

1 RESOLUTION NO. RES-22-0077

2
3 A RESOLUTION OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH AUTHORIZING THE CITY
5 MANAGER TO ESTABLISH A REQUEST FOR PROPOSALS
6 FOR CANNABIS RETAIL STOREFRONT (DISPENSARY)
7 BUSINESS LICENSES FOR THE CANNABIS SOCIAL
8 EQUITY PROGRAM
9

10 WHEREAS, on July 10, 2018, the City Council adopted the Cannabis Social
11 Equity Program (Equity Program) to support equal opportunity in the cannabis industry by
12 making legal cannabis business ownership and employment opportunities more
13 accessible to low-income individuals and communities most impacted by the
14 criminalization of cannabis, also known as the War on Drugs; and

15 WHEREAS, on March 16, 2021, the City Council directed staff to prepare a
16 feasibility analysis on licensing and regulating up to eight additional cannabis dispensary
17 business licenses in Long Beach to be made available exclusively to verified equity
18 applicants in the Equity Program; and

19 WHEREAS, on October 12, 2021, the City Council directed staff to prepare
20 an ordinance to allocate eight new cannabis dispensary business licenses to be made
21 exclusive to verified equity applicants using a merit-based application process that
22 includes a Request for Proposals ("RFP") in the selection of the equity dispensaries; and

23 WHEREAS, a fair and equitable way to allocate eight new cannabis
24 dispensary business licenses and ensure that the best qualified Equity Program
25 participants are selected, is through a Request for Proposals ("RFP") process that utilizes
26 criteria to evaluate the ability for an equity applicant or group of equity applicants in the
27 Equity Program to successfully apply for and operate a retail storefront dispensary.

28 NOW, THEREFORE, the City Council of the City of Long Beach resolves as

1 follows:

2 Section 1. The above recitals are true and correct and are incorporated
3 herein by this reference.

4 Section 2. The City Manager shall issue the maximum number of
5 cannabis dispensary business licenses permitted by the City Council as set forth in the
6 provisions of the Long Beach Municipal Code Chapter 5.90.

7 Section 3. The City Manager is authorized to make reasonable rules,
8 policies, and procedures as may be necessary to administer and enforce the provisions
9 of Long Beach Municipal Code Chapter 5.90 and 5.92 and any other ordinances,
10 regulations or laws relating to and affecting the permitting and operations of Commercial
11 Cannabis Businesses.

12 Section 4. The Request for Proposals (“RFP”) Process for issuing
13 cannabis dispensary business licenses to individuals or groups in the Cannabis Social
14 Equity Program is hereby adopted. (Exhibit A).

15 Section 5. Exhibit A is a part of this Resolution.

16 Section 6. This resolution shall take effect immediately upon its adoption
17 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

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I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of May 17, 2022, by the following vote:

Ayes: Councilmembers: Zendejas, Allen, Price, Supernaw,
Mungo, Saro, Uranga, Austin,
Richardson.

Noes: Councilmembers: None.

Absent: Councilmembers: None.

Recusal(s): Councilmembers: None.


City Clerk

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
411 W. Ocean Boulevard, 9th Floor
Long Beach, CA 90802

EXHIBIT A

CITY OF LONG BEACH

REQUEST FOR PROPOSALS (“RFP”) FOR CANNABIS RETAIL STOREFRONT (DISPENSARY) BUSINESS LICENSES FOR THE CANNABIS SOCIAL EQUITY PROGRAM

The following RFP process is established pursuant to Long Beach Municipal Code (LBMC) Section 5.90.060, which states that the City Manager shall issue the maximum number of cannabis retail storefront (dispensary) business licenses permitted by the City Council, and is authorized to make reasonable rules, policies, and procedures as may be necessary to administer and enforce the provisions of LBMC Chapter 5.90 and 5.92 and any other ordinances, regulations or laws relating to and affecting the permitting and operations of commercial cannabis businesses.

A. Definitions.

The following definitions apply to this process:

1. “Applicant” means an equity applicant or group of equity applicants in the Cannabis Social Equity Program (Equity Program) who submits a proposal in response to the City’s RFP for issuance of a retail storefront cannabis (dispensary) business license.
2. “Cannabis Retail Storefront Dispensary” has the same meaning as “Medical Marijuana Dispensary” and “Adult-Use Cannabis Dispensary” in LBMC Chapter 5.90 and 5.92.
3. “City Attorney” means the City Attorney or the City Attorney’s designee.
4. “City Manager” means the City Manager or the City Manager’s designee.
5. “Director of Economic Development” means the Director of Economic Development or the Director of Economic Development’s designee.
6. “Director of Financial Management” means the Director of Financial Management or the Director of Financial Management’s designee.
7. “Individual” means a sole, natural person.
8. “LBMC” means the Long Beach Municipal Code.
9. “OCO” means the Office of Cannabis Oversight.
10. “Permit” means a business license issued by the City to operate a cannabis retail storefront dispensary.
11. “Permit application process” means the City’s process for an applicant to obtain a business license in accordance with applicable state law and local ordinances. It

includes, at a minimum, applicant information, owner information, property information, and details of business operation.

12. "Proposal" means the written document submitted in response to an RFP.
13. "Request for Proposals" or "RFP" means a written request for the submission of qualifications to successfully apply for and operate a cannabis retail storefront dispensary.
14. "War on Drugs" means the effort to criminalize cannabis and its use in the United States from the period of 1976 to 2016 through increased penalties, enforcement, and incarceration.

B. Process.

1. Eligibility

- a. The RFP will be open to individuals previously verified as equity applicants by the Office of Cannabis Oversight (OCO) on or before May 10, 2022.
2. Advertising. The RFP will be advertised for a period of 30 calendar days on the City's procurement portal and the OCO will advertise the RFP for 14 calendar days on the City's website and through other industry appropriate means.

3. RFP Requirements.

- a. The RFP will be used solely to identify individuals in the Equity Program or individuals that meet the qualifications for the Equity Program with the highest scoring proposals to successfully apply for and operate a cannabis retail storefront dispensary.
- b. Individuals awarded the opportunity to apply for the dispensary business license must obtain a business license within three years from the date they are notified of their eligibility to apply for the business license. Individuals may request an extension of the three-year period by submitting a request in writing to the OCO detailing the extenuating circumstances preventing them from obtaining a license within the three-year period.
- c. OCO will prepare the RFP. The RFP must be in the City's standard RFP format.

4. RFP Evaluation Criteria.

- a. The RFP shall utilize criteria that comply with the LBMC and all applicable City procurement policies and procedures; are reasonably necessary to protect the public health, safety, and welfare; and evaluate the experience and training of applicants to determine which applicants

will be the most successful at applying for and operating a cannabis retail storefront dispensary including but not limited to:

1. A description of the applicant's background and impact from the War on Drugs.
 2. A description of experience, training, and education completed to prepare the applicant for operating a successful cannabis business in the City of Long Beach.
 3. A business plan that details a plan to achieve success and sustainability.
- b. In developing the RFP criteria, OCO must consider input of individuals in the Equity Program.
 - c. The criteria for the RFP are subject to the approval of the City Manager, City Attorney, Director of Financial Management, and Director of Economic Development.

5. Proposals.

1. To respond to the RFP, individuals in the Equity Program or individuals that meet the qualifications of the Equity Program must submit a proposal in writing through the procurement portal by the due date indicated in the advertisement.
2. A proposal may be submitted by one equity applicant or a group of equity applicants in the Equity Program. No individual may be identified in any capacity in more than one proposal. Such a duplicate submission will result in the subject proposals being deemed nonresponsive and disqualified from review.
3. A proposal may only be submitted by one equity applicant per household, as defined in LBMC Chapter 5.92.

6. Required Certifications in Proposals.

- a. Applicants must certify in their proposals that for a period of 10 years from the issuance of the permit that:
 - i. A minimum of fifty-one percent (51%) ownership in the cannabis retail storefront dispensary will be held by one equity applicant or, if the cannabis retail storefront dispensary permit will be held by a group of applicants in the Equity Program, any one (1) of the equity applicants must hold majority ownership interest in the cannabis retail storefront dispensary.

- ii. Once the cannabis retail storefront dispensary permit is issued, the business may transfer ownership to another equity business at any time pursuant to LBMC Chapter 5.92.340.

b. The certification of ownership will be a condition on the permit.

7. Proposal Acceptance and Evaluation.

- a. Proposals shall not be altered after opening.
- b. No criteria may be used in evaluating a proposal that are not specified in the RFP or in the LBMC or other applicable laws or regulations.
- c. All responsive proposals shall be redacted for personal identifying information prior to being reviewed and scored by an unbiased and neutral review panel who possess the relevant knowledge or experience to evaluate the proposals. Members of the review panel may consist of individuals who:
 - i. Have some level of expertise in economic or business development;
 - ii. Have an active involvement in social equity matters; or
 - iii. Are cannabis business regulators from another jurisdiction.
- d. Under no circumstances will a member of the review panel be an employee or a contractor of the City or affiliated in any way with the cannabis industry in the City of Long Beach.
- e. No member of the review panel may discuss the proposal with applicants for any purpose other than administrative clarification after the submission of proposal, except during the interview phase, if any.
- f. Verified equity applicants that were awarded to move forward with obtaining a dispensary license in a previous lottery process on September 10, 2010 and/or September 28, 2017 will be allocated an additional 10 percent of points out of the total available added to their total score. In order to be eligible to receive additional points in the RFP process, an equity applicant must have received their verification letter on or before May 10, 2022 and be listed on the original business license application(s) as an owner/managing member.
- g. Once OCO has received and calculated all the reviewing panels' scores, the top scoring proposals shall be awarded the opportunity to interview with the reviewing panel. The interview panel shall then select the top eight (8) individuals via a forced ranking process.

- h. The top scoring proposals shall be awarded the opportunity to apply for a cannabis retail storefront dispensary permit, until all available permits have been issued.
- i. All applicants will be notified of the status of their proposals through award announcements on the City's procurement portal and OCO will publish the scores for all proposals on its website as soon as reasonably possible.

8. Protest Procedures

- a. Only an applicant who has actually submitted a Proposal is eligible to protest a license opportunity awarded through a Request for Proposals (RFP). An applicant may not rely on the protest submitted by another applicant but must pursue its own protest.
- b. The City will post a notice of the intent to award a license opportunity at least ten (10) business days before an award is made. The notice will be available to all applicants who submitted a proposal via the City's electronic bid notification system at <http://www.longbeach.gov/purchasing>. An applicant desiring to submit a protest for a proposal must do so within five (5) business days of the electronic notification of intent to award. The City Purchasing Agent must receive the protest by the close of business on the fifth (5th) business day following posting of notification of intent to award the contract. Applicants are responsible for registering with the City's electronic bid notification system and maintaining an updated profile. The City is not responsible for Applicants' failure to obtain notification for any reason, including but not limited to failure to maintain updated email addresses, failure to open/read electronic messages and failure of their own computer/technology equipment. The City's RFP justification memo will be available for review by protestors once the notification of intent to award has been posted via the City's electronic bid notification system.
- c. The protest must be in writing and signed by the individual who signed the proposal and addressed to the City Purchasing Agent. Protests must be submitted via email to the City Purchasing Agent. They must include a valid email address and phone number. Protests must set forth a complete and detailed statement of the grounds for the protest and include all relevant information to support the grounds stated, and must refer to specific portions of the RFP and attachments upon which the protest is based. Once the protest is received by the City Purchasing Agent, the City will not accept additional information on the protest unless the City requests it.
- d. The City Purchasing Agent or designee will respond with a decision regarding the protest within five (5) business days of receipt of protest to the email address provided in the protest. This decision shall be final.

- e. The procedure and time limits set forth herein are mandatory and are the applicant's sole and exclusive remedy in the event of a protest. The applicant's failure to comply with these procedures shall constitute a waiver of any right to further pursue a protest, including filing a Government Code Claim or initiation of legal proceedings.

9. Late and Nonresponsive Proposals.

- a. A Proposal is late if it is received at the location designated in the RFP after the deadline specified in the RFP. A late Proposal shall be rejected and not considered, regardless of the reason for the lateness, including circumstances beyond the control of the individual or group that submits the Proposal. A late Proposal may only be opened for identification purposes.
 - b. A Proposal is nonresponsive if it does not comply with requirements of the RFP or if it is submitted in accordance with section B.5.ii or B.5.iii.
 - c. Late and nonresponsive Proposals will be rejected.
 - d. The City shall have the authority to reject proposals that are late or nonresponsive.
- C. Public Disclosure. Proposals submitted in response to the RFP will be made available in response to a request for public records in accordance with the California Public Records Act once the protest period has concluded.
- D. Timeframe for Opportunity to Apply for a Permit. It is imperative that permits are actually issued to businesses that will successfully operate within a reasonable period of time. Therefore, any opportunity to apply for a permit shall become void and of no effect if the awarded applicant surrenders the opportunity to apply for the permit or the storefront cannabis dispensary is not operating after a period of three years from the date of the applicant's award announcement, unless an exception is granted by the City Manager pursuant to section 3(b).
- E. Conditions on Permits. By responding to the RFP, applicants understand and agree that in addition to all other applicable permit conditions, the City will place the following conditions on their permit for 5 years starting from its issuance: A minimum of fifty-one percent (51%) ownership in the cannabis retail storefront dispensary will be held by one equity applicant or, if the cannabis retail storefront dispensary permit will be held by a group of applicants in the Equity Program, any one (1) of the equity applicants must hold majority ownership interest in the cannabis retail storefront dispensary.