

Appeal of Commercial Cannabis Business Permit Application (CCBP) #22-02R

Culture Merced on Motel Drive, Inc. (Culture Cannabis Club)
Commercial Cannabis Retail
1111 Motel Drive

MERIT-BASED SCORING (FINDING C)

City of Merced Commercial Cannabis Business Application Scoring

| <u>Application #</u> | <u>Applicant</u> | <u>Address</u> | <u>Total Score</u> | <u>Average Score</u> | <u>Ranking</u> |
|----------------------|------------------|------------------|--------------------|----------------------|----------------|
| CCBP 22-02R | Culture | 1111 Motel Drive | 286 | 95.33 | 1 |
| CCBP 22-01R | Shryne | 1240 W Main St | 278 | 92.67 | 2 (Tie) |
| CCBP 22-09R | Jiva Life | 1121 W Olive Ave | 278 | 92.67 | 2 (Tie) |
| CCBP 22-08R | HerbNJoy | 850 W Main St | 263 | 87.67 | 4 |
| CCBP 22-03R | Haven | 1111 Motel Dr | 242 | 80.67 | 5 |
| CCBP 22-04R | GJN | 1210 W 13th St | 231 | 77.00 | 6 |
| CCBP 22-07R | GJN | 1250 W 9th St | 223 | 74.33 | 7 |
| CCBP 22-11R | Bang Mingo | 863 W 15th St | 192 | 64.00 | 8 |
| CCBP 22-10R | Koyami | 121 Heron Wy | 148 | 49.33 | 9 |

- Total of eleven (11) CCBP retail applications submitted to the City, January 2022
- Nine (9) applications completed Phase 2 review
- 100 possible points (78 Non-discretionary points, 22 discretionary points)
- Culture Cannabis Club achieved top rank based on the average of the total scores from each member of the Selection Panel

SUBJECT SITE

- ZONED THOROUGHFARE COMMERCIAL (C-T) WITH THOROUGHFARE COMMERCIAL (CT) LAND DESIGNATION
- APPROXIMATELY 3,520 SF EXISTING BUILDING (FORMERLY KEWL CATS)
- ADJACENT TO COMMERCIAL USES



ELEVATIONS



CULTURE PROPOSES REVITALIZING 1111 MOTEL DRIVE. THE ABOVE IS A DESIGN RENDER OF THE EXTERIOR POST-RENOVATION.



PHOTO 6



PHOTO 3



PHOTO 5



PHOTO 2

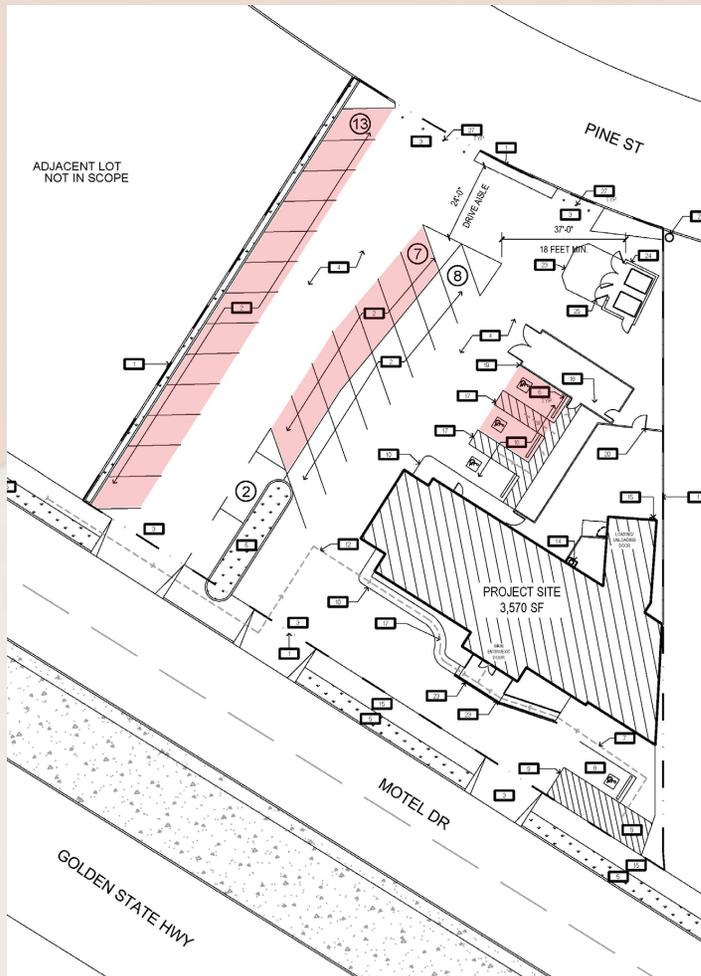


PHOTO 4



PHOTO 1

Planning Commission Action–



- The Planning Commission voted 5-2 to approve Culture’s application with an additional condition:
 - All access to Pine Street from the site and the adjacent site to the west is to be blocked off, interior of site to be redesigned to handle the new flow.
 - New Site Plan has been provided, at left.
- Two Appeals of the PC Decision were received:
 - Jiva (Applicant tied for 2nd Place)
 - Edwin Kainth (Local Business Owner)

Appeals– CCBP #22-02R

Edwin Kainth (Local Business Owner)

- Appeal asserts negative impact to business, traffic issues, pedestrian issues, incompatible use type.
- Denied by City Council on April 3, 2023 with a 5-1 vote (1 recused)

Jiva (CCBP Applicant, Tied for 2nd Place in Merit-Based Score)

- Appeal asserts that Jiva should have more points from Criteria 5d and 5e, which regard owner experience in a Mutual Benefit Nonprofit for 1 year and 3 years, respectively.

JIVA MCE, LLC-



Merit Based Selection Criteria for Commercial Cannabis Business Permits (Limited Number of Permits Available)

| <u>Description of Criteria:</u> | <u>Points Awarded</u> | <u>Points Possible</u> |
|---|-----------------------|------------------------|
| Section 5: Prior Experience in Business Ownership and Management | | |
| a) Combined prior experience of proposed owners is between 6 months to 3 years of verified successful management of a legal retail cannabis facility | | 1 |
| b) Combined prior experience of proposed owners is more than 3 years of verified successful management of a legal retail cannabis facility | | 1 |
| c) Combined prior experience of proposed owners is more than 3 years of verified successful management of any non-cannabis legal retail facility | | 2 |
| d) Combined prior experience of proposed owners is more than 1 year and up to 3 years with a verified Mutual Benefit Non-Profit Corporation for cannabis in compliance with California law and with proof of payment of taxes | | 1 |
| e) Combined prior experience of proposed owners is more than 3 years and up with a verified Mutual Benefit Non-Profit Corporation for cannabis in compliance with California law and with proof of payment of taxes | | 2 |
| f) Above prior experience was obtained within the City or County of Merced | | 3 |
| g) Above prior experience was obtained within 100 miles of the City of Merced | | 1 |
| Section 5: Sub-Total of Points Possible | | 11 |

- Final Selection Panel scores were released on August 19, 2022
- JIVA submitted an inquiry with staff contesting their final scores in the Merit-Based Criteria sections 5d and 5e

JIVA MCE, LLC-



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- As a courtesy, and not on behalf of the Selection Panel, Staff responded November 4, 2022 stating possible reasons:
 - Dr. Oram is indicated in their provided documents being involved with the business for approx. 2.5 years (does not meet the 3 year threshold)
 - CCSAC's business license was suspended between 2015 and 2020 (not operating in compliance with CA law for the required period under 5d and 5e)

CITY COUNCIL MOTION

- **Grant or deny the appeal of JIVA MCE, LLC; and,**
- **Provide direction to staff regarding findings to grant or deny the appeal, with or without prejudice.**