



## City Administration

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### **Merit Criteria Example Sheet**

The merit criteria example(s) included in this document for each Merit Criteria are general guidelines and could include, but are not limited to the examples listed below. Applicants may submit other documents/examples that are not listed below and still receive maximum points for each criteria dependent upon the supporting statements and documentation submitted. Likewise, the examples provided are not prescriptive and do not imply that if an applicant submitted all or some documents and statements listed that the applicant would receive maximum points. Ultimately this Merit Criteria Example Sheet serves to give examples of the types of statements and documentation needed for each Merit Criteria.

If issued a Contingent Operator Permit the Applicant will be held to all the statements and commitments the Applicant made in their submitted Commercial Cannabis Business Operators Permit Application.

<b>Manufacturing, Distribution and Non-Storefront Retail Evaluation Criteria*</b>		
<b>Merit Criteria</b>	<b>Example(s) include but are not limited to:</b>	<b>Notes</b>
<b>1.1A</b> Over 90% of employees will be San Luis Obispo County residents. (10 points) or 60% - 90% of employees will be San Luis Obispo County residents. (5 points)	A statement of the applicant's commitment to hiring San Luis Obispo County residents.	For an applicant to qualify for all 10 points in this Merit Criteria the applicant must state a number over 90%.  If an applicant states a number below 60% the applicant will receive no points for this Merit Criteria.
<b>1.2A</b> Over 80% of supply and equipment expense (non-labor, non-rent expense) will be sourced from businesses within 90 miles. (10 points) or 50% - 80% of supply and equipment expense (non-labor, non-rent expense) will be sourced from local businesses within 90 miles. (5 points)	A statement of the applicant's commitment to sourcing of supply and equipment expense (non-labor, non-rent expense) from businesses within 90 miles.	For an applicant to qualify for all 10 points in this Merit Criteria the applicant must state a number above 80%.  If an applicant states a number below 50% the applicant will receive no points for this Merit Criteria.
<b>1.1 B</b> Providing over 20 hours per month of community support. (5 points) or Providing 10-20 hours per month of community support. (2 points)	A statement of the applicant's commitment to providing community support in terms of hours per month.	For an applicant to qualify for all 5 points in this Merit Criteria the applicant must state a number above 20 hours.  If an applicant states a number below 10 hours the applicant will receive no points for this Merit Criteria.
<b>1.2 B</b> Provide over \$1,000 per month for community support. (5 points) or Provide up to \$1,000 per month for community support. (2 points)	A statement of the applicant's commitment to providing community support in terms of a monetary amount per month.	For an applicant to qualify for all 5 points in this Merit Criteria the applicant must state a number above \$1,000.
<b>1.3 B</b> Applicant can demonstrate a history of supporting local community programs for the past one years. (5 points)	A statement of the applicant's past one year's history of supporting local community programs and some evidentiary support, documentation, etc. that demonstrates and substantiates the claims made by the applicant.	Support of Local Community Programs is generally viewed as community program support, organization support, outreach, education, etc. in San Luis Obispo County.

	Some examples include: Statements from organizations in which the applicant provided support; pictures of organized events or donations; receipts of monetary donations to organizations	
<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. (8 points) or Applicant includes 1 or 2 primary principals who have earned at or below the median household income at the time of application. (4 points)	<p>A statement of how many principals with 2% equity or higher who have earned at or below the median household income at the time of application. The statement about principles median household income must be substantiated.</p> <p>Some examples include IRS tax returns from the previous year, latest pay stub statements (from listed principal(s) pay stubs), previous end of year pay stub (from listed principal(s) pay stubs), W-2 submission form, etc.</p>	The median household income is determined based on the Housing and Community Development Statistics that can be found <a href="#">here</a> .
<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. (8 points) 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. (4 points)	A statement of the applicant’s commitment to have an average pay rate for entry and mid-level positions at a specified percentage that is more than the median local income for similar positions in other mainstream businesses.	<p>For an applicant to qualify for all 8 points the committed average pay rate for entry and mid-level positions must be at or above 40% more than the median local income for similar positions in other mainstream businesses.</p> <p>The median local income is determined based on the Housing and Urban Development that can be found <a href="#">here</a>.</p>
<b>2.3</b> Base wages of employees exceed the minimum wage by at least \$3.00/hr (2 points)	A statement of the applicant’s commitment that the Base wages of employees exceed the minimum wage by at least \$3.00/hr.	For an applicant to qualify for all 2 points the commitment must state that the base wage of employees exceeds the minimum wage at or above \$3.00/hr.
<b>3.1</b> Applicant demonstrates financial capacity to capitalize, start up, and sustain business operations (1 – 10 points)	<p>A demonstration of applicant’s financial capacity to capitalize, start up, and sustain business operations. The claims made for financial capacity must be substantiated with documentation of the monetary amounts they are claiming.</p> <p>Some examples include: Bank statements of principals (does not have to be all principals), Current Asset/Cash and Cash Equivalent</p>	The applicant will receive points on a scale based on what is submitted and to what level the applicant demonstrates financial capacity.

	assessments, 5-year income statements, Bank referrals that verify applicants claims, etc.	
<b>3.2</b> Applicant commits to develop raw land that has been zoned for commercial use for a commercial cannabis facility (1 – 10 points)	<p>A statement of the applicant’s commitment to develop raw land that has been zoned for commercial use for a commercial cannabis facility. This statement must be substantiated.</p> <p>Some examples include: The Site Plan, the address of the parcel of land the site will be in, etc.</p>	<p>The application panel will verify the site is in a zone for commercial cannabis and will verify if the applicant is developing raw land. For an applicant to score points both the applicant and application panel must conclude both the site is zoned for commercial cannabis and the site develops raw land.</p> <p>If the applicants site partially develops raw land partial points can be awarded as determined by the application panel.</p>
<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 points)	<p>A statement of the applicant’s commitment to major improvements. This statement must be substantiated.</p> <p>Some examples include: listing the major improvements, showing major improvements in the site plan, etc.</p>	<p>The application panel in consultation with the Community Development Department makes a determination on this Merit Criteria using a range of 1 to 5.</p> <p>Before submitting an application, Community Development is able to give comments and information on site improvements. For more information please contact Community Development at (805) 781-7170</p>
<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 points)	<p>A statement of the applicant’s commitment to accommodate the required number of parking spaces. This statement must be substantiated.</p> <p>Some examples include: The Site Plan that shows adequate parking, if adjustments need to be made to the site to accommodate parking please state and demonstrate the proposed adjustments being made.</p>	<p>Before submitting an application, Community Development is able to give information on parking space requirements for a site and type of cannabis permit. For more information please contact Community Development at (805) 781-7170</p>

<b>Cultivation</b>		
<b>Merit Criteria</b>	<b>Example(s) include but are not limited to:</b>	<b>Notes</b>
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<b>1.2 B</b> Provide over \$1,000 per month for community support. (5 points) or Provide up to \$1,000 per month for community support. (2 points)	A statement of the applicant's commitment to providing community support in terms of a monetary amount per month.	For an applicant to qualify for all 5 points in this Merit Criteria the applicant must state a number above \$1,000.
<b>1.3 B</b> Applicant can demonstrate a history of supporting local community programs for the past one years. (5 points)	A statement of the applicant's past one year's history of supporting local community programs and some evidentiary support, documentation, etc. that demonstrates and substantiates the claims made by the applicant.	Support of Local Community Programs is generally viewed as community program support, organization support, outreach, education, etc. in San Luis Obispo County.

	Some examples include: Statements from organizations in which the applicant provided support; pictures of organized events or donations; receipts of monetary donations to organizations	
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<b>2.3</b> Base wages of employees exceed the minimum wage by at least \$3.00/hr (2 points)	A statement of the applicant’s commitment that the Base wages of employees exceed the minimum wage by at least \$3.00/hr.	For an applicant to qualify for all 2 points the commitment must state that the base wage of employees exceeds the minimum wage at or above \$3.00/hr.
<b>3.1</b> Applicant commits to retain a California state medicinal cannabis cultivation license. (10 points)	A statement of commitment to retain a California state medicinal cannabis cultivation License.	
<b>4.1</b> Applicant will recycle wastewater (utilize purple pipe when available) (5 points)	A statement of commitment to recycle wastewater that is also demonstrated in the Water Efficiency Plan and Hazardous Materials Plan submitted as part of the application.	

<p><b>4.2</b> Applicant will utilize certified organic practices. (3 points)</p>	<p>A statement of commitment to utilize certified organic practices with examples, lists, or plans that demonstrates the applicant's intent to utilize certified organic practices.</p>	
<p><b>4.3</b> Applicant will utilize carbon free power sources for majority of power. (5 points)</p>	<p>A statement of commitment to utilize carbon free power sources for majority of power and demonstration that carbon free power sources will be used.</p>	
<p><b>4.4</b> Applicant will utilize energy efficient lighting (4 points)</p>	<p>A statement of commitment to utilize energy efficient lighting that is also demonstrated in the Energy Efficiency Plan submitted as part of the application.</p>	
<p><b>4.5</b> Applicant has plan to reduce water waste (3 points)</p>	<p>A statement/plan that outlines reducing water waste at the site that is also demonstrated in the Water Efficiency Plan submitted as part of the application.</p>	
<p><b>5.1</b> Applicant demonstrates financial capacity to capitalize, start up, and sustain business operations (1 – 10 points)</p>	<p>A demonstration of applicant's financial capacity to capitalize, start up, and sustain business operations. The claims made for financial capacity must be substantiated with documentation of the monetary amounts they are claiming.</p> <p>Some examples include: Bank statements of principals (does not have to be all principals), Current Asset/Cash and Cash Equivalent assessments, 5-year income statements, Bank referrals that verify applicants claims, etc.</p>	<p>The applicant will receive points on a scale based on what is submitted and to what level the applicant demonstrates financial capacity.</p>
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<p><b>5.3</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 points)</p>	<p>A statement of the applicant’s commitment to major improvements. This statement must be substantiated.</p> <p>Some examples include: listing the major improvements, showing major improvements in the site plan, etc.</p>	<p>The application panel in consultation with the Community Development Department makes a determination on this Merit Criteria using a range of 1 to 5. The range is used to determine what major improvements means for each unique site. All sites will be unique in nature thus the need for a scale.</p> <p>Before submitting an application, Community Development is able to give comments on site improvements. For more information please contact Community Development at (805) 781-7170</p>
<p><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 points)</p>	<p>A statement of the applicant’s commitment to accommodate the required number of parking spaces. This statement must be substantiated.</p> <p>Some examples include: The Site Plan that shows adequate parking, if adjustments need to be made to the site to accommodate parking please state the adjustments being made.</p>	