



CITY OF SAN PABLO

City of New Directions

REQUEST FOR QUALIFICATIONS (RFQ)

CANNABIS OPERATOR PERMITS FOR RETAIL SALES

INTRODUCTION

Project Description:

As part of the City Council's priority to enhance Economic Development and Diversification, the City of San Pablo invites proposals for permitting Cannabis Retail Sales.

Objective:

To select qualified applicants through this RFQ process to apply for three Operator Permits for Cannabis retail sales, contributing to local economic growth while ensuring regulatory compliance.

Background:

This initiative aligns with the City's broader goals of supporting new business ventures, fostering job creation, and revitalizing designated commercial zones.

RESPONSE DUE VIA MAIL

RFQ Number: 042225

Date: April 22, 2025

Submission Deadline: June 26, 2025

Contact: Elizabeth Lopez, Mgmt Analyst
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City of San Pablo,
City Manager's Office
Economic Development Division
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INTRODUCTION

As part of the City Council’s priority to Focus on Economic Development and Diversification, the city is interested in permitting Cannabis retail sales.

The City of San Pablo may approve a limited number (3) of cannabis operators permits qualified applicants recommended through this RFQ process. The RFQ process may result in selected applicants securing eligibility to apply for a retail Cannabis Operators Permits. In order to apply for and be eligible to receive a Cannabis Operator’s Permit, the applicant(s) must have control over a physical location in the designated zones identified in Exhibit B.

Receiving a recommendation to obtain a Cannabis Operator’s Permit does not constitute an entitlement approval. All applicants whose proposals are accepted must thereafter must be approved for a Cannabis Operator’s Permit by the Zoning Administrator and apply for and receive a Conditional Use Permit, State license, and other applicable regulatory approvals. Applicants who are applying for more than one permit must meet each of the foregoing requirements for each proposed location.

Submitted proposals must include the following information in the ensuing order. All information submitted to the City must be current. Applicants have a continuing duty to confirm that any requested information submitted previously as part of the LOI submittals remains accurate, and notify the City immediately of any inaccuracies.

Project Description

As part of the City Council’s priority to enhance **Economic Development and Diversification**, the City of San Pablo invites proposals for permitting **Cannabis Retail Sales**.

Objective

To select up to **three** qualified applicants that are eligible to apply for a Cannabis Operators Permit through this RFQ process, contributing to local economic growth while ensuring regulatory compliance.

Background

This initiative aligns with the City’s broader goals of supporting new business ventures, fostering job creation, and revitalizing designated commercial zones.

Eligibility Criteria

1. Applicants must have control over a **physical location** in the designated zones (*see Exhibit B*).
2. Proof of secured property for a **minimum of two years** is required.

Note: A recommendation through this RFQ process does not guarantee final approval. All applicants must undergo additional reviews by the Zoning Administrator.

PROPOSAL REQUIREMENTS

Each proposal should include, at a minimum, the following items:

- 1. Provide Evidence of Secured Location for the Cannabis Business.** Evidence of a secured location for a cannabis business includes, but is not limited to: a real estate letter of intent (RELOI) to lease or purchase property from a party authorized to lease or sell such property; a purchase agreement, a lease, an option to purchase, an option to lease or purchase property; or evidence of the applicant's ownership of the property. These terms are defined more specifically below:
 - Letters of interest of any kind are not acceptable. RELOIs, leases or options to lease or purchase must clearly and specifically state that the RELOI, lease, or option to lease or purchase is for the type of cannabis business listed in the proposal. The RELOI, lease, or option to lease must reflect that the applicant will have control of the property for a minimum of two years. A month-to month lease or rental agreement is not acceptable.
 - **Real Estate Letter of Intent:** A signed written term sheet, letter of intent, or exclusive negotiating agreement between two or more parties, including the applicant, to sell, lease, or sublease property, outlining the terms by which the applicant will have control of the property for two or more years. These terms may be further negotiated but must provide the basis for a proposed written agreement.
 - **Purchase Agreement:** A signed written agreement that a person will purchase a specific property and the owner cannot sell to anyone else unless the terms of the agreement are not fulfilled.
 - **Lease:** A signed written agreement that gives a lessee certain rights to use and occupy specific property for at least two years.
 - **Real Estate Purchase or Lease Option:** A signed written agreement for the purchase or lease of specific real property by which the purchaser or lessee has the exclusive right to purchase or lease the property for at least two years.
 - **Proof of Ownership:** A written document, such as a deed, that shows that title to the real property is vested in the applicant.
- 2. Provide Evidence Confirming that the Cannabis Business Location is Outside the Buffer Zone for Sensitive Uses.** State that the location secured for the cannabis business operations is outside of the buffer zone for sensitive uses as set forth in the cannabis ordinances (see Exhibit B). Furnish evidence supporting the foregoing statement including a map of the location on Exhibit B. Any proposal located within the buffer zone for sensitive uses will automatically be disqualified.
- 3. Provide a Statement of Qualifications.** Describe the Cannabis Business Owner's qualifications relative to the proposal, including experience running businesses similar to the one proposed, including cannabis and/or non-cannabis businesses. CV/resumes may be attached as an exhibit to this Section of the proposal. "Cannabis Business Owner" means "Owner," as defined in State law, including by regulation, in addition to any of the following:
 - a. Each person with an aggregate ownership interest of 20 percent or more in a person, as defined herein, who applies for a Permit or is a Cannabis Business Permittee, unless the interest is solely a security interest, lien, or encumbrance. When an entity (not a natural person) has an aggregate ownership interest of 20 percent or more, then the chief executive officer and/or members of the board of directors of each entity shall be considered owners.

- b. The chief executive officer of a person, as defined herein, who applies for a Permit or is a Cannabis Business Permittee.
- c. A member of the board of directors of a nonprofit of a person, as defined herein, who applies for a Permit or is a Cannabis Business Permittee.
- d. The trustee(s) and all persons that have control of the trust and/or a person, as defined herein, who applies for a Permit or is a Cannabis Business Permittee that is held in trust.
- e. Any person, as defined herein, who assumes responsibility for the Permit.
- f. An “employee ownership panel” which is a group of individuals who collectively own 50% or more of the employee-owned business.
- g. Each person who participates in the direction, control, or management of person, as defined herein, who applies for a Permit or is a Cannabis Business Permittee. Such an individual includes any of the following:
 - i. A general partner of a partnership.
 - ii. A non-member manager or managing member of a limited liability company.
 - iii. An officer or director of a corporation.

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 any Cannabis Business Owner. Describe other resources, including financial resources, dedicated to implement this application. (Confidential) (500 word maximum)
5. **Understanding and Approach** Provide a statement demonstrating the applicant’s 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. **Community Benefits** A description of the benefits that the cannabis business would provide to the local community, such as employment for residents of the City, community contributions, significant improvements to the property where the cannabis business is proposed to be operated and adjoining properties, or economic incentives to the City. Describe the applicant’s involvement in community/non-profit organizations in the City of San Pablo, Contra Costa County and/or the applicant’s community. (500 word maximum)
7. **Local Hire Program/Local Ownership/Former Student/Employee Ownership** (optional) Responding to this Section is voluntary. Describe the business plan, if any, to maximize the following:
 - a. **Local hire program:** Applicants 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, San Pablo. If an applicant meets one or both of these standards, specify who each local owner is and how that person meets the criteria. (Names are confidential, the composition of how the ownership meets the criterion is not.) Provide verifiable information such as business license information, property tax bills, business name(s) and address(s), and the number of years each owner has lived in and/ or owned a business(s) in San Pablo.
- c. Former student:** More than 50% ownership of the business attended no less than two years or four semesters at an elementary, middle school/Jr. High, high-school, college or vocational school in the City of San Pablo. Provide an official transcript from the institution(s) attended, which clearly shows the name, graduation date (if applicable), and course details and/or a signed and dated letter from the school registrar confirming your attendance and graduation dates.
- d. Employee ownership:** There are three main types of broad-based employee ownership. Employee Stock Ownership Plans (ESOPs), worker cooperatives and Employee Ownership Trusts (EOTs). Maximum points will be awarded for vendors that are one of the above-mentioned employee-owned businesses, if not, consideration will be given to a potential vendor's experience with employee-owned businesses, their ability to design and implement such plans, their understanding of employee ownership models, their expertise in valuation, and their commitment to promoting a culture of employee ownership within the company, including details on communication and education strategies for employees regarding their ownership stake.
- 8. Proposed schedule:** Provide a schedule for opening the cannabis business after an Operator Permit and Conditional Use Permit are approved and active. The schedule should include dates for the following:
- a. Submission of plans for Design Review for Exterior Improvements and/or Signage (if applicable)
 - b. Interior tenant improvements
 - c. Issuance of State license(s)
 - d. Issuance of Building permit
 - e. Issuance of other regulatory permits
 - f. Completion of construction
 - g. Opening and commencement of operations

SELECTION PROCESS AND REQUIREMENTS







The selection committee will consist of City staff. Proposals will be evaluated based upon the following criteria:

Criteria	Key Metrics	Points
1. Business Experience & Qualifications	<ul style="list-style-type: none"> • Experience in a licensed cannabis business or a similar industry. • Relevant qualifications, licenses, or certifications. • Strong interview performance, knowledge of regulations, and commitment to compliance. 	20 pts.
2. Location Suitability & Compliance	<ul style="list-style-type: none"> • Identified site within the designated zoning district (see Exhibit B). • Compliance with buffer zones for sensitive areas (schools, parks, etc.). • Meets accessibility, and safety standards. • Compliments existing uses and will enhance the economic vitality of the area. 	20 pts
3. Business & Operating Plan	<ul style="list-style-type: none"> • Complete and compliant operating plan. • Strong inventory control, security, and odor mitigation strategies • Functional layout, signage compliance, and thoughtful design. • Realistic timeline for permits and business launch. • Solid budget, three-year financial plan, and proof of capital. 	10 pts
4. Community Benefits	<ul style="list-style-type: none"> • Local hiring and job creation. • Contributions to community programs and economic initiatives. • Commitment to sustainability and responsible business practices. • Enhancements to property and surrounding areas. • Public health initiatives and fair labor practices. 	10 pts.
5. Financial Stability & Resources	<ul style="list-style-type: none"> • Well-structured budget and revenue projections. • Demonstrated financial sustainability. • Proof of capital for at least three months of operations. • Clear funding sources and contingency planning. 	20 pts.
6. Proposal Clarity & Implementation	<ul style="list-style-type: none"> • Well-structured and comprehensive proposal. • Realistic execution plan with clear goals. • Complete documentation and regulatory compliance. • Strong understanding of community impact. 	20 pts.
7. Local Hire/Ownership Plans (Optional but incentivized)	<ul style="list-style-type: none"> • Local Hire: Plan for employing San Pablo residents. • Local Ownership: 50%+ owned by longtime San Pablo residents (bonus for 100%). • Former Student Preference: Ownership includes former San Pablo students (proof required). • Employee Ownership: ESOP, worker cooperative, or employee trust plan. 	20 pts.
<p>Note: <i>Top-ranked applicants may be invited for an interview.</i></p>		



Recommendations will be made to the team that best matches City goals and reflects the understanding of the City, based on evaluation criteria outlined above as determined through both the proposal and interview. The selection committee will rank proposals and may invite the top-ranking applicants to an interview. Any requested deviations from these terms must be set forth in the proposal or the proposer shall be deemed to have accepted the terms of the Agreement.

SAN PABLO COMMERCIAL CANNABIS ELIGIBLE PROPERTIES

Commercial Zones

-  Mixed Use Center North
-  Commercial Mixed Use
-  Entertainment District
-  Regional Commercial
-  Neighborhood Commercial
-  Industrial Mixed Use

Distance Buffers

-  750 ft. Radius
-  1,250 ft. Radius

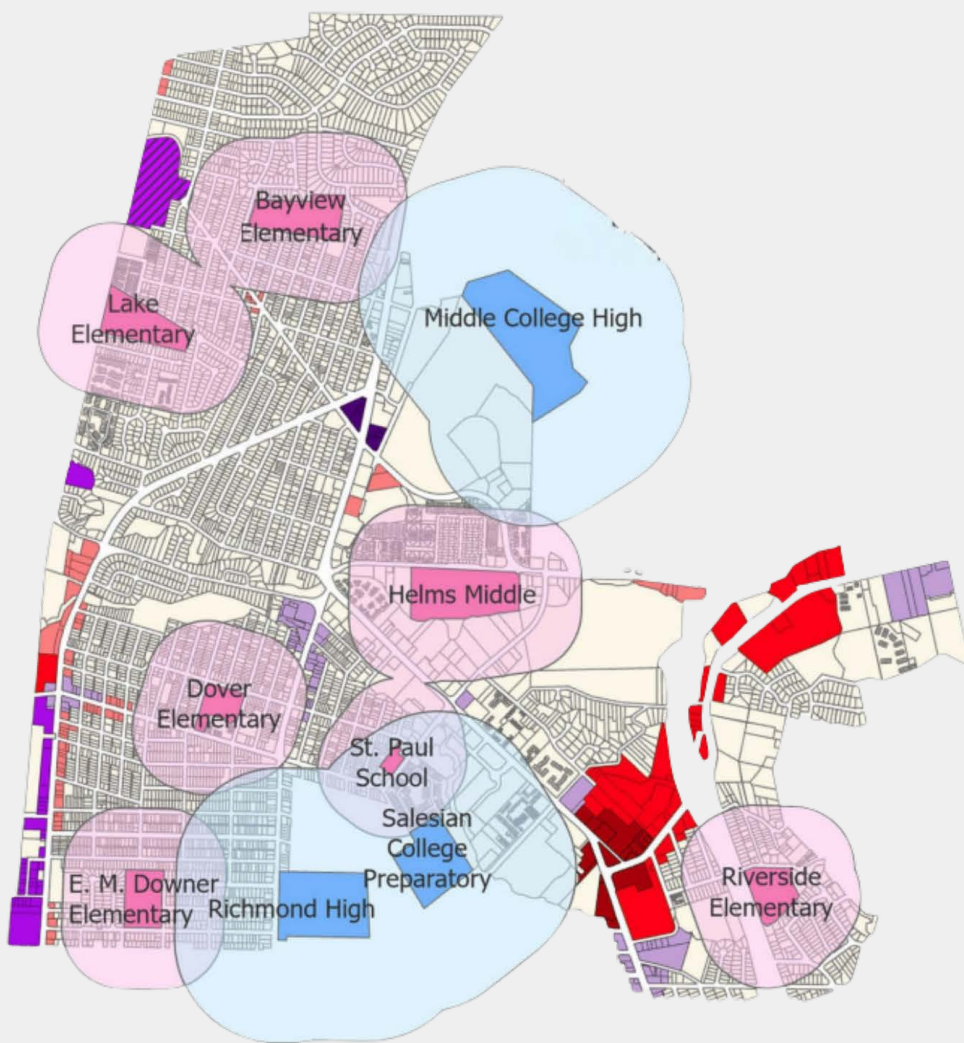


Exhibit B: Map of San Pablo Zoning Districts outside of the buffer zones for sensitive uses where Cannabis Operator’s Permits are allowable

San Pablo Cannabis Operator Permit – RFQ Process

- 1. RFQ Announcement & Release:** The City of San Pablo officially announces and releases the **Cannabis Operator Permit RFQ**.
- 2. Proposal Review & Selection:** The RFQ review panel will review submitted proposals and create a ranked list of applicants eligible to apply for an Operator Permit. The rank list will be forwarded to the City Council for adoption and the Zoning Administrator will accept up to **three (3)** applications at a time to review for an **Operator Permit**.
- 3. Zoning Administrator Review of Eligible Applicants:** The City Manager evaluates selected applicants and makes recommendations to the City Council for approval.
- 4. Next Steps for Approved Operators:** Approved **Permit Holders** become eligible to apply for a **Conditional Use Permit** from the Planning Department, along with any required **State licenses and additional regulatory approvals**.

Submission Checklist:

- Proof of Secured Location
- Buffer Zone Confirmation
- Statement of Qualifications
- Proposal Implementation & Approach
- Community Benefits Statement
- Proposed Schedule
- Local Hire/Ownership (Optional)
- Employee Ownership Plans (Optional)

PROPOSAL AND PROJECT TIMELINE:

Release of RFP: April 22, 2025

Final Questions Due: May 8, 2025 (by 5:00 p.m.)

Proposals Due: June 26, 2025

Interviews: To be determined

Anticipated Council consideration: To be determined

Consultant questions pertaining to this RFP shall be submitted no later than 5:00 p.m., May 8, 2025 by email to elizabethl@sanpabloca.gov. Responses to questions submitted within the specified time period will be answered by addendum, which will be posted on the City bid website. Consultant shall identify receipt of all addenda in their Transmittal Letter.

For full RFQ documents and addenda, visit <https://vendors.planetbids.com/portal/39472/portal-home>

City Council Agenda Report

(Monday, April 21, 2025 | 6:00 PM)



Attachments:

- Resolution 25-047**
- Exh A Request for Qualifications (RFQ) Cannabis Operator Permits for Retail Sales**
- Exh B Request for Qualifications (RFQ) Cannabis Operator Permits Eligibility List Appeal Procedures**

