



**COUNTY OF NEVADA
COMMUNITY DEVELOPMENT AGENCY**

Cannabis Compliance Division

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**NEVADA COUNTY BOARD OF SUPERVISORS
Board Agenda Memo**

MEETING DATE: June 3, 2025

TO: Board of Supervisors

FROM: Matt Kelley, Code & Cannabis Department Director

SUBJECT: Resolution Ratifying the Bylaws of the Commercial Cannabis
Dispensary Application Evaluation Committee

RECOMMENDATION:

Adopt the attached Resolution Ratifying the Bylaws of the Commercial Cannabis
Dispensary Application Evaluation Committee.

FUNDING: N/A

ATTACHMENTS:

1. Resolution Ratifying the Bylaws of the Commercial Cannabis Dispensary Application
Evaluation Committee

Exhibit A: Bylaws of the Commercial Cannabis Dispensary Application Evaluation
Committee

2. Resolution No. 24-594 – Establishment of the Commercial Cannabis Dispensary
Application Evaluation Committee

BACKGROUND:

The Planning Department and the Code & Cannabis Compliance Department, as directed
during the January 2023 Board Workshop, completed updates to the Cannabis Cultivation
Ordinance (Nevada County Code, Section 12.03.300 – Cannabis Cultivation), including
the establishment of the Commercial Cannabis Dispensary Application Evaluation

Committee ("Evaluation Committee"). These updates were approved by the Nevada County Board of Supervisors at their regular meeting on November 12, 2024, through the adoption of Ordinance No. 2538 and Resolution No. 24-594.

Summary of Amendments to Nevada County Code, Section 12.03.300 – Cannabis Cultivation

The adopted amendments include the following key changes:

- A. Allowing limited Retail Storefront and Non-Storefront (mobile delivery) cannabis activities within commercial and/or industrial zoning districts, subject to the approval of a Use Permit and participation in a competitive selection process.
- B. Permitting limited commercial cannabis activities within the M1 (Light Industrial) zoning district, subject to the approval of an Administrative Development Permit or Development Permit. Permitted activities include indoor cannabis cultivation, testing laboratories, and both non-volatile and volatile manufacturing.
- C. Allowing Temporary Cannabis Events, subject to the approval of an Administrative Development Permit, within M1 (Light-Industrial), BP (Business Park), C1 (Neighborhood Commercial), or C2 (Community Commercial) zoning districts.
- D. Requiring upfront disclosure regarding compliance with any applicable Covenants, Conditions, and Restrictions (CC&Rs).

Purpose and Structure of the Evaluation Committee

The purpose of the Commercial Cannabis Dispensary Application Evaluation Committee is to implement a competitive, merit-based process for selecting the most qualified applicants to apply for a discretionary Use Permit through the Nevada County Planning Department. This process will allow for the establishment of up to two (2) Retail Storefront Commercial Cannabis Dispensaries within M1, BP, C1, or C2 zoning districts, with no more than one (1) dispensary permitted in each of the following Rural Centers as designated by the Nevada County General Plan: North San Juan and Soda Springs.

The Evaluation Committee will consist of seven (7) members appointed by the Board of Supervisors, allocated as follows:

- One (1) member appointed by each Supervisor for Districts I, II, and III;
- Two (2) members appointed by each Supervisor for Districts IV and V.

Evaluation Committee Process

Following the appointment of members by the Board of Supervisors, County staff will begin convening public meetings with the Evaluation Committee to establish the competitive application and review process. The Evaluation Committee will develop the final selection criteria and corresponding point weighting, subject to approval by the Board of Supervisors, prior to the commencement of the initial application screening period.

It is anticipated that during Summer/Fall 2025, staff will present the final Retail Storefront Selection Criteria to the Commercial Cannabis Dispensary Application Evaluation Committee, with subsequent consideration and approval by the Nevada County Board of Supervisors at a regular meeting during Fall or Winter 2025. Following approval, staff anticipate opening the application window to receive Retail Storefront Dispensary selection applications in Fall or Winter 2025.

It is further anticipated that the initial 30-day screening period will begin after the Board of Supervisors' approval and will continue annually until two (2) applications have been successfully selected.

Preliminary Evaluation Criteria

As referenced in Resolution No. 24-594 (*Attachment 2*), the following general criteria are proposed for evaluating and ranking applications. Final criteria will be developed by the Evaluation Committee and approved by the Board of Supervisors:

- A. Previous experience operating a regulated cannabis business (retail, medical-use dispensing, or cultivation) or experience in a similarly state-regulated industry (e.g., alcohol sales).
- B. Demonstrated quality of cannabis strains and derivative product offerings.
- C. Employee training programs, standard operating procedures, online ordering systems, and procedures for serving disadvantaged or disabled individuals.
- D. Commitment to social equity, including provision of a living wage, employee benefits, and compliance with local, state, and federal non-discrimination policies.
- E. Comprehensive security program.
- F. Status as a pre-existing Nevada County cannabis business in good standing, with no outstanding code violations, and full compliance with local and state laws.
- G. Ability to meet Nevada County Western or Eastern Design Standards.

H. Additional information demonstrating the ability to operate in a safe, responsible, and community-focused manner, including quality and thoroughness of application materials, connection to Nevada County, familiarity with the County’s business environment, and innovative business models aligned with local economic goals.

Application Screening and Ranking Process

Prior to formal scoring, staff will review all submitted applications for general compliance with the Nevada County Code, Nevada County General Plan, and all other applicable laws. Applications that fail to meet these requirements, or contain false or misleading information, will be rejected. Rejected applications will not be scored but will still be made available for Evaluation Committee review.

Applicants approved for a Retail Storefront Commercial Dispensary must obtain a state license, along with all other required local and state permits, prior to operating a cannabis retail business within Nevada County.

For applications that meet the minimum requirements, the Evaluation Committee will individually score each submission. Scores will then be totaled and averaged to produce a final ranking from highest to lowest.

Upon notification from the Evaluation Committee, the top-ranking applicant for each Rural Center will have twelve (12) months to submit a Use Permit application to the Nevada County Planning Department, as required under Nevada County Code, Section 12.05.060 – Use Permits. Failure to apply within twelve (12) months will result in the termination of the applicant’s eligibility. Applicants approved for a Retail Storefront Commercial Dispensary must obtain a state license, along with all other required local and state permits, prior to operating a cannabis retail business within Nevada County.

Item Initiated By: Matt Kelley, Code & Cannabis Compliance Department, Director

Approved By: Trisha Tillotson, Community Development Agency Director

Submitted: May 19, 2025