



CITY OF NOVATO
CALIFORNIA

**COMMERCIAL CANNABIS
PROPOSAL(S) EVALUATION**

March 8, 2022

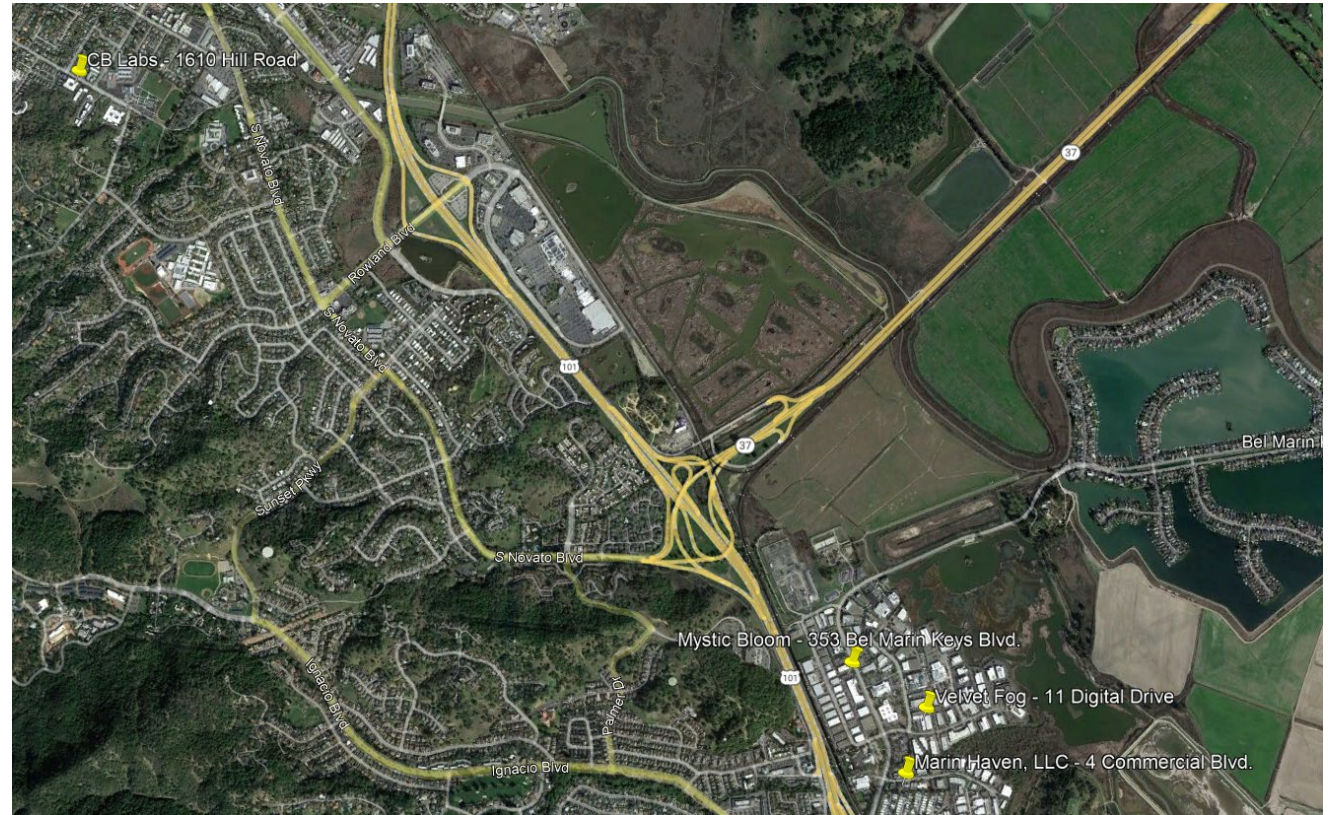
RECOMMENDATION

- Hold a public hearing
- Evaluate three (3) qualified Commercial Cannabis business proposals
- Potentially designate applicants to be awarded a Conditional Certificate to move forward in permitting process



OVERVIEW

- Summary of Regulations
- 2020 RFP Update
- 2021 RFP
- Qualified Proposals
 - Marin Haven
 - Mystic Bloom - **withdrawn**
 - CB Labs
 - Velvet Fog*
- Public noticing
- Next Steps



* - Velvet Fog received a Conditional Certificate on February 8, 2021, but is seeking new CC based on new proposed location.



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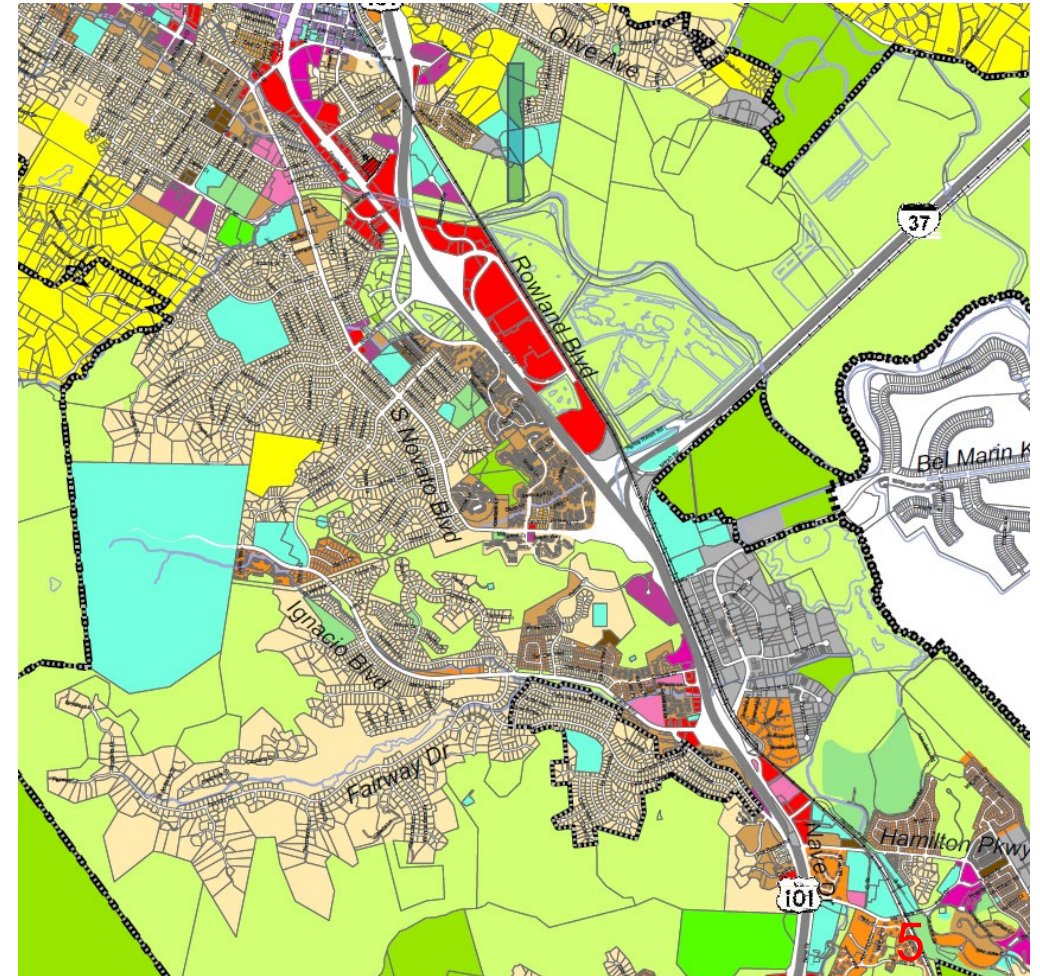
SUMMARY OF REGULATIONS

- Novato Municipal Code Chapter 8, Section 11
- City Council Resolution No. 2019-069
- Allowable Licenses:
 - Non-storefront retail (delivery) – unlimited
 - Testing Laboratory – 2
 - Manufacturing – 2
 - Indoor Cultivation – 1
 - Microbusiness – 2
 - Distribution – 1 if standalone; no limit if ancillary to other license



SUMMARY OF REGULATIONS (CONT...)

- Commercial/Industrial Zones (CI or LIO)
 - Minimum 600' setback from youth-oriented facilities
- Business Professional Office (BPO)
 - Additional set back from residential
- Community Benefit Agreement
 - 1-4% of gross receipts, depending on license type



SUMMARY OF REGULATIONS (CONT...)

- RFP process
- Proposal Review Committee
 - Planning
 - Code Enforcement
 - Building
 - Police
 - Novato Fire Protection District
 - Novato Sanitation District
 - North Marin Water District



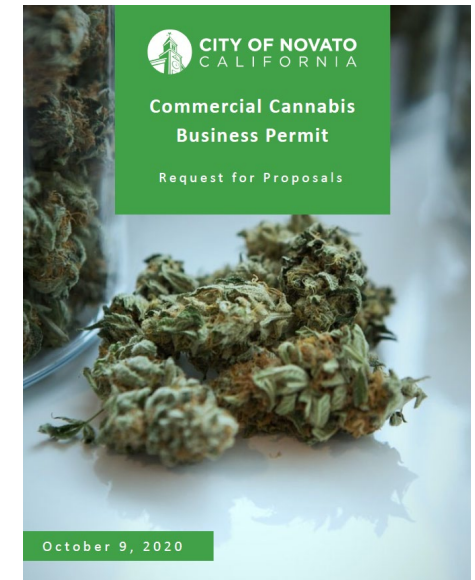
SUMMARY OF REGULATIONS (CONT...)

- Conditional Certificate (CC)
 - Awarded by City Council resolution
 - 2 years to complete all requirements before operating:
 - State licenses
 - Background Checks
 - Security
 - Building code compliance
 - Community benefits agreement
 - Odor control
 - Hazardous material storage
- Commercial Cannabis Business Permit (CCBP)
 - 2 year term with renewal application process



2020 RFP UPDATE

- First RFP issued Oct 9, 2020
- 3 applications awarded Conditional Certificates on February 9, 2021:
 - Marin Connection DBA: Medela Power (indoor cultivation)
 - Currently completing requirements and permitting to renovate proposed space
 - Novato Cannabis Co. (non-storefront retail)
 - Construction delays at proposed location - withdrawn
 - Velvet Fog – (microbusiness)
 - Same owners as Novato Cannabis
 - Construction delays at proposed location
 - Re-submitted for new CC in 2021 RFP at new location



2021 RFP

- RFP released Dec 16, 2021
- 4 qualified applications received:
 - Marin Haven, LLC. (non-storefront retail)
 - Mystic Bloom (non-storefront retail)
 - CB Labs (testing laboratory)
 - Velvet Fog (microbusiness)*



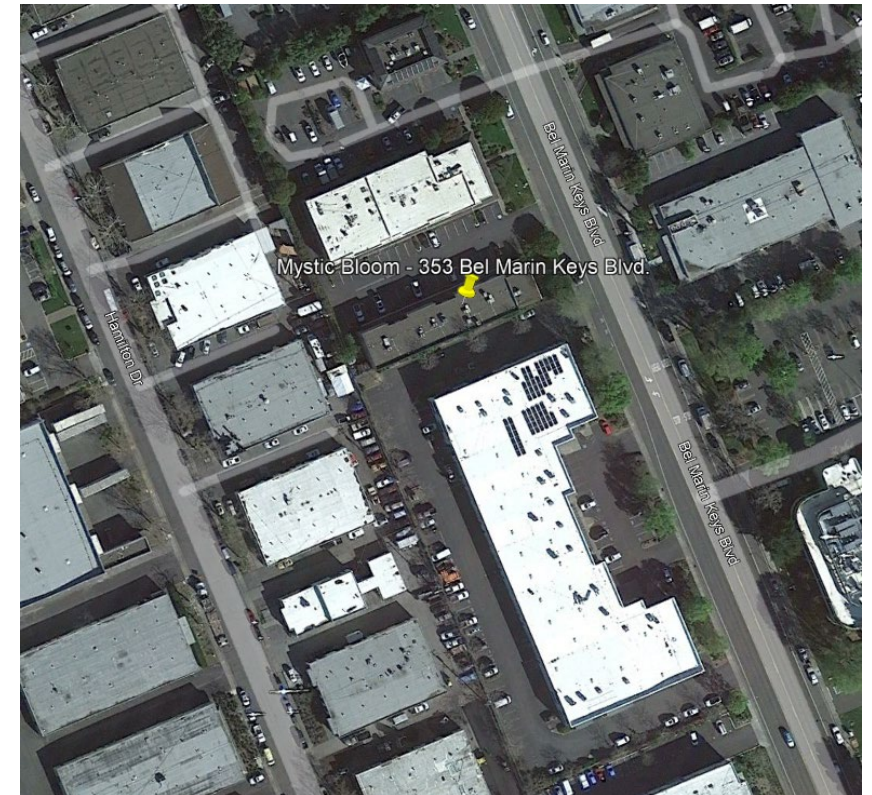
MARIN HAVEN, LLC.

- License Type: Non-storefront Retail
- Location: 4 Commercial Blvd.
 - ~1,000 sq. ft. in existing office building
- Operations:
 - Delivery of cannabis products
 - Public not allowed in facility
 - No hazardous materials
- CBA: 3.5% annual gross receipts (\$50-87,000/year)



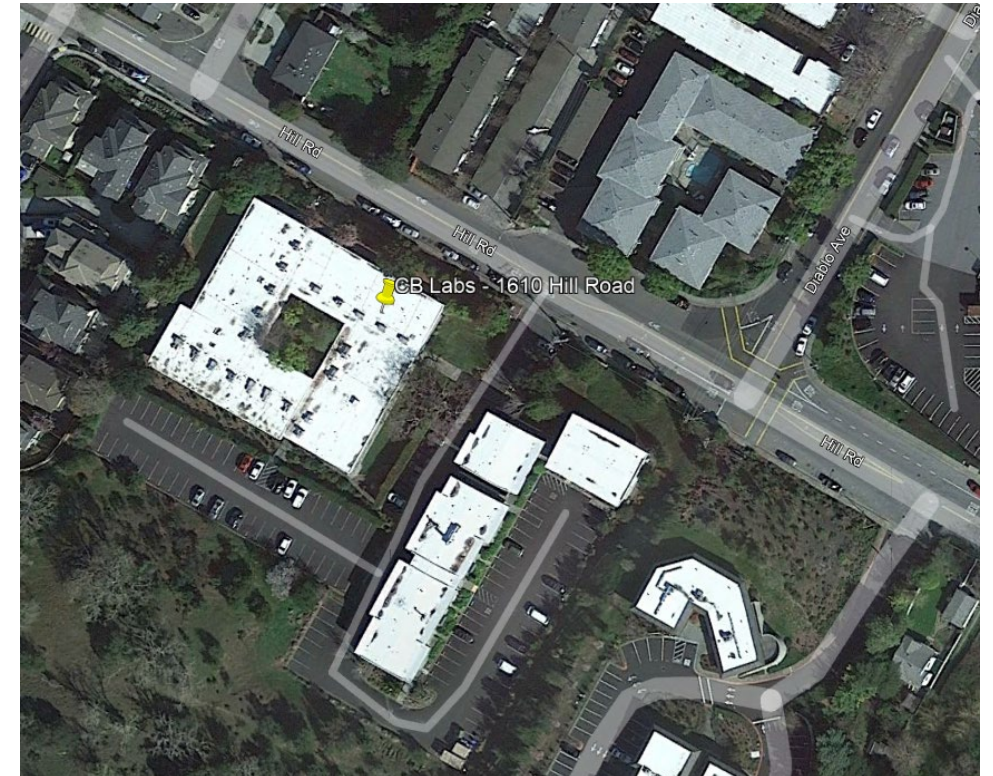
MYSTIC BLOOM

- License Type: Non-storefront Retail
- Application withdrawn on 3/7/22



CB LABS

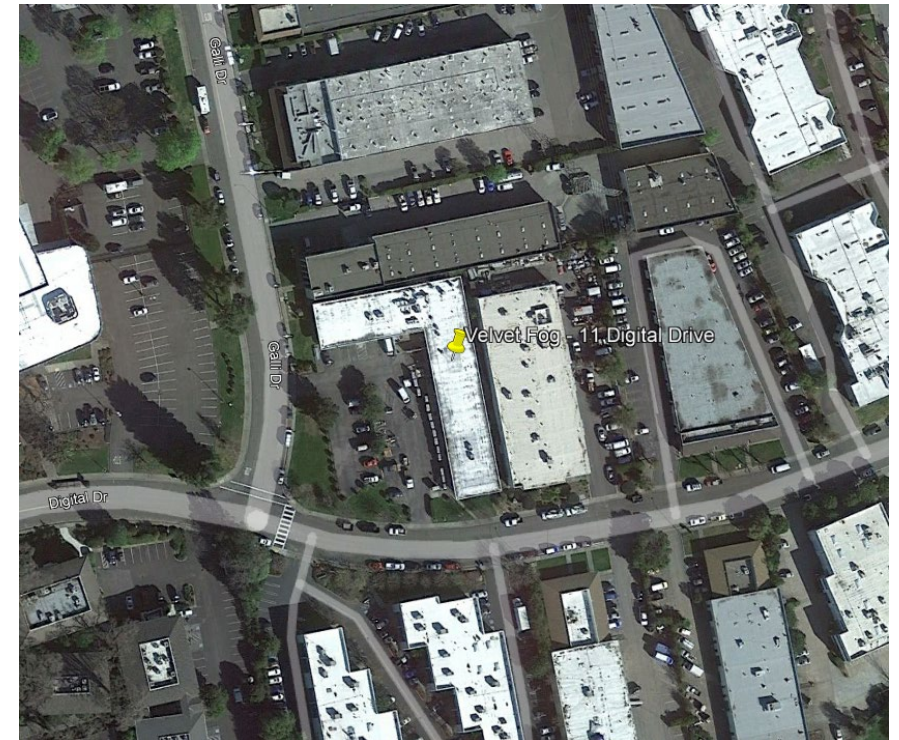
- License Type: Testing laboratory
- Location: 1615 Hill Road, #9-10
 - ~1,800 sq. ft. in existing office building in BPO
 - 291' setback from NUSD property line
- Operations:
 - Operating legally under special agreement since 2017
 - Certificate of Analysis testing
 - (potency, toxins, microbials, pesticides, etc.)
 - Research & Development testing
 - Secure process for product delivery/receiving
 - No hazardous materials
- CBA: Recommend 1.5% annual gross receipts



VELVET FOG*

- License Type: Microbusiness
 - (manufacturing, distribution, non-storefront retail)
- Location: 11 Digital Drive, Suite D
 - ~3,000 sq. ft. in existing warehouse
- Operations:
 - Manufacturing – packaging of raw flower
 - Distribution – transfer of raw flower for product processing
 - Non-storefront retail – retail delivery only
 - Public not allowed in facility
 - No hazardous materials
- CBA: 3.5% annual gross receipts (\$50-300,000/year)


** Issued CC under City Council Resolution No. 2021-012 on Feb 9, 2021
for different location. Seeking new 2-year CC at new proposed location.*



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PUBLIC NOTICING

- ~774 public notices mailed out Feb 25, 2022
- All property owners, residents, and businesses within 600' radius of each proposed location
- Public notice published in Marin Independent Journal on Feb 26 & March 4, 2022

	CITY OF NOVATO NOTICE OF PUBLIC HEARING
	THE NOVATO CITY COUNCIL WILL HOLD A PUBLIC HEARING TO CONSIDER THE FOLLOWING:
Hearing Date, Time & Location	Tuesday, March 8, 2022, 6:00 PM Please visit: www.novato.org/agendas to obtain participation options and instructions.
Project Name & Application	Mystic Bloom Commercial Cannabis Non-Storefront Retail Delivery
Project Location & APN	353 Bel Marin Keys, #14, Novato, CA 94949 APN: 157-400-64
Project Description	Mystic Bloom submitted a qualified Commercial Cannabis application to the City seeking to operate a California Type-9 Non-Storefront Retail (delivery) business, which allows the retail sale of cannabis products by delivery only. The application was reviewed and is consistent with the requirements of Novato Municipal Code Chapter 8, Section 11 and City Council Resolution No. 2019-069. The Novato City Council will consider the application and potentially designate Mystic Bloom to receive a Conditional Certificate which will allow it to move forward through the process to secure a Commercial Cannabis Business Permit.
California Environmental Quality Act (CEQA)	The City has determined that the project is categorically exempt from CEQA under CEQA Guidelines Section 15061(b)(3) as there is no possibility that the proposed action will cause a significant impact on the environment.
City Staff Contact	Will Morat 415-899-8933 wmorat@novato.org
Application Information for Public Review	Written comments may be emailed to the staff contact above or mailed to: Novato Community Development Department Attn: Will Morat 922 Machin Avenue, Novato, CA 94945
If anyone wishes to challenge this project in court, they may be limited to raising only those issues they or anyone else raised prior to the hearing described in this notice or in written correspondence delivered to the Community Development Department on, or prior to, the hearing date.	
Date: February 25, 2022	



NEXT STEPS

- Evaluate three (3) qualified Commercial Cannabis business proposals
- Potentially designate applicants to be awarded a Conditional Certificate to move forward in permitting process
 - Identify any conditions of approval that should be applied
- Staff will return with resolutions for Conditional Certificates for Council consideration





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QUESTIONS & DISCUSSION