



County of Humboldt

Project Trellis Cannabis Business Micro-Grant

Updated Nov. 11-20-2020

Thank you for your interest in the Project Trellis Cannabis Business Micro Grant Program. As specified in Humboldt County Resolution 20 33, the program's purpose is to:

...bolster the cannabis industry, and protect future cannabis excise tax revenues by providing services to populations and communities in Humboldt County who were adversely affected by the criminalization of cannabis, to develop a framework for supportive programs designed to sustain and grow Humboldt County's cannabis industry, and to assist cannabis businesses as they work to overcome the financial and logistical challenges of coming into compliance.

Please see the [Project Trellis Cannabis Business Micro Grant webpage](#) for more details as found in the [applications instructions](#), [Notice of Funding Availability \(NOFA\)](#), and [scoring rubric](#). Please contact [Peggy Murphy](#) at pmurphy@co.humboldt.ca.us or (707) 599 0125 to discuss any questions about your application.

Update No'tice

The Project Trellis Cannabis Business Micro-grant Notice of Funds Available (NOFA) and application were updated November 20th, 2020, based on input from the Board of Supervisor's and the public.

Grant Amount

The total allocation for the current year is \$516,492 and will be allocated to selected project proposals. Individual applicants may apply for up to \$10,000. Collaborative, mutually beneficial cooperatives and associations may apply for up to \$50,000.

The link to the application form, instructions, and example scoring rubric can be found at

<http://gohumco.org/236/Project-Trellis-Micro-Grants>.

Eligibility

As defined by Resolution 19-45 as amended by Resolution 20-33, to be eligible for funding, applicants must be:

- 1) a Humboldt County based business, cooperative or association (examples include, but are not limited to: Cannabis Cooperative Association, Road Maintenance Association, Agricultural Cooperative), or nonprofit organization
- 2) having 75% or more of its operations based in Humboldt County;
- 3) currently licensed and registered to operate in Humboldt County*;
- 4) whose activities are specific to the cultivation, processing, manufacturing, distribution or retail of cannabis, or whose organization provides support and/or services to the cannabis industry.

*If an applicant is not licensed or registered, but is in the process of doing so, it may apply for grant funds for the purpose of completing the licensing and permitting process.

Applica'tion Process

Applications should be submitted electronically. However, hard copies are accepted if some

documents are easier to submit in paper format. Applications are to be submitted electronically to the

online application form found at: <http://business.org/2007/Project-Items.html>. Electronic attachment formats accept are: PDF, JPEG, or PNG. A PDF download is available via the online application platform, which can be returned via email, including all required attachments, to pmurphy@co.humboldt.ca.us. Hard copies can be mailed or delivered to the County of Humboldt County Administrative Office's Office of Economic Development, Attn: Peggy Murphy, 520 E Street, Eureka, CA 95501. Only complete applications, including all required attachments, will be accepted for consideration.

Applications may be subject to public disclosure pursuant to the California Public Records Act.

Please contact Peggy Murphy by phone at 707-599-0125 or email at pmurphy@co.humboldt.ca.us to discuss any questions about your application.

Applica'tion Packet Checklist

Required (per County Resolu'tion 19-45) All documents listed below must be submitted at the 'time of applica'tion to be considered for funding. Applicants may be required to submit other documenta'tion depending on the nature of their applica'tion and project. Document formats accepted for upload are PDF, JPEG, PNG.

- Completed Application/Coversheet
- Project Narrative
- Project Budget that includes revenue and expenses
- Documentation certifying legal status of business
- Proof of business or agency licensing
- Proof of regulatory compliance
- Any accompanying and supportive project documents such as site maps, equipment specifications, contractor bids and estimates.

Optional Attachments that may be Included:

- Timeline with expected project milestones and completion dates
- Letters of support: attach documentation of collaboration and/or project need in the form of Letters of Support, Letters of Partner Commitment, and/or Memoranda of Understanding
- Brief resumes of key personnel
- Market Analysis
- Business Plan
- Associated Research



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Application Coversheet

Applicant Name and Title

Street Address

Street Address Line 2

City **State**

Postal /Zip Code **Country**

Applicant Phone **Applicant Email**

Applicant interest in project/site

Business/Association Name

Please note: Applications may be disclosed pursuant to the California Public Records Act. If you are including information you consider confidential in this application, please see the “additional information” section of Narrative questions.



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Applicant Eligibility

- Are you applying as a Humboldt County based business, cooperative, association, or nonprofit organization?**

Yes
 No
- Are 75% or more of its operations based in Humboldt County?**

Yes
 No
- Are you currently licensed and registered to operate in Humboldt County?**

Yes
 No
- Are the activities of your business, association, or organization, specific to the cultivation, processing, manufacturing, distribution or retail of cannabis, or whose organization provides support and/or services to the cannabis industry?**

Yes
 No



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Business or Association Type

\$10,000 Eligibility

- Cultivation (as defined in Humboldt County Code 719-3)**
- Retail**
- Manufacturing**
- Distribution**
- Cannabis Support Business**

Cultivation Lighting (as defined in Humboldt County Code 719-3)

- Outdoor**
- Mixed Lighting**
- Indoor**

\$50,000 Eligibility

Cannabis Cooperative (As defined in California Business and Professions Code § 26220 et seq.)

Road Maintenance (As defined in Humboldt County Code Section 314-55.4.12.1.8.4)

Nonprofit Cooperative Associations (As defined in California Food and Agriculture Code 54001 et seq)

Nonprofit Mutual benefit Corporations (As defined in Corporations Code 7110 et seq; and consisting of 2 or more entities)

Agricultural Cooperatives (As defined as user-owned, user-controlled, and user-benefitting with Articles of Incorporation as required by the California Secretary of State)

Other

If Other, please explain

What amount of the business is Humboldt-owned? "Humboldt-owned" is defined by registered residency of owners

100% Humboldt-owned

51%-99% Humboldt-owned

1%-50% Humboldt-owned

0% Humboldt-owned

Ownership Structure and Owners

of FTE Employees

Summarize the business/association and its activities
Word Limit: 250

Please include this summary on a separate paper included with submission.



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Proposal Request

Program / Project Name

Water Storage Upgrade

Requested Amount

USD 0.00 \$10,000

Total project cost/funding needed:

USD 0.00 Option-1 \$104,599 Option-2 \$58,260

Additional Funding Sources

Owner Contribution

Type of project

- Planning**
- Implementation**
- Technical Assistance**
- Capital Investment**
- Other**

Project Address

Willow Creek, CA 95573

**Project Assessor's
Parcel Number (APN):**

522-044-028

Does the project/business consist of a qualified outdoor cultivating operation (as per Humboldt County Land Use Ordinance) that produces less than 10,000 sq. ft. of cannabis (not including co-ops and associations whose cumulative area may exceed 10,000 squarefeet)?

Yes
 No

Which of the following licenses, permits, or agreements do you currently have, or are in the process of obtaining, as are applicable to your business/organization. Applicants may be required to submit other documentation depending on the nature of their application and project. Acceptable attachment formats are PDF, JPEG, and PNG. When uploading documents, please label with the applicable title from the list below.

- CDFA Cannabis Cultivation Annual Permit**
- CDFA Cannabis Cultivation Provisional Permit**
- CDFW Lake And Streambed Alteration (LSA) Agreement or written verification if not needed.**
- Humboldt County Annual Permit**
- Humboldt County Provisional Permit**
- Jurisdiction Business License**
- California Department of Tax and Fee Administration tax permit**
- Motor Carrier Permit**
- California Department of Public Health's Manufactured Cannabis license**
- CDFA Weighmaster license**
- Articles of Incorporation**
- Federal Employer Identification Number (FEIN)**

**Licenses, Permits, &
Agreements**

No file chosen

Please include copies of licenses, permits and agreements to this application for submission.



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Explanation of Narrative Questions

Please provide narratives that respond to the following prompts. For more information on narrative responses, please refer to the [scoring rubric](#).

Project Overview: In this section, describe the proposed project and anticipated use of requested funds. Also, describe other attempts to secure alternative funding, and how or why the requested micro-grant is needed to become solvent.

Word Limit: 500

Please provide this narrative on a separate piece of paper to be submitted with this application.

Economic Impacts: Describe the economic impact, sustainability, civic impact of the business/association. Describe how the project supports industry growth and development and will enhance Humboldt County's competitive edge and will add to the sustainability of Humboldt County's cannabis industry. Describe how operations are expected to add to revenues collected through the Cannabis Excise Tax. Describe how the project and/or grant request will result in the creation and/or retention of jobs. Describe how the applicant will use funding to increase long-term sustainability of their business/association. Describe any other community impacts the business/association supports through civic engagement such as volunteering activism, or organizing, etc.

Word Limit: 500

Please provide this narrative on a separate piece of paper to be submitted with this application.

Environmental Impacts: In this section, describe the effort made to reduce environmental impact. Describe how the project has, or will have, a positive effect on the environment and long-term sustainability. Please make sure to indicate if these efforts are planned, in process, or established. Based on the scoring criteria for this section please focus on one or more of the following:

Word Limit: 500

Please provide this narrative on a separate piece of paper to be submitted with this application,.

Project Process:

Describe activities/work already conducted toward meeting objectives (i.e. prior research, planning, permitting, investment). Describe per AB 1291, if applicant has provided, or is in progress of, an attestation (under 20 employees) or formed a Labor Peace Agreement (20 and above employees). Describe applicant knowledge of cannabis industry best practices, as well as, how applicant has or will secure the necessary resources (skilled personnel skills, plan, business structure, etc.) needed to achieve desired outcomes. Describe how funding will help applicant meet clearly stated objectives and outcomes can be measured/demonstrated.

Word Limit: 500

Please prepare this narrative on a separate piece of paper to be submitted with this application.

Additional Information (optional)

Please add any additional information you feel would help the committee to understand your project. This is the place to share any personal, confidential or sensitive information. Applications are subject to disclosure pursuant to the California Public Records Act. However, certain information about physical or mental health, medical records, personal contact information if there is a compelling interest in withholding the information (must be explained), receipt of public services, trade secrets or other proprietary information may be withheld from disclosure. In addition, information that is in the best interest of the public to withhold, when balanced against the strong public interest in disclosure of the information, as determined by the County, may be withheld.

Word Limit: 250

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Sample Project Budget Format

Applicants must provide a detailed operational budget of the project or grant request that includes revenue and expense.

Applicants may use the following or a similar format for your project budget submittal. For major expenses, please be specific.

Note: The table below is for information only and is not fillable. When complete, please upload your budget file in the field beneath the example.

Project Expense Item	Total Cost (\$)	Requested Amount from Project Trellis Grant Fund	Amount of other funding	Source of Other Funds
Example: Travel	5,000	2,000	3,000	Owner
Direct Salaries & Wages (breakdown by individual position & indicate full or part time; list indirect staff costs in "Overhead staff related" section below)				
Staff 1				
Staff 2:... etc.				
Sub total: all Direct Salaries & Wages				
Benefits & Payroll Taxes				
Consultant & professional fees (specify)				
Travel (describe)				
Equipment (specify)				
Overhead non staff related				
Overhead staff related (breakdown by individual position; include payroll taxes and fringe benefits)				
All Overhead Costs as % of Total Project Cost				
Total Project Cost				

Note 1: "Overhead- non-staff related" includes office supplies, printing, telephone/fax, postage, rent, and utilities.

Note 2: "Overhead- staff related" is comprised of indirect staff costs (e.g. bookkeeper).

Project Budget
Upload files using this box.

Choose Files No file chose
Please prepare your project budget on a separate sheet to be included with this application.



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Additional Attachments

Select each item being uploaded:

- Any accompanying and supportive project documents such as site maps, equipment specifications, contractor bids and estimates.
- Timeline with expected project milestones and completion dates
- Letters of support: attach documentation of collaboration and/or project need in the form of Letters of Support, Letters of Partner Commitment, and/or Memoranda of Understanding
- Brief resumes of key personnel
- Market Analysis
- Business Plan
- Associated Research

Fileupload

Please attach copies of all documents checked above for submission with this application.

Business Activity Summary

Sunrise Mountain Farms is a small organic family operated farm located in Willow Creek that cultivates, harvests, cures, and processes outdoor sun grown cannabis. We sell our flowers to manufacturers as well as in our own brand flower, hash and tincture.

Project Overview:

Sunrise Mountain Farms is working towards total compliance and fulfilling Conditions of Approval with county and state agencies to maintain it's annual cannabis cultivation license. Of the several projects we are required to achieve by spring of 2021, we have prioritized water storage as the next major project. This project is currently in process and we plan to have a large phase of this requirement completed by April 1st of 2021. Water storage is very expensive and we are asking the Trellis Committee to support our Water Storage Upgrade Project for Sunrise Mountain to maintain it's cannabis cultivation license.

Through our permitting process, the Department of Fish and Wildlife claimed jurisdiction over our two water sources on the property, one spring and one well. These water sources historically have provided water to two residences and accompanying gardens. In order to receive our cannabis cultivation license, we agreed to give CDFW water jurisdiction and build out 200,000 gallons of water storage. We have been working on all of our agreements with state agencies, like California Department of Fish and Wildlife, and Conditions of Approval for over 4 years including increasing water storage capacities.

Currently, Sunrise Mountain Farms has 91,250 gallons of water storage. We are working towards adding an additional 109,000 gallons of water storage as well as replacing some existing water storage as required by our Conditions of Approval. This water project will meet the Humboldt County Planning and Building Department requirements and is under the guidance and supervision of engineers and water storage specialists.

We have researched, planned and are in the final stage of evaluating the costs, benefits, and sustainability of various options for hard storage tanks. Costs of this project include: storage tanks, labor, materials, and delivery; Trellis funds will be used to off-set some of these costs.

Attempts to secure alternative funding:

We have spoken with private investors that are interested in investing in our farm for a share of the business, but we have decided against losing full control of our home and family farm.

Cannabis businesses are not able to secure bank business loans, access federal small business or Covid relief funding, and to our knowledge there are no other viable options for alternative funding for this project. The grant would be supplemental to owner contribution and owner labor will be implemented where possible to offset the cost of labor.

Economic Impacts:

The Water Storage Upgrade Project is expected to lead to an increase in county tax revenues by increasing our production capacity, longevity, sustainability and fire preparedness. Completing this project not only complies with state regulations and requirements set forth for the farm, it also ensures the ability of our business to operate into the future, and mitigates potential penalties or fines.

Water storage upgrades will allow our farm to irrigate cannabis plants as is needed for plant vitality. Properly hydrated plants are more likely to produce quality product that can then be sold at an optimal price, thereby creating more tax revenue. Having enough water also allows us to utilize our full cultivation square footage thereby increasing the chance of a maximum harvest yield. An optimal harvest will not only maintain current employee positions, it will provide more product leading to an increase in additional employment for overall cultivation and processing.

We prioritize partnering and working with local Humboldt based businesses. For this particular project, water tanks, associated materials, labor and professional consulting are being sourced from Humboldt businesses. In addition to providing more jobs, more material will be sold and manufactured by our own brand and/or our manufacturing partners here in Humboldt including Papa and Barkley, Humboldt Social Holdings, Nasha Extracts, Humboldt Terp Council, and Trusty Distribution and Manufacturing.

The Water Storage Upgrade Project reinforces an essential foundation for Sunrise Mountain Farms to pursue more economically impactful projects in subsequent years. By producing optimal and increased volume of product, we can continue to grow our brand and product base. Additionally, in the event of wildfire, we will have greater chances of protecting critical infrastructure and

mitigating physical and financial damage. This also contributes to securing job retention/creation and continued tax revenue collection.

Community Involvement

As residents of Humboldt County for 23 years, we work to support and invest in our community and local businesses. Sunrise Mountain Farms participates in the following community organizations to further promote the Humboldt Cannabis Industry:

- Members of the Willow Creek Cannabis Association (WCCA) since its inception (1.5 years). The WCCA works to promote and support Willow Creek region cannabis farms, and is working towards establishing an appellation of origin for the region.
- Members of the Humboldt County Growers Alliance (HCGA) further promoting Humboldt small craft, environmentally sustainable cannabis.
- Members of the Willow Creek Chamber of Commerce.
- Historically, Sunrise Mountain Farms has incorporated annual philanthropy into our business model by donating to compassion projects including “Weed for Warriors,” and “Sweetleaf.” These projects work to provide free cannabis to veterans and medical patients.
- It is also important to us as individuals to donate and maintain memberships with organizations such as Environment California, World Wildlife Fund, Nature Conservancy, Audubon Society, Pollinator Partnership, and Sustainable Conservation, who can impact a much greater geographical area with their environmental conservation efforts.

Environmental Impacts:

Our business is based on principles of land stewardship and sustainability. Lorelie bought the land that is now Sunrise Mountain Farms in 2004. In the 50's the property was clear cut and had not been properly managed. The property was infested with termites and poison oak, while vegetative overgrowth made the property a terrible fire risk.

We've dedicated years to improve the quality of the land for the benefit of wildlife and our family business. We've thoughtfully planned and diligently worked on the restoration of the property, removing plant overgrowth and reseeding the ground with clovers and grasses, providing forage for deer and other wildlife, allowing for bees and other insects to flourish, while also fixing nitrogen to fertilize the soil for future fertility. We've planted fruit trees, a large vegetable garden, a grape trellis, and a wide variety of herbs to feed our family and friends and to provide natural pest control.

Organic cultivation and personal wellness are cornerstones of our life and farm. We hope to serve as model agribusiness, inspiring others to be mindful stewards of the land for the benefit of the planet and future generations. We use regenerative and sustainable cultivation practices including Korean Natural Farming and permaculture techniques. We integrate onsite resources such as wildcrafted ferments, composting and soil building. Using fruits, vegetables, plants, fish, and other natural ingredients, we make our own plant nutrients which builds soil and supports environmental health by reducing plastic waste from nutrient packaging. By planting native and ecological landscaping, we reduce erosion and water usage and add to the natural ecosystem providing food and habitat for wildlife, including pollinators (bee's, butterflies, wasps, birds, bats). Increasing

biodiversity and attracting beneficial insects reduces our need for pesticides that monocropping often requires.

We commit to working collaboratively towards environmental standards including watershed protection guidelines. We do this by prioritizing our conservation efforts to reduce or minimize our farm's water consumption. For example, to increase water retention, we've installed water efficient drip systems, created permaculture swales on a gentle slope, and our plants root into the ground.

We have researched options for installing hard water catchment poly tanks and a large galvanized steel cistern in order to maximize sustainability while minimizing our environmental impact. Rain catchment poly tanks can be used to feed the larger cistern in addition to winter water overflow from the permitted creek. With this system, water will be collected and stored in the winter months. Larger water storage means less dependence on the natural spring in the drier months and years. This translates into more available water for other farms and more importantly wildlife such as salmonids. Due to the high precipitation in Humboldt County, rain catchment tanks would allow water to be captured from the atmosphere, decreasing the volume of water harvested from the spring. Storing and reapplying the water at a later date via dripline irrigation, introduces the water into the soil at a rate which permeates the subsurface layers of soil thereby reaching the groundwater table.

Project Process:

We have worked with Northpoint Consulting Engineers for five years to develop a Humboldt County approved plan. We are now working with Leach Water Systems who have extensive experience installing water systems in Humboldt and surrounding counties. Steven at Leach is currently working with us to finalize our plan and begin site preparation for the foundation. Work will commence in January of 2021, dependent on weather and snow. Water project completion is expected by March 2021 in order to comply with the forbearance period set forth by the state. The Water storage system will be operational by mid-March to allow enough time to fill tanks from the property's spring before the forbearance period begins on April 1st.

We have installed water meters and have been tracking all of our domestic water and Ag water and have been reporting our water usage to Waterboards for four years, so we are aware of the water needs of our farm and domestic use. We have decommissioned and replaced a 20,000 gallon water bladder with 30,000 gallons of poly water tanks, thereby increasing our water storage by 10,000 gallons.

Our goal is to implement best management practices for our farm in selecting water storage. We are currently conducting a cost benefit analysis to help us determine which type of water storage to choose. A large metal cistern is more expensive and requires more thorough site engineering, however, the structural integrity is advantageous for the winter snow loads common to Willow Creek. The overall system is simple, as there are fewer connections, fewer tanks, and less maintenance. Furthermore, metal tanks are more likely to withstand the impact of wildfire. Rain catchment hard poly tanks are less expensive, require less engineering, can be easily installed, and

reduce impacts on the natural environment. Overall, additional water storage will increase the overall success, viability and longevity of our business and family homestead.

Local expertise is extremely important to our business. The terrain of Humboldt County is often steep and highly erosive. Working with knowledgeable and experienced professionals that understand our landscape is critical to account for the unforgiving terrain and seasonal variance found within the many microclimates of the area. [REDACTED], is a plumber by trade which contributes to the onsite knowledge and skilled personnel used to complete this project. Furthermore, there is greater ability for [REDACTED] to monitor and maintain the system efficiently because of his onsite presence, which increases the longevity of the water storage system. Please see attached notarized attestation per AB 1291 in supporting documents.

Additional Information:

- Brand of products established in marketplace; flowers, water hash, tincture
- Our brand labels display gorgeous mountains capes of northern California which inherently encourages regional marketing
- We plan to expand our product base in 2021
- Partner relationships with all Humboldt based businesses: Papa & Barkley, Humboldt Social Holdings, Nasha Extracts, Humboldt Terp Council, Trusty Distribution and Manufacturing
- Plan to do educational videos about cannabis health & regenerative farming in 2021; videographer is engaged
- We've hosted journalists and business owners who have toured our farm
- Published articles - Our farm's success translates to Humboldt County's success.

Sunrise Mountain is a Humboldt County family business owned by [REDACTED], who are [REDACTED] Located on [REDACTED] [REDACTED] in Willow Creek, Sunrise Mountain represents the intersection of our passion for the cannabis plant, hard earned cultivation expertise, and desire to create a sustainable future for our [REDACTED] in a location that we love.