



CANNABIS CULTIVATION

A DISCUSSION BY AARON FLYNN

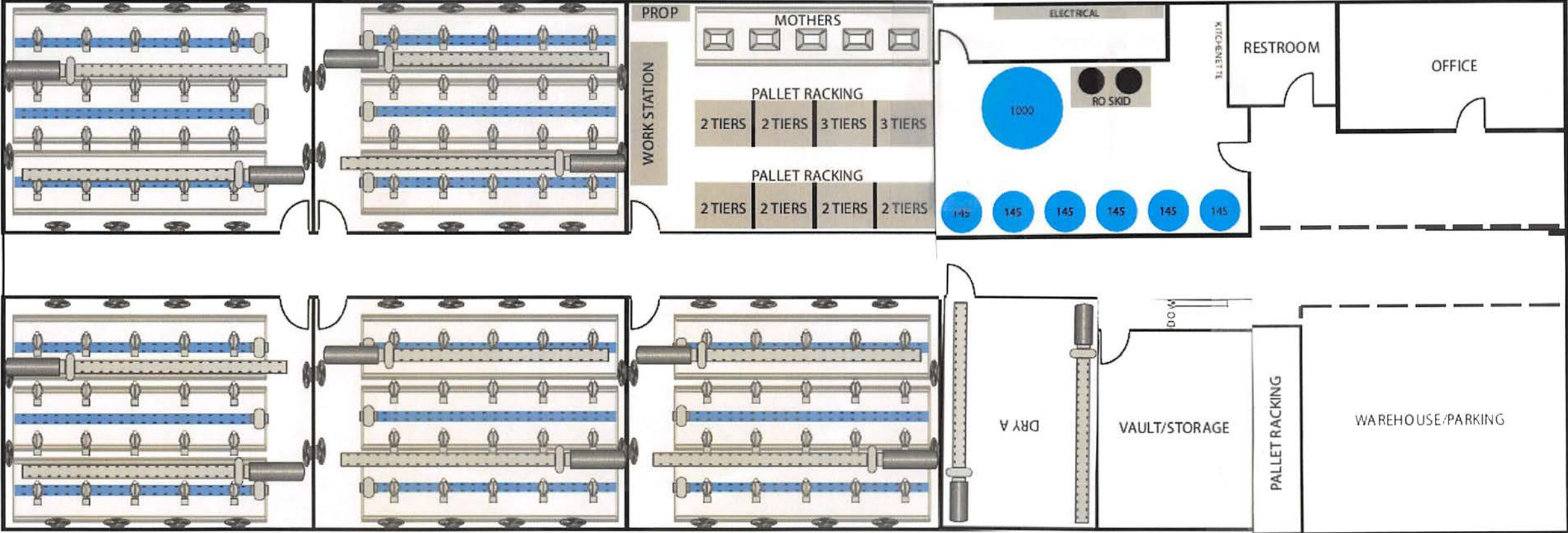
Leadership Team at SF-CLG

www.sfclg.org

Example of Cannabis Cultivation in San Francisco

- -100 light facility requires 5000sq/ft of total space.
- -20sq/ft per light + 3sq/ft of walkway = 2300sq/ft of flowering space.
- -500sq/ft for secure entry/loading and unloading.
- -500sq/ft center fire corridor/hallway.
- -450sq/ft for propagation and pre-flower (veg) space.
- -450sq/ft for water treatment/storage and electrical housing.
- -225sq/ft for post harvest curing space.
- -225sq/ft for processing and secure storage.
- -225sq/ft for office/break room
- -125sq/ft ADA accessible restroom

Cultivation Site of 5,000 SF – EXAMPLE LAYOUT



REGULATED CASE @ 1.5 lbs/light

Price per Pound	\$ 2,500	\$ 2,250	\$ 2,000	\$ 1,800
SALES	\$ 2,095,500	\$ 1,889,250	\$ 1,683,000	\$ 1,518,000
PBT Excluding Taxes	\$ 789,558	\$ 604,933	\$ 418,308	\$ 269,808
State Tax per pound- Flowers	\$ 122,100	\$ 122,100	\$ 122,100	\$ 122,100
State Tax per pound- By Product	\$ 6,270	\$ 6,270	\$ 6,270	\$ 6,270
Local Tax	\$ 20,625	\$ 18,563	\$ 16,500	\$ 14,850
Federal Tax on Gross Profit- 34%	\$ 312,601	\$ 250,529	\$ 187,778	\$ 137,849
State Tax on PBT- 8.84%	\$ 56,626	\$ 40,487	\$ 24,172	\$ 11,190
TOTAL TAXES	\$ 518,221	\$ 437,949	\$ 356,820	\$ 292,259
Regulation as a Percentage of sales	25%	23%	21%	19%
Net Income After Taxes Incl Amortization	\$ 271,337	\$ 166,984	\$ 61,488	-\$ 22,451

REGULATED CASE @ 2.0 lbs/light				
Price per Pound	\$ 2,500	\$ 2,250	\$ 2,000	\$ 1,800
SALES	\$ 2,794,000	\$ 2,519,000	\$ 2,244,000	\$ 2,024,000
PBT Excluding Taxes	\$ 1,375,033	\$ 1,128,533	\$ 880,033	\$ 682,033
State Tax per pound- Flowers	\$ 162,800	\$ 162,800	\$ 162,800	\$ 162,800
State Tax per pound- By Product	\$ 8,360	\$ 8,360	\$ 8,360	\$ 8,360
Local Tax	\$ 27,500	\$ 24,750	\$ 22,000	\$ 19,800
Federal Tax on Gross Profit- 34%	\$ 494,776	\$ 411,901	\$ 328,346	\$ 261,774
State Tax on PBT- 8.84%	\$ 103,991	\$ 82,444	\$ 60,720	\$ 43,411
TOTAL TAXES	\$ 797,427	\$ 690,255	\$ 582,226	\$ 496,145
Regulation as a Percentage of sales	29%	27%	26%	25%
Net Income After Taxes Incl Amortization	\$ 577,606	\$ 438,278	\$ 297,808	\$ 185,889