

**CANNABIS DEVELOPMENT
AGREEMENTS**





Background

2016

- Adult Use of Marijuana Act (Prop 64)

2019

- Cannabis Community Forum

2020

- City Council established a rate of 5% gross receipts fee for all cannabis businesses
- Cannabis ordinance delayed due to COVID-19

2021

- Cannabis ordinance established
- Application process and evaluation criteria established



Cannabis Application Process

Phase 2 Scoring Criteria

- Business Plan (500 points)
- Labor, Equity, Diversity & Inclusion Plan (600 points)
- Safety Plan (350 points)
- Security Plan (350 points)
- Qualifications of Owners (400 points)
- Neighborhood Compatibility Plan (300 points)
- Community Benefits & Investment Plan (400 points)
- Proposed Location (100 points)

Phase 1

- Determination of Eligibility
- Background Checks

Phase 2

- Evaluation and scoring

Phase 3

- Development Agreement Negotiations
- City Council Approval





Applicants

Staff is presenting the top two (2) storefront retail applicants and the one (1) consumption lounge for Phase 3 while appeals conclude. The City received three (3) appeals from applicants appealing their score.

Off the Charts

- Score of 3,150

Shryne National City – Stiiizy

- Score of 3,150

Sessions by the Bay

- Score of 2,900



Off the Charts

PROPOSED SITE

- 900 Civic Center Drive

PROPOSED USES

- Retail storefront & distribution



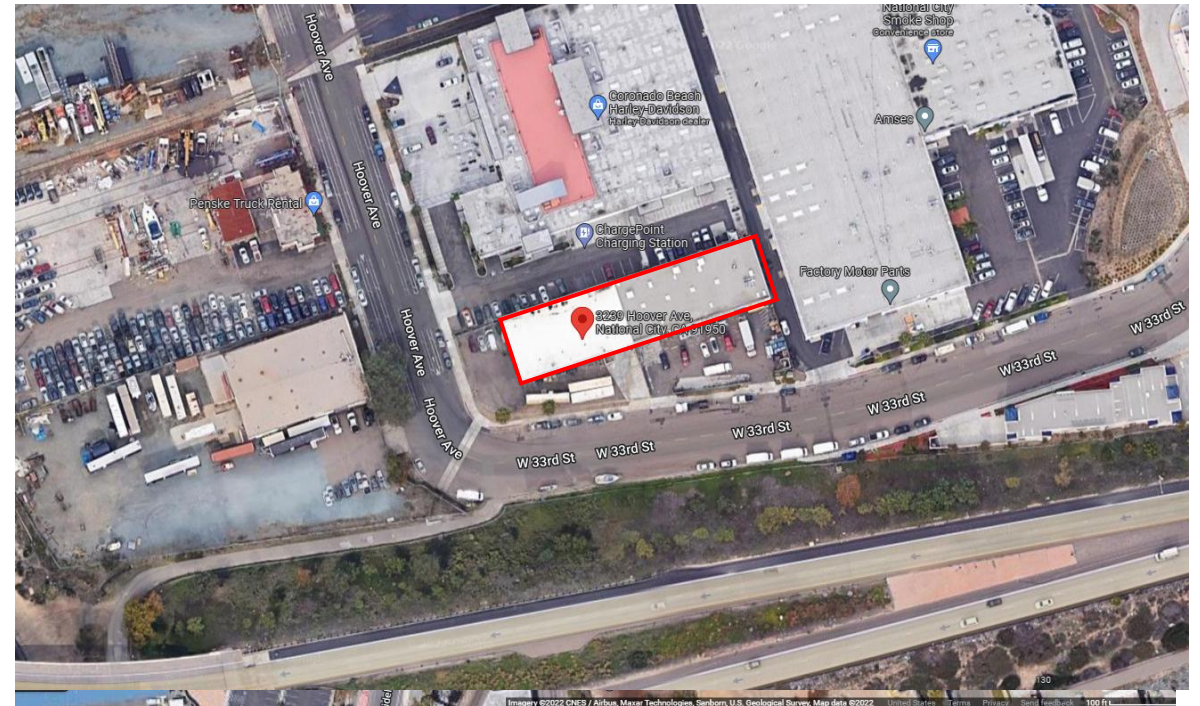
Shryne National City - Stiizy

PROPOSED SITE

- 3239 Hoover Ave
- 221 W 33rd

PROPOSED USES

- Retail storefront & distribution



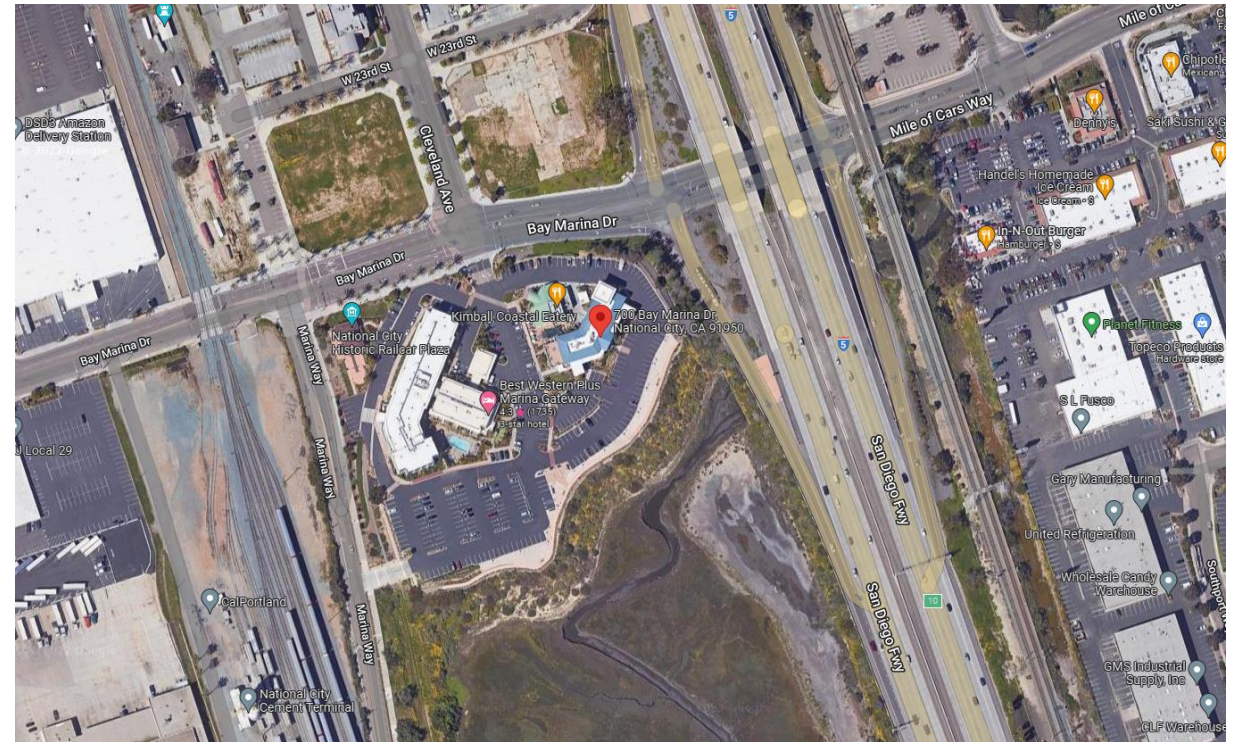
Sessions by the Bay

PROPOSED SITE

- 700 Bay Marina Drive

PROPOSED USES

- Retail storefront & consumption lounge



Joint Development Agreement Negotiations

Staff held joint negotiation meetings with all three (3) applicants for conditions of approval and community benefits

- 5% gross receipts general fund fee
- 2% gross receipts general fund fee for distribution activities
- National City Community Benefit Fund of 1% net profit
- 30% local hire or previously incarcerated cannabis misdemeanor individuals
- 1 community clean up event per year
- 2 drug prevention seminars per year collectively
- 1 guard minimum during operating hours (unarmed)
- Consumption hours 9pm – 2am



Staff Recommendation

Staff is recommending City Council approve all three (3) development agreements and authorize the City Manager to execute the Development Agreements.

