

# City of Emeryville



## **REQUEST FOR QUALIFICATIONS APPLICATION FOR CANNABIS DISPENSARY/RETAILER PERMIT**

Submittals may be mailed or delivered in person to the:

**City of Emeryville**  
Attn: Economic Development Manager  
1333 Park Avenue  
Emeryville, CA 94608

### **SUBMITTALS MUST BE RECEIVED BY**

**Friday, October 6, 2017, by 5:00 p.m.**

### **DEADLINE TO SUBMIT QUESTIONS REGARDING REQUEST FOR QUALIFICATIONS**

Email [csmalley@emeryville.org](mailto:csmalley@emeryville.org) by Wednesday, September 20, 2017 by 5:00 p.m.  
Telephone calls will not be returned.

### **MANDATORY PRE-SUBMITTAL MEETING**

**Monday, September 25, 2017 at 1:30 p.m.**

**City Council Chambers**  
City of Emeryville  
1333 Park Avenue  
Emeryville, CA 94608

This Request for Qualifications (RFQ) is being issued by the City of Emeryville (City) to identify a cannabis business with a storefront qualified to hold a Dispensary/Retailer permit. The City intends for only one cannabis business with a storefront to be eligible to hold a Dispensary/Retailer permit, but reserves the right to decline to issue any permits or to issue more than one permit pursuant to this RFQ.

## **I. Introduction**

Located at the foot of the San Francisco Bay Bridge, Emeryville is comprised of just 1.2 square miles of land north of Oakland and south of Berkeley. Emeryville is now a regional retail destination and headquarters for major high-tech and biotech corporations, with over 21,000 jobs. As an employment hub, the City values labor-friendly employment practices, which is evidenced by its adoption of local minimum wage, paid sick leave, and fair work week standards.

On March 21, 2017, the City Council introduced two separate ordinances to create a local regulatory framework that would create opportunities in Emeryville for the burgeoning cannabis industry. The first ordinance, Ordinance No. 17-002, amended the City's Planning Regulations to allow for the following commercial cannabis uses: manufacturing, testing, distribution, transport, delivery, research and development, and retail/dispensary. There are no buffer zones for manufacturing, testing, distribution, transport, or research and development. However, cannabis retail/dispensary operations must be located at least 250 feet away from certain sensitive sites. Applicants should note that the State may impose a more restrictive buffer zone of 600 feet from schools for medical cannabis dispensaries and are encouraged to confirm with the State that any site selected may be eligible for a state license. Pursuant to the Planning Regulations, a commercial cannabis business must obtain a conditional use permit from the City's Planning Commission prior to commencing operations. The second ordinance, Ordinance No. 17-003, requires businesses to obtain an annual permit from the Police Chief, often referred to as an Operator's Permit. The Police Chief may issue an unlimited number of Operator's Permits for manufacturing, testing, distribution, transport, delivery, and research and development cannabis businesses, provided that the business has obtained a conditional use permit for its operations in Emeryville. For a Dispensary/Retailer Permit, the City Council has adopted a resolution establishing the procedures. Cannabis businesses with a storefront seeking a Dispensary/Retailer permit must participate in a competitive Request for Qualifications (RFQ) process to obtain a permit. Cannabis businesses without a storefront are exempt from the RFQ process and may obtain a Dispensary/Retailer permit from the Police Chief.

The purpose of this RFQ is to determine the cannabis business with a storefront deemed qualified to receive a Dispensary/Retailer permit. Based on the RFQ process, the City Council will determine a cannabis business(s) eligible to obtain a Dispensary/Retailer Permit. The City Council intends to qualify only one cannabis business eligible for a Dispensary/Retailer permit, but reserves the right to decline to qualify any business or to deem more than one business qualified to obtain a Dispensary/Retailer permit. It is envisioned that the Police Chief will issue the Operator's Permit to the storefront cannabis business qualified by the City Council after the business has obtained the conditional use permit for the site of its operations.

## II. Applicant's Response to the RFQ

A response to this RFQ must satisfy the following requirements:

### a. Pre-Submittal Requirements

- i. All applicants must attend in person a pre-submittal meeting, at which City staff will answer questions on the RFQ and the RFQ process. No questions will be answered by phone or in person, except at this mandatory pre-submittal meeting.
- ii. **Deadline to Submit Questions for Staff's Consideration: September 20, 2017 by 5:00 p.m.** Email questions to [csmalley@emeryville.org](mailto:csmalley@emeryville.org), with the subject title of "Cannabis RFQ Question". No questions will be answered by phone or in person, except at the mandatory pre-submittal meeting. Answers to the questions regarding the RFQ will be emailed out to the list of attendees of the pre-submittal meeting by Friday, September 29, 2017.
- iii. **Pre-Submittal Meeting Date and Time (Required):**

**Monday, September 25, 2017 at 1:30 p.m.**

City Council Chambers  
City of Emeryville  
1333 Park Avenue,  
Emeryville, CA 94608

Please check in with the Lobby Receptionist and you will be escorted to the City Council Chambers.

### b. Submittal Requirements

- i. A complete Operator's Permit Application, which includes applications from the cannabis business and applications from key individuals, which is included as Attachment 2.
- ii. Non-refundable fee of **\$1,831.52 (one thousand, eight hundred, thirty-one dollars and fifty-two cents)**, plus **\$447 (four hundred, forty-seven dollars)** for each individual who must submit a key individual application.
- iii. A business plan summary, which shall include all of the following:
  1. A description of the cannabis and/or cannabis products to be sold, and whether these products will be medical or recreational purposes or both;
  2. A description of the products and services that may be sold at the site;
  3. Whether the cannabis and/or cannabis products will be consumed at the site, and if so, the manner of consumption (e.g., smoked, ingested, topical application);
  4. A discussion of the proposed business's intended customer market;

5. A discussion of how the proposed business will complement existing industries and/or businesses in Emeryville;
  6. A discussion of the proposed business' hiring and employment practices;
  7. A description of anticipated first year start up activities;
  8. If a location for the proposed business has been selected, a description of the site; and
  9. A description of any other benefits to the Emeryville community offered by the proposed business.
- iv. A proposed budget, which shall include all of the following:
1. One year pro forma financial estimates of projected capital costs;
  2. Three years of pro forma estimates of operations, including a discussion of the business assumptions used to develop the estimates. Examples of assumptions include revenue, customer volume, product costs, personnel costs, equipment costs, utility costs, and other operation and maintenance costs;
  3. Proof of capitalization, which includes demonstrating that sufficient capital has been secured to pay the costs associated with the start up costs, and at least three months of operating costs. Proof of capitalization shall be in the form of either documentation of cash or other liquid assets or a letter of credit.
  4. The proposed budget shall be considered a document exempt from disclosure under the Public Records Act (Gov. Code, § 6250, et seq.).
- v. Submittals must be mailed or personally delivered and must be **received by 5:00 p.m., Friday, October 6, 2017**. Facsimile and emails of submittals will not be accepted.
- vi. The envelope containing the submittal must be addressed to:
- City of Emeryville  
 Attn: Economic Development and Housing Manager  
 1333 Park Avenue  
 Emeryville, CA 94608
- The envelope must be sealed and show the applicant's name and address. If submittals are hand delivered, they may be left with the receptionist at the above-referenced address.
- Six** hard copies of the applicant's submittal must be included, plus **one** electronic copy on either a disc or thumb drive.
- vii. Submittals will not be opened publicly. Any submittal received after the established closing date and time will not be accepted.

### III. Selection Process

Representatives from applicable City departments will evaluate all written submittals received by the closing deadline, and rank them as described in this section. The applicants that receive a higher ranking on the written submittal may be invited for an oral interview with City staff, which will be held on **Thursday, October 20, 2017, and which will require payment of an**

**additional fee of \$1,352.31 (one thousand, three hundred, fifty-two dollars and thirty-one cents).** Applicants selected for an oral interview will be notified by email on Friday, October 13, 2017. The three top ranked applicants will be forwarded to the City Council for final consideration at the **Tuesday, November 21, 2017** City Council meeting, in the City Council Chambers, City Hall, 1333 Park Avenue, Emeryville, CA 94608, and for the determination that the applicant is qualified to hold an Operator's Permit. The Police Chief will ultimately issue the Operator's Permit to the qualified business, after all other City permits (e.g. conditional use permit) have been obtained. Applicants will be notified of their application being forwarded to the City Council by Friday, November 3, 2017.

Applicants will only be contacted if they are progressing to the next phase.

Based on the written submittal and any oral presentation, the City will rank the responses based on the attached scoring system. (See Attachment 1.) The City Council has set the following goals for this RFQ:

Goal No. 1. Attributes of the Business. The City Council is seeking a dispensary/retail business that will serve a regional customer base, and that will provide a place where customers may consume cannabis on-site. Thus, the Council is seeking a dispensary that will maintain a storefront where customers may visit to purchase cannabis or cannabis products.

Goal No. 2. Type of Cannabis. The City Council is open to the selected business selling medical or recreational cannabis or both.

Goal No. 3. Community Benefits. The City Council is interested in a business that can offer on-going community benefits that are flexible, and that can address the needs of the City as determined by the Council. Community benefits should be quantifiable, and should identify whether the community benefits offered will create any burdens on City resources.

Goal No. 4. Good Neighbor. Emeryville is an urban area, in which residential, commercial and industrial uses must co-exist in close proximity. The Council is seeking a dispensary/retail business that will engage with the community, respect neighbors, and strive to enhance the community in Emeryville.

Submittals will be rated and ranked on how well they satisfy, accomplish or further the City Council goals, and therefore, applicants should carefully consider these goals when preparing their submittal, and responses should evidence how the applicants intend to further those goals.

#### IV. **City Notices**

- a. Public Records: Except as provided herein, and as required by law, all documents submitted in response to this RFQ become the property of the City, and under the Public Records Act (Gov. Code, § 6250, et seq.) are public records, and as such, may be subject to public review. However, the submittals shall not be disclosed until negotiations are complete and the successful business is deemed qualified. If a proposer claims a privilege against public disclosure for trade secret or other proprietary information, such information must be clearly identified in the submittal. However, the City will comply with the Public Records Act requirements or other legal requirement for disclosure regardless of designation.

- b. Addenda and Interpretation: No interpretation or the meaning of the specifications or other RFQ documents will be made to any applicant orally.
- c. Reservation of City's Rights: The City reserves the right to do any of the following at any time during this process, including but not limited to:
  - i. Reject any or all submittals received;
  - ii. Request clarification of any submitted information;
  - iii. Waive any informalities or irregularities in any submittal;
  - iv. Not issue any permit
  - v. Issue more than one permit;
  - vi. Not select any hearing officer;
  - vii. Cancel this process at any time;
  - viii. Amend this process at any time;
  - ix. Interview applicants prior to being deemed qualified;
  - x. Issue similar RFQ's or Requests for Proposals in the future; and
  - xi. Request additional information during this process.

**V. Issuance of Dispensary/Retailer Permit**

Once the City Council deems a business qualified to hold a Dispensary/Retailer permit, the Police Chief is authorized to issue the permit for up to one year from the date the City Council deems a business qualified. The Police Chief reserves the right to request updated information prior to the issuance of any permit. The Police Chief will not issue the permit until the qualified business obtains a valid conditional use permit from the Planning Commission for the site of operations. Annual renewals of the permit are within the discretion of the Police Chief.

Attachments

- 1. Rating Criteria
- 2. Operator's Permit Application (also available online)

The following references, plus additional information, are available at the City's website: [www.emeryville.org/cannabis](http://www.emeryville.org/cannabis).

- 1. Ordinance No. 17-002 (City Planning Regulations)
- 2. Map of Where Cannabis Sales May Locate in City
- 3. Map of Where Medical Cannabis Sales May Locate in the City based on State Buffer Zone
- 4. Ordinance No. 17-003 (Operator's Permit Regulations)
- 5. Resolutions related to Issuance of RFQ