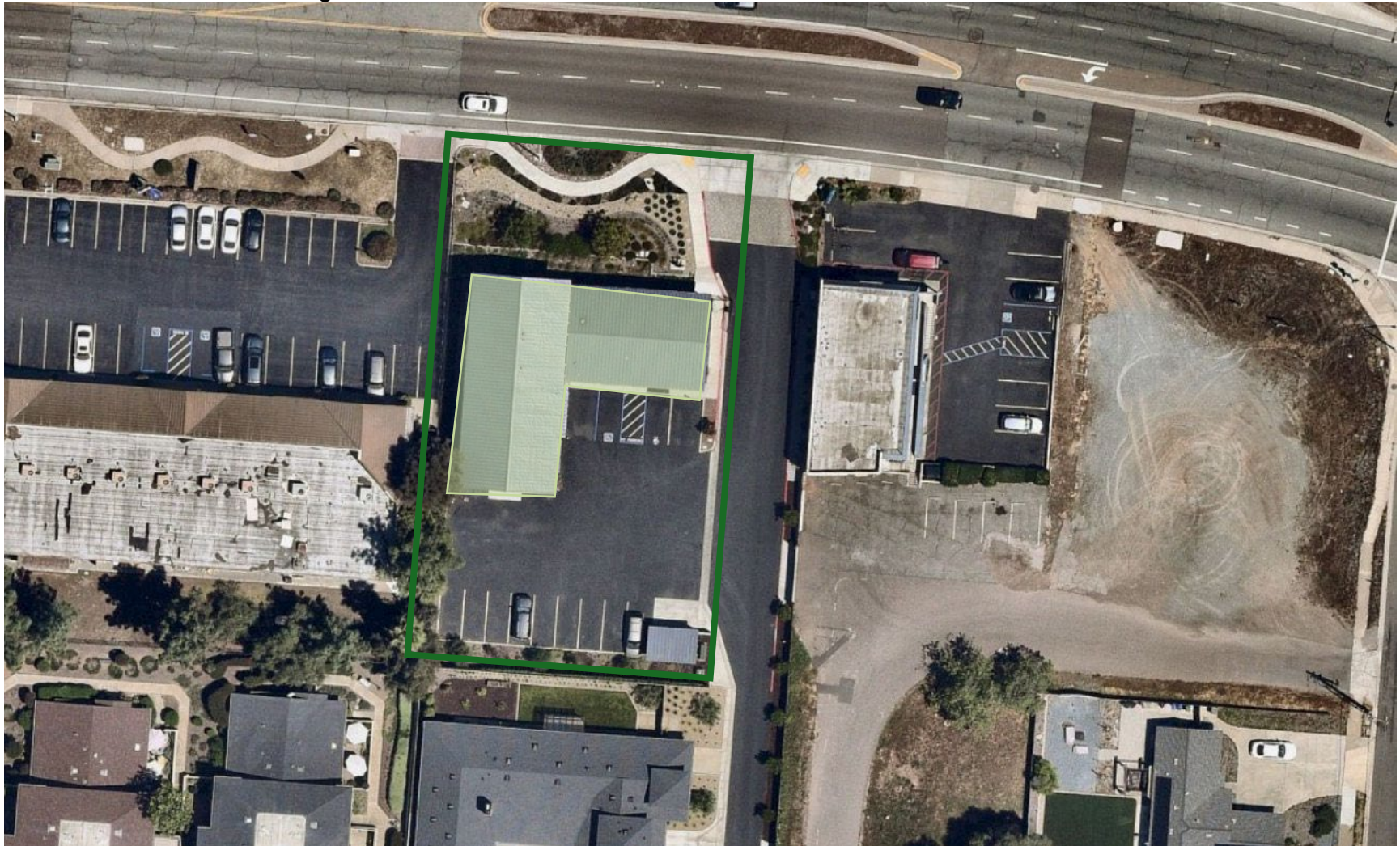
Dr. Green Thumb's - 10439 Prospect Avenue



Flyte - 9805 Prospect Avenue



Embarc - 8017 Mission Gorge Road



Off the Charts - 8069 Mission Gorge Road



Mission Greens (formerly The Cake House) - 9945 Prospect Avenue



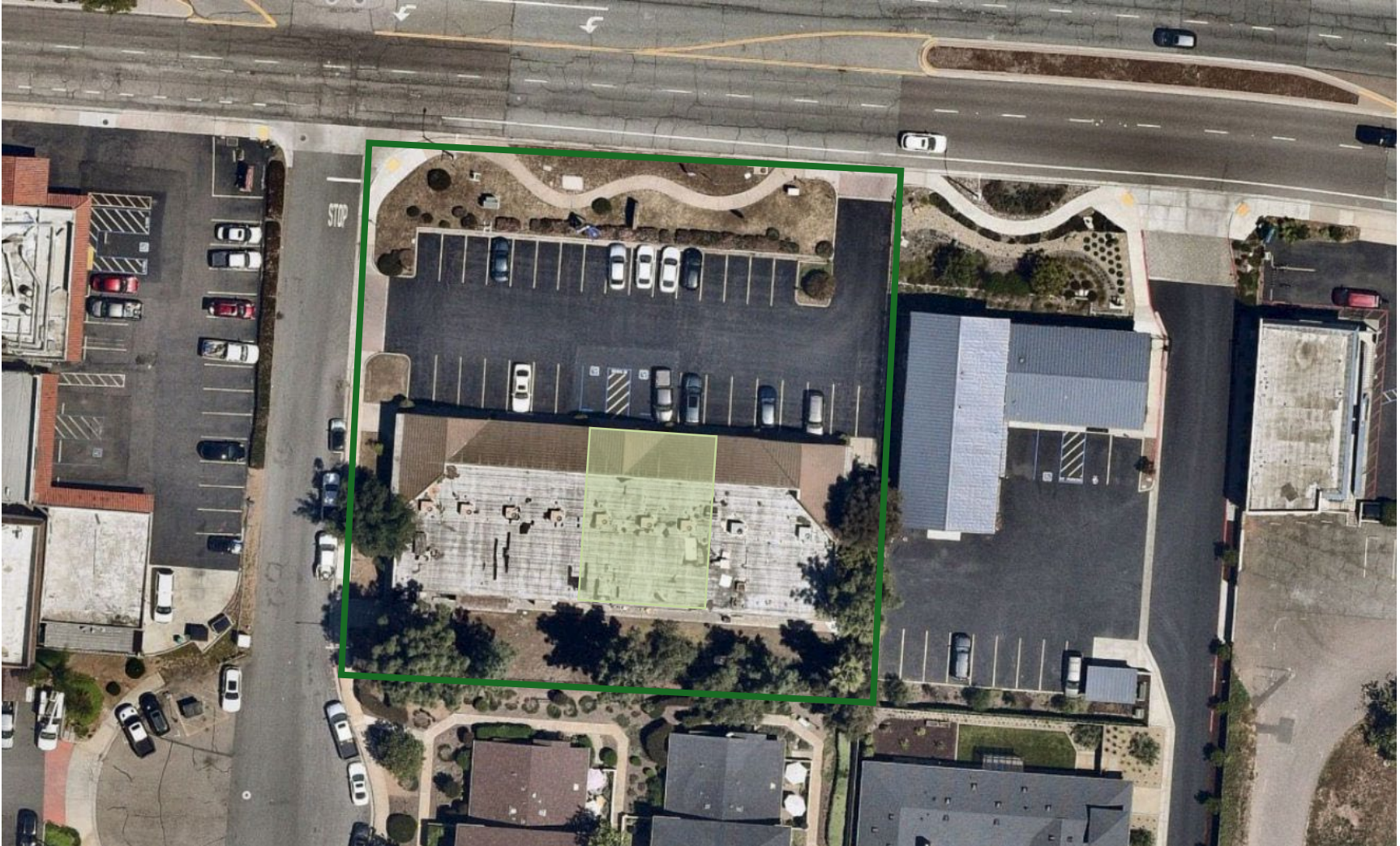
Hightend - 9035 Mission Gorge Road



Wellgreens - 7751 Mission Gorge Road



BUZZ - 8011 Mission Gorge Road



Culture Cannabis Club - 8781 Cuyamaca Street, Suites A, B, C, D



Leaf Society - 10806 Prospect Ave



March and Ash - 8665 Argent Street, Suite #B1



Santee Holistics - 10017 Prospect Avenue



Attachment C

CCB Retail Applications – In Interview Order –
Confidential Sections Redacted or Removed

Due to file size, each application has been linked below:

Siesta Life (Siesta Life Santee LLC) Application

<https://www.cityofsanteeca.gov/departments/city-clerk/document-central/city-clerk/council-agendas/2025/07-08-2025-siesta-life-application.pdf>

Flame (Market Equities LLC)

<https://www.cityofsanteeca.gov/departments/city-clerk/document-central/city-clerk/council-agendas/2025/07-08-2025-flame-application.pdf>

Green Reserve (East County Prospect LLC)

<https://www.cityofsanteeca.gov/departments/city-clerk/document-central/city-clerk/council-agendas/2025/07-08-2025-green-reserve-application.pdf>

Catalyst (South Cord Holdings LLC)

<https://www.cityofsanteeca.gov/departments/city-clerk/document-central/city-clerk/council-agendas/2025/07-08-2025-catalyst-application.pdf>

Dr. Green Thumb's (Santee Project LLC)

<https://www.cityofsanteeca.gov/departments/city-clerk/document-central/city-clerk/council-agendas/2025/07-08-2025-dr-green-thumbs-application.pdf>

Flyte (9805 Prospect LLC)

<https://www.cityofsanteeca.gov/departments/city-clerk/document-central/city-clerk/council-agendas/2025/07-08-2025-flyte-application.pdf>

Embarc (Santee Responsible and Compliant Retail LLC)

<https://www.cityofsanteeca.gov/departments/city-clerk/document-central/city-clerk/council-agendas/2025/07-08-2025-embarc-application.pdf>

Off the Charts (OTC Santee LLC)

<https://www.cityofsanteeca.gov/departments/city-clerk/document-central/city-clerk/council-agendas/2025/07-08-2025-off-the-charts-application.pdf>

Mission Greens (Santee Prospect LLC)

<https://www.cityofsanteeca.gov/departments/city-clerk/document-central/city-clerk/council-agendas/2025/07-08-2025-mission-greens-application.pdf>

Hightend (OC Coast Inc.)

<https://www.cityofsanteeca.gov/departments/city-clerk/document-central/city-clerk/council-agendas/2025/07-08-2025-hightend-application.pdf>

Wellgreens (Mission Gorge Ventures LLC)

<https://www.cityofsanteeca.gov/departments/city-clerk/document-central/city-clerk/council-agendas/2025/07-08-2025-wellgreens-application.pdf>

BUZZ (Hilife Group Santee LLC)

<https://www.cityofsanteeca.gov/departments/city-clerk/document-central/city-clerk/council-agendas/2025/07-08-2025-buzz-application.pdf>

Culture Cannabis Club (Santee Store LLC)

<https://www.cityofsanteeca.gov/departments/city-clerk/document-central/city-clerk/council-agendas/2025/07-08-2025-culture-cannabis-club-application.pdf>

Leaf Society (Prospect Avenue Holdings LLC)

<https://www.cityofsanteeca.gov/departments/city-clerk/document-central/city-clerk/council-agendas/2025/07-08-2025-leaf-society-application.pdf>

March and Ash (March and Ash Santee Inc.)

<https://www.cityofsanteeca.gov/departments/city-clerk/document-central/city-clerk/council-agendas/2025/07-08-2025-march-and-ash-application.pdf>

Santee Holistics (TD Santee Inc.)

<https://www.cityofsanteeca.gov/departments/city-clerk/document-central/city-clerk/council-agendas/2025/07-08-2025-holistic-application.pdf>

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA,
SELECTING ____ RETAIL COMMERCIAL CANNABIS BUSINESSES (CCBs) AND
____ ALTERNATE CCBs AND FINDING THE ACTION EXEMPT FROM THE
CALIFORNIA ENVIRONMENTAL QUALITY ACT (“CEQA”) PURSUANT TO CEQA
GUIDELINES SECTION 15303.**

WHEREAS, in August of 2022, the City Council enacted Ordinance 602, the Cannabis Business Permit Ordinance of the City of Santee (City), codified as Chapter 7.04 of the Santee Municipal Code (SMC); and

WHEREAS, at a hearing held on March 27, 2024, the City Council adopted Commercial Cannabis Retail Business (CCB) Application Process, including Application Procedures and Review Criteria (Procedures), fees and related documents to City Council; and

WHEREAS, the Procedures included detailed instructions on the methodology used to evaluate applications on a point, or other evaluation system, tied to particular sets of criteria; and

WHEREAS, the scoring on review criteria was used to determine which candidates were eligible to proceed to the final selection process (Phase 4) as established by resolution of the City Council; and

WHEREAS, as outlined in the Procedures, the City Council has full discretion over which Applicant(s), if any, will be awarded a CCB permit, consistent with the purposes and intent of the City’s Cannabis Business Permit Ordinance; and

WHEREAS, the City Council shall not be limited by the specific Evaluation Criteria identified in the Procedures when making a final decision; and

WHEREAS, SMC section 7.04.100.A provides that the City shall only issue cannabis business permits for up to four retailers, including microbusinesses that include storefront retail activities; and

WHEREAS, 16 retail applications were filed during the 45-day application period (September 10, 2024, to October 24, 2024); and

WHEREAS, at the time of filing, each applicant paid an application fee established by resolution of the City Council to cover all costs incurred by the City in the application process; and

WHEREAS, all 16 retail applications were determined qualified for advancement to Phase 4; and

RESOLUTION NO. _____

WHEREAS, on July 8, 10, and 11, City Council held a duly noticed Special Meeting during which it conducted interviews of each of the 16 applicants; and

WHEREAS, the City Council desires to select the following __ CCBs to be eligible to be awarded a CCB Permit, after satisfying all requirements of the City's Cannabis Business Permit Ordinance 602: _____, _____, _____, _____; and

WHEREAS, the City Council desires to select the following __ CCBs to be alternates if one of the selected eligible businesses does not satisfy all remaining requirements of the City's Cannabis Business Permit Ordinance and is not ultimately awarded CCB Permit or if its CCB Permit is revoked: _____, _____, _____, _____, with _____ serving as the first alternate; and

WHEREAS, within 30 days of being notified of the City Council's intent to issue the CCB permit the selected applicants shall enter into a Community Benefit Agreement with the City setting forth the terms and conditions that are in addition to the requirements of the SMC under which the cannabis business will operate; and

WHEREAS, the Community Benefit Agreement must be approved by the City Council before the CCB permit may be issued; and

WHEREAS, a CCB permit must be exercised within 12 months of issuance; and

WHEREAS, a CCB permit does not constitute a land use entitlement and does not waive or remove the requirements of applying for and receiving permits for all construction; and

WHEREAS, a CCB permit does not guarantee that the plans submitted during the CCB application process meet the standards or requirements of any other provision of the SMC or any requirements from other City departments or agencies; and

WHEREAS, once established and operational, the CCB must remain in continuous operation, or all use rights are subject to termination; and

WHEREAS, the CCB permit will be effective for a period not to exceed one year, but may be renewed through the procedures identified in SMC Section 7.04.180; and

WHEREAS, if a selected CCB timely seeks to renew its CCB permit, the renewal application must include a fee in an amount to be set by the City Council to cover the costs of processing the renewal permit application, together with any costs incurred by the City to administer the program created under SMC Chapter 7.04;

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Santee, California, as follows:

RESOLUTION NO. _____

SECTION 1: The Recitals provided above are true and correct and are hereby incorporated into this Resolution.

SECTION 2: City Council's selection of the ____ CCB applicants is consistent with the purposes and intent of Ordinance 602 for the following reasons, without limitation due to enumeration:

- A. The City Council's selection of _____ advances the City's implementation of the Medicinal and Adult Use Cannabis Regulation and Safety Act to accommodate the needs of medically ill persons in need of cannabis for medicinal purposes as recommended by their health care provider(s), and to provide access to same.
- B. The City Council's selection of _____ advances the City's intent to provide access to adult-use cannabis for persons aged 21 and over as authorized by the Control, Tax and Regulate the Adult Use of Cannabis Act while imposing sensible regulations on the use of land to protect City residents, neighborhoods, and businesses from disproportionately negative impacts.
- C. The City Council's selection of _____ allows the City the ability to regulate the commercial cultivation, processing, manufacturing, testing, sale, delivery, and distribution of cannabis and cannabis products in a responsible manner to protect the health, safety, and welfare of the residents of the City and to enforce rules and regulations consistent with State law and in a fair and equitable manner.

SECTION 3: Pursuant to the requirements of the California Environmental Quality Act ("CEQA"), the City Council adopted a Mitigated Negative Declaration ("MND") and Mitigation Monitoring and Reporting Program for the Santee Cannabis Business Ordinance in July 2022 (State Clearinghouse No. 2022060058) and adopted Ordinance 602 in August 2022. Ordinance 614 involved the adoption of the Procedures and fees for the implementation of the CCB Ordinance and therefore was covered by the analysis in the 2022 MND. Each project and project site was assessed and determined exempt from CEQA pursuant to CEQA Guidelines Section 15303 New Construction or Conversion of Small Structures (Class 3) because all sites are located within an urbanized area, are zoned for the permitted use, have all public services available and are not adjacent to an environmentally sensitive area and the proposed use will not utilize hazardous materials or build or convert space exceeding 10,000 square feet. No exceptions to the Class 3 exemption apply. Notice of Exemptions will be filed for any site awarded a permit.

SECTION 4: This Resolution shall take effect immediately upon its passage.

ADOPTED by the City Council of the City of Santee, California, at a Special meeting thereof held the 8th, 10th and 11th day of July 2025 by the following roll call vote to wit:

RESOLUTION NO. _____

AYES:

NOES:

ABSENT:

APPROVED:

JOHN W. MINTO, MAYOR

ATTEST:

JAMES JEFFRIES, CITY CLERK