



## CITY OF SAN LUIS OBISPO Cannabis Business License Scoring Guidelines *July, 2019*

**Applicant:**

**Reviewer:**

1. Applicant will provide one hard copy and one digital copy of each proposal.
2. City will compile any additional information related to the applicant for consideration.
3. Discussion between the reviewers during the evaluation will be limited to clarification to ensure an equal understanding of the application.
4. Each reviewer will complete a score sheet for each proposal.
5. Points may be awarded in an amount up to the possible points in each scoring criteria.
6. Each completed score sheet will be given to the consultant.
7. The consultant will review all three score sheets for each proposal.
8. If there is a scoring deviation between reviewers on any scoring criteria of more than 30%, the consultant will discuss this specific score with the reviewers.
9. An adjusted score may be agreed upon by the reviewer and the consultant.
10. Once all criteria scores are reviewed and agreed upon, the total aggregate score for all three reviewers will be totaled then divided by three to obtain the final score.

### **Automatic Fail Criteria:**

- Application received after the final filing date (3:00 p.m. on July 31, 2019).
- Application incomplete.
- Facility does not meet City business licensing standards.
- Only one license applicant allowed per location. Applicants must ask potential landlords if they have existing, competing cannabis business applicants.

### **Definitions:**

An "applicant" is the entity petitioning for the license and "principals" are the individual members of the applicant team.

A "primary principal" is defined as an individual who has a 10% or greater ownership stake of the applicant business.

An "operator" is an applicant that has been licensed and conducts or conducted active operations.

A "majority" is defined as a greater number; more than half. An equal number does not constitute a majority.

**All applications for a license will be evaluated using the merit criteria outlined below. Applicants must submit supplemental documentation or references with the application that support the statements below for review by the City.**

## Manufacturing, Distribution and Non-Storefront Retail Evaluation Criteria

<b>Merit Criteria 1.0 - Community Benefit</b>			
	<b>Community Benefit (A):</b> Applicant demonstrates a commitment to City through local hiring and community support. Select all that apply within each category and total score. (Up to 20 Points – Deviation Threshold 6 Points)	<b>Possible points</b>	<b>Applicant score</b>
<b>1.1A</b>	Over 90% of employees will be San Luis Obispo County residents. <b>(10 points)</b> or 60% - 90% of employees will be San Luis Obispo County residents. <b>(5 points)</b>	10	
<b>1.2A</b>	Over 80% of supply and equipment expense (non-labor, non-rent expense) will be sourced from businesses within 90 miles. <b>(10 points)</b> or 50% - 80% of supply and equipment expense (non-labor, non-rent expense) will be sourced from local businesses within 90 miles. <b>(5 points)</b>	10	
<b>Total Community Benefit (A)</b>		<b>20</b>	
	<b>Community Benefit (B):</b> Continued support of community programs in San Luis Obispo (i.e. park cleanups, facility improvements, donating supplies/equipment to youth programs). (Up to 10 Points - Deviation Threshold 3 points)	<b>Possible points</b>	<b>Applicant score</b>
<b>1.1B</b>	Providing over 20 hours per month of community support. <b>(5 points)</b> or Providing over 10-20 hours per month of community support. <b>(2 points)</b>	5	
<b>1.2B</b>	Provide over \$1,000 per month for community support. <b>(5 points)</b> or Provide up to \$1,000 per month for community support. <b>(2 points)</b>	5	
<b>1.3B</b>	Applicant can demonstrate a history of supporting local community programs. <b>(5 points)</b>	5	
<b>Total Community Benefit (B)</b>		<b>15</b>	
<b>Total Merit Criteria 1.0</b>		<b>35</b>	

<b>Merit Criteria 2.0 - Equity and Labor</b>			
		<b>Possible points</b>	<b>Applicant score</b>
	Applicant commits to equity ownership and competitive compensation in comparison to other mainstream commercial businesses. Applicants commitment will be confirmed during annual permit renewal process. Select all that apply and total score. (Up to 20 Points – Deviation Threshold 9 Points)		
<b>2.1</b>	Applicant includes 3 or more principals with 2% equity or higher who have earned at or below the median household income at the time of application. <b>(8 points)</b>  or Applicant includes 1 or 2 primary principals who have earned at or below the median household income at the time of application. <b>(4 points)</b>	8	
<b>2.2</b>	Business will have an average pay rate for entry and mid-level positions of at least 40% more than the median local income for similar positions in other mainstream businesses. <b>(8 points)</b>  or Business will have an average pay rate for entry and mid-level positions of at least 20% more than the median local income for similar positions in other mainstream businesses. <b>(4 points)</b>	8	
<b>2.3</b>	Base wages of employees exceed the minimum wage by at least \$3.00/hr.	2	
<b>2.4</b>	Business will allow "labor peace agreement" at 20 or more non-management employees.	2	
	<b>Total Merit Criteria 2.0</b>	<b>20</b>	

<b>Merit Criteria 3.0 - Financial Investment</b>			
	<b>Financial Investment:</b> Applicant has plans and capital to support a vibrant business within the City. (Up to 25 Points – Deviation Threshold 3 Points)	<b>Possible points</b>	<b>Applicant score</b>
<b>3.1</b>	Applicant demonstrates financial capacity to capitalize, start up, and sustain business operations.	1-10	
<b>3.2</b>	Applicant commits to develop raw land that has been zoned for commercial use for a commercial cannabis facility.	1-10	
<b>3.3</b>	Applicant commits to major improvements, including façade rehabilitation, building expansion, site improvements and/or other investments in an underutilized/underdeveloped site that has been zoned for commercial use for a commercial cannabis facility.	1-5	
<b>3.4</b>	The proposed cannabis business site can accommodate the required number of parking spaces with safe and convenient access for customers/employees.	1-5	
<b>Total Merit Criteria 3.0</b>		<b>30</b>	

<b>Totals</b>		
	Total <b>GENERAL</b> Merit Criteria Points <b>Available</b>	<b>85</b>
	Total <b>GENERAL</b> Merit Criteria Points <b>Awarded</b>	
	<b>Total %</b>	

## Cultivation Evaluation Criteria

<b>Merit Criteria 1.0 - Community Benefit</b>			
	<b>Community Benefit (A):</b> Applicant demonstrates a commitment to City through local hiring and community support. Select all that apply within each category and total score. (Up to 20 Points – Deviation Threshold 6 Points)	<b>Possible points</b>	<b>Applicant score</b>
<b>1.1A</b>	Over 90% of employees will be San Luis Obispo County residents. <b>(10 points)</b> or 60% - 90% of employees will be San Luis Obispo County residents. <b>(5 points)</b>	10	
<b>1.2A</b>	Over 80% of supply and equipment expense (non-labor, non-rent expense) will be sourced from businesses within 90 miles. <b>(10 points)</b> or 50% - 80% of supply and equipment expense (non-labor, non-rent expense) will be sourced from local businesses within 90 miles. <b>(5 points)</b>	10	
<b>Total Community Benefit (A)</b>		<b>20</b>	
	<b>Community Benefit (B):</b> Continued support of community programs in San Luis Obispo (i.e. park cleanups, facility improvements, donating supplies/equipment to youth programs). (Up to 10 Points - Deviation Threshold 3 points)	<b>Possible points</b>	<b>Applicant score</b>
<b>1.1B</b>	Providing over 20 hours per month of community support. <b>(5 points)</b> or Providing over 10-20 hours per month of community support. <b>(2 points)</b>	5	
<b>1.2B</b>	Provide over \$1,000 per month for community support. <b>(5 points)</b> or Provide up to \$1,000 per month for community support. <b>(2 points)</b>	5	
<b>1.3B</b>	Applicant can demonstrate a history of supporting local community programs. <b>(5 points)</b>	5	
<b>Total Community Benefit (B)</b>		<b>15</b>	
<b>Total Merit Criteria 1.0</b>		<b>35</b>	

<b>Merit Criteria 2.0 - Equity and Labor</b>			
		<b>Possible points</b>	<b>Applicant score</b>
	Applicant commits to equity ownership and competitive compensation in comparison to other mainstream commercial businesses. Applicants commitment will be confirmed during annual permit renewal process. Select all that apply and total score. (Up to 20 Points – Deviation Threshold 9 Points)		
<b>2.1</b>	Applicant includes 3 or more principals with 2% equity or higher who have earned at or below the median household income at the time of application. <b>(8 points)</b>  or Applicant includes 1 or 2 primary principals who have earned at or below the median household income at the time of application. <b>(4 points)</b>	8	
<b>2.2</b>	Business will have an average pay rate for entry and mid-level positions of at least 40% more than the median local income for similar positions in other mainstream businesses. <b>(8 points)</b>  or Business will have an average pay rate for entry and mid-level positions of at least 20% more than the median local income for similar positions in other mainstream businesses. <b>(4 points)</b>	8	
<b>2.3</b>	Base wages of employees exceed the minimum wage by at least \$3.00/hr.	2	
<b>2.4</b>	Business will allow "labor peace agreement" at 20 or more non-management employees.	2	
<b>Total Merit Criteria 2.0</b>		<b>20</b>	

<b>Merit Criteria 3.0 - Medical Retail Commitment</b>			
		<b>Possible points</b>	<b>Applicant score</b>
	Medical Retail Commitment (up to 10 points)		
<b>3.1</b>	Applicant commits to retain a California state medicinal cannabis cultivation license.	10	
<b>Total Merit Criteria 3.0</b>		<b>10</b>	

<b>Merit Criteria 4.0 - Sustainability</b>			
	Applicant demonstrates past experience in and/or commits to sustainable and environmental business or building practices utilizing recognized industry standards. Applicants actions will be confirmed during annual permit renewal process. Select all that apply and total score. (Up to 20 Points – Deviation Threshold 6 Points)	<b>Possible points</b>	<b>Applicant score</b>
<b>4.1</b>	Applicant will recycle waste water (utilize purple pipe when available).	5	
<b>4.2</b>	Applicant will utilize certified organic practices.	3	
<b>4.3</b>	Applicant will utilize carbon free power sources for majority of power.	5	
<b>4.4</b>	Applicant will utilize energy efficient lighting.	4	
<b>4.5</b>	Applicant has plan to reduce water waste.	3	
<b>Total Merit Criteria 4.0</b>		<b>20</b>	

<b>Merit Criteria 5.0 - Financial Investment</b>			
	<b>Financial Investment:</b> Applicant has plans and capital to support a vibrant business within the City. (Up to 25 Points – Deviation Threshold 3 Points)	<b>Possible points</b>	<b>Applicant score</b>
<b>5.1</b>	Applicant demonstrates financial capacity to capitalize, start up, and sustain business operations.	1-10	
<b>5.2</b>	Applicant commits to develop raw land that has been zoned for commercial use for a commercial cannabis facility.	1-10	
<b>5.3</b>	Applicant commits to major improvements, including façade rehabilitation, building expansion, site improvements, removing visual blight, and/or other investments in an underutilized/underdeveloped site that has been zoned for commercial use for a commercial cannabis facility.	1-5	
<b>5.4</b>	The proposed cannabis business site can accommodate the required number of parking spaces with safe and convenient access for customers/employees.	1-5	
<b>Total Merit Criteria 5.0</b>		<b>30</b>	

	<b>Totals</b>	
	Total Merit Criteria Points <b>Available</b>	<b>115</b>
	Total Merit Criteria Points <b>Awarded</b>	
	<b>Total %</b>	