



DISTRIBUTION DATE: 3/14/12

MEMORANDUM

TO: HONORABLE MAYOR &
CITY COUNCIL

SUBJECT: ANNOUNCING SELECTION
OF DISPENSARY PERMIT
APPLICANTS

FROM: Arturo M. Sanchez

DATE: March 14, 2012

City Administrator
Approval

Seamus Johna

Date

3/14/12

INFORMATION

On July 26, the City Council amended Ordinance No. 12585 C.M.S. to increase the total number of Dispensary Permits from four to eight permits city wide. The purpose was to provide local qualified patients with a sufficient number of dispensaries to meet their medical needs. Pursuant to the ordinance, the Special business Permits Division of the City Administrator's Office commenced a formal Medical Cannabis Dispensary Request for Permit Application (RFPA) process.

This memorandum is to inform the Mayor & City Council that the City Administrator's Office has completed the review of responses to the Medical Cannabis Dispensary Request for Permit Application (RFPA) process, and provide additional information on those selected. Attached please find the final rankings and scores for all applicants, Attachment A. The four (4) selected Applicants were selected based on their Phase I and II scores and a Public Hearing conducted pursuant to the requirements of Chapter 5.80 "Medical Cannabis Dispensary Permits", which outlines the requirements for consideration to receive a permit. Although initially the administration anticipated a high level of interest the City only received 12 applications in total.

The RFPA was issued by the City of Oakland on September 7 to solicit applications from qualified collectives, cooperatives or associations of individuals (Permittees), to be issued one of four available permits to operate a Medical Cannabis Dispensary in the City of Oakland. On the same day the RFPA was issued (September 7), a mandatory pre-meeting was held in the Council Chambers in order to discuss the submittal requirements of the RFPA and field any questions from potential applicants. Responses to the RFPA were due on October 14 to the City Administrator's Office. Public hearings were completed on January 9, 2012.

Out of 12 applicants applied for consideration, 1 applicant was disqualified for failing to submit all the required forms, submit completed mapping and research documents, and not providing an application in the appropriate format for consideration. Additionally, one (1) applicant did not make it to the second round. Of the remaining ten (10), one applicant, AMCD, Inc, was

disqualified for questions about truthfulness and compliance with the RFPA requirements. Of the remaining nine (9) only five (5) were able to complete the process with their proposed site still under contract; it should be noted that a number of applicant's agreements with property owners were rescinded or canceled as a result of decisions made by the property owners. Of these five (5) Applicants only two (2) have sites in approved areas. Of these two (2) Applicants with approvable sites only one (1) is being recommended, Oakland Community Collective. The other Applicant, Abatin, overall score was too low, when compared to the four eventual Applicants selected. The score combined with questions about their local presence and management meant they could not be recommended even if they had a viable site.

Of those Applicants that were not recommended many shared similar traits and conditions that led to inferior scores in particular their management plans, which for many lacked information on local control and presence, raised questions about who would actually be managing the facility and whether diversion would be a problem as result, the exact manner in which possible excess revenue could be used for community benefits, and generally raised to many concerns over management to be recommended for a permit.

Please be advised that the City reserved the right to Approve/Recommend an Applicant but not approve their selected site. As such, the City Administrator's Office availed itself of this authority and selected the "best" potential Medicinal Cannabis Dispensary operators, whose applications best exemplified their ability to conform and operate pursuant to the City's requirements. While location was a factor the lack of an appropriate site would not be a bar an Applicant, if the City felt that the Applicant was of sufficient caliber and quality that the Applicant could be trusted with a permit. As a result three (3) of the selected Applicants are being recommended subject to their identification of alternate, appropriate sites, a new public hearing would be required for these new sites. These Applicants will be given four (4) months to find an alternate site. The four selected Applicant Applicants, in ranked descending order, are:

1. **Oakland Community Collective**

Site: 2101 Broadway (approved)

Board Members: Salwa Ibrahim, Owner/General Manger; Derek Peterson, Owner/CFO; LaTanya Linzie, Board Member/Manager

Phase I Score: 921 points out of 1000 total points

Test Score: 78.5 points out of 102 total points

Phase II Score: 327 points out of 430 total points

Total Points: **1326.5 points** out of **1532** points available

Overall Point Ranking: **1st**

2. **Tidewater Patients Group**

Site: Not Approved selection contingent on finding new site (4 months to acquire)

Board Members: William Koziol, President; Alexis Parle, Managing Member; David Koziol, Jay Dodson, and Michael Stewart

Phase I Score: 862.5 points out of 1000 total points
Test Score: 96 points out of 102 total points
Phase II Score: 334 points out of 430 total points
Total Points: **1292.5 points** out of **1532** points available

Overall Point Ranking: **2rd**

3. G8 Medical Alliance, Inc.

Site: Not Approved selection contingent on finding new site (4 months to acquire)
Board Members: Toni Mims-Cochran, Leo Bazile, Joel Elliott, Ekundayo Sowumni, Ariana Patino, Aaron Goodwin, Joyal Degani

Phase I Score: 865 points out of 1000 total points
Test Score: 42.5 points out of 102 total points
Phase II Score: 378 points out of 430 total points
Total Points: **1285.5 points** out of **1532** points available

Overall Point Ranking: **3rd**

4. Agramed

Site: Not Approved selection contingent on finding new site (4 months to acquire)
Jeffrey Wilcox, CEO

Phase I Score: 813 points out of 1000 total points
Test Score: 75 points out of 102 total points
Phase II Score: 365 points out of 430 total points
Total Points: **1253 points** out of **1532** points available

Overall Point Ranking: **4th**

One alternate Applicant has been recommended so that if one of the four Applicants above is unable to find a suitable site within four months or if they should fail to abide by requirements and restrictions prior to being given their permit. Alternate Applicant:

5. Magnolia Wellness Inc.

Site: Not Approved selection contingent on finding new site (4 months to acquire)
Board Members: David Spradlin, President, Eli Austin, Harold Rogers, Anna Rae Grabstein

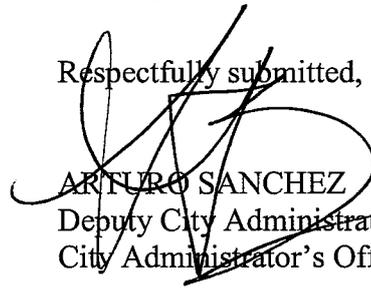
Phase I Score: 722 points out of 1000 total points
Test Score: 71 points out of 102 total points
Phase II Score: 363 points out of 430 total points
Total Points: **1156 points** out of **1532** points available

Overall Ranking: **5th**

The findings of the hearing officer were that the remaining candidates' scores and public hearing results were insufficient to receive a recommendation as a candidate or an alternate.

For copies of the ordinance and RFPA, or if you have questions, please contact Arturo Sanchez at (510) 238-7542

Respectfully submitted,



ARTURO SANCHEZ
Deputy City Administrator
City Administrator's Office