

February 18, 2022

Thomas Omolo
Management Analyst II
Richmond City Manager's Office, Economic Development
450 Civic Center Plaza
Richmond, CA 94804

Re: City of Richmond – Proposal for Cannabis-Related Consulting Services

Dear Thomas:

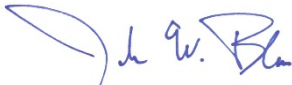
SCI Consulting Group ("SCI") is pleased to submit this proposal for cannabis-related services to the City of Richmond ("City") to assist the City with the implementation of Richmond's Cannabis Equity Program. SCI proposes to provide the complete suite of services necessary for a successful local cannabis program implementation, as fully described in our Scope of Work:

- I. Cost Recovery Analysis
- II. Ordinance Amendments
- III. Equity Application and Scoring Criteria

SCI is one of California's top local cannabis policy consulting firms. We have broad and direct experience working with the City of Richmond and other municipalities providing all the services supporting regulated local cannabis businesses. We are currently providing similar cannabis-related equity services to the Cities of Richmond, Palm Springs, and Stockton and are being considered for these services by several other municipalities.

We believe our expert knowledge of the cannabis industry, coupled with our previous experience and knowledge working with the City of Richmond providing cannabis-related services, will serve the City of Richmond well. We look forward to this opportunity in assisting the City with this important project and stand ready to proceed. If you have any questions or require additional information, please do not hesitate to contact me. I can be reached at (707) 430-4300 or via e-mail at john.bliss@sci-cg.com.

Sincerely,


John Bliss, P.E.
President

Background and Qualifications

SCI provides cannabis-related advice and broad consulting services to a variety of public agencies in California, including community support analysis, ordinance development, fee studies, taxation, implementation, application process development, application review and scoring, monitoring and compliance, business tax auditing, community outreach and engagement, and social equity consulting.

Our core philosophy and approach towards the implementation of local cannabis policy is more broadly balanced than that of our competitors. Our philosophy comes from our genesis as a solution-based engineering firm that has evolved and developed in-house expertise in public policy, community outreach and social equity. Although our quantitative and regulatory rigor, and attention to detail, are unsurpassed, we balance this with realistic approaches to a real-world challenge, fully understanding and supporting the City's challenging transition into a regulated and legal cannabis business arena. Hence, SCI balances enforcement of local and State code along with the need to support viable cannabis businesses and to shepherd non-compliant businesses into a safe and regulated environment.

We were perhaps the very first consulting firm to provide a full suite of local cannabis policy implementation services to California municipalities and developed the "6 Key Elements of Cannabis Implementation" approach that is the standard today:

1. Community Research and Outreach (Meetings & Surveys)
2. Health and Safety & Land Use Regulations (Ordinance(s))
3. Full Cost Recovery (Regulatory Fees)
4. Revenue (Taxation Ballot Measures)
5. Local Industry Selections (Application and Selection Process)
6. Monitoring and Compliance (Inspections and Audits)

And more recently, we have added, and become a state leader in:

7. Social Equity (We are currently providing these services to the Cities of Richmond, Palm Springs, and Stockton).

Project Team

Below is a brief description of the proposed team for this project: Kyle Tankard and John Bliss. Kyle will serve as project manager and day-to-day contact.

John Bliss M.Eng., P.E.,

President

John Bliss, a professional engineer and President of SCI, specializes in local cannabis policy, and special revenue consulting. He was instrumental in developing the now-standard implementation process used by most municipalities in California to implement local cannabis policy. Mr. Bliss has had an extensive career developing and implementing equity, diversity and inclusion policy reaching back almost 30 years to the ground-breaking implementation for the City of San Francisco public works construction employment following the Rodney King uprising in 1991. He is a graduate of Brown University with a

Bachelor of Science Degree in Engineering. He holds a master's degree in Civil Engineering from The University of California, Berkeley, where he was a Regent's Scholar. Mr. Bliss is a licensed Professional Civil Engineer in the State of California and is a LEED accredited professional.

Kyle Tankard**Senior Consultant – Cannabis Business Leader**

Kyle Tankard serves as the Cannabis Business Leader at SCI providing local cannabis policy expertise in California since 2016. He plays a diverse role, assisting municipalities with all aspects of local cannabis implementation, including regulatory development, taxation policy and cost recovery, cannabis compliance, application review, and cannabis-related public education, equity, and outreach. Mr. Tankard has successfully developed and implemented multiple local cannabis regulatory programs throughout the State, most notably in the Cities of Alameda, Shasta Lake and Richmond. He currently manages a portfolio of over 15 cannabis clients, providing a variety of ongoing cannabis-related services, including application review, plan checks, compliance inspections, and equity analysis and program development. He is a graduate of University of California, Santa Cruz.

Proposed Scope of Work

(Task 1) – Cost Recovery Analysis

SCI will conduct a cost recovery analysis to review and update the City's existing cannabis fee structure to ensure full cost recovery for expenses incurred by the City related to each step of the cannabis application, permitting, and regulatory process. The goal is to establish a reliable, robust cannabis fee structure that is supported by the community and the local cannabis industry, is Proposition 26 justifiable, and adheres to all State and local regulations.

Deliverables:

- Develop Cannabis Regulatory Fees
- Prepare Resolution, Staff Report, and Supporting Documentation for Council Adoption

(Task 2) – Ordinance Amendments

SCI will develop an ordinance amending the City's existing municipal code related to commercial cannabis activity to address changes to the City's regulatory process associated with the establishment of the City's Cannabis Equity Program. The ordinance will address changes associated with the number and types of cannabis businesses, location and setback requirements, and the application review and selection process. We will carefully research our work to be compliant with all local and State laws and regulations, and the final ordinance will be reviewed by the City's legal counsel prior to implementation. Finally, we will help shepherd the ordinance through the approval process.

Deliverables:

- Develop Ordinance Amendments
- Prepare Resolution, Staff Report, and Supporting Documentation for Council Adoption
- Attend Council Meetings

(Task 3) – Equity Application and Scoring Criteria

SCI will develop and design a transparent and fair application process for the evaluation, ranking, and selection of cannabis equity applicants. Our goal for this task is to provide the City with a fair model of selection that favors equity, community safety, longevity, and sustainability. We want to ensure that as part of the application process, the applicant is completely familiar with the application process, and understands the potential time and financial investment and the regulatory process. SCI will develop application procedures and guidelines, application forms, and all other required documents.

Deliverables:

- Develop Equity Program Eligibility Application Form
- Develop Competitive Application, Review Process, & Selection Criteria

Cost Estimate

In consideration for the Tasks as detailed in the Scope of Work, the estimated compensation is detailed below by task:

Work Plan	Fee
Cost Recovery Analysis	\$ 3,500
Ordinance Amendments	\$ 5,000
Equity Application and Scoring Criteria	\$ 15,000

SCI Staff	Hourly Rate
President	\$ 291
Senior Cannabis Consultant	\$ 291
Cannabis Consultant	\$ 229
Support Staff	\$ 73

Incidental costs incurred for the purchase of additional travel and other out-of-pocket expenses will be reimbursed at actual cost, with the total not to exceed \$500 per year without prior authorization from the City. The scope of services includes one face-to-face staff planning meeting. Any additional face-to-face meetings, if required, shall be billed at the rate of \$550 per person, per meeting. SCI is available to meet via teleconference call on a regular basis at no additional charge.

References

Some of SCI's most current and recent similar cannabis-related services provided:

City of Palm Springs

Contact: Veronica Goedhart, Director of Special Program Compliance
Veronica.Goodhart@palmspringsca.gov; (760) 322-8370, ext. 8370

Services: Cannabis Social Equity Assessment; Equity Program Development and Implementation

City of Stockton

Contact: Stephanie Ocasio, Assistant Director of Community Development
Stephanie.Ocasio@stocktonca.gov; (209) 937-8544

Services: Community Outreach and Stakeholder Engagement; Cannabis Social Equity Assessment; Equity Program Development and Implementation

City of Coalinga

Contact: Sean Brewer, Community Development Director
sbrewer@coalinga.com; (559) 935-1533, ext. 124

Services: Community Outreach and Stakeholder Engagement; Cannabis Social Equity Assessment; Equity Program Development and Implementation

A full list of our current and past cannabis clients is listed below:

Cities

Alameda	El Monte	National City	Santa Clara
Avalon	Encinitas	Nevada City	Shasta Lake
Coalinga	Fairfield	Oroville	Stockton
Colfax	La Mesa	Palm Springs	Vallejo
Concord	Livingston	Richmond	West Hollywood
Davis	Lompoc	San Bernardino	Woodlake
Dunsmuir	Merced	San Carlos	Yreka

Counties

Alameda
San Benito
San Luis Obispo
Tuolumne