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June 13, 2019

VIA PERSONAL DELIVERY

Merced City Council
678 West 18th Street
Merced, California 95340

Re: Appeal of Commercial Cannabis Business Permit #18-14R to Harvest of Merced, LLC, City of Merced Planning Commission Resolution #4021

Dear Council Members,

This office represents Jiva Life, LLC, ("Jiva Life") and we write on its behalf to appeal Commercial Cannabis Business Permit #18-14R (the "Permit"), which the City of Merced ("City") Planning Commission ("Commission") granted to Harvest of Merced, LLC ("Harvest") on June 5, 2019 pursuant to resolution #4021. We object to the granting of the Permit. This letter shall serve as an appeal from issuance of the Permit.

The City has exhibited blatant favoritism towards Harvest in its decision to award the Permit. We understand the City previously denied Harvest the Permit because Harvest is located within 1,000 feet of a school, the Wolfe Education Center ("Center"). Rather than disqualify Harvest from receiving the Permit, as the Merced County Municipal Code ("Code") required, the City chose to rewrite the Code to allow Harvest to amend its Permit application and submit a lot line adjustment so that it would no longer be located within 1,000 feet from the Center. Harvest has not moved the physical location of its operations. Rather, it has engaged in gamesmanship to artificially change how the distance between its premises and the Center is measured. The City should have disqualified Harvest initially and selected the next qualified applicant on the list. It should award the Permit to Jiva Life, who has complied with all the Code's requirements and is next-in-line for a permit.

Based on the facts to date, it appears the City was determined to award the Permit to Harvest in spite of Harvest's failure to meet minimum Code requirements. The Code requires all commercial cannabis permits to be awarded in an objective manner, and as a matter of law, a municipality may not exhibit favoritism or inequity in the enforcement of its laws. The City has shown extreme favoritism towards Harvest in the Permit process; it literally rewrote the Code to allow the Permit award to Harvest. Such favoritism is a misuse of municipal power. All businesses applying for the Permit must be held to the same standards, and those standards must be applied uniformly to all applicants. The Council should not rewrite the

ATTACHMENT 10

Code to benefit a single entity that was previously disqualified because it was located too close to a school.

The City should not have awarded the Permit to Harvest. The City Council (“Council”) should reverse the Permit based on (1) Harvest’s failure to comply with the Code requirements as originally promulgated by the Council and as promulgated at the time of the submission of the application, and (2) the impermissible favoritism the City has shown towards Harvest. With Harvest properly disqualified and its Permit reversed, the Permit should be awarded to Jiva Life.

I. BACKGROUND

A. THE COMMISSION DENIED HARVEST THE PERMIT BECAUSE HARVEST WAS LOCATED WITHIN 1,000 FEET OF A SCHOOL

While the facts of this matter are egregious, they are not complicated. On December 4, 2017, the Council passed Ordinance Number 2480 codifying Section 20.44.170 of the Code, which regulates commercial cannabis activity.

Among other things, Section 20.44.170(L) establishes a process and procedure for the City to award four permits to commercial cannabis business (a “Cannabis Permit”) to operate within the City. The City “established a merit based scoring system to objectively award permits” (Code, § 20.44.170(L)(1)(c) [Emphasis added].) To be eligible to receive a Cannabis Permit, each business applicant must strictly comply with all applicable state and municipal regulations, including but not limited to “meet[ing] the distance requirements from sensitive uses. . . .” (Code, § 20.44.170(L)(1)(i)(iii).)

The Code requires that “[n]o cannabis dispensary may be located within a 1,000-foot radius from a school. . . .” (Code, § 20.44.170(L)(3)(f).) It defined a school as “any public or private school providing instruction in kindergarten or any of grades 1 to 12, inclusive” (Code, § 20.44.170(C)(48).)

Numerous businesses submitted Cannabis Permit applications, and the City determined that 22 applicants, including Jiva Life and Harvest met the rigorous criteria.

On January 16, 2018, the Council passed Resolution Number 2018-01, which among other things, established the numerical criteria to be used as the “merit based scoring system” to award Cannabis Permits, as required by Code section 20.44.170(L)(1)(c). Based on the selection and ranking criteria, Harvest was ranked the number four applicant. Jiva Life was ranked sixth. (Attached as **Exhibit A** is a true and correct printout of the City’s website showing the rankings of the Cannabis Permit applicants.)

On September 19, 2018, the Commission awarded the Permit to Harvest, and it awarded Cannabis Permits to the other top three ranked applicants.

Medallion Wellness (“Medallion”), who had had placed fifth on the ranking system and was not awarded a Cannabis Permit, appealed the Permit because Harvest was within 1,000 feet of the Center, and the Center is a school.

The Council held a public hearing on October 25, 2018 and reversed the Commission’s award of the Permit and remanded the matter back to the Commission to address whether (1) the Center is a school and (2) Harvest is within 1,000 feet of the Center.

On November 14, 2018, the Council, after public hearing, made findings of fact that (1) the Center is a school and (2) Harvest is within 1,000 feet of the Center. On that basis, the Council reversed the award of Permit.

B. THE CITY REWROTE THE CODE TO ALLOW HARVEST TO MODIFY ITS APPLICATION AND CHANGE HOW HARVEST MEASURED DISTANCE TO THE SCHOOL

Code section 20.44.170(L)(3)(f) states “The distance specified in this section shall be the horizontal distance measured in a straight line from the property line of the sensitive use noted above to the closest property line of the lot on which the commercial cannabis business shall be located without regard to intervening structures.” Based on this definition, the Council determined Harvest is located within 1,000 feet of the school Center. Notably, on April 1, 2019, the Council adopted resolution number 2019-12, which, among other things, established that the Center is school for the purposes of the Code.

To circumvent the fact Harvest is located within 1,000 feet of the Center, on March 4, 2019, the City approved Ordinance Number 2498, which amended Section 20.44.170 of the Code. Among other things, Ordinance Number 2498 amended Section 20.44.170(L)(3)(f)(iii) to state that after submission of an application, an applicant may be permitted to make “Modifications to the parcel upon which the proposed Commercial Cannabis Business will be located.”

In connection with Ordinance Number 2498, Harvest appears to have submitted a lot line adjustment that purports to move the lot line of Harvest’s property back approximately 20 feet so that it is no longer within 1,000 feet of the Center. Based on the lot line adjustment, the Commission awarded the Permit to Harvest.

C. THE CITY GAVE A FIFTH COMMERCIAL CANNABIS PERMIT TO MEDALLION SO IT WOULD NOT OBJECT TO HARVEST’S PERMIT

In addition to allowing Harvest to amend its Permit application and make a lot line adjustment to change how it measured the distance to the Center, the City also amended the Code so that Medallion would not object to Harvest’s Permit.

Without providing any explanation why, as part of Ordinance Number 2498, the City increased the number of Cannabis Permits from four to five by amending Code section 20.44.170(F)(1) accordingly. The only apparent explanation why the City chose to increase

the number of Cannabis Permits it was awarding was so Medallion—the fifth ranked applicant—would receive a permit and would withdraw its objection to the Harvest Permit.

II. ARGUMENT

A. HARVEST SHOULD HAVE BEEN DISQUALIFIED FOR THE PERMIT BECAUSE IT WAS LOCATED WITHIN 1,000 FEET OF THE CENTER

Code section 20.44.170(L) establishes the selection process for the award of Cannabis Permits. In relevant part, Section 20.44.170(L)(1)(d) states:

The initial application period shall be twenty-one (21) calendar days from the date the applications are released. * * * The director of development services or designee will evaluate the applications received and determine the eligibility of each application. Each application that is complete and in compliance with the application requirements in Phase 1 shall be placed on the “Qualified Commercial Cannabis Business Application List—Dispensaries/Retail Sales” and shall be notified in writing that they are a ‘Qualified Commercial Cannabis Business Applicant—Dispensaries/Retail Sales.’

Section 20.44.170(L)(1)(d) states:

If any of the items listed in the application process are not met, the director of development services shall notify the applicant of the deficiency within thirty (30) calendar days, after which the applicant will have ten (10) calendar days from receipt of notice to correct the deficiency. * * * If the deficiency is not corrected within ten (10) calendar days, the director of development services may deny the permit and notify the applicant of this determination in writing within ten (10) calendar days following the director of development services decision.

The Commission determined that Harvest did not meet the minimum application guidelines because its premises were located within 1,000 feet of the school Center. Nor was Harvest able to “correct” the deficiency with its application. The deficiency was not related to the content of the application. Rather, the deficiency was based on the physical location of Harvest’s premises. Further, the eventual ‘correction’ of the lot line adjustment did not occur within the required ten day window.

Thus, under the black-letter language of the Code, Harvest should never have been placed on the “Qualified Commercial Cannabis Business Application List—Dispensaries/Retail Sales” and it should not have been eligible to receive the Permit. Because Harvest did not satisfy the minimum Code requirements, it should have been disqualified from receiving the Permit. Indeed, that is why the Commission and the Council both properly denied Harvest the Permit.

B. THE CITY HAS IMPERMISSIBLY SHOWN FAVORITISM TO HARVEST IN THE PERMIT SELECTION PROCESS

In setting up the strict merit based system that was implemented by the City, the City was cognizant of its desire to invite qualified competition and to guard against favoritism and improvidence. Indeed, Code section 20.44.170(L)(1)(c) requires that the Cannabis Permit process must be objective.

Furthermore, California law requires that business permits may not be granted or refused by a municipality or municipal officer in an arbitrary manner and requires that any municipal ordinance be implemented in a uniform and objective manner. (*Serv-U-Garbage Co. v. Board of Health of City and County of San Francisco* (1930) 107 Cal.App. 386, 392; *Village of Willowbrook v. Olech* (2000) 528 U.S. 562, 564.) Based upon the above, the Code has not been implemented in a uniform or objective manner.

There can be no dispute that Harvest was ineligible for the Permit under the Code's original requirements. It was located within 1,000 feet of a school. For some subjective reason, Harvest was allowed special dispensation and was awarded the Permit in spite of the Code's requirements. To accomplish that end, the City modified the permitting and application process mid-stream so that Harvest could amend its Permit application and further allowed Harvest to artificially change how distance to the Center would be measure. Notably, Harvest has not moved the physical location where it will sell cannabis or cannabis products. Other than an arbitrary desire to award Harvest the Permit, there is no rational explanation why the City chose to disregard the merit award system and amend the Code given that there was other Qualified Commercial Cannabis Businesses on the list. It should have simply disqualified Harvest and moved on to the next qualified applicant who did meet the stringent requirements.

Not only has the City impermissibly shown favoritism towards Harvest, it has done so at the expense of other applicants who did comply with the Code's requirements—namely Jiva Life. Had Harvest been properly disqualified, Medallion would have been awarded the fourth Cannabis Permit and Jiva Life would have received the fifth.

The Council should not reward Harvest for its failure to comply with the strict requirements originally promulgated in the Code and applied to all applicants other than Harvest. Nor is the Council permitted to show favoritism towards Harvest, as has occurred here.

III. CONCLUSION

Harvest chose to locate its business within 1,000 feet of a school in violation of the Code's requirements. As a result, Harvest should have been ineligible to receive the Permit. Rather than disqualify Harvest from receiving the Permit, as it should have done, the City rewrote the Code specifically to accommodate Harvest and award it the Permit allowing Harvest additional time to correct the violation through a lot line adjustment. Throughout the

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permitting process the City has impermissibly shown favoritism towards Harvest, when it is required to treat all Cannabis Permit applications equally and objectively.

The Council should reverse the Permit awarded to Harvest. In so doing, it should award Jiva Life the available fifth permit, as Jiva Life is the next-in-line to receive the Permit based on the objective ranking criteria the City established.

Respectfully submitted,

CLARK HILL LLP



Jeffrey H. Belote

cc: client

W/ enclosures

EXHIBIT A

ry, this page has moved!
ase click [here](#) to go to the new location.

Cannabis Businesses in Merced

Revised Commercial Cannabis Business Permit Ordinance (Effective April 17, 2019)

The City of Merced has recently amended its Commercial Cannabis Business Permit Ordinance, which includes various updates including the addition of a 5th retail/dispensary permit (from the already established list of applicants). The revised Ordinance #2498 will be effective on April 17, 2019. Ordinance #2498 replaces the current Ordinance #2480. Resolution #2019-12 also established the "City's Official List of Schools" in accordance with the City's Cannabis regulations. Copies of the Revised Ordinance and the List of Schools can be downloaded below under the folder entitled "01-Revised Ordinance (Effective April 17, 2019)."

Planning Commission public hearings to consider the 4th (which had previously been under appeal) and 5th retail dispensary permits will likely be heard in late May 2019.

Planning Commission Awards Retail Cannabis Permits (September 2018)/Appeal Filed on One Application

On September 18 & 19, 2018, the City of Merced Planning Commission held public hearings on the top 4 cannabis dispensary/retail sales applications. After the public hearings, the Planning Commission approved all four applications as follows: 1) "Blue Fire" at 1975 W. Olive Ave; 2) "Green Door" at 811 W. Main St; 3) "Manzanita" at 1594 W. 18th St; and 4) "Harvest of Merced" at 863 W. 15th St. Please note that an appeal was filed on the "Harvest" application, which is on hold until the appeal is decided but the other applicants can move forward with their projects.

The City is still accepting applications for Cannabis Manufacturing, Cultivation, Distribution, and Testing businesses. However, the City will not be processing any more retail applications since the City's ordinance limits those to five. Please see our revised FAQ's for download below along with a new

City Announces Cannabis Dispensary Application Rankings and Schedules Planning Commission Public Hearings for September 18 & 19, 2018

The City of Merced received 22 complete applications for retail cannabis dispensaries in March 2018. Only four dispensaries may be approved under the City's cannabis ordinance (this has been changed to five under the revised ordinance--see above). The Planning Commission has already approved 10 cannabis business permits for manufacturing, cultivation, and distribution operations (see below).

A Selection Committee of City Manager Steve Carrigan, Police Chief Chris Goodman and Director of Development Services Scott McBride reviewed the applications and scored them based on criteria established by the City Council. All the proposed business owners were subject to a detailed background check by the Police Department.

A total score of 100 points was possible for each application. Points were awarded based on non-discretionary facts, such as public/neighborhood outreach programs, parking, business hours, previous experience and qualifications of the owners, access to capital, inclusion of certain safety features and local residency. There were 29 points awarded at the discretion of the Selection Committee based on enhanced security measures, community benefits, and other outstanding features above the minimum requirements of the applications.

The total scores of the reviewers were divided by three for an average score. The applications were ranked based on that average score.

The top four applications were scheduled for public hearings before the Planning Commission on September 18 & 19, 2018 (see above).

The scores and rankings are as follows:

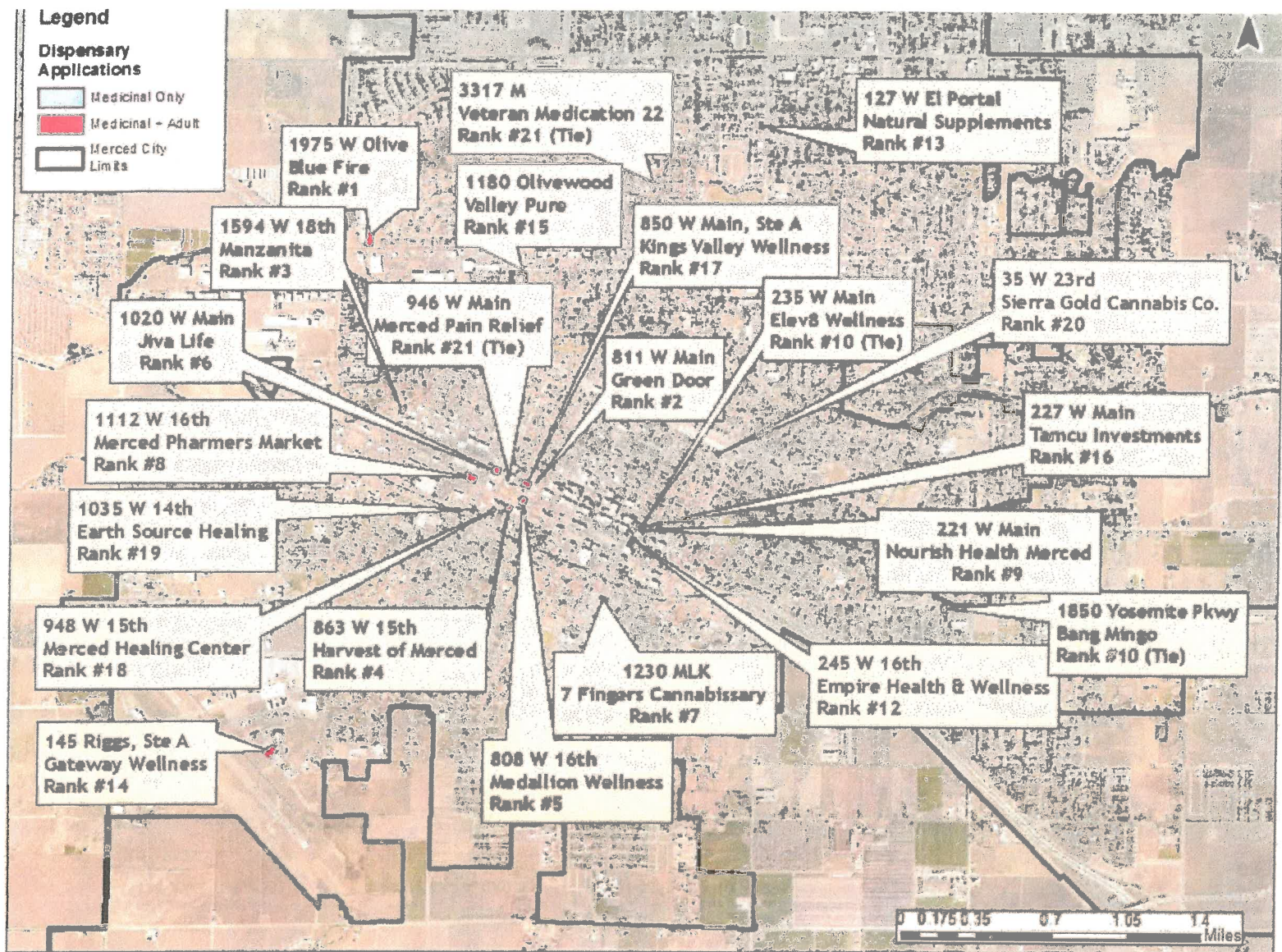
<u>Commercial Cannabis Business Permit Applications for Dispensaries</u>	<u>TOTAL SCORE</u>	<u>AVERAGE SCORE</u>	<u>RANKING</u>
CCBP #18-06R ("Blue Fire") at 1975 W Olive Ave	295	98.333	1
CCBP #18-10R ("Green Door") at 811 W Main St	292	97.333	2
CCBP #18-17R ("Manzanita") at 1594 W 18 th St	289	96.333	3
CCBP #18-14R ("Harvest of Merced") at 863 W 15 th St	285	95.000	4
CCBP #18-21R ("Medallion Wellness") at 808 W 16th St	269	89.667	5
CCBP #18-30R ("Jiva Life") at 1020 W Main St	255	85.000	6
CCBP #18-22R ("7 Fingers Cannabissary") at 1220-30 Martin Luther King Jr Wy	254	84.667	7
CCBP #18-11R ("Merced Pharms Market") at 1112 W 16th St	246	82.000	8
CCBP #18-29R ("Nourish Health Merced") at 221 W Main St	244	81.333	9
CCBP #18-08R ("Bang Mining") at 1850 Yosemite Pkwy	240	80.000	10 (Tie)

CCBP #18-13R ("Empire Health & Wellness") at 245 W 16th St	224	74.667	12
CCBP #18-09R ("Natural Supplements") at 127 W El Portal Dr	216	72.000	13
CCBP #18-07R ("Gateway Wellness") at 145 Riggs, Ste A	213	71.000	14
CCBP #18-25R ("Valley Pure") at 1180 Olivewood Ave	202	67.333	15
CCBP #18-26R ("Tamcu Investments") at 227 W Main St	201	67.000	16
CCBP #18-23R ("Kings Valley Wellness") at 850 W Main, Ste A	199	66.333	17
CCBP #18-12R ("Merced Healing Center") at 948 W 15 th St	187	62.333	18
CCBP #18-24R ("Earth Source Healing") at 1035 W 14 th St	179	59.667	19
CCBP #18-16R ("Sierra Gold Cannabis Co.") at 35 W 23 rd St	168	56.000	20
CCBP #18-20R ("Veteran Medication 22") at 3317 M St	157	52.333	21 (Tie)
CCBP #18-18R ("Merced Pain Relief") at 946 W Main St	157	52.333	21 (Tie)

The Following application was disqualified:

CCBP #18-15R ("Aleafiate") at 1471 Yosemite Pkwy	213	71.000	DQ
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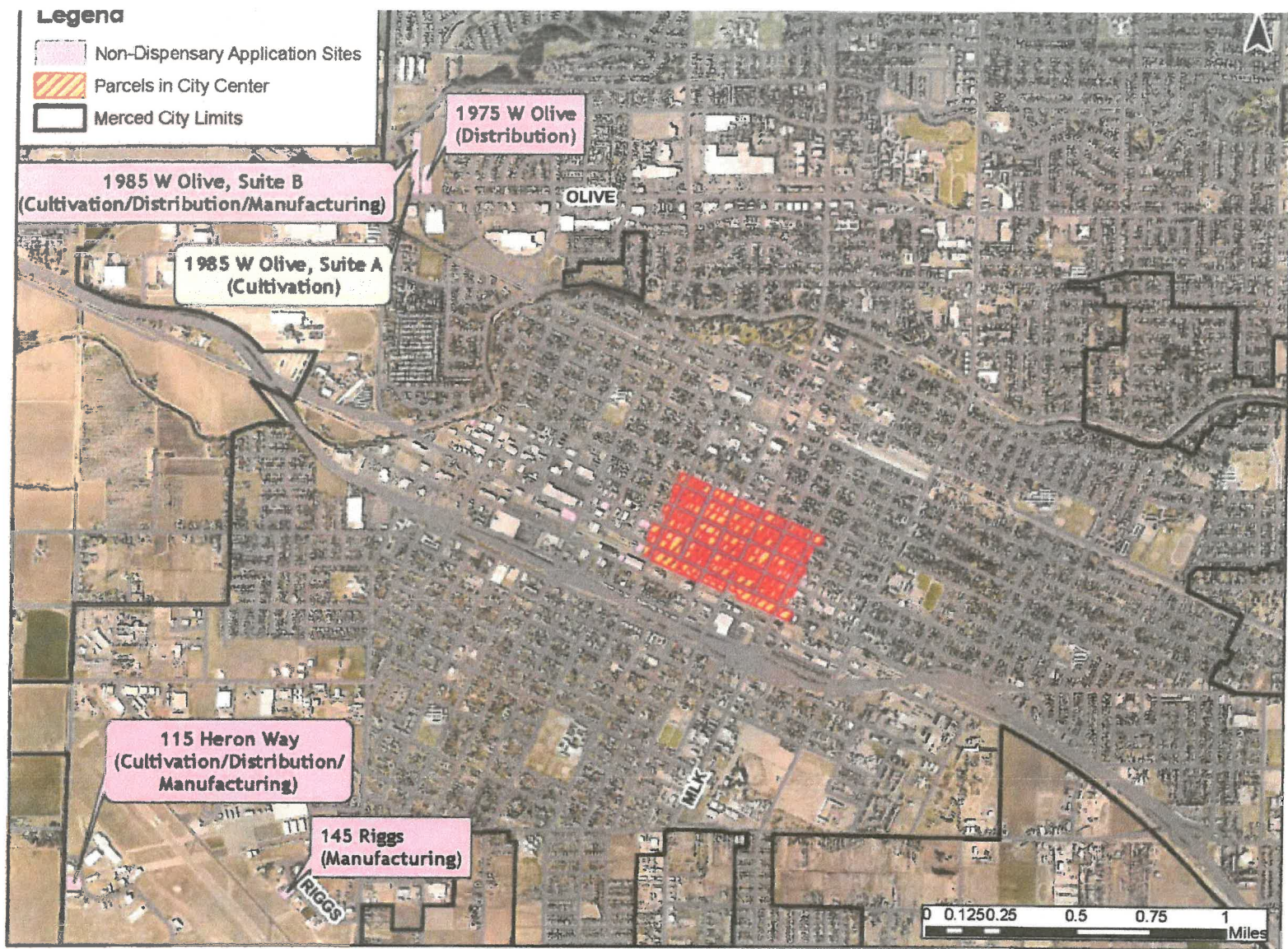
A map of all the cannabis dispensary applications is below.



Non-Retail Cannabis Applications Approved (August 2018)

The City of Merced is very pleased to note that the 10 non-retail applications for cannabis businesses (including cultivation, manufacturing, and distribution) were approved by the Planning Commission in August 2018. Detailed information about those applications can be found on the Planning Commission page at the link below for the Planning Commission meetings of August 8 and 22, 2018. A map of the locations is included below.

Planning Commission Staff Reports



The City's schedule for considering Cannabis Business Permits is below:

CITY OF MERCED COMMERCIAL CANNABIS BUSINESS PERMITS



PROJECT PHASE	STARTING	ENDING	PROJECT PHASE	STARTING	ENDING
Initial Application Period	March 5, 2018	March 26, 2018	City Council Briefing	July 2, 2018	July 2, 2018
Completeness Checks/Phase I	March 27, 2018	May 25, 2018	Selection Committee Meetings	July 12, 2018	July 13, 2018
Phase II Review (Non-Merit Based)	May 29, 2018	July 16 or 30, 2018	Public Hearing Notices (Aug PC)	July 16, 2018	July 30, 2018
Police Background Checks (All)	May 29, 2018	July 6, 2018	Planning Commission Hearings (Non-Merit Based)	August 8, 2018	August 22, 2018
Development Review Meetings	June 21, 2018	June 28, 2018	Public Hearing Notices (Sept PC)	August 27, 2018	August 27, 2018
Phase II Review (Retail Sales)	May 29, 2018	August 27, 2018	Planning Commission Hearings (Retail Sales—Top 4) (2 DAYS)	Tues. September 18, 2018	Wed. September 19, 2018

JANUARY 2018	FEBRUARY 2018	MARCH 2018	APRIL 2018	MAY 2018	JUNE 2018
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JULY 2018	AUGUST 2018	SEPTEMBER 2018	OCTOBER 2018	NOVEMBER 2018	DECEMBER 2018
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Application Update--July 2018

The City received a total of **30** applications for Commercial Cannabis Business Permits (CCBP) during the initial application period (March 5-26, 2018). Those applications include **24** for retail sales/dispensaries (23 of which are combined adult use/medical dispensaries with delivery and 1 medical only with delivery), 2 for cultivation, 2 for manufacturing, and 2 for distribution. (No applications for testing were received.) 4 additional applications for non-retail uses were subsequently received--1 for cultivation, 2 for distribution, and 1 for manufacturing, bringing the total up to **34**. After checking all the applications for completeness and Phase I requirements, all but 1 application passed and moved onto Phase II, bringing the total to **33** with **10** being non-retail and **23** being retail.

Please note that CCBP's for retail sales/dispensaries are limited to only 4 per the City's Ordinance. Therefore, the City expects to award those 4 retail sales permits from the 24 initial applications received, so it is likely that any dispensary applications received after 3/26/18 will remain on a Waiting List indefinitely. Since there is no limit on the number of cultivation, distribution, manufacturing, or testing CCBP's., the City will continue to accept applications for those uses and they will be processed as time permits after the 10 applications above for other uses are processed.

Selection Committee of retail sales/dispensaries to determine the top 4 candidates to move onto Planning Commission public hearings. For all other uses, Phase 2 will involve the detailed background checks prior to being scheduled for Planning Commission public hearings.

Cannabis Location Web Mapping Tool Now Available

The City of Merced is excited to launch our Cannabis Location Web Mapping Tool! This tool will help you determine if a particular site is suitable for a cannabis business. By typing in the street address, you will be able to see what the General Plan and Zoning Designations are, if the site is near a sensitive use (i.e., schools, daycare centers, youth centers, etc.), and link to the Cannabis Business Land Use Table to determine if the site is eligible for a cannabis business. Please visit this site and use this tool prior to contacting the City to determine if a site is eligible.

Also, please note the following disclaimer:

"Use of this online tool is intended for informational purposes and is not binding confirmation that a property complies with any or all aspects of the City of Merced's requirements to obtain a Commercial Cannabis Business Permit. Determinations of zoning compliance, distance from sensitive uses, and other requirements will be made by the Planning Department of the City of Merced in accordance with the regulations set forth by the Merced City Council in Ordinance 2480. "

The City of Merced does not have jurisdiction over properties outside its City Limits. To avoid confusion, any property that is searched for outside of the Merced City Limits will return no results.

All Properties within 1,000 feet of a school are shown as "Properties with Inappropriate Zoning for Cannabis Activities" at this time. This is because Dispensaries/Retail Sales are impermissible at this distance. However, some other Cannabis Activities are permissible so long as they are not within 600 feet of a school. This may mean that another Cannabis Activity (Manufacturing, Testing, Cultivation or Distribution) may still be appropriate based on distance from other sensitive uses and the information in Table 20.44-1, Commercial Cannabis Business, from the Merced Cannabis Ordinance 2480.

For any questions regarding this web application, the information contained herein, or regarding the Commercial Cannabis Business permit application process, please contact the City of Merced's Planning Department at planningweb@cityofmerced.org, by calling 209-385-6858, or in-person on the 2nd Floor of the Merced Civic Center at 678 West 18th Street, Merced, CA 95340 between the hours of 10AM to Noon and 1PM to 5PM Monday through Friday.

Link to Cannabis Location Web Mapping Tool:
<http://bit.ly/CityofmercedCannabisOrdinance>

2018)–NOW CLOSED!

The City of Merced is pleased to announce that the initial application period for Commercial Cannabis Business Permits will be from Monday, March 5, 2018 through Monday, March 26, 2018. Please see the flyer below for details. **THE INITIAL APPLICATION PERIOD IS NOW CLOSED!**

Application forms are available for download below in the folder entitled "Application Forms and Schedules." (Please note that the applications were revised on 1/31/18 in order to include the Environmental Review Checklist, which needs to be submitted with the application. The environmental application fee for a "Categorical Exemption" is \$123 in 2018 and will apply to most applications. However, if new construction is involved with your application, please contact Planning Staff to determine the appropriate level of environmental review.)

If you would like to request a pre-application meeting with City Staff, please download the form from the January 26 workshop below and submit it to the Planning Division at planningweb@cityofmerced.org

CITY OF MERCED

Commercial Cannabis Business Permits Application Submittal Dates



To Schedule a Pre-Application
Meeting with the Director of
Development Services or Designee,
please call the number below.

CITY OF MERCED

Planning & Permitting Division
678 W. 18th Street
Merced, CA 95340

Phone: 209-385-6858

Fax: 209-725-8775

Email:

planningweb@cityofmerced.org

The City of Merced will soon begin accepting applications for Commercial Cannabis Business Permits according to the provisions of Ordinance No. 2480. The initial application period for both Merit-based (Dispensaries/Retail Sales) and Non-Merit-Based (All Other Cannabis Businesses) Permits will be:

Monday, March 5, 2018

through

Monday, March 26, 2018

During Normal Business Hours

10:00 AM to 5:00 PM

Merced Planning Division (2nd Floor)

Merced Civic Center at 678 W. 18th St., Merced

All applications must be submitted in person. All application forms submitted after those dates will be placed on a Waitlist.

Please refer to the website for the application forms, fees, and additional information about the application process.

City of Merced Website Link:

https://www.cityofmerced.org/depts/cd/planning/cannabis_businesses.asp

On Friday, January 26, 2018, the City held a workshop to discuss the application process for Commercial Cannabis Business Permits. The City was very pleased with the turnout of over 130 people interested in our application process. The schedule for submitting applications, the application forms, and maps for determining the distance from sensitive land uses were presented at the workshop. For a copy of the presentation and handouts from the workshop, please see the folder entitled "January 26, 2018 Application Workshop Materials" below.

A web-based application for determining the distance from sensitive land uses will be coming soon...keep checking this page for information on the web-based tool. In the meantime, we have found some errors in the maps that were displayed at the January 26 workshop so they have been removed from the website. When the maps are back up, please note the following disclaimer: "These cannabis maps were prepared for general inquiries only. The City of Merced is not liable for any errors or omissions that may occur. Official information for specific parcels or addresses should be obtained from the City Planning Division by sending the location to planningweb@cityofmerced.org."

City Council Approves the Cannabis Ordinance (Effective on January 3, 2018)

On November 20, 2017, the City Council held a public hearing on the proposed Cannabis Ordinance. After the public hearing and discussing all the issues, the City Council, by a 5-2 (5 ayes, 2 noes) vote, introduced Ordinance #2480 with the following changes: a) allowing dispensaries in the Neighborhood Commercial (C-N) zone; b) allowing dispensaries in the Light Industrial (I-L) zones; c) allowing volatile manufacturing in the Light Industrial (I-L) zone; d) allowing adult use dispensaries in the Commercial Office (C-O) zone; and, e) adding some language regarding the "Watson Advisement" regarding driving under the influence to the required signs to be posted in dispensaries. The Ordinance was revised and came back to the City Council for a second reading/adoption on December 4, 2017. That night, Ordinance #2480 was adopted and became effective 30 days later on January 3, 2018. Various documents relating to the Cannabis Ordinance can be downloaded below, including the adopted Ordinance. Ordinance #2480 replaced Ordinance #2464, adopted in 2016.

At its December 18, 2017, meeting, the City Council held a public hearing and considered adoption of a resolution to establish application fees for Commercial Cannabis Business Permits as well as annual regulatory fees for monitoring and enforcement. After the public hearing, the City Council adopted Resolution #2017-67 by a 7-0 vote. Supporting documents are available for download below.

On January 16, 2018, the City Council adopted the Merit-Based Selection Criteria for Dispensaries/Retail Sales. The final Merit-Based Criteria, adopted Resolution, City Council reports, and presentations are available for download below.

Planning Commission Public Hearings (October/November 2017)

Draft Ordinance regarding Cannabis Businesses in Merced. A public hearing before the Planning Commission was held on Wednesday, October 18, 2017, but due some technical issues with the appointment of one of our Planning Commissioners, the public hearing was rescheduled for Wednesday, November 8, 2017, for the Planning Commission to make a recommendation to the City Council on the Draft Ordinance. After the public hearing, the Planning Commission recommended to the City Council by at 5-1-1 (5 ayes, 1 no, 1 abstain) vote to approve the Ordinance as proposed with the addition of dispensaries in the Light Industrial (I-L) zone.

Community Outreach

A number of public meetings have been held thus far to give input into the process of developing an ordinance and selection process for future medical marijuana businesses in the City. A study session on Proposition 64 was held for the City Council on April 17, 2017 (presentation available for download below). A Community Outreach meeting on medical marijuana issues in the City was held on May 9, 2017 (presentation and flyer available for download below). A study session with the Planning Commission and City Council was held on July 5, 2017 (presentation is available for download below). A second Stakeholder and Community meeting was held on July 12, 2017 (flyer and presentation available for download below).

A Study Session with the City Council and Planning Commission was held on September 12, 2017. See below to download a copy of the agenda packet, which included a DRAFT ordinance (since revised, please refer to the November 8 Planning Commission packet), as well as the presentation. The City Council and Planning Commission gave staff direction for modifications to the ordinance which would allow more commercial cannabis businesses in the City, including commercial cultivation, manufacturing, distribution, and adult use dispensaries/retail sales as well as the medical dispensaries.

Preparation of Operating and Licensing Regulations for Cannabis Dispensaries

In February 2017, the City of Merced hired SCI Consulting, Inc., to assist the City with the preparation of the operating and licensing regulations for the medical marijuana dispensaries.

Development Services - Planning - Cannabis - 00a--Application Forms & Schedules

1-NEW Annual Renewal of CCBP--All Types--Application Form

File Name: **Annual Renewal of All CCBP Application R2.pdf**

Revision Date: 10/4/2018

**More
Info**

2-Application Filing Fees

File Name: **Cannabis Fee Schedule-Updated 2019.pdf**

Revision Date: 12/18/2018

[More](#)
[Info](#)

3-CCBP Frequently Asked Questions

File Name: **Commercial Cannabis Business Permit FAQ worksheet V2.pdf**

Revision Date: 3/21/2018

[More](#)
[Info](#)

Commercial Cannabis Business Permits Information Sheet (2019)

File Name: **Cannabis Attraction Flyer Update2019.pdf**

Revision Date: 12/21/2018

[More](#)
[Info](#)

Cultivation Application Packet

File Name: **Commercial Cultivation Cannabis Application - Final Packet-1-31-18.pdf**

Revision Date: 1/31/2018

[More](#)
[Info](#)

Dispensary/Retail Sales Application Packet

File Name: **Commercial Retail Sales Cannabis Application- Final Packet-1-31-18.pdf**

Revision Date: 1/31/2018

[More](#)
[Info](#)

Distribution Application Packet

File Name: **Commercial Distribution Cannabis Application - Final Packet-1-31-18.pdf**

Revision Date: 1/31/2018

[More](#)
[Info](#)

Environmental Review Checklist--Needs to Be Submitted with All Applications

File Name: **Environmental Review Checklist.pdf**

Revision Date: 1/29/2018

[More](#)
[Info](#)

Indemnity Agreement

File Name: **CCBP Indemnity Agreement.pdf**

Revision Date: 1/26/2018

[More](#)
[Info](#)

Live Scan Forms

File Name: **Live Scan BCII_8016.pdf**

Revision Date: 2/21/2018

[More](#)
[Info](#)

Live Scan Locations and Instructions

File Name: **Live Scan Locations_REVISED for Cannabis .pdf**

Revision Date: 3/8/2018

[More](#)
[Info](#)

Manufacturing Application Packet

File Name: **Commercial Manufacturing Cannabis Application -Final Packet-1-31-18.pdf**

Revision Date: 1/31/2018

[More](#)
[Info](#)

Testing Application Packet

File Name: **Commercial Testing Cannabis Application -Final Packet-1-31-18.pdf**

Revision Date: 1/31/2018

[More](#)
[Info](#)

Web-Tool for Sensitive Uses Flyer

File Name: **Merced Web App for Sensitive Uses Flyer.pdf**

Revision Date: 2/21/2018

[More](#)
[Info](#)

Zoning Verification Form

File Name: **Zoning Verification Form R5 - Final.pdf**

Revision Date: 1/26/2018

[More](#)
[Info](#)

Development Services - Planning - Cannabis - 00b--January 26, 2018

Application Workshop Materials

Application Workshop Flyer Reminder--January 26, 2018

File Name: **Jan 26-2018 Application Workshop Flyer2.pdf**

Revision Date: 1/19/2018

[More](#)
[Info](#)

Application Workshop Flyer--January 26, 2018

File Name: **Jan 26-2018 Application Workshop Flyer.pdf**

Revision Date: 12/20/2017

[More](#)
[Info](#)

Dates When Merced Will Be Accepting Cannabis Applications Handout

File Name: **Merced Application Dates Flyer.pdf**

Revision Date: 1/26/2018

[More](#)
[Info](#)

January 26, 2018 Application Workshop Agenda

File Name: **01-26-18 Workshop AGENDA.pdf**

Revision Date: 1/26/2018

[More](#)
[Info](#)

January 26, 2018 Application Workshop Presentation

File Name: **01-26-2018--Cannabis Application Workshop.pdf**

Revision Date: 1/26/2018

[More](#)
[Info](#)

Request for Pre-Application Meeting Handout

File Name: **Request for pre-app meeting for cannabis business permit.pdf**

Revision Date: 1/26/2018

[More](#)
[Info](#)

Workshop Questions Handout

File Name: **Cannabis workshop questions.pdf**

Revision Date: 1/26/2018

[More](#)
[Info](#)

Development Services - Planning - Cannabis - 00c--Cannabis Tax Measure

01-Adopted Ordinance #2490 (Cannabis Tax Measure)

File Name: **Cannabis Tax Ordinance No. 2490.pdf**

Revision Date: 4/11/2019

[More](#)
[Info](#)

Adopted Resolution (Consolidating Election)

File Name: **Adopted Resolution 2018-11 (Consolidating Election).pdf**

Revision Date: 2/22/2018

[More](#)
[Info](#)

Adopted Resolution Calling the Election (Tax Ordinance is Exhibit B)--Amended 3-8-18

File Name: **Resolution 2018-13 with Exhibits.pdf**

Revision Date: 2/22/2018

[More](#)
[Info](#)

City Council Admin Report on Tax Ordinance/Special Election--Feb 20, 2018

File Name: **AR - Special Election (Commercial Cannabis Business Tax).pdf**

Revision Date: 2/21/2018

[More](#)
[Info](#)

City Council Admin Report--Feb. 5, 2018 on Cannabis Tax Options

File Name: **AR - Options for Cannabis Tax Measure.pdf**

Revision Date: 2/6/2018

[More](#)
[Info](#)

City Council Admin Report--Special Meeting (March 8, 2018)

File Name: **3-8-18 CC Agenda Packet.pdf**

Revision Date: 3/9/2018

[More](#)
[Info](#)

City Council Presentation--Feb 20, 2018

File Name: **02-20-2018-CC--Cannabis Tax Ordinancea.pdf**

Revision Date: 2/21/2018

[More](#)
[Info](#)

City Council Presentation--Feb. 5, 2018 on Cannabis Tax Options

File Name: **02-05-2018-CC--Cannabis Tax Options.pptx**

Revision Date: 2/6/2018

[More](#)
[Info](#)

Development Services - Planning - Cannabis - 01--Revised Ordinance (Effective April 17, 2019)

00a-Revised Ordinance #2498 (Effective April 17, 2019; Replaces Ordinance #2480)

File Name: **Ordinance 2498 Commercial Cannabls.pdf**

Revision Date: 4/4/2019

[More](#)
[Info](#)

00b1--Resolution #2019-12--List of Schools

File Name: **Resolution 2019-12--List of Schools.pdf**

Revision Date: 4/4/2019

[More](#)
[Info](#)

00b--Adopted Cannabis Ordinance #2480 (Effective January 3, 2018)

File Name: **Ordinance 2480 - Cannabis.pdf**

Revision Date: 12/6/2017

[More](#)
[Info](#)

00c--Summary of Adopted Cannabis Ordinance

File Name: **Summary of Adopted Merced Ordinance-12-5-17.pdf**

Revision Date: 12/6/2017

[More](#)

[Info](#)

Commercial Cannabis Business Permit Process Flowchart

File Name: **Cannabis Permit Flowchart and Disclaimer revised 10-26-2017.pdf**

Revision Date: 11/6/2017

[More](#)

[Info](#)

Development Services - Planning - Cannabis - 02--Cannabis Fees (Adopted Dec. 18, 2017)

Adopted Resolution #2017-67 (Cannabis Fees)

File Name: **Resolution 2017-67.pdf**

Revision Date: 12/20/2017

[More](#)

[Info](#)

Cannabis Regulatory Fees Background Report (December 2017)

File Name: **City of Merced Cannabis Regulatory Fees 2017.pdf**

Revision Date: 1/8/2018

[More](#)

[Info](#)

City Council Administrative Report (December 18, 2017)

File Name: **AR- Cannabis Permit Fees & Regulatory Fees Adoption.pdf**

Revision Date: 12/20/2017

[More](#)

[Info](#)

City Council Presentation (December 18, 2017)

File Name: **12-18-2017 Public Hearing-CC Presentation-Cannabis Fees.pdf**

Revision Date: 12/20/2017

[More](#)

[Info](#)

Public Hearing Notice for Establishment of Cannabis Fees (Dec. 18, 2017)

File Name: **CC PHN -Cannabis Fees-Dec18-2017 (002).pdf**

Revision Date: 12/6/2017

[More](#)
[Info](#)

Development Services - Planning - Cannabis - 03--Merit-Based Selection Criteria (Jan. 2 & 16, 2018)

Adopted City Council Resolution #2018-01

File Name: **Resolution 2018-01.pdf**

Revision Date: 1/17/2018

[More](#)
[Info](#)

Adopted Merit-Based Selection Criteria--Jan. 16, 2018

File Name: **Merit Based Selection Criteria for Merced R8--CC Adopted-01-16-18.pdf**

Revision Date: 1/17/2018

[More](#)
[Info](#)

City Council Administrative Report--Jan. 16, 2018

File Name: **AR - Merit Based Criteria for CCBPs.pdf**

Revision Date: 1/17/2018

[More](#)
[Info](#)

City Council Administrative Report--Jan. 2, 2018

File Name: **AR - Adoption of Merit-Based Criteria for CCBP.pdf**

Revision Date: 12/27/2017

[More](#)
[Info](#)

City Council Presentation--Jan. 16, 2018

File Name: **01-16-2018-CC Presentation-Merit Based Criteria--Final.pdf**

Revision Date: 1/17/2018

[More](#)
[Info](#)

City Council Presentation--Merit-Based Criteria-Jan2-2018

File Name: **01-02-2018-CC Presentation-Merit Based Criteria.pdf**

Revision Date: 1/8/2018

[More](#)
[Info](#)

Development Services - Planning - Cannabis - 04--City Council Public Hearings (Nov/Dec 2017)

01--City Council Presentation--11-20-17

File Name: **11-20-2017 Public Hearing ZOA #17-01 CC Presentation-Cannabis Businesses-Reduced.pdf**

Revision Date: 11/21/2017

[More](#)
[Info](#)

02--City Council Administrative Report--11-20-17

File Name: **AR-ZOA #17-01 (Commercial Cannabis Ordinance).pdf**

Revision Date: 11/21/2017

[More](#)
[Info](#)

03--Administrative Report for 2nd Reading of Cannabis Ordinance--CC 12-4-17

File Name: **AR - second reading for Cannabis Businesses Ordinance-12-4-17.pdf**

Revision Date: 11/29/2017

[More](#)
[Info](#)

Development Services - Planning - Cannabis - 05--Planning Commission Public Hearings (Oct/Nov 2017)

03--Planning Commission Staff Report for Nov. 8, 2017 (Includes Draft Ordinance at Attachment A)

File Name: **Item 4.3 (Addendum)- ZOA 17-01-Cannabis Businesses Ordinance (draft).pdf**

Revision Date: 11/6/2017

[More](#)
[Info](#)

Planning Commission Public Hearing Notice--November 8, 2017

File Name: **PC 11-08-2017 PHN-ZOA 17-01-Cannabis.pdf**

Revision Date: 11/6/2017

[More](#)
[Info](#)

Planning Commission Public Hearing Notice--Oct 18, 2017

File Name: **PC PHN 10-18-2017 (ZOA #17-01 Cannabis Ordinance).pdf**

Revision Date: 10/11/2017

[More](#)
[Info](#)

Planning Commission Study Session Packet--Oct. 11, 2017

File Name: **PDF of PC Packet 10-11-2017 Special Meeting.pdf**

Revision Date: 10/11/2017

[More](#)
[Info](#)

Planning Commission Study Session Presentation-Cannabis Businesses in Merced-PC10-11-2017

File Name: **10-11-2017 Study Session ZOA #17-01 PC Presentation-Cannabis Businesses.pdf**

Revision Date: 10/12/2017

[More](#)
[Info](#)

Development Services - Planning - Cannabis - 06--Community Meetings & Study Sessions (April-Sept 2017)

City Council/Planning Commission Study Session Packet-9-12-17

File Name: **9-12 Agenda Packet.pdf**

Revision Date: 9/14/2017

[More](#)
[Info](#)

City Council/Planning Commission Study Session Presentation--9/12/17

File Name: **PC-CC Study Session Presentation--Sept 12 2017.pdf**

Revision Date: 9/14/2017

[More](#)
[Info](#)

Community Outreach Meeting Flyer-May 9, 2017

File Name: **City of Merced community outreach meeting May 9 2017 without images.pdf**

Revision Date: 4/27/2017

[More
Info](#)

Presentation to City Council on Prop 64--April 17, 2017

File Name: **Proposition 64 Presentation for April 17 2017 R1 (002).pdf**

Revision Date: 4/28/2017

[More
Info](#)

Presentation--Community Meeting--May 9, 2017

File Name: **Community Meeting Presentation for May 9 2017.pdf**

Revision Date: 7/13/2017

[More
Info](#)

Presentation--Planning Commission/City Council Study Session--July 5, 2017

File Name: **Discussion of Merced Ordinance Elements July 5 2017.pdf**

Revision Date: 7/13/2017

[More
Info](#)

Presentation--Stakeholders & Community Meeting--July 12, 2017

File Name: **Stakeholder Meeting July 12 2017.pdf**

Revision Date: 7/13/2017

[More
Info](#)

Stakeholder & Community Meeting Flyer--July 12, 2017

File Name: **Stakeholder-Public Mtg Flyer-07-12-17.pdf**

Revision Date: 7/13/2017

[More
Info](#)