

Grant Structure Meeting – 6.2.21

Available Grant funds: \$1.4 million

Goal: Get more CORE businesses permitted and operating

Current CORE Stats: 49 Pending BOP Applications from 33 CORE participants

| Summary of Suggestions from CORE: | Comments |
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| <p>\$150-\$200K for construction/buildout costs for those who have leased space for cannabis dispensaries, cultivation, manufacturing and distribution facilities (\$200k = 7 grants; \$150k = 9.3 grants)</p> | |
| <p>Grants or reimbursements for the top 10 RFQ scorers (10 grants at \$140k each)</p> | Disagree |
| <p>Grants for those with an event license who will offer vendor space for equity operators. (Cannabis event at Cal Expo will cost \$100K) (14 grants at \$100k)</p> | |
| <p>1) Reimbursement program (no \$ limits suggested) 2) Reimbursement Program with cap of \$100,000 in paid receipts (14+ grants at \$100k or less)</p> | |
| <p>Offer larger grants (\$225K) through an RFQ/SOQ process for buildout costs . RFQ guidelines should be to assist and provide space to CORE individuals, should include additional education and technical skills in addition to what CORE facilitators offered; should have a location, partnered with a dispensary to get CORE brands on the shelves. (6.2 grants at \$225k each)</p> | Separate out, per comment maker. Allow \$25k reimbursements for newer/smaller operators. Not everyone can open business. Needs to be spread out through a process. Can't provide a start to finish for 1 or 2 businesses. Looking for something in CORE guidelines to provide for this. Need more equity here. |
| <p>Grants should include two large grants for dispensary RFQ winners; two large grants for incubator/technical assistance buildout; two large grants for general use not offering incubation or storefront dispensary (6 grants at \$233k each)</p> | |
| <p>The grant funds need to be divided and applied for by eligible CORE applicants and be reviewed by scoring metrics in order to have a fair chance at receiving \$10-\$50K of grant funding for their start-up business. (28 grants at \$50k; 46 grants at \$30k; 140 grants at \$10k)</p> | |
| <p>Larger amounts for projects that will impact the most CORE participants (dispensary build-outs, incubator/shared facilities) by providing opportunities for vendor space and brand exposure. 3-4 opportunities of \$200K each. 4 grants at \$200k = \$800k, leaving \$600k</p> | |

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| <p>Grant should support projects that are currently in the progression phase to form a vertical integration model and collaboration. Smaller grants will provide false hope to individuals. Larger grants of \$200K each. (7 grants at \$200k)</p> | |
| <p>\$200K each to businesses that are larger, closer to completion, have committed to providing an ecosystem for CORE participants and possess the inputs/outputs for a vertically integrated system. Will provide an opportunity to get on the market, learn from experienced cannabis operators and market/promote their brands. (7 grants at \$200k)</p> | |
| <p>Award to BOP applicants, but only one per applicant, no extra for multiple BOP Applications</p> | Agree |
| <p>\$100k plus per person for projects that will be more impactful for CORE Members</p> | Agree |
| <p>Support for larger awards. Establish ecosystem to assist other CORE members enter into the cannabis industry. Smaller awards won't work</p> | Agree |
| <p>Priority should be those with a location/RFQ. Will provide for better results/more impactful.</p> | Agree |
| <p>Larger awards, more impactful for greater numbers of CORE. Events can give exposure. Award to people who have facilities that can house others, given the caps. Need more than \$100k for those who have shown history of raising others up.</p> | Agree events can be helpful for exposure |
| <p>\$100-500k is a drop in the bucket for larger projects. Large/small/Med projects should get different amounts</p> | |
| <p>People at beginning stages have needs for funding, too. Grants are intended to assist ALL CORE, not just those with big projects or further down the road. Demoralizing for new participants. All CORE should benefit.</p> | |
| <p>Partly agree with larger amounts, but have to make sure everyone has an opportunity. We all started somewhere. Likes dividing funds for where people are in BOP status (late/mid/early). Need to get those stuck people unstuck in their BOP process. Options for real estate purchase needed – why enrich LLs? There are many steps with build out and getting a location, finding tech services, etc. Incubators are a good options when they provide a vertical ecosystem.</p> | |
| <p>Doesn't want to fight over the crumbs. Those who are participating should be able to get their projects through. Do we have to wait until they get through? Why do we have to wait for them and fight for opportunity? Don't want to fight each other over the same money. Good if all can benefit, but encourages all to continue on. What if their project costs more and mine costs less? What does it look like for me to wait for someone to help me?</p> | |
| <p>Wants larger funding amounts. There are great opportunities and people who are doing good work. Wants combo of large and small amounts. People need to work together to determine need and reasonableness. Wants large, med, small categories and disburse</p> | Agree |

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| based on those able to demonstrate their readiness (receipts, business plan, make a pitch, etc.) and perhaps ability to incubate (need more of). NOT a competitive process. | |
| Wants something more fair. Knows this money won't stretch from beginning to opening. Show business readiness and wants levels of need based on license type. Spread opportunity out to more people | |
| Sees "ecosystem" as a place where people can plug into a vertically integrated space and support each other. Doesn't think \$ should go to RFQ storefront folks. Not all money to large projects, prefers tiered funding approach. Larger amounts based on different stages | |
| Thinks vertical integration ecosystem needs to include labs (locations difficult to fund in Sacramento, found could go elsewhere and operate for less) | |
| Supports an ecosystem and wants funding to go to projects most likely to succeed and further ecosystem. | |
| Wants better incubator language and support. CORE students get grant scholarships for \$2k just for graduating, just 5 or 6 awarded by lottery. Not everyone will be able to start a business, but CORE members should be awarded for graduating. What does application look like? | |
| Business types be taken into consideration, funding for incubator. Take unused loan funds and make available as additional grant funds. Majority of grants funds not to be awarded to one business type. No more than 1/5 (5 business types) with limits on quantity for higher award amounts, every stage to have access to grants (pending, open, start-up) | |
| Wants streamlining of funding process (similar to PPP loan). Land use processing takes too long. | |
| Large amount of funding (\$100-\$200K) for companies with CUPs, BOPs, State License or in process of turning in paperwork | |
| Agree to \$35K per CORE participant | |
| People who won RFQ still want more? They should be getting offers left and right. What about other industries? | |
| \$100K to incubators, but each participant should also receive some initial financial support | |
| Cap of \$100K based on receipts. First-come-first-serve. | |
| Even amount distributed to all CORE members in addition to having the Core facilitators hold funds have been proven ineffective and inefficient. If the necessary amount is not issued to whomever has gone through the maze of finding partners, contractors, locations, etc. The flow of success in opening will bottle neck. No one can open a business in this industry alone. Completing the courses leaves you with an over promise that this will be a streamline process to start a business. | |

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| <p>No RFQ process for the grant funds. Need to have that same criteria for the loans where everyone can apply. No scoring system just a streamlined process to apply and where you can apply for more depending on if you have a lease and are in build out phase of things.</p> | |
| <p>All CORE participants should receive some form of financial support through grant funding to aid start-up costs. The option to grant to each ready CORE business is the option that is best for the overall group of equity participants.</p> | |
| <p>10 grants to Classification 1 or 2 equity participants. \$100K for incubators. Create a grant program that offers 10 tiered grants starting at \$100K for participants who are business ready.</p> | |
| <p>Option 1 and 2 are the best fair and equitable. Option 1 seems to best reflect the City's goal to get more CORE businesses permitted. Option 2 is preferred and seems most fair because each CORE member became certified as an individual and treats each individual CORE applicants the same.</p> | |

Grant options sent out after previous meeting suggestions to award grants to those with submitted BOP applications:

I. By pending application (49)

- \$25K for each application
- Total \$1.225 million
- (\$175K leftover available for 7 additional applications received)

II. By CORE applicant (33)

- \$35K each individual to apply towards any pending application(s)
- Total \$1.155 million
- \$245K leftover available for 7 additional applicants

III. By type of application:

- Microbusiness – 2 @ \$50K = \$100K
- Manufacturing -13

- 7 @ \$40K = \$280K
- 7 small/shared @ \$15K = \$105K
- Distro – 10 @ \$25K = \$250K
- Cultivation – 4 @ \$30K = \$120K
- Delivery – 19 @ \$20K = \$380K
- Total = \$1.235M
- \$165K leftover available for new/additional applications

IV. By size of project:

- Large – 2 (multi-permit; building from scratch)
- Small – 7 (3 small; 4 shared)
- Medium – 40 (everything else)

Option 1:

- Large = 2 @ \$100K = \$200K
- Small = 7 @ \$15 = \$105K
- Medium = 40 @ \$25K = \$1M
- Total = \$1.305M
- \$95K leftover available for any new/additional applications

Option 2:

- Large = 2 @ \$75K = \$150K
- Small = 7 @ \$15 = \$105K
- Medium = 40 @ \$25K = \$1M
- Total = \$1.255M
- \$145K allowance for any new/additional applications

V. By stage of application/percentage of work completed:

- Early – 2 (building from scratch)

- Final – 11 (3 small; 4 shared; 2 delivery in buildings with CofO; 1 micro with CofO; 1 nursery with CofO)
- In progress – 36 (# could change)

- Early = 2 @ \$100K = \$200K
- Final = 11 @ \$15K = \$165K
- In progress = 36 @ \$25K = \$900K
- Total = \$1.265K
- \$135K leftover allowance for any new/additional applications