

**CITY OF WALNUT CREEK
RESOLUTION NO. 22-16**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WALNUT CREEK
APPROVING REVISED OPERATOR PERMIT SELECTION PROCEDURES
RELATED TO NON-STOREFRONT CANNABIS DELIVERY-ONLY OPERATIONS**

WHEREAS, in 2015 the State passed three assembly bills (AB 243, 266, and SB 643) that established the state-level licensing and regulatory framework for medical cannabis (MCRSA) and created a new California Bureau of Medical Cannabis Regulation;

WHEREAS, on November 8, 2016, the voters of the state adopted Proposition 64, the Adult Use of Marijuana Act (AUMA), which legalized adult cannabis use, possession and cultivation for non-medical purposes and created a regulatory framework for non-medical cannabis businesses;

WHEREAS, on June 15, 2017, the state passed the Medical and Adult Use of Cannabis Regulation and Safety Act (MAUCRSA), which effectively merged the adult-use statutory framework under AUMA and the medical statutory framework under MCRSA and created one uniform licensing and regulatory structure for both medical and adult-use cannabis operations;

WHEREAS, MAUCRSA authorizes local jurisdictions to adopt and enforce local ordinances to regulate cannabis businesses licensed pursuant to state law, including local zoning and land use requirements, business license requirements, and requirements related to reducing exposure to second hand smoke, or to completely prohibit the establishment or operation of one or more types of businesses licensed pursuant to state law;

WHEREAS, in 2018, the City Council adopted Title 10, Chapter 2, Article 14 “Personal and Commercial Cannabis Activities” into the Walnut Creek Municipal Code through Ordinance No. 2183 (“Cannabis Ordinance”);

WHEREAS, the Cannabis Ordinance permitted two (2) non-storefront medical cannabis delivery-only operations to be located in the City pursuant to operator permits issued by the City;

WHEREAS, the Cannabis Ordinance provided that the method for selecting applicants that will be eligible to receive operator permits shall be set by resolution of the City Council;

WHEREAS, in 2018, the City Council adopted Resolution No. 18-41 which provided that applicants would be selected through a lottery process;

WHEREAS, the City Council has adopted an amendment to the Cannabis Ordinance (“Amended Ordinance”), which allows non-storefront cannabis delivery-only operations located in the City to deliver both medical and adult-use cannabis and cannabis products and provides that the maximum number of delivery-only operations permitted to operate in the City shall be set by

resolution of the City Council;

WHEREAS, the City Council has elected to repeal Resolution No. 18-41 and prescribe new selection procedures for selecting applicants eligible to pursue operator permits for non-storefront delivery only operations pursuant to the Amended Ordinance; and

WHEREAS, pursuant to this Resolution, the City Council is adopting new selection procedures, which provide for the selection of applicants eligible to pursue Conditional Use and operator permits through a Request for Proposal (RFP) process.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WALNUT CREEK takes the following actions:

1. Resolution No. 18-41 is repealed in its entirety;
2. The City of Walnut Creek is hereby authorized to utilize the following procedures to select operator permits for non-storefront cannabis delivery-only operations pursuant to the Amended Ordinance.

Cannabis Delivery-Only Operation Operator Permit Selection Procedures

1. ***Solicitation of Applications.*** City will issue a Request for Proposals soliciting applications for up to a maximum of three (3) non-storefront cannabis delivery-only operations. Such notice will specify when the City will begin accepting applications, the required application materials, and the deadline for receipt of applications.
2. ***Preliminary Review.*** Staff will review all applications timely submitted during the solicitation period. Staff will review each application to determine whether each application includes all of the required application materials identified in the RFP and all of the information required by WCMC section 10-2.3.1411, and will determine whether the application/applicant meets all of the criteria required by Chapter 2; Part III; Article 14 Personal and Commercial Cannabis Activities. In order to move to the next stage of the evaluation process, all owners and investors named in the applications must pass a background check conducted by the Police Department.
3. ***Evaluation and Ranking Process.*** In this phase, staff will review and rank individual applications using the following criteria for a maximum of 100 points:
 - i. Quality and Thoroughness of Application Materials—30 points
 - ii. Experience and Qualifications—30 points

- ii. Experience and Qualifications—30 points
 - iii. Sustainability Measures—20 points
 - iv. Community Benefits Plan (monetary or other equivalent benefits)—20 points
4. ***Interviews with City Selection Committee.*** The top-5 ranked applicants may be invited to interview with the City Selection Committee. The City Selection Committee will include representatives of the Community Development Department, Police Department, and the City Manager’s Office/Economic Development Department. The City Selection Committee may choose up to 4 applicants to forward to the City Manager to formulate a recommendation to City Council. The City Selection Committee may elect to reject all applicants and re-issue the RFP at a later time.
 5. ***City Manager Recommendation.*** The City Manager reserves the right to request additional information or implement additional application requirements as he/she sees fit. If the City Manager finds the applications acceptable, the City Manager may choose to recommend a number of applicants for approval by the City Council to seek a CUP, up to the maximum number of operator’s permits authorized by the City Council. The City Manager’s recommendation may also include one or more ranked alternates in the event that one or more of the selected applicants fail to obtain CUPs. The City Manager may elect to reject all applicants and re-issue the RFP at a later time.
 6. ***City Council Selection.*** If the City Manager elects to make a recommendation for approval, the recommended applicants and alternates will be presented to the City Council at a public hearing for approval. The City Council may choose to follow the City Manager’s recommendation, may choose to select a different ranking of the applicants and/or alternates, or may choose to reject all applicants.
 7. ***Six Month Time Period to Seek Conditional Use Permit.*** If the City Council selects applicants, the selected applicants will have six (6) months from the selection of the applications by City Council to obtain Conditional Use Permits. If a selected applicant fails to obtain a Conditional Use Permit during that time period, the City Manager may (1) direct staff to notify the next-ranked alternate (if any) on the list and permit such alternate applicant to seek a Conditional Use Permit from the Planning Commission; or (2) direct staff to re-issue the RFP and seek a new applicant pool to present to the City Council.

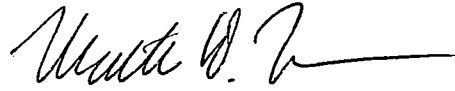
8. **Permit Issuance.** The City will issue an operator permit to a selected applicant upon the occurrence of all of the following events: (1) the applicant successfully obtains a Conditional Use Permit from the Planning Commission, (2) the City inspects the applicant’s proposed business site and vehicles and determines that both conform to the submitted application materials and are in compliance with all applicable rules and regulations; (3) the applicant has paid all applicable fees and charges, including community benefits due; and (4) the City confirms that the applicant has met all required conditions pursuant to Chapter 2; Part III; Article 14 Personal and Commercial Cannabis Activities.

9. **State Licensing.** Operators who are granted an operator permit and Conditional Use Permit must obtain a state cannabis license prior to commencing operations. If an operator fails to obtain a state cannabis license within six (6) months of being granted an operator permit, said operator permit shall expire and the City Manager may (1) direct staff to notify the next-ranked alternate (if any) on the list and permit such alternate applicant to seek a Conditional Use Permit from the Planning Commission; or (2) direct staff to re-issue the RFP and seek a new applicant pool to present to the City Council.

3. This Resolution shall become effective upon the date that the Amended Ordinance becomes effective.

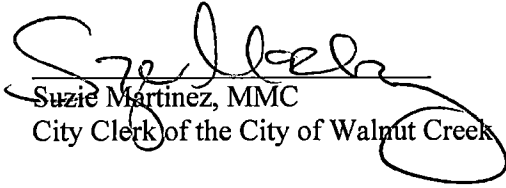
PASSED AND ADOPTED by the City Council of the City of Walnut Creek at a regular meeting thereof held on the 19th day of April 2022 by the following called vote:

AYES:	Councilmembers:	Darling, Haskew, Wilk, Silva, Mayor Francois
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	None



Matt Francois
Mayor of the City of Walnut Creek

Attest:



Suzie Martinez, MMC
City Clerk of the City of Walnut Creek