



CITY OF ATASCADERO CITY COUNCIL

MINUTES

Tuesday, February 12, 2019

**City Hall Council Chambers, 4th floor
6500 Palma Avenue, Atascadero, California
(Entrance on Lewis Ave.)**

City Council Regular Session:

6:00 P.M.

REGULAR SESSION – CALL TO ORDER: 6:00 P.M.

Mayor Moreno called the meeting to order at 6:00 p.m. and Council Member Fonzi led the Pledge of Allegiance.

ROLL CALL:

Present: Council Members Fonzi, Funk, Newsom, Mayor Pro Tem Bourbeau and Mayor Moreno

Absent: None

Also Present: City Treasurer Sibbach

Staff Present: City Manager Rachelle Rickard, Administrative Services Director Jeri Rangel, Public Works Director Nick DeBar, Police Chief Jerel Haley, Community Development Director Phil Dunsmore, Fire Chief Casey Bryson, City Attorney Brian Pierik and Deputy City Manager/City Clerk Lara Christensen.

APPROVAL OF AGENDA:

MOTION: By Mayor Pro Tem Bourbeau and seconded by Council Member Fonzi to:

- 1. Approve this agenda; and,**
- 2. Waive the reading in full of all ordinances appearing on this agenda, and the titles of the ordinances will be read aloud**

by the City Clerk at the first reading, after the motion and before the City Council votes.
Motion passed 5:0 by a roll-call vote.

PRESENTATIONS:

1. Employee Recognition

City Manager Rickard presented the following employees with Service Awards:

- **5 Years:** Jeanine Walters, Account Clerk I
Cindy Chavez, Deputy Administrative Services Director
- **10 Years:** Luke Knight, IT Manager

2. WineSpeak Presentation

Macey Cox and Christine Curtis gave a brief presentation on the 2019 WineSpeak event (Exhibit A).

A. CONSENT CALENDAR:

1. **City Council Draft Action Minutes – January 22, 2019, January 25-26, 2019 and January 30, 2019**
 - **Recommendation:** Council approve the Draft City Council Meeting Minutes for the Regular Meeting held on January 22, 2019 and the Special Meetings held January 25-26, 2019 and January 30, 2019. [City Clerk]
2. **December 2018 Investment Report**
 - **Fiscal Impact:** None
 - **Recommendation:** Council receive and file the City Treasurer's report for quarter ending December 2018. [Administrative Services]

Deputy City Manager/City Clerk Christensen noted that a revision was made to Consent Calendar Item A#1 - Draft Minutes for January 25-26, 2019 to amend the language under *Section 5. Trends* from "The Facilitators led the Council through an exercise ..." to "The Facilitators led the Council, staff and public through an exercise..." A hard copy of the revised Minutes was made available at the dais and included in the public review binder.

MOTION: By Mayor Pro Tem Bourbeau and seconded by Council Member Fonzi to approve the Consent Calendar.
Motion passed 5:0 by a roll-call vote.

UPDATES FROM THE CITY MANAGER:

City Manager Rachelle Rickard gave an update on projects and issues within the City.

COMMUNITY FORUM:

The following citizens spoke during Community Forum: Bob Kerwin (Exhibit B), Tim Mahoney, Chris Agar (Exhibit C) and Kim.

Mayor Moreno closed the COMMUNITY FORUM period.

B. PUBLIC HEARINGS:

1. Community Facilities District 2005-1 - Annexation No. 18

- Ex-Parte Communications:
- Fiscal Impact: None.
- Recommendations: Council:
 1. Conduct the public hearing for the proposed annexation.
 2. Adopt Draft Resolution A; authorizing the territory identified in City Council Resolution 2019-002 to be annexed into Community Facilities District No. 2005-1, authorizing the levy of a special tax and submitting the levy of a special tax to qualified electors.
 3. Direct the City Clerk to conduct a landowner vote of annexation and collect and count the ballots.

Council to recess until ballots are counted

4. Adopt Draft Resolution B, declaring the results of a special annexation landowner election, determining the validity of prior proceedings and directing the recording of an amendment to the notice of special tax lien.
5. Adopt Draft Ordinance, authorizing the levy of special taxes in Community Facilities District 2005-1 for certain annexation territory identified as Annexation No. 18. [Community Development]

Community Development Director Dunsmore gave the presentation and answered questions from the Council.

PUBLIC COMMENT:

The following citizens spoke on this item: None.

Mayor Moreno closed the Public Comment period.

MOTION: By Council Member Fonzi and seconded by Mayor Pro Tem Bourbeau to:

1. Adopt Draft Resolution A, authorizing the territory identified in City Council Resolution 2019-002, to be annexed into Community Facilities District No. 2005-1, authorizing the levy of a special tax and submitting the levy of a special tax to qualified electors.
2. Direct the City Clerk to conduct a landowner vote of annexation and collect and count the ballots.

Motion passed 5:0 by a roll-call vote. (Resolution No. 2019-007)

Deputy City Manager/City Clerk Christensen announced that two votes (one ballot) were received and were all in favor.

MOTION: By Mayor Pro Tem Bourbeau and seconded by Council Member Newsom to:

1. Adopt Draft Resolution B, declaring the results of a special annexation landowner election, determining the validity of prior proceedings and directing the recording of an amendment to the notice of special tax lien.
2. Introduce for first reading, by title only, Draft Ordinance, authorizing the levy of special taxes in Community Facilities District 2005-1 for certain annexation territory identified as Annexation No. 18.

Deputy City Manager/City Clerk Christensen read the title of the Ordinance:

**AN ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF ATASCADERO, CALIFORNIA, AUTHORIZING THE LEVY OF
SPECIAL TAXES IN COMMUNITY FACILITIES DISTRICT NO. 2005-1 (PUBLIC
SERVICES), INCLUDING CERTAIN ANNEXATION TERRITORY**

Motion passed 5:0 by a roll-call vote. (Resolution No. 2019-008)

C. MANAGEMENT REPORTS: None.

D. COUNCIL ANNOUNCEMENTS AND COMMITTEE REPORTS:

The following Council Members made brief announcements and gave brief update reports on their committees since their last Council meeting:

Mayor Moreno

1. SLO Council of Governments (SLOCOG)

Mayor Moreno reported that she has been in discussions with Mayor Martin, Paso Robles, regarding homelessness and ways the two cities can partner together on efforts to address the issue.

Mayor Pro Tem Bourbeau

1. Integrated Waste Management Authority (IWMA)

Council Member Fonzi

1. Air Pollution Control District

Council Member Funk

1. Homeless Services Oversight Council

Council Member Funk reported on updates from Transitional Food and Shelter and possibilities for joint application on the part of Paso Robles and Atascadero for HEAP funding.

Council Member Newsom

1. City of Atascadero Design Review Committee

E. INDIVIDUAL DETERMINATION AND / OR ACTION:

1. City Council – Mayor Moreno discussed community engagement. She proposed “Talk on the Block” for the City Council and staff to engage with neighborhoods in the community to discuss issues and concerns. Mayor Moreno noted that the Chamber of Commerce has offered to partner with the City to help put the meetings together. The Council discussed various possible structures for these meetings.

Christie Steele, Chamber of Commerce, provided the Council with an informational handout (Exhibit D) on the proposed Talk on the Block event and noted the Chamber’s excitement to be involved in this community outreach program.

There was Council consensus for the Mayor to work together with the City Manager and the City Attorney to detail the specifics of the program and report back to Council.

2. City Clerk – Deputy City Manager/City Clerk Christensen asked the City Council for confirmation of appointments to the Design Review Committee. Appointments are necessary for the two members of the Planning Commission and one at-large member resident of the City.

Mayor Moreno announced Duane Anderson, Mark Dariz and Jamie Jones and the Council unanimously ratified the appointments by a voice vote.

F. ADJOURN

Mayor Moreno adjourned the meeting at 7:41 p.m.

MINUTES PREPARED BY:



Lara K. Christensen
Deputy City Manager / City Clerk

Exhibit A – WineSpeak Presentation
Exhibit B – SCORE San Luis Obispo handouts
Exhibit C – Cannabis Market information
Exhibit D – Talk on the Block program handout

APPROVED: February 26, 2019

THANK YOU FOR ALL YOUR SUPPORT



www.winespeakpaso.com

WINE SPEAK 2020

WHAT PEOPLE ARE SAYING

“Wine Speak in a short two years has become a Mecca for those looking for a refreshing wine experience. The participants here truly “participate” in all the events. The Paso Robles region is producing some of the most exciting wines in California. This is a true wine community event.”

-Fred Dame, MS, Global Wine Ambassador DAOU Vineyard & Winery

“Just in its second year, Wine Speak elevates the dialogue among sommeliers, educators, hospitality, sponsors, and the winegrowing and winemaking community to lift the collaborative spirit. Thoughtfully curated to showcase the jewels of Paso Robles and Atascadero, Wine Speak raises the acumen of participants regardless of background or expertise to bring even more passion to their respective tables, impacting the bottom line. The standing ovation for Amanda Wittstrom-Higgins after her female leadership panel said it all.”

-Cynthia Lohr, trade and brand advocate, co-owner at J. Lohr Vineyards & Wines

WHAT PEOPLE ARE SAYING

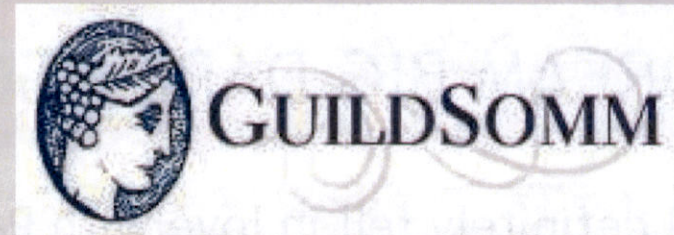
“Wine Speak is essential for anyone in the wine business or anyone who wants a peek behind the scenes. Listening to the combined wealth of knowledge of the professionals who share their stories gives great insight to today’s relevant wine topics.

-Meridith May, Somm Journal & Tasting Panel

“As I’ve come to expect each year, Wine Speak delivered a richly informative, honest, and engaging series of talks and experiences. This year the offerings were amplified by pairing lunches, blending workshops, and a highlight on important producers during the BYOB night. I’ll be back again and again!”

- Matt Kettmann, Wine Enthusiast

GUILD SOMM FOUNDATION



2 scholarship recipients

- Danny Steiner (TX)
- Wednesday Nowak
(AZ)

Testimonials

“...The world's lesser known wine regions produce amazing wines but it is up to us as sommeliers to seek those examples out to share with our guests. Wine Speak showed me that Paso Robles is full of great wine that has a place on any wine list,”

-Danny Steiner, Guild Somm scholarship recipient

“...Coming back to Paso...really helped solidify and strengthen my belief in the region as a world class wine producer,”

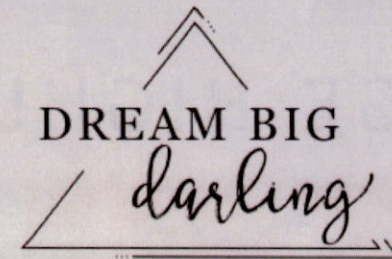
-Wednesday Nowak, Guild Somm scholarship recipient Arizona.

DREAM BIG DARLING TESTIMONIAL

“I definitely fell in love with Paso as a region! I think that it was very important to have a mix of Paso Robles producers juxtaposed to producers from outside the region. That was a neat element. I also enjoyed the intimacy of being able to speak candidly with the winemakers. I think the seminars and BYOB dinner were the perfect sizes for curating conversation.”

-Ariana Tsuchiya, Sommelier, Alan Wongs Hawaii (Dream Big Darling Scholarship recipient)

DREAM BIG DARLING PARTNERSHIP



8 DBD scholarship
recipients attended
from across the US

Attendees Included:

- Alissa Diaz (NY)
- Ariana Tsuchiya (HI)
- Wendy Rob (Anaheim, CA)
- Melissa McAvoy (FL)
- Alicia Cuadra-Cutler (Marina, CA)
- Maria Degrezia (Chino, CA)
- Holly La Porta-Jones (HI)
- Lily Hays (Tahoma, CA)



Dream Big Darling lunch at the Carlton Hotel
featuring lead women from the Wine Industry

IMAGE HIGHLIGHTS: DAY 4



IMAGE HIGHLIGHTS: DAY 3

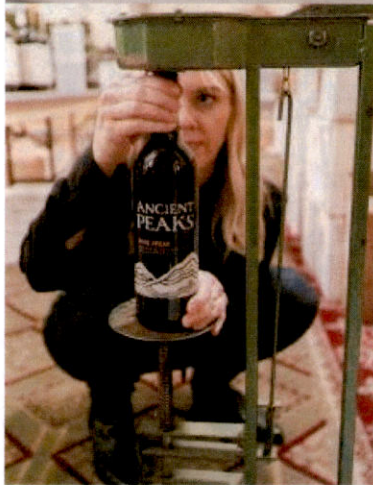


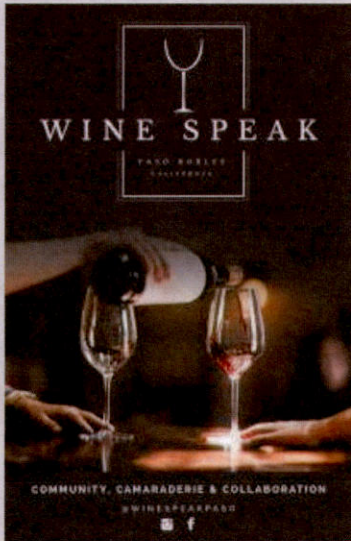
IMAGE HIGHLIGHTS: DAY 2



IMAGE HIGHLIGHT: DAY 1



SPONSORSHIP EXPOSURE



- Sponsorship signage flanked every entrance, panel, and tasting event.
- Power point played during every seminar
- Several verbal mentions throughout the event



EVENT OVERVIEW

- We had attendees from Australia, Texas, Arizona, New York, Florida, Washington, Massachusetts, Georgia, Maryland, Illinois, Hawaii and all over the state of California.



EVENT OVERVIEW

ATTENDANCE STATS

Wine Speak attracted the **highest caliber attendees** and key influencers within the wine industry.

- **804 Attendees** checked in
 - *47% of these attendees were from out of the area*
- On **average**, attendees participated in **3 of the 4 days**
- Attendees stayed an average of **3 nights**



IMPACT OVERVIEW

GENERAL STATS

- **9** wineries visited (3 unique tech tours)
- **36** Paso Robles wineries featured at the Grand Tasting alone
- **45** total Paso Robles wineries were highlighted throughout the event
- **25+** local food vendors
- **13** unique events held in the Paso AVA
- **98%** event sell-out rate
- **28** winemakers attended our inaugural Vit-Tech Tasting & Workshop
- **10** Scholarship Recipients





2019 WINE SPEAK PASO ROBLES RECAP REPORT

JANUARY 7-10TH, 2019 | ATASCADERO, CA



www.winespeakpaso.com

Date: 2.12.2019



Serving San Luis Obispo County
and the Santa Maria Valley
1228 Broad Street
San Luis Obispo, CA 93401

Tel.
805/547-0779
Web:
sanluisobispo.score.org

What is SCORE San Luis Obispo 2019.

SCORE is a national non-profit SBA resource organization. SCORE's mission is to foster vibrant small business communities through mentoring and education.

Our local SCORE chapter has 27 volunteer members who work to help and advise owners who are already in business and people that want to start a business.

Score Mentors provide confidential face-to-face mentoring sessions including follow-up sessions, monthly workshops, E-mail and phone mentoring and we provide a variety of training materials on our website.

SCORE is unique in a number of ways:

We will mentor anyone who asks for help, we have no screening requirements.

We co-mentor our clients; our early mentoring sessions are always with two mentors.

We strongly believe two heads are better than one.

We will mentor our clients for as long as the client needs our support. We have clients that stay with us for years. Our motto is: "For the life of your business".

We give our clients our home phone numbers and email addresses so that they can get help more easily and quickly when necessary.

Our Mentors each have a wide variety of business skills in areas such as finance, marketing, planning and operations, developed by owning their own businesses or managing businesses. Some have specialized skills and are brought in to help a client when that particular skill is needed.

No client ever pays for a local SCORE service.

SCORE Mentors are all volunteers, receiving no compensation. Every penny we receive from our sponsors goes to help support our clients. Our mentors volunteer specifically because they want to help our clients be successful. That is our reward.

Why do we feel we can and will help our clients?

The highest accolade SCORE National can give its chapters is the **Platinum** Service award. In 2018 our chapter received it's fifth consecutive such award, placing us in the top **4%** of all **300** national SCORE chapters. We held 703 mentoring sessions, 87 workshops with 830 attendees, for a total of 1705 services performed.

We are looking for experienced, successful businessmen and women to become SCORE Mentors (Bilingual Mentors needed). We can be reached by phone (805) 547-0779. Our email address is info@sloscore.org and our website is WWW.sanluisobispo.score.org



Scan to view our website!

Bob Kerwin
Certified SCORE Mentor

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San Luis Obispo Chapter 597
1228 Broad Street
San Luis Obispo, CA 93401
www.sanluisobispo.score.org



SCORE 
FOR THE LIFE OF YOUR BUSINESS

Our mission is to strengthen the small business community of San Luis Obispo and the Santa Maria Valley.

Free, Face-to-Face Counseling

Small business success comes from a combination of hard work and risk taking in pursuit of your dreams. You don't have to take those risks alone. SCORE can give you the support, the encouragement and the tools you need to build and sustain your business. We offer face-to-face counseling to discuss your goals and help you develop your business plan.

Mentoring One-on-One

We can provide follow-on mentoring to address your specific needs, such as finance, marketing, startup planning or managing the business and meet with a counselor on regular bases.



Local Workshops Help You Gain Useful Business Expertise

Workshops provide valuable skills and convenient networking opportunities with other business professionals who can help you succeed. SLO SCORE presents monthly workshops on key topics such as How to Start a Business, Business Plans, Marketing and How to Manage a Business. Whether you are starting or growing your business, these workshops offer added ways to learn from the expertise and experience of seasoned business mentors. It is easy to enroll, just visit our web site at www.sanluisobispo.score.org or call our hotline at **805-547-0779**.



SCORE Online Expert Resources

Millions of entrepreneurs just like you count on SCORE's national web site - www.score.org - for a wide range of mentoring, business support and guidance. With **Online Mentoring**, you can ask business mentors for advice—and get answers within 48 hours.

Volunteer Your Real-World Expertise

You are good at what you do. Your skills, talents, and business savvy are valuable resources that entrepreneurs can tap into. As a SCORE volunteer, not only do you use your knowledge and experience to help others succeed, you also support the community in a meaningful way. You can gain a tremendous sense of personal satisfaction from nurturing businesses so they grow and thrive.



Volunteer with SCORE

With SCORE, you'll be part of an extended team of volunteers representing all facets of the business community. Whatever your skills and strengths, put them to work for SCORE. For more information, contact any SLO SCORE volunteer or visit our web site at www.sanluisobispo.score.org



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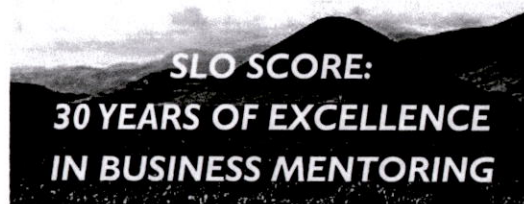


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Exhibit B
2-12-19



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for the Life of Your Business*

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ARE YOU PREPARED?

Is your business location facing upgrades?
Such as street or sidewalk maintenance, new utility
installations or other infrastructure improvements?

Will it impact your business?

SCORE IS HERE TO HELP YOU.

- SCORE has prepared this **booklet** with over **70 ideas** and **actions** you should consider to strengthen your business.
- SCORE is a **FREE** service whose members are **BUSINESS PROFESSIONALS**.
- SCORE has expanded its business hours to help you.
(follow ups are at your convenience)
- Call **SCORE** at (805) 547-0779 or email info@sloscore.org
today to schedule a meeting. www.sanluisobispo.score.org

Introduction

Immediate Actions

Recommended Business Owner Actions

Marketing

Email and Social Media

Finance

Operation

Introduction:

This material has been prepared by SCORE members who belong to an organization with only one goal--to help business owners be successful. During any Infrastructure Project, there will be some disruption to the normal flow of business. The project will ultimately benefit the community in the long-term, but it will likely impact the regular flow of clients to the affected businesses. There are certain actions that we recommend these business owners take to minimize this disruption. The primary goal of these recommendations is for business owners to take action proactively and thereby ensure that regular customers continue to frequent their businesses. It is intended to help your business's very **survival**.

Some of these actions may even help business owners get more regular customers in the long-term. Several of the suggestions are activities that most business owners can be doing regularly; other activities will be unique to their particular infrastructure construction project.

Our first suggestion is to be sure all business owners know SCORE mentors are available to help them, and to let them know that all SCORE support is of no cost to them.

We offer SCORE's help with:

- Workshops
- Face to Face mentoring
- Individual Consultation
- On-site Visits
- After hours mentoring

The actions suggested are grouped into various categories to make it easier to find them. There is no recommended order of implementation suggested within the categories.

Business owners need to start preparing now. Some actions described below should be implemented as early as possible. These may include email, marketing, financial planning and operational changes.

Immediate actions: (*see related categories)

- Step up all aspects of customer service now. *Recommended Business Owner Actions
- Business owners will need the loyalty of every one of their customers during construction. *Recommended Business Owner Actions
- Preview the construction process with customers and commit to keeping them informed. *Recommended Business Owner Actions
- Prepare work on a marketing plan focused on special offers/events to promote customer traffic after construction begins. *Marketing
- Collect and organize email addresses. *Email and Social Media
- Promote social media presence or consider establishing one ASAP. *Email and Social Media
- Develop a detailed financial survival plan and start executing it before the project starts. *Finance
- Develop a response plan for outages of electricity, water, or gas. *Operations

Recommended Business Owner Actions:

Customer service is key.

Step up all aspects of customer service now.

Owners will need the loyalty of every one of their customers during construction.

Things owners can do to make their customers feel cared for:

- Use newspapers to get the word out at the start.
- Welcome your customers and let them know what is going on.
- Provide Exceptional service to your customers.
- **Smile** when your customers walk in. It's a basic gesture which we sometimes forget when we are busy or preoccupied.

Be positive and upbeat and know your customers by their first name. It will make them feel as if they have been welcomed back as a neighbor and local.

- Work with area business owners whenever possible. This might include having other owners and all their staff park on side streets. This makes parking open for their customers and your own. Also, let customers, suppliers and employees know what's going on with your business.
- Make sure that your employees know the basics of the project and can communicate them to your customers.
- Preview the construction process with suppliers, customers and commit to keeping them informed.
- Keep clients aware as they book appointments or make plans to visit our business.
- Can you increase your sales with phone order services? If so advertise it.
- SMILE when you or your employees talk on the phone – it works!
- Can you add delivery to your services? If so advertise it.
- Can you expand hours of operation to be open before or after the daily hours of construction?

Make sure your existing and potential clients know You Are Open.

- Have a big "WE ARE OPEN" sign.
- Show a rendering of what your block will look like after the improvement.
- Continue to use the project's brand on all signage, emails and correspondence.
- Put up banners or signs informing customers of construction progress, milestones, completion date and parties.
- If available use the existing poles to put up banners.

- Ask your customers to "Like you" on Yelp.
- Ask your customers to tell their friends about you.
- Stay informed. Keep informed from related public agencies. Their websites may have information useful to owners during this period. Alert customers if construction may limit access. Inform them of best access route.
- Convince customers and suppliers that you have a plan to manage your way through the project and that the business will be stronger and better as a result.
- Get employees involved and keep them informed.

Celebrate milestones.

- Hold regular block or street parties to celebrate milestones.
- PR is free and ribbon cuttings make good PR.

Marketing:

This section is targeted to encourage existing clients to keep coming to your business during the improvement period. Prepare work on a marketing plan focused on special offers/events to promote customer traffic after construction begins.

How to make your business stand out--

Get a loyalty program going.

- Create a special card during the construction - a *cheerleader* card.
- Prize Drawings—every customer fills out contact information on a card and prizes are awarded once a month.

(Note: This last one is especially powerful if all applicable business owners also participate).

- Try BOGO's—"Buy One/Get One" free, or buy one, half off second purchase, buy 10 get one free, etc. It doesn't need to cost you a lot e.g. an extra meal doesn't cost more labor.
- Full Time Discounts--on everything, or certain items/services, or —by quantity or frequency.
- Special Discounts--available for limited time only, or during certain hours/days, or first X customers, by quantity or frequency, etc.
- Loss Leader Pricing—for specific products/services, creating foot traffic in hopes of additional purchases "Razor/ Razor Blade offers—on logical additional purchase, e.g. free shave with any haircut.

- Frequent User Rewards—5th cup of coffee free, or cash awards as customers spend \$X over time.
- The idea is to encourage existing customers to keep coming back during the infrastructure project.

When the project is completed:

- Use newspapers to get the word out when completed.
- PR is free and a ribbon cutting at area parks is good PR.
- Have a block party every milestone to celebrate the progress.

Email and Social Media:

Many business owners don't actually have either an email, a database, phone numbers or addresses where they could reach out to their customers directly.

Collect/organize email addresses.

- Promote social media presence or consider establishing one ASAP.
- Use these methods to send your customers information, discount coupons and other material to encourage them to overlook the inconvenience and continue to do business with you.
- If owners collect email addresses now, they can tell clients it is because the construction is coming and they want clients to know what is coming.
- Use a calendar to keep track of what you plan to do, or have done.
- Giveaway's. (See Marketing).
- BOGO's "Buy One/Get One" free offers.
- Add special discounts via email.
- Also offer prize drawings via email.
- Have a plan and be consistent.
- Put the end game photo as a leader (branding) on correspondence.
- Put a Logo and picture on every email.
- Ask your customers to "Like You" on Yelp and to tell their friends about your business.

Finance:

Develop a detailed financial survival plan and start executing it before the project starts.

- The longer you wait to reduce expenses, the more you will have to cut if times get tough. Uncomfortable cuts over a longer period are better than painful cuts over a short time.

- Make sure you have a detailed budget and a financial forecast that will give you visibility into expenses and income to make it through the construction.
- Analyze all expenses and prioritize what can be cut and what is absolutely necessary to stay in business.
 - Be prepared to eliminate everything that's not absolutely essential to staying in business if the time comes.
 - Try to get a reduction in rent.
 - Other items to consider include: reducing employee hours, layoffs, reducing inventory levels, salary cuts, reducing or eliminating services such as janitorial, lawn care, coffee service, bottled water, office supplies, etc.
 - A lot of these items will seem too small to make any difference but they add up quickly.

Have a plan as to when and how much to cut based on sales levels.

Know your breakeven sales and expenses. These will likely change as you know more.

If possible, start building a cash reserve well before the disruptions start. The amount in the reserve should be enough to provide cash flow during the disruption.

- Another alternative is to talk to a bank about setting up a line of credit so cash is available if needed. Just be aware that this will have to be paid down over time.
- Cash flow will be the key to survival. Focus on it like a laser.
- Do you have or can you get a line of credit to help you get through sales dips.
- Develop a conservative cash flow plan and check it frequently (Daily if times are tough).
- Consider reducing inventory.
- Be very aggressive about collecting receivables.
- Don't be afraid to call customers and ask for the cash.
- Work with suppliers to extend terms and play the float to the maximum extent possible while maintaining a good supplier and customer relationship.

Operations:

- Coordinate with vendors/deliveries.
- Plan for the impact of outages → possible operational modifications.
- Plan for electrical or other utility problems. Have water for emergencies.

Consider your business appearances/condition--is it clean or dusty because of construction? Take the time to have clear signage and a clean building.

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Cannus Partners

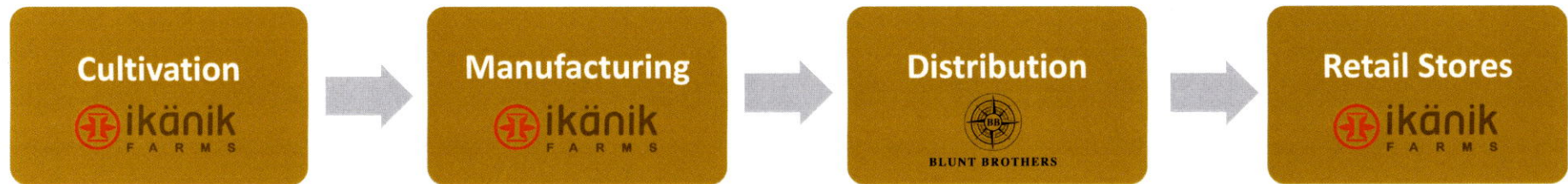
Building an integrated portfolio of cannabis retail dispensaries, cultivation facilities, offering iconic, inspiring hand crafted cannabis brands, delivered in an unsurpassed retail experience.

aims to capitalize on the fast-emerging US domestic market for recreational cannabis and the tremendous value generation being driven by high demand, supply chain integration and expanding legalized recreational marketplace across the United States.

UNIQUELY POSITIONED

CAPITALIZING ON THE
GROWING CANNABIS MARKET

A team of industry leading, California compliant cannabis operators have come together to form a vertically integrated supply chain network in Southern California, seeding “Cali Growers” across licensed States.



Building a geographic corridor in SoCal with up to 20 dispensaries supported by 3 cultivation facilities within the next 2 years and in select multi State locations.

- Cannus Partners is integrating a network of cultivation, manufacturing, distribution and dispensaries to generate a high margin business.
- Vertically integrated with a “Seed to Sale” model that captures all revenue and margin within the ecosystem, while mitigating price and margin compression.
- Experienced senior leader in retail, branding, licensing, supply chain management, cultivation, consumer products, public and regulatory affairs.
- The real estate and public affairs team works directly with local municipalities positioning the company for first mover advantage for key retail locations.



INVESTMENT HIGHLIGHTS

CAPITALIZING ON THE
GROWING CANNABIS MARKET

Holding revenue generating companies, property leases, material supply agreements, brands and intellectual property.

Owned Companies

- i. Blunt Brothers: Distributor sales to 80 retail dispensaries and B2B upstream sales. Holds a State license.
- ii. Ikänik Farms: Established lifestyle cannabis brand for retail with historical revenues.



Blunt Brothers - California Distributor License

- i. Distributor - Adult Use and Medicinal License - Temp License.

Retail Dispensary Leases In place

- i. National Orange Show event Center in San Bernardino, CA 4,400 sq. ft. reaching a captive market of over 400,000 consumers.
- ii. Pomona, CA: 1,596 sq. ft
- iii. Newton, Massachusetts: 1,800 sq. ft.

Active pipeline of 62 dispensary locations in CA, 13 near term; 3 in Mass.

Cultivation Acquisitions

- i. Needles: Signed LOI
- ii. Sacramento: Signed LOI
- iii. Colton: Purchase sale agreement underway



RETAIL LOCATIONS

High Traffic

IKANIK FARMS DISPENSARY

Establishing a strategic relationship to develop and operate a state-of-the art, licensed cannabis dispensary location compliant with municipal, city and state law and all regulations.



Average On Site Dispensary Work Force

- 2 FT Managers
- 1 FT Security Guards
- 10 PTE Customer Service
- 1 PTE Community Support

Seek unique locations that inherently offer a marketing platform unmatched, anywhere in the local marketplace.

- Engaging a design/ build firm to review concepts around a classic “Americana” feel, with warm and neutral color tones, woods, spacious ceilings, while maintaining the intrinsic attributes of the heritage building.
- Incorporating physical elements of an upscale, mood lit environment, nostalgic interior and exterior signage, shelving, naturally inviting with the inclusion of symbolic artifacts.
- Embrace the natural surrounding landscape.







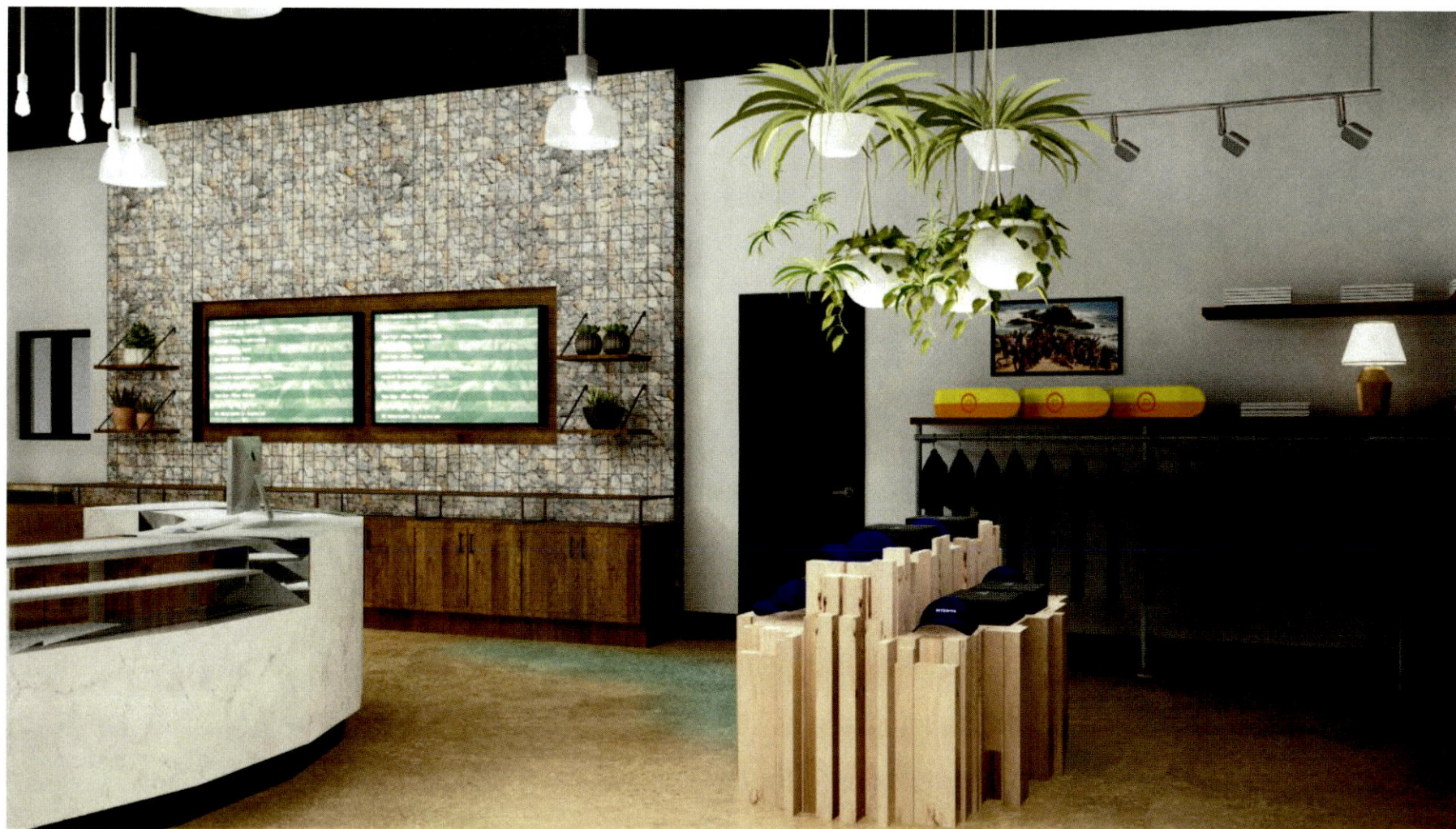
















COMMUNITY

Give Back

SAFE HARBOR

Creating a safe environment for visitors by providing lab tested, safe and consistent products in an informative, controlled and socially responsible environment.



Proactively Promoting Education and Responsible Use

- Patient and access information.
- Person to person and online guidance for use.
- Conditions and product information.
- Industry advancements.

Providing Employment and Skill Development Opportunities

- Full and part time positions with above average salaries.
- Skill training and advancement programs.
- Opportunities for career growth.



Giving Back

- 1% of revenue for philanthropic causes in the local community.
- Donations to organizations that are promoting responsible consumption of cannabis products such as MADD.
- Once a month, Company paid half day for employee volunteer activities.



COMMUNITY

COMMUNITY AND INSPIRATIONS
COME TOGETHER

Community ambassador will work with local organizations, seeking advice and direction, promoting education, responsible consumption and helping to uplift families in need.

Give Back

- ✓ Autism Awareness
- ✓ Mental Wellness
- ✓ Anti-Recidivism
- ✓ Local Community Building Programs

Health & Wellness Events

- ✓ Yoga
- ✓ Cooking and Cannabis
- ✓ Benefits of CBD

Cultural Events

- ✓ Artists quarterly
- ✓ Events – Special VIP
- ✓ Instore Local Music

Customer Education

- ✓ Virtually Reality Experience
- ✓ Pamphlets
- ✓ Video Clips
- ✓ In Store Seminars



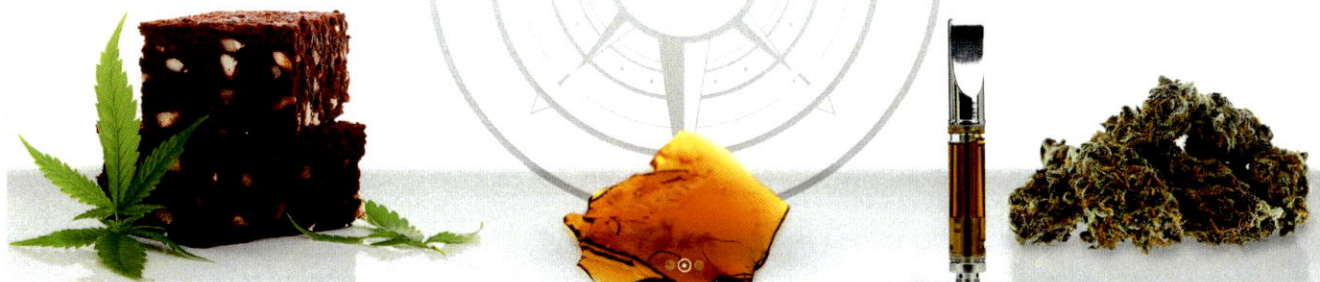
CHOICE PROVIDER

Increasing growth and profitability

BLUNT BROTHER DISTRIBUTION

San Bernardino Site is Leased, State Licensed & Upgrades Underway.

DISTRIBUTING HIGH QUALITY CANNABIS IN CALIFORNIA



Retail Delivery

Deliver finished products to retailers.

Value Added Production

Source and package products for licensed farmers and processors producing top shelf products.

Logistics

End to end delivery, cash collection and manifesting for cultivators and manufacturers. route.

Warehousing

Flash frozen, trim weight, crude and dissolute

Adult-Use and Medicinal – Distributor Temporary License
C11-18-0000527-Temp

Wholesale distribution to upwards of 80 licensed dispensaries across Southern California since 2011.



CULTIVATION

RETAIL GROWTH AND CULTIVATION FACILITY

Acquiring 2 Microbusiness License Facilities and Zoned Land.

- Sacramento, Needles and Colton.
- Microbusiness license allows a site licensee to engage in at least 3 of the 4 commercial cannabis activities: cultivation, manufacturing, distribution, and retail.

Projected	Sacramento	Needles	Colton	Total
Square Feet	10,000	10,000	87,120	97,120
Harvest Lbs	3,192	3,360	5,604	12,156 Lbs
Licenses In hand	Cultivation TAL18-0013258	Cultivation Indoor Distribution		2 Cultivation 1 Distribution
Licenses Planned	Manufacturing/ Type 6 Self Delivery		Cultivation Manufacturing	1 Cultivation 2 Manufacturing 1 Distribution



Integrating manufacturing with growing, active lifestyle brand division, arms length wholesale distribution in place.



WHO WE ARE

Cannus Partners

HIGHLY EXPERIENCED PROFESSIONALS
DIVERSE, COMPLIMENTARY BACKGROUNDS

Brian Baca

Chief Executive Officer

Brian Baca is the founder and CEO of ikānik Farms, a 3 time, HempCon Cup winner for both concentrates and topicals alike. Ikānik Farms previously operating on a licensed, 22,000 sq.ft., 2B mixed light permit in Calaveras County. The company focus is connoisseur quality cannabis. Ikānik is branded as a lifestyle company and currently sponsors and promotes many reggae groups in both California and Hawaii, respectively. Brian brings 16+ years of traditional finance and business experience, the most recent 10 years specializing in business and corporate banking.

Chad White

Director of Government Affairs

Chad White is founder of Blunt Brothers Distribution, a premier licensed cannabis distributor in California. Previously, Mr. White was the a Managing Member of Cali Consultants, a leading consulting company that managed medicinal cannabis cultivation operations throughout the Western United States. Mr. White has sixteen years of cannabis industry working with multiple municipalities in the Southern California to implement best business practices and regulations. He has led the way when needed to create Political Action Committees, while ensuring the community needs, wants and demands were met.

Ryan Cuicki

Chief Financial Officer / Director Dispensaries

Ryan Cuicki is the former CFO of Active Ride Shop (\$70mm, retail chain, with 35 store locations across California). He is the interim CFO and Senior finance consultant for Sole Tech, (\$50mm annual sales, global lifestyle brand). Ryan is responsible for providing investor quality reports quarterly. He brings with him 10+ years of senior management-level experience, with deep focus on enhancing cash flow, debt retirement, EBITDA expansion, strategic financial, and human resource decisions, while driving transformational change and demanding a transparent, disciplined, entrepreneurial thinking and execution-oriented culture.

Bill Preston

Director Cultivation

Bill Preston is ikānik Farms co-founder, lead cultivator and Co-Director of Cultivation. Bill Brings 22 years of cultivation experience and lead the ikānik farms team to 3 HempCon Cup wins, for both concentrates and topicals alike. Ikānik Farms is partnered on a licensed, 22,000 sq.ft., 2B mixed light permit in Calaveras County.

Bill Keating

Chief Operations Officer

Bill Keating has 25 years of senior management experience in consumer package goods, retail, energy and environmental markets with public and early stage businesses. Bill was recently on the management team of Robinson's Cannabis and co-led funding, marketing, and communications prior to its sale to Auxly. Earlier on, he founded Climate Shop Corporation an online energy saving platform and setup a capital pool fund. Most notably Bill was Managing Director for Corning Canada Inc. Born in Montreal, he holds an economics degree and started his career with the Hudson's Company and Polaroid before overseeing one of Canada's largest consumer video licensing and manufacturing companies.

Joseph Grzymski

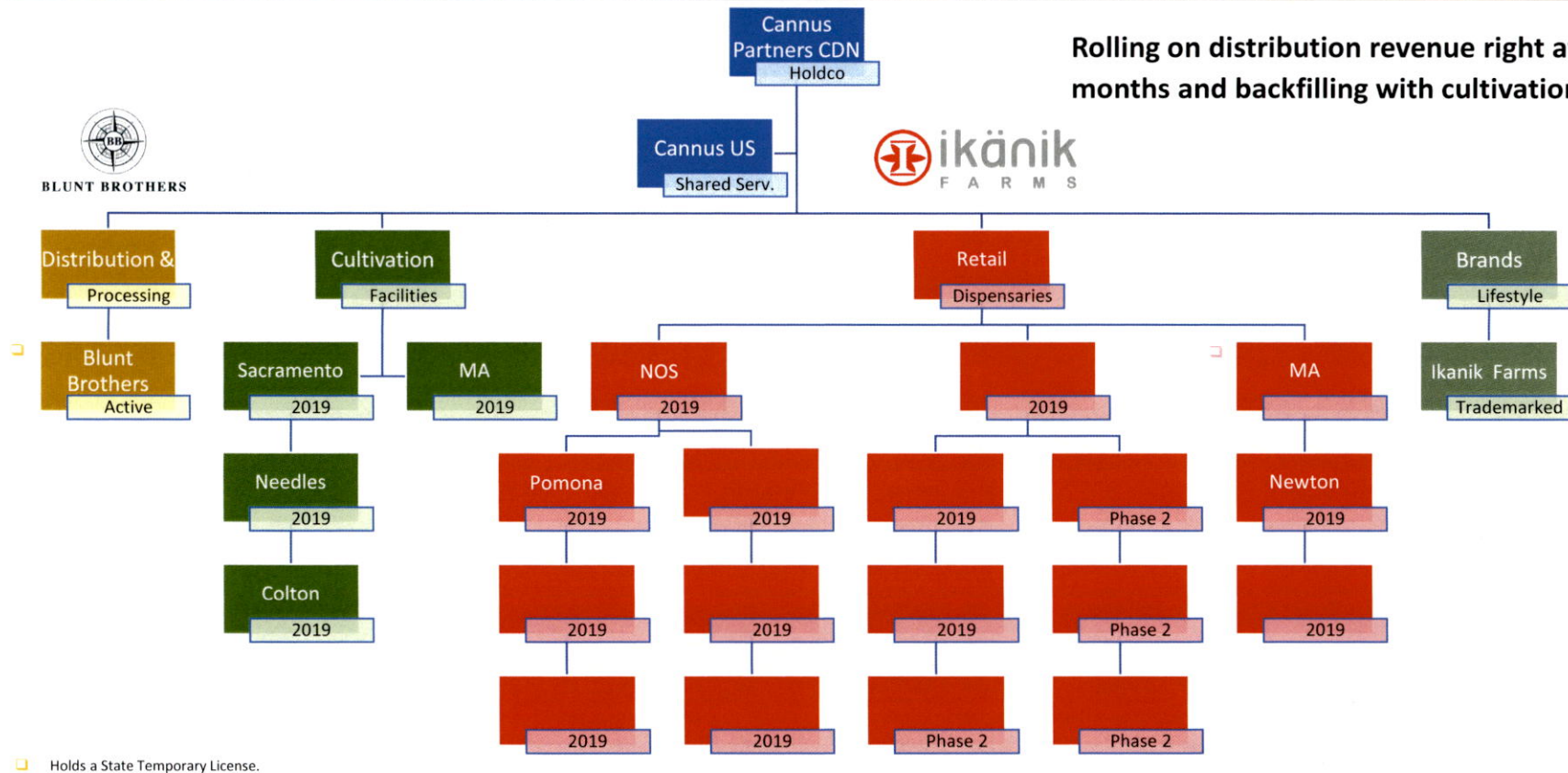
Scientific Advisor

Joseph Grzymski, PhD is the Chief Scientific Officer of Renown Health, the Director of the Renown Institute for Health Innovation, Senior Director of the Applied Innovation Center at the Desert Research Institute and the Associate Research Professor. He is responsible for expanding DRI's applied research portfolio and built a team of over 40 researchers and staff across two institutions. Dr. Grzymski conceived of and lead a diverse team of geneticists, data scientists, programmers, engineers, clinicians and doctors into a population health institute, which is a nationally recognized effort known as the Healthy Nevada Project.



ANTICIPATED STRUCTURE STRATEGY

SCALABLE & VERTICALLY INTEGRATED
SUPPLY CHAIN



MARKETING

WHERE LIFESTYLE ACTIVITIES AND BRANDS
COME TOGETHER

California is an early adopter market for emerging brands, styles and trendsetting for the rest of the States.

- Creating a brand lifestyle and social acceptance, through apparel, action sports, professional athlete ambassadors and non-cannabis music events to drive mainstream awareness.
- Building an exclusive portfolio of dynamic award-winning lifestyle brands based on tier price points, merging authenticity and designs with action sports community and lifestyle. (Ikanik Farms, Black Ash, SolHaus)
- The retail lease agreement at the National Orange Show Event Center provides continuous visibility and brand credibility across multiple marketing channels and non-cannabis related events.
- Marketing at events which evoke strong emotional connections and excitement: music & art festivals, cannabis and action sports events.
- Ikanik Farms, winner of 3 cups, has been at the forefront of California's fast emerging market creating inhouse signature strains and event marketing programs.
- Working commercial relationship with Civilized magazine for media and event tie-ins; Alterra Mountain Co (Tahoe/Aspen) co-branding and Super Park sponsorship.



Designing lifestyle products delivering full "Seed to Sale" margin



Civilized.





ENGAGEMENT

PROCESS

1. Discovery.
2. Goals, Objectives and Policies.
3. Consultation.
4. Review of Application, Ordinance and Resolution Requirements.
5. Planning, Zoning.
6. Community Considerations.
7. Commercial Terms.
8. Business Plan.
9. Development Agreement.



STRONGLY POSITIONED

Investment Highlights



- Blunt Brothers distribution secured Adult-Use and Medicinal – Distributor Temporary License
- Signed sale agreement with leading extraction manufacture.
- 3 Dispensary leases in place at San Bernardino: National Orange Show Event Center, Pomona and Newton MA.
- 2 Dispensary State license applications filed for Pomona, and Pasadena, CA.
- Completing the acquisition this month of a microbusiness license business with an active cultivation license.

Corporate Partners

1. Financial: Canaccord Genuity
2. Banking: Royal Bank of Canada
3. Legal and Securities: USA - Dorsey and Whitney; CAL-Cannabis Corporate Law
4. Accounting/Auditors: MNP, LLP
5. Lab Testing: VRX Labs

BUILDING SHAREHOLDER VALUE

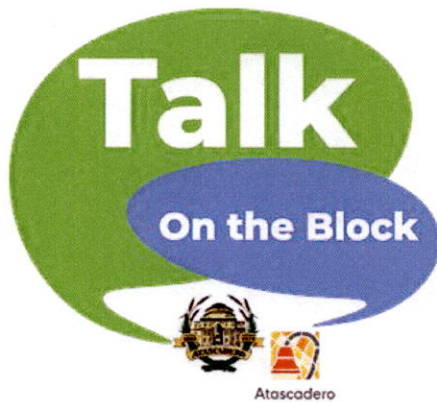


- Operating a vertical network of cultivation, distribution and dispensaries by 2nd quarter 2019.
- On boarding our collaborative network of farmers and manufactures to our platform.
- Well capitalized to build out to build out of retail footprint.
- Growing team of cannabis industry leaders with experience in place and boots on the ground driving execution.
- Expanding our network, deploying California growers and products to States where recreational cannabis is legalized.
- Implementing Microsoft's Dynamic NAV 365 ERP solution for Cannabis.



Cannus Partners
Thank you





After the City of Atascadero strategic planning session, Mayor Heather Moreno began exploring ideas with the Chamber to create a community outreach program driven around "taking democracy to the people". The following details out the "Talk on the Block" initiative with plans to engage community members from all parts of our city.

Who: The City Council, Department Heads and Chamber will go "on the road" to a local community, scheduling time to hear directly from the people about their needs and concerns as well as educating people about current city needs and plans. These events are intended to target specific communities of people as to hear the needs of different areas in town.

What: This is a town hall style event where the city will come to the people and hear from them. The schedule will allow for 20 minutes of introduction from the Mayor and/or city representative followed by an opportunity for the community to share their ideas/concerns and ask questions. There will not be a theme or driven discussion by the City or Chamber, rather this is an opportunity to have community members drive the conversation. Having the department heads present allows for a direct point of access to answering their questions.

When: The City and Chamber will schedule these events on a mutually agreed upon date in the evening time to allow for as many people to be present as possible. Our hopes are to host four events in the first half of the year and four events in the second half of the year.

Where: The intent of this program is to "go to the people", thus we will be working to find community members willing to open their garage, backyard or cul-de-sac, to allow their neighbors to join in on the discussion. The initial targets communities are Dove Creek, Del Rio, Spaghetti Hill and Paradise Valley.

Why: As our City is updating the strategic plan set by council it is important to allow as many voices to be heard as possible. It can be intimidating for people to attend a formal city council meeting and speak. Thus, we present the opportunity for them to be open and honest in the company of their

neighbors and in their homes. By allowing for a free sharing of ideas and feedback, the City Council can have the knowledge necessary in moving forward with the strategic plan implementation and goal setting.

Misc.: These meetings are considered special meetings of the City Council and will be noticed by the City Clerk accordingly. The Chamber will work to make all arrangements for location, audio equipment, chairs, etc., as well as marketing of the event. At the event, the city will be responsible for managing the agenda.

At the end of each set of events (twice annually), the Chamber will compile a formal presentation with highlights and general information from the community comments.

Sample Agenda:

Welcome – Mayor Moreno
Introductions – City Council & Department Heads
City Update –
Community Comment