



# **Cannabis Request for Proposals (“RFP”)**

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Planning Department Workshop

**For: Commercial Cannabis Cultivation, Retail, and  
Microbusinesses**

## Cannabis Workshop Presentation Outline

1. RFP Process – General Overview
2. RFP Response – Prior to Submittal
3. RFP Response Package and Submittal Items
4. RFP Response Payment
5. RFP Response Timeframes and Review Process
6. RFP Response – Public Benefit and Development Agreement
7. RFP Frequently Asked Questions (“FAQ”)

**\*NOTE:** All of this information, including application forms, reference documents, and this presentation, are available on the County’s Planning Department Website here:

<http://planning.rctlma.org>

RFP Process – General Overview

**Three Step Process:**

Interested Party Submittal → Request for Proposal (“RFP”) → Conditional Use Permit (“CUP”)

**Interested Party Summary:**

	District 1	District 2	District 3	District 4	District 5	Countywide
Retail:	34	22	35	17	10	118
Cultivation:	13	0	29	15	5	62
Microbusiness:	12	11	12	24	6	65
Total:						245

## RFP Response – Prior to Submittal

1. You must be a Pre-Registered Interested Party to submit an RFP response, to be considered for a Commercial Cannabis Cultivation, Retail Sales, or Microbusiness Conditional Use Permit.
2. RFP response packages must include a copy of the Interested Parties Pre-Registration Form, submitted to the County prior to the February 15<sup>th</sup> deadline, to be considered.
3. You must be able to obtain a State Cannabis Business License.
4. You will be required to enter into a negotiated Development Agreement (“DA”) with the County.
5. Applicants must be 21 years of age or older.
6. Cannabis Operators/Owners are subject to criminal background checks.
7. Code violations on any property must be rectified in order to obtain a use permit.

## RFP Response Package – Part 1

### **Submittal Items – General**

1. Cannabis RFP Response Form
2. Interested Party Form – Verification Email

### **Submittal Items – Per RFP Document:**

1. Provide a business name, business owner(s) name(s) and the description of proposed cannabis use.
2. Provide a statement of qualifications.
3. Provide evidence that the property has been secured for a cannabis use.
4. Submit a business plan. Note optional items and page limits.
5. Provide an odor abatement plan (*If business is cultivation*).
6. Confirmation statement: Location meets setback requirements to sensitive uses.
  - a) 1000ft Setback – Otherwise a Variance will be required

## RFP Response Package – Part 2

### **RFP Submittal Items:**

7. Confirmation statement: Location has correct Zoning to allow a cannabis use.
  - a) If not within a Zone that allows the use – Change of Zone will be required
  - b) Must be consistent with General Plan Land Use Designation
8. List all prior enforcement actions (*If applicable*).
9. Provide a neighborhood compatibility plan.
10. Provide a preliminary safety/security plan (*Plan will NOT be made publicly available*).
11. Describe how product meets all applicable safety standards.
12. Describe any environmental benefits (*Reduced energy and/or water use, solar, etc.*).
13. Describe proposed additional public benefits.

## RFP Response Package – Part 3

For a more detailed description of each item, refer to the following documents on the website:

- Request for Proposals for Commercial Cannabis Cultivation
- Request for Proposals for Commercial Cannabis Retailers
- Request for Proposals for Commercial Cannabis Microbusinesses

### **Response Submittal Package:**

- Five (5) separate printed, in black ink only, copies of the entire RFP response package
- One (1) electronic PDF copy (CD / USB Drive)
- Applicable RFP response payment

Response packages shall be submitted in a sealed envelope labeled “**Cannabis RFP**”

Submit to either the Riverside or Desert offices – Suggestion is to deliver and not mail package.

\***NOTE1:** RFP response submittal deadline is: **4:00pm – Friday, April 12, 2019**

\***NOTE2:** Incomplete, late, or unpaid RFP response packages will not be considered.

## RFP Payment

### **RFP Response Submittal Payment:**

RFP Response = **\$5,500.00**

+ **\$300.00** per Each Cannabis Business Owner/Operator

A **Cannabis Business Owner/Operator** is the following:

1. A person with an aggregate ownership interest of 20 percent or more in the Commercial Cannabis Activity for which a license or permit is being sought, unless the interest is solely a security, lien, or encumbrance.
2. The chief executive officer of a nonprofit or other entity.
3. A member of the board of directors of a nonprofit.
4. An individual who will be participating in the direction, control, or management of the person applying for a Commercial Cannabis Activity Conditional Use Permit or State license.



## RFP Timeframes and Review Process – Part 1

### RFP Response Questions and Addendum Process:

All additional questions related to this process shall be emailed ([CannPlanning@rivco.org](mailto:CannPlanning@rivco.org)) by:

- **Friday, March 15, 2019**

Staff will post an RFP Addendum (response to all questions) by:

- **Wednesday, March 20, 2019**

### RFP Response Timeframes and Review Process:

All RFP response packages are due by:

- **Friday, April 12, 2019**

County staff will review each RFP response package for completeness between:

- **Friday, April 12, 2019 to Friday, April 19, 2019**

County staff will notify all RFP applicants by mail, a completeness determination by:

- **Friday, April 26, 2019**

## RFP Timeframes and Review Process – Part 2

Incomplete applications should be 50% refunded by:

- **Wednesday, June 26, 2019**

All RFP response packages are reviewed and ranked by County:

- **Monday, April 29, to Friday, May 31, 2019**

County staff will notify all RFP applicants by mail, the review and ranking results by:

- **Thursday, June 6, 2019**

Review and ranking results provided to the Board of Supervisors on:

- **Tuesday, June 25, 2019**

**For the first year, County will accept:**

- 19 Cannabis Retailers
- 50 Cannabis Cultivators

## RFP Timeframes and Review Process – Part 3

### **Step Three - Conditional Use Permit (“CUP”) Submittal:**

The top ranked/scored RFP responses may move forward to the third stage and submit the following applications:

- **Conditional Use Permit (“CUP”)**
- **Environmental Application (“CEQ”)**
- **Development Agreement (“DA”)**

If the property is not in a correct Zone that allows a Commercial Cannabis Use, then a **Change of Zone (“CZ”)** entitlement application will also be required.

If the property does not meet the required setbacks, then a **Variance (“VAR”)** application will also be required.

## RFP Timeframes and Review Process – Part 4

### **Step Three – Entitlement Application Fees:**

Entitlement applications are deposit based, with a minimum submittal fee. Processing these types of applications through approvals, which includes Planning Commission and Board of Supervisors, can generally range in the amounts of:

- Conditional Use Permit = \$10k to \$20k
- Environmental Application = \$5k to \$10k (Depending upon level of analysis)
- Development Agreement = \$6k
- Change of Zone = \$10k (If needed)
- Variance = \$5k (If needed)

CUP applications for Commercial Cannabis Cultivation, Retail, and Microbusinesses may be submitted beginning on **June 26, 2019**.

**\*NOTE:** After receiving confirmation that an RFP response applicant may move forward to step three, the entitlement applications must be submitted within **120-days**.

## RFP Frequently Asked Questions – Part 1

There have been a number of general recurring questions / clarification requests. The following represents a response to the more commonly asked questions.

- 1. Entitlement Processing:** It is recommended that if you do not have experience with entitlement processing, you look to hire a consultant. As part of the final processing, a Development Agreement (“DA”) will be required. It is recommended that you also consult with an attorney.
- 2. Outdoor Cultivation:** Exposed, outdoor cultivation is not allowed anywhere in the County. Cultivation within a hoop, glass or similar structure is allowed within certain Zones and may be planted directly in the ground or on a raised platform.
- 3. Agricultural Preserve:** If the location of your proposed commercial cannabis business is within an Agricultural Preserve, we are not accepting RFP’s for those locations at this time. Commercial Cannabis operations are not allowed within an Agricultural Preserve and removal of the property from an Agricultural Preserve is generally a lengthy process.
- 4. Residential Zones:** Commercial Cannabis businesses are NOT allowed in ANY Residential Zones (RA, RR, or W2).

## RFP Frequently Asked Questions – Part 2

5. **Change of Zone:** Identify the Zone of the property you are proposing to establish a Cannabis business. If the Zone does not allow the use, a **Change of Zone** will be required. Describe how a Change of Zone will be compatible with the surrounding area.

**\*NOTE:** The proposed NEW Zone must be consistent with the General Plan Land Use Designation.

6. **Separation Requirements:** Cannabis Cultivation and Retail uses shall not be located within 1,000-feet from any registered Child Day Care Center, K-12 School, Public Park, or Youth Center. Distance is measured from the closest point of the **LOT LINES** to each other, using a direct, straight-line measurement.
7. **Youth Center:** A Youth Center is defined as a place where the **PRIMARY USE** of the facility is the gathering of people 18 and under. **HOWEVER**, if there is a registered Child Day Care Center or K-12 school sharing space within a facility, then the 1,000ft setback is required.
8. **Microbusiness Category:** Is this a Retail or Cultivation license type and which total number of licenses will it be counted towards? Will only be counted once, depending upon the mixture of uses, ranking, and scale of operation.

## RFP Frequently Asked Questions – Part 3

**5. Public Benefits:** Each RFP application needs to describe in detail, a proposed Public Benefit. The value associated with a Public Benefit is proportional to the scale of the Commercial Cannabis Business.

**NOTE:** Any further requests for clarification or questions about this process, after today's meeting has concluded, please email them to: [CannPlanning@rivco.org](mailto:CannPlanning@rivco.org)

## Board Policy B-9

- Development Agreements (DA's) to be approved concurrently with Conditional Use Permits for Commercial Cannabis Uses.
- Two components of Public Benefits:
  - Establishes a Baseline Public Benefit Fee structure (annual fee)
  - Additional Public Benefit to be negotiated between property owner and County
- 10 Year Term for DA's, option to extend for 5 additional years (15 yrs total)
- Baseline Public Benefit Fee – Increase 2% annually



## Proposed Baseline Public Benefit Fee

License Type	Baseline Public Benefit Fee (\$ Per Square Foot)
<b>CULTIVATION</b>	
Mixed-Light, 2,500 square feet (sf) or less	\$2.00
Mixed-Light, greater than 2,500 sf to 5,000 sf	\$2.50
Mixed-Light, greater than 5,000 sf to 10,000 sf	\$3.00
Mixed-Light, greater than 10,000 sf to 43,560 sf	\$3.50
Indoor, 2,500 sf or less	\$4.00
Indoor, greater than 2,500 sf to 5,000 sf	\$4.50
Indoor, greater than 5,000 sf to 10,000 sf	\$5.00
Indoor, greater than 10,000 sf to 43,560 sf	\$5.50
<b>RETAIL</b>	
Small, 2,500 sf or less	\$16.00
Medium, greater than 2,500 sf to 6,000 sf	\$18.00
Large, greater than 6,000 sf	\$20.00
<b>MANUFACTURING (6,7)</b>	
Small, 3,000 sf or less	\$4.00
Large, greater than 3,000 sf	\$4.50
<b>MANUFACTURING (N, S, P)</b>	
Small, 3,000 sf or less	\$3.00
Large, greater than 3,000 sf	\$3.50
<b>OTHERS</b>	
Nursery	\$0.50
Distribution (all sizes)	\$3.00
Testing	\$2.00

## Additional Public Benefit

- Opportunity to be viewed as community partner-good neighbor.
- Expectation is that monetary value of Additional Public Benefit Contribution value is roughly equivalent to Baseline Public Benefit Fee
- Will provide a suggested list by community with RFP Addendum on March 20<sup>th</sup>
- Desired outcome – Improve Community Quality of Life - Examples include:
  - Additional funds for Sheriff Patrol or CHP Patrol
  - Contributions to sidewalks, paving dirt roads, parks, etc.
  - Enhanced Code Enforcement Services
  - Many others

## Questions and Answers (“Q&A”)

**That concludes the presentation.**

**Thank you for listening!**

If there are any questions, please fill out a speaker card.