



City of
Oakland



City of Oakland
Oakland Equity Collective

Shared-Use Manufacturing Facility for Cannabis Equity Applicants

Program Overview

Last Updated 9.19.22

BACKGROUND

In the spring of 2017, the Oakland City Council enacted landmark cannabis legislation to promote equitable ownership and employment opportunities in the cannabis industry, to decrease disparities in life outcomes for marginalized communities of color and address the disproportionate impacts of the war on drugs in those communities. The City of Oakland's strategies to date have included prioritized permitting for equity applicants, exemption from application and permit fees, technical assistance, and financial assistance via the Equity Loan and Grant Programs.¹

In 2021, the City of Oakland selected a team of equity applicants who formed the Oakland Equity Collective (OEC) to purchase a property to advance manufacturing and distribution opportunities for both the OEC team and a rotation of six additional equity manufacturers in OEC's Shared-Use Facility. The OEC Shared-Use Facility will provide equity applicants with both a compliant location to manufacture products and support in distributing products to retailers.

PROGRAM SUMMARY

1. Who is Eligible to Use the OEC Shared-Use Facility?

¹ For more information on the Equity Loan and Grant Programs, please visit www.elevateimpactoakland.com.

Only cannabis equity applicants, as defined by Oakland Municipal Code (OMC) Sections 5.80 and 5.81, that have been verified by the City of Oakland are eligible to apply for a spot in the OEC Shared-Use Facility.

2. How Will the OEC Select Which Equity Applicants Utilize the Shared-Use Facility?

The OEC Shared-Use Facility will be made available to six new or existing equity manufacturers. OEC plans* to select two experienced applicants, two somewhat experienced applicants and two relatively inexperienced applicants.

To diversify product offerings, OEC plans to select two companies who will produce a cannabis flower-based product, two companies who will produce a cannabis concentrate product and two companies who will produce a cannabis-infused product.

Examples of the product type breakdowns:

- Infused Flower Companies: Packaged and infused flower, trim, or shake and pre-rolls.
- Concentrate Companies: Hash and kief production, vape cart filling and packaged extracts.
- Infusion Companies: Any edible products, health and beauty products or topically applied products.

**The selection criteria is subject to change if not enough applicants of any specified group apply.*

3. How Can I Apply for the OEC Shared-Use Facility?

Step 1: **Apply.** Applications will be available at <https://www.oaklandequitycollective.com/collections/equity-about-the-program> from October 1, 2022 to November 2, 2022. Applications will be reviewed by OEC, the team managing the shared-use facility.

Applications are due by 2pm on Wednesday, November 2, 2022.

Step 2: **Interview.** The OEC will interview the applicants who receive the top 18 application scores. The OEC scoring methods are detailed in the OEC Shared-Use Facility Application.

Step 3: **Enter into a Sublease.** The OEC will offer sublease agreements to the finalists and coordinate the scheduling of the OEC Facility. The finalists who enter into the sublease shall be the members of the initial cohort (Cohort Member).

Step 4: **Submit Local and State Applications.** Once a Cohort Member has entered into a sublease agreement to utilize the OEC Shared-Use Facility, they should submit a cannabis permit application to the City of Oakland and an application for a state license.

Step 5: **Training.** Once the Cohort Member has been selected, OEC will commence training in cannabis compliance, safe and clean manufacturing practices, and more. Step 5 should begin while the Cohort Member awaits approval of their local and state applications.

Step 6: **Operate.** After receiving a local permit and state license, the Cohort Member can utilize the Shared-Use Facility and work with the OEC to achieve their manufacturing goals. Over the course of the incubation period, the OEC will continue to train and educate the Cohort Members in cannabis compliance, good manufacturing practices and how to get their products to market. The 18-month period to use the facility will commence once a sublease is fully executed by the applicant.

Step 7: **Transition.** Once a Cohort Member's rent free period has concluded, the OEC will help them determine how best to transition into the next phase of their business.

*The Cohort Member will be able to utilize the OEC facility for a total of 18 months (after sublease is fully executed) rent free. However, the Cohort Member will be responsible for the costs associated with operating in the OEC Facility such as utilities cost, cleaning expenses, the cost of raw materials and packaging, acquisition and maintenance of any Cohort Member owned equipment, facility management, and any additional operational expenses.

4. Conditions of using the OEC Shared-Use Facility

In order to keep the OEC Facility operations fair and functional, Cohort Members will be expected to meet the following conditions and milestones:

- a. Execute a sublease with OEC no more than 20 days after being selected to participate as a Cohort Member.
- b. Commence the required OEC training within 30 days of being selected to participate as a Cohort Member.
- c. Submit Local and State applications within 60 days of being selected to participate as a Cohort Member.
- d. To follow all the rules of the OEC Facility and to operate in a fully compliant manner. Cohort Members repeatedly violating the OEC Facility rules or failing to comply with applicable laws and regulations will be disciplined, with removal from the Cohort as a possible consequence for very serious violations.
- e. Continuous use of the OEC Facility by the Cohort Member. Any operator who fails to use the Facility for 4 consecutive scheduled days may be removed from the Cohort at OEC's discretion. Any Cohort Member who exhibits a pattern of failing to show up at the facility on scheduled days may also be removed.
- f. All Cohort Members will be responsible for the maintenance expenses, operational costs, and storage if any specialty equipment brought into the Facility by such Member. OEC is NOT responsible for any Cohort Owned Equipment.

5. Where Can I Find More Information on the OEC Shared-Use Facility?

The OEC is the City of Oakland's newest sponsored shared-use manufacturing facility. More information on the OEC facility and the additional services it provides such as white labeling and distribution, can be found on the OEC website: <http://www.oaklandequitycollective.com>.

RESERVATION OF RIGHTS

The City of Oakland and OEC reserve the right to evaluate and revise this Program Overview in the future based on information gathered in its evaluation.