

## **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.

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Application Coversheet		
Applicant Name and Title		<i>:</i>
Street Address		
Street Address Line 2		:
€ity	Fortuna State CA	
Postal / Zip Code	95540 country Humboldt	
Applicant Phone	Applicant Email manaptscse a	ol. com
Applicant interest in project/site	ouner (	
Business/Association Name	e PJC Wellness, LLC	

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
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



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Business or Association	п Туре
\$10,000 Eligibility	Cultivation (as defined in Humboldt County Code 719-3)
	Retail
	Manufacturing
	Distribution
	Cannabis Support Business
Cultivation Lighting (as defi County Code 719-3)	ned in Humboldt
	Outdoor
	Mixed Lighting
	Indoor

\$50,000 Eligibility	Cannabis Cooperative (As defined in California Business and Professions Code § 26220 et seq.)
MA	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	1-LC.
# of FTE Employees	4
Summarize the business/association and its activities Word Limit: 250	Please include this summary on a separate paper included with submission.

#### SUMMARIZE THE BUSINESS AND ITS ACTIVITIES; Word limit 250

PJC Weliness is a small family based Cultivation business started in 2016. It was founded by myself, Maria Olson and my 3 adult sons. (1 son has since moved on to his own cultivation project). We purchased a qualifying cultivation parcel outside of Fortuna in 2016 and where one of the first ZCC issued in Humboldt County.

We have a mixed light permit to cultivate 10,000 sq ft, however we only cultivate 7200 sq ft since receiving our permit using organic, regenerative living soil practices. We re-use 100% of our soil. We have altered our structures over the last year to allow for rain water catchment from our greenhouse gutter. Our entire operation has been managed/ worked by our immediate family members and 1 approved FT employee.

We have been limited by county regulations to machine processing (by family members only) OR sending product out to a licensed processor due to our inability to comply with CA ADA guidelines. We have had great difficulty finding satisfactory local processing services and our business was being hurt by a competitive disadvantage with machine vs hand trimmed product. It is essential for the survival and success of our farm to have hand trimming services .

We have received approval for 3 FT equivalent employees for "trimming" contingent on construction of an approved 575 sq ft ADA restroom / employee workroom. Unfortunately this comes at an EXTREMELY HIGH cost for a small farm such as ours.



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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 <u>scoring rubric</u>.

**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.

See attached #1

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 sumitted with this application.

see attached # 2

**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,.

see attached #3

#### **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.

see attached #4

#### 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

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

see attached #5

#### **NARRATIVE QUESTIONS:**

#### 1. Project overview:

Our project is the construction of a much needed, county required ADA compliant restroom and work room. We are a small family farm on a 9 acre parcel outside the city limits of Fortuna. As you are aware, retroactive restrictions were imposed on ordinance 1.0 farms in community planning areas with the adoption of Ordinance 2.0. We were fortunate to be able to make modifications and achieve full compliance. Other farmers were not so fortunate. This involved additional unanticipated cost to the farm and also eliminated our ability for initially anticipated expansion and greater revenues through the RRR program. We have enacted some structural and procedural changes after the ordinance change and feel confident in our path for success going forward. One of the changes that we made was in the area of our cultivation structures and plan. We have changed over to a system of "perpetual harvest" where our total cultivation area of 7200 sq ft is divided into 4 "quadrants"; allowing for harvest of approximately 1800 sq feet of cultivation area every 3 weeks. While this presents its own challenges in terms of IPM management and light attenuation we have had increasing success with producing high quality flower in the last year. This change in our cultivation style has also allowed us to keep our employee count at a minimum as required by the county relating to our road use through a residential area. (We have only 1 non family FT employee) I think we have found a compromise that can work for everyone for years to come. It was vital to be able to finish our product to its highest potential in order to compete in the quality small batch market. We have received approval from the county in May 2020 to employ 3 full time hand finishers with the requirement to complete an approved CA ADA compliant workroom and restroom by the close of 2020. We have been working since February to complete all requirements. We are on schedule for completion and occupancy in just a few weeks!! We now have 3 legal, full time trimmers with HR services provided through Dark Staffing services in Arcata. These are good, living wage jobs with an avg pay of \$60-75,000 a year. These 3 workers are able to manage hand trimming of the 60-75# of new product harvested every 3 weeks. Our finished product is being handled exclusively through SiSU distribution in Eureka and we have seen our wholesale prices rise over the last year. We are excited about our position in the Humboldt marketplace as a high quality, small batch organic flower producer and feel with this ADA project expansion we now have what we need to remain in a successful and sustainable position going forward.

#### 2. Economic Impacts:

The construction of this required ADA restroom and workroom was absolutely essential for us to maintain our cultivation business. Unfortunately, like other farmers we have been subjected to a moving target for success with the Humboldt County government. This has resulted in a situation of adapt or perish from the Humboldt Cannabis industry. These have been challenging years for cultivators.

We feel very fortunate that we have finally made it out to the other side but it has come at a very high economic cost for our family. Our family members had worked for three long years for no wages whatsoever, so that whatever money was made at the farm could be reinvested into the changes necessary to achieve compliance with 2.0. Now we are faced with a bill in excess of \$150,000 to build only 575 ft.2 to achieve their newest compliance hurdle with the ADA restroom/work room. Thank goodness this is the last hurdle we face. While this latest economic impact for us is hard and real, it is positive for the county and the cannabis industry as a whole . It allows us to grow our business under our new, more efficient model; producing small batch highquality flower. Our small farm has already been making a name for itself as a quality Humboldt County product in the LA market. This in turn generates tax revenue not only through our ability to pay ongoing state and local permitting fees but also generates revenue through cultivation / excise taxes. These types of taxation have directly benefited the residents of Humboldt county through the funding of measure S public safety and environmental health projects locally.

This small project has resulted in the creation of of 3 good, living wage jobs. These are year round, permanent jobs. We have found wonderful, talented local labor, all living within 10 miles of the Fortuna farm. They are very thankful to have a clean, safe and respectful work environment after years of seasonal and inconsistent black market work and we are thankful to have them on our team driving for success.

#### 3. Environmental impacts:

We were fortunate to find a wonderful spot to locate this new project on our farm. We chose a small existing clear flat that was able to accommodate the 24' x 24' building and required ADA parking area with NO disruption to the existing landscape. We consulted with our one existing neighbor to be certain that he was happy with the location of the structure out of sight from his residence. Even better, It was able to be positioned off an existing roadway. We decided to design the roof structure and position the building to allow for a 100% off grid solar system. This fully renewable and efficient energy source resulted in a cost of approximately \$20,000 on the total project cost but we all feel good here at the farm that it will be self sufficient and sustainable. Ontiveros & Associates were able to engineer a low impact traditional gravity flow septic system requiring zero energy input and minimal ground disruption. Both the septic and the solar system are in. We are looking forward to trying out the functionality of both with completion of our project in the next few weeks. The building was constructed to commercial standards in full compliance with Wildland fire protection standards. (And it's darn cute too!!!)

#### 4. Project process:

We are well on our way to completion of our project. You will see from our submitted materials that we went through a lengthy process evaluating the potential site, working with county administration and several different engineers to confirm appropriate soil stability, percolation and drainage. The building has a commercial F1 designation requiring extensive review and plan check prior to receiving building permits. The project is being handled by a general contractor, DCI Builders of Ferndale, CA. The project broke ground on October 19th, 2020 and is coming along on schedule. It is anticipated to be completed in a few weeks with occupancy permitting by 12/31/20. In regards to compliance with AB1291, we utilize The services of Dark Staffing solutions who is an authorized farm labor contractor in Humboldt County. They fulfill the farm labor contract for our 1 full time greenhouse worker as well as our newly acquired 3 full time trimmer positions. The folks at Dark staffing are well versed in employment law and regulation. They provide an overview and training manual to assist employers on site as well as structuring and conducting training workshops for employees working in the cannabis industry. Our contracted services agreement vs direct employment by PJC Wellness LLC exempts us from specific requirements of AB129 and ensures our workers are provided with professional training and HR management.

Each of our family members is well versed in safety and Hazmat procedures and every owner / member of our farm holds individual commercial pesticide applicators certificates. Our farm has never had a negative comment or citing of violation on numerous inspections over the years and has shown 100% compliance with all county and state regulations. We are not now, nor have we ever been involved in a "compliance agreement" with the county or any state agency.

#### 5. Additional information:

We are hopeful that you will give serious consideration to a \$10,000 grant amount to assist our 100% local, small Humboldt County cultivation farm with the tremendous construction costs associated with the newly imposed ADA restroom/ workroom expense. It seems like a model project to offset some of the hardship imposed on small cultivators by the counties inability to implement its initial cannabis ordinance in a fair and equitable way.

If there is other documentation that we may provide in order to help your decision, please do not hesitate to ask, and we will do our best to provide.

Thank you,

The PJC Wellness family.



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Proposal Request	
Program / Project Name	Commercial ADA workroom/restroom
Requested Amount	USD 0.00 \$10,000
Total project cost/funding needed:	usp 0.00 \$10,000 of at 160,000 cost.
Additional Funding Sources	personal funds, Liquidation of other earned income, personal assets.
Type of project	Planning
	Implementation
	Technical Assistance
	Capital Investment - construction of ADA compliant restroom + workroom
	Other
Project Address	Fortuna, CA 95540

Project Assessor's	
Parcel Number (APN):	:

### 200- 243- 010-000

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 square feet)?	Yes

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.

共1	CDFA Cannabis Cultivation Annual Permit has been 18 sued
	CDFA Cannabis Cultivation Provisional Permit
#8	CDFW Lake And Streambed Alteration (LSA) Agreement or written verification if not needed.
#2,#3	Humboldt County Annual Permit
·	Humboldt County Provisional Permit
#4	Jurisdiction Business License
#5	California Department of Tax and Fee Administration tax permit
	Motor Carrier Permit
	California Department of Public Health's Manufactured Cannabis license
#6	CDFA Weighmaster license
	Articles of Incorporation
# 7	Federal Employer Identification Number (FEIN)

Licenses, Permits, & Agreements

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

Hem # 1-8 enclosed together



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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.



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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.
Exhibit D	Timeline with expected project milestones and completion dates see Exhibit
site plan (2 pages)	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
Exhibits A-C	Brief resumes of key personnel
costs + permit (10 pages)	Market Analysis
(10 pages)	Business Plan
costs: constructi	Business Plan  Associated Research

File upload

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