



REQUEST FOR PROPOSALS

For

CANNABIS BUSINESS OPERATING PERMIT

April 23, 2018

Due Dates:

- Letter of Intent, May 14, 2018, 4:00 p.m.
- Response to the Request for Proposals, June 11, 2018 at 4:00 p.m.

I. SUMMARY OF CANNABIS REQUEST FOR PROPOSALS

The City of Alameda seeks to issue a limited number of permits for Cannabis Businesses through a Request for Proposals (RFP) process. The RFP process will result in selected businesses securing eligibility to apply for a Cannabis Business Operator's Permit (CBOP). The successful proposers will have an opportunity to apply for CBOP in the following areas:

- Nursery Cultivation – One (1) Permit Available
- Manufacturing – Four (4) Permits Available
- Testing Laboratory – Two (2) Permits Available
- Medicinal Retail Dispensary – Two (2) Permits Available

Distribution permits may be granted along with nursery cultivation and manufacturing permits. Delivery permits may be granted with medicinal dispensary permits.

In order to apply for and receive a CBOP in one of the above designated areas, the cannabis business operator must have control over a physical location outside of designated cannabis buffer zones for sensitive uses. **Receiving an award to apply for a CBOP does not constitute an entitlement approval. All awardees must submit a CBOP application and apply for and receive a land use permit, State license, and other regulatory approvals.** The RFP process will be a two-part process as described herein. Businesses responding to the RFP are required to submit a Letter of Intent (LOI) and, if required a proposal. Businesses who are applying for more than one permit must submit a Letter of Intent (LOI) and, if required, a proposal for each permit.

II. INTRODUCTION

Alameda, California is known as the Island City and is often referred to as the “Jewel by the Bay.” This unique community of approximately 78,600 residents in the San Francisco Bay Area is connected to the East Bay mainland by four bridges and two subterranean tubes, and by ferry service to San Francisco. The Oakland International Airport/FedEx Bay Area hub is seven miles away from downtown Alameda and less than 15 minutes by car from Alameda's major business parks. The City is centrally located near main transportation arteries. Bay Area Rapid Transit (BART) stations are minutes away by bus, shuttle, or car. The AC Transit Transbay bus line to San Francisco runs every weekday in 15 to 30 minutes intervals during commute hours.

The community is proud of its history and small-town charm, with an abundance of tree-lined streets, two main street, two business parks, working and recreational marinas, good public schools in safe and walkable neighborhoods, well-maintained historic districts and many innovative and acclaimed companies. Businesses such as Penumbra, Peet's Coffee & Tea roasting facility, Makani-Google, Abbott Diabetes Care and VF Outdoor (North Face) are located here. Alameda is also home to the College of Alameda and is in

close proximity to the University of California, Berkeley and California State University, East Bay.

For population and other general information about the City, please see the “At A Glance” brochure ([Attachment 1](#)).

III. BACKGROUND

On November 7, 2017, City Council adopted the Cannabis Businesses ordinance. This ordinance became effective December 21, 2017. The ordinance allows for the following businesses:

- No more than two (2) Medicinal Dispensary/Retailer Permit(s) for medicinal cannabis or medicinal cannabis products may be issued at any given time, subject to the applicable permit types, dispersion requirement, and zoning restrictions. Delivery to the consumer of cannabis or cannabis products for adult-use by such Medicinal Dispensary/Retail Permittees from the permitted premises is prohibited.
- No more than four (4) Manufacturer Permit(s), subject to the applicable permit types and the zoning restrictions, may be issued at any given time.
- No more than two (2) Testing Laboratory Permit(s), subject to the applicable permit types and the zoning restrictions, may be issued at any given time.
- No more than one (1) Nursery Cultivation Permit, subject to the applicable permit types and the zoning restrictions, may be issued at any given time.

On December 19, 2017, the City Council adopted an ordinance to amend the Alameda Municipal Code repealing the prohibition on cannabis business activities and specifying the zones where certain types of cannabis businesses may locate in the City. This ordinance became effective January 18, 2018.

On April 17, 2018, the Community Development Department adopted Implementing Regulations No. _____, which governs this RFP process ([Attachment 2](#)).

IV. PROPOSED SCHEDULE

The City reserves the right to alter the following schedule as necessary.

RFP Issued	April 23, 2018
Written Questions from Anticipated Responders	May 7, 2018
Letter of Intent to Submit RFP (required)	May 14, 2018 at 4:00pm
City to Issue Letter for Approval to Submit Application to Qualifying Companies in Qualifying Categories	May 21, 2018
Answers to Written Questions Issued	May 21, 2018
Proposals Due	June 11, 2018 at 4:00pm
Initial Review	Week of June 11, 2018
Interviews (tentative)	Week of June 25, 2018
Announcement of Selected Proposers and Letters Issued to Successful Proposers	Week of July 9, 2018

V. PROCESS

The City will have a two-part process for issuing CBOPs in the following areas:

Nursery Cultivation – One (1) Permit Available

Nursery Cultivation and Cultivation Distribution Permit¹

- Cultivation Permit: A Cultivation Permit is required for all activities for which State law requires a “Type 4” (or “nursery”), or similar license, for cultivation of cannabis solely by a nursery.
- Cultivation Distributor Permit: A Distributor Permit is required for all activities for which State law requires a “Type 11,” or similar license, for the distribution of cannabis or cannabis products.

Manufacturing – Four (4) Permits Available (four permits can be issued in any combination of Permit 1 and Permit 2 based on the proposals received)

Manufacturer Permit Only

Manufacturer and Manufacturer Distribution Permit²

- Manufacturer Permit 1: A Manufacturer Permit 1 is required for all activities for which State law requires a “Type 6,” or similar license, for the manufacture of cannabis products using nonvolatile or no solvents.

¹ All nursery cultivators must maintain a valid Distributor Permit or be linked to a permitted distributor.

² Distributor permits issued to a manufacturer must be linked with an approved manufacturing location.

- **Manufacturer Permit 2:** A Manufacturer Permit 2 is required for all activities for which State law requires a “Type 7,” or similar license, for the manufacture of cannabis products using volatile solvents.
- **Manufacturer Distributor Permit:** A Distributor Permit is required for all activities for which State law requires a “Type 11,” or similar license, for the distribution of cannabis or cannabis products.

Testing Laboratory (2) Permits Available

- **Testing Laboratory Permit:** A Testing Laboratory Permit is required for all activities for which State law requires a “Type 8,” or similar license, for the testing of cannabis or cannabis products as a condition of sale pursuant to a State-issued license.

Medicinal Retail Dispensary – Two (2) Permits Available (two permits can be issued in any combination described below based on the proposals received)

Medicinal Retail Dispensary Permit

Medicinal Retail Dispensary and Delivery Permits

- **Medicinal Retail Dispensary Permit:** A Dispensary/Retailer Permit is required for all activities for which State law requires a “Type 10,” or similar license, for the sale of Cannabis or Cannabis Products.

All businesses planning to respond to the RFP must submit a LOI by May 14, 2018, at 4:00 p.m. The LOI must be submitted in the format outlined in Attachment 3. Late LOIs will be returned unopened to the sender. If the number of LOIs received for a category is less than or equal to the number of permits allocated to that CBOP category, an award letter will be issued to the business(es) in that category, allowing them to apply for a CBOP provided that the business has met the following Minimum Requirements for applying for a CBOP:

- Provide a LOI to submit a proposal in the format outlined in Attachment 3
- Pay a \$1,000 fee deposit to cover the cost of LOI in-take and review by staff
- Provide evidence of a secured location for the proposed cannabis business as described in section VI 1. below.
- Confirm that the proposed cannabis business location is outside of the buffer zone for sensitive uses, as described in section VI 2. below. The City will reconfirm this minimum requirement when evaluating the submittal.

Any business not meeting the Minimum Requirements will be notified and eliminated from the RFP process. Businesses meeting the Minimum Requirements will be listed on the City’s website. If more LOIs are submitted than the number of permits slots in a category,

the Cannabis Business must continue to the competitive portion of this RFP process and submit a full proposal as described in section VI below.

Following the oral interviews, the top-rated proposals in each category, subject to the cap, will receive a letter awarding them the right to apply for a CBOP. The business must apply within 60 days of receipt of the letter. Once the category is filled, the remaining businesses will be placed on a waiting list that will be valid for one year. If an awardee is unable to secure all of its entitlements within the proposed schedule or within one year, whichever is sooner, the next business on the list will be given the opportunity to apply for a CBOP.

VI. PROPOSAL REQUIREMENTS

The City is requesting that submitted proposals contain the following information in the ensuing order. This information must be current. Reconfirm that any requested information submitted previously as part of the LOI process is still accurate:

1. **Provide Evidence Location for the Cannabis Business Has Been Secured.** The proposed cannabis businesses must provide evidence of site control. (*Letters of interest of any kind are not acceptable.*) Such documentation must clearly and specifically state the type of establishment listed in the proposal, including that it is a cannabis business. **Verify that the documentation evidencing site control is for the minimum duration of two years.** A month-to-month lease is not acceptable.

Definition of Evidence of Site Control is as follows:

Acceptable forms of evidence of site control for a minimum of two years, as set forth in the RFP, would include, without limitation, any of the following:

Real Estate Letter of Intent: A signed written term sheet, letter of intent, or exclusive negotiating agreement between two or more parties to sell, lease, or sublease property. This document will provide an outline of the terms of the proposed agreement. These terms can be further negotiated but must provide the basis for the proposed written agreement.

Real Estate Purchase or Lease Option: This is a signed written agreement for the purchase or lease of a specific piece of real property. With this document, the proposed buyer or lessee gains the exclusive right to purchase or lease the property. Once a potential buyer or lessee has an option to buy or lease a property, the owner cannot sell or lease the property to anyone else during the term of the option. The potential buyer or lessee pays for this option for a specific time period.

Purchase Agreement: This is a signed written agreement that a potential buyer will purchase a specific piece of property and the owner cannot sell to anyone else unless the terms of the agreement are not fulfilled.

Lease Agreement: This is a signed written agreement that gives a lessee certain rights to use and occupy specific property for a specified period of time.

Proof of Ownership: This is a deed that shows that title to the real property belongs to the applicant/proposer.

2. **Provide a Statement Confirming that the Location of the Cannabis Business is Outside of Buffer Zone for Sensitive Uses.** State, and furnish evidence that, the location secured for your cannabis business is outside of the buffer zone for sensitive uses as set forth in section 6-59.10 e. of the regulatory ordinance (Ordinance 3201). Any proposed business located within the buffer zone for sensitive uses will automatically be disqualified.
3. **Provide a Statement of Qualifications.** Describe Cannabis Business Owners' qualification relative to the proposal, including experience running businesses similar to the one proposed, including cannabis and/or non-cannabis businesses.

"Cannabis Business Owner" means any of the following:

- a. Each person having an ownership interest in the Cannabis Business other than a security interest, lien, or encumbrance on property that will be used by the Cannabis Business.
- b. If the Cannabis Business is a publicly traded company, the chief executive officer or any person with an aggregate ownership interest of twenty percent (20%) or more; or, for non-publicly traded companies, any individual having an ownership interest as defined by State law, including any implementing regulations.
- c. Each person who participates in the direction, control, or management of, or has a financial interest in, the Cannabis Business.
- d. The information required by this Section shall be confidential, and shall not be subject to public inspection or disclosure except as may be required by federal, state or local law. Disclosure of information pursuant to this Section shall not be deemed a waiver of confidentiality by the applicant or any individual named in the application. The City shall incur no liability for the inadvertent or negligent disclosure of such information.

4. **Proposal Implementation.** Provide verifiable, detailed descriptions and other background information for key individuals and owners of 20% or more of the business. Describe other resources, including financial resources, dedicated to implement this proposal. (Confidential) (500 word maximum)
5. **Understanding and Approach.** Provide a statement demonstrating the business' understanding and approach to running the proposed cannabis business and how that approach will integrate the business into the community in which it is located. (500 word maximum)
6. **Local Hire Program/Local Ownership/Community Benefit (optional).** This section is voluntary. Describe the business' plan, if any, to maximize the following:
 - a. Local hire program: Proposers may provide a plan demonstrating how they would hire locally. A local hire plan could address:
 - i. A minimum percentage of the business' employment base hired locally.
 - ii. A recruitment plan for new hires, including outreach methods.
 - iii. The hourly wage of the lowest-paid employee.
 - iv. Estimated number of employees in the first year, second year, third year, fourth year and fifth year.
 - v. Available job pathways.
 - vi. Describe any plans to train employees and promote lower-level employees.
 - vii. Estimated number of full-time and part-time positions in years one through five. (350 word maximum)
 - b. Local ownership: More than 50% ownership of the business by a three-year resident(s) or business owner(s) constitutes local ownership. Maximum points will be awarded for 100% local ownership. The local owners must provide verifiable information regarding the number of years each owner has lived in, and/or owned a business in, Alameda. If you meet one or both of these standards, identify who each local owner and how they meet the criteria. (Names are confidential, the composition of how the ownership meets the criteria is not.) Provide verifiable information such as business license information, property tax bills, business name(s) and address(es), and the number of years each owner has lived in and or owned a business(es) in Alameda.
 - c. Community benefit: Describe Cannabis Business Owners' involvement in community/non-profit organizations in the City of Alameda, Alameda County and/or their community. (350 word maximum)

7. Proposed schedule. Provide a schedule for seeking the requisite approvals and opening your establishment. The schedule should include dates for the following:

- a. Design review, if applicable
- b. Signage approval, if applicable
- c. Issuance of State license(s)
- d. Issuance of CBOP/Land Use permit
- e. Issuance of Building permit
- f. Issuance of other regulatory permits (e.g., EBMUD discharge permit, etc.)
- g. Completion of construction
- h. Opening and commencement of operations

VII. EVALUATION PROCESS

Proposals must fully address the proposal requirements in VI above and the evaluation criteria and scoring rubric in VIII below, as well as contain complete submittals, references and data to verify qualifications. Proposals without sufficient data to provide a complete evaluation will be considered non-responsive.

All proposals will be reviewed for compliance with requirements including documented capability to operate a cannabis business in a satisfactory manner. Proposals will be evaluated in accordance with the criteria in section VIII below.

City shall employ “blind scoring,” whereby the identities of the owners will not be revealed, when the written proposals are scored.

In the event of a tying score, the final slot shall be chosen by a computer-generated random means at the discretion of the Community Development Director.

A conditional award letter will be issued to the Proposer offering the most qualified proposal after consideration of the evaluation criteria set forth below. The City is not be obligated to issue a conditional award letter, but may make an award in the best interests of the City after all proposals have been evaluated.

VIII. EVALUATION CRITERIA

Minimum Requirements

LOI was submitted on or before the May 14, 2018 deadline	Pass/Fail
RFP review deposit of \$6,500 paid on or before the May 14, 2018, 4:00pm deadline to submit proposals	Pass/Fail
Evidence of a secured location for the cannabis business	Pass/Fail
Location is outside of cannabis buffer zones for sensitive uses	Pass/Fail

Evaluation Criteria

The table below is a scoring rubric to evaluate proposals received in response to the RFP. The responses will be scored on a zero to 80-point scale, excluding the interview. The proposer must receive a minimum of 75% (60 points) of the total possible points to proceed to the interview process. Interviews will be scored on a zero to 20/24-point scale. The maximum points available, including the interview, is 100 points for non-dispensary applicants and 104 points for dispensary applicants.

1. Statement of Qualifications describing the company's experience, abilities, knowledge, and overall qualifications to run the type of cannabis business for which it is seeking a CBOP		25
Has proposer provided a detailed description of the company's experience in operating the same or similar type business?	6	
Has proposer provided information that demonstrates the means and skills for operating the proposed business?	6	
Has proposer demonstrated via factual information, practical and theoretical experience and the knowledge to run the proposed business?	6	
Has the proposer demonstrated that it has the overall qualifications and breadth of knowledge for running the proposed business?	7	
2. Verifiable detailed description of persons and type of resources, including financial resources, committed to implement the proposal		20
Has the proposer provided resumes/CVs and other relevant materials, such as authored reports, for and about primary and significant persons that will be responsible for implementing key portions of the proposed business?	6	
Has proposer submitted a financial statement, balance sheet, and tax returns that attest to its financial health and ability to finance and operate the proposed business?	6	
Has proposer committed to initial investment amounts and shown how it will reinvest in the business over time?	4	
Does the proposer show that it is investing in equipment, technology and facilities that are appropriate for the nature of the business?	4	
3. Description of company's understanding of, and approach to, running the cannabis business		15
Has the proposer provided a full description of the proposed business, including proposed staffing levels, products, product types, testing protocols, licensing requirements, etc., demonstrating how it will operate its business?	5	
Has the proposer described what methods and means it will take to ensure that the business is integrated into the community?	5	
Has the proposer adequately described its overall approach to operational safety as it relates to employees, customers, businesses, and the community?	5	

4. Local hire (optional)		5
If a local hire program is proposed, does it contain a viable local hire recruitment plan, including outreach methods?	2	
If a local hire program is proposed, does it estimate the number of potential local employees in the first through fifth years?	1	
If a local hire program is proposed, does it describe job pathways for its employees, allowing them to be promoted within the company, such as pay for employee(s) tuition or substantially reduce the cost of tuition, etc.?	2	
5. Local ownership program (optional)		5
Is more than 50% of the business owned by a three-year Alameda resident(s) and/or business owner(s)?	3	
Is more than 75% of the business owned by a three-year Alameda resident(s) and/or business owner(s)?	1	
Is 100% of the business owned by a three-year Alameda resident(s) and/or business owner(s)?	1	
6. Community benefits		5
Does the proposer have prior involvement in community/non-profit organizations in the City of Alameda, Alameda County and/or their community? Describe.	5	
7. Proposed schedule		5
Does the schedule clearly provide realistic milestones for the following items? a. Design review, if applicable b. Signage approval, if applicable c. Issuance of State license(s) d. Issuance of CBOP/Land Use permit e. Issuance of Building permit f. Issuance of other regulatory permits (e.g., EBMUD discharge permit, etc.) g. Completion of construction h. Opening and commencement of operations	3	
Does the schedule provide a detailed, comprehensive timeline for starting operations of the business?	2	
Total		80

IX. SUBMITTAL INSTRUCTIONS

The proposal must be signed by an individual(s) authorized to execute legal documents on behalf of the Proposer. Failure to provide all required submittals may result in a proposal being found non-responsive and eliminated from further consideration.

Four (4) hard copies of the proposal and one electronic PDF version of the proposal on a flash drive must be received by the City in a sealed envelope with a return address, including business name, no later than **4:00 p.m. on Monday, June 11, 2018** at the following address:

Alameda City Hall
Community Development Department, Room 190
2263 Santa Clara Avenue
Alameda, CA 94501
Attention: Lois Butler

Late proposals will not be considered and will be returned to the Proposer unopened. The City assumes no responsibility for delays caused by delivery service. Postmarking by the due date will not substitute for actual timely receipt.

Any Proposal received prior to the Submittal Date may be modified or withdrawn by written request from the Proposer to the City up to the Proposal Submittal Deadline.

X. QUESTIONS

For information concerning RFP procedures and regulations (i.e., submission deadline, required forms, etc.), interested parties may contact:

Lois Butler
Economic Development Manager
Alameda City Hall
Community Development Department, Room 190
2263 Santa Clara Avenue
Alameda, CA 94501
Email: lbutler@alamedaca.gov
Phone: 510-747-6894

XI. APPEAL PROCEDURE

A Proposer who timely submitted a Proposal may file an appeal as follows:

Any Proposer who has timely submitted a Proposal may file an appeal to contest the decision to issue an awarding letter to a Proposer by filing a written appeal which complies with this RFP Section **within (5) business days after the Announcement of the Selected Proposer Date listed on the third page of this RFP (as amended by written addenda, if any)**. Postmarking by the due date will not substitute for actual timely receipt.

1. The appeal must be based on one or more of the following grounds:
 - (i) the selected Proposal does not meet the minimum criteria stated in the RFP or its exhibits;
 - (ii) the selected Proposal is nonresponsive in that it fails to offer all of the information requested in the RFP that have not either been modified or waived by the City;

- (iii) the RFP or its exhibits were ambiguous or inconsistent in a materially significant way and such ambiguity or inconsistency gave the selected Proposer(s) an unfair competitive advantage; or
- (iv) the selection process was unfair in that the City failed to follow the stated selection process which gave an unfair competitive advantage to the selected Proposer(s) and the selection process was not modified or waived pursuant to the RFP.

2. The City takes a number of factors into account when making its selection and thus no single factor or criteria can outweigh all the others combined. As such, the following are generally not grounds for a valid appeal:

- (i) The appellant feels they have more experience than the selected Proposer(s); or
- (ii) The appellant feels they are better qualified than the selected Proposer(s).

3. The appeal shall contain a full and complete written statement specifying in detail the grounds for the appeal and the facts supporting the appeal. The appeal shall make specific reference to the applicable sections of the RFP, its exhibits and/or sections of the selected Proposal(s).

4. The appeal shall be emailed or hand delivered to the Economic Development Manager at the address and email listed in Section X above **with a copy to the selected Proposer(s)**. If emailed, the following must be in capitalized letters on the subject line of the email: APPEAL OF CANNABIS RFP AWARD: (YOUR COMPANY NAME).

5. The selected Proposer(s) shall have the opportunity to respond in writing to the allegations contained in the appeal within three (3) business days of receipt thereof. The response shall be emailed or hand delivered to the Economic Development Manager at the address and email listed in Section X above **with a copy to the appellant**.

6. The City Attorney's Office will review the appeal, the response and promptly initiate an investigation. The appellant and all Proposers shall cooperate with any inquiries from the City Attorney's Office.

7. At the conclusion of the investigation, the City Attorney's Office shall issue a letter to the appellant with a copy to the selected Proposer(s) regarding his/her findings. The role of the City Attorney's Office is to determine whether or not City staff or the review panel followed the selection process outlined in the RFP and whether the RFP materials were materially ambiguous or inconsistent so as to give the selected Proposer(s) an unfair economic advantage. If necessary, the City Attorney's Office can recommend steps to correct the error; recommend ceasing the RFP with the selected appellant (s) and start the RFP process with the next highest scoring Proposer; reject all

Proposals and restart the RFP process, or such other remedy as may be in the City's best interest.

8. It is not the role of the City Attorney's Office to second-guess staff or the review panel as to the relative strengths or weaknesses of the submitted Proposals. The City Attorney's Office will not substitute his/her judgment for that of staff or the review panel so long as the RFP process has been substantially followed.

XII. ADDITIONAL TERMS AND CONDITIONS

A. Nondiscrimination

The City will not discriminate against any interested individual, firm or Proposer on the grounds of race, religious creed, color, national origin, ancestry, handicap, disability, marital status, pregnancy, sex, age, or sexual orientation.

B. City's Right to Modify RFP

The City reserves the right at its sole discretion to modify this RFP (including but not limited to the requirements and/or the selection criteria) should the City deem that it is in its best interests to do so. Any changes to the proposal requirements will be made by written addendum posted on the City's website. The failure of a Proposer to read any addenda shall have no effect on the validity of such modification.

C. City's Right to Cancel RFP

The City reserves the right at its sole discretion to cancel this RFP in part or in its entirety should the City deem that it is in the City's best interests to do so.

D. City's Right to Reject All Proposals

The City reserves the right, in its sole discretion, to reject all Proposals and not to award the right to apply for a CBOP should the City deem that it is in its best interests to do so.

E. City's Right to Extend RFP Deadlines

The City reserves the right to extend any of the deadlines listed on the third page of this RFP by written addenda should the City deem that it is in its best interests to do so.

F. Cost of Proposals

All costs incurred during proposal preparation or in any way associated with the Proposer's preparations, submission, presentation or oral interview shall be the sole responsibility of the Proposer.

G. Liability for Proposal Errors

Proposers are liable for all errors and omissions contained in their Proposals.

H. Permits and Licenses

Proposers, at their sole expense and at the appropriate time, shall obtain and maintain all appropriate permits, certificates and licenses including, but not limited to, a City Business License, Land Use Permit and CBOP which will be required in connection with their Proposal.

I. Fees and Taxes

Cannabis businesses are responsible for paying all applicable fees and taxes. It is anticipated that City taxes will be assessed on cannabis businesses in the future.

J. Vesting of the Award

The awardee must secure all the requisite approvals to begin commencement of operations, including without limitation, obtaining a use permit, business license, and operator's permit, within their proposed schedule, or one (1) year from the date of the award letter, whichever is sooner. The City Manager may extend this one-year time deadline for "good cause," as that term is defined in the regulatory ordinance.

Attachments

1. At A Glance
2. Implementing Regulations No. _____ governing RFP process
3. Letter of Intent (LOI) Outline

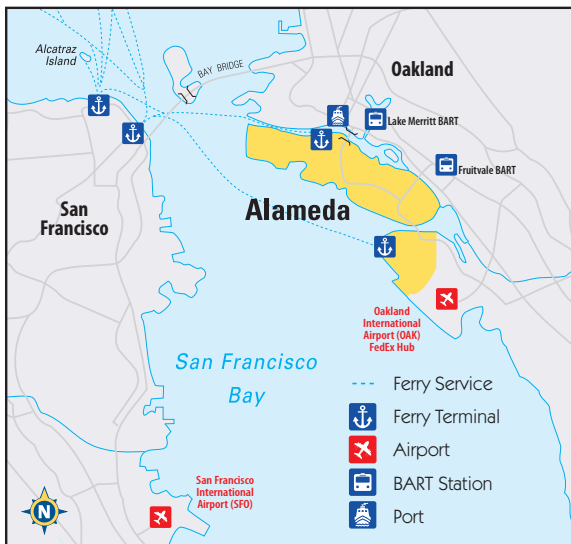


AT A GLANCE

Welcome to the City of Alameda... We have top-tier business parks and retail centers, as well as opportunity sites to bring quality development to our city. We are proud to showcase our quality of life and our community-minded, hometown charm: beautiful tree-lined streets, good public schools in safe and walkable neighborhoods, historic main street retail districts, and a friendliness and warmth virtually unequaled in the Bay Area.

Inner Bay Area Location

Alameda is commuter, business traveler and visitor friendly. We are easily accessible by BART, Amtrak, ferry, plane, highway or bicycle.



- **Bay Area Rapid Transit (BART)** - two BART stations within one mile of the island, with shuttle service from major business parks.
- **Two Ferry Systems** - direct service to Jack London Square in Oakland, Pier 41 and the Ferry Building in San Francisco, and the AT&T ballpark.
- **AC Transit** - express transbay bus service to and from San Francisco.
- **San Francisco-Oakland Bay Bridge** - 7-mile trip that can be taken in less than 15 minutes.
- **Oakland International Airport/FedEx Bay Area Major Hub** - just 6.7 miles away from downtown Alameda and less than 15 minutes by car from major business parks.
- **Amtrak Station and the Capitol Corridor Line** - less than 5 miles and under 10 minutes away.

Major Private Sector Employers

- | | | |
|------------------------------------|--------------------------------------|--|
| ■ Abbot Diabetes Care Inc | ■ Makani | ■ Semifreddi's Handcrafted Bread & Pastries |
| ■ Bay Ship & Yacht Company | ■ Penumbra | ■ Singulex |
| ■ Cost Plus Corporate Headquarters | ■ Perforce Software | ■ VF Outdoors (The North Face, Jansport, Timberland) |
| ■ Donsuemor | ■ Power Engineering Construction Co. | |
| ■ Kaiser Foundation Health Plan | | |

Source: City of Alameda

Economy

Alameda's economy includes 5 major industry clusters:

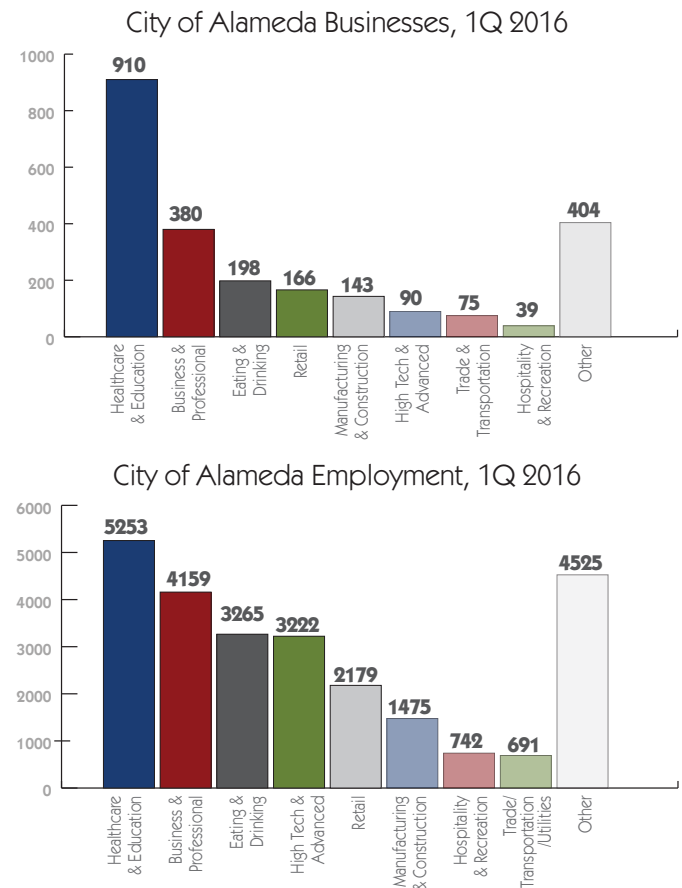
- i. High tech & advanced manufacturing
- ii. Specialty beverage and food production
- iii. Maritime industries
- iv. Alternative energy/biotech
- v. Health services

BUSINESS PARKS

- **Marina Village** – 1.2 million sq. ft. of multi-tenant office, R&D and high tech facilities in top-rated business park; wide range of space options available with beautiful views of the estuary and East Bay hills.
- **Harbor Bay Business Park** – 1.8 million sq. ft. with more than 40 acres of fully entitled land available for immediate development on the waterfront and only minutes from the Oakland International Airport.
- **Alameda Point** (former Naval Air Station) – for lease and major development opportunities available on 852 acres of prime real estate with stunning views of the Bay and the San Francisco skyline.
- **Alameda Landing** – Planned development of up to 400,000 sq. ft. of shoreline commercial space.

ALAMEDA OFFERS THE ONLY BAY-FRONT SITES
LARGE ENOUGH FOR THE DEVELOPMENT
OF CORPORATE CAMPUSES.

LOCAL BUSINESSES



Source: California EDD 2016

Retail

REGIONAL SHOPPING CENTERS

- **South Shore Shopping Center** – 594,000 sq. ft., open air shopping center: Safeway, Trader Joes, Bed Bath and Beyond, Old Navy, Kohls, and other retailers and eateries.
- **Alameda Landing** – 285,000 sq. ft. shopping center: Target, Safeway, Michael's, In-N-Out Burger, and a variety of restaurants.

COMMUNITY SHOPPING CENTERS

- **Bridgeside Shopping Center** – 105,000 sq. ft., Nob Hill and additional neighborhood shopping.
- **Marina Village Shopping Center** – 127,000 sq. ft., Lucky's, CVS.
- **Harbor Bay Landing** – 114,800 sq. ft., Safeway, general retail and restaurants.

HISTORICAL MAIN STREET BUSINESS DISTRICTS

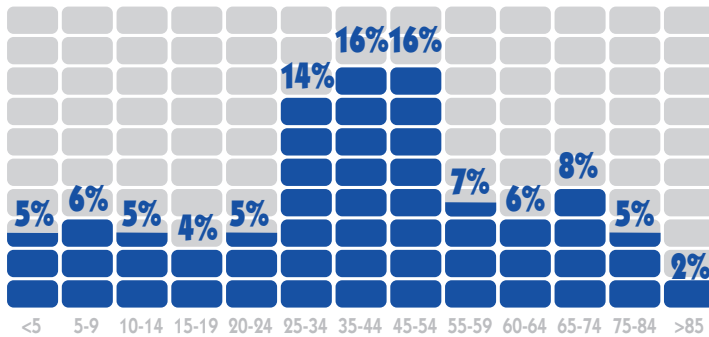
- **Park Street Business District** – 356,000 sq. ft., restored art deco movie palace and vibrant evening scene with a variety of eating establishments.
- **West Alameda Business District** – 205,000 sq. ft., locally owned restaurants and cafes.
- **Neighborhood "Station" Districts** – 17 charming retail clusters nestled in Alameda's residential neighborhoods mostly around historic streetcar stations.



Source: CA State Board of Equalization

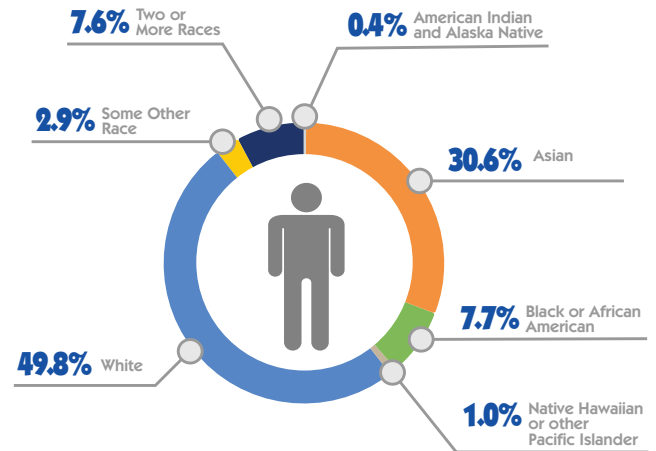
Population

POPULATION BY AGE



Total estimated population: 78,614
 Daytime population: 65,217
 Male: 48%
 Female: 52%
 Median Age: 41.4
 Voter Registration: 46,957
 Average Household Income: \$117,879
 Median Household Income: \$92,225

POPULATION BY ETHNICITY (2015)



Sources: American Community Survey 2015; U.S. Census Bureau, Center for Economic Studies; State of California, Department of Finance; Alameda County Registrar of Voters

Education

HIGHER EDUCATION

University of California at Berkeley and **California State University** in Hayward are in close proximity to Alameda, and provide a skilled workforce for local businesses.

College of Alameda, a local community college, provides educational programs and career pathways that meet the needs of local residents and employers.

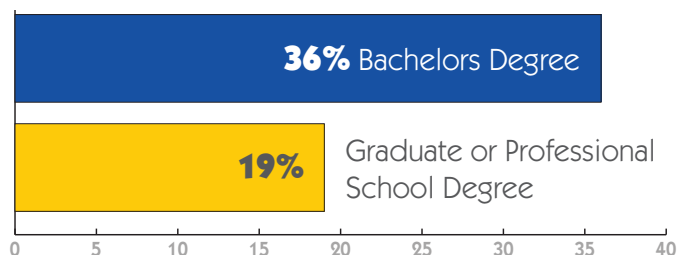
Alameda Unified School District. In November 2016, Alameda citizens voted to extend a school parcel tax with a 74.2% majority. The funds will be used to protect small class sizes, core academic programs, neighborhood schools, and retain excellent teachers.

Alameda high schools offer 17 advanced placement courses, and *U.S. News & World Report* Magazine has recognized Alameda High School as one of the top schools in the nation. Alameda is home to:

- 10 elementary schools
- 1 K-8 School
- 3 Magnet Programs
- 3 Middle Schools
- 4 High Schools

Sources:
 US Census Bureau, American Community Survey 2015; AUSD Website

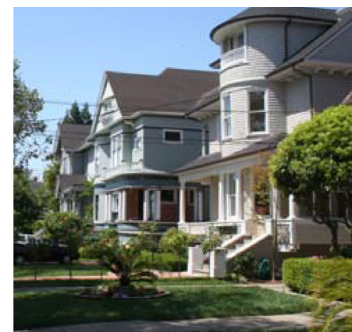
EDUCATIONAL ATTAINMENT (population 25 years and older)



Real Estate

Total Housing Units	32,042
Total Occupied Housing Units	30,696
Owner Occupied	44.1%
Renter Occupied	55.9%
Total Net Assessed Valuation FY 2016-17)	\$11.96B
Median Single Family Home Value	\$928,000
Median Condominium Home Value	\$695,000

Sources: U.S. Census Bureau, American Factfinder, 2015; Alameda County Assessors Office; Zillow.com



Recreation

Alameda is known for its beaches, bird refuges, bicycle and pedestrian paths, natural open space, and extensive waterfront picnic areas. Shoreline parks along the San Francisco Bay and the San Leandro Marina extend for more than six miles, offering spectacular views of the San Francisco skyline and the East Bay hills. Alameda also includes more than eight miles of the San Francisco Bay Trail.

- **Crown Memorial State Beach** is recognized by Sunset Magazine as “one of the best spots in the region for windsurfing and kite boarding.”
- The **second largest concentration of small boat slips (3,400) in northern California** offers ample opportunity for recreational boating and water sports.
- The 45-hole **Chuck Corica Municipal Golf Complex**, located adjacent to the Harbor Bay Business Park, is one of the most popular in the East Bay.
- **19 neighborhood parks** include 16 multi-purpose athletic fields (4 with night lighting), 10 soccer fields, 16 tennis courts, and one bocce ball court. Public swimming is available at Alameda and Encinal High School Swim Centers.
- Civic and private groups in Alameda host various **community arts** including live theater, a light opera, a community band, a historical museum, a Friday night art walk, cultural activities and a diverse community of musicians, writers, craftspersons and artists. Throughout the summer, free concerts are scheduled in various locations. Farmers markets, street festivals, and sand castle contests are regularly scheduled events.

Government

The City of Alameda was incorporated in 1854. Alameda became a Charter City in 1903 and was one of the first cities in California to adopt the Council-Manager form of government, which it retains to the present. Under this structure, the City is governed by a five-member City Council. Programs and services are administered by a City Manager. The City provides a broad range of services including police and fire protection; construction and maintenance of streets, parks, storm drains and other infrastructure; and recreational and cultural activities.

- Number of City Employees: **530** full-time employees
- Police Department: **122** full-time employees (**88** sworn officers)
- Fire Department: **108** full-time employees; **4** stations; **3** ambulances
- Total Annual Budget: **\$174.4 million** (FY 2016-17)

The City owns and operates Alameda Municipal Power (AMP), an electric utility that has been serving the needs of all Alameda residents and businesses for more than 130 years. With a renewable power portfolio that's among the highest in California, and a reliability record that ensures fewer power outages than 75 percent of utilities nationwide, it's no wonder that Alamedans rank AMP as one of the best in the state.



Alameda's electric rates average nearly 20 percent lower than neighboring communities.

CANNABIS IMPLEMENTING REGULATION NO. _____

IMPLEMENTING REGULATIONS GOVERNING REQUEST FOR PROPOSALS PROCESS FOR ALLOCATING LIMITED PRIVILEGE TO APPLY FOR A CANNABIS BUSINESS PERMIT

WHEREAS, on November 7, 2017, the City Council for the City of Alameda introduced on first reading Ordinance No. 3201 amending the Alameda Municipal Code (AMC) to add a new Article XVI (Cannabis Businesses) to Chapter VI (BUSINESSES, OCCUPATIONS, AND INDUSTRIES), that went into effect on January 18, 2018. This new article covers all aspects of regulating the operations of cannabis businesses, including requiring an operator's permit and granting the Community Development Department the authority to adopt implementing regulations ("regulatory ordinance"); and

WHEREAS, on December 5, 2017, the City Council introduced a separate ordinance, Ordinance No. 3206, on first reading governing land use by cannabis businesses, that amended the AMC by repealing section 30-5.15 (Medical Marijuana Dispensaries and Cultivation) in its entirety and adding a new section 30-10 (Cannabis) to conditionally permit specific types of cannabis businesses in certain zoning districts ("zoning ordinance"); and

WHEREAS, on November 7, 2017, because the City Council capped the maximum number of permits to be issued by business category, staff recommended, and the Council agreed, that a Request for Proposals (RFP) process should be utilized to select the businesses in each category who would be eligible to move forward with operator permit and land use permit applications.

NOW, THEREFORE: pursuant Section 6-59.16 of the regulatory ordinance, the Community Development Department adopts the following implementing regulations that shall govern the process for allocating the limited privilege to apply for cannabis business permits. The implementing regulations are as follows:

SECTION 1. Request for Proposals Implementing Regulations.

A. **Purpose.** The purpose of these regulations is to establish the process by which the City of Alameda will issue conditional award letters conferring the limited privilege of applying for the requisite approvals for an individual or entity to operate a Cannabis Business within the City of Alameda, including without limitation, a Use Permit, Business License, and Cannabis Business Operator's Permit (CBOP) pursuant to a RFP. The City of Alameda shall issue a single master RFP intended to identify potential cannabis businesses qualified to apply to obtain the requisite approvals.

B. **Issuance of RFP.** Based on direction from Council, the City Manager (or her designee) may issue a RFP inviting potential cannabis businesses to submit their

qualifications for the requisite approvals upon prior authorization from the City of Alameda in the form of a conditional award letter.

C. **Form of RFP.** These regulations and the RFP shall govern the process by which potential cannabis businesses shall provide information to assess their qualifications to apply for local approvals to operate a Cannabis Business in the City of Alameda.

D. **Letter of Intent.** All Proposers to the RFP must submit a Letter of Intent (LOI) by the specified date and time in the RFP. Failure to do so will lead to disqualification from further participation in the RFP process.

i. The Community Development Department will review the LOIs to determine if a Proposer meets the following Minimum Requirements:

a) Timely submission of the LOI, as set forth in the RFP.

b) Timely payment of a Pre-Application Review Deposit of \$1,000.00.

a) Evidence that a location has been secured for the proposed Cannabis Business for a minimum of two years as set forth in the RFP, including without limitation any of the following:

1. **Real Estate Letter of Intent:** A signed written term sheet, letter of intent, or exclusive negotiating agreement between two or more parties to sell, lease, or sublease property. This document will provide an outline of the terms of the proposed agreement. These terms can be further negotiated but must provide the basis for the proposed written agreement.

2. **Real Estate Purchase or Lease Option:** This is a signed written agreement for the purchase or lease of a specific piece of real property. With this document, the proposed buyer or lessee gains the exclusive right to purchase or lease the property. Once a potential buyer or lessee has an option to buy or lease a property, the owner cannot sell or lease the property to anyone else during the term of the option. The potential buyer or lessee pays for this option for a specific time period.

3. **Purchase Agreement:** This is a signed written agreement that a potential buyer will purchase a specific piece of property and the owner cannot sell to anyone else unless the terms of the agreement are not fulfilled.

4. **Lease Agreement:** This is a signed written agreement that gives a lessee certain rights to use and occupy specific real property for a specified period of time.
 5. **Proof of Ownership:** This is a deed that shows that title to the real property belongs to the applicant/proposer.
- b) Evidence that the proposed location is outside of the applicable cannabis buffer zones for sensitive uses consistent with local law.
 - ii. All Proposers will be notified whether their LOI meets the Minimum Requirements. Proposers with qualifying LOIs will be invited to submit a proposal in response to the RFP. A determination that a LOI fails to meet the Minimum Requirements is a final determination.
 - iii. If the Community Development Department receives fewer LOIs than the cap in any given permit category, all individuals or entities identified in the LOI will be considered qualified, terminating the RFP process, and entitling those identified in the subsequently issued conditional award letter to apply for the requisite approvals.

E. **Rating and Ranking of Proposers to RFP.** Proposals shall be rated and ranked according to the Evaluation Rubric attached hereto (**Exhibit A**) and set forth in the master RFP approved by the City Council.

- i. **Proposal Submission.** Proposals must be submitted according to the terms of the published RFP issued by the City Manager.
- ii. **Selection Criteria.** The Selection Panel shall assign points as provided in the evaluation criteria to each proposal and rank the cannabis businesses as set forth in the RFP based on their written materials submitted in response to the RFP using the following criteria, which is set forth more fully in the Evaluation Rubric (**Exhibit A**):
 - a) **Statement of Qualifications.** Proposers must describe the Cannabis Business Owners' qualifications relative to the proposal, including experience, abilities, knowledge, and overall qualifications for running businesses similar to the one proposed (cannabis and/or non-cannabis businesses).
 - b) **Proposal Implementation.** Proposers must provide verifiable, detailed descriptions of the persons and type of resources, including financial resources, for *key individuals and owners of 20% or more* of the business committed to implement the proposal.

- c) Understanding and Approach. Proposers must provide a statement demonstrating the business' understanding and approach to running the proposed cannabis business and how that approach will integrate the business into the community.
- d) Local Hire (Optional). Proposers may provide a plan demonstrating how they would hire locally. A local hire plan could address:
 - 1. A minimum percentage of the business' employment base hired locally.
 - 2. A recruitment plan for new hires, including outreach methods.
 - 3. The hourly wage of the lowest-paid employee.
 - 4. Estimated number of local employees in the first through fifth years.
 - 5. Available job pathways.
 - 6. Plans to train or educate employees (e.g., on-the-job training, or full/partial tuition payment) and promote lower-level employees.
- e) Local Ownership (Optional). Proposers may furnish materials to demonstrate they are locally owned. As set forth in the Evaluation Rubric (**Exhibit A**), points will be awarded based on: (a) whether more than 50% of the cannabis business is owned either by an Alameda resident or business owner, and (b) the length of such residency or business ownership. Accordingly, proposers must provide verifiable information regarding the number of years of residency or ownership by the local owners constituting the majority. The maximum points will be assigned for 100% local ownership.
- f) Community Benefit (Optional). Proposers may provide a plan demonstrating their prior involvement in community/nonprofit organizations in the City of Alameda, Alameda County, and/or their local community.
- g) Schedule. Proposers must provide a schedule to ensure the commencement of operations for the proposed Cannabis Business. The schedule should include dates for the following:
 - 1. Design review approval, if applicable.

2. Signage approval, if applicable.
 3. State license(s) issuance.
 4. CBOP/Land Use permit issuance.
 5. Building permit issuance.
 6. Issue of other regulatory permits (e.g., EBMUD discharge permit, etc.).
 7. Completion of construction.
 8. Opening and commencement of operations.
- iii. The score cut-off to be used by the Selection Panel when reviewing the proposals to determine which Proposers are granted an oral interview is 60 points (or a score of at least 75%).

F. **Selection Panel.** Proposers who have timely submitted complete written proposals and paid the Pre-Application Review Deposit of \$6,500.00 shall have their proposals rated and ranked by the Selection Panel. The Selection Panel shall employ “blind scoring,” whereby the identities of the owners of the proposed cannabis business will not be revealed, when the written proposals are scored.

- i. The Selection Panel shall consist of: (1) a Technical Support Panelist (non-scoring), (2) a Real Estate/Property Management Panelist, (3) a Finance Panelist, (4) a Health Panelist, (5) a Planning Panelist, and (6) a Panelist from another City department not related to cannabis.
- ii. All Panelists shall sign an acknowledgement to ensure full, fair and effective execution of their duties on the Selection Panel, including, to ensure each Panelist:
 - a) Maintains the confidentiality of any information gained during their service on the Selection Panel;
 - b) Takes all reasonable steps to ensure their service on the Selection Panel is fair and impartial, including without limitation, their disclosure prior to service on the Panel of any connection to a proposer that would pose a substantial conflict of interest consistent with applicable law; and

- c) Reviews each proposal based on the information or materials provided during the RFP process, and shall refrain from conducting outside research.
- iii. The Community Development Director shall have the authority to appoint alternates in the event any panelist cannot serve on the Selection Panel.
- iv. The Selection Panel, in its sole discretion, may make a determination of qualification based on all information submitted as part of the RFP process, including all materials submitted in writing or orally.
- v. Proposers who meet the score cut-off will be invited to an oral interview before the Selection Panel. The Selection Panel shall score proposers invited for an interview in which the same questions are asked of all of the proposers. Following the oral interview, Proposers may either receive a conditional award letter or be placed on the RFP wait list depending on their rating and ranking. In the event of a tying score, the final slot shall be chosen by a computer-generated random means approved by the Community Development Director.

G. **Awarding Letter.** Proposers determined to be qualified by the Selection Panel according to the score cutoff shall be issued a letter conditionally awarding to the potential applicant named therein the privilege to apply for the limited number of Cannabis Business permits. Awarding letters are non-transferrable.

- i. Once an award letter is issued, the awardee has sixty (60) days from the date of the awarding letter to apply for a Cannabis Business Permit. Failure to do so may lead to disqualification from further consideration and immediate revocation of the award letter.
- ii. The awarding letter shall also set forth any conditions on the determination that the Proposer was qualified to apply. Failure to meet any conditions of the award letter, may lead to disqualification from further consideration and immediate revocation of the award letter.
- iii. If an award letter is revoked, the City Manager (or his or her designee), in his/her sole discretion, may issue a new award letter to the next highest ranked Proposer on the RFP wait list.
- iv. The awardee must secure all the requisite approvals to begin commencement of operations, including without limitation, obtaining a use permit, business license, and operator's permit, within their proposed schedule, or one (1) year from the date of the award letter, whichever is sooner. The City Manager may extend this one-year time

deadline for “good cause,” as that term is defined in the regulatory ordinance.

H. **RFP Wait List.** The Community Development Department shall maintain a list for one (1) year, containing all Proposers that were not ultimately issued an awarding letter but received a score qualifying them to be wait-listed.

- i. The following are the non-exhaustive instances in which a Proposer may move off the wait list:
 - a) A Proposer has requested in writing to be removed from further consideration.
 - b) An award letter has been revoked for failure to meet the conditions stated therein.

I. **Appeal Procedure.** The RFP shall establish the appeal procedure for a Proposer to contest the decision to issue an awarding letter to a Proposer. There shall be no right to appeal a failure to meet the Minimum Requirements. Any such determination is a final decision by the City of Alameda.

SECTION 2. CEQA. Adoption of these regulations is not a project and is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines, sections 15378 and 15061(b)(3) (General Rule).

SECTION 3. Severability. If any provision of these regulations are held by a court of competent jurisdiction to be invalid, this invalidity shall not affect other provisions of these regulations that can be given effect without the invalid provision and therefore the provisions of these regulations are severable. The Community Development Department declares that it would have enacted each section, subsection, paragraph, subparagraph and sentence notwithstanding the invalidity of any other section, subsection, paragraph, subparagraph or sentence of these regulations.

SECTION 4. Effective Date. These regulations shall become effective upon its adoption, _____.

Community Development Department Director

March 29, 2018

City of Alameda
City Hall
2263 Santa Clara Avenue, Rm. 120
Alameda, CA 94531
Attn: Lois Butler, Economic Development Manager

RE: Letter of Intent—Cannabis Request for Proposals Process

Dear Ms. Butler:

I, the undersigned, attest that I am a duly authorized representative of (name of company), which is identified below:

Name of Business (Applicant): _____
Business Address of Applicant: _____
Address of Proposed Location: _____
Assessor's Parcel Number: _____

I understand that I will be expected to receive all notices at the Business Address of the Applicant. I further consent to receiving notice by email at: _____

I am interested in applying for the (name of permit—provide one permit per letter) cannabis permit. Further, I have secured for this business a proposed location at (address) outside of the buffer zones designated by the Alameda City Council. Please find enclosed (state what is enclosed, e.g., a letter of intent to sign a lease, a lease, a purchase option, a purchase agreement, or evidence of ownership of the place where business will be located; a letter of interest is not acceptable) evidencing that I have secured a proposed site for the minimum requirement of two years.

I have also arranged for payment of the filing fee of \$1,000 deposit (see enclosed receipt). If I am approved to submit an application for a Cannabis Business Operator's Permit (CBOP), I will apply for this permit within 60 days of the receipt of the letter of authorization from the City of Alameda Community Development Department. I understand that failure to apply for the CBOP within that time period automatically forfeits my opportunity to apply.

I further understand that failing to meet any of the requirements of Implementing Regulation No._____ or the RFP shall lead to automatic revocation of any award letter.

Sincerely,

Name

Title

Enclosures:

1. (e.g., a letter of intent to sign a lease, a lease, a purchase option, a purchase agreement, or evidence of ownership of the place where business will be located)
2. City of Alameda receipt for filing fee deposit