Small Business Commission Agenda Report Item

Meeting Date: March 13, 2025

Subject: Proposal for New Cannabis Zones

Recommendation
Staff recommends that the Small Business Commission review the proposed new cannabis zones and vote to approve a final recommendation to submit to the City Council Cannabis Subcommittee (Mayor Dr. Rod Daus-Magbual and Councilmember Theresa Proano) prior to the zones being presented to the Planning Commission and, ultimately, the full City Council for approval.

Background
In 2016, California voters enacted Proposition 64 to create a regulatory framework for the legal cultivation, processing, manufacture, distribution, testing, and sale of non-medical cannabis, alongside taxes on its cultivation and retail sale. In November 2018, Daly City voters approved a business license tax on cannabis businesses, setting a rate of up to ten percent of gross receipts, in anticipation of the future authorization of cannabis sales.

In October 2019, the City Council adopted an ordinance authorizing commercial cannabis activities and established the regulatory framework for permitting and overseeing such activities in Daly City. This ordinance requires that operators of commercial cannabis businesses obtain both a state license and a Commercial Cannabis (-CC) Business License issued by the City of Daly City.

Additionally, the ordinance mandated that staff present to the Planning Commission and City Council an overlay district to designate the areas where commercial cannabis operations would be permitted. In November 2020, the Council Committee recommended a set of overlay district maps to the Planning Commission and City Council, which included an approximate 600-foot buffer zone around schools and youth centers throughout Daly City. These maps identified 12 distinct eligibility zones based on proximity to schools and youth centers, where cannabis-related businesses would be allowed to operate.

In December 2024, the Small Business Commission discussed the development of a cannabis equity program. During the subsequent Planning Commission meeting, where Cannabis Zone 7 – Sullivan was approved, the Planning Commission Chair suggested that the Small Business Commission should play a more active role in determining where new cannabis zones and businesses should be located. City administrators supported this suggestion, recognizing that the inclusion of new zones would help reduce barriers for entry into the cannabis industry.

Discussion
Initially, the -CC combining district was proposed to apply to approximately 230 properties across 12 distinct eligibility zones, with geographic distribution based on a 600-foot buffer zone around schools and youth centers. This proposal was approved by the Council Committee, with maps outlining the eligible properties.

However, during the Planning Commission's public hearing in February 2021, residents raised concerns about the proposed number of eligibility zones and the adequacy of the 600-foot buffer around schools. In response, the Planning Commission agreed to exclude certain areas from the new combining district, including retail sales along School Street, East Market/Mission/San Pedro, and Hillside Boulevard.

In March 2021, the City Council held further discussions regarding the -CC combining district, with additional input from residents and community organizations. Following robust deliberations, the City Council concurred with the Planning Commission's recommendations for exclusions, and it was agreed that the -CC combining district should not extend to the Bayshore neighborhood or the Crocker neighborhood along Mission Street.

Since the initial adoption of the ordinance, the City has had the opportunity to evaluate the community impact of retail cannabis, with businesses such as Megabud Dispensary (currently closed), Catalyst Dispensary, and Nectar dispensary operating in Daly City. These evaluations have found the community impacts to be negligible. As a result, staff is recommending that the Small Business Commission forward a recommendation to the City Council Cannabis Subcommittee to include additional parcels in the -CC combining district. Specifically, staff proposes to add parcels fronting Mission Street between Crocker Avenue and Templeton Avenue, Geneva Avenue between Talbert Street and Bayshore Boulevard, and Geneva Avenue between Castillo Street and Calgary Street (see Attachment C – Proposed Additional Parcels Mission Street and Geneva Avenue).

Conclusion

Expanding the -CC combining district to include these additional parcels would support the goals of the upcoming cannabis equity program and further diversify the geographical distribution of cannabis retail opportunities across Daly City. The inclusion of the Mission Street and Geneva Avenue parcels would provide two additional cannabis opportunity zones, with the Bayshore neighborhood offering one.

Staff is available to provide any further information requested by the Chair or Commissioners.

Maybelle Manio
Economic & Community Development Specialist

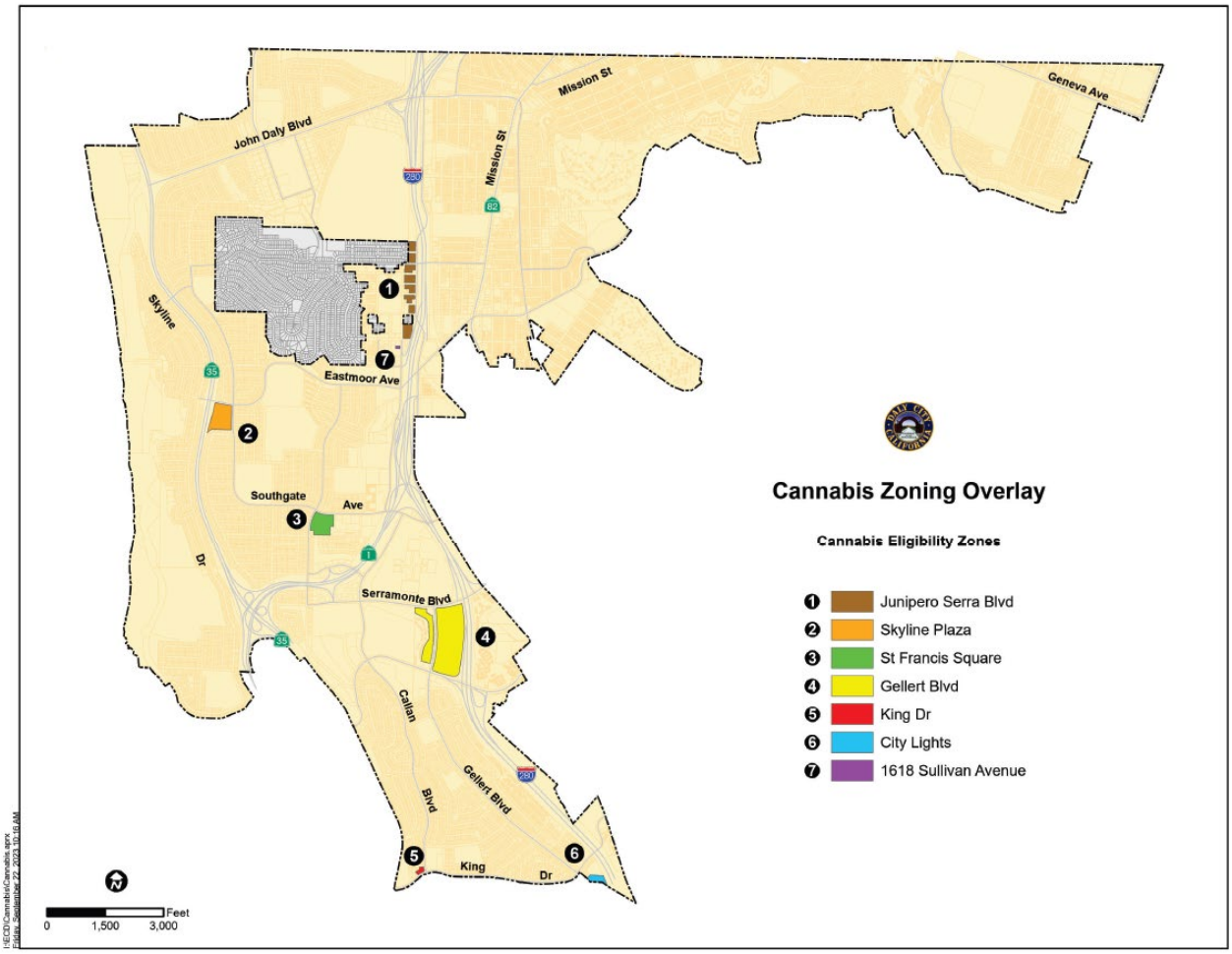
Timothy J. Nevin
Acting Assistant City Manager/Director of Finance & Administrative Services

Attachment

Attachment A - Current Retail Cannabis Eligibility Zones

Attachment B – Proposed Additional Parcels Mission St. & Geneva Ave.

Propose New Cannabis Zones
Meeting Date: March 13, 2025



Propose New Cannabis Zones
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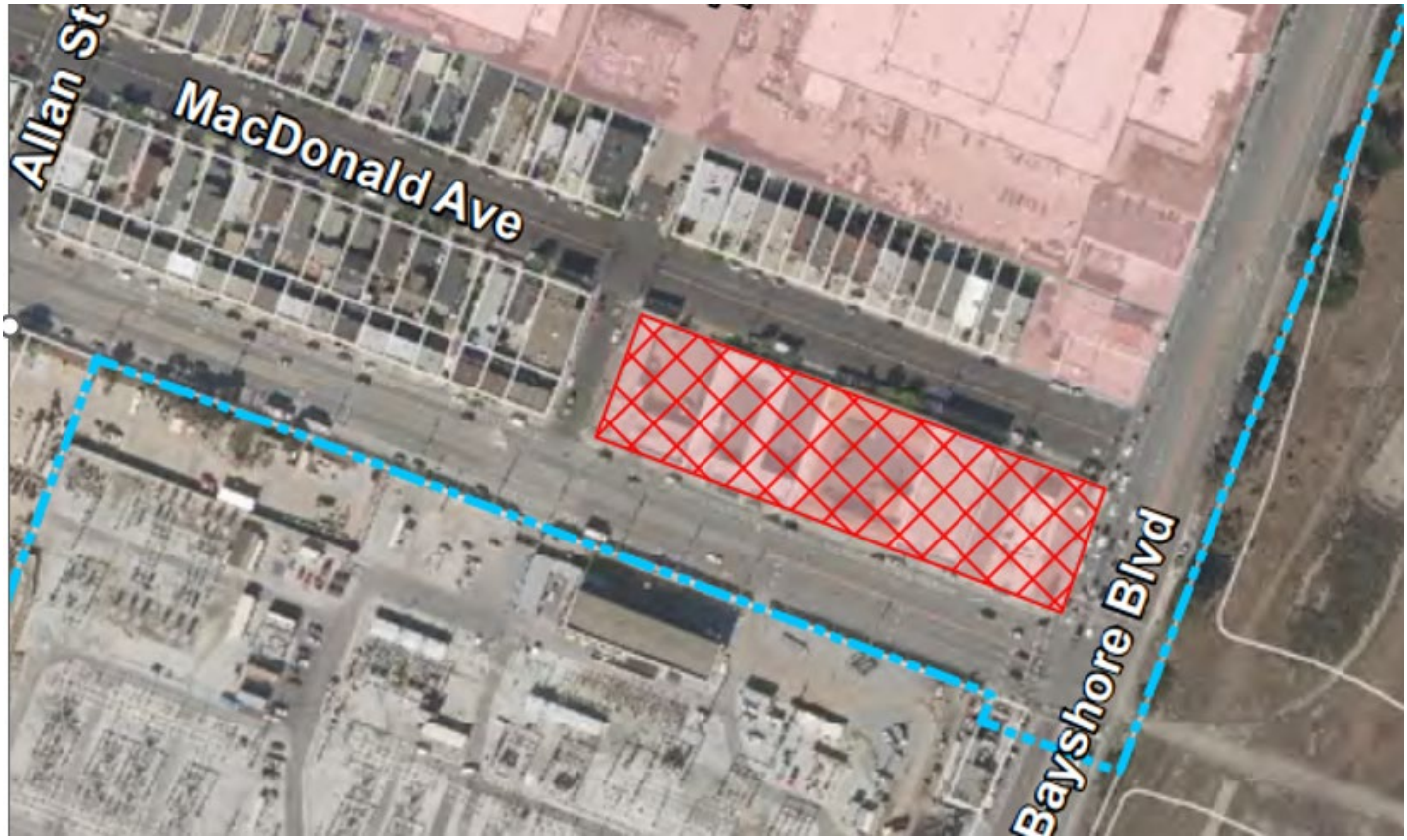
Area A (Mission Street between Crocker Avenue and Templeton Avenue)

AREA B (Geneva Avenue between Talbert Street and Bayshore Boulevard)



AREA C (Geneva Avenue between Castillo Street and Calgary Street)

Small Business Commission Agenda Report Item

Meeting Date: March 13, 2025

Subject: Procurement Process

Recommendation

The Small Business Commission create a framework to provide directive for a new initiative to include a more streamline process and preferential points in approving bids.

Background

At the February 13, 2025, Small Business Commission meeting, a small business owner highlighted the importance of further enhancing transparency and equity in the City's procurement process. He emphasized the value of prioritizing Daly City businesses when reviewing Requests for Proposals or bids for procurement contracts and professional services, reinforcing the City's ongoing commitment to fostering a supportive and inclusive environment for local businesses.

Discussion

The Commission recognizes the value of fostering a more inclusive environment for local businesses and recommends the following actions:

Recommendations:

1. **Create a Preferential Bid Matrix for Locally Owned Businesses:** Implement a scoring system that gives additional points to bids from locally owned businesses. This matrix would prioritize Daly City businesses, ensuring that they have a competitive edge in the procurement process without compromising the overall integrity and fairness of the bidding process. The matrix could weigh factors such as the percentage of local ownership, the number of local employees, and the company's track record of community involvement.
2. **Enhance Transparency and Accessibility of the Procurement Process:** Establish a centralized online portal for all City procurement opportunities, streamlining access for vendors across departments. This platform would provide clear and consistent instructions for submitting bids and proposals and offer resources such as FAQs and guidelines. This would help ensure that all potential bidders, including small and local businesses, can easily navigate the City's procurement process.
3. **Expand Outreach Efforts:** Increase efforts to advertise procurement opportunities in local media outlets, including newspapers in different languages, and through platforms such as the City’s websites, social media and newsletters. This would enhance visibility and encourage participation from a broader pool of local contractors, especially small businesses.
4. **Consider Vendor Diversity in Procurement Decisions:** In addition to the preferential matrix, explore options for integrating diversity and inclusion metrics into the procurement decision-making process. This would allow the City to track and promote diversity in its vendor pool, further supporting local and minority-owned businesses.

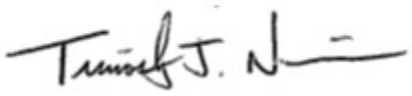
These recommendations align with the City's ongoing commitment to fostering a supportive environment for local businesses while ensuring a fair, transparent, and efficient procurement process.

Conclusion

The Small Business Commissioners have recognized the valuable contributions of Daly City businesses and are dedicated to supporting their growth and success in providing professional services and products to the City. While the City's procurement process has room for improvement, the Commissioners are proactive in addressing these challenges. To foster a more equitable and inclusive system, they have developed a rubric or matrix for awarding preferential points in the evaluation of Requests for Proposals (RFPs). This initiative is designed to give local businesses a competitive advantage by considering factors that align with the City's goals of promoting local economic development. The Commissioners are enthusiastic about this positive step forward and are confident that the rubric will help create a more level playing field, providing opportunities for Daly City's small businesses to thrive and contribute even more to the community.

Staff is available to provide any additional information sought by the Chair and Commissioners.

Respectfully submitted,



Maybelle Manio
Economic & Community Development Specialist

Timothy J. Nevin
Acting Assistant City Manager
Director of Finance & Administrative Services

Small Business Commission Agenda Report Item

Meeting Date: March 13, 2025

Subject: Legacy Business Program

Recommendation

Staff recommends the Small Business Commission nominate Legacy Business candidates.

Background

In April 2023, the City Council Adopted of an Amendment to Daly City Municipal Code Chapter 2.58 – Small Business Commission Ordinance to establish a Legacy Business Program.

The purpose of the program is to recognize and celebrate the longstanding community-serving, and culturally relevant businesses in the City. In addition, the City intends that the Registry be a tool for the provision of promotional assistance to Legacy Businesses to encourage their continued viability and success.

The Daly City Council passed and adopted a Legacy Business Registry ordinance on May 8, 2023 – Ordinance 1464, amending Chapter 2.58 of the Municipal Code regarding the Small Business Commission. Each business was nominated by a Small Business Commissioner and passed review at the Economic and Community Development Department where they met each eligibility criteria.

Discussion

Listed below are the eligibility criteria for the Legacy Business program as set forth in the ordinance:

2.58.100 - Legacy business registry.

A.

The Department of Economic and Community Development shall establish and maintain a Registry of Legacy Businesses in [the] City of Daly City (the "registry"). The purpose of the registry is to recognize and celebrate the longstanding community-serving, and culturally relevant businesses in the city. In addition, the city intends that the registry be a tool for the provision of promotional assistance to legacy businesses to encourage their continued viability and success.

B.

For the purposes of this Section 2.58.100, "registry" means a qualified list of legacy businesses that is maintained by the department of economic and community development and provided to the public through the creation of a web page, accessible through the city's website, which may include interactive maps and information on the history and cultural relevance of included businesses.

C.

For the purposes of this Section 2.58.100, "Legacy Business" means a business that has been nominated by a member of the small business commission in accordance with subsection (d) below, and that the city council, after a noticed hearing, determines meets each of the following criteria:

1.

The business has operated in City of Daly City for ten or more years, with no break in Daly City operations exceeding two years. The business may have operated in more than one location and may have gone through an ownership change.

2.

The business has contributed to the history or identity of the neighborhood or community within which it is located.

3.

The business is committed to maintaining the physical features or traditions that define the business, including craft, culinary, or art forms.

4.

The business has no pending complaints with the city associated with its operations.

5.

The business has a total of one hundred or fewer employees across all locations.

6.

The business reported less than one million dollars in annual gross receipts in its first full year of operating in the city.

Prior to the city council noticed hearing, the department of economic and community development shall request an advisory recommendation from the small business commission, at a regularly scheduled meeting, as to whether the business meets the requirements in this subsection. If the small business commission does not provide an advisory recommendation within sixty days of receipt of the nomination, city council shall treat such nonresponse as an advisory recommendation that the business meets the requirements of this subsection.

If city council confirms and makes all six findings, it shall include the business in the registry as a legacy business.

D.

Nominations for the registry shall be limited to a total of ten businesses per year, with each small business commissioner granted up to two annual nominations. If a small business commission seat is vacant at the start of a given nomination year, starting on October 1, the small business commission chair will be granted additional nominations equal to two nominations per each empty small business commission seat. Commissioners must submit nominations by September 30th of each year, with a new year of nominations commencing on October 1 of each year. A nomination is deemed to have been made on the date the department of economic and community development receives a nomination in writing from a member of the small business commission. Nominations received after the close of business on September 30th shall be considered received in the following year. The nominations for any year shall be the first ten received in that year (October 1 through September 30).

Conclusion

The establishment of the Legacy Business Program in Daly City represents a significant step towards recognizing and preserving the vital role of longstanding businesses that contribute to the cultural

and historical fabric of the community. The adoption of Ordinance 1464 and the creation of the Legacy Business Registry highlight the City's commitment to supporting local businesses that have made enduring contributions over the years. Through the eligibility criteria and the nomination process outlined in the ordinance, businesses that meet the requirements will be celebrated for their continued success and community relevance. The program also offers promotional assistance, reinforcing the City's dedication to ensuring the ongoing viability of these businesses. Moving forward, the Legacy Business Registry will serve as a valuable tool in preserving Daly City's rich history while supporting the local economy and fostering community pride.

Staff is available to provide any further information requested by the Chair or Commissioners.

Respectfully submitted,

Maybelle Manio
Economic & Community Development Specialist

Timothy J. Nevin
Acting Assistant City Manager
Director of Finance & Administrative Services