



STAFF REPORT
3/10/2021

To: Honorable Mayor and City Council Members

FROM: Luis Lopez, Development Services Director

SUBJECT: Amendment to Letter of Agreement with CannaBiz Consulting, LLC to assist with implementation of the City's Cannabis Social Equity Program in the amount of \$69,763.00 and authorize BCC Social Equity Grant funding for this Agreement.

STAFF RECOMMENDATION:

Staff recommends that the City Council authorize the City Manager to execute the attached Amendment to Letter of Agreement with CannaBiz Consulting Group LLC, in the amount of \$69,762.50 (augmenting the original scope by \$44,763) and authorize a re-allocation of State BCC Social Equity funds for this Agreement.

BACKGROUND:

On May 13, 2021 the City Council approved a consulting agreement with CannaBiz Consulting Group, LLC for the "2020 Cannabis Consulting Services" in the amount of \$25,000. The major tasks of the Agreement included staff assistance services for the following tasks:

- Creating and processing a merit-based review program for new retail cannabis – round #2 applicants.
- Assist in preparing scoring sheets and finalized scoring criteria and related print material.
- Establish an internet portal for applicants submitting new Applications.
- Establish regular communication with applicants as a City staff liaison.
- Develop clear forms and transparent procedures for applicants, on an Internet portal.
- Maintain all Application records and make them available to the public.
- Incorporate the City's Cannabis Social Equity policies for applicants.

The consultant's work was authorized by staff to be augmented in late 2020 to include additional tasks related to the City's social equity program, applicant verifications, and technical assistance, and there were cannabis appeals meetings held in early 2021 that require extending the term of the Agreement. Accordingly, staff is recommending that the term of the Agreement be extended into late 2021.

DISCUSSION/ANALYSIS:

Attached to this staff report is a document entitled Amendment to Letter of Agreement that will modify the tasks to amend the termination date until December 2021 and the to add the following tasks:

- *Assist city staff by preparing guidelines for implementation of the city's social equity program, provide customer service and technical support to verification of eligible social equity applicants.*
- *Facilitate a workshop, update the social equity website and create an on-line platform for centralized public information and submittal of applications.*
- *Participate in the city's ad-hoc review committee for social equity projects, prepare scoring sheets and appeal review guidance with city staff.*
- *Work with city staff on implementation of GoBiz grant-funded programs, provide a cost analysis and research information for a cannabis incubator and other social equity model programs.*

The original Agreement is also attached for reference. The augmented tasks will increase the total budget by \$44,763 bringing the grand total to \$69,763 as shown in the staff recommendation above.

The Amendment to the CannaBiz Consulting Group Agreement will qualify for grant funding under California Bureau of Cannabis Control (BCC) social equity grant. The city currently has \$44,000 of grand funds that can be used for administrative costs.

ALTERNATIVES:

1. Authorize the City Manager to execute the attached Amendment to Letter of Agreement with CannaBiz Consulting Group LLC and appropriate BCC social equity grant funding the Amended Agreement.
2. Authorize the City Manager to execute the attached Amendment to Letter of Agreement with CannaBiz Consulting Group LLC with added or modified terms and appropriate BCC social equity grant funding.
3. Continue this item and provide staff direction.

FISCAL IMPACT:

The Amended Agreement with CannaBiz Consulting Group will be paid out of existing BCC social equity grant monies. Staff anticipates a nominal fiscal impact in that the project will be able to use the remaining portion (\$44,000) of social equity grant monies to pay for this work. Council appropriates these funds in the City's Grants Fund (152).

RECOMMENDED ALTERNATIVE(S):

Staff recommends Alternative #1 or #2 as noted above.

Attachment: Amendment to Agreement with CannaBiz Consulting Group
 Proposal Dated January 25, 2021
 Executed Agreement with CannaBiz Consulting Group