



SPECIAL ACTIVITY PERMITS DIVISION

OFFICE OF THE CITY ADMINISTRATOR

REQUEST FOR PROPOSALS (RFP)

for

Cannabis Equity Property Purchase Program

Application Release Date: November 20, 2020

Phase One Application Submission Deadline: January 8, 2021

KEY DATES

Application Period Commences:

Friday November 20, 2020

Zoom Application Discussion Meeting:

Monday November 30, 2020 11:00am-12:00pm

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/85413445768>

Or Dial (for higher quality, dial a number based on your current location):

US: +1 669 900 9128 or +1 253 215 8782 or +1 346 248 7799 or +1
646 558 8656 or +1 301 715 8592 or +1 312 626 6799

Webinar ID: 854 1344 5768

Question Submittal Deadline:

Questions on the RFP must be received at cannabisapp@oaklandca.gov by Friday December 18th at 5p.m. Pacific Standard Time.

Phase One Application Submission Deadline:

Applications must be received at cannabisapp@oaklandca.gov by Friday January 8, 2021 3:00 p.m. Pacific Standard Time.

A. INTRODUCTION

In the Spring of 2017 the Oakland City Council enacted landmark cannabis legislation centered around an Equity Permit Program that promotes equitable ownership and employment opportunities in the cannabis industry to address the disproportionate impacts of the war on drugs in marginalized communities of color.

In 2020 the Governor's Office of Business and Economic Development (Go-Biz) awarded the City of Oakland funding to support its Equity Program and \$2,010,239 of the Go-Biz grant is available for loans to cannabis equity applicants for the purchasing of properties that support multiple equity applicants. Please note the maximum loan per individual equity applicant is \$500,000 and the maximum amount of funding available per group is \$2,010,239. These loans may be forgiven upon equity applicants' successful compliance with program loan terms and City Council approval.¹ Program loan terms will include utilizing loan funds exclusively on property(ies) that support equity applicant businesses and providing periodic reports documenting appropriate usage of the property(ies).

The intent of this program is to address one of the principal barriers of entry to the regulated cannabis marketplace, access to real estate, by supporting one or more groups of equity applicants to purchase property(ies) that they strategically utilize together. Given the limited funding available, the City will prioritize respondents who demonstrate a sustainable plan for supporting as many viable equity businesses and employees as possible.

B. APPLICATION PROCESS

The Application Process consists of two phases:

1. **Phase One:** On or before 3pm on January 8, 2021, respondents must submit a plan for how they will utilize the available funds, including all Phase One Submittal Requirements. Phase One responses should focus on the project concept, including how the equity applicants involved will work together to promote their businesses and provide employment opportunities. Respondents can identify the property they intend to purchase during Phase One, however, entering into an intent to purchase agreement or purchasing a property is not a Phase One requirement and no City funding will be committed based on Phase One submission alone.
2. **Phase Two:** A panel of City staff will evaluate and rank all Phase One Respondents. City staff will then provide the top three to five scoring respondents with approximately 45 days to identify a property for purchasing and submit a budget demonstrating how respondents will cover all costs associated with purchasing the property and making it operational. If needed, respondents may be provided additional time to identify a property, though the City may not wait for respondent to identify a property if other respondents provide a viable property during this additional time period.

¹ Please note forgiven loans may qualify as taxable income.

C. PHASE ONE SUBMITTAL REQUIREMENTS

Phase One responses to this RFP must be received at cannabisapp@oaklandca.gov by 3:00 p.m. Pacific Standard Time on January 8, 2021.

During the evaluation period, City staff may request written clarifications of proposals and may, at their sole discretion, hold discussions with all or any of the respondents under serious consideration.

The submission requirements are indicated below. To facilitate review by City staff, please submit materials in clearly labeled sections and subsections in the order listed below. **Twenty (single-side) pages is the maximum for Phase One Submissions and font size shall be no less than 12.** Submissions of greater than 20 pages will be accepted but only the first twenty pages will be reviewed.

1. Experience of Equity Applicants (10 points)

- a) List which Equity Applicants will take part in the project.
- b) Describe the current status of each Equity Applicant's business location, e.g. do they currently have a business location, are they in need of relocating due to the end of incubation or other reasons, etc.?
- c) Describe Equity Applicants' experience, including:
 - a. Business experience, both within and outside of the cannabis industry.
 - b. Completing projects on budget and on schedule.
 - c. Experience working with a team/collective.
 - d. Experience with the permitting and approval processes of local governments and other public agencies.
 - e. If any of the equity applicants involved in the project have received a loan from the City of Oakland, are they current on loan repayments?
 - f. Provide a reference from someone, not including the City of Oakland, that applicants have borrowed over a \$1,000 and repaid.
- d) Provide a minimum of three professional references for each Equity Applicant involved in the proposed project.

2. Project Description (15 points)

- a) Provide an overview of the proposed project, including but not limited to:
 - i. A description of the cannabis permit types involved.
 - ii. A description of how the different equity applicants utilizing the property will work together by sharing equipment and/or business resources.

- iii. A property management plan, including but not limited to, how will the property be managed and maintained? What roles will each equity applicant involved in the project play in managing the property?
 - iv. A description of how the equity applicants involved in the project will work together and manage conflicts if they arise.
- b) Describe how the project will support employment and training opportunities for equity employees².

3. Project Feasibility (10 points)

- a) Describe what resources each Equity Applicant will bring to the project, e.g. are there matching funding resources or existing industry relationships that will support the project?
- b) Have any of the equity applicants that are part of the project invested their own finances in their business? If so how much per applicant?
- c) Provide a draft budget for the project, including the estimated cost of purchasing the property, any tenant improvement costs, annual maintenance costs, and what portion of the project respondents need the City to fund.
 - a. While Phase One respondents are not required to have identified a property, if respondents have identified a property, please reference this property in the draft budget.

4. Quality and Completeness of Proposal (2 points)

D. PHASE TWO SUBMITTAL REQUIREMENTS

1. Letter of Intent or Purchase Agreement (5 points)

- a. Submit a Letter of Intent or Purchase Agreement for the proposed property demonstrating the Property Owner is amenable to selling the property. Respondents need not purchase a property as part of a Phase Two submission, as City funding will only be provided after reviewing all Phase Two Responses.

² An “equity employee” is defined under OMC Section 5.04.481 as:

- a. An employee who lives in any combination of Oakland police beats 2X,2Y, 6X, 7X, 19X, 21X, 21Y, 23X, 26Y, 27X, 27Y, 29X, 30X, 30Y, 31Y, 32X, 33X, 34X, 5X, 8X, and 35X and has lived in any combination of such police beats for the immediately preceding two (2) years; or
- b. An employee who lives anywhere in Oakland and was arrested after November 5, 1996 and convicted of a cannabis crime in California.

Please note the qualifying police beats for an “equity employee” under OMC Section 5.04.481 are the same as those for an “equity applicant” under OMC Sections 5.80 and 5.81. To research police beats please visit:

<http://oakgis.maps.arcgis.com/apps/OnePane/basicviewer/index.html?appid=12ae8a087be44043abc6996c5e499d5c>

2. Financial Feasibility (25 points)

- a. Submit detailed financial information for how Respondent will cover the cost of purchasing the property, any tenant improvement costs, maintenance costs, and please indicate what portion of the budget will be paid by respondent, third parties, and the City
 - i. If third parties are involved, please provide a letter of commitment from each potential funder.
- b. Submit a timeline for how long it will take to complete the development.
- c. Submit detailed financial information on any equipment that will be purchased to support Equity Applicants' operations in the building.

3. Building Compliance (10 points)

- a. City staff will conduct an inspection of the property to assess what improvements are needed to comply with building and fire codes.

E. ADVISORY ON CITY REQUIREMENTS

The following City requirements are APPLICABLE TO ALL PROPOSALS:

1. Nondiscrimination

All respondents must agree not to discriminate on the basis of race, color, ancestry, national origin, religion, gender, sexual preference, age, marital status, family status, source of income, physical or mental disability, Acquired Immune Deficiency Syndrome (AIDS) or AIDS-related conditions (ARC), any other arbitrary basis, or any other protected class under state and federal law.

2. Conflicts of Interest

No public official of the City who participates in the decision-making process concerning a project may have or receive a direct or indirect economic interest in the developer or the project. Respondent is responsible for ensuring that such conflicts of interest do not occur.

3. Public Records

The respondent should understand that under the California Public Records Act and the City's Sunshine Ordinance, all documents that are submitted in response to this RFP, including financial information, are considered public records and will be made available to the public upon request.

4. The City reserves the right to accept or reject any and all proposals, whether minimum qualifications are met, and to modify, postpone, or cancel the RFP without liability, obligation, or commitment to any party, firm, or organization. Furthermore, a proposal **MAY BE REJECTED** for any of the following reasons without limitation:
 - a. Proposal received at designated after designated time.
 - b. Proposal not in compliance with any of the City Programs and Policies.
 - c. Proposal missing any of the required submittal exhibits.
 - d. Proposal not containing the required elements organized in the required format.
 - e. Proposal considered not fully responsive to this RFP.
 - f. Proposal contains excess or extraneous material not called for in the RFP.
 - g. Proposal containing inaccurate or misleading responses and/or information.
5. All responses to the RFP become the property of the City. The RFP does not commit the City to award a contract or to pay any cost incurred in the preparation of the proposal.
6. The City reserves the unqualified right to modify, suspend, or terminate at its sole discretion any and all aspects of the RFP process; to obtain further information from any and all respondents and/or their teams; to waive any defects as to form or content of the RFP or any responses by any respondents and/or their teams; and to negotiate the final scope of work and services, fee schedule, or purchase offer price with the selected respondents.
7. Once a final award is made, all RFP responses become a matter of public record and shall be regarded by the City as public records. The City shall not in any way be liable or responsible for the disclosure of any such records or portions thereof if the disclosure is made pursuant to a request under the California Public Records Act or the City's Sunshine Ordinance.

F. PROPOSED SCHEDULE OF BIDDING ACTIVITIES – SUBJECT TO CHANGE

1. RFP Release Date	Friday November 20, 2020
2. Phase One Submittal deadline	Friday January 8, 2021
3. Interviews with the respondents (if necessary)	January 11-15, 2021
4. Phase One staff review and ranking	January 18-22, 2021
5. Phase Two Submittal deadline	Friday March 12, 2021
6. Phase Two staff review and ranking	March 15-26, 2021
7. Target award date	Monday March 29, 2021
8. Finalize agreement	Monday April 12, 2021

THE ABOVE DATES ARE STAFF ESTIMATES AND MAY CHANGE WITH OR WITHOUT NOTICE AT THE SOLE DETERMINATION OF THE CITY. THE CITY IS NOT RESPONSIBLE FOR ANY EVENTS OR INCONVENIENCES DUE TO CHANGES TO THE ABOVE SCHEDULE.

G. POST-BID INTERVIEWS

Post-bid interviews will be conducted on an “as-needed” basis. The purpose for the interview is to allow staff to secure clarity regarding components of the proposal submitted.

H. PROPOSAL NEGOTIATION AND AWARD OF CONTRACT

The selected respondent will be invited to enter in the forgivable loan agreement; Conditions, Covenants & Restrictions; and/or Deed Restrictions. If an agreement cannot be reached in a reasonable time frame (as determined by the City or its designee) with the selected respondent regarding its final scope of work, acquisition and development budget, business plan, or any other aspect of its proposal, negotiations will proceed with the next highest scoring respondent until an agreement is reached or the list is exhausted.

I. ETHICAL STANDARDS

The respondent will conduct work in a manner that will uphold the values, integrity, and respect of the profession.

The respondent will uphold the stated intent as well as the letter and spirit of applicable policies, laws, ordinances, and regulations which are adopted by the City or any governmental bodies or agencies with jurisdiction.

The respondent will not engage in, encourage, or condone dishonesty, fraud, deceit, discrimination, or misrepresentation.

The respondent will fully disclose to the City any economic, unethical, or potentially unethical relationships which could reasonably be interpreted as a conflict of interest by the Oakland City Auditor or by other affected parties with regard to this development project.

The respondent will ensure a good faith effort at full disclosure, technical accuracy, sound methodology, clarity, and objectivity in the collection, analysis, interpretation, and presentation of information.

The respondent will achieve and maintain the highest level of professional competency for the respondent and the respondent's employees, contractors, and consultants.

J. LETTER OF ACKNOWLEDGEMENT

The respondent's, or principle of the respondent's, signature on the submittal attests to the accuracy and truthfulness of the submittal.

K. LENGTH OF TIME BID VALID

The statements made in the submitted proposal must not expire sooner than 90 days from the submittal deadline.

L. CHANGES TO THE RFP

If additional information, documents, or requirement changes are issued after the respondent's submittal, the respondent is required to acknowledge (in writing) within 5 business days of

receipt that they have received and reviewed the updated material(s). The acknowledgement is evidence of receipt, not necessarily of agreement.

M. NOTICE OF CONFLICTS OR ERRORS IN DOCUMENTS

If the respondent notices a conflict or error in the RFP, they are required to notify the City within 3 business days of becoming aware of said conflict or error.

N. CLARIFICATION OF RFP RESPONSE

If the City requests clarification on subject matter submitted in the respondent's response, the respondent will have 5 business days to respond to said inquiry from the City.

O. CONFLICT OF INTEREST DISCLOSURE

If the respondent has an economic interest in any of the subcontractors or supplier used to fulfill the obligations of the RFP, they are required to disclose (in writing) said interest to the City prior to contract award. If any subcontractor has an economic interest in any supplier used to fulfill the obligations of this RFP, they are required to disclose (in writing) said interest to the City prior to contract award.

The respondent is required to disclose if any City employees have an economic interest in the respondent's company, subcontractors, or suppliers.

The respondent is required to disclose all pending disputes with the City prior to contract award.

The respondent shall avoid all conflicts of interest in its relationship with the City. The respondent specifically agrees to the following:

The Fair Political Practices Act and/or California Government Code Section 1090, among other statutes and regulations, may prohibit the City from contracting with the respondent if the respondent, or an employee, officer, or director of the respondent's company, or any

immediate family of the preceding, is serving as a public official, elected official, employee, board, or commission member of the City who will award or influence the awarding of the contract or otherwise participate in the making of the contract. The making of a contract includes actions that are preliminary or preparatory to the selection of a contractor such as, but not limited to, involvement in the reasoning, planning, and/or drafting of solicitations for bids, RFPs, feasibility studies, master plans; or preliminary discussions or negotiations.

The respondent covenants that it presently has no interest, and shall not have any interest, direct or indirect, which would conflict in any manner with the performance of services required under this RFP. Without limitation, the respondent represents to, and agrees with, the City that by contracting with the City, no conflict of interest is created between the City hereunder and any interest the respondent may have with respect to any other person or entity (including, but not limited to, any federal or state regulatory agency) which has any interest adverse or potentially adverse to the City.