



CITY OF SAN LUIS OBISPO

Cannabis Business Operator Permit Scoring Guidelines

Automatic Fail Criteria:

1. Application is received after the final filing date.
2. Application is incomplete or inaccurate.
3. Facility does not meet the City's business licensing standards.
4. Only one license application is allowed per location. Applicants must ask potential landlords if they have existing, competing business applicants.

Definitions:

All applicable definitions regarding the Commercial Cannabis Business Operator Permit Application can be found in 9.10 Cannabis Regulations of the City's Municipal Code. It is the responsibility of the applicant to understand and comply with all definitions of the Municipal Code and accurately present information reflecting the applicable definitions specified in the Municipal Code in the Commercial Cannabis Business Operator Permit Application. It is the obligation of the Applicant to request any necessary clarifications in writing to the City in advance of submission of an application. The failure of the Applicant to request such clarification that results in the submission of false or misleading information in the application process shall subject the Application to disqualification or other penalties as set forth in the Municipal Code.

Notice: All applications for a specific permit type will be evaluated using the merit criteria outlined below. Applicants must submit supplemental documentation and / or references with the application that support the statements below for review by the City.

Total Potential Points Available		138	73	103	73		
Merit Criteria 1: Community Benefit		(Potential Points)		35	35	35	35
1.A	Applicant demonstrates a commitment to the City through local hiring and community support.	Retail Storefront	Retail Non-Storefront (Delivery)	Cultivation	Distribution, Manufacturing		
1.A.1	Over 90% of employees will be San Luis Obispo County residents. (10 points); <u>OR</u> 60% - 90% of employees will be San Luis Obispo County residents. (5 points); <u>OR</u> Under 60% of employees will be San Luis Obispo County residents. (0 points)	0, 5, or 10	0, 5, or 10	0, 5, or 10	0, 5, or 10		
1.A.2	Over 80% of supply and equipment expense (non-labor, non-rent expense) will be sourced from businesses within 90 miles. (10 points); <u>OR</u> 50% - 80% of supply and equipment expense (non-labor, non-rent expense) will be sourced from local businesses within 90 miles. (5 points); <u>OR</u> Under 50% of supply and equipment expense (non-labor, non-rent expense) will be sourced from local businesses within 90 miles. (0 points)	0, 5, or 10	0, 5, or 10	0, 5, or 10	0, 5, or 10		
1.B	Continued support of community programs in San Luis Obispo (i.e. park cleanups, facility improvements, donating supplies / equipment to youth programs).	Retail Storefront	Retail Non-Storefront (Delivery)	Cultivation	Distribution, Manufacturing		
1.B.1	Providing over 20 hours per month of community support. (5 points); <u>OR</u> Providing 10-20 hours per month of community support. (2 points); <u>OR</u> Providing less than 10 hours per month of community support. (0 points).	0, 2, or 5	0, 2, or 5	0, 2, or 5	0, 2, or 5		
1.B.2	Provide over \$1,000 per month for community support. (5 points); <u>OR</u> Provide up to \$1,000 per month for community support. (2 points)	2 or 5	2 or 5	2 or 5	2 or 5		
1.B.3	Applicant can demonstrate a history of supporting local community programs for the past one years. (5 points)	5	5	5	5		
Merit Criteria 2: Equity and Labor		(Potential Points)		18	18	18	18
2.A	Applicant commits to equity ownership and competitive compensation in comparison to other mainstream commercial businesses. Applicant's commitment will be confirmed during annual permit renewal process.	Retail Storefront	Retail Non-Storefront (Delivery)	Cultivation	Distribution, Manufacturing		
2.A.1	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); <u>OR</u> Applicant includes 1 or 2 primary principals who have earned at or below the median household income at the time of application. (4 points); <u>OR</u> Application includes 0 Primary Principals who have earned at or below the median household income at the time of submittal. (0 points).	0, 4, or 8	0, 4, or 8	0, 4, or 8	0, 4, or 8		
2.A.2	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); <u>OR</u> 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)	4 or 8	4 or 8	4 or 8	4 or 8		
2.A.3	Base wages of employees exceed the State of California's minimum wage by at least \$3.00/hr.	0 to 2	0 to 2	0 to 2	0 to 2		

Merit Criteria 3: Financial Investment		(Potential Points)		20	20	20	20
3.A	Applicant has plans and capital to support a vibrant business within the City.	Retail Storefront	Retail Non-Storefront (Delivery)	Cultivation	Distribution, Manufacturing		
3.A.1	Applicant demonstrates financial capacity to capitalize, start up, and sustain business operations	1 to 10	1 to 10	1 to 10	1 to 10		
3.A.2	Applicant commits to develop raw land or major improvements, including façade rehabilitation, building expansion, site improvements and/or other investments in an underutilized/underdeveloped site.	1 to 10	1 to 10	1 to 10	1 to 10		
Merit Criteria 4: Experience		(Potential Points)		35	0	0	0
4.A	Applicant has previous record of operating a compliant cannabis operation (including medical). A compliant operation is defined as having a substantially compliant record (may have some minor resolved/corrected violations) without a documented history of unresolved local or state level violations relating, but not limited to: business code, public safety, environmental impacts, employment, and financial payments.	Retail Storefront	Retail Non-Storefront (Delivery)	Cultivation	Distribution, Manufacturing		
4.A.1	91% to 100% of the Primary Principals have operated a local compliant cannabis operation for 5 or more years (35 Points); <u>OR</u> 81% to 90% of the Primary Principals have operated a local compliant cannabis operation for 5 or more years (30 points); <u>OR</u> 71% to 80% of the Primary Principals have operated a local compliant cannabis operation for 5 or more years (25 points); <u>OR</u> 61% to 70% of the Primary Principals have operated a local complaint cannabis operation for 5 or more years (20 points); <u>OR</u> 51% to 60% of the Primary Principals have operated a local compliant cannabis operation for 5 or more years (15 points); <u>OR</u> 10-50% of the Primary Principals operated a compliant cannabis operation outside of SLO County for 5 or more years (10 points); <u>OR</u> 10-50% of the Primary Principals operated a compliant cannabis operation outside of SLO County for less than 5 years (5 points).	5 to 35	0	0	0		
Merit Criteria 5: Messaging		(Potential Points)		10	0	0	0
5.A	Applicant commits to responsible use messaging practices.	Retail Storefront	Retail Non-Storefront (Delivery)	Cultivation	Distribution, Manufacturing		
5.A.1	Business articulates strategy to keep cannabis from being diverted to minors including advertising that is appropriately targeted to adult audiences.	1 to 5	0	0	0		
5.A.2	Business promotes responsible use including messaging on packaging, offering lower dose THC product options, offering to track use via "user determined quotas", posting information on cannabis use disorder and cautions re: development of the adolescent brain.	1 to 5	0	0	0		

Merit Criteria 6: Property Control		(Potential Points)		10	0	0	0
6.A	Applicant demonstrates control of a site to ensure a successful and timely transition from being awarded a license to opening the business. Incomplete purchase or lease agreements do not constitute site control.	Retail Storefront	Retail Non-Storefront (Delivery)	Cultivation	Distribution, Manufacturing		
6.A.1	Majority ownership in site property (10 points); <u>OR</u> Minority ownership in site property (8 points); <u>OR</u> 10+ years future lease of site property (8 points); <u>OR</u> 5-10 years future lease of site property (5 points); <u>OR</u> 2-5 years future lease of site property (3 points); <u>OR</u> Less than 2 years future lease of site property (1 point).	1 to 10	0	0	0		
Merit Criteria 7: Medical Retail Commitment		(Potential Points)		10	0	10	0
7.A	Medical Retail Commitment	Retail Storefront	Retail Non-Storefront (Delivery)	Cultivation	Distribution, Manufacturing		
7.A.1	Applicant commits to retain a California state medicinal cannabis cultivation license.	0 or 10	0	0 or 10	0		
Merit Criteria 8: Sustainability		(Potential Points)		0	0	20	0
8.A	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.	Retail Storefront	Retail Non-Storefront (Delivery)	Cultivation	Distribution, Manufacturing		
8.A.1	Applicant will recycle waste water (utilize purple pipe when available).	0	0	5	0		
8.A.2	Applicant will utilize certified organic practices.	0	0	3	0		
8.A.3	Applicant will utilize carbon free power sources for majority of power.	0	0	5	0		
8.A.4	Applicant will utilize energy efficient lighting.	0	0	4	0		
8.A.5	Applicant has plan to reduce water waste.	0	0	3	0		
Total Potential Points Available		138	73	103	73		