

BOROUGH OF STOCKTON
ADDENDUM/CLARIFICATION #8 TO
REQUEST FOR APPLICATIONS FOR A CANNABIS BUSINESS LICENSE

PLEASE TAKE NOTICE THAT, on Wednesday, July 23, 2025 and Friday, July 25, 2025, the Borough received several questions regarding the RFA. The question received on Wednesday, July 23, 2025, and the Borough's answer, is as follows:

- Q1.** How many applications have been received for a class 5 retailer as of today?
- A1.** The Borough cannot provide that information publicly, as it would give an unfair advantage to applicants.

PLEASE TAKE FURTHER NOTICE THAT, the questions received on Friday, July 25, 2025, and the Borough's answers, are as follows:

- Q1.** Qualifications, Experience & Responsibility: General Scoring:
 - a. How does the Borough define the balance between in-state experience and out-of-state experience, particularly when it comes to cannabis operations?
 - b. Would an applicant with significant experience running cannabis businesses in other states be evaluated the same as one with only local experience?
- A1a.** See page 1 of "Stockton Borough Cannabis Business Application Scoring Rubric," which speaks for itself as to the qualifications and experience factors. It makes no explicit distinction between in-state and out-of-state experience.
- A1b.** See answer immediately above.
- Q2.** Financial Capacity: Based on the maximum point level for Financial Capacity,
 - a. Is the Borough prioritizing established operators from other states who are entering the New Jersey market? This appears to conflict with the intent of offering a social equity bonus.
- A2a.** See page 2 of "Stockton Borough Cannabis Business Application Scoring Rubric," as to the financial capacity scoring considerations for a local license. There is nothing to suggest that out-of-state experience is prioritized over similar in-state experience, or vice versa. Also see N.J.A.C. 17:30-6.6 regarding qualifications for a social equity business. The Borough will not comment on the interpretation on the ability to receive a social equity bonus.
- Q3.** Community Impact – Scoring Consistency: The Request for Applications (RFA) outlines community impact in Part 6, Page 15, and Section 3.I of the amended scoring rubric, with a focus on addressing the "community's best interests and impact to the community."

- a. Given the overlap between the criteria outlined in these sections, how does the Borough aggregate responses to ensure a consistent and comprehensive evaluation of community impact?
- A3a.** The Council's appointed review committee will evaluate applications as dictated in Ordinance 2024-12, the Stockton Borough Cannabis Business Application Scoring Rubric, and the RFA.
- Q4.** Master Plan Alignment:
- a. How does the Borough evaluate alignment with the Master Plan across the application response in the context of community impact? What weight is given to proposals that align with the Master Plan's long-term strategic goals? Would this alignment perhaps be a better fit for the bonus points versus an unattainable social equity objective?"
- A4a.** The Borough has, through Ordinance 2024-12 and in accordance with the Municipal Land Use Law, identified a zone in which it will permit one retail cannabis business to operate, and the Stockton Borough Planning Board has determined that this zoning ordinance is not inconsistent with the Stockton Borough Master Plan. Accordingly, further analysis of each specific application's proposed location under the Stockton Borough Master Plan is not part of the Council's review of applications under the RFA.
- Q5.** Financial Capacity: Cash-on-Hand vs. Liquid Assets: On the 7th/last page of the amended scoring rubric, under Financial Capacity (Part 1D), you reference cash-on-hand in the general description, yet the maximum score range of 25 requires liquid assets with no mention of cash-on-hand.
- a. Which is it—cash-on-hand, liquid assets, access to a line of credit, equity in real estate, or any combination thereof?
- A5a.** Prospective applicants are instructed to review Part 1.D of the RFA, "Financial Capacity," as to the basic Financial Capacity requirement for applicants, as well as the Stockton Borough Cannabis Business Application Scoring Rubric as to how responses regarding Financial Capacity will be evaluated. These documents use the qualifying term "including" to describe "cash on hand," which means that cash on hand is not the only asset to be considered. As used in the Borough's materials, the term "liquid asset" refers to cash on hand, cash on bank deposit, and assets that can be readily converted to cash (i.e., within 20 business days).
- Q6.** Security-Related Standard Operating Procedures (SOPs): Since every applicant must submit Security-related Standard Operating Procedures (SOPs) to gain a Conditional License from the CRC.
- a. if the Applicant already holds a Conditional License, do they automatically earn the 25 points for security?
- b. Does an existing conditional license have any weight for adherence to state and municipal-level mandates, regarding security and other areas of the application where a state-level analysis has already been done on the applicant?
- A6a.** No. The RFA is soliciting applications for a local license, which is different from applications for a conditional or annual license from the CRC.

A6b. See response immediately above.

Q7. Change of Location Requirement and Additional Fees: Regarding the recent amendment question about a potential change of location in the future:

a. In addition to another planning board application, a review, and possibly re-review of DRCC requirements, will the applicant need to re-apply to the municipality to ensure compliance with local zoning, parking, and security measures at a new location?

b. Additionally, will the applicant be required to pay another \$5,000 application fee based on the professional resources required by the municipality to re-review an application and evaluate the site?

A7a. The Council's review of an application for a change in location would depend upon a variety of factors, so it is not possible to delineate all of the possible variations of how that review would unfold, except to say that the Council's review will ensure compliance with Ordinance 2024-12 (which will include, but will not be limited to, ensuring zoning and Planning Board approval) and applicable law and regulation.

A7b. No.

Q8. Lease Term Requirements:

a. If the applicant's proposed property is not owned by the applicant, what is the minimum lease term required by the Borough to ensure the applicant has enough time to make the intended impact on the community?

A8a. The RFA does not require a minimum lease term. Nonetheless, the applicant, if successful, will need to have control over the property at the time of submission of the application under the RFA through the duration of time when the applicant seeks Planning Board approval and applies to the State for the annual license (and obtains any such approvals).

Q9. Mortgage/Lien on Property and Application Fee: Citing the CRC and Federal Banking regulations prohibiting bank loans and liens on properties used for cannabis retail licenses,

a. is the Borough requiring proof that the property is mortgage-free at the time of application?

b. If the applicant submits the \$5,000 non-refundable application fee and it is subsequently confirmed that there is a mortgage or lien on the property, will the applicant lose their application fee?

A9a. No, this is not a factor to be considered by the Borough under the local licensing requirements.

A9b. Yes. The \$5,000 fee is nonrefundable.

This concludes addendum/clarification #8.