

IMPORTANT QUESTIONS AND ANSWERS
ABOUT THE REQUEST FOR QUALIFICATIONS FOR THE
TURLOCK CANNABIS PILOT PROGRAM

The City of Turlock ("City") has received many inquiries from the public about the City's Request for Qualifications ("RFQ") for participation in the City's Cannabis Business Pilot Program ("Pilot Program"). Below are answers to questions regarding the RFQ process:

Q: What is the purpose of the RFQ?

A: The goal of the RFQ is to invite cannabis businesses to submit proposals to operate within the City under (1). Dispensary; (2). Cultivation; (3). Distribution; (4). Manufacturing (volatile and non-volatile); and (5). Testing Facilities. The RFQ will be the basis for an initial selection process of qualified cannabis operators for participation in the Pilot Program.

Q: What types of cannabis businesses will the City consider?

A: The proposal may include (1). Dispensary; (2). Cultivation; (3). Distribution; (4). Manufacturing (volatile and non-volatile); and (5). Testing Facilities. The Pilot Program limits the number of dispensaries within the City to (4) four. Dispensary applications may be processed slower than other applications, but our intent is to process everyone roughly together.

Q: What is the difference between the Phase I RFQ proposal and the Phase II Application?

A: The Phase I RFQ process enables the City to evaluate and select qualified proposed cannabis operators.

The Phase II Application process, which will include, but is not limited to a background check, credit check, and further examination of the proposed business formation and organization. Applicants will be required to complete a detailed application form with this information. This application form will be provided during Phase II.

Q: Is there a fee to apply?

A: Yes. Applicants are required to pay a non-refundable \$5,500 RFQ fee to cover City staff time and attorneys' fees associated with reviewing, evaluating, and processing the proposal. Only "cash" or "cashiers check" will be accepted. No credit cards or checks other than a cashiers check will be accepted. The proposal and non-refundable \$5,500 RFQ fee must be delivered and paid in-person.

Q: Is there a separate fee for either Phase II Application or Phase III Development Agreement process?

A: There is not a separate fee for the Phase II Application; however, before you can move forward to the Phase III Development Agreement, irrespective of the type of use, a deposit of \$25,000 will be required. City staff time and legal review will be processed on a time and materials basis and will be billed against the \$25,000 deposit.

Q: Will the City consider cannabis business proposals in the future?

A. The City may consider reopening the RFQ process in 6-9 months, but the estimated timeframe is speculative, and not guaranteed.

Q: What is the criteria for selection?

A: The submittal requirements and evaluation criteria are outlined in the RFQ available on the City's website, or you can contact Hannah Burcaw at hannah@churchwellwhite.com to request a copy.

Please note: a font type not less than 10 point is preferred; non-substantive pages such as a cover page, table of contents, divider sheets, or appendix will not be counted against the 20-page limit of substantive narrative.

Q: How will proposals be selected? (the below applies to any proposal that involves dispensary (retail), whether or not retail is an ancillary use)

A: There will be an initial blind review of all responsive proposals. In order to achieve a blind review, any information that identifies the proposed cannabis business will be redacted, and each proposal will be assigned a number. The interview panel will conduct a blind review of each proposal and rank them in order of qualification. Next, the City will schedule in-person interviews on July 22nd and July 24th. These dates are subject to change. During the in-person interview, each proposal will be evaluated using the criteria described in the RFQ. Should a tie occur, the proposal with the highest score from the blind review will move forward.

Q: Who will be reviewing the RFQ's and associated interviews?

A: Robert C. Lawton, City Manager

Michael Cooke, Municipal Services Director

Maryn Pitt, Assistant to City Manager for Economic Development/Community Housing

Q: What if I am not proposing a dispensary (retail) use?

A: A use other than retail will not have to go through the interview process and will move directly to Phase II of the application process. A non-refundable fee of \$5,500 is still required for your RFQ submittal.

Q: Do I need to submit multiple proposals if I am proposing operating multiple cannabis business types or locales?

A: No. If you are proposing multiple cannabis business types (for example, cultivation and manufacturing) or multiple locations, you only need to submit one proposal that encompasses all the anticipated uses or locations. However, if you include dispensary (retail) as a use, and are not selected for retail, you may not be eligible to move forward.

Q: Can I submit multiple proposals?

A: Yes. For example, you may submit one proposal for a dispensary (retail) operation and a \$5,500 non-refundable fee, and also submit a second proposal for cultivation and manufacturing, which would bypass the interview process, but you are still required to pay a second \$5,500 non-refundable fee. The total cost for the two proposals would be \$11,000.

Q: Are “lounge” licenses being considered?

A: No, not at this time.

Q: Do I have to submit a proposed location?

A: No, but it is recommended. If you do not have a proposed location at this time, you still must provide a preliminary floor plan of what you envision for your cannabis operation.

Q: What satisfies “evidence of the legal right to occupy the proposed location for a cannabis business”?

A: A lease, deed, or purchase and sale agreement.

Q: What should be included in the proposed Security Plan?

A: Suggested examples: identify the number and types of security cameras, identify the protocol for a security guard, what efforts would you propose to mitigate and deter theft or loitering.

Q: What financial records should I provide?

A: We recommend that you provide non-confidential records that demonstrate financial stability (do not provide bank records).

Q: Has zoning been approved?

A: No, zoning for commercial cannabis operators in Turlock has not yet been considered and determined by the Planning Commission and City Council. Once zoning is approved, should your proposed location be prohibited, you will have 45-days to propose a new location.

The proposed zoning area for cannabis manufacturing and cultivation businesses in the WISP / TRIP area can be accessed through the link provided below.

https://ci.turlock.ca.us/_pdf/downloadpurchasingbidaddendum.asp?id=82

Q: How will the sensitive use proximity requirements impact where cannabis businesses can operate?

A: The City is considering revising the Pilot Program to include prohibition of cannabis operation within 600-feet of a homeless shelter.

Q: Where are the homeless shelters with MAA's currently located?

A: At present, the following (2) approved emergency shelters are located at: 213/219 S. Broadway and 437 S. Broadway.

Q: What if I only want to deliver cannabis?

A: You must have a brick and mortar storefront to be considered for a license under the Pilot Program.

Q: If I submit a proposal in response to the RFQ am I guaranteed a permit?

A: No. The RFQ process is not a guarantee that any applicant will be granted a permit or other City-issued approval to operate a cannabis business, or that it will even move forward through the City's selection process.

Q: If I am selected to be interviewed, how many people can I bring to attend?

A: We request no more than 10 people attend the interview, preferably the owner(s), manager(s), legal representative(s), accountant(s), and individuals who can provide substantive responses.

Q: If I am selected to be interviewed, can I make a presentation using PowerPoint?

A: Yes, but you must notify City staff in advance so that arrangements can be made.

Q: If selected to move forward to Phase II Application, who will be required to submit to a background check?

A: All owners and managers will be subject to a background check.

Q: What is a funding agreement?

A: A funding agreement obligates the cannabis operator to fund the costs related to processing the project and to establish the timing of payment of those costs to the City. A funding agreement and receipt of funds will be required before negotiations of the Phase III Development Agreement. The minimum deposit amount is \$25,000 and will be required to replenish if necessary.

Q: What is the public benefit?

A: There will be a required minimum monthly payment or a percentage of gross receipts, whichever is higher to be paid to the City. For development

agreement examples, you can look at the cities of Atwater, Ceres, Dixon, Oakdale, Patterson, Riverbank, Newman, and Sonora.

Q: What is the deadline to apply?

A: The deadline to apply is Friday, July 12, 2019 by 3:00 p.m. Sealed proposals containing 5 physical copies and 1 USB drive containing an electronic version of the proposal must be received at the office of the City Clerk at 156 S Broadway, Ste. 230 **by 3:00 p.m. on Friday, July 12, 2019.**

The proposal and non-refundable \$5,500 RFQ fee must be delivered and paid in-person.

Q: Other than confidential bank records, what kind of information satisfies the “Economics” portion of the RFQ?

A: Examples include, but are not limited to, identification of lines of credit with financial institutions or sources of income. The narrative should reflect the economic viability of your proposed cannabis business to successfully operate. Although confidential information should not be submitted with your proposal, please be advised, in order to move forward with the application process, you will be required to provide documentation to substantiate any and all assertions in your proposal, and failure to do so could result in disqualification.

Q: What are the proposed areas for dispensaries?

A: No zoning has been approved and a location is not required to submit an RFQ response. Respondees who do not have an address will not be penalized when interviewed. At this time staff intends to present the below zoning restrictions to the Planning Commission and City Council. Please note that these are recommendations and the zoning restrictions may be changed in whole or in part.

City-wide not within the Westside Industrial Specific Plan Area, retail businesses may be conditionally permitted in only community commercial (C-C) and heavy commercial/light industrial (C-H) districts. Within the Downtown Overlay District, dispensaries may be conditionally permitted in the downtown core (DC), the downtown core transition district (DCT), and the transitional commercial district (TC). Retail cannabis businesses are prohibited in all other districts in the City.

POINT OF CONTACT FOR THE CITY ATTORNEY’S OFFICE

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