



# CITY OF MERCED

## Meeting Agenda

City Council Chamber  
Merced Civic Center  
2nd Floor  
678 W. 18th Street  
Merced, CA 95340

### City Council/Public Finance and Economic Development Authority/Parking Authority

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Thursday, October 25, 2018

6:00 PM

City Council Chamber, 2nd Floor, Merced Civic  
Center, 678 W. 18th Street, Merced, CA 95340

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#### NOTICE TO PUBLIC

#### WELCOME TO THE MEETING OF THE MERCED CITY COUNCIL

At least 72 hours prior to each regular City Council meeting, a complete agenda packet is available for review on the City's website at [www.cityofmerced.org](http://www.cityofmerced.org) or at the City Clerk's Office, 678 W. 18th Street, Merced, CA 95340. All public records relating to an open session item that are distributed to a majority of the Council will be available for public inspection at the City Clerk's Office during regular business hours.

#### PUBLIC COMMENT: OBTAIN SPEAKER CARD FROM THE CITY CLERK

Members of the audience who wish to address the City Council are requested to complete a speaker card available at the podium against the right-hand side of the Council Chamber. Please submit the completed card to the City Clerk before the item is called, preferably before the meeting begins.

#### INDIVIDUALS WITH DISABILITIES

Accommodation for individuals with disabilities may be arranged by contacting the City Clerk at (209) 388-8650. Assisted hearing devices are available for meetings held in the Council Chamber.

#### A. CALL TO ORDER

A.1. Pledge of Allegiance to the Flag

#### B. ROLL CALL

#### C. PUBLIC HEARINGS

Members of the public who wish to speak on public hearings listed on the agenda will be heard when the Public Hearing is opened, except on Public Hearing items previously heard and closed to public comment. After the public has commented, the item is closed to further public comment and brought to the Council for discussion and action. Further comment will not be received unless requested by the Council.

C.1. [18-553](#)      **SUBJECT:** Public Hearing and Appeal of Planning Commission

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Approval of Commercial Cannabis Business Permit #18-14R

**REPORT IN BRIEF**

Request by Medallion Wellness to appeal and reverse the Planning Commission's approval of Commercial Cannabis Business Permit #18-14R.

**RECOMMENDATION**

Option A - Adopt Resolution (Attachment 4) affirming the Planning Commission's approval of Commercial Cannabis Business Permit #18-14R.

Option B - Adopt Resolution (Attachment 5) reversing the Planning Commission's approval of Commercial Cannabis Business Permit #18-14R.

Option C - Adopt Resolution (Attachment 6) modifying the Planning Commission's approval of Commercial Cannabis Business Permit #18-14R.

**City Council** - Adopt a motion:

A. Adopt **Resolution 2018-\_\_**, A Resolution of the City Council of the City of Merced, California, affirming the Planning Commission's Approval of Commercial Cannabis Business Permit #18-14R to allow Harvest of Merced, LLC. to operate a retail dispensary for medicinal and adult use cannabis and cannabis-related products, including delivery services, at 863 W. 15th Street, and denying an appeal by Medallion Wellness and its agents; or,

B. Adopt **Resolution 2018-\_\_**, A Resolution of the City Council of the City of Merced, California, reversing the Planning Commission's Approval of Commercial Cannabis Business Permit #18-14R, denying issuance of Commercial Cannabis Permit #18-14R and causing the next highest-scoring application for a Commercial Cannabis Business Permit using the city's merit-based scoring criteria, to be heard for one of the available four Commercial Cannabis Business Permits to operate a retail dispensary of cannabis and cannabis-based products at a future public hearing at a meeting of the Planning Commission; or,

C. Adopt **Resolution 2018-\_\_**, A Resolution of the City Council of the City of Merced, California, modifying the Planning Commission's Approval of Commercial Cannabis Business Permit #18-14R to allow Harvest of



Merced, LLC. to operate a retail dispensary for medicinal and adult use cannabis and cannabis-related products, including delivery services, at 863 W. 15th Street.

**D. ADJOURNMENT**



## ADMINISTRATIVE REPORT

File #: 18-553

Meeting Date: 10/25/2018

*Report Prepared by: Michael Hren, Principal Planner, Planning Division*

**SUBJECT:** Public Hearing and Appeal of Planning Commission Approval of Commercial Cannabis Business Permit #18-14R

### REPORT IN BRIEF

Request by Medallion Wellness to appeal and reverse the Planning Commission's approval of Commercial Cannabis Business Permit #18-14R.

### RECOMMENDATION

Option A - Adopt Resolution (Attachment 4) affirming the Planning Commission's approval of Commercial Cannabis Business Permit #18-14R.

Option B - Adopt Resolution (Attachment 5) reversing the Planning Commission's approval of Commercial Cannabis Business Permit #18-14R.

Option C - Adopt Resolution (Attachment 6) modifying the Planning Commission's approval of Commercial Cannabis Business Permit #18-14R.

### City Council - Adopt a motion:

A. Adopt **Resolution 2018-\_\_**, A Resolution of the City Council of the City of Merced, California, affirming the Planning Commission's Approval of Commercial Cannabis Business Permit #18-14R to allow Harvest of Merced, LLC. to operate a retail dispensary for medicinal and adult use cannabis and cannabis-related products, including delivery services, at 863 W. 15th Street, and denying an appeal by Medallion Wellness and its agents; or,

B. Adopt **Resolution 2018-\_\_**, A Resolution of the City Council of the City of Merced, California, reversing the Planning Commission's Approval of Commercial Cannabis Business Permit #18-14R, denying issuance of Commercial Cannabis Permit #18-14R and causing the next highest-scoring application for a Commercial Cannabis Business Permit using the city's merit-based scoring criteria, to be heard for one of the available four Commercial Cannabis Business Permits to operate a retail dispensary of cannabis and cannabis-based products at a future public hearing at a meeting of the Planning Commission; or,

C. Adopt **Resolution 2018-\_\_**, A Resolution of the City Council of the City of Merced, California, modifying the Planning Commission's Approval of Commercial Cannabis Business Permit #18-14R to allow Harvest of Merced, LLC. to operate a retail dispensary for medicinal and adult use cannabis

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and cannabis-related products, including delivery services, at 863 W. 15th Street.

## **ALTERNATIVES**

1. Approve, as recommended by staff; or,
2. Approve, with modifications; or,
3. Continue to a future City Council meeting (date and time to be specified in the motion).

## **AUTHORITY**

City of Merced Ordinance #2480/Merced Municipal Code Section 20.44.170.

## **DISCUSSION**

### Project Description

Commercial Cannabis Business Permit (CCBP) #18-14R is an application for a permit to utilize the property at 863 W. 15th Street for cannabis-related business activities. The permit seeks to allow Harvest of Merced, LLC. to operate a Retail Dispensary for medicinal and adult use cannabis and cannabis-related products, including delivery services. Staff recommended approval with conditions at the Planning Commission meetings of September 18 and September 19, 2018. The Planning Commission approved CCBP #18-14R after a public hearing on September 19, 2018.

Medallion Wellness asserts that Commercial Cannabis Business Permit (CCBP) #18-14R as approved by the Planning Commission on September 19, 2018, is in violation of Merced Municipal Code Section 20.44.170(E), subsection 3, part f, which states that, "No Cannabis dispensary may be located within a 1,000-foot radius from a school..."

The City Council's review of this appeal is limited to review of the Planning Commission decision to grant Commercial Cannabis Business Permit #18-14R and is not a *de novo* review pursuant to Merced Municipal Code 20.44.170L(3). As such, the Council will only consider the information presented to the Planning Commission at the public hearings on September 18 and 19, 2018, and will then determine whether the Planning Commission decision should be affirmed, reversed, or modified.

Commercial Cannabis Business Permit #18-14R is the sole subject of this appeal and the Council cannot take into consideration factors or details related to any other Commercial Cannabis Business Permit Application.

### Background

Commercial Cannabis Business Permit application #18-14R has passed the Phase I and Phase II screening process. Background checks on all owners were performed to the satisfaction of the Chief of Police. Public hearings regarding this application were held at the September 18 and September 19, 2018, meetings of the Planning Commission. Public testimony was closed on the September 18 meeting with no further public testimony scheduled.

At the September 19 meeting, representatives from Medallion Wellness requested that public

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testimony be reopened to speak regarding Commercial Cannabis Business Permit #18-14R, Harvest of Merced. During that testimony, Medallion Wellness' representatives presented documents which included a printout from Google Earth and argued that 863 W. 15th Street is within 1,000 feet of a sensitive use, specifically the Wolfe Education Center.

Representatives for Harvest of Merced, LLC., the applicant, argued in rebuttal that their investigation indicates that their property is outside the 1,000 foot buffer for sensitive uses.

City staff, when asked for comments by Planning Commission Chairperson Dylina, provided the following:

City of Merced Ordinance #2480 states that "School" means any public or private school providing instruction in kindergarten or any of grades 1 to 12, inclusive, but does not include any private school in which education is primarily conducted in private homes or as otherwise provided in Health and Safety Code Section 11362.768(h).

City staff investigated the matter of student attendance at the Wolfe Education Center prior to the receipt of Commercial Cannabis Business Permit applications in the first quarter of 2018, in response to inquiries regarding nearby properties. Staff reached out to representatives from the Merced County Office of Education (MCOE), the property owner, to determine if the Wolfe Education Center was used for activities that involved students, specifically minors. A representative for MCOE informed staff that students attended the 732 W. 13th Street address. City staff took this information and determined that this address corresponded to Assessor's Parcel Number 031-313-012, and created a 1,000-foot buffer around this parcel for the purposes of cannabis-based business applications. According to the GIS-based mapping tool used by the City, Commercial Cannabis Business Application #18-14R is outside of this 1,000 foot buffer.

MCOE also owns an additional parcel, APN 031-313-013, 760 W. 13th Street; however there was no indication that any kindergarten through 12th grade education occurred on this parcel. This parcel was therefore not included in the sensitive use buffer.

After considering the foregoing, the Planning Commission voted 6-0, with one abstention, to approve Commercial Cannabis Business Permit #18-14R to Harvest of Merced, LLC.

It is staff's recommendation that the City Council move forward with Option A and Adopt Resolution (Attachment 4) affirming the Planning Commission's approval of Commercial Cannabis Business Permit #18-14R.

## **IMPACT ON CITY RESOURCES**

No appropriation of funds is needed.

## **ATTACHMENTS**

1. Ordinance #2480
2. Planning Commission Record
3. Letter of Appeal, Including Exhibits A through G

4. Resolution 2018- \_ Affirming Planning Commission's Approval
5. Resolution 2018- \_ Reversing Planning Commission's Approval
6. Resolution 2018- \_ Modifying Planning Commission's Approval
7. Presentation

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MERCED,  
CALIFORNIA, REPLACING 20.44.170 (“MEDICAL MARIJUANA AND  
CULTIVATION”); AMENDING SECTION 20.10.020 AND TABLE 20.10-1  
 (“COMMERCIAL ZONING DISTRICTS”), AND AMENDING SECTION 20.12.020  
 AND TABLE 20.12-1 (“INDUSTRIAL ZONING DISTRICTS”) OF THE MERCED  
 MUNICIPAL CODE; AND ADDING LAND USE TABLE 20.44-1 TO REGULATE ALL  
 COMMERCIAL CANNABIS ACTIVITIES AND CULTIVATION FOR PERSONAL USE  
 IN THE CITY OF MERCED**

**THE CITY COUNCIL OF THE CITY OF MERCED DOES ORDAIN AS FOLLOWS:**

**SECTION 1: Findings.**

The City Council finds and declares as follows:

- A. In 1996, the California electorate approved Proposition 215, the Compassionate Use Act which allows a patient, with a doctor’s recommendation, to use cannabis for medical purposes without the fear of prosecution or arrest; and
- B. In 2003, the California legislature passed Senate Bill 420 (Medical Marijuana Program Act) which amended the Health and Safety Code to permit the establishment of medical cannabis dispensaries for the distribution of cannabis for medical purposes; and
- C. In 2005, the California Board of Equalization began issuing seller’s permits for sales consisting of medical cannabis; and
- D. In 2008, the California Attorney General issued guidelines for the security and non-diversion of cannabis grown for medical use; and
- E. In 2015, the Governor signed into law Senate Bill 643, Assembly Bill 266, and Assembly Bill 243, collectively referred to as the Medical Marijuana Regulation and Safety Act (“MMRSA”) further amended in 2016 as the Medical Cannabis Regulation and Safety Act (“MCRSA”), which established regulations and a state licensing system for medical cannabis cultivation, manufacturing, delivery, and dispensing; and
- F. In 2016, the voters of the State of California approved and passed Proposition 64 also known as the Adult Use of Marijuana Act (“AUMA”); and
- G. In 2017, the Governor signed into law Senate Bill 94 also known as Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA); and
- H. Health & Safety Code Section 11362.83 provides that cities are free to adopt and enforce local ordinances that regulate the location, operation, or establishment of medical cannabis; and
- I. After studying various alternatives for the regulation of commercial cannabis considering input from stakeholders and a public hearing, and reviewing the legal status of cannabis under applicable law, the City Council finds that the regulation of commercial cannabis activities is necessary to protect the public health, safety, and welfare by mitigating the adverse secondary effects from the operations of these uses; and

ATTACHMENT 1

- J. The City of Merced has a compelling interest in ensuring that cannabis is not distributed in an illicit manner, in protecting the public health, safety and welfare of its residents and businesses, in preserving the peace and quiet of the neighborhoods in which these uses may operate, and in providing access of cannabis to residents; and
- K. The proposed Ordinance has been reviewed by City staff in accordance with the Environmental Checklist Form (Appendix G of the CEQA Guidelines) to determine if there would be any possibility that the proposed ordinance would create any significant environmental impacts, and City staff has determined that the establishment of regulations for commercial cannabis businesses do not meet any of the thresholds contained in the Checklist that would trigger a significant environmental impact, and thus according to the “general rule exemption” (Section 15061(b)(3) of the CEQA Guidelines, projects which have no potential for causing a significant effect on the environment are not subject to CEQA, no further environmental analysis is required.

## **SECTION 2: Authority**

This Ordinance is adopted pursuant to the authority granted by the California Constitution and State law, including by not limited to, Article IX, Section 7 of the California Constitution, the Compassionate Use Act of 1996 (California Health and Safety Code Section 11362.5), the Medical Marijuana Program (California Health and Safety Code Section 11362.7 et seq.), the Medical Marijuana Regulation and Safety Act (AB 266, AB 243, and SB 643; hereafter “MMRSA”), the Adult Use of Marijuana Act (Proposition 64), and the Medical and Adult Use Cannabis Regulation and Safety Act (SB 94; hereafter “MAUCRSA”).

## **SECTION 3: Purpose and Intent**

The purpose and intent of this section is to regulate commercial cannabis business activities in order to ensure the health, safety and welfare of the residents of the City of Merced by establishing regulations necessary for a commercial cannabis business to obtain and maintain a Commercial Cannabis Business Permit (CCBP). Any commercial cannabis businesses operating in the City of Merced shall at all times be in compliance with current State Law and this ordinance. All commercial cannabis facilities shall operate in accordance with the regulations in this ordinance and with the conditions of approval associated with the applicable zone for the parcel of real property upon which the commercial cannabis activities are conducted. Any commercial cannabis business shall qualify for and receive a Commercial Cannabis Business Permit from the City of Merced as provided by this ordinance and operate only in a zone in compliance with Title 20 of the Merced Municipal Code before commencing with any commercial cannabis activity. Any commercial cannabis business without a Commercial Cannabis Business Permit is in violation of this ordinance. The regulations in this article, in compliance with the Compassionate Use Act, the Medical Marijuana Program Act, SB 94, Proposition 64, and the California Health and Safety Code (collectively referred to as “State Law”) do not interfere with the right to use cannabis or medical cannabis as authorized under State Law, nor do they criminalize the possession or commercial activities of cannabis or medical cannabis as authorized under State Law. This ordinance also provides regulations for the cultivation of cannabis for personal use within the City of Merced to ensure the health, safety, and welfare of the residents of the City of Merced.

#### **SECTION 4. Amendments of Chapters 20.10 and 20.12.**

Table 20.10-1 "Permitted Land Uses in the Commercial Zoning Districts" in Section 20.10.020 of the Merced Municipal Code and Table 20.12-1 "Permitted Land Uses in the Industrial Zoning Districts" in Section 20.12.020 of the Merced Municipal Code under "Medical Marijuana Dispensaries" shall be amended to read as follows: "Refer to Table 20.44-1 in Section 20.44.170 for Permitted Land Uses for All Commercial Cannabis Business Activities."

#### **SECTION 5. Amendment of Chapter 20.44.170**

The City of Merced hereby repeals Section 20.44.170 ("Medical Marijuana and Cultivation") of the Merced Municipal Code in its entirety, and replaces it with the amended Section 20.44.170 as set forth below.

#### **20.44.170 – REGULATION OF COMMERCIAL CANNABIS ACTIVITIES – COMMERCIAL CANNABIS BUSINESS PERMIT REQUIRED**

##### **20.44.170(A): Zoning Compliance and Commercial Cannabis Business Permit Requirements**

Specific commercial cannabis businesses are allowed as a special use in the C-C, C-O, C-G, C-N, I-L and I-H Zoning Districts and Planned Developments which have the equivalent General Plan land use designations of those zones. Commercial cannabis activities are expressly prohibited in all other zones in the City of Merced. Commercial cannabis businesses shall apply for and conduct business only in the appropriate zones as described in Table 20.44-1 and the City of Merced's zoning ordinance as a requisite for obtaining a Commercial Cannabis Business Permit (CCBP). No commercial cannabis business may operate in the City of Merced without a Commercial Cannabis Business Permit.

This Land Use Table 20.44-1 shall be used to determine whether a cannabis business is not permitted – "X", or permitted – "P". Any Commercial Cannabis business in the City of Merced shall also operate in compliance with the City's zoning ordinance. If a Zoning District is not listed in the Land Use Table in this section then the use is expressly not permitted.



Commercial Cannabis Business Activities Use Type	City of Merced Municipal Code Table 20.44-1							Additional Specific Use Standards
	Land Use Classification [4] [5]	C-C Zone	C-O Zone	C-G Zone	C-N Zone	I-L Zone	I-H Zone	
Cultivator	Greenhouse, Type A	X	X	X	X	P	P	Sec. 20.44.170(I)
Cultivator	Greenhouse, Type B	X	X	X	X	P	P	Sec. 20.44.170(I)
Cultivator	Greenhouse, Type C	X	X	X	X	P	P	Sec. 20.44.170(I)
Nursery	Greenhouse, Type D	X	X	X	X	P	P	Sec. 20.44.170(I)
Manufacturing	Manufacturing, non-volatile	X	X	X	X	P	P	Sec. 20.44.170(H)
Manufacturing	Manufacturing, volatile	X	X	X	X	P	P	Sec. 20.44.170(H)
Dispensary [1][2]	Pharmaceutical, medical	P	P	P	P	P	X	Sec. 20.44.170(F)
Dispensary [1][2]	Retail, non-medical/combined	P	P	P	P	P	X	Sec. 20.44.170(F)
Testing Laboratory	No Retail	P	P	P	X	P	P	Sec. 20.44.170(J)
Distribution [3]	Freight/Transport	X	X	P	X	P	P	Sec. 20.44.170(K)

#### **Footnotes**

1. Only four (4) dispensaries shall operate within the Merced City Limits. At least one (1) of those dispensaries shall also dispense medicinal cannabis goods. If State law allows medical and adult use dispensaries on the same premises, the City of Merced would allow a combined use, but in no case shall more than four (4) dispensaries of any kind be allowed within the City of Merced at any one time.
2. Dispensaries (medical or adult use) are prohibited in the City Center area between 19<sup>th</sup> and 16<sup>th</sup> Streets and O Street and Martin Luther King Jr. Way, including properties fronting on either side of each of the above streets.
3. Only allowed in General Commercial (C-G) zones if meet the provisions of Section 20.44.170 (K)(10).
4. If listed as "Permitted" in a specific zone above, then that use is also "Permitted" in Planned Development (P-D) zones that have the equivalent General Plan land use designation as that zone.
5. No cannabis dispensary may be located within a 1,000-foot radius from a school or within a 600-foot radius from a day care center, youth center, library or public park that is in existence at the time the Commercial Cannabis Business Permit is issued, as required by Section 11362.768 of the Health and Safety Code and as required in Merced Municipal Code Section 20.44.170 (E)(3)(f). No cultivation facility, manufacturing facility, testing facility or any other commercial cannabis business facility may be located within a 600-foot radius from a school, day care center, youth center, library, or public park that is in existence at the time the Commercial Cannabis Business Permit is issued, as required by Section 11362.768 of the Health and Safety Code and as required in Merced Municipal Code Section 20.44.170 (E)(3)(f). No Commercial Cannabis Businesses may be located within a 600 foot-radius from a school, day care center, recreational center, youth center, library or public park as required in Merced Municipal Code Section 20.44.170 (E)(3)(f).

#### **Land Use Classifications:**

Greenhouse, Commercial A - Permitted cultivation area: 0 to 5,000 square feet  
 Greenhouse, Commercial B – Permitted cultivation area: 5,001 to 10,000 square feet  
 Greenhouse, Commercial C – Permitted cultivation area: 10,000 to 22,000 square feet  
 Greenhouse, Commercial D – Permitted cultivation area: 22,000 square feet

#### **20.44.170(B): Cultivation of Cannabis for Personal Use in Residential Zones**

1. When authorized by State regulations, an authorized resident shall be allowed to cultivate cannabis only in a private residence in a residential zone, only indoors, and only for personal use, subject to the following regulations:
  - a. The cannabis cultivation area shall be located indoors within a residential structure and shall not exceed fifty square feet and not exceed ten feet in height, nor shall it come within twelve (12) inches of the ceiling or any cultivation lighting, nor shall it exceed the limits set forth in Section 20.44.170(B)(1)(i) below. Cultivation in a greenhouse or other legal accessory structure on the property of the residence, but not physically part of the home, is permitted as long as it is fully enclosed, secure, not visible from a public right-of-way, and meeting all requirements in this Chapter. Additionally, all structures must meet setback, height limitations, and be constructed in accordance with all local requirements as well as all applicable Building Codes.
  - b. If the resident is not the property owner, they must have the property owner's express written authorization to conduct cannabis cultivation. Nothing contained herein shall limit the property owner's right to deny or revoke permission to allow cannabis cultivation as set forth by State law.
  - c. The use of gas products such as, but not limited to CO<sub>2</sub>, butane, methane, or any other flammable or non-flammable gas for marijuana or cannabis cultivation or processing is prohibited.
  - d. There shall be no exterior visibility or evidence of cannabis cultivation outside the private residence from the public right-of-way, including but not limited to any marijuana or cannabis plants, equipment used in the growing and Cultivation operation, and any light emanating from cultivation lighting.
  - e. The authorized resident shall reside full-time on the property where the cannabis cultivation occurs.
  - f. The residence shall include fully functional and usable kitchen, bathroom, and bedroom areas for their intended use by the resident authorized grower, and the premises shall not be used primarily or exclusively for cannabis cultivation.
  - g. The cannabis cultivation area shall be in compliance with the current adopted edition of the California Building Code including § 1203.4 Natural Ventilation or § 402.3 Mechanical Ventilation (or equivalent), as amended from time to time.
  - h. The Building Official may require additional specific standards to meet the California Building Code and Fire Code, including but not limited to, installation of fire suppression sprinklers.
  - i. The cannabis cultivation area shall not result in a nuisance or adversely affect the health, welfare, or safety of the resident or nearby residents by creating dust, glare, heat, noise,

noxious gasses, odors, smoke, traffic, vibration, or other impacts, or be hazardous due to use or storage of materials, processes, products or wastes.

- j. No more than six (6) cannabis plants, mature or immature, for personal use, are permitted per residence for indoor personal cultivation under this Chapter, unless permitted under State regulations.
  - k. Cannabis in excess of twenty-eight and one-half (28.5) grams produced by plants kept for indoor personal cultivation under this Chapter must be kept in a locked space on the grounds of the private residence not visible from the public right-of-way.
  - l. The authorized grower shall not provide any cannabis in any form to animals or any minors that are not authorized users under Medical Marijuana Regulation and Safety Act or the Adult Use of Marijuana Act. Anyone found in violation shall be prosecuted pursuant to State regulations.
2. Outdoor cultivation of cannabis is expressly prohibited in all zones and districts of the City of Merced.

#### **20.44.170(C): Definitions**

The definitions are incorporated herein as fully set forth and are applicable to this ordinance. All definitions are intended to comply with those set forth by the State of California for all commercial cannabis activities.

- 1. **“Applicant”** means a person who is required to file an application for a permit under this chapter, including an individual owner, managing partner, officer of a corporation, or any other operator, manager, employee, or agent of a dispensary.
- 2. **“Cannabis”** means all parts of the Cannabis sativa Linnaeus, Cannabis Indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from marijuana. "Cannabis" also means marijuana as defined by Section 11018 of the California Health and Safety Code as enacted by Chapter 14017 of the Statutes of 1972. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this chapter, "cannabis" does not mean industrial hemp as that term is defined by Section 81000 of the California Food and Agricultural Code or Section 11018.5 of the California Health and Safety Code.
- 3. **“Cannabis waste”** means waste that is not hazardous waste, as defined in Public Resources Code section 40191, that contains cannabis and that has been made unusable and unrecognizable in the manner prescribed by the State.
- 4. **“Canopy”** means all of the following:

- a. The designated area(s) at a licensed premises that will contain mature plants at any point in time;
  - b. Canopy shall be calculated in square feet and measured using clearly identifiable boundaries of all area(s) that will contain mature plants at any point in time, including all of the space(s) within the boundaries;
  - c. Canopy may be noncontiguous but each unique area included in the total canopy calculation shall be separated by an identifiable boundary such as an interior wall or by at least 10 feet of open space; and
  - d. If mature plants are being cultivated using a shelving system, the surface area of each level shall be included in the total canopy calculation.
5. **"City"** means the City of Merced.
  6. **"Commercial cannabis business permit (CCBP)"** means a permit issued by the City pursuant to this chapter to a commercial cannabis business.
  7. **"Commercial cannabis activity"** includes the cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, distribution, delivery, or sale of cannabis or a cannabis product, except as set forth in Section 19319 of the Business and Professions Code, related to qualifying patients and primary caregivers.
  8. **"Commercial vehicle"** means a vehicle as defined in Vehicle Code section 260.
  9. **"Concentrated cannabis product"** means a consolidation of cannabinoids made by dissolving cannabis in its plant form into a solvent.
  10. **"Cultivation"** means any activity involving the propagation, planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.
  11. **"Customer"** means a natural person 21 years of age or over or a natural person 18 years of age or older who possesses a physician's recommendation.
  12. **"Day Care Center"** means any child day care facility other than a family day care home, and includes infant centers, preschools, extended day care facilities, and school age child care centers as defined in Health and Safety Code Sections 1596.76, 1596.7915, 1576.750, and 1596.78.
  13. **"Delivery"** means the commercial transfer of marijuana or marijuana products to a customer. "Delivery" also includes the use by a retailer of any technology platform owned and controlled by the retailer, or independently licensed under this division, that enables customers to arrange for or facilitate the commercial transfer by a licensed retailer of marijuana or marijuana products.
  14. **"Delivery employee"** means an individual employed by a licensed dispensary who delivers cannabis goods from the permitted dispensary premises to a medical cannabis patient or primary caregiver or qualified purchaser at a physical address.

15. **“Dispensary”** means a premises where cannabis, cannabis products, or devices for the use of cannabis or cannabis products are offered, either individually or in any combination for retail sale, including an establishment that delivers cannabis or cannabis products as part of a retail sale.
16. **“Display”** means cannabis goods that are stored in the licensed dispensary’s retail area during the hours of operation.
17. **“Display case”** means container in the licensed dispensary retail area where cannabis goods are stored and visible to customers.
18. **“Distribution”** means the procurement, sale, and transport of cannabis or cannabis products between entities licensed pursuant to the Medical and Adult Use of Cannabis Regulation and Safety Act and any subsequent State of California legislation regarding the same.
19. **“Edible cannabis product”** means manufactured cannabis that is intended to be used, in whole or in part, for human consumption. An edible cannabis product is not considered food as defined by Section 109935 of the California Health and Safety Code or a drug as defined by Section 109925 of the California Health and Safety Code.
20. **“Fully Enclosed and Secure Structure”** means a fully-enclosed space within a building that complies with the California Building Code (“CBSC”), as adopted in the City of Merced, or if exempt from the permit requirements of the CBSC, that has a complete roof, a foundation, slab or equivalent base to which the floor is secured by bolts or similar attachments, is secure against unauthorized entry, is accessible only through one or more lockable doors, and is not visible from a public right-of-way. Walls and roofs must be constructed of solid materials that cannot be easily broken through such as two inch by four inch nominal or thicker studs overlaid with three-eighths inch or thicker plywood or the equivalent. Plastic sheeting, regardless of gauge, or similar products do not satisfy this requirement. If indoor lighting or air filtration systems are used, they must comply with the California building, electrical, and fire codes as adopted in the City of Merced.
21. **“Free sample”** means any amount of cannabis goods provided to any person without cost or payment or exchange of any other thing of value.
22. **“Indoors”** means within a fully enclosed and secure structure as that structure is defined above in 20.44.170(C), Subsection 19.
23. **“License”** means a state license issued under this division, and includes both an A-license and an M-license, as well as a testing laboratory license.
24. **“Limited-access area”** means an area in which cannabis goods are stored or held and which is only accessible to a licensee and the licensee’s employees and contractors.
25. **“Medical”** or **“Medicinal”** have the same meaning under the terms of this ordinance.
26. **“Medical cannabis goods”** means cannabis, including dried flower, and manufactured cannabis products.



27. **“Medical cannabis patient”** is a person whose physician has recommended the use of cannabis to treat a serious illness, including cancer, anorexia, AIDS, chronic pain, spasticity, glaucoma, arthritis, migraine, or any other illness for which cannabis provides relief.
28. **“Manufacturer”** means a licensee that conducts the production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container.
29. **“Manufacturing” or “manufacturing operation”** means all aspects of the extraction and/or infusion processes, including processing, preparing, holding, storing, packaging, or labeling of cannabis products. Manufacturing also includes any processing, preparing, holding, or storing of components and ingredients.
30. **“Nonvolatile solvent”** means any solvent used in the extraction process that is not a volatile solvent. For purposes of this chapter, a nonvolatile solvent includes carbon dioxide used for extraction, or as it may be defined and amended by the State.
31. **“Operating hours”** means the hours within a day during which a permitted retail sales outlet may allow qualified cannabis purchasers and primary caregivers to enter the dispensary premises and purchase cannabis goods.
32. **“Owner” or “Ownership interest”** means an interest held by a person who is an owner as defined by State of California commercial cannabis regulations or who has a financial interest in the commercial cannabis business of 5% or more.
33. **“Package” and “Packaging”** means any container or wrapper that may be used for enclosing or containing any cannabis goods for final retail sale. “Package” and “packaging” does not include a shipping container or outer wrapping used solely for the transport of cannabis goods in bulk quantity to a licensee.
34. **“Patient or qualified patient”** shall have the meaning given that term by California Health and Safety Code and possesses a valid physician’s recommendation.
35. **“Person”** includes any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular.
36. **“Pest”** means undesired insect, rodent, nematode, fungus, bird, vertebrate, invertebrate, weed, virus, bacteria, or other microorganism that is injurious to human health.
37. **“Physician’s recommendation”** means a recommendation by a physician and surgeon that a patient use cannabis provided in accordance with the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code.
38. **“Premises”** means the designated structure(s) and land specified in the application that are in possession of and used by the applicant or licensee to conduct the commercial cannabis activity.

39. **“Pre-roll”** means dried cannabis flower rolled in paper prior to retail sale.
40. **“Primary Caregiver”** has the same meaning as that term is defined in Section 11362.7 of the Health and Safety Code.
41. **“Private security officer”** has the same meaning as that term as defined in the State of California Business and Professions Code section 7574.01.
42. **“Publicly owned land”** means any building or real property that is owned by a city, county, state, federal, or other government entity.
43. **“Purchase”** means obtaining cannabis goods in exchange for consideration.
44. **“Purchaser”** means a person who is engaged in a transaction with a licensee for purposes of obtaining cannabis goods.
45. **“Quarantine”** means the storage or identification of cannabis goods, to prevent distribution or transfer of the cannabis goods, in a physically separate area clearly identified for such use.
46. **“Retail area”** means a building, room, or other area upon the licensed dispensary premises in which cannabis or other goods are sold or displayed.
47. **“School”** means any public or private school providing instruction in kindergarten or any of grades 1 to 12, inclusive, but does not include any private school in which education is primarily conducted in private homes or as otherwise provided in Health and Safety Code Section 11362.768(h).
48. **“Security monitoring”** means the continuous and uninterrupted attention to potential alarm signals that can be transmitted from a security alarm system for the purpose of summoning law enforcement.
49. **“Sell,” “sale,” and “to sell”** include any transaction whereby, for any consideration, title to cannabis is transferred from one person to another, and includes the delivery of cannabis goods pursuant to an order placed for the purchase of the same and soliciting or receiving an order for the same, but does not include the return of cannabis goods by a licensee to the licensee from whom such cannabis goods were purchased.
50. **“Sublet”** means to lease or rent all or part of a leased or rented property.
51. **“State”** means the State of California.
52. **“Testing Laboratory”** means a facility, entity, or site that offers or performs tests of cannabis or cannabis products, and that is accredited as operating to ISO standard 17025 by an accrediting body, and registered with the State Department of Public Health
53. **“Vehicle alarm system”** is a device or series of devices installed to discourage theft of the commercial vehicle or its contents and is intended to summon general attention or to summon law enforcement as a result of an indication of an attempted breach of the commercial vehicle.
54. **“Volatile solvent”** means any solvent that is or produces a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures.

Examples of volatile solvents include but are not limited to, butane, hexane, propane, and ethanol, or as it may be defined and amended by the State.

55. **“Wholesale”** means the sale of cannabis goods to a distributor for resale to one or more dispensaries.

56. **“Youth Center”** means any public or private facility that is primarily used to host recreational or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club activities, video arcades with over 10 or more video games on the premises, or similar amusement park facilities, or as otherwise described in Health and Safety Code Section 11353.1(e)(2).

#### **20.44.170(D): Compliance with State and Local Licensing Requirements**

Any dispensary, cultivation facility, manufacturing facility, testing facility or any other commercial cannabis activity as defined by the State of California or the City of Merced shall operate in conformance with all regulations and standards set forth in this Section of the Municipal Code to assure that the operations of the dispensary, cultivation facility, manufacturing facility, distribution facility, testing facility or any other commercial cannabis activity as defined by the State of California or allowed by the City of Merced are in compliance with local and State law and are established to mitigate any adverse secondary effects from its operations.

Cannabis operators shall be required to obtain a State license once they become available, and shall comply with any applicable State licensing requirements, such as operational standards and locational criteria.

Multiple cannabis uses and licenses proposed on any one site shall occur only if authorized by the State and the City of Merced and only if all uses proposed are allowed pursuant to the City's Zoning Code.

#### **20.44.170(E): General Provisions for Commercial Cannabis Activities in the City of Merced**

##### **1. Commercial Cannabis Business Permit Required**

- a. Each business shall have a Commercial Cannabis Business Permit specific to the business activity defined by the State pertaining to that activity and whether the activity is medical or non-medical or any other commercial cannabis activity the State may define and as they may be amended. Following is a list of current license types:
  - i. Cultivation
  - ii. Distribution
  - iii. Manufacturing
  - iv. Retail sales (Dispensary)
  - v. Testing
- b. It shall be unlawful for any person, association, partnership or corporation to engage in, conduct or carry on, in or upon any premises within the City of Merced any commercial cannabis business without a Commercial Cannabis Business Permit. A cannabis business shall register and obtain a Commercial Cannabis Business Permit from the City of Merced



prior to operation. The Commercial Cannabis Business Permit applicant shall pay an annual non-refundable regulatory fee in an amount and at a frequency established by the City Council by resolution.

- c. A copy of the Commercial Cannabis Business Permit shall be displayed at all times in a place visible to the public.
- d. A Commercial Cannabis Business Permit shall be valid for one (1) year or until December 31 each year, unless sooner revoked. No permit granted herein shall confer any vested right to any person or business for more than the above-referenced period.
- e. A Commercial Cannabis Business Permit shall not be issued to an individual or a business entity owned or managed in whole or in part by an individual or a business entity employing an individual who has a previous conviction for or has entered a plea of nolo contendere/no contest to any of the following:
  - i. A felony offense listed in California Health and Safety Code Section 11590.
  - ii. A felony offense listed in California Penal Code Section 667.5(c).
  - iii. A felony offense listed in California Penal Code Sections 1197.2(c) or Section 1192.8.
  - iv. A felony or misdemeanor offense that substantially relate to the qualifications, functions, or duties of the business or profession.
  - v. A felony conviction involving fraud, deceit, or embezzlement.
  - vi. A felony or misdemeanor offense involving the sale or giving to a minor of controlled substances, cannabis, alcohol, or tobacco.

A Commercial Cannabis Business Permit may be issued, at the discretion of the City, to an individual with a conviction listed above provided a period of ten (10) years has elapsed in which the individual has remained free of criminal convictions or violations of parole or probation, and the individual has either obtained a certificate of rehabilitation pursuant to Penal Code Section 4852.01 or received expungement pursuant to California Penal Code Section 1203.4.

- f. The Commercial Cannabis Business Permit shall be issued to the specific person or persons listed on the Cannabis Permit Application.
- g. A Commercial Cannabis Business Permit is not transferable except under the terms of Merced Municipal Code Section 20.44.170(L)(4)(c), and does not run with the land or with the business. Any change to the business location, organizational structure, or ownership may require a new application with associated fees at the discretion of the Director of Development Services or designee.

## **2. Maintenance of Records and Reporting**

All records for the commercial cannabis business of the following activities shall be maintained and available to the City of Merced for at least 7 years. Records shall be produced within 24 hours of a request by an authorized City of Merced representative:

- a. The business shall obtain and maintain a valid Seller's Permit from the State Board of Equalization.

- b. Financial records include, but are not limited to: bank statements, sales invoices, receipts, tax records, and all records required by the California State Board of Equalization under Title 18 California Code of Regulations section 1968.
- c. Personnel records, including each employee's full name, address, phone number, social security, or individual tax payer identification number, date of beginning employment, and date of termination of employment if applicable.
- d. Training records, including but not limited to the content of the training provided and the names of the employees that received the training.
- e. Contracts with other licensees regarding commercial cannabis activity.
- f. Permits, licenses, and other local authorizations to conduct the licensee's commercial cannabis activity, including BOE sellers permit.
- g. Security records.
- h. Records shall be kept in a manner that allows the records to be produced for the City in either hard copy or electronic form, whichever the City requests.
- i. Proof of building ownership or landlord letter acknowledging business type.
- j. Proof of insurance.

### **3. Operational Standards for All Commercial Cannabis Business Activities**

- a. Interior and exterior locations of the business property shall be monitored at all times by closed circuit cameras for security purposes. The cameras and recording system shall be of adequate quality, color rendition and resolution to allow the sufficient identification of any individual committing a crime on the location premises. Cameras shall record 24 hours a day at a minimum of 20 frames per second.
- b. The applicant shall conduct and pay for any required CEQA reviews and analyses, and pay for all costs, including those of the City, associated with project review under CEQA.
- c. The surveillance system storage device or cameras shall be transmission control protocol/TCP capable of being accessed through the internet by the Merced Police Department or their designee on request.
- d. All controlled access areas, security rooms and all points of ingress/egress to limited access areas and all point of sale (POS) areas shall have fixed camera coverage capable of identifying activity occurring within a minimum of twenty (20) feet. Camera video recordings shall be maintained unaltered in a secure location for a period of not less than thirty (30) calendar days, and be available for inspection at any time. The City of Merced or law enforcement may request the recordings in connection with an investigation. If the recordings are not voluntarily provided, the City or law enforcement may seek a warrant or court order for the recordings.

- e. All commercial cannabis businesses shall create and maintain an active account within the State's track and trace system prior to commencing any commercial cannabis activity. In the event of system failure, the business shall keep a hard copy record and transfer the information to the track and trace system within 24 hours of the system being available.
- f. No cannabis dispensary may be located within a 1,000-foot radius from a school or within a 600-foot radius from a day care center, youth center, library or public park that is in existence at the time the Commercial Cannabis Business Permit is issued, as required by Section 11362.768 of the Health and Safety Code. No cultivation facility, manufacturing facility, testing facility or any other commercial cannabis business facility may be located within a 600-foot radius from a school, day care center, youth center, library, or public park that is in existence at the time the Commercial Cannabis Business Permit is issued, as required by Section 11362.768 of the Health and Safety Code. For purposes of this subsection only, a public park shall not include any park designated in Merced Municipal Code Section 9.70.030 as a bike path. 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.
- g. No physical modification of the permitted premises is allowed without written prior permission by the City of Merced and payment of any additional fees required by the City.
- h. All commercial cannabis activities shall provide adequate off-street parking and comply with the City of Merced Municipal Code requirements in Chapter 20.38 Parking and Loading, to service customers without causing negative impact.
- i. The commercial cannabis business shall provide adequate handicapped parking per the requirements in the California Building Code.
- j. The commercial cannabis business shall provide adequate interior and exterior lighting for safety and security as determined by the Police Chief or designee.
- k. The commercial cannabis business shall minimize nuisances such as trash, litter, and graffiti.
- l. Any and all signage, packaging, and facilities shall not be 'attractive', as it is defined by the State, to minors.
- m. All commercial cannabis facilities shall be required to provide an air treatment system that ensures off-site odors shall not result from its operations. This requirement at a minimum means that the facility shall be designed to provide sufficient odor absorbing ventilation and exhaust systems so that any odor generated inside the location is not detected outside the building, on adjacent properties or public rights-of-way, or within any other unit located within the same building as the facility if the use occupies only a portion of a building. The air treatment system must also prevent the build-up of mold within the facility.
- n. A permitted commercial cannabis business entity shall have 180 days after permit issuance by the City of Merced to begin initial operations, unless otherwise approved by the Development Services Director or designee. A permitted commercial cannabis

business entity that remains inoperative for more than 60 calendar days after initial operations begin shall be deemed “abandoned” and the permit shall be forfeited. A business may temporarily suspend operations for a period of time as may be reasonably required to affect upgrades, modifications, repairs, or other property issue mitigations as approved by the Development Services Director or designee.

- o. The cannabis business shall comply with all State and City of Merced regulations regarding testing, labeling and storage of all cannabis products.
- p. The cannabis business shall meet all State and local regulations for the disposal of all cannabis materials and materials used in conjunction with processing, distributing and cultivating of cannabis as well as any unsold cannabis or cannabis products.
- q. The cannabis business shall conform to all State regulations regarding the use of appropriate weighing devices.
- r. The cannabis business shall conform to all State and local regulations regarding water usage. No liquids of any kind shall be discharged into a public or private sewage or drainage system, watercourse, body of water or into the ground, except in compliance with applicable regulations of the California Regional Water Quality Control Board (California Administrative Code, Title 23, Chapter 3).
- s. The cannabis businesses’ electrical and plumbing shall comply with State and local regulations.
- t. The cannabis business shall maintain a comprehensive general liability combined single occurrence insurance policy issued by an “A” rated insurance carrier in an amount no less than two million dollars and naming the City of Merced as additional insured.
- u. No free samples of any cannabis or cannabis product may be distributed at any time.
- v. All agents, private security officers or other persons acting for or employed by a licensee shall display a laminated identification badge at least 2” X 2” in size, issued by the licensee. The badge, at a minimum, shall include the licensee’s “doing business as” name and license number, the employees first and last name, and a color photo of the employee that shows the full front of the employee’s face.
- w. The commercial cannabis business shall have a centrally-monitored fire and burglar alarm system which shall include all perimeter entry points and perimeter windows.
- x. A licensee shall ensure a licensed alarm company operator or one or more of its registered alarm agents installs, maintains, monitors and responds to the alarm system. The alarm company shall obtain a City of Merced business license.
- y. Meet all State deadlines for applying for a State license and receive a State license within six (6) months after the date the State begins issuing licenses. This may be waived if the State has longer delays in issuing licenses of the type the commercial cannabis business seeks. The permittee must inform the City in writing within 10 days when the permittee applies for that initial permit or if the permittee applies for any additional State licenses. Said notification shall be addressed to the Director of Development Services or his designee at 678 W. 18<sup>th</sup> St., Merced, CA 95340.

- z. All persons hiring employees to engage in commercial cannabis activities shall document compliance with the following employee safety practices:
  - i. Emergency action response planning as necessary
  - ii. Employee accident reporting and investigation policies
  - iii. Fire prevention
  - iv. Hazard communication policies, including maintenance of material safety data sheets.
  - v. Materials storage and handling policies
  - vi. Personal protective equipment policies
  - vii. Operation manager contacts
  - viii. Emergency responder contacts
  - ix. Poison control contacts
- aa. All persons with ownership interest; and all employees agents, officers or other persons acting for or employed by a permittee must be at least 21 (twenty-one) years of age.

**20.44.170(F): Additional Regulations for Dispensary and Retail Sales of Cannabis**

1. Only four (4) dispensaries shall operate within the Merced City Limits, regardless of the location's compliance with any other Section specified in this ordinance.. At least one (1) of those dispensaries shall also dispense medicinal cannabis goods. If State law allows medical and adult use dispensaries on the same premises, the City of Merced would allow a combined use, but in no case shall more than four (4) dispensaries of any kind be allowed within the City of Merced.
2. No retail cannabis facility may engage in check cashing activities at any time.
3. Only one dispensary permit per person with ownership interest is allowed in the City of Merced. Any person with community property rights of an ownership interest is considered a person with ownership interest in this section.
4. Restrooms shall remain locked during business hours and not open to the public.
5. The total number of dispensaries in operation shall be determined based on the number of locations which have been issued a Commercial Cannabis Business Permit for a dispensary by the City.
6. Display of cannabis products shall be limited to only an amount necessary to provide a visual sample for customers.
7. At all times, the cannabis dispensary is open, the dispensary shall provide at least one security guard who is registered with Bureau of Security and Investigative Services, and possesses a valid and current security guard registration card on their person while on-duty.
8. Security guards are permitted, but not mandated, to carry firearms.
9. All cannabis products available for sale shall be securely locked and stored.

10. The security guard and cannabis dispensary personnel shall monitor the site and the immediate vicinity of the site to ensure that patrons immediately leave the site and do not consume cannabis in the vicinity of the dispensary or on the property or in the parking lot.
11. Medical Cannabis Dispensaries shall maintain the full name, address and telephone number(s) of all patient members to whom the business provides medical cannabis, and a copy of a physician-issued recommendation card or State-issued card for all patient members.
12. Dispensaries shall also record on the video surveillance system point-of-sale areas and areas where cannabis goods are displayed for sale.
13. Any commercial cannabis retail or medical retail sales facility shall be open to the public a minimum of 40 hours per week, unless otherwise specified in the Commercial Cannabis Business Permit.
14. Hours of operation in Commercial Office (C-O) zones shall be limited to no earlier than 8 a.m. Pacific Time and no later than 7 p.m. Pacific Time. Hours of operation in all other zones shall be limited to no earlier than 8 a.m. Pacific Time and no later than 9 p.m. Pacific Time, unless zoning regulations specify more restrictive hours.
15. Exterior signage shall be limited to one wall sign not to exceed twenty (20) square feet in area. Interior signage or advertising may not be visible from the exterior. No temporary signs (banners, A-frames, etc.) or window signs are allowed.
16. On-site consumption of cannabis or cannabis products is specifically prohibited on the premises at all times. The following information shall be provided on a sign posted in a conspicuous location inside the cannabis dispensary: "Smoking, ingesting or consuming cannabis on this property or within 100 feet of the business is prohibited."
17. An adult use license shall not sell cannabis products to persons under 21 years of age or allow any person under 21 years of age on its premises, unless such licensee also holds a medicinal license and the licensee holds a CCBP for both adult use and medicinal cannabis. A medicinal licensee may sell cannabis products to and allow on the premises, any person 18 years of age or older who possesses a valid government issued identification card, and either a valid county-issued identification card under Section 11362.712 of the Health and Safety Code or a valid physician's recommendation for himself or herself or for a person for whom he or she is a primary caregiver.
18. Adequate signage shall clearly state that the City of Merced has not tested or inspected any cannabis product for pesticides, or other regulated contaminants, distributed at this location.
19. No recommendations from a doctor for medical cannabis shall be issued on-site.
20. Shipments of cannabis goods may only be accepted during regular business hours.
21. There shall be no on-site sales of alcohol or tobacco products, and no on-site consumption of food, alcohol or tobacco by patrons.

22. Inventory shall be secured and locked in a room, safe, or vault, and in a manner reasonably designed to prevent diversion, theft, and loss during non-business hours.
23. No cannabis product shall be visible from the exterior of the business.
24. All required labelling shall be maintained on all product, as required by State regulations, at all times.
25. The business shall post signs that spell out the "Prohibited Conduct Involving Marijuana and Marijuana Products" contained in Health and Safety Code Section 11362.3 in a conspicuous manner on the business premises for the education of patrons. The City shall develop a standard format and content for such signs.
26. The use of vending machines (i.e. a machine that dispenses articles when a coin, bill, or token is inserted) to dispense cannabis is strictly prohibited.
27. No drive-through facilities shall be allowed and no cannabis shall be sold through a drive-through facility.

**20.44.170(G): Additional Regulations for Commercial Cannabis Delivery Services**

1. Commercial cannabis deliveries may be made only from a commercial cannabis dispensary permitted by the City in compliance with this ordinance, and in compliance with all State regulations.
2. All employees who deliver cannabis shall have valid identification and a copy of the dispensary's Commercial Cannabis Business Permit at all times while making deliveries.
3. All commercial cannabis businesses shall provide proof of insurance in a minimum amount of \$1,000,000 for any and all vehicles being used to transport cannabis goods.
4. Deliveries may only take place during the hours of 8:00 a.m. and 7:00 p.m. daily.
5. A customer requesting delivery shall maintain a physical or electronic copy of the delivery request and shall make it available upon request by the licensing authority and law enforcement officers, only as required by State regulations.
6. The following applies to all deliveries of cannabis products:
  - a. May only be made to a physical address in California.
  - b. A licensed delivery employee shall not leave the State of California while possessing cannabis products.
7. A dispensary shall maintain a list of all deliveries, including the address delivered to, the amount and type of product delivered, and any other information and for the duration of time required by State regulations.

8. A cannabis business shall only deliver cannabis in aggregate amounts as ordered by the customer. A cannabis business shall ensure compliance with State delivery limits as they regard the amount of cannabis and cannabis products.
9. A manifest with all information required in this section shall accompany any delivery person at all times during the delivery process and delivery hours.
10. Any delivery method shall be made in compliance with State regulations and as it may be amended, including use of a vehicle that has a dedicated GPS device for identifying the location of the vehicle (cell phones and tablets are not sufficient).
11. The maximum limit of any cannabis goods carried by the delivery vehicle may not exceed \$3,000 at any time.
12. Each delivery request shall have a receipt prepared by the dispensary with the following information:
  - a. Name and address of the licensed dispensary
  - b. The name of the employee who delivered the order
  - c. The date and time the delivery request was made
  - d. The complete delivery address
  - e. A detailed description of the cannabis goods requested for delivery including the weight or volume, or any accurate measure of the amount of cannabis goods requested.
  - f. The total amount paid for the delivery including any fees or taxes.
  - g. At the time of the delivery, the date and time delivery was made, and the signature of the person who received the delivery.
13. The delivery business shall provide a flyer that spells out the "Prohibited Conduct Involving Marijuana and Marijuana Products" contained in Health and Safety Code Section 11362.3 to all delivery customers. The City shall develop a standard format and content for such flyers.

**20.44.170(H). Additional Requirements for Manufactured Cannabis Businesses**

1. A licensed cannabis manufacturing facility may conduct all activities permitted by the State. This includes, but is not limited to, volatile and non-volatile extractions, repackaging and relabeling, and infusions.
2. Any manufacturing activity that will be conducted by the licensee shall be included on the application. No additional manufacturing activity can be conducted without applying for and receiving written permission from the City of Merced for that additional activity.
3. At all times, the cannabis manufacturing facility will be compliant with all State regulations for cannabis manufacturing including Health and Safety Code 11362.775 and as it may be amended.
4. Inspections by the City Fire Chief or his designee may be conducting anytime during the business's regular business hours.



5. Cannabis manufacturing facilities shall not contain an exhibition or product sales area or allow for retail distribution of products at that location.
6. All cannabis manufacturing activities shall occur indoors within a fully enclosed and secured structure and also within a secure fence at least eight (8) feet in height that fully encloses the premises. The fence must include a lockable gate(s) that is locked at all times, except for during times of active ingress/egress. Said fence shall not violate any other ordinance, code section, or provision of law regarding the height, location, materials, or other fencing restrictions and shall not be constructed or covered with plastic or cloth. All screening shall conform to the requirements of applicable area, community, specific and design plans. Outdoor manufacturing of cannabis is expressly prohibited.

#### **20.44.170(I). Additional Requirements for Cannabis Cultivation Businesses**

1. The cannabis business shall register with the Department of Pesticide Regulation if using any pesticides.
2. From a public right-of-way, there shall be no exterior evidence of marijuana cultivation.
3. The Building Official may require additional specific standards to meet the California Building Code and Fire Code, including but not limited to installation of fire suppression sprinklers.
4. Compliance with Section 13149 of Water Code as enforced by the State Water Resources Control Board.
5. All outdoor lighting used for security purposes shall be shielded and downward facing.
6. The use of generators for cultivation is prohibited, except for temporary use in the event of a power outage or emergency.
7. Cannabis plants shall not be visible from offsite or the public right-of-way. All cannabis cultivation activities shall occur within a fully enclosed and secured structure and within a secure fence at least eight (8) feet in height that fully encloses the premises. The fence must include a lockable gate(s) that is locked at all times, except for during times of active ingress/egress. Said fence shall not violate any other ordinance, code Section, or provision of law regarding the height, location, materials, or other fencing restrictions and shall not be constructed or covered with plastic or cloth. All screening shall conform to the requirements of applicable area, community, specific and design plans. Outdoor cultivation of cannabis is expressly prohibited.

#### **20.44.170(J). Additional Requirements for Cannabis Testing Laboratory Businesses**

1. A licensed cannabis testing facility shall comply with all State regulations.
2. Any cannabis testing facility shall maintain all certifications required by the State.
3. A licensed cannabis testing facility business, it's owners and employees may not hold an interest in any other cannabis business except another testing business.

4. Inspections by the City Fire Chief or his designee may be conducting anytime during the business's regular business hours.

**20.44.170(K). Additional Requirements for Cannabis Distribution Businesses**

1. A licensed cannabis distribution facility shall comply with all State regulations.
2. Any cannabis distribution facility shall provide proof of a bond of at least five thousand dollars to cover the costs of destruction of cannabis or cannabis products if necessitated by a violation of licensing requirements.
3. Inspections by the City Police Chief or his designee may be conducting anytime during the business's regular business hours.
4. A distributor shall ensure that all cannabis goods batches are stored separately and distinctly from other cannabis goods batches on the distributor's premises.
5. A distributor shall ensure a label with the following information is physically attached to each container of each batch:
  - a. The manufacturer or cultivator's name and license number;
  - b. The date of entry into the distributor's storage area;
  - c. The unique identifiers and batch number associated with the batch;
  - d. A description of the cannabis goods with enough detail to easily identify the batch; and
  - e. The weight of or quantity of units in the batch.
6. A distributor shall store harvest batches and edible cannabis products that require refrigeration at 35 to 42 degrees Fahrenheit. In addition, a distributor shall store harvest batches in a darkened area with no more than 60% humidity.
7. A distributor shall store medical cannabis goods in a building designed to permit control of temperature and humidity and shall prevent the entry of environmental contaminants such as smoke and dust. The area in which medical cannabis goods are stored shall not be exposed to direct sunlight. A distributor may not store medical cannabis goods outdoors.
8. Employee breakrooms, eating areas, changing facilities, and bathrooms shall be completely separated from the storage areas.
9. All cannabis distribution activities shall occur within a fully enclosed and secured structure and within a secure fence at least eight (8) feet in height that fully encloses the distribution area. The fence must include a lockable gate(s) that is locked at all times, except for during times of active ingress/egress. Said fence shall not violate any other ordinance, code Section, or provision of law regarding the height, location, materials, or other fencing restrictions and shall not be constructed or covered with plastic or cloth. All screening shall conform to the requirements of applicable area, community, specific and design plans.
10. If located in a General Commercial (C-G) zone,
  - a. The cannabis distribution business shall be located on a parcel no less than 20,000 square feet in size,

- b. All loading and unloading activities shall take place within the secured fenced area required above.

#### **20.44.170(L). Commercial Cannabis Business Permit Selection Process**

##### **1. Selection Process for Dispensaries/Retail Sales (Limited Number of Permits Available)**

- a. The Commercial Cannabis Business Permit selection process will be conducted in two phases, Phase 1 and Phase 2. In Phase 1, each Applicant interested in operating a commercial cannabis business will pay an application fee in an amount established by the City Council by resolution. The application will be reviewed for completeness by the Director of Development Services or designee.
- b. A pre-application conference with the Director of Development Services is strongly encouraged. A pre-application conference can be scheduled by calling 209-385-6858 during regular City of Merced business hours.
- c. The City of Merced has established a merit based scoring system to objectively award permits as described in the application documents in Phase 2 to be used in the event that there are more applications than there are Commercial Cannabis Business Permits for a specific license type, such as for retail dispensaries.
- d. The initial application period shall be 21 calendar days from the date the applications are released. Should the 21st day fall on a day when City Hall is closed, the application period shall be extended to the next open day at 4:00 p.m. Following the application period, the Director of Development Services or designee shall stop accepting applications and review all applications received as described in Phase 1. 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". The qualified applicants will be entered into the Phase 2 review process. The Director of Development Services shall maintain the "Qualified Application List".
- e. 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 21 calendar days, after which the applicant will have 10 calendar days from receipt of notice to correct the deficiency. Should the 10th day fall on a day when City Hall is closed, the correction period shall be extended to the next open day at 4:00 p.m. If the deficiency is not corrected within 10 calendar days, the Director of Development Services may deny the permit and notify the applicant of this determination in writing within 10 calendar days following the Director of Development Services decision.
- f. All Cannabis applications received after the initial application period will be placed on the "Waitlist for Dispensaries/Retail Sales" in the order it is received. Applicants placed on the "Waitlist" shall be notified in writing of their "Waitlist" status.

- g. Cannabis applications placed on the “Waitlist for Dispensaries/Retail Sales” will be moved to the “Qualified Applicant List for Dispensaries/Retail Sales” only if the application passes the Phase 1 review and when a Commercial Cannabis Business Permit for Dispensaries/Retail Sales becomes available, whether by creation of a new license, or the forfeiture of an existing one. Applicants moved to the “Qualified Applicant List for Dispensaries/Retail Sales” from the Waitlist will be notified of the change in writing. If the Director of Development Services or designee determines the application is incomplete, the Director of Development Services shall notify the applicant of the deficiency within 21 calendar days, after which the applicant will have 10 calendar days from receipt of notice to correct the deficiency. Should the 10th day fall on a day when City Hall is closed, the correction period shall be extended to the next open day at 4:00 p.m. If the deficiency is not corrected within 10 calendar days, the Director of Development Services may deny the permit and notify the applicant of this determination in writing within 10 calendar days following the Director of Development Services decision. A new application, with new fees, would then be required for any subsequent consideration of that same or similar proposal at the same location.

**h. Commercial Cannabis Business Permit—Dispensaries/Retail Sales Selection - Phase 1 – Initial Review**

The Director of Development Services or designee(s) shall determine whether each application demonstrates compliance with the minimum requirements and be placed on the “Qualified Applicant List for Dispensaries/Retail Sales” and entered into the Phase 2 review process. These requirements include but are not limited to:

- i. All Application documents required in the City’s Phase 1 application package.
- ii. Application was submitted during the application period.
- iii. Application forms are filled out completely.
- iv. Business Owner(s) / Applicant(s) referenced on the application provides a Live Scan that was conducted within 14 days prior to submitting the application.
- v. Phase 1 application fee is paid.
- vi. A signed statement that the proposed location of the commercial cannabis business on the application meets the zoning criteria established in this ordinance including, but not limited to, any and all sensitive use separation criteria required by this ordinance.

**i. Commercial Cannabis Business Permit—Dispensaries/Retail Sales Selection - Phase 2 – Final Review and Scoring**

The Director of Development Services or his designee, after reviewing the applications approved in Phase 1 and the aforementioned information, will convene a Selection Panel composed of the City Manager, Chief of Police, and the Director of Development Services, or their designees, to make the final decision, based on the merit-based scoring system, of successful applicants to recommend to the Planning Commission for the Commercial Cannabis Business Permit—Dispensaries/Retail Sales. The Selection Panel will review all application documents required in the City’s Phase 1 application package plus an additional background check of all owners conducted to the satisfaction of the Chief of Police as well as complete description of the merit based system and all merit based considerations shall be included with the application forms. Phase 2 requirements include, but are not limited to:

- i. Phase 2 application fee is paid and a comprehensive background check of anyone holding an ownership interest is completed to the satisfaction of the Chief of Police.
- ii. The Building Official or designee has inspected all structures in which the use is located to determine that all applicable standards and requirements are met. If a building permit is required for site improvements, Permit issuance will be deferred until a certificate of occupancy or other building permit approval is issued. Additionally, the Building Official has determined that there are no notices of nuisance or other code compliance issues recorded or on the property.
- iii. The Zoning Administrator or designee has issued a Zoning Clearance documenting compliance with the following:
  - a. The use is permitted in the Zoning District and meets the distance requirements from sensitive uses; and,
  - b. All land use permits, if any, have been approved and all conditions of approval have been met or are in good standing; and,
  - c. No zoning violations exist on the property; and,
  - d. A planning and/or building permit with a receipt proving payment for processing from the City of Merced Planning Department for the property location the commercial cannabis business will occupy.
- j. The Planning Commission will review all Commercial Cannabis Business Permit—Dispensaries/Retail Sales applications and all other relevant information and determine if a CCBP should be granted. Prior to issuing a Commercial Cannabis Business Permit—Dispensaries/Retail Sales, the Planning Commission will provide all public notices and conduct a public hearing as described in the City of Merced Municipal Code Section 20.70.010 through Sections 20.70.040. No Commercial Cannabis Business Permit—Dispensaries/Retail Sales shall be issued otherwise.

**2. Selection Process for All Other Commercial Cannabis Business Permits (No Limits On the Number of Permits Available)**

- a. The Commercial Cannabis Business Permit—All Other Cannabis Businesses selection process will be conducted in two phases, Phase 1 and Phase 2. In Phase 1, each Applicant interested in operating a commercial cannabis business will pay an application fee in an amount established by the City Council by resolution. The application will be reviewed for completeness by the Director of Development Services or designee.
- b. A pre-application conference with the Director of Development Services is strongly encouraged. A pre-application conference can be scheduled by calling 209-385-6858 during regular City of Merced business hours.
- c. The initial application period shall be 21 calendar days from the date the applications are released. Should the 21st day fall on a day when City Hall is closed, the application period shall be extended to the next open day at 4:00 p.m. Following the application period, the Director of Development Services or designee shall stop accepting applications and review all applications received as described in Phase 1. 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—All Other Cannabis Businesses” and shall be notified in writing that they are a “Qualified Commercial Cannabis Business

Applicant—All Other Cannabis Businesses”. The qualified applicants will be entered into the Phase 2 review process. The Director of Development Services shall maintain the “Qualified Application List for All Other Cannabis Businesses”.

- d. 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 21 calendar days, after which the applicant will have 10 calendar days from receipt of notice to correct the deficiency. Should the 10th day fall on a day when City Hall is closed, the correction period shall be extended to the next open day at 4:00 p.m. If the deficiency is not corrected within 10 calendar days, the Director of Development Services may deny the permit and notify the applicant of this determination in writing within 10 calendar days following the Director of Development Services decision. A new application, with new fees, would then be required for any subsequent consideration of that same or similar proposal at the same location.
- e. All Cannabis applications received after the initial application period will be placed on the “Waitlist for All Other Cannabis Businesses” in the order it is received. Applicants placed on the “Waitlist” shall be notified in writing of their “Waitlist” status.
- f. Cannabis applications placed on the “Waitlist for All Other Cannabis Businesses” will be moved to the “Qualified Applicant List for All Other Cannabis Businesses” on a one for one basis only if the application passes the Phase 1 review and when the number of applicants on the “Qualified Applicant List” falls below five, and will be notified of the change in writing. At any time, the Director of Development Services may suspend the requirement for a “Waitlist for All Other Cannabis Businesses” if the number of applications does not merit the need for the “Waitlist.” If the Director of Development Services or designee determines the application is incomplete, the Director of Development Services shall notify the applicant of the deficiency within 21 calendar days, after which the applicant will have 10 calendar days from receipt of notice to correct the deficiency. Should the 10th day fall on a day when City Hall is closed, the correction period shall be extended to the next open day at 4:00 p.m. If the deficiency is not corrected within 10 calendar days, the Director of Development Services may deny the permit and notify the applicant of this determination in writing within 10 calendar days following the Director of Development Services decision.

**g. Commercial Cannabis Business Permit—All Other Cannabis Businesses Selection - Phase 1 – Initial Review**

The Director of Development Services or designee(s) shall determine whether each application demonstrates compliance with the minimum requirements and be placed on the “Qualified Applicant List for All Other Cannabis Businesses” and entered into the Phase 2 review process. These requirements include, but are not limited to:

- i. All Application documents required in the City’s Phase 1 application package.
- ii. Application was submitted during the application period.
- iii. Application forms are filled out completely.
- iv. Business Owner(s) / Applicant(s) referenced on the application provides a Live Scan that was conducted within 14 days prior to submitting the application.
- v. Phase 1 application fee is paid.

- vi. A signed statement that the proposed location of the commercial cannabis business on the application meets the zoning criteria established in this ordinance including, but not limited to, any and all sensitive use separation criteria required by this ordinance.

#### **h. Commercial Cannabis Business Permit—All Other Cannabis Businesses Selection - Phase 2 – Final Review**

The Director of Development Services or his designee, after reviewing the applications approved in Phase 1 and reviewing the information below will make a recommendation to the Planning Commission to approve or reject the application for the Commercial Cannabis Business Permit for All Other Cannabis Businesses.

- i. Phase 2 application fee is paid and a comprehensive background check of anyone holding an ownership interest is completed to the satisfaction of the Chief of Police.
- ii. The Building Official or designee has inspected all structures in which the use is located to determine that all applicable standards and requirements are met. If a building permit is required for site improvements, Permit issuance will be deferred until a certificate of occupancy or other building permit approval is issued. Additionally, the Building Official has determined that there are no notices of nuisance or other code compliance issues recorded or on the property.
- iii. The Zoning Administrator or designee has issued a Zoning Clearance documenting compliance with the following:
  - a. The use is permitted in the Zoning District and meets the distance requirements from sensitive uses; and,
  - b. All land use permits, if any, have been approved and all conditions of approval have been met or are in good standing; and,
  - c. No zoning violations exist on the property; and,
  - d. A planning and/or building permit with a receipt proving payment for processing from the City of Merced Planning Department for the property location the commercial cannabis business will occupy.
- i. The Planning Commission will review all Commercial Cannabis Business applications for All Other Cannabis Businesses and all other relevant information and determine if a CCBP should be granted. Prior to issuing a Commercial Cannabis Business Permit for All Other Cannabis Businesses, the Planning Commission will provide all public notices and conduct a public hearing as described in the City of Merced Municipal Code Section 20.70.010 through Sections 20.70.040. No Commercial Cannabis Business Permit shall be issued otherwise.

### **3. Appeal of Denial of Commercial Cannabis Business Permit (All Types)**

The Planning Commission will review all Commercial Cannabis Business applications and all other relevant information, and determine if a CCBP should be granted. If the Planning Commission determines that the permit shall not be granted, the reasons for denial shall be provided in writing to the applicant. Any decision of the Planning Commission may be appealed to the City Council.

- a. A written appeal shall be filed within five (5) business days (excluding official city holidays) following a Planning Commission decision.
- b. When an appeal has been filed, the matter shall be scheduled for a public hearing before the City Council within thirty (30) calendar days of receiving the appeal.

- c. Notice of the hearing of the appeal shall be provided to the applicant at least ten (10) calendar days prior to the public hearing.
- d. Any interested person may appear and be heard regarding the appeal.
- e. A matter being heard on appeal may be continued for good cause.
- f. The City Council's review of the appeal shall be limited to review of the Planning Commission decision and shall not be a de novo review. At the conclusion of the hearing, the City Council may affirm, reverse or modify the decision appealed. The decision of the City Council shall be the City's final decision in this regard and shall be dispositive of the matter subject to judicial review under the provisions of California Code of Civil Procedure Sections 1094.5 and 1094.6.

#### **4. Commercial Cannabis Business Permit Annual Renewal (All Types)**

- a. Applications for the renewal of a permit shall be filed with the Director of Development Services at least sixty (60) calendar days before the expiration of the current permit. Any permittee allowing their permit to lapse or which permit expired during a suspension shall be required to submit a new application, pay the corresponding original application fees and be subject to all aspects of the selection process.
- b. Any person desiring to obtain a renewal of their respective permit shall file a written application under penalty of perjury on the required form with the Director of Development Services who will conduct a review. The application shall be accompanied by a nonrefundable filing fee established by the City Council to defray the cost of the review required by this Section. An applicant shall be required to update the information contained in their original permit application and provide any new and/or additional information as may be reasonably required by the Director of Development Services in order to determine whether said permit should be renewed. The Development Services Director, in consultation with the Selection Panel if they were involved in the original review, will review all Commercial Cannabis Business renewal applications and all other relevant information, and determine if a renewal CCBP should be granted.
- c. A Commercial Cannabis Business Permit holder may file a request to transfer ownership of the business. The request shall be made to the Director of Development Services. The request must be in writing and must be at least 60 days prior to the transfer. The Director of Development Services shall review the request and may require additional background material on the proposed new owner. The Director of Development Services shall notify the permit holder in writing along with the reason for approval or denial of the transfer. The original term of the Commercial Cannabis Business Permit shall stay in effect including the renewal date.
- d. The Director of Development Services or designee may deny the annual renewal of a Commercial Cannabis Business Permit if the permittee or the permittee's agent or employee has committed any one of the following acts:
  - i. Any act which would be considered a ground for denial of the permit in the first instance.
  - ii. Violates any other provision of this section or any City of Merced or State law, statute, rule or regulation relating to the business's permitted activity.
  - iii. Engages in or permits misconduct substantially related to the qualifications, functions or duties of the permittee.
  - iv. Conducts the permitted business in a manner contrary to the health, safety, or welfare of the public.



- v. Fails to take reasonable measures to control patron conduct, where applicable, resulting in disturbances, vandalism, or crowd control problems occurring inside of or outside the premises, traffic control problems, or creation of a public or private nuisance, or obstruction of the operation of another business.
- vi. Violates or fails to comply with the terms and conditions of the permit.
- vii. Fails to pay all applicable City, State, or Federal taxes and fees.

## **5. Appeal of Denial of Commercial Cannabis Business Permit Renewal (All Types)**

- a. The Development Services Director, in consultation with the Selection Panel if they were involved in the original review, will review all Commercial Cannabis Business renewal applications and all other relevant information, and determine if a renewal CCBP should be granted. If the Development Services Director determines that the permit shall not be granted, the reasons for denial shall be provided in writing to the applicant. The applicant shall have fourteen (14) calendar days from the date of the receipt of the written denial to correct the reasons for denial and request in writing reconsideration of permit issuance. Following review of the amended permit application, the Development Services Director will approve or deny the permit by providing written notice to the applicant.
- b. Any decision of the Development Services Director may be appealed to the Planning Commission. An appeal shall be filed within five (5) business days (excluding official city holidays) following a decision by the Director of Development Services.
  - i. When an appeal has been filed, the matter shall be scheduled for a public hearing before the Planning Commission within thirty (30) calendar days of receiving the appeal.
  - ii. Notice of the hearing shall be provided to the applicant at least ten (10) calendar days prior to the public hearing.
  - iii. Any interested person may appear and be heard regarding the appeal.
  - iv. The Planning Commission's review of the appeal shall be limited to review of the Development Services Director decision and shall not be a de novo review.
  - v. A matter being heard on appeal may be continued for good cause.
  - vi. The decision of the Planning Commission may be appealed to the City Council.
    - a. A written appeal shall be filed within five (5) business days (excluding official city holidays) following a Planning Commission decision.
    - b. When an appeal has been filed, the matter shall be scheduled for a public hearing before the City Council within thirty (30) calendar days of receiving the appeal.
    - c. Notice of the hearing of the appeal shall be provided to the applicant at least ten (10) calendar days prior to the public hearing.
    - d. Any interested person may appear and be heard regarding the appeal.
    - e. A matter being heard on appeal may be continued for good cause.
    - f. The City Council's review of the appeal shall be limited to review of the Planning Commission decision and shall not be a de novo review. At the conclusion of the hearing, the City Council may affirm, reverse or modify the decision appealed. The decision of the City Council shall be the City's final decision in this regard and shall be dispositive of the matter subject to judicial review under the provisions of California Code of Civil Procedure Sections 1094.5 and 1094.6.

## **6. Revocation of Commercial Cannabis Business Permit (All Types)**

- a. The Director of Development Services or designee may suspend or revoke a Commercial Cannabis Business Permit when the permittee or the permittee's agent or employee has committed any one or more of the following acts:
  - i. Any act which would be considered a ground for denial of the permit in the first instance.
  - ii. Violates any other provision of this section or any City of Merced or State law, statute, rule or regulation relating to the business's permitted activity.
  - iii. Engages in or permits misconduct substantially related to the qualifications, functions or duties of the permittee.
  - iv. Conducts the permitted business in a manner contrary to the health, safety, or welfare of the public.
  - v. Fails to take reasonable measures to control patron conduct, where applicable, resulting in disturbances, vandalism, or crowd control problems occurring inside of or outside the premises, traffic control problems, or creation of a public or private nuisance, or obstruction of the operation of another business.
  - vi. Violates or fails to comply with the terms and conditions of the permit.
  - vii. Fails to pay all applicable City, State, or Federal taxes and fees.
- b. Prior to suspension or revocation of the applicable permit, the Director of Development Services shall conduct a hearing. Written notice of the time and place of such hearing shall be served upon the permittee at least ten (10) calendar days prior to the date set for such hearing. The notice shall contain a brief statement of the grounds to be relied upon for revoking or suspending the permit. Notice may be given either by personal delivery or by certified U.S. mail, postage prepaid.
- c. Any decision of the Development Services Director may be appealed to the Planning Commission. An appeal shall be filed within five (5) business days (excluding official city holidays) following a decision by the Director of Development Services.
  - i. When an appeal has been filed, the matter shall be scheduled for a public hearing before the Planning Commission within (thirty) 30 days of receiving the appeal.
  - ii. Notice of the hearing shall be provided to the applicant at least (ten) 10 calendar days prior to the public hearing.
  - iii. Any interested person may appear and be heard regarding the appeal.
  - iv. The Planning Commission's review of the appeal shall be limited to review of the Development Services Director decision and shall not be a de novo review.
  - v. A matter being heard on appeal may be continued for good cause.
  - vii. The decision of the Planning Commission may be appealed to the City Council.
    - a. A written appeal shall be filed within five (5) business days (excluding official city holidays) following a Planning Commission decision.
    - b. When an appeal has been filed, the matter shall be scheduled for a public hearing before the City Council within thirty (30) calendar days of receiving the appeal.
    - c. Notice of the hearing of the appeal shall be provided to the applicant at least ten (10) calendar days prior to the public hearing.
    - d. Any interested person may appear and be heard regarding the appeal.
    - e. A matter being heard on appeal may be continued for good cause.
    - f. The City Council's review of the appeal shall be limited to review of the Planning Commission decision and shall not be a de novo review. At the

conclusion of the hearing, the City Council may affirm, reverse or modify the decision appealed. The decision of the City Council shall be the City's final decision in this regard and shall be dispositive of the matter subject to judicial review under the provisions of California Code of Civil Procedure Sections 1094.5 and 1094.6.

**20.44.170(M): Limitations on the City's Liability**

To the fullest extent permitted by law, the City shall not assume any liability whatsoever, with respect to approving any Commercial Cannabis Business Permit pursuant to this ordinance or the operation of any cannabis facility approved pursuant to this chapter. As a condition of approval of a Commercial Cannabis Business Permit as provided in this chapter, the applicant or its legal representative shall:

1. Execute an agreement indemnifying the City from any claims, damages, injuries or liabilities of any kind associated with the registration or operation of the commercial cannabis facility or the prosecution of the applicant or permittee or its members for violation of federal or State laws;
2. Maintain insurance in the amounts and types that are acceptable to the City Attorney or designee;
3. Name the city as an additionally insured on all City required insurance policies;
4. Agree to defend, at its sole expense, any action against the City, its agents, officers, and employees related to the approval of a Commercial Cannabis Business permit; and
5. Agree to reimburse the City for any court costs and attorney fees that the City may be required to pay as a result of any legal challenge related to the City's approval of a Commercial Cannabis Business Permit. The City may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve the operator of its obligation hereunder.

**20.44.170(N): Enforcement**

1. A violation of the regulations in this ordinance by an act, omission, or failure of an agent, owner, officer or other person acting in concert with or employed by a permittee within the scope of their employment or office, shall be deemed the act, omission, or failure of the permittee.
2. A permitted Commercial Cannabis Business shall notify the Police Chief or designee of the City of Merced upon discovery of any of the following situations:
  - a. A discrepancy of more than \$1,000 in inventory over a period of 24 hours or \$3,000 over period of 7 days.
  - b. A reason to suspect diversion, loss, theft or any other criminal activity pertaining to the operation of the commercial cannabis business.
  - c. The loss or alteration of records related to cannabis goods, registered medical cannabis patients, caregivers or dispensary employees or agents.
  - d. Any other reason to suspect any other breach of security.

3. Each and every violation of this Section shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the Municipal Code. Additionally, as a nuisance per se, any violation of this article shall be subject to injunctive relief, revocation of the business's Commercial Cannabis Business Permit, disgorgement and payment to the City of any and all monies unlawfully obtained, costs of abatement, costs of investigation, attorney fees, and any other relief or remedy available at law or equity. The City may also pursue any and all remedies and actions available and applicable under local and state laws for any violations committed by the cannabis business and/or any owner, agent, officer, or any other person acting in concert with or employed by the cannabis business.
4. City Officials or their designees may enter and inspect the location of any commercial cannabis business during normal business hours to ensure compliance with this Section. In addition, law enforcement may enter and inspect the location of any cannabis business and the recordings and records maintained as required by this Section, except that the inspection and copying of private medical records shall be made available to law enforcement only pursuant to a properly executed search warrant, subpoena, or court order. A person engaging in commercial cannabis business without a permit and associated unique identifiers required by this chapter shall be subject to civil penalties of up to twice the amount of the permit fee for each violation, and the department, state or local authority, or court may order the destruction of cannabis associated with that violation. A violator shall be responsible for the cost of the destruction of cannabis associated with the violation, in addition to any amount covered by a bond required as a condition of licensure. Each day of operation shall constitute a separate violation of this section.

#### **20.44.170(O): Fees and Taxes**

All Cannabis Operations shall pay applicable fees and taxes, which may include one or more of the following:

1. Initial Application Fees. The Business Applicant shall submit a non-refundable fee to cover the cost of processing an initial application for the commercial cannabis business. These fees may be divided into two fees according to Initial Review (Phase 1) and Final Review (Phase 2).
2. Application Renewal Fees. The Business Owner shall submit a non-refundable fee to cover the cost of processing an application renewal annually.
3. Business License Fee. The Business Owner shall at all times maintain a current and valid business license and pay all business taxes required by the Merced Municipal Code.
4. Commercial Cannabis Regulatory Fee. The Business Owner shall pay an annual regulatory fee ("Regulatory Fee") to cover the costs of anticipated enforcement relating to the Cannabis Operation. The amount of the fee shall be set by Resolution of the City Council and be supported by the estimated additional costs of enforcement and monitoring associated with the Cannabis Operation. The Regulatory Fee shall be due and payable prior to opening for business and thereafter on or before the anniversary date. The Regulatory Fee may be amended from time to time based upon actual costs.
5. All required taxes including sales and use taxes, business, payroll etc.
6. Additional cannabis-specific gross receipts, excise, cultivation or any other tax approved by the voters of the City of Merced.

## **SECTION 6 : SEVERABILITY**

If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

## **SECTION 7. PUBLICATION.**

The City Clerk is directed to cause a summary of this Ordinance to be published in the official newspaper at least once within fifteen (15) days after its adoption showing the vote thereon.

The foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Merced on the 20th day of November, 2017, and was passed and adopted at a regular meeting of said City Council held on the 4th day of December, 2017, by the following called vote:

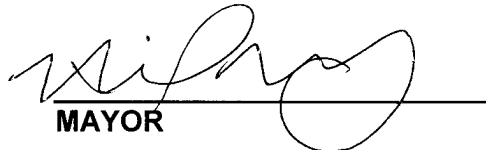
**AYES: 5      Council Members:** BLAKE, MARTINEZ, MCLEOD, PEDROZO,  
SERRATTO

**NOES: 2      Council Members:** BELLUOMINI, MURPHY

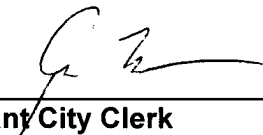
**ABSTAIN: 0      Council Members:** NONE

**ABSENT: 0      Council Members:** NONE

**APPROVED:**


  
**MAYOR**

**ATTEST:**  
**STEVE CARRIGAN, CITY CLERK**

**BY:**   
**Assistant City Clerk**

**(SEAL)**

**APPROVED AS TO FORM**

  
**City Attorney**      11/28/2017  
**Date**



# **Full Record of Planning Commission Meetings September 18, 2018 and September 19, 2018**

<b>Page 2</b>	<b>Agenda Package</b>
<b>Page 445</b>	<b>PowerPoint Presentations</b>
<b>Page 638</b>	<b>Documents Submitted at Meetings</b>
<b>Page 641</b>	<b>Oral Transcript</b>
<b>Page 735</b>	<b>Minutes</b>
<b>Page 765</b>	<b>Planning Commission Resolution #4008</b>

**ATTACHMENT 2**

**City of Merced**  
**PLANNING COMMISSION**  
**Agenda**

SEMIMONTHLY REGULAR SESSION

*Assisted Listening Devices Available*  
*Please Contact the Recording Secretary*

CALL TO ORDER

Merced City Council Chambers  
Tuesday, September 18, and  
Wednesday, September 19, 2018  
7:00 p.m.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE TO THE FLAG

ROLL CALL

1. APPROVAL OF AGENDA

2. MINUTES: September 5, 2018

**S P E A K E R S**

Please be brief and to the point - preferably 3 to 5 minutes.

Max Time Limit prior to Agendized items: 15 minutes. Once the maximum has been reached, remaining speakers will be asked to wait until the end of the meeting to make their comments.

To address the Planning Commission, complete a Request to Speak Form and place in the drop box located to the right of the speaker podium prior to the opening of the public hearing or the announcement of the item by the Chairperson. Speakers will be called up, 3 to 5 at a time, in the order in which the forms are received.

Please use the microphone and state your name and city of residence for the record.

Information/instruction on how the meeting will be run appears on the reverse side of this page.

**PUBLIC HEARINGS/REPORTS:**

Permits, license, and other entitlements:

Applicant's Representative – 15 minutes (including rebuttal)

Appellant's Representative – 15 minutes (including rebuttal)

All other speakers will have 5 minutes each.

All other issues:

3 or less speakers: 5 minutes each

Over 3 speakers: Maximum of 3 minutes each

A timer clock is located directly across from the podium, illuminating the speaker's remaining time. Once the time is exhausted, a buzzer sounds. Please be courteous and conclude your discussion promptly.

*For further information on citizen participation and placing an item on the Planning Commission Agenda, please refer to the handout provided outside the Council Chambers.*

## GENERAL INFORMATION

The Planning staff can assist you with other planning questions on matters such as annexation to the city, land subdivision, downtown Merced projects, home occupation permits, zoning, population and housing. (Phone 385-6858) 678 West 18th Street, Merced, CA 95340. Prior to each regular Commission Meeting, a complete agenda packet is available for review in the Planning Department at 678 West 18<sup>th</sup> Street, Merced, and on the City's website at [www.cityofmerced.org](http://www.cityofmerced.org). Any documents provided to a majority of the Commissioners after this agenda is posted will be available for public inspection in the Planning Department during normal business hours.

## THE PLANNING COMMISSION

The citizens of Merced elect the members of the City Council. They in turn appoint seven advisors, the Planning Commission, to make recommendations on planning matters. The Commissioners are civic-minded citizens who serve an average of 35 meetings a year with no pay. Meetings are normally held at 7:00 p.m. on the Wednesday nights following the first and third Mondays of the month, in addition to special meetings as called.

The staff assists the Commission but does not vote. The City Attorney provides legal assistance and assists the Commission on procedural matters; the Planning Director and his staff prepare the agenda, provide reports, etc. Other City staff members such as the Civil Engineer also serve as advisors to the Commission.

## PLANNING COMMISSION MEETINGS

The Commissioners are interested in your views and want to hear them. Information on a proposed action is publicized before it is brought before the Planning Commission. For example, on a proposed zoning action, mailers are sent to all property owners within a 300-foot radius and a notice appears in the legal advertisement section of the Merced Sun-Star. Important pending items will also often be mentioned in pre-meeting references in the local newspaper.

### Consent Items

Items noted as "(CONSENT)" are considered routine and will normally be approved without a staff presentation or discussion by the Planning Commission unless a Commissioner or member of the audience has a question(s) or wishes to make a statement or discuss an item. If so, please approach the microphone at the time the particular item is reached.

### Public Hearings

The Commission will ask those who are for\* or against\*\* a proposal to speak at all public hearings. The sequence of events is:

1. Staff report of facts and a recommendation.
2. Applicant's statement.
3. Proponents\* of the proposal.
4. Opponents\*\* of the proposal.
- (5. If necessary, a summary statement or rebuttal from the applicant.)

If you decide to speak, please submit a "Request to Speak" form prior to the start of the public hearing. You will be called up to speak at the appropriate time by the Recording Secretary. Please start by giving your name and city of residence, then tell the Commissioners your concern. We want your views; don't worry about how to say them. If several people have spoken, try not to be repetitious. If there are several in your area with concerns, why not appoint a spokesman. The Commission is particularly interested in the specific reasons you are for or against a proposal because their decision has to be based on specific reasons.

A Commission denial of a request or proposal is final in the case of Conditional Use Permit Applications (unless appealed to City Council within five days) and Tentative Subdivision Maps (unless appealed to City Council within 10 days). On many other items, the Commission RECOMMENDS ACTION to the Council. If your item is passed on to the City Council, be sure to follow up by attending the Council hearings and expressing your point of view.

You may also find that the Commission may not get to your item - set for 7:00 p.m. public hearing - until 10:00 p.m. for instance. We regret you having to wait. Experience has shown that setting hearings 1/2 - 1 hour apart is unwise, however. Sometimes matters are withdrawn or are resolved quickly leaving the commission and public in a position of waiting for an appointed time to arrive.



### 3. COMMUNICATIONS

At this time, any member of the audience may comment on any matter which is not listed on the agenda. Please submit a “Request to Speak” form prior to the announcement of the item by the Chairperson.

### 4. ITEMS

Any matters listed as (“CONSENT”) in the descriptions below are considered routine by the Planning Commission and will be adopted by one action of the Commission unless any citizen submits a “Request to Speak” form or Commission member has any question or wishes to make a statement or discuss an item. In that event, the Chairperson will remove that item from the Consent Calendar and place it for separate consideration.

#### 4.1 **Overview of Other Commercial Cannabis Business Permit (CCBP) Retail Sales Applications**

ACTION: Information only.

- 4.2 **Commercial Cannabis Business Permit #18-06R**, initiated by Blue Fire, Inc., on a property owned by REM Land Group, LLC. This application is a request to permit the operation of a Retail Dispensary for medicinal and adult-use cannabis and cannabis-related products, including delivery services, at 1975 W. Olive Avenue, a parcel of 2.08 acres, within Planned Development (P-D) #12, with a General Plan Designation of Industrial (IND). \*PUBLIC HEARING\*

ACTION: Approve/Disapprove/Modify

1. Environmental Review #18-19 (Categorical Exemption)
2. Commercial Cannabis Business Permit #18-06R

- 4.3 **Commercial Cannabis Business Permit #18-10R**, initiated by Green Door, Inc., on property owned by Ray Barry McAuley and Jeanne R McAuley, trustees. This application is a request to permit the operation of a retail dispensary for both medicinal and adult-use cannabis and cannabis-related products, including delivery services, on a 0.17-acre parcel at 811 W. Main Street within a Regional/Central Commercial (C-C) Zone. \*PUBLIC HEARING\*

ACTION: Approve/Disapprove/Modify

1. Environmental Review #18-23 (Categorical Exemption)
2. Commercial Cannabis Business Permit #18-10R

- 4.4 **Commercial Cannabis Business Permit #18-17R**, initiated by Merced Business Ventures, Inc., DBA Manzanita, on property owned by Robert Gray. This application is a request to permit the operation of a retail dispensary for both medicinal and adult-use cannabis, including delivery

services, on a 0.3-acre parcel at 1594 W. 18<sup>th</sup> Street within a General Commercial (C-G) Zone. \*PUBLIC HEARING\*

- ACTION:     Approve/Disapprove/Modify
- 1. Environmental Review #18-30 (Categorical Exemption)
  - 2. Commercial Cannabis Business Permit #18-17R

4.5 **Commercial Cannabis Business Permit #18-14R**, initiated by Harvest of Merced, LLC., on a property owned by Stephen G. Tinetti, trustee. This application is a request to permit the operation of a retail dispensary for both medicinal and adult-use cannabis and cannabis-related products, including delivery services, on a 0.36 acre parcel in the General Commercial (C-G) Zone at 863 W. 15th St. \*PUBLIC HEARING\*

- ACTION:     Approve/Disapprove/Modify
- 1. Environmental Review #18-27 (Categorical Exemption)
  - 2. Commercial Cannabis Business Permit #18-14R

5. INFORMATION ITEMS

5.1 Calendar of Meetings/Events (see below)

6. ADJOURNMENT (Traditionally no later than 11:00 p.m.)

CALENDAR OF MEETINGS/EVENTS

Sept	17	City Council, 6:00 p.m.
	18 and 19	Planning Commission, 7:00 p.m. ( <i>Tuesday &amp; Wednesday</i> )
Oct	1	City Council, 6:00 p.m.
	3	Planning Commission, 7:00 p.m.
	15	City Council, 6:00 p.m.
	17	Planning Commission, 7:00 p.m.
	23	Bicycle Advisory Commission, 3:00 p.m.
Nov	5	City Council, 6:00 p.m.
	7	Planning Commission, 7:00 p.m.
	19	City Council, 6:00 p.m.
	21	Planning Commission, 7:00 p.m. ( <i>To be Cancelled</i> )

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*City of Merced*  
**MEMORANDUM**

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**DATE:** September 18 and 19, 2018  
**TO:** Planning Commission  
**FROM:** Kim Espinosa, Planning Manager, and Michael Hren, Principal Planner  
**SUBJECT:** Overview of Commercial Cannabis Business Permit Applications for Dispensaries/Retail Sales

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The City of Merced received 22 complete applications for retail cannabis dispensaries in March 2018 (see map at Attachment A). [There were actually 24 applications submitted, but one was disqualified and one didn't pass Phase 1.] Only four dispensaries may be approved under the City's cannabis ordinance. On August 30, 2018, the City released the rankings for the Commercial Cannabis Business Permits for Dispensaries/Retail Sales, including the top four applications which are having public hearings before the Planning Commission on September 18 and 19, 2018 (Agenda Items 4.2, 4.3, 4.4, and 4.5).

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

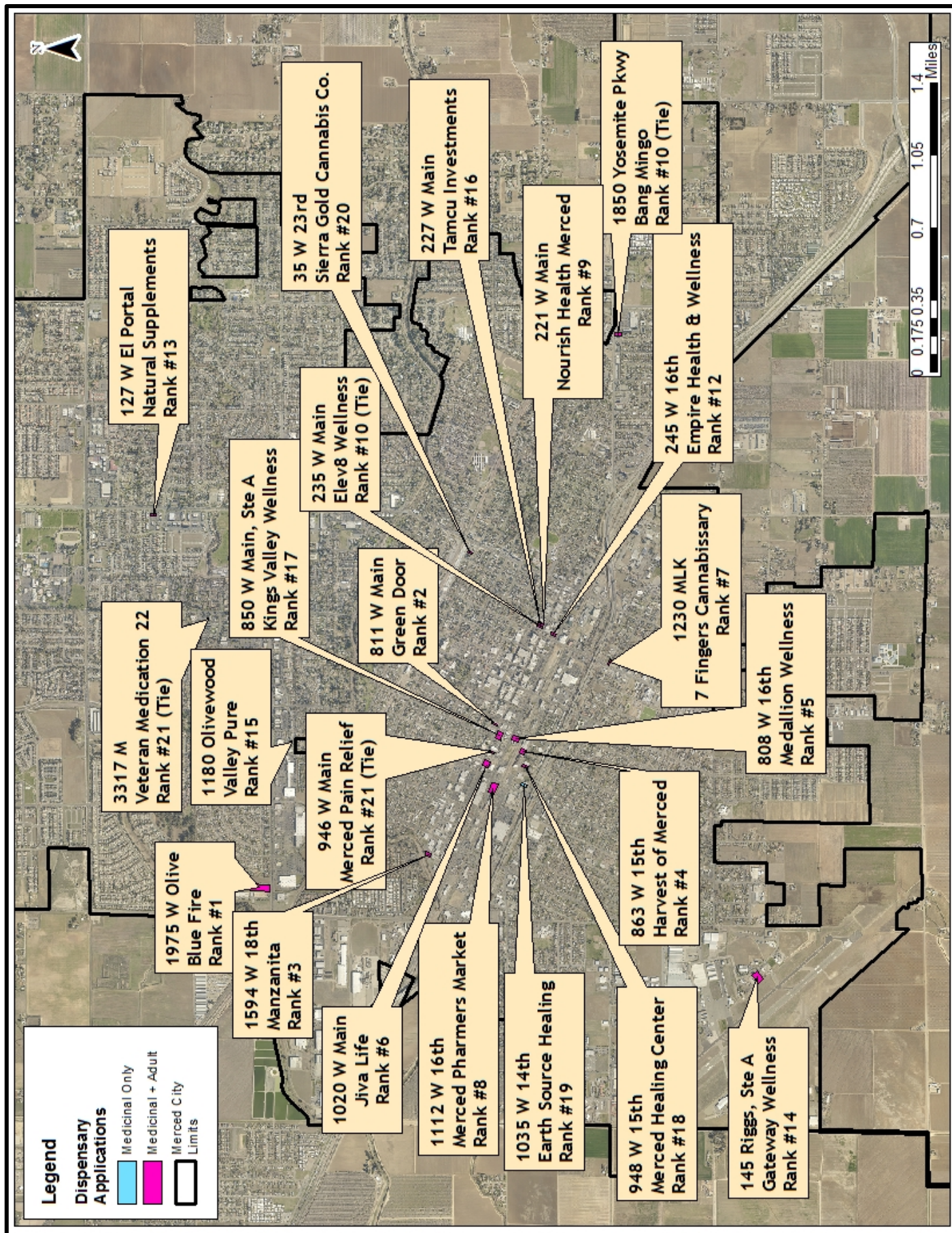
A total score of 100 points was possible for each application. Points were awarded based on non-discretionary facts, such as public/neighborhood outreach programs, parking, business hours, previous experience and qualifications of the owners, access to capital, inclusion of certain safety features, and 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. A copy of those detailed scores for all 22 applications, along with a summary of the rankings, is included at Attachment B.

At the September 5, 2018, Planning Commission meeting, all the Planning Commission members were provided with 2 CD's with redacted copies of all 22 dispensary applications for review. (Personal, sensitive information, such as social security numbers, home addresses and phone numbers, bank account numbers and information, Live Scan forms, Driver's Licenses, etc., were redacted by City Staff.) One printed copy of each redacted application was also made available in the Planning Department offices on the 2<sup>nd</sup> floor of the Merced Civic Center during regular business hours, starting on September 6, 2018.

Attachments

- A) Map of Dispensary Application Locations
- B) Final Scores of City Selection Committee for Cannabis Dispensary Applications







# FINAL SCORES (as of 8/16/18)

City of Merced

## Merit Based Selection Criteria for Commercial Cannabis Business Permits Summary of Selection Committee Scores for Dispensaries and Rankings

### Selection Committee Scores

<u>Commercial Cannabis Business Permit Applications for Dispensaries</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>	<u>TOTAL SCORE</u>	<u>AVERAGE SCORE</u>	<u>RANKING</u>
CCBP #18-06R ("Blue Fire") at 1975 W Olive Ave	99	99	97	295	98.333	1
CCBP #18-10R ("Green Door") at 811 W Main St	98	98	96	292	97.333	2
CCBP #18-17R ("Manzanita") at 1594 W 18th St	97	97	95	289	96.333	3
CCBP #18-14R ("Harvest of Merced") at 863 W 15th St	98	93	94	285	95.000	4
CCBP #18-21R ("Medallion Wellness") at 808 W 16th St	84	91	94	269	89.667	5
CCBP #18-30R ("Jiva Life") at 1020 W Main St	84	82	89	255	85.000	6
CCBP #18-22R ("7 Fingers Cannabissary") at 1220-30 Martin Luther King Jr Wy	84	85	85	254	84.667	7
CCBP #18-11R ("Merced Pharmers Market") at 1112 W 16th St	77	82	87	246	82.000	8
CCBP #18-29R ("Nourish Health Merced") at 221 W Main St	83	80	81	244	81.333	9
CCBP #18-08R ("Bang Mingo") at 1850 Yosemite Pkwy	79	79	82	240	80.000	10 (Tie)
CCBP #18-05R ("Elev8 Wellness") at 235 W Main St	77	86	77	240	80.000	10 (Tie)
CCBP #18-13R ("Empire Health & Wellness") at 245 W 16th St	69	80	75	224	74.667	12
CCBP #18-09R ("Natural Supplements") at 127 W El Portal Dr	75	72	69	216	72.000	13
CCBP #18-07R ("Gateway Wellness") at 145 Riggs, Ste A	65	77	71	213	71.000	14
CCBP #18-25R ("Valley Pure") at 1180 Olivewood Dr	56	73	73	202	67.333	15
CCBP #18-26R ("Tamcu Investments") at 227 W Main St	64	70	67	201	67.000	16
CCBP #18-23R ("Kings Valley Wellness") at 850 W Main St, Ste A	60	74	65	199	66.333	17
CCBP #18-12R ("Merced Healing Center") at 948 W 15th St	55	70	62	187	62.333	18
CCBP #18-24R ("Earth Source Healing") at 1035 W 14th St	56	63	60	179	59.667	19
CCBP #18-16R ("Sierra Gold Cannabis Co.") at 35 W 23rd St	56	60	52	168	56.000	20
CCBP #18-20R ("Veteran Medication 22") at 3317 M St	47	60	50	157	52.333	21 (Tie)
CCBP #18-18R ("Merced Pain Relief") at 946 W Main St	45	59	53	157	52.333	21 (Tie)

The Following Application was disqualified:

CCBP #18-15R ("Aleafiate") at 1471 Yosemite Pkwy	73	75	65	213	71.000	DQ
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## FINAL SCORES (as of 8/16/18)

City of Merced

Merit Based Selection Criteria for Commercial Cannabis Business Permits

Summary of Selection Committee Scores for Dispensaries and Rankings

<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	295	98.333	1
CCBP #18-10R ("Green Door") at 811 W Main	292	97.333	2
CCBP #18-17R ("Manzanita") at 1594 W 18th	289	96.333	3
CCBP #18-14R ("Harvest of Merced") at 863 W 15th	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	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	246	82.000	8
CCBP #18-29R ("Nourish Health Merced") at 221 W Main	244	81.333	9
CCBP #18-08R ("Bang Mingo") at 1850 Yosemite Pkwy	240	80.000	10 (Tie)
CCBP #18-05R ("Elev8 Wellness") at 235 W Main	240	80.000	10 (Tie)
CCBP #18-13R ("Empire Health & Wellness") at 245 W 16th	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	202	67.333	15
CCBP #18-26R ("Tamcu Investments") at 227 W Main	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 15th	187	62.333	18
CCBP #18-24R ("Earth Source Healing") at 1035 W 14th	179	59.667	19
CCBP #18-16R ("Sierra Gold Cannabis Co.") at 35 W 23rd	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	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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**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-05R ("Elev8 Wellness") at 235 W Main**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 1: Prioritize Medicinal Cannabis Access</b>				
a) Proposal for combined medicinal/adult use dispensary	4	4	4	4
b) Proposal for medicinal only dispensary	3	0	0	0
c) Proposal for non-medicinal/adult use dispensary only	0	0	0	0
d) Proposal includes Delivery Services	2	2	2	2
<b>Section 1: Sub-Total of Points Possible</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Section 2: Geographical Preference/Neighborhood Relations</b>				
a) Proposed locations is within 1,200 feet of local public transportation	1	1	1	1
b) Proposal includes a process and schedule for at least two public outreach meetings per year that meet City approval	2	2	2	2
c) Business plan includes a schedule for communication and receiving feedback from all entities within 300 feet of the business at least two times a year	2	2	2	2
d) Proposal includes the appointment of an employee as a designated liaison with the neighborhood	1	1	1	1
e) Designated liaison employee is a City resident	1	1	1	1
<b>Section 2: Sub-Total of Points Possible</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
<b>Section 3: Facility Plan</b>				
a) Business is formally associated with a non-retail cannabis or non-cannabis-related business in the City of Merced	2	2	2	2
b) Proposal includes daily inspection to ensure maintenance of the interior and exterior of the facility (i.e. free of trash, graffiti, etc.)	2	2	2	2
c) Location exceeds City parking requirements by 10% or more	1	1	1	1
d) Business is open more than five days a week at least 6 hours per day	1	1	1	1
e) Location exceeds minimum disabled parking requirements by 100% or more	1	1	1	1
f) Location is within an existing building or facility with an ability to be open for business within 6 months of approval of the CCBP by the City	1	1	1	1
<b>Section 3: Sub-Total of Points Possible</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-05R ("Elev8 Wellness") at 235 W Main**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 4: Standards and Procedures for the Safe Operation of Facilities:</b>				
a) Proposal includes documented employee safety training program	1	1	1	1
b) Proposal includes documented employee cannabis educational training program	1	1	1	1
c) Business Plan includes enhanced security measures, including at least three of the following: panic buttons, dye packets, bulletproof window film (with break strength of 400 lbs. per inch or better), a UL-approved safe with a fire rating that is 2-hour 1700 degrees F or better with a complex locking device; motion sensing lighting; or other enhanced security measures acceptable to the City. (0 to 4 points to be awarded at the discretion of the City Selection Committee.)	0 to 4	4	4	3
d) Proposal includes climate controlled environment	1	1	1	1
e) Proposal includes plan for disposal of all solid waste based on best practices of State	1	1	1	1
f) Proposal includes a comprehensive documented process for 24-hour minimum response time to cannabis product recall notifications	2	0	0	0
g) Proposal includes more than one on-site security guard during business hours	2	2	2	2
h) Proposal includes plans and procedures for how all cannabis products on the premises or held by the applicant have met the testing requirements as defined by the State	1	1	1	1
i) Proposal includes a separate lobby area where identification is checked to ensure that only qualified individuals gain access to separate, locked areas where cannabis products are displayed	2	2	2	2
j) Proposal includes electronic storage of required records of sales, delivery manifests, patient information (if medicinal and required by State), inventory, etc., which can be provided to City personnel upon request	2	2	2	2
k) Proposal includes participation in web-based public safety application or equivalent that provides law enforcement with confirmation of local and state licenses	1	0	0	0
l) Proposal includes any proposed "green" business practices relating to energy and climate, water conservation, and materials/waste storage	1	1	1	1
m) Proposal includes secured loading/unloading area for deliveries	1	1	1	1
<b>Section 4: Sub-Total of Points Possible</b>	<b>20</b>	<b>17</b>	<b>17</b>	<b>16</b>



**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-05R ("Elev8 Wellness") at 235 W Main**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 5: Prior Experience in Business Ownership and Management</b>				
a) Combined prior experience of proposed owners is more than 3 years of verified successful management of any non-cannabis legal retail facility	2	2	2	2
b) 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	2	2	2	2
c) 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	3	0	0	0
d) Above prior experience was obtained within the City or County of Merced	3	3	3	3
e) Above prior experience was obtained within 100 miles of the City of Merced	1	1	1	1
<b>Section 5: Sub-Total of Points Possible</b>	<b>11</b>	<b>8</b>	<b>8</b>	<b>8</b>
<b>Section 6: Qualifications of Principals/Business Plan</b>				
a) At least one owner is a military veteran with an honorable discharge	1	0	0	0
b) At least one owner is a full-time resident of the County of Merced	1	1	1	1
c) At least one owner is a full-time resident of the City of Merced	2	2	2	2
d) Does the business qualify as a Disadvantaged Business Enterprise (DBE) as defined by the U.S. Department of Transportation?	1	1	1	1
e) Does the business have documented proof of access to at least \$150,000 in capital (or enough capital to pay all startup costs plus at least 3 months of operating costs)?	3	3	3	3
f) Does the business have documented proof of access to at least \$300,000 in capital (or enough capital to pay all startup costs plus at least 6 months of operating costs)?	3	3	3	3
g) Business Plan contain a valid pro forma for at least 3 years of operation	2	2	2	2
h) Business has documented agreements with cannabis distributors to supply products to their business	2	0	0	0
<b>Section 6: Sub-Total of Points Possible</b>	<b>15</b>	<b>12</b>	<b>12</b>	<b>12</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-05R ("Elev8 Wellness") at 235 W Main**

Selection Committee Scores				
Description of Criteria:	Points Possible	Reviewer #1	Reviewer #2	Reviewer #3
Section 7: Employee & Public Relations				
a) The business promotes local hiring or provides incentives for City/County of Merced residents to work with the business	2	2	2	2
b) The business provides employee health benefits for all employees	2	2	2	2
c) The business employs more than 5 people full-time, not counting the owners or security personnel	2	2	2	2
d) Proposal includes an ongoing public information program to inform City residents of cannabis issues and proper/safe/legal use of cannabis products	2	2	2	2
Section 7: Sub-Total of Points Possible	8	8	8	8
Section 8: Community Benefits				
a) Proposal includes benefits to the community, such as defined monetary contributions to local community organizations, or donating time to local community organizations, or any other proposed community benefit acceptable to the City. (0 to 5 points to be awarded at the discretion of the City Selection Committee.)	0 to 5	1	5	0
Section 8: Sub-Total of Points Possible	5	1	5	0
Section 9: Discretion of the City Selection Committee				
a) 0 to 20 additional points may be awarded to a proposal for outstanding features, measures, or programs (above and beyond the minimum requirements) proposed in the Commercial Cannabis Business Permit Application at the discretion of the City Selection Committee.	0 to 20	10	15	12
Section 9: Sub-Total of Points Possible	20	10	15	12
TOTAL POINTS POSSIBLE	100	77	86	77
TOTAL OF SELECTION COMMITTEE SCORES		240	RANKING	
AVERAGE OF SELECTION COMMITTEE SCORES (Total ÷ 3)		80.000	10 (Tie)	

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-06R ("Blue Fire") at 1975 W Olive**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 1: Prioritize Medicinal Cannabis Access</b>				
a) Proposal for combined medicinal/adult use dispensary	4	4	4	4
b) Proposal for medicinal only dispensary	3	0	0	0
c) Proposal for non-medicinal/adult use dispensary only	0	0	0	0
d) Proposal includes Delivery Services	2	2	2	2
<b>Section 1: Sub-Total of Points Possible</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Section 2: Geographical Preference/Neighborhood Relations</b>				
a) Proposed locations is within 1,200 feet of local public transportation	1	1	1	1
b) Proposal includes a process and schedule for at least two public outreach meetings per year that meet City approval	2	2	2	2
c) Business plan includes a schedule for communication and receiving feedback from all entities within 300 feet of the business at least two times a year	2	2	2	2
d) Proposal includes the appointment of an employee as a designated liaison with the neighborhood	1	1	1	1
e) Designated liaison employee is a City resident	1	1	1	1
<b>Section 2: Sub-Total of Points Possible</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
<b>Section 3: Facility Plan</b>				
a) Business is formally associated with a non-retail cannabis or non-cannabis-related business in the City of Merced	2	2	2	2
b) Proposal includes daily inspection to ensure maintenance of the interior and exterior of the facility (i.e. free of trash, graffiti, etc.)	2	2	2	2
c) Location exceeds City parking requirements by 10% or more	1	1	1	1
d) Business is open more than five days a week at least 6 hours per day	1	1	1	1
e) Location exceeds minimum disabled parking requirements by 100% or more	1	1	1	1
f) Location is within an existing building or facility with an ability to be open for business within 6 months of approval of the CCBP by the City	1	1	1	1
<b>Section 3: Sub-Total of Points Possible</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-06R ("Blue Fire") at 1975 W Olive**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 4: Standards and Procedures for the Safe Operation of Facilities:</b>				
a) Proposal includes documented employee safety training program	1	1	1	1
b) Proposal includes documented employee cannabis educational training program	1	1	1	1
c) Business Plan includes enhanced security measures, including at least three of the following: panic buttons, dye packets, bulletproof window film (with break strength of 400 lbs. per inch or better), a UL-approved safe with a fire rating that is 2-hour 1700 degrees F or better with a complex locking device; motion sensing lighting; or other enhanced security measures acceptable to the City. (0 to 4 points to be awarded at the discretion of the City Selection Committee.)	0 to 4	4	4	4
d) Proposal includes climate controlled environment	1	1	1	1
e) Proposal includes plan for disposal of all solid waste based on best practices of State	1	1	1	1
f) Proposal includes a comprehensive documented process for 24-hour minimum response time to cannabis product recall notifications	2	2	2	2
g) Proposal includes more than one on-site security guard during business hours	2	2	2	2
h) Proposal includes plans and procedures for how all cannabis products on the premises or held by the applicant have met the testing requirements as defined by the State	1	1	1	1
i) Proposal includes a separate lobby area where identification is checked to ensure that only qualified individuals gain access to separate, locked areas where cannabis products are displayed	2	2	2	2
j) Proposal includes electronic storage of required records of sales, delivery manifests, patient information (if medicinal and required by State), inventory, etc., which can be provided to City personnel upon request	2	2	2	2
k) Proposal includes participation in web-based public safety application or equivalent that provides law enforcement with confirmation of local and state licenses	1	1	1	1
l) Proposal includes any proposed "green" business practices relating to energy and climate, water conservation, and materials/waste storage	1	1	1	1
m) Proposal includes secured loading/unloading area for deliveries	1	1	1	1
<b>Section 4: Sub-Total of Points Possible</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-06R ("Blue Fire") at 1975 W Olive**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 5: Prior Experience in Business Ownership and Management</b>				
a) Combined prior experience of proposed owners is more than 3 years of verified successful management of any non-cannabis legal retail facility	2	2	2	2
b) 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	2	2	2	2
c) 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	3	3	3	3
d) Above prior experience was obtained within the City or County of Merced	3	3	3	3
e) Above prior experience was obtained within 100 miles of the City of Merced	1	1	1	1
<b>Section 5: Sub-Total of Points Possible</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>
<b>Section 6: Qualifications of Principals/Business Plan</b>				
a) At least one owner is a military veteran with an honorable discharge	1	1	1	1
b) At least one owner is a full-time resident of the County of Merced	1	1	1	1
c) At least one owner is a full-time resident of the City of Merced	2	2	2	2
d) Does the business qualify as a Disadvantaged Business Enterprise (DBE) as defined by the U.S. Department of Transportation?	1	0	0	0
e) Does the business have documented proof of access to at least \$150,000 in capital (or enough capital to pay all startup costs plus at least 3 months of operating costs)?	3	3	3	3
f) Does the business have documented proof of access to at least \$300,000 in capital (or enough capital to pay all startup costs plus at least 6 months of operating costs)?	3	3	3	3
g) Business Plan contain a valid pro forma for at least 3 years of operation	2	2	2	2
h) Business has documented agreements with cannabis distributors to supply products to their business	2	2	2	2
<b>Section 6: Sub-Total of Points Possible</b>	<b>15</b>	<b>14</b>	<b>14</b>	<b>14</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-06R ("Blue Fire") at 1975 W Olive**

<u>Selection Committee Scores</u>				
<u>Description of Criteria:</u>	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 7: Employee &amp; Public Relations</b>				
a) The business promotes local hiring or provides incentives for City/County of Merced residents to work with the business	2	2	2	2
b) The business provides employee health benefits for all employees	2	2	2	2
c) The business employs more than 5 people full-time, not counting the owners or security personnel	2	2	2	2
d) Proposal includes an ongoing public information program to inform City residents of cannabis issues and proper/safe/legal use of cannabis products	2	2	2	2
<b>Section 7: Sub-Total of Points Possible</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
<b>Section 8: Community Benefits</b>				
a) Proposal includes benefits to the community, such as defined monetary contributions to local community organizations, or donating time to local community organizations, or any other proposed community benefit acceptable to the City. (0 to 5 points to be awarded at the discretion of the City Selection Committee.)	0 to 5	5	5	3
<b>Section 8: Sub-Total of Points Possible</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>3</b>
<b>Section 9: Discretion of the City Selection Committee</b>				
a) 0 to 20 additional points may be awarded to a proposal for outstanding features, measures, or programs (above and beyond the minimum requirements) proposed in the Commercial Cannabis Business Permit Application at the discretion of the City Selection Committee.	0 to 20	20	20	20
<b>Section 9: Sub-Total of Points Possible</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>
<b>TOTAL POINTS POSSIBLE</b>	<b>100</b>	<b>99</b>	<b>99</b>	<b>97</b>
<b>TOTAL OF SELECTION COMMITTEE SCORES</b>	<b>295</b>	<div><u>RANKING</u></div> <div>1</div>		
<b>AVERAGE OF SELECTION COMMITTEE SCORES (Total ÷ 3)</b>	<b>98.333</b>			

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-07R ("Gateway Wellness") at 145 Riggs, Ste A**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 1: Prioritize Medicinal Cannabis Access</b>				
a) Proposal for combined medicinal/adult use dispensary	4	4	4	4
b) Proposal for medicinal only dispensary	3	0	0	0
c) Proposal for non-medicinal/adult use dispensary only	0	0	0	0
d) Proposal includes Delivery Services	2	2	2	2
<b>Section 1: Sub-Total of Points Possible</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Section 2: Geographical Preference/Neighborhood Relations</b>				
a) Proposed locations is within 1,200 feet of local public transportation	1	1	1	1
b) Proposal includes a process and schedule for at least two public outreach meetings per year that meet City approval	2	2	2	2
c) Business plan includes a schedule for communication and receiving feedback from all entities within 300 feet of the business at least two times a year	2	2	2	2
d) Proposal includes the appointment of an employee as a designated liaison with the neighborhood	1	1	1	1
e) Designated liaison employee is a City resident	1	1	1	1
<b>Section 2: Sub-Total of Points Possible</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
<b>Section 3: Facility Plan</b>				
a) Business is formally associated with a non-retail cannabis or non-cannabis-related business in the City of Merced	2	2	2	2
b) Proposal includes daily inspection to ensure maintenance of the interior and exterior of the facility (i.e. free of trash, graffiti, etc.)	2	2	2	2
c) Location exceeds City parking requirements by 10% or more	1	1	1	1
d) Business is open more than five days a week at least 6 hours per day	1	1	1	1
e) Location exceeds minimum disabled parking requirements by 100% or more	1	1	1	1
f) Location is within an existing building or facility with an ability to be open for business within 6 months of approval of the CCBP by the City	1	1	1	1
<b>Section 3: Sub-Total of Points Possible</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-07R ("Gateway Wellness") at 145 Riggs, Ste A**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 4: Standards and Procedures for the Safe Operation of Facilities:</b>				
a) Proposal includes documented employee safety training program	1	1	1	1
b) Proposal includes documented employee cannabis educational training program	1	1	1	1
c) Business Plan includes enhanced security measures, including at least three of the following: panic buttons, dye packets, bulletproof window film (with break strength of 400 lbs. per inch or better), a UL-approved safe with a fire rating that is 2-hour 1700 degrees F or better with a complex locking device; motion sensing lighting; or other enhanced security measures acceptable to the City. (0 to 4 points to be awarded at the discretion of the City Selection Committee.)	0 to 4	4	4	4
d) Proposal includes climate controlled environment	1	1	1	1
e) Proposal includes plan for disposal of all solid waste based on best practices of State	1	1	1	1
f) Proposal includes a comprehensive documented process for 24-hour minimum response time to cannabis product recall notifications	2	2	2	2
g) Proposal includes more than one on-site security guard during business hours	2	2	2	2
h) Proposal includes plans and procedures for how all cannabis products on the premises or held by the applicant have met the testing requirements as defined by the State	1	1	1	1
i) Proposal includes a separate lobby area where identification is checked to ensure that only qualified individuals gain access to separate, locked areas where cannabis products are displayed	2	2	2	2
j) Proposal includes electronic storage of required records of sales, delivery manifests, patient information (if medicinal and required by State), inventory, etc., which can be provided to City personnel upon request	2	2	2	2
k) Proposal includes participation in web-based public safety application or equivalent that provides law enforcement with confirmation of local and state licenses	1	0	0	0
l) Proposal includes any proposed "green" business practices relating to energy and climate, water conservation, and materials/waste storage	1	1	1	1
m) Proposal includes secured loading/unloading area for deliveries	1	1	1	1
<b>Section 4: Sub-Total of Points Possible</b>	<b>20</b>	<b>19</b>	<b>19</b>	<b>19</b>



**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-07R ("Gateway Wellness") at 145 Riggs, Ste A**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 5: Prior Experience in Business Ownership and Management</b>				
a) Combined prior experience of proposed owners is more than 3 years of verified successful management of any non-cannabis legal retail facility	2	2	2	2
b) 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	2	0	0	0
c) 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	3	0	0	0
d) Above prior experience was obtained within the City or County of Merced	3	3	3	3
e) Above prior experience was obtained within 100 miles of the City of Merced	1	1	1	1
<b>Section 5: Sub-Total of Points Possible</b>	<b>11</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Section 6: Qualifications of Principals/Business Plan</b>				
a) At least one owner is a military veteran with an honorable discharge	1	0	0	0
b) At least one owner is a full-time resident of the County of Merced	1	1	1	1
c) At least one owner is a full-time resident of the City of Merced	2	2	2	2
d) Does the business qualify as a Disadvantaged Business Enterprise (DBE) as defined by the U.S. Department of Transportation?	1	0	0	0
e) Does the business have documented proof of access to at least \$150,000 in capital (or enough capital to pay all startup costs plus at least 3 months of operating costs)?	3	0	0	0
f) Does the business have documented proof of access to at least \$300,000 in capital (or enough capital to pay all startup costs plus at least 6 months of operating costs)?	3	0	0	0
g) Business Plan contain a valid pro forma for at least 3 years of operation	2	2	2	2
h) Business has documented agreements with cannabis distributors to supply products to their business	2	2	2	2
<b>Section 6: Sub-Total of Points Possible</b>	<b>15</b>	<b>7</b>	<b>7</b>	<b>7</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-07R ("Gateway Wellness") at 145 Riggs, Ste A**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 7: Employee &amp; Public Relations</b>				
a) The business promotes local hiring or provides incentives for City/County of Merced residents to work with the business	2	2	2	2
b) The business provides employee health benefits for all employees	2	0	0	0
c) The business employs more than 5 people full-time, not counting the owners or security personnel	2	2	2	2
d) Proposal includes an ongoing public information program to inform City residents of cannabis issues and proper/safe/legal use of cannabis products	2	2	2	2
<b>Section 7: Sub-Total of Points Possible</b>	<b>8</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Section 8: Community Benefits</b>				
a) Proposal includes benefits to the community, such as defined monetary contributions to local community organizations, or donating time to local community organizations, or any other proposed community benefit acceptable to the City. (0 to 5 points to be awarded at the discretion of the City Selection Committee.)	0 to 5	1	3	2
<b>Section 8: Sub-Total of Points Possible</b>	<b>5</b>	<b>1</b>	<b>3</b>	<b>2</b>
<b>Section 9: Discretion of the City Selection Committee</b>				
a) 0 to 20 additional points may be awarded to a proposal for outstanding features, measures, or programs (above and beyond the minimum requirements) proposed in the Commercial Cannabis Business Permit Application at the discretion of the City Selection Committee.	0 to 20	5	15	10
<b>Section 9: Sub-Total of Points Possible</b>	<b>20</b>	<b>5</b>	<b>15</b>	<b>10</b>
<b>TOTAL POINTS POSSIBLE</b>	<b>100</b>	<b>65</b>	<b>77</b>	<b>71</b>
<b>TOTAL OF SELECTION COMMITTEE SCORES</b>		<b>213</b>	<b><u>RANKING</u></b>	
<b>AVERAGE OF SELECTION COMMITTEE SCORES (Total ÷ 3)</b>		<b>71.000</b>	<b>14</b>	

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-08R ("Bang Mingo") at 1850 Yosemite Pkwy**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 1: Prioritize Medicinal Cannabis Access</b>				
a) Proposal for combined medicinal/adult use dispensary	4	4	4	4
b) Proposal for medicinal only dispensary	3	0	0	0
c) Proposal for non-medicinal/adult use dispensary only	0	0	0	0
d) Proposal includes Delivery Services	2	2	2	2
<b>Section 1: Sub-Total of Points Possible</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Section 2: Geographical Preference/Neighborhood Relations</b>				
a) Proposed locations is within 1,200 feet of local public transportation	1	1	1	1
b) Proposal includes a process and schedule for at least two public outreach meetings per year that meet City approval	2	0	0	0
c) Business plan includes a schedule for communication and receiving feedback from all entities within 300 feet of the business at least two times a year	2	2	2	2
d) Proposal includes the appointment of an employee as a designated liaison with the neighborhood	1	1	1	1
e) Designated liaison employee is a City resident	1	1	1	1
<b>Section 2: Sub-Total of Points Possible</b>	<b>7</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>Section 3: Facility Plan</b>				
a) Business is formally associated with a non-retail cannabis or non-cannabis-related business in the City of Merced	2	2	2	2
b) Proposal includes daily inspection to ensure maintenance of the interior and exterior of the facility (i.e. free of trash, graffiti, etc.)	2	2	2	2
c) Location exceeds City parking requirements by 10% or more	1	1	1	1
d) Business is open more than five days a week at least 6 hours per day	1	1	1	1
e) Location exceeds minimum disabled parking requirements by 100% or more	1	1	1	1
f) Location is within an existing building or facility with an ability to be open for business within 6 months of approval of the CCBP by the City	1	1	1	1
<b>Section 3: Sub-Total of Points Possible</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-08R ("Bang Mingo") at 1850 Yosemite Pkwy**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 4: Standards and Procedures for the Safe Operation of Facilities:</b>				
a) Proposal includes documented employee safety training program	1	1	1	1
b) Proposal includes documented employee cannabis educational training program	1	1	1	1
c) Business Plan includes enhanced security measures, including at least three of the following: panic buttons, dye packets, bulletproof window film (with break strength of 400 lbs. per inch or better), a UL-approved safe with a fire rating that is 2-hour 1700 degrees F or better with a complex locking device; motion sensing lighting; or other enhanced security measures acceptable to the City. (0 to 4 points to be awarded at the discretion of the City Selection Committee.)	0 to 4	4	4	4
d) Proposal includes climate controlled environment	1	1	1	1
e) Proposal includes plan for disposal of all solid waste based on best practices of State	1	1	1	1
f) Proposal includes a comprehensive documented process for 24-hour minimum response time to cannabis product recall notifications	2	2	2	2
g) Proposal includes more than one on-site security guard during business hours	2	2	2	2
h) Proposal includes plans and procedures for how all cannabis products on the premises or held by the applicant have met the testing requirements as defined by the State	1	1	1	1
i) Proposal includes a separate lobby area where identification is checked to ensure that only qualified individuals gain access to separate, locked areas where cannabis products are displayed	2	2	2	2
j) Proposal includes electronic storage of required records of sales, delivery manifests, patient information (if medicinal and required by State), inventory, etc., which can be provided to City personnel upon request	2	2	2	2
k) Proposal includes participation in web-based public safety application or equivalent that provides law enforcement with confirmation of local and state licenses	1	0	0	0
l) Proposal includes any proposed "green" business practices relating to energy and climate, water conservation, and materials/waste storage	1	1	1	1
m) Proposal includes secured loading/unloading area for deliveries	1	1	1	1
<b>Section 4: Sub-Total of Points Possible</b>	<b>20</b>	<b>19</b>	<b>19</b>	<b>19</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-08R ("Bang Mingo") at 1850 Yosemite Pkwy**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 5: Prior Experience in Business Ownership and Management</b>				
a) Combined prior experience of proposed owners is more than 3 years of verified successful management of any non-cannabis legal retail facility	2	2	2	2
b) 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	2	2	2	2
c) 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	3	3	3	3
d) Above prior experience was obtained within the City or County of Merced	3	3	3	3
e) Above prior experience was obtained within 100 miles of the City of Merced	1	1	1	1
<b>Section 5: Sub-Total of Points Possible</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>
<b>Section 6: Qualifications of Principals/Business Plan</b>				
a) At least one owner is a military veteran with an honorable discharge	1	0	0	0
b) At least one owner is a full-time resident of the County of Merced	1	1	1	1
c) At least one owner is a full-time resident of the City of Merced	2	2	2	2
d) Does the business qualify as a Disadvantaged Business Enterprise (DBE) as defined by the U.S. Department of Transportation?	1	0	0	0
e) Does the business have documented proof of access to at least \$150,000 in capital (or enough capital to pay all startup costs plus at least 3 months of operating costs)?	3	0	0	0
f) Does the business have documented proof of access to at least \$300,000 in capital (or enough capital to pay all startup costs plus at least 6 months of operating costs)?	3	0	0	0
g) Business Plan contain a valid pro forma for at least 3 years of operation	2	2	2	2
h) Business has documented agreements with cannabis distributors to supply products to their business	2	2	2	2
<b>Section 6: Sub-Total of Points Possible</b>	<b>15</b>	<b>7</b>	<b>7</b>	<b>7</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-08R ("Bang Mingo") at 1850 Yosemite Pkwy**

<u>Selection Committee Scores</u>				
<u>Description of Criteria:</u>	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 7: Employee &amp; Public Relations</b>				
a) The business promotes local hiring or provides incentives for City/County of Merced residents to work with the business	2	2	2	2
b) The business provides employee health benefits for all employees	2	2	2	2
c) The business employs more than 5 people full-time, not counting the owners or security personnel	2	2	2	2
d) Proposal includes an ongoing public information program to inform City residents of cannabis issues and proper/safe/legal use of cannabis products	2	2	2	2
<b>Section 7: Sub-Total of Points Possible</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
<b>Section 8: Community Benefits</b>				
a) Proposal includes benefits to the community, such as defined monetary contributions to local community organizations, or donating time to local community organizations, or any other proposed community benefit acceptable to the City. (0 to 5 points to be awarded at the discretion of the City Selection Committee.)	0 to 5	5	5	4
<b>Section 8: Sub-Total of Points Possible</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>4</b>
<b>Section 9: Discretion of the City Selection Committee</b>				
a) 0 to 20 additional points may be awarded to a proposal for outstanding features, measures, or programs (above and beyond the minimum requirements) proposed in the Commercial Cannabis Business Permit Application at the discretion of the City Selection Committee.	0 to 20	10	10	14
<b>Section 9: Sub-Total of Points Possible</b>	<b>20</b>	<b>10</b>	<b>10</b>	<b>14</b>
<b>TOTAL POINTS POSSIBLE</b>	<b>100</b>	<b>79</b>	<b>79</b>	<b>82</b>
<b>TOTAL OF SELECTION COMMITTEE SCORES</b>	<b>240</b>	<div><u>RANKING</u></div> <div>10 (Tie)</div>		
<b>AVERAGE OF SELECTION COMMITTEE SCORES (Total ÷ 3)</b>	<b>80.000</b>			

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-09R ("Natural Supplements") at 127 W El Portal Dr**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 1: Prioritize Medicinal Cannabis Access</b>				
a) Proposal for combined medicinal/adult use dispensary	4	4	4	4
b) Proposal for medicinal only dispensary	3	0	0	0
c) Proposal for non-medicinal/adult use dispensary only	0	0	0	0
d) Proposal includes Delivery Services	2	2	2	2
<b>Section 1: Sub-Total of Points Possible</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Section 2: Geographical Preference/Neighborhood Relations</b>				
a) Proposed locations is within 1,200 feet of local public transportation	1	1	1	1
b) Proposal includes a process and schedule for at least two public outreach meetings per year that meet City approval	2	2	2	2
c) Business plan includes a schedule for communication and receiving feedback from all entities within 300 feet of the business at least two times a year	2	2	2	2
d) Proposal includes the appointment of an employee as a designated liaison with the neighborhood	1	1	1	1
e) Designated liaison employee is a City resident	1	1	1	1
<b>Section 2: Sub-Total of Points Possible</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
<b>Section 3: Facility Plan</b>				
a) Business is formally associated with a non-retail cannabis or non-cannabis-related business in the City of Merced	2	0	0	0
b) Proposal includes daily inspection to ensure maintenance of the interior and exterior of the facility (i.e. free of trash, graffiti, etc.)	2	2	2	2
c) Location exceeds City parking requirements by 10% or more	1	1	1	1
d) Business is open more than five days a week at least 6 hours per day	1	1	1	1
e) Location exceeds minimum disabled parking requirements by 100% or more	1	1	1	1
f) Location is within an existing building or facility with an ability to be open for business within 6 months of approval of the CCBP by the City	1	1	1	1
<b>Section 3: Sub-Total of Points Possible</b>	<b>8</b>	<b>6</b>	<b>6</b>	<b>6</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-09R ("Natural Supplements") at 127 W El Portal Dr**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 4: Standards and Procedures for the Safe Operation of Facilities:</b>				
a) Proposal includes documented employee safety training program	1	1	1	1
b) Proposal includes documented employee cannabis educational training program	1	1	1	1
c) Business Plan includes enhanced security measures, including at least three of the following: panic buttons, dye packets, bulletproof window film (with break strength of 400 lbs. per inch or better), a UL-approved safe with a fire rating that is 2-hour 1700 degrees F or better with a complex locking device; motion sensing lighting; or other enhanced security measures acceptable to the City. (0 to 4 points to be awarded at the discretion of the City Selection Committee.)	0 to 4	4	4	4
d) Proposal includes climate controlled environment	1	1	1	1
e) Proposal includes plan for disposal of all solid waste based on best practices of State	1	1	1	1
f) Proposal includes a comprehensive documented process for 24-hour minimum response time to cannabis product recall notifications	2	2	2	2
g) Proposal includes more than one on-site security guard during business hours	2	2	2	2
h) Proposal includes plans and procedures for how all cannabis products on the premises or held by the applicant have met the testing requirements as defined by the State	1	1	1	1
i) Proposal includes a separate lobby area where identification is checked to ensure that only qualified individuals gain access to separate, locked areas where cannabis products are displayed	2	2	2	2
j) Proposal includes electronic storage of required records of sales, delivery manifests, patient information (if medicinal and required by State), inventory, etc., which can be provided to City personnel upon request	2	2	2	2
k) Proposal includes participation in web-based public safety application or equivalent that provides law enforcement with confirmation of local and state licenses	1	1	1	1
l) Proposal includes any proposed "green" business practices relating to energy and climate, water conservation, and materials/waste storage	1	1	1	1
m) Proposal includes secured loading/unloading area for deliveries	1	1	1	1
<b>Section 4: Sub-Total of Points Possible</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>



**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-09R ("Natural Supplements") at 127 W El Portal Dr**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 5: Prior Experience in Business Ownership and Management</b>				
a) Combined prior experience of proposed owners is more than 3 years of verified successful management of any non-cannabis legal retail facility	2	0	0	0
b) 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	2	0	0	0
c) 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	3	0	0	0
d) Above prior experience was obtained within the City or County of Merced	3	0	0	0
e) Above prior experience was obtained within 100 miles of the City of Merced	1	0	0	0
<b>Section 5: Sub-Total of Points Possible</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Section 6: Qualifications of Principals/Business Plan</b>				
a) At least one owner is a military veteran with an honorable discharge	1	0	0	0
b) At least one owner is a full-time resident of the County of Merced	1	0	0	0
c) At least one owner is a full-time resident of the City of Merced	2	0	0	0
d) Does the business qualify as a Disadvantaged Business Enterprise (DBE) as defined by the U.S. Department of Transportation?	1	0	0	0
e) Does the business have documented proof of access to at least \$150,000 in capital (or enough capital to pay all startup costs plus at least 3 months of operating costs)?	3	3	3	3
f) Does the business have documented proof of access to at least \$300,000 in capital (or enough capital to pay all startup costs plus at least 6 months of operating costs)?	3	3	3	3
g) Business Plan contain a valid pro forma for at least 3 years of operation	2	2	2	2
h) Business has documented agreements with cannabis distributors to supply products to their business	2	2	2	2
<b>Section 6: Sub-Total of Points Possible</b>	<b>15</b>	<b>10</b>	<b>10</b>	<b>10</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-09R ("Natural Supplements") at 127 W El Portal Dr**

Selection Committee Scores				
Description of Criteria:	Points Possible	Reviewer #1	Reviewer #2	Reviewer #3
Section 7: Employee & Public Relations				
a) The business promotes local hiring or provides incentives for City/County of Merced residents to work with the business	2	2	2	2
b) The business provides employee health benefits for all employees	2	2	2	2
c) The business employs more than 5 people full-time, not counting the owners or security personnel	2	2	2	2
d) Proposal includes an ongoing public information program to inform City residents of cannabis issues and proper/safe/legal use of cannabis products	2	2	2	2
Section 7: Sub-Total of Points Possible	8	8	8	8
Section 8: Community Benefits				
a) Proposal includes benefits to the community, such as defined monetary contributions to local community organizations, or donating time to local community organizations, or any other proposed community benefit acceptable to the City. (0 to 5 points to be awarded at the discretion of the City Selection Committee.)	0 to 5	3	5	2
Section 8: Sub-Total of Points Possible	5	3	5	2
Section 9: Discretion of the City Selection Committee				
a) 0 to 20 additional points may be awarded to a proposal for outstanding features, measures, or programs (above and beyond the minimum requirements) proposed in the Commercial Cannabis Business Permit Application at the discretion of the City Selection Committee.	0 to 20	15	10	10
Section 9: Sub-Total of Points Possible	20	15	10	10
TOTAL POINTS POSSIBLE	100	75	72	69
TOTAL OF SELECTION COMMITTEE SCORES		216	RANKING  13	
AVERAGE OF SELECTION COMMITTEE SCORES (Total ÷ 3)		72.000		

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-10R ("Green Door") at 811 W Main**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 1: Prioritize Medicinal Cannabis Access</b>				
a) Proposal for combined medicinal/adult use dispensary	4	4	4	4
b) Proposal for medicinal only dispensary	3	0	0	0
c) Proposal for non-medicinal/adult use dispensary only	0	0	0	0
d) Proposal includes Delivery Services	2	2	2	2
<b>Section 1: Sub-Total of Points Possible</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Section 2: Geographical Preference/Neighborhood Relations</b>				
a) Proposed locations is within 1,200 feet of local public transportation	1	1	1	1
b) Proposal includes a process and schedule for at least two public outreach meetings per year that meet City approval	2	2	2	2
c) Business plan includes a schedule for communication and receiving feedback from all entities within 300 feet of the business at least two times a year	2	2	2	2
d) Proposal includes the appointment of an employee as a designated liaison with the neighborhood	1	1	1	1
e) Designated liaison employee is a City resident	1	1	1	1
<b>Section 2: Sub-Total of Points Possible</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
<b>Section 3: Facility Plan</b>				
a) Business is formally associated with a non-retail cannabis or non-cannabis-related business in the City of Merced	2	2	2	2
b) Proposal includes daily inspection to ensure maintenance of the interior and exterior of the facility (i.e. free of trash, graffiti, etc.)	2	2	2	2
c) Location exceeds City parking requirements by 10% or more	1	1	1	1
d) Business is open more than five days a week at least 6 hours per day	1	1	1	1
e) Location exceeds minimum disabled parking requirements by 100% or more	1	1	1	1
f) Location is within an existing building or facility with an ability to be open for business within 6 months of approval of the CCBP by the City	1	1	1	1
<b>Section 3: Sub-Total of Points Possible</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-10R ("Green Door") at 811 W Main**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 4: Standards and Procedures for the Safe Operation of Facilities:</b>				
a) Proposal includes documented employee safety training program	1	1	1	1
b) Proposal includes documented employee cannabis educational training program	1	1	1	1
c) Business Plan includes enhanced security measures, including at least three of the following: panic buttons, dye packets, bulletproof window film (with break strength of 400 lbs. per inch or better), a UL-approved safe with a fire rating that is 2-hour 1700 degrees F or better with a complex locking device; motion sensing lighting; or other enhanced security measures acceptable to the City. (0 to 4 points to be awarded at the discretion of the City Selection Committee.)	0 to 4	4	4	4
d) Proposal includes climate controlled environment	1	1	1	1
e) Proposal includes plan for disposal of all solid waste based on best practices of State	1	1	1	1
f) Proposal includes a comprehensive documented process for 24-hour minimum response time to cannabis product recall notifications	2	2	2	2
g) Proposal includes more than one on-site security guard during business hours	2	2	2	2
h) Proposal includes plans and procedures for how all cannabis products on the premises or held by the applicant have met the testing requirements as defined by the State	1	1	1	1
i) Proposal includes a separate lobby area where identification is checked to ensure that only qualified individuals gain access to separate, locked areas where cannabis products are displayed	2	2	2	2
j) Proposal includes electronic storage of required records of sales, delivery manifests, patient information (if medicinal and required by State), inventory, etc., which can be provided to City personnel upon request	2	2	2	2
k) Proposal includes participation in web-based public safety application or equivalent that provides law enforcement with confirmation of local and state licenses	1	0	0	0
l) Proposal includes any proposed "green" business practices relating to energy and climate, water conservation, and materials/waste storage	1	1	1	1
m) Proposal includes secured loading/unloading area for deliveries	1	1	1	1
<b>Section 4: Sub-Total of Points Possible</b>	<b>20</b>	<b>19</b>	<b>19</b>	<b>19</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-10R ("Green Door") at 811 W Main**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 5: Prior Experience in Business Ownership and Management</b>				
a) Combined prior experience of proposed owners is more than 3 years of verified successful management of any non-cannabis legal retail facility	2	2	2	2
b) 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	2	2	2	2
c) 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	3	3	3	3
d) Above prior experience was obtained within the City or County of Merced	3	3	3	3
e) Above prior experience was obtained within 100 miles of the City of Merced	1	1	1	1
<b>Section 5: Sub-Total of Points Possible</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>
<b>Section 6: Qualifications of Principals/Business Plan</b>				
a) At least one owner is a military veteran with an honorable discharge	1	1	1	1
b) At least one owner is a full-time resident of the County of Merced	1	1	1	1
c) At least one owner is a full-time resident of the City of Merced	2	2	2	2
d) Does the business qualify as a Disadvantaged Business Enterprise (DBE) as defined by the U.S. Department of Transportation?	1	0	0	0
e) Does the business have documented proof of access to at least \$150,000 in capital (or enough capital to pay all startup costs plus at least 3 months of operating costs)?	3	3	3	3
f) Does the business have documented proof of access to at least \$300,000 in capital (or enough capital to pay all startup costs plus at least 6 months of operating costs)?	3	3	3	3
g) Business Plan contain a valid pro forma for at least 3 years of operation	2	2	2	2
h) Business has documented agreements with cannabis distributors to supply products to their business	2	2	2	2
<b>Section 6: Sub-Total of Points Possible</b>	<b>15</b>	<b>14</b>	<b>14</b>	<b>14</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-10R ("Green Door") at 811 W Main**

Selection Committee Scores				
Description of Criteria:	Points Possible	Reviewer #1	Reviewer #2	Reviewer #3
Section 7: Employee & Public Relations				
a) The business promotes local hiring or provides incentives for City/County of Merced residents to work with the business	2	2	2	2
b) The business provides employee health benefits for all employees	2	2	2	2
c) The business employs more than 5 people full-time, not counting the owners or security personnel	2	2	2	2
d) Proposal includes an ongoing public information program to inform City residents of cannabis issues and proper/safe/legal use of cannabis products	2	2	2	2
Section 7: Sub-Total of Points Possible	8	8	8	8
Section 8: Community Benefits				
a) Proposal includes benefits to the community, such as defined monetary contributions to local community organizations, or donating time to local community organizations, or any other proposed community benefit acceptable to the City. (0 to 5 points to be awarded at the discretion of the City Selection Committee.)	0 to 5	5	5	5
Section 8: Sub-Total of Points Possible	5	5	5	5
Section 9: Discretion of the City Selection Committee				
a) 0 to 20 additional points may be awarded to a proposal for outstanding features, measures, or programs (above and beyond the minimum requirements) proposed in the Commercial Cannabis Business Permit Application at the discretion of the City Selection Committee.	0 to 20	20	20	18
Section 9: Sub-Total of Points Possible	20	20	20	18
TOTAL POINTS POSSIBLE	100	98	98	96
TOTAL OF SELECTION COMMITTEE SCORES	292	RANKING		
AVERAGE OF SELECTION COMMITTEE SCORES (Total ÷ 3)	97.333	2		

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-11R ("Merced Pharmers Market") at 1112 W 16th**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 1: Prioritize Medicinal Cannabis Access</b>				
a) Proposal for combined medicinal/adult use dispensary	4	4	4	4
b) Proposal for medicinal only dispensary	3	0	0	0
c) Proposal for non-medicinal/adult use dispensary only	0	0	0	0
d) Proposal includes Delivery Services	2	2	2	2
<b>Section 1: Sub-Total of Points Possible</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Section 2: Geographical Preference/Neighborhood Relations</b>				
a) Proposed locations is within 1,200 feet of local public transportation	1	1	1	1
b) Proposal includes a process and schedule for at least two public outreach meetings per year that meet City approval	2	2	2	2
c) Business plan includes a schedule for communication and receiving feedback from all entities within 300 feet of the business at least two times a year	2	2	2	2
d) Proposal includes the appointment of an employee as a designated liaison with the neighborhood	1	1	1	1
e) Designated liaison employee is a City resident	1	0	0	0
<b>Section 2: Sub-Total of Points Possible</b>	<b>7</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Section 3: Facility Plan</b>				
a) Business is formally associated with a non-retail cannabis or non-cannabis-related business in the City of Merced	2	2	2	2
b) Proposal includes daily inspection to ensure maintenance of the interior and exterior of the facility (i.e. free of trash, graffiti, etc.)	2	2	2	2
c) Location exceeds City parking requirements by 10% or more	1	1	1	1
d) Business is open more than five days a week at least 6 hours per day	1	1	1	1
e) Location exceeds minimum disabled parking requirements by 100% or more	1	1	1	1
f) Location is within an existing building or facility with an ability to be open for business within 6 months of approval of the CCBP by the City	1	1	1	1
<b>Section 3: Sub-Total of Points Possible</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-11R ("Merced Pharms Market") at 1112 W 16th**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 4: Standards and Procedures for the Safe Operation of Facilities:</b>				
a) Proposal includes documented employee safety training program	1	1	1	1
b) Proposal includes documented employee cannabis educational training program	1	1	1	1
c) Business Plan includes enhanced security measures, including at least three of the following: panic buttons, dye packets, bulletproof window film (with break strength of 400 lbs. per inch or better), a UL-approved safe with a fire rating that is 2-hour 1700 degrees F or better with a complex locking device; motion sensing lighting; or other enhanced security measures acceptable to the City. (0 to 4 points to be awarded at the discretion of the City Selection Committee.)	0 to 4	4	4	4
d) Proposal includes climate controlled environment	1	1	1	1
e) Proposal includes plan for disposal of all solid waste based on best practices of State	1	1	1	1
f) Proposal includes a comprehensive documented process for 24-hour minimum response time to cannabis product recall notifications	2	2	2	2
g) Proposal includes more than one on-site security guard during business hours	2	2	2	2
h) Proposal includes plans and procedures for how all cannabis products on the premises or held by the applicant have met the testing requirements as defined by the State	1	1	1	1
i) Proposal includes a separate lobby area where identification is checked to ensure that only qualified individuals gain access to separate, locked areas where cannabis products are displayed	2	2	2	2
j) Proposal includes electronic storage of required records of sales, delivery manifests, patient information (if medicinal and required by State), inventory, etc., which can be provided to City personnel upon request	2	2	2	2
k) Proposal includes participation in web-based public safety application or equivalent that provides law enforcement with confirmation of local and state licenses	1	0	0	0
l) Proposal includes any proposed "green" business practices relating to energy and climate, water conservation, and materials/waste storage	1	1	1	1
m) Proposal includes secured loading/unloading area for deliveries	1	1	1	1
<b>Section 4: Sub-Total of Points Possible</b>	<b>20</b>	<b>19</b>	<b>19</b>	<b>19</b>



**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-11R ("Merced Pharmers Market") at 1112 W 16th**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 5: Prior Experience in Business Ownership and Management</b>				
a) Combined prior experience of proposed owners is more than 3 years of verified successful management of any non-cannabis legal retail facility	2	2	2	2
b) 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	2	2	2	2
c) 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	3	3	3	3
d) Above prior experience was obtained within the City or County of Merced	3	0	0	0
e) Above prior experience was obtained within 100 miles of the City of Merced	1	1	1	1
<b>Section 5: Sub-Total of Points Possible</b>	<b>11</b>	<b>8</b>	<b>8</b>	<b>8</b>
<b>Section 6: Qualifications of Principals/Business Plan</b>				
a) At least one owner is a military veteran with an honorable discharge	1	1	1	1
b) At least one owner is a full-time resident of the County of Merced	1	0	0	0
c) At least one owner is a full-time resident of the City of Merced	2	0	0	0
d) Does the business qualify as a Disadvantaged Business Enterprise (DBE) as defined by the U.S. Department of Transportation?	1	1	1	1
e) Does the business have documented proof of access to at least \$150,000 in capital (or enough capital to pay all startup costs plus at least 3 months of operating costs)?	3	3	3	3
f) Does the business have documented proof of access to at least \$300,000 in capital (or enough capital to pay all startup costs plus at least 6 months of operating costs)?	3	0	0	0
g) Business Plan contain a valid pro forma for at least 3 years of operation	2	2	2	2
h) Business has documented agreements with cannabis distributors to supply products to their business	2	2	2	2
<b>Section 6: Sub-Total of Points Possible</b>	<b>15</b>	<b>9</b>	<b>9</b>	<b>9</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-11R ("Merced Pharms Market") at 1112 W 16th**

Selection Committee Scores				
Description of Criteria:	Points Possible	Reviewer #1	Reviewer #2	Reviewer #3
Section 7: Employee & Public Relations				
a) The business promotes local hiring or provides incentives for City/County of Merced residents to work with the business	2	2	2	2
b) The business provides employee health benefits for all employees	2	0	0	0
c) The business employs more than 5 people full-time, not counting the owners or security personnel	2	2	2	2
d) Proposal includes an ongoing public information program to inform City residents of cannabis issues and proper/safe/legal use of cannabis products	2	2	2	2
Section 7: Sub-Total of Points Possible	8	6	6	6
Section 8: Community Benefits				
a) Proposal includes benefits to the community, such as defined monetary contributions to local community organizations, or donating time to local community organizations, or any other proposed community benefit acceptable to the City. (0 to 5 points to be awarded at the discretion of the City Selection Committee.)	0 to 5	5	4	5
Section 8: Sub-Total of Points Possible	5	5	4	5
Section 9: Discretion of the City Selection Committee				
a) 0 to 20 additional points may be awarded to a proposal for outstanding features, measures, or programs (above and beyond the minimum requirements) proposed in the Commercial Cannabis Business Permit Application at the discretion of the City Selection Committee.	0 to 20	10	16	20
Section 9: Sub-Total of Points Possible	20	10	16	20
TOTAL POINTS POSSIBLE	100	77	82	87
TOTAL OF SELECTION COMMITTEE SCORES		246	RANKING  8	
AVERAGE OF SELECTION COMMITTEE SCORES (Total ÷ 3)		82.000		

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-12R ("Merced Healing Center") at 948 W 15th**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 1: Prioritize Medicinal Cannabis Access</b>				
a) Proposal for combined medicinal/adult use dispensary	4	4	4	4
b) Proposal for medicinal only dispensary	3	0	0	0
c) Proposal for non-medicinal/adult use dispensary only	0	0	0	0
d) Proposal includes Delivery Services	2	2	2	2
<b>Section 1: Sub-Total of Points Possible</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Section 2: Geographical Preference/Neighborhood Relations</b>				
a) Proposed locations is within 1,200 feet of local public transportation	1	1	1	1
b) Proposal includes a process and schedule for at least two public outreach meetings per year that meet City approval	2	2	2	2
c) Business plan includes a schedule for communication and receiving feedback from all entities within 300 feet of the business at least two times a year	2	2	2	2
d) Proposal includes the appointment of an employee as a designated liaison with the neighborhood	1	1	1	1
e) Designated liaison employee is a City resident	1	0	0	0
<b>Section 2: Sub-Total of Points Possible</b>	<b>7</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Section 3: Facility Plan</b>				
a) Business is formally associated with a non-retail cannabis or non-cannabis-related business in the City of Merced	2	0	0	0
b) Proposal includes daily inspection to ensure maintenance of the interior and exterior of the facility (i.e. free of trash, graffiti, etc.)	2	2	2	2
c) Location exceeds City parking requirements by 10% or more	1	1	1	1
d) Business is open more than five days a week at least 6 hours per day	1	1	1	1
e) Location exceeds minimum disabled parking requirements by 100% or more	1	1	1	1
f) Location is within an existing building or facility with an ability to be open for business within 6 months of approval of the CCBP by the City	1	1	1	1
<b>Section 3: Sub-Total of Points Possible</b>	<b>8</b>	<b>6</b>	<b>6</b>	<b>6</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-12R ("Merced Healing Center") at 948 W 15th**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 4: Standards and Procedures for the Safe Operation of Facilities:</b>				
a) Proposal includes documented employee safety training program	1	1	1	1
b) Proposal includes documented employee cannabis educational training program	1	1	1	1
c) Business Plan includes enhanced security measures, including at least three of the following: panic buttons, dye packets, bulletproof window film (with break strength of 400 lbs. per inch or better), a UL-approved safe with a fire rating that is 2-hour 1700 degrees F or better with a complex locking device; motion sensing lighting; or other enhanced security measures acceptable to the City. (0 to 4 points to be awarded at the discretion of the City Selection Committee.)	0 to 4	4	4	4
d) Proposal includes climate controlled environment	1	1	1	1
e) Proposal includes plan for disposal of all solid waste based on best practices of State	1	1	1	1
f) Proposal includes a comprehensive documented process for 24-hour minimum response time to cannabis product recall notifications	2	2	2	2
g) Proposal includes more than one on-site security guard during business hours	2	2	2	2
h) Proposal includes plans and procedures for how all cannabis products on the premises or held by the applicant have met the testing requirements as defined by the State	1	1	1	1
i) Proposal includes a separate lobby area where identification is checked to ensure that only qualified individuals gain access to separate, locked areas where cannabis products are displayed	2	2	2	2
j) Proposal includes electronic storage of required records of sales, delivery manifests, patient information (if medicinal and required by State), inventory, etc., which can be provided to City personnel upon request	2	2	2	2
k) Proposal includes participation in web-based public safety application or equivalent that provides law enforcement with confirmation of local and state licenses	1	0	0	0
l) Proposal includes any proposed "green" business practices relating to energy and climate, water conservation, and materials/waste storage	1	1	1	1
m) Proposal includes secured loading/unloading area for deliveries	1	1	1	1
<b>Section 4: Sub-Total of Points Possible</b>	<b>20</b>	<b>19</b>	<b>19</b>	<b>19</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-12R ("Merced Healing Center") at 948 W 15th**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 5: Prior Experience in Business Ownership and Management</b>				
a) Combined prior experience of proposed owners is more than 3 years of verified successful management of any non-cannabis legal retail facility	2	2	2	2
b) 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	2	2	2	2
c) 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	3	0	0	0
d) Above prior experience was obtained within the City or County of Merced	3	3	3	3
e) Above prior experience was obtained within 100 miles of the City of Merced	1	1	1	1
<b>Section 5: Sub-Total of Points Possible</b>	<b>11</b>	<b>8</b>	<b>8</b>	<b>8</b>
<b>Section 6: Qualifications of Principals/Business Plan</b>				
a) At least one owner is a military veteran with an honorable discharge	1	0	0	0
b) At least one owner is a full-time resident of the County of Merced	1	1	1	1
c) At least one owner is a full-time resident of the City of Merced	2	0	0	0
d) Does the business qualify as a Disadvantaged Business Enterprise (DBE) as defined by the U.S. Department of Transportation?	1	0	0	0
e) Does the business have documented proof of access to at least \$150,000 in capital (or enough capital to pay all startup costs plus at least 3 months of operating costs)?	3	0	0	0
f) Does the business have documented proof of access to at least \$300,000 in capital (or enough capital to pay all startup costs plus at least 6 months of operating costs)?	3	0	0	0
g) Business Plan contain a valid pro forma for at least 3 years of operation	2	0	0	0
h) Business has documented agreements with cannabis distributors to supply products to their business	2	2	2	2
<b>Section 6: Sub-Total of Points Possible</b>	<b>15</b>	<b>3</b>	<b>3</b>	<b>3</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-12R ("Merced Healing Center") at 948 W 15th**

Selection Committee Scores				
Description of Criteria:	Points Possible	Reviewer #1	Reviewer #2	Reviewer #3
Section 7: Employee & Public Relations				
a) The business promotes local hiring or provides incentives for City/County of Merced residents to work with the business	2	2	2	2
b) The business provides employee health benefits for all employees	2	0	0	0
c) The business employs more than 5 people full-time, not counting the owners or security personnel	2	2	2	2
d) Proposal includes an ongoing public information program to inform City residents of cannabis issues and proper/safe/legal use of cannabis products	2	2	2	2
Section 7: Sub-Total of Points Possible	8	6	6	6
Section 8: Community Benefits				
a) Proposal includes benefits to the community, such as defined monetary contributions to local community organizations, or donating time to local community organizations, or any other proposed community benefit acceptable to the City. (0 to 5 points to be awarded at the discretion of the City Selection Committee.)	0 to 5	1	2	2
Section 8: Sub-Total of Points Possible	5	1	2	2
Section 9: Discretion of the City Selection Committee				
a) 0 to 20 additional points may be awarded to a proposal for outstanding features, measures, or programs (above and beyond the minimum requirements) proposed in the Commercial Cannabis Business Permit Application at the discretion of the City Selection Committee.	0 to 20	0	14	6
Section 9: Sub-Total of Points Possible	20	0	14	6
TOTAL POINTS POSSIBLE	100	55	70	62
TOTAL OF SELECTION COMMITTEE SCORES	187	RANKING		
AVERAGE OF SELECTION COMMITTEE SCORES (Total ÷ 3)	62.333	18		

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-13R ("Empire Health & Wellness") at 245 W 16th**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 1: Prioritize Medicinal Cannabis Access</b>				
a) Proposal for combined medicinal/adult use dispensary	4	4	4	4
b) Proposal for medicinal only dispensary	3	0	0	0
c) Proposal for non-medicinal/adult use dispensary only	0	0	0	0
d) Proposal includes Delivery Services	2	2	2	2
<b>Section 1: Sub-Total of Points Possible</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Section 2: Geographical Preference/Neighborhood Relations</b>				
a) Proposed locations is within 1,200 feet of local public transportation	1	1	1	1
b) Proposal includes a process and schedule for at least two public outreach meetings per year that meet City approval	2	2	2	2
c) Business plan includes a schedule for communication and receiving feedback from all entities within 300 feet of the business at least two times a year	2	2	2	2
d) Proposal includes the appointment of an employee as a designated liaison with the neighborhood	1	1	1	1
e) Designated liaison employee is a City resident	1	0	0	0
<b>Section 2: Sub-Total of Points Possible</b>	<b>7</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Section 3: Facility Plan</b>				
a) Business is formally associated with a non-retail cannabis or non-cannabis-related business in the City of Merced	2	0	0	0
b) Proposal includes daily inspection to ensure maintenance of the interior and exterior of the facility (i.e. free of trash, graffiti, etc.)	2	2	2	2
c) Location exceeds City parking requirements by 10% or more	1	1	1	1
d) Business is open more than five days a week at least 6 hours per day	1	1	1	1
e) Location exceeds minimum disabled parking requirements by 100% or more	1	1	1	1
f) Location is within an existing building or facility with an ability to be open for business within 6 months of approval of the CCBP by the City	1	1	1	1
<b>Section 3: Sub-Total of Points Possible</b>	<b>8</b>	<b>6</b>	<b>6</b>	<b>6</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-13R ("Empire Health & Wellness") at 245 W 16th**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 4: Standards and Procedures for the Safe Operation of Facilities:</b>				
a) Proposal includes documented employee safety training program	1	1	1	1
b) Proposal includes documented employee cannabis educational training program	1	1	1	1
c) Business Plan includes enhanced security measures, including at least three of the following: panic buttons, dye packets, bulletproof window film (with break strength of 400 lbs. per inch or better), a UL-approved safe with a fire rating that is 2-hour 1700 degrees F or better with a complex locking device; motion sensing lighting; or other enhanced security measures acceptable to the City. (0 to 4 points to be awarded at the discretion of the City Selection Committee.)	0 to 4	4	4	4
d) Proposal includes climate controlled environment	1	1	1	1
e) Proposal includes plan for disposal of all solid waste based on best practices of State	1	1	1	1
f) Proposal includes a comprehensive documented process for 24-hour minimum response time to cannabis product recall notifications	2	2	2	2
g) Proposal includes more than one on-site security guard during business hours	2	0	0	0
h) Proposal includes plans and procedures for how all cannabis products on the premises or held by the applicant have met the testing requirements as defined by the State	1	1	1	1
i) Proposal includes a separate lobby area where identification is checked to ensure that only qualified individuals gain access to separate, locked areas where cannabis products are displayed	2	2	2	2
j) Proposal includes electronic storage of required records of sales, delivery manifests, patient information (if medicinal and required by State), inventory, etc., which can be provided to City personnel upon request	2	2	2	2
k) Proposal includes participation in web-based public safety application or equivalent that provides law enforcement with confirmation of local and state licenses	1	0	0	0
l) Proposal includes any proposed "green" business practices relating to energy and climate, water conservation, and materials/waste storage	1	1	1	1
m) Proposal includes secured loading/unloading area for deliveries	1	1	1	1
<b>Section 4: Sub-Total of Points Possible</b>	<b>20</b>	<b>17</b>	<b>17</b>	<b>17</b>



**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-13R ("Empire Health & Wellness") at 245 W 16th**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 5: Prior Experience in Business Ownership and Management</b>				
a) Combined prior experience of proposed owners is more than 3 years of verified successful management of any non-cannabis legal retail facility	2	2	2	2
b) 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	2	2	2	2
c) 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	3	3	3	3
d) Above prior experience was obtained within the City or County of Merced	3	0	0	0
e) Above prior experience was obtained within 100 miles of the City of Merced	1	1	1	1
<b>Section 5: Sub-Total of Points Possible</b>	<b>11</b>	<b>8</b>	<b>8</b>	<b>8</b>
<b>Section 6: Qualifications of Principals/Business Plan</b>				
a) At least one owner is a military veteran with an honorable discharge	1	0	0	0
b) At least one owner is a full-time resident of the County of Merced	1	0	0	0
c) At least one owner is a full-time resident of the City of Merced	2	0	0	0
d) Does the business qualify as a Disadvantaged Business Enterprise (DBE) as defined by the U.S. Department of Transportation?	1	0	0	0
e) Does the business have documented proof of access to at least \$150,000 in capital (or enough capital to pay all startup costs plus at least 3 months of operating costs)?	3	3	3	3
f) Does the business have documented proof of access to at least \$300,000 in capital (or enough capital to pay all startup costs plus at least 6 months of operating costs)?	3	3	3	3
g) Business Plan contain a valid pro forma for at least 3 years of operation	2	2	2	2
h) Business has documented agreements with cannabis distributors to supply products to their business	2	2	2	2
<b>Section 6: Sub-Total of Points Possible</b>	<b>15</b>	<b>10</b>	<b>10</b>	<b>10</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-13R ("Empire Health & Wellness") at 245 W 16th**

Selection Committee Scores				
Description of Criteria:	Points Possible	Reviewer #1	Reviewer #2	Reviewer #3
Section 7: Employee & Public Relations				
a) The business promotes local hiring or provides incentives for City/County of Merced residents to work with the business	2	2	2	2
b) The business provides employee health benefits for all employees	2	2	2	2
c) The business employs more than 5 people full-time, not counting the owners or security personnel	2	2	2	2
d) Proposal includes an ongoing public information program to inform City residents of cannabis issues and proper/safe/legal use of cannabis products	2	2	2	2
Section 7: Sub-Total of Points Possible	8	8	8	8
Section 8: Community Benefits				
a) Proposal includes benefits to the community, such as defined monetary contributions to local community organizations, or donating time to local community organizations, or any other proposed community benefit acceptable to the City. (0 to 5 points to be awarded at the discretion of the City Selection Committee.)	0 to 5	3	5	2
Section 8: Sub-Total of Points Possible	5	3	5	2
Section 9: Discretion of the City Selection Committee				
a) 0 to 20 additional points may be awarded to a proposal for outstanding features, measures, or programs (above and beyond the minimum requirements) proposed in the Commercial Cannabis Business Permit Application at the discretion of the City Selection Committee.	0 to 20	5	14	12
Section 9: Sub-Total of Points Possible	20	5	14	12
TOTAL POINTS POSSIBLE	100	69	80	75
TOTAL OF SELECTION COMMITTEE SCORES		224	RANKING  12	
AVERAGE OF SELECTION COMMITTEE SCORES (Total ÷ 3)		74.667		

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-14R ("Harvest of Merced") at 863 W 15th**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 1: Prioritize Medicinal Cannabis Access</b>				
a) Proposal for combined medicinal/adult use dispensary	4	4	4	4
b) Proposal for medicinal only dispensary	3	0	0	0
c) Proposal for non-medicinal/adult use dispensary only	0	0	0	0
d) Proposal includes Delivery Services	2	2	2	2
<b>Section 1: Sub-Total of Points Possible</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Section 2: Geographical Preference/Neighborhood Relations</b>				
a) Proposed locations is within 1,200 feet of local public transportation	1	1	1	1
b) Proposal includes a process and schedule for at least two public outreach meetings per year that meet City approval	2	2	2	2
c) Business plan includes a schedule for communication and receiving feedback from all entities within 300 feet of the business at least two times a year	2	2	2	2
d) Proposal includes the appointment of an employee as a designated liaison with the neighborhood	1	1	1	1
e) Designated liaison employee is a City resident	1	1	1	1
<b>Section 2: Sub-Total of Points Possible</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
<b>Section 3: Facility Plan</b>				
a) Business is formally associated with a non-retail cannabis or non-cannabis-related business in the City of Merced	2	2	2	2
b) Proposal includes daily inspection to ensure maintenance of the interior and exterior of the facility (i.e. free of trash, graffiti, etc.)	2	2	2	2
c) Location exceeds City parking requirements by 10% or more	1	1	1	1
d) Business is open more than five days a week at least 6 hours per day	1	1	1	1
e) Location exceeds minimum disabled parking requirements by 100% or more	1	1	1	1
f) Location is within an existing building or facility with an ability to be open for business within 6 months of approval of the CCBP by the City	1	1	1	1
<b>Section 3: Sub-Total of Points Possible</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-14R ("Harvest of Merced") at 863 W 15th**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 4: Standards and Procedures for the Safe Operation of Facilities:</b>				
a) Proposal includes documented employee safety training program	1	1	1	1
b) Proposal includes documented employee cannabis educational training program	1	1	1	1
c) Business Plan includes enhanced security measures, including at least three of the following: panic buttons, dye packets, bulletproof window film (with break strength of 400 lbs. per inch or better), a UL-approved safe with a fire rating that is 2-hour 1700 degrees F or better with a complex locking device; motion sensing lighting; or other enhanced security measures acceptable to the City. (0 to 4 points to be awarded at the discretion of the City Selection Committee.)	0 to 4	4	4	4
d) Proposal includes climate controlled environment	1	1	1	1
e) Proposal includes plan for disposal of all solid waste based on best practices of State	1	1	1	1
f) Proposal includes a comprehensive documented process for 24-hour minimum response time to cannabis product recall notifications	2	2	2	2
g) Proposal includes more than one on-site security guard during business hours	2	2	2	2
h) Proposal includes plans and procedures for how all cannabis products on the premises or held by the applicant have met the testing requirements as defined by the State	1	1	1	1
i) Proposal includes a separate lobby area where identification is checked to ensure that only qualified individuals gain access to separate, locked areas where cannabis products are displayed	2	2	2	2
j) Proposal includes electronic storage of required records of sales, delivery manifests, patient information (if medicinal and required by State), inventory, etc., which can be provided to City personnel upon request	2	2	2	2
k) Proposal includes participation in web-based public safety application or equivalent that provides law enforcement with confirmation of local and state licenses	1	1	1	1
l) Proposal includes any proposed "green" business practices relating to energy and climate, water conservation, and materials/waste storage	1	1	1	1
m) Proposal includes secured loading/unloading area for deliveries	1	1	1	1
<b>Section 4: Sub-Total of Points Possible</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-14R ("Harvest of Merced") at 863 W 15th**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 5: Prior Experience in Business Ownership and Management</b>				
a) Combined prior experience of proposed owners is more than 3 years of verified successful management of any non-cannabis legal retail facility	2	2	2	2
b) 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	2	2	2	2
c) 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	3	3	3	3
d) Above prior experience was obtained within the City or County of Merced	3	3	3	3
e) Above prior experience was obtained within 100 miles of the City of Merced	1	1	1	1
<b>Section 5: Sub-Total of Points Possible</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>
<b>Section 6: Qualifications of Principals/Business Plan</b>				
a) At least one owner is a military veteran with an honorable discharge	1	0	0	0
b) At least one owner is a full-time resident of the County of Merced	1	1	1	1
c) At least one owner is a full-time resident of the City of Merced	2	2	2	2
d) Does the business qualify as a Disadvantaged Business Enterprise (DBE) as defined by the U.S. Department of Transportation?	1	0	0	0
e) Does the business have documented proof of access to at least \$150,000 in capital (or enough capital to pay all startup costs plus at least 3 months of operating costs)?	3	3	3	3
f) Does the business have documented proof of access to at least \$300,000 in capital (or enough capital to pay all startup costs plus at least 6 months of operating costs)?	3	3	3	3
g) Business Plan contain a valid pro forma for at least 3 years of operation	2	2	2	2
h) Business has documented agreements with cannabis distributors to supply products to their business	2	2	2	2
<b>Section 6: Sub-Total of Points Possible</b>	<b>15</b>	<b>13</b>	<b>13</b>	<b>13</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-14R ("Harvest of Merced") at 863 W 15th**

Selection Committee Scores				
Description of Criteria:	Points Possible	Reviewer #1	Reviewer #2	Reviewer #3
Section 7: Employee & Public Relations				
a) The business promotes local hiring or provides incentives for City/County of Merced residents to work with the business	2	2	2	2
b) The business provides employee health benefits for all employees	2	2	2	2
c) The business employs more than 5 people full-time, not counting the owners or security personnel	2	2	2	2
d) Proposal includes an ongoing public information program to inform City residents of cannabis issues and proper/safe/legal use of cannabis products	2	2	2	2
Section 7: Sub-Total of Points Possible	8	8	8	8
Section 8: Community Benefits				
a) Proposal includes benefits to the community, such as defined monetary contributions to local community organizations, or donating time to local community organizations, or any other proposed community benefit acceptable to the City. (0 to 5 points to be awarded at the discretion of the City Selection Committee.)	0 to 5	5	5	5
Section 8: Sub-Total of Points Possible	5	5	5	5
Section 9: Discretion of the City Selection Committee				
a) 0 to 20 additional points may be awarded to a proposal for outstanding features, measures, or programs (above and beyond the minimum requirements) proposed in the Commercial Cannabis Business Permit Application at the discretion of the City Selection Committee.	0 to 20	20	15	16
Section 9: Sub-Total of Points Possible	20	20	15	16
TOTAL POINTS POSSIBLE	100	98	93	94
TOTAL OF SELECTION COMMITTEE SCORES		285	RANKING	
AVERAGE OF SELECTION COMMITTEE SCORES (Total ÷ 3)		95.000	4	

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-15R ("Aleafiate") at 1471 Yosemite Pkwy (DISQUALIFIED)**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 1: Prioritize Medicinal Cannabis Access</b>				
a) Proposal for combined medicinal/adult use dispensary	4	4	4	4
b) Proposal for medicinal only dispensary	3	0	0	0
c) Proposal for non-medicinal/adult use dispensary only	0	0	0	0
d) Proposal includes Delivery Services	2	2	2	2
<b>Section 1: Sub-Total of Points Possible</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Section 2: Geographical Preference/Neighborhood Relations</b>				
a) Proposed locations is within 1,200 feet of local public transportation	1	1	1	1
b) Proposal includes a process and schedule for at least two public outreach meetings per year that meet City approval	2	2	2	2
c) Business plan includes a schedule for communication and receiving feedback from all entities within 300 feet of the business at least two times a year	2	2	2	2
d) Proposal includes the appointment of an employee as a designated liaison with the neighborhood	1	1	1	1
e) Designated liaison employee is a City resident	1	1	1	1
<b>Section 2: Sub-Total of Points Possible</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
<b>Section 3: Facility Plan</b>				
a) Business is formally associated with a non-retail cannabis or non-cannabis-related business in the City of Merced	2	0	0	0
b) Proposal includes daily inspection to ensure maintenance of the interior and exterior of the facility (i.e. free of trash, graffiti, etc.)	2	2	2	2
c) Location exceeds City parking requirements by 10% or more	1	1	1	1
d) Business is open more than five days a week at least 6 hours per day	1	1	1	1
e) Location exceeds minimum disabled parking requirements by 100% or more	1	0	0	0
f) Location is within an existing building or facility with an ability to be open for business within 6 months of approval of the CCBP by the City	1	1	1	1
<b>Section 3: Sub-Total of Points Possible</b>	<b>8</b>	<b>5</b>	<b>5</b>	<b>5</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-15R ("Aleafiate") at 1471 Yosemite Pkwy (DISQUALIFIED)**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 4: Standards and Procedures for the Safe Operation of Facilities:</b>				
a) Proposal includes documented employee safety training program	1	1	1	1
b) Proposal includes documented employee cannabis educational training program	1	1	1	1
c) Business Plan includes enhanced security measures, including at least three of the following: panic buttons, dye packets, bulletproof window film (with break strength of 400 lbs. per inch or better), a UL-approved safe with a fire rating that is 2-hour 1700 degrees F or better with a complex locking device; motion sensing lighting; or other enhanced security measures acceptable to the City. (0 to 4 points to be awarded at the discretion of the City Selection Committee.)	0 to 4	4	4	4
d) Proposal includes climate controlled environment	1	1	1	1
e) Proposal includes plan for disposal of all solid waste based on best practices of State	1	1	1	1
f) Proposal includes a comprehensive documented process for 24-hour minimum response time to cannabis product recall notifications	2	2	2	2
g) Proposal includes more than one on-site security guard during business hours	2	2	2	2
h) Proposal includes plans and procedures for how all cannabis products on the premises or held by the applicant have met the testing requirements as defined by the State	1	1	1	1
i) Proposal includes a separate lobby area where identification is checked to ensure that only qualified individuals gain access to separate, locked areas where cannabis products are displayed	2	2	2	2
j) Proposal includes electronic storage of required records of sales, delivery manifests, patient information (if medicinal and required by State), inventory, etc., which can be provided to City personnel upon request	2	2	2	2
k) Proposal includes participation in web-based public safety application or equivalent that provides law enforcement with confirmation of local and state licenses	1	0	0	0
l) Proposal includes any proposed "green" business practices relating to energy and climate, water conservation, and materials/waste storage	1	1	1	1
m) Proposal includes secured loading/unloading area for deliveries	1	1	1	1
<b>Section 4: Sub-Total of Points Possible</b>	<b>20</b>	<b>19</b>	<b>19</b>	<b>19</b>



**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-15R ("Aleafiate") at 1471 Yosemite Pkwy (DISQUALIFIED)**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 5: Prior Experience in Business Ownership and Management</b>				
a) Combined prior experience of proposed owners is more than 3 years of verified successful management of any non-cannabis legal retail facility	2	2	2	2
b) 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	2	0	0	0
c) 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	3	0	0	0
d) Above prior experience was obtained within the City or County of Merced	3	3	3	3
e) Above prior experience was obtained within 100 miles of the City of Merced	1	1	1	1
<b>Section 5: Sub-Total of Points Possible</b>	<b>11</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Section 6: Qualifications of Principals/Business Plan</b>				
a) At least one owner is a military veteran with an honorable discharge	1	0	0	0
b) At least one owner is a full-time resident of the County of Merced	1	1	1	1
c) At least one owner is a full-time resident of the City of Merced	2	2	2	2
d) Does the business qualify as a Disadvantaged Business Enterprise (DBE) as defined by the U.S. Department of Transportation?	1	0	0	0
e) Does the business have documented proof of access to at least \$150,000 in capital (or enough capital to pay all startup costs plus at least 3 months of operating costs)?	3	0	0	0
f) Does the business have documented proof of access to at least \$300,000 in capital (or enough capital to pay all startup costs plus at least 6 months of operating costs)?	3	0	0	0
g) Business Plan contain a valid pro forma for at least 3 years of operation	2	2	2	2
h) Business has documented agreements with cannabis distributors to supply products to their business	2	2	2	2
<b>Section 6: Sub-Total of Points Possible</b>	<b>15</b>	<b>7</b>	<b>7</b>	<b>7</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-15R ("Aleafiate") at 1471 Yosemite Pkwy (DISQUALIFIED)**

Selection Committee Scores				
Description of Criteria:	Points Possible	Reviewer #1	Reviewer #2	Reviewer #3
Section 7: Employee & Public Relations				
a) The business promotes local hiring or provides incentives for City/County of Merced residents to work with the business	2	2	2	2
b) The business provides employee health benefits for all employees	2	0	0	0
c) The business employs more than 5 people full-time, not counting the owners or security personnel	2	2	2	2
d) Proposal includes an ongoing public information program to inform City residents of cannabis issues and proper/safe/legal use of cannabis products	2	2	2	2
Section 7: Sub-Total of Points Possible	8	6	6	6
Section 8: Community Benefits				
a) Proposal includes benefits to the community, such as defined monetary contributions to local community organizations, or donating time to local community organizations, or any other proposed community benefit acceptable to the City. (0 to 5 points to be awarded at the discretion of the City Selection Committee.)	0 to 5	2	5	3
Section 8: Sub-Total of Points Possible	5	2	5	3
Section 9: Discretion of the City Selection Committee				
a) 0 to 20 additional points may be awarded to a proposal for outstanding features, measures, or programs (above and beyond the minimum requirements) proposed in the Commercial Cannabis Business Permit Application at the discretion of the City Selection Committee.	0 to 20	15	14	6
Section 9: Sub-Total of Points Possible	20	15	14	6
TOTAL POINTS POSSIBLE	100	73	75	65
TOTAL OF SELECTION COMMITTEE SCORES		213	RANKING  DQ	
AVERAGE OF SELECTION COMMITTEE SCORES (Total ÷ 3)		71.000		

Application was disqualified

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-16R ("Sierra Gold Cannabis Co.") at 35 W 23rd**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 1: Prioritize Medicinal Cannabis Access</b>				
a) Proposal for combined medicinal/adult use dispensary	4	4	4	4
b) Proposal for medicinal only dispensary	3	0	0	0
c) Proposal for non-medicinal/adult use dispensary only	0	0	0	0
d) Proposal includes Delivery Services	2	2	2	2
<b>Section 1: Sub-Total of Points Possible</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Section 2: Geographical Preference/Neighborhood Relations</b>				
a) Proposed locations is within 1,200 feet of local public transportation	1	1	1	1
b) Proposal includes a process and schedule for at least two public outreach meetings per year that meet City approval	2	0	0	0
c) Business plan includes a schedule for communication and receiving feedback from all entities within 300 feet of the business at least two times a year	2	0	0	0
d) Proposal includes the appointment of an employee as a designated liaison with the neighborhood	1	1	1	1
e) Designated liaison employee is a City resident	1	0	0	0
<b>Section 2: Sub-Total of Points Possible</b>	<b>7</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Section 3: Facility Plan</b>				
a) Business is formally associated with a non-retail cannabis or non-cannabis-related business in the City of Merced	2	2	2	2
b) Proposal includes daily inspection to ensure maintenance of the interior and exterior of the facility (i.e. free of trash, graffiti, etc.)	2	2	2	2
c) Location exceeds City parking requirements by 10% or more	1	1	1	1
d) Business is open more than five days a week at least 6 hours per day	1	1	1	1
e) Location exceeds minimum disabled parking requirements by 100% or more	1	1	1	1
f) Location is within an existing building or facility with an ability to be open for business within 6 months of approval of the CCBP by the City	1	1	1	1
<b>Section 3: Sub-Total of Points Possible</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-16R ("Sierra Gold Cannabis Co.") at 35 W 23rd**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 4: Standards and Procedures for the Safe Operation of Facilities:</b>				
a) Proposal includes documented employee safety training program	1	1	1	1
b) Proposal includes documented employee cannabis educational training program	1	1	1	1
c) Business Plan includes enhanced security measures, including at least three of the following: panic buttons, dye packets, bulletproof window film (with break strength of 400 lbs. per inch or better), a UL-approved safe with a fire rating that is 2-hour 1700 degrees F or better with a complex locking device; motion sensing lighting; or other enhanced security measures acceptable to the City. (0 to 4 points to be awarded at the discretion of the City Selection Committee.)	0 to 4	1	1	3
d) Proposal includes climate controlled environment	1	1	1	1
e) Proposal includes plan for disposal of all solid waste based on best practices of State	1	1	1	1
f) Proposal includes a comprehensive documented process for 24-hour minimum response time to cannabis product recall notifications	2	0	0	0
g) Proposal includes more than one on-site security guard during business hours	2	0	0	0
h) Proposal includes plans and procedures for how all cannabis products on the premises or held by the applicant have met the testing requirements as defined by the State	1	1	1	1
i) Proposal includes a separate lobby area where identification is checked to ensure that only qualified individuals gain access to separate, locked areas where cannabis products are displayed	2	2	2	2
j) Proposal includes electronic storage of required records of sales, delivery manifests, patient information (if medicinal and required by State), inventory, etc., which can be provided to City personnel upon request	2	2	2	2
k) Proposal includes participation in web-based public safety application or equivalent that provides law enforcement with confirmation of local and state licenses	1	0	0	0
l) Proposal includes any proposed "green" business practices relating to energy and climate, water conservation, and materials/waste storage	1	1	1	1
m) Proposal includes secured loading/unloading area for deliveries	1	0	0	0
<b>Section 4: Sub-Total of Points Possible</b>	<b>20</b>	<b>11</b>	<b>11</b>	<b>13</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-16R ("Sierra Gold Cannabis Co.") at 35 W 23rd**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 5: Prior Experience in Business Ownership and Management</b>				
a) Combined prior experience of proposed owners is more than 3 years of verified successful management of any non-cannabis legal retail facility	2	2	2	2
b) 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	2	0	0	0
c) 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	3	0	0	0
d) Above prior experience was obtained within the City or County of Merced	3	3	3	3
e) Above prior experience was obtained within 100 miles of the City of Merced	1	1	1	1
<b>Section 5: Sub-Total of Points Possible</b>	<b>11</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Section 6: Qualifications of Principals/Business Plan</b>				
a) At least one owner is a military veteran with an honorable discharge	1	0	0	0
b) At least one owner is a full-time resident of the County of Merced	1	0	0	0
c) At least one owner is a full-time resident of the City of Merced	2	0	0	0
d) Does the business qualify as a Disadvantaged Business Enterprise (DBE) as defined by the U.S. Department of Transportation?	1	0	0	0
e) Does the business have documented proof of access to at least \$150,000 in capital (or enough capital to pay all startup costs plus at least 3 months of operating costs)?	3	0	0	0
f) Does the business have documented proof of access to at least \$300,000 in capital (or enough capital to pay all startup costs plus at least 6 months of operating costs)?	3	0	0	0
g) Business Plan contain a valid pro forma for at least 3 years of operation	2	2	2	2
h) Business has documented agreements with cannabis distributors to supply products to their business	2	0	0	0
<b>Section 6: Sub-Total of Points Possible</b>	<b>15</b>	<b>2</b>	<b>2</b>	<b>2</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-16R ("Sierra Gold Cannabis Co.") at 35 W 23rd**

Selection Committee Scores				
Description of Criteria:	Points Possible	Reviewer #1	Reviewer #2	Reviewer #3
Section 7: Employee & Public Relations				
a) The business promotes local hiring or provides incentives for City/County of Merced residents to work with the business	2	2	2	2
b) The business provides employee health benefits for all employees	2	0	0	0
c) The business employs more than 5 people full-time, not counting the owners or security personnel	2	2	2	2
d) Proposal includes an ongoing public information program to inform City residents of cannabis issues and proper/safe/legal use of cannabis products	2	2	2	2
Section 7: Sub-Total of Points Possible	8	6	6	6
Section 8: Community Benefits				
a) Proposal includes benefits to the community, such as defined monetary contributions to local community organizations, or donating time to local community organizations, or any other proposed community benefit acceptable to the City. (0 to 5 points to be awarded at the discretion of the City Selection Committee.)	0 to 5	5	5	3
Section 8: Sub-Total of Points Possible	5	5	5	3
Section 9: Discretion of the City Selection Committee				
a) 0 to 20 additional points may be awarded to a proposal for outstanding features, measures, or programs (above and beyond the minimum requirements) proposed in the Commercial Cannabis Business Permit Application at the discretion of the City Selection Committee.	0 to 20	10	14	6
Section 9: Sub-Total of Points Possible	20	10	14	6
TOTAL POINTS POSSIBLE	100	56	60	52
TOTAL OF SELECTION COMMITTEE SCORES	168	RANKING		
AVERAGE OF SELECTION COMMITTEE SCORES (Total ÷ 3)	56.000	20		

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-17R ("Manzanita") at 1594 W 18th**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 1: Prioritize Medicinal Cannabis Access</b>				
a) Proposal for combined medicinal/adult use dispensary	4	4	4	4
b) Proposal for medicinal only dispensary	3	0	0	0
c) Proposal for non-medicinal/adult use dispensary only	0	0	0	0
d) Proposal includes Delivery Services	2	2	2	2
<b>Section 1: Sub-Total of Points Possible</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Section 2: Geographical Preference/Neighborhood Relations</b>				
a) Proposed locations is within 1,200 feet of local public transportation	1	0	0	0
b) Proposal includes a process and schedule for at least two public outreach meetings per year that meet City approval	2	2	2	2
c) Business plan includes a schedule for communication and receiving feedback from all entities within 300 feet of the business at least two times a year	2	2	2	2
d) Proposal includes the appointment of an employee as a designated liaison with the neighborhood	1	1	1	1
e) Designated liaison employee is a City resident	1	1	1	1
<b>Section 2: Sub-Total of Points Possible</b>	<b>7</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Section 3: Facility Plan</b>				
a) Business is formally associated with a non-retail cannabis or non-cannabis-related business in the City of Merced	2	2	2	2
b) Proposal includes daily inspection to ensure maintenance of the interior and exterior of the facility (i.e. free of trash, graffiti, etc.)	2	2	2	2
c) Location exceeds City parking requirements by 10% or more	1	1	1	1
d) Business is open more than five days a week at least 6 hours per day	1	1	1	1
e) Location exceeds minimum disabled parking requirements by 100% or more	1	1	1	1
f) Location is within an existing building or facility with an ability to be open for business within 6 months of approval of the CCBP by the City	1	1	1	1
<b>Section 3: Sub-Total of Points Possible</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-17R ("Manzanita") at 1594 W 18th**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 4: Standards and Procedures for the Safe Operation of Facilities:</b>				
a) Proposal includes documented employee safety training program	1	1	1	1
b) Proposal includes documented employee cannabis educational training program	1	1	1	1
c) Business Plan includes enhanced security measures, including at least three of the following: panic buttons, dye packets, bulletproof window film (with break strength of 400 lbs. per inch or better), a UL-approved safe with a fire rating that is 2-hour 1700 degrees F or better with a complex locking device; motion sensing lighting; or other enhanced security measures acceptable to the City. (0 to 4 points to be awarded at the discretion of the City Selection Committee.)	0 to 4	4	4	4
d) Proposal includes climate controlled environment	1	1	1	1
e) Proposal includes plan for disposal of all solid waste based on best practices of State	1	1	1	1
f) Proposal includes a comprehensive documented process for 24-hour minimum response time to cannabis product recall notifications	2	2	2	2
g) Proposal includes more than one on-site security guard during business hours	2	2	2	2
h) Proposal includes plans and procedures for how all cannabis products on the premises or held by the applicant have met the testing requirements as defined by the State	1	1	1	1
i) Proposal includes a separate lobby area where identification is checked to ensure that only qualified individuals gain access to separate, locked areas where cannabis products are displayed	2	2	2	2
j) Proposal includes electronic storage of required records of sales, delivery manifests, patient information (if medicinal and required by State), inventory, etc., which can be provided to City personnel upon request	2	2	2	2
k) Proposal includes participation in web-based public safety application or equivalent that provides law enforcement with confirmation of local and state licenses	1	1	1	1
l) Proposal includes any proposed "green" business practices relating to energy and climate, water conservation, and materials/waste storage	1	1	1	1
m) Proposal includes secured loading/unloading area for deliveries	1	1	1	1
<b>Section 4: Sub-Total of Points Possible</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>



**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-17R ("Manzanita") at 1594 W 18th**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 5: Prior Experience in Business Ownership and Management</b>				
a) Combined prior experience of proposed owners is more than 3 years of verified successful management of any non-cannabis legal retail facility	2	2	2	2
b) 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	2	2	2	2
c) 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	3	3	3	3
d) Above prior experience was obtained within the City or County of Merced	3	3	3	3
e) Above prior experience was obtained within 100 miles of the City of Merced	1	1	1	1
<b>Section 5: Sub-Total of Points Possible</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>
<b>Section 6: Qualifications of Principals/Business Plan</b>				
a) At least one owner is a military veteran with an honorable discharge	1	0	0	0
b) At least one owner is a full-time resident of the County of Merced	1	1	1	1
c) At least one owner is a full-time resident of the City of Merced	2	2	2	2
d) Does the business qualify as a Disadvantaged Business Enterprise (DBE) as defined by the U.S. Department of Transportation?	1	0	0	0
e) Does the business have documented proof of access to at least \$150,000 in capital (or enough capital to pay all startup costs plus at least 3 months of operating costs)?	3	3	3	3
f) Does the business have documented proof of access to at least \$300,000 in capital (or enough capital to pay all startup costs plus at least 6 months of operating costs)?	3	3	3	3
g) Business Plan contain a valid pro forma for at least 3 years of operation	2	2	2	2
h) Business has documented agreements with cannabis distributors to supply products to their business	2	2	2	2
<b>Section 6: Sub-Total of Points Possible</b>	<b>15</b>	<b>13</b>	<b>13</b>	<b>13</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-17R ("Manzanita") at 1594 W 18th**

Selection Committee Scores				
Description of Criteria:	Points Possible	Reviewer #1	Reviewer #2	Reviewer #3
Section 7: Employee & Public Relations				
a) The business promotes local hiring or provides incentives for City/County of Merced residents to work with the business	2	2	2	2
b) The business provides employee health benefits for all employees	2	2	2	2
c) The business employs more than 5 people full-time, not counting the owners or security personnel	2	2	2	2
d) Proposal includes an ongoing public information program to inform City residents of cannabis issues and proper/safe/legal use of cannabis products	2	2	2	2
Section 7: Sub-Total of Points Possible	8	8	8	8
Section 8: Community Benefits				
a) Proposal includes benefits to the community, such as defined monetary contributions to local community organizations, or donating time to local community organizations, or any other proposed community benefit acceptable to the City. (0 to 5 points to be awarded at the discretion of the City Selection Committee.)	0 to 5	5	5	5
Section 8: Sub-Total of Points Possible	5	5	5	5
Section 9: Discretion of the City Selection Committee				
a) 0 to 20 additional points may be awarded to a proposal for outstanding features, measures, or programs (above and beyond the minimum requirements) proposed in the Commercial Cannabis Business Permit Application at the discretion of the City Selection Committee.	0 to 20	20	20	18
Section 9: Sub-Total of Points Possible	20	20	20	18
TOTAL POINTS POSSIBLE	100	97	97	95
TOTAL OF SELECTION COMMITTEE SCORES		289	RANKING	
AVERAGE OF SELECTION COMMITTEE SCORES (Total ÷ 3)		96.333	3	

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-18R ("Merced Pain Relief") at 946 W Main**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 1: Prioritize Medicinal Cannabis Access</b>				
a) Proposal for combined medicinal/adult use dispensary	4	4	4	4
b) Proposal for medicinal only dispensary	3	0	0	0
c) Proposal for non-medicinal/adult use dispensary only	0	0	0	0
d) Proposal includes Delivery Services	2	2	2	2
<b>Section 1: Sub-Total of Points Possible</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Section 2: Geographical Preference/Neighborhood Relations</b>				
a) Proposed locations is within 1,200 feet of local public transportation	1	1	1	1
b) Proposal includes a process and schedule for at least two public outreach meetings per year that meet City approval	2	0	0	0
c) Business plan includes a schedule for communication and receiving feedback from all entities within 300 feet of the business at least two times a year	2	0	0	0
d) Proposal includes the appointment of an employee as a designated liaison with the neighborhood	1	0	0	0
e) Designated liaison employee is a City resident	1	0	0	0
<b>Section 2: Sub-Total of Points Possible</b>	<b>7</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Section 3: Facility Plan</b>				
a) Business is formally associated with a non-retail cannabis or non-cannabis-related business in the City of Merced	2	0	0	0
b) Proposal includes daily inspection to ensure maintenance of the interior and exterior of the facility (i.e. free of trash, graffiti, etc.)	2	2	2	2
c) Location exceeds City parking requirements by 10% or more	1	1	1	1
d) Business is open more than five days a week at least 6 hours per day	1	1	1	1
e) Location exceeds minimum disabled parking requirements by 100% or more	1	1	1	1
f) Location is within an existing building or facility with an ability to be open for business within 6 months of approval of the CCBP by the City	1	1	1	1
<b>Section 3: Sub-Total of Points Possible</b>	<b>8</b>	<b>6</b>	<b>6</b>	<b>6</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-18R ("Merced Pain Relief") at 946 W Main**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 4: Standards and Procedures for the Safe Operation of Facilities:</b>				
a) Proposal includes documented employee safety training program	1	1	1	1
b) Proposal includes documented employee cannabis educational training program	1	1	1	1
c) Business Plan includes enhanced security measures, including at least three of the following: panic buttons, dye packets, bulletproof window film (with break strength of 400 lbs. per inch or better), a UL-approved safe with a fire rating that is 2-hour 1700 degrees F or better with a complex locking device; motion sensing lighting; or other enhanced security measures acceptable to the City. (0 to 4 points to be awarded at the discretion of the City Selection Committee.)	0 to 4	2	4	4
d) Proposal includes climate controlled environment	1	1	1	1
e) Proposal includes plan for disposal of all solid waste based on best practices of State	1	1	1	1
f) Proposal includes a comprehensive documented process for 24-hour minimum response time to cannabis product recall notifications	2	0	0	0
g) Proposal includes more than one on-site security guard during business hours	2	0	0	0
h) Proposal includes plans and procedures for how all cannabis products on the premises or held by the applicant have met the testing requirements as defined by the State	1	1	1	1
i) Proposal includes a separate lobby area where identification is checked to ensure that only qualified individuals gain access to separate, locked areas where cannabis products are displayed	2	2	2	2
j) Proposal includes electronic storage of required records of sales, delivery manifests, patient information (if medicinal and required by State), inventory, etc., which can be provided to City personnel upon request	2	2	2	2
k) Proposal includes participation in web-based public safety application or equivalent that provides law enforcement with confirmation of local and state licenses	1	0	0	0
l) Proposal includes any proposed "green" business practices relating to energy and climate, water conservation, and materials/waste storage	1	0	0	0
m) Proposal includes secured loading/unloading area for deliveries	1	0	0	0
<b>Section 4: Sub-Total of Points Possible</b>	<b>20</b>	<b>11</b>	<b>13</b>	<b>13</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-18R ("Merced Pain Relief") at 946 W Main**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 5: Prior Experience in Business Ownership and Management</b>				
a) Combined prior experience of proposed owners is more than 3 years of verified successful management of any non-cannabis legal retail facility	2	2	2	2
b) 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	2	0	0	0
c) 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	3	0	0	0
d) Above prior experience was obtained within the City or County of Merced	3	0	0	0
e) Above prior experience was obtained within 100 miles of the City of Merced	1	1	1	1
<b>Section 5: Sub-Total of Points Possible</b>	<b>11</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Section 6: Qualifications of Principals/Business Plan</b>				
a) At least one owner is a military veteran with an honorable discharge	1	0	0	0
b) At least one owner is a full-time resident of the County of Merced	1	1	1	1
c) At least one owner is a full-time resident of the City of Merced	2	2	2	2
d) Does the business qualify as a Disadvantaged Business Enterprise (DBE) as defined by the U.S. Department of Transportation?	1	1	1	1
e) Does the business have documented proof of access to at least \$150,000 in capital (or enough capital to pay all startup costs plus at least 3 months of operating costs)?	3	3	3	3
f) Does the business have documented proof of access to at least \$300,000 in capital (or enough capital to pay all startup costs plus at least 6 months of operating costs)?	3	3	3	3
g) Business Plan contain a valid pro forma for at least 3 years of operation	2	0	0	0
h) Business has documented agreements with cannabis distributors to supply products to their business	2	2	2	2
<b>Section 6: Sub-Total of Points Possible</b>	<b>15</b>	<b>12</b>	<b>12</b>	<b>12</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-18R ("Merced Pain Relief") at 946 W Main**

Selection Committee Scores				
Description of Criteria:	Points Possible	Reviewer #1	Reviewer #2	Reviewer #3
Section 7: Employee & Public Relations				
a) The business promotes local hiring or provides incentives for City/County of Merced residents to work with the business	2	2	2	2
b) The business provides employee health benefits for all employees	2	2	2	2
c) The business employs more than 5 people full-time, not counting the owners or security personnel	2	2	2	2
d) Proposal includes an ongoing public information program to inform City residents of cannabis issues and proper/safe/legal use of cannabis products	2	0	0	0
Section 7: Sub-Total of Points Possible	8	6	6	6
Section 8: Community Benefits				
a) Proposal includes benefits to the community, such as defined monetary contributions to local community organizations, or donating time to local community organizations, or any other proposed community benefit acceptable to the City. (0 to 5 points to be awarded at the discretion of the City Selection Committee.)	0 to 5	0	2	0
Section 8: Sub-Total of Points Possible	5	0	2	0
Section 9: Discretion of the City Selection Committee				
a) 0 to 20 additional points may be awarded to a proposal for outstanding features, measures, or programs (above and beyond the minimum requirements) proposed in the Commercial Cannabis Business Permit Application at the discretion of the City Selection Committee.	0 to 20	0	10	6
Section 9: Sub-Total of Points Possible	20	0	10	6
TOTAL POINTS POSSIBLE	100	45	59	53
TOTAL OF SELECTION COMMITTEE SCORES		157	RANKING	
AVERAGE OF SELECTION COMMITTEE SCORES (Total ÷ 3)		52.333	21 (Tie)	

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-20R ("Veteran Medication 22") at 3317 M St**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 1: Prioritize Medicinal Cannabis Access</b>				
a) Proposal for combined medicinal/adult use dispensary	4	4	4	4
b) Proposal for medicinal only dispensary	3	0	0	0
c) Proposal for non-medicinal/adult use dispensary only	0	0	0	0
d) Proposal includes Delivery Services	2	2	2	2
<b>Section 1: Sub-Total of Points Possible</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Section 2: Geographical Preference/Neighborhood Relations</b>				
a) Proposed locations is within 1,200 feet of local public transportation	1	1	1	1
b) Proposal includes a process and schedule for at least two public outreach meetings per year that meet City approval	2	2	2	2
c) Business plan includes a schedule for communication and receiving feedback from all entities within 300 feet of the business at least two times a year	2	0	0	0
d) Proposal includes the appointment of an employee as a designated liaison with the neighborhood	1	1	1	1
e) Designated liaison employee is a City resident	1	1	1	1
<b>Section 2: Sub-Total of Points Possible</b>	<b>7</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>Section 3: Facility Plan</b>				
a) Business is formally associated with a non-retail cannabis or non-cannabis-related business in the City of Merced	2	0	0	0
b) Proposal includes daily inspection to ensure maintenance of the interior and exterior of the facility (i.e. free of trash, graffiti, etc.)	2	2	2	2
c) Location exceeds City parking requirements by 10% or more	1	1	1	1
d) Business is open more than five days a week at least 6 hours per day	1	1	1	1
e) Location exceeds minimum disabled parking requirements by 100% or more	1	1	1	1
f) Location is within an existing building or facility with an ability to be open for business within 6 months of approval of the CCBP by the City	1	1	1	1
<b>Section 3: Sub-Total of Points Possible</b>	<b>8</b>	<b>6</b>	<b>6</b>	<b>6</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-20R ("Veteran Medication 22") at 3317 M St**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 4: Standards and Procedures for the Safe Operation of Facilities:</b>				
a) Proposal includes documented employee safety training program	1	1	1	1
b) Proposal includes documented employee cannabis educational training program	1	1	1	1
c) Business Plan includes enhanced security measures, including at least three of the following: panic buttons, dye packets, bulletproof window film (with break strength of 400 lbs. per inch or better), a UL-approved safe with a fire rating that is 2-hour 1700 degrees F or better with a complex locking device; motion sensing lighting; or other enhanced security measures acceptable to the City. (0 to 4 points to be awarded at the discretion of the City Selection Committee.)	0 to 4	4	4	3
d) Proposal includes climate controlled environment	1	1	1	1
e) Proposal includes plan for disposal of all solid waste based on best practices of State	1	1	1	1
f) Proposal includes a comprehensive documented process for 24-hour minimum response time to cannabis product recall notifications	2	0	0	0
g) Proposal includes more than one on-site security guard during business hours	2	2	2	2
h) Proposal includes plans and procedures for how all cannabis products on the premises or held by the applicant have met the testing requirements as defined by the State	1	1	1	1
i) Proposal includes a separate lobby area where identification is checked to ensure that only qualified individuals gain access to separate, locked areas where cannabis products are displayed	2	2	2	2
j) Proposal includes electronic storage of required records of sales, delivery manifests, patient information (if medicinal and required by State), inventory, etc., which can be provided to City personnel upon request	2	2	2	2
k) Proposal includes participation in web-based public safety application or equivalent that provides law enforcement with confirmation of local and state licenses	1	0	0	0
l) Proposal includes any proposed "green" business practices relating to energy and climate, water conservation, and materials/waste storage	1	1	1	1
m) Proposal includes secured loading/unloading area for deliveries	1	0	0	0
<b>Section 4: Sub-Total of Points Possible</b>	<b>20</b>	<b>16</b>	<b>16</b>	<b>15</b>



**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-20R ("Veteran Medication 22") at 3317 M St**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 5: Prior Experience in Business Ownership and Management</b>				
a) Combined prior experience of proposed owners is more than 3 years of verified successful management of any non-cannabis legal retail facility	2	0	0	0
b) 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	2	0	0	0
c) 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	3	0	0	0
d) Above prior experience was obtained within the City or County of Merced	3	0	0	0
e) Above prior experience was obtained within 100 miles of the City of Merced	1	0	0	0
<b>Section 5: Sub-Total of Points Possible</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Section 6: Qualifications of Principals/Business Plan</b>				
a) At least one owner is a military veteran with an honorable discharge	1	1	1	1
b) At least one owner is a full-time resident of the County of Merced	1	1	1	1
c) At least one owner is a full-time resident of the City of Merced	2	2	2	2
d) Does the business qualify as a Disadvantaged Business Enterprise (DBE) as defined by the U.S. Department of Transportation?	1	1	1	1
e) Does the business have documented proof of access to at least \$150,000 in capital (or enough capital to pay all startup costs plus at least 3 months of operating costs)?	3	0	0	0
f) Does the business have documented proof of access to at least \$300,000 in capital (or enough capital to pay all startup costs plus at least 6 months of operating costs)?	3	0	0	0
g) Business Plan contain a valid pro forma for at least 3 years of operation	2	0	0	0
h) Business has documented agreements with cannabis distributors to supply products to their business	2	0	0	0
<b>Section 6: Sub-Total of Points Possible</b>	<b>15</b>	<b>5</b>	<b>5</b>	<b>5</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-20R ("Veteran Medication 22") at 3317 M St**

Selection Committee Scores				
Description of Criteria:	Points Possible	Reviewer #1	Reviewer #2	Reviewer #3
Section 7: Employee & Public Relations				
a) The business promotes local hiring or provides incentives for City/County of Merced residents to work with the business	2	2	2	2
b) The business provides employee health benefits for all employees	2	2	2	2
c) The business employs more than 5 people full-time, not counting the owners or security personnel	2	2	2	2
d) Proposal includes an ongoing public information program to inform City residents of cannabis issues and proper/safe/legal use of cannabis products	2	2	2	2
Section 7: Sub-Total of Points Possible	8	8	8	8
Section 8: Community Benefits				
a) Proposal includes benefits to the community, such as defined monetary contributions to local community organizations, or donating time to local community organizations, or any other proposed community benefit acceptable to the City. (0 to 5 points to be awarded at the discretion of the City Selection Committee.)	0 to 5	1	4	1
Section 8: Sub-Total of Points Possible	5	1	4	1
Section 9: Discretion of the City Selection Committee				
a) 0 to 20 additional points may be awarded to a proposal for outstanding features, measures, or programs (above and beyond the minimum requirements) proposed in the Commercial Cannabis Business Permit Application at the discretion of the City Selection Committee.	0 to 20	0	10	4
Section 9: Sub-Total of Points Possible	20	0	10	4
TOTAL POINTS POSSIBLE	100	47	60	50
TOTAL OF SELECTION COMMITTEE SCORES		157	RANKING	
AVERAGE OF SELECTION COMMITTEE SCORES (Total ÷ 3)		52.333	21 (Tie)	

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-21R ("Medallion Wellness") at 808 W 16th St**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 1: Prioritize Medicinal Cannabis Access</b>				
a) Proposal for combined medicinal/adult use dispensary	4	4	4	4
b) Proposal for medicinal only dispensary	3	0	0	0
c) Proposal for non-medicinal/adult use dispensary only	0	0	0	0
d) Proposal includes Delivery Services	2	2	2	2
<b>Section 1: Sub-Total of Points Possible</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Section 2: Geographical Preference/Neighborhood Relations</b>				
a) Proposed locations is within 1,200 feet of local public transportation	1	1	1	1
b) Proposal includes a process and schedule for at least two public outreach meetings per year that meet City approval	2	2	2	2
c) Business plan includes a schedule for communication and receiving feedback from all entities within 300 feet of the business at least two times a year	2	2	2	2
d) Proposal includes the appointment of an employee as a designated liaison with the neighborhood	1	1	1	1
e) Designated liaison employee is a City resident	1	0	0	0
<b>Section 2: Sub-Total of Points Possible</b>	<b>7</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Section 3: Facility Plan</b>				
a) Business is formally associated with a non-retail cannabis or non-cannabis-related business in the City of Merced	2	2	2	2
b) Proposal includes daily inspection to ensure maintenance of the interior and exterior of the facility (i.e. free of trash, graffiti, etc.)	2	2	2	2
c) Location exceeds City parking requirements by 10% or more	1	1	1	1
d) Business is open more than five days a week at least 6 hours per day	1	1	1	1
e) Location exceeds minimum disabled parking requirements by 100% or more	1	1	1	1
f) Location is within an existing building or facility with an ability to be open for business within 6 months of approval of the CCBP by the City	1	1	1	1
<b>Section 3: Sub-Total of Points Possible</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-21R ("Medallion Wellness") at 808 W 16th St**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 4: Standards and Procedures for the Safe Operation of Facilities:</b>				
a) Proposal includes documented employee safety training program	1	1	1	1
b) Proposal includes documented employee cannabis educational training program	1	1	1	1
c) Business Plan includes enhanced security measures, including at least three of the following: panic buttons, dye packets, bulletproof window film (with break strength of 400 lbs. per inch or better), a UL-approved safe with a fire rating that is 2-hour 1700 degrees F or better with a complex locking device; motion sensing lighting; or other enhanced security measures acceptable to the City. (0 to 4 points to be awarded at the discretion of the City Selection Committee.)	0 to 4	4	4	4
d) Proposal includes climate controlled environment	1	1	1	1
e) Proposal includes plan for disposal of all solid waste based on best practices of State	1	1	1	1
f) Proposal includes a comprehensive documented process for 24-hour minimum response time to cannabis product recall notifications	2	2	2	2
g) Proposal includes more than one on-site security guard during business hours	2	2	2	2
h) Proposal includes plans and procedures for how all cannabis products on the premises or held by the applicant have met the testing requirements as defined by the State	1	1	1	1
i) Proposal includes a separate lobby area where identification is checked to ensure that only qualified individuals gain access to separate, locked areas where cannabis products are displayed	2	2	2	2
j) Proposal includes electronic storage of required records of sales, delivery manifests, patient information (if medicinal and required by State), inventory, etc., which can be provided to City personnel upon request	2	2	2	2
k) Proposal includes participation in web-based public safety application or equivalent that provides law enforcement with confirmation of local and state licenses	1	1	1	1
l) Proposal includes any proposed "green" business practices relating to energy and climate, water conservation, and materials/waste storage	1	1	1	1
m) Proposal includes secured loading/unloading area for deliveries	1	1	1	1
<b>Section 4: Sub-Total of Points Possible</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-21R ("Medallion Wellness") at 808 W 16th St**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 5: Prior Experience in Business Ownership and Management</b>				
a) Combined prior experience of proposed owners is more than 3 years of verified successful management of any non-cannabis legal retail facility	2	2	2	2
b) 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	2	2	2	2
c) 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	3	3	3	3
d) Above prior experience was obtained within the City or County of Merced	3	3	3	3
e) Above prior experience was obtained within 100 miles of the City of Merced	1	1	1	1
<b>Section 5: Sub-Total of Points Possible</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>
<b>Section 6: Qualifications of Principals/Business Plan</b>				
a) At least one owner is a military veteran with an honorable discharge	1	0	0	0
b) At least one owner is a full-time resident of the County of Merced	1	1	1	1
c) At least one owner is a full-time resident of the City of Merced	2	0	0	0
d) Does the business qualify as a Disadvantaged Business Enterprise (DBE) as defined by the U.S. Department of Transportation?	1	0	0	0
e) Does the business have documented proof of access to at least \$150,000 in capital (or enough capital to pay all startup costs plus at least 3 months of operating costs)?	3	3	3	3
f) Does the business have documented proof of access to at least \$300,000 in capital (or enough capital to pay all startup costs plus at least 6 months of operating costs)?	3	3	3	3
g) Business Plan contain a valid pro forma for at least 3 years of operation	2	2	2	2
h) Business has documented agreements with cannabis distributors to supply products to their business	2	2	2	2
<b>Section 6: Sub-Total of Points Possible</b>	<b>15</b>	<b>11</b>	<b>11</b>	<b>11</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-21R ("Medallion Wellness") at 808 W 16th St**

Selection Committee Scores				
Description of Criteria:	Points Possible	Reviewer #1	Reviewer #2	Reviewer #3
Section 7: Employee & Public Relations				
a) The business promotes local hiring or provides incentives for City/County of Merced residents to work with the business	2	2	2	2
b) The business provides employee health benefits for all employees	2	2	2	2
c) The business employs more than 5 people full-time, not counting the owners or security personnel	2	2	2	2
d) Proposal includes an ongoing public information program to inform City residents of cannabis issues and proper/safe/legal use of cannabis products	2	2	2	2
Section 7: Sub-Total of Points Possible	8	8	8	8
Section 8: Community Benefits				
a) Proposal includes benefits to the community, such as defined monetary contributions to local community organizations, or donating time to local community organizations, or any other proposed community benefit acceptable to the City. (0 to 5 points to be awarded at the discretion of the City Selection Committee.)	0 to 5	4	5	4
Section 8: Sub-Total of Points Possible	5	4	5	4
Section 9: Discretion of the City Selection Committee				
a) 0 to 20 additional points may be awarded to a proposal for outstanding features, measures, or programs (above and beyond the minimum requirements) proposed in the Commercial Cannabis Business Permit Application at the discretion of the City Selection Committee.	0 to 20	10	16	20
Section 9: Sub-Total of Points Possible	20	10	16	20
TOTAL POINTS POSSIBLE	100	84	91	94
TOTAL OF SELECTION COMMITTEE SCORES		269	RANKING  5	
AVERAGE OF SELECTION COMMITTEE SCORES (Total ÷ 3)		89.667		

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-22R ("7 Fingers Cannabissary") at 1220-30 Martin Luther King Jr Wy**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 1: Prioritize Medicinal Cannabis Access</b>				
a) Proposal for combined medicinal/adult use dispensary	4	4	4	4
b) Proposal for medicinal only dispensary	3	0	0	0
c) Proposal for non-medicinal/adult use dispensary only	0	0	0	0
d) Proposal includes Delivery Services	2	2	2	2
<b>Section 1: Sub-Total of Points Possible</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Section 2: Geographical Preference/Neighborhood Relations</b>				
a) Proposed locations is within 1,200 feet of local public transportation	1	1	1	1
b) Proposal includes a process and schedule for at least two public outreach meetings per year that meet City approval	2	2	2	2
c) Business plan includes a schedule for communication and receiving feedback from all entities within 300 feet of the business at least two times a year	2	2	2	2
d) Proposal includes the appointment of an employee as a designated liaison with the neighborhood	1	1	1	1
e) Designated liaison employee is a City resident	1	1	1	1
<b>Section 2: Sub-Total of Points Possible</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
<b>Section 3: Facility Plan</b>				
a) Business is formally associated with a non-retail cannabis or non-cannabis-related business in the City of Merced	2	0	0	0
b) Proposal includes daily inspection to ensure maintenance of the interior and exterior of the facility (i.e. free of trash, graffiti, etc.)	2	2	2	2
c) Location exceeds City parking requirements by 10% or more	1	1	1	1
d) Business is open more than five days a week at least 6 hours per day	1	1	1	1
e) Location exceeds minimum disabled parking requirements by 100% or more	1	1	1	1
f) Location is within an existing building or facility with an ability to be open for business within 6 months of approval of the CCBP by the City	1	1	1	1
<b>Section 3: Sub-Total of Points Possible</b>	<b>8</b>	<b>6</b>	<b>6</b>	<b>6</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-22R ("7 Fingers Cannabissary") at 1220-30 Martin Luther King Jr Wy**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 4: Standards and Procedures for the Safe Operation of Facilities:</b>				
a) Proposal includes documented employee safety training program	1	1	1	1
b) Proposal includes documented employee cannabis educational training program	1	1	1	1
c) Business Plan includes enhanced security measures, including at least three of the following: panic buttons, dye packets, bulletproof window film (with break strength of 400 lbs. per inch or better), a UL-approved safe with a fire rating that is 2-hour 1700 degrees F or better with a complex locking device; motion sensing lighting; or other enhanced security measures acceptable to the City. (0 to 4 points to be awarded at the discretion of the City Selection Committee.)	0 to 4	4	4	4
d) Proposal includes climate controlled environment	1	1	1	1
e) Proposal includes plan for disposal of all solid waste based on best practices of State	1	1	1	1
f) Proposal includes a comprehensive documented process for 24-hour minimum response time to cannabis product recall notifications	2	2	2	2
g) Proposal includes more than one on-site security guard during business hours	2	2	2	2
h) Proposal includes plans and procedures for how all cannabis products on the premises or held by the applicant have met the testing requirements as defined by the State	1	1	1	1
i) Proposal includes a separate lobby area where identification is checked to ensure that only qualified individuals gain access to separate, locked areas where cannabis products are displayed	2	2	2	2
j) Proposal includes electronic storage of required records of sales, delivery manifests, patient information (if medicinal and required by State), inventory, etc., which can be provided to City personnel upon request	2	2	2	2
k) Proposal includes participation in web-based public safety application or equivalent that provides law enforcement with confirmation of local and state licenses	1	1	1	1
l) Proposal includes any proposed "green" business practices relating to energy and climate, water conservation, and materials/waste storage	1	1	1	1
m) Proposal includes secured loading/unloading area for deliveries	1	1	1	1
<b>Section 4: Sub-Total of Points Possible</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>



**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-22R ("7 Fingers Cannabissary") at 1220-30 Martin Luther King Jr Wy**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 5: Prior Experience in Business Ownership and Management</b>				
a) Combined prior experience of proposed owners is more than 3 years of verified successful management of any non-cannabis legal retail facility	2	2	2	2
b) 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	2	2	2	2
c) 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	3	3	3	3
d) Above prior experience was obtained within the City or County of Merced	3	0	0	0
e) Above prior experience was obtained within 100 miles of the City of Merced	1	1	1	1
<b>Section 5: Sub-Total of Points Possible</b>	<b>11</b>	<b>8</b>	<b>8</b>	<b>8</b>
<b>Section 6: Qualifications of Principals/Business Plan</b>				
a) At least one owner is a military veteran with an honorable discharge	1	1	1	1
b) At least one owner is a full-time resident of the County of Merced	1	0	0	0
c) At least one owner is a full-time resident of the City of Merced	2	0	0	0
d) Does the business qualify as a Disadvantaged Business Enterprise (DBE) as defined by the U.S. Department of Transportation?	1	0	0	0
e) Does the business have documented proof of access to at least \$150,000 in capital (or enough capital to pay all startup costs plus at least 3 months of operating costs)?	3	0	0	0
f) Does the business have documented proof of access to at least \$300,000 in capital (or enough capital to pay all startup costs plus at least 6 months of operating costs)?	3	0	0	0
g) Business Plan contain a valid pro forma for at least 3 years of operation	2	2	2	2
h) Business has documented agreements with cannabis distributors to supply products to their business	2	2	2	2
<b>Section 6: Sub-Total of Points Possible</b>	<b>15</b>	<b>5</b>	<b>5</b>	<b>5</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-22R ("7 Fingers Cannabissary") at 1220-30 Martin Luther King Jr Wy**

Selection Committee Scores				
Description of Criteria:	Points Possible	Reviewer #1	Reviewer #2	Reviewer #3
Section 7: Employee & Public Relations				
a) The business promotes local hiring or provides incentives for City/County of Merced residents to work with the business	2	2	2	2
b) The business provides employee health benefits for all employees	2	2	2	2
c) The business employs more than 5 people full-time, not counting the owners or security personnel	2	2	2	2
d) Proposal includes an ongoing public information program to inform City residents of cannabis issues and proper/safe/legal use of cannabis products	2	2	2	2
Section 7: Sub-Total of Points Possible	8	8	8	8
Section 8: Community Benefits				
a) Proposal includes benefits to the community, such as defined monetary contributions to local community organizations, or donating time to local community organizations, or any other proposed community benefit acceptable to the City. (0 to 5 points to be awarded at the discretion of the City Selection Committee.)	0 to 5	4	5	5
Section 8: Sub-Total of Points Possible	5	4	5	5
Section 9: Discretion of the City Selection Committee				
a) 0 to 20 additional points may be awarded to a proposal for outstanding features, measures, or programs (above and beyond the minimum requirements) proposed in the Commercial Cannabis Business Permit Application at the discretion of the City Selection Committee.	0 to 20	20	20	20
Section 9: Sub-Total of Points Possible	20	20	20	20
TOTAL POINTS POSSIBLE	100	84	85	85
TOTAL OF SELECTION COMMITTEE SCORES		254	RANKING  7	
AVERAGE OF SELECTION COMMITTEE SCORES (Total ÷ 3)		84.667		

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-23R ("Kings Valley Wellness") at 850 W Main, Ste A**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 1: Prioritize Medicinal Cannabis Access</b>				
a) Proposal for combined medicinal/adult use dispensary	4	4	4	4
b) Proposal for medicinal only dispensary	3	0	0	0
c) Proposal for non-medicinal/adult use dispensary only	0	0	0	0
d) Proposal includes Delivery Services	2	2	2	2
<b>Section 1: Sub-Total of Points Possible</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Section 2: Geographical Preference/Neighborhood Relations</b>				
a) Proposed locations is within 1,200 feet of local public transportation	1	1	1	1
b) Proposal includes a process and schedule for at least two public outreach meetings per year that meet City approval	2	2	2	2
c) Business plan includes a schedule for communication and receiving feedback from all entities within 300 feet of the business at least two times a year	2	2	2	2
d) Proposal includes the appointment of an employee as a designated liaison with the neighborhood	1	1	1	1
e) Designated liaison employee is a City resident	1	0	0	0
<b>Section 2: Sub-Total of Points Possible</b>	<b>7</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Section 3: Facility Plan</b>				
a) Business is formally associated with a non-retail cannabis or non-cannabis-related business in the City of Merced	2	0	0	0
b) Proposal includes daily inspection to ensure maintenance of the interior and exterior of the facility (i.e. free of trash, graffiti, etc.)	2	2	2	2
c) Location exceeds City parking requirements by 10% or more	1	1	1	1
d) Business is open more than five days a week at least 6 hours per day	1	1	1	1
e) Location exceeds minimum disabled parking requirements by 100% or more	1	1	1	1
f) Location is within an existing building or facility with an ability to be open for business within 6 months of approval of the CCBP by the City	1	1	1	1
<b>Section 3: Sub-Total of Points Possible</b>	<b>8</b>	<b>6</b>	<b>6</b>	<b>6</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-23R ("Kings Valley Wellness") at 850 W Main, Ste A**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 4: Standards and Procedures for the Safe Operation of Facilities:</b>				
a) Proposal includes documented employee safety training program	1	1	1	1
b) Proposal includes documented employee cannabis educational training program	1	1	1	1
c) Business Plan includes enhanced security measures, including at least three of the following: panic buttons, dye packets, bulletproof window film (with break strength of 400 lbs. per inch or better), a UL-approved safe with a fire rating that is 2-hour 1700 degrees F or better with a complex locking device; motion sensing lighting; or other enhanced security measures acceptable to the City. (0 to 4 points to be awarded at the discretion of the City Selection Committee.)	0 to 4	4	4	4
d) Proposal includes climate controlled environment	1	1	1	1
e) Proposal includes plan for disposal of all solid waste based on best practices of State	1	1	1	1
f) Proposal includes a comprehensive documented process for 24-hour minimum response time to cannabis product recall notifications	2	2	2	2
g) Proposal includes more than one on-site security guard during business hours	2	2	2	2
h) Proposal includes plans and procedures for how all cannabis products on the premises or held by the applicant have met the testing requirements as defined by the State	1	1	1	1
i) Proposal includes a separate lobby area where identification is checked to ensure that only qualified individuals gain access to separate, locked areas where cannabis products are displayed	2	2	2	2
j) Proposal includes electronic storage of required records of sales, delivery manifests, patient information (if medicinal and required by State), inventory, etc., which can be provided to City personnel upon request	2	2	2	2
k) Proposal includes participation in web-based public safety application or equivalent that provides law enforcement with confirmation of local and state licenses	1	1	1	1
l) Proposal includes any proposed "green" business practices relating to energy and climate, water conservation, and materials/waste storage	1	1	1	1
m) Proposal includes secured loading/unloading area for deliveries	1	0	0	0
<b>Section 4: Sub-Total of Points Possible</b>	<b>20</b>	<b>19</b>	<b>19</b>	<b>19</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-23R ("Kings Valley Wellness") at 850 W Main, Ste A**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 5: Prior Experience in Business Ownership and Management</b>				
a) Combined prior experience of proposed owners is more than 3 years of verified successful management of any non-cannabis legal retail facility	2	0	0	0
b) 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	2	2	2	2
c) 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	3	0	0	0
d) Above prior experience was obtained within the City or County of Merced	3	0	0	0
e) Above prior experience was obtained within 100 miles of the City of Merced	1	0	0	0
<b>Section 5: Sub-Total of Points Possible</b>	<b>11</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Section 6: Qualifications of Principals/Business Plan</b>				
a) At least one owner is a military veteran with an honorable discharge	1	0	0	0
b) At least one owner is a full-time resident of the County of Merced	1	0	0	0
c) At least one owner is a full-time resident of the City of Merced	2	0	0	0
d) Does the business qualify as a Disadvantaged Business Enterprise (DBE) as defined by the U.S. Department of Transportation?	1	0	0	0
e) Does the business have documented proof of access to at least \$150,000 in capital (or enough capital to pay all startup costs plus at least 3 months of operating costs)?	3	3	3	3
f) Does the business have documented proof of access to at least \$300,000 in capital (or enough capital to pay all startup costs plus at least 6 months of operating costs)?	3	0	0	0
g) Business Plan contain a valid pro forma for at least 3 years of operation	2	2	2	2
h) Business has documented agreements with cannabis distributors to supply products to their business	2	2	2	2
<b>Section 6: Sub-Total of Points Possible</b>	<b>15</b>	<b>7</b>	<b>7</b>	<b>7</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-23R ("Kings Valley Wellness") at 850 W Main, Ste A**

Selection Committee Scores				
Description of Criteria:	Points Possible	Reviewer #1	Reviewer #2	Reviewer #3
Section 7: Employee & Public Relations				
a) The business promotes local hiring or provides incentives for City/County of Merced residents to work with the business	2	2	2	2
b) The business provides employee health benefits for all employees	2	2	2	2
c) The business employs more than 5 people full-time, not counting the owners or security personnel	2	2	2	2
d) Proposal includes an ongoing public information program to inform City residents of cannabis issues and proper/safe/legal use of cannabis products	2	2	2	2
Section 7: Sub-Total of Points Possible	8	8	8	8
Section 8: Community Benefits				
a) Proposal includes benefits to the community, such as defined monetary contributions to local community organizations, or donating time to local community organizations, or any other proposed community benefit acceptable to the City. (0 to 5 points to be awarded at the discretion of the City Selection Committee.)	0 to 5	1	4	1
Section 8: Sub-Total of Points Possible	5	1	4	1
Section 9: Discretion of the City Selection Committee				
a) 0 to 20 additional points may be awarded to a proposal for outstanding features, measures, or programs (above and beyond the minimum requirements) proposed in the Commercial Cannabis Business Permit Application at the discretion of the City Selection Committee.	0 to 20	5	16	10
Section 9: Sub-Total of Points Possible	20	5	16	10
TOTAL POINTS POSSIBLE	100	60	74	65
TOTAL OF SELECTION COMMITTEE SCORES		199	RANKING  17	
AVERAGE OF SELECTION COMMITTEE SCORES (Total ÷ 3)		66.333		

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-24R ("Earth Source Healing") at 1035 W 14th**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 1: Prioritize Medicinal Cannabis Access</b>				
a) Proposal for combined medicinal/adult use dispensary	4	0	0	0
b) Proposal for medicinal only dispensary	3	3	3	3
c) Proposal for non-medicinal/adult use dispensary only	0	0	0	0
d) Proposal includes Delivery Services	2	2	2	2
<b>Section 1: Sub-Total of Points Possible</b>	<b>6</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>Section 2: Geographical Preference/Neighborhood Relations</b>				
a) Proposed locations is within 1,200 feet of local public transportation	1	1	1	1
b) Proposal includes a process and schedule for at least two public outreach meetings per year that meet City approval	2	0	0	0
c) Business plan includes a schedule for communication and receiving feedback from all entities within 300 feet of the business at least two times a year	2	0	0	0
d) Proposal includes the appointment of an employee as a designated liaison with the neighborhood	1	1	1	1
e) Designated liaison employee is a City resident	1	1	1	1
<b>Section 2: Sub-Total of Points Possible</b>	<b>7</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Section 3: Facility Plan</b>				
a) Business is formally associated with a non-retail cannabis or non-cannabis-related business in the City of Merced	2	2	2	2
b) Proposal includes daily inspection to ensure maintenance of the interior and exterior of the facility (i.e. free of trash, graffiti, etc.)	2	2	2	2
c) Location exceeds City parking requirements by 10% or more	1	1	1	1
d) Business is open more than five days a week at least 6 hours per day	1	1	1	1
e) Location exceeds minimum disabled parking requirements by 100% or more	1	1	1	1
f) Location is within an existing building or facility with an ability to be open for business within 6 months of approval of the CCBP by the City	1	1	1	1
<b>Section 3: Sub-Total of Points Possible</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-24R ("Earth Source Healing") at 1035 W 14th**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 4: Standards and Procedures for the Safe Operation of Facilities:</b>				
a) Proposal includes documented employee safety training program	1	1	1	1
b) Proposal includes documented employee cannabis educational training program	1	1	1	1
c) Business Plan includes enhanced security measures, including at least three of the following: panic buttons, dye packets, bulletproof window film (with break strength of 400 lbs. per inch or better), a UL-approved safe with a fire rating that is 2-hour 1700 degrees F or better with a complex locking device; motion sensing lighting; or other enhanced security measures acceptable to the City. (0 to 4 points to be awarded at the discretion of the City Selection Committee.)	0 to 4	4	2	4
d) Proposal includes climate controlled environment	1	1	1	1
e) Proposal includes plan for disposal of all solid waste based on best practices of State	1	1	1	1
f) Proposal includes a comprehensive documented process for 24-hour minimum response time to cannabis product recall notifications	2	0	0	0
g) Proposal includes more than one on-site security guard during business hours	2	0	0	0
h) Proposal includes plans and procedures for how all cannabis products on the premises or held by the applicant have met the testing requirements as defined by the State	1	1	1	1
i) Proposal includes a separate lobby area where identification is checked to ensure that only qualified individuals gain access to separate, locked areas where cannabis products are displayed	2	2	2	2
j) Proposal includes electronic storage of required records of sales, delivery manifests, patient information (if medicinal and required by State), inventory, etc., which can be provided to City personnel upon request	2	2	2	2
k) Proposal includes participation in web-based public safety application or equivalent that provides law enforcement with confirmation of local and state licenses	1	0	0	0
l) Proposal includes any proposed "green" business practices relating to energy and climate, water conservation, and materials/waste storage	1	1	1	1
m) Proposal includes secured loading/unloading area for deliveries	1	1	1	1
<b>Section 4: Sub-Total of Points Possible</b>	<b>20</b>	<b>15</b>	<b>13</b>	<b>15</b>



**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-24R ("Earth Source Healing") at 1035 W 14th**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 5: Prior Experience in Business Ownership and Management</b>				
a) Combined prior experience of proposed owners is more than 3 years of verified successful management of any non-cannabis legal retail facility	2	2	2	2
b) 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	2	2	2	2
c) 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	3	0	0	0
d) Above prior experience was obtained within the City or County of Merced	3	3	3	3
e) Above prior experience was obtained within 100 miles of the City of Merced	1	1	1	1
<b>Section 5: Sub-Total of Points Possible</b>	<b>11</b>	<b>8</b>	<b>8</b>	<b>8</b>
<b>Section 6: Qualifications of Principals/Business Plan</b>				
a) At least one owner is a military veteran with an honorable discharge	1	0	0	0
b) At least one owner is a full-time resident of the County of Merced	1	1	1	1
c) At least one owner is a full-time resident of the City of Merced	2	2	2	2
d) Does the business qualify as a Disadvantaged Business Enterprise (DBE) as defined by the U.S. Department of Transportation?	1	0	0	0
e) Does the business have documented proof of access to at least \$150,000 in capital (or enough capital to pay all startup costs plus at least 3 months of operating costs)?	3	0	0	0
f) Does the business have documented proof of access to at least \$300,000 in capital (or enough capital to pay all startup costs plus at least 6 months of operating costs)?	3	0	0	0
g) Business Plan contain a valid pro forma for at least 3 years of operation	2	2	2	2
h) Business has documented agreements with cannabis distributors to supply products to their business	2	0	0	0
<b>Section 6: Sub-Total of Points Possible</b>	<b>15</b>	<b>5</b>	<b>5</b>	<b>5</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-24R ("Earth Source Healing") at 1035 W 14th**

Selection Committee Scores				
Description of Criteria:	Points Possible	Reviewer #1	Reviewer #2	Reviewer #3
Section 7: Employee & Public Relations				
a) The business promotes local hiring or provides incentives for City/County of Merced residents to work with the business	2	2	2	2
b) The business provides employee health benefits for all employees	2	2	2	2
c) The business employs more than 5 people full-time, not counting the owners or security personnel	2	0	0	0
d) Proposal includes an ongoing public information program to inform City residents of cannabis issues and proper/safe/legal use of cannabis products	2	2	2	2
Section 7: Sub-Total of Points Possible	8	6	6	6
Section 8: Community Benefits				
a) Proposal includes benefits to the community, such as defined monetary contributions to local community organizations, or donating time to local community organizations, or any other proposed community benefit acceptable to the City. (0 to 5 points to be awarded at the discretion of the City Selection Committee.)	0 to 5	1	5	2
Section 8: Sub-Total of Points Possible	5	1	5	2
Section 9: Discretion of the City Selection Committee				
a) 0 to 20 additional points may be awarded to a proposal for outstanding features, measures, or programs (above and beyond the minimum requirements) proposed in the Commercial Cannabis Business Permit Application at the discretion of the City Selection Committee.	0 to 20	5	10	8
Section 9: Sub-Total of Points Possible	20	5	10	8
TOTAL POINTS POSSIBLE	100	56	63	60
TOTAL OF SELECTION COMMITTEE SCORES		179	RANKING  19	
AVERAGE OF SELECTION COMMITTEE SCORES (Total ÷ 3)		59.667		

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-25R ("Valley Pure") at 1180 Olivewood**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 1: Prioritize Medicinal Cannabis Access</b>				
a) Proposal for combined medicinal/adult use dispensary	4	4	4	4
b) Proposal for medicinal only dispensary	3	0	0	0
c) Proposal for non-medicinal/adult use dispensary only	0	0	0	0
d) Proposal includes Delivery Services	2	2	2	2
<b>Section 1: Sub-Total of Points Possible</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Section 2: Geographical Preference/Neighborhood Relations</b>				
a) Proposed locations is within 1,200 feet of local public transportation	1	1	1	1
b) Proposal includes a process and schedule for at least two public outreach meetings per year that meet City approval	2	2	2	2
c) Business plan includes a schedule for communication and receiving feedback from all entities within 300 feet of the business at least two times a year	2	0	0	0
d) Proposal includes the appointment of an employee as a designated liaison with the neighborhood	1	1	1	1
e) Designated liaison employee is a City resident	1	1	1	1
<b>Section 2: Sub-Total of Points Possible</b>	<b>7</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>Section 3: Facility Plan</b>				
a) Business is formally associated with a non-retail cannabis or non-cannabis-related business in the City of Merced	2	0	0	0
b) Proposal includes daily inspection to ensure maintenance of the interior and exterior of the facility (i.e. free of trash, graffiti, etc.)	2	2	2	2
c) Location exceeds City parking requirements by 10% or more	1	1	1	1
d) Business is open more than five days a week at least 6 hours per day	1	1	1	1
e) Location exceeds minimum disabled parking requirements by 100% or more	1	1	1	1
f) Location is within an existing building or facility with an ability to be open for business within 6 months of approval of the CCBP by the City	1	1	1	1
<b>Section 3: Sub-Total of Points Possible</b>	<b>8</b>	<b>6</b>	<b>6</b>	<b>6</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-25R ("Valley Pure") at 1180 Olivewood**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 4: Standards and Procedures for the Safe Operation of Facilities:</b>				
a) Proposal includes documented employee safety training program	1	1	1	1
b) Proposal includes documented employee cannabis educational training program	1	1	1	1
c) Business Plan includes enhanced security measures, including at least three of the following: panic buttons, dye packets, bulletproof window film (with break strength of 400 lbs. per inch or better), a UL-approved safe with a fire rating that is 2-hour 1700 degrees F or better with a complex locking device; motion sensing lighting; or other enhanced security measures acceptable to the City. (0 to 4 points to be awarded at the discretion of the City Selection Committee.)	0 to 4	3	4	4
d) Proposal includes climate controlled environment	1	1	1	1
e) Proposal includes plan for disposal of all solid waste based on best practices of State	1	1	1	1
f) Proposal includes a comprehensive documented process for 24-hour minimum response time to cannabis product recall notifications	2	2	2	2
g) Proposal includes more than one on-site security guard during business hours	2	0	0	0
h) Proposal includes plans and procedures for how all cannabis products on the premises or held by the applicant have met the testing requirements as defined by the State	1	1	1	1
i) Proposal includes a separate lobby area where identification is checked to ensure that only qualified individuals gain access to separate, locked areas where cannabis products are displayed	2	2	2	2
j) Proposal includes electronic storage of required records of sales, delivery manifests, patient information (if medicinal and required by State), inventory, etc., which can be provided to City personnel upon request	2	2	2	2
k) Proposal includes participation in web-based public safety application or equivalent that provides law enforcement with confirmation of local and state licenses	1	0	0	0
l) Proposal includes any proposed "green" business practices relating to energy and climate, water conservation, and materials/waste storage	1	1	1	1
m) Proposal includes secured loading/unloading area for deliveries	1	0	0	0
<b>Section 4: Sub-Total of Points Possible</b>	<b>20</b>	<b>15</b>	<b>16</b>	<b>16</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-25R ("Valley Pure") at 1180 Olivewood**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 5: Prior Experience in Business Ownership and Management</b>				
a) Combined prior experience of proposed owners is more than 3 years of verified successful management of any non-cannabis legal retail facility	2	2	2	2
b) 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	2	2	2	2
c) 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	3	3	3	3
d) Above prior experience was obtained within the City or County of Merced	3	0	0	0
e) Above prior experience was obtained within 100 miles of the City of Merced	1	0	0	0
<b>Section 5: Sub-Total of Points Possible</b>	<b>11</b>	<b>7</b>	<b>7</b>	<b>7</b>
<b>Section 6: Qualifications of Principals/Business Plan</b>				
a) At least one owner is a military veteran with an honorable discharge	1	0	0	0
b) At least one owner is a full-time resident of the County of Merced	1	0	0	0
c) At least one owner is a full-time resident of the City of Merced	2	0	0	0
d) Does the business qualify as a Disadvantaged Business Enterprise (DBE) as defined by the U.S. Department of Transportation?	1	0	0	0
e) Does the business have documented proof of access to at least \$150,000 in capital (or enough capital to pay all startup costs plus at least 3 months of operating costs)?	3	3	3	3
f) Does the business have documented proof of access to at least \$300,000 in capital (or enough capital to pay all startup costs plus at least 6 months of operating costs)?	3	3	3	3
g) Business Plan contain a valid pro forma for at least 3 years of operation	2	2	2	2
h) Business has documented agreements with cannabis distributors to supply products to their business	2	2	2	2
<b>Section 6: Sub-Total of Points Possible</b>	<b>15</b>	<b>10</b>	<b>10</b>	<b>10</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-25R ("Valley Pure") at 1180 Olivewood**

Selection Committee Scores				
Description of Criteria:	Points Possible	Reviewer #1	Reviewer #2	Reviewer #3
Section 7: Employee & Public Relations				
a) The business promotes local hiring or provides incentives for City/County of Merced residents to work with the business	2	2	2	2
b) The business provides employee health benefits for all employees	2	0	0	0
c) The business employs more than 5 people full-time, not counting the owners or security personnel	2	2	2	2
d) Proposal includes an ongoing public information program to inform City residents of cannabis issues and proper/safe/legal use of cannabis products	2	2	2	2
Section 7: Sub-Total of Points Possible	8	6	6	6
Section 8: Community Benefits				
a) Proposal includes benefits to the community, such as defined monetary contributions to local community organizations, or donating time to local community organizations, or any other proposed community benefit acceptable to the City. (0 to 5 points to be awarded at the discretion of the City Selection Committee.)	0 to 5	1	3	1
Section 8: Sub-Total of Points Possible	5	1	3	1
Section 9: Discretion of the City Selection Committee				
a) 0 to 20 additional points may be awarded to a proposal for outstanding features, measures, or programs (above and beyond the minimum requirements) proposed in the Commercial Cannabis Business Permit Application at the discretion of the City Selection Committee.	0 to 20	0	14	16
Section 9: Sub-Total of Points Possible	20	0	14	16
TOTAL POINTS POSSIBLE	100	56	73	73
TOTAL OF SELECTION COMMITTEE SCORES		202	RANKING  15	
AVERAGE OF SELECTION COMMITTEE SCORES (Total ÷ 3)		67.333		

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-26R ("Tamcu Investments") at 227 W Main**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 1: Prioritize Medicinal Cannabis Access</b>				
a) Proposal for combined medicinal/adult use dispensary	4	4	4	4
b) Proposal for medicinal only dispensary	3	0	0	0
c) Proposal for non-medicinal/adult use dispensary only	0	0	0	0
d) Proposal includes Delivery Services	2	2	2	2
<b>Section 1: Sub-Total of Points Possible</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Section 2: Geographical Preference/Neighborhood Relations</b>				
a) Proposed locations is within 1,200 feet of local public transportation	1	1	1	1
b) Proposal includes a process and schedule for at least two public outreach meetings per year that meet City approval	2	2	2	2
c) Business plan includes a schedule for communication and receiving feedback from all entities within 300 feet of the business at least two times a year	2	2	2	2
d) Proposal includes the appointment of an employee as a designated liaison with the neighborhood	1	1	1	1
e) Designated liaison employee is a City resident	1	1	1	1
<b>Section 2: Sub-Total of Points Possible</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
<b>Section 3: Facility Plan</b>				
a) Business is formally associated with a non-retail cannabis or non-cannabis-related business in the City of Merced	2	2	2	2
b) Proposal includes daily inspection to ensure maintenance of the interior and exterior of the facility (i.e. free of trash, graffiti, etc.)	2	2	2	2
c) Location exceeds City parking requirements by 10% or more	1	1	1	1
d) Business is open more than five days a week at least 6 hours per day	1	1	1	1
e) Location exceeds minimum disabled parking requirements by 100% or more	1	1	1	1
f) Location is within an existing building or facility with an ability to be open for business within 6 months of approval of the CCBP by the City	1	1	1	1
<b>Section 3: Sub-Total of Points Possible</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-26R ("Tamcu Investments") at 227 W Main**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 4: Standards and Procedures for the Safe Operation of Facilities:</b>				
a) Proposal includes documented employee safety training program	1	1	1	1
b) Proposal includes documented employee cannabis educational training program	1	1	1	1
c) Business Plan includes enhanced security measures, including at least three of the following: panic buttons, dye packets, bulletproof window film (with break strength of 400 lbs. per inch or better), a UL-approved safe with a fire rating that is 2-hour 1700 degrees F or better with a complex locking device; motion sensing lighting; or other enhanced security measures acceptable to the City. (0 to 4 points to be awarded at the discretion of the City Selection Committee.)	0 to 4	1	4	2
d) Proposal includes climate controlled environment	1	1	1	1
e) Proposal includes plan for disposal of all solid waste based on best practices of State	1	1	1	1
f) Proposal includes a comprehensive documented process for 24-hour minimum response time to cannabis product recall notifications	2	2	2	2
g) Proposal includes more than one on-site security guard during business hours	2	0	0	0
h) Proposal includes plans and procedures for how all cannabis products on the premises or held by the applicant have met the testing requirements as defined by the State	1	1	1	1
i) Proposal includes a separate lobby area where identification is checked to ensure that only qualified individuals gain access to separate, locked areas where cannabis products are displayed	2	2	2	2
j) Proposal includes electronic storage of required records of sales, delivery manifests, patient information (if medicinal and required by State), inventory, etc., which can be provided to City personnel upon request	2	2	2	2
k) Proposal includes participation in web-based public safety application or equivalent that provides law enforcement with confirmation of local and state licenses	1	0	0	0
l) Proposal includes any proposed "green" business practices relating to energy and climate, water conservation, and materials/waste storage	1	1	1	1
m) Proposal includes secured loading/unloading area for deliveries	1	0	0	0
<b>Section 4: Sub-Total of Points Possible</b>	<b>20</b>	<b>13</b>	<b>16</b>	<b>14</b>



**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-26R ("Tamcu Investments") at 227 W Main**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 5: Prior Experience in Business Ownership and Management</b>				
a) Combined prior experience of proposed owners is more than 3 years of verified successful management of any non-cannabis legal retail facility	2	2	2	2
b) 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	2	0	0	0
c) 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	3	0	0	0
d) Above prior experience was obtained within the City or County of Merced	3	3	3	3
e) Above prior experience was obtained within 100 miles of the City of Merced	1	1	1	1
<b>Section 5: Sub-Total of Points Possible</b>	<b>11</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Section 6: Qualifications of Principals/Business Plan</b>				
a) At least one owner is a military veteran with an honorable discharge	1	0	0	0
b) At least one owner is a full-time resident of the County of Merced	1	1	1	1
c) At least one owner is a full-time resident of the City of Merced	2	2	2	2
d) Does the business qualify as a Disadvantaged Business Enterprise (DBE) as defined by the U.S. Department of Transportation?	1	1	1	1
e) Does the business have documented proof of access to at least \$150,000 in capital (or enough capital to pay all startup costs plus at least 3 months of operating costs)?	3	3	3	3
f) Does the business have documented proof of access to at least \$300,000 in capital (or enough capital to pay all startup costs plus at least 6 months of operating costs)?	3	0	0	0
g) Business Plan contain a valid pro forma for at least 3 years of operation	2	2	2	2
h) Business has documented agreements with cannabis distributors to supply products to their business	2	0	0	0
<b>Section 6: Sub-Total of Points Possible</b>	<b>15</b>	<b>9</b>	<b>9</b>	<b>9</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-26R ("Tamcu Investments") at 227 W Main**

Selection Committee Scores				
Description of Criteria:	Points Possible	Reviewer #1	Reviewer #2	Reviewer #3
Section 7: Employee & Public Relations				
a) The business promotes local hiring or provides incentives for City/County of Merced residents to work with the business	2	2	2	2
b) The business provides employee health benefits for all employees	2	2	2	2
c) The business employs more than 5 people full-time, not counting the owners or security personnel	2	2	2	2
d) Proposal includes an ongoing public information program to inform City residents of cannabis issues and proper/safe/legal use of cannabis products	2	2	2	2
Section 7: Sub-Total of Points Possible	8	8	8	8
Section 8: Community Benefits				
a) Proposal includes benefits to the community, such as defined monetary contributions to local community organizations, or donating time to local community organizations, or any other proposed community benefit acceptable to the City. (0 to 5 points to be awarded at the discretion of the City Selection Committee.)	0 to 5	2	0	1
Section 8: Sub-Total of Points Possible	5	2	0	1
Section 9: Discretion of the City Selection Committee				
a) 0 to 20 additional points may be awarded to a proposal for outstanding features, measures, or programs (above and beyond the minimum requirements) proposed in the Commercial Cannabis Business Permit Application at the discretion of the City Selection Committee.	0 to 20	5	10	8
Section 9: Sub-Total of Points Possible	20	5	10	8
TOTAL POINTS POSSIBLE	100	64	70	67
TOTAL OF SELECTION COMMITTEE SCORES		201	RANKING	
AVERAGE OF SELECTION COMMITTEE SCORES (Total ÷ 3)		67.000	16	

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-29R ("Nourish Health Merced") at 221 W Main**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 1: Prioritize Medicinal Cannabis Access</b>				
a) Proposal for combined medicinal/adult use dispensary	4	4	4	4
b) Proposal for medicinal only dispensary	3	0	0	0
c) Proposal for non-medicinal/adult use dispensary only	0	0	0	0
d) Proposal includes Delivery Services	2	2	2	2
<b>Section 1: Sub-Total of Points Possible</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Section 2: Geographical Preference/Neighborhood Relations</b>				
a) Proposed locations is within 1,200 feet of local public transportation	1	1	1	1
b) Proposal includes a process and schedule for at least two public outreach meetings per year that meet City approval	2	2	2	2
c) Business plan includes a schedule for communication and receiving feedback from all entities within 300 feet of the business at least two times a year	2	2	2	2
d) Proposal includes the appointment of an employee as a designated liaison with the neighborhood	1	1	1	1
e) Designated liaison employee is a City resident	1	1	1	1
<b>Section 2: Sub-Total of Points Possible</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
<b>Section 3: Facility Plan</b>				
a) Business is formally associated with a non-retail cannabis or non-cannabis-related business in the City of Merced	2	2	2	2
b) Proposal includes daily inspection to ensure maintenance of the interior and exterior of the facility (i.e. free of trash, graffiti, etc.)	2	2	2	2
c) Location exceeds City parking requirements by 10% or more	1	1	1	1
d) Business is open more than five days a week at least 6 hours per day	1	1	1	1
e) Location exceeds minimum disabled parking requirements by 100% or more	1	1	1	1
f) Location is within an existing building or facility with an ability to be open for business within 6 months of approval of the CCBP by the City	1	1	1	1
<b>Section 3: Sub-Total of Points Possible</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-29R ("Nourish Health Merced") at 221 W Main**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 4: Standards and Procedures for the Safe Operation of Facilities:</b>				
a) Proposal includes documented employee safety training program	1	1	1	1
b) Proposal includes documented employee cannabis educational training program	1	1	1	1
c) Business Plan includes enhanced security measures, including at least three of the following: panic buttons, dye packets, bulletproof window film (with break strength of 400 lbs. per inch or better), a UL-approved safe with a fire rating that is 2-hour 1700 degrees F or better with a complex locking device; motion sensing lighting; or other enhanced security measures acceptable to the City. (0 to 4 points to be awarded at the discretion of the City Selection Committee.)	0 to 4	4	4	4
d) Proposal includes climate controlled environment	1	1	1	1
e) Proposal includes plan for disposal of all solid waste based on best practices of State	1	1	1	1
f) Proposal includes a comprehensive documented process for 24-hour minimum response time to cannabis product recall notifications	2	2	2	2
g) Proposal includes more than one on-site security guard during business hours	2	2	2	2
h) Proposal includes plans and procedures for how all cannabis products on the premises or held by the applicant have met the testing requirements as defined by the State	1	1	1	1
i) Proposal includes a separate lobby area where identification is checked to ensure that only qualified individuals gain access to separate, locked areas where cannabis products are displayed	2	2	2	2
j) Proposal includes electronic storage of required records of sales, delivery manifests, patient information (if medicinal and required by State), inventory, etc., which can be provided to City personnel upon request	2	2	2	2
k) Proposal includes participation in web-based public safety application or equivalent that provides law enforcement with confirmation of local and state licenses	1	0	0	0
l) Proposal includes any proposed "green" business practices relating to energy and climate, water conservation, and materials/waste storage	1	1	1	1
m) Proposal includes secured loading/unloading area for deliveries	1	1	1	1
<b>Section 4: Sub-Total of Points Possible</b>	<b>20</b>	<b>19</b>	<b>19</b>	<b>19</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-29R ("Nourish Health Merced") at 221 W Main**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 5: Prior Experience in Business Ownership and Management</b>				
a) Combined prior experience of proposed owners is more than 3 years of verified successful management of any non-cannabis legal retail facility	2	2	2	2
b) 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	2	0	0	0
c) 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	3	0	0	0
d) Above prior experience was obtained within the City or County of Merced	3	3	3	3
e) Above prior experience was obtained within 100 miles of the City of Merced	1	1	1	1
<b>Section 5: Sub-Total of Points Possible</b>	<b>11</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Section 6: Qualifications of Principals/Business Plan</b>				
a) At least one owner is a military veteran with an honorable discharge	1	1	1	1
b) At least one owner is a full-time resident of the County of Merced	1	1	1	1
c) At least one owner is a full-time resident of the City of Merced	2	2	2	2
d) Does the business qualify as a Disadvantaged Business Enterprise (DBE) as defined by the U.S. Department of Transportation?	1	1	1	1
e) Does the business have documented proof of access to at least \$150,000 in capital (or enough capital to pay all startup costs plus at least 3 months of operating costs)?	3	0	0	0
f) Does the business have documented proof of access to at least \$300,000 in capital (or enough capital to pay all startup costs plus at least 6 months of operating costs)?	3	0	0	0
g) Business Plan contain a valid pro forma for at least 3 years of operation	2	2	2	2
h) Business has documented agreements with cannabis distributors to supply products to their business	2	2	2	2
<b>Section 6: Sub-Total of Points Possible</b>	<b>15</b>	<b>9</b>	<b>9</b>	<b>9</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-29R ("Nourish Health Merced") at 221 W Main**

Selection Committee Scores				
Description of Criteria:	Points Possible	Reviewer #1	Reviewer #2	Reviewer #3
Section 7: Employee & Public Relations				
a) The business promotes local hiring or provides incentives for City/County of Merced residents to work with the business	2	2	2	2
b) The business provides employee health benefits for all employees	2	2	2	2
c) The business employs more than 5 people full-time, not counting the owners or security personnel	2	2	2	2
d) Proposal includes an ongoing public information program to inform City residents of cannabis issues and proper/safe/legal use of cannabis products	2	2	2	2
Section 7: Sub-Total of Points Possible	8	8	8	8
Section 8: Community Benefits				
a) Proposal includes benefits to the community, such as defined monetary contributions to local community organizations, or donating time to local community organizations, or any other proposed community benefit acceptable to the City. (0 to 5 points to be awarded at the discretion of the City Selection Committee.)	0 to 5	5	3	4
Section 8: Sub-Total of Points Possible	5	5	3	4
Section 9: Discretion of the City Selection Committee				
a) 0 to 20 additional points may be awarded to a proposal for outstanding features, measures, or programs (above and beyond the minimum requirements) proposed in the Commercial Cannabis Business Permit Application at the discretion of the City Selection Committee.	0 to 20	15	14	14
Section 9: Sub-Total of Points Possible	20	15	14	14
TOTAL POINTS POSSIBLE	100	83	80	81
TOTAL OF SELECTION COMMITTEE SCORES		244	RANKING  9	
AVERAGE OF SELECTION COMMITTEE SCORES (Total ÷ 3)		81.333		

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-30R ("Jiva Life") at 1020 W Main**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 1: Prioritize Medicinal Cannabis Access</b>				
a) Proposal for combined medicinal/adult use dispensary	4	4	4	4
b) Proposal for medicinal only dispensary	3	0	0	0
c) Proposal for non-medicinal/adult use dispensary only	0	0	0	0
d) Proposal includes Delivery Services	2	2	2	2
<b>Section 1: Sub-Total of Points Possible</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Section 2: Geographical Preference/Neighborhood Relations</b>				
a) Proposed locations is within 1,200 feet of local public transportation	1	1	1	1
b) Proposal includes a process and schedule for at least two public outreach meetings per year that meet City approval	2	2	2	2
c) Business plan includes a schedule for communication and receiving feedback from all entities within 300 feet of the business at least two times a year	2	2	2	2
d) Proposal includes the appointment of an employee as a designated liaison with the neighborhood	1	1	1	1
e) Designated liaison employee is a City resident	1	1	1	1
<b>Section 2: Sub-Total of Points Possible</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
<b>Section 3: Facility Plan</b>				
a) Business is formally associated with a non-retail cannabis or non-cannabis-related business in the City of Merced	2	2	2	2
b) Proposal includes daily inspection to ensure maintenance of the interior and exterior of the facility (i.e. free of trash, graffiti, etc.)	2	2	2	2
c) Location exceeds City parking requirements by 10% or more	1	1	1	1
d) Business is open more than five days a week at least 6 hours per day	1	1	1	1
e) Location exceeds minimum disabled parking requirements by 100% or more	1	1	1	1
f) Location is within an existing building or facility with an ability to be open for business within 6 months of approval of the CCBP by the City	1	1	1	1
<b>Section 3: Sub-Total of Points Possible</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-30R ("Jiva Life") at 1020 W Main**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 4: Standards and Procedures for the Safe Operation of Facilities:</b>				
a) Proposal includes documented employee safety training program	1	1	1	1
b) Proposal includes documented employee cannabis educational training program	1	1	1	1
c) Business Plan includes enhanced security measures, including at least three of the following: panic buttons, dye packets, bulletproof window film (with break strength of 400 lbs. per inch or better), a UL-approved safe with a fire rating that is 2-hour 1700 degrees F or better with a complex locking device; motion sensing lighting; or other enhanced security measures acceptable to the City. (0 to 4 points to be awarded at the discretion of the City Selection Committee.)	0 to 4	4	3	4
d) Proposal includes climate controlled environment	1	1	1	1
e) Proposal includes plan for disposal of all solid waste based on best practices of State	1	1	1	1
f) Proposal includes a comprehensive documented process for 24-hour minimum response time to cannabis product recall notifications	2	2	2	2
g) Proposal includes more than one on-site security guard during business hours	2	2	2	2
h) Proposal includes plans and procedures for how all cannabis products on the premises or held by the applicant have met the testing requirements as defined by the State	1	1	1	1
i) Proposal includes a separate lobby area where identification is checked to ensure that only qualified individuals gain access to separate, locked areas where cannabis products are displayed	2	2	2	2
j) Proposal includes electronic storage of required records of sales, delivery manifests, patient information (if medicinal and required by State), inventory, etc., which can be provided to City personnel upon request	2	2	2	2
k) Proposal includes participation in web-based public safety application or equivalent that provides law enforcement with confirmation of local and state licenses	1	0	0	0
l) Proposal includes any proposed "green" business practices relating to energy and climate, water conservation, and materials/waste storage	1	1	1	1
m) Proposal includes secured loading/unloading area for deliveries	1	0	0	0
<b>Section 4: Sub-Total of Points Possible</b>	<b>20</b>	<b>18</b>	<b>17</b>	<b>18</b>



**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-30R ("Jiva Life") at 1020 W Main**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 5: Prior Experience in Business Ownership and Management</b>				
a) Combined prior experience of proposed owners is more than 3 years of verified successful management of any non-cannabis legal retail facility	2	2	2	2
b) 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	2	2	2	2
c) 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	3	3	3	3
d) Above prior experience was obtained within the City or County of Merced	3	3	3	3
e) Above prior experience was obtained within 100 miles of the City of Merced	1	1	1	1
<b>Section 5: Sub-Total of Points Possible</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>
<b>Section 6: Qualifications of Principals/Business Plan</b>				
a) At least one owner is a military veteran with an honorable discharge	1	1	1	1
b) At least one owner is a full-time resident of the County of Merced	1	1	1	1
c) At least one owner is a full-time resident of the City of Merced	2	0	0	0
d) Does the business qualify as a Disadvantaged Business Enterprise (DBE) as defined by the U.S. Department of Transportation?	1	1	1	1
e) Does the business have documented proof of access to at least \$150,000 in capital (or enough capital to pay all startup costs plus at least 3 months of operating costs)?	3	3	3	3
f) Does the business have documented proof of access to at least \$300,000 in capital (or enough capital to pay all startup costs plus at least 6 months of operating costs)?	3	3	3	3
g) Business Plan contain a valid pro forma for at least 3 years of operation	2	2	2	2
h) Business has documented agreements with cannabis distributors to supply products to their business	2	0	0	0
<b>Section 6: Sub-Total of Points Possible</b>	<b>15</b>	<b>11</b>	<b>11</b>	<b>11</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-30R ("Jiva Life") at 1020 W Main**

Selection Committee Scores				
Description of Criteria:	Points Possible	Reviewer #1	Reviewer #2	Reviewer #3
Section 7: Employee & Public Relations				
a) The business promotes local hiring or provides incentives for City/County of Merced residents to work with the business	2	2	2	2
b) The business provides employee health benefits for all employees	2	2	2	2
c) The business employs more than 5 people full-time, not counting the owners or security personnel	2	2	2	2
d) Proposal includes an ongoing public information program to inform City residents of cannabis issues and proper/safe/legal use of cannabis products	2	2	2	2
Section 7: Sub-Total of Points Possible	8	8	8	8
Section 8: Community Benefits				
a) Proposal includes benefits to the community, such as defined monetary contributions to local community organizations, or donating time to local community organizations, or any other proposed community benefit acceptable to the City. (0 to 5 points to be awarded at the discretion of the City Selection Committee.)	0 to 5	5	2	4
Section 8: Sub-Total of Points Possible	5	5	2	4
Section 9: Discretion of the City Selection Committee				
a) 0 to 20 additional points may be awarded to a proposal for outstanding features, measures, or programs (above and beyond the minimum requirements) proposed in the Commercial Cannabis Business Permit Application at the discretion of the City Selection Committee.	0 to 20	10	12	16
Section 9: Sub-Total of Points Possible	20	10	12	16
TOTAL POINTS POSSIBLE	100	84	82	89
TOTAL OF SELECTION COMMITTEE SCORES		255	RANKING  6	
AVERAGE OF SELECTION COMMITTEE SCORES (Total ÷ 3)		85.000		

**CITY OF MERCED**  
**Planning & Permitting Division**

**STAFF REPORT: #18-23**

**AGENDA ITEM: 4.2**

**FROM:** Kim Espinosa,  
Planning Manager

**PLANNING COMMISSION**  
**MEETING DATE: Sept. 18 and**  
**Sept. 19, 2018**

**PREPARED BY:** Michael Hren, AICP  
Principal Planner

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**SUBJECT:** **Commercial Cannabis Business Permit #18-06R**, initiated by Blue Fire, Inc., on a property owned by REM Land Group, LLC. This application is a request to permit the operation of a Retail Dispensary, including delivery services, for medicinal and adult use cannabis and cannabis-related products at 1975 W. Olive Avenue, a parcel of 2.08 acres, within Planned Development (P-D) #12, with a General Plan Designation of Industrial (IND). \*PUBLIC HEARING\*

**ACTION:** Approve/Disapprove/Modify:

- 1) Environmental Review #18-19 (Categorical Exemption)
- 2) Commercial Cannabis Business Permit #18-06R

**SUMMARY**

This application is for a permit to utilize the property at 1975 W. Olive Avenue for cannabis-related business activities. The permit seeks to allow Blue Fire, Inc. to operate a Retail Dispensary for medicinal and adult use cannabis and cannabis-related products, including delivery services. The project proposes to use and modify an existing building, which has existing access to utilities. Staff is recommending approval with conditions.

**RECOMMENDATION**

Planning staff recommends that the Planning Commission approve Environmental Review #18-19 (Categorical Exemption) and Commercial Cannabis Business Permit #18-06R (including the adoption of the Resolution at Attachment L), subject to the following conditions:

- \*1) The proposed project shall be constructed/designed as shown on Exhibit 1 (site plan) and Exhibit 2 (elevations) – Attachments C and E, except as modified by the conditions.
- \*2) All conditions and requirements contained in Merced Municipal Code (MMC) Section 20.44.170/Ordinance #2480 (Attachment I) shall apply. Particular attention shall be paid to MMC 20.44.170(F) “Additional Regulations for Dispensary and Retail Sales of Cannabis” and MMC 20.44.170(G) “Additional Regulations for Commercial Cannabis Delivery Services.”

- \*3) The proposed project shall comply with all standard Municipal Code and Subdivision Map Act requirements as applied by the City Engineering Department.
- \*4) All other applicable codes, ordinances, policies, etc. adopted by the City of Merced shall apply.
- \*5) The developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, and any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof, from any and all claims, actions, suits, proceedings, or judgments against the City, or any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof to attack, set aside, void, or annul, an approval of the City, or any agency or instrumentality thereof, advisory agency, appeal board, or legislative body, including actions approved by the voters of the City, concerning the project and the approvals granted herein. Furthermore, developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, or any agency or instrumentality thereof, against any and all claims, actions, suits, proceedings, or judgments against any governmental entity in which developer/applicant's project is subject to that other governmental entity's approval and a condition of such approval is that the City indemnify and defend such governmental entity. City shall promptly notify the developer/applicant of any claim, action, or proceeding. City shall further cooperate fully in the defense of the action. Should the City fail to either promptly notify or cooperate fully, the developer/applicant shall not thereafter be responsible to indemnify, defend, protect, or hold harmless the City, any agency or instrumentality thereof, or any of its officers, officials, employees, or agents.
- \*6) The developer/applicant shall construct and operate the project in strict compliance with the approvals granted herein, City standards, laws, and ordinances, and in compliance with all State and Federal laws, regulations, and standards. In the event of a conflict between City laws and standards and a State or Federal law, regulation, or standard, the stricter or higher standard shall control. State Law shall prevail in regards to cannabis activities as permitted by State Law.
- \*7) The proposed project shall comply with all applicable regulations of the State of California including, but not limited to, those found in the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).
- \*8) The applicants shall meet the standards of the City of Merced's "Commercial Building Permit Application Submittal Requirements" (Attachment J) at the time of submittal for building permits for tenant improvement.
- \*9) The details of the property's fencing (if any), security, and screening are to meet the approval of the Director of Development Services and Chief of Police prior to the issuance of a Certificate of Occupancy.

- \*10) The applicants shall keep on the premises of the proposed project site a physical copy of the approved plans, to be annotated and updated accordingly with any notes, changes, or requirements determined to be necessary by representatives of the City of Merced or any contractors that the City of Merced may employ for the purpose of site inspections. These plans shall be made available to the City's representatives, employees, agents, inspectors, or contractors upon request.
- \*11) Fire sprinklers shall be modified or installed to accommodate the building configuration and process configuration prior to occupancy if required by the Chief Building Official.
- \*12) Regulatory Fees, as per Resolution #2017-67, are to be paid prior to the issuance of a Certificate of Occupancy and annually thereafter on or before the anniversary date. The Regulatory Fee may be amended from time to time based upon actual costs. The amount of the fees shall be adjusted annually (starting on January 1, 2019) to account for inflation by using the Consumer Price Index (CPI). In no event, shall the fees in any year be less than the preceding year.
- \*13) A Commercial Cannabis Business Permit is valid for one year or until December 31 of each year, unless sooner revoked. Applications for the renewal of a permit shall be filed with the Director of Development Services, in accordance with 20.44.170(L).4, "Commercial Cannabis Business Permit Renewal (All Types)", at least sixty (60) calendar days before the expiration of the current permit. If the permittee allows their permit to lapse, they shall be required to submit a new application, pay corresponding fees and be subject to all aspects of the selection process.
- \*14) As per Ordinance #2480, the use of vending machines to dispense cannabis is strictly prohibited. Any vending machines on the property must not contain cannabis or cannabis-based products.
- \*15) The applicants shall provide or cause to be provided a trash enclosure on the property such that all waste is securely stored until it is removed from the premises. Access to this enclosure shall be provided to the City's Department of Public Works.
- \*16) As required by Merced Municipal Code Section 17.04.050 and 17.04.060, full public improvements shall be installed/repared if the permit value of the project exceeds \$100,000. Public improvements may include, but not be limited to, repairing/replacing the sidewalk, curb, gutter, and street corner ramp(s), so that they comply with ADA standards and other relevant City of Merced/State standards and regulations.
- \*17) The parking lot shall be repaved and restriped in compliance with the City of Merced's City Standards.
- \*18) If the applicants are unable to provide a FEMA flood elevation certificate showing that the top of the bottom floor and all equipment are at the required height as to not mandate mitigation measures if applicable, flood mitigation measures shall be required to meet the approval of the City flood plain manager and City Engineer.
- \*19) The details of the final design of the exterior elevations and any signage shall be approved by Planning staff prior to issuance of a Certificate of Occupancy.

- 20) Future modifications to the scale, scope, activities, implementation, processes, materials, design, layout, or other factors pertaining to the operation of the project that are consistent with permits to perform activities related to operation of a retail dispensary of cannabis and cannabis-based products may be authorized with the approval of the City's Chief Building Official, Fire Chief, and Director of Development Services.

(\*) Denotes non-discretionary conditions.

### **PROJECT DESCRIPTION**

The applicants are proposing to operate a cannabis dispensary business for medicinal and adult-use cannabis and cannabis-related products at 1975 W. Olive Avenue. This application includes delivery services.

#### **Surrounding Uses**

<b>Surrounding Land</b>	<b>Existing Use of Land</b>	<b>City Zoning Designation</b>	<b>City General Plan Land Use Designation</b>
North	Vacant Lot	Planned Development (P-D) #12	Industrial (IND)
South	Merced County Food Bank and Walmart	Single-Family Residential (R-1-6) and Planned Development (P-D) #16	Industrial (IND) and Regional Community Commercial (CC)
East	Vacant Lot	Planned Development (P-D) #12	Industrial (IND)
West	Warehouses*	Planned Development (P-D) #12	Commercial Office (CO)

\*Site has approved Commercial Cannabis Business Permits for Distribution, Cultivation, and Manufacturing.

### **BACKGROUND**

This application has passed Phase I screening and the applicants have paid the fee for Phase II. Background checks on all owners have been performed to the satisfaction of the Chief of Police. This site was approved for Cannabis Distribution uses in August of 2018 (see Finding D below).

### **FINDINGS/CONSIDERATIONS:**

#### **General Plan/Zoning Compliance**

- A) The proposed project complies with the General Plan designation of Industrial (IND) and the zoning designation of Planned Development (P-D) #12 with approval of a Commercial Cannabis Business Permit.

#### **Land Use Issues**

- B) The subject site is more than 1,000 feet from any schools and more than 600 feet from any day care centers, youth centers, libraries, or public parks that are currently in existence, as is required by Section 11362.768 of the Health and Safety Code and Section 20.44.170(E).3.f of City of Merced Ordinance #2480 for retail cannabis businesses (Attachment I).

### **Merit-Based Scoring**

- C) The City selection committee, made up of the City Manager, Chief of Police, and Director of Development Services, ranked this application #1 of all retail sales Dispensary applications, with an average score of 98.333. The full scoring sheet for this application is at Attachment G.

### **Proposed Operations**

- D) The applicants propose the operation of a retail sales dispensary for both medicinal and adult-use cannabis and cannabis-related products including delivery services. 3,548 square feet of the building is proposed as the sales area, with another 322 square feet for the lobby. These are the only areas that would be accessible by members of the public. The remainder of the building is for “back-of-the-house” purposes, such as storage and delivery.

This project is proposed in a building with a previously approved Commercial Cannabis Business Permit for the purposes of Distribution, CCBP #18-27, along with associated Environmental Review #18-19 (Categorical Exemption). CCBP #18-06R for a retail sales Dispensary, if approved, would utilize a different building configuration from the approved version in CCBP #18-27. Due to the limited number of retail sales dispensary permits in the City of Merced and the applicants’ desire to operate a cannabis-based business on this site, the applicants acquired a license to operate a Distribution facility in this building in the event that their application for a retail sales Dispensary was unsuccessful. If successful, the applicants have stated their intention to utilize the facility solely for retail sales dispensary purposes. The applicants would have the option to allow their Distribution license to expire, or to renew it on a yearly basis in order to preserve the option to utilize this facility all or in part for Distribution at a later time, via a Modification to Operations approved by the Chief Building Official, Fire Chief, Police Chief, and Director of Development Services (see Section L of this Staff Report).

### **Traffic/Circulation**

- E) As the project is proposed in an existing building with existing access to the City’s roadway infrastructure, and due to the conformity with the zoning and land use for the site, no concerns related to traffic or circulation have been raised as a result of this project.

### **Parking**

- F) The site plan proposes 36 parking spaces adjacent to 1975 W. Olive Avenue, with 2 of those being ADA-compliant spaces. The 5,722-square-foot building, using the general retail requirements for portions accessible to the public and the warehousing requirements for the portions inaccessible to the public, would require 12 spaces. The City’s Zoning Code requires one space per 300 square feet for general retail, using a 15% reduction in usable space for hallways and other “non-public” spaces, and one space per 2,000 square feet for warehousing. Therefore, the proposal meets and exceeds the City’s parking requirements.

### **Neighborhood Impact/Interface**

- G) The proposed property is surrounded by industrial and commercial uses. Beyond the immediate surroundings of the property exist residences approximately 189 feet away from property line to property line to the east. The project proposes significant upgrades to the property, including robust security, a building that has been vacant for some time and has become blighted and a target for illegal activities. Staff believes the project will enhance the neighborhood, particularly as it relates to safety and security.

Planning staff circulated a public hearing notice in the Merced County Times and mailed the notice to property owners within 300 feet of the subject site ten days prior to this public hearing. As of the date that this report was prepared, staff had not received any comments from the community about this project.

### **Elevations/Signage**

- H) Exterior signage shall be limited to one wall sign not to exceed twenty (20) square feet in area. Interior signage or advertising may not be visible from the exterior. No temporary signs including but not limited to banners and A-frames, nor window signs are allowed.

Because this site is located in North Merced, the more restrictive regulations in the North Merced Sign Ordinance would also apply. The details of final elevations and signage shall be approved by Planning staff prior to issuance of a Certificate of Occupancy (Condition #19).

### **Safety/Security**

- I) The applicants' security plan includes the following provisions:
- 1) 3 Distinct HD Security Camera Systems
    - Remote and Real Time Live access provided to Chief of Police/ designee
    - 40-camera interior system: HD 4mp (2560 x 1440px)
    - 16-camera exterior system: HD 4mp (2560 x 1440px)
    - 5-camera interior/ exterior 2-way audio, 360 degree, PTZ, 8mp (3264 x 2488px), 24/7 human-monitoring by Knight Protection
    - All cameras record continuously (24/7)
    - All cameras have infrared night vision
    - 45-Day recording capacity+ NAS backup for additional 45 days HD video storage
    - Recorded video data stored in heavy-duty, locking storage rack
    - Coverage of at least 20 feet of each entrance and exit
    - Covers parking lots with license plate visibility (2 license plate cameras)



- 2) Security Guards
  - A minimum of two (2) licensed, uniformed, armed guards outside during business hours to manage exterior premises, control site access, prevent sampling or use of product in parking areas; three (3) additional security personnel are added as necessary during peak hours
  - Unarmed guards control/manage the flow of the lobby, limited access areas, and exits
  - Visual deterrent to unlawful activities
  - Enforce strict "no loitering" policy
  - All guards have 2-way radios
  - Provided by Stone Security
- 3) FireKing® Turtle Fire Proof Safes (45 for cannabis storage)
  - 2,000° F Explosion Hazard Rating
  - 435 lb weight
  - 30 foot UL impact rating
  - ETL Electronic Media - 30 min
  - Water resistant
  - UL 1 hour fire rating
  - Made in America
- 4) FireKing® DM Series Fire Proof Safe (1 for Cash storage) Specifications:
  - 1,420 lb weight
  - 30 foot UL impact rating
  - Water resistant
  - UL3 hour fire rating
  - Made in America
- 5) Commercial Alarm System
  - Professionally installed, maintained, and monitored by ADT
  - Motion Sensors to detect entry and exit from all secure areas, perimeter entry points and windows
  - Panic buttons on alarm panels, reception office, each POS register (if applicable), and at all premises entrances
  - Easy access to communication with fire station, police department, etc., in the event of an emergency
- 6) Custom Steel Mesh Window and Door Panels
  - Bolted on inside of all exterior windows and doors
  - Custom-developed to be aesthetically appealing
  - Stronger than steel bars
  - Serves as barrier to prevent propelled objects/explosives from penetrating facility

- 7) Security/ Graffiti Film
  - Installed on all exterior-facing glass
  - Mitigates breakage of glass
  - Prevents scratch/puncture damage to glass
- 8) Built-in Vault Room
  - Interior walls fitted with reinforced steel mesh
  - Passcode entry lock
  - Limited access area
  - For secure storage of cannabis products
- 9) Security Rooms
  - 1-way windows for security personnel to discreetly observe sales floor
  - Private rooms in retail area allows customers and patients to feel protected and discourages potential perpetrators
- 10) High-Intensity LED Perimeter Lighting
  - High-visibility 5000K, 70W 6000 Lumens
  - Cover entire perimeter of building and parking lot
  - "Dusk 'til Dawn" and Motion-Activated
- 11) Power Backup Systems
  - 1-Hour battery backup UPS on every alarm, network, computer, and camera system
  - 3x 7000W Gas Generators
  - Ensures locks remain uncompromised during a power outage and that safe/vault rooms remain secure
  - Backup keys to lock/unlock doors in unlikely event of complete power loss
- 12) Passcode Door Locks
  - Installed on all limited-access and restricted-access doors
  - Multi-digit pin entry
  - SmartCode 909 Satin Nickel Single Cylinder Electronic Deadbolt featuring SmartKey allows re-coding of the lock in seconds
- 13) Vendor Safety Protocol
  - Required signature from all vendors on vending procedures/ safety protocol
  - Safety Exit strategy (cash in separate carry from product, notify guard before exit)
- 14) Fire-rated drywall and steel-reinforced studs on interior walls
  - Fire-resistant gypsum core provides additional fire resistance over regular panels

### **Ownership**

- J) Blue Fire, Inc. consists of owners who have at least 5% interest in the proposed business. The owners are Devin Stetler (35%), Bert Sarkis (35%), Keri Maciel (10%), Brad Bridwell (10%), and Elizabeth Elms (10%), who have each performed a Live Scan check and have successfully passed a background check to the satisfaction of the Chief of Police.

The application notes the following relevant experience and qualifications:

Bert Sarkis, Devin Stetler, and Brad Bridwell are the owners of Pacafi Cooperative, Inc. dba Patient Care First (PCF) in Ceres and Flavors in Riverbank. They have combined experience of 3 years, 9 months operating the two dispensaries since opening in late December 2016.

Brad Bridwell is a Military Veteran with an honorable discharge.

Keri Maciel is full-time resident of the City of Merced and has over 20 years of experience with Merced's retail community through her jewelry store inside of Merced Mall which was established as Silver Mine, now Maciel Co.

### **Community Benefits**

- K) The Blue Fire, Inc. application indicates the following benefits to the community should their application be approved:
- Currently employs 5 Merced residents with expansion to at least 25 upon approval
  - Black market reduction through a unique low-price model causing direct competition for street dealers
  - Project Fishbowl urges patrons to donate to local youth charities; this program collected \$15,360 during the first 60 days of its implementation in Stanislaus County and has a goal to raise more money for local charities in 2018 than any other business in the City. Records of the company's donations confirm that contributions to such entities as the United Way, Police Athletic League and, "Focus on Prevention" in Stanislaus County were made in the sum of \$5,120 dividing \$15,360 between them equally.
  - Community Outreach software for direct and "always-on" communication and feedback with the community
  - Improvement of blighted property on Olive Avenue, including security and lighting investments that will provide visibility and protection for the neighborhood surrounding the business

### **Modification to Operations**

- L) The City of Merced recognizes that the details of operating a business, particularly one in a developing sector such as cannabis and cannabis-based products, requires continual updating of business practices, methodologies, and tools, the modification of which may require alterations to the configuration of the equipment, setup, or layout of the facility. In order to allow for these changes while maintaining the safety of all parties involved, modifications to the permit in the course of retail sales of cannabis and cannabis-related products may be requested by the applicants and approved with the consent of the City's Chief Building Official, Fire Chief, and Director of Development Services (Condition #20).

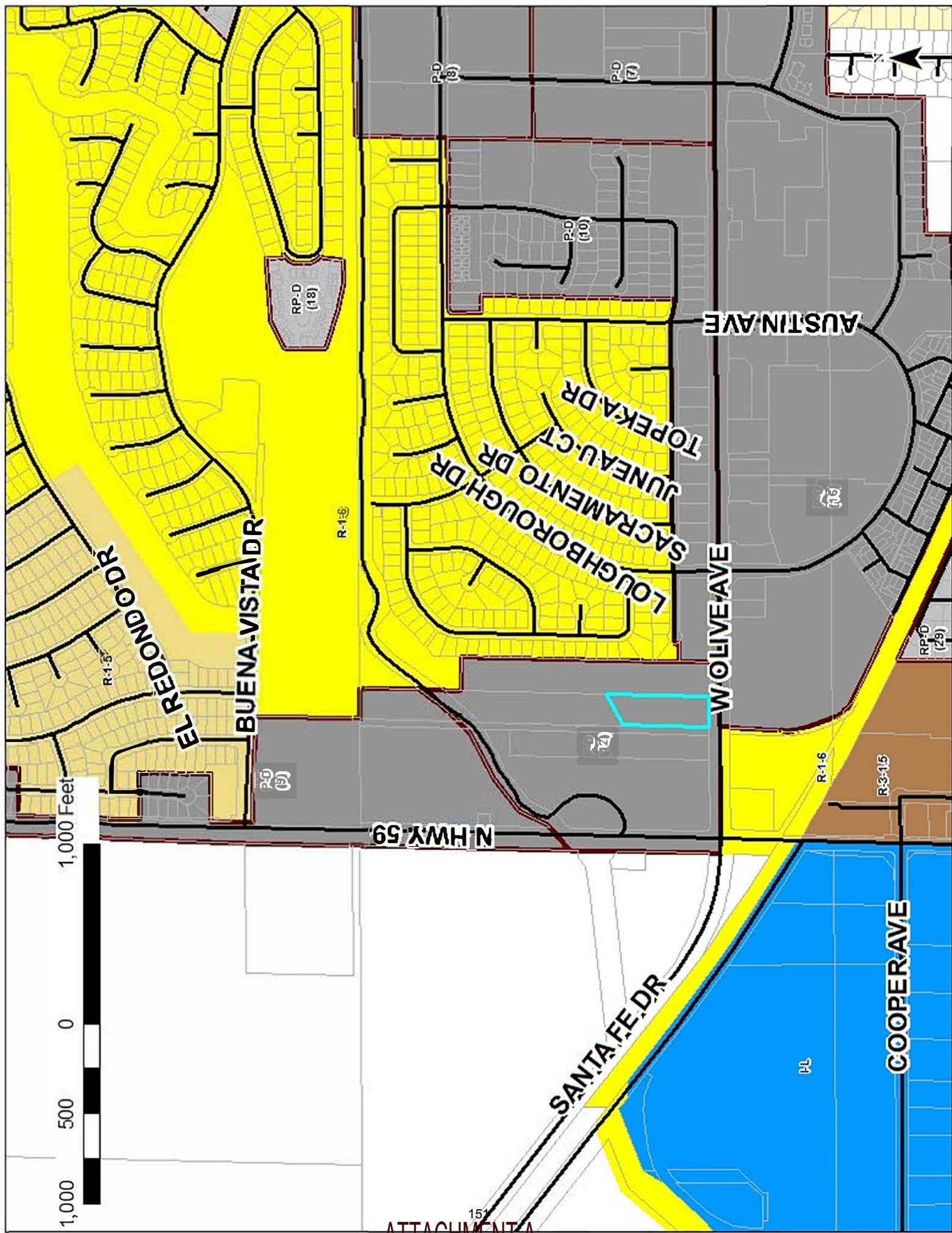
### **Environmental Clearance**

- M) The project proposes to utilize an existing building on a 2.08-acre parcel. Planning staff has conducted an environmental review (Environmental Review #18-19) of the project in accordance with the requirements of the California Environmental Quality Act (CEQA), and a Categorical Exemption (no further environmental review is required) is being recommended (see Attachment K).

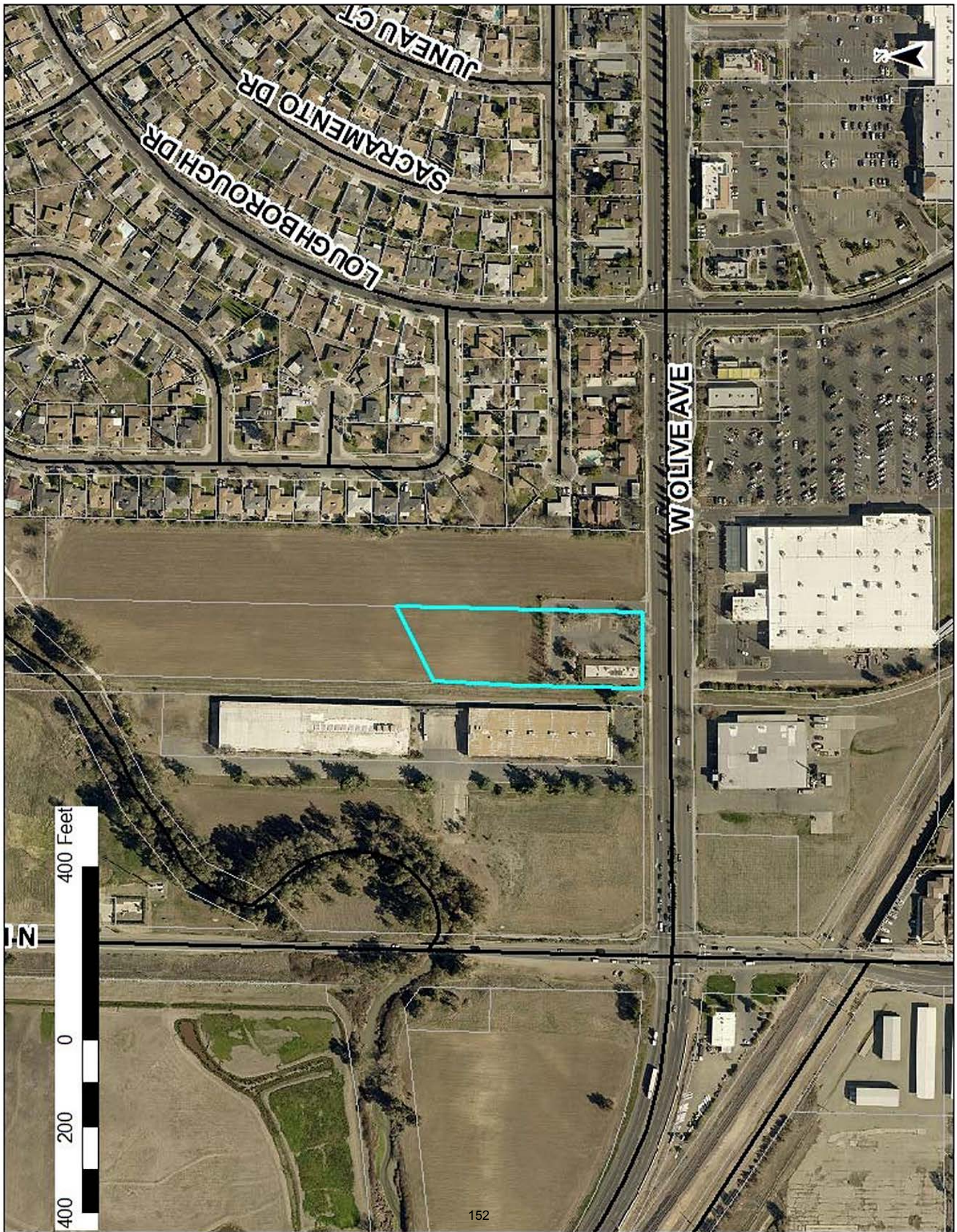
### **Attachments:**

- A) Location Map
- B) Aerial Map
- C) Site Plan
- D) Floor Plan
- E) Elevations
- F) Sensitive Use Map
- G) Merit-Based Scoring Sheet
- H) Photographs of Existing Site
- I) Ordinance #2480
- J) City of Merced Commercial Building Permit Application Submittal Requirements
- K) Environmental Review #18-19
- L) Draft Planning Commission Resolution

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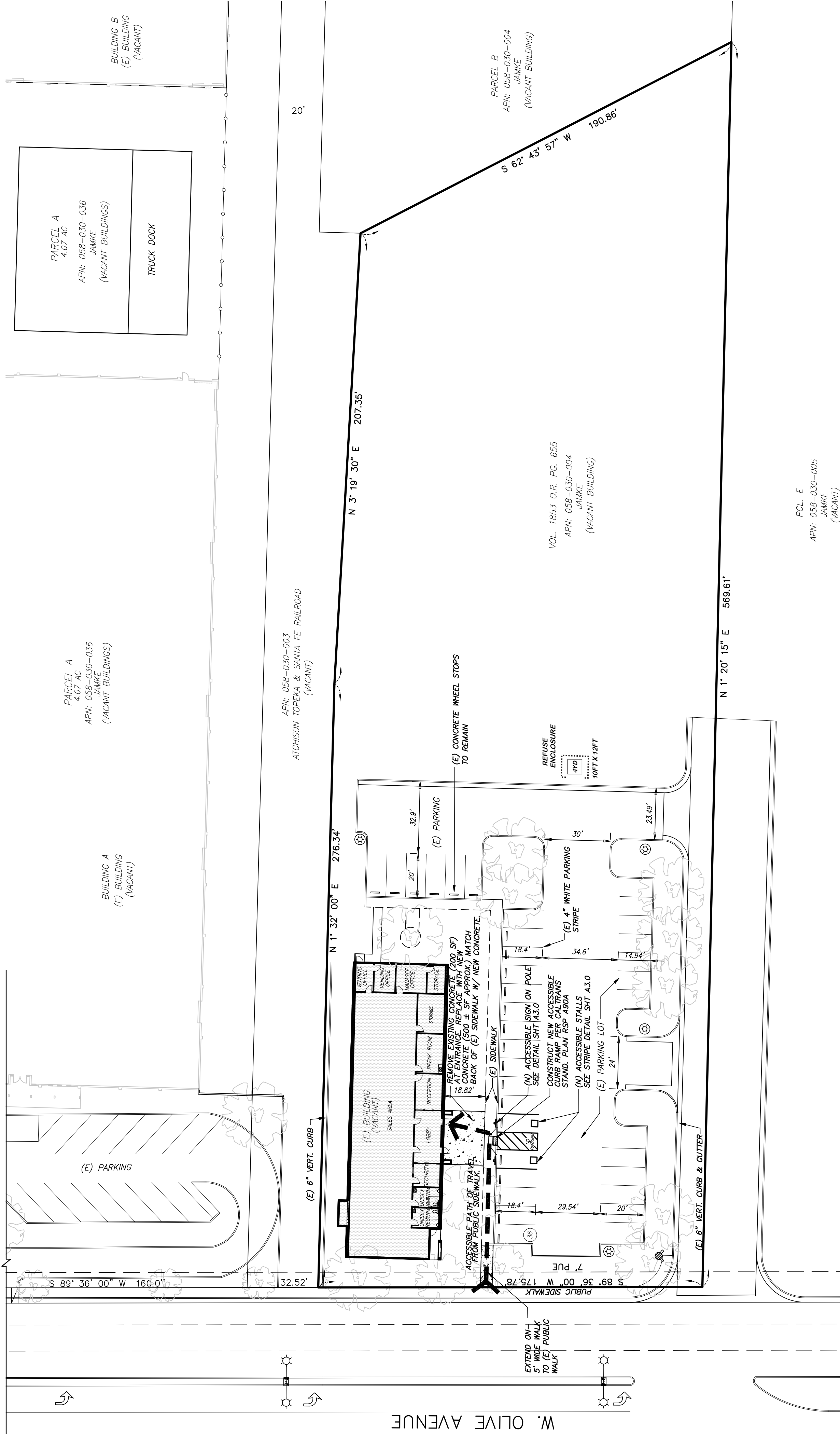






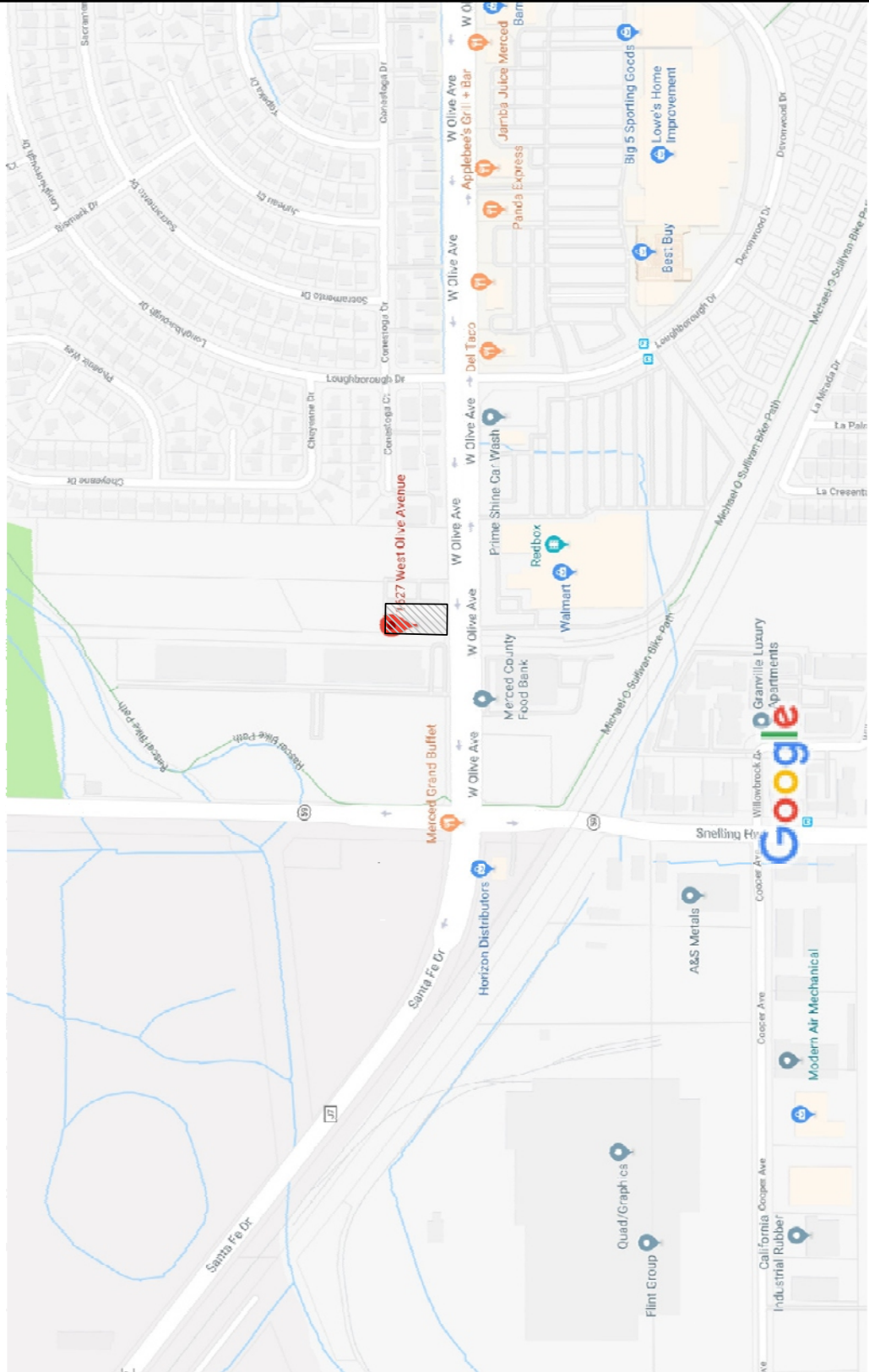
# 1627 WEST OLIVE DISPENSARY

**MERCED, CALIFORNIA**



**FIRE NOTES:**

NEW AND EXISTING BUILDINGS SHALL HAVE APPROVED ADDRESS NUMBERS, BUILDING NUMBERS OR OTHER APPROVED BUILDING IDENTIFICATION PLACED IN A POSITION THAT IS PLAINLY LEGIBLE AND VISIBLE FROM THE STREET OR ROAD FRONTING PROPERTY. THESE NUMBERS SHALL CONTRAST WITH BACKGROUND AND BE ILLUMINATED EITHER INTERNALLY OR EXTERNALLY BETWEEN DUSK AND DAWN DAILY. COMMERCIAL NUMBERS SHALL BE A MINIMUM OF 6 INCHES TALL ARABIC NUMERALS WITH A MINIMUM STROKE WIDTH OF 3/4".



Map data ©2018 Google 200 ft

## Vicinity Map

# SHEET INDEX

## ARCHITECTURAL PLAN:

A1.0 SITE PLAN / COVER SHEET  
 A2.0 EXISTING & PROPOSED FLOOR PLAN  
 A3.0 PROPOSED REFLECTED CEILING PLAN  
 A4.0 EXISTING & PROPOSED EXTERIOR ELEVATION PLAN  
 A5.0 PROPOSED INTERIOR ELEVATIONS AND DETAILS  
 A6.0 PROPOSED ELECTRICAL LAYOUT PLAN  
 A7.0 PROPOSED MECHANICAL & PLUMBING LAYOUT PLAN  
 A8.0 ADA REQUIREMENTS PLAN  
 A9.0 PROPOSED BUILDING EXIT LAYOUT PLAN

**STRUCTURAL PLAN:**

SS1.0. ROOF & FOUNDATION PLAN

**SITE INFORMATION:**

OWNER: GUARANTY HOLDINGS OF CALIFORNIA, INC.  
MAILING ADDRESS: 1443 MITCHELL ROAD MODESTO, CA 95351  
SITE ADDRESS: 1627 WEST OLIVE AVENUE MERCED, CA. 95354  
LOT SIZE: 91,010 SF (209 AC)  
APN: 058-030-004  
EXISTING GENERAL PLAN: MANUFACTURING INDUSTRIAL  
EXISTING ZONING PLAN: P-36 NEIGHBORHOOD COMMERCIAL DISTRICT  
EXISTING PARKING: 36 STANDARD INCLUDING 2 ACCESSIBLE (1 VAN

## **BUILDING INFORMATION:**

EXISTING USE:	VACANT
PROPOSED USE:	COMMERCIAL CANNABIS DISPENSARY/ STORAGE
EXISTING BUILDING AREA:	5,722 SF
TYPE OF CONSTRUCTION:	V-B
TENANT IMPROVEMENT:	5,722 SF
OCCUPANT LOAD:	52
OCCUPANT GROUP:	B
FIRE SPRINKLERS:	BY OTHERS

## SCOPE OF WORK:

TENANT IMPROVEMENTS (TI) FOR NEW DISPENSARY. CONSTRUCT NEW OFFICES FOR SALES, STORAGE, RECEPTION, AND VENDING AREAS.

## CODE ANALYSIS

THIS PROJECT SHALL COMPLY WITH THE FOLLOWING CODES:

CALIFORNIA 2016 FIRE CODE (CFC)  
 CALIFORNIA 2016 BUILDING CODE (CBC)  
 CALIFORNIA 2016 ELECTRICAL CODE (CEC)  
 CALIFORNIA 2016 MECHANICAL CODE (CMC)  
 CALIFORNIA 2016 PLUMBING CODE (CPC)  
 2016 CAL-GREEN CODE  
 2016 ENERGY STANDARDS  
 CITY OF MERCED MUNICIPAL CODE

## LEGEND

EXISTING FIRE HYDRANT  
EXISTING STREET LIGHT  
EXISTING CHAIN LINK FENCE W/ VINYL SLOTS  
EXISTING DRIVEWAY  
EXISTING CURB, GUTTER AND SIDEWALK  
EXISTING POWER POLE W/ OVERHEAD LINES  
EXISTING SEWER CLEAN OUT  
EXISTING TREE W/ 12" TRUNK DIAMETER  
EXISTING PARKING LIGHT ON POLE

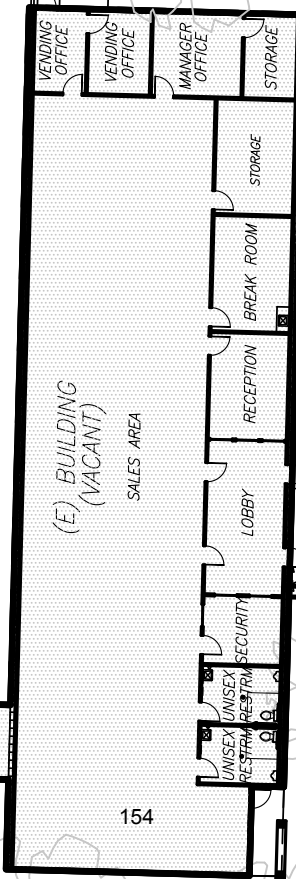
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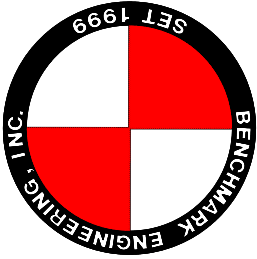
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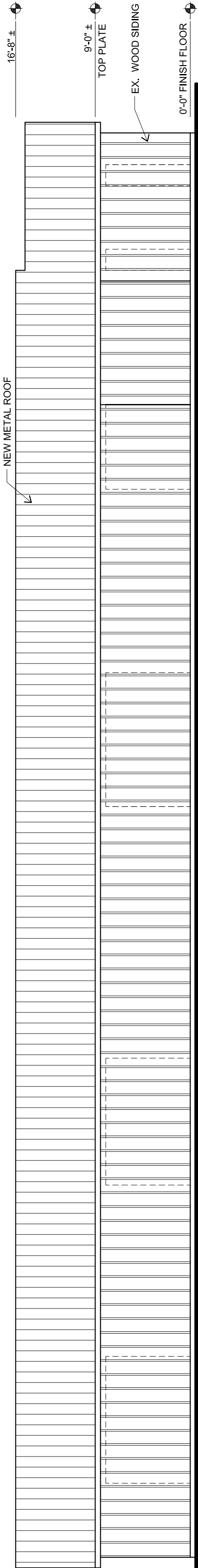




ELEVATIONS PLAN

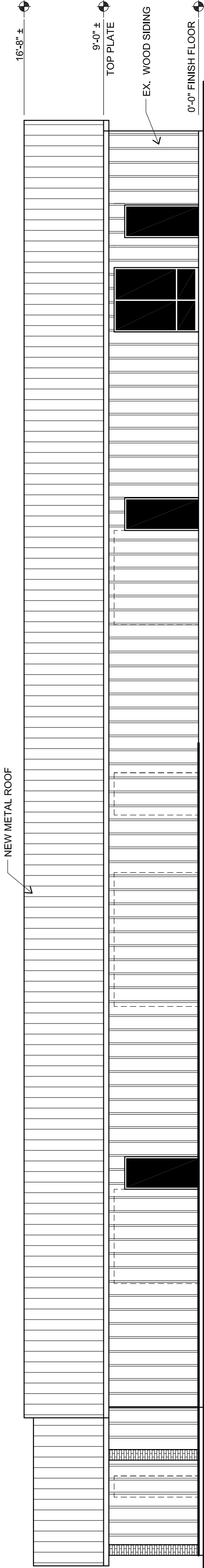
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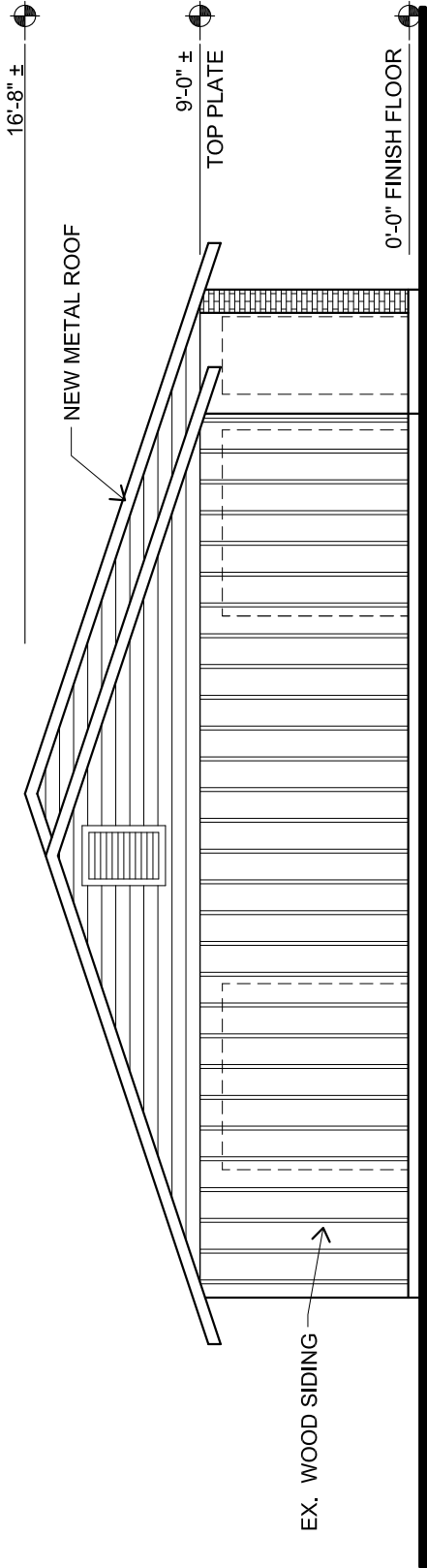
(E) WEST ELEVATION

SCALE: 1/8" = 1'-0"



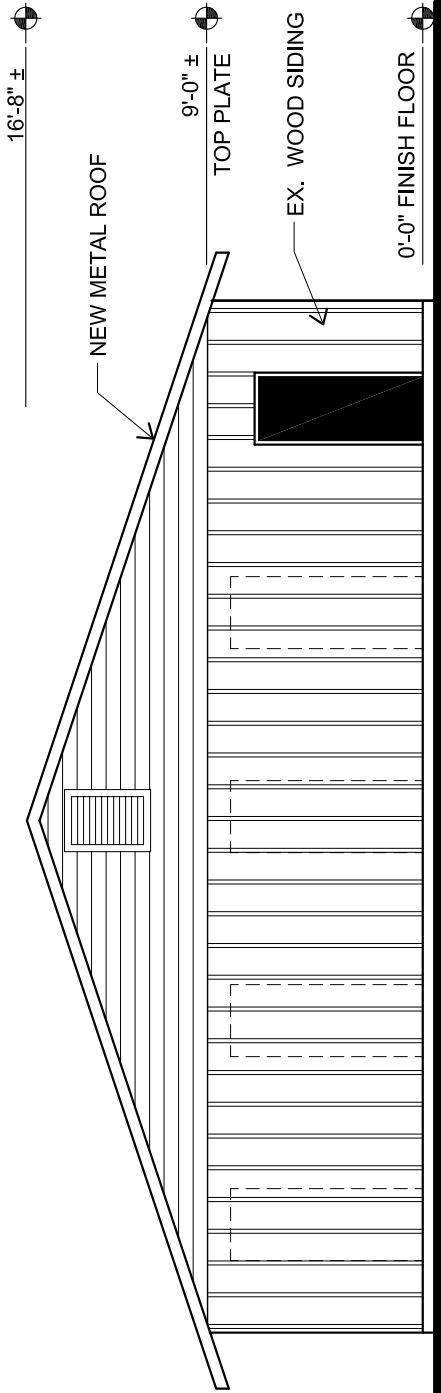
(E) EAST ELEVATION

SCALE: 1/8" = 1'-0"



(E) SOUTH ELEVATION

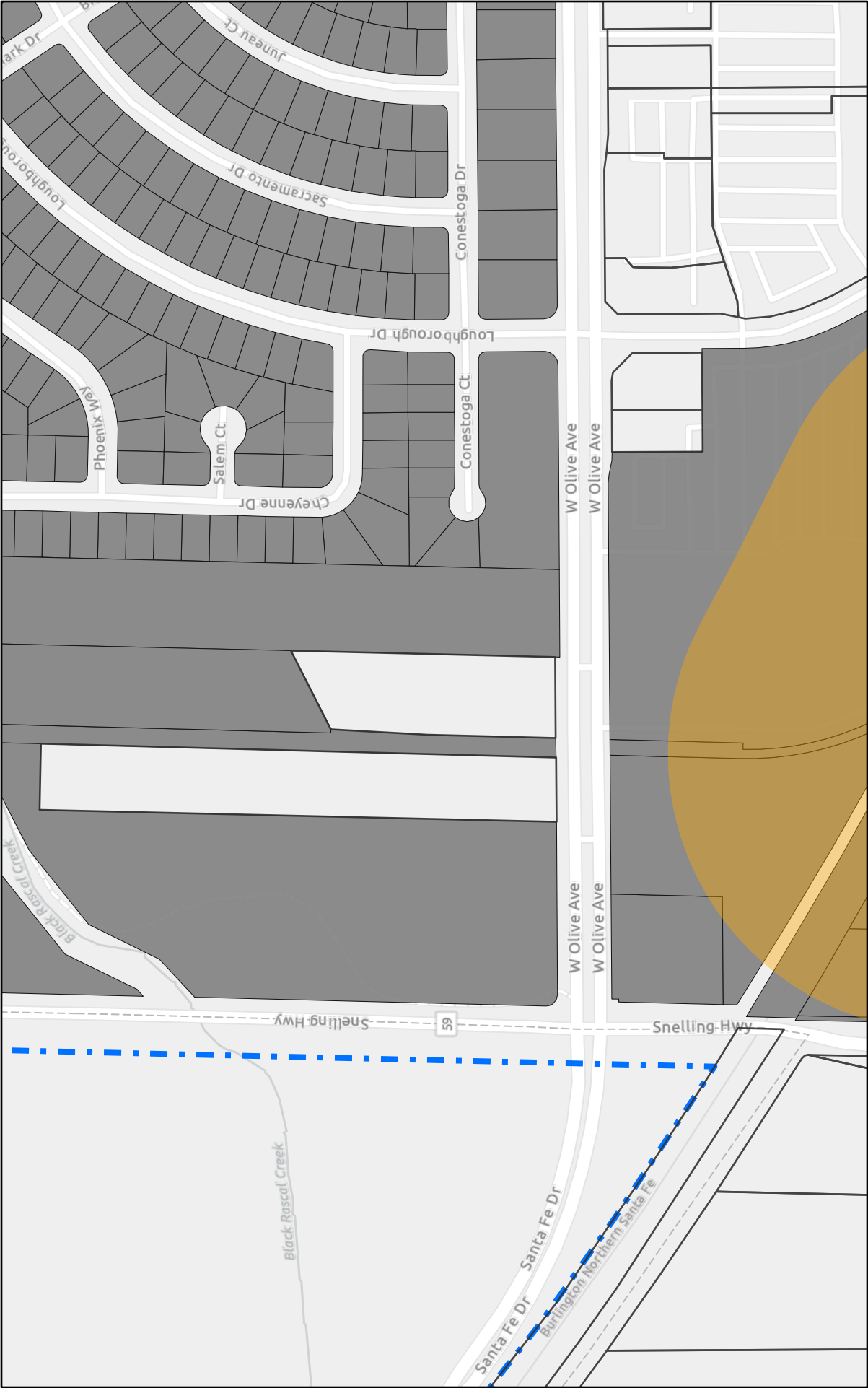
SCALE: 1/8" = 1'-0"



(E) NORTH ELEVATION

SCALE: 1/8" = 1'-0"

City Of Merced-Cannabis Ordinance Map



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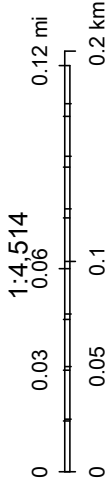
City Of Merced Addresses

600FT Buffers

Properties With Appropriate Zoning for Cannabis Activities

Properties With Inappropriate Zoning for Cannabis Activities

City of Merced Limits



**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-06R ("Blue Fire") at 1975 W Olive**

<u>Selection Committee Scores</u>				
<u>Description of Criteria:</u>	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 1: Prioritize Medicinal Cannabis Access</b>				
a) Proposal for combined medicinal/adult use dispensary	4	4	4	4
b) Proposal for medicinal only dispensary	3	0	0	0
c) Proposal for non-medicinal/adult use dispensary only	0	0	0	0
d) Proposal includes Delivery Services	2	2	2	2
<b>Section 1: Sub-Total of Points Possible</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Section 2: Geographical Preference/Neighborhood Relations</b>				
a) Proposed locations is within 1,200 feet of local public transportation	1	1	1	1
b) Proposal includes a process and schedule for at least two public outreach meetings per year that meet City approval	2	2	2	2
c) Business plan includes a schedule for communication and receiving feedback from all entities within 300 feet of the business at least two times a year	2	2	2	2
d) Proposal includes the appointment of an employee as a designated liaison with the neighborhood	1	1	1	1
e) Designated liaison employee is a City resident	1	1	1	1
<b>Section 2: Sub-Total of Points Possible</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
<b>Section 3: Facility Plan</b>				
a) Business is formally associated with a non-retail cannabis or non-cannabis-related business in the City of Merced	2	2	2	2
b) Proposal includes daily inspection to ensure maintenance of the interior and exterior of the facility (i.e. free of trash, graffiti, etc.)	2	2	2	2
c) Location exceeds City parking requirements by 10% or more	1	1	1	1
d) Business is open more than five days a week at least 6 hours per day	1	1	1	1
e) Location exceeds minimum disabled parking requirements by 100% or more	1	1	1	1
f) Location is within an existing building or facility with an ability to be open for business within 6 months of approval of the CCBP by the City	1	1	1	1
<b>Section 3: Sub-Total of Points Possible</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-06R ("Blue Fire") at 1975 W Olive**

		<u>Selection Committee Scores</u>		
<u>Description of Criteria:</u>	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 4: Standards and Procedures for the Safe Operation of Facilities:</b>				
a) Proposal includes documented employee safety training program	1	1	1	1
b) Proposal includes documented employee cannabis educational training program	1	1	1	1
c) Business Plan includes enhanced security measures, including at least three of the following: panic buttons, dye packets, bulletproof window film (with break strength of 400 lbs. per inch or better), a UL-approved safe with a fire rating that is 2-hour 1700 degrees F or better with a complex locking device; motion sensing lighting; or other enhanced security measures acceptable to the City. (0 to 4 points to be awarded at the discretion of the City Selection Committee.)	0 to 4	4	4	4
d) Proposal includes climate controlled environment	1	1	1	1
e) Proposal includes plan for disposal of all solid waste based on best practices of State	1	1	1	1
f) Proposal includes a comprehensive documented process for 24-hour minimum response time to cannabis product recall notifications	2	2	2	2
g) Proposal includes more than one on-site security guard during business hours	2	2	2	2
h) Proposal includes plans and procedures for how all cannabis products on the premises or held by the applicant have met the testing requirements as defined by the State	1	1	1	1
i) Proposal includes a separate lobby area where identification is checked to ensure that only qualified individuals gain access to separate, locked areas where cannabis products are displayed	2	2	2	2
j) Proposal includes electronic storage of required records of sales, delivery manifests, patient information (if medicinal and required by State), inventory, etc., which can be provided to City personnel upon request	2	2	2	2
k) Proposal includes participation in web-based public safety application or equivalent that provides law enforcement with confirmation of local and state licenses	1	1	1	1
l) Proposal includes any proposed "green" business practices relating to energy and climate, water conservation, and materials/waste storage	1	1	1	1
m) Proposal includes secured loading/unloading area for deliveries	1	1	1	1
<b>Section 4: Sub-Total of Points Possible</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-06R ("Blue Fire") at 1975 W Olive**

<u>Selection Committee Scores</u>				
<u>Description of Criteria:</u>	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 5: Prior Experience in Business Ownership and Management</b>				
a) Combined prior experience of proposed owners is more than 3 years of verified successful management of any non-cannabis legal retail facility	2	2	2	2
b) 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	2	2	2	2
c) 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	3	3	3	3
d) Above prior experience was obtained within the City or County of Merced	3	3	3	3
e) Above prior experience was obtained within 100 miles of the City of Merced	1	1	1	1
<b>Section 5: Sub-Total of Points Possible</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>
<b>Section 6: Qualifications of Principals/Business Plan</b>				
a) At least one owner is a military veteran with an honorable discharge	1	1	1	1
b) At least one owner is a full-time resident of the County of Merced	1	1	1	1
c) At least one owner is a full-time resident of the City of Merced	2	2	2	2
d) Does the business qualify as a Disadvantaged Business Enterprise (DBE) as defined by the U.S. Department of Transportation?	1	0	0	0
e) Does the business have documented proof of access to at least \$150,000 in capital (or enough capital to pay all startup costs plus at least 3 months of operating costs)?	3	3	3	3
f) Does the business have documented proof of access to at least \$300,000 in capital (or enough capital to pay all startup costs plus at least 6 months of operating costs)?	3	3	3	3
g) Business Plan contain a valid pro forma for at least 3 years of operation	2	2	2	2
h) Business has documented agreements with cannabis distributors to supply products to their business	2	2	2	2
<b>Section 6: Sub-Total of Points Possible</b>	<b>15</b>	<b>14</b>	<b>14</b>	<b>14</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-06R ("Blue Fire") at 1975 W Olive**

<u>Selection Committee Scores</u>				
<u>Description of Criteria:</u>	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 7: Employee &amp; Public Relations</b>				
a) The business promotes local hiring or provides incentives for City/County of Merced residents to work with the business	2	2	2	2
b) The business provides employee health benefits for all employees	2	2	2	2
c) The business employs more than 5 people full-time, not counting the owners or security personnel	2	2	2	2
d) Proposal includes an ongoing public information program to inform City residents of cannabis issues and proper/safe/legal use of cannabis products	2	2	2	2
<b>Section 7: Sub-Total of Points Possible</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
<b>Section 8: Community Benefits</b>				
a) Proposal includes benefits to the community, such as defined monetary contributions to local community organizations, or donating time to local community organizations, or any other proposed community benefit acceptable to the City. (0 to 5 points to be awarded at the discretion of the City Selection Committee.)	0 to 5	5	5	3
<b>Section 8: Sub-Total of Points Possible</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>3</b>
<b>Section 9: Discretion of the City Selection Committee</b>				
a) 0 to 20 additional points may be awarded to a proposal for outstanding features, measures, or programs (above and beyond the minimum requirements) proposed in the Commercial Cannabis Business Permit Application at the discretion of the City Selection Committee.	0 to 20	20	20	20
<b>Section 9: Sub-Total of Points Possible</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>
<b>TOTAL POINTS POSSIBLE</b>	<b>100</b>	<b>99</b>	<b>99</b>	<b>97</b>
<b>TOTAL OF SELECTION COMMITTEE SCORES</b>	<b>295</b>	<b>RANKING</b> <b>1</b>		
<b>AVERAGE OF SELECTION COMMITTEE SCORES (Total ÷ 3)</b>	<b>98.333</b>			











































**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MERCED,  
CALIFORNIA, REPLACING 20.44.170 (“MEDICAL MARIJUANA AND  
CULTIVATION”); AMENDING SECTION 20.10.020 AND TABLE 20.10-1  
 (“COMMERCIAL ZONING DISTRICTS”), AND AMENDING SECTION 20.12.020  
 AND TABLE 20.12-1 (“INDUSTRIAL ZONING DISTRICTS”) OF THE MERCED  
 MUNICIPAL CODE; AND ADDING LAND USE TABLE 20.44-1 TO REGULATE ALL  
 COMMERCIAL CANNABIS ACTIVITIES AND CULTIVATION FOR PERSONAL USE  
 IN THE CITY OF MERCED**

**THE CITY COUNCIL OF THE CITY OF MERCED DOES ORDAIN AS FOLLOWS:**

**SECTION 1: Findings.**      The City Council finds and declares as follows:

- A. In 1996, the California electorate approved Proposition 215, the Compassionate Use Act which allows a patient, with a doctor’s recommendation, to use cannabis for medical purposes without the fear of prosecution or arrest; and
- B. In 2003, the California legislature passed Senate Bill 420 (Medical Marijuana Program Act) which amended the Health and Safety Code to permit the establishment of medical cannabis dispensaries for the distribution of cannabis for medical purposes; and
- C. In 2005, the California Board of Equalization began issuing seller’s permits for sales consisting of medical cannabis; and
- D. In 2008, the California Attorney General issued guidelines for the security and non-diversion of cannabis grown for medical use; and
- E. In 2015, the Governor signed into law Senate Bill 643, Assembly Bill 266, and Assembly Bill 243, collectively referred to as the Medical Marijuana Regulation and Safety Act (“MMRSA”) further amended in 2016 as the Medical Cannabis Regulation and Safety Act (“MCRSA”), which established regulations and a state licensing system for medical cannabis cultivation, manufacturing, delivery, and dispensing; and
- F. In 2016, the voters of the State of California approved and passed Proposition 64 also known as the Adult Use of Marijuana Act (“AUMA”); and
- G. In 2017, the Governor signed into law Senate Bill 94 also known as Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA); and
- H. Health & Safety Code Section 11362.83 provides that cities are free to adopt and enforce local ordinances that regulate the location, operation, or establishment of medical cannabis; and
- I. After studying various alternatives for the regulation of commercial cannabis considering input from stakeholders and a public hearing, and reviewing the legal status of cannabis under applicable law, the City Council finds that the regulation of commercial cannabis activities is necessary to protect the public health, safety, and welfare by mitigating the adverse secondary effects from the operations of these uses; and

- J. The City of Merced has a compelling interest in ensuring that cannabis is not distributed in an illicit manner, in protecting the public health, safety and welfare of its residents and businesses, in preserving the peace and quiet of the neighborhoods in which these uses may operate, and in providing access of cannabis to residents; and
- K. The proposed Ordinance has been reviewed by City staff in accordance with the Environmental Checklist Form (Appendix G of the CEQA Guidelines) to determine if there would be any possibility that the proposed ordinance would create any significant environmental impacts, and City staff has determined that the establishment of regulations for commercial cannabis businesses do not meet any of the thresholds contained in the Checklist that would trigger a significant environmental impact, and thus according to the “general rule exemption” (Section 15061(b)(3) of the CEQA Guidelines, projects which have no potential for causing a significant effect on the environment are not subject to CEQA, no further environmental analysis is required.

## **SECTION 2: Authority**

This Ordinance is adopted pursuant to the authority granted by the California Constitution and State law, including by not limited to, Article IX, Section 7 of the California Constitution, the Compassionate Use Act of 1996 (California Health and Safety Code Section 11362.5), the Medical Marijuana Program (California Health and Safety Code Section 11362.7 et seq.), the Medical Marijuana Regulation and Safety Act (AB 266, AB 243, and SB 643; hereafter “MMRSA”), the Adult Use of Marijuana Act (Proposition 64), and the Medical and Adult Use Cannabis Regulation and Safety Act (SB 94; hereafter “MAUCRSA”).

## **SECTION 3: Purpose and Intent**

The purpose and intent of this section is to regulate commercial cannabis business activities in order to ensure the health, safety and welfare of the residents of the City of Merced by establishing regulations necessary for a commercial cannabis business to obtain and maintain a Commercial Cannabis Business Permit (CCBP). Any commercial cannabis businesses operating in the City of Merced shall at all times be in compliance with current State Law and this ordinance. All commercial cannabis facilities shall operate in accordance with the regulations in this ordinance and with the conditions of approval associated with the applicable zone for the parcel of real property upon which the commercial cannabis activities are conducted. Any commercial cannabis business shall qualify for and receive a Commercial Cannabis Business Permit from the City of Merced as provided by this ordinance and operate only in a zone in compliance with Title 20 of the Merced Municipal Code before commencing with any commercial cannabis activity. Any commercial cannabis business without a Commercial Cannabis Business Permit is in violation of this ordinance. The regulations in this article, in compliance with the Compassionate Use Act, the Medical Marijuana Program Act, SB 94, Proposition 64, and the California Health and Safety Code (collectively referred to as “State Law”) do not interfere with the right to use cannabis or medical cannabis as authorized under State Law, nor do they criminalize the possession or commercial activities of cannabis or medical cannabis as authorized under State Law. This ordinance also provides regulations for the cultivation of cannabis for personal use within the City of Merced to ensure the health, safety, and welfare of the residents of the City of Merced.

#### **SECTION 4. Amendments of Chapters 20.10 and 20.12.**

Table 20.10-1 "Permitted Land Uses in the Commercial Zoning Districts" in Section 20.10.020 of the Merced Municipal Code and Table 20.12-1 "Permitted Land Uses in the Industrial Zoning Districts" in Section 20.12.020 of the Merced Municipal Code under "Medical Marijuana Dispensaries" shall be amended to read as follows: "Refer to Table 20.44-1 in Section 20.44.170 for Permitted Land Uses for All Commercial Cannabis Business Activities."

#### **SECTION 5. Amendment of Chapter 20.44.170**

The City of Merced hereby repeals Section 20.44.170 ("Medical Marijuana and Cultivation") of the Merced Municipal Code in its entirety, and replaces it with the amended Section 20.44.170 as set forth below.

#### **20.44.170 – REGULATION OF COMMERCIAL CANNABIS ACTIVITIES – COMMERCIAL CANNABIS BUSINESS PERMIT REQUIRED**

##### **20.44.170(A): Zoning Compliance and Commercial Cannabis Business Permit Requirements**

Specific commercial cannabis businesses are allowed as a special use in the C-C, C-O, C-G, C-N, I-L and I-H Zoning Districts and Planned Developments which have the equivalent General Plan land use designations of those zones. Commercial cannabis activities are expressly prohibited in all other zones in the City of Merced. Commercial cannabis businesses shall apply for and conduct business only in the appropriate zones as described in Table 20.44-1 and the City of Merced's zoning ordinance as a requisite for obtaining a Commercial Cannabis Business Permit (CCBP). No commercial cannabis business may operate in the City of Merced without a Commercial Cannabis Business Permit.

This Land Use Table 20.44-1 shall be used to determine whether a cannabis business is not permitted – "X", or permitted – "P". Any Commercial Cannabis business in the City of Merced shall also operate in compliance with the City's zoning ordinance. If a Zoning District is not listed in the Land Use Table in this section then the use is expressly not permitted.

Commercial Cannabis Business Activities Use Type	City of Merced Municipal Code Table 20.44-1							Additional Specific Use Standards
	Land Use Classification [4] [5]	C-C Zone	C-O Zone	C-G Zone	C-N Zone	I-L Zone	I-H Zone	
Cultivator	Greenhouse, Type A	X	X	X	X	P	P	Sec. 20.44.170(I)
Cultivator	Greenhouse, Type B	X	X	X	X	P	P	Sec. 20.44.170(I)
Cultivator	Greenhouse, Type C	X	X	X	X	P	P	Sec. 20.44.170(I)
Nursery	Greenhouse, Type D	X	X	X	X	P	P	Sec. 20.44.170(I)
Manufacturing	Manufacturing, non-volatile	X	X	X	X	P	P	Sec. 20.44.170(H)
Manufacturing	Manufacturing, volatile	X	X	X	X	P	P	Sec. 20.44.170(H)
Dispensary [1][2]	Pharmaceutical, medical	P	P	P	P	P	X	Sec. 20.44.170(F)
Dispensary [1][2]	Retail, non-medical/combined	P	P	P	P	P	X	Sec. 20.44.170(F)
Testing Laboratory	No Retail	P	P	P	X	P	P	Sec. 20.44.170(J)
Distribution [3]	Freight/Transport	X	X	P	X	P	P	Sec. 20.44.170(K)

### Footnotes

1. Only four (4) dispensaries shall operate within the Merced City Limits. At least one (1) of those dispensaries shall also dispense medicinal cannabis goods. If State law allows medical and adult use dispensaries on the same premises, the City of Merced would allow a combined use, but in no case shall more than four (4) dispensaries of any kind be allowed within the City of Merced at any one time.
2. Dispensaries (medical or adult use) are prohibited in the City Center area between 19<sup>th</sup> and 16<sup>th</sup> Streets and O Street and Martin Luther King Jr. Way, including properties fronting on either side of each of the above streets.
3. Only allowed in General Commercial (C-G) zones if meet the provisions of Section 20.44.170 (K)(10).
4. If listed as "Permitted" in a specific zone above, then that use is also "Permitted" in Planned Development (P-D) zones that have the equivalent General Plan land use designation as that zone.
5. No cannabis dispensary may be located within a 1,000-foot radius from a school or within a 600-foot radius from a day care center, youth center, library or public park that is in existence at the time the Commercial Cannabis Business Permit is issued, as required by Section 11362.768 of the Health and Safety Code and as required in Merced Municipal Code Section 20.44.170 (E)(3)(f). No cultivation facility, manufacturing facility, testing facility or any other commercial cannabis business facility may be located within a 600-foot radius from a school, day care center, youth center, library, or public park that is in existence at the time the Commercial Cannabis Business Permit is issued, as required by Section 11362.768 of the Health and Safety Code and as required in Merced Municipal Code Section 20.44.170 (E)(3)(f). No Commercial Cannabis Businesses may be located within a 600 foot-radius from a school, day care center, recreational center, youth center, library or public park as required in Merced Municipal Code Section 20.44.170 (E)(3)(f).

### Land Use Classifications:

Greenhouse, Commercial A - Permitted cultivation area: 0 to 5,000 square feet  
 Greenhouse, Commercial B – Permitted cultivation area: 5,001 to 10,000 square feet  
 Greenhouse, Commercial C – Permitted cultivation area: 10,000 to 22,000 square feet  
 Greenhouse, Commercial D – Permitted cultivation area: 22,000 square feet

#### **20.44.170(B): Cultivation of Cannabis for Personal Use in Residential Zones**

1. When authorized by State regulations, an authorized resident shall be allowed to cultivate cannabis only in a private residence in a residential zone, only indoors, and only for personal use, subject to the following regulations:
  - a. The cannabis cultivation area shall be located indoors within a residential structure and shall not exceed fifty square feet and not exceed ten feet in height, nor shall it come within twelve (12) inches of the ceiling or any cultivation lighting, nor shall it exceed the limits set forth in Section 20.44.170(B)(1)(i) below. Cultivation in a greenhouse or other legal accessory structure on the property of the residence, but not physically part of the home, is permitted as long as it is fully enclosed, secure, not visible from a public right-of-way, and meeting all requirements in this Chapter. Additionally, all structures must meet setback, height limitations, and be constructed in accordance with all local requirements as well as all applicable Building Codes.
  - b. If the resident is not the property owner, they must have the property owner's express written authorization to conduct cannabis cultivation. Nothing contained herein shall limit the property owner's right to deny or revoke permission to allow cannabis cultivation as set forth by State law.
  - c. The use of gas products such as, but not limited to CO<sub>2</sub>, butane, methane, or any other flammable or non-flammable gas for marijuana or cannabis cultivation or processing is prohibited.
  - d. There shall be no exterior visibility or evidence of cannabis cultivation outside the private residence from the public right-of-way, including but not limited to any marijuana or cannabis plants, equipment used in the growing and Cultivation operation, and any light emanating from cultivation lighting.
  - e. The authorized resident shall reside full-time on the property where the cannabis cultivation occurs.
  - f. The residence shall include fully functional and usable kitchen, bathroom, and bedroom areas for their intended use by the resident authorized grower, and the premises shall not be used primarily or exclusively for cannabis cultivation.
  - g. The cannabis cultivation area shall be in compliance with the current adopted edition of the California Building Code including § 1203.4 Natural Ventilation or § 402.3 Mechanical Ventilation (or equivalent), as amended from time to time.
  - h. The Building Official may require additional specific standards to meet the California Building Code and Fire Code, including but not limited to, installation of fire suppression sprinklers.
  - i. The cannabis cultivation area shall not result in a nuisance or adversely affect the health, welfare, or safety of the resident or nearby residents by creating dust, glare, heat, noise,



noxious gasses, odors, smoke, traffic, vibration, or other impacts, or be hazardous due to use or storage of materials, processes, products or wastes.

- j. No more than six (6) cannabis plants, mature or immature, for personal use, are permitted per residence for indoor personal cultivation under this Chapter, unless permitted under State regulations.
  - k. Cannabis in excess of twenty-eight and one-half (28.5) grams produced by plants kept for indoor personal cultivation under this Chapter must be kept in a locked space on the grounds of the private residence not visible from the public right-of-way.
  - l. The authorized grower shall not provide any cannabis in any form to animals or any minors that are not authorized users under Medical Marijuana Regulation and Safety Act or the Adult Use of Marijuana Act. Anyone found in violation shall be prosecuted pursuant to State regulations.
2. Outdoor cultivation of cannabis is expressly prohibited in all zones and districts of the City of Merced.

#### **20.44.170(C): Definitions**

The definitions are incorporated herein as fully set forth and are applicable to this ordinance. All definitions are intended to comply with those set forth by the State of California for all commercial cannabis activities.

1. **“Applicant”** means a person who is required to file an application for a permit under this chapter, including an individual owner, managing partner, officer of a corporation, or any other operator, manager, employee, or agent of a dispensary.
2. **“Cannabis”** means all parts of the Cannabis sativa Linnaeus, Cannabis Indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from marijuana. "Cannabis" also means marijuana as defined by Section 11018 of the California Health and Safety Code as enacted by Chapter 14017 of the Statutes of 1972. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this chapter, "cannabis" does not mean industrial hemp as that term is defined by Section 81000 of the California Food and Agricultural Code or Section 11018.5 of the California Health and Safety Code.
3. **“Cannabis waste”** means waste that is not hazardous waste, as defined in Public Resources Code section 40191, that contains cannabis and that has been made unusable and unrecognizable in the manner prescribed by the State.
4. **“Canopy”** means all of the following:



- a. The designated area(s) at a licensed premises that will contain mature plants at any point in time;
  - b. Canopy shall be calculated in square feet and measured using clearly identifiable boundaries of all area(s) that will contain mature plants at any point in time, including all of the space(s) within the boundaries;
  - c. Canopy may be noncontiguous but each unique area included in the total canopy calculation shall be separated by an identifiable boundary such as an interior wall or by at least 10 feet of open space; and
  - d. If mature plants are being cultivated using a shelving system, the surface area of each level shall be included in the total canopy calculation.
5. **"City"** means the City of Merced.
6. **"Commercial cannabis business permit (CCBP)"** means a permit issued by the City pursuant to this chapter to a commercial cannabis business.
7. **"Commercial cannabis activity"** includes the cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, distribution, delivery, or sale of cannabis or a cannabis product, except as set forth in Section 19319 of the Business and Professions Code, related to qualifying patients and primary caregivers.
8. **"Commercial vehicle"** means a vehicle as defined in Vehicle Code section 260.
9. **"Concentrated cannabis product"** means a consolidation of cannabinoids made by dissolving cannabis in its plant form into a solvent.
10. **"Cultivation"** means any activity involving the propagation, planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.
11. **"Customer"** means a natural person 21 years of age or over or a natural person 18 years of age or older who possesses a physician's recommendation.
12. **"Day Care Center"** means any child day care facility other than a family day care home, and includes infant centers, preschools, extended day care facilities, and school age child care centers as defined in Health and Safety Code Sections 1596.76, 1596.7915, 1576.750, and 1596.78.
13. **"Delivery"** means the commercial transfer of marijuana or marijuana products to a customer. "Delivery" also includes the use by a retailer of any technology platform owned and controlled by the retailer, or independently licensed under this division, that enables customers to arrange for or facilitate the commercial transfer by a licensed retailer of marijuana or marijuana products.
14. **"Delivery employee"** means an individual employed by a licensed dispensary who delivers cannabis goods from the permitted dispensary premises to a medical cannabis patient or primary caregiver or qualified purchaser at a physical address.

15. **“Dispensary”** means a premises where cannabis, cannabis products, or devices for the use of cannabis or cannabis products are offered, either individually or in any combination for retail sale, including an establishment that delivers cannabis or cannabis products as part of a retail sale.
16. **“Display”** means cannabis goods that are stored in the licensed dispensary’s retail area during the hours of operation.
17. **“Display case”** means container in the licensed dispensary retail area where cannabis goods are stored and visible to customers.
18. **“Distribution”** means the procurement, sale, and transport of cannabis or cannabis products between entities licensed pursuant to the Medical and Adult Use of Cannabis Regulation and Safety Act and any subsequent State of California legislation regarding the same.
19. **“Edible cannabis product”** means manufactured cannabis that is intended to be used, in whole or in part, for human consumption. An edible cannabis product is not considered food as defined by Section 109935 of the California Health and Safety Code or a drug as defined by Section 109925 of the California Health and Safety Code.
20. **“Fully Enclosed and Secure Structure”** means a fully-enclosed space within a building that complies with the California Building Code (“CBSC”), as adopted in the City of Merced, or if exempt from the permit requirements of the CBSC, that has a complete roof, a foundation, slab or equivalent base to which the floor is secured by bolts or similar attachments, is secure against unauthorized entry, is accessible only through one or more lockable doors, and is not visible from a public right-of-way. Walls and roofs must be constructed of solid materials that cannot be easily broken through such as two inch by four inch nominal or thicker studs overlaid with three-eighths inch or thicker plywood or the equivalent. Plastic sheeting, regardless of gauge, or similar products do not satisfy this requirement. If indoor lighting or air filtration systems are used, they must comply with the California building, electrical, and fire codes as adopted in the City of Merced.
21. **“Free sample”** means any amount of cannabis goods provided to any person without cost or payment or exchange of any other thing of value.
22. **“Indoors”** means within a fully enclosed and secure structure as that structure is defined above in 20.44.170(C), Subsection 19.
23. **“License”** means a state license issued under this division, and includes both an A-license and an M-license, as well as a testing laboratory license.
24. **“Limited-access area”** means an area in which cannabis goods are stored or held and which is only accessible to a licensee and the licensee’s employees and contractors.
25. **“Medical”** or **“Medicinal”** have the same meaning under the terms of this ordinance.
26. **“Medical cannabis goods”** means cannabis, including dried flower, and manufactured cannabis products.

27. **“Medical cannabis patient”** is a person whose physician has recommended the use of cannabis to treat a serious illness, including cancer, anorexia, AIDS, chronic pain, spasticity, glaucoma, arthritis, migraine, or any other illness for which cannabis provides relief.
28. **“Manufacturer”** means a licensee that conducts the production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container.
29. **“Manufacturing” or “manufacturing operation”** means all aspects of the extraction and/or infusion processes, including processing, preparing, holding, storing, packaging, or labeling of cannabis products. Manufacturing also includes any processing, preparing, holding, or storing of components and ingredients.
30. **“Nonvolatile solvent”** means any solvent used in the extraction process that is not a volatile solvent. For purposes of this chapter, a nonvolatile solvent includes carbon dioxide used for extraction, or as it may be defined and amended by the State.
31. **“Operating hours”** means the hours within a day during which a permitted retail sales outlet may allow qualified cannabis purchasers and primary caregivers to enter the dispensary premises and purchase cannabis goods.
32. **“Owner” or “Ownership interest”** means an interest held by a person who is an owner as defined by State of California commercial cannabis regulations or who has a financial interest in the commercial cannabis business of 5% or more.
33. **“Package” and “Packaging”** means any container or wrapper that may be used for enclosing or containing any cannabis goods for final retail sale. “Package” and “packaging” does not include a shipping container or outer wrapping used solely for the transport of cannabis goods in bulk quantity to a licensee.
34. **“Patient or qualified patient”** shall have the meaning given that term by California Health and Safety Code and possesses a valid physician’s recommendation.
35. **“Person”** includes any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular.
36. **“Pest”** means undesired insect, rodent, nematode, fungus, bird, vertebrate, invertebrate, weed, virus, bacteria, or other microorganism that is injurious to human health.
37. **“Physician’s recommendation”** means a recommendation by a physician and surgeon that a patient use cannabis provided in accordance with the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code.
38. **“Premises”** means the designated structure(s) and land specified in the application that are in possession of and used by the applicant or licensee to conduct the commercial cannabis activity.

39. **“Pre-roll”** means dried cannabis flower rolled in paper prior to retail sale.
40. **“Primary Caregiver”** has the same meaning as that term is defined in Section 11362.7 of the Health and Safety Code.
41. **“Private security officer”** has the same meaning as that term as defined in the State of California Business and Professions Code section 7574.01.
42. **“Publicly owned land”** means any building or real property that is owned by a city, county, state, federal, or other government entity.
43. **“Purchase”** means obtaining cannabis goods in exchange for consideration.
44. **“Purchaser”** means a person who is engaged in a transaction with a licensee for purposes of obtaining cannabis goods.
45. **“Quarantine”** means the storage or identification of cannabis goods, to prevent distribution or transfer of the cannabis goods, in a physically separate area clearly identified for such use.
46. **“Retail area”** means a building, room, or other area upon the licensed dispensary premises in which cannabis or other goods are sold or displayed.
47. **“School”** means any public or private school providing instruction in kindergarten or any of grades 1 to 12, inclusive, but does not include any private school in which education is primarily conducted in private homes or as otherwise provided in Health and Safety Code Section 11362.768(h).
48. **“Security monitoring”** means the continuous and uninterrupted attention to potential alarm signals that can be transmitted from a security alarm system for the purpose of summoning law enforcement.
49. **“Sell,” “sale,” and “to sell”** include any transaction whereby, for any consideration, title to cannabis is transferred from one person to another, and includes the delivery of cannabis goods pursuant to an order placed for the purchase of the same and soliciting or receiving an order for the same, but does not include the return of cannabis goods by a licensee to the licensee from whom such cannabis goods were purchased.
50. **“Sublet”** means to lease or rent all or part of a leased or rented property.
51. **“State”** means the State of California.
52. **“Testing Laboratory”** means a facility, entity, or site that offers or performs tests of cannabis or cannabis products, and that is accredited as operating to ISO standard 17025 by an accrediting body, and registered with the State Department of Public Health
53. **“Vehicle alarm system”** is a device or series of devices installed to discourage theft of the commercial vehicle or its contents and is intended to summon general attention or to summon law enforcement as a result of an indication of an attempted breach of the commercial vehicle.
54. **“Volatile solvent”** means any solvent that is or produces a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures.

Examples of volatile solvents include but are not limited to, butane, hexane, propane, and ethanol, or as it may be defined and amended by the State.

55. **“Wholesale”** means the sale of cannabis goods to a distributor for resale to one or more dispensaries.

56. **“Youth Center”** means any public or private facility that is primarily used to host recreational or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club activities, video arcades with over 10 or more video games on the premises, or similar amusement park facilities, or as otherwise described in Health and Safety Code Section 11353.1(e)(2).

#### **20.44.170(D): Compliance with State and Local Licensing Requirements**

Any dispensary, cultivation facility, manufacturing facility, testing facility or any other commercial cannabis activity as defined by the State of California or the City of Merced shall operate in conformance with all regulations and standards set forth in this Section of the Municipal Code to assure that the operations of the dispensary, cultivation facility, manufacturing facility, distribution facility, testing facility or any other commercial cannabis activity as defined by the State of California or allowed by the City of Merced are in compliance with local and State law and are established to mitigate any adverse secondary effects from its operations.

Cannabis operators shall be required to obtain a State license once they become available, and shall comply with any applicable State licensing requirements, such as operational standards and locational criteria.

Multiple cannabis uses and licenses proposed on any one site shall occur only if authorized by the State and the City of Merced and only if all uses proposed are allowed pursuant to the City's Zoning Code.

#### **20.44.170(E): General Provisions for Commercial Cannabis Activities in the City of Merced**

##### **1. Commercial Cannabis Business Permit Required**

- a. Each business shall have a Commercial Cannabis Business Permit specific to the business activity defined by the State pertaining to that activity and whether the activity is medical or non-medical or any other commercial cannabis activity the State may define and as they may be amended. Following is a list of current license types:
  - i. Cultivation
  - ii. Distribution
  - iii. Manufacturing
  - iv. Retail sales (Dispensary)
  - v. Testing
- b. It shall be unlawful for any person, association, partnership or corporation to engage in, conduct or carry on, in or upon any premises within the City of Merced any commercial cannabis business without a Commercial Cannabis Business Permit. A cannabis business shall register and obtain a Commercial Cannabis Business Permit from the City of Merced

prior to operation. The Commercial Cannabis Business Permit applicant shall pay an annual non-refundable regulatory fee in an amount and at a frequency established by the City Council by resolution.

- c. A copy of the Commercial Cannabis Business Permit shall be displayed at all times in a place visible to the public.
- d. A Commercial Cannabis Business Permit shall be valid for one (1) year or until December 31 each year, unless sooner revoked. No permit granted herein shall confer any vested right to any person or business for more than the above-referenced period.
- e. A Commercial Cannabis Business Permit shall not be issued to an individual or a business entity owned or managed in whole or in part by an individual or a business entity employing an individual who has a previous conviction for or has entered a plea of nolo contendere/no contest to any of the following:
  - i. A felony offense listed in California Health and Safety Code Section 11590.
  - ii. A felony offense listed in California Penal Code Section 667.5(c).
  - iii. A felony offense listed in California Penal Code Sections 1197.2(c) or Section 1192.8.
  - iv. A felony or misdemeanor offense that substantially relate to the qualifications, functions, or duties of the business or profession.
  - v. A felony conviction involving fraud, deceit, or embezzlement.
  - vi. A felony or misdemeanor offense involving the sale or giving to a minor of controlled substances, cannabis, alcohol, or tobacco.

A Commercial Cannabis Business Permit may be issued, at the discretion of the City, to an individual with a conviction listed above provided a period of ten (10) years has elapsed in which the individual has remained free of criminal convictions or violations of parole or probation, and the individual has either obtained a certificate of rehabilitation pursuant to Penal Code Section 4852.01 or received expungement pursuant to California Penal Code Section 1203.4.

- f. The Commercial Cannabis Business Permit shall be issued to the specific person or persons listed on the Cannabis Permit Application.
- g. A Commercial Cannabis Business Permit is not transferable except under the terms of Merced Municipal Code Section 20.44.170(L)(4)(c), and does not run with the land or with the business. Any change to the business location, organizational structure, or ownership may require a new application with associated fees at the discretion of the Director of Development Services or designee.

## **2. Maintenance of Records and Reporting**

All records for the commercial cannabis business of the following activities shall be maintained and available to the City of Merced for at least 7 years. Records shall be produced within 24 hours of a request by an authorized City of Merced representative:

- a. The business shall obtain and maintain a valid Seller's Permit from the State Board of Equalization.



- b. Financial records include, but are not limited to: bank statements, sales invoices, receipts, tax records, and all records required by the California State Board of Equalization under Title 18 California Code of Regulations section 1968.
- c. Personnel records, including each employee's full name, address, phone number, social security, or individual tax payer identification number, date of beginning employment, and date of termination of employment if applicable.
- d. Training records, including but not limited to the content of the training provided and the names of the employees that received the training.
- e. Contracts with other licensees regarding commercial cannabis activity.
- f. Permits, licenses, and other local authorizations to conduct the licensee's commercial cannabis activity, including BOE sellers permit.
- g. Security records.
- h. Records shall be kept in a manner that allows the records to be produced for the City in either hard copy or electronic form, whichever the City requests.
- i. Proof of building ownership or landlord letter acknowledging business type.
- j. Proof of insurance.

### **3. Operational Standards for All Commercial Cannabis Business Activities**

- a. Interior and exterior locations of the business property shall be monitored at all times by closed circuit cameras for security purposes. The cameras and recording system shall be of adequate quality, color rendition and resolution to allow the sufficient identification of any individual committing a crime on the location premises. Cameras shall record 24 hours a day at a minimum of 20 frames per second.
- b. The applicant shall conduct and pay for any required CEQA reviews and analyses, and pay for all costs, including those of the City, associated with project review under CEQA.
- c. The surveillance system storage device or cameras shall be transmission control protocol/TCP capable of being accessed through the internet by the Merced Police Department or their designee on request.
- d. All controlled access areas, security rooms and all points of ingress/egress to limited access areas and all point of sale (POS) areas shall have fixed camera coverage capable of identifying activity occurring within a minimum of twenty (20) feet. Camera video recordings shall be maintained unaltered in a secure location for a period of not less than thirty (30) calendar days, and be available for inspection at any time. The City of Merced or law enforcement may request the recordings in connection with an investigation. If the recordings are not voluntarily provided, the City or law enforcement may seek a warrant or court order for the recordings.

- e. All commercial cannabis businesses shall create and maintain an active account within the State's track and trace system prior to commencing any commercial cannabis activity. In the event of system failure, the business shall keep a hard copy record and transfer the information to the track and trace system within 24 hours of the system being available.
- f. No cannabis dispensary may be located within a 1,000-foot radius from a school or within a 600-foot radius from a day care center, youth center, library or public park that is in existence at the time the Commercial Cannabis Business Permit is issued, as required by Section 11362.768 of the Health and Safety Code. No cultivation facility, manufacturing facility, testing facility or any other commercial cannabis business facility may be located within a 600-foot radius from a school, day care center, youth center, library, or public park that is in existence at the time the Commercial Cannabis Business Permit is issued, as required by Section 11362.768 of the Health and Safety Code. For purposes of this subsection only, a public park shall not include any park designated in Merced Municipal Code Section 9.70.030 as a bike path. 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.
- g. No physical modification of the permitted premises is allowed without written prior permission by the City of Merced and payment of any additional fees required by the City.
- h. All commercial cannabis activities shall provide adequate off-street parking and comply with the City of Merced Municipal Code requirements in Chapter 20.38 Parking and Loading, to service customers without causing negative impact.
- i. The commercial cannabis business shall provide adequate handicapped parking per the requirements in the California Building Code.
- j. The commercial cannabis business shall provide adequate interior and exterior lighting for safety and security as determined by the Police Chief or designee.
- k. The commercial cannabis business shall minimize nuisances such as trash, litter, and graffiti.
- l. Any and all signage, packaging, and facilities shall not be 'attractive', as it is defined by the State, to minors.
- m. All commercial cannabis facilities shall be required to provide an air treatment system that ensures off-site odors shall not result from its operations. This requirement at a minimum means that the facility shall be designed to provide sufficient odor absorbing ventilation and exhaust systems so that any odor generated inside the location is not detected outside the building, on adjacent properties or public rights-of-way, or within any other unit located within the same building as the facility if the use occupies only a portion of a building. The air treatment system must also prevent the build-up of mold within the facility.
- n. A permitted commercial cannabis business entity shall have 180 days after permit issuance by the City of Merced to begin initial operations, unless otherwise approved by the Development Services Director or designee. A permitted commercial cannabis

business entity that remains inoperative for more than 60 calendar days after initial operations begin shall be deemed “abandoned” and the permit shall be forfeited. A business may temporarily suspend operations for a period of time as may be reasonably required to affect upgrades, modifications, repairs, or other property issue mitigations as approved by the Development Services Director or designee.

- o. The cannabis business shall comply with all State and City of Merced regulations regarding testing, labeling and storage of all cannabis products.
- p. The cannabis business shall meet all State and local regulations for the disposal of all cannabis materials and materials used in conjunction with processing, distributing and cultivating of cannabis as well as any unsold cannabis or cannabis products.
- q. The cannabis business shall conform to all State regulations regarding the use of appropriate weighing devices.
- r. The cannabis business shall conform to all State and local regulations regarding water usage. No liquids of any kind shall be discharged into a public or private sewage or drainage system, watercourse, body of water or into the ground, except in compliance with applicable regulations of the California Regional Water Quality Control Board (California Administrative Code, Title 23, Chapter 3).
- s. The cannabis businesses’ electrical and plumbing shall comply with State and local regulations.
- t. The cannabis business shall maintain a comprehensive general liability combined single occurrence insurance policy issued by an “A” rated insurance carrier in an amount no less than two million dollars and naming the City of Merced as additional insured.
- u. No free samples of any cannabis or cannabis product may be distributed at any time.
- v. All agents, private security officers or other persons acting for or employed by a licensee shall display a laminated identification badge at least 2” X 2” in size, issued by the licensee. The badge, at a minimum, shall include the licensee’s “doing business as” name and license number, the employees first and last name, and a color photo of the employee that shows the full front of the employee’s face.
- w. The commercial cannabis business shall have a centrally-monitored fire and burglar alarm system which shall include all perimeter entry points and perimeter windows.
- x. A licensee shall ensure a licensed alarm company operator or one or more of its registered alarm agents installs, maintains, monitors and responds to the alarm system. The alarm company shall obtain a City of Merced business license.
- y. Meet all State deadlines for applying for a State license and receive a State license within six (6) months after the date the State begins issuing licenses. This may be waived if the State has longer delays in issuing licenses of the type the commercial cannabis business seeks. The permittee must inform the City in writing within 10 days when the permittee applies for that initial permit or if the permittee applies for any additional State licenses. Said notification shall be addressed to the Director of Development Services or his designee at 678 W. 18<sup>th</sup> St., Merced, CA 95340.

- z. All persons hiring employees to engage in commercial cannabis activities shall document compliance with the following employee safety practices:
  - i. Emergency action response planning as necessary
  - ii. Employee accident reporting and investigation policies
  - iii. Fire prevention
  - iv. Hazard communication policies, including maintenance of material safety data sheets.
  - v. Materials storage and handling policies
  - vi. Personal protective equipment policies
  - vii. Operation manager contacts
  - viii. Emergency responder contacts
  - ix. Poison control contacts
- aa. All persons with ownership interest; and all employees agents, officers or other persons acting for or employed by a permittee must be at least 21 (twenty-one) years of age.

**20.44.170(F): Additional Regulations for Dispensary and Retail Sales of Cannabis**

1. Only four (4) dispensaries shall operate within the Merced City Limits, regardless of the location's compliance with any other Section specified in this ordinance.. At least one (1) of those dispensaries shall also dispense medicinal cannabis goods. If State law allows medical and adult use dispensaries on the same premises, the City of Merced would allow a combined use, but in no case shall more than four (4) dispensaries of any kind be allowed within the City of Merced.
2. No retail cannabis facility may engage in check cashing activities at any time.
3. Only one dispensary permit per person with ownership interest is allowed in the City of Merced. Any person with community property rights of an ownership interest is considered a person with ownership interest in this section.
4. Restrooms shall remain locked during business hours and not open to the public.
5. The total number of dispensaries in operation shall be determined based on the number of locations which have been issued a Commercial Cannabis Business Permit for a dispensary by the City.
6. Display of cannabis products shall be limited to only an amount necessary to provide a visual sample for customers.
7. At all times, the cannabis dispensary is open, the dispensary shall provide at least one security guard who is registered with Bureau of Security and Investigative Services, and possesses a valid and current security guard registration card on their person while on-duty.
8. Security guards are permitted, but not mandated, to carry firearms.
9. All cannabis products available for sale shall be securely locked and stored.

10. The security guard and cannabis dispensary personnel shall monitor the site and the immediate vicinity of the site to ensure that patrons immediately leave the site and do not consume cannabis in the vicinity of the dispensary or on the property or in the parking lot.
11. Medical Cannabis Dispensaries shall maintain the full name, address and telephone number(s) of all patient members to whom the business provides medical cannabis, and a copy of a physician-issued recommendation card or State-issued card for all patient members.
12. Dispensaries shall also record on the video surveillance system point-of-sale areas and areas where cannabis goods are displayed for sale.
13. Any commercial cannabis retail or medical retail sales facility shall be open to the public a minimum of 40 hours per week, unless otherwise specified in the Commercial Cannabis Business Permit.
14. Hours of operation in Commercial Office (C-O) zones shall be limited to no earlier than 8 a.m. Pacific Time and no later than 7 p.m. Pacific Time. Hours of operation in all other zones shall be limited to no earlier than 8 a.m. Pacific Time and no later than 9 p.m. Pacific Time, unless zoning regulations specify more restrictive hours.
15. Exterior signage shall be limited to one wall sign not to exceed twenty (20) square feet in area. Interior signage or advertising may not be visible from the exterior. No temporary signs (banners, A-frames, etc.) or window signs are allowed.
16. On-site consumption of cannabis or cannabis products is specifically prohibited on the premises at all times. The following information shall be provided on a sign posted in a conspicuous location inside the cannabis dispensary: "Smoking, ingesting or consuming cannabis on this property or within 100 feet of the business is prohibited."
17. An adult use license shall not sell cannabis products to persons under 21 years of age or allow any person under 21 years of age on its premises, unless such licensee also holds a medicinal license and the licensee holds a CCBP for both adult use and medicinal cannabis. A medicinal licensee may sell cannabis products to and allow on the premises, any person 18 years of age or older who possesses a valid government issued identification card, and either a valid county-issued identification card under Section 11362.712 of the Health and Safety Code or a valid physician's recommendation for himself or herself or for a person for whom he or she is a primary caregiver.
18. Adequate signage shall clearly state that the City of Merced has not tested or inspected any cannabis product for pesticides, or other regulated contaminants, distributed at this location.
19. No recommendations from a doctor for medical cannabis shall be issued on-site.
20. Shipments of cannabis goods may only be accepted during regular business hours.
21. There shall be no on-site sales of alcohol or tobacco products, and no on-site consumption of food, alcohol or tobacco by patrons.

22. Inventory shall be secured and locked in a room, safe, or vault, and in a manner reasonably designed to prevent diversion, theft, and loss during non-business hours.
23. No cannabis product shall be visible from the exterior of the business.
24. All required labelling shall be maintained on all product, as required by State regulations, at all times.
25. The business shall post signs that spell out the "Prohibited Conduct Involving Marijuana and Marijuana Products" contained in Health and Safety Code Section 11362.3 in a conspicuous manner on the business premises for the education of patrons. The City shall develop a standard format and content for such signs.
26. The use of vending machines (i.e. a machine that dispenses articles when a coin, bill, or token is inserted) to dispense cannabis is strictly prohibited.
27. No drive-through facilities shall be allowed and no cannabis shall be sold through a drive-through facility.

**20.44.170(G): Additional Regulations for Commercial Cannabis Delivery Services**

1. Commercial cannabis deliveries may be made only from a commercial cannabis dispensary permitted by the City in compliance with this ordinance, and in compliance with all State regulations.
2. All employees who deliver cannabis shall have valid identification and a copy of the dispensary's Commercial Cannabis Business Permit at all times while making deliveries.
3. All commercial cannabis businesses shall provide proof of insurance in a minimum amount of \$1,000,000 for any and all vehicles being used to transport cannabis goods.
4. Deliveries may only take place during the hours of 8:00 a.m. and 7:00 p.m. daily.
5. A customer requesting delivery shall maintain a physical or electronic copy of the delivery request and shall make it available upon request by the licensing authority and law enforcement officers, only as required by State regulations.
6. The following applies to all deliveries of cannabis products:
  - a. May only be made to a physical address in California.
  - b. A licensed delivery employee shall not leave the State of California while possessing cannabis products.
7. A dispensary shall maintain a list of all deliveries, including the address delivered to, the amount and type of product delivered, and any other information and for the duration of time required by State regulations.



8. A cannabis business shall only deliver cannabis in aggregate amounts as ordered by the customer. A cannabis business shall ensure compliance with State delivery limits as they regard the amount of cannabis and cannabis products.
9. A manifest with all information required in this section shall accompany any delivery person at all times during the delivery process and delivery hours.
10. Any delivery method shall be made in compliance with State regulations and as it may be amended, including use of a vehicle that has a dedicated GPS device for identifying the location of the vehicle (cell phones and tablets are not sufficient).
11. The maximum limit of any cannabis goods carried by the delivery vehicle may not exceed \$3,000 at any time.
12. Each delivery request shall have a receipt prepared by the dispensary with the following information:
  - a. Name and address of the licensed dispensary
  - b. The name of the employee who delivered the order
  - c. The date and time the delivery request was made
  - d. The complete delivery address
  - e. A detailed description of the cannabis goods requested for delivery including the weight or volume, or any accurate measure of the amount of cannabis goods requested.
  - f. The total amount paid for the delivery including any fees or taxes.
  - g. At the time of the delivery, the date and time delivery was made, and the signature of the person who received the delivery.
13. The delivery business shall provide a flyer that spells out the "Prohibited Conduct Involving Marijuana and Marijuana Products" contained in Health and Safety Code Section 11362.3 to all delivery customers. The City shall develop a standard format and content for such flyers.

**20.44.170(H). Additional Requirements for Manufactured Cannabis Businesses**

1. A licensed cannabis manufacturing facility may conduct all activities permitted by the State. This includes, but is not limited to, volatile and non-volatile extractions, repackaging and relabeling, and infusions.
2. Any manufacturing activity that will be conducted by the licensee shall be included on the application. No additional manufacturing activity can be conducted without applying for and receiving written permission from the City of Merced for that additional activity.
3. At all times, the cannabis manufacturing facility will be compliant with all State regulations for cannabis manufacturing including Health and Safety Code 11362.775 and as it may be amended.
4. Inspections by the City Fire Chief or his designee may be conducting anytime during the business's regular business hours.

5. Cannabis manufacturing facilities shall not contain an exhibition or product sales area or allow for retail distribution of products at that location.
6. All cannabis manufacturing activities shall occur indoors within a fully enclosed and secured structure and also within a secure fence at least eight (8) feet in height that fully encloses the premises. The fence must include a lockable gate(s) that is locked at all times, except for during times of active ingress/egress. Said fence shall not violate any other ordinance, code section, or provision of law regarding the height, location, materials, or other fencing restrictions and shall not be constructed or covered with plastic or cloth. All screening shall conform to the requirements of applicable area, community, specific and design plans. Outdoor manufacturing of cannabis is expressly prohibited.

#### **20.44.170(I). Additional Requirements for Cannabis Cultivation Businesses**

1. The cannabis business shall register with the Department of Pesticide Regulation if using any pesticides.
2. From a public right-of-way, there shall be no exterior evidence of marijuana cultivation.
3. The Building Official may require additional specific standards to meet the California Building Code and Fire Code, including but not limited to installation of fire suppression sprinklers.
4. Compliance with Section 13149 of Water Code as enforced by the State Water Resources Control Board.
5. All outdoor lighting used for security purposes shall be shielded and downward facing.
6. The use of generators for cultivation is prohibited, except for temporary use in the event of a power outage or emergency.
7. Cannabis plants shall not be visible from offsite or the public right-of-way. All cannabis cultivation activities shall occur within a fully enclosed and secured structure and within a secure fence at least eight (8) feet in height that fully encloses the premises. The fence must include a lockable gate(s) that is locked at all times, except for during times of active ingress/egress. Said fence shall not violate any other ordinance, code Section, or provision of law regarding the height, location, materials, or other fencing restrictions and shall not be constructed or covered with plastic or cloth. All screening shall conform to the requirements of applicable area, community, specific and design plans. Outdoor cultivation of cannabis is expressly prohibited.

#### **20.44.170(J). Additional Requirements for Cannabis Testing Laboratory Businesses**

1. A licensed cannabis testing facility shall comply with all State regulations.
2. Any cannabis testing facility shall maintain all certifications required by the State.
3. A licensed cannabis testing facility business, it's owners and employees may not hold an interest in any other cannabis business except another testing business.

4. Inspections by the City Fire Chief or his designee may be conducting anytime during the business's regular business hours.

**20.44.170(K). Additional Requirements for Cannabis Distribution Businesses**

1. A licensed cannabis distribution facility shall comply with all State regulations.
2. Any cannabis distribution facility shall provide proof of a bond of at least five thousand dollars to cover the costs of destruction of cannabis or cannabis products if necessitated by a violation of licensing requirements.
3. Inspections by the City Police Chief or his designee may be conducting anytime during the business's regular business hours.
4. A distributor shall ensure that all cannabis goods batches are stored separately and distinctly from other cannabis goods batches on the distributor's premises.
5. A distributor shall ensure a label with the following information is physically attached to each container of each batch:
  - a. The manufacturer or cultivator's name and license number;
  - b. The date of entry into the distributor's storage area;
  - c. The unique identifiers and batch number associated with the batch;
  - d. A description of the cannabis goods with enough detail to easily identify the batch; and
  - e. The weight of or quantity of units in the batch.
6. A distributor shall store harvest batches and edible cannabis products that require refrigeration at 35 to 42 degrees Fahrenheit. In addition, a distributor shall store harvest batches in a darkened area with no more than 60% humidity.
7. A distributor shall store medical cannabis goods in a building designed to permit control of temperature and humidity and shall prevent the entry of environmental contaminants such as smoke and dust. The area in which medical cannabis goods are stored shall not be exposed to direct sunlight. A distributor may not store medical cannabis goods outdoors.
8. Employee breakrooms, eating areas, changing facilities, and bathrooms shall be completely separated from the storage areas.
9. All cannabis distribution activities shall occur within a fully enclosed and secured structure and within a secure fence at least eight (8) feet in height that fully encloses the distribution area. The fence must include a lockable gate(s) that is locked at all times, except for during times of active ingress/egress. Said fence shall not violate any other ordinance, code Section, or provision of law regarding the height, location, materials, or other fencing restrictions and shall not be constructed or covered with plastic or cloth. All screening shall conform to the requirements of applicable area, community, specific and design plans.
10. If located in a General Commercial (C-G) zone,
  - a. The cannabis distribution business shall be located on a parcel no less than 20,000 square feet in size,

- b. All loading and unloading activities shall take place within the secured fenced area required above.

#### **20.44.170(L). Commercial Cannabis Business Permit Selection Process**

##### **1. Selection Process for Dispensaries/Retail Sales (Limited Number of Permits Available)**

- a. The Commercial Cannabis Business Permit selection process will be conducted in two phases, Phase 1 and Phase 2. In Phase 1, each Applicant interested in operating a commercial cannabis business will pay an application fee in an amount established by the City Council by resolution. The application will be reviewed for completeness by the Director of Development Services or designee.
- b. A pre-application conference with the Director of Development Services is strongly encouraged. A pre-application conference can be scheduled by calling 209-385-6858 during regular City of Merced business hours.
- c. The City of Merced has established a merit based scoring system to objectively award permits as described in the application documents in Phase 2 to be used in the event that there are more applications than there are Commercial Cannabis Business Permits for a specific license type, such as for retail dispensaries.
- d. The initial application period shall be 21 calendar days from the date the applications are released. Should the 21st day fall on a day when City Hall is closed, the application period shall be extended to the next open day at 4:00 p.m. Following the application period, the Director of Development Services or designee shall stop accepting applications and review all applications received as described in Phase 1. 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". The qualified applicants will be entered into the Phase 2 review process. The Director of Development Services shall maintain the "Qualified Application List".
- e. 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 21 calendar days, after which the applicant will have 10 calendar days from receipt of notice to correct the deficiency. Should the 10th day fall on a day when City Hall is closed, the correction period shall be extended to the next open day at 4:00 p.m. If the deficiency is not corrected within 10 calendar days, the Director of Development Services may deny the permit and notify the applicant of this determination in writing within 10 calendar days following the Director of Development Services decision.
- f. All Cannabis applications received after the initial application period will be placed on the "Waitlist for Dispensaries/Retail Sales" in the order it is received. Applicants placed on the "Waitlist" shall be notified in writing of their "Waitlist" status.

- g. Cannabis applications placed on the “Waitlist for Dispensaries/Retail Sales” will be moved to the “Qualified Applicant List for Dispensaries/Retail Sales” only if the application passes the Phase 1 review and when a Commercial Cannabis Business Permit for Dispensaries/Retail Sales becomes available, whether by creation of a new license, or the forfeiture of an existing one. Applicants moved to the “Qualified Applicant List for Dispensaries/Retail Sales” from the Waitlist will be notified of the change in writing. If the Director of Development Services or designee determines the application is incomplete, the Director of Development Services shall notify the applicant of the deficiency within 21 calendar days, after which the applicant will have 10 calendar days from receipt of notice to correct the deficiency. Should the 10th day fall on a day when City Hall is closed, the correction period shall be extended to the next open day at 4:00 p.m. If the deficiency is not corrected within 10 calendar days, the Director of Development Services may deny the permit and notify the applicant of this determination in writing within 10 calendar days following the Director of Development Services decision. A new application, with new fees, would then be required for any subsequent consideration of that same or similar proposal at the same location.

**h. Commercial Cannabis Business Permit—Dispensaries/Retail Sales Selection - Phase 1 – Initial Review**

The Director of Development Services or designee(s) shall determine whether each application demonstrates compliance with the minimum requirements and be placed on the “Qualified Applicant List for Dispensaries/Retail Sales” and entered into the Phase 2 review process. These requirements include but are not limited to:

- i. All Application documents required in the City’s Phase 1 application package.
- ii. Application was submitted during the application period.
- iii. Application forms are filled out completely.
- iv. Business Owner(s) / Applicant(s) referenced on the application provides a Live Scan that was conducted within 14 days prior to submitting the application.
- v. Phase 1 application fee is paid.
- vi. A signed statement that the proposed location of the commercial cannabis business on the application meets the zoning criteria established in this ordinance including, but not limited to, any and all sensitive use separation criteria required by this ordinance.

**i. Commercial Cannabis Business Permit—Dispensaries/Retail Sales Selection - Phase 2 – Final Review and Scoring**

The Director of Development Services or his designee, after reviewing the applications approved in Phase 1 and the aforementioned information, will convene a Selection Panel composed of the City Manager, Chief of Police, and the Director of Development Services, or their designees, to make the final decision, based on the merit-based scoring system, of successful applicants to recommend to the Planning Commission for the Commercial Cannabis Business Permit—Dispensaries/Retail Sales. The Selection Panel will review all application documents required in the City’s Phase 1 application package plus an additional background check of all owners conducted to the satisfaction of the Chief of Police as well as complete description of the merit based system and all merit based considerations shall be included with the application forms. Phase 2 requirements include, but are not limited to:

- i. Phase 2 application fee is paid and a comprehensive background check of anyone holding an ownership interest is completed to the satisfaction of the Chief of Police.
- ii. The Building Official or designee has inspected all structures in which the use is located to determine that all applicable standards and requirements are met. If a building permit is required for site improvements, Permit issuance will be deferred until a certificate of occupancy or other building permit approval is issued. Additionally, the Building Official has determined that there are no notices of nuisance or other code compliance issues recorded or on the property.
- iii. The Zoning Administrator or designee has issued a Zoning Clearance documenting compliance with the following:
  - a. The use is permitted in the Zoning District and meets the distance requirements from sensitive uses; and,
  - b. All land use permits, if any, have been approved and all conditions of approval have been met or are in good standing; and,
  - c. No zoning violations exist on the property; and,
  - d. A planning and/or building permit with a receipt proving payment for processing from the City of Merced Planning Department for the property location the commercial cannabis business will occupy.
- j. The Planning Commission will review all Commercial Cannabis Business Permit—Dispensaries/Retail Sales applications and all other relevant information and determine if a CCBP should be granted. Prior to issuing a Commercial Cannabis Business Permit—Dispensaries/Retail Sales, the Planning Commission will provide all public notices and conduct a public hearing as described in the City of Merced Municipal Code Section 20.70.010 through Sections 20.70.040. No Commercial Cannabis Business Permit—Dispensaries/Retail Sales shall be issued otherwise.

**2. Selection Process for All Other Commercial Cannabis Business Permits (No Limits On the Number of Permits Available)**

- a. The Commercial Cannabis Business Permit—All Other Cannabis Businesses selection process will be conducted in two phases, Phase 1 and Phase 2. In Phase 1, each Applicant interested in operating a commercial cannabis business will pay an application fee in an amount established by the City Council by resolution. The application will be reviewed for completeness by the Director of Development Services or designee.
- b. A pre-application conference with the Director of Development Services is strongly encouraged. A pre-application conference can be scheduled by calling 209-385-6858 during regular City of Merced business hours.
- c. The initial application period shall be 21 calendar days from the date the applications are released. Should the 21st day fall on a day when City Hall is closed, the application period shall be extended to the next open day at 4:00 p.m. Following the application period, the Director of Development Services or designee shall stop accepting applications and review all applications received as described in Phase 1. 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—All Other Cannabis Businesses” and shall be notified in writing that they are a “Qualified Commercial Cannabis Business



Applicant—All Other Cannabis Businesses”. The qualified applicants will be entered into the Phase 2 review process. The Director of Development Services shall maintain the “Qualified Application List for All Other Cannabis Businesses”.

- d. 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 21 calendar days, after which the applicant will have 10 calendar days from receipt of notice to correct the deficiency. Should the 10th day fall on a day when City Hall is closed, the correction period shall be extended to the next open day at 4:00 p.m. If the deficiency is not corrected within 10 calendar days, the Director of Development Services may deny the permit and notify the applicant of this determination in writing within 10 calendar days following the Director of Development Services decision. A new application, with new fees, would then be required for any subsequent consideration of that same or similar proposal at the same location.
- e. All Cannabis applications received after the initial application period will be placed on the “Waitlist for All Other Cannabis Businesses” in the order it is received. Applicants placed on the “Waitlist” shall be notified in writing of their “Waitlist” status.
- f. Cannabis applications placed on the “Waitlist for All Other Cannabis Businesses” will be moved to the “Qualified Applicant List for All Other Cannabis Businesses” on a one for one basis only if the application passes the Phase 1 review and when the number of applicants on the “Qualified Applicant List” falls below five, and will be notified of the change in writing. At any time, the Director of Development Services may suspend the requirement for a “Waitlist for All Other Cannabis Businesses” if the number of applications does not merit the need for the “Waitlist.” If the Director of Development Services or designee determines the application is incomplete, the Director of Development Services shall notify the applicant of the deficiency within 21 calendar days, after which the applicant will have 10 calendar days from receipt of notice to correct the deficiency. Should the 10th day fall on a day when City Hall is closed, the correction period shall be extended to the next open day at 4:00 p.m. If the deficiency is not corrected within 10 calendar days, the Director of Development Services may deny the permit and notify the applicant of this determination in writing within 10 calendar days following the Director of Development Services decision.

**g. Commercial Cannabis Business Permit—All Other Cannabis Businesses Selection - Phase 1 – Initial Review**

The Director of Development Services or designee(s) shall determine whether each application demonstrates compliance with the minimum requirements and be placed on the “Qualified Applicant List for All Other Cannabis Businesses” and entered into the Phase 2 review process. These requirements include, but are not limited to:

- i. All Application documents required in the City’s Phase 1 application package.
- ii. Application was submitted during the application period.
- iii. Application forms are filled out completely.
- iv. Business Owner(s) / Applicant(s) referenced on the application provides a Live Scan that was conducted within 14 days prior to submitting the application.
- v. Phase 1 application fee is paid.

- vi. A signed statement that the proposed location of the commercial cannabis business on the application meets the zoning criteria established in this ordinance including, but not limited to, any and all sensitive use separation criteria required by this ordinance.

#### **h. Commercial Cannabis Business Permit—All Other Cannabis Businesses Selection - Phase 2 – Final Review**

The Director of Development Services or his designee, after reviewing the applications approved in Phase 1 and reviewing the information below will make a recommendation to the Planning Commission to approve or reject the application for the Commercial Cannabis Business Permit for All Other Cannabis Businesses.

- i. Phase 2 application fee is paid and a comprehensive background check of anyone holding an ownership interest is completed to the satisfaction of the Chief of Police.
- ii. The Building Official or designee has inspected all structures in which the use is located to determine that all applicable standards and requirements are met. If a building permit is required for site improvements, Permit issuance will be deferred until a certificate of occupancy or other building permit approval is issued. Additionally, the Building Official has determined that there are no notices of nuisance or other code compliance issues recorded or on the property.
- iii. The Zoning Administrator or designee has issued a Zoning Clearance documenting compliance with the following:
  - a. The use is permitted in the Zoning District and meets the distance requirements from sensitive uses; and,
  - b. All land use permits, if any, have been approved and all conditions of approval have been met or are in good standing; and,
  - c. No zoning violations exist on the property; and,
  - d. A planning and/or building permit with a receipt proving payment for processing from the City of Merced Planning Department for the property location the commercial cannabis business will occupy.
- i. The Planning Commission will review all Commercial Cannabis Business applications for All Other Cannabis Businesses and all other relevant information and determine if a CCBP should be granted. Prior to issuing a Commercial Cannabis Business Permit for All Other Cannabis Businesses, the Planning Commission will provide all public notices and conduct a public hearing as described in the City of Merced Municipal Code Section 20.70.010 through Sections 20.70.040. No Commercial Cannabis Business Permit shall be issued otherwise.

### **3. Appeal of Denial of Commercial Cannabis Business Permit (All Types)**

The Planning Commission will review all Commercial Cannabis Business applications and all other relevant information, and determine if a CCBP should be granted. If the Planning Commission determines that the permit shall not be granted, the reasons for denial shall be provided in writing to the applicant. Any decision of the Planning Commission may be appealed to the City Council.

- a. A written appeal shall be filed within five (5) business days (excluding official city holidays) following a Planning Commission decision.
- b. When an appeal has been filed, the matter shall be scheduled for a public hearing before the City Council within thirty (30) calendar days of receiving the appeal.

- c. Notice of the hearing of the appeal shall be provided to the applicant at least ten (10) calendar days prior to the public hearing.
- d. Any interested person may appear and be heard regarding the appeal.
- e. A matter being heard on appeal may be continued for good cause.
- f. The City Council's review of the appeal shall be limited to review of the Planning Commission decision and shall not be a de novo review. At the conclusion of the hearing, the City Council may affirm, reverse or modify the decision appealed. The decision of the City Council shall be the City's final decision in this regard and shall be dispositive of the matter subject to judicial review under the provisions of California Code of Civil Procedure Sections 1094.5 and 1094.6.

#### **4. Commercial Cannabis Business Permit Annual Renewal (All Types)**

- a. Applications for the renewal of a permit shall be filed with the Director of Development Services at least sixty (60) calendar days before the expiration of the current permit. Any permittee allowing their permit to lapse or which permit expired during a suspension shall be required to submit a new application, pay the corresponding original application fees and be subject to all aspects of the selection process.
- b. Any person desiring to obtain a renewal of their respective permit shall file a written application under penalty of perjury on the required form with the Director of Development Services who will conduct a review. The application shall be accompanied by a nonrefundable filing fee established by the City Council to defray the cost of the review required by this Section. An applicant shall be required to update the information contained in their original permit application and provide any new and/or additional information as may be reasonably required by the Director of Development Services in order to determine whether said permit should be renewed. The Development Services Director, in consultation with the Selection Panel if they were involved in the original review, will review all Commercial Cannabis Business renewal applications and all other relevant information, and determine if a renewal CCBP should be granted.
- c. A Commercial Cannabis Business Permit holder may file a request to transfer ownership of the business. The request shall be made to the Director of Development Services. The request must be in writing and must be at least 60 days prior to the transfer. The Director of Development Services shall review the request and may require additional background material on the proposed new owner. The Director of Development Services shall notify the permit holder in writing along with the reason for approval or denial of the transfer. The original term of the Commercial Cannabis Business Permit shall stay in effect including the renewal date.
- d. The Director of Development Services or designee may deny the annual renewal of a Commercial Cannabis Business Permit if the permittee or the permittee's agent or employee has committed any one of the following acts:
  - i. Any act which would be considered a ground for denial of the permit in the first instance.
  - ii. Violates any other provision of this section or any City of Merced or State law, statute, rule or regulation relating to the business's permitted activity.
  - iii. Engages in or permits misconduct substantially related to the qualifications, functions or duties of the permittee.
  - iv. Conducts the permitted business in a manner contrary to the health, safety, or welfare of the public.

- v. Fails to take reasonable measures to control patron conduct, where applicable, resulting in disturbances, vandalism, or crowd control problems occurring inside of or outside the premises, traffic control problems, or creation of a public or private nuisance, or obstruction of the operation of another business.
- vi. Violates or fails to comply with the terms and conditions of the permit.
- vii. Fails to pay all applicable City, State, or Federal taxes and fees.

## **5. Appeal of Denial of Commercial Cannabis Business Permit Renewal (All Types)**

- a. The Development Services Director, in consultation with the Selection Panel if they were involved in the original review, will review all Commercial Cannabis Business renewal applications and all other relevant information, and determine if a renewal CCBP should be granted. If the Development Services Director determines that the permit shall not be granted, the reasons for denial shall be provided in writing to the applicant. The applicant shall have fourteen (14) calendar days from the date of the receipt of the written denial to correct the reasons for denial and request in writing reconsideration of permit issuance. Following review of the amended permit application, the Development Services Director will approve or deny the permit by providing written notice to the applicant.
- b. Any decision of the Development Services Director may be appealed to the Planning Commission. An appeal shall be filed within five (5) business days (excluding official city holidays) following a decision by the Director of Development Services.
  - i. When an appeal has been filed, the matter shall be scheduled for a public hearing before the Planning Commission within thirty (30) calendar days of receiving the appeal.
  - ii. Notice of the hearing shall be provided to the applicant at least ten (10) calendar days prior to the public hearing.
  - iii. Any interested person may appear and be heard regarding the appeal.
  - iv. The Planning Commission's review of the appeal shall be limited to review of the Development Services Director decision and shall not be a de novo review.
  - v. A matter being heard on appeal may be continued for good cause.
  - vi. The decision of the Planning Commission may be appealed to the City Council.
    - a. A written appeal shall be filed within five (5) business days (excluding official city holidays) following a Planning Commission decision.
    - b. When an appeal has been filed, the matter shall be scheduled for a public hearing before the City Council within thirty (30) calendar days of receiving the appeal.
    - c. Notice of the hearing of the appeal shall be provided to the applicant at least ten (10) calendar days prior to the public hearing.
    - d. Any interested person may appear and be heard regarding the appeal.
    - e. A matter being heard on appeal may be continued for good cause.
    - f. The City Council's review of the appeal shall be limited to review of the Planning Commission decision and shall not be a de novo review. At the conclusion of the hearing, the City Council may affirm, reverse or modify the decision appealed. The decision of the City Council shall be the City's final decision in this regard and shall be dispositive of the matter subject to judicial review under the provisions of California Code of Civil Procedure Sections 1094.5 and 1094.6.

## **6. Revocation of Commercial Cannabis Business Permit (All Types)**

- a. The Director of Development Services or designee may suspend or revoke a Commercial Cannabis Business Permit when the permittee or the permittee's agent or employee has committed any one or more of the following acts:
  - i. Any act which would be considered a ground for denial of the permit in the first instance.
  - ii. Violates any other provision of this section or any City of Merced or State law, statute, rule or regulation relating to the business's permitted activity.
  - iii. Engages in or permits misconduct substantially related to the qualifications, functions or duties of the permittee.
  - iv. Conducts the permitted business in a manner contrary to the health, safety, or welfare of the public.
  - v. Fails to take reasonable measures to control patron conduct, where applicable, resulting in disturbances, vandalism, or crowd control problems occurring inside of or outside the premises, traffic control problems, or creation of a public or private nuisance, or obstruction of the operation of another business.
  - vi. Violates or fails to comply with the terms and conditions of the permit.
  - vii. Fails to pay all applicable City, State, or Federal taxes and fees.
- b. Prior to suspension or revocation of the applicable permit, the Director of Development Services shall conduct a hearing. Written notice of the time and place of such hearing shall be served upon the permittee at least ten (10) calendar days prior to the date set for such hearing. The notice shall contain a brief statement of the grounds to be relied upon for revoking or suspending the permit. Notice may be given either by personal delivery or by certified U.S. mail, postage prepaid.
- c. Any decision of the Development Services Director may be appealed to the Planning Commission. An appeal shall be filed within five (5) business days (excluding official city holidays) following a decision by the Director of Development Services.
  - i. When an appeal has been filed, the matter shall be scheduled for a public hearing before the Planning Commission within (thirty) 30 days of receiving the appeal.
  - ii. Notice of the hearing shall be provided to the applicant at least (ten) 10 calendar days prior to the public hearing.
  - iii. Any interested person may appear and be heard regarding the appeal.
  - iv. The Planning Commission's review of the appeal shall be limited to review of the Development Services Director decision and shall not be a de novo review.
  - v. A matter being heard on appeal may be continued for good cause.
  - vii. The decision of the Planning Commission may be appealed to the City Council.
    - a. A written appeal shall be filed within five (5) business days (excluding official city holidays) following a Planning Commission decision.
    - b. When an appeal has been filed, the matter shall be scheduled for a public hearing before the City Council within thirty (30) calendar days of receiving the appeal.
    - c. Notice of the hearing of the appeal shall be provided to the applicant at least ten (10) calendar days prior to the public hearing.
    - d. Any interested person may appear and be heard regarding the appeal.
    - e. A matter being heard on appeal may be continued for good cause.
    - f. The City Council's review of the appeal shall be limited to review of the Planning Commission decision and shall not be a de novo review. At the

conclusion of the hearing, the City Council may affirm, reverse or modify the decision appealed. The decision of the City Council shall be the City's final decision in this regard and shall be dispositive of the matter subject to judicial review under the provisions of California Code of Civil Procedure Sections 1094.5 and 1094.6.

**20.44.170(M): Limitations on the City's Liability**

To the fullest extent permitted by law, the City shall not assume any liability whatsoever, with respect to approving any Commercial Cannabis Business Permit pursuant to this ordinance or the operation of any cannabis facility approved pursuant to this chapter. As a condition of approval of a Commercial Cannabis Business Permit as provided in this chapter, the applicant or its legal representative shall:

1. Execute an agreement indemnifying the City from any claims, damages, injuries or liabilities of any kind associated with the registration or operation of the commercial cannabis facility or the prosecution of the applicant or permittee or its members for violation of federal or State laws;
2. Maintain insurance in the amounts and types that are acceptable to the City Attorney or designee;
3. Name the city as an additionally insured on all City required insurance policies;
4. Agree to defend, at its sole expense, any action against the City, its agents, officers, and employees related to the approval of a Commercial Cannabis Business permit; and
5. Agree to reimburse the City for any court costs and attorney fees that the City may be required to pay as a result of any legal challenge related to the City's approval of a Commercial Cannabis Business Permit. The City may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve the operator of its obligation hereunder.

**20.44.170(N): Enforcement**

1. A violation of the regulations in this ordinance by an act, omission, or failure of an agent, owner, officer or other person acting in concert with or employed by a permittee within the scope of their employment or office, shall be deemed the act, omission, or failure of the permittee.
2. A permitted Commercial Cannabis Business shall notify the Police Chief or designee of the City of Merced upon discovery of any of the following situations:
  - a. A discrepancy of more than \$1,000 in inventory over a period of 24 hours or \$3,000 over period of 7 days.
  - b. A reason to suspect diversion, loss, theft or any other criminal activity pertaining to the operation of the commercial cannabis business.
  - c. The loss or alteration of records related to cannabis goods, registered medical cannabis patients, caregivers or dispensary employees or agents.
  - d. Any other reason to suspect any other breach of security.



3. Each and every violation of this Section shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the Municipal Code. Additionally, as a nuisance per se, any violation of this article shall be subject to injunctive relief, revocation of the business's Commercial Cannabis Business Permit, disgorgement and payment to the City of any and all monies unlawfully obtained, costs of abatement, costs of investigation, attorney fees, and any other relief or remedy available at law or equity. The City may also pursue any and all remedies and actions available and applicable under local and state laws for any violations committed by the cannabis business and/or any owner, agent, officer, or any other person acting in concert with or employed by the cannabis business.
4. City Officials or their designees may enter and inspect the location of any commercial cannabis business during normal business hours to ensure compliance with this Section. In addition, law enforcement may enter and inspect the location of any cannabis business and the recordings and records maintained as required by this Section, except that the inspection and copying of private medical records shall be made available to law enforcement only pursuant to a properly executed search warrant, subpoena, or court order. A person engaging in commercial cannabis business without a permit and associated unique identifiers required by this chapter shall be subject to civil penalties of up to twice the amount of the permit fee for each violation, and the department, state or local authority, or court may order the destruction of cannabis associated with that violation. A violator shall be responsible for the cost of the destruction of cannabis associated with the violation, in addition to any amount covered by a bond required as a condition of licensure. Each day of operation shall constitute a separate violation of this section.

#### **20.44.170(O): Fees and Taxes**

All Cannabis Operations shall pay applicable fees and taxes, which may include one or more of the following:

1. Initial Application Fees. The Business Applicant shall submit a non-refundable fee to cover the cost of processing an initial application for the commercial cannabis business. These fees may be divided into two fees according to Initial Review (Phase 1) and Final Review (Phase 2).
2. Application Renewal Fees. The Business Owner shall submit a non-refundable fee to cover the cost of processing an application renewal annually.
3. Business License Fee. The Business Owner shall at all times maintain a current and valid business license and pay all business taxes required by the Merced Municipal Code.
4. Commercial Cannabis Regulatory Fee. The Business Owner shall pay an annual regulatory fee ("Regulatory Fee") to cover the costs of anticipated enforcement relating to the Cannabis Operation. The amount of the fee shall be set by Resolution of the City Council and be supported by the estimated additional costs of enforcement and monitoring associated with the Cannabis Operation. The Regulatory Fee shall be due and payable prior to opening for business and thereafter on or before the anniversary date. The Regulatory Fee may be amended from time to time based upon actual costs.
5. All required taxes including sales and use taxes, business, payroll etc.
6. Additional cannabis-specific gross receipts, excise, cultivation or any other tax approved by the voters of the City of Merced.

## **SECTION 6 : SEVERABILITY**

If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

## **SECTION 7. PUBLICATION.**

The City Clerk is directed to cause a summary of this Ordinance to be published in the official newspaper at least once within fifteen (15) days after its adoption showing the vote thereon.

The foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Merced on the 20th day of November, 2017, and was passed and adopted at a regular meeting of said City Council held on the 4th day of December, 2017, by the following called vote:

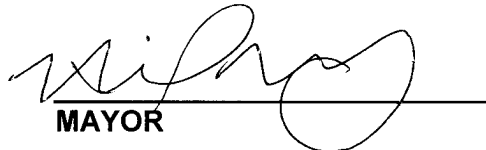
**AYES: 5      Council Members:** BLAKE, MARTINEZ, MCLEOD, PEDROZO,  
SERRATTO

**NOES: 2      Council Members:** BELLUOMINI, MURPHY

**ABSTAIN: 0      Council Members:** NONE

**ABSENT: 0      Council Members:** NONE

**APPROVED:**


  
**MAYOR**

**ATTEST:**  
**STEVE CARRIGAN, CITY CLERK**

**BY:**   
**Assistant City Clerk**

**(SEAL)**

**APPROVED AS TO FORM**

  
**City Attorney**      11/28/2017  
**Date**



## **Cannabis Related Occupancies – Commercial Building Permit Application Submittal Requirements**

The following regulations pertain to City of Merced Building Division and Fire Department requirements for the permit application, plan review, approval and inspection of cannabis-related occupancies. The requirements listed below are intended to assist the applicant with some of the requirements applicable to a Building Division permit submittal, and are not to be considered an all-inclusive listing of Building or Fire Department requirements for plan approval or permit issuance. Only items pertinent to each specific submittal are to be included. Every listed item will not necessarily be applicable to all projects.

### **General Requirements**

1. A building permit is required to verify occupancy for a cannabis facility, even if no improvements to the property are proposed. The building permit application must meet the City's general building permit submittal requirements.
2. Construction plans and building permits are required per the California Building Code Section 105 when the owner or occupant intends to construct, enlarge, alter, remove, repair, demolish, or change the occupancy of a building or structure, or to erect, install, enlarge, alter, repair, remove, convert or replace an electrical, gas, mechanical or plumbing system, the installation of which is regulated by the Building and/or Fire Code, or to cause this work to be done.
3. The plans must be prepared by a licensed professional registered with the State of California and must address specific requirements for the use as outlined in the codes and standards adopted by the City of Merced and the State of California.
4. An application for a building permit will not be accepted for a cannabis related business without approval for concurrent review or approval of a Commercial Cannabis Business Permit (CCBP). The CCBP process must be completed and approved prior to the issuance of the building permit.
5. All building permit design and supporting documentation is required to be prepared, stamped and signed by qualified design professionals licensed and registered by the State of California.
6. All construction and related work must be performed by contractors licensed by the State of California as general and/or specialty contractors for the specific discipline of work to be performed.
7. All design and construction shall be consistent with the provisions of the Merced Municipal Code and the current edition of the California Code of Regulations Title 24 as adopted by the California Building Standards Commission, and as amended by the City of Merced Municipal Code.
8. A City of Merced Building Permit Application form must be completed in its entirety and included with each submittal. <https://www.cityofmerced.org/depts/cd/building/applications/default.asp>
9. Codes and Standards regulating cannabis facilities currently adopted by the City of Merced include, but are not limited to:
  - A. *California Building Code (CBC)*
  - B. *California Electrical Code (CEC)*
  - C. *California Mechanical Code (CMC)*
  - D. *California Plumbing Code (CPC)*
  - E. *California Energy Code(CEC)*

- F. *California Fire Code (CFC)*
- G. *California Existing Building Code (CEBC)*
- H. *California Green Building Standards Code (CalGreen)*
- I. *California Health and Safety Code (HS&C)*
- J. *California Existing Building Code (CEBC)*
- K. *National Fire Protection Association Standards (NFPA)*
- L. *Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA)*
- M. *City of Merced Municipal Code (CMMC)*

10. A location specific building permit application package is required for each individual building and building address. For a detail of commercial submittal package content review Commercial Plan Submittal Checklist [https://www.cityofmerced.org/depts/cd/building/download\\_information.asp](https://www.cityofmerced.org/depts/cd/building/download_information.asp) . Additional documentation may be required for structural modifications and/or additions to existing buildings or structures. All submittals are electronic. Electronic plan review instructions can be found on the city website [https://www.cityofmerced.org/depts/cd/building/electronic\\_plan\\_review/default.asp](https://www.cityofmerced.org/depts/cd/building/electronic_plan_review/default.asp) .
11. The plan review fees will be calculated after the city is in receipt of a full complete submittal. Applicant will be contacted with the amount due. Fees must be paid in full before the plans will be accepted for plan review.
12. Construction or work for which the permit is required shall be subject to inspection by the Building Official and such construction or work shall remain accessible and exposed for inspection purposes until approved. No construction shall commence prior to the issuance of a building permit.
13. No building or structure shall be used or occupied, and no change in the existing occupancy classification or the use in the same occupancy classification, of the building or structure or portion thereof shall be made, until the Building Official has issued a certificate of occupancy. Issuance of a certificate of occupancy shall not be construed as an approval of a violation of the provisions of applicable codes and standards or the other regulations of the City of Merced.
14. The owner/occupant is required to keep all City approved plans, specifications and related documents on the premises, in an easily accessible location for City inspection staff for the required inspections.
15. A copy of the approved plans shall be maintained on site for any future operational, or other related inspections after a Certificate of Occupancy is given.

### **Building Code Requirements**

*(Applicable to all occupancies and MAUCRSA permit types)*

1. The Occupancy and Construction Type of the proposed facility shall comply with the applicable provisions of CBC Chapters 3 and 6.
2. Means of egress shall comply with CBC Chapter 10.
3. The design for the occupant load is based on CBC Chapter 10, § 1004. Growing, storage and shipping areas are 300 sq. ft. per person; cannabis infused products, testing and business areas are 100 sq. ft. per person.
4. Interior finishes shall comply with CBC Chapter 8.
5. Access for persons with disabilities shall comply with the applicable provisions of CBC Chapter 11B.

## **Fire Code Requirements**

*(Applicable to all occupancies and MAUCRSA permit types)*

All applicants will need to provide a detailed scope of work related to all business activities and products utilized in their business model or process. List license type proposed, storage configurations and hazardous materials to be utilized. Prior to finalization of building permit, operational permits will need to be secured with the Fire Department.

1. The smoking or carrying of a lighted pipe, cigar, cigarette or any other type of smoking paraphernalia or material is prohibited in the areas indicated in CFC § 310.
2. Storage of combustible materials in buildings shall be orderly. Storage shall be separated from heaters or heating devices by distance or shielding so that ignition cannot occur per CFC § 315.
3. Any security device or system that emits any medium that could obscure a means of egress in any building, structure or premise shall be prohibited per CFC § 316.5.
4. Reporting of emergencies, coordination with emergency response forces, emergency plans and procedures for managing or responding to emergencies shall comply with the provisions of CFC § 401.
5. Emergency evacuation drills complying with provisions of this section shall be conducted at least annually for Group F occupancies listed in section 404 or when required by the fire code official. Drills shall be designed in cooperation with the California Fire Code and local authorities per CFC § 405.
6. The provisions of CFC § 407 shall be applicable where hazardous materials subject to permits under CFC §5001.5 are used and/or stored on the premises or where required by the fire code official.
7. Where access to or within a structure or an area is restricted because of secured openings or where immediate access is necessary for life-saving or fire-fighting purposes, the Fire Code Official is authorized to require a key box to be installed in an approved location. The key box shall be of an approved type and shall contain keys to gain necessary access as required by the fire code official per CFC §506.1
8. Approved automatic sprinkler systems in new buildings and structures shall be provided in the locations described in CFC § 903 and as amended by the Merced Municipal Code. A change in the occupancy of the space or an expansion of square footage could require the installation of a fire suppression system for the building.
9. Automatic fire-extinguishing systems, other than automatic sprinkler systems, shall be designed, installed, inspected, tested and maintained in accordance with the provisions of CFC § 903 and the applicable referenced standards.
10. Portable fire extinguishers shall be installed in F, B and U occupancy groups per CFC § 906. The size and distribution of portable fire extinguishers shall be in accordance with CFC § 906 and *California Code of Regulations, Title 19*.
11. Duct smoke detectors complying with UL 268A shall be installed in accordance with the CBC, CFC, CMC and NFPA 72 in the main supply air duct of each air-conditioning system having a capacity greater than 2,000 CFM.
12. An approved fire alarm system installed in accordance with the provisions of the CFC and NFPA 72 shall be provided in new buildings and structures in accordance with CFC § 907.2 and provide occupant notification in accordance with CFC § 907.6, unless other requirements are provided by another section of this code.
13. High-piled storage or rack storage in any occupancy group shall comply with CFC Chapter 32.
14. Storage, use and handling of compressed gases in compressed containers, cylinders, tanks, and systems shall comply with CFC Chapter 53 including those gases regulated elsewhere in the CFC. Partially full compressed gas container, cylinders or tanks containing residual gases shall be considered as full for purposes of the controls required.

15. Compressed gases classified as hazardous materials shall also comply with CFC Chapter 50 for general requirements and the applicable sections of Chapters 58 (Flammable Gases), 60 (Highly Toxic and Toxic Materials), 63 (Oxidizer, Oxidizing Gases and Oxidizing Cryogenic Fluids) and 64 (Pyrophoric Materials).
16. The storage, use and handling of all hazardous materials shall be in accordance with CFC Chapter 50 (Hazardous Materials) and the applicable sections of Chapter 54 (Corrosive Materials), Chapter 55 (Cryogenic Fluids), Chapter 57 (Flammable and Combustible Liquids) and Chapter 58 (Flammable Gases and Flammable Cryogenic Fluids). The maximum allowable quantity of hazardous materials per control area will be established using CFC § 5003.1. Applicant will need to contact the Fire Department for hazardous materials storage, use and handling requirements.
17. Hazardous Materials Inventory Statement (HMIS) per CFC § 5001.5.2. An application for building permit shall include an HMIS. The HMIS shall include the following information:
  - A. Product name.
  - B. Component.
  - C. Chemical Abstract Service (CAS) number.
  - D. Location where stored or used.
  - E. Container size.
  - F. Hazard classification.
  - G. Amount in storage.
  - H. Amount in use-closed systems.
  - I. Amount in use-open systems.

The business will also need to comply with electronic reporting requirements specific to the California Environmental Reporting System. Applicants will need to contact the Fire Department for direction and permitting related to hazardous materials inventory reporting amounts.

18. Fumigation and insecticidal fogging operations within buildings, structures and spaces shall comply with CFC Chapter 26.

### **Electrical Code Requirements**

*(applicable to all occupancies and MAUCRSA permit types)*

1. All electrical system design and permitting is required to be performed by licensed engineers or architects registered in the State of California or qualified and experienced licensed electrical contractors if they are performing the actual installations (design-build).
2. All electrical system(s) installation is required to be completed by licensed electrical contractors.
3. The electrical system must be sized and installed in accordance with the California Electrical Code.
4. A single line diagram of the existing and proposed electrical system, including the main electrical service shall be provided in the submittal along with panel schedules and load calculations. CEC Article 215.5.
5. Electrical services which are 400 amps or greater must be designed by licensed electrical engineers registered in the State of California or qualified and experienced licensed electrical contractors if they are performing the actual installations (design-build).
6. All electrical equipment must be listed and labeled by an approved testing agency, CEC Article 110.3.



## **Mechanical Code Requirements**

*(applicable to all occupancies and MAUCRSA permit types)*

1. The provisions of the CMC shall apply to the erection, installation, alteration, repair, relocation, replacement, addition to or the maintenance of mechanical systems.  
A ventilation system shall be required to filter contaminants to the exterior of the building and any adjoining property. The mechanical ventilation of exhaust system shall be installed to control, capture and remove emissions or other odors generated from product use or handling where required in accordance with the Building or Fire Code. The design of the system shall be such that the emissions or other odors are confined to the area in which they are generated by air currents, hoods, or enclosures and shall be exhausted by a duct system to a safe location or treated by removing contaminants.
2. Provide an exhaust system designed and constructed to capture sources of contaminants to prevent spreading of contaminants to other parts of the occupied spaces of the building (CMC Chapter 5).
3. Building elements separating the cannabis agricultural area from other occupied portions of the building must be air sealed to prevent odor migration into adjacent spaces.
4. The inlet for the ventilation system must be located in the area(s) of the highest contaminant concentration per CMC § 505.6.
5. Ventilation required. Every occupied space shall be ventilated by natural means in accordance with CMC § 402.2 or by mechanical means in accordance with CMC § 402.3.
6. Label information. A permanent factory-applied nameplate shall be affixed to appliances on which shall appear in legible lettering, the manufacturer's name or trademark, the model number, serial number and the seal or mark of the approved agency. A label shall also include all applicable information per CMC § 307.

## **Plumbing Code Requirements**

*(applicable to all occupancies and MAUCRSA permit types)*

1. New plumbing installations and alteration must meet requirements of the California Plumbing Code (CPC).
2. The number of required fixtures shall be calculated using CPC § 422.1, Table 422.1 and Table A.
3. The provisions of the CPC shall apply to the erection, installation, alteration, repairs, relocation, replacement, addition to or the maintenance of plumbing systems, nonflammable medical gas, carbon dioxide extraction systems, inhalation, anesthetic, vacuum piping, nonmedical oxygen systems, sanitary and condensate systems, vacuum collection systems, fuel gas distribution piping and equipment, gas water heaters and water heater venting.
4. Plan documents must identify the locations of plumbing fixtures and fixture types.
5. Plans shall identify the locations of water heater(s), water supply and distribution, indirect and special waste, sanitary discharge, vents, traps, backflow preventers and interceptors and separators.
6. Plumbing fixtures and fixture fittings must be designed for individuals with disabilities and with the appropriate standards.
7. Installed appliances regulated by this code shall be listed and labeled for the application in which they are installed and used, unless otherwise approved in accordance with the CPC.

### **Energy Code Regulations**

*(applicable to all occupancies and MAUCRSA permit types)*

New, modified and altered building envelope, lighting and mechanical systems must be designed to comply with California Energy Code Nonresidential requirements. The City of Merced is located in Climate Zone 12. For purposes of energy design, the designer is responsible for specifying the building features that determine compliance with Building Energy Efficiency Standards and other applicable building codes. Alterations must comply with mandatory measures for the altered components.

1. The energy documents will be required for lighting, cooling, heating, water heating and building envelope modifications.
2. Building envelope, lighting and mechanical systems shall comply with the applicable requirements of the California Energy Code.

### **CalGreen Code Requirements**

*(applicable to all occupancies and MAUCRSA permit types)*

California Green Building Standards Code provides provisions to outline planning design and development methods for environmentally responsible site and building design to protect, restore and enhance the environmental quality of the site, building and respect the integrity of adjacent properties. Alterations and additions to existing buildings must include a Green Building Check List for non-residential construction if the valuation is \$200,000 or greater or if the addition is 1,000 square feet or larger.

### **MAUCRSA Permit Specific Requirements**

The requirements in this section are related to specific permit types as outlined in the *California State Medicinal and Adult Use Cannabis Regulation and Safety Act* (MAUCRSA)

### **Cultivation Facilities**

*(MAUCRSA permit types 1-4)*

1. Mixed use grow facilities are to meet CBC, Chapter 3 requirements based upon Use and Occupancy Classification for a Factory Industrial, F-1, Moderate-hazard Occupancy. CBC § 306.2.
2. Grow facilities such as greenhouses for the exclusive use of plant production may be classified as a U occupancy and shall be consistent with the requirements of CBC Appendix C.
3. Grow lights must be installed per the manufacturer's instructions and wired per CEC article 410.
4. NM cable (Romex) is not allowed for use in damp locations (grow rooms) (CEC § 334.10). Approved wiring methods utilized in grow facilities shall be in accordance with wet use "Wiring Methods and Materials", (CEC Chapter 3).
5. Cultivation facility exhaust outlets must be located 10' from the property lines, operable openings into the building and from mechanical air intakes (CMC § 506.9).

## **Manufacturer Facility**

*(MAUCRSA permit type 6-7)*

1. Type 6 Manufacturing facilities are to meet CBC, Chapter 3 requirements based upon Use and Occupancy Classification for a Factory Industrial, F-1, Moderate-hazard Occupancy. CBC § 306.2.
2. Portions of the cannabis Infused Product facilities may be considered a Hazardous Location based on the method used for the THC extraction and the amount of hazardous material stored. Full disclosure of the extraction process will be required at the time of building permit submittal.
3. Cannabis manufacturing facilities shall submit as a part of their permit application a comprehensive description of the program and process proposed for the operation and production at the facility. The documentation shall, as applies, include all of the following:
  - A. A plan that specifies all means to be used for extracting, heating, washing, or otherwise changing the form of the cannabis plant or for testing any cannabis or cannabis product and safety measures for each such process.
  - B. A description of all toxic, flammable, or other materials regulated by a federal, state, or local government that will be used, kept, or created at the facility, the quantities and location of such materials, and the manner in which such materials will be stored.
  - C. A description of the processes used to extract or distill cannabis derivatives from their source and the processes used to incorporate cannabis derivatives into all retail cannabis products produced.
4. Concentrations of grease, smoke, heat, steam or products of combustion created when cannabis is manufactured into products including, but not limited to, foods, beverages, salves, inhalants and tinctures are to be contained as detailed in the CMC §§ 506 and 507 (Type I and Type II hoods).
5. Facilities used for processing cannabis into foods, beverages, salves, inhalants, tinctures or other forms for human consumption or use are subject to review and approval by the [California Department of Public Health, Manufactured Cannabis Safety Branch](#). A separate license application is required through their office.
6. Sanitation requirements for facilities used for processing cannabis into foods, beverages, salves, inhalants and tinctures shall meet the California Department of Public Health guidelines that are to be detailed on the drawings.
7. Infused product extraction and hazard containment equipment must be listed, labeled and installed per NEC 110.3.
8. Storage, use and handling of compressed gases in compressed gas containers, cylinders, tanks and systems shall comply with CFC, NFPA Standards, H&SC and CCR, including those gases regulated elsewhere in this code. Partially full compressed gas containers, cylinders or tanks containing residual gases shall be considered as full for the purposes of the controls required.

*Compressed gases classified as hazardous materials shall also comply with CFC Chapters 50 and 53 for general requirements and chapters addressing specific hazards, including Chapters 58 (Flammable Gases), 60 (Highly Toxic and Toxic Materials), 63 (Oxidizers, Oxidizing Gases and Oxidizing Cryogenic Fluids) and 41 (Pyrophoric Materials).*

**Testing/Laboratory**

*(MAUCRSA permit type 8)*

1. Type 8 Testing/Laboratory facilities are to meet CBC, Chapter 3 requirements based upon Use and Occupancy Classification for a Business Group, B, Occupancy. CBC § 304.1.
2. Required hoods shall meet the requirements of CMC §§ 506, 507 and 508.
3. Hazardous materials storage, use, handling and wastes shall be permitted and reported through the Fire Department prior to operation.

**Dispensaries**

*(MAUCRSA permit type 10)*

Type 10 Dispensary facilities are to meet CBC, Chapter 3 requirements based upon Use and Occupancy Classification for a Mercantile Group, M, Occupancy. CBC § 309.1

## NOTICE OF EXEMPTION

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**To:** \_\_\_\_\_ Office of Planning and Research  
P.O. Box 3044  
Sacramento, CA 95812-3044

**From: (Public Agency)**  
City of Merced  
678 West 18th St.  
Merced, CA 95340

  X   County Clerk  
County of Merced  
2222 M Street  
Merced, CA 95340

**Project Title:** Commercial Cannabis Business Permit Application #18-06R (Environmental Review #18-19)

**Project Applicant:** Blue Fire, Inc.

**Project Location (Specific):** 1975 W. Olive Ave. (APN: 058-030-004)

**Project Location - City:** Merced

**Project Location - County:** Merced

**Description of Nature, Purpose, and Beneficiaries of Project:** The project involves the application for a license to operate a dispensary for both medicinal and adult use cannabis, all in accordance with state and local regulations.

**Name of Public Agency Approving Project:** City of Merced

**Name of Person or Agency Carrying Out Project:** Blue Fire, Inc.

**Exempt Status:** (check one)

\_\_\_\_ Ministerial (Sec. 21080(b)(1); 15268);

\_\_\_\_ Declared Emergency (Sec. 21080(b)(3); 15269(a));

\_\_\_\_ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));

  X   Categorical Exemption. State Type and Section Number: Section 15332, Class 32 – Projects characterized as in-fill development;

\_\_\_\_ Statutory Exemptions. State Code Number: \_\_\_\_\_.

\_\_\_\_ General Rule (Sec. 15061 (b)(3))

**Reasons why Project is Exempt:** Pursuant to the California Environmental Quality Act (CEQA), Guidelines Section 15332 Class 32 consists of projects characterized as in-fill development meeting the conditions described in this section: (a) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations; (b) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses; (c) The project site has no value as habitat for endangered, rare or threatened species; (d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality; and, (e) The site can be adequately served by all required utilities and public services.

**Lead Agency:** City of Merced

**Contact Person:** Michael Hren, Principal Planner **Area Code/Telephone:** (209) 385-6858

**Signature:** \_\_\_\_\_ /s/ Michael Hren

**Date:** 8/24/18 **Title:** Principal Planner

  X   Signed by Lead Agency

Date Received for Filing at OPR: \_\_\_\_\_  
(If applicable)

Authority Cited: Sections 21083 and 21110. Public Resources Code

Reference: Sections 21108, 21152, and 21152.1. Public Resources Code

ATTACHMENT K

**CITY OF MERCED**  
**Planning Commission**

**Resolution #\_\_\_\_\_**

**WHEREAS**, the Merced City Planning Commission at its scheduled meetings of September 18 and September 19, 2018, held a public hearing and considered **Commercial Cannabis Business Permit #18-06R**, initiated by Blue Fire, Inc., on a property owned by REM Land Group, LLC. This application is a request to permit the operation of a Retail Dispensary, including delivery services, for medicinal and adult use cannabis and cannabis-related products at 1975 W. Olive Avenue, a parcel of 2.08 acres, within Planned Development (P-D) #12, with a General Plan Designation of Industrial (IND); also known as Assessor's Parcel Number (APN) 058-030-004; and,

**WHEREAS**, the Merced City Planning Commission concurs with Findings A through M of Staff Report #18-23; and,

**NOW THEREFORE**, after reviewing the City's Draft Environmental Determination, and discussing all the issues, the Merced City Planning Commission does resolve to hereby adopt a Categorical Exemption regarding Environmental Review #18-19 and approve Commercial Cannabis Business Permits #18-06R, subject to the Conditions set forth in Exhibit A attached hereto and incorporated herein by this reference.

Upon motion by Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, and carried by the following vote:

AYES: Commissioner(s)

NOES: Commissioner(s)

ABSENT: Commissioner(s)

ABSTAIN: Commissioner(s)



Adopted this 19<sup>th</sup> day of September 2018

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Chairperson, Planning Commission of  
the City of Merced, California

ATTEST:

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Secretary

Attachment:  
Exhibit A – Conditions of Approval

**Conditions of Approval**  
**Planning Commission Resolution # \_\_\_\_\_**  
**Commercial Cannabis Business Permit #18-06R**

1. The proposed project shall be constructed/designed as shown on Exhibit 1 (site plan) and Exhibit 2 (elevations) – Attachments C and E of Staff Report #18-23, except as modified by the conditions.
2. All conditions and requirements contained in Merced Municipal Code (MMC) Section 20.44.170/Ordinance #2480 (Attachment I of Staff Report #18-23) shall apply. Particular attention shall be paid to MMC 20.44.170(F) “Additional Regulations for Dispensary and Retail Sales of Cannabis” and MMC 20.44.170(G) “Additional Regulations for Commercial Cannabis Delivery Services.”
3. The proposed project shall comply with all standard Municipal Code and Subdivision Map Act requirements as applied by the City Engineering Department.
4. All other applicable codes, ordinances, policies, etc. adopted by the City of Merced shall apply.
5. The developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, and any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof, from any and all claims, actions, suits, proceedings, or judgments against the City, or any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof to attack, set aside, void, or annul, an approval of the City, or any agency or instrumentality thereof, advisory agency, appeal board, or legislative body, including actions approved by the voters of the City, concerning the project and the approvals granted herein. Furthermore, developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, or any agency or instrumentality thereof, against any and all claims, actions, suits, proceedings, or judgments against any governmental entity in which developer/applicant’s project is subject to that other governmental entity’s approval and a condition of such approval is that the City indemnify and defend such governmental entity. City shall promptly notify the developer/applicant of any claim, action, or proceeding. City shall further cooperate fully in the defense of the action. Should the City fail to either promptly notify or cooperate fully,

the developer/applicant shall not thereafter be responsible to indemnify, defend, protect, or hold harmless the City, any agency or instrumentality thereof, or any of its officers, officials, employees, or agents.

6. The developer/applicant shall construct and operate the project in strict compliance with the approvals granted herein, City standards, laws, and ordinances, and in compliance with all State and Federal laws, regulations, and standards. In the event of a conflict between City laws and standards and a State or Federal law, regulation, or standard, the stricter or higher standard shall control. State Law shall prevail in regards to cannabis activities as permitted by State Law.
7. The proposed project shall comply with all applicable regulations of the State of California including, but not limited to, those found in the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).
8. The applicants shall meet the standards of the City of Merced's "Commercial Building Permit Application Submittal Requirements" (Attachment J of Staff Report #18-23) at the time of submittal for building permits for tenant improvement.
9. The details of the property's fencing (if any), security, and screening are to meet the approval of the Director of Development Services and Chief of Police prior to the issuance of a Certificate of Occupancy.
10. The applicants shall keep on the premises of the proposed project site a physical copy of the approved plans, to be annotated and updated accordingly with any notes, changes, or requirements determined to be necessary by representatives of the City of Merced or any contractors that the City of Merced may employ for the purpose of site inspections. These plans shall be made available to the City's representatives, employees, agents, inspectors, or contractors upon request.
11. Fire sprinklers shall be modified or installed to accommodate the building configuration and process configuration prior to occupancy if required by the Chief Building Official.
12. Regulatory Fees, as per Resolution #2017-67, are to be paid prior to the issuance of a Certificate of Occupancy and annually thereafter on or before the anniversary date. The Regulatory Fee may be amended from time to time based upon actual costs. The amount of the fees shall be adjusted annually (starting on January 1, 2019) to account for inflation

by using the Consumer Price Index (CPI). In no event, shall the fees in any year be less than the preceding year.

13. A Commercial Cannabis Business Permit is valid for one year or until December 31 of each year, unless sooner revoked. Applications for the renewal of a permit shall be filed with the Director of Development Services, in accordance with 20.44.170(L).4, “Commercial Cannabis Business Permit Renewal (All Types)”, at least sixty (60) calendar days before the expiration of the current permit. If the permittee allows their permit to lapse, they shall be required to submit a new application, pay corresponding fees and be subject to all aspects of the selection process.
14. As per Ordinance #2480, the use of vending machines to dispense cannabis is strictly prohibited. Any vending machines on the property must not contain cannabis or cannabis-based products.
15. The applicants shall provide or cause to be provided a trash enclosure on the property such that all waste is securely stored until it is removed from the premises. Access to this enclosure shall be provided to the City’s Department of Public Works.
16. As required by Merced Municipal Code Section 17.04.050 and 17.04.060, full public improvements shall be installed/repared if the permit value of the project exceeds \$100,000. Public improvements may include, but not be limited to, repairing/replacing the sidewalk, curb, gutter, and street corner ramp(s), so that they comply with ADA standards and other relevant City of Merced/State standards and regulations.
17. The parking lot shall be repaved and restriped in compliance with the City of Merced’s City Standards.
18. If the applicants are unable to provide a FEMA flood elevation certificate showing that the top of the bottom floor and all equipment are at the required height as to not mandate mitigation measures if applicable, flood mitigation measures shall be required to meet the approval of the City flood plain manager and City Engineer.
19. The details of the final design of the exterior elevations and any signage shall be approved by Planning staff prior to issuance of a Certificate of Occupancy.

20. Future modifications to the scale, scope, activities, implementation, processes, materials, design, layout, or other factors pertaining to the operation of the project that are consistent with permits to perform activities related to operation of a retail dispensary of cannabis and cannabis-based products may be authorized with the approval of the City's Chief Building Official, Fire Chief, and Director of Development Services.

n:\shared\planning\PC Resolutions: CCBP #18-06R Exhibit A

**CITY OF MERCED**  
**Planning & Permitting Division**

**STAFF REPORT: #18-24**

**AGENDA ITEM: 4.3**

**FROM and** Kim Espinosa,  
**PREPARED BY:** Planning Manager

**PLANNING COMMISSION**  
**MEETING DATE: Sept. 18 and**  
**Sept. 19, 2018**

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**SUBJECT:** **Commercial Cannabis Business Permit #18-10R**, initiated by Green Door, Inc., on property owned by Ray Barry McAuley and Jeanne R McAuley, trustees. This application is a request to permit the operation of a retail dispensary, including delivery services, for both medicinal and adult-use cannabis on a 0.17-acre parcel at 811 W. Main Street within a Regional/Central Commercial (C-C) Zone. \*PUBLIC HEARING\*

**ACTION:** Approve/Disapprove/Modify:

- 1) Environmental Review #18-23 (Categorical Exemption)
- 2) Commercial Cannabis Business Permit #18-10R

**SUMMARY**

This application is for a permit to utilize the property at 811 West Main Street for cannabis-related business activities. The permit seeks to allow the Applicant to operate a Retail Dispensary for medicinal and adult use cannabis and cannabis-related products, including delivery services. The project proposes to use and modify an existing building, which has existing access to utilities. Staff is recommending approval with conditions.

**RECOMMENDATION**

Planning staff recommends that the Planning Commission approve Environmental Review #18-23 (Categorical Exemption) and Commercial Cannabis Business Permits #18-10R (including the adoption of the Resolution at Attachment M), subject to the following conditions:

- \*1) The proposed project shall be constructed/designed as shown on Exhibit 1 (site plan), Exhibit 2 (floor plan) and Exhibit 3 (elevations) -- Attachments C, D, and E, except as modified by the conditions.
- \*2) All conditions and requirements contained in Merced Municipal Code (MMC) Section 20.44.170/Ordinance #2480 (Attachment J) shall apply. Particular attention shall be paid to MMC 20.44.170(F) "Additional Regulations for Dispensary and Retail Sales of Cannabis" and MMC 20.44.170(G) "Additional Regulations for Commercial Cannabis Delivery Services."
- \*3) The proposed project shall comply with all standard Municipal Code and Subdivision Map Act requirements as applied by the City Engineering Department.
- \*4) All other applicable codes, ordinances, policies, etc. adopted by the City of Merced shall apply.



- \*5) The developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, and any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof, from any and all claims, actions, suits, proceedings, or judgments against the City, or any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof to attack, set aside, void, or annul, an approval of the City, or any agency or instrumentality thereof, advisory agency, appeal board, or legislative body, including actions approved by the voters of the City, concerning the project and the approvals granted herein. Furthermore, developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, or any agency or instrumentality thereof, against any and all claims, actions, suits, proceedings, or judgments against any governmental entity in which developer/applicant's project is subject to that other governmental entity's approval and a condition of such approval is that the City indemnify and defend such governmental entity. City shall promptly notify the developer/applicant of any claim, action, or proceeding. City shall further cooperate fully in the defense of the action. Should the City fail to either promptly notify or cooperate fully, the developer/applicant shall not thereafter be responsible to indemnify, defend, protect, or hold harmless the City, any agency or instrumentality thereof, or any of its officers, officials, employees, or agents.
- \*6) The developer/applicant shall construct and operate the project in strict compliance with the approvals granted herein, City standards, laws, and ordinances, and in compliance with all State and Federal laws, regulations, and standards. In the event of a conflict between City laws and standards and a State or Federal law, regulation, or standard, the stricter or higher standard shall control. State Law shall prevail in regards to cannabis activities as permitted by State Law.
- \*7) The proposed project shall comply with all applicable regulations of the State of California including, but not limited to, those found in the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).
- \*8) The details of the property's fencing (if any), security, and screening are to meet the approval of the Director of Development Services and Chief of Police prior to the issuance of a Certificate of Occupancy. Key access and/or a Knox Box to any perimeter fencing shall be provided to the City Fire, Police, and Public Works Departments.
- \*9) The applicants shall meet the standards of the City of Merced's "Commercial Building Permit Application Submittal Requirements" (Attachment K) at the time of submittal for building permits for tenant improvement.
- \*10) The applicants shall keep on the premises of the proposed project site a physical copy of the approved plans, to be annotated and updated accordingly with any notes, changes, or requirements determined to be necessary by representatives of the City of Merced or any contractors that the City of Merced may employ for the purpose of site inspections. These plans shall be made available to the City's representatives, employees, agents, inspectors, or contractors upon request.
- \*11) Any non-public areas, including cannabis inventory storage room, restrooms, etc., within the facility shall be secured from intentional or accidental access by any person not employed, contracted, or otherwise authorized on the premises.

- \*12) Fire sprinklers shall be modified or installed to accommodate the building configuration and process configuration prior to occupancy if required by the Chief Building Official.
- \*13) Regulatory Fees, as per Resolution #2017-67, are to be paid prior to the issuance of a Certificate of Occupancy and annually thereafter on or before the anniversary date. The Regulatory Fee may be amended from time to time based upon actual costs. The amount of the fees shall be adjusted annually (starting on January 1, 2019) to account for inflation by using the Consumer Price Index (CPI). In no event, shall the fees in any year be less than the preceding year.
- \*14) A Commercial Cannabis Business Permit is valid for one year or until December 31 of each year, unless sooner revoked. Applications for the renewal of a permit shall be filed with the Director of Development Services, in accordance with MMC 20.44.170(L).4, “Commercial Cannabis Business Permit Renewal (All Types)”, at least sixty (60) calendar days before the expiration of the current permit. If the permittee allows their permit to lapse, they shall be required to submit a new application, pay corresponding fees, and be subject to all aspects of the selection process.
- \*15) If the applicants are unable to provide a FEMA flood elevation certificate showing that the top of the bottom floor and all equipment are at the required height as to not mandate mitigation measures (if applicable), flood mitigation measures shall be required to meet the approval of the City flood plain manager and City Engineer.
- \*16) As required by Merced Municipal Code Section 17.04.050 and 17.04.060, full public improvements shall be installed/repared if the permit value of the project exceeds \$100,000.00. Public improvements may include, but not be limited to, repairing/replacing the sidewalk, curb, gutter, and street corner ramp(s), so that they comply with ADA standards and other relevant City of Merced/State/Federal standards and regulations.
- \*17) The applicants shall provide a trash enclosure on the property such that all waste is securely stored until it is removed from the premises with access to the enclosure to be provided to the Refuse Division. The proposed enclosure as shown on the Site Plan is located at the northwest corner of APN 031-123-010, which may conflict with the approved food truck parking area on that lot, so the final location and design shall be approved by the Refuse Division prior to issuance of a building permit. The cross access agreement described in Condition #19 will also include the final location of the trash enclosure and ensure the dispensary’s access to that enclosure.
- 18) Future modifications to the scale, scope, activities, implementation, processes, materials, design, layout, or other factors pertaining to the operation of the project that are consistent with permits to perform activities related to operation of a retail dispensary of cannabis and cannabis-based products may be authorized with the approval of the City’s Chief Building Official, Fire Chief, and Director of Development Services.
- 19) A joint parking and cross access agreement shall be recorded by the property owner to ensure that the dispensary has access to the parking, trash enclosure, and any other required facilities on the adjacent parcels (APN #031-123-009 and -010).
- 20) The parking areas shall be repaved and striped to City Standards prior to obtaining a Certificate of Occupancy.

- 21) The final design of the exterior elevations and any signage shall be approved by Planning staff prior to obtaining a Certificate of Occupancy. The final design of the proposed mural on the west elevation may require approval from the City's new Arts Commission. Details to be worked out with staff.
- 22) The dispensary owners shall work with the property owners and food truck operators as approved with Conditional Use Permit #1226 to allow for the joint use of the parking area on APN #031-123-010. If agreement cannot be reached, the property owners will need to determine the future use of the property. If the food truck(s) remain, the dispensary owners shall be responsible for ensuring that cannabis products are not consumed on-site as required in MMC 20.44.170(F)(16).

(\*) Denotes non-discretionary conditions.

### **PROJECT DESCRIPTION**

The applicants are proposing to operate a cannabis dispensary (retail sales) business at 811 West Main Street. The building occupies one 7,500-square foot parcel (APN 031-123-008) and the proposed parking is located on two separate 7,500-square foot parcels (APN 031-123-009 and 031-123-010) to the west of the building.

### **Surrounding Uses**

<b>Surrounding Land</b>	<b>Existing Use of Land</b>	<b>City Zoning Designation</b>	<b>City General Plan Land Use Designation</b>
North	Vacant Attorney Office in converted house/Offices including Stonefield Homes & Edward Jones (Across alley)	Regional/Central Commercial (C-C)	Regional/Community Commercial (RC)
South	Vacant Commercial Buildings (Former Auto Sales) (Across W. Main St)	Regional/Central Commercial (C-C)	Regional/Community Commercial (RC)
East	McAuley Auto Sales Display	Regional/Central Commercial (C-C)	Regional/Community Commercial (RC)
West	Vacant Commercial Building	Regional/Central Commercial (C-C)	Regional/Community Commercial (RC)

### **BACKGROUND**

These applications have passed Phase I screening and paid the fee for Phase II. Background checks on all owners have been performed to the satisfaction of the Chief of Police.

On June 6, 2018, the Planning Commission approved Conditional Use Permit #1226 for a food truck parking area (for multiple food trucks with outdoor seating) on the western portion of the existing parking lot (APN 031-123-010) to the west of the proposed dispensary building (Attachment G). CUP #1226, although applied for by the Tri-Tipperry, is actually issued to the property owners, Ray and Jeanne McAuley. The applicants for Green Door have indicated that

they are willing to work with the property owners and the food truck operators so that the food trucks can remain on the site (Condition #22).

## **FINDINGS/CONSIDERATIONS:**

### **General Plan/Zoning Compliance**

- A) The proposed project complies with the General Plan designation of Regional/Community Commercial (RC) and the zoning designation of Regional/Central Commercial (C-C) with approval of a Commercial Cannabis Business Permit (CCBP). Commercial cannabis businesses are prohibited in the “City Center” area of the C-C zone, defined as “the area between 19<sup>th</sup> and 16<sup>th</sup> Streets and O Street and Martin Luther King Jr. Way, including properties fronting on either side of each of the above streets.” As such, the proposed project is just outside the boundary of the “City Center” (Attachment H) so it can be approved.

### **Land Use Issues**

- B) The subject site is more than 1,000 feet from any schools and more than 600 feet from any day care centers, youth centers, libraries or public parks that are currently in existence, as is required by Section 11362.768 of the Health and Safety Code and Section 20.44.170(E).3.f of Merced Municipal Code (Ordinance #2480) for retail cannabis businesses (Attachment H).

### **Merit Based Scores and Ranking of Application**

- C) 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. A Selection Committee of City Manager Steve Carrigan, Police Chief Chris Goodwin, and Director of Development Services Scott McBride reviewed the applications and scored them based on merit-based criteria established by the City Council. All the proposed business owners were also 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 Selection Committee ranked this application Number 2 of all applications with an average score of 97.333. The full scoring sheet for this application is at Attachment I.

### **Proposed Operations/Customer Experience**

- D) The proposed dispensary will offer the retail sale of both medicinal and adult use cannabis and cannabis products, along with deliveries. The proposed dispensary hours are 10 a.m.

to 9 p.m. on Sundays/Mondays/Wednesdays/Fridays/Saturdays and 8 a.m. to 9 p.m. on Tuesdays/Thursdays. Please see the proposed floor plan at Attachment D, which depicts the lobby area and main sales area directly off Main Street, occupying approximately 2,500 square feet; with deliveries, inventory storage, and offices in the back adjacent to the alley in areas not accessible to the public, occupying approximately 5,000 square feet.

- E) According to the applicants, the typical “customer experience” would be as follows. Upon arriving at the site, a security guard will check the customer ID at the dispensary door off Main Street to confirm that the customer is over 21 or a valid medical customer over 18 accompanied by a caregiver. If so, the customer is welcomed into the lobby, where a receptionist will confirm or input the customer’s profile into their database, including any medical recommendations, customer preferences, confirmation of ID’s, and taking a photo of the customer. Once that is completed, the customer is let into the sales area through an electronically secured door by another security guard or staff member. Once inside, the customer may browse or be assisted by one of the roaming sales associates. (Typically, approximately 6 to 10 customers may be present on the sales floor at one time with 20 at the busiest times. Waiting times in the lobby can vary from 1 to 10 minutes.) All samples of cannabis products are secured in locked cases although there may be empty packages on display. Customers may view the products through the use of “sniff jars” which are locked down to a table. Photos of the proposed interior design based on a dispensary in Arizona are provided in Attachment F. Customer orders are taken on a tablet computer by the sales associates and then the customer’s selections are brought from the inventory area in the back of the building (not accessible to the public). The customers exit with their purchases the same way they came in through the lobby area back onto Main Street. The security guard will also be watching the parking area to ensure that customers don’t loiter or consume any cannabis products on the site.

### **Deliveries**

- F) The applicants will utilize commercial type cargo vans as secure delivery vehicles, which will be of plain color with no reference markings to indicate the transportation of cannabis. At no time will any cannabis products be visible from outside the vehicle. The delivery vehicle is climate-controlled and equipped with GPS monitoring. Delivery of cannabis will only occur within the hours of 8 a.m. to 7 p.m. Delivery times and routes will be randomized for security purposes. Per City requirements, no more than \$3,000 worth of products shall be in the vehicle at any time. All deliveries are entered into a manifest with controls to ensure proper delivery to the customer. Deliveries are only made to qualified purchasers and to a qualified address.

### **Traffic/Circulation**

- G) As the project is proposed in an existing building with existing access to the City’s roadway infrastructure, and due to the conformity with the zoning and land use for the site, no concerns related to traffic or circulation have been raised as a result of this project.

### **Site Plan/Parking**

- H) The proposed dispensary building occupies the entire 7,500-square-foot parcel (APN #031-123-008). Two adjacent parcels to the west of the building (APN #031-123-009 and -010) contain the proposed parking for the dispensary as well as a location for a trash enclosure. The retail sales areas of the dispensary building only occupies approximately 2,500 square feet while the rest of the 5,000 square feet are used more for storage and delivery uses. The City's Zoning Code requires one space per 300 square feet for retail uses and one space for each 2,000 square feet for warehouse uses, as well as allowing for a 15% reduction in usable space for hallways and other "non-public" areas. Using these factors, the proposed dispensary requires a total of 9 parking spaces. The site plan proposes 13 parking spaces on the first adjacent parcel, with 3 of those being ADA-compliant spaces along with 15 more spaces on the parcel farthest to the west. If the food truck approved with CUP #1226 remains on that far west parcel, it requires 1 space for the food truck itself and 2 spaces for customers. Even with the food truck remaining, the site meets and exceeds the City's parking requirements for these uses.

### **Neighborhood Impact/Interface**

- I) The proposed dispensary site is within the Regional/Central Commercial (C-C) zone, surrounded by other commercial uses, mostly automobile sales and offices. Many of the buildings in the immediate area are currently vacant. The dispensary will make significant upgrades to the appearance of the building and site as well as bringing a substantial security presence to the area (see Findings J and K below). Based on all of these factors, City staff believes the dispensary would fit in well and enhance this commercial area. Planning staff circulated a public hearing notice in the Merced County Times and mailed the notice to property owners within 300 feet of the subject site at least 10 days prior to this public hearing. As of the date that this report was prepared, staff had not received any comments from the community about this project.

### **Exterior Elevations/Signage**

- J) The applicants have proposed to upgrade the exterior of the building, including improvements to the Main Street façade and a mural on the west wall. See photographs at Attachment E that depict the current building and parking areas along with a rendering of the proposed Main Street façade and examples of the proposed mural artist's work on the Mainplace Theater (see Finding M for more details on the mural project). Exterior signage shall be limited to one wall sign not to exceed twenty (20) square feet in area. Interior signage or advertising may not be visible from the exterior. No temporary signs, including but not limited to, banners and A-frames, nor window signs are allowed. Condition #21 will require Planning staff approval of the final design and the approval of the City's new Arts Commission for the mural.



### **Safety/Security**

K) The applicants' security plan includes the following provisions:

- A secured entrance area/lobby ("security trap") protected by bulletproof/shatterproof glass and requiring customers to be manually buzzed into the main sales area
- Windows will be secure and opaque with a break strength of 400 lbs/inch to protect from breakage
- 24-hour monitored motion sensor lighting & security cameras on exterior & parking lot
- Electronic access controls on all doors
- At all times while dispensary is open, at least two security guards on duty
- Armed security guards will be used at start-up and then applicants will evaluate whether they are still needed based in part on community feedback
- Panic alarms and buttons located throughout Dispensary
- Security alarms and surveillance cameras throughout dispensary that meet or exceed City requirements
- Inventory is securely locked in display cases for customer viewing
- Diversion prevention and procedural safeguards to ensure employee access to cannabis storage areas are traceable through key fob access and biometric access controls
- Cannabis storage room will be secured with a "DEA" cage to protect from intrusion
- Product intake/deliveries will occur inside building with limited access into secured areas.

This is not an all-inclusive list of security measures, but simply highlights a few areas. The applicant's security plan meets or exceeds the City's requirements and has been reviewed by the Police Chief through the Merit-Based review (Finding C).

### **Ownership**

L) Green Door Merced LLC consists of the following owners who have at least 5% interest in the proposed business. All these owners have each performed a Live Scan check and have successfully passed a detailed background check to the satisfaction of the Chief of Police.

- Alicia Darrow [15%]
- Sidney Dunmore [17%]
- Chris Hester [17%]
- Justin Jarin [15%]
- David Kang [15%]
- Miguel Rodriguez [15%]
- Josh Rogina [6%] [a Merced resident who is also the designated Neighborhood Liaison]

According to their application, the applicants and operators have a combined 73 years of experience in the commercial cannabis industry. Alicia Darrow has operated five dispensaries and is involved in the start-up of 3 to 7 additional facilities. Sidney Dunmore

has operated as a manager of a medical cannabis dispensary in Sacramento, CA, with a prior career in real estate development. Chris Hester has been involved in cannabis businesses in California and Colorado. Justin Jarin served as president of a cannabis collective for 15 years. David Kang and Miguel Rodriguez have also been involved in California cannabis businesses. Josh Rogina has been a City resident for over 23 years who will function as the Neighborhood Liaison. The Management Team also includes Cadee Condit, another Neighborhood Liaison, and Kelly Turner, Community Education Coordinator.

### **Community Benefits**

- M) According to the applicant's application, the proposed dispensary will offer the following community benefits, to highlight a few examples:
- A contribution of \$30,000 per year to the Boys & Girls Club
  - Employees get 1 paid volunteer day per quarter to donate time to local community groups, including "Love Merced"
  - Community cannabis education programs (quarterly)
  - Utilization of local services and buying from local product providers
  - Work with local schools during Red Ribbon Week on anti-drug education efforts
  - Provide a food truck for job-training for at-risk youth (through "SYMPLEEQUAZION 88" Community Program)
  - Mural Project—John Pugh, a California Artist whose work includes the "River of Mercy" mural on the Merced Mainplace Theater, will create a mural on the west-facing wall of the dispensary depicting Merced's heritage (\$100,000 to \$150,000 cost estimate)
  - At Phase 1 (1<sup>st</sup> 90 Days), at least 16 employees (including 6 manager/owners)
  - At Phase 2 (After 90 Days), at least 23 employees (including 6 manager/owners)
  - Hourly wages: Minimum \$12/Hour with health benefits if employees work at least 30 hours/week

### **Modification to Operations**

- N) City staff recognizes that the details of operating a business, particularly one in a developing sector such as cannabis and cannabis-based products, requires continual updating of business practices, methodologies, and tools, the modification of which may require alterations to the configuration of the equipment, setup, or layout of the facility. In order to allow for these changes while maintaining the safety of all parties involved, modifications to the permit in the course of retail sales of cannabis and cannabis-based products may be requested by the applicants and approved with the consent of the City's Chief Building Official, Fire Chief, and Director of Development Services (Condition #18).

### **Environmental Clearance**

- O) The project proposes to utilize an existing building on a 7,500-square-foot parcel. Planning staff has conducted an environmental review (Environmental Review #18-23) of the project in accordance with the requirements of the California Environmental Quality Act (CEQA), and a Categorical Exemption (no further environmental review is required) is being recommended (see Attachment L).

### **Attachments:**

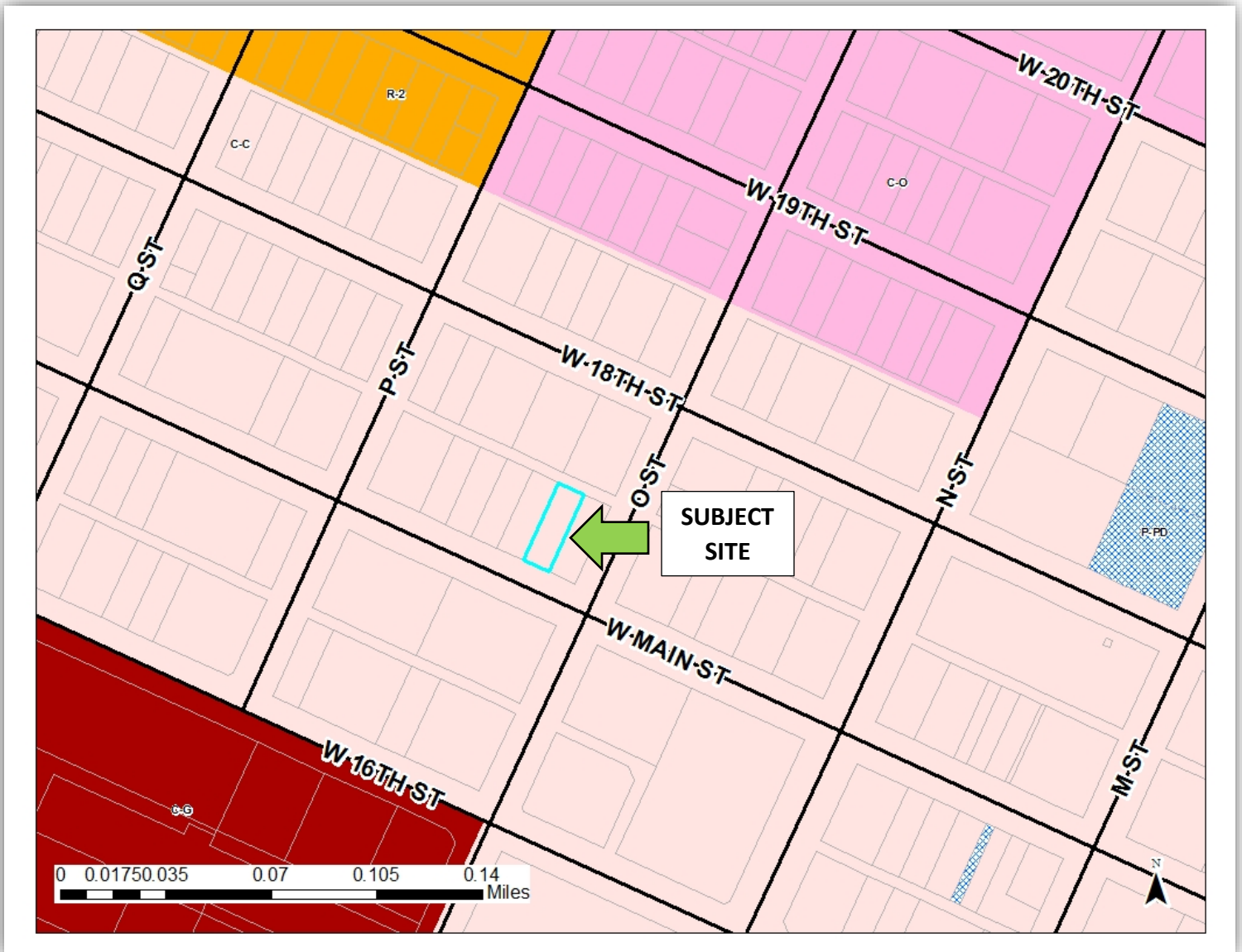
- A) Location Map
- B) Aerial Map
- C) Site Plan
- D) Proposed Floor Plan
- E) Existing and Proposed Elevations
- F) “Model” Photos of Dispensary’s Interior
- G) CUP #1226 Approved Site Plan for Food Truck
- H) Sensitive Use Map
- I) Merit-Based Scores for CCBP #18-10R
- J) Ordinance #2480
- K) City of Merced Commercial Building Permit Application Submittal Requirements
- L) Environmental Review #18-23 (Notice of Exemption)
- M) Draft Planning Commission Resolution

Ref: *H:/KIM/PROJECTS/2018/ZOA #17-01 Cannabis Businesses/Applications/18-10R/Staff Report/CCBP 18-10R Green Door PC Staff Rpt-9-18-19-2018.docx*

# LOCATION & ZONING MAP

## ("GREEN DOOR DISPENSARY")

### (CCBP #18-10R)



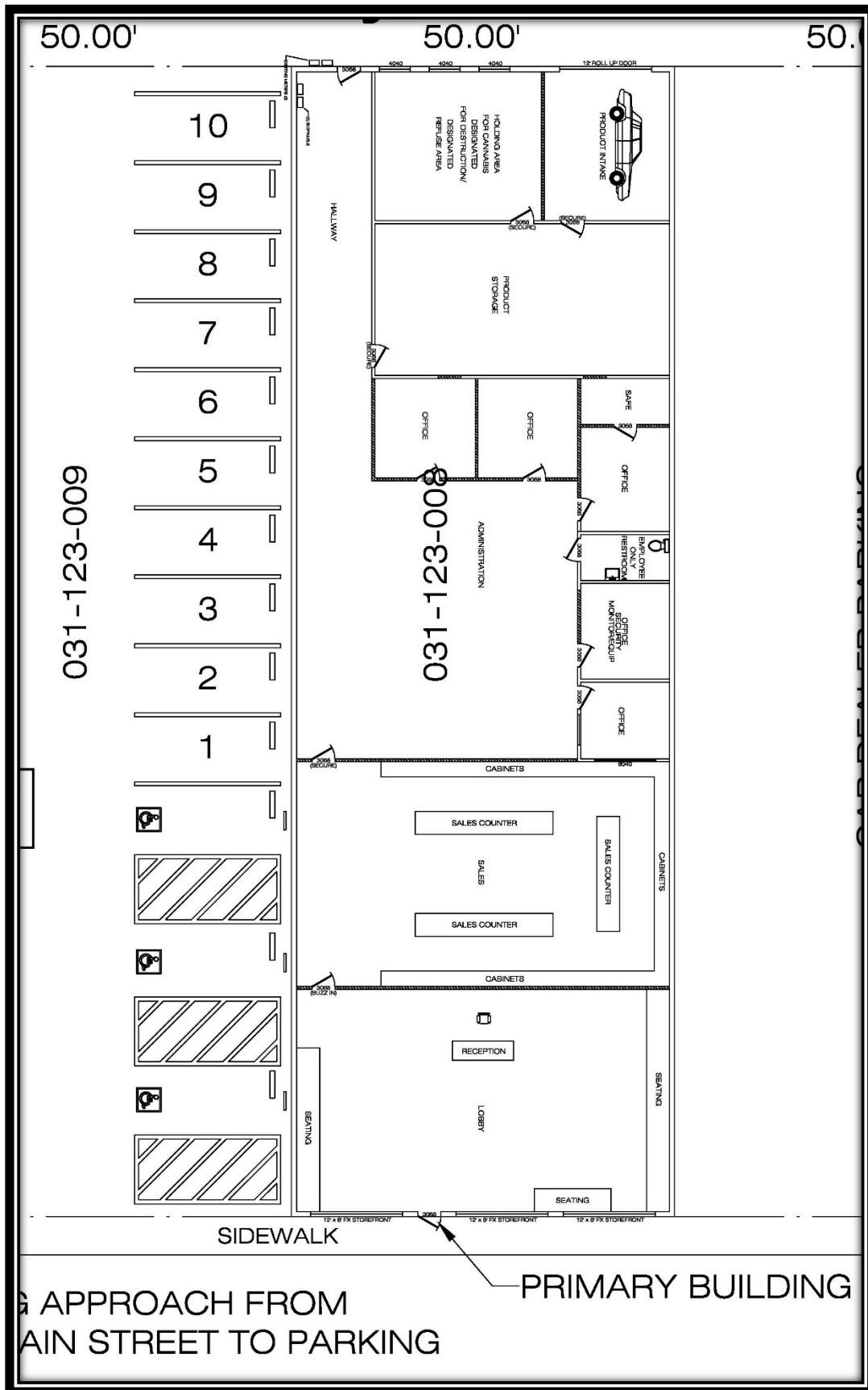


# AERIAL PHOTO & SURROUNDING USES ("GREEN DOOR DISPENSARY") (CCBP #18-10R)

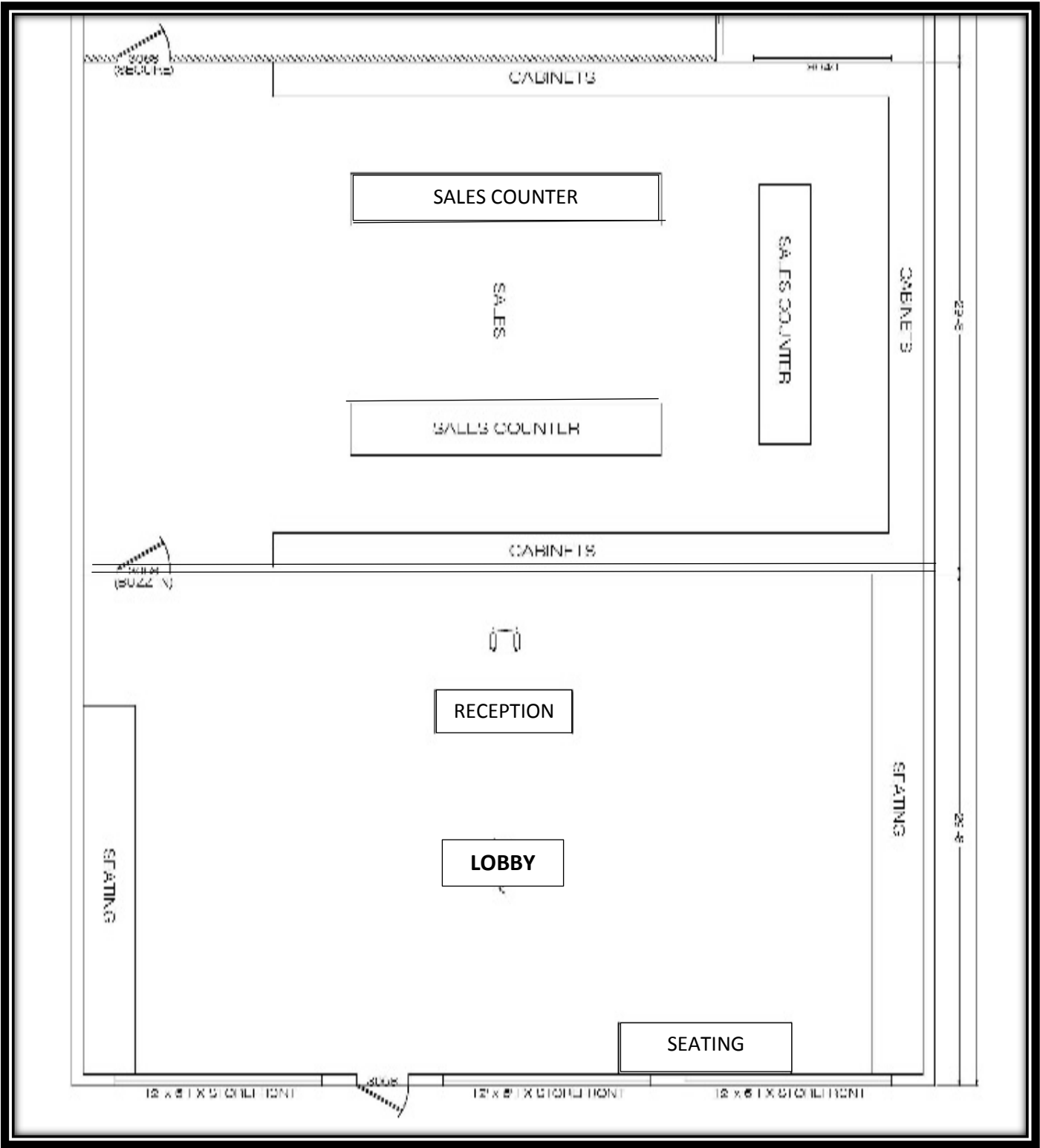








# “GREEN DOOR” MAIN SALES AREA & LOBBY





**EXISTING**







*'River of Mercy' — John Pugh*

A side-by-side 3D mural on the downtown theater in Merced, CA.



*Image 1 — Photo Credit: Level Up Dispensary, Scottsdale Arizona*



*Image 2 — Photo Credit: Level Up Dispensary, Scottsdale Arizona*



*Image 3 — Photo Credit: Level Up Dispensary, Scottsdale Arizona*

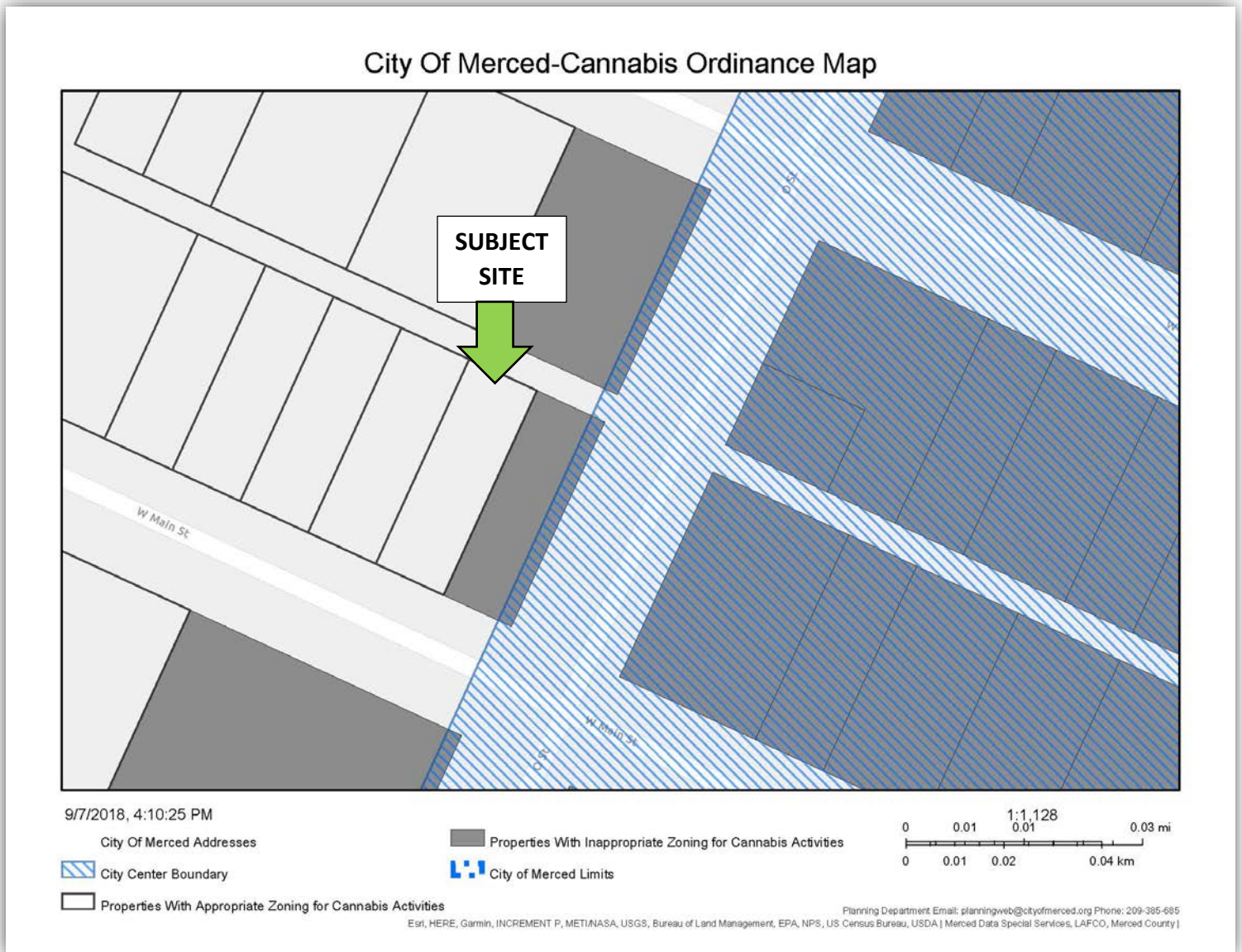




**APPROVED SITE PLAN FOR  
CONDITIONAL USE PERMIT #1226  
("FOOD TRUCK PARKING AREA")  
(825 W MAIN ST)**



# DISTANCE FROM SENSITIVE USES ("GREEN DOOR DISPENSARY") (CCBP #18-10R)



**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-10R ("Green Door") at 811 W Main**

<u>Description of Criteria:</u>	Selection Committee Scores		
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>
<b>Section 1: Prioritize Medicinal Cannabis Access</b>			
a) Proposal for combined medicinal/adult use dispensary	4	4	4
b) Proposal for medicinal only dispensary	3	0	0
c) Proposal for non-medicinal/adult use dispensary only	0	0	0
d) Proposal includes Delivery Services	2	2	2
<b>Section 1: Sub-Total of Points Possible</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Section 2: Geographical Preference/Neighborhood Relations</b>			
a) Proposed locations is within 1,200 feet of local public transportation	1	1	1
b) Proposal includes a process and schedule for at least two public outreach meetings per year that meet City approval	2	2	2
c) Business plan includes a schedule for communication and receiving feedback from all entities within 300 feet of the business at least two times a year	2	2	2
d) Proposal includes the appointment of an employee as a designated liaison with the neighborhood	1	1	1
e) Designated liaison employee is a City resident	1	1	1
<b>Section 2: Sub-Total of Points Possible</b>	<b>7</b>	<b>7</b>	<b>7</b>
<b>Section 3: Facility Plan</b>			
a) Business is formally associated with a non-retail cannabis or non-cannabis-related business in the City of Merced	2	2	2
b) Proposal includes daily inspection to ensure maintenance of the interior and exterior of the facility (i.e. free of trash, graffiti, etc.)	2	2	2
c) Location exceeds City parking requirements by 10% or more	1	1	1
d) Business is open more than five days a week at least 6 hours per day	1	1	1
e) Location exceeds minimum disabled parking requirements by 100% or more	1	1	1
f) Location is within an existing building or facility with an ability to be open for business within 6 months of approval of the CCBP by the City	1	1	1
<b>Section 3: Sub-Total of Points Possible</b>	<b>8</b>	<b>8</b>	<b>8</b>



**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-10R ("Green Door") at 811 W Main**

Selection Committee Scores				
<u>Description of Criteria:</u>	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 4: Standards and Procedures for the Safe Operation of Facilities:</b>				
a) Proposal includes documented employee safety training program	1	1	1	1
b) Proposal includes documented employee cannabis educational training program	1	1	1	1
c) Business Plan includes enhanced security measures, including at least three of the following: panic buttons, dye packets, bulletproof window film (with break strength of 400 lbs. per inch or better), a UL-approved safe with a fire rating that is 2-hour 1700 degrees F or better with a complex locking device; motion sensing lighting; or other enhanced security measures acceptable to the City. (0 to 4 points to be awarded at the discretion of the City Selection Committee.)	0 to 4	4	4	4
d) Proposal includes climate controlled environment	1	1	1	1
e) Proposal includes plan for disposal of all solid waste based on best practices of State	1	1	1	1
f) Proposal includes a comprehensive documented process for 24-hour minimum response time to cannabis product recall notifications	2	2	2	2
g) Proposal includes more than one on-site security guard during business hours	2	2	2	2
h) Proposal includes plans and procedures for how all cannabis products on the premises or held by the applicant have met the testing requirements as defined by the State	1	1	1	1
i) Proposal includes a separate lobby area where identification is checked to ensure that only qualified individuals gain access to separate, locked areas where cannabis products are displayed	2	2	2	2
j) Proposal includes electronic storage of required records of sales, delivery manifests, patient information (if medicinal and required by State), inventory, etc., which can be provided to City personnel upon request	2	2	2	2
k) Proposal includes participation in web-based public safety application or equivalent that provides law enforcement with confirmation of local and state licenses	1	0	0	0
l) Proposal includes any proposed "green" business practices relating to energy and climate, water conservation, and materials/waste storage	1	1	1	1
m) Proposal includes secured loading/unloading area for deliveries	1	1	1	1
<b>Section 4: Sub-Total of Points Possible</b>	<b>20</b>	<b>19</b>	<b>19</b>	<b>19</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-10R ("Green Door") at 811 W Main**

Selection Committee Scores				
<u>Description of Criteria:</u>	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 5: Prior Experience in Business Ownership and Management</b>				
a) Combined prior experience of proposed owners is more than 3 years of verified successful management of any non-cannabis legal retail facility	2	2	2	2
b) 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	2	2	2	2
c) 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	3	3	3	3
d) Above prior experience was obtained within the City or County of Merced	3	3	3	3
e) Above prior experience was obtained within 100 miles of the City of Merced	1	1	1	1
<b>Section 5: Sub-Total of Points Possible</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>
<b>Section 6: Qualifications of Principals/Business Plan</b>				
a) At least one owner is a military veteran with an honorable discharge	1	1	1	1
b) At least one owner is a full-time resident of the County of Merced	1	1	1	1
c) At least one owner is a full-time resident of the City of Merced	2	2	2	2
d) Does the business qualify as a Disadvantaged Business Enterprise (DBE) as defined by the U.S. Department of Transportation?	1	0	0	0
e) Does the business have documented proof of access to at least \$150,000 in capital (or enough capital to pay all startup costs plus at least 3 months of operating costs)?	3	3	3	3
f) Does the business have documented proof of access to at least \$300,000 in capital (or enough capital to pay all startup costs plus at least 6 months of operating costs)?	3	3	3	3
g) Business Plan contain a valid pro forma for at least 3 years of operation	2	2	2	2
h) Business has documented agreements with cannabis distributors to supply products to their business	2	2	2	2
<b>Section 6: Sub-Total of Points Possible</b>	<b>15</b>	<b>14</b>	<b>14</b>	<b>14</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-10R ("Green Door") at 811 W Main**

Selection Committee Scores				
Description of Criteria:	Points Possible	Reviewer #1	Reviewer #2	Reviewer #3
Section 7: Employee & Public Relations				
a) The business promotes local hiring or provides incentives for City/County of Merced residents to work with the business	2	2	2	2
b) The business provides employee health benefits for all employees	2	2	2	2
c) The business employs more than 5 people full-time, not counting the owners or security personnel	2	2	2	2
d) Proposal includes an ongoing public information program to inform City residents of cannabis issues and proper/safe/legal use of cannabis products	2	2	2	2
Section 7: Sub-Total of Points Possible	8	8	8	8
Section 8: Community Benefits				
a) Proposal includes benefits to the community, such as defined monetary contributions to local community organizations, or donating time to local community organizations, or any other proposed community benefit acceptable to the City. (0 to 5 points to be awarded at the discretion of the City Selection Committee.)	0 to 5	5	5	5
Section 8: Sub-Total of Points Possible	5	5	5	5
Section 9: Discretion of the City Selection Committee				
a) 0 to 20 additional points may be awarded to a proposal for outstanding features, measures, or programs (above and beyond the minimum requirements) proposed in the Commercial Cannabis Business Permit Application at the discretion of the City Selection Committee.	0 to 20	20	20	18
Section 9: Sub-Total of Points Possible	20	20	20	18
TOTAL POINTS POSSIBLE	100	98	98	96
TOTAL OF SELECTION COMMITTEE SCORES		RANKING		
292		2		
AVERAGE OF SELECTION COMMITTEE SCORES (Total ÷ 3)		97.333		



**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MERCED,  
CALIFORNIA, REPLACING 20.44.170 (“MEDICAL MARIJUANA AND  
CULTIVATION”); AMENDING SECTION 20.10.020 AND TABLE 20.10-1  
 (“COMMERCIAL ZONING DISTRICTS”), AND AMENDING SECTION 20.12.020  
 AND TABLE 20.12-1 (“INDUSTRIAL ZONING DISTRICTS”) OF THE MERCED  
 MUNICIPAL CODE; AND ADDING LAND USE TABLE 20.44-1 TO REGULATE ALL  
 COMMERCIAL CANNABIS ACTIVITIES AND CULTIVATION FOR PERSONAL USE  
 IN THE CITY OF MERCED**

**THE CITY COUNCIL OF THE CITY OF MERCED DOES ORDAIN AS FOLLOWS:**

**SECTION 1: Findings.**

The City Council finds and declares as follows:

- A. In 1996, the California electorate approved Proposition 215, the Compassionate Use Act which allows a patient, with a doctor’s recommendation, to use cannabis for medical purposes without the fear of prosecution or arrest; and
- B. In 2003, the California legislature passed Senate Bill 420 (Medical Marijuana Program Act) which amended the Health and Safety Code to permit the establishment of medical cannabis dispensaries for the distribution of cannabis for medical purposes; and
- C. In 2005, the California Board of Equalization began issuing seller’s permits for sales consisting of medical cannabis; and
- D. In 2008, the California Attorney General issued guidelines for the security and non-diversion of cannabis grown for medical use; and
- E. In 2015, the Governor signed into law Senate Bill 643, Assembly Bill 266, and Assembly Bill 243, collectively referred to as the Medical Marijuana Regulation and Safety Act (“MMRSA”) further amended in 2016 as the Medical Cannabis Regulation and Safety Act (“MCRSA”), which established regulations and a state licensing system for medical cannabis cultivation, manufacturing, delivery, and dispensing; and
- F. In 2016, the voters of the State of California approved and passed Proposition 64 also known as the Adult Use of Marijuana Act (“AUMA”); and
- G. In 2017, the Governor signed into law Senate Bill 94 also known as Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA); and
- H. Health & Safety Code Section 11362.83 provides that cities are free to adopt and enforce local ordinances that regulate the location, operation, or establishment of medical cannabis; and
- I. After studying various alternatives for the regulation of commercial cannabis considering input from stakeholders and a public hearing, and reviewing the legal status of cannabis under applicable law, the City Council finds that the regulation of commercial cannabis activities is necessary to protect the public health, safety, and welfare by mitigating the adverse secondary effects from the operations of these uses; and

- J. The City of Merced has a compelling interest in ensuring that cannabis is not distributed in an illicit manner, in protecting the public health, safety and welfare of its residents and businesses, in preserving the peace and quiet of the neighborhoods in which these uses may operate, and in providing access of cannabis to residents; and
- K. The proposed Ordinance has been reviewed by City staff in accordance with the Environmental Checklist Form (Appendix G of the CEQA Guidelines) to determine if there would be any possibility that the proposed ordinance would create any significant environmental impacts, and City staff has determined that the establishment of regulations for commercial cannabis businesses do not meet any of the thresholds contained in the Checklist that would trigger a significant environmental impact, and thus according to the “general rule exemption” (Section 15061(b)(3) of the CEQA Guidelines, projects which have no potential for causing a significant effect on the environment are not subject to CEQA, no further environmental analysis is required.

## **SECTION 2: Authority**

This Ordinance is adopted pursuant to the authority granted by the California Constitution and State law, including by not limited to, Article IX, Section 7 of the California Constitution, the Compassionate Use Act of 1996 (California Health and Safety Code Section 11362.5), the Medical Marijuana Program (California Health and Safety Code Section 11362.7 et seq.), the Medical Marijuana Regulation and Safety Act (AB 266, AB 243, and SB 643; hereafter “MMRSA”), the Adult Use of Marijuana Act (Proposition 64), and the Medical and Adult Use Cannabis Regulation and Safety Act (SB 94; hereafter “MAUCRSA”).

## **SECTION 3: Purpose and Intent**

The purpose and intent of this section is to regulate commercial cannabis business activities in order to ensure the health, safety and welfare of the residents of the City of Merced by establishing regulations necessary for a commercial cannabis business to obtain and maintain a Commercial Cannabis Business Permit (CCBP). Any commercial cannabis businesses operating in the City of Merced shall at all times be in compliance with current State Law and this ordinance. All commercial cannabis facilities shall operate in accordance with the regulations in this ordinance and with the conditions of approval associated with the applicable zone for the parcel of real property upon which the commercial cannabis activities are conducted. Any commercial cannabis business shall qualify for and receive a Commercial Cannabis Business Permit from the City of Merced as provided by this ordinance and operate only in a zone in compliance with Title 20 of the Merced Municipal Code before commencing with any commercial cannabis activity. Any commercial cannabis business without a Commercial Cannabis Business Permit is in violation of this ordinance. The regulations in this article, in compliance with the Compassionate Use Act, the Medical Marijuana Program Act, SB 94, Proposition 64, and the California Health and Safety Code (collectively referred to as “State Law”) do not interfere with the right to use cannabis or medical cannabis as authorized under State Law, nor do they criminalize the possession or commercial activities of cannabis or medical cannabis as authorized under State Law. This ordinance also provides regulations for the cultivation of cannabis for personal use within the City of Merced to ensure the health, safety, and welfare of the residents of the City of Merced.

#### **SECTION 4. Amendments of Chapters 20.10 and 20.12.**

Table 20.10-1 "Permitted Land Uses in the Commercial Zoning Districts" in Section 20.10.020 of the Merced Municipal Code and Table 20.12-1 "Permitted Land Uses in the Industrial Zoning Districts" in Section 20.12.020 of the Merced Municipal Code under "Medical Marijuana Dispensaries" shall be amended to read as follows: "Refer to Table 20.44-1 in Section 20.44.170 for Permitted Land Uses for All Commercial Cannabis Business Activities."

#### **SECTION 5. Amendment of Chapter 20.44.170**

The City of Merced hereby repeals Section 20.44.170 ("Medical Marijuana and Cultivation") of the Merced Municipal Code in its entirety, and replaces it with the amended Section 20.44.170 as set forth below.

#### **20.44.170 – REGULATION OF COMMERCIAL CANNABIS ACTIVITIES – COMMERCIAL CANNABIS BUSINESS PERMIT REQUIRED**

##### **20.44.170(A): Zoning Compliance and Commercial Cannabis Business Permit Requirements**

Specific commercial cannabis businesses are allowed as a special use in the C-C, C-O, C-G, C-N, I-L and I-H Zoning Districts and Planned Developments which have the equivalent General Plan land use designations of those zones. Commercial cannabis activities are expressly prohibited in all other zones in the City of Merced. Commercial cannabis businesses shall apply for and conduct business only in the appropriate zones as described in Table 20.44-1 and the City of Merced's zoning ordinance as a requisite for obtaining a Commercial Cannabis Business Permit (CCBP). No commercial cannabis business may operate in the City of Merced without a Commercial Cannabis Business Permit.

This Land Use Table 20.44-1 shall be used to determine whether a cannabis business is not permitted – "X", or permitted – "P". Any Commercial Cannabis business in the City of Merced shall also operate in compliance with the City's zoning ordinance. If a Zoning District is not listed in the Land Use Table in this section then the use is expressly not permitted.

Commercial Cannabis Business Activities Use Type	City of Merced Municipal Code Table 20.44-1							Additional Specific Use Standards
	Land Use Classification [4] [5]	C-C Zone	C-O Zone	C-G Zone	C-N Zone	I-L Zone	I-H Zone	
Cultivator	Greenhouse, Type A	X	X	X	X	P	P	Sec. 20.44.170(I)
Cultivator	Greenhouse, Type B	X	X	X	X	P	P	Sec. 20.44.170(I)
Cultivator	Greenhouse, Type C	X	X	X	X	P	P	Sec. 20.44.170(I)
Nursery	Greenhouse, Type D	X	X	X	X	P	P	Sec. 20.44.170(I)
Manufacturing	Manufacturing, non-volatile	X	X	X	X	P	P	Sec. 20.44.170(H)
Manufacturing	Manufacturing, volatile	X	X	X	X	P	P	Sec. 20.44.170(H)
Dispensary [1][2]	Pharmaceutical, medical	P	P	P	P	P	X	Sec. 20.44.170(F)
Dispensary [1][2]	Retail, non-medical/combined	P	P	P	P	P	X	Sec. 20.44.170(F)
Testing Laboratory	No Retail	P	P	P	X	P	P	Sec. 20.44.170(J)
Distribution [3]	Freight/Transport	X	X	P	X	P	P	Sec. 20.44.170(K)

### Footnotes

1. Only four (4) dispensaries shall operate within the Merced City Limits. At least one (1) of those dispensaries shall also dispense medicinal cannabis goods. If State law allows medical and adult use dispensaries on the same premises, the City of Merced would allow a combined use, but in no case shall more than four (4) dispensaries of any kind be allowed within the City of Merced at any one time.
2. Dispensaries (medical or adult use) are prohibited in the City Center area between 19<sup>th</sup> and 16<sup>th</sup> Streets and O Street and Martin Luther King Jr. Way, including properties fronting on either side of each of the above streets.
3. Only allowed in General Commercial (C-G) zones if meet the provisions of Section 20.44.170 (K)(10).
4. If listed as "Permitted" in a specific zone above, then that use is also "Permitted" in Planned Development (P-D) zones that have the equivalent General Plan land use designation as that zone.
5. No cannabis dispensary may be located within a 1,000-foot radius from a school or within a 600-foot radius from a day care center, youth center, library or public park that is in existence at the time the Commercial Cannabis Business Permit is issued, as required by Section 11362.768 of the Health and Safety Code and as required in Merced Municipal Code Section 20.44.170 (E)(3)(f). No cultivation facility, manufacturing facility, testing facility or any other commercial cannabis business facility may be located within a 600-foot radius from a school, day care center, youth center, library, or public park that is in existence at the time the Commercial Cannabis Business Permit is issued, as required by Section 11362.768 of the Health and Safety Code and as required in Merced Municipal Code Section 20.44.170 (E)(3)(f). No Commercial Cannabis Businesses may be located within a 600 foot-radius from a school, day care center, recreational center, youth center, library or public park as required in Merced Municipal Code Section 20.44.170 (E)(3)(f).

### Land Use Classifications:

Greenhouse, Commercial A - Permitted cultivation area: 0 to 5,000 square feet  
 Greenhouse, Commercial B - Permitted cultivation area: 5,001 to 10,000 square feet  
 Greenhouse, Commercial C - Permitted cultivation area: 10,000 to 22,000 square feet  
 Greenhouse, Commercial D - Permitted cultivation area: 22,000 square feet

#### **20.44.170(B): Cultivation of Cannabis for Personal Use in Residential Zones**

1. When authorized by State regulations, an authorized resident shall be allowed to cultivate cannabis only in a private residence in a residential zone, only indoors, and only for personal use, subject to the following regulations:
  - a. The cannabis cultivation area shall be located indoors within a residential structure and shall not exceed fifty square feet and not exceed ten feet in height, nor shall it come within twelve (12) inches of the ceiling or any cultivation lighting, nor shall it exceed the limits set forth in Section 20.44.170(B)(1)(i) below. Cultivation in a greenhouse or other legal accessory structure on the property of the residence, but not physically part of the home, is permitted as long as it is fully enclosed, secure, not visible from a public right-of-way, and meeting all requirements in this Chapter. Additionally, all structures must meet setback, height limitations, and be constructed in accordance with all local requirements as well as all applicable Building Codes.
  - b. If the resident is not the property owner, they must have the property owner's express written authorization to conduct cannabis cultivation. Nothing contained herein shall limit the property owner's right to deny or revoke permission to allow cannabis cultivation as set forth by State law.
  - c. The use of gas products such as, but not limited to CO<sub>2</sub>, butane, methane, or any other flammable or non-flammable gas for marijuana or cannabis cultivation or processing is prohibited.
  - d. There shall be no exterior visibility or evidence of cannabis cultivation outside the private residence from the public right-of-way, including but not limited to any marijuana or cannabis plants, equipment used in the growing and Cultivation operation, and any light emanating from cultivation lighting.
  - e. The authorized resident shall reside full-time on the property where the cannabis cultivation occurs.
  - f. The residence shall include fully functional and usable kitchen, bathroom, and bedroom areas for their intended use by the resident authorized grower, and the premises shall not be used primarily or exclusively for cannabis cultivation.
  - g. The cannabis cultivation area shall be in compliance with the current adopted edition of the California Building Code including § 1203.4 Natural Ventilation or § 402.3 Mechanical Ventilation (or equivalent), as amended from time to time.
  - h. The Building Official may require additional specific standards to meet the California Building Code and Fire Code, including but not limited to, installation of fire suppression sprinklers.
  - i. The cannabis cultivation area shall not result in a nuisance or adversely affect the health, welfare, or safety of the resident or nearby residents by creating dust, glare, heat, noise,



noxious gasses, odors, smoke, traffic, vibration, or other impacts, or be hazardous due to use or storage of materials, processes, products or wastes.

- j. No more than six (6) cannabis plants, mature or immature, for personal use, are permitted per residence for indoor personal cultivation under this Chapter, unless permitted under State regulations.
  - k. Cannabis in excess of twenty-eight and one-half (28.5) grams produced by plants kept for indoor personal cultivation under this Chapter must be kept in a locked space on the grounds of the private residence not visible from the public right-of-way.
  - l. The authorized grower shall not provide any cannabis in any form to animals or any minors that are not authorized users under Medical Marijuana Regulation and Safety Act or the Adult Use of Marijuana Act. Anyone found in violation shall be prosecuted pursuant to State regulations.
2. Outdoor cultivation of cannabis is expressly prohibited in all zones and districts of the City of Merced.

#### **20.44.170(C): Definitions**

The definitions are incorporated herein as fully set forth and are applicable to this ordinance. All definitions are intended to comply with those set forth by the State of California for all commercial cannabis activities.

- 1. **“Applicant”** means a person who is required to file an application for a permit under this chapter, including an individual owner, managing partner, officer of a corporation, or any other operator, manager, employee, or agent of a dispensary.
- 2. **“Cannabis”** means all parts of the Cannabis sativa Linnaeus, Cannabis Indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from marijuana. "Cannabis" also means marijuana as defined by Section 11018 of the California Health and Safety Code as enacted by Chapter 14017 of the Statutes of 1972. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this chapter, "cannabis" does not mean industrial hemp as that term is defined by Section 81000 of the California Food and Agricultural Code or Section 11018.5 of the California Health and Safety Code.
- 3. **“Cannabis waste”** means waste that is not hazardous waste, as defined in Public Resources Code section 40191, that contains cannabis and that has been made unusable and unrecognizable in the manner prescribed by the State.
- 4. **“Canopy”** means all of the following:



- a. The designated area(s) at a licensed premises that will contain mature plants at any point in time;
  - b. Canopy shall be calculated in square feet and measured using clearly identifiable boundaries of all area(s) that will contain mature plants at any point in time, including all of the space(s) within the boundaries;
  - c. Canopy may be noncontiguous but each unique area included in the total canopy calculation shall be separated by an identifiable boundary such as an interior wall or by at least 10 feet of open space; and
  - d. If mature plants are being cultivated using a shelving system, the surface area of each level shall be included in the total canopy calculation.
5. **"City"** means the City of Merced.
6. **"Commercial cannabis business permit (CCBP)"** means a permit issued by the City pursuant to this chapter to a commercial cannabis business.
7. **"Commercial cannabis activity"** includes the cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, distribution, delivery, or sale of cannabis or a cannabis product, except as set forth in Section 19319 of the Business and Professions Code, related to qualifying patients and primary caregivers.
8. **"Commercial vehicle"** means a vehicle as defined in Vehicle Code section 260.
9. **"Concentrated cannabis product"** means a consolidation of cannabinoids made by dissolving cannabis in its plant form into a solvent.
10. **"Cultivation"** means any activity involving the propagation, planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.
11. **"Customer"** means a natural person 21 years of age or over or a natural person 18 years of age or older who possesses a physician's recommendation.
12. **"Day Care Center"** means any child day care facility other than a family day care home, and includes infant centers, preschools, extended day care facilities, and school age child care centers as defined in Health and Safety Code Sections 1596.76, 1596.7915, 1576.750, and 1596.78.
13. **"Delivery"** means the commercial transfer of marijuana or marijuana products to a customer. "Delivery" also includes the use by a retailer of any technology platform owned and controlled by the retailer, or independently licensed under this division, that enables customers to arrange for or facilitate the commercial transfer by a licensed retailer of marijuana or marijuana products.
14. **"Delivery employee"** means an individual employed by a licensed dispensary who delivers cannabis goods from the permitted dispensary premises to a medical cannabis patient or primary caregiver or qualified purchaser at a physical address.

15. **“Dispensary”** means a premises where cannabis, cannabis products, or devices for the use of cannabis or cannabis products are offered, either individually or in any combination for retail sale, including an establishment that delivers cannabis or cannabis products as part of a retail sale.
16. **“Display”** means cannabis goods that are stored in the licensed dispensary’s retail area during the hours of operation.
17. **“Display case”** means container in the licensed dispensary retail area where cannabis goods are stored and visible to customers.
18. **“Distribution”** means the procurement, sale, and transport of cannabis or cannabis products between entities licensed pursuant to the Medical and Adult Use of Cannabis Regulation and Safety Act and any subsequent State of California legislation regarding the same.
19. **“Edible cannabis product”** means manufactured cannabis that is intended to be used, in whole or in part, for human consumption. An edible cannabis product is not considered food as defined by Section 109935 of the California Health and Safety Code or a drug as defined by Section 109925 of the California Health and Safety Code.
20. **“Fully Enclosed and Secure Structure”** means a fully-enclosed space within a building that complies with the California Building Code (“CBSC”), as adopted in the City of Merced, or if exempt from the permit requirements of the CBSC, that has a complete roof, a foundation, slab or equivalent base to which the floor is secured by bolts or similar attachments, is secure against unauthorized entry, is accessible only through one or more lockable doors, and is not visible from a public right-of-way. Walls and roofs must be constructed of solid materials that cannot be easily broken through such as two inch by four inch nominal or thicker studs overlaid with three-eighths inch or thicker plywood or the equivalent. Plastic sheeting, regardless of gauge, or similar products do not satisfy this requirement. If indoor lighting or air filtration systems are used, they must comply with the California building, electrical, and fire codes as adopted in the City of Merced.
21. **“Free sample”** means any amount of cannabis goods provided to any person without cost or payment or exchange of any other thing of value.
22. **“Indoors”** means within a fully enclosed and secure structure as that structure is defined above in 20.44.170(C), Subsection 19.
23. **“License”** means a state license issued under this division, and includes both an A-license and an M-license, as well as a testing laboratory license.
24. **“Limited-access area”** means an area in which cannabis goods are stored or held and which is only accessible to a licensee and the licensee’s employees and contractors.
25. **“Medical”** or **“Medicinal”** have the same meaning under the terms of this ordinance.
26. **“Medical cannabis goods”** means cannabis, including dried flower, and manufactured cannabis products.

27. **“Medical cannabis patient”** is a person whose physician has recommended the use of cannabis to treat a serious illness, including cancer, anorexia, AIDS, chronic pain, spasticity, glaucoma, arthritis, migraine, or any other illness for which cannabis provides relief.
28. **“Manufacturer”** means a licensee that conducts the production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container.
29. **“Manufacturing” or “manufacturing operation”** means all aspects of the extraction and/or infusion processes, including processing, preparing, holding, storing, packaging, or labeling of cannabis products. Manufacturing also includes any processing, preparing, holding, or storing of components and ingredients.
30. **“Nonvolatile solvent”** means any solvent used in the extraction process that is not a volatile solvent. For purposes of this chapter, a nonvolatile solvent includes carbon dioxide used for extraction, or as it may be defined and amended by the State.
31. **“Operating hours”** means the hours within a day during which a permitted retail sales outlet may allow qualified cannabis purchasers and primary caregivers to enter the dispensary premises and purchase cannabis goods.
32. **“Owner” or “Ownership interest”** means an interest held by a person who is an owner as defined by State of California commercial cannabis regulations or who has a financial interest in the commercial cannabis business of 5% or more.
33. **“Package” and “Packaging”** means any container or wrapper that may be used for enclosing or containing any cannabis goods for final retail sale. “Package” and “packaging” does not include a shipping container or outer wrapping used solely for the transport of cannabis goods in bulk quantity to a licensee.
34. **“Patient or qualified patient”** shall have the meaning given that term by California Health and Safety Code and possesses a valid physician’s recommendation.
35. **“Person”** includes any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular.
36. **“Pest”** means undesired insect, rodent, nematode, fungus, bird, vertebrate, invertebrate, weed, virus, bacteria, or other microorganism that is injurious to human health.
37. **“Physician’s recommendation”** means a recommendation by a physician and surgeon that a patient use cannabis provided in accordance with the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code.
38. **“Premises”** means the designated structure(s) and land specified in the application that are in possession of and used by the applicant or licensee to conduct the commercial cannabis activity.

39. **“Pre-roll”** means dried cannabis flower rolled in paper prior to retail sale.
40. **“Primary Caregiver”** has the same meaning as that term is defined in Section 11362.7 of the Health and Safety Code.
41. **“Private security officer”** has the same meaning as that term as defined in the State of California Business and Professions Code section 7574.01.
42. **“Publicly owned land”** means any building or real property that is owned by a city, county, state, federal, or other government entity.
43. **“Purchase”** means obtaining cannabis goods in exchange for consideration.
44. **“Purchaser”** means a person who is engaged in a transaction with a licensee for purposes of obtaining cannabis goods.
45. **“Quarantine”** means the storage or identification of cannabis goods, to prevent distribution or transfer of the cannabis goods, in a physically separate area clearly identified for such use.
46. **“Retail area”** means a building, room, or other area upon the licensed dispensary premises in which cannabis or other goods are sold or displayed.
47. **“School”** means any public or private school providing instruction in kindergarten or any of grades 1 to 12, inclusive, but does not include any private school in which education is primarily conducted in private homes or as otherwise provided in Health and Safety Code Section 11362.768(h).
48. **“Security monitoring”** means the continuous and uninterrupted attention to potential alarm signals that can be transmitted from a security alarm system for the purpose of summoning law enforcement.
49. **“Sell,” “sale,” and “to sell”** include any transaction whereby, for any consideration, title to cannabis is transferred from one person to another, and includes the delivery of cannabis goods pursuant to an order placed for the purchase of the same and soliciting or receiving an order for the same, but does not include the return of cannabis goods by a licensee to the licensee from whom such cannabis goods were purchased.
50. **“Sublet”** means to lease or rent all or part of a leased or rented property.
51. **“State”** means the State of California.
52. **“Testing Laboratory”** means a facility, entity, or site that offers or performs tests of cannabis or cannabis products, and that is accredited as operating to ISO standard 17025 by an accrediting body, and registered with the State Department of Public Health
53. **“Vehicle alarm system”** is a device or series of devices installed to discourage theft of the commercial vehicle or its contents and is intended to summon general attention or to summon law enforcement as a result of an indication of an attempted breach of the commercial vehicle.
54. **“Volatile solvent”** means any solvent that is or produces a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures.

Examples of volatile solvents include but are not limited to, butane, hexane, propane, and ethanol, or as it may be defined and amended by the State.

55. **“Wholesale”** means the sale of cannabis goods to a distributor for resale to one or more dispensaries.

56. **“Youth Center”** means any public or private facility that is primarily used to host recreational or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club activities, video arcades with over 10 or more video games on the premises, or similar amusement park facilities, or as otherwise described in Health and Safety Code Section 11353.1(e)(2).

#### **20.44.170(D): Compliance with State and Local Licensing Requirements**

Any dispensary, cultivation facility, manufacturing facility, testing facility or any other commercial cannabis activity as defined by the State of California or the City of Merced shall operate in conformance with all regulations and standards set forth in this Section of the Municipal Code to assure that the operations of the dispensary, cultivation facility, manufacturing facility, distribution facility, testing facility or any other commercial cannabis activity as defined by the State of California or allowed by the City of Merced are in compliance with local and State law and are established to mitigate any adverse secondary effects from its operations.

Cannabis operators shall be required to obtain a State license once they become available, and shall comply with any applicable State licensing requirements, such as operational standards and locational criteria.

Multiple cannabis uses and licenses proposed on any one site shall occur only if authorized by the State and the City of Merced and only if all uses proposed are allowed pursuant to the City's Zoning Code.

#### **20.44.170(E): General Provisions for Commercial Cannabis Activities in the City of Merced**

##### **1. Commercial Cannabis Business Permit Required**

- a. Each business shall have a Commercial Cannabis Business Permit specific to the business activity defined by the State pertaining to that activity and whether the activity is medical or non-medical or any other commercial cannabis activity the State may define and as they may be amended. Following is a list of current license types:
  - i. Cultivation
  - ii. Distribution
  - iii. Manufacturing
  - iv. Retail sales (Dispensary)
  - v. Testing
- b. It shall be unlawful for any person, association, partnership or corporation to engage in, conduct or carry on, in or upon any premises within the City of Merced any commercial cannabis business without a Commercial Cannabis Business Permit. A cannabis business shall register and obtain a Commercial Cannabis Business Permit from the City of Merced

prior to operation. The Commercial Cannabis Business Permit applicant shall pay an annual non-refundable regulatory fee in an amount and at a frequency established by the City Council by resolution.

- c. A copy of the Commercial Cannabis Business Permit shall be displayed at all times in a place visible to the public.
- d. A Commercial Cannabis Business Permit shall be valid for one (1) year or until December 31 each year, unless sooner revoked. No permit granted herein shall confer any vested right to any person or business for more than the above-referenced period.
- e. A Commercial Cannabis Business Permit shall not be issued to an individual or a business entity owned or managed in whole or in part by an individual or a business entity employing an individual who has a previous conviction for or has entered a plea of nolo contendere/no contest to any of the following:
  - i. A felony offense listed in California Health and Safety Code Section 11590.
  - ii. A felony offense listed in California Penal Code Section 667.5(c).
  - iii. A felony offense listed in California Penal Code Sections 1197.2(c) or Section 1192.8.
  - iv. A felony or misdemeanor offense that substantially relate to the qualifications, functions, or duties of the business or profession.
  - v. A felony conviction involving fraud, deceit, or embezzlement.
  - vi. A felony or misdemeanor offense involving the sale or giving to a minor of controlled substances, cannabis, alcohol, or tobacco.

A Commercial Cannabis Business Permit may be issued, at the discretion of the City, to an individual with a conviction listed above provided a period of ten (10) years has elapsed in which the individual has remained free of criminal convictions or violations of parole or probation, and the individual has either obtained a certificate of rehabilitation pursuant to Penal Code Section 4852.01 or received expungement pursuant to California Penal Code Section 1203.4.

- f. The Commercial Cannabis Business Permit shall be issued to the specific person or persons listed on the Cannabis Permit Application.
- g. A Commercial Cannabis Business Permit is not transferable except under the terms of Merced Municipal Code Section 20.44.170(L)(4)(c), and does not run with the land or with the business. Any change to the business location, organizational structure, or ownership may require a new application with associated fees at the discretion of the Director of Development Services or designee.

## **2. Maintenance of Records and Reporting**

All records for the commercial cannabis business of the following activities shall be maintained and available to the City of Merced for at least 7 years. Records shall be produced within 24 hours of a request by an authorized City of Merced representative:

- a. The business shall obtain and maintain a valid Seller's Permit from the State Board of Equalization.



- b. Financial records include, but are not limited to: bank statements, sales invoices, receipts, tax records, and all records required by the California State Board of Equalization under Title 18 California Code of Regulations section 1968.
- c. Personnel records, including each employee's full name, address, phone number, social security, or individual tax payer identification number, date of beginning employment, and date of termination of employment if applicable.
- d. Training records, including but not limited to the content of the training provided and the names of the employees that received the training.
- e. Contracts with other licensees regarding commercial cannabis activity.
- f. Permits, licenses, and other local authorizations to conduct the licensee's commercial cannabis activity, including BOE sellers permit.
- g. Security records.
- h. Records shall be kept in a manner that allows the records to be produced for the City in either hard copy or electronic form, whichever the City requests.
- i. Proof of building ownership or landlord letter acknowledging business type.
- j. Proof of insurance.

### **3. Operational Standards for All Commercial Cannabis Business Activities**

- a. Interior and exterior locations of the business property shall be monitored at all times by closed circuit cameras for security purposes. The cameras and recording system shall be of adequate quality, color rendition and resolution to allow the sufficient identification of any individual committing a crime on the location premises. Cameras shall record 24 hours a day at a minimum of 20 frames per second.
- b. The applicant shall conduct and pay for any required CEQA reviews and analyses, and pay for all costs, including those of the City, associated with project review under CEQA.
- c. The surveillance system storage device or cameras shall be transmission control protocol/TCP capable of being accessed through the internet by the Merced Police Department or their designee on request.
- d. All controlled access areas, security rooms and all points of ingress/egress to limited access areas and all point of sale (POS) areas shall have fixed camera coverage capable of identifying activity occurring within a minimum of twenty (20) feet. Camera video recordings shall be maintained unaltered in a secure location for a period of not less than thirty (30) calendar days, and be available for inspection at any time. The City of Merced or law enforcement may request the recordings in connection with an investigation. If the recordings are not voluntarily provided, the City or law enforcement may seek a warrant or court order for the recordings.

- e. All commercial cannabis businesses shall create and maintain an active account within the State's track and trace system prior to commencing any commercial cannabis activity. In the event of system failure, the business shall keep a hard copy record and transfer the information to the track and trace system within 24 hours of the system being available.
- f. No cannabis dispensary may be located within a 1,000-foot radius from a school or within a 600-foot radius from a day care center, youth center, library or public park that is in existence at the time the Commercial Cannabis Business Permit is issued, as required by Section 11362.768 of the Health and Safety Code. No cultivation facility, manufacturing facility, testing facility or any other commercial cannabis business facility may be located within a 600-foot radius from a school, day care center, youth center, library, or public park that is in existence at the time the Commercial Cannabis Business Permit is issued, as required by Section 11362.768 of the Health and Safety Code. For purposes of this subsection only, a public park shall not include any park designated in Merced Municipal Code Section 9.70.030 as a bike path. 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.
- g. No physical modification of the permitted premises is allowed without written prior permission by the City of Merced and payment of any additional fees required by the City.
- h. All commercial cannabis activities shall provide adequate off-street parking and comply with the City of Merced Municipal Code requirements in Chapter 20.38 Parking and Loading, to service customers without causing negative impact.
- i. The commercial cannabis business shall provide adequate handicapped parking per the requirements in the California Building Code.
- j. The commercial cannabis business shall provide adequate interior and exterior lighting for safety and security as determined by the Police Chief or designee.
- k. The commercial cannabis business shall minimize nuisances such as trash, litter, and graffiti.
- l. Any and all signage, packaging, and facilities shall not be 'attractive', as it is defined by the State, to minors.
- m. All commercial cannabis facilities shall be required to provide an air treatment system that ensures off-site odors shall not result from its operations. This requirement at a minimum means that the facility shall be designed to provide sufficient odor absorbing ventilation and exhaust systems so that any odor generated inside the location is not detected outside the building, on adjacent properties or public rights-of-way, or within any other unit located within the same building as the facility if the use occupies only a portion of a building. The air treatment system must also prevent the build-up of mold within the facility.
- n. A permitted commercial cannabis business entity shall have 180 days after permit issuance by the City of Merced to begin initial operations, unless otherwise approved by the Development Services Director or designee. A permitted commercial cannabis

business entity that remains inoperative for more than 60 calendar days after initial operations begin shall be deemed “abandoned” and the permit shall be forfeited. A business may temporarily suspend operations for a period of time as may be reasonably required to affect upgrades, modifications, repairs, or other property issue mitigations as approved by the Development Services Director or designee.

- o. The cannabis business shall comply with all State and City of Merced regulations regarding testing, labeling and storage of all cannabis products.
- p. The cannabis business shall meet all State and local regulations for the disposal of all cannabis materials and materials used in conjunction with processing, distributing and cultivating of cannabis as well as any unsold cannabis or cannabis products.
- q. The cannabis business shall conform to all State regulations regarding the use of appropriate weighing devices.
- r. The cannabis business shall conform to all State and local regulations regarding water usage. No liquids of any kind shall be discharged into a public or private sewage or drainage system, watercourse, body of water or into the ground, except in compliance with applicable regulations of the California Regional Water Quality Control Board (California Administrative Code, Title 23, Chapter 3).
- s. The cannabis businesses’ electrical and plumbing shall comply with State and local regulations.
- t. The cannabis business shall maintain a comprehensive general liability combined single occurrence insurance policy issued by an “A” rated insurance carrier in an amount no less than two million dollars and naming the City of Merced as additional insured.
- u. No free samples of any cannabis or cannabis product may be distributed at any time.
- v. All agents, private security officers or other persons acting for or employed by a licensee shall display a laminated identification badge at least 2” X 2” in size, issued by the licensee. The badge, at a minimum, shall include the licensee’s “doing business as” name and license number, the employees first and last name, and a color photo of the employee that shows the full front of the employee’s face.
- w. The commercial cannabis business shall have a centrally-monitored fire and burglar alarm system which shall include all perimeter entry points and perimeter windows.
- x. A licensee shall ensure a licensed alarm company operator or one or more of its registered alarm agents installs, maintains, monitors and responds to the alarm system. The alarm company shall obtain a City of Merced business license.
- y. Meet all State deadlines for applying for a State license and receive a State license within six (6) months after the date the State begins issuing licenses. This may be waived if the State has longer delays in issuing licenses of the type the commercial cannabis business seeks. The permittee must inform the City in writing within 10 days when the permittee applies for that initial permit or if the permittee applies for any additional State licenses. Said notification shall be addressed to the Director of Development Services or his designee at 678 W. 18<sup>th</sup> St., Merced, CA 95340.

- z. All persons hiring employees to engage in commercial cannabis activities shall document compliance with the following employee safety practices:
  - i. Emergency action response planning as necessary
  - ii. Employee accident reporting and investigation policies
  - iii. Fire prevention
  - iv. Hazard communication policies, including maintenance of material safety data sheets.
  - v. Materials storage and handling policies
  - vi. Personal protective equipment policies
  - vii. Operation manager contacts
  - viii. Emergency responder contacts
  - ix. Poison control contacts
- aa. All persons with ownership interest; and all employees agents, officers or other persons acting for or employed by a permittee must be at least 21 (twenty-one) years of age.

**20.44.170(F): Additional Regulations for Dispensary and Retail Sales of Cannabis**

1. Only four (4) dispensaries shall operate within the Merced City Limits, regardless of the location's compliance with any other Section specified in this ordinance.. At least one (1) of those dispensaries shall also dispense medicinal cannabis goods. If State law allows medical and adult use dispensaries on the same premises, the City of Merced would allow a combined use, but in no case shall more than four (4) dispensaries of any kind be allowed within the City of Merced.
2. No retail cannabis facility may engage in check cashing activities at any time.
3. Only one dispensary permit per person with ownership interest is allowed in the City of Merced. Any person with community property rights of an ownership interest is considered a person with ownership interest in this section.
4. Restrooms shall remain locked during business hours and not open to the public.
5. The total number of dispensaries in operation shall be determined based on the number of locations which have been issued a Commercial Cannabis Business Permit for a dispensary by the City.
6. Display of cannabis products shall be limited to only an amount necessary to provide a visual sample for customers.
7. At all times, the cannabis dispensary is open, the dispensary shall provide at least one security guard who is registered with Bureau of Security and Investigative Services, and possesses a valid and current security guard registration card on their person while on-duty.
8. Security guards are permitted, but not mandated, to carry firearms.
9. All cannabis products available for sale shall be securely locked and stored.

10. The security guard and cannabis dispensary personnel shall monitor the site and the immediate vicinity of the site to ensure that patrons immediately leave the site and do not consume cannabis in the vicinity of the dispensary or on the property or in the parking lot.
11. Medical Cannabis Dispensaries shall maintain the full name, address and telephone number(s) of all patient members to whom the business provides medical cannabis, and a copy of a physician-issued recommendation card or State-issued card for all patient members.
12. Dispensaries shall also record on the video surveillance system point-of-sale areas and areas where cannabis goods are displayed for sale.
13. Any commercial cannabis retail or medical retail sales facility shall be open to the public a minimum of 40 hours per week, unless otherwise specified in the Commercial Cannabis Business Permit.
14. Hours of operation in Commercial Office (C-O) zones shall be limited to no earlier than 8 a.m. Pacific Time and no later than 7 p.m. Pacific Time. Hours of operation in all other zones shall be limited to no earlier than 8 a.m. Pacific Time and no later than 9 p.m. Pacific Time, unless zoning regulations specify more restrictive hours.
15. Exterior signage shall be limited to one wall sign not to exceed twenty (20) square feet in area. Interior signage or advertising may not be visible from the exterior. No temporary signs (banners, A-frames, etc.) or window signs are allowed.
16. On-site consumption of cannabis or cannabis products is specifically prohibited on the premises at all times. The following information shall be provided on a sign posted in a conspicuous location inside the cannabis dispensary: "Smoking, ingesting or consuming cannabis on this property or within 100 feet of the business is prohibited."
17. An adult use license shall not sell cannabis products to persons under 21 years of age or allow any person under 21 years of age on its premises, unless such licensee also holds a medicinal license and the licensee holds a CCBP for both adult use and medicinal cannabis. A medicinal licensee may sell cannabis products to and allow on the premises, any person 18 years of age or older who possesses a valid government issued identification card, and either a valid county-issued identification card under Section 11362.712 of the Health and Safety Code or a valid physician's recommendation for himself or herself or for a person for whom he or she is a primary caregiver.
18. Adequate signage shall clearly state that the City of Merced has not tested or inspected any cannabis product for pesticides, or other regulated contaminants, distributed at this location.
19. No recommendations from a doctor for medical cannabis shall be issued on-site.
20. Shipments of cannabis goods may only be accepted during regular business hours.
21. There shall be no on-site sales of alcohol or tobacco products, and no on-site consumption of food, alcohol or tobacco by patrons.

22. Inventory shall be secured and locked in a room, safe, or vault, and in a manner reasonably designed to prevent diversion, theft, and loss during non-business hours.
23. No cannabis product shall be visible from the exterior of the business.
24. All required labelling shall be maintained on all product, as required by State regulations, at all times.
25. The business shall post signs that spell out the "Prohibited Conduct Involving Marijuana and Marijuana Products" contained in Health and Safety Code Section 11362.3 in a conspicuous manner on the business premises for the education of patrons. The City shall develop a standard format and content for such signs.
26. The use of vending machines (i.e. a machine that dispenses articles when a coin, bill, or token is inserted) to dispense cannabis is strictly prohibited.
27. No drive-through facilities shall be allowed and no cannabis shall be sold through a drive-through facility.

**20.44.170(G): Additional Regulations for Commercial Cannabis Delivery Services**

1. Commercial cannabis deliveries may be made only from a commercial cannabis dispensary permitted by the City in compliance with this ordinance, and in compliance with all State regulations.
2. All employees who deliver cannabis shall have valid identification and a copy of the dispensary's Commercial Cannabis Business Permit at all times while making deliveries.
3. All commercial cannabis businesses shall provide proof of insurance in a minimum amount of \$1,000,000 for any and all vehicles being used to transport cannabis goods.
4. Deliveries may only take place during the hours of 8:00 a.m. and 7:00 p.m. daily.
5. A customer requesting delivery shall maintain a physical or electronic copy of the delivery request and shall make it available upon request by the licensing authority and law enforcement officers, only as required by State regulations.
6. The following applies to all deliveries of cannabis products:
  - a. May only be made to a physical address in California.
  - b. A licensed delivery employee shall not leave the State of California while possessing cannabis products.
7. A dispensary shall maintain a list of all deliveries, including the address delivered to, the amount and type of product delivered, and any other information and for the duration of time required by State regulations.



8. A cannabis business shall only deliver cannabis in aggregate amounts as ordered by the customer. A cannabis business shall ensure compliance with State delivery limits as they regard the amount of cannabis and cannabis products.
9. A manifest with all information required in this section shall accompany any delivery person at all times during the delivery process and delivery hours.
10. Any delivery method shall be made in compliance with State regulations and as it may be amended, including use of a vehicle that has a dedicated GPS device for identifying the location of the vehicle (cell phones and tablets are not sufficient).
11. The maximum limit of any cannabis goods carried by the delivery vehicle may not exceed \$3,000 at any time.
12. Each delivery request shall have a receipt prepared by the dispensary with the following information:
  - a. Name and address of the licensed dispensary
  - b. The name of the employee who delivered the order
  - c. The date and time the delivery request was made
  - d. The complete delivery address
  - e. A detailed description of the cannabis goods requested for delivery including the weight or volume, or any accurate measure of the amount of cannabis goods requested.
  - f. The total amount paid for the delivery including any fees or taxes.
  - g. At the time of the delivery, the date and time delivery was made, and the signature of the person who received the delivery.
13. The delivery business shall provide a flyer that spells out the "Prohibited Conduct Involving Marijuana and Marijuana Products" contained in Health and Safety Code Section 11362.3 to all delivery customers. The City shall develop a standard format and content for such flyers.

**20.44.170(H). Additional Requirements for Manufactured Cannabis Businesses**

1. A licensed cannabis manufacturing facility may conduct all activities permitted by the State. This includes, but is not limited to, volatile and non-volatile extractions, repackaging and relabeling, and infusions.
2. Any manufacturing activity that will be conducted by the licensee shall be included on the application. No additional manufacturing activity can be conducted without applying for and receiving written permission from the City of Merced for that additional activity.
3. At all times, the cannabis manufacturing facility will be compliant with all State regulations for cannabis manufacturing including Health and Safety Code 11362.775 and as it may be amended.
4. Inspections by the City Fire Chief or his designee may be conducting anytime during the business's regular business hours.

5. Cannabis manufacturing facilities shall not contain an exhibition or product sales area or allow for retail distribution of products at that location.
6. All cannabis manufacturing activities shall occur indoors within a fully enclosed and secured structure and also within a secure fence at least eight (8) feet in height that fully encloses the premises. The fence must include a lockable gate(s) that is locked at all times, except for during times of active ingress/egress. Said fence shall not violate any other ordinance, code section, or provision of law regarding the height, location, materials, or other fencing restrictions and shall not be constructed or covered with plastic or cloth. All screening shall conform to the requirements of applicable area, community, specific and design plans. Outdoor manufacturing of cannabis is expressly prohibited.

#### **20.44.170(I). Additional Requirements for Cannabis Cultivation Businesses**

1. The cannabis business shall register with the Department of Pesticide Regulation if using any pesticides.
2. From a public right-of-way, there shall be no exterior evidence of marijuana cultivation.
3. The Building Official may require additional specific standards to meet the California Building Code and Fire Code, including but not limited to installation of fire suppression sprinklers.
4. Compliance with Section 13149 of Water Code as enforced by the State Water Resources Control Board.
5. All outdoor lighting used for security purposes shall be shielded and downward facing.
6. The use of generators for cultivation is prohibited, except for temporary use in the event of a power outage or emergency.
7. Cannabis plants shall not be visible from offsite or the public right-of-way. All cannabis cultivation activities shall occur within a fully enclosed and secured structure and within a secure fence at least eight (8) feet in height that fully encloses the premises. The fence must include a lockable gate(s) that is locked at all times, except for during times of active ingress/egress. Said fence shall not violate any other ordinance, code Section, or provision of law regarding the height, location, materials, or other fencing restrictions and shall not be constructed or covered with plastic or cloth. All screening shall conform to the requirements of applicable area, community, specific and design plans. Outdoor cultivation of cannabis is expressly prohibited.

#### **20.44.170(J). Additional Requirements for Cannabis Testing Laboratory Businesses**

1. A licensed cannabis testing facility shall comply with all State regulations.
2. Any cannabis testing facility shall maintain all certifications required by the State.
3. A licensed cannabis testing facility business, it's owners and employees may not hold an interest in any other cannabis business except another testing business.

4. Inspections by the City Fire Chief or his designee may be conducting anytime during the business's regular business hours.

**20.44.170(K). Additional Requirements for Cannabis Distribution Businesses**

1. A licensed cannabis distribution facility shall comply with all State regulations.
2. Any cannabis distribution facility shall provide proof of a bond of at least five thousand dollars to cover the costs of destruction of cannabis or cannabis products if necessitated by a violation of licensing requirements.
3. Inspections by the City Police Chief or his designee may be conducting anytime during the business's regular business hours.
4. A distributor shall ensure that all cannabis goods batches are stored separately and distinctly from other cannabis goods batches on the distributor's premises.
5. A distributor shall ensure a label with the following information is physically attached to each container of each batch:
  - a. The manufacturer or cultivator's name and license number;
  - b. The date of entry into the distributor's storage area;
  - c. The unique identifiers and batch number associated with the batch;
  - d. A description of the cannabis goods with enough detail to easily identify the batch; and
  - e. The weight of or quantity of units in the batch.
6. A distributor shall store harvest batches and edible cannabis products that require refrigeration at 35 to 42 degrees Fahrenheit. In addition, a distributor shall store harvest batches in a darkened area with no more than 60% humidity.
7. A distributor shall store medical cannabis goods in a building designed to permit control of temperature and humidity and shall prevent the entry of environmental contaminants such as smoke and dust. The area in which medical cannabis goods are stored shall not be exposed to direct sunlight. A distributor may not store medical cannabis goods outdoors.
8. Employee breakrooms, eating areas, changing facilities, and bathrooms shall be completely separated from the storage areas.
9. All cannabis distribution activities shall occur within a fully enclosed and secured structure and within a secure fence at least eight (8) feet in height that fully encloses the distribution area. The fence must include a lockable gate(s) that is locked at all times, except for during times of active ingress/egress. Said fence shall not violate any other ordinance, code Section, or provision of law regarding the height, location, materials, or other fencing restrictions and shall not be constructed or covered with plastic or cloth. All screening shall conform to the requirements of applicable area, community, specific and design plans.
10. If located in a General Commercial (C-G) zone,
  - a. The cannabis distribution business shall be located on a parcel no less than 20,000 square feet in size,

- b. All loading and unloading activities shall take place within the secured fenced area required above.

#### **20.44.170(L). Commercial Cannabis Business Permit Selection Process**

##### **1. Selection Process for Dispensaries/Retail Sales (Limited Number of Permits Available)**

- a. The Commercial Cannabis Business Permit selection process will be conducted in two phases, Phase 1 and Phase 2. In Phase 1, each Applicant interested in operating a commercial cannabis business will pay an application fee in an amount established by the City Council by resolution. The application will be reviewed for completeness by the Director of Development Services or designee.
- b. A pre-application conference with the Director of Development Services is strongly encouraged. A pre-application conference can be scheduled by calling 209-385-6858 during regular City of Merced business hours.
- c. The City of Merced has established a merit based scoring system to objectively award permits as described in the application documents in Phase 2 to be used in the event that there are more applications than there are Commercial Cannabis Business Permits for a specific license type, such as for retail dispensaries.
- d. The initial application period shall be 21 calendar days from the date the applications are released. Should the 21st day fall on a day when City Hall is closed, the application period shall be extended to the next open day at 4:00 p.m. Following the application period, the Director of Development Services or designee shall stop accepting applications and review all applications received as described in Phase 1. 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". The qualified applicants will be entered into the Phase 2 review process. The Director of Development Services shall maintain the "Qualified Application List".
- e. 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 21 calendar days, after which the applicant will have 10 calendar days from receipt of notice to correct the deficiency. Should the 10th day fall on a day when City Hall is closed, the correction period shall be extended to the next open day at 4:00 p.m. If the deficiency is not corrected within 10 calendar days, the Director of Development Services may deny the permit and notify the applicant of this determination in writing within 10 calendar days following the Director of Development Services decision.
- f. All Cannabis applications received after the initial application period will be placed on the "Waitlist for Dispensaries/Retail Sales" in the order it is received. Applicants placed on the "Waitlist" shall be notified in writing of their "Waitlist" status.

- g. Cannabis applications placed on the “Waitlist for Dispensaries/Retail Sales” will be moved to the “Qualified Applicant List for Dispensaries/Retail Sales” only if the application passes the Phase 1 review and when a Commercial Cannabis Business Permit for Dispensaries/Retail Sales becomes available, whether by creation of a new license, or the forfeiture of an existing one. Applicants moved to the “Qualified Applicant List for Dispensaries/Retail Sales” from the Waitlist will be notified of the change in writing. If the Director of Development Services or designee determines the application is incomplete, the Director of Development Services shall notify the applicant of the deficiency within 21 calendar days, after which the applicant will have 10 calendar days from receipt of notice to correct the deficiency. Should the 10th day fall on a day when City Hall is closed, the correction period shall be extended to the next open day at 4:00 p.m. If the deficiency is not corrected within 10 calendar days, the Director of Development Services may deny the permit and notify the applicant of this determination in writing within 10 calendar days following the Director of Development Services decision. A new application, with new fees, would then be required for any subsequent consideration of that same or similar proposal at the same location.

**h. Commercial Cannabis Business Permit—Dispensaries/Retail Sales Selection - Phase 1 – Initial Review**

The Director of Development Services or designee(s) shall determine whether each application demonstrates compliance with the minimum requirements and be placed on the “Qualified Applicant List for Dispensaries/Retail Sales” and entered into the Phase 2 review process. These requirements include but are not limited to:

- i. All Application documents required in the City’s Phase 1 application package.
- ii. Application was submitted during the application period.
- iii. Application forms are filled out completely.
- iv. Business Owner(s) / Applicant(s) referenced on the application provides a Live Scan that was conducted within 14 days prior to submitting the application.
- v. Phase 1 application fee is paid.
- vi. A signed statement that the proposed location of the commercial cannabis business on the application meets the zoning criteria established in this ordinance including, but not limited to, any and all sensitive use separation criteria required by this ordinance.

**i. Commercial Cannabis Business Permit—Dispensaries/Retail Sales Selection - Phase 2 – Final Review and Scoring**

The Director of Development Services or his designee, after reviewing the applications approved in Phase 1 and the aforementioned information, will convene a Selection Panel composed of the City Manager, Chief of Police, and the Director of Development Services, or their designees, to make the final decision, based on the merit-based scoring system, of successful applicants to recommend to the Planning Commission for the Commercial Cannabis Business Permit—Dispensaries/Retail Sales. The Selection Panel will review all application documents required in the City’s Phase 1 application package plus an additional background check of all owners conducted to the satisfaction of the Chief of Police as well as complete description of the merit based system and all merit based considerations shall be included with the application forms. Phase 2 requirements include, but are not limited to:

- i. Phase 2 application fee is paid and a comprehensive background check of anyone holding an ownership interest is completed to the satisfaction of the Chief of Police.
- ii. The Building Official or designee has inspected all structures in which the use is located to determine that all applicable standards and requirements are met. If a building permit is required for site improvements, Permit issuance will be deferred until a certificate of occupancy or other building permit approval is issued. Additionally, the Building Official has determined that there are no notices of nuisance or other code compliance issues recorded on the property.
- iii. The Zoning Administrator or designee has issued a Zoning Clearance documenting compliance with the following:
  - a. The use is permitted in the Zoning District and meets the distance requirements from sensitive uses; and,
  - b. All land use permits, if any, have been approved and all conditions of approval have been met or are in good standing; and,
  - c. No zoning violations exist on the property; and,
  - d. A planning and/or building permit with a receipt proving payment for processing from the City of Merced Planning Department for the property location the commercial cannabis business will occupy.
- j. The Planning Commission will review all Commercial Cannabis Business Permit—Dispensaries/Retail Sales applications and all other relevant information and determine if a CCBP should be granted. Prior to issuing a Commercial Cannabis Business Permit—Dispensaries/Retail Sales, the Planning Commission will provide all public notices and conduct a public hearing as described in the City of Merced Municipal Code Section 20.70.010 through Sections 20.70.040. No Commercial Cannabis Business Permit—Dispensaries/Retail Sales shall be issued otherwise.

**2. Selection Process for All Other Commercial Cannabis Business Permits (No Limits On the Number of Permits Available)**

- a. The Commercial Cannabis Business Permit—All Other Cannabis Businesses selection process will be conducted in two phases, Phase 1 and Phase 2. In Phase 1, each Applicant interested in operating a commercial cannabis business will pay an application fee in an amount established by the City Council by resolution. The application will be reviewed for completeness by the Director of Development Services or designee.
- b. A pre-application conference with the Director of Development Services is strongly encouraged. A pre-application conference can be scheduled by calling 209-385-6858 during regular City of Merced business hours.
- c. The initial application period shall be 21 calendar days from the date the applications are released. Should the 21st day fall on a day when City Hall is closed, the application period shall be extended to the next open day at 4:00 p.m. Following the application period, the Director of Development Services or designee shall stop accepting applications and review all applications received as described in Phase 1. 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—All Other Cannabis Businesses” and shall be notified in writing that they are a “Qualified Commercial Cannabis Business



Applicant—All Other Cannabis Businesses”. The qualified applicants will be entered into the Phase 2 review process. The Director of Development Services shall maintain the “Qualified Application List for All Other Cannabis Businesses”.

- d. 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 21 calendar days, after which the applicant will have 10 calendar days from receipt of notice to correct the deficiency. Should the 10th day fall on a day when City Hall is closed, the correction period shall be extended to the next open day at 4:00 p.m. If the deficiency is not corrected within 10 calendar days, the Director of Development Services may deny the permit and notify the applicant of this determination in writing within 10 calendar days following the Director of Development Services decision. A new application, with new fees, would then be required for any subsequent consideration of that same or similar proposal at the same location.
- e. All Cannabis applications received after the initial application period will be placed on the “Waitlist for All Other Cannabis Businesses” in the order it is received. Applicants placed on the “Waitlist” shall be notified in writing of their “Waitlist” status.
- f. Cannabis applications placed on the “Waitlist for All Other Cannabis Businesses” will be moved to the “Qualified Applicant List for All Other Cannabis Businesses” on a one for one basis only if the application passes the Phase 1 review and when the number of applicants on the “Qualified Applicant List” falls below five, and will be notified of the change in writing. At any time, the Director of Development Services may suspend the requirement for a “Waitlist for All Other Cannabis Businesses” if the number of applications does not merit the need for the “Waitlist.” If the Director of Development Services or designee determines the application is incomplete, the Director of Development Services shall notify the applicant of the deficiency within 21 calendar days, after which the applicant will have 10 calendar days from receipt of notice to correct the deficiency. Should the 10th day fall on a day when City Hall is closed, the correction period shall be extended to the next open day at 4:00 p.m. If the deficiency is not corrected within 10 calendar days, the Director of Development Services may deny the permit and notify the applicant of this determination in writing within 10 calendar days following the Director of Development Services decision.

**g. Commercial Cannabis Business Permit—All Other Cannabis Businesses Selection - Phase 1 – Initial Review**

The Director of Development Services or designee(s) shall determine whether each application demonstrates compliance with the minimum requirements and be placed on the “Qualified Applicant List for All Other Cannabis Businesses” and entered into the Phase 2 review process. These requirements include, but are not limited to:

- i. All Application documents required in the City’s Phase 1 application package.
- ii. Application was submitted during the application period.
- iii. Application forms are filled out completely.
- iv. Business Owner(s) / Applicant(s) referenced on the application provides a Live Scan that was conducted within 14 days prior to submitting the application.
- v. Phase 1 application fee is paid.

- vi. A signed statement that the proposed location of the commercial cannabis business on the application meets the zoning criteria established in this ordinance including, but not limited to, any and all sensitive use separation criteria required by this ordinance.

#### **h. Commercial Cannabis Business Permit—All Other Cannabis Businesses Selection - Phase 2 – Final Review**

The Director of Development Services or his designee, after reviewing the applications approved in Phase 1 and reviewing the information below will make a recommendation to the Planning Commission to approve or reject the application for the Commercial Cannabis Business Permit for All Other Cannabis Businesses.

- i. Phase 2 application fee is paid and a comprehensive background check of anyone holding an ownership interest is completed to the satisfaction of the Chief of Police.
- ii. The Building Official or designee has inspected all structures in which the use is located to determine that all applicable standards and requirements are met. If a building permit is required for site improvements, Permit issuance will be deferred until a certificate of occupancy or other building permit approval is issued. Additionally, the Building Official has determined that there are no notices of nuisance or other code compliance issues recorded or on the property.
- iii. The Zoning Administrator or designee has issued a Zoning Clearance documenting compliance with the following:
  - a. The use is permitted in the Zoning District and meets the distance requirements from sensitive uses; and,
  - b. All land use permits, if any, have been approved and all conditions of approval have been met or are in good standing; and,
  - c. No zoning violations exist on the property; and,
  - d. A planning and/or building permit with a receipt proving payment for processing from the City of Merced Planning Department for the property location the commercial cannabis business will occupy.
- i. The Planning Commission will review all Commercial Cannabis Business applications for All Other Cannabis Businesses and all other relevant information and determine if a CCBP should be granted. Prior to issuing a Commercial Cannabis Business Permit for All Other Cannabis Businesses, the Planning Commission will provide all public notices and conduct a public hearing as described in the City of Merced Municipal Code Section 20.70.010 through Sections 20.70.040. No Commercial Cannabis Business Permit shall be issued otherwise.

### **3. Appeal of Denial of Commercial Cannabis Business Permit (All Types)**

The Planning Commission will review all Commercial Cannabis Business applications and all other relevant information, and determine if a CCBP should be granted. If the Planning Commission determines that the permit shall not be granted, the reasons for denial shall be provided in writing to the applicant. Any decision of the Planning Commission may be appealed to the City Council.

- a. A written appeal shall be filed within five (5) business days (excluding official city holidays) following a Planning Commission decision.
- b. When an appeal has been filed, the matter shall be scheduled for a public hearing before the City Council within thirty (30) calendar days of receiving the appeal.

- c. Notice of the hearing of the appeal shall be provided to the applicant at least ten (10) calendar days prior to the public hearing.
- d. Any interested person may appear and be heard regarding the appeal.
- e. A matter being heard on appeal may be continued for good cause.
- f. The City Council's review of the appeal shall be limited to review of the Planning Commission decision and shall not be a de novo review. At the conclusion of the hearing, the City Council may affirm, reverse or modify the decision appealed. The decision of the City Council shall be the City's final decision in this regard and shall be dispositive of the matter subject to judicial review under the provisions of California Code of Civil Procedure Sections 1094.5 and 1094.6.

#### **4. Commercial Cannabis Business Permit Annual Renewal (All Types)**

- a. Applications for the renewal of a permit shall be filed with the Director of Development Services at least sixty (60) calendar days before the expiration of the current permit. Any permittee allowing their permit to lapse or which permit expired during a suspension shall be required to submit a new application, pay the corresponding original application fees and be subject to all aspects of the selection process.
- b. Any person desiring to obtain a renewal of their respective permit shall file a written application under penalty of perjury on the required form with the Director of Development Services who will conduct a review. The application shall be accompanied by a nonrefundable filing fee established by the City Council to defray the cost of the review required by this Section. An applicant shall be required to update the information contained in their original permit application and provide any new and/or additional information as may be reasonably required by the Director of Development Services in order to determine whether said permit should be renewed. The Development Services Director, in consultation with the Selection Panel if they were involved in the original review, will review all Commercial Cannabis Business renewal applications and all other relevant information, and determine if a renewal CCBP should be granted.
- c. A Commercial Cannabis Business Permit holder may file a request to transfer ownership of the business. The request shall be made to the Director of Development Services. The request must be in writing and must be at least 60 days prior to the transfer. The Director of Development Services shall review the request and may require additional background material on the proposed new owner. The Director of Development Services shall notify the permit holder in writing along with the reason for approval or denial of the transfer. The original term of the Commercial Cannabis Business Permit shall stay in effect including the renewal date.
- d. The Director of Development Services or designee may deny the annual renewal of a Commercial Cannabis Business Permit if the permittee or the permittee's agent or employee has committed any one of the following acts:
  - i. Any act which would be considered a ground for denial of the permit in the first instance.
  - ii. Violates any other provision of this section or any City of Merced or State law, statute, rule or regulation relating to the business's permitted activity.
  - iii. Engages in or permits misconduct substantially related to the qualifications, functions or duties of the permittee.
  - iv. Conducts the permitted business in a manner contrary to the health, safety, or welfare of the public.

- v. Fails to take reasonable measures to control patron conduct, where applicable, resulting in disturbances, vandalism, or crowd control problems occurring inside of or outside the premises, traffic control problems, or creation of a public or private nuisance, or obstruction of the operation of another business.
- vi. Violates or fails to comply with the terms and conditions of the permit.
- vii. Fails to pay all applicable City, State, or Federal taxes and fees.

## **5. Appeal of Denial of Commercial Cannabis Business Permit Renewal (All Types)**

- a. The Development Services Director, in consultation with the Selection Panel if they were involved in the original review, will review all Commercial Cannabis Business renewal applications and all other relevant information, and determine if a renewal CCBP should be granted. If the Development Services Director determines that the permit shall not be granted, the reasons for denial shall be provided in writing to the applicant. The applicant shall have fourteen (14) calendar days from the date of the receipt of the written denial to correct the reasons for denial and request in writing reconsideration of permit issuance. Following review of the amended permit application, the Development Services Director will approve or deny the permit by providing written notice to the applicant.
- b. Any decision of the Development Services Director may be appealed to the Planning Commission. An appeal shall be filed within five (5) business days (excluding official city holidays) following a decision by the Director of Development Services.
  - i. When an appeal has been filed, the matter shall be scheduled for a public hearing before the Planning Commission within thirty (30) calendar days of receiving the appeal.
  - ii. Notice of the hearing shall be provided to the applicant at least ten (10) calendar days prior to the public hearing.
  - iii. Any interested person may appear and be heard regarding the appeal.
  - iv. The Planning Commission's review of the appeal shall be limited to review of the Development Services Director decision and shall not be a de novo review.
  - v. A matter being heard on appeal may be continued for good cause.
  - vi. The decision of the Planning Commission may be appealed to the City Council.
    - a. A written appeal shall be filed within five (5) business days (excluding official city holidays) following a Planning Commission decision.
    - b. When an appeal has been filed, the matter shall be scheduled for a public hearing before the City Council within thirty (30) calendar days of receiving the appeal.
    - c. Notice of the hearing of the appeal shall be provided to the applicant at least ten (10) calendar days prior to the public hearing.
    - d. Any interested person may appear and be heard regarding the appeal.
    - e. A matter being heard on appeal may be continued for good cause.
    - f. The City Council's review of the appeal shall be limited to review of the Planning Commission decision and shall not be a de novo review. At the conclusion of the hearing, the City Council may affirm, reverse or modify the decision appealed. The decision of the City Council shall be the City's final decision in this regard and shall be dispositive of the matter subject to judicial review under the provisions of California Code of Civil Procedure Sections 1094.5 and 1094.6.

## **6. Revocation of Commercial Cannabis Business Permit (All Types)**

- a. The Director of Development Services or designee may suspend or revoke a Commercial Cannabis Business Permit when the permittee or the permittee's agent or employee has committed any one or more of the following acts:
  - i. Any act which would be considered a ground for denial of the permit in the first instance.
  - ii. Violates any other provision of this section or any City of Merced or State law, statute, rule or regulation relating to the business's permitted activity.
  - iii. Engages in or permits misconduct substantially related to the qualifications, functions or duties of the permittee.
  - iv. Conducts the permitted business in a manner contrary to the health, safety, or welfare of the public.
  - v. Fails to take reasonable measures to control patron conduct, where applicable, resulting in disturbances, vandalism, or crowd control problems occurring inside of or outside the premises, traffic control problems, or creation of a public or private nuisance, or obstruction of the operation of another business.
  - vi. Violates or fails to comply with the terms and conditions of the permit.
  - vii. Fails to pay all applicable City, State, or Federal taxes and fees.
- b. Prior to suspension or revocation of the applicable permit, the Director of Development Services shall conduct a hearing. Written notice of the time and place of such hearing shall be served upon the permittee at least ten (10) calendar days prior to the date set for such hearing. The notice shall contain a brief statement of the grounds to be relied upon for revoking or suspending the permit. Notice may be given either by personal delivery or by certified U.S. mail, postage prepaid.
- c. Any decision of the Development Services Director may be appealed to the Planning Commission. An appeal shall be filed within five (5) business days (excluding official city holidays) following a decision by the Director of Development Services.
  - i. When an appeal has been filed, the matter shall be scheduled for a public hearing before the Planning Commission within (thirty) 30 days of receiving the appeal.
  - ii. Notice of the hearing shall be provided to the applicant at least (ten) 10 calendar days prior to the public hearing.
  - iii. Any interested person may appear and be heard regarding the appeal.
  - iv. The Planning Commission's review of the appeal shall be limited to review of the Development Services Director decision and shall not be a de novo review.
  - v. A matter being heard on appeal may be continued for good cause.
  - vii. The decision of the Planning Commission may be appealed to the City Council.
    - a. A written appeal shall be filed within five (5) business days (excluding official city holidays) following a Planning Commission decision.
    - b. When an appeal has been filed, the matter shall be scheduled for a public hearing before the City Council within thirty (30) calendar days of receiving the appeal.
    - c. Notice of the hearing of the appeal shall be provided to the applicant at least ten (10) calendar days prior to the public hearing.
    - d. Any interested person may appear and be heard regarding the appeal.
    - e. A matter being heard on appeal may be continued for good cause.
    - f. The City Council's review of the appeal shall be limited to review of the Planning Commission decision and shall not be a de novo review. At the

conclusion of the hearing, the City Council may affirm, reverse or modify the decision appealed. The decision of the City Council shall be the City's final decision in this regard and shall be dispositive of the matter subject to judicial review under the provisions of California Code of Civil Procedure Sections 1094.5 and 1094.6.

**20.44.170(M): Limitations on the City's Liability**

To the fullest extent permitted by law, the City shall not assume any liability whatsoever, with respect to approving any Commercial Cannabis Business Permit pursuant to this ordinance or the operation of any cannabis facility approved pursuant to this chapter. As a condition of approval of a Commercial Cannabis Business Permit as provided in this chapter, the applicant or its legal representative shall:

1. Execute an agreement indemnifying the City from any claims, damages, injuries or liabilities of any kind associated with the registration or operation of the commercial cannabis facility or the prosecution of the applicant or permittee or its members for violation of federal or State laws;
2. Maintain insurance in the amounts and types that are acceptable to the City Attorney or designee;
3. Name the city as an additionally insured on all City required insurance policies;
4. Agree to defend, at its sole expense, any action against the City, its agents, officers, and employees related to the approval of a Commercial Cannabis Business permit; and
5. Agree to reimburse the City for any court costs and attorney fees that the City may be required to pay as a result of any legal challenge related to the City's approval of a Commercial Cannabis Business Permit. The City may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve the operator of its obligation hereunder.

**20.44.170(N): Enforcement**

1. A violation of the regulations in this ordinance by an act, omission, or failure of an agent, owner, officer or other person acting in concert with or employed by a permittee within the scope of their employment or office, shall be deemed the act, omission, or failure of the permittee.
2. A permitted Commercial Cannabis Business shall notify the Police Chief or designee of the City of Merced upon discovery of any of the following situations:
  - a. A discrepancy of more than \$1,000 in inventory over a period of 24 hours or \$3,000 over period of 7 days.
  - b. A reason to suspect diversion, loss, theft or any other criminal activity pertaining to the operation of the commercial cannabis business.
  - c. The loss or alteration of records related to cannabis goods, registered medical cannabis patients, caregivers or dispensary employees or agents.
  - d. Any other reason to suspect any other breach of security.



3. Each and every violation of this Section shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the Municipal Code. Additionally, as a nuisance per se, any violation of this article shall be subject to injunctive relief, revocation of the business's Commercial Cannabis Business Permit, disgorgement and payment to the City of any and all monies unlawfully obtained, costs of abatement, costs of investigation, attorney fees, and any other relief or remedy available at law or equity. The City may also pursue any and all remedies and actions available and applicable under local and state laws for any violations committed by the cannabis business and/or any owner, agent, officer, or any other person acting in concert with or employed by the cannabis business.
4. City Officials or their designees may enter and inspect the location of any commercial cannabis business during normal business hours to ensure compliance with this Section. In addition, law enforcement may enter and inspect the location of any cannabis business and the recordings and records maintained as required by this Section, except that the inspection and copying of private medical records shall be made available to law enforcement only pursuant to a properly executed search warrant, subpoena, or court order. A person engaging in commercial cannabis business without a permit and associated unique identifiers required by this chapter shall be subject to civil penalties of up to twice the amount of the permit fee for each violation, and the department, state or local authority, or court may order the destruction of cannabis associated with that violation. A violator shall be responsible for the cost of the destruction of cannabis associated with the violation, in addition to any amount covered by a bond required as a condition of licensure. Each day of operation shall constitute a separate violation of this section.

#### **20.44.170(O): Fees and Taxes**

All Cannabis Operations shall pay applicable fees and taxes, which may include one or more of the following:

1. Initial Application Fees. The Business Applicant shall submit a non-refundable fee to cover the cost of processing an initial application for the commercial cannabis business. These fees may be divided into two fees according to Initial Review (Phase 1) and Final Review (Phase 2).
2. Application Renewal Fees. The Business Owner shall submit a non-refundable fee to cover the cost of processing an application renewal annually.
3. Business License Fee. The Business Owner shall at all times maintain a current and valid business license and pay all business taxes required by the Merced Municipal Code.
4. Commercial Cannabis Regulatory Fee. The Business Owner shall pay an annual regulatory fee ("Regulatory Fee") to cover the costs of anticipated enforcement relating to the Cannabis Operation. The amount of the fee shall be set by Resolution of the City Council and be supported by the estimated additional costs of enforcement and monitoring associated with the Cannabis Operation. The Regulatory Fee shall be due and payable prior to opening for business and thereafter on or before the anniversary date. The Regulatory Fee may be amended from time to time based upon actual costs.
5. All required taxes including sales and use taxes, business, payroll etc.
6. Additional cannabis-specific gross receipts, excise, cultivation or any other tax approved by the voters of the City of Merced.

## **SECTION 6 : SEVERABILITY**

If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

## **SECTION 7. PUBLICATION.**

The City Clerk is directed to cause a summary of this Ordinance to be published in the official newspaper at least once within fifteen (15) days after its adoption showing the vote thereon.

The foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Merced on the 20th day of November, 2017, and was passed and adopted at a regular meeting of said City Council held on the 4th day of December, 2017, by the following called vote:

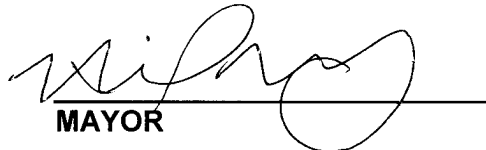
**AYES: 5      Council Members:** BLAKE, MARTINEZ, MCLEOD, PEDROZO,  
SERRATTO

**NOES: 2      Council Members:** BELLUOMINI, MURPHY

**ABSTAIN: 0      Council Members:** NONE

**ABSENT: 0      Council Members:** NONE

**APPROVED:**


  
**MAYOR**

**ATTEST:**  
**STEVE CARRIGAN, CITY CLERK**

**BY:**   
**Assistant City Clerk**

**(SEAL)**

**APPROVED AS TO FORM**

  
**City Attorney**      11/28/2017  
**Date**



## **Cannabis Related Occupancies – Commercial Building Permit Application Submittal Requirements**

The following regulations pertain to City of Merced Building Division and Fire Department requirements for the permit application, plan review, approval and inspection of cannabis-related occupancies. The requirements listed below are intended to assist the applicant with some of the requirements applicable to a Building Division permit submittal, and are not to be considered an all-inclusive listing of Building or Fire Department requirements for plan approval or permit issuance. Only items pertinent to each specific submittal are to be included. Every listed item will not necessarily be applicable to all projects.

### **General Requirements**

1. A building permit is required to verify occupancy for a cannabis facility, even if no improvements to the property are proposed. The building permit application must meet the City's general building permit submittal requirements.
2. Construction plans and building permits are required per the California Building Code Section 105 when the owner or occupant intends to construct, enlarge, alter, remove, repair, demolish, or change the occupancy of a building or structure, or to erect, install, enlarge, alter, repair, remove, convert or replace an electrical, gas, mechanical or plumbing system, the installation of which is regulated by the Building and/or Fire Code, or to cause this work to be done.
3. The plans must be prepared by a licensed professional registered with the State of California and must address specific requirements for the use as outlined in the codes and standards adopted by the City of Merced and the State of California.
4. An application for a building permit will not be accepted for a cannabis related business without approval for concurrent review or approval of a Commercial Cannabis Business Permit (CCBP). The CCBP process must be completed and approved prior to the issuance of the building permit.
5. All building permit design and supporting documentation is required to be prepared, stamped and signed by qualified design professionals licensed and registered by the State of California.
6. All construction and related work must be performed by contractors licensed by the State of California as general and/or specialty contractors for the specific discipline of work to be performed.
7. All design and construction shall be consistent with the provisions of the Merced Municipal Code and the current edition of the California Code of Regulations Title 24 as adopted by the California Building Standards Commission, and as amended by the City of Merced Municipal Code.
8. A City of Merced Building Permit Application form must be completed in its entirety and included with each submittal. <https://www.cityofmerced.org/depts/cd/building/applications/default.asp>
9. Codes and Standards regulating cannabis facilities currently adopted by the City of Merced include, but are not limited to:
  - A. *California Building Code (CBC)*
  - B. *California Electrical Code (CEC)*
  - C. *California Mechanical Code (CMC)*
  - D. *California Plumbing Code (CPC)*
  - E. *California Energy Code (CEC)*

- F. *California Fire Code (CFC)*
- G. *California Existing Building Code (CEBC)*
- H. *California Green Building Standards Code (CalGreen)*
- I. *California Health and Safety Code (HS&C)*
- J. *California Existing Building Code (CEBC)*
- K. *National Fire Protection Association Standards (NFPA)*
- L. *Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA)*
- M. *City of Merced Municipal Code (CMMC)*

10. A location specific building permit application package is required for each individual building and building address. For a detail of commercial submittal package content review Commercial Plan Submittal Checklist [https://www.cityofmerced.org/depts/cd/building/download\\_information.asp](https://www.cityofmerced.org/depts/cd/building/download_information.asp) . Additional documentation may be required for structural modifications and/or additions to existing buildings or structures. All submittals are electronic. Electronic plan review instructions can be found on the city website [https://www.cityofmerced.org/depts/cd/building/electronic\\_plan\\_review/default.asp](https://www.cityofmerced.org/depts/cd/building/electronic_plan_review/default.asp) .
11. The plan review fees will be calculated after the city is in receipt of a full complete submittal. Applicant will be contacted with the amount due. Fees must be paid in full before the plans will be accepted for plan review.
12. Construction or work for which the permit is required shall be subject to inspection by the Building Official and such construction or work shall remain accessible and exposed for inspection purposes until approved. No construction shall commence prior to the issuance of a building permit.
13. No building or structure shall be used or occupied, and no change in the existing occupancy classification or the use in the same occupancy classification, of the building or structure or portion thereof shall be made, until the Building Official has issued a certificate of occupancy. Issuance of a certificate of occupancy shall not be construed as an approval of a violation of the provisions of applicable codes and standards or the other regulations of the City of Merced.
14. The owner/occupant is required to keep all City approved plans, specifications and related documents on the premises, in an easily accessible location for City inspection staff for the required inspections.
15. A copy of the approved plans shall be maintained on site for any future operational, or other related inspections after a Certificate of Occupancy is given.

### **Building Code Requirements**

*(Applicable to all occupancies and MAUCRSA permit types)*

1. The Occupancy and Construction Type of the proposed facility shall comply with the applicable provisions of CBC Chapters 3 and 6.
2. Means of egress shall comply with CBC Chapter 10.
3. The design for the occupant load is based on CBC Chapter 10, § 1004. Growing, storage and shipping areas are 300 sq. ft. per person; cannabis infused products, testing and business areas are 100 sq. ft. per person.
4. Interior finishes shall comply with CBC Chapter 8.
5. Access for persons with disabilities shall comply with the applicable provisions of CBC Chapter 11B.

## **Fire Code Requirements**

*(Applicable to all occupancies and MAUCRSA permit types)*

All applicants will need to provide a detailed scope of work related to all business activities and products utilized in their business model or process. List license type proposed, storage configurations and hazardous materials to be utilized. Prior to finalization of building permit, operational permits will need to be secured with the Fire Department.

1. The smoking or carrying of a lighted pipe, cigar, cigarette or any other type of smoking paraphernalia or material is prohibited in the areas indicated in CFC § 310.
2. Storage of combustible materials in buildings shall be orderly. Storage shall be separated from heaters or heating devices by distance or shielding so that ignition cannot occur per CFC § 315.
3. Any security device or system that emits any medium that could obscure a means of egress in any building, structure or premise shall be prohibited per CFC § 316.5.
4. Reporting of emergencies, coordination with emergency response forces, emergency plans and procedures for managing or responding to emergencies shall comply with the provisions of CFC § 401.
5. Emergency evacuation drills complying with provisions of this section shall be conducted at least annually for Group F occupancies listed in section 404 or when required by the fire code official. Drills shall be designed in cooperation with the California Fire Code and local authorities per CFC § 405.
6. The provisions of CFC § 407 shall be applicable where hazardous materials subject to permits under CFC §5001.5 are used and/or stored on the premises or where required by the fire code official.
7. Where access to or within a structure or an area is restricted because of secured openings or where immediate access is necessary for life-saving or fire-fighting purposes, the Fire Code Official is authorized to require a key box to be installed in an approved location. The key box shall be of an approved type and shall contain keys to gain necessary access as required by the fire code official per CFC §506.1
8. Approved automatic sprinkler systems in new buildings and structures shall be provided in the locations described in CFC § 903 and as amended by the Merced Municipal Code. A change in the occupancy of the space or an expansion of square footage could require the installation of a fire suppression system for the building.
9. Automatic fire-extinguishing systems, other than automatic sprinkler systems, shall be designed, installed, inspected, tested and maintained in accordance with the provisions of CFC § 903 and the applicable referenced standards.
10. Portable fire extinguishers shall be installed in F, B and U occupancy groups per CFC § 906. The size and distribution of portable fire extinguishers shall be in accordance with CFC § 906 and *California Code of Regulations, Title 19*.
11. Duct smoke detectors complying with UL 268A shall be installed in accordance with the CBC, CFC, CMC and NFPA 72 in the main supply air duct of each air-conditioning system having a capacity greater than 2,000 CFM.
12. An approved fire alarm system installed in accordance with the provisions of the CFC and NFPA 72 shall be provided in new buildings and structures in accordance with CFC § 907.2 and provide occupant notification in accordance with CFC § 907.6, unless other requirements are provided by another section of this code.
13. High-piled storage or rack storage in any occupancy group shall comply with CFC Chapter 32.
14. Storage, use and handling of compressed gases in compressed containers, cylinders, tanks, and systems shall comply with CFC Chapter 53 including those gases regulated elsewhere in the CFC. Partially full compressed gas container, cylinders or tanks containing residual gases shall be considered as full for purposes of the controls required.

15. Compressed gases classified as hazardous materials shall also comply with CFC Chapter 50 for general requirements and the applicable sections of Chapters 58 (Flammable Gases), 60 (Highly Toxic and Toxic Materials), 63 (Oxidizer, Oxidizing Gases and Oxidizing Cryogenic Fluids) and 64 (Pyrophoric Materials).
16. The storage, use and handling of all hazardous materials shall be in accordance with CFC Chapter 50 (Hazardous Materials) and the applicable sections of Chapter 54 (Corrosive Materials), Chapter 55 (Cryogenic Fluids), Chapter 57 (Flammable and Combustible Liquids) and Chapter 58 (Flammable Gases and Flammable Cryogenic Fluids). The maximum allowable quantity of hazardous materials per control area will be established using CFC § 5003.1. Applicant will need to contact the Fire Department for hazardous materials storage, use and handling requirements.
17. Hazardous Materials Inventory Statement (HMIS) per CFC § 5001.5.2. An application for building permit shall include an HMIS. The HMIS shall include the following information:
  - A. Product name.
  - B. Component.
  - C. Chemical Abstract Service (CAS) number.
  - D. Location where stored or used.
  - E. Container size.
  - F. Hazard classification.
  - G. Amount in storage.
  - H. Amount in use-closed systems.
  - I. Amount in use-open systems.

The business will also need to comply with electronic reporting requirements specific to the California Environmental Reporting System. Applicants will need to contact the Fire Department for direction and permitting related to hazardous materials inventory reporting amounts.

18. Fumigation and insecticidal fogging operations within buildings, structures and spaces shall comply with CFC Chapter 26.

### **Electrical Code Requirements**

*(applicable to all occupancies and MAUCRSA permit types)*

1. All electrical system design and permitting is required to be performed by licensed engineers or architects registered in the State of California or qualified and experienced licensed electrical contractors if they are performing the actual installations (design-build).
2. All electrical system(s) installation is required to be completed by licensed electrical contractors.
3. The electrical system must be sized and installed in accordance with the California Electrical Code.
4. A single line diagram of the existing and proposed electrical system, including the main electrical service shall be provided in the submittal along with panel schedules and load calculations. CEC Article 215.5.
5. Electrical services which are 400 amps or greater must be designed by licensed electrical engineers registered in the State of California or qualified and experienced licensed electrical contractors if they are performing the actual installations (design-build).
6. All electrical equipment must be listed and labeled by an approved testing agency, CEC Article 110.3.



## **Mechanical Code Requirements**

*(applicable to all occupancies and MAUCRSA permit types)*

1. The provisions of the CMC shall apply to the erection, installation, alteration, repair, relocation, replacement, addition to or the maintenance of mechanical systems.  
A ventilation system shall be required to filter contaminants to the exterior of the building and any adjoining property. The mechanical ventilation of exhaust system shall be installed to control, capture and remove emissions or other odors generated from product use or handling where required in accordance with the Building or Fire Code. The design of the system shall be such that the emissions or other odors are confined to the area in which they are generated by air currents, hoods, or enclosures and shall be exhausted by a duct system to a safe location or treated by removing contaminants.
2. Provide an exhaust system designed and constructed to capture sources of contaminants to prevent spreading of contaminants to other parts of the occupied spaces of the building (CMC Chapter 5).
3. Building elements separating the cannabis agricultural area from other occupied portions of the building must be air sealed to prevent odor migration into adjacent spaces.
4. The inlet for the ventilation system must be located in the area(s) of the highest contaminant concentration per CMC § 505.6.
5. Ventilation required. Every occupied space shall be ventilated by natural means in accordance with CMC § 402.2 or by mechanical means in accordance with CMC § 402.3.
6. Label information. A permanent factory-applied nameplate shall be affixed to appliances on which shall appear in legible lettering, the manufacturer's name or trademark, the model number, serial number and the seal or mark of the approved agency. A label shall also include all applicable information per CMC § 307.

## **Plumbing Code Requirements**

*(applicable to all occupancies and MAUCRSA permit types)*

1. New plumbing installations and alteration must meet requirements of the California Plumbing Code (CPC).
2. The number of required fixtures shall be calculated using CPC § 422.1, Table 422.1 and Table A.
3. The provisions of the CPC shall apply to the erection, installation, alteration, repairs, relocation, replacement, addition to or the maintenance of plumbing systems, nonflammable medical gas, carbon dioxide extraction systems, inhalation, anesthetic, vacuum piping, nonmedical oxygen systems, sanitary and condensate systems, vacuum collection systems, fuel gas distribution piping and equipment, gas water heaters and water heater venting.
4. Plan documents must identify the locations of plumbing fixtures and fixture types.
5. Plans shall identify the locations of water heater(s), water supply and distribution, indirect and special waste, sanitary discharge, vents, traps, backflow preventers and interceptors and separators.
6. Plumbing fixtures and fixture fittings must be designed for individuals with disabilities and with the appropriate standards.
7. Installed appliances regulated by this code shall be listed and labeled for the application in which they are installed and used, unless otherwise approved in accordance with the CPC.

### **Energy Code Regulations**

*(applicable to all occupancies and MAUCRSA permit types)*

New, modified and altered building envelope, lighting and mechanical systems must be designed to comply with California Energy Code Nonresidential requirements. The City of Merced is located in Climate Zone 12. For purposes of energy design, the designer is responsible for specifying the building features that determine compliance with Building Energy Efficiency Standards and other applicable building codes. Alterations must comply with mandatory measures for the altered components.

1. The energy documents will be required for lighting, cooling, heating, water heating and building envelope modifications.
2. Building envelope, lighting and mechanical systems shall comply with the applicable requirements of the California Energy Code.

### **CalGreen Code Requirements**

*(applicable to all occupancies and MAUCRSA permit types)*

California Green Building Standards Code provides provisions to outline planning design and development methods for environmentally responsible site and building design to protect, restore and enhance the environmental quality of the site, building and respect the integrity of adjacent properties. Alterations and additions to existing buildings must include a Green Building Check List for non-residential construction if the valuation is \$200,000 or greater or if the addition is 1,000 square feet or larger.

### **MAUCRSA Permit Specific Requirements**

The requirements in this section are related to specific permit types as outlined in the *California State Medicinal and Adult Use Cannabis Regulation and Safety Act* (MAUCRSA)

### **Cultivation Facilities**

*(MAUCRSA permit types 1-4)*

1. Mixed use grow facilities are to meet CBC, Chapter 3 requirements based upon Use and Occupancy Classification for a Factory Industrial, F-1, Moderate-hazard Occupancy. CBC § 306.2.
2. Grow facilities such as greenhouses for the exclusive use of plant production may be classified as a U occupancy and shall be consistent with the requirements of CBC Appendix C.
3. Grow lights must be installed per the manufacturer's instructions and wired per CEC article 410.
4. NM cable (Romex) is not allowed for use in damp locations (grow rooms) (CEC § 334.10). Approved wiring methods utilized in grow facilities shall be in accordance with wet use "Wiring Methods and Materials", (CEC Chapter 3).
5. Cultivation facility exhaust outlets must be located 10' from the property lines, operable openings into the building and from mechanical air intakes (CMC § 506.9).

## **Manufacturer Facility**

*(MAUCRSA permit type 6-7)*

1. Type 6 Manufacturing facilities are to meet CBC, Chapter 3 requirements based upon Use and Occupancy Classification for a Factory Industrial, F-1, Moderate-hazard Occupancy. CBC § 306.2.
2. Portions of the cannabis Infused Product facilities may be considered a Hazardous Location based on the method used for the THC extraction and the amount of hazardous material stored. Full disclosure of the extraction process will be required at the time of building permit submittal.
3. Cannabis manufacturing facilities shall submit as a part of their permit application a comprehensive description of the program and process proposed for the operation and production at the facility. The documentation shall, as applies, include all of the following:
  - A. A plan that specifies all means to be used for extracting, heating, washing, or otherwise changing the form of the cannabis plant or for testing any cannabis or cannabis product and safety measures for each such process.
  - B. A description of all toxic, flammable, or other materials regulated by a federal, state, or local government that will be used, kept, or created at the facility, the quantities and location of such materials, and the manner in which such materials will be stored.
  - C. A description of the processes used to extract or distill cannabis derivatives from their source and the processes used to incorporate cannabis derivatives into all retail cannabis products produced.
4. Concentrations of grease, smoke, heat, steam or products of combustion created when cannabis is manufactured into products including, but not limited to, foods, beverages, salves, inhalants and tinctures are to be contained as detailed in the CMC §§ 506 and 507 (Type I and Type II hoods).
5. Facilities used for processing cannabis into foods, beverages, salves, inhalants, tinctures or other forms for human consumption or use are subject to review and approval by the [California Department of Public Health, Manufactured Cannabis Safety Branch](#). A separate license application is required through their office.
6. Sanitation requirements for facilities used for processing cannabis into foods, beverages, salves, inhalants and tinctures shall meet the California Department of Public Health guidelines that are to be detailed on the drawings.
7. Infused product extraction and hazard containment equipment must be listed, labeled and installed per NEC 110.3.
8. Storage, use and handling of compressed gases in compressed gas containers, cylinders, tanks and systems shall comply with CFC, NFPA Standards, H&SC and CCR, including those gases regulated elsewhere in this code. Partially full compressed gas containers, cylinders or tanks containing residual gases shall be considered as full for the purposes of the controls required.

*Compressed gases classified as hazardous materials shall also comply with CFC Chapters 50 and 53 for general requirements and chapters addressing specific hazards, including Chapters 58 (Flammable Gases), 60 (Highly Toxic and Toxic Materials), 63 (Oxidizers, Oxidizing Gases and Oxidizing Cryogenic Fluids) and 41 (Pyrophoric Materials).*

**Testing/Laboratory**

*(MAUCRSA permit type 8)*

1. Type 8 Testing/Laboratory facilities are to meet CBC, Chapter 3 requirements based upon Use and Occupancy Classification for a Business Group, B, Occupancy. CBC § 304.1.
2. Required hoods shall meet the requirements of CMC §§ 506, 507 and 508.
3. Hazardous materials storage, use, handling and wastes shall be permitted and reported through the Fire Department prior to operation.

**Dispensaries**

*(MAUCRSA permit type 10)*

Type 10 Dispensary facilities are to meet CBC, Chapter 3 requirements based upon Use and Occupancy Classification for a Mercantile Group, M, Occupancy. CBC § 309.1

## NOTICE OF EXEMPTION

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**To:** \_\_\_\_\_ Office of Planning and Research  
P.O. Box 3044  
Sacramento, CA 95812-3044

**From: (Public Agency)**  
City of Merced  
678 West 18th St.  
Merced, CA 95340

  X   County Clerk  
County of Merced  
2222 M Street  
Merced, CA 95340

**Project Title:** Commercial Cannabis Business Permit Application #18-10R (Environmental Review #18-23)

**Project Applicant:** Green Door, Inc.

**Project Location (Specific):** 811 W. Main Street (APN: 031-123-008)

**Project Location - City:** Merced

**Project Location - County:** Merced

**Description of Nature, Purpose, and Beneficiaries of Project:** The project involves the application for a license to operate a dispensary for both medicinal and adult use cannabis, all in accordance with state and local regulations.

**Name of Public Agency Approving Project:** City of Merced

**Name of Person or Agency Carrying Out Project:** Green Door, Inc.

**Exempt Status:** (check one)

- ☐ Ministerial (Sec. 21080(b)(1); 15268);  
☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));  
☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));  
☒ Categorical Exemption. State Type and Section Number: Section 15332, Class 32 – Projects characterized as in-fill development;  
☐ Statutory Exemptions. State Code Number: \_\_\_\_\_.  
☐ General Rule (Sec. 15061 (b)(3))

**Reasons why Project is Exempt:** Pursuant to the California Environmental Quality Act (CEQA), Guidelines Section 15332 Class 32 consists of projects characterized as in-fill development meeting the conditions described in this section: (a) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations; (b) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses; (c) The project site has no value as habitat for endangered, rare or threatened species; (d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality; and, (e) The site can be adequately served by all required utilities and public services.

**Lead Agency:** City of Merced

**Contact Person:** Michael Hren, Principal Planner **Area Code/Telephone:** (209) 385-6858

**Signature:**       /s/ Michael Hren       **Date:** 8/24/18 **Title:** Principal Planner

  X   Signed by Lead Agency

Date Received for Filing at OPR: \_\_\_\_\_  
(If applicable)

**CITY OF MERCED**  
**Planning Commission**

**Resolution #\_\_\_\_\_**

**WHEREAS**, the Merced City Planning Commission at its scheduled meetings of September 18 and September 19, 2018, held a public hearing and considered **Commercial Cannabis Business Permit #18-10R**, initiated by Green Door, Inc., on property owned by Ray Barry McAuley and Jeanne R McAuley, trustees. This application is a request to permit the operation of a retail dispensary, including delivery services, for both medicinal and adult-use cannabis on a 0.17-acre parcel at 811 W. Main Street within a Regional/Central Commercial (C-C) Zone; also known as Assessor's Parcel Number (APN) 031-123-008; and,

**WHEREAS**, the Merced City Planning Commission concurs with Findings A through O of Staff Report #18-24; and,

**NOW THEREFORE**, after reviewing the City's Draft Environmental Determination, and discussing all the issues, the Merced City Planning Commission does resolve to hereby adopt a Categorical Exemption regarding Environmental Review #18-23 and approve Commercial Cannabis Business Permit #18-10R, subject to the Conditions set forth in Exhibit A attached hereto and incorporated herein by this reference.

Upon motion by Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, and carried by the following vote:

AYES:       Commissioner(s)

NOES:       Commissioner(s)

ABSENT:   Commissioner(s)

ABSTAIN:   Commissioner(s)

Adopted this 19<sup>th</sup> day of September 2018

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Chairperson, Planning Commission of  
the City of Merced, California

ATTEST:

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Secretary

Attachment:  
Exhibit A – Conditions of Approval



**Conditions of Approval**  
**Planning Commission Resolution # \_\_\_\_\_**  
**Commercial Cannabis Business Permit #18-10R**

1. The proposed project shall be constructed/designed as shown on Exhibit 1 (site plan), Exhibit 2 (floor plan) and Exhibit 3 (elevations) -- Attachments C, D, and E of Staff Report #18-24, except as modified by the conditions.
2. All conditions and requirements contained in Merced Municipal Code (MMC) Section 20.44.170/Ordinance #2480 (Attachment J of Staff Report #18-24) shall apply. Particular attention shall be paid to MMC 20.44.170(F) "Additional Regulations for Dispensary and Retail Sales of Cannabis" and MMC 20.44.170(G) "Additional Regulations for Commercial Cannabis Delivery Services."
3. The proposed project shall comply with all standard Municipal Code and Subdivision Map Act requirements as applied by the City Engineering Department.
4. All other applicable codes, ordinances, policies, etc. adopted by the City of Merced shall apply.
5. The developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, and any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof, from any and all claims, actions, suits, proceedings, or judgments against the City, or any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof to attack, set aside, void, or annul, an approval of the City, or any agency or instrumentality thereof, advisory agency, appeal board, or legislative body, including actions approved by the voters of the City, concerning the project and the approvals granted herein. Furthermore, developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, or any agency or instrumentality thereof, against any and all claims, actions, suits, proceedings, or judgments against any governmental entity in which developer/applicant's project is subject to that other governmental entity's approval and a condition of such approval is that the City indemnify and defend such governmental entity. City shall promptly notify the developer/applicant of any claim, action, or proceeding. City shall further cooperate fully in the defense of the

action. Should the City fail to either promptly notify or cooperate fully, the developer/applicant shall not thereafter be responsible to indemnify, defend, protect, or hold harmless the City, any agency or instrumentality thereof, or any of its officers, officials, employees, or agents.

6. The developer/applicant shall construct and operate the project in strict compliance with the approvals granted herein, City standards, laws, and ordinances, and in compliance with all State and Federal laws, regulations, and standards. In the event of a conflict between City laws and standards and a State or Federal law, regulation, or standard, the stricter or higher standard shall control. State Law shall prevail in regards to cannabis activities as permitted by State Law.
7. The proposed project shall comply with all applicable regulations of the State of California including, but not limited to, those found in the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).
8. The details of the property's fencing (if any), security, and screening are to meet the approval of the Director of Development Services and Chief of Police prior to the issuance of a Certificate of Occupancy. Key access and/or a Knox Box to any perimeter fencing shall be provided to the City Fire, Police, and Public Works Departments.
9. The applicants shall meet the standards of the City of Merced's "Commercial Building Permit Application Submittal Requirements" (Attachment K of Staff Report #18-24) at the time of submittal for building permits for tenant improvement.
10. The applicants shall keep on the premises of the proposed project site a physical copy of the approved plans, to be annotated and updated accordingly with any notes, changes, or requirements determined to be necessary by representatives of the City of Merced or any contractors that the City of Merced may employ for the purpose of site inspections. These plans shall be made available to the City's representatives, employees, agents, inspectors, or contractors upon request.
11. Any non-public areas, including cannabis inventory storage room, restrooms, etc., within the facility shall be secured from intentional or accidental access by any person not employed, contracted, or otherwise authorized on the premises.

12. Fire sprinklers shall be modified or installed to accommodate the building configuration and process configuration prior to occupancy if required by the Chief Building Official.
13. Regulatory Fees, as per Resolution #2017-67, are to be paid prior to the issuance of a Certificate of Occupancy and annually thereafter on or before the anniversary date. The Regulatory Fee may be amended from time to time based upon actual costs. The amount of the fees shall be adjusted annually (starting on January 1, 2019) to account for inflation by using the Consumer Price Index (CPI). In no event, shall the fees in any year be less than the preceding year.
14. A Commercial Cannabis Business Permit is valid for one year or until December 31 of each year, unless sooner revoked. Applications for the renewal of a permit shall be filed with the Director of Development Services, in accordance with MMC 20.44.170(L).4, "Commercial Cannabis Business Permit Renewal (All Types)", at least sixty (60) calendar days before the expiration of the current permit. If the permittee allows their permit to lapse, they shall be required to submit a new application, pay corresponding fees, and be subject to all aspects of the selection process.
15. If the applicants are unable to provide a FEMA flood elevation certificate showing that the top of the bottom floor and all equipment are at the required height as to not mandate mitigation measures (if applicable), flood mitigation measures shall be required to meet the approval of the City flood plain manager and City Engineer.
16. As required by Merced Municipal Code Section 17.04.050 and 17.04.060, full public improvements shall be installed/repared if the permit value of the project exceeds \$100,000.00. Public improvements may include, but not be limited to, repairing/replacing the sidewalk, curb, gutter, and street corner ramp(s), so that they comply with ADA standards and other relevant City of Merced/State/Federal standards and regulations.
17. The applicants shall provide a trash enclosure on the property such that all waste is securely stored until it is removed from the premises with access to the enclosure to be provided to the Refuse Division. The proposed enclosure as shown on the Site Plan is located at the northwest corner of APN 031-123-010, which may conflict with the approved food truck parking area on that lot, so the final location and design shall be

approved by the Refuse Division prior to issuance of a building permit. The cross access agreement described in Condition #19 will also include the final location of the trash enclosure and ensure the dispensary's access to that enclosure.

18. Future modifications to the scale, scope, activities, implementation, processes, materials, design, layout, or other factors pertaining to the operation of the project that are consistent with permits to perform activities related to operation of a retail dispensary of cannabis and cannabis-based products may be authorized with the approval of the City's Chief Building Official, Fire Chief, and Director of Development Services.
19. A joint parking and cross access agreement shall be recorded by the property owner to ensure that the dispensary has access to the parking, trash enclosure, and any other required facilities on the adjacent parcels (APN #031-123-009 and -010).
20. The parking areas shall be repaved and striped to City Standards prior to obtaining a Certificate of Occupancy.
21. The final design of the exterior elevations and any signage shall be approved by Planning staff prior to obtaining a Certificate of Occupancy. The final design of the proposed mural on the west elevation may require approval from the City's new Arts Commission. Details to be worked out with staff.
22. The dispensary owners shall work with the property owners and food truck operators as approved with Conditional Use Permit #1226 to allow for the joint use of the parking area on APN #031-123-010. If agreement cannot be reached, the property owners will need to determine the future use of the property. If the food truck(s) remain, the dispensary owners shall be responsible for ensuring that cannabis products are not consumed on-site as required in MMC 20.44.170(F)(16).

**CITY OF MERCED**  
**Planning & Permitting Division**

**STAFF REPORT: #18-25**

**AGENDA ITEM: 4.4**

**FROM and** Kim Espinosa,  
**PREPARED BY:** Planning Manager

**PLANNING COMMISSION**  
**MEETING DATE: Sept. 18 and**  
**Sept. 19, 2018**

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**SUBJECT:** **Commercial Cannabis Business Permit #18-17R**, initiated by Merced Business Ventures, Inc., DBA Manzanita, on property owned by Robert Gray. This application is a request to permit the operation of a retail dispensary for both medicinal and adult-use cannabis, including delivery services, on a 0.3-acre parcel at 1594 W. 18<sup>th</sup> Street within a General Commercial (C-G) Zone.  
\*PUBLIC HEARING\*

**ACTION:** Approve/Disapprove/Modify:

- 1) Environmental Review #18-30 (Categorical Exemption)
- 2) Commercial Cannabis Business Permit #18-17R

**SUMMARY**

This application is for a permit to utilize the property at 1594 West 18<sup>th</sup> Street, for cannabis-related business activities. The permit seeks to allow the Applicant to operate a Retail Dispensary for medicinal and adult use cannabis and cannabis-related products, including delivery services. The project proposes to use and modify an existing building, which has existing access to utilities. Staff is recommending approval with conditions.

**RECOMMENDATION**

Planning staff recommends that the Planning Commission approve Environmental Review #18-30 (Categorical Exemption) and Commercial Cannabis Business Permits #18-17R (including the adoption of the Resolution at Attachment M), subject to the following conditions:

- \*1) The proposed project shall be constructed/designed as shown on Exhibit 1 (site plan), Exhibit 2 (floor plan), and Exhibit 3 (elevations) -- Attachments C, D, and E, except as modified by the conditions.
- \*2) All conditions and requirements contained in Merced Municipal Code (MMC) Section 20.44.170/Ordinance #2480 (Attachment J) shall apply. Particular attention shall be paid to MMC 20.44.170(F) "Additional Regulations for Dispensary and Retail Sales of Cannabis" and MMC 20.44.170(G) "Additional Regulations for Commercial Cannabis Delivery Services."
- \*3) The proposed project shall comply with all standard Municipal Code and Subdivision Map Act requirements as applied by the City Engineering Department.
- \*4) All other applicable codes, ordinances, policies, etc. adopted by the City of Merced shall apply.

- \*5) The developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, and any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof, from any and all claims, actions, suits, proceedings, or judgments against the City, or any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof to attack, set aside, void, or annul, an approval of the City, or any agency or instrumentality thereof, advisory agency, appeal board, or legislative body, including actions approved by the voters of the City, concerning the project and the approvals granted herein. Furthermore, developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, or any agency or instrumentality thereof, against any and all claims, actions, suits, proceedings, or judgments against any governmental entity in which developer/applicant's project is subject to that other governmental entity's approval and a condition of such approval is that the City indemnify and defend such governmental entity. City shall promptly notify the developer/applicant of any claim, action, or proceeding. City shall further cooperate fully in the defense of the action. Should the City fail to either promptly notify or cooperate fully, the developer/applicant shall not thereafter be responsible to indemnify, defend, protect, or hold harmless the City, any agency or instrumentality thereof, or any of its officers, officials, employees, or agents.
- \*6) The developer/applicant shall construct and operate the project in strict compliance with the approvals granted herein, City standards, laws, and ordinances, and in compliance with all State and Federal laws, regulations, and standards. In the event of a conflict between City laws and standards and a State or Federal law, regulation, or standard, the stricter or higher standard shall control. State Law shall prevail in regards to cannabis activities as permitted by State Law.
- \*7) The proposed project shall comply with all applicable regulations of the State of California including, but not limited to, those found in the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).
- \*8) The details of the property's fencing (if any), security, and screening are to meet the approval of the Director of Development Services and Chief of Police prior to the issuance of a Certificate of Occupancy. Key access and/or a Knox Box to any perimeter fencing shall be provided to the City Fire, Police, and Public Works Departments.
- \*9) The applicants shall meet the standards of the City of Merced's "Commercial Building Permit Application Submittal Requirements" (Attachment K) at the time of submittal for building permits for tenant improvement.
- \*10) The applicants shall keep on the premises of the proposed project site a physical copy of the approved plans, to be annotated and updated accordingly with any notes, changes, or requirements determined to be necessary by representatives of the City of Merced or any contractors that the City of Merced may employ for the purpose of site inspections. These plans shall be made available to the City's representatives, employees, agents, inspectors, or contractors upon request.
- \*11) Any non-public areas, including cannabis inventory storage room, restrooms, etc., within the facility shall be secured from intentional or accidental access by any person not employed, contracted, or otherwise authorized on the premises.

- \*12) Fire sprinklers shall be modified or installed to accommodate the building configuration and process configuration prior to occupancy if required by the Chief Building Official.
- \*13) Regulatory Fees, as per Resolution #2017-67, are to be paid prior to the issuance of a Certificate of Occupancy and annually thereafter on or before the anniversary date. The Regulatory Fee may be amended from time to time based upon actual costs. The amount of the fees shall be adjusted annually (starting on January 1, 2019) to account for inflation by using the Consumer Price Index (CPI). In no event, shall the fees in any year be less than the preceding year.
- \*14) A Commercial Cannabis Business Permit is valid for one year or until December 31 of each year, unless sooner revoked. Applications for the renewal of a permit shall be filed with the Director of Development Services, in accordance with MMC 20.44.170(L).4, “Commercial Cannabis Business Permit Renewal (All Types)”, at least sixty (60) calendar days before the expiration of the current permit. If the permittee allows their permit to lapse, they shall be required to submit a new application, pay corresponding fees, and be subject to all aspects of the selection process.
- \*15) If the applicants are unable to provide a FEMA flood elevation certificate showing that the top of the bottom floor and all equipment are at the required height as to not mandate mitigation measures (if applicable), flood mitigation measures shall be required to meet the approval of the City flood plain manager and City Engineer.
- \*16) As required by Merced Municipal Code Section 17.04.050 and 17.04.060, full public improvements shall be installed/repared if the permit value of the project exceeds \$100,000.00. Public improvements may include, but not be limited to, repairing/replacing the sidewalk, curb, gutter, and street corner ramp(s), so that they comply with ADA standards and other relevant City of Merced/State/Federal standards and regulations.
- \*17) The applicants shall provide a trash enclosure on the property such that all waste is securely stored until it is removed from the premises with access to the enclosure to be provided to the Refuse Division. The proposed enclosure as shown on the Site Plan is located at the southwest corner of the parcel, but per the Refuse Division, it should be relocated closer to the northwest corner of the parcel. The final location and design shall be approved by the Refuse Division prior to issuance of a building permit. The applicants have also agreed to post a sign on the enclosure making clear there is no cannabis product inside of it, and it will be locked.
- 18) Future modifications to the scale, scope, activities, implementation, processes, materials, design, layout, or other factors pertaining to the operation of the project that are consistent with permits to perform activities related to operation of a retail dispensary of cannabis and cannabis-based products may be authorized with the approval of the City’s Chief Building Official, Fire Chief, and Director of Development Services.
- 19) A joint parking and cross access agreement shall be recorded by the property owner to ensure that the dispensary has access to the parking, trash enclosure, and any other required facilities on the adjacent parcel to the east (APN #031-351-028).



- 20) The parking areas shall be repaved and striped to City Standards prior to obtaining a Certificate of Occupancy.
- 21) The final design of the exterior elevations and any signage shall be approved by Planning staff prior to obtaining a Certificate of Occupancy. Details to be worked out with staff.

(\*) Denotes non-discretionary conditions.

### **PROJECT DESCRIPTION**

The applicants are proposing to operate a cannabis dispensary business at 1594 West 18<sup>th</sup> Street on a 13,000-square-foot parcel in a 5,076-square-foot building with secured parking. A customer parking area is provided on an adjacent approximately 9,000-square-foot parcel to the east.

### **Surrounding Uses**

<b>Surrounding Land</b>	<b>Existing Use of Land</b>	<b>City Zoning Designation</b>	<b>City General Plan Land Use Designation</b>
North	Beauty/Nail Salon (across W. 18 <sup>th</sup> St)	General Commercial (C-G)	General Commercial (C-G)
South	Merced County Health & Human Services Offices (across alley)	General Commercial (C-G)	General Commercial (C-G)
East	Carpenter Printing/Trailers & Power Sports	General Commercial (C-G)	General Commercial (C-G)
West	Single-Family Homes (Across Bear Creek)	Low Density Residential (R-1-6)	Low Density Residential (LD)

### **BACKGROUND**

These applications have passed Phase I screening and paid the fee for Phase II. Background checks on all owners have been performed to the satisfaction of the Chief of Police.

### **FINDINGS/CONSIDERATIONS:**

#### **General Plan/Zoning Compliance**

- A) The proposed project complies with the General Plan designation of General Commercial (CG) and the zoning designation of General Commercial (C-G) with approval of a Commercial Cannabis Business Permit.

#### **Land Use Issues**

- B) The subject site is more than 1,000 feet from any schools and more than 600 feet from any day care centers, youth centers, libraries, or public parks that are currently in existence, as is required by Section 11362.768 of the Health and Safety Code and Section 20.44.170(E).3.f of the Merced Municipal Code (Ordinance #2480) for retail cannabis businesses (Attachment G).

### **Merit Based Scores and Ranking of Application**

- C) 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. A Selection Committee of City Manager Steve Carrigan, Police Chief Chris Goodwin, and Director of Development Services Scott McBride reviewed the applications and scored them based on merit-based criteria established by the City Council. All the proposed business owners were also 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 Selection Committee ranked this application Number 3 of all applications with an average score of 96.333. The full scoring sheet for this application is at Attachment H.

### **Proposed Operations/Customer Experience**

- D) The proposed dispensary will offer the retail sale of both medicinal and adult use cannabis and cannabis products, along with deliveries. The proposed dispensary hours are Mondays through Saturdays (9 a.m. to 9 p.m.) and Sundays (9 a.m. to 8 p.m.). Please see the proposed floor plan at Attachment D for the 5,076-square-foot dispensary building. Approximately 1,503 square feet are occupied by areas accessible to the public, including the main entrance/security lobby off W. 18<sup>th</sup> Street, the main sales floor, and Courtyard through which customers exit. Approximately 3,573 square feet are occupied by “back of house” areas, not accessible to the public, including offices, restrooms, the vault, storage, intake/receiving area, and delivery area.
- E) The applicants’ proposal includes a detailed account of the typical “customer experience,” which is excerpted at Attachment I. The following is a brief summary:
- “Express ordering” or a fully immersive/educational experience with concierge service, augmented reality {“AR”, and a multimedia theater sharing history, origins, & specifications of their considered purchase via multiple 4k screens, live video microscopes, & cannabis experts.
  - All customers are greeted into a segregated foyer with 2 podium stations for checking ID’s and express ordering if desired.
  - No cannabis products are in the foyer.
  - Security personnel are stationed at the front of the store, just outside the foyer during all business hours.
  - Podiums are flanked by product menus with prices (10 ft x 10 ft).

- Behind the podiums is the electronically controlled access door into the store, which can only be opened by security personnel.
- Customer then enters sales area where they may browse on their own or be assisted.
- Sales Floor is divided into boutique areas for Flowers, Edibles, Concentrates/Extracts/Vape, Health/Homeopathic, & Accessories/Equipment.
- **Saleable inventory is held in locked drawers on the sales floor.**
- Sample Handling:
  - Available for Flowers, Select Edibles, and Select Concentrates.
  - Always secured until requested by the customer.
  - Sales Associate retrieves the product and allows inspection by customer. However, customer can never touch the product itself, only the container.
  - Customer may smell and visually examine the product with assistance.
  - Products may be viewed through a microscope.
  - Upon completion of inspection, product is returned to the locked drawers.
  - **At No Time is a Customer Left Unattended with the Product.**
  - Maximum Number of Products to be viewed at one time is three.
- Checkout:
  - Customer selects products; Sales Associate records the items and retrieves them from locked drawers.
  - Multiple items may be collected in an “exit” bag (State requirement).
  - Customer submits payment to Sales Associate at Cash Drawer.
  - Prior to releasing product to customer, Sales Associate does the following:
    - Verifies expiration dates
    - Verifies products are labeled either “A” or “M” (Adult or Medical)
    - Verifies products are properly packaged and pre-labelled for sale
    - Insert cannabis education sheet into “exit” bag
    - Prior to accepting payment, POS system will alert sales associate of potential purchases that exceed personal limits of 28.5 grams of flowers, 8 grams of concentrate for adult use, or 8 ounces of flower for medical.

## Deliveries

- F) Manzanita will offer delivery services to customers for both adult and medicinal cannabis products. The delivery area is proposed to include the City of Merced and a 50-mile radius from the store except to those areas that do not allow cannabis deliveries. Delivery hours are proposed to be from 8:30 a.m. to 7 p.m. Delivery orders may be placed by telephone, through the company’s mobile application or website, or through a third party provider, such as “Weed Maps.” Digital orders are only accepted upon completion of customer registration and identification requirements. Delivery orders are only accepted for a physical address and cannot be made to publically-owned land or public agency buildings. Delivery vehicles have lockboxes to hold the cannabis products and no more than \$3,000 in product will be carried at one time. Delivery vehicles are equipped with GPS tracking devices. Delivery vehicles will be housed and loaded inside the dispensary building.

### **Traffic/Circulation**

- G) As the project is proposed in an existing building with existing access to the City's roadway infrastructure, and due to the conformity with the zoning and land use for the site, no concerns related to traffic or circulation have been raised as a result of this project.

### **Site Plan/Parking**

- H) The proposed dispensary building is approximately 5,076 square feet in size. The building occupies a 13,000-square-foot parcel (APN #031-351-031), which includes a proposed secured parking area to the west of the building and the trash enclosure. One adjacent 9,000-square-foot parcel to the east of the building (APN #031-351-028) contains the proposed parking area for the dispensary. The retail sales areas of the dispensary building only occupies approximately 1,503 square feet while the rest of the 3,573 square feet are used more for storage and delivery uses. The City's Zoning Code requires one space per 300 square feet for retail uses and one space for each 2,000 square feet for warehouse uses, as well as allowing for a 15% reduction in usable space for hallways and other "non-public" areas. Using these factors, the proposed dispensary requires a total of 7 parking spaces. The site plan proposes 8 parking spaces to the west of the building behind a fence (for employees) along with 14 spaces on the adjacent parcel to the east, with 2 of those spaces being ADA-compliant. There are also approximately 10 parking spaces off-site on the end of West 18<sup>th</sup> Street. Therefore, the site meets and exceeds the City's parking requirements for these uses.

### **Neighborhood Impact/Interface**

- I) The proposed dispensary site is within a General Commercial (C-G) zone at the west end of West 18<sup>th</sup> Street where it ends in a cul-de-sac adjacent to Bear Creek. The site is surrounded by other commercial uses, including a beauty salon, a print shop, County offices, and a trailer/power sports dealer. There are single-family homes on the west side of Bear Creek, approximately 200 feet from the parcel. The building has been vacant for some time and has fallen into disrepair. The dispensary will make significant upgrades to the appearance of the building and site as well as bringing a substantial security presence to the area (see Findings J and K below). Based on all of these factors, City staff believes the dispensary would fit in well and enhance this commercial area. Planning staff circulated a public hearing notice in the Merced County Times and mailed the notice to property owners within 300 feet of the subject site at least 10 days prior to this public hearing. As of the date that this report was prepared, staff had not received any comments from the community about this project.

### **Exterior Elevations/Signage**

- J) The applicants have proposed to upgrade the exterior of the building, including improvements to the facade. See photographs at Attachment E that depict the current building and parking areas along with renderings and elevations of the proposed enhancements. Exterior signage shall be limited to one wall sign not to exceed twenty (20) square feet in area. Interior signage or advertising may not be visible from the exterior. No temporary signs including, but not limited to, banners and A-frames, nor window signs are allowed.

### **Safety/Security**

K) The applicants' security plan includes the following provisions:

- Alarms on all doors
- 24 hour surveillance with interior and exterior day/night cameras
- Security agents outside intake foyer during business hours
- Front door and store access door may not be opened at same time.
- Restrooms shall be locked and not accessible to public.
- Security agents walk the perimeter and immediate vicinity hourly to ensure patrons leave and do not consume products onsite, including parking lot.
- All windows and skylights are secured and sealed.
- No cannabis products are visible from the exterior.
- Inventory is secured at all times—Vault room with fireproof steel vault door and 6-inch thick concrete walls holds all inventory during non-business hours; vault room is not visible to public; cameras and alarms in vault; designed to detect intrusion and facilitate a minimum 30-minute response time for law enforcement.
- Cycle counts performed daily for inventory with full blind physical inventory performed and reconciled weekly

This is not an all-inclusive list of security measures but simply highlights a few areas. The applicant's security plan meets or exceeds the City's requirements and has been reviewed by the Police Chief through the Merit-Based review (Finding C).

### **Ownership**

L) Merced Business Ventures, Inc., DBA Manzanita, consists of the following owners who have at least 5% interest in the proposed business. All these owners have each performed a Live Scan check and have successfully passed a detailed background check to the satisfaction of the Chief of Police.

- Chris Berman [4%]
- Jeff Linden [25%]
- Robert Gray [8%]
- Luke Bruner [5%]
- SoCal Building Ventures, LLC [51%]; Officers—Jim Townsend and Dean Borstein
- Misc. Others [7%] with no individual with at least 5% interest

According to their application, the applicants and operators have significant experience in the commercial cannabis industry. For example, SoCal Building Ventures (including Officers Jim Townsend, Dean Borstein, and Chris Berman) is a private equity cannabis business development group that has amassed one of the largest portfolios of cannabis industry assets in the U.S., including four licensed retail dispensaries in Los Angeles and San Diego, 3 licensed manufacturing facilities in California and Colorado, and more than 2 million square feet of licensed cannabis cultivation facilities across three states. Dean Borstein has been active in medicinal cannabis industry in seven states (California, Colorado, Washington, Hawaii, Oregon, Nevada, and Arizona). Jeff Linden is the Chief

Financial Officer of Focus 415 Capital Investments Group with restaurant and cannabis interests in San Francisco, including the “Medithrive” dispensary. Luke Bruner served as the Business Manager for Wonderland Nursery in Garberville in Humboldt County, California’s largest cannabis nursery. Robert Gray, a business partner and property owner, has been a lifelong Merced resident and has been involved in local businesses for over 30 years, including Merced Dairy Supply.

### **Community Benefits**

- M) According to the applicant’s application, the proposed dispensary will offer the following community benefits, to highlight a few examples:
- Free Literacy and Tutoring Program for underserved youth in grades 5-12, with Manzanita providing the credentialed oversight/tutoring staff, supplies, and learning space through an independent third party.
  - “Just the Facts” Ongoing Cannabis Educational Programming (Quarterly)
  - Pain Management Classes (Monthly)
  - Cannabis Safe Use Education with medical personnel (Monthly)
  - Financial Contributions (2% of sales or Estimated \$87,500 in 2019) to SWAG, Veterans Continuum of Care, Youth Sports, Heart-for-Heart Program, and Committed but unassigned to any particular organization at this point
  - Neighborhood Liaison (City Resident)
  - Manzanita Community Update Program/Quarterly Public Outreach Meetings
  - “Best Neighbor BBQ” Policy—Quarterly Neighborhood Outreach BBQ & Ongoing Feedback
  - Initially, Manzanita will employ 23 employees (19 non-exempt and 4 exempt) at above market wage, company paid medical benefits, vacations/paid time-off, with commitments to 100% local hiring, and 25% veteran hiring

### **Modification to Operations**

- N) City staff recognizes that the details of operating a business, particularly one in a developing sector such as cannabis and cannabis-based products, requires continual updating of business practices, methodologies, and tools, the modification of which may require alterations to the configuration of the equipment, setup, or layout of the facility. In order to allow for these changes while maintaining the safety of all parties involved, modifications to the permit in the course of retail sales of cannabis and cannabis-based products may be requested by the applicants and approved with the consent of the City’s Chief Building Official, Fire Chief, and Director of Development Services (Condition #18).

### **Environmental Clearance**

- O) The project proposes to utilize an existing building on a 13,000-square-foot parcel. Planning staff has conducted an environmental review (Environmental Review #18-30) of the project in accordance with the requirements of the California Environmental Quality Act (CEQA), and a Categorical Exemption (no further environmental review is required) is being recommended (see Attachment L).

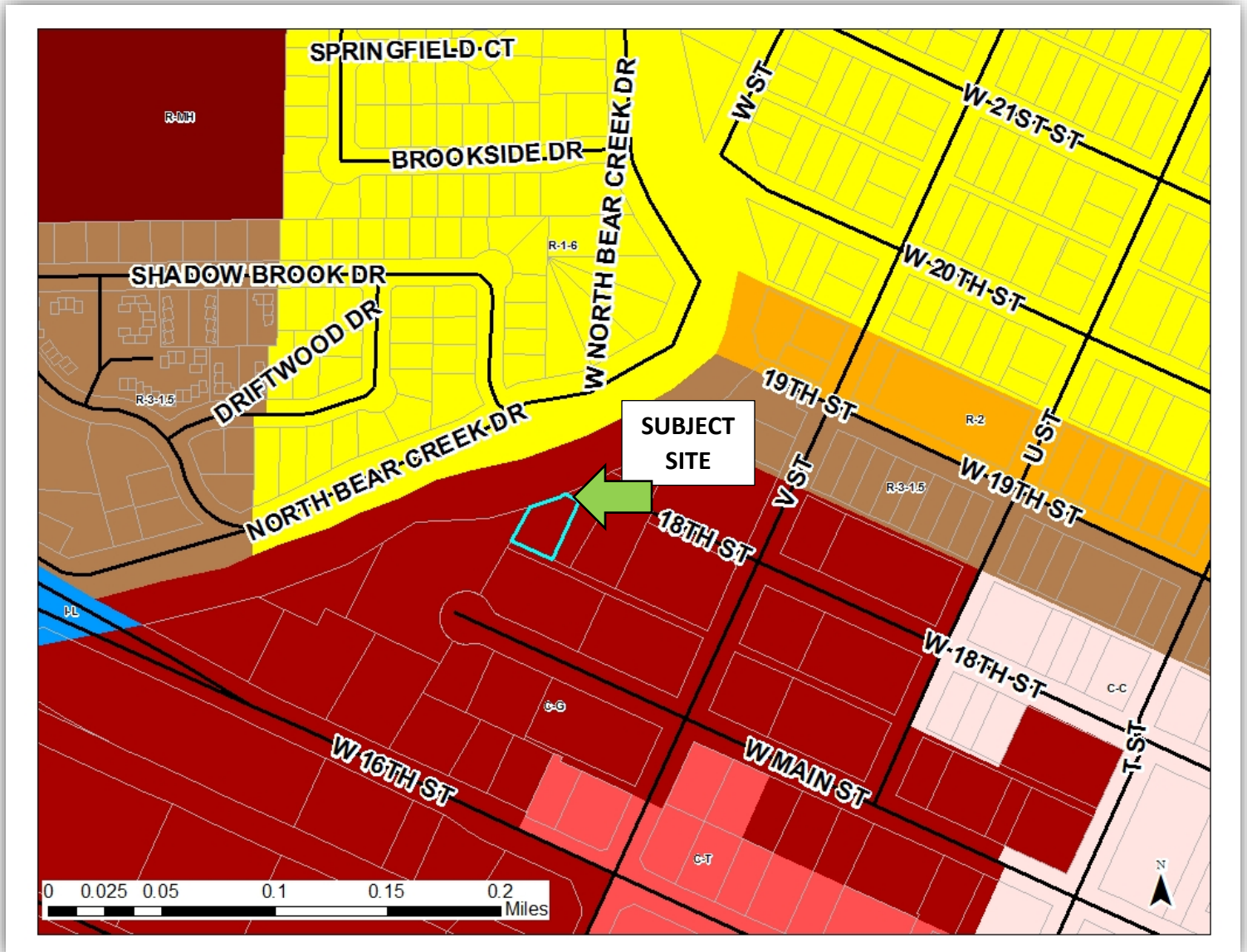
Attachments:

- A) Location Map
- B) Aerial Map
- C) Site Plan
- D) Floor Plan
- E) Existing Photos of Exterior and Proposed Elevations/Renderings
- F) Renderings of Dispensary's Proposed Interior
- G) Sensitive Use Map
- H) Merit-Based Scores and Rankings for CCBP #18-17R
- I) Manzanita "Customer Experience" (Excerpts from Application)
- J) Ordinance #2480
- K) City of Merced Commercial Building Permit Application Submittal Requirements
- L) Environmental Review #18-30
- M) Draft Planning Commission Resolution

Ref: *H:\KIM\PROJECTS\2018\ZOA #17-01 Cannabis Businesses\Applications\18-17R\Staff Report\CCBP 18-17R Manzanita PC Staff Rpt-9-18-19-2018.docx*



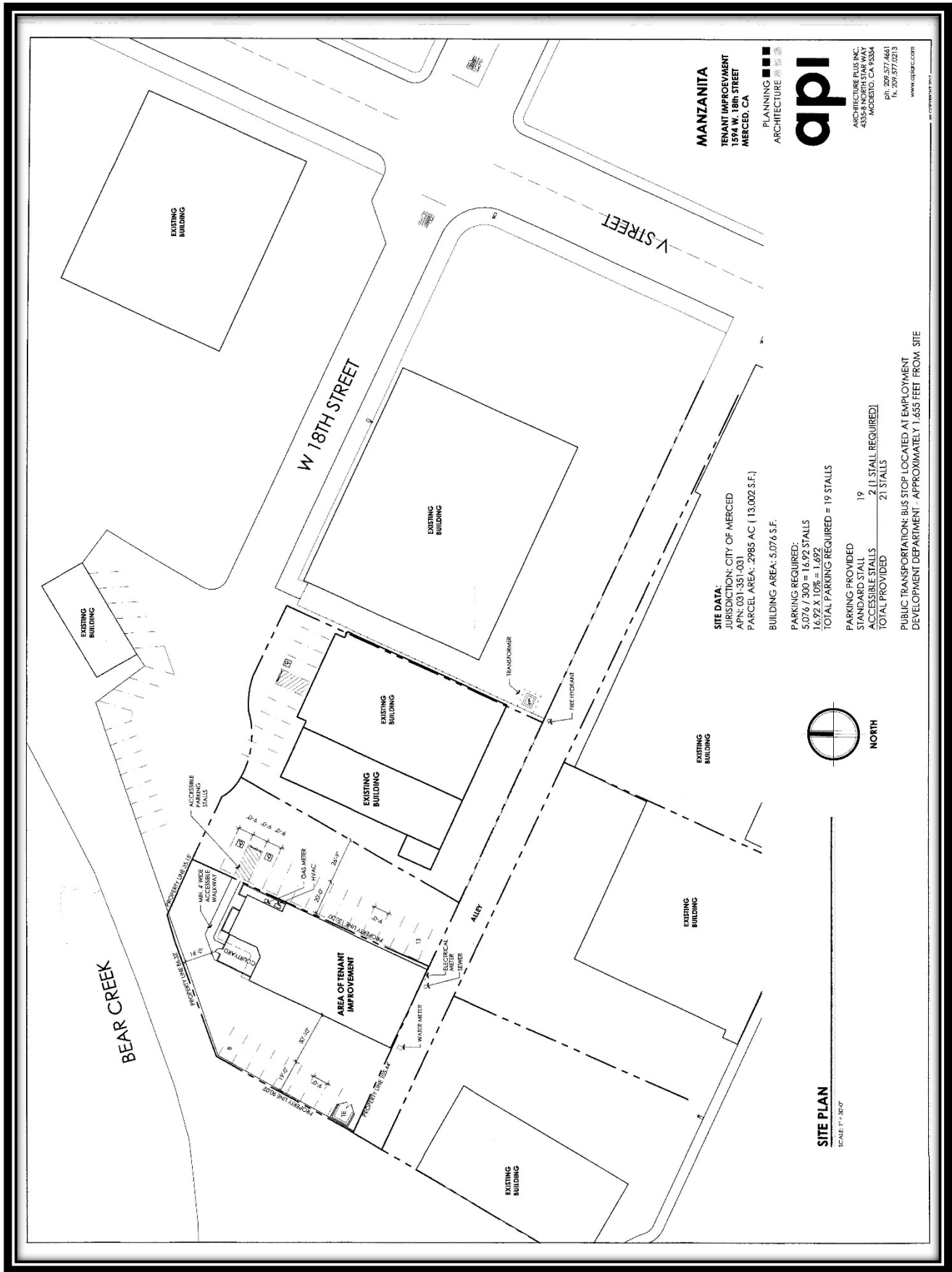
# LOCATION & ZONING MAP ("MANZANITA DISPENSARY") (CCBP #18-17R)



**AERIAL PHOTO  
& SURROUNDING USES  
("MANZANITA DISPENSARY")  
(CCBP #18-17R)**







**MANZANITA**  
**TENANT IMPROVEMENT**  
 1594 W. 18th STREET  
 MERCED, CA

**PLANNING**  
**ARCHITECTURE**

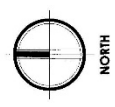
**api**  
 ARCHITECTURE PLUS INC.  
 4355 HIGHWAY 99 SOUTH  
 MERCED, CA 95368  
 PH: 209.377.6643  
 FX: 209.377.0218  
 WWW.API-INC.COM

**SITE DATA:**  
 JURISDICTION: CITY OF MERCED  
 APN: 031-351-031  
 PARCEL AREA: .2985 AC (13,002 S.F.)  
 BUILDING AREA: 5,076 S.F.

**PARKING REQUIRED:**  
 5,076 / 300 = 16.92 STALLS  
 16.92 X 10% = 1.692  
 TOTAL PARKING REQUIRED = 19 STALLS

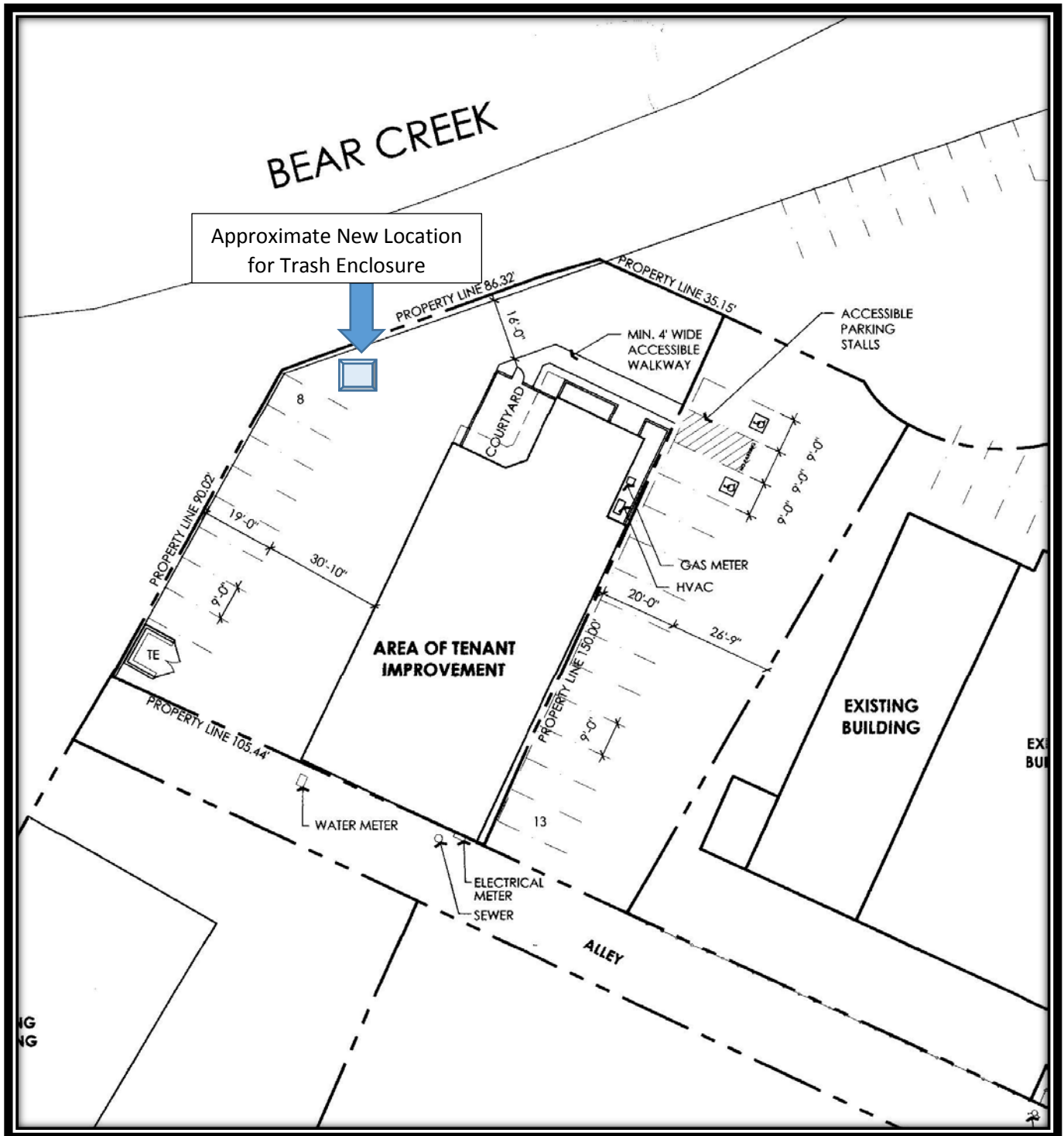
**PARKING PROVIDED**  
 STANDARD STALL 19  
 ACCESSIBLE STALLS 2 (1 STALL REQUIRED)  
 TOTAL PROVIDED 21 STALLS

**PUBLIC TRANSPORTATION:** BUS STOP LOCATED AT EMPLOYMENT DEVELOPMENT DEPARTMENT - APPROXIMATELY 1,655 FEET FROM SITE



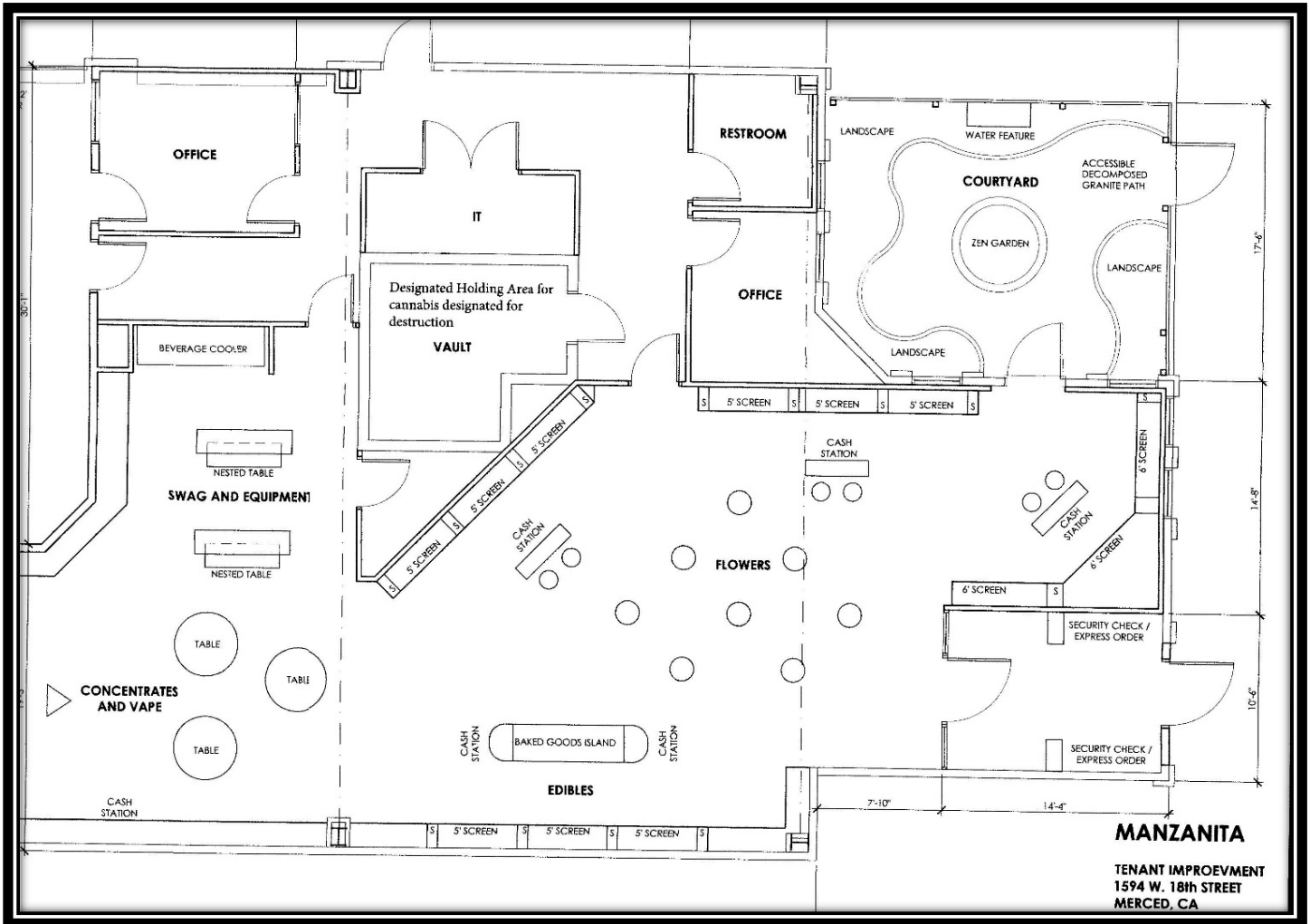
**SITE PLAN**  
 SCALE 1" = 30' 0"

# "MANZANITA" ZOOMED SITE PLAN





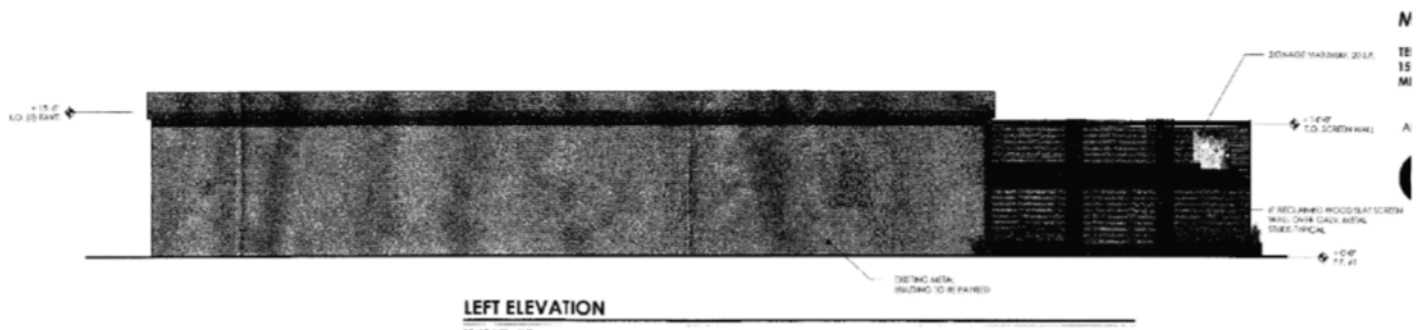
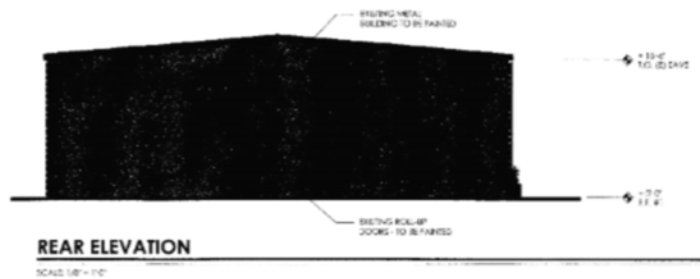
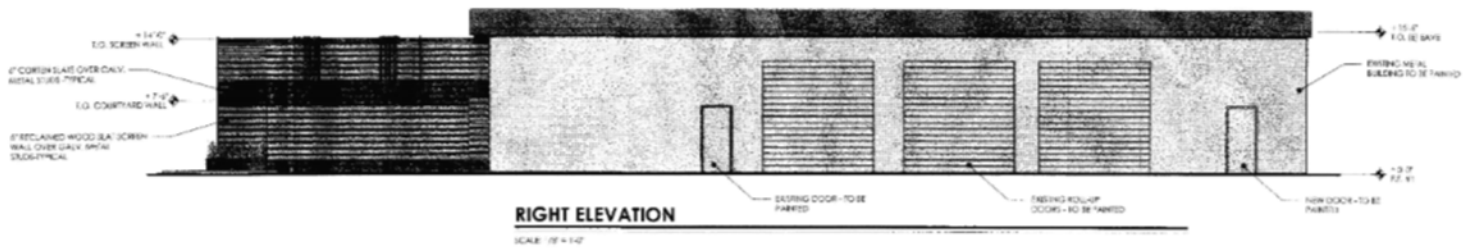
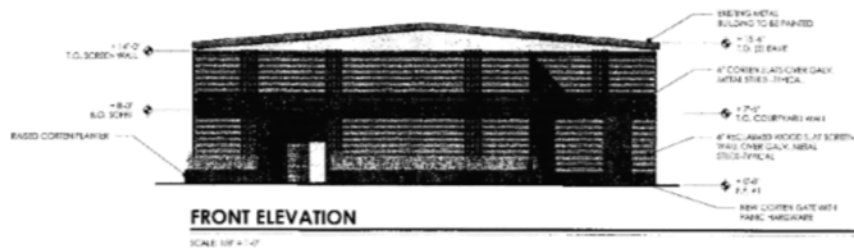
## “MANZANITA” MAIN SALES AREA & COURTYARD













**MAIN SALES FLOOR**

**RECEPTION**

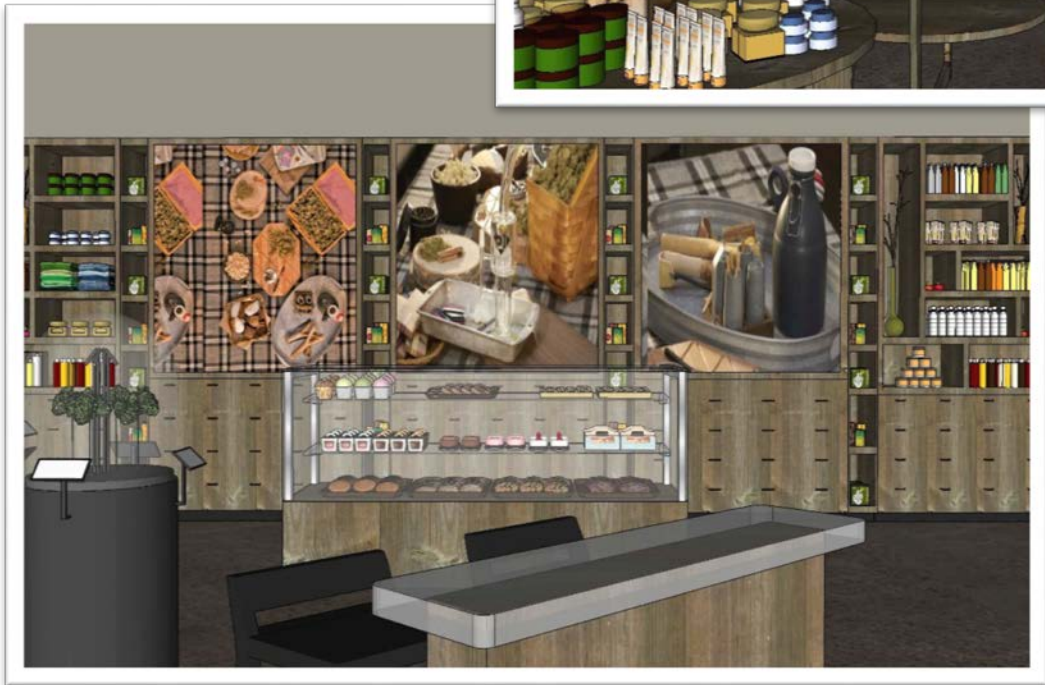
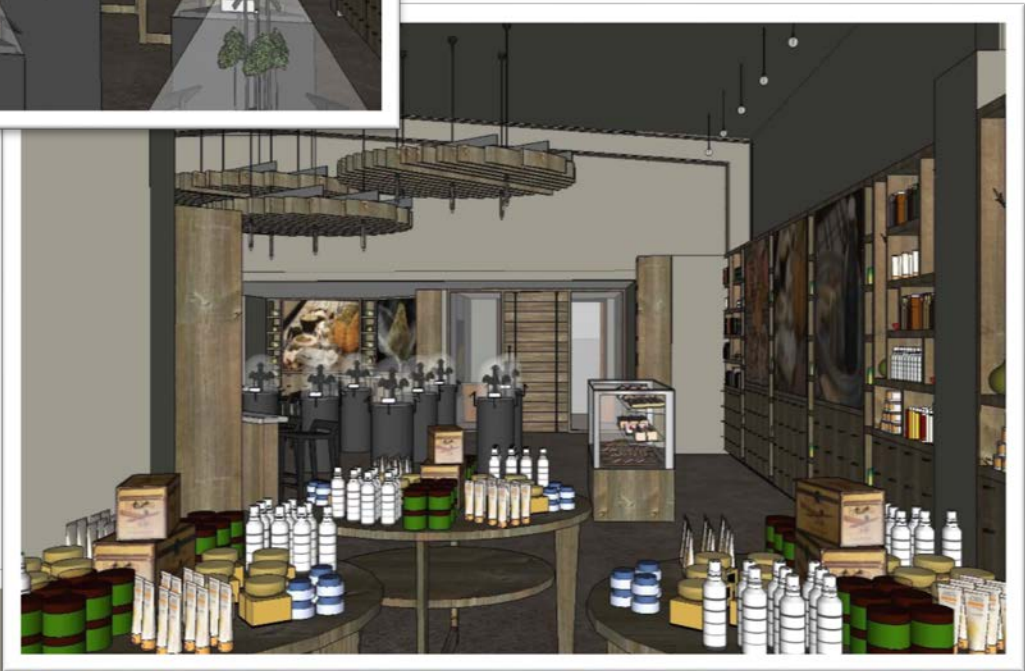


**MAIN SALES FLOOR**





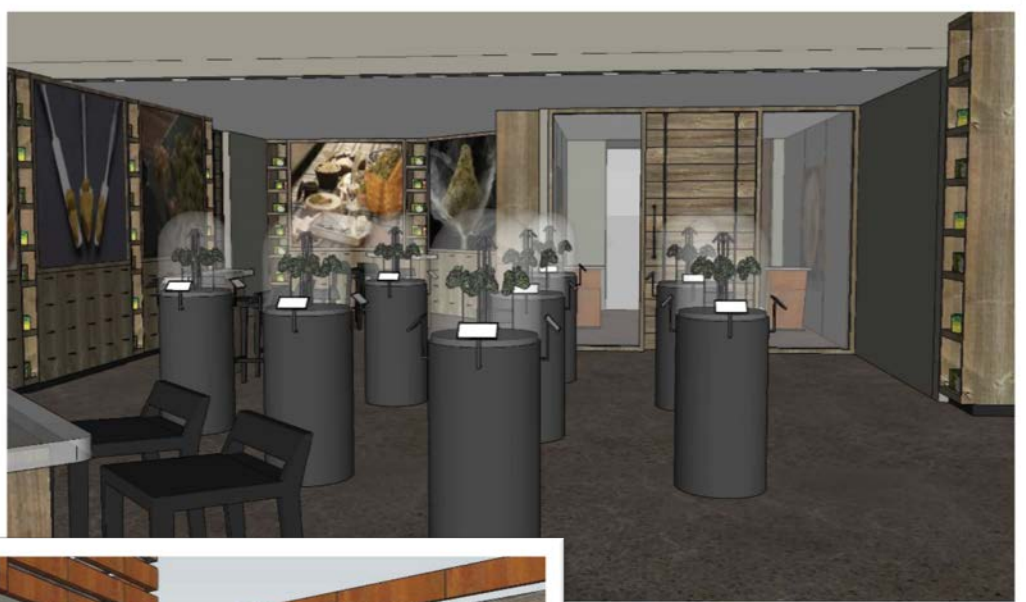
MAIN SALES FLOOR





**COURTYARD**

**MAIN SALES FLOOR**



**COURTYARD**





# DISTANCE FROM SENSITIVE USES ("MANZANITA DISPENSARY") (CCBP #18-17R)

City Of Merced-Cannabis Ordinance Map



9/6/2018, 3:48:02 PM

City Of Merced Addresses Properties With Appropriate Zoning for Cannabis Activities  
 600FT Buffers Properties With Inappropriate Zoning for Cannabis Activities  
 1000 FT Buffers City of Merced Limits

0 0.03 0.06 0.12 mi  
0 0.05 0.1 0.2 km

Planning Department Email: [planningweb@cityofmerced.org](mailto:planningweb@cityofmerced.org) Phone: 209-385-685  
Esri, HERE, Garmin, INCREMENT P, METI/IASA, USGS, Bureau of Land Management, EPA, NPS, US Census Bureau, USDA | Merced Data Special Services, LAFCO, Merced County |

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-17R ("Manzanita") at 1594 W 18th**

Selection Committee Scores				
<u>Description of Criteria:</u>	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 1: Prioritize Medicinal Cannabis Access</b>				
a) Proposal for combined medicinal/adult use dispensary	4	4	4	4
b) Proposal for medicinal only dispensary	3	0	0	0
c) Proposal for non-medicinal/adult use dispensary only	0	0	0	0
d) Proposal includes Delivery Services	2	2	2	2
<b>Section 1: Sub-Total of Points Possible</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Section 2: Geographical Preference/Neighborhood Relations</b>				
a) Proposed locations is within 1,200 feet of local public transportation	1	0	0	0
b) Proposal includes a process and schedule for at least two public outreach meetings per year that meet City approval	2	2	2	2
c) Business plan includes a schedule for communication and receiving feedback from all entities within 300 feet of the business at least two times a year	2	2	2	2
d) Proposal includes the appointment of an employee as a designated liaison with the neighborhood	1	1	1	1
e) Designated liaison employee is a City resident	1	1	1	1
<b>Section 2: Sub-Total of Points Possible</b>	<b>7</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Section 3: Facility Plan</b>				
a) Business is formally associated with a non-retail cannabis or non-cannabis-related business in the City of Merced	2	2	2	2
b) Proposal includes daily inspection to ensure maintenance of the interior and exterior of the facility (i.e. free of trash, graffiti, etc.)	2	2	2	2
c) Location exceeds City parking requirements by 10% or more	1	1	1	1
d) Business is open more than five days a week at least 6 hours per day	1	1	1	1
e) Location exceeds minimum disabled parking requirements by 100% or more	1	1	1	1
f) Location is within an existing building or facility with an ability to be open for business within 6 months of approval of the CCBP by the City	1	1	1	1
<b>Section 3: Sub-Total of Points Possible</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>



**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-17R ("Manzanita") at 1594 W 18th**

Selection Committee Scores				
<u>Description of Criteria:</u>	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 4: Standards and Procedures for the Safe Operation of Facilities:</b>				
a) Proposal includes documented employee safety training program	1	1	1	1
b) Proposal includes documented employee cannabis educational training program	1	1	1	1
c) Business Plan includes enhanced security measures, including at least three of the following: panic buttons, dye packets, bulletproof window film (with break strength of 400 lbs. per inch or better), a UL-approved safe with a fire rating that is 2-hour 1700 degrees F or better with a complex locking device; motion sensing lighting; or other enhanced security measures acceptable to the City. (0 to 4 points to be awarded at the discretion of the City Selection Committee.)	0 to 4	4	4	4
d) Proposal includes climate controlled environment	1	1	1	1
e) Proposal includes plan for disposal of all solid waste based on best practices of State	1	1	1	1
f) Proposal includes a comprehensive documented process for 24-hour minimum response time to cannabis product recall notifications	2	2	2	2
g) Proposal includes more than one on-site security guard during business hours	2	2	2	2
h) Proposal includes plans and procedures for how all cannabis products on the premises or held by the applicant have met the testing requirements as defined by the State	1	1	1	1
i) Proposal includes a separate lobby area where identification is checked to ensure that only qualified individuals gain access to separate, locked areas where cannabis products are displayed	2	2	2	2
j) Proposal includes electronic storage of required records of sales, delivery manifests, patient information (if medicinal and required by State), inventory, etc., which can be provided to City personnel upon request	2	2	2	2
k) Proposal includes participation in web-based public safety application or equivalent that provides law enforcement with confirmation of local and state licenses	1	1	1	1
l) Proposal includes any proposed "green" business practices relating to energy and climate, water conservation, and materials/waste storage	1	1	1	1
m) Proposal includes secured loading/unloading area for deliveries	1	1	1	1
<b>Section 4: Sub-Total of Points Possible</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-17R ("Manzanita") at 1594 W 18th**

Selection Committee Scores				
<u>Description of Criteria:</u>	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 5: Prior Experience in Business Ownership and Management</b>				
a) Combined prior experience of proposed owners is more than 3 years of verified successful management of any non-cannabis legal retail facility	2	2	2	2
b) 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	2	2	2	2
c) 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	3	3	3	3
d) Above prior experience was obtained within the City or County of Merced	3	3	3	3
e) Above prior experience was obtained within 100 miles of the City of Merced	1	1	1	1
<b>Section 5: Sub-Total of Points Possible</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>
<b>Section 6: Qualifications of Principals/Business Plan</b>				
a) At least one owner is a military veteran with an honorable discharge	1	0	0	0
b) At least one owner is a full-time resident of the County of Merced	1	1	1	1
c) At least one owner is a full-time resident of the City of Merced	2	2	2	2
d) Does the business qualify as a Disadvantaged Business Enterprise (DBE) as defined by the U.S. Department of Transportation?	1	0	0	0
e) Does the business have documented proof of access to at least \$150,000 in capital (or enough capital to pay all startup costs plus at least 3 months of operating costs)?	3	3	3	3
f) Does the business have documented proof of access to at least \$300,000 in capital (or enough capital to pay all startup costs plus at least 6 months of operating costs)?	3	3	3	3
g) Business Plan contain a valid pro forma for at least 3 years of operation	2	2	2	2
h) Business has documented agreements with cannabis distributors to supply products to their business	2	2	2	2
<b>Section 6: Sub-Total of Points Possible</b>	<b>15</b>	<b>13</b>	<b>13</b>	<b>13</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-17R ("Manzanita") at 1594 W 18th**

Selection Committee Scores				
Description of Criteria:	Points Possible	Reviewer #1	Reviewer #2	Reviewer #3
Section 7: Employee & Public Relations				
a) The business promotes local hiring or provides incentives for City/County of Merced residents to work with the business	2	2	2	2
b) The business provides employee health benefits for all employees	2	2	2	2
c) The business employs more than 5 people full-time, not counting the owners or security personnel	2	2	2	2
d) Proposal includes an ongoing public information program to inform City residents of cannabis issues and proper/safe/legal use of cannabis products	2	2	2	2
Section 7: Sub-Total of Points Possible	8	8	8	8
Section 8: Community Benefits				
a) Proposal includes benefits to the community, such as defined monetary contributions to local community organizations, or donating time to local community organizations, or any other proposed community benefit acceptable to the City. (0 to 5 points to be awarded at the discretion of the City Selection Committee.)	0 to 5	5	5	5
Section 8: Sub-Total of Points Possible	5	5	5	5
Section 9: Discretion of the City Selection Committee				
a) 0 to 20 additional points may be awarded to a proposal for outstanding features, measures, or programs (above and beyond the minimum requirements) proposed in the Commercial Cannabis Business Permit Application at the discretion of the City Selection Committee.	0 to 20	20	20	18
Section 9: Sub-Total of Points Possible	20	20	20	18
TOTAL POINTS POSSIBLE				
	100	97	97	95
TOTAL OF SELECTION COMMITTEE SCORES				
289				RANKING
96.333				3

## Chapter VIII. Operations

### A. Selling Floor - Operations

#### 1. Overview

The selling floor section of this document is a summary of processes, tools, staffing and organizational behaviors concerning the sale of cannabis products within the store and the in-store experience that may be expected by all customers. These elements are broken into the following subsections:

- Customer Experience
- The Sales Process

Manzanita is open to the public from 9am – 9pm Monday-Saturday, and 9am – 8pm on Sunday. Manzanita is open for operations from 8am-10pm daily. This provides for an hour of opening and closing team.

Cannabis goods for inspection or sale may only be displayed in the retail area.

#### 2. Customer Experience

The customer experience in our retail stores is differentiated from any other in the cannabis retail channel.

If the customer chooses to make an expedited convenience purchase, we support that experience with an express purchase process that completes the customer transaction and has the customer in and out (with full regulatory compliance) in less than 5 minutes.

Should the customer choose to participate in a fully immersive and educational experience they will be welcomed to a retail environment with concierge service, augmented reality “AR” and a multimedia theater sharing the history, origins and specifications of their considered purchase (the farm-to-table story “cannabis style”) told using multiple “4K” screens, live video microscopes, and cannabis experts as their guide.

The customer is also free to browse on their own as our stores should provide a cannabis shopping experience that rivals conventional retail leaders such as Apple or Bass Pro. These customer experiences are open to all our customers at all times (business hours only). We feel strongly that providing the customer with an exceptional and fun experience when they spend their hard-earned money is not exclusively for the affluent. Further, the customer will not be asked to pay higher product prices for a great place to shop.

#### 3. The Sales Process

All customers are welcomed into a segregated foyer. The welcome foyer contains two podium stations for ID confirmation and express ordering if the customer chooses (no product is in this area). Security personnel are stationed at the front of the store just outside the foyer during all business hours.

Manzanita

3

Book 2, Part 2: Operations & Policies

Chapters VIII - XIV

Within the foyer the customer service podiums are flanked by product menus and pricing projected on to both walls in real time and in “HD”. These menus are roughly 10ft by 10ft in size each. Behind the podiums is the electronically controlled access door to the store. The door may be opened at the podium or remotely by security personnel. The projected menu walls serve three functions:

- Facilitate express ordering
- Keep the staff in the foyer current on the menu in real time
- Demonstrate to the customer that they are in for an awesome experience

The customer service person(s) at the check-in podium performs the following functions:

- Verifies customer ID and CA medical cannabis card (if applicable)
- Queues the customer in the POS system for assistance with their purchase.\*
- Takes the customer’s express order if customer chooses

**\*Note:** *The customer service person shall collect as much personal data as the customer is willing to offer (i.e. address, phone, email). The company shall never pressure or require the customer to provide any personal data beyond that required by law.*

The customer is then allowed to pass through the podiums into the selling floor area of the store.

Browsing and Shopping – Upon entry to the selling floor the customer will be met by the first available sales person. The sales associate shall greet the customer and ascertain the customer’s preference:

- Be guided through the store and its experiences (choosing what interests them)
- Be guided directly to their desired purchases (with or without viewing samples)
- Be allowed to browse, experience displays and make purchase decisions un-aided

If browsing un-aided the customer is advised that they may engage any free sales associate for a question, sample viewing, or order placement. Our POS system facilitates the seamless assistance of any queued customer by any sales associate or manager.

Further, the customer is advised that the purchase process will require the assistance of a sales associate to both fulfill their order and complete the payment transaction.

## **B. Sales Floor - Layout**

### **1. Overview of Physical Plant**

The selling floor is configured and proportioned into boutique style shopping areas based upon general cannabis lifestyle categories:

- Flowers
- Edibles
- Concentrates, Extracts, Vape
- Health & Homeopathic

- Accessories & Equipment

A physical cash drawer may be created in any of the locked drawer locations on the selling floor. The number of POS devices in use will determine the number of cash drawers plus one additional for the express order drawer. There must be a “one to one” assignment of a POS device to a cash drawer. The drawers will generally be allocated by department to support activity in that area and prevent congestion in each area of the store. The flower area will see the greatest traffic; therefore, it will be the location for multiple drawers.

## 2. Flowers

This is the largest category in cannabis. As such, most of our experiential displays are housed in this boutique. This includes domed displays of available flower strains and three interactive stations where the customer may learn the genetics of strains, their characteristics and effects, the cultivation story of their selection, and see a live sample both at a viewing podium and via 200x live video microscope in “HD” on a 6ft screen. Saleable inventory shall be held in locked drawers on the selling floor.

## 3. Edibles

The edible category is the most controversial and requires added expertise and merchandising care. We display our baked goods and snacks “Patisserie” style with locked samples merchandised in abundance to create a shopping environment that invites education through dialogue with our highly trained staff. Beverages and other refrigerated edibles are stored in a locked 8ft glass refrigeration display. Customers may view all edibles through glass displays but access requires authorized assistance. Saleable inventory shall be held in locked drawers on the selling floor.

## 4. Concentrates, Extracts, Vape

This is the second most popular cannabis category at the time of this writing (behind flowers). We have created a boutique department similar to flowers with a single interactive display with a blend of floor and shelf displays. Currently most packaging does not facilitate sample viewing by the customer. This is the most potent THC category and is treated as such in our displays and inventory management. The individual package displays on the selling floor shall not contain product unless the packaging is transparent and product visible to the customer. Saleable inventory shall be held in locked drawers on the selling floor.

## 5. Health & Homeopathic

This category includes balms, salves, CBD specialty items, topicals and any items designed for external application. The display configuration features tables and shelving merchandised in the style of a farmer’s market. All packaging on display shall be empty of product. Saleable inventory shall be held in locked drawers on the selling floor.

## 6. Accessories & Equipment

Bongs, pipes, volcanoes, papers, trays, etc. shall be merchandised in this area. In addition, logoed items such as t-shirts and hats may also be found in this boutique shop. Inventory in this area is not locked and sold directly from the display. No tobacco or alcohol may be advertised or sold.

## **C. Special – Sample Handling and Customer inspection**

### 1. Overview

The company shall display cannabis products in such ways as to provide education specification and differentiation for the customer. To accomplish, the following display methods shall be used:

- **Brand** - Displays of Brand packaging that do not contain cannabis product
- **Closed** - Displays of cannabis products that are not accessible by the customer at any time or sales associate during business hours (i.e. Flowers in Domes)
- **Sample** - Displays available for customer inspection (aroma, microscope, etc.)

### 2. Sample Handling

A select collection of products shall be made available for customer inspection outside of their manufacturer packaging. These include: flowers, select edibles and select concentrates.

- These sample items shall remain secured until inspection is requested by the customer
- At that time the sales associate may retrieve the item and allow inspection by the customer (at no time may the customer physically touch the product – container is OK).
- The customer may smell and visually examine the item with the assistance of the sales associate.
- The customer may also request to have the item displayed via the video microscope and the sales associate shall conduct that process.
- Upon completion of the inspection, the items are returned to their secured location

### 3. No unattended items

No item may be left with the customer unattended. The maximum number of items out simultaneously for a customer is three.

## **D. Check-Out**

As the customer selects their items for purchase the sales associate is recording the selections in the POS order and retrieving the stock from secured/locked drawers. If the customer is selecting multiple items, the sales associate may collect the purchase selections in an “exit” bag (state compliant material with an opaque level of visibility).

When the customer selection process is complete, and the customer is ready to submit payment, the sales associate shall proceed to her/his assigned cash drawer and complete the transaction by accepting payment.

- The City of Merced requires no free samples of any cannabis or cannabis products may be distributed at any time



Prior to releasing the product to the customer, the sales associate shall execute the following:

- Verify the expiration date on all items
- Verify products are marked correctly as “A” or “M”
- Verify products are properly pre-packaged and pre-labelled for final sale
- Insert a Cannabis education sheet into the “exit” bag

**Note:** Prior to accepting payment POS system is set to alert sales associate of potential purchases that exceed the daily personal limits of: 28.5 grams of flowers, 8 grams of concentrate for adult use or 8 ounces of flower for medical.

## **E. Express Ordering**

### 1. Overview

The customer has the option to place an express order at time of intake, digitally or over the phone. Below are the process steps for each express order method:

### 2. Order Intake

- The customer presents ID per regular store intake and advises the customer service person at the intake podium that they would like to place an express order from the menu projected on the wall.
- The customer service person creates an “express” order within the POS system. This order type will generate a “pick ticket” (similar to delivery) printed in the back office.
- The “pick ticket” is fulfilled and placed in compliant “exit” packaging. Back office personnel shall bring the order to the “express” pick up station on the selling floor (located near the exit in a locked drawer)
- The customer enters the store and may browse or proceed directly to the express pick up station
- The customer confirms the order, completes the transaction and exits the store. Any sales associate may queue up the customer’s order and complete the transaction at the express pick up station.

### 3. Phone orders

- A customer may place a phone order for express pick up. For phone orders the customer service person shall create the order in the POS system and designate an “express” order type.
- From this point the process is common with the intake express order previously outlined

### 4. Digital

- The customer may place an “express order” via digital platform. This order will queue in the POS system for the customer service person.
- From this point the process is common with the intake express order previously outlined.

## **F. Customer Product Returns**

### **1. Overview**

At Manzanita we believe that every customer should be thrilled with their purchase and that belief is on display in our return policy.

### **2. Policy**

Should a customer be unhappy with your Manzanita purchase for any reason, Manzanita will accept the unused portion of the purchase for the choice of: exchange, credit toward a new purchase, or a full refund.

The original receipt is required for any return, with these additional restrictions:

- Multiple returns against the same original purchase are at manager's discretion
- The returned product may not be expired
- The original purchaser must be the person returning the product

### **3. Return Handling**

Any sales associate or manager may accept a customer return through the POS system following these steps:

1. Escort the customer to the designated return area on the selling floor
2. Verify the purchase
  - a. Customer Name
  - b. Receipt in possession
  - c. Date purchased
  - d. Product being returned
3. Open a transaction in the POS system
4. Determine the reason for return and the customer's preferred resolution
5. Inspect the returned product
  - a. Note the reason in POS
  - b. Record the line item credit in POS
  - c. Place the returned product in the "secured" unsaleable container in the return area
  - d. Record the drop of product manually in the unsaleable log
6. If an exchange:
  - a. Assist the customer with their new purchase
  - b. complete the transaction in POS
7. If a refund – complete the transaction in POS
8. Wish the customer an extraordinary day

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MERCED,  
CALIFORNIA, REPLACING 20.44.170 (“MEDICAL MARIJUANA AND  
CULTIVATION”); AMENDING SECTION 20.10.020 AND TABLE 20.10-1  
 (“COMMERCIAL ZONING DISTRICTS”), AND AMENDING SECTION 20.12.020  
 AND TABLE 20.12-1 (“INDUSTRIAL ZONING DISTRICTS”) OF THE MERCED  
 MUNICIPAL CODE; AND ADDING LAND USE TABLE 20.44-1 TO REGULATE ALL  
 COMMERCIAL CANNABIS ACTIVITIES AND CULTIVATION FOR PERSONAL USE  
 IN THE CITY OF MERCED**

**THE CITY COUNCIL OF THE CITY OF MERCED DOES ORDAIN AS FOLLOWS:**

**SECTION 1: Findings.**

The City Council finds and declares as follows:

- A. In 1996, the California electorate approved Proposition 215, the Compassionate Use Act which allows a patient, with a doctor’s recommendation, to use cannabis for medical purposes without the fear of prosecution or arrest; and
- B. In 2003, the California legislature passed Senate Bill 420 (Medical Marijuana Program Act) which amended the Health and Safety Code to permit the establishment of medical cannabis dispensaries for the distribution of cannabis for medical purposes; and
- C. In 2005, the California Board of Equalization began issuing seller’s permits for sales consisting of medical cannabis; and
- D. In 2008, the California Attorney General issued guidelines for the security and non-diversion of cannabis grown for medical use; and
- E. In 2015, the Governor signed into law Senate Bill 643, Assembly Bill 266, and Assembly Bill 243, collectively referred to as the Medical Marijuana Regulation and Safety Act (“MMRSA”) further amended in 2016 as the Medical Cannabis Regulation and Safety Act (“MCRSA”), which established regulations and a state licensing system for medical cannabis cultivation, manufacturing, delivery, and dispensing; and
- F. In 2016, the voters of the State of California approved and passed Proposition 64 also known as the Adult Use of Marijuana Act (“AUMA”); and
- G. In 2017, the Governor signed into law Senate Bill 94 also known as Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA); and
- H. Health & Safety Code Section 11362.83 provides that cities are free to adopt and enforce local ordinances that regulate the location, operation, or establishment of medical cannabis; and
- I. After studying various alternatives for the regulation of commercial cannabis considering input from stakeholders and a public hearing, and reviewing the legal status of cannabis under applicable law, the City Council finds that the regulation of commercial cannabis activities is necessary to protect the public health, safety, and welfare by mitigating the adverse secondary effects from the operations of these uses; and

- J. The City of Merced has a compelling interest in ensuring that cannabis is not distributed in an illicit manner, in protecting the public health, safety and welfare of its residents and businesses, in preserving the peace and quiet of the neighborhoods in which these uses may operate, and in providing access of cannabis to residents; and
- K. The proposed Ordinance has been reviewed by City staff in accordance with the Environmental Checklist Form (Appendix G of the CEQA Guidelines) to determine if there would be any possibility that the proposed ordinance would create any significant environmental impacts, and City staff has determined that the establishment of regulations for commercial cannabis businesses do not meet any of the thresholds contained in the Checklist that would trigger a significant environmental impact, and thus according to the “general rule exemption” (Section 15061(b)(3) of the CEQA Guidelines, projects which have no potential for causing a significant effect on the environment are not subject to CEQA, no further environmental analysis is required.

## **SECTION 2: Authority**

This Ordinance is adopted pursuant to the authority granted by the California Constitution and State law, including by not limited to, Article IX, Section 7 of the California Constitution, the Compassionate Use Act of 1996 (California Health and Safety Code Section 11362.5), the Medical Marijuana Program (California Health and Safety Code Section 11362.7 et seq.), the Medical Marijuana Regulation and Safety Act (AB 266, AB 243, and SB 643; hereafter “MMRSA”), the Adult Use of Marijuana Act (Proposition 64), and the Medical and Adult Use Cannabis Regulation and Safety Act (SB 94; hereafter “MAUCRSA”).

## **SECTION 3: Purpose and Intent**

The purpose and intent of this section is to regulate commercial cannabis business activities in order to ensure the health, safety and welfare of the residents of the City of Merced by establishing regulations necessary for a commercial cannabis business to obtain and maintain a Commercial Cannabis Business Permit (CCBP). Any commercial cannabis businesses operating in the City of Merced shall at all times be in compliance with current State Law and this ordinance. All commercial cannabis facilities shall operate in accordance with the regulations in this ordinance and with the conditions of approval associated with the applicable zone for the parcel of real property upon which the commercial cannabis activities are conducted. Any commercial cannabis business shall qualify for and receive a Commercial Cannabis Business Permit from the City of Merced as provided by this ordinance and operate only in a zone in compliance with Title 20 of the Merced Municipal Code before commencing with any commercial cannabis activity. Any commercial cannabis business without a Commercial Cannabis Business Permit is in violation of this ordinance. The regulations in this article, in compliance with the Compassionate Use Act, the Medical Marijuana Program Act, SB 94, Proposition 64, and the California Health and Safety Code (collectively referred to as “State Law”) do not interfere with the right to use cannabis or medical cannabis as authorized under State Law, nor do they criminalize the possession or commercial activities of cannabis or medical cannabis as authorized under State Law. This ordinance also provides regulations for the cultivation of cannabis for personal use within the City of Merced to ensure the health, safety, and welfare of the residents of the City of Merced.

#### **SECTION 4. Amendments of Chapters 20.10 and 20.12.**

Table 20.10-1 "Permitted Land Uses in the Commercial Zoning Districts" in Section 20.10.020 of the Merced Municipal Code and Table 20.12-1 "Permitted Land Uses in the Industrial Zoning Districts" in Section 20.12.020 of the Merced Municipal Code under "Medical Marijuana Dispensaries" shall be amended to read as follows: "Refer to Table 20.44-1 in Section 20.44.170 for Permitted Land Uses for All Commercial Cannabis Business Activities."

#### **SECTION 5. Amendment of Chapter 20.44.170**

The City of Merced hereby repeals Section 20.44.170 ("Medical Marijuana and Cultivation") of the Merced Municipal Code in its entirety, and replaces it with the amended Section 20.44.170 as set forth below.

#### **20.44.170 – REGULATION OF COMMERCIAL CANNABIS ACTIVITIES – COMMERCIAL CANNABIS BUSINESS PERMIT REQUIRED**

##### **20.44.170(A): Zoning Compliance and Commercial Cannabis Business Permit Requirements**

Specific commercial cannabis businesses are allowed as a special use in the C-C, C-O, C-G, C-N, I-L and I-H Zoning Districts and Planned Developments which have the equivalent General Plan land use designations of those zones. Commercial cannabis activities are expressly prohibited in all other zones in the City of Merced. Commercial cannabis businesses shall apply for and conduct business only in the appropriate zones as described in Table 20.44-1 and the City of Merced's zoning ordinance as a requisite for obtaining a Commercial Cannabis Business Permit (CCBP). No commercial cannabis business may operate in the City of Merced without a Commercial Cannabis Business Permit.

This Land Use Table 20.44-1 shall be used to determine whether a cannabis business is not permitted – "X", or permitted – "P". Any Commercial Cannabis business in the City of Merced shall also operate in compliance with the City's zoning ordinance. If a Zoning District is not listed in the Land Use Table in this section then the use is expressly not permitted.

Commercial Cannabis Business Activities Use Type	City of Merced Municipal Code Table 20.44-1							Additional Specific Use Standards
	Land Use Classification [4] [5]	C-C Zone	C-O Zone	C-G Zone	C-N Zone	I-L Zone	I-H Zone	
Cultivator	Greenhouse, Type A	X	X	X	X	P	P	Sec. 20.44.170(I)
Cultivator	Greenhouse, Type B	X	X	X	X	P	P	Sec. 20.44.170(I)
Cultivator	Greenhouse, Type C	X	X	X	X	P	P	Sec. 20.44.170(I)
Nursery	Greenhouse, Type D	X	X	X	X	P	P	Sec. 20.44.170(I)
Manufacturing	Manufacturing, non-volatile	X	X	X	X	P	P	Sec. 20.44.170(H)
Manufacturing	Manufacturing, volatile	X	X	X	X	P	P	Sec. 20.44.170(H)
Dispensary [1][2]	Pharmaceutical, medical	P	P	P	P	P	X	Sec. 20.44.170(F)
Dispensary [1][2]	Retail, non-medical/combined	P	P	P	P	P	X	Sec. 20.44.170(F)
Testing Laboratory	No Retail	P	P	P	X	P	P	Sec. 20.44.170(J)
Distribution [3]	Freight/Transport	X	X	P	X	P	P	Sec. 20.44.170(K)

### Footnotes

1. Only four (4) dispensaries shall operate within the Merced City Limits. At least one (1) of those dispensaries shall also dispense medicinal cannabis goods. If State law allows medical and adult use dispensaries on the same premises, the City of Merced would allow a combined use, but in no case shall more than four (4) dispensaries of any kind be allowed within the City of Merced at any one time.
2. Dispensaries (medical or adult use) are prohibited in the City Center area between 19<sup>th</sup> and 16<sup>th</sup> Streets and O Street and Martin Luther King Jr. Way, including properties fronting on either side of each of the above streets.
3. Only allowed in General Commercial (C-G) zones if meet the provisions of Section 20.44.170 (K)(10).
4. If listed as "Permitted" in a specific zone above, then that use is also "Permitted" in Planned Development (P-D) zones that have the equivalent General Plan land use designation as that zone.
5. No cannabis dispensary may be located within a 1,000-foot radius from a school or within a 600-foot radius from a day care center, youth center, library or public park that is in existence at the time the Commercial Cannabis Business Permit is issued, as required by Section 11362.768 of the Health and Safety Code and as required in Merced Municipal Code Section 20.44.170 (E)(3)(f). No cultivation facility, manufacturing facility, testing facility or any other commercial cannabis business facility may be located within a 600-foot radius from a school, day care center, youth center, library, or public park that is in existence at the time the Commercial Cannabis Business Permit is issued, as required by Section 11362.768 of the Health and Safety Code and as required in Merced Municipal Code Section 20.44.170 (E)(3)(f). No Commercial Cannabis Businesses may be located within a 600 foot-radius from a school, day care center, recreational center, youth center, library or public park as required in Merced Municipal Code Section 20.44.170 (E)(3)(f).

### Land Use Classifications:

Greenhouse, Commercial A - Permitted cultivation area: 0 to 5,000 square feet  
Greenhouse, Commercial B - Permitted cultivation area: 5,001 to 10,000 square feet  
Greenhouse, Commercial C - Permitted cultivation area: 10,000 to 22,000 square feet  
Greenhouse, Commercial D - Permitted cultivation area: 22,000 square feet



#### **20.44.170(B): Cultivation of Cannabis for Personal Use in Residential Zones**

1. When authorized by State regulations, an authorized resident shall be allowed to cultivate cannabis only in a private residence in a residential zone, only indoors, and only for personal use, subject to the following regulations:
  - a. The cannabis cultivation area shall be located indoors within a residential structure and shall not exceed fifty square feet and not exceed ten feet in height, nor shall it come within twelve (12) inches of the ceiling or any cultivation lighting, nor shall it exceed the limits set forth in Section 20.44.170(B)(1)(i) below. Cultivation in a greenhouse or other legal accessory structure on the property of the residence, but not physically part of the home, is permitted as long as it is fully enclosed, secure, not visible from a public right-of-way, and meeting all requirements in this Chapter. Additionally, all structures must meet setback, height limitations, and be constructed in accordance with all local requirements as well as all applicable Building Codes.
  - b. If the resident is not the property owner, they must have the property owner's express written authorization to conduct cannabis cultivation. Nothing contained herein shall limit the property owner's right to deny or revoke permission to allow cannabis cultivation as set forth by State law.
  - c. The use of gas products such as, but not limited to CO<sub>2</sub>, butane, methane, or any other flammable or non-flammable gas for marijuana or cannabis cultivation or processing is prohibited.
  - d. There shall be no exterior visibility or evidence of cannabis cultivation outside the private residence from the public right-of-way, including but not limited to any marijuana or cannabis plants, equipment used in the growing and Cultivation operation, and any light emanating from cultivation lighting.
  - e. The authorized resident shall reside full-time on the property where the cannabis cultivation occurs.
  - f. The residence shall include fully functional and usable kitchen, bathroom, and bedroom areas for their intended use by the resident authorized grower, and the premises shall not be used primarily or exclusively for cannabis cultivation.
  - g. The cannabis cultivation area shall be in compliance with the current adopted edition of the California Building Code including § 1203.4 Natural Ventilation or § 402.3 Mechanical Ventilation (or equivalent), as amended from time to time.
  - h. The Building Official may require additional specific standards to meet the California Building Code and Fire Code, including but not limited to, installation of fire suppression sprinklers.
  - i. The cannabis cultivation area shall not result in a nuisance or adversely affect the health, welfare, or safety of the resident or nearby residents by creating dust, glare, heat, noise,



noxious gasses, odors, smoke, traffic, vibration, or other impacts, or be hazardous due to use or storage of materials, processes, products or wastes.

- j. No more than six (6) cannabis plants, mature or immature, for personal use, are permitted per residence for indoor personal cultivation under this Chapter, unless permitted under State regulations.
  - k. Cannabis in excess of twenty-eight and one-half (28.5) grams produced by plants kept for indoor personal cultivation under this Chapter must be kept in a locked space on the grounds of the private residence not visible from the public right-of-way.
  - l. The authorized grower shall not provide any cannabis in any form to animals or any minors that are not authorized users under Medical Marijuana Regulation and Safety Act or the Adult Use of Marijuana Act. Anyone found in violation shall be prosecuted pursuant to State regulations.
2. Outdoor cultivation of cannabis is expressly prohibited in all zones and districts of the City of Merced.

#### **20.44.170(C): Definitions**

The definitions are incorporated herein as fully set forth and are applicable to this ordinance. All definitions are intended to comply with those set forth by the State of California for all commercial cannabis activities.

1. **“Applicant”** means a person who is required to file an application for a permit under this chapter, including an individual owner, managing partner, officer of a corporation, or any other operator, manager, employee, or agent of a dispensary.
2. **“Cannabis”** means all parts of the Cannabis sativa Linnaeus, Cannabis Indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from marijuana. "Cannabis" also means marijuana as defined by Section 11018 of the California Health and Safety Code as enacted by Chapter 14017 of the Statutes of 1972. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this chapter, "cannabis" does not mean industrial hemp as that term is defined by Section 81000 of the California Food and Agricultural Code or Section 11018.5 of the California Health and Safety Code.
3. **“Cannabis waste”** means waste that is not hazardous waste, as defined in Public Resources Code section 40191, that contains cannabis and that has been made unusable and unrecognizable in the manner prescribed by the State.
4. **“Canopy”** means all of the following:

- a. The designated area(s) at a licensed premises that will contain mature plants at any point in time;
  - b. Canopy shall be calculated in square feet and measured using clearly identifiable boundaries of all area(s) that will contain mature plants at any point in time, including all of the space(s) within the boundaries;
  - c. Canopy may be noncontiguous but each unique area included in the total canopy calculation shall be separated by an identifiable boundary such as an interior wall or by at least 10 feet of open space; and
  - d. If mature plants are being cultivated using a shelving system, the surface area of each level shall be included in the total canopy calculation.
5. **"City"** means the City of Merced.
  6. **"Commercial cannabis business permit (CCBP)"** means a permit issued by the City pursuant to this chapter to a commercial cannabis business.
  7. **"Commercial cannabis activity"** includes the cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, distribution, delivery, or sale of cannabis or a cannabis product, except as set forth in Section 19319 of the Business and Professions Code, related to qualifying patients and primary caregivers.
  8. **"Commercial vehicle"** means a vehicle as defined in Vehicle Code section 260.
  9. **"Concentrated cannabis product"** means a consolidation of cannabinoids made by dissolving cannabis in its plant form into a solvent.
  10. **"Cultivation"** means any activity involving the propagation, planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.
  11. **"Customer"** means a natural person 21 years of age or over or a natural person 18 years of age or older who possesses a physician's recommendation.
  12. **"Day Care Center"** means any child day care facility other than a family day care home, and includes infant centers, preschools, extended day care facilities, and school age child care centers as defined in Health and Safety Code Sections 1596.76, 1596.7915, 1576.750, and 1596.78.
  13. **"Delivery"** means the commercial transfer of marijuana or marijuana products to a customer. "Delivery" also includes the use by a retailer of any technology platform owned and controlled by the retailer, or independently licensed under this division, that enables customers to arrange for or facilitate the commercial transfer by a licensed retailer of marijuana or marijuana products.
  14. **"Delivery employee"** means an individual employed by a licensed dispensary who delivers cannabis goods from the permitted dispensary premises to a medical cannabis patient or primary caregiver or qualified purchaser at a physical address.

15. **“Dispensary”** means a premises where cannabis, cannabis products, or devices for the use of cannabis or cannabis products are offered, either individually or in any combination for retail sale, including an establishment that delivers cannabis or cannabis products as part of a retail sale.
16. **“Display”** means cannabis goods that are stored in the licensed dispensary’s retail area during the hours of operation.
17. **“Display case”** means container in the licensed dispensary retail area where cannabis goods are stored and visible to customers.
18. **“Distribution”** means the procurement, sale, and transport of cannabis or cannabis products between entities licensed pursuant to the Medical and Adult Use of Cannabis Regulation and Safety Act and any subsequent State of California legislation regarding the same.
19. **“Edible cannabis product”** means manufactured cannabis that is intended to be used, in whole or in part, for human consumption. An edible cannabis product is not considered food as defined by Section 109935 of the California Health and Safety Code or a drug as defined by Section 109925 of the California Health and Safety Code.
20. **“Fully Enclosed and Secure Structure”** means a fully-enclosed space within a building that complies with the California Building Code (“CBSC”), as adopted in the City of Merced, or if exempt from the permit requirements of the CBSC, that has a complete roof, a foundation, slab or equivalent base to which the floor is secured by bolts or similar attachments, is secure against unauthorized entry, is accessible only through one or more lockable doors, and is not visible from a public right-of-way. Walls and roofs must be constructed of solid materials that cannot be easily broken through such as two inch by four inch nominal or thicker studs overlaid with three-eighths inch or thicker plywood or the equivalent. Plastic sheeting, regardless of gauge, or similar products do not satisfy this requirement. If indoor lighting or air filtration systems are used, they must comply with the California building, electrical, and fire codes as adopted in the City of Merced.
21. **“Free sample”** means any amount of cannabis goods provided to any person without cost or payment or exchange of any other thing of value.
22. **“Indoors”** means within a fully enclosed and secure structure as that structure is defined above in 20.44.170(C), Subsection 19.
23. **“License”** means a state license issued under this division, and includes both an A-license and an M-license, as well as a testing laboratory license.
24. **“Limited-access area”** means an area in which cannabis goods are stored or held and which is only accessible to a licensee and the licensee’s employees and contractors.
25. **“Medical”** or **“Medicinal”** have the same meaning under the terms of this ordinance.
26. **“Medical cannabis goods”** means cannabis, including dried flower, and manufactured cannabis products.

27. **“Medical cannabis patient”** is a person whose physician has recommended the use of cannabis to treat a serious illness, including cancer, anorexia, AIDS, chronic pain, spasticity, glaucoma, arthritis, migraine, or any other illness for which cannabis provides relief.
28. **“Manufacturer”** means a licensee that conducts the production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container.
29. **“Manufacturing” or “manufacturing operation”** means all aspects of the extraction and/or infusion processes, including processing, preparing, holding, storing, packaging, or labeling of cannabis products. Manufacturing also includes any processing, preparing, holding, or storing of components and ingredients.
30. **“Nonvolatile solvent”** means any solvent used in the extraction process that is not a volatile solvent. For purposes of this chapter, a nonvolatile solvent includes carbon dioxide used for extraction, or as it may be defined and amended by the State.
31. **“Operating hours”** means the hours within a day during which a permitted retail sales outlet may allow qualified cannabis purchasers and primary caregivers to enter the dispensary premises and purchase cannabis goods.
32. **“Owner” or “Ownership interest”** means an interest held by a person who is an owner as defined by State of California commercial cannabis regulations or who has a financial interest in the commercial cannabis business of 5% or more.
33. **“Package” and “Packaging”** means any container or wrapper that may be used for enclosing or containing any cannabis goods for final retail sale. “Package” and “packaging” does not include a shipping container or outer wrapping used solely for the transport of cannabis goods in bulk quantity to a licensee.
34. **“Patient or qualified patient”** shall have the meaning given that term by California Health and Safety Code and possesses a valid physician’s recommendation.
35. **“Person”** includes any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular.
36. **“Pest”** means undesired insect, rodent, nematode, fungus, bird, vertebrate, invertebrate, weed, virus, bacteria, or other microorganism that is injurious to human health.
37. **“Physician’s recommendation”** means a recommendation by a physician and surgeon that a patient use cannabis provided in accordance with the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code.
38. **“Premises”** means the designated structure(s) and land specified in the application that are in possession of and used by the applicant or licensee to conduct the commercial cannabis activity.

39. **“Pre-roll”** means dried cannabis flower rolled in paper prior to retail sale.
40. **“Primary Caregiver”** has the same meaning as that term is defined in Section 11362.7 of the Health and Safety Code.
41. **“Private security officer”** has the same meaning as that term as defined in the State of California Business and Professions Code section 7574.01.
42. **“Publicly owned land”** means any building or real property that is owned by a city, county, state, federal, or other government entity.
43. **“Purchase”** means obtaining cannabis goods in exchange for consideration.
44. **“Purchaser”** means a person who is engaged in a transaction with a licensee for purposes of obtaining cannabis goods.
45. **“Quarantine”** means the storage or identification of cannabis goods, to prevent distribution or transfer of the cannabis goods, in a physically separate area clearly identified for such use.
46. **“Retail area”** means a building, room, or other area upon the licensed dispensary premises in which cannabis or other goods are sold or displayed.
47. **“School”** means any public or private school providing instruction in kindergarten or any of grades 1 to 12, inclusive, but does not include any private school in which education is primarily conducted in private homes or as otherwise provided in Health and Safety Code Section 11362.768(h).
48. **“Security monitoring”** means the continuous and uninterrupted attention to potential alarm signals that can be transmitted from a security alarm system for the purpose of summoning law enforcement.
49. **“Sell,” “sale,” and “to sell”** include any transaction whereby, for any consideration, title to cannabis is transferred from one person to another, and includes the delivery of cannabis goods pursuant to an order placed for the purchase of the same and soliciting or receiving an order for the same, but does not include the return of cannabis goods by a licensee to the licensee from whom such cannabis goods were purchased.
50. **“Sublet”** means to lease or rent all or part of a leased or rented property.
51. **“State”** means the State of California.
52. **“Testing Laboratory”** means a facility, entity, or site that offers or performs tests of cannabis or cannabis products, and that is accredited as operating to ISO standard 17025 by an accrediting body, and registered with the State Department of Public Health
53. **“Vehicle alarm system”** is a device or series of devices installed to discourage theft of the commercial vehicle or its contents and is intended to summon general attention or to summon law enforcement as a result of an indication of an attempted breach of the commercial vehicle.
54. **“Volatile solvent”** means any solvent that is or produces a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures.

Examples of volatile solvents include but are not limited to, butane, hexane, propane, and ethanol, or as it may be defined and amended by the State.

55. **“Wholesale”** means the sale of cannabis goods to a distributor for resale to one or more dispensaries.

56. **“Youth Center”** means any public or private facility that is primarily used to host recreational or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club activities, video arcades with over 10 or more video games on the premises, or similar amusement park facilities, or as otherwise described in Health and Safety Code Section 11353.1(e)(2).

#### **20.44.170(D): Compliance with State and Local Licensing Requirements**

Any dispensary, cultivation facility, manufacturing facility, testing facility or any other commercial cannabis activity as defined by the State of California or the City of Merced shall operate in conformance with all regulations and standards set forth in this Section of the Municipal Code to assure that the operations of the dispensary, cultivation facility, manufacturing facility, distribution facility, testing facility or any other commercial cannabis activity as defined by the State of California or allowed by the City of Merced are in compliance with local and State law and are established to mitigate any adverse secondary effects from its operations.

Cannabis operators shall be required to obtain a State license once they become available, and shall comply with any applicable State licensing requirements, such as operational standards and locational criteria.

Multiple cannabis uses and licenses proposed on any one site shall occur only if authorized by the State and the City of Merced and only if all uses proposed are allowed pursuant to the City's Zoning Code.

#### **20.44.170(E): General Provisions for Commercial Cannabis Activities in the City of Merced**

##### **1. Commercial Cannabis Business Permit Required**

- a. Each business shall have a Commercial Cannabis Business Permit specific to the business activity defined by the State pertaining to that activity and whether the activity is medical or non-medical or any other commercial cannabis activity the State may define and as they may be amended. Following is a list of current license types:
  - i. Cultivation
  - ii. Distribution
  - iii. Manufacturing
  - iv. Retail sales (Dispensary)
  - v. Testing
- b. It shall be unlawful for any person, association, partnership or corporation to engage in, conduct or carry on, in or upon any premises within the City of Merced any commercial cannabis business without a Commercial Cannabis Business Permit. A cannabis business shall register and obtain a Commercial Cannabis Business Permit from the City of Merced

prior to operation. The Commercial Cannabis Business Permit applicant shall pay an annual non-refundable regulatory fee in an amount and at a frequency established by the City Council by resolution.

- c. A copy of the Commercial Cannabis Business Permit shall be displayed at all times in a place visible to the public.
- d. A Commercial Cannabis Business Permit shall be valid for one (1) year or until December 31 each year, unless sooner revoked. No permit granted herein shall confer any vested right to any person or business for more than the above-referenced period.
- e. A Commercial Cannabis Business Permit shall not be issued to an individual or a business entity owned or managed in whole or in part by an individual or a business entity employing an individual who has a previous conviction for or has entered a plea of nolo contendere/no contest to any of the following:
  - i. A felony offense listed in California Health and Safety Code Section 11590.
  - ii. A felony offense listed in California Penal Code Section 667.5(c).
  - iii. A felony offense listed in California Penal Code Sections 1197.2(c) or Section 1192.8.
  - iv. A felony or misdemeanor offense that substantially relate to the qualifications, functions, or duties of the business or profession.
  - v. A felony conviction involving fraud, deceit, or embezzlement.
  - vi. A felony or misdemeanor offense involving the sale or giving to a minor of controlled substances, cannabis, alcohol, or tobacco.

A Commercial Cannabis Business Permit may be issued, at the discretion of the City, to an individual with a conviction listed above provided a period of ten (10) years has elapsed in which the individual has remained free of criminal convictions or violations of parole or probation, and the individual has either obtained a certificate of rehabilitation pursuant to Penal Code Section 4852.01 or received expungement pursuant to California Penal Code Section 1203.4.

- f. The Commercial Cannabis Business Permit shall be issued to the specific person or persons listed on the Cannabis Permit Application.
- g. A Commercial Cannabis Business Permit is not transferable except under the terms of Merced Municipal Code Section 20.44.170(L)(4)(c), and does not run with the land or with the business. Any change to the business location, organizational structure, or ownership may require a new application with associated fees at the discretion of the Director of Development Services or designee.

## **2. Maintenance of Records and Reporting**

All records for the commercial cannabis business of the following activities shall be maintained and available to the City of Merced for at least 7 years. Records shall be produced within 24 hours of a request by an authorized City of Merced representative:

- a. The business shall obtain and maintain a valid Seller's Permit from the State Board of Equalization.



- b. Financial records include, but are not limited to: bank statements, sales invoices, receipts, tax records, and all records required by the California State Board of Equalization under Title 18 California Code of Regulations section 1968.
- c. Personnel records, including each employee's full name, address, phone number, social security, or individual tax payer identification number, date of beginning employment, and date of termination of employment if applicable.
- d. Training records, including but not limited to the content of the training provided and the names of the employees that received the training.
- e. Contracts with other licensees regarding commercial cannabis activity.
- f. Permits, licenses, and other local authorizations to conduct the licensee's commercial cannabis activity, including BOE sellers permit.
- g. Security records.
- h. Records shall be kept in a manner that allows the records to be produced for the City in either hard copy or electronic form, whichever the City requests.
- i. Proof of building ownership or landlord letter acknowledging business type.
- j. Proof of insurance.

### **3. Operational Standards for All Commercial Cannabis Business Activities**

- a. Interior and exterior locations of the business property shall be monitored at all times by closed circuit cameras for security purposes. The cameras and recording system shall be of adequate quality, color rendition and resolution to allow the sufficient identification of any individual committing a crime on the location premises. Cameras shall record 24 hours a day at a minimum of 20 frames per second.
- b. The applicant shall conduct and pay for any required CEQA reviews and analyses, and pay for all costs, including those of the City, associated with project review under CEQA.
- c. The surveillance system storage device or cameras shall be transmission control protocol/TCP capable of being accessed through the internet by the Merced Police Department or their designee on request.
- d. All controlled access areas, security rooms and all points of ingress/egress to limited access areas and all point of sale (POS) areas shall have fixed camera coverage capable of identifying activity occurring within a minimum of twenty (20) feet. Camera video recordings shall be maintained unaltered in a secure location for a period of not less than thirty (30) calendar days, and be available for inspection at any time. The City of Merced or law enforcement may request the recordings in connection with an investigation. If the recordings are not voluntarily provided, the City or law enforcement may seek a warrant or court order for the recordings.

- e. All commercial cannabis businesses shall create and maintain an active account within the State's track and trace system prior to commencing any commercial cannabis activity. In the event of system failure, the business shall keep a hard copy record and transfer the information to the track and trace system within 24 hours of the system being available.
- f. No cannabis dispensary may be located within a 1,000-foot radius from a school or within a 600-foot radius from a day care center, youth center, library or public park that is in existence at the time the Commercial Cannabis Business Permit is issued, as required by Section 11362.768 of the Health and Safety Code. No cultivation facility, manufacturing facility, testing facility or any other commercial cannabis business facility may be located within a 600-foot radius from a school, day care center, youth center, library, or public park that is in existence at the time the Commercial Cannabis Business Permit is issued, as required by Section 11362.768 of the Health and Safety Code. For purposes of this subsection only, a public park shall not include any park designated in Merced Municipal Code Section 9.70.030 as a bike path. 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.
- g. No physical modification of the permitted premises is allowed without written prior permission by the City of Merced and payment of any additional fees required by the City.
- h. All commercial cannabis activities shall provide adequate off-street parking and comply with the City of Merced Municipal Code requirements in Chapter 20.38 Parking and Loading, to service customers without causing negative impact.
- i. The commercial cannabis business shall provide adequate handicapped parking per the requirements in the California Building Code.
- j. The commercial cannabis business shall provide adequate interior and exterior lighting for safety and security as determined by the Police Chief or designee.
- k. The commercial cannabis business shall minimize nuisances such as trash, litter, and graffiti.
- l. Any and all signage, packaging, and facilities shall not be 'attractive', as it is defined by the State, to minors.
- m. All commercial cannabis facilities shall be required to provide an air treatment system that ensures off-site odors shall not result from its operations. This requirement at a minimum means that the facility shall be designed to provide sufficient odor absorbing ventilation and exhaust systems so that any odor generated inside the location is not detected outside the building, on adjacent properties or public rights-of-way, or within any other unit located within the same building as the facility if the use occupies only a portion of a building. The air treatment system must also prevent the build-up of mold within the facility.
- n. A permitted commercial cannabis business entity shall have 180 days after permit issuance by the City of Merced to begin initial operations, unless otherwise approved by the Development Services Director or designee. A permitted commercial cannabis

business entity that remains inoperative for more than 60 calendar days after initial operations begin shall be deemed “abandoned” and the permit shall be forfeited. A business may temporarily suspend operations for a period of time as may be reasonably required to affect upgrades, modifications, repairs, or other property issue mitigations as approved by the Development Services Director or designee.

- o. The cannabis business shall comply with all State and City of Merced regulations regarding testing, labeling and storage of all cannabis products.
- p. The cannabis business shall meet all State and local regulations for the disposal of all cannabis materials and materials used in conjunction with processing, distributing and cultivating of cannabis as well as any unsold cannabis or cannabis products.
- q. The cannabis business shall conform to all State regulations regarding the use of appropriate weighing devices.
- r. The cannabis business shall conform to all State and local regulations regarding water usage. No liquids of any kind shall be discharged into a public or private sewage or drainage system, watercourse, body of water or into the ground, except in compliance with applicable regulations of the California Regional Water Quality Control Board (California Administrative Code, Title 23, Chapter 3).
- s. The cannabis businesses’ electrical and plumbing shall comply with State and local regulations.
- t. The cannabis business shall maintain a comprehensive general liability combined single occurrence insurance policy issued by an “A” rated insurance carrier in an amount no less than two million dollars and naming the City of Merced as additional insured.
- u. No free samples of any cannabis or cannabis product may be distributed at any time.
- v. All agents, private security officers or other persons acting for or employed by a licensee shall display a laminated identification badge at least 2” X 2” in size, issued by the licensee. The badge, at a minimum, shall include the licensee’s “doing business as” name and license number, the employees first and last name, and a color photo of the employee that shows the full front of the employee’s face.
- w. The commercial cannabis business shall have a centrally-monitored fire and burglar alarm system which shall include all perimeter entry points and perimeter windows.
- x. A licensee shall ensure a licensed alarm company operator or one or more of its registered alarm agents installs, maintains, monitors and responds to the alarm system. The alarm company shall obtain a City of Merced business license.
- y. Meet all State deadlines for applying for a State license and receive a State license within six (6) months after the date the State begins issuing licenses. This may be waived if the State has longer delays in issuing licenses of the type the commercial cannabis business seeks. The permittee must inform the City in writing within 10 days when the permittee applies for that initial permit or if the permittee applies for any additional State licenses. Said notification shall be addressed to the Director of Development Services or his designee at 678 W. 18<sup>th</sup> St., Merced, CA 95340.

- z. All persons hiring employees to engage in commercial cannabis activities shall document compliance with the following employee safety practices:
  - i. Emergency action response planning as necessary
  - ii. Employee accident reporting and investigation policies
  - iii. Fire prevention
  - iv. Hazard communication policies, including maintenance of material safety data sheets.
  - v. Materials storage and handling policies
  - vi. Personal protective equipment policies
  - vii. Operation manager contacts
  - viii. Emergency responder contacts
  - ix. Poison control contacts
- aa. All persons with ownership interest; and all employees agents, officers or other persons acting for or employed by a permittee must be at least 21 (twenty-one) years of age.

**20.44.170(F): Additional Regulations for Dispensary and Retail Sales of Cannabis**

1. Only four (4) dispensaries shall operate within the Merced City Limits, regardless of the location's compliance with any other Section specified in this ordinance.. At least one (1) of those dispensaries shall also dispense medicinal cannabis goods. If State law allows medical and adult use dispensaries on the same premises, the City of Merced would allow a combined use, but in no case shall more than four (4) dispensaries of any kind be allowed within the City of Merced.
2. No retail cannabis facility may engage in check cashing activities at any time.
3. Only one dispensary permit per person with ownership interest is allowed in the City of Merced. Any person with community property rights of an ownership interest is considered a person with ownership interest in this section.
4. Restrooms shall remain locked during business hours and not open to the public.
5. The total number of dispensaries in operation shall be determined based on the number of locations which have been issued a Commercial Cannabis Business Permit for a dispensary by the City.
6. Display of cannabis products shall be limited to only an amount necessary to provide a visual sample for customers.
7. At all times, the cannabis dispensary is open, the dispensary shall provide at least one security guard who is registered with Bureau of Security and Investigative Services, and possesses a valid and current security guard registration card on their person while on-duty.
8. Security guards are permitted, but not mandated, to carry firearms.
9. All cannabis products available for sale shall be securely locked and stored.

10. The security guard and cannabis dispensary personnel shall monitor the site and the immediate vicinity of the site to ensure that patrons immediately leave the site and do not consume cannabis in the vicinity of the dispensary or on the property or in the parking lot.
11. Medical Cannabis Dispensaries shall maintain the full name, address and telephone number(s) of all patient members to whom the business provides medical cannabis, and a copy of a physician-issued recommendation card or State-issued card for all patient members.
12. Dispensaries shall also record on the video surveillance system point-of-sale areas and areas where cannabis goods are displayed for sale.
13. Any commercial cannabis retail or medical retail sales facility shall be open to the public a minimum of 40 hours per week, unless otherwise specified in the Commercial Cannabis Business Permit.
14. Hours of operation in Commercial Office (C-O) zones shall be limited to no earlier than 8 a.m. Pacific Time and no later than 7 p.m. Pacific Time. Hours of operation in all other zones shall be limited to no earlier than 8 a.m. Pacific Time and no later than 9 p.m. Pacific Time, unless zoning regulations specify more restrictive hours.
15. Exterior signage shall be limited to one wall sign not to exceed twenty (20) square feet in area. Interior signage or advertising may not be visible from the exterior. No temporary signs (banners, A-frames, etc.) or window signs are allowed.
16. On-site consumption of cannabis or cannabis products is specifically prohibited on the premises at all times. The following information shall be provided on a sign posted in a conspicuous location inside the cannabis dispensary: "Smoking, ingesting or consuming cannabis on this property or within 100 feet of the business is prohibited."
17. An adult use license shall not sell cannabis products to persons under 21 years of age or allow any person under 21 years of age on its premises, unless such licensee also holds a medicinal license and the licensee holds a CCBP for both adult use and medicinal cannabis. A medicinal licensee may sell cannabis products to and allow on the premises, any person 18 years of age or older who possesses a valid government issued identification card, and either a valid county-issued identification card under Section 11362.712 of the Health and Safety Code or a valid physician's recommendation for himself or herself or for a person for whom he or she is a primary caregiver.
18. Adequate signage shall clearly state that the City of Merced has not tested or inspected any cannabis product for pesticides, or other regulated contaminants, distributed at this location.
19. No recommendations from a doctor for medical cannabis shall be issued on-site.
20. Shipments of cannabis goods may only be accepted during regular business hours.
21. There shall be no on-site sales of alcohol or tobacco products, and no on-site consumption of food, alcohol or tobacco by patrons.

22. Inventory shall be secured and locked in a room, safe, or vault, and in a manner reasonably designed to prevent diversion, theft, and loss during non-business hours.
23. No cannabis product shall be visible from the exterior of the business.
24. All required labelling shall be maintained on all product, as required by State regulations, at all times.
25. The business shall post signs that spell out the "Prohibited Conduct Involving Marijuana and Marijuana Products" contained in Health and Safety Code Section 11362.3 in a conspicuous manner on the business premises for the education of patrons. The City shall develop a standard format and content for such signs.
26. The use of vending machines (i.e. a machine that dispenses articles when a coin, bill, or token is inserted) to dispense cannabis is strictly prohibited.
27. No drive-through facilities shall be allowed and no cannabis shall be sold through a drive-through facility.

**20.44.170(G): Additional Regulations for Commercial Cannabis Delivery Services**

1. Commercial cannabis deliveries may be made only from a commercial cannabis dispensary permitted by the City in compliance with this ordinance, and in compliance with all State regulations.
2. All employees who deliver cannabis shall have valid identification and a copy of the dispensary's Commercial Cannabis Business Permit at all times while making deliveries.
3. All commercial cannabis businesses shall provide proof of insurance in a minimum amount of \$1,000,000 for any and all vehicles being used to transport cannabis goods.
4. Deliveries may only take place during the hours of 8:00 a.m. and 7:00 p.m. daily.
5. A customer requesting delivery shall maintain a physical or electronic copy of the delivery request and shall make it available upon request by the licensing authority and law enforcement officers, only as required by State regulations.
6. The following applies to all deliveries of cannabis products:
  - a. May only be made to a physical address in California.
  - b. A licensed delivery employee shall not leave the State of California while possessing cannabis products.
7. A dispensary shall maintain a list of all deliveries, including the address delivered to, the amount and type of product delivered, and any other information and for the duration of time required by State regulations.

8. A cannabis business shall only deliver cannabis in aggregate amounts as ordered by the customer. A cannabis business shall ensure compliance with State delivery limits as they regard the amount of cannabis and cannabis products.
9. A manifest with all information required in this section shall accompany any delivery person at all times during the delivery process and delivery hours.
10. Any delivery method shall be made in compliance with State regulations and as it may be amended, including use of a vehicle that has a dedicated GPS device for identifying the location of the vehicle (cell phones and tablets are not sufficient).
11. The maximum limit of any cannabis goods carried by the delivery vehicle may not exceed \$3,000 at any time.
12. Each delivery request shall have a receipt prepared by the dispensary with the following information:
  - a. Name and address of the licensed dispensary
  - b. The name of the employee who delivered the order
  - c. The date and time the delivery request was made
  - d. The complete delivery address
  - e. A detailed description of the cannabis goods requested for delivery including the weight or volume, or any accurate measure of the amount of cannabis goods requested.
  - f. The total amount paid for the delivery including any fees or taxes.
  - g. At the time of the delivery, the date and time delivery was made, and the signature of the person who received the delivery.
13. The delivery business shall provide a flyer that spells out the "Prohibited Conduct Involving Marijuana and Marijuana Products" contained in Health and Safety Code Section 11362.3 to all delivery customers. The City shall develop a standard format and content for such flyers.

**20.44.170(H). Additional Requirements for Manufactured Cannabis Businesses**

1. A licensed cannabis manufacturing facility may conduct all activities permitted by the State. This includes, but is not limited to, volatile and non-volatile extractions, repackaging and relabeling, and infusions.
2. Any manufacturing activity that will be conducted by the licensee shall be included on the application. No additional manufacturing activity can be conducted without applying for and receiving written permission from the City of Merced for that additional activity.
3. At all times, the cannabis manufacturing facility will be compliant with all State regulations for cannabis manufacturing including Health and Safety Code 11362.775 and as it may be amended.
4. Inspections by the City Fire Chief or his designee may be conducting anytime during the business's regular business hours.



5. Cannabis manufacturing facilities shall not contain an exhibition or product sales area or allow for retail distribution of products at that location.
6. All cannabis manufacturing activities shall occur indoors within a fully enclosed and secured structure and also within a secure fence at least eight (8) feet in height that fully encloses the premises. The fence must include a lockable gate(s) that is locked at all times, except for during times of active ingress/egress. Said fence shall not violate any other ordinance, code section, or provision of law regarding the height, location, materials, or other fencing restrictions and shall not be constructed or covered with plastic or cloth. All screening shall conform to the requirements of applicable area, community, specific and design plans. Outdoor manufacturing of cannabis is expressly prohibited.

#### **20.44.170(I). Additional Requirements for Cannabis Cultivation Businesses**

1. The cannabis business shall register with the Department of Pesticide Regulation if using any pesticides.
2. From a public right-of-way, there shall be no exterior evidence of marijuana cultivation.
3. The Building Official may require additional specific standards to meet the California Building Code and Fire Code, including but not limited to installation of fire suppression sprinklers.
4. Compliance with Section 13149 of Water Code as enforced by the State Water Resources Control Board.
5. All outdoor lighting used for security purposes shall be shielded and downward facing.
6. The use of generators for cultivation is prohibited, except for temporary use in the event of a power outage or emergency.
7. Cannabis plants shall not be visible from offsite or the public right-of-way. All cannabis cultivation activities shall occur within a fully enclosed and secured structure and within a secure fence at least eight (8) feet in height that fully encloses the premises. The fence must include a lockable gate(s) that is locked at all times, except for during times of active ingress/egress. Said fence shall not violate any other ordinance, code Section, or provision of law regarding the height, location, materials, or other fencing restrictions and shall not be constructed or covered with plastic or cloth. All screening shall conform to the requirements of applicable area, community, specific and design plans. Outdoor cultivation of cannabis is expressly prohibited.

#### **20.44.170(J). Additional Requirements for Cannabis Testing Laboratory Businesses**

1. A licensed cannabis testing facility shall comply with all State regulations.
2. Any cannabis testing facility shall maintain all certifications required by the State.
3. A licensed cannabis testing facility business, it's owners and employees may not hold an interest in any other cannabis business except another testing business.

4. Inspections by the City Fire Chief or his designee may be conducting anytime during the business's regular business hours.

**20.44.170(K). Additional Requirements for Cannabis Distribution Businesses**

1. A licensed cannabis distribution facility shall comply with all State regulations.
2. Any cannabis distribution facility shall provide proof of a bond of at least five thousand dollars to cover the costs of destruction of cannabis or cannabis products if necessitated by a violation of licensing requirements.
3. Inspections by the City Police Chief or his designee may be conducting anytime during the business's regular business hours.
4. A distributor shall ensure that all cannabis goods batches are stored separately and distinctly from other cannabis goods batches on the distributor's premises.
5. A distributor shall ensure a label with the following information is physically attached to each container of each batch:
  - a. The manufacturer or cultivator's name and license number;
  - b. The date of entry into the distributor's storage area;
  - c. The unique identifiers and batch number associated with the batch;
  - d. A description of the cannabis goods with enough detail to easily identify the batch; and
  - e. The weight of or quantity of units in the batch.
6. A distributor shall store harvest batches and edible cannabis products that require refrigeration at 35 to 42 degrees Fahrenheit. In addition, a distributor shall store harvest batches in a darkened area with no more than 60% humidity.
7. A distributor shall store medical cannabis goods in a building designed to permit control of temperature and humidity and shall prevent the entry of environmental contaminants such as smoke and dust. The area in which medical cannabis goods are stored shall not be exposed to direct sunlight. A distributor may not store medical cannabis goods outdoors.
8. Employee breakrooms, eating areas, changing facilities, and bathrooms shall be completely separated from the storage areas.
9. All cannabis distribution activities shall occur within a fully enclosed and secured structure and within a secure fence at least eight (8) feet in height that fully encloses the distribution area. The fence must include a lockable gate(s) that is locked at all times, except for during times of active ingress/egress. Said fence shall not violate any other ordinance, code Section, or provision of law regarding the height, location, materials, or other fencing restrictions and shall not be constructed or covered with plastic or cloth. All screening shall conform to the requirements of applicable area, community, specific and design plans.
10. If located in a General Commercial (C-G) zone,
  - a. The cannabis distribution business shall be located on a parcel no less than 20,000 square feet in size,

- b. All loading and unloading activities shall take place within the secured fenced area required above.

#### **20.44.170(L). Commercial Cannabis Business Permit Selection Process**

##### **1. Selection Process for Dispensaries/Retail Sales (Limited Number of Permits Available)**

- a. The Commercial Cannabis Business Permit selection process will be conducted in two phases, Phase 1 and Phase 2. In Phase 1, each Applicant interested in operating a commercial cannabis business will pay an application fee in an amount established by the City Council by resolution. The application will be reviewed for completeness by the Director of Development Services or designee.
- b. A pre-application conference with the Director of Development Services is strongly encouraged. A pre-application conference can be scheduled by calling 209-385-6858 during regular City of Merced business hours.
- c. The City of Merced has established a merit based scoring system to objectively award permits as described in the application documents in Phase 2 to be used in the event that there are more applications than there are Commercial Cannabis Business Permits for a specific license type, such as for retail dispensaries.
- d. The initial application period shall be 21 calendar days from the date the applications are released. Should the 21st day fall on a day when City Hall is closed, the application period shall be extended to the next open day at 4:00 p.m. Following the application period, the Director of Development Services or designee shall stop accepting applications and review all applications received as described in Phase 1. 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". The qualified applicants will be entered into the Phase 2 review process. The Director of Development Services shall maintain the "Qualified Application List".
- e. 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 21 calendar days, after which the applicant will have 10 calendar days from receipt of notice to correct the deficiency. Should the 10th day fall on a day when City Hall is closed, the correction period shall be extended to the next open day at 4:00 p.m. If the deficiency is not corrected within 10 calendar days, the Director of Development Services may deny the permit and notify the applicant of this determination in writing within 10 calendar days following the Director of Development Services decision.
- f. All Cannabis applications received after the initial application period will be placed on the "Waitlist for Dispensaries/Retail Sales" in the order it is received. Applicants placed on the "Waitlist" shall be notified in writing of their "Waitlist" status.

- g. Cannabis applications placed on the “Waitlist for Dispensaries/Retail Sales” will be moved to the “Qualified Applicant List for Dispensaries/Retail Sales” only if the application passes the Phase 1 review and when a Commercial Cannabis Business Permit for Dispensaries/Retail Sales becomes available, whether by creation of a new license, or the forfeiture of an existing one. Applicants moved to the “Qualified Applicant List for Dispensaries/Retail Sales” from the Waitlist will be notified of the change in writing. If the Director of Development Services or designee determines the application is incomplete, the Director of Development Services shall notify the applicant of the deficiency within 21 calendar days, after which the applicant will have 10 calendar days from receipt of notice to correct the deficiency. Should the 10th day fall on a day when City Hall is closed, the correction period shall be extended to the next open day at 4:00 p.m. If the deficiency is not corrected within 10 calendar days, the Director of Development Services may deny the permit and notify the applicant of this determination in writing within 10 calendar days following the Director of Development Services decision. A new application, with new fees, would then be required for any subsequent consideration of that same or similar proposal at the same location.

**h. Commercial Cannabis Business Permit—Dispensaries/Retail Sales Selection - Phase 1 – Initial Review**

The Director of Development Services or designee(s) shall determine whether each application demonstrates compliance with the minimum requirements and be placed on the “Qualified Applicant List for Dispensaries/Retail Sales” and entered into the Phase 2 review process. These requirements include but are not limited to:

- i. All Application documents required in the City’s Phase 1 application package.
- ii. Application was submitted during the application period.
- iii. Application forms are filled out completely.
- iv. Business Owner(s) / Applicant(s) referenced on the application provides a Live Scan that was conducted within 14 days prior to submitting the application.
- v. Phase 1 application fee is paid.
- vi. A signed statement that the proposed location of the commercial cannabis business on the application meets the zoning criteria established in this ordinance including, but not limited to, any and all sensitive use separation criteria required by this ordinance.

**i. Commercial Cannabis Business Permit—Dispensaries/Retail Sales Selection - Phase 2 – Final Review and Scoring**

The Director of Development Services or his designee, after reviewing the applications approved in Phase 1 and the aforementioned information, will convene a Selection Panel composed of the City Manager, Chief of Police, and the Director of Development Services, or their designees, to make the final decision, based on the merit-based scoring system, of successful applicants to recommend to the Planning Commission for the Commercial Cannabis Business Permit—Dispensaries/Retail Sales. The Selection Panel will review all application documents required in the City’s Phase 1 application package plus an additional background check of all owners conducted to the satisfaction of the Chief of Police as well as complete description of the merit based system and all merit based considerations shall be included with the application forms. Phase 2 requirements include, but are not limited to:

- i. Phase 2 application fee is paid and a comprehensive background check of anyone holding an ownership interest is completed to the satisfaction of the Chief of Police.
- ii. The Building Official or designee has inspected all structures in which the use is located to determine that all applicable standards and requirements are met. If a building permit is required for site improvements, Permit issuance will be deferred until a certificate of occupancy or other building permit approval is issued. Additionally, the Building Official has determined that there are no notices of nuisance or other code compliance issues recorded or on the property.
- iii. The Zoning Administrator or designee has issued a Zoning Clearance documenting compliance with the following:
  - a. The use is permitted in the Zoning District and meets the distance requirements from sensitive uses; and,
  - b. All land use permits, if any, have been approved and all conditions of approval have been met or are in good standing; and,
  - c. No zoning violations exist on the property; and,
  - d. A planning and/or building permit with a receipt proving payment for processing from the City of Merced Planning Department for the property location the commercial cannabis business will occupy.
- j. The Planning Commission will review all Commercial Cannabis Business Permit—Dispensaries/Retail Sales applications and all other relevant information and determine if a CCBP should be granted. Prior to issuing a Commercial Cannabis Business Permit—Dispensaries/Retail Sales, the Planning Commission will provide all public notices and conduct a public hearing as described in the City of Merced Municipal Code Section 20.70.010 through Sections 20.70.040. No Commercial Cannabis Business Permit—Dispensaries/Retail Sales shall be issued otherwise.

**2. Selection Process for All Other Commercial Cannabis Business Permits (No Limits On the Number of Permits Available)**

- a. The Commercial Cannabis Business Permit—All Other Cannabis Businesses selection process will be conducted in two phases, Phase 1 and Phase 2. In Phase 1, each Applicant interested in operating a commercial cannabis business will pay an application fee in an amount established by the City Council by resolution. The application will be reviewed for completeness by the Director of Development Services or designee.
- b. A pre-application conference with the Director of Development Services is strongly encouraged. A pre-application conference can be scheduled by calling 209-385-6858 during regular City of Merced business hours.
- c. The initial application period shall be 21 calendar days from the date the applications are released. Should the 21st day fall on a day when City Hall is closed, the application period shall be extended to the next open day at 4:00 p.m. Following the application period, the Director of Development Services or designee shall stop accepting applications and review all applications received as described in Phase 1. 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—All Other Cannabis Businesses” and shall be notified in writing that they are a “Qualified Commercial Cannabis Business

Applicant—All Other Cannabis Businesses”. The qualified applicants will be entered into the Phase 2 review process. The Director of Development Services shall maintain the “Qualified Application List for All Other Cannabis Businesses”.

- d. 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 21 calendar days, after which the applicant will have 10 calendar days from receipt of notice to correct the deficiency. Should the 10th day fall on a day when City Hall is closed, the correction period shall be extended to the next open day at 4:00 p.m. If the deficiency is not corrected within 10 calendar days, the Director of Development Services may deny the permit and notify the applicant of this determination in writing within 10 calendar days following the Director of Development Services decision. A new application, with new fees, would then be required for any subsequent consideration of that same or similar proposal at the same location.
- e. All Cannabis applications received after the initial application period will be placed on the “Waitlist for All Other Cannabis Businesses” in the order it is received. Applicants placed on the “Waitlist” shall be notified in writing of their “Waitlist” status.
- f. Cannabis applications placed on the “Waitlist for All Other Cannabis Businesses” will be moved to the “Qualified Applicant List for All Other Cannabis Businesses” on a one for one basis only if the application passes the Phase 1 review and when the number of applicants on the “Qualified Applicant List” falls below five, and will be notified of the change in writing. At any time, the Director of Development Services may suspend the requirement for a “Waitlist for All Other Cannabis Businesses” if the number of applications does not merit the need for the “Waitlist.” If the Director of Development Services or designee determines the application is incomplete, the Director of Development Services shall notify the applicant of the deficiency within 21 calendar days, after which the applicant will have 10 calendar days from receipt of notice to correct the deficiency. Should the 10th day fall on a day when City Hall is closed, the correction period shall be extended to the next open day at 4:00 p.m. If the deficiency is not corrected within 10 calendar days, the Director of Development Services may deny the permit and notify the applicant of this determination in writing within 10 calendar days following the Director of Development Services decision.

**g. Commercial Cannabis Business Permit—All Other Cannabis Businesses Selection - Phase 1 – Initial Review**

The Director of Development Services or designee(s) shall determine whether each application demonstrates compliance with the minimum requirements and be placed on the “Qualified Applicant List for All Other Cannabis Businesses” and entered into the Phase 2 review process. These requirements include, but are not limited to:

- i. All Application documents required in the City’s Phase 1 application package.
- ii. Application was submitted during the application period.
- iii. Application forms are filled out completely.
- iv. Business Owner(s) / Applicant(s) referenced on the application provides a Live Scan that was conducted within 14 days prior to submitting the application.
- v. Phase 1 application fee is paid.

- vi. A signed statement that the proposed location of the commercial cannabis business on the application meets the zoning criteria established in this ordinance including, but not limited to, any and all sensitive use separation criteria required by this ordinance.

#### **h. Commercial Cannabis Business Permit—All Other Cannabis Businesses Selection - Phase 2 – Final Review**

The Director of Development Services or his designee, after reviewing the applications approved in Phase 1 and reviewing the information below will make a recommendation to the Planning Commission to approve or reject the application for the Commercial Cannabis Business Permit for All Other Cannabis Businesses.

- i. Phase 2 application fee is paid and a comprehensive background check of anyone holding an ownership interest is completed to the satisfaction of the Chief of Police.
- ii. The Building Official or designee has inspected all structures in which the use is located to determine that all applicable standards and requirements are met. If a building permit is required for site improvements, Permit issuance will be deferred until a certificate of occupancy or other building permit approval is issued. Additionally, the Building Official has determined that there are no notices of nuisance or other code compliance issues recorded or on the property.
- iii. The Zoning Administrator or designee has issued a Zoning Clearance documenting compliance with the following:
  - a. The use is permitted in the Zoning District and meets the distance requirements from sensitive uses; and,
  - b. All land use permits, if any, have been approved and all conditions of approval have been met or are in good standing; and,
  - c. No zoning violations exist on the property; and,
  - d. A planning and/or building permit with a receipt proving payment for processing from the City of Merced Planning Department for the property location the commercial cannabis business will occupy.
- i. The Planning Commission will review all Commercial Cannabis Business applications for All Other Cannabis Businesses and all other relevant information and determine if a CCBP should be granted. Prior to issuing a Commercial Cannabis Business Permit for All Other Cannabis Businesses, the Planning Commission will provide all public notices and conduct a public hearing as described in the City of Merced Municipal Code Section 20.70.010 through Sections 20.70.040. No Commercial Cannabis Business Permit shall be issued otherwise.

### **3. Appeal of Denial of Commercial Cannabis Business Permit (All Types)**

The Planning Commission will review all Commercial Cannabis Business applications and all other relevant information, and determine if a CCBP should be granted. If the Planning Commission determines that the permit shall not be granted, the reasons for denial shall be provided in writing to the applicant. Any decision of the Planning Commission may be appealed to the City Council.

- a. A written appeal shall be filed within five (5) business days (excluding official city holidays) following a Planning Commission decision.
- b. When an appeal has been filed, the matter shall be scheduled for a public hearing before the City Council within thirty (30) calendar days of receiving the appeal.



- c. Notice of the hearing of the appeal shall be provided to the applicant at least ten (10) calendar days prior to the public hearing.
- d. Any interested person may appear and be heard regarding the appeal.
- e. A matter being heard on appeal may be continued for good cause.
- f. The City Council's review of the appeal shall be limited to review of the Planning Commission decision and shall not be a de novo review. At the conclusion of the hearing, the City Council may affirm, reverse or modify the decision appealed. The decision of the City Council shall be the City's final decision in this regard and shall be dispositive of the matter subject to judicial review under the provisions of California Code of Civil Procedure Sections 1094.5 and 1094.6.

#### **4. Commercial Cannabis Business Permit Annual Renewal (All Types)**

- a. Applications for the renewal of a permit shall be filed with the Director of Development Services at least sixty (60) calendar days before the expiration of the current permit. Any permittee allowing their permit to lapse or which permit expired during a suspension shall be required to submit a new application, pay the corresponding original application fees and be subject to all aspects of the selection process.
- b. Any person desiring to obtain a renewal of their respective permit shall file a written application under penalty of perjury on the required form with the Director of Development Services who will conduct a review. The application shall be accompanied by a nonrefundable filing fee established by the City Council to defray the cost of the review required by this Section. An applicant shall be required to update the information contained in their original permit application and provide any new and/or additional information as may be reasonably required by the Director of Development Services in order to determine whether said permit should be renewed. The Development Services Director, in consultation with the Selection Panel if they were involved in the original review, will review all Commercial Cannabis Business renewal applications and all other relevant information, and determine if a renewal CCBP should be granted.
- c. A Commercial Cannabis Business Permit holder may file a request to transfer ownership of the business. The request shall be made to the Director of Development Services. The request must be in writing and must be at least 60 days prior to the transfer. The Director of Development Services shall review the request and may require additional background material on the proposed new owner. The Director of Development Services shall notify the permit holder in writing along with the reason for approval or denial of the transfer. The original term of the Commercial Cannabis Business Permit shall stay in effect including the renewal date.
- d. The Director of Development Services or designee may deny the annual renewal of a Commercial Cannabis Business Permit if the permittee or the permittee's agent or employee has committed any one of the following acts:
  - i. Any act which would be considered a ground for denial of the permit in the first instance.
  - ii. Violates any other provision of this section or any City of Merced or State law, statute, rule or regulation relating to the business's permitted activity.
  - iii. Engages in or permits misconduct substantially related to the qualifications, functions or duties of the permittee.
  - iv. Conducts the permitted business in a manner contrary to the health, safety, or welfare of the public.

- v. Fails to take reasonable measures to control patron conduct, where applicable, resulting in disturbances, vandalism, or crowd control problems occurring inside of or outside the premises, traffic control problems, or creation of a public or private nuisance, or obstruction of the operation of another business.
- vi. Violates or fails to comply with the terms and conditions of the permit.
- vii. Fails to pay all applicable City, State, or Federal taxes and fees.

## **5. Appeal of Denial of Commercial Cannabis Business Permit Renewal (All Types)**

- a. The Development Services Director, in consultation with the Selection Panel if they were involved in the original review, will review all Commercial Cannabis Business renewal applications and all other relevant information, and determine if a renewal CCBP should be granted. If the Development Services Director determines that the permit shall not be granted, the reasons for denial shall be provided in writing to the applicant. The applicant shall have fourteen (14) calendar days from the date of the receipt of the written denial to correct the reasons for denial and request in writing reconsideration of permit issuance. Following review of the amended permit application, the Development Services Director will approve or deny the permit by providing written notice to the applicant.
- b. Any decision of the Development Services Director may be appealed to the Planning Commission. An appeal shall be filed within five (5) business days (excluding official city holidays) following a decision by the Director of Development Services.
  - i. When an appeal has been filed, the matter shall be scheduled for a public hearing before the Planning Commission within thirty (30) calendar days of receiving the appeal.
  - ii. Notice of the hearing shall be provided to the applicant at least ten (10) calendar days prior to the public hearing.
  - iii. Any interested person may appear and be heard regarding the appeal.
  - iv. The Planning Commission's review of the appeal shall be limited to review of the Development Services Director decision and shall not be a de novo review.
  - v. A matter being heard on appeal may be continued for good cause.
  - vi. The decision of the Planning Commission may be appealed to the City Council.
    - a. A written appeal shall be filed within five (5) business days (excluding official city holidays) following a Planning Commission decision.
    - b. When an appeal has been filed, the matter shall be scheduled for a public hearing before the City Council within thirty (30) calendar days of receiving the appeal.
    - c. Notice of the hearing of the appeal shall be provided to the applicant at least ten (10) calendar days prior to the public hearing.
    - d. Any interested person may appear and be heard regarding the appeal.
    - e. A matter being heard on appeal may be continued for good cause.
    - f. The City Council's review of the appeal shall be limited to review of the Planning Commission decision and shall not be a de novo review. At the conclusion of the hearing, the City Council may affirm, reverse or modify the decision appealed. The decision of the City Council shall be the City's final decision in this regard and shall be dispositive of the matter subject to judicial review under the provisions of California Code of Civil Procedure Sections 1094.5 and 1094.6.

## **6. Revocation of Commercial Cannabis Business Permit (All Types)**

- a. The Director of Development Services or designee may suspend or revoke a Commercial Cannabis Business Permit when the permittee or the permittee's agent or employee has committed any one or more of the following acts:
  - i. Any act which would be considered a ground for denial of the permit in the first instance.
  - ii. Violates any other provision of this section or any City of Merced or State law, statute, rule or regulation relating to the business's permitted activity.
  - iii. Engages in or permits misconduct substantially related to the qualifications, functions or duties of the permittee.
  - iv. Conducts the permitted business in a manner contrary to the health, safety, or welfare of the public.
  - v. Fails to take reasonable measures to control patron conduct, where applicable, resulting in disturbances, vandalism, or crowd control problems occurring inside of or outside the premises, traffic control problems, or creation of a public or private nuisance, or obstruction of the operation of another business.
  - vi. Violates or fails to comply with the terms and conditions of the permit.
  - vii. Fails to pay all applicable City, State, or Federal taxes and fees.
- b. Prior to suspension or revocation of the applicable permit, the Director of Development Services shall conduct a hearing. Written notice of the time and place of such hearing shall be served upon the permittee at least ten (10) calendar days prior to the date set for such hearing. The notice shall contain a brief statement of the grounds to be relied upon for revoking or suspending the permit. Notice may be given either by personal delivery or by certified U.S. mail, postage prepaid.
- c. Any decision of the Development Services Director may be appealed to the Planning Commission. An appeal shall be filed within five (5) business days (excluding official city holidays) following a decision by the Director of Development Services.
  - i. When an appeal has been filed, the matter shall be scheduled for a public hearing before the Planning Commission within (thirty) 30 days of receiving the appeal.
  - ii. Notice of the hearing shall be provided to the applicant at least (ten) 10 calendar days prior to the public hearing.
  - iii. Any interested person may appear and be heard regarding the appeal.
  - iv. The Planning Commission's review of the appeal shall be limited to review of the Development Services Director decision and shall not be a de novo review.
  - v. A matter being heard on appeal may be continued for good cause.
  - vii. The decision of the Planning Commission may be appealed to the City Council.
    - a. A written appeal shall be filed within five (5) business days (excluding official city holidays) following a Planning Commission decision.
    - b. When an appeal has been filed, the matter shall be scheduled for a public hearing before the City Council within thirty (30) calendar days of receiving the appeal.
    - c. Notice of the hearing of the appeal shall be provided to the applicant at least ten (10) calendar days prior to the public hearing.
    - d. Any interested person may appear and be heard regarding the appeal.
    - e. A matter being heard on appeal may be continued for good cause.
    - f. The City Council's review of the appeal shall be limited to review of the Planning Commission decision and shall not be a de novo review. At the

conclusion of the hearing, the City Council may affirm, reverse or modify the decision appealed. The decision of the City Council shall be the City's final decision in this regard and shall be dispositive of the matter subject to judicial review under the provisions of California Code of Civil Procedure Sections 1094.5 and 1094.6.

**20.44.170(M): Limitations on the City's Liability**

To the fullest extent permitted by law, the City shall not assume any liability whatsoever, with respect to approving any Commercial Cannabis Business Permit pursuant to this ordinance or the operation of any cannabis facility approved pursuant to this chapter. As a condition of approval of a Commercial Cannabis Business Permit as provided in this chapter, the applicant or its legal representative shall:

1. Execute an agreement indemnifying the City from any claims, damages, injuries or liabilities of any kind associated with the registration or operation of the commercial cannabis facility or the prosecution of the applicant or permittee or its members for violation of federal or State laws;
2. Maintain insurance in the amounts and types that are acceptable to the City Attorney or designee;
3. Name the city as an additionally insured on all City required insurance policies;
4. Agree to defend, at its sole expense, any action against the City, its agents, officers, and employees related to the approval of a Commercial Cannabis Business permit; and
5. Agree to reimburse the City for any court costs and attorney fees that the City may be required to pay as a result of any legal challenge related to the City's approval of a Commercial Cannabis Business Permit. The City may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve the operator of its obligation hereunder.

**20.44.170(N): Enforcement**

1. A violation of the regulations in this ordinance by an act, omission, or failure of an agent, owner, officer or other person acting in concert with or employed by a permittee within the scope of their employment or office, shall be deemed the act, omission, or failure of the permittee.
2. A permitted Commercial Cannabis Business shall notify the Police Chief or designee of the City of Merced upon discovery of any of the following situations:
  - a. A discrepancy of more than \$1,000 in inventory over a period of 24 hours or \$3,000 over period of 7 days.
  - b. A reason to suspect diversion, loss, theft or any other criminal activity pertaining to the operation of the commercial cannabis business.
  - c. The loss or alteration of records related to cannabis goods, registered medical cannabis patients, caregivers or dispensary employees or agents.
  - d. Any other reason to suspect any other breach of security.

3. Each and every violation of this Section shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the Municipal Code. Additionally, as a nuisance per se, any violation of this article shall be subject to injunctive relief, revocation of the business's Commercial Cannabis Business Permit, disgorgement and payment to the City of any and all monies unlawfully obtained, costs of abatement, costs of investigation, attorney fees, and any other relief or remedy available at law or equity. The City may also pursue any and all remedies and actions available and applicable under local and state laws for any violations committed by the cannabis business and/or any owner, agent, officer, or any other person acting in concert with or employed by the cannabis business.
4. City Officials or their designees may enter and inspect the location of any commercial cannabis business during normal business hours to ensure compliance with this Section. In addition, law enforcement may enter and inspect the location of any cannabis business and the recordings and records maintained as required by this Section, except that the inspection and copying of private medical records shall be made available to law enforcement only pursuant to a properly executed search warrant, subpoena, or court order. A person engaging in commercial cannabis business without a permit and associated unique identifiers required by this chapter shall be subject to civil penalties of up to twice the amount of the permit fee for each violation, and the department, state or local authority, or court may order the destruction of cannabis associated with that violation. A violator shall be responsible for the cost of the destruction of cannabis associated with the violation, in addition to any amount covered by a bond required as a condition of licensure. Each day of operation shall constitute a separate violation of this section.

#### **20.44.170(O): Fees and Taxes**

All Cannabis Operations shall pay applicable fees and taxes, which may include one or more of the following:

1. Initial Application Fees. The Business Applicant shall submit a non-refundable fee to cover the cost of processing an initial application for the commercial cannabis business. These fees may be divided into two fees according to Initial Review (Phase 1) and Final Review (Phase 2).
2. Application Renewal Fees. The Business Owner shall submit a non-refundable fee to cover the cost of processing an application renewal annually.
3. Business License Fee. The Business Owner shall at all times maintain a current and valid business license and pay all business taxes required by the Merced Municipal Code.
4. Commercial Cannabis Regulatory Fee. The Business Owner shall pay an annual regulatory fee ("Regulatory Fee") to cover the costs of anticipated enforcement relating to the Cannabis Operation. The amount of the fee shall be set by Resolution of the City Council and be supported by the estimated additional costs of enforcement and monitoring associated with the Cannabis Operation. The Regulatory Fee shall be due and payable prior to opening for business and thereafter on or before the anniversary date. The Regulatory Fee may be amended from time to time based upon actual costs.
5. All required taxes including sales and use taxes, business, payroll etc.
6. Additional cannabis-specific gross receipts, excise, cultivation or any other tax approved by the voters of the City of Merced.

## **SECTION 6 : SEVERABILITY**

If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

## **SECTION 7. PUBLICATION.**

The City Clerk is directed to cause a summary of this Ordinance to be published in the official newspaper at least once within fifteen (15) days after its adoption showing the vote thereon.

The foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Merced on the 20th day of November, 2017, and was passed and adopted at a regular meeting of said City Council held on the 4th day of December, 2017, by the following called vote:

**AYES: 5      Council Members:** BLAKE, MARTINEZ, MCLEOD, PEDROZO,  
SERRATTO

**NOES: 2      Council Members:** BELLUOMINI, MURPHY

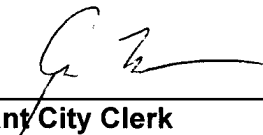
**ABSTAIN: 0      Council Members:** NONE

**ABSENT: 0      Council Members:** NONE

**APPROVED:**


  
**MAYOR**

**ATTEST:**  
**STEVE CARRIGAN, CITY CLERK**

**BY:**   
**Assistant City Clerk**

**(SEAL)**

**APPROVED AS TO FORM**

  
**City Attorney**      11/28/2017  
**Date**



## **Cannabis Related Occupancies – Commercial Building Permit Application Submittal Requirements**

The following regulations pertain to City of Merced Building Division and Fire Department requirements for the permit application, plan review, approval and inspection of cannabis-related occupancies. The requirements listed below are intended to assist the applicant with some of the requirements applicable to a Building Division permit submittal, and are not to be considered an all-inclusive listing of Building or Fire Department requirements for plan approval or permit issuance. Only items pertinent to each specific submittal are to be included. Every listed item will not necessarily be applicable to all projects.

### **General Requirements**

1. A building permit is required to verify occupancy for a cannabis facility, even if no improvements to the property are proposed. The building permit application must meet the City's general building permit submittal requirements.
2. Construction plans and building permits are required per the California Building Code Section 105 when the owner or occupant intends to construct, enlarge, alter, remove, repair, demolish, or change the occupancy of a building or structure, or to erect, install, enlarge, alter, repair, remove, convert or replace an electrical, gas, mechanical or plumbing system, the installation of which is regulated by the Building and/or Fire Code, or to cause this work to be done.
3. The plans must be prepared by a licensed professional registered with the State of California and must address specific requirements for the use as outlined in the codes and standards adopted by the City of Merced and the State of California.
4. An application for a building permit will not be accepted for a cannabis related business without approval for concurrent review or approval of a Commercial Cannabis Business Permit (CCBP). The CCBP process must be completed and approved prior to the issuance of the building permit.
5. All building permit design and supporting documentation is required to be prepared, stamped and signed by qualified design professionals licensed and registered by the State of California.
6. All construction and related work must be performed by contractors licensed by the State of California as general and/or specialty contractors for the specific discipline of work to be performed.
7. All design and construction shall be consistent with the provisions of the Merced Municipal Code and the current edition of the California Code of Regulations Title 24 as adopted by the California Building Standards Commission, and as amended by the City of Merced Municipal Code.
8. A City of Merced Building Permit Application form must be completed in its entirety and included with each submittal. <https://www.cityofmerced.org/depts/cd/building/applications/default.asp>
9. Codes and Standards regulating cannabis facilities currently adopted by the City of Merced include, but are not limited to:
  - A. *California Building Code (CBC)*
  - B. *California Electrical Code (CEC)*
  - C. *California Mechanical Code (CMC)*
  - D. *California Plumbing Code (CPC)*
  - E. *California Energy Code(CEC)*



- F. *California Fire Code (CFC)*
- G. *California Existing Building Code (CEBC)*
- H. *California Green Building Standards Code (CalGreen)*
- I. *California Health and Safety Code (HS&C)*
- J. *California Existing Building Code (CEBC)*
- K. *National Fire Protection Association Standards (NFPA)*
- L. *Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA)*
- M. *City of Merced Municipal Code (CMMC)*

10. A location specific building permit application package is required for each individual building and building address. For a detail of commercial submittal package content review Commercial Plan Submittal Checklist [https://www.cityofmerced.org/depts/cd/building/download\\_information.asp](https://www.cityofmerced.org/depts/cd/building/download_information.asp) . Additional documentation may be required for structural modifications and/or additions to existing buildings or structures. All submittals are electronic. Electronic plan review instructions can be found on the city website [https://www.cityofmerced.org/depts/cd/building/electronic\\_plan\\_review/default.asp](https://www.cityofmerced.org/depts/cd/building/electronic_plan_review/default.asp) .
11. The plan review fees will be calculated after the city is in receipt of a full complete submittal. Applicant will be contacted with the amount due. Fees must be paid in full before the plans will be accepted for plan review.
12. Construction or work for which the permit is required shall be subject to inspection by the Building Official and such construction or work shall remain accessible and exposed for inspection purposes until approved. No construction shall commence prior to the issuance of a building permit.
13. No building or structure shall be used or occupied, and no change in the existing occupancy classification or the use in the same occupancy classification, of the building or structure or portion thereof shall be made, until the Building Official has issued a certificate of occupancy. Issuance of a certificate of occupancy shall not be construed as an approval of a violation of the provisions of applicable codes and standards or the other regulations of the City of Merced.
14. The owner/occupant is required to keep all City approved plans, specifications and related documents on the premises, in an easily accessible location for City inspection staff for the required inspections.
15. A copy of the approved plans shall be maintained on site for any future operational, or other related inspections after a Certificate of Occupancy is given.

### **Building Code Requirements**

*(Applicable to all occupancies and MAUCRSA permit types)*

1. The Occupancy and Construction Type of the proposed facility shall comply with the applicable provisions of CBC Chapters 3 and 6.
2. Means of egress shall comply with CBC Chapter 10.
3. The design for the occupant load is based on CBC Chapter 10, § 1004. Growing, storage and shipping areas are 300 sq. ft. per person; cannabis infused products, testing and business areas are 100 sq. ft. per person.
4. Interior finishes shall comply with CBC Chapter 8.
5. Access for persons with disabilities shall comply with the applicable provisions of CBC Chapter 11B.

## **Fire Code Requirements**

*(Applicable to all occupancies and MAUCRSA permit types)*

All applicants will need to provide a detailed scope of work related to all business activities and products utilized in their business model or process. List license type proposed, storage configurations and hazardous materials to be utilized. Prior to finalization of building permit, operational permits will need to be secured with the Fire Department.

1. The smoking or carrying of a lighted pipe, cigar, cigarette or any other type of smoking paraphernalia or material is prohibited in the areas indicated in CFC § 310.
2. Storage of combustible materials in buildings shall be orderly. Storage shall be separated from heaters or heating devices by distance or shielding so that ignition cannot occur per CFC § 315.
3. Any security device or system that emits any medium that could obscure a means of egress in any building, structure or premise shall be prohibited per CFC § 316.5.
4. Reporting of emergencies, coordination with emergency response forces, emergency plans and procedures for managing or responding to emergencies shall comply with the provisions of CFC § 401.
5. Emergency evacuation drills complying with provisions of this section shall be conducted at least annually for Group F occupancies listed in section 404 or when required by the fire code official. Drills shall be designed in cooperation with the California Fire Code and local authorities per CFC § 405.
6. The provisions of CFC § 407 shall be applicable where hazardous materials subject to permits under CFC §5001.5 are used and/or stored on the premises or where required by the fire code official.
7. Where access to or within a structure or an area is restricted because of secured openings or where immediate access is necessary for life-saving or fire-fighting purposes, the Fire Code Official is authorized to require a key box to be installed in an approved location. The key box shall be of an approved type and shall contain keys to gain necessary access as required by the fire code official per CFC §506.1
8. Approved automatic sprinkler systems in new buildings and structures shall be provided in the locations described in CFC § 903 and as amended by the Merced Municipal Code. A change in the occupancy of the space or an expansion of square footage could require the installation of a fire suppression system for the building.
9. Automatic fire-extinguishing systems, other than automatic sprinkler systems, shall be designed, installed, inspected, tested and maintained in accordance with the provisions of CFC § 903 and the applicable referenced standards.
10. Portable fire extinguishers shall be installed in F, B and U occupancy groups per CFC § 906. The size and distribution of portable fire extinguishers shall be in accordance with CFC § 906 and *California Code of Regulations, Title 19*.
11. Duct smoke detectors complying with UL 268A shall be installed in accordance with the CBC, CFC, CMC and NFPA 72 in the main supply air duct of each air-conditioning system having a capacity greater than 2,000 CFM.
12. An approved fire alarm system installed in accordance with the provisions of the CFC and NFPA 72 shall be provided in new buildings and structures in accordance with CFC § 907.2 and provide occupant notification in accordance with CFC § 907.6, unless other requirements are provided by another section of this code.
13. High-piled storage or rack storage in any occupancy group shall comply with CFC Chapter 32.
14. Storage, use and handling of compressed gases in compressed containers, cylinders, tanks, and systems shall comply with CFC Chapter 53 including those gases regulated elsewhere in the CFC. Partially full compressed gas container, cylinders or tanks containing residual gases shall be considered as full for purposes of the controls required.

15. Compressed gases classified as hazardous materials shall also comply with CFC Chapter 50 for general requirements and the applicable sections of Chapters 58 (Flammable Gases), 60 (Highly Toxic and Toxic Materials), 63 (Oxidizer, Oxidizing Gases and Oxidizing Cryogenic Fluids) and 64 (Pyrophoric Materials).
16. The storage, use and handling of all hazardous materials shall be in accordance with CFC Chapter 50 (Hazardous Materials) and the applicable sections of Chapter 54 (Corrosive Materials), Chapter 55 (Cryogenic Fluids), Chapter 57 (Flammable and Combustible Liquids) and Chapter 58 (Flammable Gases and Flammable Cryogenic Fluids). The maximum allowable quantity of hazardous materials per control area will be established using CFC § 5003.1. Applicant will need to contact the Fire Department for hazardous materials storage, use and handling requirements.
17. Hazardous Materials Inventory Statement (HMIS) per CFC § 5001.5.2. An application for building permit shall include an HMIS. The HMIS shall include the following information:
  - A. Product name.
  - B. Component.
  - C. Chemical Abstract Service (CAS) number.
  - D. Location where stored or used.
  - E. Container size.
  - F. Hazard classification.
  - G. Amount in storage.
  - H. Amount in use-closed systems.
  - I. Amount in use-open systems.

The business will also need to comply with electronic reporting requirements specific to the California Environmental Reporting System. Applicants will need to contact the Fire Department for direction and permitting related to hazardous materials inventory reporting amounts.

18. Fumigation and insecticidal fogging operations within buildings, structures and spaces shall comply with CFC Chapter 26.

### **Electrical Code Requirements**

*(applicable to all occupancies and MAUCRSA permit types)*

1. All electrical system design and permitting is required to be performed by licensed engineers or architects registered in the State of California or qualified and experienced licensed electrical contractors if they are performing the actual installations (design-build).
2. All electrical system(s) installation is required to be completed by licensed electrical contractors.
3. The electrical system must be sized and installed in accordance with the California Electrical Code.
4. A single line diagram of the existing and proposed electrical system, including the main electrical service shall be provided in the submittal along with panel schedules and load calculations. CEC Article 215.5.
5. Electrical services which are 400 amps or greater must be designed by licensed electrical engineers registered in the State of California or qualified and experienced licensed electrical contractors if they are performing the actual installations (design-build).
6. All electrical equipment must be listed and labeled by an approved testing agency, CEC Article 110.3.

### **Mechanical Code Requirements**

*(applicable to all occupancies and MAUCRSA permit types)*

1. The provisions of the CMC shall apply to the erection, installation, alteration, repair, relocation, replacement, addition to or the maintenance of mechanical systems.  
A ventilation system shall be required to filter contaminants to the exterior of the building and any adjoining property. The mechanical ventilation of exhaust system shall be installed to control, capture and remove emissions or other odors generated from product use or handling where required in accordance with the Building or Fire Code. The design of the system shall be such that the emissions or other odors are confined to the area in which they are generated by air currents, hoods, or enclosures and shall be exhausted by a duct system to a safe location or treated by removing contaminants.
2. Provide an exhaust system designed and constructed to capture sources of contaminants to prevent spreading of contaminants to other parts of the occupied spaces of the building (CMC Chapter 5).
3. Building elements separating the cannabis agricultural area from other occupied portions of the building must be air sealed to prevent odor migration into adjacent spaces.
4. The inlet for the ventilation system must be located in the area(s) of the highest contaminant concentration per CMC § 505.6.
5. Ventilation required. Every occupied space shall be ventilated by natural means in accordance with CMC § 402.2 or by mechanical means in accordance with CMC § 402.3.
6. Label information. A permanent factory-applied nameplate shall be affixed to appliances on which shall appear in legible lettering, the manufacturer's name or trademark, the model number, serial number and the seal or mark of the approved agency. A label shall also include all applicable information per CMC § 307.

### **Plumbing Code Requirements**

*(applicable to all occupancies and MAUCRSA permit types)*

1. New plumbing installations and alteration must meet requirements of the California Plumbing Code (CPC).
2. The number of required fixtures shall be calculated using CPC § 422.1, Table 422.1 and Table A.
3. The provisions of the CPC shall apply to the erection, installation, alteration, repairs, relocation, replacement, addition to or the maintenance of plumbing systems, nonflammable medical gas, carbon dioxide extraction systems, inhalation, anesthetic, vacuum piping, nonmedical oxygen systems, sanitary and condensate systems, vacuum collection systems, fuel gas distribution piping and equipment, gas water heaters and water heater venting.
4. Plan documents must identify the locations of plumbing fixtures and fixture types.
5. Plans shall identify the locations of water heater(s), water supply and distribution, indirect and special waste, sanitary discharge, vents, traps, backflow preventers and interceptors and separators.
6. Plumbing fixtures and fixture fittings must be designed for individuals with disabilities and with the appropriate standards.
7. Installed appliances regulated by this code shall be listed and labeled for the application in which they are installed and used, unless otherwise approved in accordance with the CPC.

### **Energy Code Regulations**

*(applicable to all occupancies and MAUCRSA permit types)*

New, modified and altered building envelope, lighting and mechanical systems must be designed to comply with California Energy Code Nonresidential requirements. The City of Merced is located in Climate Zone 12. For purposes of energy design, the designer is responsible for specifying the building features that determine compliance with Building Energy Efficiency Standards and other applicable building codes. Alterations must comply with mandatory measures for the altered components.

1. The energy documents will be required for lighting, cooling, heating, water heating and building envelope modifications.
2. Building envelope, lighting and mechanical systems shall comply with the applicable requirements of the California Energy Code.

### **CalGreen Code Requirements**

*(applicable to all occupancies and MAUCRSA permit types)*

California Green Building Standards Code provides provisions to outline planning design and development methods for environmentally responsible site and building design to protect, restore and enhance the environmental quality of the site, building and respect the integrity of adjacent properties. Alterations and additions to existing buildings must include a Green Building Check List for non-residential construction if the valuation is \$200,000 or greater or if the addition is 1,000 square feet or larger.

### **MAUCRSA Permit Specific Requirements**

The requirements in this section are related to specific permit types as outlined in the *California State Medicinal and Adult Use Cannabis Regulation and Safety Act* (MAUCRSA)

### **Cultivation Facilities**

*(MAUCRSA permit types 1-4)*

1. Mixed use grow facilities are to meet CBC, Chapter 3 requirements based upon Use and Occupancy Classification for a Factory Industrial, F-1, Moderate-hazard Occupancy. CBC § 306.2.
2. Grow facilities such as greenhouses for the exclusive use of plant production may be classified as a U occupancy and shall be consistent with the requirements of CBC Appendix C.
3. Grow lights must be installed per the manufacturer's instructions and wired per CEC article 410.
4. NM cable (Romex) is not allowed for use in damp locations (grow rooms) (CEC § 334.10). Approved wiring methods utilized in grow facilities shall be in accordance with wet use "Wiring Methods and Materials", (CEC Chapter 3).
5. Cultivation facility exhaust outlets must be located 10' from the property lines, operable openings into the building and from mechanical air intakes (CMC § 506.9).

## **Manufacturer Facility**

*(MAUCRSA permit type 6-7)*

1. Type 6 Manufacturing facilities are to meet CBC, Chapter 3 requirements based upon Use and Occupancy Classification for a Factory Industrial, F-1, Moderate-hazard Occupancy. CBC § 306.2.
2. Portions of the cannabis Infused Product facilities may be considered a Hazardous Location based on the method used for the THC extraction and the amount of hazardous material stored. Full disclosure of the extraction process will be required at the time of building permit submittal.
3. Cannabis manufacturing facilities shall submit as a part of their permit application a comprehensive description of the program and process proposed for the operation and production at the facility. The documentation shall, as applies, include all of the following:
  - A. A plan that specifies all means to be used for extracting, heating, washing, or otherwise changing the form of the cannabis plant or for testing any cannabis or cannabis product and safety measures for each such process.
  - B. A description of all toxic, flammable, or other materials regulated by a federal, state, or local government that will be used, kept, or created at the facility, the quantities and location of such materials, and the manner in which such materials will be stored.
  - C. A description of the processes used to extract or distill cannabis derivatives from their source and the processes used to incorporate cannabis derivatives into all retail cannabis products produced.
4. Concentrations of grease, smoke, heat, steam or products of combustion created when cannabis is manufactured into products including, but not limited to, foods, beverages, salves, inhalants and tinctures are to be contained as detailed in the CMC §§ 506 and 507 (Type I and Type II hoods).
5. Facilities used for processing cannabis into foods, beverages, salves, inhalants, tinctures or other forms for human consumption or use are subject to review and approval by the [California Department of Public Health, Manufactured Cannabis Safety Branch](#). A separate license application is required through their office.
6. Sanitation requirements for facilities used for processing cannabis into foods, beverages, salves, inhalants and tinctures shall meet the California Department of Public Health guidelines that are to be detailed on the drawings.
7. Infused product extraction and hazard containment equipment must be listed, labeled and installed per NEC 110.3.
8. Storage, use and handling of compressed gases in compressed gas containers, cylinders, tanks and systems shall comply with CFC, NFPA Standards, H&SC and CCR, including those gases regulated elsewhere in this code. Partially full compressed gas containers, cylinders or tanks containing residual gases shall be considered as full for the purposes of the controls required.

*Compressed gases classified as hazardous materials shall also comply with CFC Chapters 50 and 53 for general requirements and chapters addressing specific hazards, including Chapters 58 (Flammable Gases), 60 (Highly Toxic and Toxic Materials), 63 (Oxidizers, Oxidizing Gases and Oxidizing Cryogenic Fluids) and 41 (Pyrophoric Materials).*

**Testing/Laboratory**

*(MAUCRSA permit type 8)*

1. Type 8 Testing/Laboratory facilities are to meet CBC, Chapter 3 requirements based upon Use and Occupancy Classification for a Business Group, B, Occupancy. CBC § 304.1.
2. Required hoods shall meet the requirements of CMC §§ 506, 507 and 508.
3. Hazardous materials storage, use, handling and wastes shall be permitted and reported through the Fire Department prior to operation.

**Dispensaries**

*(MAUCRSA permit type 10)*

Type 10 Dispensary facilities are to meet CBC, Chapter 3 requirements based upon Use and Occupancy Classification for a Mercantile Group, M, Occupancy. CBC § 309.1



## NOTICE OF EXEMPTION

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**To:** \_\_\_\_\_ Office of Planning and Research  
P.O. Box 3044  
Sacramento, CA 95812-3044

**From: (Public Agency)**  
City of Merced  
678 West 18th St.  
Merced, CA 95340

  X   County Clerk  
County of Merced  
2222 M Street  
Merced, CA 95340

**Project Title:** Commercial Cannabis Business Permit Application #18-17R (Environmental Review #18-30)

**Project Applicant:** Merced Business Ventures, Inc. DBA Manzanita

**Project Location (Specific):** 1594 W. 18<sup>th</sup> Street (APN: 031-351-031)

**Project Location - City:** Merced

**Project Location - County:** Merced

**Description of Nature, Purpose, and Beneficiaries of Project:** The project involves the application for a license to operate a dispensary for both medicinal and adult use cannabis, all in accordance with state and local regulations.

**Name of Public Agency Approving Project:** City of Merced

**Name of Person or Agency Carrying Out Project:** Merced Business Ventures, Inc. DBA Manzanita

**Exempt Status:** (check one)

- ☐ Ministerial (Sec. 21080(b)(1); 15268);  
☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));  
☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));  
☒ Categorical Exemption. State Type and Section Number: Section 15332, Class 32 – Projects characterized as in-fill development;  
☐ Statutory Exemptions. State Code Number: \_\_\_\_\_.  
☐ General Rule (Sec. 15061 (b)(3))

**Reasons why Project is Exempt:** Pursuant to the California Environmental Quality Act (CEQA), Guidelines Section 15332 Class 32 consists of projects characterized as in-fill development meeting the conditions described in this section: (a) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations; (b) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses; (c) The project site has no value as habitat for endangered, rare or threatened species; (d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality; and, (e) The site can be adequately served by all required utilities and public services.

**Lead Agency:** City of Merced

**Contact Person:** Michael Hren, Principal Planner **Area Code/Telephone:** (209) 385-6858

**Signature:** /s/ Michael Hren

**Date:** 8/24/18 **Title:** Principal Planner

  X   Signed by Lead Agency

Date Received for Filing at OPR: \_\_\_\_\_  
(If applicable)

Authority Cited: Sections 21083 and 21110. Public Resources Code  
Reference: Sections 21108, 21152, and 21152.1. Public Resources Code

**CITY OF MERCED**  
**Planning Commission**

**Resolution #\_\_\_\_\_**

**WHEREAS**, the Merced City Planning Commission at its scheduled meetings of September 18 and September 19, 2018, held a public hearing and considered **Commercial Cannabis Business Permit #18-17R**, initiated by Merced Business Ventures, Inc., DBA Manzanita, on property owned by Robert Gray. This application is a request to permit the operation of a retail dispensary for both medicinal and adult-use cannabis, including delivery services, on a 0.3-acre parcel at 1594 W. 18<sup>th</sup> Street within a General Commercial (C-G) Zone; also known as Assessor's Parcel Number (APN) 031-351-031; and,

**WHEREAS**, the Merced City Planning Commission concurs with Findings A through O of Staff Report #18-25; and,

**NOW THEREFORE**, after reviewing the City's Draft Environmental Determination, and discussing all the issues, the Merced City Planning Commission does resolve to hereby adopt a Categorical Exemption regarding Environmental Review #18-30 and approve Commercial Cannabis Business Permit #18-17R, subject to the Conditions set forth in Exhibit A attached hereto and incorporated herein by this reference.

Upon motion by Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, and carried by the following vote:

AYES:       Commissioner(s)

NOES:       Commissioner(s)

ABSENT:   Commissioner(s)

ABSTAIN:   Commissioner(s)

Adopted this 19<sup>th</sup> day of September 2018

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Chairperson, Planning Commission of  
the City of Merced, California

ATTEST:

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Secretary

Attachment:  
Exhibit A – Conditions of Approval

**Conditions of Approval**  
**Planning Commission Resolution # \_\_\_\_\_**  
**Commercial Cannabis Business Permit #18-17R**

1. The proposed project shall be constructed/designed as shown on Exhibit 1 (site plan), Exhibit 2 (floor plan), and Exhibit 3 (elevations) -- Attachments C, D, and E of Staff Report #18-25, except as modified by the conditions.
2. All conditions and requirements contained in Merced Municipal Code (MMC) Section 20.44.170/Ordinance #2480 (Attachment J of Staff Report #18-25) shall apply. Particular attention shall be paid to MMC 20.44.170(F) "Additional Regulations for Dispensary and Retail Sales of Cannabis" and MMC 20.44.170(G) "Additional Regulations for Commercial Cannabis Delivery Services."
3. The proposed project shall comply with all standard Municipal Code and Subdivision Map Act requirements as applied by the City Engineering Department.
4. All other applicable codes, ordinances, policies, etc. adopted by the City of Merced shall apply.
5. The developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, and any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof, from any and all claims, actions, suits, proceedings, or judgments against the City, or any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof to attack, set aside, void, or annul, an approval of the City, or any agency or instrumentality thereof, advisory agency, appeal board, or legislative body, including actions approved by the voters of the City, concerning the project and the approvals granted herein. Furthermore, developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, or any agency or instrumentality thereof, against any and all claims, actions, suits, proceedings, or judgments against any governmental entity in which developer/applicant's project is subject to that other governmental entity's approval and a condition of such approval is that the City indemnify and defend such governmental entity. City shall promptly notify the developer/applicant of any claim, action, or proceeding. City shall further cooperate fully in the defense of the

action. Should the City fail to either promptly notify or cooperate fully, the developer/applicant shall not thereafter be responsible to indemnify, defend, protect, or hold harmless the City, any agency or instrumentality thereof, or any of its officers, officials, employees, or agents.

6. The developer/applicant shall construct and operate the project in strict compliance with the approvals granted herein, City standards, laws, and ordinances, and in compliance with all State and Federal laws, regulations, and standards. In the event of a conflict between City laws and standards and a State or Federal law, regulation, or standard, the stricter or higher standard shall control. State Law shall prevail in regards to cannabis activities as permitted by State Law.
7. The proposed project shall comply with all applicable regulations of the State of California including, but not limited to, those found in the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).
8. The details of the property's fencing (if any), security, and screening are to meet the approval of the Director of Development Services and Chief of Police prior to the issuance of a Certificate of Occupancy. Key access and/or a Knox Box to any perimeter fencing shall be provided to the City Fire, Police, and Public Works Departments.
9. The applicants shall meet the standards of the City of Merced's "Commercial Building Permit Application Submittal Requirements" (Attachment K of Staff Report #18-25) at the time of submittal for building permits for tenant improvement.
10. The applicants shall keep on the premises of the proposed project site a physical copy of the approved plans, to be annotated and updated accordingly with any notes, changes, or requirements determined to be necessary by representatives of the City of Merced or any contractors that the City of Merced may employ for the purpose of site inspections. These plans shall be made available to the City's representatives, employees, agents, inspectors, or contractors upon request.
11. Any non-public areas, including cannabis inventory storage room, restrooms, etc., within the facility shall be secured from intentional or accidental access by any person not employed, contracted, or otherwise authorized on the premises.

12. Fire sprinklers shall be modified or installed to accommodate the building configuration and process configuration prior to occupancy if required by the Chief Building Official.
13. Regulatory Fees, as per Resolution #2017-67, are to be paid prior to the issuance of a Certificate of Occupancy and annually thereafter on or before the anniversary date. The Regulatory Fee may be amended from time to time based upon actual costs. The amount of the fees shall be adjusted annually (starting on January 1, 2019) to account for inflation by using the Consumer Price Index (CPI). In no event, shall the fees in any year be less than the preceding year.
14. A Commercial Cannabis Business Permit is valid for one year or until December 31 of each year, unless sooner revoked. Applications for the renewal of a permit shall be filed with the Director of Development Services, in accordance with MMC 20.44.170(L).4, "Commercial Cannabis Business Permit Renewal (All Types)", at least sixty (60) calendar days before the expiration of the current permit. If the permittee allows their permit to lapse, they shall be required to submit a new application, pay corresponding fees, and be subject to all aspects of the selection process.
15. If the applicants are unable to provide a FEMA flood elevation certificate showing that the top of the bottom floor and all equipment are at the required height as to not mandate mitigation measures (if applicable), flood mitigation measures shall be required to meet the approval of the City flood plain manager and City Engineer.
16. As required by Merced Municipal Code Section 17.04.050 and 17.04.060, full public improvements shall be installed/repared if the permit value of the project exceeds \$100,000.00. Public improvements may include, but not be limited to, repairing/replacing the sidewalk, curb, gutter, and street corner ramp(s), so that they comply with ADA standards and other relevant City of Merced/State/Federal standards and regulations.
17. The applicants shall provide a trash enclosure on the property such that all waste is securely stored until it is removed from the premises with access to the enclosure to be provided to the Refuse Division. The proposed enclosure as shown on the Site Plan is located at the southwest corner of the parcel, but per the Refuse Division, it should be relocated closer to the northwest corner of the parcel. The final location and design

shall be approved by the Refuse Division prior to issuance of a building permit. The applicants have also agreed to post a sign on the enclosure making clear there is no cannabis product inside of it, and it will be locked.

18. Future modifications to the scale, scope, activities, implementation, processes, materials, design, layout, or other factors pertaining to the operation of the project that are consistent with permits to perform activities related to operation of a retail dispensary of cannabis and cannabis-based products may be authorized with the approval of the City's Chief Building Official, Fire Chief, and Director of Development Services.
19. A joint parking and cross access agreement shall be recorded by the property owner to ensure that the dispensary has access to the parking, trash enclosure, and any other required facilities on the adjacent parcel to the east (APN #031-351-028).
20. The parking areas shall be repaved and striped to City Standards prior to obtaining a Certificate of Occupancy.
21. The final design of the exterior elevations and any signage shall be approved by Planning staff prior to obtaining a Certificate of Occupancy. Details to be worked out with staff.



**CITY OF MERCED**  
**Planning & Permitting Division**

**STAFF REPORT:** #18-26

**AGENDA ITEM:** 4.5

**FROM:** Kim Espinosa,  
Planning Manager

**PLANNING COMMISSION**  
**MEETING DATE: Sept. 18 and**  
**Sept. 19, 2018**

**PREPARED BY:** Michael Hren, AICP  
Principal Planner

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**SUBJECT:** **Commercial Cannabis Business Permit #18-14R**, initiated by Harvest of Merced, LLC., on a property owned by Stephen G. Tinetti, trustee. This application is a request to permit the operation of a Retail Dispensary, including delivery services, for both medicinal and adult use cannabis and cannabis-related products on a 0.36 acre parcel in the General Commercial (C-G) Zone at 863 W. 15th St. \*PUBLIC HEARING\*

**ACTION:** Approve/Disapprove/Modify:

- 1) Environmental Review #18-27 (Categorical Exemption)
- 2) Commercial Cannabis Business Permit #18-14R

**SUMMARY**

This application is for a permit to utilize the property at 863 W. 15th Street for cannabis-related business activities. The permit seeks to allow Harvest of Merced, LLC. to operate a Retail Dispensary for medicinal and adult use cannabis and cannabis-related products, including delivery services. The project proposes to use and modify an existing building, which has existing access to utilities. Staff is recommending approval with conditions.

**RECOMMENDATION**

Planning staff recommends that the Planning Commission approve Environmental Review #18-27 (Categorical Exemption) and Commercial Cannabis Business Permit #18-14R (including the adoption of the Resolution at Attachment L), subject to the following conditions:

- \*1) The proposed project shall be constructed/designed as shown on Exhibit 1 (site plan), Attachment C, and Exhibit 2 (floor plan), Attachment D, except as modified by the conditions.
- \*2) All conditions and requirements contained in Merced Municipal Code (MMC) Section 20.44.170/Ordinance #2480 (Attachment I) shall apply. Particular attention shall be paid to MMC 20.44.170(F) “Additional Regulations for Dispensary and Retail Sales of Cannabis” and MMC 20.44.170(G) “Additional Regulations for Commercial Cannabis Delivery Services.”

- \*3) The proposed project shall comply with all standard Municipal Code and Subdivision Map Act requirements as applied by the City Engineering Department.
- \*4) All other applicable codes, ordinances, policies, etc. adopted by the City of Merced shall apply.
- \*5) The developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, and any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof, from any and all claims, actions, suits, proceedings, or judgments against the City, or any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof to attack, set aside, void, or annul, an approval of the City, or any agency or instrumentality thereof, advisory agency, appeal board, or legislative body, including actions approved by the voters of the City, concerning the project and the approvals granted herein. Furthermore, developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, or any agency or instrumentality thereof, against any and all claims, actions, suits, proceedings, or judgments against any governmental entity in which developer/applicant's project is subject to that other governmental entity's approval and a condition of such approval is that the City indemnify and defend such governmental entity. City shall promptly notify the developer/applicant of any claim, action, or proceeding. City shall further cooperate fully in the defense of the action. Should the City fail to either promptly notify or cooperate fully, the developer/applicant shall not thereafter be responsible to indemnify, defend, protect, or hold harmless the City, any agency or instrumentality thereof, or any of its officers, officials, employees, or agents.
- \*6) The developer/applicant shall construct and operate the project in strict compliance with the approvals granted herein, City standards, laws, and ordinances, and in compliance with all State and Federal laws, regulations, and standards. In the event of a conflict between City laws and standards and a State or Federal law, regulation, or standard, the stricter or higher standard shall control. State Law shall prevail in regards to cannabis activities as permitted by State Law.
- \*7) The proposed project shall comply with all applicable regulations of the State of California including, but not limited to, those found in the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).
- \*8) The applicants shall meet the standards of the City of Merced's "Commercial Building Permit Application Submittal Requirements" (Attachment J) at the time of submittal for building permits for tenant improvement.
- \*9) The details of the property's fencing (if any), security, and screening are to meet the approval of the Director of Development Services and Chief of Police prior to the issuance of a Certificate of Occupancy.

- \*10) The applicants shall keep on the premises of the proposed project site a physical copy of the approved plans, to be annotated and updated accordingly with any notes, changes, or requirements determined to be necessary by representatives of the City of Merced or any contractors that the City of Merced may employ for the purpose of site inspections. These plans shall be made available to the City's representatives, employees, agents, inspectors, or contractors upon request.
- \*11) Fire sprinklers shall be modified or installed to accommodate the building configuration and process configuration prior to occupancy if required by the Chief Building Official.
- \*12) Regulatory Fees, as per Resolution #2017-67, are to be paid prior to the issuance of a Certificate of Occupancy and annually thereafter on or before the anniversary date. The Regulatory Fee may be amended from time to time based upon actual costs. The amount of the fees shall be adjusted annually (starting on January 1, 2019) to account for inflation by using the Consumer Price Index (CPI). In no event, shall the fees in any year be less than the preceding year.
- \*13) A Commercial Cannabis Business Permit is valid for one year or until December 31 of each year, unless sooner revoked. Applications for the renewal of a permit shall be filed with the Director of Development Services, in accordance with 20.44.170(L).4, "Commercial Cannabis Business Permit Renewal (All Types)", at least sixty (60) calendar days before the expiration of the current permit. If the permittee allows their permit to lapse, they shall be required to submit a new application, pay corresponding fees and be subject to all aspects of the selection process.
- \*14) As per Ordinance #2480, the use of vending machines to dispense cannabis is strictly prohibited. Any vending machines on the property must not contain cannabis or cannabis-based products.
- \*15) The applicants shall provide or cause to be provided a trash enclosure on the property such that all waste is securely stored until it is removed from the premises. Access to this enclosure shall be provided to the City's Department of Public Works.
- \*16) Key access and/or a Knox Box to the perimeter fence shall be provided to the City of Merced Fire Department, Department of Public Works, and Police Department.
- \*17) As required by Merced Municipal Code Section 17.04.050 and 17.04.060, full public improvements shall be installed/repared if the permit value of the project exceeds \$100,000. Public improvements may include, but not be limited to, repairing/replacing the sidewalk, curb, gutter, and street corner ramp(s), so that they comply with ADA standards and other relevant City of Merced/State standards and regulations.
- \*18) The parking lot shall be repaved and restriped in compliance with the City of Merced's City Standard Designs.
- \*19) If the applicants are unable to provide a FEMA flood elevation certificate showing that the top of the bottom floor and all equipment are at the required height as to not mandate mitigation measures if applicable, flood mitigation measures shall be required to meet the approval of the City flood plain manager and City Engineer.

- 20) There shall be no shared access to the building sharing a common wall with 863 W. 15th Street. Any existing shared access point must be sealed prior to the issuance of a Certificate of Occupancy.
- 21) The details of the final design of the exterior elevations and any signage shall be approved by Planning staff prior to issuance of a Certificate of Occupancy.
- 22) Future modifications to the scale, scope, activities, implementation, processes, materials, design, layout, or other factors pertaining to the operation of the project that are consistent with permits to perform activities related to operation of a retail dispensary of cannabis and cannabis-based products may be authorized with the approval of the City's Chief Building Official, Fire Chief, and Director of Development Services.

(\*) Denotes non-discretionary conditions.

### **PROJECT DESCRIPTION**

The applicants are proposing to operate a cannabis dispensary business for medicinal and adult-use cannabis and cannabis-related products at 863 W. 15th Street. This application includes delivery services.

### **Surrounding Uses**

<b>Surrounding Land</b>	<b>Existing Use of Land</b>	<b>City Zoning Designation</b>	<b>City General Plan Land Use Designation</b>
North	Carwash (across railroad tracks, under construction)	General Commercial (C-G)	General Commercial (CG)
South	Single-Family Residential (across W. 15 <sup>th</sup> St.)	Planned Development #14 (P-D 14)	General Commercial (CG)
East	Warehouses	General Commercial (C-G)	General Commercial (CG)
West	Warehouses	General Commercial (C-G)	General Commercial (CG)

### **BACKGROUND**

This application has passed Phase I screening and the applicants have paid the fee for Phase II. Background checks on all owners have been performed to the satisfaction of the Chief of Police.

### **FINDINGS/CONSIDERATIONS:**

#### **General Plan/Zoning Compliance**

- A) The proposed project complies with the General Plan designation of General Commercial (CG) and the zoning designation of General Commercial (C-G) with approval of a Commercial Cannabis Business Permit.

### **Land Use Issues**

- B) The subject site is more than 1,000 feet from any schools and more than 600 feet from any day care centers, youth centers, libraries, or public parks that are currently in existence, as is required by Section 11362.768 of the Health and Safety Code and Section 20.44.170(E).3.f of City of Merced Ordinance #2480 for retail cannabis businesses (Attachment I).

### **Merit-Based Scoring**

- C) The City Selection Committee, made up of the City Manager, Chief of Police, and Director of Development Services, ranked this application #4 of all retail sales Dispensary applications, with an average score of 95.000. The full scoring sheet for this application is at Attachment G.

### **Proposed Operations**

- D) The applicants propose the operation of a retail sales dispensary for both medicinal and adult-use cannabis and cannabis-related products, including delivery services. Approximately 444 square feet of the building is proposed as the sales area, with another 192 square feet for the lobby. These areas comprise the total of space that would be accessible by members of the public. The remainder of the building is for “back-of-the-house” purposes such as storage and delivery.

### **Traffic/Circulation**

- E) As the project is proposed in an existing building with existing access to the City’s roadway infrastructure, and due to the conformity with the zoning and land use for the site, no concerns related to traffic or circulation have been raised as a result of this project.

### **Parking**

- F) The site plan proposes 17 parking spaces adjacent to 863 W. 15th Street, with four of those being ADA-compliant spaces. The 1,800-square-foot building, using the general retail requirements for portions accessible to the public and the warehousing requirements for the portions inaccessible to the public, would require three spaces. The City’s Zoning Code requires one space per 300 square feet for general retail, using a 15% reduction in usable space for hallways and other ‘non-public’ spaces, and one space per 2,000 square feet for warehousing. Therefore, the proposal meets and exceeds the City’s parking requirements.

### **Neighborhood Impact/Interface**

- G) The proposed property is surrounded by industrial and commercial uses to the west, north, and east. To the south of the property, across 15<sup>th</sup> Street, are single-family residences approximately 81 feet away from property line to property line. The project proposes significant upgrades to the property, including robust security; a building that has been vacant for some time represents a potential risk for illegal activities. The project would also improve the parking lot and improve the appearance of the building.

Staff believes that the project will enhance the neighborhood, particularly as it relates to safety and security. Planning staff circulated a public hearing notice in the Merced County Times and mailed the notice to property owners within 300 feet of the subject site at least ten days prior to this public hearing. As of the date that this report was prepared, staff had not received any comments from the community about this project.

### **Elevations/Signage**

- H) Exterior signage shall be limited to one wall sign not to exceed twenty (20) square feet in area. Interior signage or advertising may not be visible from the exterior. No temporary signs including but not limited to, banners and A-frames, nor window signs are allowed. The details of final elevations and signage shall be approved by Planning staff prior to issuance of a Certificate of Occupancy (Condition #21). Example renderings of the interior of the facility have been provided at Attachment E; these are illustrative and final details will need to be approved by Building staff.

### **Safety/Security**

- I) The applicants' security plan includes the following provisions:
- State-certified uniformed security officers during the hours of required coverage
  - High visibility foot patrol at the serviced location
  - Experienced field supervisors to oversee the operation of the assigned officers during the hours of required coverage
  - Availability of a security consultant when necessary and/or desired by the client
  - Office support for scheduling personnel and advisory needs
  - Police liaisons for the serviced location(s) resulting from arrests or criminal incidents
  - Carefully maintained incident reports, and other such documents or records as required by the client's individual needs
  - Inventory reconciliation: scheduled daily, weekly, semi-annual, and annual reconciliation of inventory with increasing intensity
  - An alarm system that will include:
    - Appropriate equipment, including a centrally monitored fire and burglar alarm system, necessary to monitor activity inside and outside the facility, including:
      - All entrances and exits
      - Rooms with exterior walls or walls shared with other building tenants
      - Rooms containing cannabis and cannabis goods
      - Rooms containing the vault
      - The vault
      - The security room
      - Exterior windows
    - A panic alarm, meaning a silent alarm signal generated by the manual activation of a device intended to signal a robbery in progress
    - Automatic voice dialer

- Motion detection devices tied to the surveillance monitoring system
- Failure notification system that signals the alarm-monitoring provider of any system error within a maximum of five minutes
- A backup battery system that immediately provides power for at least twenty-four (24) hours in the event of a power outage
- A back-up alarm system that will detect unauthorized entry when no employees should be present at the Facility
  - The back-up alarm system will be provided by a company supplying commercial grade equipment and not the same company supplying the primary security system.
- Access Control equipment that will, at minimum, include:
  - Biometric fingerprint and/or RFID proximity card access control devices for all access points to the dispensary facility and doors entering or exiting a limited access area
  - Backup battery system that immediately provides power for at least twenty-four (24) hours in the event of a power outage
  - Electric strike locks on all doors in the dispensary facility with the ability to override access control for emergency exit even during a power outage
  - System that allows for programming or uploading individual user permissions and allowed entry times, as well as operations-specific information including employee photos
  - System that monitors and records identification of employees or visitors entering and exiting, the date and time of entry and exit, length of time in specific area and any unauthorized access attempts
- Video surveillance cameras that will:
  - Be immobile and in permanent locations
  - Record a minimum twenty (20) frames per second
  - Provide an image resolution of at least D1
  - Have a minimum resolution of 0.9 megapixels (1280 x 720 pixels)
  - Have infrared capabilities to capture images in low or no lighting conditions
  - Have the ability to identify activity occurring within twenty feet (20') from all points of ingress/egress to the facility, points of ingress/egress to limited access area, and all points of sale
  - Include a digital archiving device and monitors that will each be at least nineteen (19) inches or greater that will be connected to the electronic recording security system at all times



## **Ownership**

- J) Harvest of Merced, LLC. consists of owners who have at least 5% interest in the proposed business. The owners are Steve White (83%), Elizabeth Stavola (5%), Edgar Contreras (5%), and Anna Blazeovich (5%), who have each performed a Live Scan check and have successfully passed a background check to the satisfaction of the Chief of Police. The remaining 2% of ownership is held by a Mr. Brian Vicente. This amount of ownership does not classify Mr. Vicente as an ‘owner’ by the standards defined in City of Merced Ordinance #2480 and thus no background check has been performed on him.

According to the application, the owners have the following relevant experience and qualifications:

- Mr. Steve White founded Harvest in 2012. Beginning with a single dispensary in Tempe, Arizona, Harvest presently holds 26 licenses in seven states, with operating facilities in four of those states (Harvest’s first Pennsylvania dispensary and Ohio cultivation facility are currently under construction and will be operational in 2018). In addition to overseeing medical cannabis license acquisition, facility start-up and operations, and providing guidance on organizational direction and strategy, Mr. White has also been instrumental in navigating state and county level regulatory audits, including, to date, 10 county building safety certificate of occupancy inspections, five county health department inspections, 16 state department of health services inspections, four Americans for Safe Access Patient Focused Certifications, and 14 certified financial audits.

Harvest facilities host monthly support group meetings for individuals suffering from epilepsy, chronic pain, cancer, and PTSD. Under Mr. White’s direction, Harvest has also engaged in a number of community activities and events, including the donation of over \$400,000 to local charitable organizations, veterans, seniors, and patients in need. Mr. White also serves on the board of directors for Harvesting Hope, a 501(c)(3) non-profit organization dedicated to improving quality of life for young children suffering from seizure disorders. To date, Harvesting Hope has raised and distributed nearly \$30,000 and provided services for over one hundred (100) families and their children.

- Ms. Beth Stavola is a female entrepreneur, Chief Operating Officer and Board Member of MPX Bioceutical Corporation, the Founder and CEO of Stavola Medical Marijuana Holdings, Health for Life Inc, GreenMart of Nevada, and CBD For Life. In 2017 Cannabis Business Executive named Ms. Stavola #3 on the “CBE 75 Most Important Women” in cannabis list. She runs a thriving cannabis business, which includes growing, processing, and dispensing operations throughout Arizona, Nevada, Maryland, and Massachusetts.

The current overall operation consists of two Dispensary licenses, two Production licenses, and four Cultivation licenses in the state of Arizona operated under the Health for Life brand; as well as three medical marijuana licenses in Las Vegas, Nevada under the GreenMart of Nevada brand. In the last year the company has expanded to Maryland managing three dispensary licenses under the Health For Life brand and one production license under MPX, as well to Massachusetts with a fully integrated grow, production and dispensary license. Her beauty and wellness brand CBD For Life provides customers with the benefits of cannabinoids while avoiding unwanted psychoactive effects and can be sold throughout the country.

Ms. Stavola has successfully established the Health for Life brand from inception to significant sales/cash flow within 5 years time and maintains one of the most stellar compliance records in the state of Arizona, receiving a 100% score on the last several state compliance audits. Given this record, Ms. Stavola was able to establish a banking relationship for the business, which is not an easy feat in this industry. Health for Life is one of the most recognized brands of cannabis dispensary, cultivation, and processors in Arizona. Ms. Stavola is also the owner of Melting Point Extracts (MPX), which has become an extremely well-respected and sought after brand in Arizona

- Ms. Anna Blazeovich has eleven years of prior experience in operating a verified Mutual Benefit Non-Profit Corporation for cannabis in compliance with California law with proof of payment of taxes. Ms. Blazeovich, successfully founded and continues to run Therapeutic Health Collective (DBA Stone Age Farmacy). Therapeutic Health Collective is a verified Mutual Benefit Non-Profit Corporation for cannabis that operates in compliance with California law and has proof of payment of taxes. In 2017 for example, the Collective paid the City of Los Angeles \$52,648 in taxes. Therapeutic Health Collective has created 35 jobs in Gardena, California. While the brand began as a verified Mutual Benefit Non-Profit Corporation, it has blossomed into three stores serving both medical patients and recreation customers in two different states.

As a licensed dispensary owner in California and Oregon, Ms. Blazeovich has a decade of experience in regulatory cannabis compliance. The Collective is vertically integrated, meaning it grows the cannabis products it sells. This capability translates into improved pricing for patients and customers while retaining maximum quality. Additionally, being vertically integrated allows for more control throughout the supply chain, which further supports a professional product selection and shelf stock for the consumer. This business resiliency and impeccable compliance standards will be transferred to the Harvest dispensary.

- Mr. Edgar Contreras, a native of Merced, California, has extensive managerial experience with local Merced retail businesses, totaling over three years. He will also serve as the dispensary's Neighborhood Liaison. Mr. Contreras graduated from Merced High School in 1995. After graduating, Mr. Contreras began working at Sweet River Saloon as a dishwasher. Through personal drive and ambition, he was promoted to kitchen manager within a year, managing a staff of twenty people for over four years,

where he was responsible for a myriad of supervision duties, including staff scheduling, inventory tracking, and quality control. Mr. Contreras subsequently served as manager of a Dollar Tree retail store, where he was responsible for shipping and receiving goods, customer service, staff scheduling, inventory tracking, and product stocking, all while managing eleven staff members for over two years. He successfully streamlined services to make the business more profitable, resilient, and customer focused.

A passionate advocate for the city of Merced, Mr. Contreras remains an active member of the local community. Mr. Contreras volunteers his time as a high school coach for basketball, football, baseball, and soccer at El Capitan High School. He has a special affinity for mentoring students. He regularly encourages young athletes to believe in their potential, give back to the community, and avoid destructive habits like substance abuse. Mr. Contreras will play an integral role in Harvest's drug prevention for youth program.

### **Community Benefits**

K) The Harvest of Merced, LLC. application indicates the following benefits to the community should their application be approved:

- Commitment to set aside at least three percent of yearly net profits for monetary contributions to local charitable organizations.
  - Merced County Food Bank- At least \$10,000 per year
  - United Way of Merced County- At least \$10,000 per year
  - Boys & Girls Club of Merced County- At least \$2,500 per year
  - Challenged Family Resource Center and Golden Valley Health Center- At least \$2,500 per year
- Pledged to chaperone the Challenged Family Resource Center's annual formal dance for developmentally disabled children.
- Customer Volunteer Discount initiative in order to encourage Harvest consumers to give back to their local Merced community. This program will offer a range of discounts on final purchases of cannabis goods to patients and consumers who regularly volunteer at local charitable organizations. Harvest will create a simple form that customers and patients may pick up from the retail facility that will track their volunteer time and include a place for the charitable organization's supervisor to confirm any completed volunteer hours. For the discount, Harvest consumers are not required to complete all of their volunteer hours at one charitable organization. For every five volunteer hours Harvest customers complete and record, the customer will receive a 10% discount on their next two purchases. If a Harvest customer completes ten or more volunteer hours in a month, the Harvest customer will receive a 20% discount on all purchases made for the rest of the month in which the hours were completed. Harvest will never give away cannabis or cannabis goods for free.

- Harvest plans to host free bicycle and wheelchair repair clinics in the spring, summer, and fall months. Harvest will set up temporary wheelchair and bike stands where Harvest employees can perform free tune-ups and replace simple bicycle parts such as tires, tubes, chains, and brake cables. Harvest will operate these services by receiving donations and purchasing parts at-cost from participating local suppliers. Harvest will also have a volunteer sign up document for employees and consumers to commit to help at the clinics. Harvest consumers may volunteer their time making repairs at our temporary wheel and bike stands, which will count toward Harvest's Consumer Volunteer Discount initiative.
- Harvest will offer a 20% discount on final purchases to any customers with a veteran designation as part of our Merced facility's initiative to Heal Our Heroes. As part of this program, Harvest will help customers understand the potential benefits and effects of using cannabis to treat wounds of war like Post Traumatic Stress Disorder (PTSD) and Chronic Traumatic Encephalopathy (CTE). To promote Healing Our Heroes and support California veterans, Harvest will advertise this initiative with local chapters of the American Legion, Veterans of Foreign Wars (VFW), Disabled American Veterans Charity, California National Guard Association, and other active veteran service organizations.
- Harvest's Merced facility will implement the Merced Cares initiative, offering a 20% discount on final purchases to medical patients who are low income. To qualify for the Merced Cares program, patients will be asked to show proof of eligibility in either CalFresh, Medi-Cal, or other comparable qualified assistance program. The State of California recognizes that medical cannabis can provide relief that is, unfortunately, not covered by health insurance as medical cannabis falls outside the traditional healthcare system. This leaves many low-income families scrambling to pay for medicine and pain relief that can alleviate their or a loved one's suffering. Harvest believes no patient or family should be denied access to medicine simply because they cannot afford it.
- Harvest wants the citizens of Merced to know that the unlawful use of cannabis has severe consequences. Although recreational cannabis is legal in the State of California, there are still current penalties for recreational use under the age of twenty one and medical use without a prescription. To bring awareness of the penalties for unlawful use of cannabis, Harvest would like to partner with the City of Merced Police Department and the Merced County Sheriff's Department to hold community discussions. Harvest would also like to invite local elected officials to participate and let the local police departments set the agenda.
  - During these community discussions, Harvest will solicit feedback from the community. Community feedback is essential to understanding the best way to reach our neighbors. There is a lot of misinformation about the use of cannabis and the consequences of unlawful use. Harvest will promote these community discussions through traditional media and social media. In order to drive

attendance to these important events, Harvest will encourage the City of Merced Police Department, the Merced County Sheriff's Department, and local elected officials to promote the community discussions.

- Harvest hopes to hold these community discussions at a school, so that the youth can have access to this important information. Harvest is prepared and working to facilitate and sponsor that event. These events would be incredibly productive because social media makes students especially vulnerable to misinformation about cannabis and drug use.

### **Modification to Operations**

- L) The City of Merced recognizes that the details of operating a business, particularly one in a developing sector such as cannabis and cannabis-based products, requires continual updating of business practices, methodologies, and tools, the modification of which may require alterations to the configuration of the equipment, setup, or layout of the facility. In order to allow for these changes while maintaining the safety of all parties involved, modifications to the permit in the course of retail sales of cannabis and cannabis-related products may be requested by the applicants and approved with the consent of the City's Chief Building Official, Fire Chief, Police Chief and Director of Development Services (Condition #22).

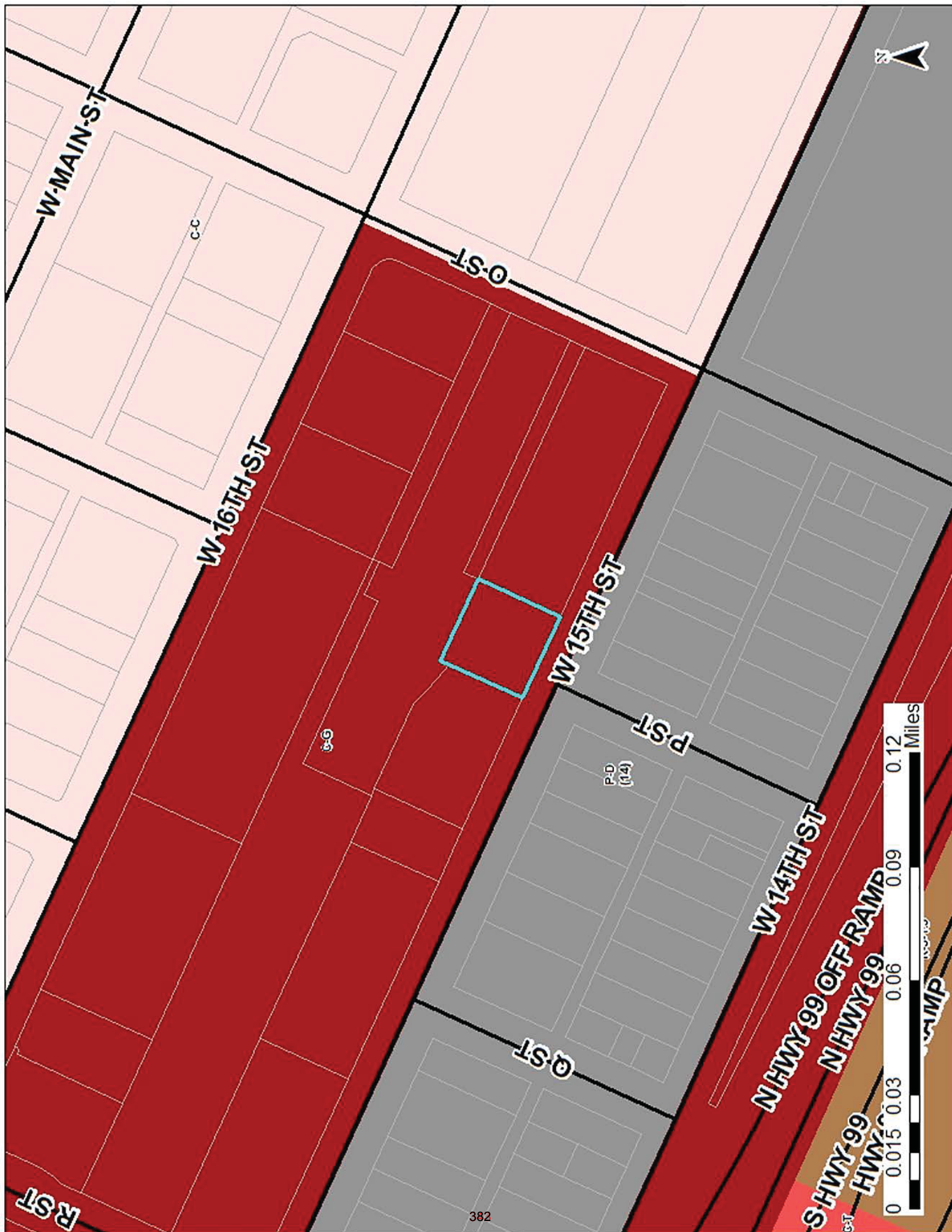
### **Environmental Clearance**

- M) The project proposes to utilize an existing building on a 0.36-acre parcel. Planning staff has conducted an environmental review (Environmental Review #18-27) of the project in accordance with the requirements of the California Environmental Quality Act (CEQA), and a Categorical Exemption (no further environmental review is required) is being recommended (see Attachment K).

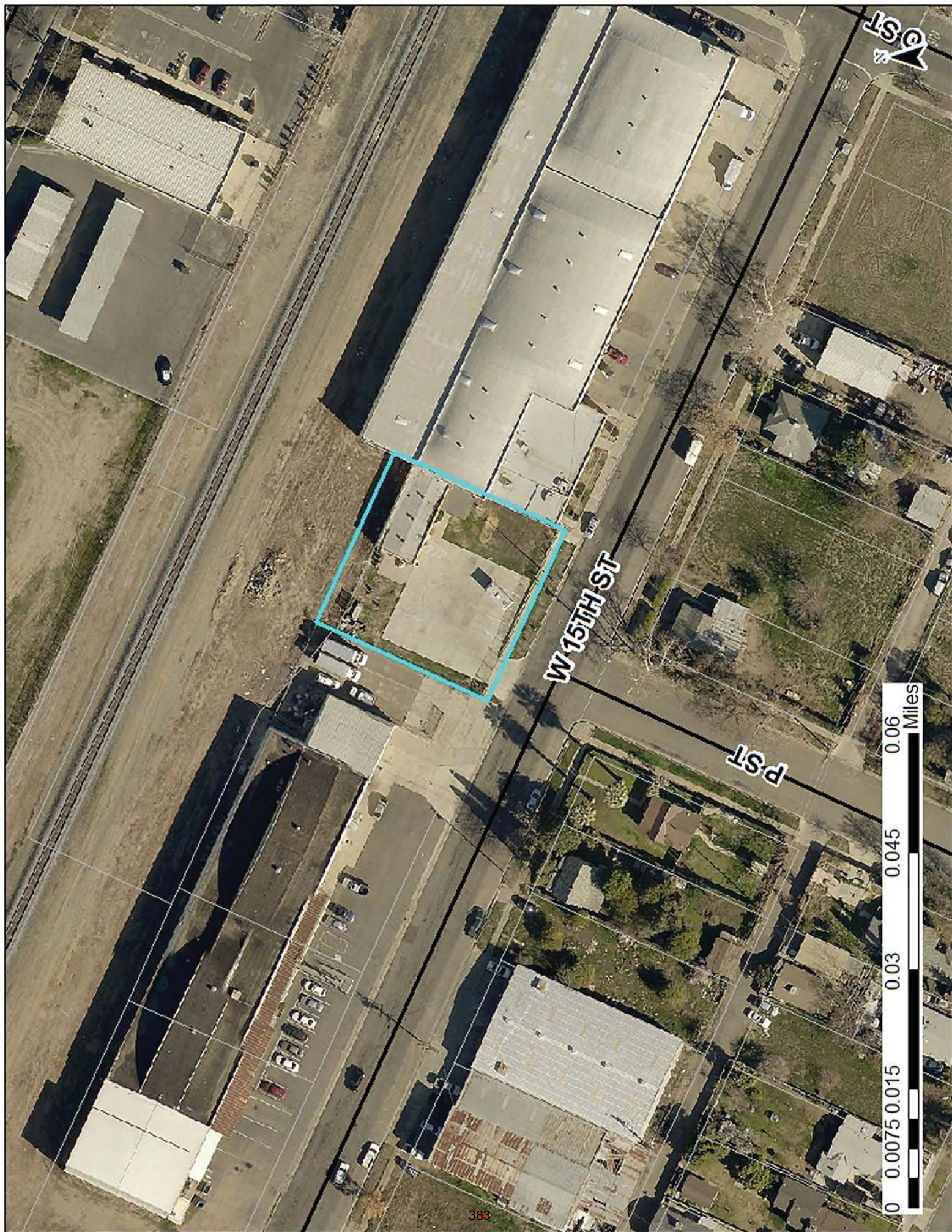
### **Attachments:**

- A) Location Map
- B) Aerial Map
- C) Site Plan
- D) Floor Plan
- E) Renderings of Example Buildout
- F) Sensitive Use Map
- G) Merit-Based Scoring Sheet
- H) Photographs of Existing Site
- I) Ordinance #2480
- J) City of Merced Commercial Building Permit Application Submittal Requirements
- K) Environmental Review #18-27
- L) Draft Planning Commission Resolution

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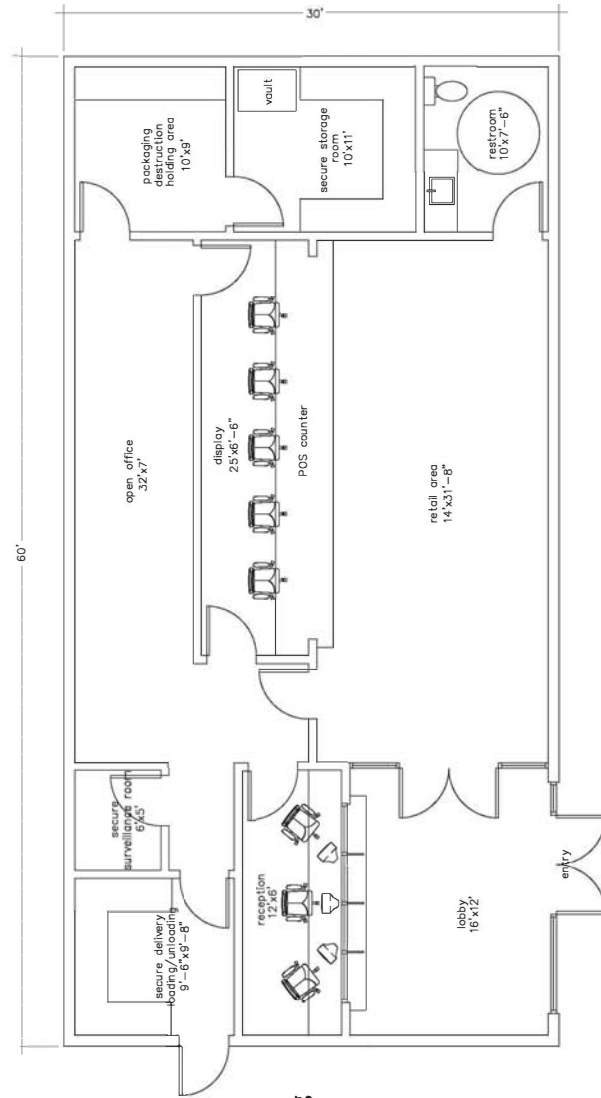
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## Harvest of Merced Floor Plan



Delivery Parking  
(See Site Plan)

FLOOR PLAN  
SCALE: 3/16"=1'-0"

Parking Lot  
(See Site Plan)

863 W 15th Street  
Merced, CA 95340  
Parcel Number: 031173012000

## NON-LIMITED ACCESS AREAS

### LOBBY

The lobby will be the sole entrance to the dispensary facility that will be accessible to persons who are not authorized employees of Harvest. In this lobby consumers, visitors, contractors, and members of the Bureau, law enforcement, or other relevant state and local authorities will check-in with the Security Guard on duty before being granted access to any other area of the dispensary facility. Identification for all visitors will be checked to ensure that only qualified individuals are allowed access to the separate, locked retail area where cannabis products are displayed and sold.



*Example of fully constructed Harvest Lobby Area*

Patrons will only be granted access to the retail area after Harvest has verified that the consumer is at least twenty-one (21) years of age and has a valid proof of identification or that the individual is at least eighteen (18) years of age, has valid proof of identification, and a valid physician's recommendation for themselves or for a person for whom they are a primary caregiver. Valid proof of identification will clearly indicate the age or birthdate of the consumer or caregiver, as described in the Security section of this application. Individuals will not be permitted to remain on the premises if they will not be engaging in express activity related to the operations of Harvest.

### RETAIL AREA

Cannabis and cannabis goods will be sold and displayed behind the sales counter in the Retail Area. This area will be accessible to employees, verified consumers, authorized representatives of the Bureau and other government officials, and authorized tradespeople when necessary to perform their job duties. At least one (1) Harvest Wellness Representative or other employee will be physically present in the retail area at all times when consumers or other authorized individuals are in the retail area. Our policy is to require at least one (1) Wellness



Representative for every two patrons in the Retail Area. After a patron purchases their cannabis goods, they will be required to immediately leave the retail area.



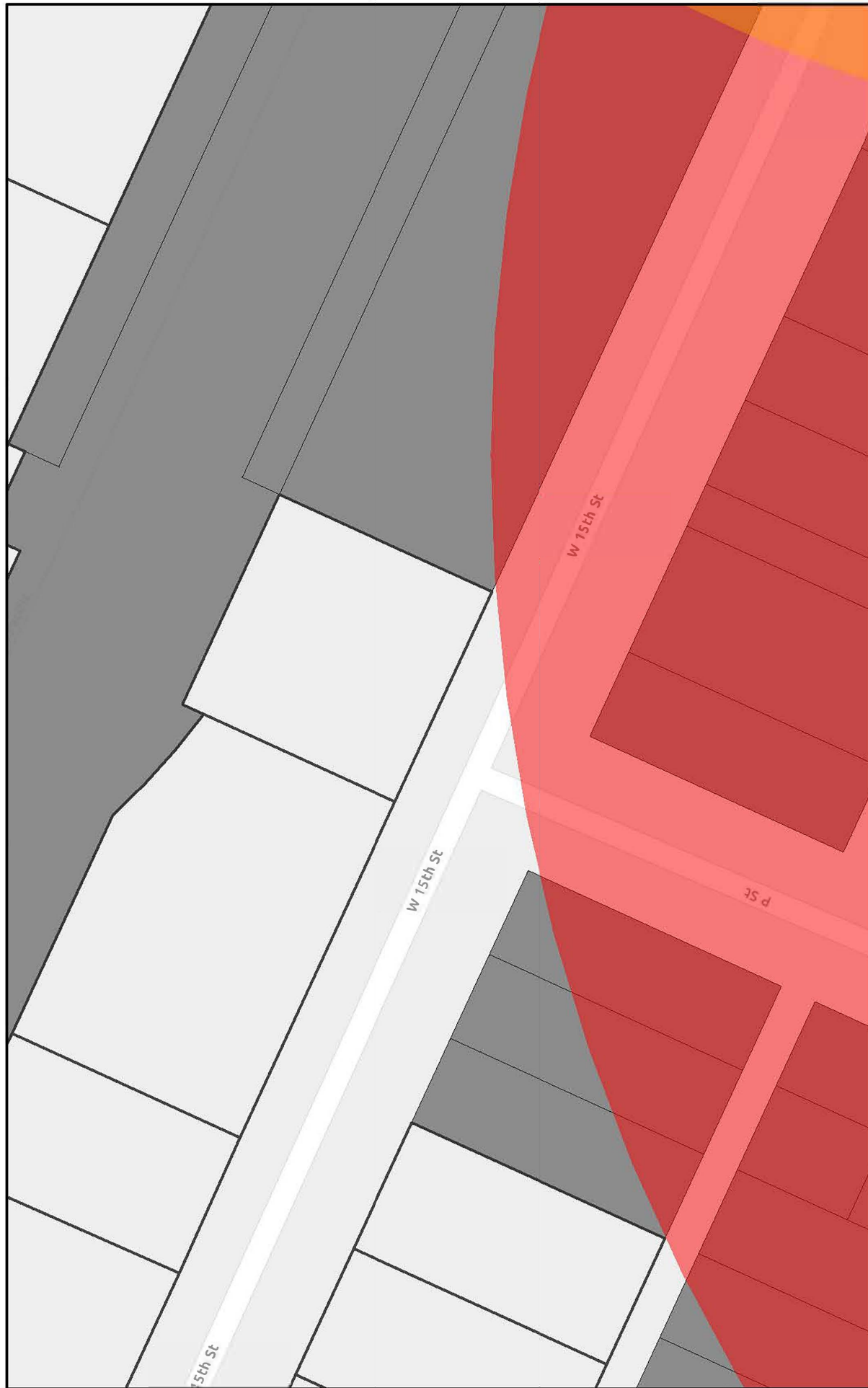
*Examples of fully constructed Harvest Retail Area*



## EQUIPMENT STORAGE AREA

The dispensary facility includes a 16 foot x 16 foot accessory building structure. This building will remain on the property and part of the premises and be used for the storage of equipment, utensils, and cleaning supplies. Under no circumstances will cannabis be stored or possessed in the equipment storage area.

# City Of Merced-Cannabis Ordinance Map



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- City Of Merced Addresses
- Properties With Appropriate Zoning for Cannabis Activities
- Properties With Inappropriate Zoning for Cannabis Activities
- 600FT Buffers
- 1000 FT Buffers



City of Merced Limits

Esri, HERE, Garmin, INCREMENT P, META/ANASA, USGS, Bureau of Land Management, EPA, NPS, US Census Bureau, USDA | Merced Data Special Services, LAFCO, Merced County |

Planning Department Email: [planningweb@cityofmerced.org](mailto:planningweb@cityofmerced.org) Phone: 209-385-6865

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-14R ("Harvest of Merced") at 863 W 15th**

<u>Description of Criteria:</u>	Selection Committee Scores			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 1: Prioritize Medicinal Cannabis Access</b>				
a) Proposal for combined medicinal/adult use dispensary	4	4	4	4
b) Proposal for medicinal only dispensary	3	0	0	0
c) Proposal for non-medicinal/adult use dispensary only	0	0	0	0
d) Proposal includes Delivery Services	2	2	2	2
<b>Section 1: Sub-Total of Points Possible</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Section 2: Geographical Preference/Neighborhood Relations</b>				
a) Proposed locations is within 1,200 feet of local public transportation	1	1	1	1
b) Proposal includes a process and schedule for at least two public outreach meetings per year that meet City approval	2	2	2	2
c) Business plan includes a schedule for communication and receiving feedback from all entities within 300 feet of the business at least two times a year	2	2	2	2
d) Proposal includes the appointment of an employee as a designated liaison with the neighborhood	1	1	1	1
e) Designated liaison employee is a City resident	1	1	1	1
<b>Section 2: Sub-Total of Points Possible</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
<b>Section 3: Facility Plan</b>				
a) Business is formally associated with a non-retail cannabis or non-cannabis-related business in the City of Merced	2	2	2	2
b) Proposal includes daily inspection to ensure maintenance of the interior and exterior of the facility (i.e. free of trash, graffiti, etc.)	2	2	2	2
c) Location exceeds City parking requirements by 10% or more	1	1	1	1
d) Business is open more than five days a week at least 6 hours per day	1	1	1	1
e) Location exceeds minimum disabled parking requirements by 100% or more	1	1	1	1
f) Location is within an existing building or facility with an ability to be open for business within 6 months of approval of the CCBP by the City	1	1	1	1
<b>Section 3: Sub-Total of Points Possible</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-14R ("Harvest of Merced") at 863 W 15th**

<u>Description of Criteria:</u>	<u>Selection Committee Scores</u>			
	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 4: Standards and Procedures for the Safe Operation of Facilities:</b>				
a) Proposal includes documented employee safety training program	1	1	1	1
b) Proposal includes documented employee cannabis educational training program	1	1	1	1
c) Business Plan includes enhanced security measures, including at least three of the following: panic buttons, dye packets, bulletproof window film (with break strength of 400 lbs. per inch or better), a UL-approved safe with a fire rating that is 2-hour 1700 degrees F or better with a complex locking device; motion sensing lighting; or other enhanced security measures acceptable to the City. (0 to 4 points to be awarded at the discretion of the City Selection Committee.)	0 to 4	4	4	4
d) Proposal includes climate controlled environment	1	1	1	1
e) Proposal includes plan for disposal of all solid waste based on best practices of State	1	1	1	1
f) Proposal includes a comprehensive documented process for 24-hour minimum response time to cannabis product recall notifications	2	2	2	2
g) Proposal includes more than one on-site security guard during business hours	2	2	2	2
h) Proposal includes plans and procedures for how all cannabis products on the premises or held by the applicant have met the testing requirements as defined by the State	1	1	1	1
i) Proposal includes a separate lobby area where identification is checked to ensure that only qualified individuals gain access to separate, locked areas where cannabis products are displayed	2	2	2	2
j) Proposal includes electronic storage of required records of sales, delivery manifests, patient information (if medicinal and required by State), inventory, etc., which can be provided to City personnel upon request	2	2	2	2
k) Proposal includes participation in web-based public safety application or equivalent that provides law enforcement with confirmation of local and state licenses	1	1	1	1
l) Proposal includes any proposed "green" business practices relating to energy and climate, water conservation, and materials/waste storage	1	1	1	1
m) Proposal includes secured loading/unloading area for deliveries	1	1	1	1
<b>Section 4: Sub-Total of Points Possible</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>

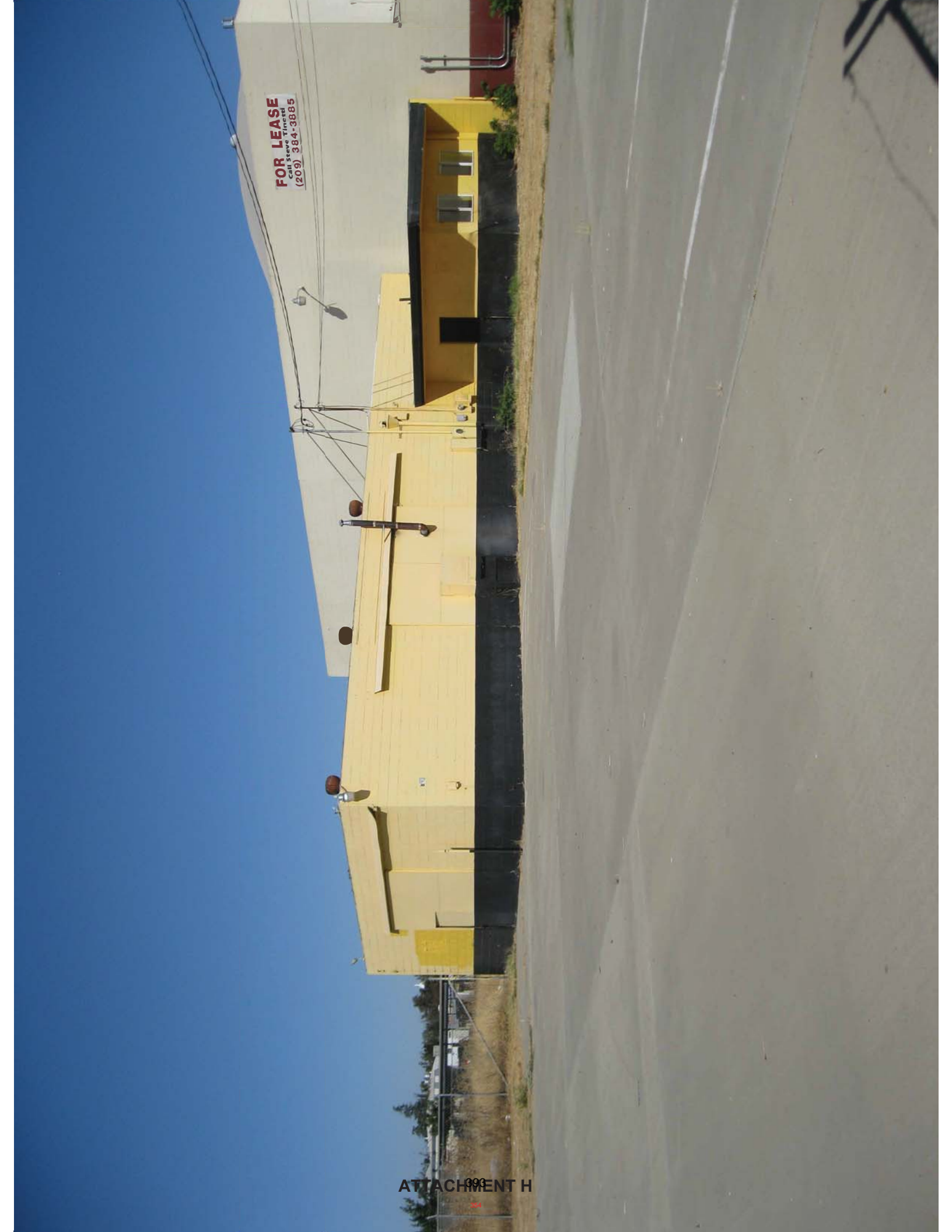


**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-14R ("Harvest of Merced") at 863 W 15th**

Selection Committee Scores				
<u>Description of Criteria:</u>	<u>Points Possible</u>	<u>Reviewer #1</u>	<u>Reviewer #2</u>	<u>Reviewer #3</u>
<b>Section 5: Prior Experience in Business Ownership and Management</b>				
a) Combined prior experience of proposed owners is more than 3 years of verified successful management of any non-cannabis legal retail facility	2	2	2	2
b) 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	2	2	2	2
c) 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	3	3	3	3
d) Above prior experience was obtained within the City or County of Merced	3	3	3	3
e) Above prior experience was obtained within 100 miles of the City of Merced	1	1	1	1
<b>Section 5: Sub-Total of Points Possible</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>
<b>Section 6: Qualifications of Principals/Business Plan</b>				
a) At least one owner is a military veteran with an honorable discharge	1	0	0	0
b) At least one owner is a full-time resident of the County of Merced	1	1	1	1
c) At least one owner is a full-time resident of the City of Merced	2	2	2	2
d) Does the business qualify as a Disadvantaged Business Enterprise (DBE) as defined by the U.S. Department of Transportation?	1	0	0	0
e) Does the business have documented proof of access to at least \$150,000 in capital (or enough capital to pay all startup costs plus at least 3 months of operating costs)?	3	3	3	3
f) Does the business have documented proof of access to at least \$300,000 in capital (or enough capital to pay all startup costs plus at least 6 months of operating costs)?	3	3	3	3
g) Business Plan contain a valid pro forma for at least 3 years of operation	2	2	2	2
h) Business has documented agreements with cannabis distributors to supply products to their business	2	2	2	2
<b>Section 6: Sub-Total of Points Possible</b>	<b>15</b>	<b>13</b>	<b>13</b>	<b>13</b>

**City of Merced**  
**Merit Based Selection Criteria for Commercial Cannabis Business Permits**  
**Scoring for CCBP #18-14R ("Harvest of Merced") at 863 W 15th**

Selection Committee Scores				
Description of Criteria:	Points Possible	Reviewer #1	Reviewer #2	Reviewer #3
Section 7: Employee & Public Relations				
a) The business promotes local hiring or provides incentives for City/County of Merced residents to work with the business	2	2	2	2
b) The business provides employee health benefits for all employees	2	2	2	2
c) The business employs more than 5 people full-time, not counting the owners or security personnel	2	2	2	2
d) Proposal includes an ongoing public information program to inform City residents of cannabis issues and proper/safe/legal use of cannabis products	2	2	2	2
Section 7: Sub-Total of Points Possible	8	8	8	8
Section 8: Community Benefits				
a) Proposal includes benefits to the community, such as defined monetary contributions to local community organizations, or donating time to local community organizations, or any other proposed community benefit acceptable to the City. (0 to 5 points to be awarded at the discretion of the City Selection Committee.)	0 to 5	5	5	5
Section 8: Sub-Total of Points Possible	5	5	5	5
Section 9: Discretion of the City Selection Committee				
a) 0 to 20 additional points may be awarded to a proposal for outstanding features, measures, or programs (above and beyond the minimum requirements) proposed in the Commercial Cannabis Business Permit Application at the discretion of the City Selection Committee.	0 to 20	20	15	16
Section 9: Sub-Total of Points Possible	20	20	15	16
TOTAL POINTS POSSIBLE	100	98	93	94
TOTAL OF SELECTION COMMITTEE SCORES		RANKING		
285		4		
AVERAGE OF SELECTION COMMITTEE SCORES (Total ÷ 3)		95.000		



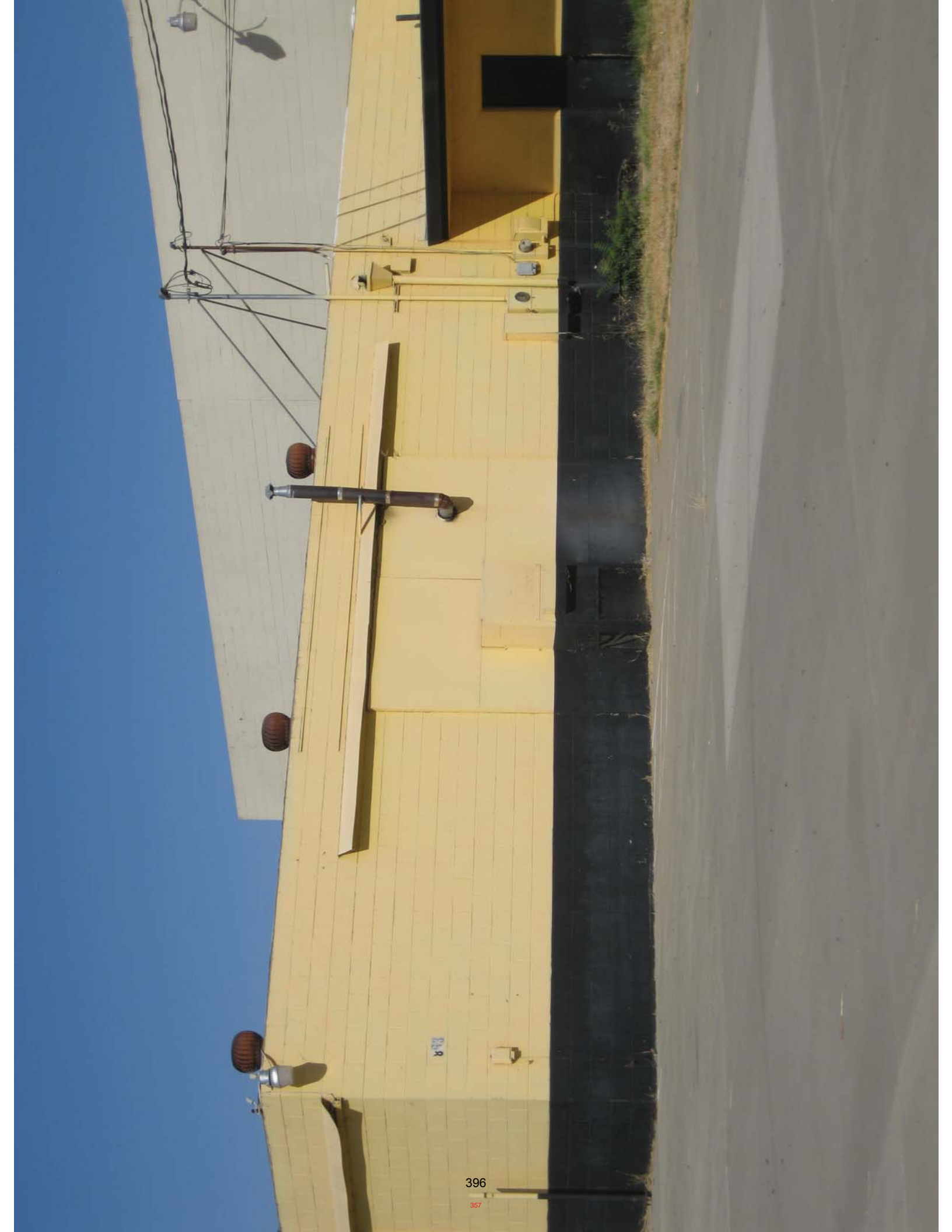








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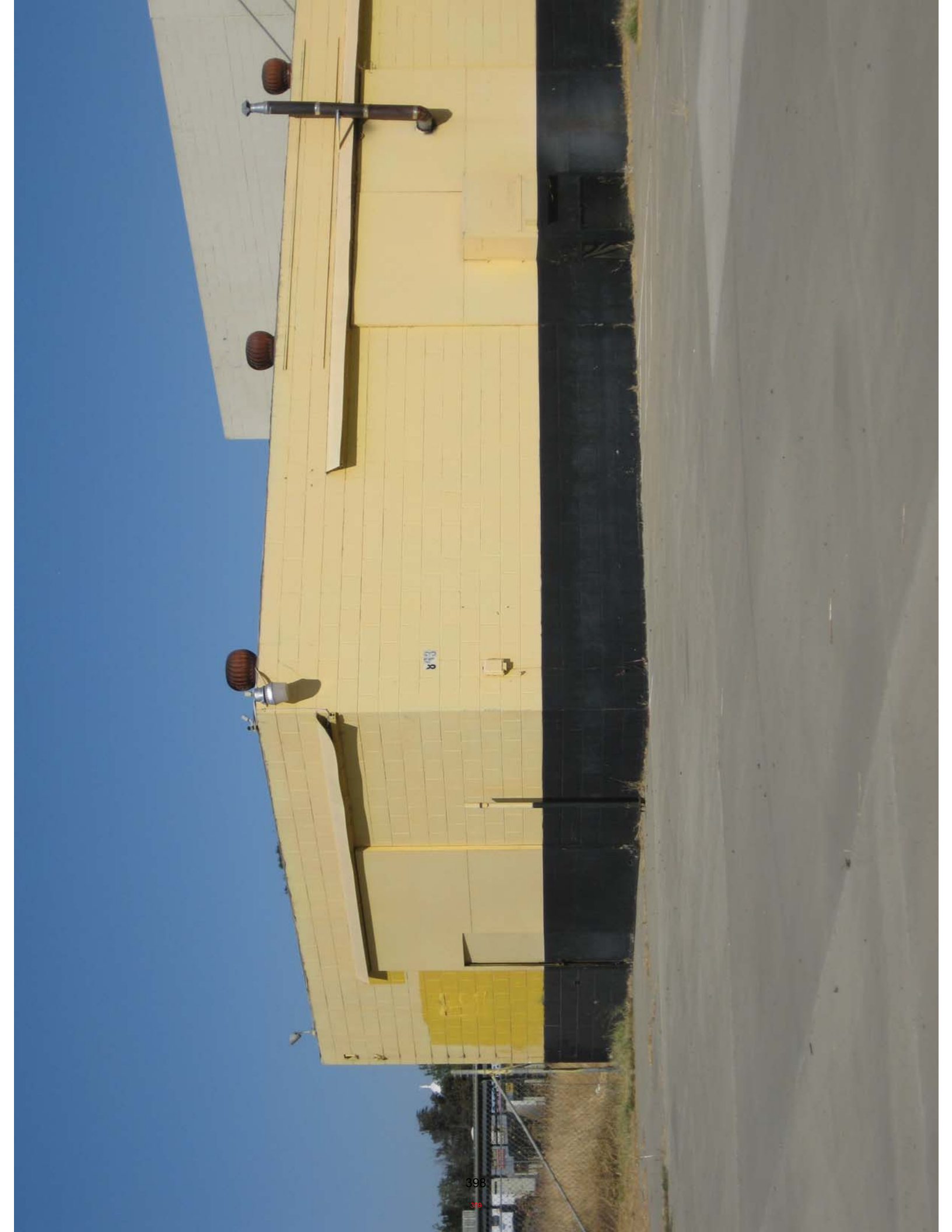




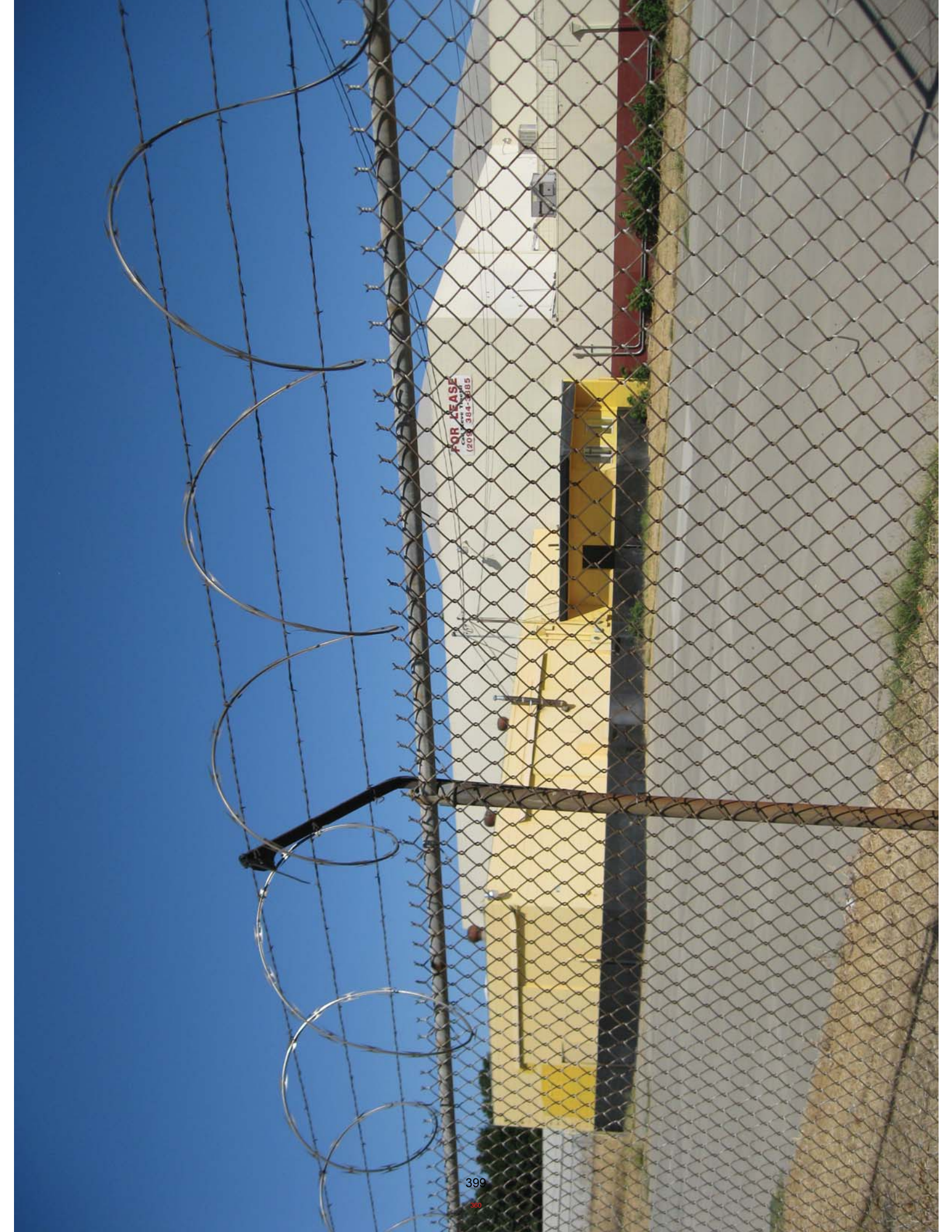


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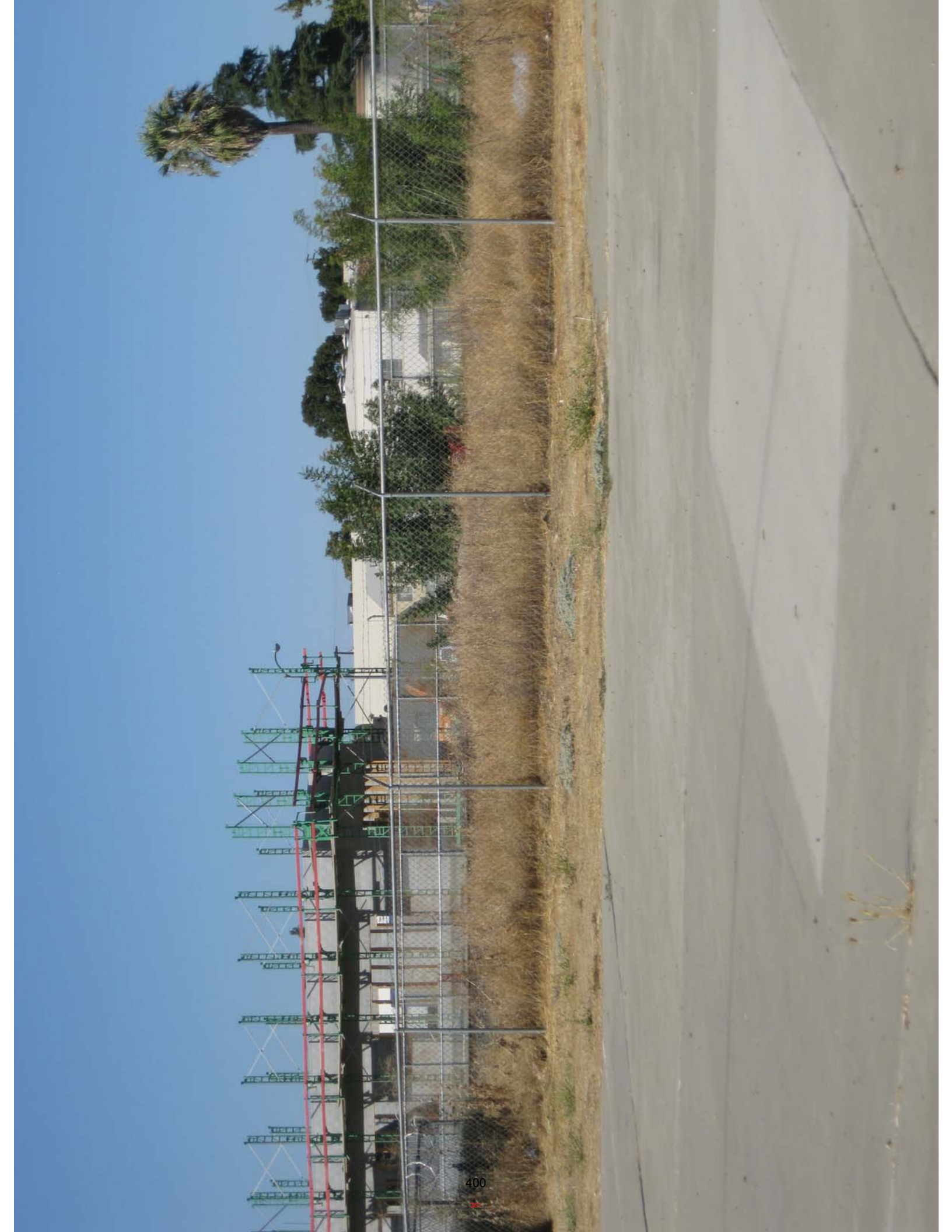












**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MERCED,  
CALIFORNIA, REPLACING 20.44.170 (“MEDICAL MARIJUANA AND  
CULTIVATION”); AMENDING SECTION 20.10.020 AND TABLE 20.10-1  
 (“COMMERCIAL ZONING DISTRICTS”), AND AMENDING SECTION 20.12.020  
 AND TABLE 20.12-1 (“INDUSTRIAL ZONING DISTRICTS”) OF THE MERCED  
 MUNICIPAL CODE; AND ADDING LAND USE TABLE 20.44-1 TO REGULATE ALL  
 COMMERCIAL CANNABIS ACTIVITIES AND CULTIVATION FOR PERSONAL USE  
 IN THE CITY OF MERCED**

**THE CITY COUNCIL OF THE CITY OF MERCED DOES ORDAIN AS FOLLOWS:**

**SECTION 1: Findings.**      The City Council finds and declares as follows:

- A. In 1996, the California electorate approved Proposition 215, the Compassionate Use Act which allows a patient, with a doctor’s recommendation, to use cannabis for medical purposes without the fear of prosecution or arrest; and
- B. In 2003, the California legislature passed Senate Bill 420 (Medical Marijuana Program Act) which amended the Health and Safety Code to permit the establishment of medical cannabis dispensaries for the distribution of cannabis for medical purposes; and
- C. In 2005, the California Board of Equalization began issuing seller’s permits for sales consisting of medical cannabis; and
- D. In 2008, the California Attorney General issued guidelines for the security and non-diversion of cannabis grown for medical use; and
- E. In 2015, the Governor signed into law Senate Bill 643, Assembly Bill 266, and Assembly Bill 243, collectively referred to as the Medical Marijuana Regulation and Safety Act (“MMRSA”) further amended in 2016 as the Medical Cannabis Regulation and Safety Act (“MCRSA”), which established regulations and a state licensing system for medical cannabis cultivation, manufacturing, delivery, and dispensing; and
- F. In 2016, the voters of the State of California approved and passed Proposition 64 also known as the Adult Use of Marijuana Act (“AUMA”); and
- G. In 2017, the Governor signed into law Senate Bill 94 also known as Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA); and
- H. Health & Safety Code Section 11362.83 provides that cities are free to adopt and enforce local ordinances that regulate the location, operation, or establishment of medical cannabis; and
- I. After studying various alternatives for the regulation of commercial cannabis considering input from stakeholders and a public hearing, and reviewing the legal status of cannabis under applicable law, the City Council finds that the regulation of commercial cannabis activities is necessary to protect the public health, safety, and welfare by mitigating the adverse secondary effects from the operations of these uses; and

- J. The City of Merced has a compelling interest in ensuring that cannabis is not distributed in an illicit manner, in protecting the public health, safety and welfare of its residents and businesses, in preserving the peace and quiet of the neighborhoods in which these uses may operate, and in providing access of cannabis to residents; and
- K. The proposed Ordinance has been reviewed by City staff in accordance with the Environmental Checklist Form (Appendix G of the CEQA Guidelines) to determine if there would be any possibility that the proposed ordinance would create any significant environmental impacts, and City staff has determined that the establishment of regulations for commercial cannabis businesses do not meet any of the thresholds contained in the Checklist that would trigger a significant environmental impact, and thus according to the “general rule exemption” (Section 15061(b)(3) of the CEQA Guidelines, projects which have no potential for causing a significant effect on the environment are not subject to CEQA, no further environmental analysis is required.

## **SECTION 2: Authority**

This Ordinance is adopted pursuant to the authority granted by the California Constitution and State law, including by not limited to, Article IX, Section 7 of the California Constitution, the Compassionate Use Act of 1996 (California Health and Safety Code Section 11362.5), the Medical Marijuana Program (California Health and Safety Code Section 11362.7 et seq.), the Medical Marijuana Regulation and Safety Act (AB 266, AB 243, and SB 643; hereafter “MMRSA”), the Adult Use of Marijuana Act (Proposition 64), and the Medical and Adult Use Cannabis Regulation and Safety Act (SB 94; hereafter “MAUCRSA”).

## **SECTION 3: Purpose and Intent**

The purpose and intent of this section is to regulate commercial cannabis business activities in order to ensure the health, safety and welfare of the residents of the City of Merced by establishing regulations necessary for a commercial cannabis business to obtain and maintain a Commercial Cannabis Business Permit (CCBP). Any commercial cannabis businesses operating in the City of Merced shall at all times be in compliance with current State Law and this ordinance. All commercial cannabis facilities shall operate in accordance with the regulations in this ordinance and with the conditions of approval associated with the applicable zone for the parcel of real property upon which the commercial cannabis activities are conducted. Any commercial cannabis business shall qualify for and receive a Commercial Cannabis Business Permit from the City of Merced as provided by this ordinance and operate only in a zone in compliance with Title 20 of the Merced Municipal Code before commencing with any commercial cannabis activity. Any commercial cannabis business without a Commercial Cannabis Business Permit is in violation of this ordinance. The regulations in this article, in compliance with the Compassionate Use Act, the Medical Marijuana Program Act, SB 94, Proposition 64, and the California Health and Safety Code (collectively referred to as “State Law”) do not interfere with the right to use cannabis or medical cannabis as authorized under State Law, nor do they criminalize the possession or commercial activities of cannabis or medical cannabis as authorized under State Law. This ordinance also provides regulations for the cultivation of cannabis for personal use within the City of Merced to ensure the health, safety, and welfare of the residents of the City of Merced.

#### **SECTION 4. Amendments of Chapters 20.10 and 20.12.**

Table 20.10-1 "Permitted Land Uses in the Commercial Zoning Districts" in Section 20.10.020 of the Merced Municipal Code and Table 20.12-1 "Permitted Land Uses in the Industrial Zoning Districts" in Section 20.12.020 of the Merced Municipal Code under "Medical Marijuana Dispensaries" shall be amended to read as follows: "Refer to Table 20.44-1 in Section 20.44.170 for Permitted Land Uses for All Commercial Cannabis Business Activities."

#### **SECTION 5. Amendment of Chapter 20.44.170**

The City of Merced hereby repeals Section 20.44.170 ("Medical Marijuana and Cultivation") of the Merced Municipal Code in its entirety, and replaces it with the amended Section 20.44.170 as set forth below.

#### **20.44.170 – REGULATION OF COMMERCIAL CANNABIS ACTIVITIES – COMMERCIAL CANNABIS BUSINESS PERMIT REQUIRED**

##### **20.44.170(A): Zoning Compliance and Commercial Cannabis Business Permit Requirements**

Specific commercial cannabis businesses are allowed as a special use in the C-C, C-O, C-G, C-N, I-L and I-H Zoning Districts and Planned Developments which have the equivalent General Plan land use designations of those zones. Commercial cannabis activities are expressly prohibited in all other zones in the City of Merced. Commercial cannabis businesses shall apply for and conduct business only in the appropriate zones as described in Table 20.44-1 and the City of Merced's zoning ordinance as a requisite for obtaining a Commercial Cannabis Business Permit (CCBP). No commercial cannabis business may operate in the City of Merced without a Commercial Cannabis Business Permit.

This Land Use Table 20.44-1 shall be used to determine whether a cannabis business is not permitted – "X", or permitted – "P". Any Commercial Cannabis business in the City of Merced shall also operate in compliance with the City's zoning ordinance. If a Zoning District is not listed in the Land Use Table in this section then the use is expressly not permitted.



Commercial Cannabis Business Activities Use Type	City of Merced Municipal Code Table 20.44-1							Additional Specific Use Standards
	Land Use Classification [4] [5]	C-C Zone	C-O Zone	C-G Zone	C-N Zone	I-L Zone	I-H Zone	
Cultivator	Greenhouse, Type A	X	X	X	X	P	P	Sec. 20.44.170(I)
Cultivator	Greenhouse, Type B	X	X	X	X	P	P	Sec. 20.44.170(I)
Cultivator	Greenhouse, Type C	X	X	X	X	P	P	Sec. 20.44.170(I)
Nursery	Greenhouse, Type D	X	X	X	X	P	P	Sec. 20.44.170(I)
Manufacturing	Manufacturing, non-volatile	X	X	X	X	P	P	Sec. 20.44.170(H)
Manufacturing	Manufacturing, volatile	X	X	X	X	P	P	Sec. 20.44.170(H)
Dispensary [1][2]	Pharmaceutical, medical	P	P	P	P	P	X	Sec. 20.44.170(F)
Dispensary [1][2]	Retail, non-medical/combined	P	P	P	P	P	X	Sec. 20.44.170(F)
Testing Laboratory	No Retail	P	P	P	X	P	P	Sec. 20.44.170(J)
Distribution [3]	Freight/Transport	X	X	P	X	P	P	Sec. 20.44.170(K)

### Footnotes

1. Only four (4) dispensaries shall operate within the Merced City Limits. At least one (1) of those dispensaries shall also dispense medicinal cannabis goods. If State law allows medical and adult use dispensaries on the same premises, the City of Merced would allow a combined use, but in no case shall more than four (4) dispensaries of any kind be allowed within the City of Merced at any one time.
2. Dispensaries (medical or adult use) are prohibited in the City Center area between 19<sup>th</sup> and 16<sup>th</sup> Streets and O Street and Martin Luther King Jr. Way, including properties fronting on either side of each of the above streets.
3. Only allowed in General Commercial (C-G) zones if meet the provisions of Section 20.44.170 (K)(10).
4. If listed as "Permitted" in a specific zone above, then that use is also "Permitted" in Planned Development (P-D) zones that have the equivalent General Plan land use designation as that zone.
5. No cannabis dispensary may be located within a 1,000-foot radius from a school or within a 600-foot radius from a day care center, youth center, library or public park that is in existence at the time the Commercial Cannabis Business Permit is issued, as required by Section 11362.768 of the Health and Safety Code and as required in Merced Municipal Code Section 20.44.170 (E)(3)(f). No cultivation facility, manufacturing facility, testing facility or any other commercial cannabis business facility may be located within a 600-foot radius from a school, day care center, youth center, library, or public park that is in existence at the time the Commercial Cannabis Business Permit is issued, as required by Section 11362.768 of the Health and Safety Code and as required in Merced Municipal Code Section 20.44.170 (E)(3)(f). No Commercial Cannabis Businesses may be located within a 600 foot-radius from a school, day care center, recreational center, youth center, library or public park as required in Merced Municipal Code Section 20.44.170 (E)(3)(f).

### Land Use Classifications:

Greenhouse, Commercial A - Permitted cultivation area: 0 to 5,000 square feet  
Greenhouse, Commercial B – Permitted cultivation area: 5,001 to 10,000 square feet  
Greenhouse, Commercial C – Permitted cultivation area: 10,000 to 22,000 square feet  
Greenhouse, Commercial D – Permitted cultivation area: 22,000 square feet



#### **20.44.170(B): Cultivation of Cannabis for Personal Use in Residential Zones**

1. When authorized by State regulations, an authorized resident shall be allowed to cultivate cannabis only in a private residence in a residential zone, only indoors, and only for personal use, subject to the following regulations:
  - a. The cannabis cultivation area shall be located indoors within a residential structure and shall not exceed fifty square feet and not exceed ten feet in height, nor shall it come within twelve (12) inches of the ceiling or any cultivation lighting, nor shall it exceed the limits set forth in Section 20.44.170(B)(1)(i) below. Cultivation in a greenhouse or other legal accessory structure on the property of the residence, but not physically part of the home, is permitted as long as it is fully enclosed, secure, not visible from a public right-of-way, and meeting all requirements in this Chapter. Additionally, all structures must meet setback, height limitations, and be constructed in accordance with all local requirements as well as all applicable Building Codes.
  - b. If the resident is not the property owner, they must have the property owner's express written authorization to conduct cannabis cultivation. Nothing contained herein shall limit the property owner's right to deny or revoke permission to allow cannabis cultivation as set forth by State law.
  - c. The use of gas products such as, but not limited to CO<sub>2</sub>, butane, methane, or any other flammable or non-flammable gas for marijuana or cannabis cultivation or processing is prohibited.
  - d. There shall be no exterior visibility or evidence of cannabis cultivation outside the private residence from the public right-of-way, including but not limited to any marijuana or cannabis plants, equipment used in the growing and Cultivation operation, and any light emanating from cultivation lighting.
  - e. The authorized resident shall reside full-time on the property where the cannabis cultivation occurs.
  - f. The residence shall include fully functional and usable kitchen, bathroom, and bedroom areas for their intended use by the resident authorized grower, and the premises shall not be used primarily or exclusively for cannabis cultivation.
  - g. The cannabis cultivation area shall be in compliance with the current adopted edition of the California Building Code including § 1203.4 Natural Ventilation or § 402.3 Mechanical Ventilation (or equivalent), as amended from time to time.
  - h. The Building Official may require additional specific standards to meet the California Building Code and Fire Code, including but not limited to, installation of fire suppression sprinklers.
  - i. The cannabis cultivation area shall not result in a nuisance or adversely affect the health, welfare, or safety of the resident or nearby residents by creating dust, glare, heat, noise,

noxious gasses, odors, smoke, traffic, vibration, or other impacts, or be hazardous due to use or storage of materials, processes, products or wastes.

- j. No more than six (6) cannabis plants, mature or immature, for personal use, are permitted per residence for indoor personal cultivation under this Chapter, unless permitted under State regulations.
  - k. Cannabis in excess of twenty-eight and one-half (28.5) grams produced by plants kept for indoor personal cultivation under this Chapter must be kept in a locked space on the grounds of the private residence not visible from the public right-of-way.
  - l. The authorized grower shall not provide any cannabis in any form to animals or any minors that are not authorized users under Medical Marijuana Regulation and Safety Act or the Adult Use of Marijuana Act. Anyone found in violation shall be prosecuted pursuant to State regulations.
2. Outdoor cultivation of cannabis is expressly prohibited in all zones and districts of the City of Merced.

#### **20.44.170(C): Definitions**

The definitions are incorporated herein as fully set forth and are applicable to this ordinance. All definitions are intended to comply with those set forth by the State of California for all commercial cannabis activities.

- 1. **“Applicant”** means a person who is required to file an application for a permit under this chapter, including an individual owner, managing partner, officer of a corporation, or any other operator, manager, employee, or agent of a dispensary.
- 2. **“Cannabis”** means all parts of the Cannabis sativa Linnaeus, Cannabis Indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from marijuana. "Cannabis" also means marijuana as defined by Section 11018 of the California Health and Safety Code as enacted by Chapter 14017 of the Statutes of 1972. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this chapter, "cannabis" does not mean industrial hemp as that term is defined by Section 81000 of the California Food and Agricultural Code or Section 11018.5 of the California Health and Safety Code.
- 3. **“Cannabis waste”** means waste that is not hazardous waste, as defined in Public Resources Code section 40191, that contains cannabis and that has been made unusable and unrecognizable in the manner prescribed by the State.
- 4. **“Canopy”** means all of the following:

- a. The designated area(s) at a licensed premises that will contain mature plants at any point in time;
  - b. Canopy shall be calculated in square feet and measured using clearly identifiable boundaries of all area(s) that will contain mature plants at any point in time, including all of the space(s) within the boundaries;
  - c. Canopy may be noncontiguous but each unique area included in the total canopy calculation shall be separated by an identifiable boundary such as an interior wall or by at least 10 feet of open space; and
  - d. If mature plants are being cultivated using a shelving system, the surface area of each level shall be included in the total canopy calculation.
5. **"City"** means the City of Merced.
6. **"Commercial cannabis business permit (CCBP)"** means a permit issued by the City pursuant to this chapter to a commercial cannabis business.
7. **"Commercial cannabis activity"** includes the cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, distribution, delivery, or sale of cannabis or a cannabis product, except as set forth in Section 19319 of the Business and Professions Code, related to qualifying patients and primary caregivers.
8. **"Commercial vehicle"** means a vehicle as defined in Vehicle Code section 260.
9. **"Concentrated cannabis product"** means a consolidation of cannabinoids made by dissolving cannabis in its plant form into a solvent.
10. **"Cultivation"** means any activity involving the propagation, planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.
11. **"Customer"** means a natural person 21 years of age or over or a natural person 18 years of age or older who possesses a physician's recommendation.
12. **"Day Care Center"** means any child day care facility other than a family day care home, and includes infant centers, preschools, extended day care facilities, and school age child care centers as defined in Health and Safety Code Sections 1596.76, 1596.7915, 1576.750, and 1596.78.
13. **"Delivery"** means the commercial transfer of marijuana or marijuana products to a customer. "Delivery" also includes the use by a retailer of any technology platform owned and controlled by the retailer, or independently licensed under this division, that enables customers to arrange for or facilitate the commercial transfer by a licensed retailer of marijuana or marijuana products.
14. **"Delivery employee"** means an individual employed by a licensed dispensary who delivers cannabis goods from the permitted dispensary premises to a medical cannabis patient or primary caregiver or qualified purchaser at a physical address.

15. **“Dispensary”** means a premises where cannabis, cannabis products, or devices for the use of cannabis or cannabis products are offered, either individually or in any combination for retail sale, including an establishment that delivers cannabis or cannabis products as part of a retail sale.
16. **“Display”** means cannabis goods that are stored in the licensed dispensary’s retail area during the hours of operation.
17. **“Display case”** means container in the licensed dispensary retail area where cannabis goods are stored and visible to customers.
18. **“Distribution”** means the procurement, sale, and transport of cannabis or cannabis products between entities licensed pursuant to the Medical and Adult Use of Cannabis Regulation and Safety Act and any subsequent State of California legislation regarding the same.
19. **“Edible cannabis product”** means manufactured cannabis that is intended to be used, in whole or in part, for human consumption. An edible cannabis product is not considered food as defined by Section 109935 of the California Health and Safety Code or a drug as defined by Section 109925 of the California Health and Safety Code.
20. **“Fully Enclosed and Secure Structure”** means a fully-enclosed space within a building that complies with the California Building Code (“CBSC”), as adopted in the City of Merced, or if exempt from the permit requirements of the CBSC, that has a complete roof, a foundation, slab or equivalent base to which the floor is secured by bolts or similar attachments, is secure against unauthorized entry, is accessible only through one or more lockable doors, and is not visible from a public right-of-way. Walls and roofs must be constructed of solid materials that cannot be easily broken through such as two inch by four inch nominal or thicker studs overlaid with three-eighths inch or thicker plywood or the equivalent. Plastic sheeting, regardless of gauge, or similar products do not satisfy this requirement. If indoor lighting or air filtration systems are used, they must comply with the California building, electrical, and fire codes as adopted in the City of Merced.
21. **“Free sample”** means any amount of cannabis goods provided to any person without cost or payment or exchange of any other thing of value.
22. **“Indoors”** means within a fully enclosed and secure structure as that structure is defined above in 20.44.170(C), Subsection 19.
23. **“License”** means a state license issued under this division, and includes both an A-license and an M-license, as well as a testing laboratory license.
24. **“Limited-access area”** means an area in which cannabis goods are stored or held and which is only accessible to a licensee and the licensee’s employees and contractors.
25. **“Medical”** or **“Medicinal”** have the same meaning under the terms of this ordinance.
26. **“Medical cannabis goods”** means cannabis, including dried flower, and manufactured cannabis products.

27. **“Medical cannabis patient”** is a person whose physician has recommended the use of cannabis to treat a serious illness, including cancer, anorexia, AIDS, chronic pain, spasticity, glaucoma, arthritis, migraine, or any other illness for which cannabis provides relief.
28. **“Manufacturer”** means a licensee that conducts the production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container.
29. **“Manufacturing” or “manufacturing operation”** means all aspects of the extraction and/or infusion processes, including processing, preparing, holding, storing, packaging, or labeling of cannabis products. Manufacturing also includes any processing, preparing, holding, or storing of components and ingredients.
30. **“Nonvolatile solvent”** means any solvent used in the extraction process that is not a volatile solvent. For purposes of this chapter, a nonvolatile solvent includes carbon dioxide used for extraction, or as it may be defined and amended by the State.
31. **“Operating hours”** means the hours within a day during which a permitted retail sales outlet may allow qualified cannabis purchasers and primary caregivers to enter the dispensary premises and purchase cannabis goods.
32. **“Owner” or “Ownership interest”** means an interest held by a person who is an owner as defined by State of California commercial cannabis regulations or who has a financial interest in the commercial cannabis business of 5% or more.
33. **“Package” and “Packaging”** means any container or wrapper that may be used for enclosing or containing any cannabis goods for final retail sale. “Package” and “packaging” does not include a shipping container or outer wrapping used solely for the transport of cannabis goods in bulk quantity to a licensee.
34. **“Patient or qualified patient”** shall have the meaning given that term by California Health and Safety Code and possesses a valid physician’s recommendation.
35. **“Person”** includes any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular.
36. **“Pest”** means undesired insect, rodent, nematode, fungus, bird, vertebrate, invertebrate, weed, virus, bacteria, or other microorganism that is injurious to human health.
37. **“Physician’s recommendation”** means a recommendation by a physician and surgeon that a patient use cannabis provided in accordance with the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code.
38. **“Premises”** means the designated structure(s) and land specified in the application that are in possession of and used by the applicant or licensee to conduct the commercial cannabis activity.

39. **“Pre-roll”** means dried cannabis flower rolled in paper prior to retail sale.
40. **“Primary Caregiver”** has the same meaning as that term is defined in Section 11362.7 of the Health and Safety Code.
41. **“Private security officer”** has the same meaning as that term as defined in the State of California Business and Professions Code section 7574.01.
42. **“Publicly owned land”** means any building or real property that is owned by a city, county, state, federal, or other government entity.
43. **“Purchase”** means obtaining cannabis goods in exchange for consideration.
44. **“Purchaser”** means a person who is engaged in a transaction with a licensee for purposes of obtaining cannabis goods.
45. **“Quarantine”** means the storage or identification of cannabis goods, to prevent distribution or transfer of the cannabis goods, in a physically separate area clearly identified for such use.
46. **“Retail area”** means a building, room, or other area upon the licensed dispensary premises in which cannabis or other goods are sold or displayed.
47. **“School”** means any public or private school providing instruction in kindergarten or any of grades 1 to 12, inclusive, but does not include any private school in which education is primarily conducted in private homes or as otherwise provided in Health and Safety Code Section 11362.768(h).
48. **“Security monitoring”** means the continuous and uninterrupted attention to potential alarm signals that can be transmitted from a security alarm system for the purpose of summoning law enforcement.
49. **“Sell,” “sale,” and “to sell”** include any transaction whereby, for any consideration, title to cannabis is transferred from one person to another, and includes the delivery of cannabis goods pursuant to an order placed for the purchase of the same and soliciting or receiving an order for the same, but does not include the return of cannabis goods by a licensee to the licensee from whom such cannabis goods were purchased.
50. **“Sublet”** means to lease or rent all or part of a leased or rented property.
51. **“State”** means the State of California.
52. **“Testing Laboratory”** means a facility, entity, or site that offers or performs tests of cannabis or cannabis products, and that is accredited as operating to ISO standard 17025 by an accrediting body, and registered with the State Department of Public Health
53. **“Vehicle alarm system”** is a device or series of devices installed to discourage theft of the commercial vehicle or its contents and is intended to summon general attention or to summon law enforcement as a result of an indication of an attempted breach of the commercial vehicle.
54. **“Volatile solvent”** means any solvent that is or produces a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures.

Examples of volatile solvents include but are not limited to, butane, hexane, propane, and ethanol, or as it may be defined and amended by the State.

55. **“Wholesale”** means the sale of cannabis goods to a distributor for resale to one or more dispensaries.

56. **“Youth Center”** means any public or private facility that is primarily used to host recreational or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club activities, video arcades with over 10 or more video games on the premises, or similar amusement park facilities, or as otherwise described in Health and Safety Code Section 11353.1(e)(2).

#### **20.44.170(D): Compliance with State and Local Licensing Requirements**

Any dispensary, cultivation facility, manufacturing facility, testing facility or any other commercial cannabis activity as defined by the State of California or the City of Merced shall operate in conformance with all regulations and standards set forth in this Section of the Municipal Code to assure that the operations of the dispensary, cultivation facility, manufacturing facility, distribution facility, testing facility or any other commercial cannabis activity as defined by the State of California or allowed by the City of Merced are in compliance with local and State law and are established to mitigate any adverse secondary effects from its operations.

Cannabis operators shall be required to obtain a State license once they become available, and shall comply with any applicable State licensing requirements, such as operational standards and locational criteria.

Multiple cannabis uses and licenses proposed on any one site shall occur only if authorized by the State and the City of Merced and only if all uses proposed are allowed pursuant to the City's Zoning Code.

#### **20.44.170(E): General Provisions for Commercial Cannabis Activities in the City of Merced**

##### **1. Commercial Cannabis Business Permit Required**

- a. Each business shall have a Commercial Cannabis Business Permit specific to the business activity defined by the State pertaining to that activity and whether the activity is medical or non-medical or any other commercial cannabis activity the State may define and as they may be amended. Following is a list of current license types:
  - i. Cultivation
  - ii. Distribution
  - iii. Manufacturing
  - iv. Retail sales (Dispensary)
  - v. Testing
- b. It shall be unlawful for any person, association, partnership or corporation to engage in, conduct or carry on, in or upon any premises within the City of Merced any commercial cannabis business without a Commercial Cannabis Business Permit. A cannabis business shall register and obtain a Commercial Cannabis Business Permit from the City of Merced



prior to operation. The Commercial Cannabis Business Permit applicant shall pay an annual non-refundable regulatory fee in an amount and at a frequency established by the City Council by resolution.

- c. A copy of the Commercial Cannabis Business Permit shall be displayed at all times in a place visible to the public.
- d. A Commercial Cannabis Business Permit shall be valid for one (1) year or until December 31 each year, unless sooner revoked. No permit granted herein shall confer any vested right to any person or business for more than the above-referenced period.
- e. A Commercial Cannabis Business Permit shall not be issued to an individual or a business entity owned or managed in whole or in part by an individual or a business entity employing an individual who has a previous conviction for or has entered a plea of nolo contendere/no contest to any of the following:
  - i. A felony offense listed in California Health and Safety Code Section 11590.
  - ii. A felony offense listed in California Penal Code Section 667.5(c).
  - iii. A felony offense listed in California Penal Code Sections 1197.2(c) or Section 1192.8.
  - iv. A felony or misdemeanor offense that substantially relate to the qualifications, functions, or duties of the business or profession.
  - v. A felony conviction involving fraud, deceit, or embezzlement.
  - vi. A felony or misdemeanor offense involving the sale or giving to a minor of controlled substances, cannabis, alcohol, or tobacco.

A Commercial Cannabis Business Permit may be issued, at the discretion of the City, to an individual with a conviction listed above provided a period of ten (10) years has elapsed in which the individual has remained free of criminal convictions or violations of parole or probation, and the individual has either obtained a certificate of rehabilitation pursuant to Penal Code Section 4852.01 or received expungement pursuant to California Penal Code Section 1203.4.

- f. The Commercial Cannabis Business Permit shall be issued to the specific person or persons listed on the Cannabis Permit Application.
- g. A Commercial Cannabis Business Permit is not transferable except under the terms of Merced Municipal Code Section 20.44.170(L)(4)(c), and does not run with the land or with the business. Any change to the business location, organizational structure, or ownership may require a new application with associated fees at the discretion of the Director of Development Services or designee.

## **2. Maintenance of Records and Reporting**

All records for the commercial cannabis business of the following activities shall be maintained and available to the City of Merced for at least 7 years. Records shall be produced within 24 hours of a request by an authorized City of Merced representative:

- a. The business shall obtain and maintain a valid Seller's Permit from the State Board of Equalization.

- b. Financial records include, but are not limited to: bank statements, sales invoices, receipts, tax records, and all records required by the California State Board of Equalization under Title 18 California Code of Regulations section 1968.
- c. Personnel records, including each employee's full name, address, phone number, social security, or individual tax payer identification number, date of beginning employment, and date of termination of employment if applicable.
- d. Training records, including but not limited to the content of the training provided and the names of the employees that received the training.
- e. Contracts with other licensees regarding commercial cannabis activity.
- f. Permits, licenses, and other local authorizations to conduct the licensee's commercial cannabis activity, including BOE sellers permit.
- g. Security records.
- h. Records shall be kept in a manner that allows the records to be produced for the City in either hard copy or electronic form, whichever the City requests.
- i. Proof of building ownership or landlord letter acknowledging business type.
- j. Proof of insurance.

### **3. Operational Standards for All Commercial Cannabis Business Activities**

- a. Interior and exterior locations of the business property shall be monitored at all times by closed circuit cameras for security purposes. The cameras and recording system shall be of adequate quality, color rendition and resolution to allow the sufficient identification of any individual committing a crime on the location premises. Cameras shall record 24 hours a day at a minimum of 20 frames per second.
- b. The applicant shall conduct and pay for any required CEQA reviews and analyses, and pay for all costs, including those of the City, associated with project review under CEQA.
- c. The surveillance system storage device or cameras shall be transmission control protocol/TCP capable of being accessed through the internet by the Merced Police Department or their designee on request.
- d. All controlled access areas, security rooms and all points of ingress/egress to limited access areas and all point of sale (POS) areas shall have fixed camera coverage capable of identifying activity occurring within a minimum of twenty (20) feet. Camera video recordings shall be maintained unaltered in a secure location for a period of not less than thirty (30) calendar days, and be available for inspection at any time. The City of Merced or law enforcement may request the recordings in connection with an investigation. If the recordings are not voluntarily provided, the City or law enforcement may seek a warrant or court order for the recordings.

- e. All commercial cannabis businesses shall create and maintain an active account within the State's track and trace system prior to commencing any commercial cannabis activity. In the event of system failure, the business shall keep a hard copy record and transfer the information to the track and trace system within 24 hours of the system being available.
- f. No cannabis dispensary may be located within a 1,000-foot radius from a school or within a 600-foot radius from a day care center, youth center, library or public park that is in existence at the time the Commercial Cannabis Business Permit is issued, as required by Section 11362.768 of the Health and Safety Code. No cultivation facility, manufacturing facility, testing facility or any other commercial cannabis business facility may be located within a 600-foot radius from a school, day care center, youth center, library, or public park that is in existence at the time the Commercial Cannabis Business Permit is issued, as required by Section 11362.768 of the Health and Safety Code. For purposes of this subsection only, a public park shall not include any park designated in Merced Municipal Code Section 9.70.030 as a bike path. 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.
- g. No physical modification of the permitted premises is allowed without written prior permission by the City of Merced and payment of any additional fees required by the City.
- h. All commercial cannabis activities shall provide adequate off-street parking and comply with the City of Merced Municipal Code requirements in Chapter 20.38 Parking and Loading, to service customers without causing negative impact.
- i. The commercial cannabis business shall provide adequate handicapped parking per the requirements in the California Building Code.
- j. The commercial cannabis business shall provide adequate interior and exterior lighting for safety and security as determined by the Police Chief or designee.
- k. The commercial cannabis business shall minimize nuisances such as trash, litter, and graffiti.
- l. Any and all signage, packaging, and facilities shall not be 'attractive', as it is defined by the State, to minors.
- m. All commercial cannabis facilities shall be required to provide an air treatment system that ensures off-site odors shall not result from its operations. This requirement at a minimum means that the facility shall be designed to provide sufficient odor absorbing ventilation and exhaust systems so that any odor generated inside the location is not detected outside the building, on adjacent properties or public rights-of-way, or within any other unit located within the same building as the facility if the use occupies only a portion of a building. The air treatment system must also prevent the build-up of mold within the facility.
- n. A permitted commercial cannabis business entity shall have 180 days after permit issuance by the City of Merced to begin initial operations, unless otherwise approved by the Development Services Director or designee. A permitted commercial cannabis

business entity that remains inoperative for more than 60 calendar days after initial operations begin shall be deemed “abandoned” and the permit shall be forfeited. A business may temporarily suspend operations for a period of time as may be reasonably required to affect upgrades, modifications, repairs, or other property issue mitigations as approved by the Development Services Director or designee.

- o. The cannabis business shall comply with all State and City of Merced regulations regarding testing, labeling and storage of all cannabis products.
- p. The cannabis business shall meet all State and local regulations for the disposal of all cannabis materials and materials used in conjunction with processing, distributing and cultivating of cannabis as well as any unsold cannabis or cannabis products.
- q. The cannabis business shall conform to all State regulations regarding the use of appropriate weighing devices.
- r. The cannabis business shall conform to all State and local regulations regarding water usage. No liquids of any kind shall be discharged into a public or private sewage or drainage system, watercourse, body of water or into the ground, except in compliance with applicable regulations of the California Regional Water Quality Control Board (California Administrative Code, Title 23, Chapter 3).
- s. The cannabis businesses’ electrical and plumbing shall comply with State and local regulations.
- t. The cannabis business shall maintain a comprehensive general liability combined single occurrence insurance policy issued by an “A” rated insurance carrier in an amount no less than two million dollars and naming the City of Merced as additional insured.
- u. No free samples of any cannabis or cannabis product may be distributed at any time.
- v. All agents, private security officers or other persons acting for or employed by a licensee shall display a laminated identification badge at least 2” X 2” in size, issued by the licensee. The badge, at a minimum, shall include the licensee’s “doing business as” name and license number, the employees first and last name, and a color photo of the employee that shows the full front of the employee’s face.
- w. The commercial cannabis business shall have a centrally-monitored fire and burglar alarm system which shall include all perimeter entry points and perimeter windows.
- x. A licensee shall ensure a licensed alarm company operator or one or more of its registered alarm agents installs, maintains, monitors and responds to the alarm system. The alarm company shall obtain a City of Merced business license.
- y. Meet all State deadlines for applying for a State license and receive a State license within six (6) months after the date the State begins issuing licenses. This may be waived if the State has longer delays in issuing licenses of the type the commercial cannabis business seeks. The permittee must inform the City in writing within 10 days when the permittee applies for that initial permit or if the permittee applies for any additional State licenses. Said notification shall be addressed to the Director of Development Services or his designee at 678 W. 18<sup>th</sup> St., Merced, CA 95340.

- z. All persons hiring employees to engage in commercial cannabis activities shall document compliance with the following employee safety practices:
  - i. Emergency action response planning as necessary
  - ii. Employee accident reporting and investigation policies
  - iii. Fire prevention
  - iv. Hazard communication policies, including maintenance of material safety data sheets.
  - v. Materials storage and handling policies
  - vi. Personal protective equipment policies
  - vii. Operation manager contacts
  - viii. Emergency responder contacts
  - ix. Poison control contacts
- aa. All persons with ownership interest; and all employees agents, officers or other persons acting for or employed by a permittee must be at least 21 (twenty-one) years of age.

**20.44.170(F): Additional Regulations for Dispensary and Retail Sales of Cannabis**

1. Only four (4) dispensaries shall operate within the Merced City Limits, regardless of the location's compliance with any other Section specified in this ordinance.. At least one (1) of those dispensaries shall also dispense medicinal cannabis goods. If State law allows medical and adult use dispensaries on the same premises, the City of Merced would allow a combined use, but in no case shall more than four (4) dispensaries of any kind be allowed within the City of Merced.
2. No retail cannabis facility may engage in check cashing activities at any time.
3. Only one dispensary permit per person with ownership interest is allowed in the City of Merced. Any person with community property rights of an ownership interest is considered a person with ownership interest in this section.
4. Restrooms shall remain locked during business hours and not open to the public.
5. The total number of dispensaries in operation shall be determined based on the number of locations which have been issued a Commercial Cannabis Business Permit for a dispensary by the City.
6. Display of cannabis products shall be limited to only an amount necessary to provide a visual sample for customers.
7. At all times, the cannabis dispensary is open, the dispensary shall provide at least one security guard who is registered with Bureau of Security and Investigative Services, and possesses a valid and current security guard registration card on their person while on-duty.
8. Security guards are permitted, but not mandated, to carry firearms.
9. All cannabis products available for sale shall be securely locked and stored.

10. The security guard and cannabis dispensary personnel shall monitor the site and the immediate vicinity of the site to ensure that patrons immediately leave the site and do not consume cannabis in the vicinity of the dispensary or on the property or in the parking lot.
11. Medical Cannabis Dispensaries shall maintain the full name, address and telephone number(s) of all patient members to whom the business provides medical cannabis, and a copy of a physician-issued recommendation card or State-issued card for all patient members.
12. Dispensaries shall also record on the video surveillance system point-of-sale areas and areas where cannabis goods are displayed for sale.
13. Any commercial cannabis retail or medical retail sales facility shall be open to the public a minimum of 40 hours per week, unless otherwise specified in the Commercial Cannabis Business Permit.
14. Hours of operation in Commercial Office (C-O) zones shall be limited to no earlier than 8 a.m. Pacific Time and no later than 7 p.m. Pacific Time. Hours of operation in all other zones shall be limited to no earlier than 8 a.m. Pacific Time and no later than 9 p.m. Pacific Time, unless zoning regulations specify more restrictive hours.
15. Exterior signage shall be limited to one wall sign not to exceed twenty (20) square feet in area. Interior signage or advertising may not be visible from the exterior. No temporary signs (banners, A-frames, etc.) or window signs are allowed.
16. On-site consumption of cannabis or cannabis products is specifically prohibited on the premises at all times. The following information shall be provided on a sign posted in a conspicuous location inside the cannabis dispensary: "Smoking, ingesting or consuming cannabis on this property or within 100 feet of the business is prohibited."
17. An adult use license shall not sell cannabis products to persons under 21 years of age or allow any person under 21 years of age on its premises, unless such licensee also holds a medicinal license and the licensee holds a CCBP for both adult use and medicinal cannabis. A medicinal licensee may sell cannabis products to and allow on the premises, any person 18 years of age or older who possesses a valid government issued identification card, and either a valid county-issued identification card under Section 11362.712 of the Health and Safety Code or a valid physician's recommendation for himself or herself or for a person for whom he or she is a primary caregiver.
18. Adequate signage shall clearly state that the City of Merced has not tested or inspected any cannabis product for pesticides, or other regulated contaminants, distributed at this location.
19. No recommendations from a doctor for medical cannabis shall be issued on-site.
20. Shipments of cannabis goods may only be accepted during regular business hours.
21. There shall be no on-site sales of alcohol or tobacco products, and no on-site consumption of food, alcohol or tobacco by patrons.



22. Inventory shall be secured and locked in a room, safe, or vault, and in a manner reasonably designed to prevent diversion, theft, and loss during non-business hours.
23. No cannabis product shall be visible from the exterior of the business.
24. All required labelling shall be maintained on all product, as required by State regulations, at all times.
25. The business shall post signs that spell out the "Prohibited Conduct Involving Marijuana and Marijuana Products" contained in Health and Safety Code Section 11362.3 in a conspicuous manner on the business premises for the education of patrons. The City shall develop a standard format and content for such signs.
26. The use of vending machines (i.e. a machine that dispenses articles when a coin, bill, or token is inserted) to dispense cannabis is strictly prohibited.
27. No drive-through facilities shall be allowed and no cannabis shall be sold through a drive-through facility.

**20.44.170(G): Additional Regulations for Commercial Cannabis Delivery Services**

1. Commercial cannabis deliveries may be made only from a commercial cannabis dispensary permitted by the City in compliance with this ordinance, and in compliance with all State regulations.
2. All employees who deliver cannabis shall have valid identification and a copy of the dispensary's Commercial Cannabis Business Permit at all times while making deliveries.
3. All commercial cannabis businesses shall provide proof of insurance in a minimum amount of \$1,000,000 for any and all vehicles being used to transport cannabis goods.
4. Deliveries may only take place during the hours of 8:00 a.m. and 7:00 p.m. daily.
5. A customer requesting delivery shall maintain a physical or electronic copy of the delivery request and shall make it available upon request by the licensing authority and law enforcement officers, only as required by State regulations.
6. The following applies to all deliveries of cannabis products:
  - a. May only be made to a physical address in California.
  - b. A licensed delivery employee shall not leave the State of California while possessing cannabis products.
7. A dispensary shall maintain a list of all deliveries, including the address delivered to, the amount and type of product delivered, and any other information and for the duration of time required by State regulations.

8. A cannabis business shall only deliver cannabis in aggregate amounts as ordered by the customer. A cannabis business shall ensure compliance with State delivery limits as they regard the amount of cannabis and cannabis products.
9. A manifest with all information required in this section shall accompany any delivery person at all times during the delivery process and delivery hours.
10. Any delivery method shall be made in compliance with State regulations and as it may be amended, including use of a vehicle that has a dedicated GPS device for identifying the location of the vehicle (cell phones and tablets are not sufficient).
11. The maximum limit of any cannabis goods carried by the delivery vehicle may not exceed \$3,000 at any time.
12. Each delivery request shall have a receipt prepared by the dispensary with the following information:
  - a. Name and address of the licensed dispensary
  - b. The name of the employee who delivered the order
  - c. The date and time the delivery request was made
  - d. The complete delivery address
  - e. A detailed description of the cannabis goods requested for delivery including the weight or volume, or any accurate measure of the amount of cannabis goods requested.
  - f. The total amount paid for the delivery including any fees or taxes.
  - g. At the time of the delivery, the date and time delivery was made, and the signature of the person who received the delivery.
13. The delivery business shall provide a flyer that spells out the "Prohibited Conduct Involving Marijuana and Marijuana Products" contained in Health and Safety Code Section 11362.3 to all delivery customers. The City shall develop a standard format and content for such flyers.

**20.44.170(H). Additional Requirements for Manufactured Cannabis Businesses**

1. A licensed cannabis manufacturing facility may conduct all activities permitted by the State. This includes, but is not limited to, volatile and non-volatile extractions, repackaging and relabeling, and infusions.
2. Any manufacturing activity that will be conducted by the licensee shall be included on the application. No additional manufacturing activity can be conducted without applying for and receiving written permission from the City of Merced for that additional activity.
3. At all times, the cannabis manufacturing facility will be compliant with all State regulations for cannabis manufacturing including Health and Safety Code 11362.775 and as it may be amended.
4. Inspections by the City Fire Chief or his designee may be conducting anytime during the business's regular business hours.

5. Cannabis manufacturing facilities shall not contain an exhibition or product sales area or allow for retail distribution of products at that location.
6. All cannabis manufacturing activities shall occur indoors within a fully enclosed and secured structure and also within a secure fence at least eight (8) feet in height that fully encloses the premises. The fence must include a lockable gate(s) that is locked at all times, except for during times of active ingress/egress. Said fence shall not violate any other ordinance, code section, or provision of law regarding the height, location, materials, or other fencing restrictions and shall not be constructed or covered with plastic or cloth. All screening shall conform to the requirements of applicable area, community, specific and design plans. Outdoor manufacturing of cannabis is expressly prohibited.

#### **20.44.170(I). Additional Requirements for Cannabis Cultivation Businesses**

1. The cannabis business shall register with the Department of Pesticide Regulation if using any pesticides.
2. From a public right-of-way, there shall be no exterior evidence of marijuana cultivation.
3. The Building Official may require additional specific standards to meet the California Building Code and Fire Code, including but not limited to installation of fire suppression sprinklers.
4. Compliance with Section 13149 of Water Code as enforced by the State Water Resources Control Board.
5. All outdoor lighting used for security purposes shall be shielded and downward facing.
6. The use of generators for cultivation is prohibited, except for temporary use in the event of a power outage or emergency.
7. Cannabis plants shall not be visible from offsite or the public right-of-way. All cannabis cultivation activities shall occur within a fully enclosed and secured structure and within a secure fence at least eight (8) feet in height that fully encloses the premises. The fence must include a lockable gate(s) that is locked at all times, except for during times of active ingress/egress. Said fence shall not violate any other ordinance, code Section, or provision of law regarding the height, location, materials, or other fencing restrictions and shall not be constructed or covered with plastic or cloth. All screening shall conform to the requirements of applicable area, community, specific and design plans. Outdoor cultivation of cannabis is expressly prohibited.

#### **20.44.170(J). Additional Requirements for Cannabis Testing Laboratory Businesses**

1. A licensed cannabis testing facility shall comply with all State regulations.
2. Any cannabis testing facility shall maintain all certifications required by the State.
3. A licensed cannabis testing facility business, it's owners and employees may not hold an interest in any other cannabis business except another testing business.

4. Inspections by the City Fire Chief or his designee may be conducting anytime during the business's regular business hours.

**20.44.170(K). Additional Requirements for Cannabis Distribution Businesses**

1. A licensed cannabis distribution facility shall comply with all State regulations.
2. Any cannabis distribution facility shall provide proof of a bond of at least five thousand dollars to cover the costs of destruction of cannabis or cannabis products if necessitated by a violation of licensing requirements.
3. Inspections by the City Police Chief or his designee may be conducting anytime during the business's regular business hours.
4. A distributor shall ensure that all cannabis goods batches are stored separately and distinctly from other cannabis goods batches on the distributor's premises.
5. A distributor shall ensure a label with the following information is physically attached to each container of each batch:
  - a. The manufacturer or cultivator's name and license number;
  - b. The date of entry into the distributor's storage area;
  - c. The unique identifiers and batch number associated with the batch;
  - d. A description of the cannabis goods with enough detail to easily identify the batch; and
  - e. The weight of or quantity of units in the batch.
6. A distributor shall store harvest batches and edible cannabis products that require refrigeration at 35 to 42 degrees Fahrenheit. In addition, a distributor shall store harvest batches in a darkened area with no more than 60% humidity.
7. A distributor shall store medical cannabis goods in a building designed to permit control of temperature and humidity and shall prevent the entry of environmental contaminants such as smoke and dust. The area in which medical cannabis goods are stored shall not be exposed to direct sunlight. A distributor may not store medical cannabis goods outdoors.
8. Employee breakrooms, eating areas, changing facilities, and bathrooms shall be completely separated from the storage areas.
9. All cannabis distribution activities shall occur within a fully enclosed and secured structure and within a secure fence at least eight (8) feet in height that fully encloses the distribution area. The fence must include a lockable gate(s) that is locked at all times, except for during times of active ingress/egress. Said fence shall not violate any other ordinance, code Section, or provision of law regarding the height, location, materials, or other fencing restrictions and shall not be constructed or covered with plastic or cloth. All screening shall conform to the requirements of applicable area, community, specific and design plans.
10. If located in a General Commercial (C-G) zone,
  - a. The cannabis distribution business shall be located on a parcel no less than 20,000 square feet in size,

- b. All loading and unloading activities shall take place within the secured fenced area required above.

#### **20.44.170(L). Commercial Cannabis Business Permit Selection Process**

##### **1. Selection Process for Dispensaries/Retail Sales (Limited Number of Permits Available)**

- a. The Commercial Cannabis Business Permit selection process will be conducted in two phases, Phase 1 and Phase 2. In Phase 1, each Applicant interested in operating a commercial cannabis business will pay an application fee in an amount established by the City Council by resolution. The application will be reviewed for completeness by the Director of Development Services or designee.
- b. A pre-application conference with the Director of Development Services is strongly encouraged. A pre-application conference can be scheduled by calling 209-385-6858 during regular City of Merced business hours.
- c. The City of Merced has established a merit based scoring system to objectively award permits as described in the application documents in Phase 2 to be used in the event that there are more applications than there are Commercial Cannabis Business Permits for a specific license type, such as for retail dispensaries.
- d. The initial application period shall be 21 calendar days from the date the applications are released. Should the 21st day fall on a day when City Hall is closed, the application period shall be extended to the next open day at 4:00 p.m. Following the application period, the Director of Development Services or designee shall stop accepting applications and review all applications received as described in Phase 1. 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". The qualified applicants will be entered into the Phase 2 review process. The Director of Development Services shall maintain the "Qualified Application List".
- e. 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 21 calendar days, after which the applicant will have 10 calendar days from receipt of notice to correct the deficiency. Should the 10th day fall on a day when City Hall is closed, the correction period shall be extended to the next open day at 4:00 p.m. If the deficiency is not corrected within 10 calendar days, the Director of Development Services may deny the permit and notify the applicant of this determination in writing within 10 calendar days following the Director of Development Services decision.
- f. All Cannabis applications received after the initial application period will be placed on the "Waitlist for Dispensaries/Retail Sales" in the order it is received. Applicants placed on the "Waitlist" shall be notified in writing of their "Waitlist" status.

- g. Cannabis applications placed on the “Waitlist for Dispensaries/Retail Sales” will be moved to the “Qualified Applicant List for Dispensaries/Retail Sales” only if the application passes the Phase 1 review and when a Commercial Cannabis Business Permit for Dispensaries/Retail Sales becomes available, whether by creation of a new license, or the forfeiture of an existing one. Applicants moved to the “Qualified Applicant List for Dispensaries/Retail Sales” from the Waitlist will be notified of the change in writing. If the Director of Development Services or designee determines the application is incomplete, the Director of Development Services shall notify the applicant of the deficiency within 21 calendar days, after which the applicant will have 10 calendar days from receipt of notice to correct the deficiency. Should the 10th day fall on a day when City Hall is closed, the correction period shall be extended to the next open day at 4:00 p.m. If the deficiency is not corrected within 10 calendar days, the Director of Development Services may deny the permit and notify the applicant of this determination in writing within 10 calendar days following the Director of Development Services decision. A new application, with new fees, would then be required for any subsequent consideration of that same or similar proposal at the same location.

**h. Commercial Cannabis Business Permit—Dispensaries/Retail Sales Selection - Phase 1 – Initial Review**

The Director of Development Services or designee(s) shall determine whether each application demonstrates compliance with the minimum requirements and be placed on the “Qualified Applicant List for Dispensaries/Retail Sales” and entered into the Phase 2 review process. These requirements include but are not limited to:

- i. All Application documents required in the City’s Phase 1 application package.
- ii. Application was submitted during the application period.
- iii. Application forms are filled out completely.
- iv. Business Owner(s) / Applicant(s) referenced on the application provides a Live Scan that was conducted within 14 days prior to submitting the application.
- v. Phase 1 application fee is paid.
- vi. A signed statement that the proposed location of the commercial cannabis business on the application meets the zoning criteria established in this ordinance including, but not limited to, any and all sensitive use separation criteria required by this ordinance.

**i. Commercial Cannabis Business Permit—Dispensaries/Retail Sales Selection - Phase 2 – Final Review and Scoring**

The Director of Development Services or his designee, after reviewing the applications approved in Phase 1 and the aforementioned information, will convene a Selection Panel composed of the City Manager, Chief of Police, and the Director of Development Services, or their designees, to make the final decision, based on the merit-based scoring system, of successful applicants to recommend to the Planning Commission for the Commercial Cannabis Business Permit—Dispensaries/Retail Sales. The Selection Panel will review all application documents required in the City’s Phase 1 application package plus an additional background check of all owners conducted to the satisfaction of the Chief of Police as well as complete description of the merit based system and all merit based considerations shall be included with the application forms. Phase 2 requirements include, but are not limited to:



- i. Phase 2 application fee is paid and a comprehensive background check of anyone holding an ownership interest is completed to the satisfaction of the Chief of Police.
- ii. The Building Official or designee has inspected all structures in which the use is located to determine that all applicable standards and requirements are met. If a building permit is required for site improvements, Permit issuance will be deferred until a certificate of occupancy or other building permit approval is issued. Additionally, the Building Official has determined that there are no notices of nuisance or other code compliance issues recorded on the property.
- iii. The Zoning Administrator or designee has issued a Zoning Clearance documenting compliance with the following:
  - a. The use is permitted in the Zoning District and meets the distance requirements from sensitive uses; and,
  - b. All land use permits, if any, have been approved and all conditions of approval have been met or are in good standing; and,
  - c. No zoning violations exist on the property; and,
  - d. A planning and/or building permit with a receipt proving payment for processing from the City of Merced Planning Department for the property location the commercial cannabis business will occupy.
- j. The Planning Commission will review all Commercial Cannabis Business Permit—Dispensaries/Retail Sales applications and all other relevant information and determine if a CCBP should be granted. Prior to issuing a Commercial Cannabis Business Permit—Dispensaries/Retail Sales, the Planning Commission will provide all public notices and conduct a public hearing as described in the City of Merced Municipal Code Section 20.70.010 through Sections 20.70.040. No Commercial Cannabis Business Permit—Dispensaries/Retail Sales shall be issued otherwise.

**2. Selection Process for All Other Commercial Cannabis Business Permits (No Limits On the Number of Permits Available)**

- a. The Commercial Cannabis Business Permit—All Other Cannabis Businesses selection process will be conducted in two phases, Phase 1 and Phase 2. In Phase 1, each Applicant interested in operating a commercial cannabis business will pay an application fee in an amount established by the City Council by resolution. The application will be reviewed for completeness by the Director of Development Services or designee.
- b. A pre-application conference with the Director of Development Services is strongly encouraged. A pre-application conference can be scheduled by calling 209-385-6858 during regular City of Merced business hours.
- c. The initial application period shall be 21 calendar days from the date the applications are released. Should the 21st day fall on a day when City Hall is closed, the application period shall be extended to the next open day at 4:00 p.m. Following the application period, the Director of Development Services or designee shall stop accepting applications and review all applications received as described in Phase 1. 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—All Other Cannabis Businesses” and shall be notified in writing that they are a “Qualified Commercial Cannabis Business

Applicant—All Other Cannabis Businesses”. The qualified applicants will be entered into the Phase 2 review process. The Director of Development Services shall maintain the “Qualified Application List for All Other Cannabis Businesses”.

- d. 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 21 calendar days, after which the applicant will have 10 calendar days from receipt of notice to correct the deficiency. Should the 10th day fall on a day when City Hall is closed, the correction period shall be extended to the next open day at 4:00 p.m. If the deficiency is not corrected within 10 calendar days, the Director of Development Services may deny the permit and notify the applicant of this determination in writing within 10 calendar days following the Director of Development Services decision. A new application, with new fees, would then be required for any subsequent consideration of that same or similar proposal at the same location.
- e. All Cannabis applications received after the initial application period will be placed on the “Waitlist for All Other Cannabis Businesses” in the order it is received. Applicants placed on the “Waitlist” shall be notified in writing of their “Waitlist” status.
- f. Cannabis applications placed on the “Waitlist for All Other Cannabis Businesses” will be moved to the “Qualified Applicant List for All Other Cannabis Businesses” on a one for one basis only if the application passes the Phase 1 review and when the number of applicants on the “Qualified Applicant List” falls below five, and will be notified of the change in writing. At any time, the Director of Development Services may suspend the requirement for a “Waitlist for All Other Cannabis Businesses” if the number of applications does not merit the need for the “Waitlist.” If the Director of Development Services or designee determines the application is incomplete, the Director of Development Services shall notify the applicant of the deficiency within 21 calendar days, after which the applicant will have 10 calendar days from receipt of notice to correct the deficiency. Should the 10th day fall on a day when City Hall is closed, the correction period shall be extended to the next open day at 4:00 p.m. If the deficiency is not corrected within 10 calendar days, the Director of Development Services may deny the permit and notify the applicant of this determination in writing within 10 calendar days following the Director of Development Services decision.

**g. Commercial Cannabis Business Permit—All Other Cannabis Businesses Selection - Phase 1 – Initial Review**

The Director of Development Services or designee(s) shall determine whether each application demonstrates compliance with the minimum requirements and be placed on the “Qualified Applicant List for All Other Cannabis Businesses” and entered into the Phase 2 review process. These requirements include, but are not limited to:

- i. All Application documents required in the City’s Phase 1 application package.
- ii. Application was submitted during the application period.
- iii. Application forms are filled out completely.
- iv. Business Owner(s) / Applicant(s) referenced on the application provides a Live Scan that was conducted within 14 days prior to submitting the application.
- v. Phase 1 application fee is paid.

- vi. A signed statement that the proposed location of the commercial cannabis business on the application meets the zoning criteria established in this ordinance including, but not limited to, any and all sensitive use separation criteria required by this ordinance.

**h. Commercial Cannabis Business Permit—All Other Cannabis Businesses Selection - Phase 2 – Final Review**

The Director of Development Services or his designee, after reviewing the applications approved in Phase 1 and reviewing the information below will make a recommendation to the Planning Commission to approve or reject the application for the Commercial Cannabis Business Permit for All Other Cannabis Businesses.

- i. Phase 2 application fee is paid and a comprehensive background check of anyone holding an ownership interest is completed to the satisfaction of the Chief of Police.
- ii. The Building Official or designee has inspected all structures in which the use is located to determine that all applicable standards and requirements are met. If a building permit is required for site improvements, Permit issuance will be deferred until a certificate of occupancy or other building permit approval is issued. Additionally, the Building Official has determined that there are no notices of nuisance or other code compliance issues recorded or on the property.
- iii. The Zoning Administrator or designee has issued a Zoning Clearance documenting compliance with the following:
  - a. The use is permitted in the Zoning District and meets the distance requirements from sensitive uses; and,
  - b. All land use permits, if any, have been approved and all conditions of approval have been met or are in good standing; and,
  - c. No zoning violations exist on the property; and,
  - d. A planning and/or building permit with a receipt proving payment for processing from the City of Merced Planning Department for the property location the commercial cannabis business will occupy.
- i. The Planning Commission will review all Commercial Cannabis Business applications for All Other Cannabis Businesses and all other relevant information and determine if a CCBP should be granted. Prior to issuing a Commercial Cannabis Business Permit for All Other Cannabis Businesses, the Planning Commission will provide all public notices and conduct a public hearing as described in the City of Merced Municipal Code Section 20.70.010 through Sections 20.70.040. No Commercial Cannabis Business Permit shall be issued otherwise.

**3. Appeal of Denial of Commercial Cannabis Business Permit (All Types)**

The Planning Commission will review all Commercial Cannabis Business applications and all other relevant information, and determine if a CCBP should be granted. If the Planning Commission determines that the permit shall not be granted, the reasons for denial shall be provided in writing to the applicant. Any decision of the Planning Commission may be appealed to the City Council.

- a. A written appeal shall be filed within five (5) business days (excluding official city holidays) following a Planning Commission decision.
- b. When an appeal has been filed, the matter shall be scheduled for a public hearing before the City Council within thirty (30) calendar days of receiving the appeal.

- c. Notice of the hearing of the appeal shall be provided to the applicant at least ten (10) calendar days prior to the public hearing.
- d. Any interested person may appear and be heard regarding the appeal.
- e. A matter being heard on appeal may be continued for good cause.
- f. The City Council's review of the appeal shall be limited to review of the Planning Commission decision and shall not be a de novo review. At the conclusion of the hearing, the City Council may affirm, reverse or modify the decision appealed. The decision of the City Council shall be the City's final decision in this regard and shall be dispositive of the matter subject to judicial review under the provisions of California Code of Civil Procedure Sections 1094.5 and 1094.6.

#### **4. Commercial Cannabis Business Permit Annual Renewal (All Types)**

- a. Applications for the renewal of a permit shall be filed with the Director of Development Services at least sixty (60) calendar days before the expiration of the current permit. Any permittee allowing their permit to lapse or which permit expired during a suspension shall be required to submit a new application, pay the corresponding original application fees and be subject to all aspects of the selection process.
- b. Any person desiring to obtain a renewal of their respective permit shall file a written application under penalty of perjury on the required form with the Director of Development Services who will conduct a review. The application shall be accompanied by a nonrefundable filing fee established by the City Council to defray the cost of the review required by this Section. An applicant shall be required to update the information contained in their original permit application and provide any new and/or additional information as may be reasonably required by the Director of Development Services in order to determine whether said permit should be renewed. The Development Services Director, in consultation with the Selection Panel if they were involved in the original review, will review all Commercial Cannabis Business renewal applications and all other relevant information, and determine if a renewal CCBP should be granted.
- c. A Commercial Cannabis Business Permit holder may file a request to transfer ownership of the business. The request shall be made to the Director of Development Services. The request must be in writing and must be at least 60 days prior to the transfer. The Director of Development Services shall review the request and may require additional background material on the proposed new owner. The Director of Development Services shall notify the permit holder in writing along with the reason for approval or denial of the transfer. The original term of the Commercial Cannabis Business Permit shall stay in effect including the renewal date.
- d. The Director of Development Services or designee may deny the annual renewal of a Commercial Cannabis Business Permit if the permittee or the permittee's agent or employee has committed any one of the following acts:
  - i. Any act which would be considered a ground for denial of the permit in the first instance.
  - ii. Violates any other provision of this section or any City of Merced or State law, statute, rule or regulation relating to the business's permitted activity.
  - iii. Engages in or permits misconduct substantially related to the qualifications, functions or duties of the permittee.
  - iv. Conducts the permitted business in a manner contrary to the health, safety, or welfare of the public.

- v. Fails to take reasonable measures to control patron conduct, where applicable, resulting in disturbances, vandalism, or crowd control problems occurring inside of or outside the premises, traffic control problems, or creation of a public or private nuisance, or obstruction of the operation of another business.
- vi. Violates or fails to comply with the terms and conditions of the permit.
- vii. Fails to pay all applicable City, State, or Federal taxes and fees.

## **5. Appeal of Denial of Commercial Cannabis Business Permit Renewal (All Types)**

- a. The Development Services Director, in consultation with the Selection Panel if they were involved in the original review, will review all Commercial Cannabis Business renewal applications and all other relevant information, and determine if a renewal CCBP should be granted. If the Development Services Director determines that the permit shall not be granted, the reasons for denial shall be provided in writing to the applicant. The applicant shall have fourteen (14) calendar days from the date of the receipt of the written denial to correct the reasons for denial and request in writing reconsideration of permit issuance. Following review of the amended permit application, the Development Services Director will approve or deny the permit by providing written notice to the applicant.
- b. Any decision of the Development Services Director may be appealed to the Planning Commission. An appeal shall be filed within five (5) business days (excluding official city holidays) following a decision by the Director of Development Services.
  - i. When an appeal has been filed, the matter shall be scheduled for a public hearing before the Planning Commission within thirty (30) calendar days of receiving the appeal.
  - ii. Notice of the hearing shall be provided to the applicant at least ten (10) calendar days prior to the public hearing.
  - iii. Any interested person may appear and be heard regarding the appeal.
  - iv. The Planning Commission's review of the appeal shall be limited to review of the Development Services Director decision and shall not be a de novo review.
  - v. A matter being heard on appeal may be continued for good cause.
  - vi. The decision of the Planning Commission may be appealed to the City Council.
    - a. A written appeal shall be filed within five (5) business days (excluding official city holidays) following a Planning Commission decision.
    - b. When an appeal has been filed, the matter shall be scheduled for a public hearing before the City Council within thirty (30) calendar days of receiving the appeal.
    - c. Notice of the hearing of the appeal shall be provided to the applicant at least ten (10) calendar days prior to the public hearing.
    - d. Any interested person may appear and be heard regarding the appeal.
    - e. A matter being heard on appeal may be continued for good cause.
    - f. The City Council's review of the appeal shall be limited to review of the Planning Commission decision and shall not be a de novo review. At the conclusion of the hearing, the City Council may affirm, reverse or modify the decision appealed. The decision of the City Council shall be the City's final decision in this regard and shall be dispositive of the matter subject to judicial review under the provisions of California Code of Civil Procedure Sections 1094.5 and 1094.6.

## **6. Revocation of Commercial Cannabis Business Permit (All Types)**

- a. The Director of Development Services or designee may suspend or revoke a Commercial Cannabis Business Permit when the permittee or the permittee's agent or employee has committed any one or more of the following acts:
  - i. Any act which would be considered a ground for denial of the permit in the first instance.
  - ii. Violates any other provision of this section or any City of Merced or State law, statute, rule or regulation relating to the business's permitted activity.
  - iii. Engages in or permits misconduct substantially related to the qualifications, functions or duties of the permittee.
  - iv. Conducts the permitted business in a manner contrary to the health, safety, or welfare of the public.
  - v. Fails to take reasonable measures to control patron conduct, where applicable, resulting in disturbances, vandalism, or crowd control problems occurring inside of or outside the premises, traffic control problems, or creation of a public or private nuisance, or obstruction of the operation of another business.
  - vi. Violates or fails to comply with the terms and conditions of the permit.
  - vii. Fails to pay all applicable City, State, or Federal taxes and fees.
- b. Prior to suspension or revocation of the applicable permit, the Director of Development Services shall conduct a hearing. Written notice of the time and place of such hearing shall be served upon the permittee at least ten (10) calendar days prior to the date set for such hearing. The notice shall contain a brief statement of the grounds to be relied upon for revoking or suspending the permit. Notice may be given either by personal delivery or by certified U.S. mail, postage prepaid.
- c. Any decision of the Development Services Director may be appealed to the Planning Commission. An appeal shall be filed within five (5) business days (excluding official city holidays) following a decision by the Director of Development Services.
  - i. When an appeal has been filed, the matter shall be scheduled for a public hearing before the Planning Commission within (thirty) 30 days of receiving the appeal.
  - ii. Notice of the hearing shall be provided to the applicant at least (ten) 10 calendar days prior to the public hearing.
  - iii. Any interested person may appear and be heard regarding the appeal.
  - iv. The Planning Commission's review of the appeal shall be limited to review of the Development Services Director decision and shall not be a de novo review.
  - v. A matter being heard on appeal may be continued for good cause.
  - vii. The decision of the Planning Commission may be appealed to the City Council.
    - a. A written appeal shall be filed within five (5) business days (excluding official city holidays) following a Planning Commission decision.
    - b. When an appeal has been filed, the matter shall be scheduled for a public hearing before the City Council within thirty (30) calendar days of receiving the appeal.
    - c. Notice of the hearing of the appeal shall be provided to the applicant at least ten (10) calendar days prior to the public hearing.
    - d. Any interested person may appear and be heard regarding the appeal.
    - e. A matter being heard on appeal may be continued for good cause.
    - f. The City Council's review of the appeal shall be limited to review of the Planning Commission decision and shall not be a de novo review. At the



conclusion of the hearing, the City Council may affirm, reverse or modify the decision appealed. The decision of the City Council shall be the City's final decision in this regard and shall be dispositive of the matter subject to judicial review under the provisions of California Code of Civil Procedure Sections 1094.5 and 1094.6.

**20.44.170(M): Limitations on the City's Liability**

To the fullest extent permitted by law, the City shall not assume any liability whatsoever, with respect to approving any Commercial Cannabis Business Permit pursuant to this ordinance or the operation of any cannabis facility approved pursuant to this chapter. As a condition of approval of a Commercial Cannabis Business Permit as provided in this chapter, the applicant or its legal representative shall:

1. Execute an agreement indemnifying the City from any claims, damages, injuries or liabilities of any kind associated with the registration or operation of the commercial cannabis facility or the prosecution of the applicant or permittee or its members for violation of federal or State laws;
2. Maintain insurance in the amounts and types that are acceptable to the City Attorney or designee;
3. Name the city as an additionally insured on all City required insurance policies;
4. Agree to defend, at its sole expense, any action against the City, its agents, officers, and employees related to the approval of a Commercial Cannabis Business permit; and
5. Agree to reimburse the City for any court costs and attorney fees that the City may be required to pay as a result of any legal challenge related to the City's approval of a Commercial Cannabis Business Permit. The City may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve the operator of its obligation hereunder.

**20.44.170(N): Enforcement**

1. A violation of the regulations in this ordinance by an act, omission, or failure of an agent, owner, officer or other person acting in concert with or employed by a permittee within the scope of their employment or office, shall be deemed the act, omission, or failure of the permittee.
2. A permitted Commercial Cannabis Business shall notify the Police Chief or designee of the City of Merced upon discovery of any of the following situations:
  - a. A discrepancy of more than \$1,000 in inventory over a period of 24 hours or \$3,000 over period of 7 days.
  - b. A reason to suspect diversion, loss, theft or any other criminal activity pertaining to the operation of the commercial cannabis business.
  - c. The loss or alteration of records related to cannabis goods, registered medical cannabis patients, caregivers or dispensary employees or agents.
  - d. Any other reason to suspect any other breach of security.

3. Each and every violation of this Section shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the Municipal Code. Additionally, as a nuisance per se, any violation of this article shall be subject to injunctive relief, revocation of the business's Commercial Cannabis Business Permit, disgorgement and payment to the City of any and all monies unlawfully obtained, costs of abatement, costs of investigation, attorney fees, and any other relief or remedy available at law or equity. The City may also pursue any and all remedies and actions available and applicable under local and state laws for any violations committed by the cannabis business and/or any owner, agent, officer, or any other person acting in concert with or employed by the cannabis business.
4. City Officials or their designees may enter and inspect the location of any commercial cannabis business during normal business hours to ensure compliance with this Section. In addition, law enforcement may enter and inspect the location of any cannabis business and the recordings and records maintained as required by this Section, except that the inspection and copying of private medical records shall be made available to law enforcement only pursuant to a properly executed search warrant, subpoena, or court order. A person engaging in commercial cannabis business without a permit and associated unique identifiers required by this chapter shall be subject to civil penalties of up to twice the amount of the permit fee for each violation, and the department, state or local authority, or court may order the destruction of cannabis associated with that violation. A violator shall be responsible for the cost of the destruction of cannabis associated with the violation, in addition to any amount covered by a bond required as a condition of licensure. Each day of operation shall constitute a separate violation of this section.

#### **20.44.170(O): Fees and Taxes**

All Cannabis Operations shall pay applicable fees and taxes, which may include one or more of the following:

1. Initial Application Fees. The Business Applicant shall submit a non-refundable fee to cover the cost of processing an initial application for the commercial cannabis business. These fees may be divided into two fees according to Initial Review (Phase 1) and Final Review (Phase 2).
2. Application Renewal Fees. The Business Owner shall submit a non-refundable fee to cover the cost of processing an application renewal annually.
3. Business License Fee. The Business Owner shall at all times maintain a current and valid business license and pay all business taxes required by the Merced Municipal Code.
4. Commercial Cannabis Regulatory Fee. The Business Owner shall pay an annual regulatory fee ("Regulatory Fee") to cover the costs of anticipated enforcement relating to the Cannabis Operation. The amount of the fee shall be set by Resolution of the City Council and be supported by the estimated additional costs of enforcement and monitoring associated with the Cannabis Operation. The Regulatory Fee shall be due and payable prior to opening for business and thereafter on or before the anniversary date. The Regulatory Fee may be amended from time to time based upon actual costs.
5. All required taxes including sales and use taxes, business, payroll etc.
6. Additional cannabis-specific gross receipts, excise, cultivation or any other tax approved by the voters of the City of Merced.

## **SECTION 6 : SEVERABILITY**

If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

## **SECTION 7. PUBLICATION.**

The City Clerk is directed to cause a summary of this Ordinance to be published in the official newspaper at least once within fifteen (15) days after its adoption showing the vote thereon.

The foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Merced on the 20th day of November, 2017, and was passed and adopted at a regular meeting of said City Council held on the 4th day of December, 2017, by the following called vote:

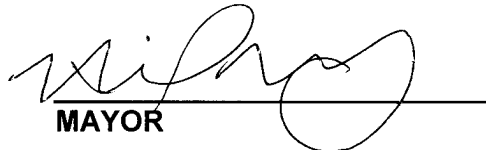
**AYES: 5      Council Members:** BLAKE, MARTINEZ, MCLEOD, PEDROZO,  
SERRATTO

**NOES: 2      Council Members:** BELLUOMINI, MURPHY

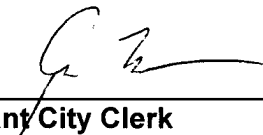
**ABSTAIN: 0      Council Members:** NONE

**ABSENT: 0      Council Members:** NONE

**APPROVED:**

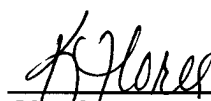
  
**MAYOR**

**ATTEST:**  
**STEVE CARRIGAN, CITY CLERK**

**BY:**   
**Assistant City Clerk**

**(SEAL)**

**APPROVED AS TO FORM**

  
**City Attorney**      11/28/2017  
**Date**



## **Cannabis Related Occupancies – Commercial Building Permit Application Submittal Requirements**

The following regulations pertain to City of Merced Building Division and Fire Department requirements for the permit application, plan review, approval and inspection of cannabis-related occupancies. The requirements listed below are intended to assist the applicant with some of the requirements applicable to a Building Division permit submittal, and are not to be considered an all-inclusive listing of Building or Fire Department requirements for plan approval or permit issuance. Only items pertinent to each specific submittal are to be included. Every listed item will not necessarily be applicable to all projects.

### **General Requirements**

1. A building permit is required to verify occupancy for a cannabis facility, even if no improvements to the property are proposed. The building permit application must meet the City's general building permit submittal requirements.
2. Construction plans and building permits are required per the California Building Code Section 105 when the owner or occupant intends to construct, enlarge, alter, remove, repair, demolish, or change the occupancy of a building or structure, or to erect, install, enlarge, alter, repair, remove, convert or replace an electrical, gas, mechanical or plumbing system, the installation of which is regulated by the Building and/or Fire Code, or to cause this work to be done.
3. The plans must be prepared by a licensed professional registered with the State of California and must address specific requirements for the use as outlined in the codes and standards adopted by the City of Merced and the State of California.
4. An application for a building permit will not be accepted for a cannabis related business without approval for concurrent review or approval of a Commercial Cannabis Business Permit (CCBP). The CCBP process must be completed and approved prior to the issuance of the building permit.
5. All building permit design and supporting documentation is required to be prepared, stamped and signed by qualified design professionals licensed and registered by the State of California.
6. All construction and related work must be performed by contractors licensed by the State of California as general and/or specialty contractors for the specific discipline of work to be performed.
7. All design and construction shall be consistent with the provisions of the Merced Municipal Code and the current edition of the California Code of Regulations Title 24 as adopted by the California Building Standards Commission, and as amended by the City of Merced Municipal Code.
8. A City of Merced Building Permit Application form must be completed in its entirety and included with each submittal. <https://www.cityofmerced.org/depts/cd/building/applications/default.asp>
9. Codes and Standards regulating cannabis facilities currently adopted by the City of Merced include, but are not limited to:
  - A. *California Building Code (CBC)*
  - B. *California Electrical Code (CEC)*
  - C. *California Mechanical Code (CMC)*
  - D. *California Plumbing Code (CPC)*
  - E. *California Energy Code(CEC)*

- F. *California Fire Code (CFC)*
- G. *California Existing Building Code (CEBC)*
- H. *California Green Building Standards Code (CalGreen)*
- I. *California Health and Safety Code (HS&C)*
- J. *California Existing Building Code (CEBC)*
- K. *National Fire Protection Association Standards (NFPA)*
- L. *Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA)*
- M. *City of Merced Municipal Code (CMMC)*

10. A location specific building permit application package is required for each individual building and building address. For a detail of commercial submittal package content review Commercial Plan Submittal Checklist [https://www.cityofmerced.org/depts/cd/building/download\\_information.asp](https://www.cityofmerced.org/depts/cd/building/download_information.asp) . Additional documentation may be required for structural modifications and/or additions to existing buildings or structures. All submittals are electronic. Electronic plan review instructions can be found on the city website [https://www.cityofmerced.org/depts/cd/building/electronic\\_plan\\_review/default.asp](https://www.cityofmerced.org/depts/cd/building/electronic_plan_review/default.asp) .
11. The plan review fees will be calculated after the city is in receipt of a full complete submittal. Applicant will be contacted with the amount due. Fees must be paid in full before the plans will be accepted for plan review.
12. Construction or work for which the permit is required shall be subject to inspection by the Building Official and such construction or work shall remain accessible and exposed for inspection purposes until approved. No construction shall commence prior to the issuance of a building permit.
13. No building or structure shall be used or occupied, and no change in the existing occupancy classification or the use in the same occupancy classification, of the building or structure or portion thereof shall be made, until the Building Official has issued a certificate of occupancy. Issuance of a certificate of occupancy shall not be construed as an approval of a violation of the provisions of applicable codes and standards or the other regulations of the City of Merced.
14. The owner/occupant is required to keep all City approved plans, specifications and related documents on the premises, in an easily accessible location for City inspection staff for the required inspections.
15. A copy of the approved plans shall be maintained on site for any future operational, or other related inspections after a Certificate of Occupancy is given.

### **Building Code Requirements**

*(Applicable to all occupancies and MAUCRSA permit types)*

1. The Occupancy and Construction Type of the proposed facility shall comply with the applicable provisions of CBC Chapters 3 and 6.
2. Means of egress shall comply with CBC Chapter 10.
3. The design for the occupant load is based on CBC Chapter 10, § 1004. Growing, storage and shipping areas are 300 sq. ft. per person; cannabis infused products, testing and business areas are 100 sq. ft. per person.
4. Interior finishes shall comply with CBC Chapter 8.
5. Access for persons with disabilities shall comply with the applicable provisions of CBC Chapter 11B.

## **Fire Code Requirements**

*(Applicable to all occupancies and MAUCRSA permit types)*

All applicants will need to provide a detailed scope of work related to all business activities and products utilized in their business model or process. List license type proposed, storage configurations and hazardous materials to be utilized. Prior to finalization of building permit, operational permits will need to be secured with the Fire Department.

1. The smoking or carrying of a lighted pipe, cigar, cigarette or any other type of smoking paraphernalia or material is prohibited in the areas indicated in CFC § 310.
2. Storage of combustible materials in buildings shall be orderly. Storage shall be separated from heaters or heating devices by distance or shielding so that ignition cannot occur per CFC § 315.
3. Any security device or system that emits any medium that could obscure a means of egress in any building, structure or premise shall be prohibited per CFC § 316.5.
4. Reporting of emergencies, coordination with emergency response forces, emergency plans and procedures for managing or responding to emergencies shall comply with the provisions of CFC § 401.
5. Emergency evacuation drills complying with provisions of this section shall be conducted at least annually for Group F occupancies listed in section 404 or when required by the fire code official. Drills shall be designed in cooperation with the California Fire Code and local authorities per CFC § 405.
6. The provisions of CFC § 407 shall be applicable where hazardous materials subject to permits under CFC §5001.5 are used and/or stored on the premises or where required by the fire code official.
7. Where access to or within a structure or an area is restricted because of secured openings or where immediate access is necessary for life-saving or fire-fighting purposes, the Fire Code Official is authorized to require a key box to be installed in an approved location. The key box shall be of an approved type and shall contain keys to gain necessary access as required by the fire code official per CFC §506.1
8. Approved automatic sprinkler systems in new buildings and structures shall be provided in the locations described in CFC § 903 and as amended by the Merced Municipal Code. A change in the occupancy of the space or an expansion of square footage could require the installation of a fire suppression system for the building.
9. Automatic fire-extinguishing systems, other than automatic sprinkler systems, shall be designed, installed, inspected, tested and maintained in accordance with the provisions of CFC § 903 and the applicable referenced standards.
10. Portable fire extinguishers shall be installed in F, B and U occupancy groups per CFC § 906. The size and distribution of portable fire extinguishers shall be in accordance with CFC § 906 and *California Code of Regulations, Title 19*.
11. Duct smoke detectors complying with UL 268A shall be installed in accordance with the CBC, CFC, CMC and NFPA 72 in the main supply air duct of each air-conditioning system having a capacity greater than 2,000 CFM.
12. An approved fire alarm system installed in accordance with the provisions of the CFC and NFPA 72 shall be provided in new buildings and structures in accordance with CFC § 907.2 and provide occupant notification in accordance with CFC § 907.6, unless other requirements are provided by another section of this code.
13. High-piled storage or rack storage in any occupancy group shall comply with CFC Chapter 32.
14. Storage, use and handling of compressed gases in compressed containers, cylinders, tanks, and systems shall comply with CFC Chapter 53 including those gases regulated elsewhere in the CFC. Partially full compressed gas container, cylinders or tanks containing residual gases shall be considered as full for purposes of the controls required.



15. Compressed gases classified as hazardous materials shall also comply with CFC Chapter 50 for general requirements and the applicable sections of Chapters 58 (Flammable Gases), 60 (Highly Toxic and Toxic Materials), 63 (Oxidizer, Oxidizing Gases and Oxidizing Cryogenic Fluids) and 64 (Pyrophoric Materials).
16. The storage, use and handling of all hazardous materials shall be in accordance with CFC Chapter 50 (Hazardous Materials) and the applicable sections of Chapter 54 (Corrosive Materials), Chapter 55 (Cryogenic Fluids), Chapter 57 (Flammable and Combustible Liquids) and Chapter 58 (Flammable Gases and Flammable Cryogenic Fluids). The maximum allowable quantity of hazardous materials per control area will be established using CFC § 5003.1. Applicant will need to contact the Fire Department for hazardous materials storage, use and handling requirements.
17. Hazardous Materials Inventory Statement (HMIS) per CFC § 5001.5.2. An application for building permit shall include an HMIS. The HMIS shall include the following information:
  - A. Product name.
  - B. Component.
  - C. Chemical Abstract Service (CAS) number.
  - D. Location where stored or used.
  - E. Container size.
  - F. Hazard classification.
  - G. Amount in storage.
  - H. Amount in use-closed systems.
  - I. Amount in use-open systems.

The business will also need to comply with electronic reporting requirements specific to the California Environmental Reporting System. Applicants will need to contact the Fire Department for direction and permitting related to hazardous materials inventory reporting amounts.

18. Fumigation and insecticidal fogging operations within buildings, structures and spaces shall comply with CFC Chapter 26.

### **Electrical Code Requirements**

*(applicable to all occupancies and MAUCRSA permit types)*

1. All electrical system design and permitting is required to be performed by licensed engineers or architects registered in the State of California or qualified and experienced licensed electrical contractors if they are performing the actual installations (design-build).
2. All electrical system(s) installation is required to be completed by licensed electrical contractors.
3. The electrical system must be sized and installed in accordance with the California Electrical Code.
4. A single line diagram of the existing and proposed electrical system, including the main electrical service shall be provided in the submittal along with panel schedules and load calculations. CEC Article 215.5.
5. Electrical services which are 400 amps or greater must be designed by licensed electrical engineers registered in the State of California or qualified and experienced licensed electrical contractors if they are performing the actual installations (design-build).
6. All electrical equipment must be listed and labeled by an approved testing agency, CEC Article 110.3.

## **Mechanical Code Requirements**

*(applicable to all occupancies and MAUCRSA permit types)*

1. The provisions of the CMC shall apply to the erection, installation, alteration, repair, relocation, replacement, addition to or the maintenance of mechanical systems.  
A ventilation system shall be required to filter contaminants to the exterior of the building and any adjoining property. The mechanical ventilation of exhaust system shall be installed to control, capture and remove emissions or other odors generated from product use or handling where required in accordance with the Building or Fire Code. The design of the system shall be such that the emissions or other odors are confined to the area in which they are generated by air currents, hoods, or enclosures and shall be exhausted by a duct system to a safe location or treated by removing contaminants.
2. Provide an exhaust system designed and constructed to capture sources of contaminants to prevent spreading of contaminants to other parts of the occupied spaces of the building (CMC Chapter 5).
3. Building elements separating the cannabis agricultural area from other occupied portions of the building must be air sealed to prevent odor migration into adjacent spaces.
4. The inlet for the ventilation system must be located in the area(s) of the highest contaminant concentration per CMC § 505.6.
5. Ventilation required. Every occupied space shall be ventilated by natural means in accordance with CMC § 402.2 or by mechanical means in accordance with CMC § 402.3.
6. Label information. A permanent factory-applied nameplate shall be affixed to appliances on which shall appear in legible lettering, the manufacturer's name or trademark, the model number, serial number and the seal or mark of the approved agency. A label shall also include all applicable information per CMC § 307.

## **Plumbing Code Requirements**

*(applicable to all occupancies and MAUCRSA permit types)*

1. New plumbing installations and alteration must meet requirements of the California Plumbing Code (CPC).
2. The number of required fixtures shall be calculated using CPC § 422.1, Table 422.1 and Table A.
3. The provisions of the CPC shall apply to the erection, installation, alteration, repairs, relocation, replacement, addition to or the maintenance of plumbing systems, nonflammable medical gas, carbon dioxide extraction systems, inhalation, anesthetic, vacuum piping, nonmedical oxygen systems, sanitary and condensate systems, vacuum collection systems, fuel gas distribution piping and equipment, gas water heaters and water heater venting.
4. Plan documents must identify the locations of plumbing fixtures and fixture types.
5. Plans shall identify the locations of water heater(s), water supply and distribution, indirect and special waste, sanitary discharge, vents, traps, backflow preventers and interceptors and separators.
6. Plumbing fixtures and fixture fittings must be designed for individuals with disabilities and with the appropriate standards.
7. Installed appliances regulated by this code shall be listed and labeled for the application in which they are installed and used, unless otherwise approved in accordance with the CPC.

### **Energy Code Regulations**

*(applicable to all occupancies and MAUCRSA permit types)*

New, modified and altered building envelope, lighting and mechanical systems must be designed to comply with California Energy Code Nonresidential requirements. The City of Merced is located in Climate Zone 12. For purposes of energy design, the designer is responsible for specifying the building features that determine compliance with Building Energy Efficiency Standards and other applicable building codes. Alterations must comply with mandatory measures for the altered components.

1. The energy documents will be required for lighting, cooling, heating, water heating and building envelope modifications.
2. Building envelope, lighting and mechanical systems shall comply with the applicable requirements of the California Energy Code.

### **CalGreen Code Requirements**

*(applicable to all occupancies and MAUCRSA permit types)*

California Green Building Standards Code provides provisions to outline planning design and development methods for environmentally responsible site and building design to protect, restore and enhance the environmental quality of the site, building and respect the integrity of adjacent properties. Alterations and additions to existing buildings must include a Green Building Check List for non-residential construction if the valuation is \$200,000 or greater or if the addition is 1,000 square feet or larger.

### **MAUCRSA Permit Specific Requirements**

The requirements in this section are related to specific permit types as outlined in the *California State Medicinal and Adult Use Cannabis Regulation and Safety Act* (MAUCRSA)

### **Cultivation Facilities**

*(MAUCRSA permit types 1-4)*

1. Mixed use grow facilities are to meet CBC, Chapter 3 requirements based upon Use and Occupancy Classification for a Factory Industrial, F-1, Moderate-hazard Occupancy. CBC § 306.2.
2. Grow facilities such as greenhouses for the exclusive use of plant production may be classified as a U occupancy and shall be consistent with the requirements of CBC Appendix C.
3. Grow lights must be installed per the manufacturer's instructions and wired per CEC article 410.
4. NM cable (Romex) is not allowed for use in damp locations (grow rooms) (CEC § 334.10). Approved wiring methods utilized in grow facilities shall be in accordance with wet use "Wiring Methods and Materials", (CEC Chapter 3).
5. Cultivation facility exhaust outlets must be located 10' from the property lines, operable openings into the building and from mechanical air intakes (CMC § 506.9).

## **Manufacturer Facility**

*(MAUCRSA permit type 6-7)*

1. Type 6 Manufacturing facilities are to meet CBC, Chapter 3 requirements based upon Use and Occupancy Classification for a Factory Industrial, F-1, Moderate-hazard Occupancy. CBC § 306.2.
2. Portions of the cannabis Infused Product facilities may be considered a Hazardous Location based on the method used for the THC extraction and the amount of hazardous material stored. Full disclosure of the extraction process will be required at the time of building permit submittal.
3. Cannabis manufacturing facilities shall submit as a part of their permit application a comprehensive description of the program and process proposed for the operation and production at the facility. The documentation shall, as applies, include all of the following:
  - A. A plan that specifies all means to be used for extracting, heating, washing, or otherwise changing the form of the cannabis plant or for testing any cannabis or cannabis product and safety measures for each such process.
  - B. A description of all toxic, flammable, or other materials regulated by a federal, state, or local government that will be used, kept, or created at the facility, the quantities and location of such materials, and the manner in which such materials will be stored.
  - C. A description of the processes used to extract or distill cannabis derivatives from their source and the processes used to incorporate cannabis derivatives into all retail cannabis products produced.
4. Concentrations of grease, smoke, heat, steam or products of combustion created when cannabis is manufactured into products including, but not limited to, foods, beverages, salves, inhalants and tinctures are to be contained as detailed in the CMC §§ 506 and 507 (Type I and Type II hoods).
5. Facilities used for processing cannabis into foods, beverages, salves, inhalants, tinctures or other forms for human consumption or use are subject to review and approval by the [California Department of Public Health, Manufactured Cannabis Safety Branch](#). A separate license application is required through their office.
6. Sanitation requirements for facilities used for processing cannabis into foods, beverages, salves, inhalants and tinctures shall meet the California Department of Public Health guidelines that are to be detailed on the drawings.
7. Infused product extraction and hazard containment equipment must be listed, labeled and installed per NEC 110.3.
8. Storage, use and handling of compressed gases in compressed gas containers, cylinders, tanks and systems shall comply with CFC, NFPA Standards, H&SC and CCR, including those gases regulated elsewhere in this code. Partially full compressed gas containers, cylinders or tanks containing residual gases shall be considered as full for the purposes of the controls required.

*Compressed gases classified as hazardous materials shall also comply with CFC Chapters 50 and 53 for general requirements and chapters addressing specific hazards, including Chapters 58 (Flammable Gases), 60 (Highly Toxic and Toxic Materials), 63 (Oxidizers, Oxidizing Gases and Oxidizing Cryogenic Fluids) and 41 (Pyrophoric Materials).*

**Testing/Laboratory**

*(MAUCRSA permit type 8)*

1. Type 8 Testing/Laboratory facilities are to meet CBC, Chapter 3 requirements based upon Use and Occupancy Classification for a Business Group, B, Occupancy. CBC § 304.1.
2. Required hoods shall meet the requirements of CMC §§ 506, 507 and 508.
3. Hazardous materials storage, use, handling and wastes shall be permitted and reported through the Fire Department prior to operation.

**Dispensaries**

*(MAUCRSA permit type 10)*

Type 10 Dispensary facilities are to meet CBC, Chapter 3 requirements based upon Use and Occupancy Classification for a Mercantile Group, M, Occupancy. CBC § 309.1

## NOTICE OF EXEMPTION

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**To:** \_\_\_\_\_ Office of Planning and Research  
P.O. Box 3044  
Sacramento, CA 95812-3044

**From: (Public Agency)**  
City of Merced  
678 West 18th St.  
Merced, CA 95340

  X   County Clerk  
County of Merced  
2222 M Street  
Merced, CA 95340

**Project Title:** Commercial Cannabis Business Permit Application #18-14R (Environmental Review #18-27)

**Project Applicant:** Harvest of Merced, LLC.

**Project Location (Specific):** 863 W. 15<sup>th</sup> Street (APN: 031-173-012)

**Project Location - City:** Merced

**Project Location - County:** Merced

**Description of Nature, Purpose, and Beneficiaries of Project:** The project involves the application for a license to operate a dispensary for both medicinal and adult use cannabis, all in accordance with state and local regulations.

**Name of Public Agency Approving Project:** City of Merced

**Name of Person or Agency Carrying Out Project:** Harvest of Merced, LLC.

**Exempt Status:** (check one)

\_\_\_\_ Ministerial (Sec. 21080(b)(1); 15268);

\_\_\_\_ Declared Emergency (Sec. 21080(b)(3); 15269(a));

\_\_\_\_ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));

  X   Categorical Exemption. State Type and Section Number: Section 15332, Class 32 – Projects characterized as in-fill development;

\_\_\_\_ Statutory Exemptions. State Code Number: \_\_\_\_\_.

\_\_\_\_ General Rule (Sec. 15061 (b)(3))

**Reasons why Project is Exempt:** Pursuant to the California Environmental Quality Act (CEQA), Guidelines Section 15332 Class 32 consists of projects characterized as in-fill development meeting the conditions described in this section: (a) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations; (b) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses; (c) The project site has no value as habitat for endangered, rare or threatened species; (d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality; and, (e) The site can be adequately served by all required utilities and public services.

**Lead Agency:** City of Merced

**Contact Person:** Michael Hren, Principal Planner **Area Code/Telephone:** (209) 385-6858

**Signature:**   /s/ Michael Hren  

**Date:** 8/24/18 **Title:** Principal Planner

  X   Signed by Lead Agency

Date Received for Filing at OPR: \_\_\_\_\_  
(If applicable)

Authority Cited: Sections 21083 and 21110. Public Resources Code

Reference: Sections 21108, 21152, and 21152.1. Public Resources Code

ATTACHMENT K



**CITY OF MERCED**  
**Planning Commission**

**Resolution #\_\_\_\_\_**

**WHEREAS**, the Merced City Planning Commission at its scheduled meetings of September 18 and September 19, 2018, held a public hearing and considered **Commercial Cannabis Business Permit #18-14R**, initiated by Harvest of Merced, LLC., on a property owned by Stephen G. Tinetti, trustee. This application is a request to permit the operation of a Retail Dispensary, including delivery services, for both medicinal and adult use cannabis and cannabis-related products on a 0.36 acre parcel in the General Commercial (C-G) Zone at 863 W. 15th St.; also known as Assessor's Parcel Number (APN) 031-173-012; and,

**WHEREAS**, the Merced City Planning Commission concurs with Findings A through M of Staff Report #18-26; and,

**NOW THEREFORE**, after reviewing the City's Draft Environmental Determination, and discussing all the issues, the Merced City Planning Commission does resolve to hereby adopt a Categorical Exemption regarding Environmental Review #18-27 and approve Commercial Cannabis Business Permit #18-14R, subject to the Conditions set forth in Exhibit A attached hereto and incorporated herein by this reference.

Upon motion by Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, and carried by the following vote:

AYES:       Commissioner(s)

NOES:       Commissioner(s)

ABSENT:   Commissioner(s)

ABSTAIN:   Commissioner(s)

Adopted this 19<sup>th</sup> day of September 2018

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Chairperson, Planning Commission of  
the City of Merced, California

ATTEST:

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Secretary

Attachment:  
Exhibit A – Conditions of Approval

**Conditions of Approval**  
**Planning Commission Resolution # \_\_\_\_\_**  
**Commercial Cannabis Business Permit #18-14R**

1. The proposed project shall be constructed/designed as shown on Exhibit 1 (site plan), Attachment C of Staff Report #18-26, and Exhibit 2 (floor plan), Attachment D of Staff Report #18-26, except as modified by the conditions.
2. All conditions and requirements contained in Merced Municipal Code (MMC) Section 20.44.170/Ordinance #2480 (Attachment I of Staff Report #18-26) shall apply. Particular attention shall be paid to MMC 20.44.170(F) “Additional Regulations for Dispensary and Retail Sales of Cannabis” and MMC 20.44.170(G) “Additional Regulations for Commercial Cannabis Delivery Services.”
3. The proposed project shall comply with all standard Municipal Code and Subdivision Map Act requirements as applied by the City Engineering Department.
4. All other applicable codes, ordinances, policies, etc. adopted by the City of Merced shall apply.
5. The developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, and any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof, from any and all claims, actions, suits, proceedings, or judgments against the City, or any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof to attack, set aside, void, or annul, an approval of the City, or any agency or instrumentality thereof, advisory agency, appeal board, or legislative body, including actions approved by the voters of the City, concerning the project and the approvals granted herein. Furthermore, developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, or any agency or instrumentality thereof, against any and all claims, actions, suits, proceedings, or judgments against any governmental entity in which developer/applicant’s project is subject to that other governmental entity’s approval and a condition of such approval is that the City indemnify and defend such governmental entity. City shall promptly notify the developer/applicant of any claim, action, or proceeding. City shall further cooperate fully in the defense of the

action. Should the City fail to either promptly notify or cooperate fully, the developer/applicant shall not thereafter be responsible to indemnify, defend, protect, or hold harmless the City, any agency or instrumentality thereof, or any of its officers, officials, employees, or agents.

6. The developer/applicant shall construct and operate the project in strict compliance with the approvals granted herein, City standards, laws, and ordinances, and in compliance with all State and Federal laws, regulations, and standards. In the event of a conflict between City laws and standards and a State or Federal law, regulation, or standard, the stricter or higher standard shall control. State Law shall prevail in regards to cannabis activities as permitted by State Law.
7. The proposed project shall comply with all applicable regulations of the State of California including, but not limited to, those found in the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).
8. The applicants shall meet the standards of the City of Merced's "Commercial Building Permit Application Submittal Requirements" (Attachment J of Staff Report #18-26) at the time of submittal for building permits for tenant improvement.
9. The details of the property's fencing (if any), security, and screening are to meet the approval of the Director of Development Services and Chief of Police prior to the issuance of a Certificate of Occupancy.
10. The applicants shall keep on the premises of the proposed project site a physical copy of the approved plans, to be annotated and updated accordingly with any notes, changes, or requirements determined to be necessary by representatives of the City of Merced or any contractors that the City of Merced may employ for the purpose of site inspections. These plans shall be made available to the City's representatives, employees, agents, inspectors, or contractors upon request.
11. Fire sprinklers shall be modified or installed to accommodate the building configuration and process configuration prior to occupancy if required by the Chief Building Official.
12. Regulatory Fees, as per Resolution #2017-67, are to be paid prior to the issuance of a Certificate of Occupancy and annually thereafter on or before the anniversary date. The Regulatory Fee may be amended from time to time based upon actual costs. The amount of the fees shall be

adjusted annually (starting on January 1, 2019) to account for inflation by using the Consumer Price Index (CPI). In no event, shall the fees in any year be less than the preceding year.

13. A Commercial Cannabis Business Permit is valid for one year or until December 31 of each year, unless sooner revoked. Applications for the renewal of a permit shall be filed with the Director of Development Services, in accordance with 20.44.170(L).4, “Commercial Cannabis Business Permit Renewal (All Types)”, at least sixty (60) calendar days before the expiration of the current permit. If the permittee allows their permit to lapse, they shall be required to submit a new application, pay corresponding fees and be subject to all aspects of the selection process.
14. As per Ordinance #2480, the use of vending machines to dispense cannabis is strictly prohibited. Any vending machines on the property must not contain cannabis or cannabis-based products.
15. The applicants shall provide or cause to be provided a trash enclosure on the property such that all waste is securely stored until it is removed from the premises. Access to this enclosure shall be provided to the City’s Department of Public Works.
16. Key access and/or a Knox Box to the perimeter fence shall be provided to the City of Merced Fire Department, Department of Public Works, and Police Department.
17. As required by Merced Municipal Code Section 17.04.050 and 17.04.060, full public improvements shall be installed/repared if the permit value of the project exceeds \$100,000. Public improvements may include, but not be limited to, repairing/replacing the sidewalk, curb, gutter, and street corner ramp(s), so that they comply with ADA standards and other relevant City of Merced/State standards and regulations.
18. The parking lot shall be repaved and restriped in compliance with the City of Merced’s City Standard Designs.
19. If the applicants are unable to provide a FEMA flood elevation certificate showing that the top of the bottom floor and all equipment are at the required height as to not mandate mitigation measures if applicable, flood mitigation measures shall be required to meet the approval of the City flood plain manager and City Engineer.

20. There shall be no shared access to the building sharing a common wall with 863 W. 15th Street. Any existing shared access point must be sealed prior to the issuance of a Certificate of Occupancy.
21. The details of the final design of the exterior elevations and any signage shall be approved by Planning staff prior to issuance of a Certificate of Occupancy.
22. Future modifications to the scale, scope, activities, implementation, processes, materials, design, layout, or other factors pertaining to the operation of the project that are consistent with permits to perform activities related to operation of a retail dispensary of cannabis and cannabis-based products may be authorized with the approval of the City's Chief Building Official, Fire Chief, and Director of Development Services.

n:\shared\planning\PC Resolutions: CCBP #18-14R Exhibit A

**CITY OF MERCED**  
**Planning Commission**

**MINUTES**

Merced City Council Chambers  
Tuesday, September 18, 2018  
DAY 1

Vice-Chairperson CAMPER called the meeting to order at 7:00 p.m., followed by a moment of silence and the Pledge of Allegiance.

**ROLL CALL**

Commissioners Present: Mary Camper, Scott G. Drexel, Michael Harris, Jeremy Martinez, and Peter Padilla,

Commissioners Absent: Sam Rashe (excused) and Chairperson Robert Dylina (excused)

Staff Present: Director of Development Services McBride, Planning Manager Espinosa, Principal Planner Hren, Associate Planner Nelson, Interim Deputy City Attorney Flores, Police Chief Goodwin, SCI Consultant Kyle Tankard, Secretary III Lane, and Recording Secretary Davis

**1. APPROVAL OF AGENDA**

M/S PADILLA-HARRIS, and carried by unanimous voice vote (two absent), to approve the Agenda as submitted.

**2. MINUTES**

M/S PADILLA-HARRIS, and carried by unanimous voice vote (two absent), to approve the Minutes of September 5, 2018, as submitted.

**3. COMMUNICATIONS**

None.



#### 4. **ITEMS**

##### 4.1 Overview of Other Commercial Cannabis Business Permit (CCBP) Retail Sales Applications.

Planning Manager ESPINOSA provided an overview of all the cannabis retail sales applications and explained to members of the public and the Commission how the meeting will proceed differently than most meetings in that all the public hearings for Items 4.2 through 4.5 will be conducted tonight without Planning Commission action. At tomorrow's meeting, the Planning Commission will take action on the individual applications.

Vice-Chairperson CAMPER opened public testimony at 7:08 p.m. to allow public comment as follows:

ZACH DRIVON, Drivon Consulting, Stockton, spoke as a representative of the 5<sup>th</sup> ranked dispensary applicant.

There were no speakers from the audience in opposition to the project.

Public testimony was completed at 7:14 p.m.

##### 4.2 Commercial Cannabis Business Permit #18-06R, initiated by Blue Fire, Inc., on a property owned by REM Land Group, LLC. This application is a request to permit the operation of a Retail Dispensary for medicinal and adult-use cannabis and cannabis-related products, including delivery services, at 1975 W. Olive Avenue, a parcel of 2.08 acres, within Planned Development (P-D) #12, with a General Plan Designation of Industrial (IND).

Principal Planner HREN reviewed the report on this item. For further information, refer to Staff Report #18-23.

Public testimony was opened at 7:24 p.m.

##### Speakers from the Audience in Favor:

DEVIN STETLER, Applicant, Modesto

NATASHA PARRA, Blue Fire Director of Operations, Modesto  
RON ROBERTS, Property Owner, Oakdale

The Applicant provided a small presentation that covered their years of experience in the industry and an overview of their business operations, including security.

There were no speakers from the audience in opposition to the project.

Public testimony was completed at 7:36 p.m.

[Secretary's Note:

There was no vote at this meeting; the Commission voted on this item at the meeting of Wednesday, September 19, 2018.]

- 4.3 Commercial Cannabis Business Permit #18-10R, initiated by Green Door, Inc., on property owned by Ray Barry McAuley and Jeanne R McAuley, trustees. This application is a request to permit the operation of a retail dispensary for both medicinal and adult-use cannabis and cannabis-related products, including delivery services, on a 0.17-acre parcel at 811 W. Main Street within a Regional/Central Commercial (C-C) Zone.

Planning Manager ESPINOSA reviewed the report on this item. For further information, refer to Staff Report #18-24.

Public testimony was opened at 7:49 p.m.

Speaker from the Audience in Favor:

CHRIS HESTER, Applicant, Sacramento

The Applicant provided a small presentation that covered their years of experience in the industry and an overview of their business operations, including security.

There were no speakers from the audience in opposition to the project.

Public testimony was completed at 7:59 p.m.

[Secretary's Note:

There was no vote at this meeting; the Commission voted on this item at the meeting of Wednesday, September 19, 2018.]

- 4.4 Commercial Cannabis Business Permit #18-17R, initiated by Merced Business Ventures, Inc., DBA Manzanita, on property owned by Robert Gray. This application is a request to permit the operation of a retail dispensary for both medicinal and adult-use cannabis, including delivery services, on a 0.3-acre parcel at 1594 W. 18<sup>th</sup> Street within a General Commercial (C-G) Zone.

Planning Manager ESPINOSA reviewed the report on this item. For further information, refer to Staff Report #18-25.

Public testimony was opened at 8:10 p.m.

Speakers from the Audience in Favor:

LUKE BRUNER, Applicant, Merced

JEFF LINDEN, Applicant, Merced

RENE GUTIERREZ, Merced Hispanic Chamber of Commerce, Merced

The Applicant provided a small presentation that covered their years of experience in the industry and an overview of their business operations, including security.

There were no speakers from the audience in opposition to the project.

Public testimony was completed at 8:27 p.m.

[Secretary's Note:

There was no vote at this meeting; the Commission voted on this item at the meeting of Wednesday, September 19, 2018.]

- 4.5 Commercial Cannabis Business Permit #18-14R, initiated by Harvest of Merced, LLC., on a property owned by Stephen G. Tinetti, trustee. This application is a request to permit the

operation of a retail dispensary for both medicinal and adult-use cannabis and cannabis-related products, including delivery services, on a 0.36 acre parcel in the General Commercial (C-G) Zone at 863 W. 15th St.

Principal Planner HREN reviewed the report on this item. For further information, refer to Staff Report #18-26.

Public testimony was opened at 8:35 p.m.

Speaker from the Audience in Favor:

BEN KIMBRO, Applicant, Tulsa, OK

The Applicant provided a small presentation that covered their years of experience in the industry and an overview of their business operations, including security.

There were no speakers from the audience in opposition to the project.

Public testimony was completed at 8:47 p.m.

[Secretary's Note:

There was no vote at this meeting; the Commission voted on this item at the meeting of Wednesday, September 19, 2018.]

## 5. **INFORMATION ITEMS**

### 5.1 Calendar of Meetings/Events

Planning Manager ESPINOSA briefed the Planning Commission on items for the next few Planning Commission meetings.

## 6. **ADJOURNMENT**

Vice-Chairperson CAMPER adjourned the meeting at 8:49 p.m., to the Planning Commission meeting of Wednesday, September 19, 2018.

-----September 19, 2018, Day 2-----  
Merced City Council Chambers  
Wednesday, September 19, 2018

[Secretary's Note:

Chairperson DYLINA delayed the commencement of the meeting in order to allow Chairperson MARTINEZ to arrive from a work obligation that ran late.]

Chairperson DYLINA called the meeting to order at 7:19 p.m., followed by a moment of silence and the Pledge of Allegiance.

ROLL CALL

Commissioners Present: Mary Camper, Scott G. Drexel, Michael Harris,  
\*Jeremy Martinez, Peter Padilla, Sam Rashe, and  
Chairperson Dylina

\*Commissioner Martinez arrived at 7:19 p.m.

Commissioners Absent: None

Staff Present: Director of Development Services McBride,  
Planning Manager Espinosa, Principal Planner  
Hren, Associate Planner Nelson, Interim Deputy  
City Attorney Flores, Police Chief Goodwin, SCI  
Consultant Kyle Tankard, and Recording Secretary  
Davis

[Secretary's Note: Items 1 through 3 on the agenda were addressed at the previous meeting on Tuesday, September 18, 2018, Chairperson DYLINA chose to begin with Item 4.2 and to reopen the public hearing for each item.]

[Secretary's Note: Commissioner RASHE and Chairperson DYLINA disclosed to the Commission that since they were absent at the previous meeting, they did come in to City Hall to listen to the recording of the meeting and listened to all the public testimony on Agenda Items 4.1 through 4.5. Therefore, they were able to participate in the discussion and the vote.]

4. **ITEMS**

- 4.2 Commercial Cannabis Business Permit #18-06R, initiated by Blue Fire, Inc., on a property owned by REM Land Group, LLC. This application is a request to permit the operation of a Retail Dispensary for medicinal and adult-use cannabis and cannabis-related products, including delivery services, at 1975 W. Olive Avenue, a parcel of 2.08 acres, within Planned Development (P-D) #12, with a General Plan Designation of Industrial (IND).

[Secretary's Note: Recording Secretary DAVIS re-read the item description; there was no presentation given by Staff. For further information, refer to Staff Report #18-23.]

There was no one present wishing to speak regarding this item; therefore, public testimony was re-opened and then closed at 7:20 p.m.

M/S PADILLA-HARRIS, and carried by the following vote, to adopt a Categorical Exemption regarding Environmental Review #18-19, and approve Commercial Cannabis Business Permit #18-06R, subject to the Findings and twenty (20) Conditions set forth in Staff Report #18-23 (RESOLUTION #4005):

AYES: Commissioners Camper, Drexel, Harris, Martinez, Padilla, Rashe, and Chairperson Dylina

NOES: None

ABSENT: None

ABSTAIN: None

- 4.3 Commercial Cannabis Business Permit #18-10R, initiated by Green Door, Inc., on property owned by Ray Barry McAuley and Jeanne R McAuley, trustees. This application is a request to permit the operation of a retail dispensary for both medicinal and adult-use cannabis and cannabis-related products, including delivery services, on a 0.17-acre parcel at 811 W. Main Street within a Regional/Central Commercial (C-C) Zone.

[Secretary's Note: Recording Secretary DAVIS re-read the item description; there was no presentation given by Staff. For further information, refer to Staff Report #18-24.]

Commissioner CAMPER recused herself.

Public testimony was re-opened at 7:26 p.m.

Speaker from the Audience (Neutral):

RICHARD SANDFORD, Merced

There were no speakers from the audience in support or opposition to the project.

Public testimony was completed at 7:27 p.m.

M/S PADILLA-DREXEL, and carried by the following vote, to adopt a Categorical Exemption regarding Environmental Review #18-23, and approve Commercial Cannabis Business Permit #18-10R, subject to the Findings and twenty-two (22) Conditions set forth in Staff Report #18-24 (RESOLUTION #4006):

AYES: Commissioners Drexel, Harris, Martinez, Padilla, Rashe, and Chairperson Dylina

NOES: None

ABSENT: None

ABSTAIN: Commissioner Camper

Commissioner CAMPER returned to the dais.

- 4.4 Commercial Cannabis Business Permit #18-17R, initiated by Merced Business Ventures, Inc., DBA Manzanita, on property owned by Robert Gray. This application is a request to permit the operation of a retail dispensary for both medicinal and adult-use cannabis, including delivery services, on a 0.3-acre parcel at 1594 W. 18<sup>th</sup> Street within a General Commercial (C-G) Zone.



[Secretary's Note: Recording Secretary DAVIS re-read the item description; there was no presentation given by Staff. For further information, refer to Staff Report #18-25.]

Public testimony was re-opened at 7:29 p.m.; there being no one present wishing to speak regarding this item, Chairperson DYLINEA closed public testimony at 7:30 p.m.

M/S CAMPER-HARRIS, and carried by the following vote, to adopt a Categorical Exemption regarding Environmental Review #18-30, and approve Commercial Cannabis Business Permit #18-17R, subject to the Findings and twenty-one (21) Conditions set forth in Staff Report #18-25 (RESOLUTION #4007):

AYES: Commissioners Camper, Drexel, Harris, Martinez, Padilla, Rashe, and Chairperson Dylina

NOES: None

ABSENT: None

ABSTAIN: None

- 4.5 Commercial Cannabis Business Permit #18-14R, initiated by Harvest of Merced, LLC., on a property owned by Stephen G. Tinetti, trustee. This application is a request to permit the operation of a retail dispensary for both medicinal and adult-use cannabis and cannabis-related products, including delivery services, on a 0.36 acre parcel in the General Commercial (C-G) Zone at 863 W. 15th St.

[Secretary's Note: Recording Secretary DAVIS re-read the item description; there was no presentation given by Staff. For further information, refer to Staff Report #18-26.]

Public testimony was re-opened at 7:31 p.m.

Speakers from the Audience in Opposition:

ZACH DRIVON, representative for Medallion Wellness, Stockton  
MICHAEL O'LEARY, Applicant, Medallion Wellness

Mr. DRIVON presented information regarding the location chosen by Harvest of Merced, LLC, and questioned its proximity to a school in the area and whether it met the distance requirement from a school in the ordinance.

Mr. DRIVON noted three map images that he presented to the Commission during the meeting showing approximate distances between parcels.

Speaker from the Audience in Favor:

BEN KIMBRO, Applicant, Harvest of Merced, LLC, Tulsa, OK

[Secretary's Note: Planning Manager ESPINOSA noted that the applicant had time remaining from his fifteen minutes at the previous meeting and was allowed to use the remaining time of 4:16 to rebut Mr. DRIVON.]

Speaker from the Audience (Neutral):

DWIGHT LARKS, Merced

SUSAN BOUSCAREN, Merced

Public testimony was completed at 7:41 p.m.

Chairperson DYLINE allowed staff to comment on public testimony regarding the 1,000 ft. buffer and the web-based mapping tool.

Principal Planner HREN stated that they investigated the parcel in question by communicating with the MCOE (Merced County Office of Education) to confirm the use of the parcel and determined that it was not used as a school for children.

Commissioner PADILLA asked Interim Deputy City Attorney FLORES to define the use of "schools" in regards to the Cannabis Ordinance.

Planning Manager ESPINOSA spoke on staff's due diligence in keeping the web-based mapping tool updated and confirming active schools located on the aforementioned mapping tool.

Commissioner PADILLA confirmed with staff that the software was available to all the applicants during the process and that applicants were provided ample time to verify distances and measurements of the property they chose.

Commissioner MARTINEZ disclosed his concern of the accuracy of relying on software for cases that are in close proximity to sensitive uses. He recused himself from the vote due to a conflict of interest.

Commissioner RASHE and Chairperson DYLINEA both vouched for the accuracy of the GIS software and voiced their confidence in City staff and saw no reason to doubt software that has been in use by the City for many years without major discrepancies.

M/S PADILLA-RASHE, and carried by the following vote, to adopt a Categorical Exemption regarding Environmental Review #18-27, and approve Commercial Cannabis Business Permit #18-14R, subject to the Findings and twenty-two (22) Conditions set forth in Staff Report #18-26 (RESOLUTION #4008):

AYES: Commissioners Camper, Drexel, Harris, Padilla, Rashe, and Chairperson Dylina

NOES: None

ABSENT: None

ABSTAIN: Commissioner Martinez

Chairperson DYLINEA asked Ms. FLORES, for the benefit of the members of the audience, to explain the appeal process regarding the commercial cannabis business permits.

[Secretary's Note: At the discretion of the Chairperson, Section 5, Informational Items, was omitted during this meeting since Ms. ESPINOSA reviewed upcoming meeting details during the previous meeting on Tuesday.]

6. **ADJOURNMENT**

There being no further business, Chairperson DYLINEA adjourned the meeting at 8:01 p.m.

Respectfully submitted,



KIM ESPINOSA, Secretary  
Merced City Planning Commission

APPROVED:



ROBERT DYLINEA, Chairperson  
Merced City Planning Commission

**CITY OF MERCED**  
**Planning Commission**

**Resolution #4005**

**WHEREAS**, the Merced City Planning Commission at its scheduled meetings of September 18 and September 19, 2018, held a public hearing and considered **Commercial Cannabis Business Permit #18-06R**, initiated by Blue Fire, Inc., on a property owned by REM Land Group, LLC. This application is a request to permit the operation of a Retail Dispensary, including delivery services, for medicinal and adult use cannabis and cannabis-related products at 1975 W. Olive Avenue, a parcel of 2.08 acres, within Planned Development (P-D) #12, with a General Plan Designation of Industrial (IND); also known as Assessor's Parcel Number (APN) 058-030-004; and,

**WHEREAS**, the Merced City Planning Commission concurs with Findings A through M of Staff Report #18-23; and,

**NOW THEREFORE**, after reviewing the City's Draft Environmental Determination, and discussing all the issues, the Merced City Planning Commission does resolve to hereby adopt a Categorical Exemption regarding Environmental Review #18-19 and approve Commercial Cannabis Business Permits #18-06R, subject to the Conditions set forth in Exhibit A attached hereto and incorporated herein by this reference.

Upon motion by Commissioner PADILLA, seconded by Commissioner HARRIS, and carried by the following vote:

AYES: Commissioners Camper, Drexel, Harris, Martinez, Padilla, Rashe, and Chairperson Dylina

NOES: None

ABSENT: None

ABSTAIN: None

PLANNING COMMISSION RESOLUTION # 4005

Page 2

September 18 and 19, 2018

Adopted this 19<sup>th</sup> day of September 2018

  
\_\_\_\_\_  
Chairperson, Planning Commission of  
the City of Merced, California

ATTEST:

  
\_\_\_\_\_  
Secretary

Attachment:

Exhibit A – Conditions of Approval

**Conditions of Approval**  
**Planning Commission Resolution # 4005**  
**Commercial Cannabis Business Permit #18-06R**

1. The proposed project shall be constructed/designed as shown on Exhibit 1 (site plan) and Exhibit 2 (elevations) – Attachments C and E of Staff Report #18-23, except as modified by the conditions.
2. All conditions and requirements contained in Merced Municipal Code (MMC) Section 20.44.170/Ordinance #2480 (Attachment I of Staff Report #18-23) shall apply. Particular attention shall be paid to MMC 20.44.170(F) “Additional Regulations for Dispensary and Retail Sales of Cannabis” and MMC 20.44.170(G) “Additional Regulations for Commercial Cannabis Delivery Services.”
3. The proposed project shall comply with all standard Municipal Code and Subdivision Map Act requirements as applied by the City Engineering Department.
4. All other applicable codes, ordinances, policies, etc. adopted by the City of Merced shall apply.
5. The developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, and any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof, from any and all claims, actions, suits, proceedings, or judgments against the City, or any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof to attack, set aside, void, or annul, an approval of the City, or any agency or instrumentality thereof, advisory agency, appeal board, or legislative body, including actions approved by the voters of the City, concerning the project and the approvals granted herein. Furthermore, developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, or any agency or instrumentality thereof, against any and all claims, actions, suits, proceedings, or judgments against any governmental entity in which developer/applicant’s project is subject to that other governmental entity’s approval and a condition of such approval is that the City indemnify and defend such governmental entity. City shall promptly notify the developer/applicant of any claim, action, or proceeding. City shall further cooperate fully in the defense of the action. Should the City fail to either promptly notify or cooperate fully,



the developer/applicant shall not thereafter be responsible to indemnify, defend, protect, or hold harmless the City, any agency or instrumentality thereof, or any of its officers, officials, employees, or agents.

6. The developer/applicant shall construct and operate the project in strict compliance with the approvals granted herein, City standards, laws, and ordinances, and in compliance with all State and Federal laws, regulations, and standards. In the event of a conflict between City laws and standards and a State or Federal law, regulation, or standard, the stricter or higher standard shall control. State Law shall prevail in regards to cannabis activities as permitted by State Law.
7. The proposed project shall comply with all applicable regulations of the State of California including, but not limited to, those found in the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).
8. The applicants shall meet the standards of the City of Merced's "Commercial Building Permit Application Submittal Requirements" (Attachment J of Staff Report #18-23) at the time of submittal for building permits for tenant improvement.
9. The details of the property's fencing (if any), security, and screening are to meet the approval of the Director of Development Services and Chief of Police prior to the issuance of a Certificate of Occupancy.
10. The applicants shall keep on the premises of the proposed project site a physical copy of the approved plans, to be annotated and updated accordingly with any notes, changes, or requirements determined to be necessary by representatives of the City of Merced or any contractors that the City of Merced may employ for the purpose of site inspections. These plans shall be made available to the City's representatives, employees, agents, inspectors, or contractors upon request.
11. Fire sprinklers shall be modified or installed to accommodate the building configuration and process configuration prior to occupancy if required by the Chief Building Official.
12. Regulatory Fees, as per Resolution #2017-67, are to be paid prior to the issuance of a Certificate of Occupancy and annually thereafter on or before the anniversary date. The Regulatory Fee may be amended from time to time based upon actual costs. The amount of the fees shall be adjusted annually (starting on January 1, 2019) to account for inflation

by using the Consumer Price Index (CPI). In no event, shall the fees in any year be less than the preceding year.

13. A Commercial Cannabis Business Permit is valid for one year or until December 31 of each year, unless sooner revoked. Applications for the renewal of a permit shall be filed with the Director of Development Services, in accordance with 20.44.170(L).4, “Commercial Cannabis Business Permit Renewal (All Types)”, at least sixty (60) calendar days before the expiration of the current permit. If the permittee allows their permit to lapse, they shall be required to submit a new application, pay corresponding fees and be subject to all aspects of the selection process.
14. As per Ordinance #2480, the use of vending machines to dispense cannabis is strictly prohibited. Any vending machines on the property must not contain cannabis or cannabis-based products.
15. The applicants shall provide or cause to be provided a trash enclosure on the property such that all waste is securely stored until it is removed from the premises. Access to this enclosure shall be provided to the City’s Department of Public Works.
16. As required by Merced Municipal Code Section 17.04.050 and 17.04.060, full public improvements shall be installed/repared if the permit value of the project exceeds \$100,000. Public improvements may include, but not be limited to, repairing/replacing the sidewalk, curb, gutter, and street corner ramp(s), so that they comply with ADA standards and other relevant City of Merced/State standards and regulations.
17. The parking lot shall be repaved and restriped in compliance with the City of Merced’s City Standards.
18. If the applicants are unable to provide a FEMA flood elevation certificate showing that the top of the bottom floor and all equipment are at the required height as to not mandate mitigation measures if applicable, flood mitigation measures shall be required to meet the approval of the City flood plain manager and City Engineer.
19. The details of the final design of the exterior elevations and any signage shall be approved by Planning staff prior to issuance of a Certificate of Occupancy.

20. Future modifications to the scale, scope, activities, implementation, processes, materials, design, layout, or other factors pertaining to the operation of the project that are consistent with permits to perform activities related to operation of a retail dispensary of cannabis and cannabis-based products may be authorized with the approval of the City's Chief Building Official, Fire Chief, and Director of Development Services.

n:\shared\planning\PC Resolutions: CCBP #18-06R Exhibit A

**CITY OF MERCED**  
**Planning Commission**

**Resolution #4006**

**WHEREAS**, the Merced City Planning Commission at its scheduled meetings of September 18 and September 19, 2018, held a public hearing and considered **Commercial Cannabis Business Permit #18-10R**, initiated by Green Door, Inc., on property owned by Ray Barry McAuley and Jeanne R McAuley, trustees. This application is a request to permit the operation of a retail dispensary, including delivery services, for both medicinal and adult-use cannabis on a 0.17-acre parcel at 811 W. Main Street within a Regional/Central Commercial (C-C) Zone; also known as Assessor's Parcel Number (APN) 031-123-008; and,

**WHEREAS**, the Merced City Planning Commission concurs with Findings A through O of Staff Report #18-24; and,

**NOW THEREFORE**, after reviewing the City's Draft Environmental Determination, and discussing all the issues, the Merced City Planning Commission does resolve to hereby adopt a Categorical Exemption regarding Environmental Review #18-23 and approve Commercial Cannabis Business Permit #18-10R, subject to the Conditions set forth in Exhibit A attached hereto and incorporated herein by this reference.

Upon motion by Commissioner PADILLA, seconded by Commissioner DREXEL, and carried by the following vote:

AYES: Commissioners Drexel, Harris, Martinez, Padilla, Rashe, and Chairperson Dylina

NOES: None

ABSENT: None

ABSTAIN: Commissioner Camper

PLANNING COMMISSION RESOLUTION # 4006

Page 2

September 18 and 19, 2018

Adopted this 19<sup>th</sup> day of September 2018



\_\_\_\_\_  
Chairperson, Planning Commission of  
the City of Merced, California

ATTEST:

  
\_\_\_\_\_  
Secretary

Attachment:

Exhibit A – Conditions of Approval

**Conditions of Approval**  
**Planning Commission Resolution #4006**  
**Commercial Cannabis Business Permit #18-10R**

1. The proposed project shall be constructed/designed as shown on Exhibit 1 (site plan), Exhibit 2 (floor plan) and Exhibit 3 (elevations) -- Attachments C, D, and E of Staff Report #18-24, except as modified by the conditions.
2. All conditions and requirements contained in Merced Municipal Code (MMC) Section 20.44.170/Ordinance #2480 (Attachment J of Staff Report #18-24) shall apply. Particular attention shall be paid to MMC 20.44.170(F) "Additional Regulations for Dispensary and Retail Sales of Cannabis" and MMC 20.44.170(G) "Additional Regulations for Commercial Cannabis Delivery Services."
3. The proposed project shall comply with all standard Municipal Code and Subdivision Map Act requirements as applied by the City Engineering Department.
4. All other applicable codes, ordinances, policies, etc. adopted by the City of Merced shall apply.
5. The developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, and any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof, from any and all claims, actions, suits, proceedings, or judgments against the City, or any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof to attack, set aside, void, or annul, an approval of the City, or any agency or instrumentality thereof, advisory agency, appeal board, or legislative body, including actions approved by the voters of the City, concerning the project and the approvals granted herein. Furthermore, developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, or any agency or instrumentality thereof, against any and all claims, actions, suits, proceedings, or judgments against any governmental entity in which developer/applicant's project is subject to that other governmental entity's approval and a condition of such approval is that the City indemnify and defend such governmental entity. City shall promptly notify the developer/applicant of any claim, action, or proceeding. City shall further cooperate fully in the defense of the

action. Should the City fail to either promptly notify or cooperate fully, the developer/applicant shall not thereafter be responsible to indemnify, defend, protect, or hold harmless the City, any agency or instrumentality thereof, or any of its officers, officials, employees, or agents.

6. The developer/applicant shall construct and operate the project in strict compliance with the approvals granted herein, City standards, laws, and ordinances, and in compliance with all State and Federal laws, regulations, and standards. In the event of a conflict between City laws and standards and a State or Federal law, regulation, or standard, the stricter or higher standard shall control. State Law shall prevail in regards to cannabis activities as permitted by State Law.
7. The proposed project shall comply with all applicable regulations of the State of California including, but not limited to, those found in the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).
8. The details of the property's fencing (if any), security, and screening are to meet the approval of the Director of Development Services and Chief of Police prior to the issuance of a Certificate of Occupancy. Key access and/or a Knox Box to any perimeter fencing shall be provided to the City Fire, Police, and Public Works Departments.
9. The applicants shall meet the standards of the City of Merced's "Commercial Building Permit Application Submittal Requirements" (Attachment K of Staff Report #18-24) at the time of submittal for building permits for tenant improvement.
10. The applicants shall keep on the premises of the proposed project site a physical copy of the approved plans, to be annotated and updated accordingly with any notes, changes, or requirements determined to be necessary by representatives of the City of Merced or any contractors that the City of Merced may employ for the purpose of site inspections. These plans shall be made available to the City's representatives, employees, agents, inspectors, or contractors upon request.
11. Any non-public areas, including cannabis inventory storage room, restrooms, etc., within the facility shall be secured from intentional or accidental access by any person not employed, contracted, or otherwise authorized on the premises.



12. Fire sprinklers shall be modified or installed to accommodate the building configuration and process configuration prior to occupancy if required by the Chief Building Official.
13. Regulatory Fees, as per Resolution #2017-67, are to be paid prior to the issuance of a Certificate of Occupancy and annually thereafter on or before the anniversary date. The Regulatory Fee may be amended from time to time based upon actual costs. The amount of the fees shall be adjusted annually (starting on January 1, 2019) to account for inflation by using the Consumer Price Index (CPI). In no event, shall the fees in any year be less than the preceding year.
14. A Commercial Cannabis Business Permit is valid for one year or until December 31 of each year, unless sooner revoked. Applications for the renewal of a permit shall be filed with the Director of Development Services, in accordance with MMC 20.44.170(L).4, "Commercial Cannabis Business Permit Renewal (All Types)", at least sixty (60) calendar days before the expiration of the current permit. If the permittee allows their permit to lapse, they shall be required to submit a new application, pay corresponding fees, and be subject to all aspects of the selection process.
15. If the applicants are unable to provide a FEMA flood elevation certificate showing that the top of the bottom floor and all equipment are at the required height as to not mandate mitigation measures (if applicable), flood mitigation measures shall be required to meet the approval of the City flood plain manager and City Engineer.
16. As required by Merced Municipal Code Section 17.04.050 and 17.04.060, full public improvements shall be installed/repared if the permit value of the project exceeds \$100,000.00. Public improvements may include, but not be limited to, repairing/replacing the sidewalk, curb, gutter, and street corner ramp(s), so that they comply with ADA standards and other relevant City of Merced/State/Federal standards and regulations.
17. The applicants shall provide a trash enclosure on the property such that all waste is securely stored until it is removed from the premises with access to the enclosure to be provided to the Refuse Division. The proposed enclosure as shown on the Site Plan is located at the northwest corner of APN 031-123-010, which may conflict with the approved food truck parking area on that lot, so the final location and design shall be

approved by the Refuse Division prior to issuance of a building permit. The cross access agreement described in Condition #19 will also include the final location of the trash enclosure and ensure the dispensary's access to that enclosure.

18. Future modifications to the scale, scope, activities, implementation, processes, materials, design, layout, or other factors pertaining to the operation of the project that are consistent with permits to perform activities related to operation of a retail dispensary of cannabis and cannabis-based products may be authorized with the approval of the City's Chief Building Official, Fire Chief, and Director of Development Services.
19. A joint parking and cross access agreement shall be recorded by the property owner to ensure that the dispensary has access to the parking, trash enclosure, and any other required facilities on the adjacent parcels (APN #031-123-009 and -010).
20. The parking areas shall be repaved and striped to City Standards prior to obtaining a Certificate of Occupancy.
21. The final design of the exterior elevations and any signage shall be approved by Planning staff prior to obtaining a Certificate of Occupancy. The final design of the proposed mural on the west elevation may require approval from the City's new Arts Commission. Details to be worked out with staff.
22. The dispensary owners shall work with the property owners and food truck operators as approved with Conditional Use Permit #1226 to allow for the joint use of the parking area on APN #031-123-010. If agreement cannot be reached, the property owners will need to determine the future use of the property. If the food truck(s) remain, the dispensary owners shall be responsible for ensuring that cannabis products are not consumed on-site as required in MMC 20.44.170(F)(16).

**CITY OF MERCED**  
**Planning Commission**

**Resolution #4007**

**WHEREAS**, the Merced City Planning Commission at its scheduled meetings of September 18 and September 19, 2018, held a public hearing and considered **Commercial Cannabis Business Permit #18-17R**, initiated by Merced Business Ventures, Inc., DBA Manzanita, on property owned by Robert Gray. This application is a request to permit the operation of a retail dispensary for both medicinal and adult-use cannabis, including delivery services, on a 0.3-acre parcel at 1594 W. 18<sup>th</sup> Street within a General Commercial (C-G) Zone; also known as Assessor's Parcel Number (APN) 031-351-031; and,

**WHEREAS**, the Merced City Planning Commission concurs with Findings A through O of Staff Report #18-25; and,

**NOW THEREFORE**, after reviewing the City's Draft Environmental Determination, and discussing all the issues, the Merced City Planning Commission does resolve to hereby adopt a Categorical Exemption regarding Environmental Review #18-30 and approve Commercial Cannabis Business Permit #18-17R, subject to the Conditions set forth in Exhibit A attached hereto and incorporated herein by this reference.

Upon motion by Commissioner CAMPER, seconded by Commissioner HARRIS, and carried by the following vote:

AYES: Commissioners Camper, Drexel, Harris, Martinez, Padilla, Rashe, and Chairperson Dylina

NOES: None

ABSENT: None

ABSTAIN: None

PLANNING COMMISSION RESOLUTION # 4007

Page 2

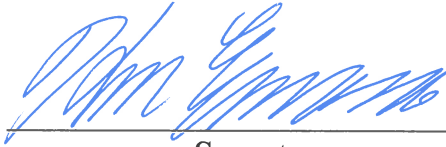
September 18 and 19, 2018

Adopted this 19<sup>th</sup> day of September 2018



\_\_\_\_\_  
Chairperson, Planning Commission of  
the City of Merced, California

ATTEST:



\_\_\_\_\_  
Secretary

Attachment:

Exhibit A – Conditions of Approval

**Conditions of Approval**  
**Planning Commission Resolution # 4007**  
**Commercial Cannabis Business Permit #18-17R**

1. The proposed project shall be constructed/designed as shown on Exhibit 1 (site plan), Exhibit 2 (floor plan), and Exhibit 3 (elevations) -- Attachments C, D, and E of Staff Report #18-25, except as modified by the conditions.
2. All conditions and requirements contained in Merced Municipal Code (MMC) Section 20.44.170/Ordinance #2480 (Attachment J of Staff Report #18-25) shall apply. Particular attention shall be paid to MMC 20.44.170(F) "Additional Regulations for Dispensary and Retail Sales of Cannabis" and MMC 20.44.170(G) "Additional Regulations for Commercial Cannabis Delivery Services."
3. The proposed project shall comply with all standard Municipal Code and Subdivision Map Act requirements as applied by the City Engineering Department.
4. All other applicable codes, ordinances, policies, etc. adopted by the City of Merced shall apply.
5. The developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, and any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof, from any and all claims, actions, suits, proceedings, or judgments against the City, or any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof to attack, set aside, void, or annul, an approval of the City, or any agency or instrumentality thereof, advisory agency, appeal board, or legislative body, including actions approved by the voters of the City, concerning the project and the approvals granted herein. Furthermore, developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, or any agency or instrumentality thereof, against any and all claims, actions, suits, proceedings, or judgments against any governmental entity in which developer/applicant's project is subject to that other governmental entity's approval and a condition of such approval is that the City indemnify and defend such governmental entity. City shall promptly notify the developer/applicant of any claim, action, or proceeding. City shall further cooperate fully in the defense of the

action. Should the City fail to either promptly notify or cooperate fully, the developer/applicant shall not thereafter be responsible to indemnify, defend, protect, or hold harmless the City, any agency or instrumentality thereof, or any of its officers, officials, employees, or agents.

6. The developer/applicant shall construct and operate the project in strict compliance with the approvals granted herein, City standards, laws, and ordinances, and in compliance with all State and Federal laws, regulations, and standards. In the event of a conflict between City laws and standards and a State or Federal law, regulation, or standard, the stricter or higher standard shall control. State Law shall prevail in regards to cannabis activities as permitted by State Law.
7. The proposed project shall comply with all applicable regulations of the State of California including, but not limited to, those found in the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).
8. The details of the property's fencing (if any), security, and screening are to meet the approval of the Director of Development Services and Chief of Police prior to the issuance of a Certificate of Occupancy. Key access and/or a Knox Box to any perimeter fencing shall be provided to the City Fire, Police, and Public Works Departments.
9. The applicants shall meet the standards of the City of Merced's "Commercial Building Permit Application Submittal Requirements" (Attachment K of Staff Report #18-25) at the time of submittal for building permits for tenant improvement.
10. The applicants shall keep on the premises of the proposed project site a physical copy of the approved plans, to be annotated and updated accordingly with any notes, changes, or requirements determined to be necessary by representatives of the City of Merced or any contractors that the City of Merced may employ for the purpose of site inspections. These plans shall be made available to the City's representatives, employees, agents, inspectors, or contractors upon request.
11. Any non-public areas, including cannabis inventory storage room, restrooms, etc., within the facility shall be secured from intentional or accidental access by any person not employed, contracted, or otherwise authorized on the premises.

12. Fire sprinklers shall be modified or installed to accommodate the building configuration and process configuration prior to occupancy if required by the Chief Building Official.
13. Regulatory Fees, as per Resolution #2017-67, are to be paid prior to the issuance of a Certificate of Occupancy and annually thereafter on or before the anniversary date. The Regulatory Fee may be amended from time to time based upon actual costs. The amount of the fees shall be adjusted annually (starting on January 1, 2019) to account for inflation by using the Consumer Price Index (CPI). In no event, shall the fees in any year be less than the preceding year.
14. A Commercial Cannabis Business Permit is valid for one year or until December 31 of each year, unless sooner revoked. Applications for the renewal of a permit shall be filed with the Director of Development Services, in accordance with MMC 20.44.170(L).4, "Commercial Cannabis Business Permit Renewal (All Types)", at least sixty (60) calendar days before the expiration of the current permit. If the permittee allows their permit to lapse, they shall be required to submit a new application, pay corresponding fees, and be subject to all aspects of the selection process.
15. If the applicants are unable to provide a FEMA flood elevation certificate showing that the top of the bottom floor and all equipment are at the required height as to not mandate mitigation measures (if applicable), flood mitigation measures shall be required to meet the approval of the City flood plain manager and City Engineer.
16. As required by Merced Municipal Code Section 17.04.050 and 17.04.060, full public improvements shall be installed/repared if the permit value of the project exceeds \$100,000.00. Public improvements may include, but not be limited to, repairing/replacing the sidewalk, curb, gutter, and street corner ramp(s), so that they comply with ADA standards and other relevant City of Merced/State/Federal standards and regulations.
17. The applicants shall provide a trash enclosure on the property such that all waste is securely stored until it is removed from the premises with access to the enclosure to be provided to the Refuse Division. The proposed enclosure as shown on the Site Plan is located at the southwest corner of the parcel, but per the Refuse Division, it should be relocated closer to the northwest corner of the parcel. The final location and design



shall be approved by the Refuse Division prior to issuance of a building permit. The applicants have also agreed to post a sign on the enclosure making clear there is no cannabis product inside of it, and it will be locked.

18. Future modifications to the scale, scope, activities, implementation, processes, materials, design, layout, or other factors pertaining to the operation of the project that are consistent with permits to perform activities related to operation of a retail dispensary of cannabis and cannabis-based products may be authorized with the approval of the City's Chief Building Official, Fire Chief, and Director of Development Services.
19. A joint parking and cross access agreement shall be recorded by the property owner to ensure that the dispensary has access to the parking, trash enclosure, and any other required facilities on the adjacent parcel to the east (APN #031-351-028).
20. The parking areas shall be repaved and striped to City Standards prior to obtaining a Certificate of Occupancy.
21. The final design of the exterior elevations and any signage shall be approved by Planning staff prior to obtaining a Certificate of Occupancy. Details to be worked out with staff.

Note: This item has been  
appealed; therefore,  
Resolution #4008 has not  
yet gone into effect.  
Efficacy of this Resolution  
will be contingent on City  
Council decision.

**CITY OF MERCED  
Planning Commission**

**Resolution #4008**

**WHEREAS**, the Merced City Planning Commission at its scheduled meetings of September 18 and September 19, 2018, held a public hearing and considered **Commercial Cannabis Business Permit #18-14R**, initiated by Harvest of Merced, LLC., on a property owned by Stephen G. Tinetti, trustee. This application is a request to permit the operation of a Retail Dispensary, including delivery services, for both medicinal and adult use cannabis and cannabis-related products on a 0.36 acre parcel in the General Commercial (C-G) Zone at 863 W. 15th St.; also known as Assessor's Parcel Number (APN) 031-173-012; and,

**WHEREAS**, the Merced City Planning Commission concurs with Findings A through M of Staff Report #18-26; and,

**NOW THEREFORE**, after reviewing the City's Draft Environmental Determination, and discussing all the issues, the Merced City Planning Commission does resolve to hereby adopt a Categorical Exemption regarding Environmental Review #18-27 and approve Commercial Cannabis Business Permit #18-14R, subject to the Conditions set forth in Exhibit A attached hereto and incorporated herein by this reference.

Upon motion by Commissioner PADILLA, seconded by Commissioner RASHE, and carried by the following vote:

AYES: Commissioners Camper, Drexel, Harris, Padilla, Rashe, and Chairperson Dylina

NOES: None

ABSENT: None

ABSTAIN: Commissioner Martinez

PLANNING COMMISSION RESOLUTION # 4008

Page 2

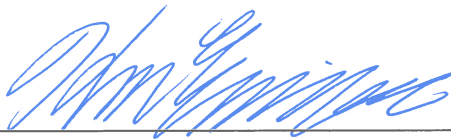
September 18 and 19, 2018

Adopted this 19<sup>th</sup> day of September 2018



\_\_\_\_\_  
Chairperson, Planning Commission of  
the City of Merced, California

ATTEST:



\_\_\_\_\_  
Secretary

Attachment:

Exhibit A – Conditions of Approval

**Conditions of Approval**  
**Planning Commission Resolution #4008**  
**Commercial Cannabis Business Permit #18-14R**

1. The proposed project shall be constructed/designed as shown on Exhibit 1 (site plan), Attachment C of Staff Report #18-26, and Exhibit 2 (floor plan), Attachment D of Staff Report #18-26, except as modified by the conditions.
2. All conditions and requirements contained in Merced Municipal Code (MMC) Section 20.44.170/Ordinance #2480 (Attachment I of Staff Report #18-26) shall apply. Particular attention shall be paid to MMC 20.44.170(F) “Additional Regulations for Dispensary and Retail Sales of Cannabis” and MMC 20.44.170(G) “Additional Regulations for Commercial Cannabis Delivery Services.”
3. The proposed project shall comply with all standard Municipal Code and Subdivision Map Act requirements as applied by the City Engineering Department.
4. All other applicable codes, ordinances, policies, etc. adopted by the City of Merced shall apply.
5. The developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, and any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof, from any and all claims, actions, suits, proceedings, or judgments against the City, or any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof to attack, set aside, void, or annul, an approval of the City, or any agency or instrumentality thereof, advisory agency, appeal board, or legislative body, including actions approved by the voters of the City, concerning the project and the approvals granted herein. Furthermore, developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, or any agency or instrumentality thereof, against any and all claims, actions, suits, proceedings, or judgments against any governmental entity in which developer/applicant’s project is subject to that other governmental entity’s approval and a condition of such approval is that the City indemnify and defend such governmental entity. City shall promptly notify the developer/applicant of any claim, action, or proceeding. City shall further cooperate fully in the defense of the

action. Should the City fail to either promptly notify or cooperate fully, the developer/applicant shall not thereafter be responsible to indemnify, defend, protect, or hold harmless the City, any agency or instrumentality thereof, or any of its officers, officials, employees, or agents.

6. The developer/applicant shall construct and operate the project in strict compliance with the approvals granted herein, City standards, laws, and ordinances, and in compliance with all State and Federal laws, regulations, and standards. In the event of a conflict between City laws and standards and a State or Federal law, regulation, or standard, the stricter or higher standard shall control. State Law shall prevail in regards to cannabis activities as permitted by State Law.
7. The proposed project shall comply with all applicable regulations of the State of California including, but not limited to, those found in the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).
8. The applicants shall meet the standards of the City of Merced's "Commercial Building Permit Application Submittal Requirements" (Attachment J of Staff Report #18-26) at the time of submittal for building permits for tenant improvement.
9. The details of the property's fencing (if any), security, and screening are to meet the approval of the Director of Development Services and Chief of Police prior to the issuance of a Certificate of Occupancy.
10. The applicants shall keep on the premises of the proposed project site a physical copy of the approved plans, to be annotated and updated accordingly with any notes, changes, or requirements determined to be necessary by representatives of the City of Merced or any contractors that the City of Merced may employ for the purpose of site inspections. These plans shall be made available to the City's representatives, employees, agents, inspectors, or contractors upon request.
11. Fire sprinklers shall be modified or installed to accommodate the building configuration and process configuration prior to occupancy if required by the Chief Building Official.
12. Regulatory Fees, as per Resolution #2017-67, are to be paid prior to the issuance of a Certificate of Occupancy and annually thereafter on or before the anniversary date. The Regulatory Fee may be amended from time to time based upon actual costs. The amount of the fees shall be

adjusted annually (starting on January 1, 2019) to account for inflation by using the Consumer Price Index (CPI). In no event, shall the fees in any year be less than the preceding year.

13. A Commercial Cannabis Business Permit is valid for one year or until December 31 of each year, unless sooner revoked. Applications for the renewal of a permit shall be filed with the Director of Development Services, in accordance with 20.44.170(L).4, “Commercial Cannabis Business Permit Renewal (All Types)”, at least sixty (60) calendar days before the expiration of the current permit. If the permittee allows their permit to lapse, they shall be required to submit a new application, pay corresponding fees and be subject to all aspects of the selection process.
14. As per Ordinance #2480, the use of vending machines to dispense cannabis is strictly prohibited. Any vending machines on the property must not contain cannabis or cannabis-based products.
15. The applicants shall provide or cause to be provided a trash enclosure on the property such that all waste is securely stored until it is removed from the premises. Access to this enclosure shall be provided to the City’s Department of Public Works.
16. Key access and/or a Knox Box to the perimeter fence shall be provided to the City of Merced Fire Department, Department of Public Works, and Police Department.
17. As required by Merced Municipal Code Section 17.04.050 and 17.04.060, full public improvements shall be installed/repared if the permit value of the project exceeds \$100,000. Public improvements may include, but not be limited to, repairing/replacing the sidewalk, curb, gutter, and street corner ramp(s), so that they comply with ADA standards and other relevant City of Merced/State standards and regulations.
18. The parking lot shall be repaved and restriped in compliance with the City of Merced’s City Standard Designs.
19. If the applicants are unable to provide a FEMA flood elevation certificate showing that the top of the bottom floor and all equipment are at the required height as to not mandate mitigation measures if applicable, flood mitigation measures shall be required to meet the approval of the City flood plain manager and City Engineer.

20. There shall be no shared access to the building sharing a common wall with 863 W. 15th Street. Any existing shared access point must be sealed prior to the issuance of a Certificate of Occupancy.
21. The details of the final design of the exterior elevations and any signage shall be approved by Planning staff prior to issuance of a Certificate of Occupancy.
22. Future modifications to the scale, scope, activities, implementation, processes, materials, design, layout, or other factors pertaining to the operation of the project that are consistent with permits to perform activities related to operation of a retail dispensary of cannabis and cannabis-based products may be authorized with the approval of the City's Chief Building Official, Fire Chief, and Director of Development Services.

n:\shared\planning\PC Resolutions: CCBP #18-14R Exhibit A



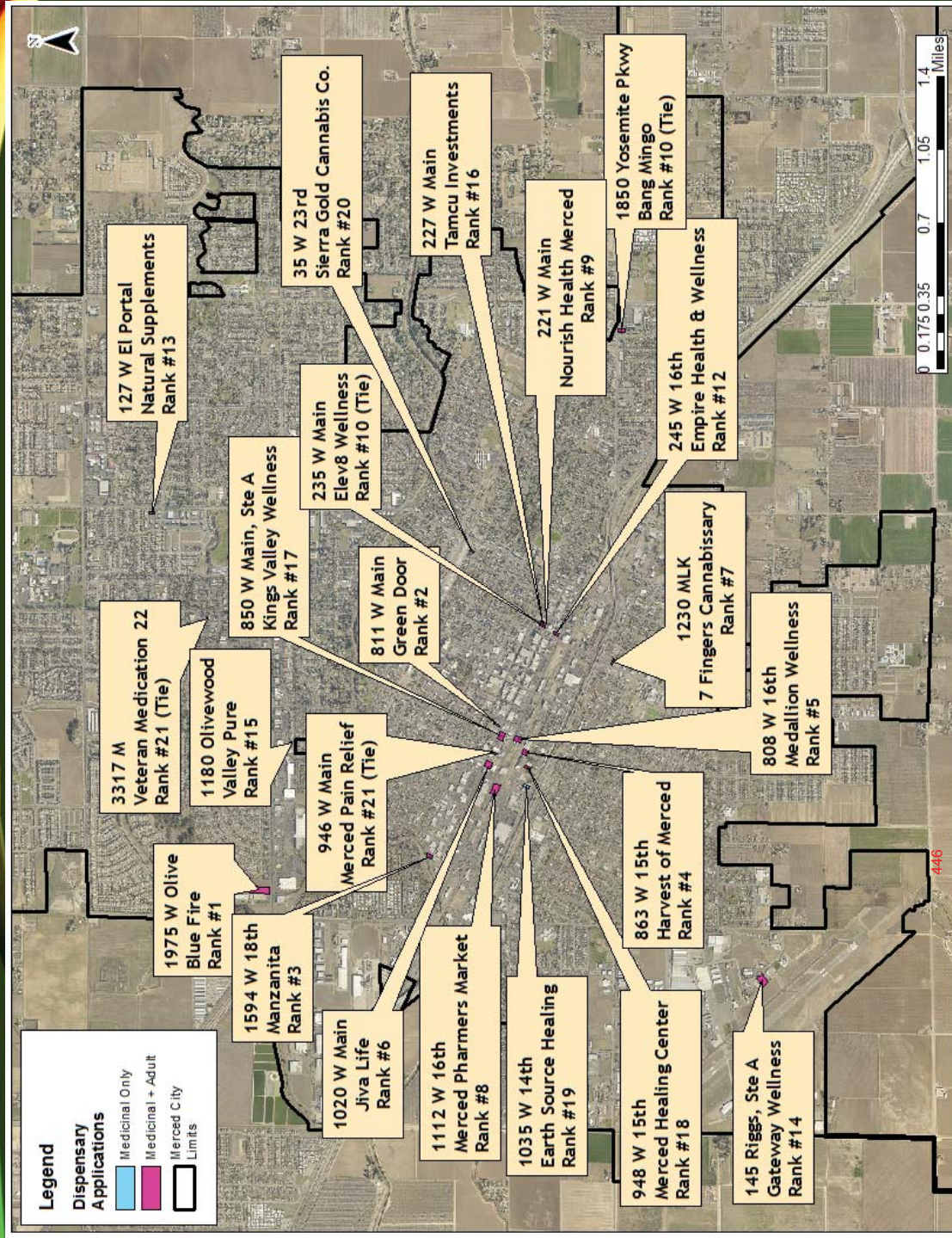
# OVERVIEW OF COMMERCIAL CANNABIS BUSINESS PERMIT APPLICATIONS FOR DISPENSARIES/RETAIL SALES

Planning Commission Meeting—September 18 & 19, 2018

Kim Espinosa, Planning Manager and Michael Hren, Principal Planner

# 22 COMPLETE DISPENSARY APPLICATIONS

485



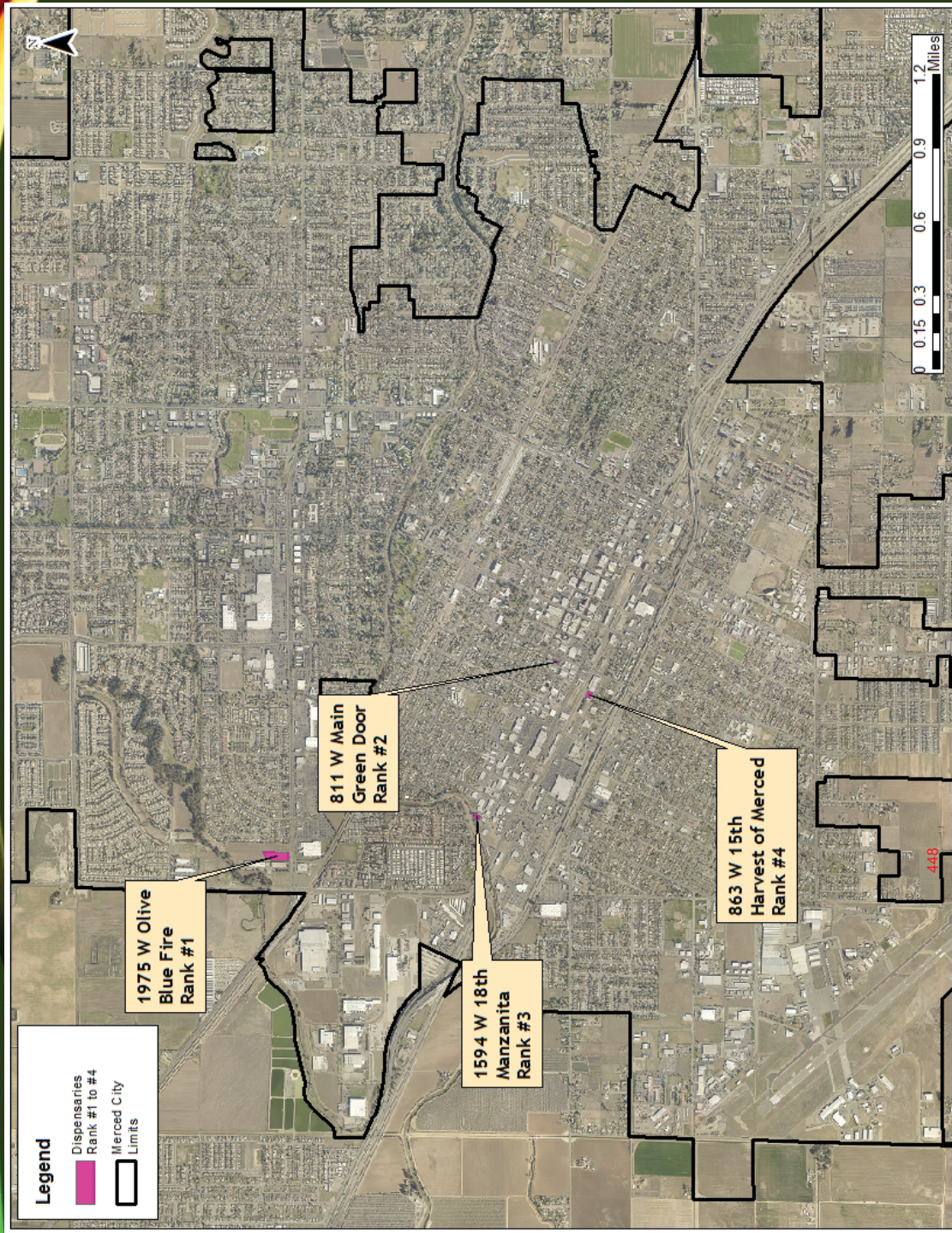


## TOP 4 APPLICATIONS (PUBLIC HEARINGS ON AGENDA TONIGHT)

<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 <sup>th</sup> St	289	96.333	3
CCBP #18-14R ("Harvest of Merced") at 863 W 15 <sup>th</sup> St	285	95.000	4

# TOP FOUR CANNABIS DISPENSARY APPLICATIONS

487





<u>Commercial Cannabis Business Permit Applications for Dispensaries</u>	<u>TOTAL SCORE</u>	<u>AVERAGE SCORE</u>	<u>RANKING</u>
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 Pharmers 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 Mingo") at 1850 Yosemite Pkwy	240	80.000	10 (Tie)
CCBP #18-05R ("Elev8 Wellness") at 235 W Main St	240	80.000	10 (Tie)

<u>Commercial Cannabis Business Permit Applications for Dispensaries</u>	<u>TOTAL SCORE</u>	<u>AVERAGE SCORE</u>	<u>RANKING</u>
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

<u>Commercial Cannabis Business Permit Applications for Dispensaries</u>	<u>TOTAL SCORE</u>	<u>AVERAGE SCORE</u>	<u>RANKING</u>
CCBP #18-12R ("Merced Healing Center") at 948 W 15 <sup>th</sup> St	187	62.333	18
CCBP #18-24R ("Earth Source Healing") at 1035 W 14 <sup>th</sup> St	179	59.667	19
CCBP #18-16R ("Sierra Gold Cannabis Co.") at 35 W 23 <sup>rd</sup> 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)



# QUESTIONS?



# SEPTEMBER 18 & 19, 2018 PLANNING COMMISSION PUBLIC HEARINGS



# CONDUCT OF TONIGHT'S PUBLIC HEARINGS

- Because there is a limit of 4 Commercial Cannabis Business Permits, the City will be conducting tonight's public hearings a bit differently than usual.
- Starting with Agenda Item 4.2 through 4.5, the individual public hearings will be conducted as follows for each Agenda Item:
  - Staff Presentation
  - Planning Commission may ask questions of Staff on that item
  - Public Hearing is Opened



# CONDUCT OF TONIGHT'S PUBLIC HEARINGS (CONT.)

- Public Hearing is Opened.
- The applicant will be invited to speak (15 minutes total allowed, including rebuttal time).
- If there is a designated leader of the Opposition, the leader will be invited to speak (15 minutes total allowed).
- Other speakers will be invited to speak in the order in which they submitted a "Request to Speak" form to the Clerk.
- If 3 speakers or less, each speaker is limited to 5 minutes each.
- If over 3 speakers, each speaker is limited to 3 minutes each.

# CONDUCT OF TONIGHT'S PUBLIC HEARINGS (CONT.)

- Public Hearing is closed.
- The Planning Commission will NOT deliberate or take any action on the four agenda items until all of the public hearings have taken place.
- After Agenda Item 4.2, we will move onto Item 4.3, then 4.4, and finally 4.5.
- At the end of the public hearings tonight, the meeting will be adjourned to tomorrow night at 7pm.
- Tomorrow night, the Planning Commission will deliberate and take action on each individual Cannabis Permit in the same order as was presented tonight.
- If we don't get through all the public hearings tonight, we will have those public hearings at the beginning of tomorrow's meeting instead.





# Blue Fire

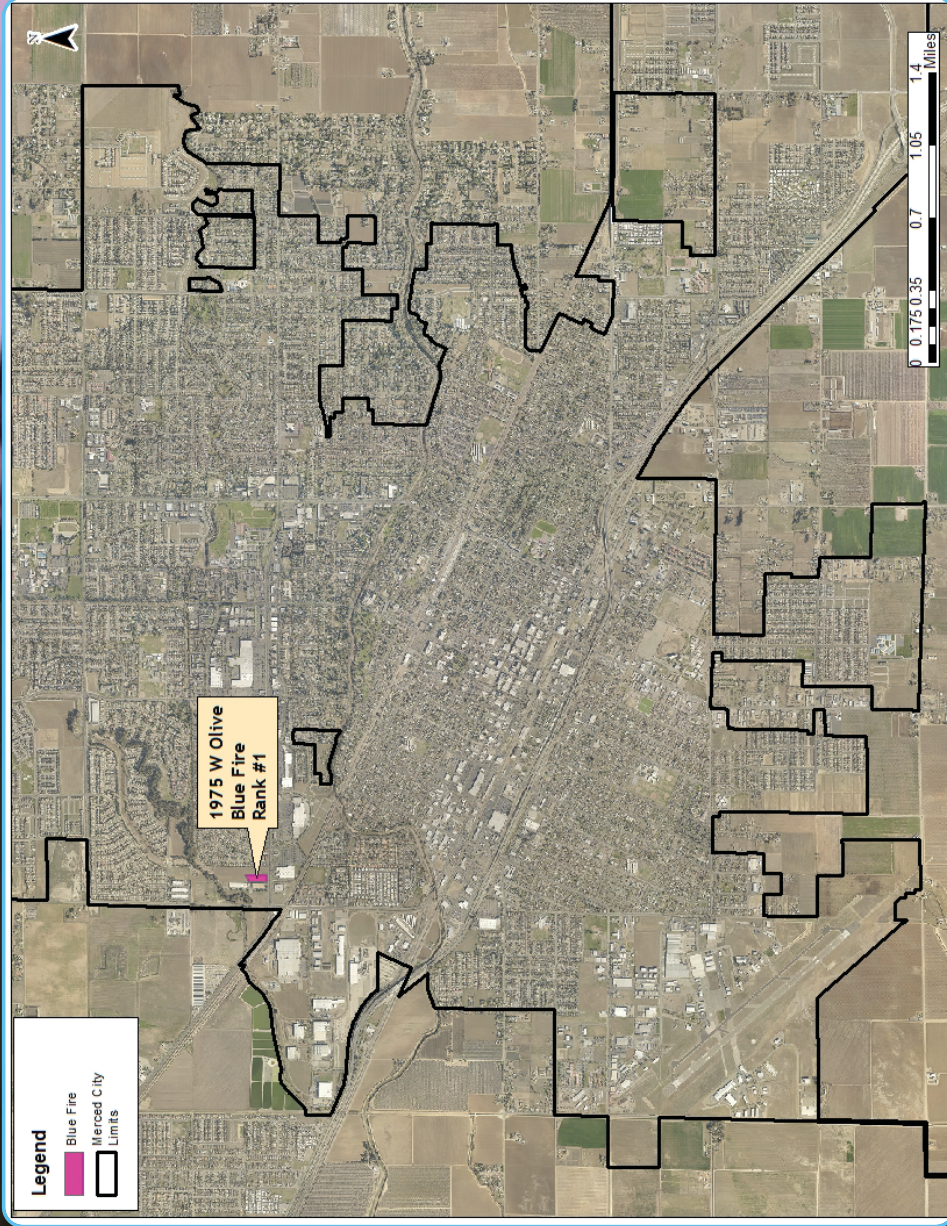
COMMERCIAL CANNABIS BUSINESS PERMIT #18-06R  
RETAIL DISPENSARY PERMIT APPLICATION FOR  
MEDICINAL AND ADULT USE CANNABIS

PUBLIC HEARING: SEPTEMBER 18 & 19, 2018

Rank:  
#1

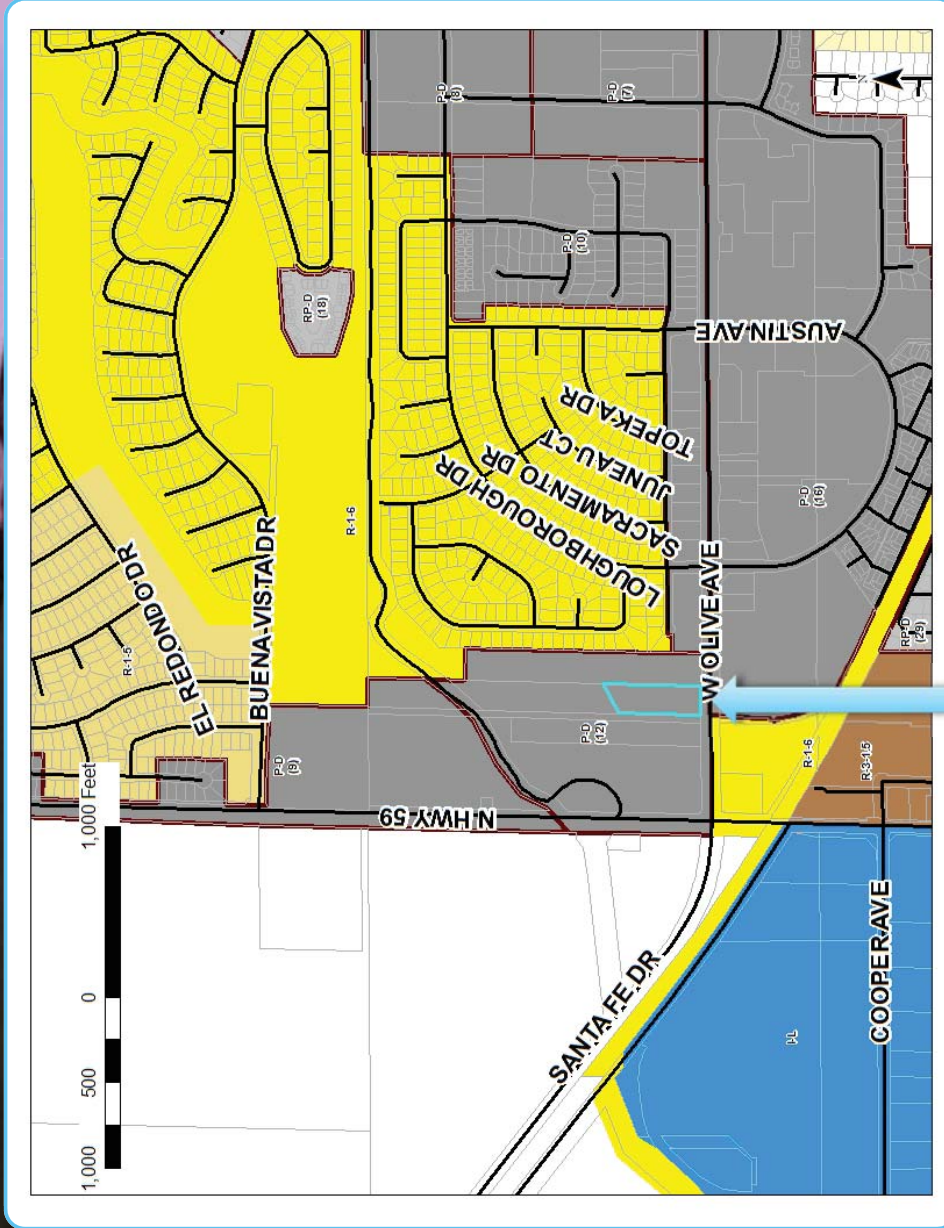
Average  
Score:  
98.333





Blue Fire Proposed Site  
Context Map

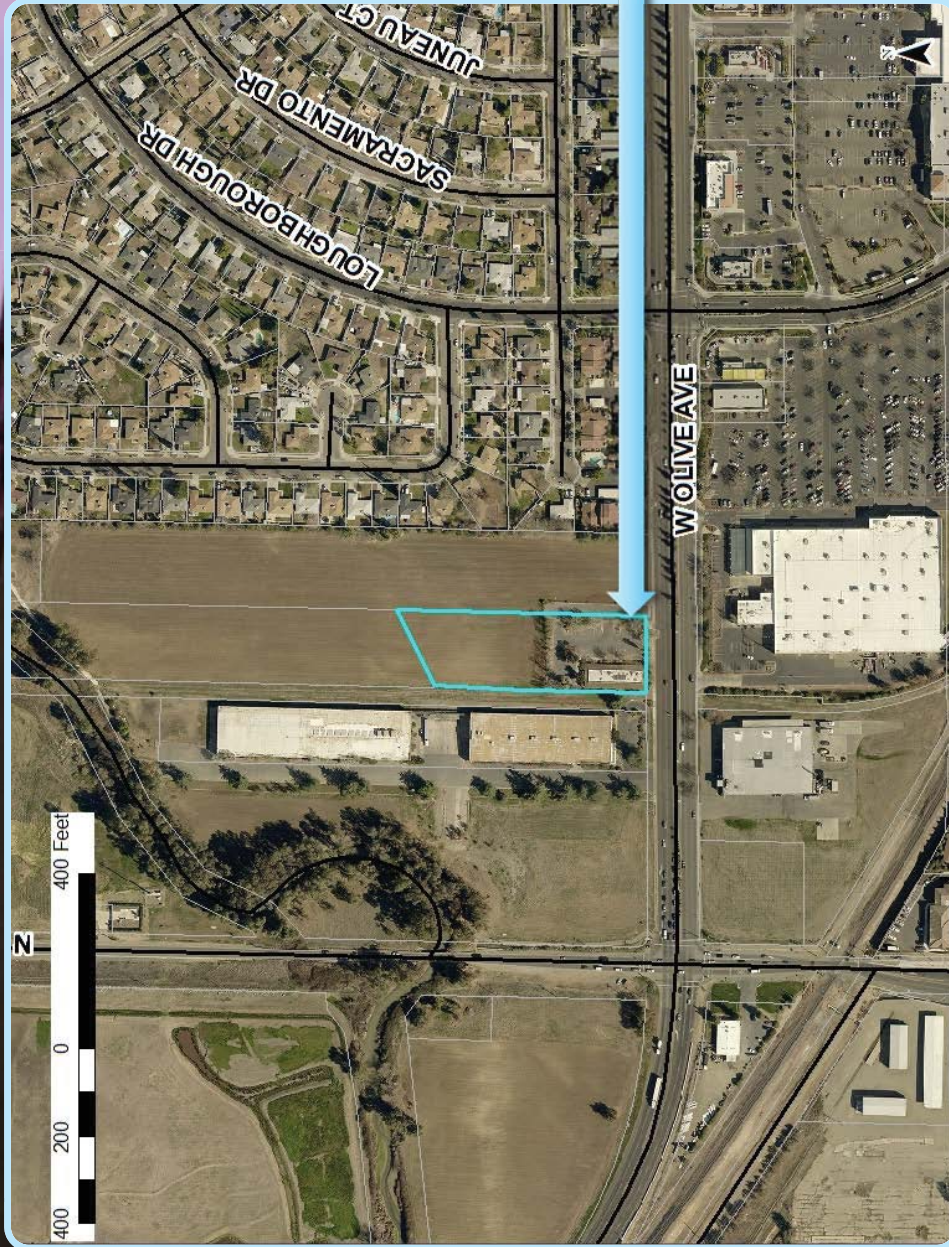




1975 W Olive Ave

## Blue Fire Proposed Site Context Map



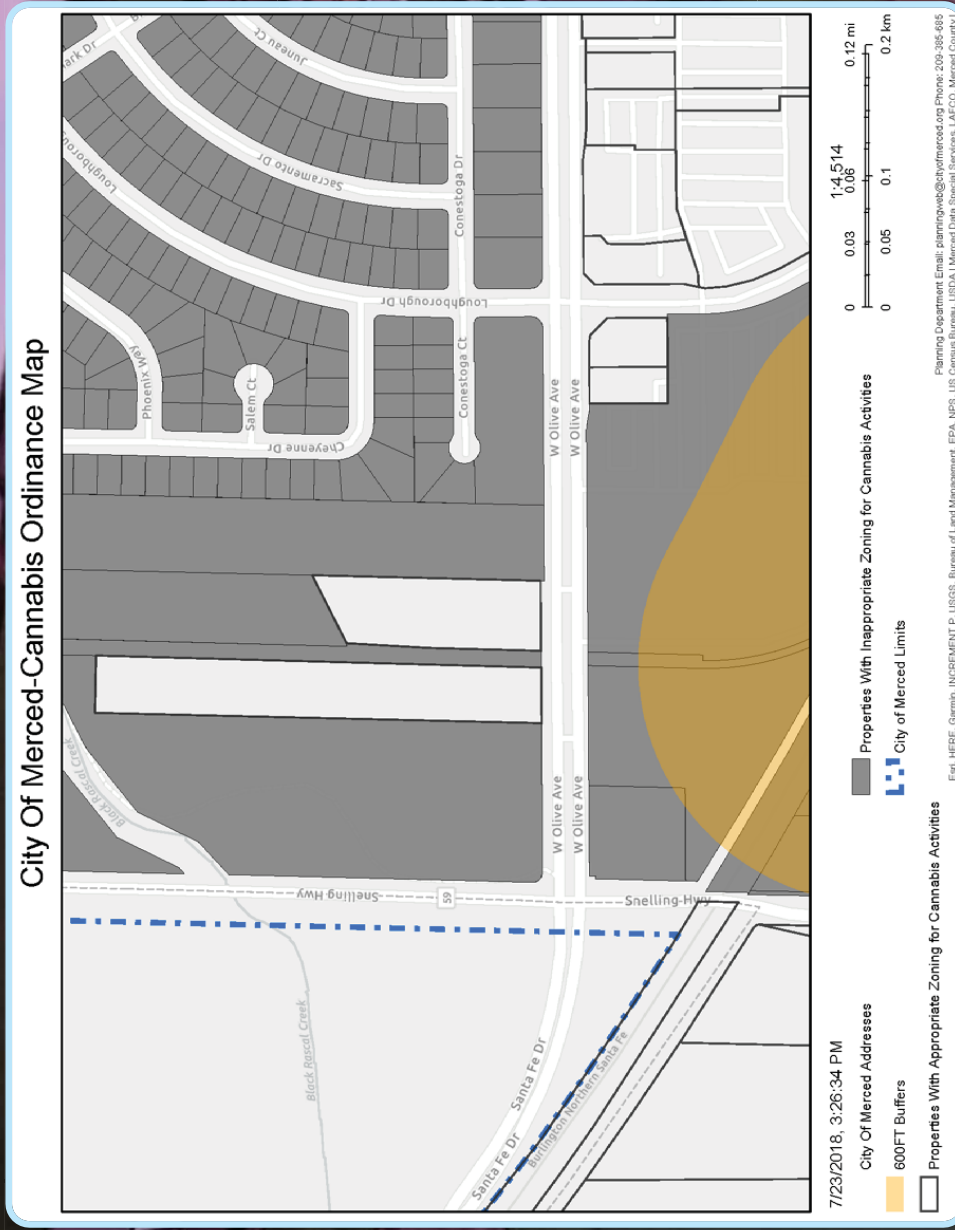


1975 W Olive Ave.

1975 W. Olive Ave.  
Aerial Map



# City Of Merced-Cannabis Ordinance Map

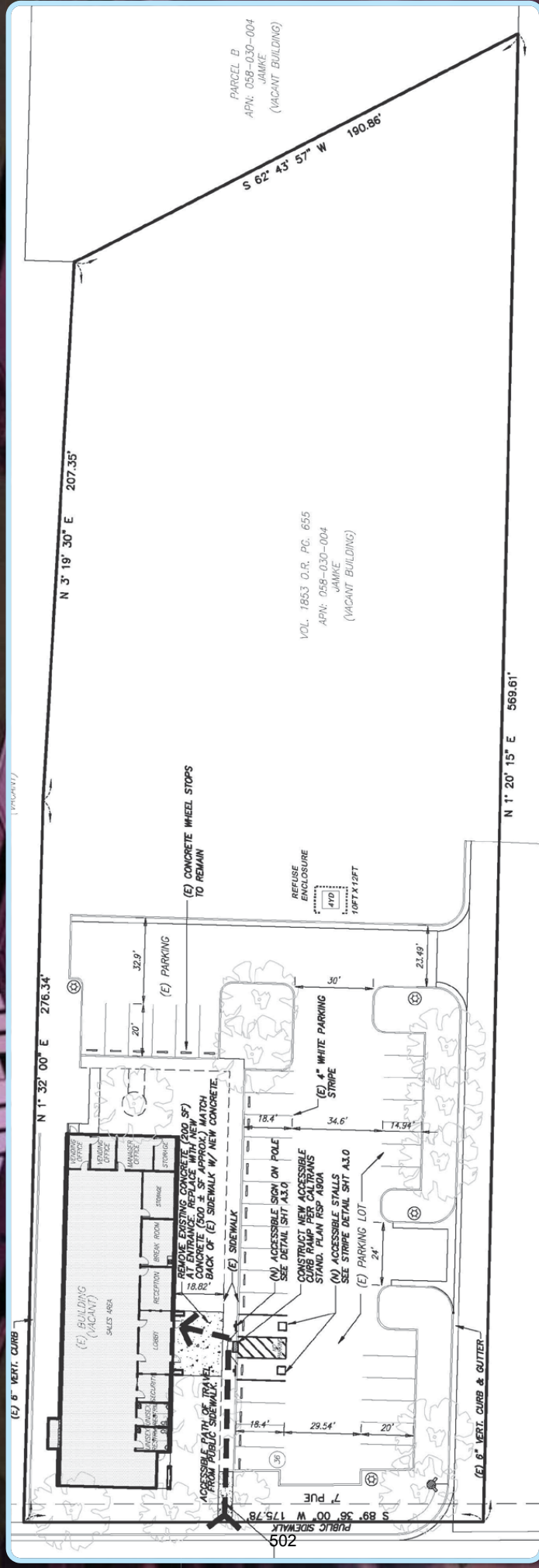


Sensitive use context

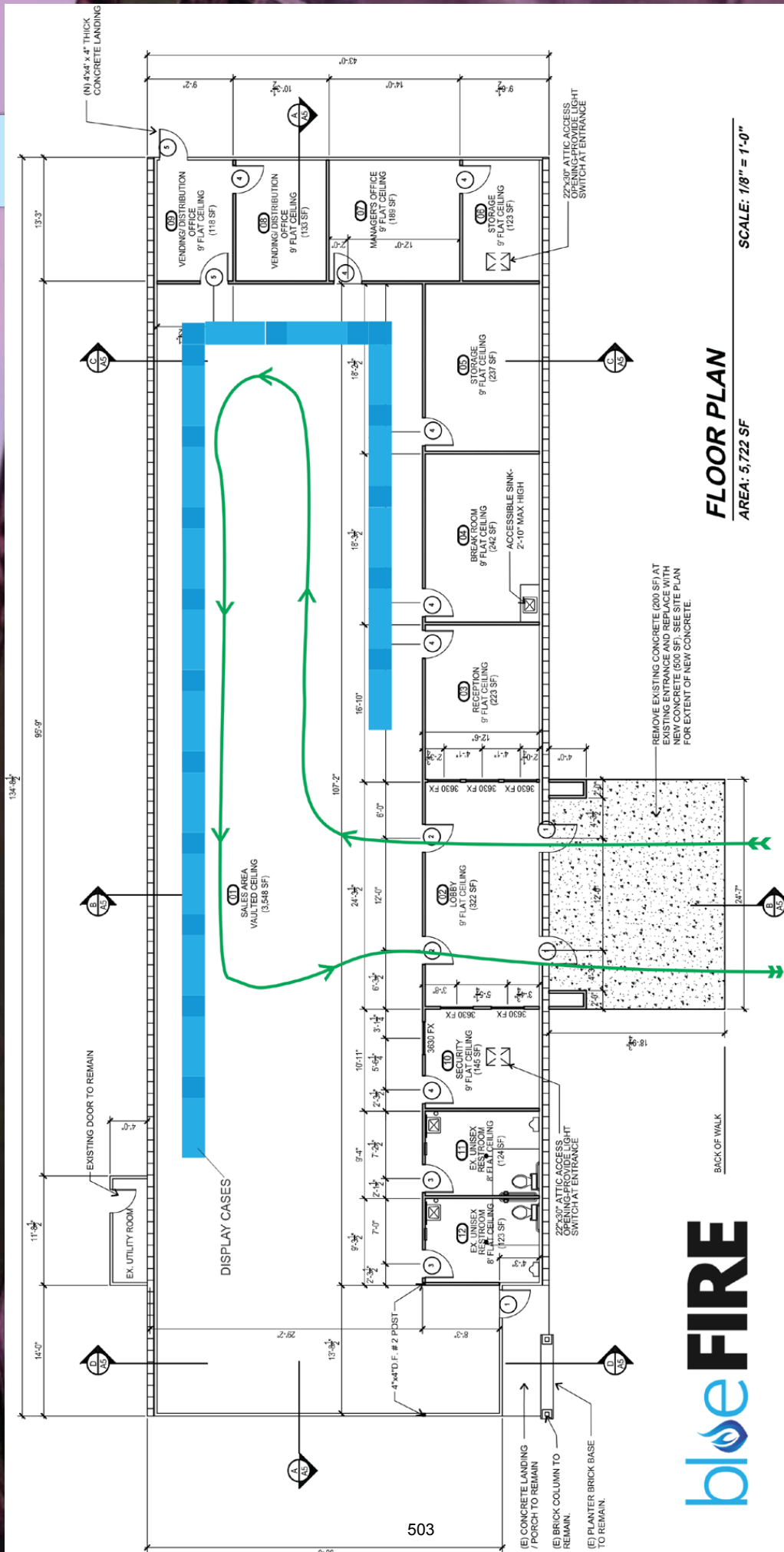
Property is outside of 600' radii of all sensitive uses and 1,000' radius of schools

- Building Square Footage: 5,722 sq. ft.
- Parking Spaces: 36, 2 listed as ADA-Compliant

7



Site Plan  
1975 W. Olive Ave. (Distribution)



1975 W. Olive Ave.

# FLOOR PLAN

**AREA: 5,722 SF**

**SCALE: 1/8" = 1'-0"**





East Elevation  
1975 W. Olive Ave.





East Elevation  
1975 W. Olive Ave.





South Elevation  
1975 W. Olive Ave.





South Elevation  
1975 W. Olive Ave.

468





West Elevation  
1975 W. Olive Ave.

469





14

West Elevation  
1975 W. Olive Ave.

470





West Elevation  
1975 W. Olive Ave.

471





North Elevation  
1975 W. Olive Ave.

472





North Elevation and Parking Lot Detail

1975 W. Olive Ave.

473



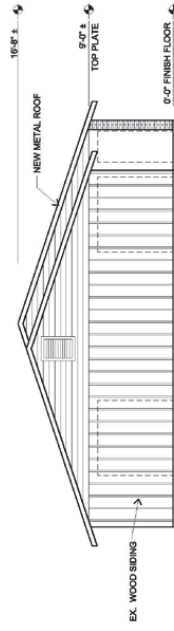
**(E) WEST ELEVATION**

SCALE: 1/8" = 1'-0"



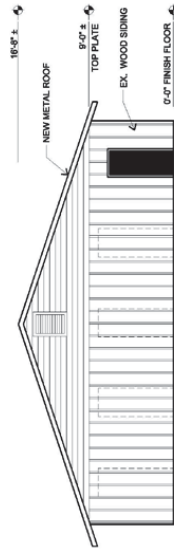
**(E) EAST ELEVATION**

SCALE: 1/8" = 1'-0"



**(E) SOUTH ELEVATION**

SCALE: 1/8" = 1'-0"



**(E) NORTH ELEVATION**

SCALE: 1/8" = 1'-0"

# Elevations

1975 W. Olive Ave.



- 1975 W. Olive Avenue has an approved Commercial Cannabis Business Permit (CCBP) for operation of a Distribution facility for cannabis and cannabis-related products.
- The approved CCBP for a Cultivation and Distribution facility at 1985 W. Olive Avenue, Suite A, proposes to provide products to the facility at 1975 W. Olive in the event of its approval for a Dispensary CCBP.

Other Notes  
1975 W. Olive Ave.

1) 3 Distinct HD Security Camera Systems

20

2) Security Guards

- A minimum of two (2) licensed, uniformed, armed guards outside during business hours
- Unarmed guards control/manage the flow of the lobby, limited access areas, and exits

3) FireKing® Turtle Fire Proof Safes (45 for cannabis storage)

4) FireKing® DM Series Fire Proof Safe (1 for Cash storage)

5) Commercial Alarm System

6) Custom Steel Mesh Window and Door Panels

Safety/Security  
Security Plan Inclusions

476

7) Security/ Graffiti Film

8) Built-in Vault Room

9) Security Rooms

10) High-Intensity LED Perimeter Lighting

11) Power Backup Systems

12) Passcode Door Locks

13) Vendor Safety Protocols

14) Fire-rated drywall and steel-reinforced studs on interior walls

Safety/Security

Security Plan Inclusions

477

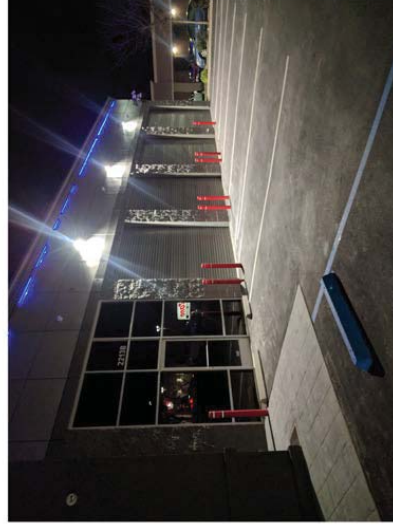




Hi-intensity perimeter lighting



Bollards (crash posts) in parking lot and behind roll-up doors



Hi-intensity perimeter lighting showing night visibility

Security  
1975 W. Olive Ave.





Steel-reinforced product storage rooms



Passcode door locks on all limited-access doors



Custom steel security mesh on all doors and windows



Steel interior studs and fire-rated drywall

479

Security  
1975 W. Olive Ave.



Dual camera systems



Steel, locking storage rack for video footage



PTZ camera, sirens, 2-way audio  
(Knight Protection)



FireKing safes for sales floor product storage  
486

Security  
1975 W. Olive Ave.



The application notes the following relevant experience and qualifications of owners of Blue Fire, Inc. (5% or more ownership):

Bert Sarkis, Devin Stetler, and Brad Bridwell are the owners of Pacafi Cooperative, Inc. dba Patient Care First (PCF) in Ceres and Flavors in Riverbank. They have combined experience of 3 years and 9 months operating the two dispensaries since opening in late December 2016.

Brad Bridwell is a Military Veteran with an honorable discharge.

Keri Maciel is full-time resident of the City of Merced and has over 20 years of experience with Merced's retail community through her jewelry store inside of Merced Mall which was established as Silver Mine, now Maciel Co.

Details

Ownership Experience

Community Benefits provided, according to the application:

- Currently employs 5 Merced residents with expansion to at least 25 upon permit approval
- Black market reduction through a unique low-price model causing direct competition for street dealers
- Project Fishbowl urges patrons to donate to local youth charities; this program collected \$15,360 during the first 60 days of its implementation in Stanislaus County. Applicant has a goal to raise more money for local charities in 2018 than any other business in the City.

Details  
Community Benefits

### Community Benefits, Continued:

- Community Outreach software for direct and “always-on” communication and feedback with the community
- Improvement of blighted property on Olive Avenue, including security and lighting investments that will provide visibility and protection for the neighborhood surrounding the business

522

Details  
Community Benefits

483



**Condition #2:** All conditions and requirements contained in Merced Municipal Code (MMC) Section 20.44.170/Ordinance #2480 (Attachment I of Staff Report #18-23) shall apply. Particular attention shall be paid to MMC 20.44.170(F) "Additional Regulations for Dispensary and Retail Sales of Cannabis" and MMC 20.44.170(G) "Additional Regulations for Commercial Cannabis Delivery Services."

**Condition #8:** The applicants shall meet the standards of the City of Merced's "Commercial Building Permit Application Submittal Requirements" at the time of submittal for building permits for tenant improvement.

Recommended Conditions of Note



**Condition #16:** As required by Merced Municipal Code Section 17.04.050 and 17.04.060, full public improvements shall be installed/repared if the permit value of the project exceeds \$100,000. Public improvements may include, but not be limited to, repairing/replacing the sidewalk, curb, gutter, and street corner ramp(s), so that they comply with ADA standards and other relevant City of Merced/State standards and regulations.

**Condition #17:** The parking lot shall be repaved and restriped in compliance with the City of Merced's City Standards.

**Condition #19:** The details of the final design of the exterior elevations and any signage shall be approved by Planning staff prior to issuance of a Certificate of Occupancy.

**Condition #20:** Future modifications to the scale, scope, activities, implementation, processes, materials, design, layout, or other factors pertaining to the operation of the project that are consistent with a permit to perform activities related to the retail sale of cannabis and cannabis-related products may be authorized with the approval of the City's Chief Building Official, Fire Chief, and Director of Development Services.



31

## Planning Commission Action

487

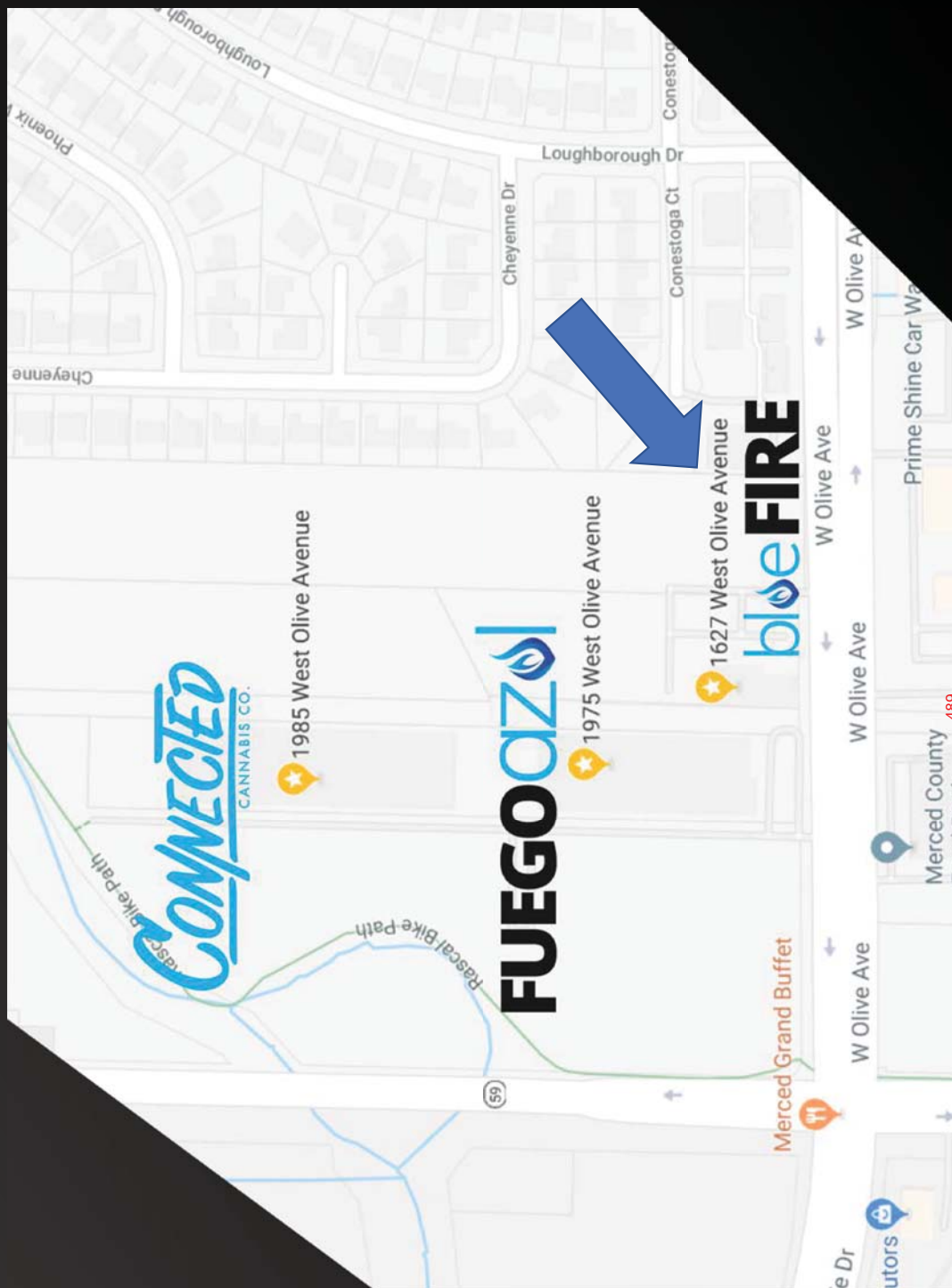
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488

Questions





**bløe FIRE**  
Cannabis Dispensary

490





















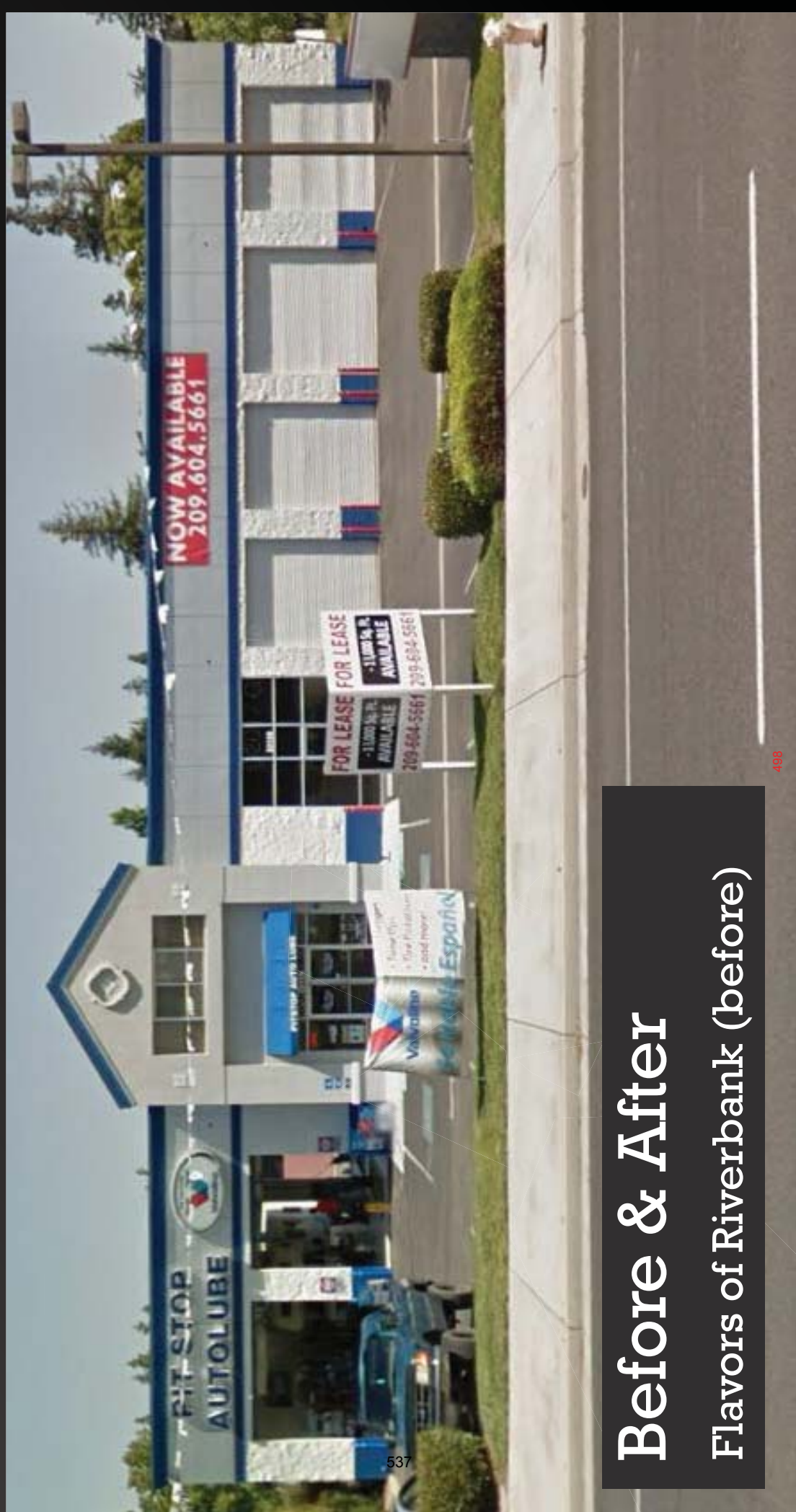




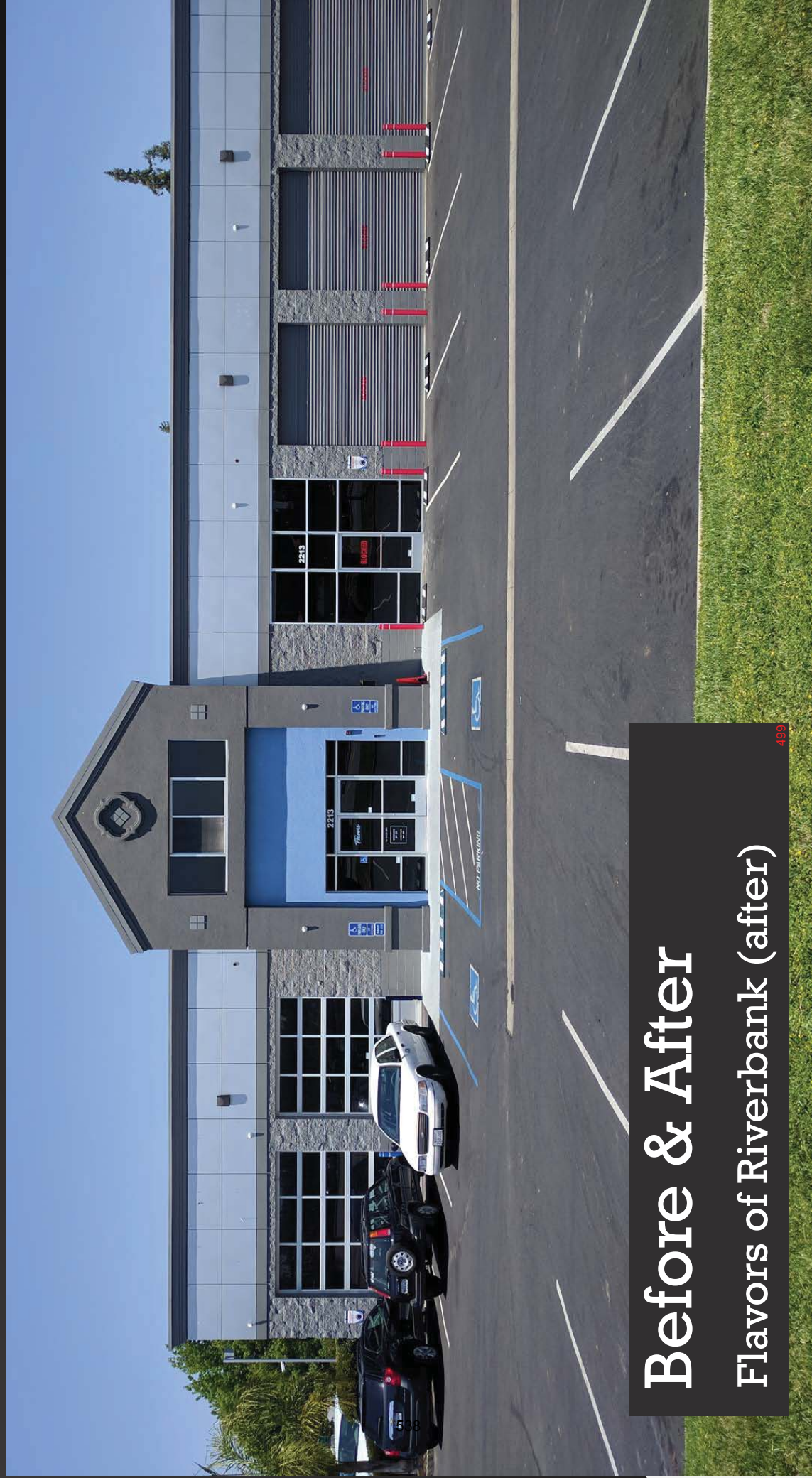








Before & After  
Flavors of Riverbank (before)

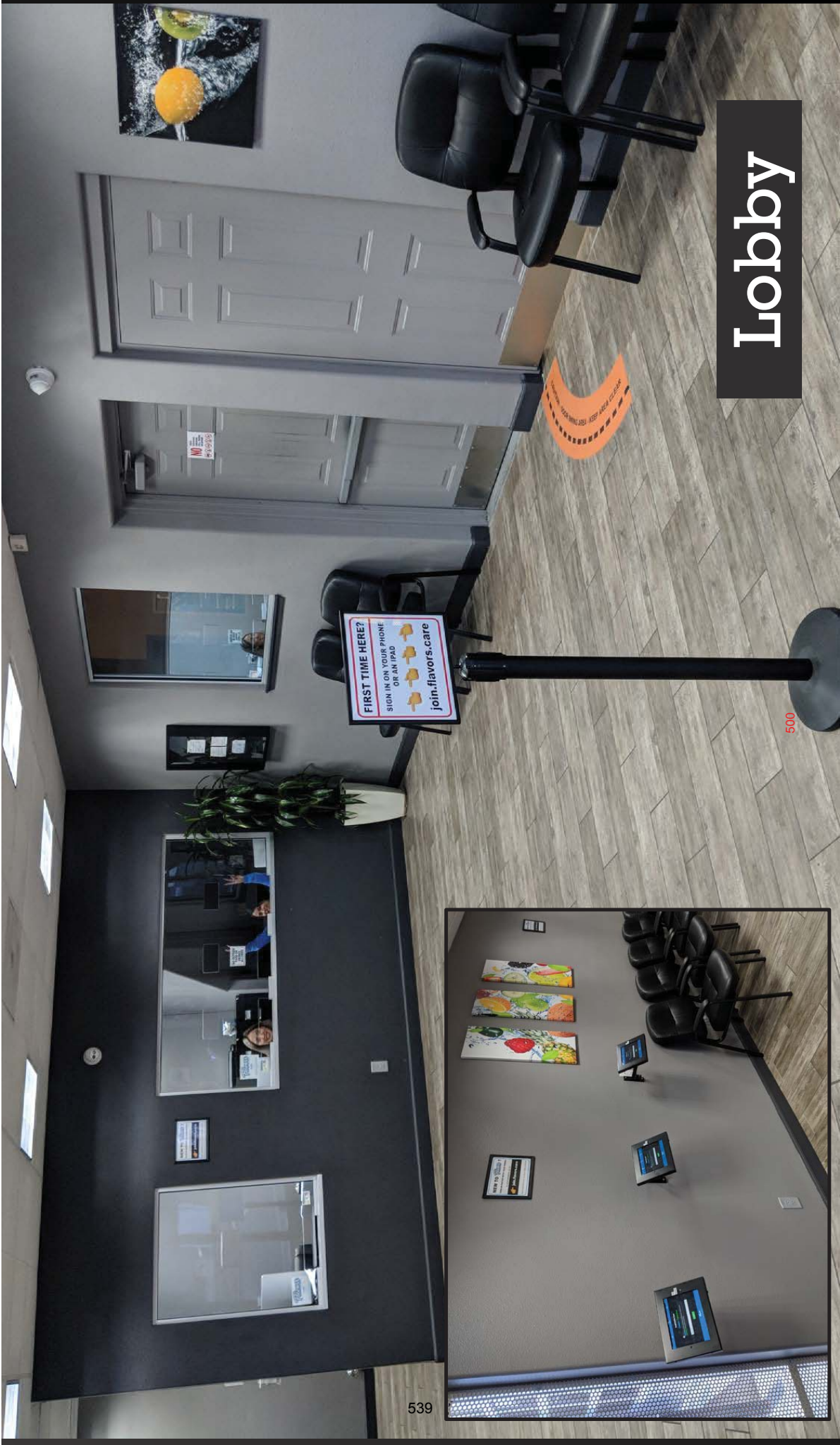


# Before & After

## Flavors of Riverbank (after)



# Lobby



500



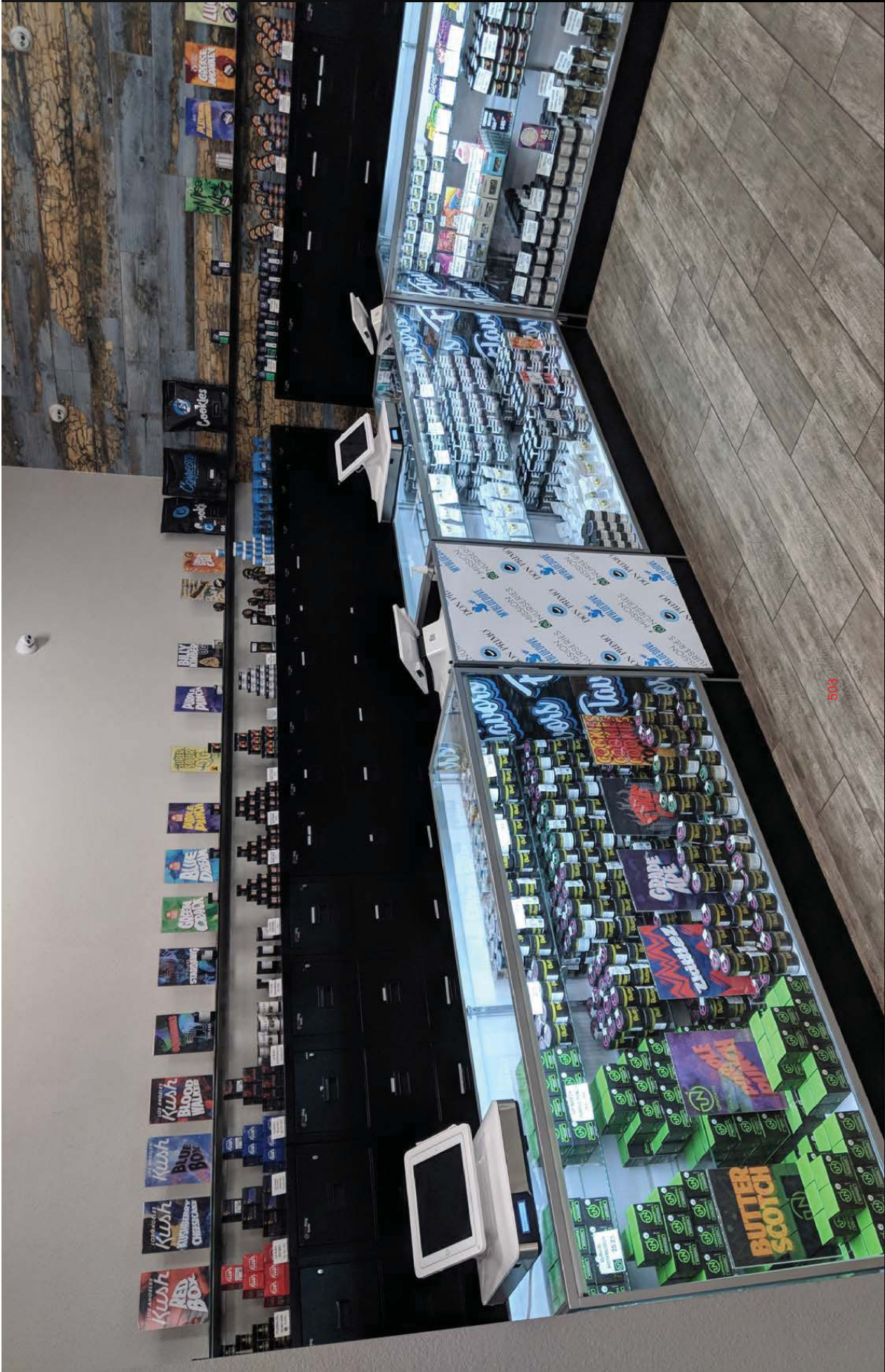


# Sales Floor



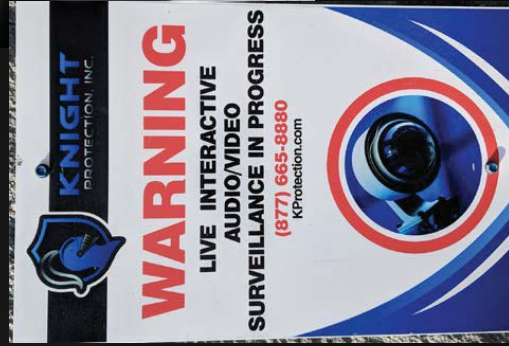










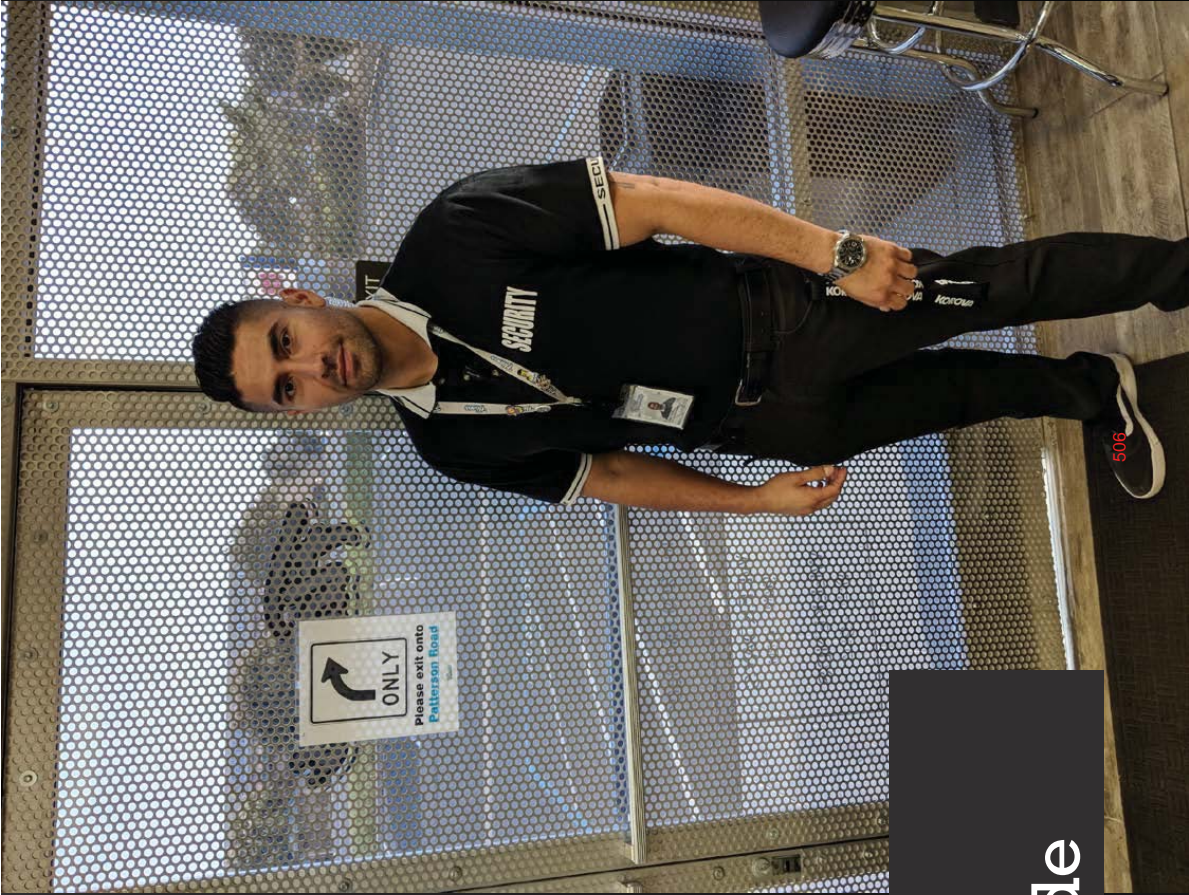


3x HD Camera Systems  
24/7 Remote Monitoring  
Accessible by Police  
90 Days Storage





## Security Guards Inside and Outside





# Neighbouring Businesses



# Site & Building Improvements

Directly alleviates current loitering, vandalism, and crime.

- New roofs
- New paint
- Aesthetic improvements
- Discrete (no signage)
- Re-slurried parking lots
- Secure fencing



# Hiring & Employment

- Min of 15 full-time jobs at start
- Full-time security personnel
- Dual-interview process
- Background check/ LiveScan required



My name is Thomas William and I am the Manager of AutoZone in Riverbank, CA. When Flavors

dispensary was announced as coming soon to the commercial building adjacent ours, I was admittedly furious. To me it was absurd for the City of Riverbank to even consider such a business especially in this area and I was the one right next door left to deal with them.

They have now been operating for nearly 7 months. We did voice our concerns about people parking in our lot and shopping there. Devin responded quickly and added parking signs which helped tremendously and showed they were willing to be cooperative neighbors. Over time, I've seen what a clean and secure operation Devin's business is here and it has not attracted any unwanted elements I suspected it would. It's clear that Devin and his team are leading the new era of legal cannabis in a safe, clean, and friendly manner.

We've also benefitted from added security in the parking lots and an increase in customer traffic to our store. I'm looking forward to an ongoing good relationship with the owners of Flavors. I can now report

Dear Sir/M

My name is  
dispensary  
furious. To  
area and I

They have  
our lot and  
tremendou  
clean, and s  
suspected  
clean, and

We've also  
store. I'm l  
I'm glad th  
are running

Respectfull

Thomas Wil  
Store Mana  
AutoZone B



## CRUISERS RIVERBANK

2201 PATTERSON RD, RIVERBANK, CA 95367

location. I had the pleasure of meeting with the owners early this year and was relieved they were real professionals and friendly, approachable people. We've had absolutely no issue with Flavors since they moved in right next door to us. They keep the store and outside area impeccably clean and really improved the appearance of the building making the area much more attractive. Since they opened in late March, we've also seen a nice and steady increase of in-store sales and gas-pump sales. I couldn't be happier with Flavors dispensary as business neighbors!

Thanks,



## GHOC, INC.

The unknown element of a dispensary opening just a few hundred feet from our main office had me admittedly assuming the worst. I can happily report after 8 months of working next door to each other that we have only seen positive improvements to the area. The presence of live security guards and lots of cameras have dramatically reduced the crime and loitering we experienced in the area pretty regularly before. I couldn't be happier with the City of Ceres choosing dispensary owners Devin Stetler and Bert Sarkis who have been friendly and responsible neighbors and a definite improvement to the neighborhood.

Sincerely,



Kenée Atwood

President

Guaranty Holdings of California, Inc.



## OFFICE OF THE CITY MANAGER

CITY OF CERES  
2720 SECOND STREET  
CERES, CA 95307-3292  
(209) 538-5692  
FAX: (209) 538-5650  
chris.vierra@ci.ceres.ca.us

### CITY COUNCIL

Ken Lane  
Mike Kline  
Chris Vierra, Mayor  
Bret Durossette  
Linda Ryno

program to permit three development agreements.

With the limited pilot program, it was absolutely imperative to ensure that the partners the City was choosing to do business with were clear leaders in the industry and able to commit and follow through on meeting the Council's clear direction.

I have met with numerous representatives from all parts of the cannabis industry and PCF is clearly one of the leaders in the industry. They are approachable, open and answer all questions, especially adept at working with elected officials to mitigate concerns.

Since opening a retail dispensary in Ceres, we have not been disappointed. PCF staff have been very quick to address any concerns and have gone out of their way to meet with our public safety staff and continued to keep open lines of communication with myself and other City staff. The PCF team has exceeded expectations and we look forward to a long mutually beneficial partnership with them.





## OFFICE OF THE MAYOR

CITY OF CERES  
2720 SECOND STREET  
CERES, CA 95307-3292  
(209) 538-5692  
FAX: (209) 538-5650  
chris.vierra@ci.ceres.ca.us

### CITY COUNCIL

Chris Vierra, Mayor  
Ken Lane  
Bret Duroselle

locations in our due diligence process.

We discovered there was a clear industry leader when it came to gross sales, organizational structure, management team, security, technology, and their willingness to take extra measures to exceed city requirements.

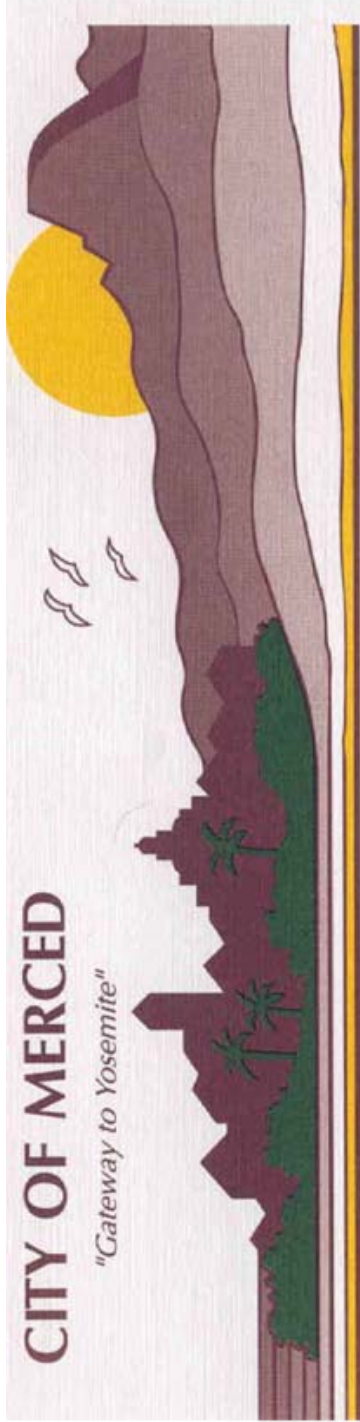
They have taken the necessary steps to make sure they are good neighbors to the surrounding businesses, continue to improve security protocols, and have made all three of their city tax payments ahead of schedule.

The team led by Devin Stetler and Bert Sarkis has proven to be a great choice for the City of Ceres. As the mayor, I couldn't be more pleased.

Sincerely,

A handwritten signature in black ink, appearing to read 'Chris Vierra'.





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 <sup>th</sup> St	289	96.333	3
CCBP #18-14R ("Harvest of Merced") at 863 W 15 <sup>th</sup> 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 Mingo") at 1850 Yosemite Pkwy	240	80.000	10 (Tie)



# Thank You

# bleFIRE

555

516





# Green Door



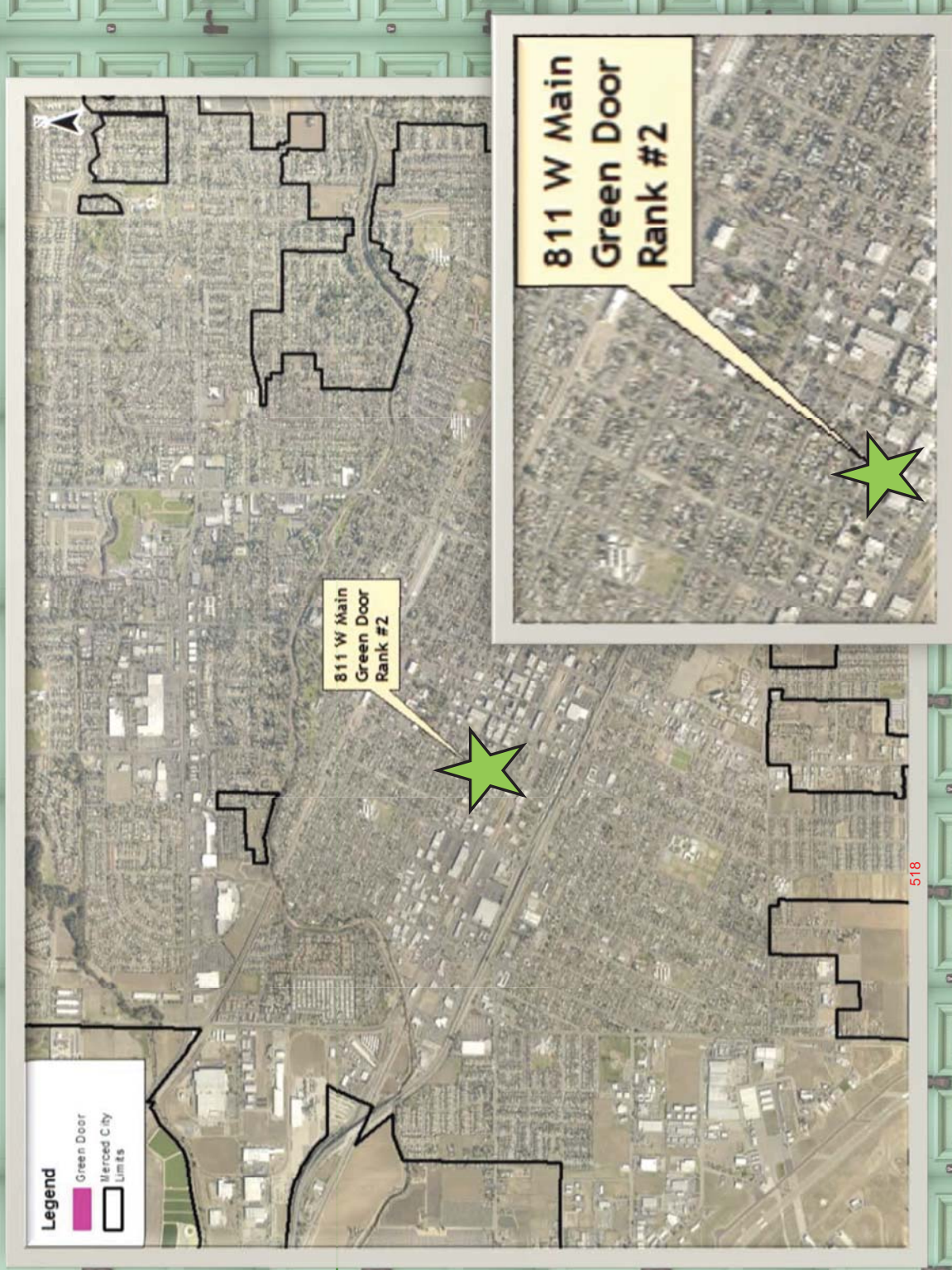
Commercial Cannabis Business Permit #18-17R  
Retail Dispensary Permit Application for  
Medicinal and Adult Use Cannabis  
Planning Commission Meeting—September 18 & 19, 2018  
Kim Espinosa, Planning Manager

811 W. Main St



557

Location Map



518





811 W.  
Main St

Green Door Proposed Site  
811 West Main St

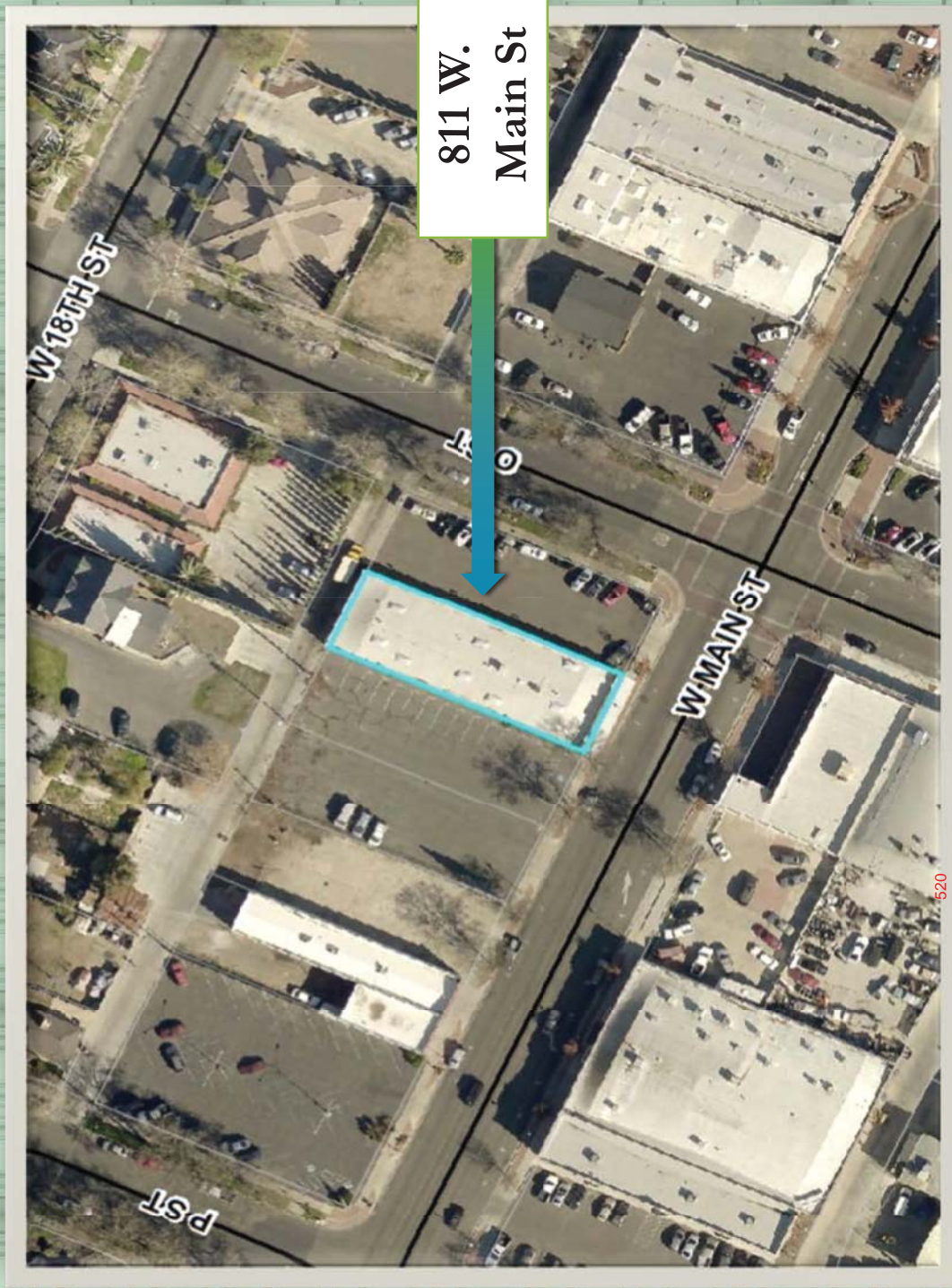
Zoning Map



811 W. Main St



Aerial Map





# Sensitive Use Context

- Outside of 600' radii of all sensitive uses and 1,000' radius of schools

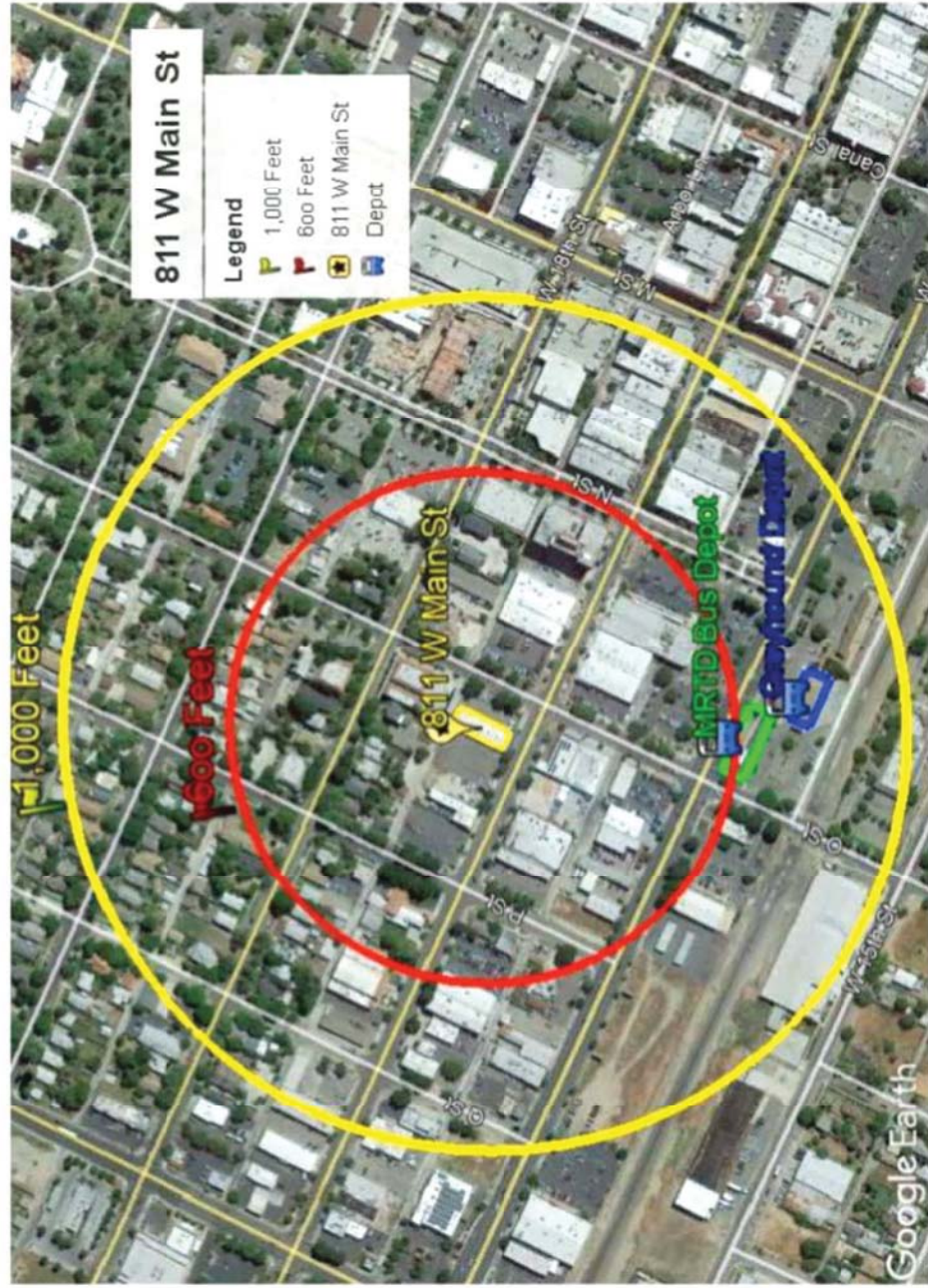




# Distance to Transit Map (Approx. 600 Feet to Bus Depot)

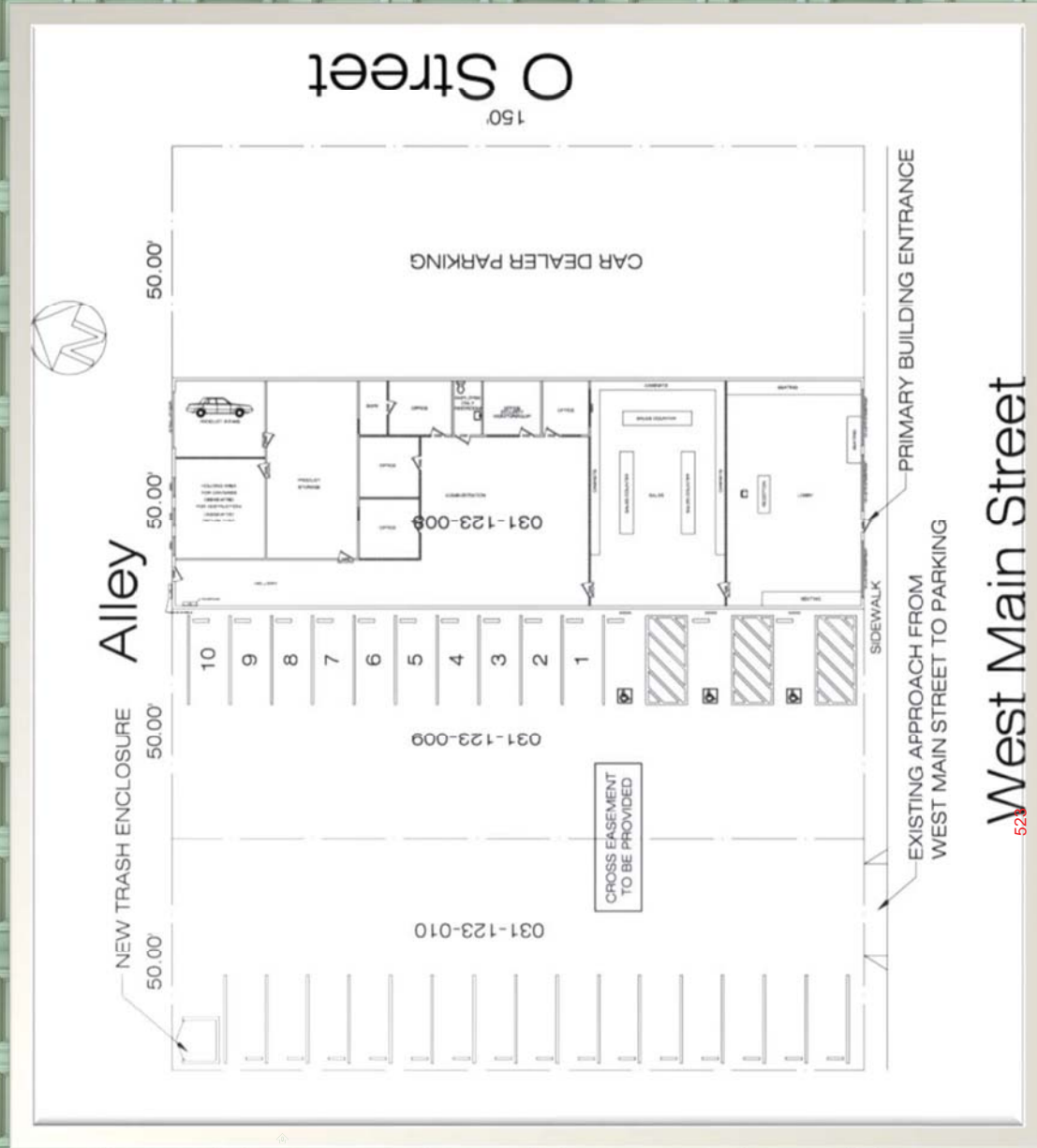
561

811 W Main St, Merced, CA 95340



522

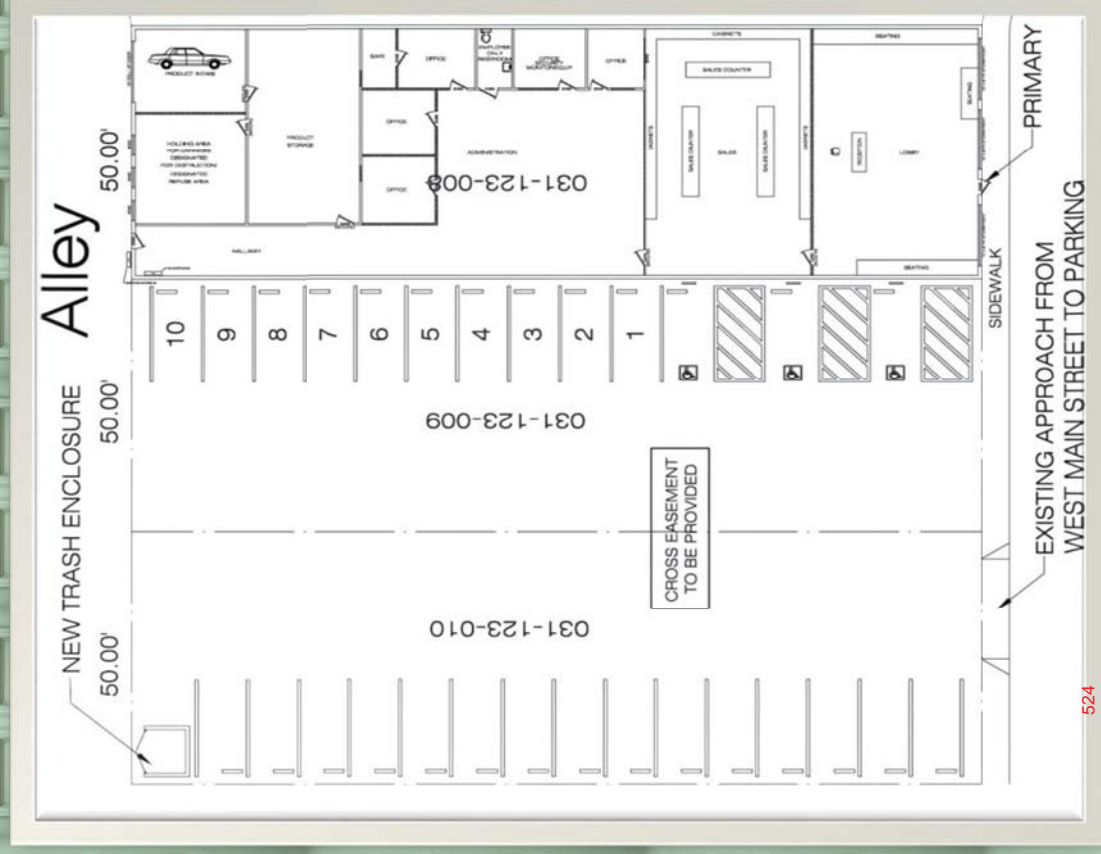
# Site Plan





## Zoomed Site Plan

Building = 7500 SF  
Parcel = 22,500 SF (3  
Parcels)  
Parking = 10 Stalls +  
3 Disabled Spaces on  
1 Parcel + 15 Spaces  
on 2<sup>nd</sup> Parcel





# Existing Exterior Views

564



*Proposed Dispensary Site*



525

# Proposed Exterior View

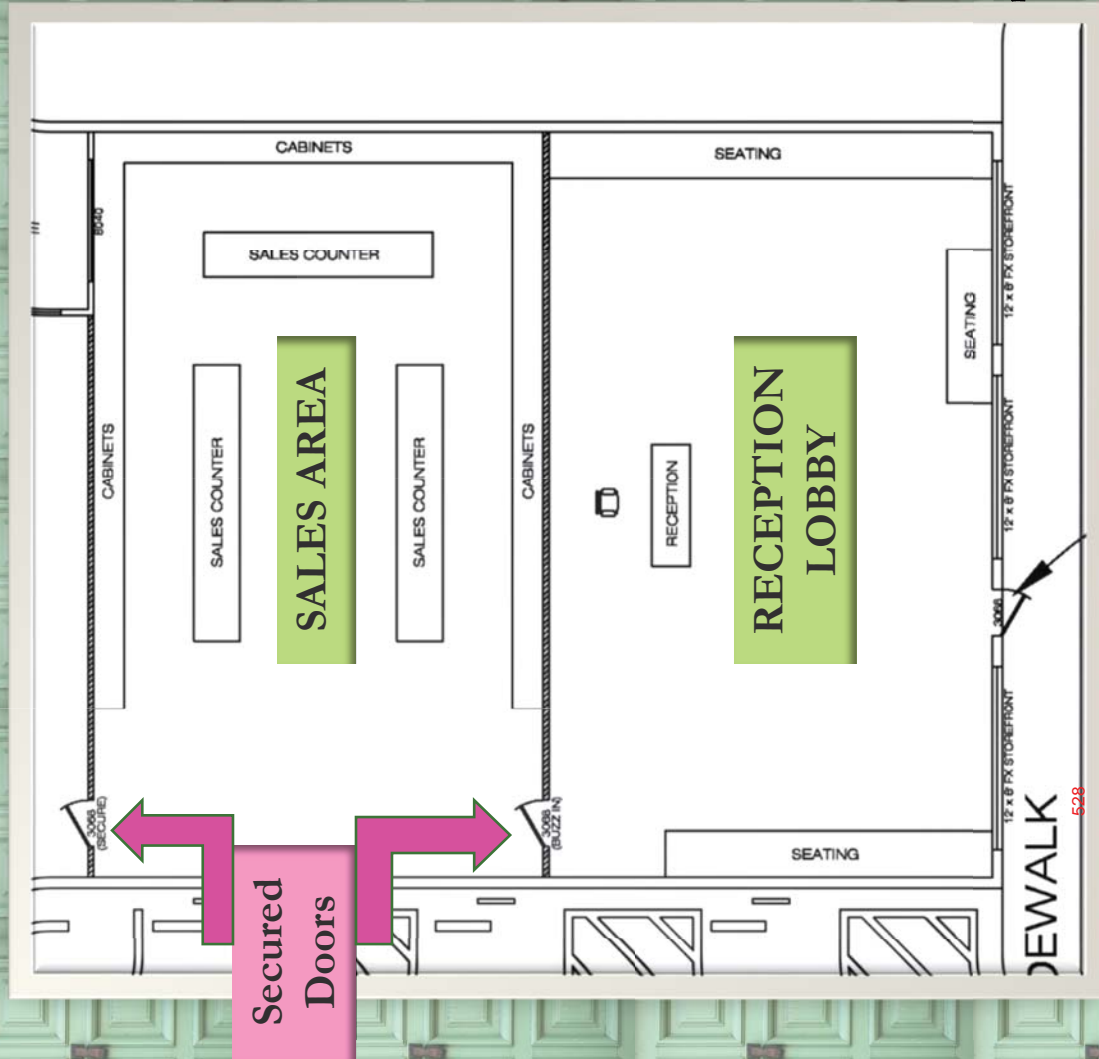




## 11

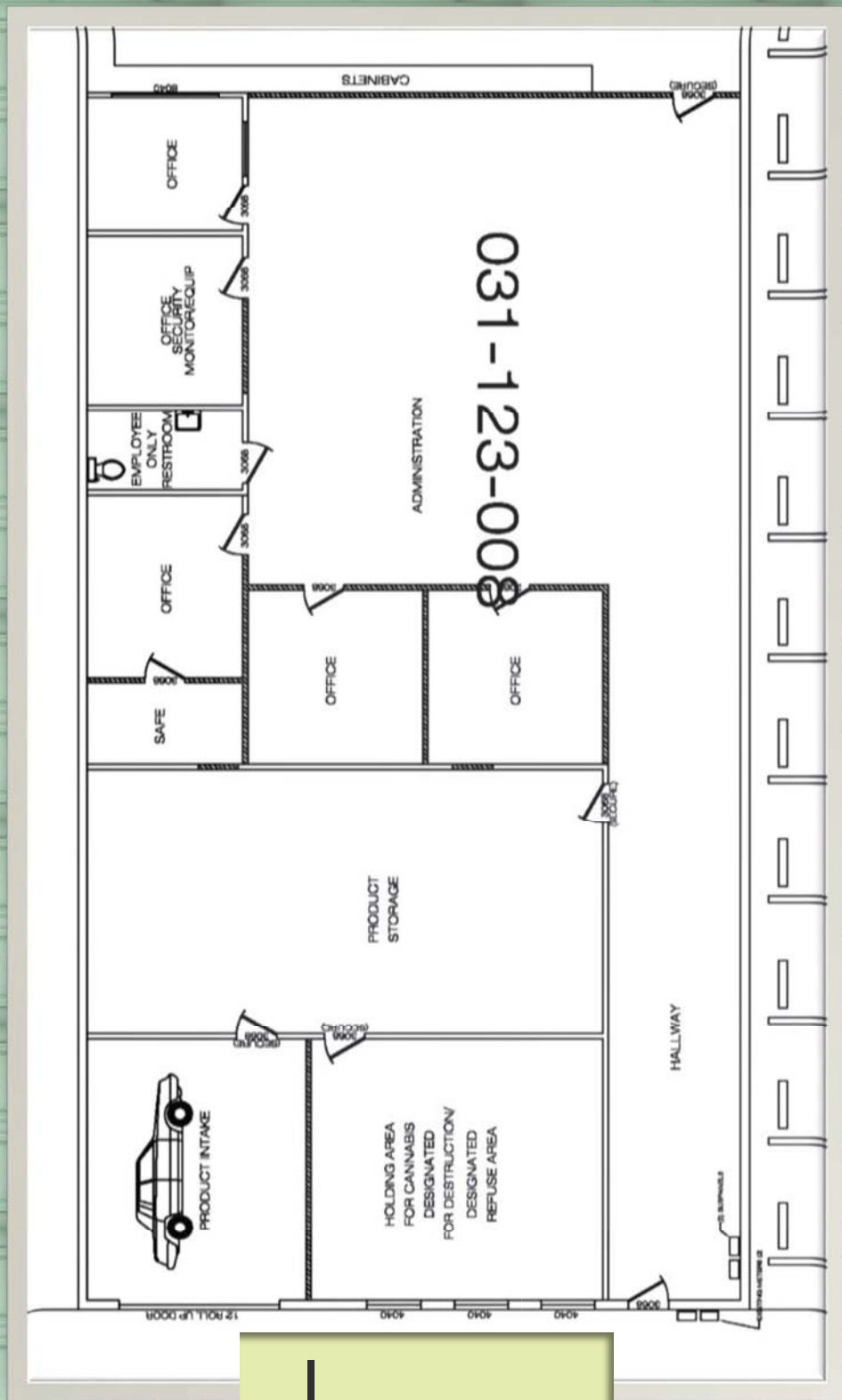


# Floor Plan— Reception & Sales Area



# Floor Plan— Offices/ Storage/ Deliveries

568



13

529



# Dispensary Interior will Mirror Design of “Level Up” in Arizona

*Image 1 — Photo Credit: Level Up Dispensary, Scottsdale Arizona*



## Conceptual Photos of Sales Areas

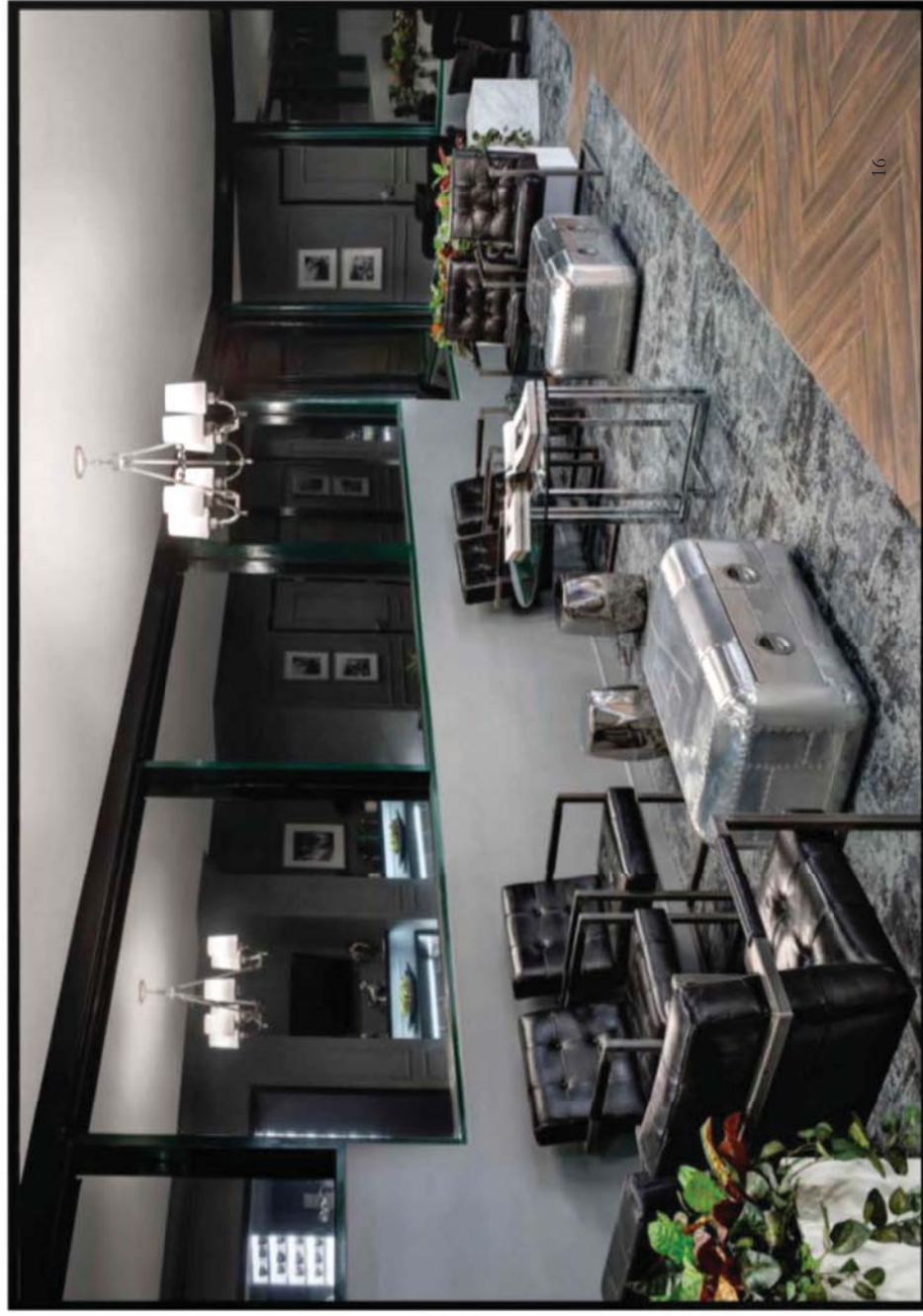
*Image 2 — Photo Credit: Level Up Dispensary, Scottsdale Arizona*





## Conceptual Photos of Sales Areas

*Image 3 — Photo Credit: Level Up Dispensary, Scottsdale Arizona*



532

## Customer Experience

- Operating Hours:
  - Sun/Mon/Wed/Fri/Sat (10 AM to 9 PM); Tues/Thurs (8 AM to 9 PM)
- Customer Experience:
  - Security Guard will check ID's at the Front Door.
  - Receptionist will confirm or input Customer Profile into Green Door Database.
  - Customer enters Sales Area through Secured Door.
  - Customer may browse or be assisted by one of the roaming Sales Associates.
  - All Cannabis Products are secured in Locked Cabinets.
  - Customer Orders are taken on a tablet computer by the Sales Associate.
  - Customer's Selections will be brought from the Inventory Area in the back of the building (Not Accessible to the Public).
  - Customer exits the building through the Lobby.





## Safety & Security Plans

- One Secured Entrance Area Protected by Bulletproof Glass
- Windows will be Secure and Opaque
- Motion Sensor Lighting & Security Cameras on Exterior & Parking Lot
- Electronic Access Controls on All Doors
- At All Times while Dispensary is Open, at least Two Security guards on Duty
- Armed Security Guards will be used at Start-up and then Applicants will Evaluate whether They are Still Needed Based on Community Input.
- Panic Alarms Located throughout Dispensary
- Security Alarms and Surveillance Cameras throughout Dispensary
- Inventory is Securely Locked in Display Cases for Customer Viewing
- Diversion Prevention/Procedural Safeguards to Ensure Employee Access to Cannabis Storage Areas through Key Fobs/Biometric Access Controls
- Product Intake/Deliveries Will Occur Inside Building





## Community Benefits & Outreach

- \$30,000 per year to Boys & Girls Club
- Employees get 1 Paid Volunteer Day per Quarter to Donate Time to Local Community Groups, including “Love Merced”
- Community Cannabis Education Programs (Quarterly)
- Work with Local Schools during Red Ribbon Week on Anti-Drug Efforts
- Provide Food Truck for Job-Training for At-Risk Youth (“SYMPLEEQUAZION”)
- Mural Project—John Pugh, CA Artist whose Work includes the “River of Mercy” Mural on Merced Theater, will create a Mural on the West-facing Wall of the Dispensary depicting Merced’s Heritage (\$100,000 to \$150,000 estimate)
- At Phase 1 (1<sup>st</sup> 90 Days), at least 16 Employees (including 6 manager/owners)
- At Phase 2 (After 90 Days), at least 23 Employees (including 6 manager/owners)
- Hourly Wages: Minimum \$12/Hr with Health Benefits if Work 30 Hours



575

## Proposed Mural Project

*North-Facing Wall of Proposed Dispensary*



*'River of Mercy' — John Pugh*

A side-by-side 3D mural on the downtown theater in Merced, CA.



536





## Conditions of Note

- 2) All conditions and requirements contained in Merced Municipal Code (MMC) Section 20.44.170/Ordinance #2480 (Attachment J of Staff Report #18-24) shall apply. Particular attention shall be paid to MMC 20.44.170(F) “Additional Regulations for Dispensary and Retail Sales of Cannabis” and MMC 20.44.170(G) “Additional Regulations for Commercial Cannabis Delivery Services.”
- 14) A Commercial Cannabis Business Permit is valid for one year or until December 31 of each year, unless sooner revoked. Applications for the renewal of a permit shall be filed with the Director of Development Services, in accordance with MMC 20.44.170(L).4, “Commercial Cannabis Business Permit Renewal (All Types)”, at least sixty (60) calendar days before the expiration of the current permit. If the permittee allows their permit to lapse, they shall be required to submit a new application, pay corresponding fees, and be subject to all aspects of the selection process.



## Conditions of Note

- 21) The final design of the exterior elevations and any signage shall be approved by Planning staff prior to obtaining a Certificate of Occupancy. The final design of the proposed mural on the west elevation may require approval from the City's new Arts Commission. Details to be worked out with staff.
- 22) The dispensary owners shall work with the property owners and food truck operators as approved with Conditional Use Permit #1226 to allow for the joint use of the parking area on APN #031-123-010. If agreement cannot be reached, the property owners will need to determine the future use of the property. If the food truck(s) remain, the dispensary owners shall be responsible for ensuring that cannabis products are not consumed on-site as required in MMC 20.44.170(F)(16).

# Food Truck Parking Area (Previously Approved for Western Parking Area)



539



## Planning Commission Action

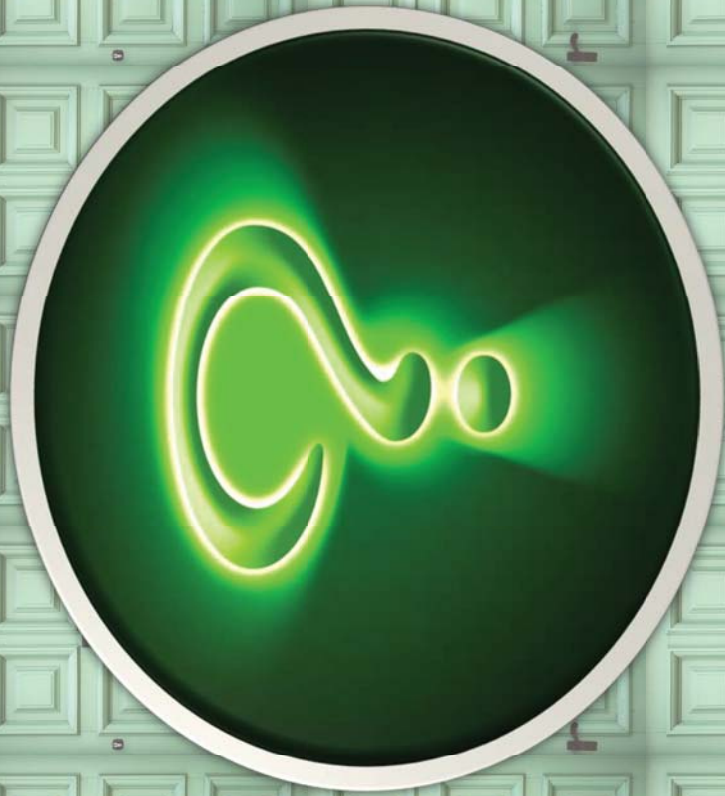
After the public hearings on all four Dispensary applications, the Planning Commission may Approve/Disapprove/Modify:

- 1) Environmental Review #18-23 (Categorical Exemption)
- 2) Commercial Cannabis Business Permit #18-10R

Includes Adoption of Resolution with 22 Conditions.



Questions?



# Green Door Merced

Merced Planning Commission

September 18, 2018

# Green Door Merced

- Strong Executive Team
- Location
- Safety / Security
- Community Partners
- Tax Benefits



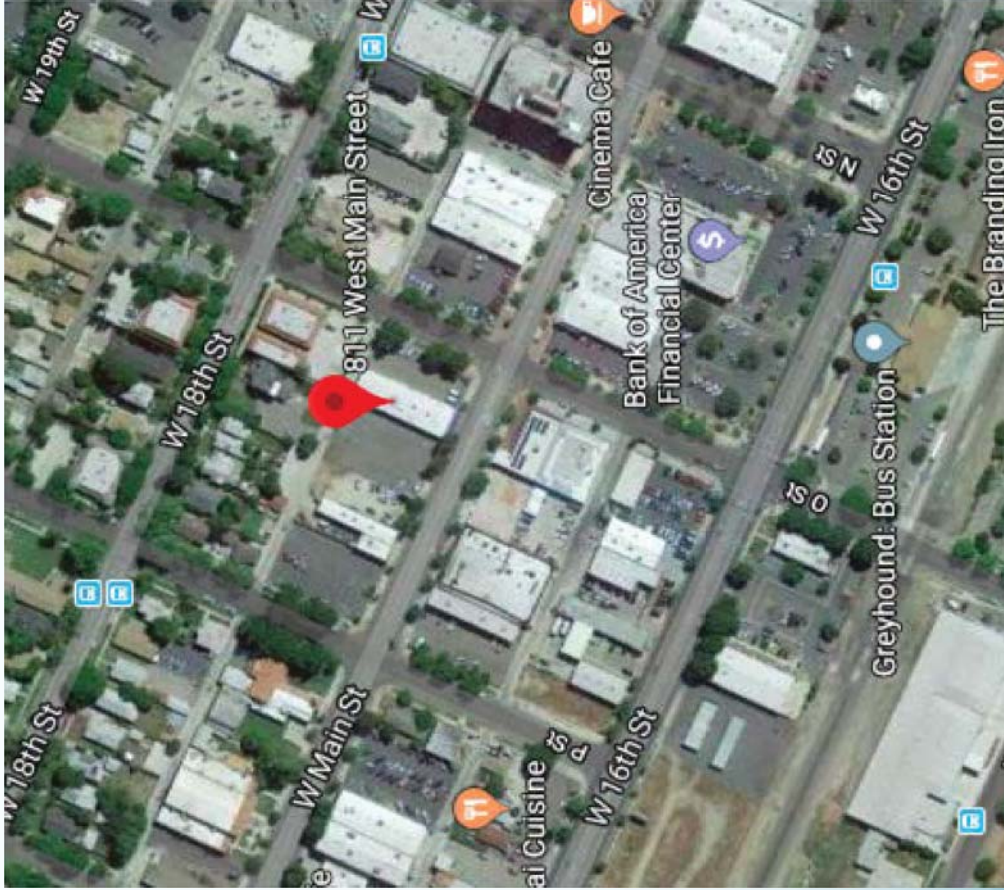
# Executive Team

- Highly seasoned operations team with experience in licensed facilities in San Francisco, Oakland, Sacramento, and Las Vegas.
- Experience in multiple facets of business, retail and cannabis
- 2<sup>nd</sup> Longest running licensed dispensary in California.
- Intimate knowledge of MCRSA / State Regulations





# Location



- Currently 7,500 square foot vacant building located downtown.
- Positive synergy with nearby commerce that will support neighboring business .
- Ample on-site parking

# Security Programs

## Operational Security

- Professional Licensed Security Guards during all hours of operation
- 24/7 Monitoring Security Program with night patrol
- During initial opening security will posture robustly to determine long term needs of the project.

## Physical Security

- 360 Degree Exterior Surveillance
- Off site storage of camera footage available to Law Enforcement
- Solid Brick Building

# Community Partnerships and Local Enterprise

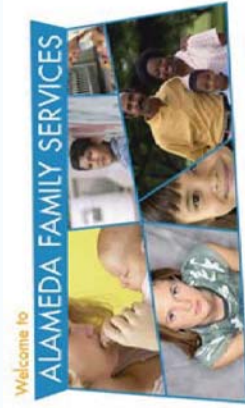
- Excellent Community Partner
- Support for local organizations:
- Boys and Girls Club Supporter
- Youth education programs through Simple Equazion88 with Kelly Turner
- Tree Partners Foundation
- Good Neighbor Policy
- Union Labor Agreements
- Patient Code of Conduct
- Graffiti Abatement / Refuse Cleanup within 100' of site
- Educational Seminars on the medical benefits of Cannabis

# Tax Benefits

TAX MODEL				
<u>Year</u>	<u>TAXES PAID TO CA BOE @8.75 %</u>	<u>Merced LOW</u>	<u>Merced HIGH</u>	
2013	\$575,741.86	\$57,741	\$115,482	
2014	\$1,274,666.49	\$127,466	\$254,932	
2015	\$1,434,052.46	\$143,405	\$286,810	
2016	\$1,441,986.70	\$144,198	\$288,396	
GRAND TOTALS		<b>\$472,810</b>	<b>\$945,620</b>	

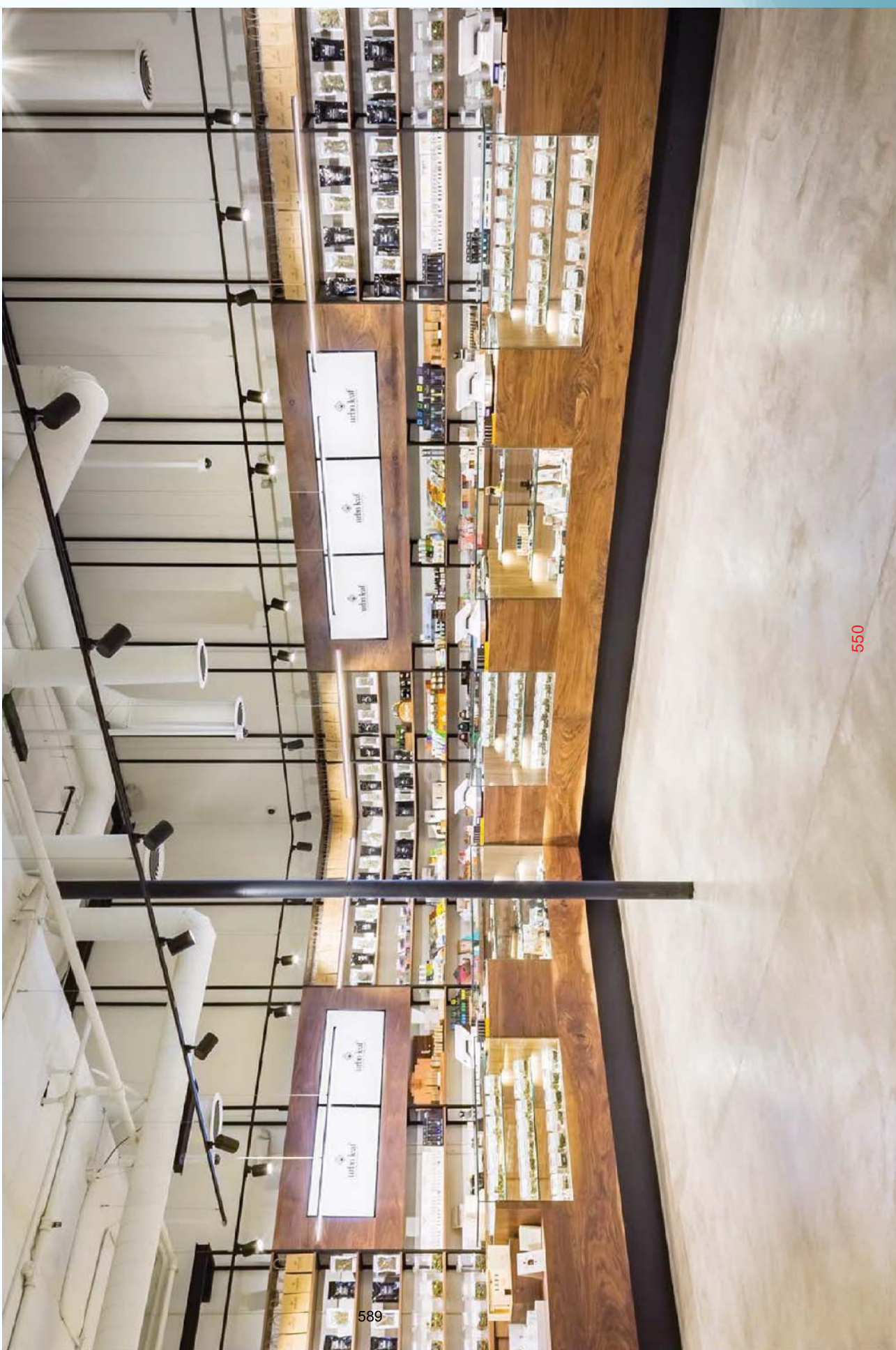


# Previously Supported Community Organizations





# Interior Details



# Green Door Merced

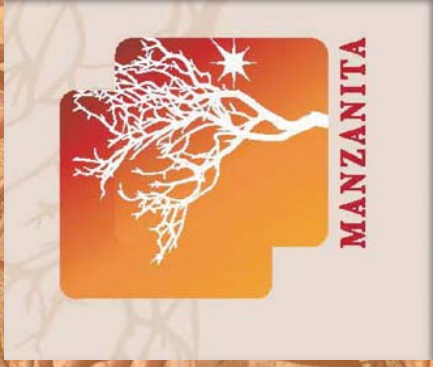
- What Green Door Merced is bringing to the community....A different outlook on cannabis business development that exemplifies a willingness to be a total community partner that represents multidimensional and expanded urban business view.
- **Economics** – Money in stable long term tax dollars. Long term multifaceted business expansion. Providing a vision that Merced is a city that is prepared for diversified growth.
- **Employment** – New job opportunities that allow for upward community pride for local residents. Various opportunities that will improve the quality of life for local residents.

# Conclusion

- Staff Report supports the business and location
- Superior Seasoned Operational Staff
- New and exciting workforce diversity
- Economic enhancement for a deserving community



# Manzanita



Commercial Cannabis Business Permit #18-17R

Retail Dispensary Permit Application for  
Medicinal and Adult Use Cannabis

Planning Commission Meeting—September 18 & 19, 2018

Kim Espinosa, Planning Manager



**MERIT-BASED  
CRITERIA**

**RANKING:**

**#3**



**AVERAGE SCORE:**

**96.333**



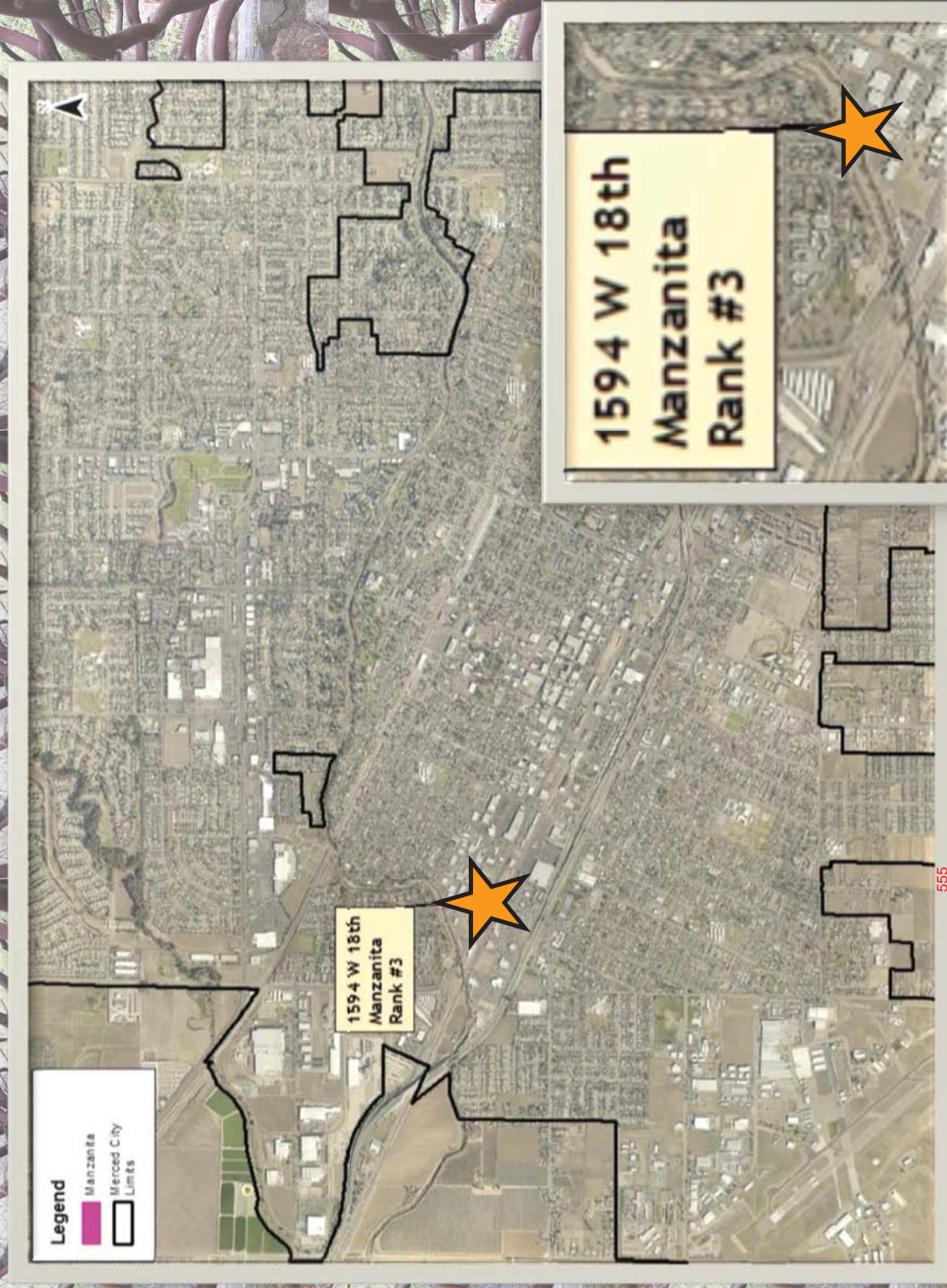
1594 W. 18<sup>th</sup> St



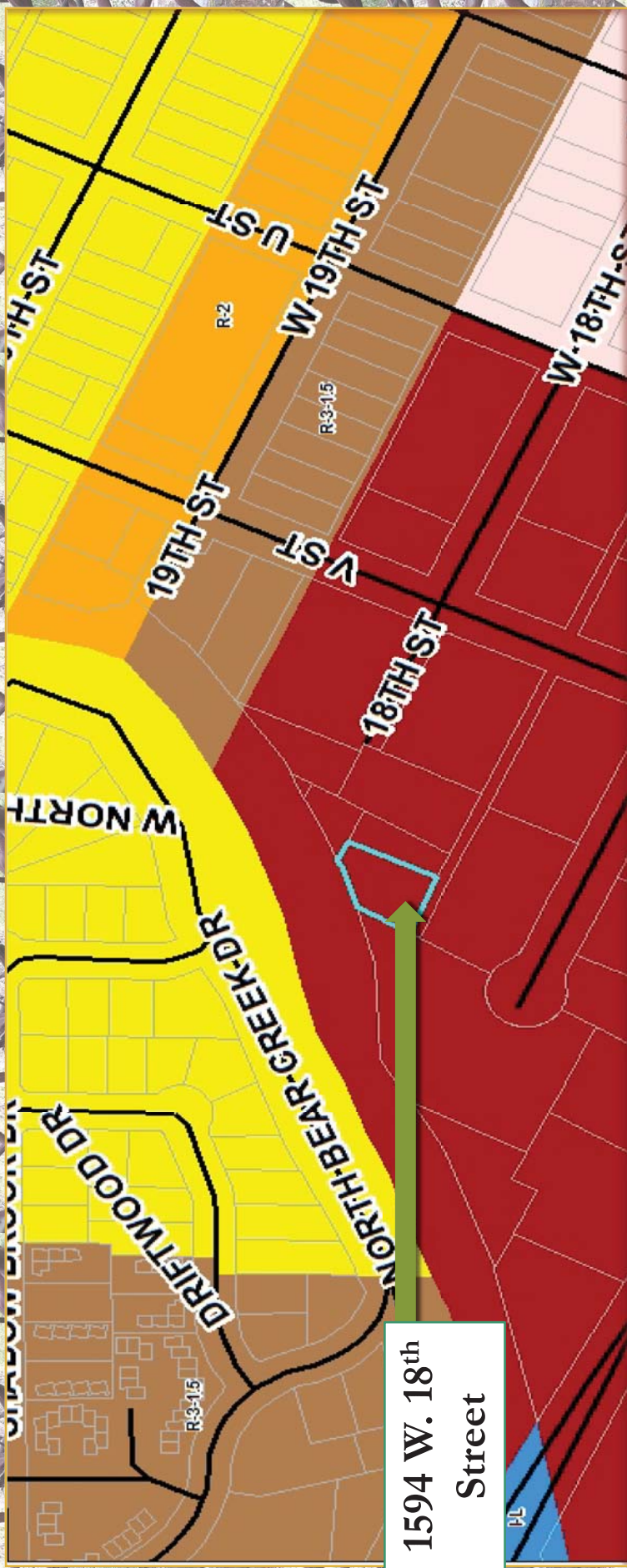
MANZANITA

Location Map

594







1594 W. 18<sup>th</sup>  
Street

Manzanita Proposed Site  
1594 W. 18<sup>th</sup> St

Zoning Map



1594 W. 18<sup>th</sup>

Street



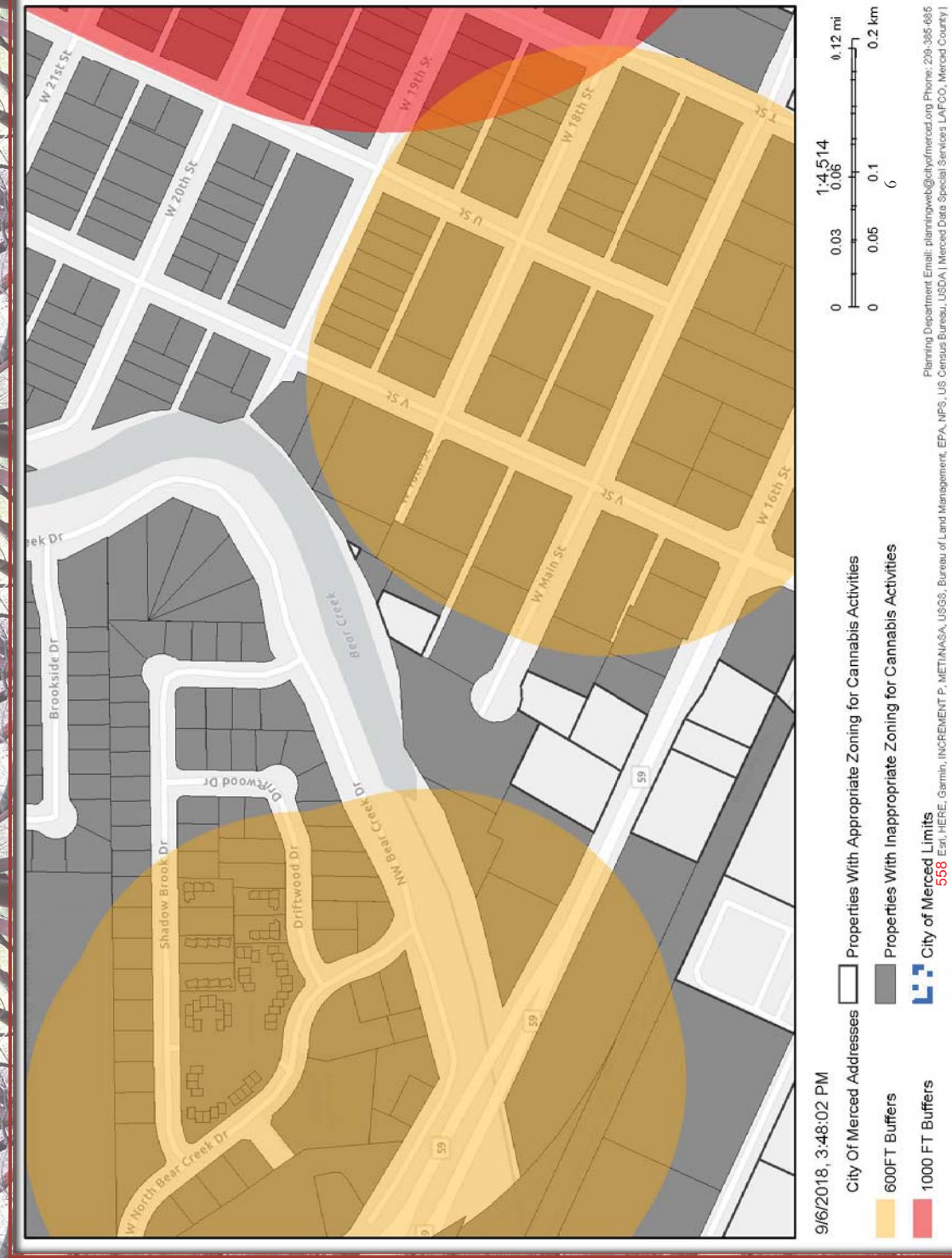
Aerial Map





# Sensitive Use Context

- Outside of 600' radii of all sensitive uses and 1,000' radius of schools



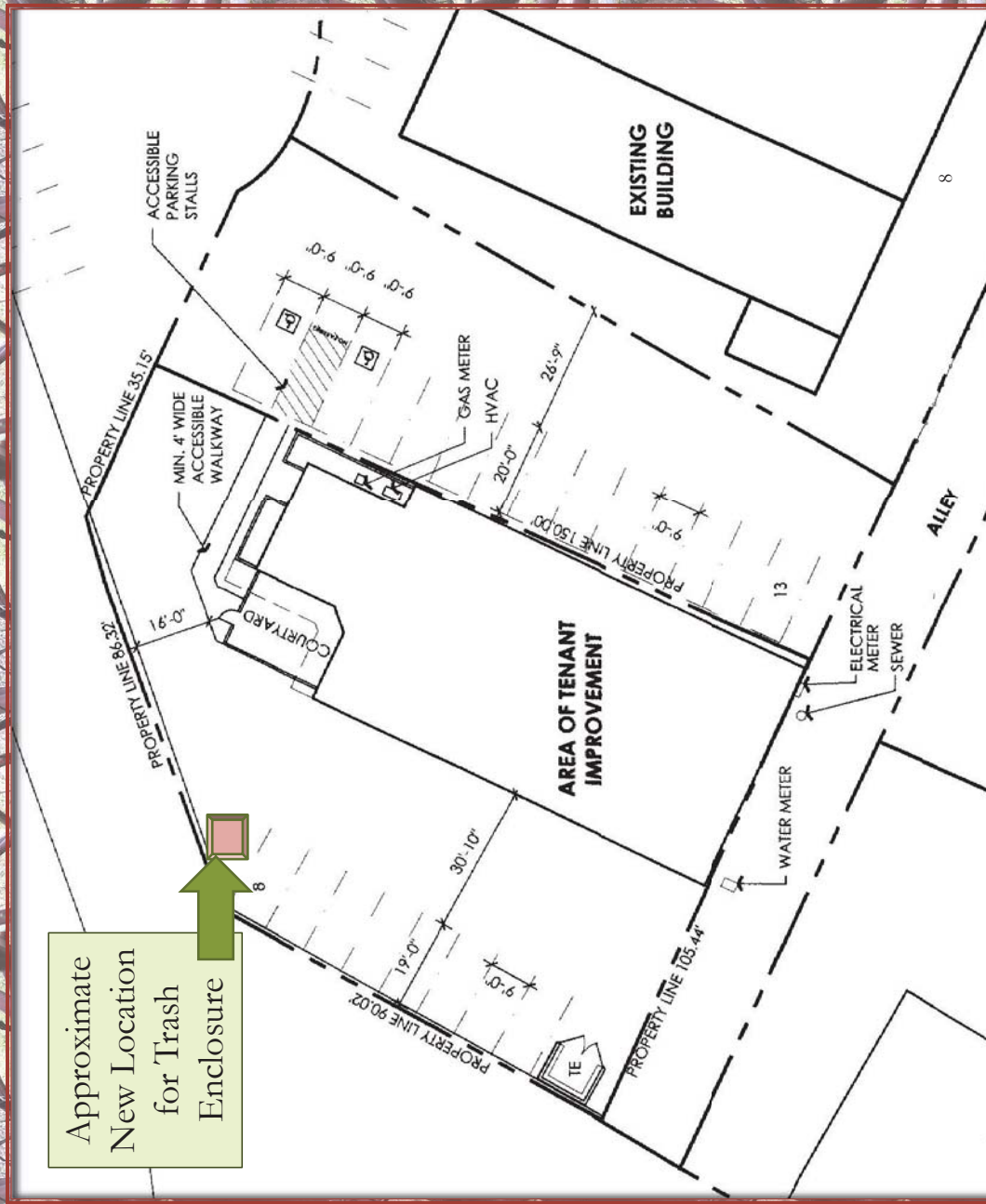
# Site Plan





## Zoomed Site Plan

Building = 5,076 SF  
 Parcel 1 = 13,002 SF  
 Parcel 2 = 9,000 SF  
 Parking = 21 Stalls  
 Bus Stop = 1,655 Ft  
 from Site







600

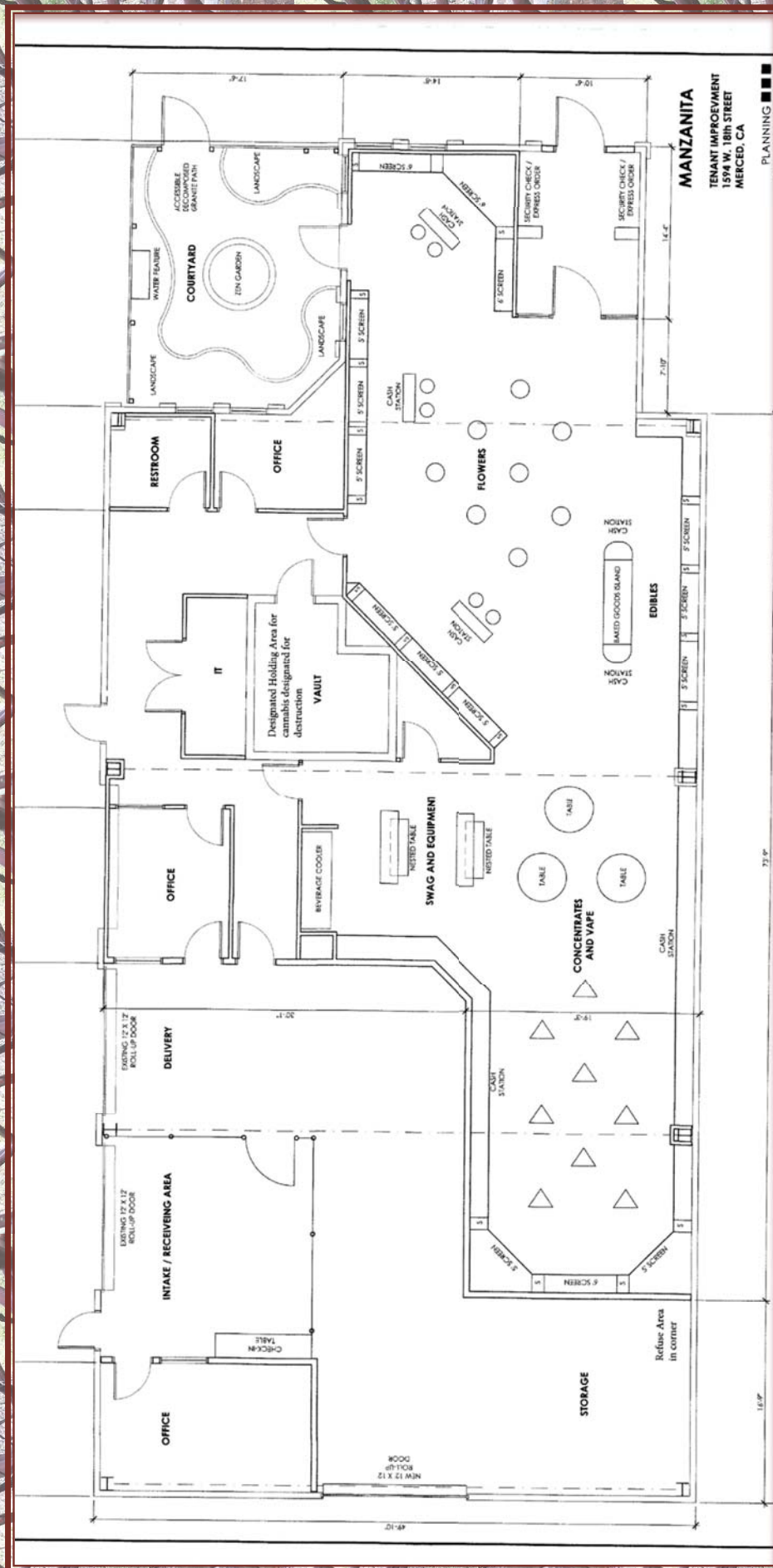


# Conceptual Renderings of Exterior



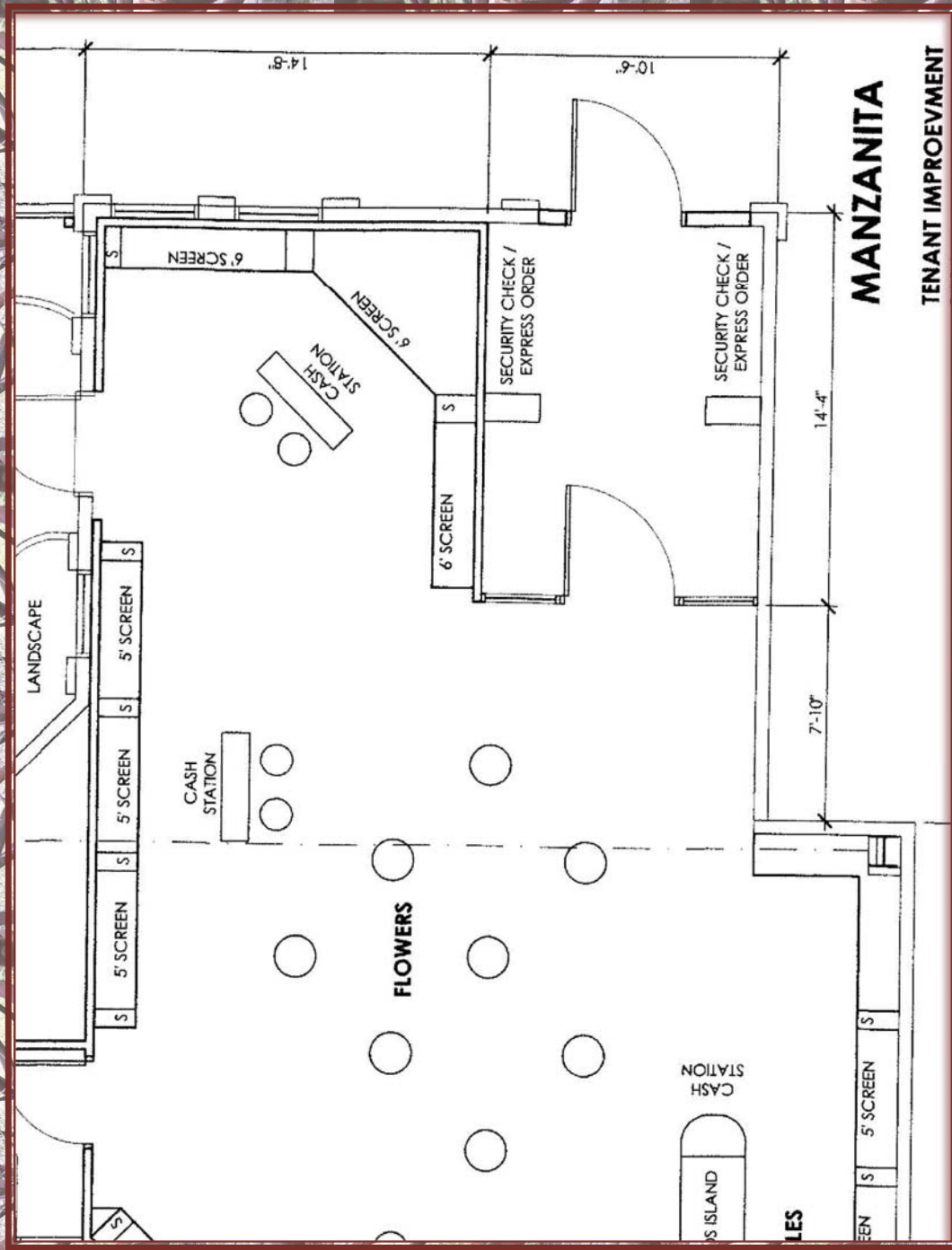
561



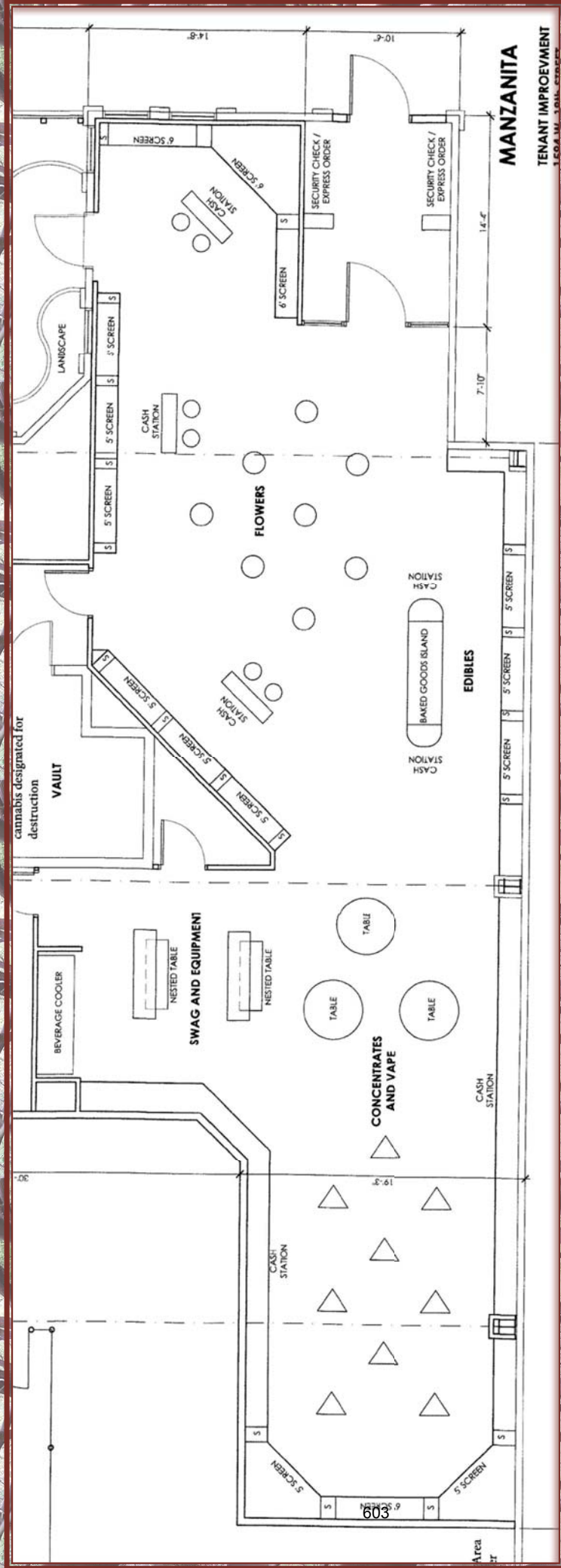


# Floor Plan<sup>562</sup>

# Floor— Plan— Main Entrance







Floor Plan—Main Sales Areas

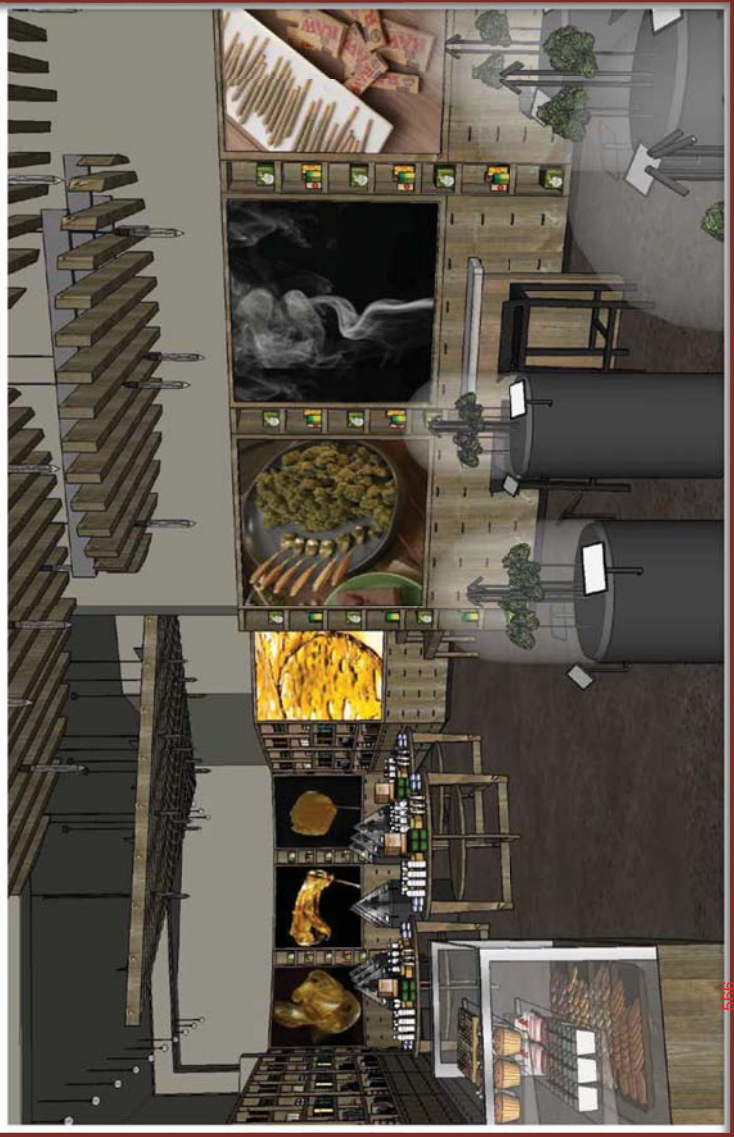


## 604



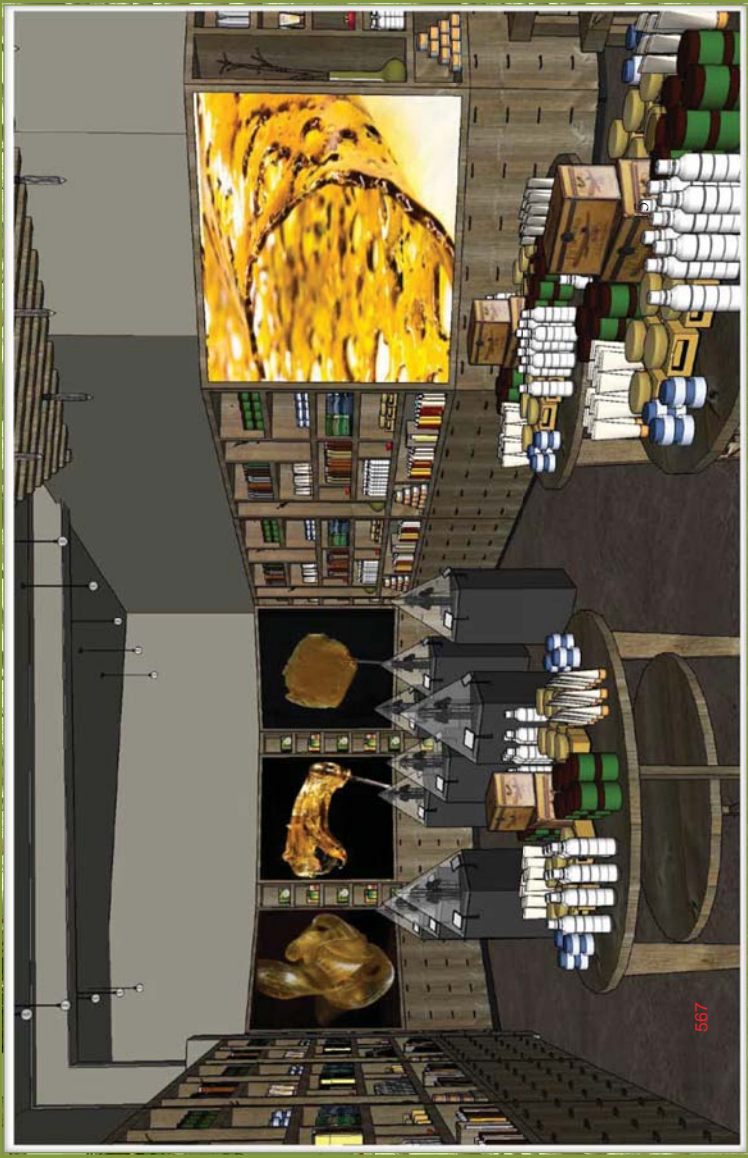
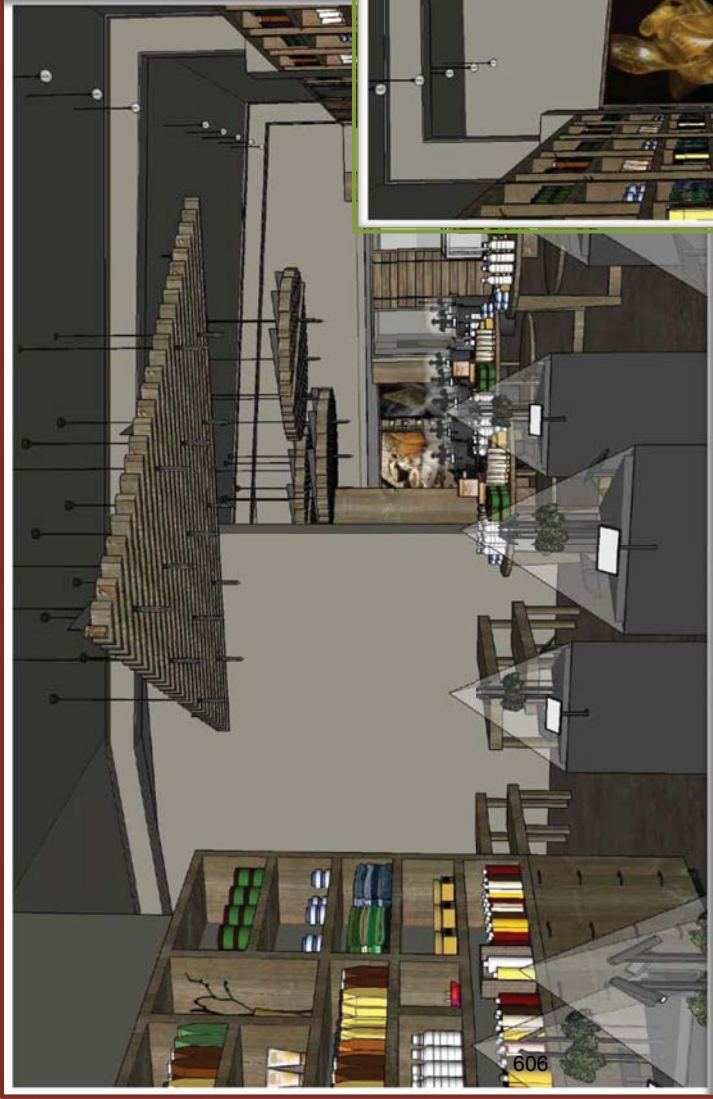


# Conceptual Renderings of Sales Areas



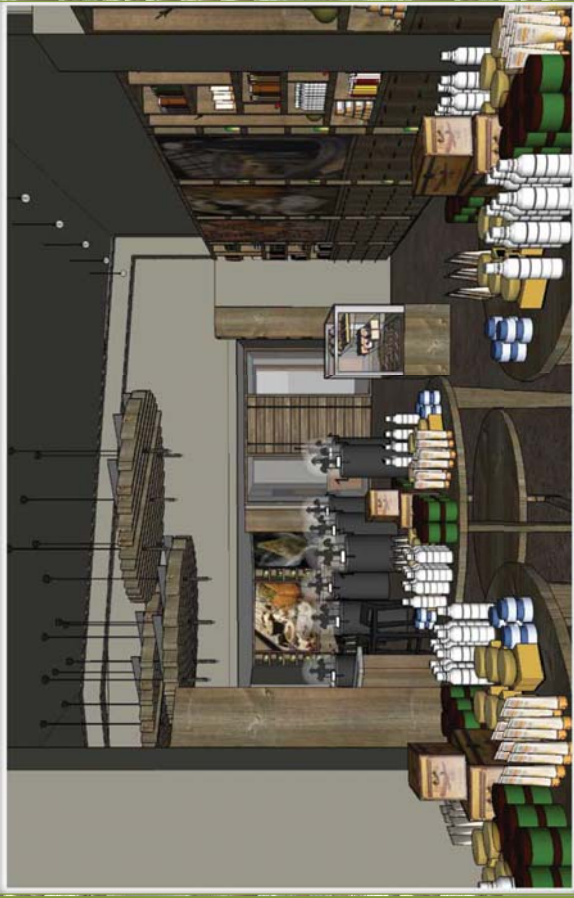


# Conceptual Renderings of Sales Areas





# Conceptual Renderings of Sales Areas





# Floor— Courtyard

608

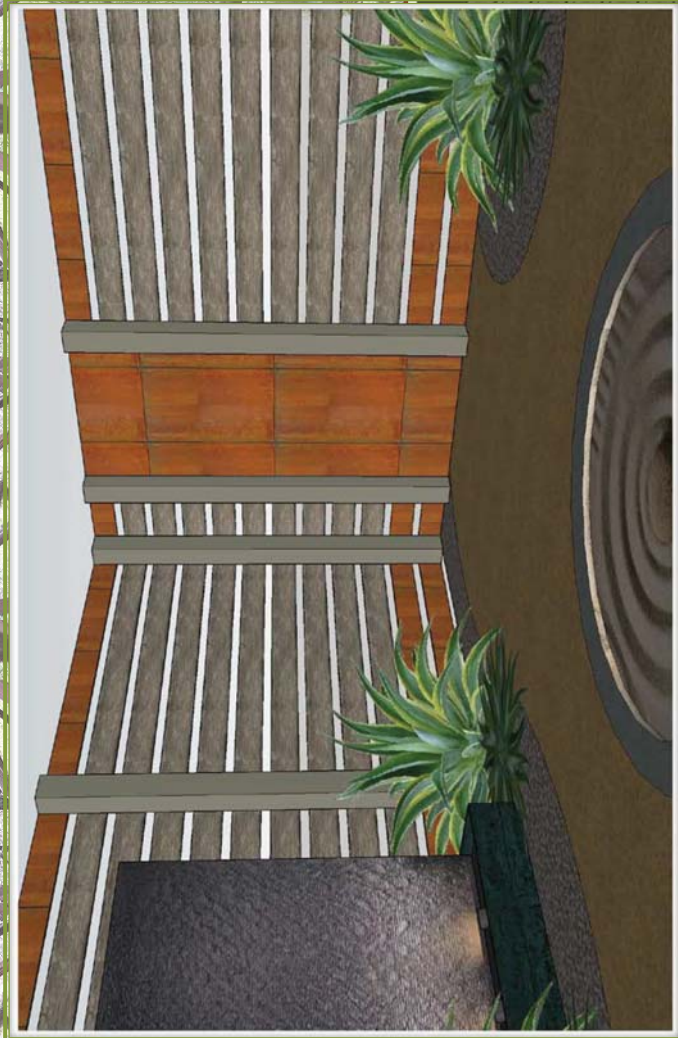




# Conceptual Renderings of Courtyard



570



609



## Customer Experience

- **Open to Public: Monday-Saturday (9am-9pm) and Sunday (9am-8pm)**
- Express Ordering OR Fully Immersive/Educational Experience with:
  - Concierge Service
  - Augmented Reality {“AR”}
  - Multimedia Theater sharing History, Origins, & Specifications of Their Considered Purchase via multiple 4K screens, live video microscopes, & cannabis experts
- Customer is greeted into a segregated foyer with 2 podium stations for checking ID’s and express ordering if desired.
- No cannabis products are in the foyer.
- Security personnel are stationed at the front of the store, just outside the foyer during all business hours.
- Podiums are flanked by product menus with prices (10 ft x 10 ft screens).
- Behind the podiums is the electronically controlled access door into the store, which can only be opened by security personnel.

## Customer Experience (Cont.)

- Customer then enters Sales Area where they may browse on their own or be assisted.
- Sales Floor is divided into boutique areas for Flowers, Edibles, Concentrates/Extracts/Vape, Health/Homeopathic Items, & Accessories/Equipment
- **Inventory is held in locked drawers on the sales floor.**
- **Sample Handling is available with certain safeguards.**
- Checkout:
  - Customer selects products; Sales Associate retrieves them from locked drawers
  - Customer submits payment to Sales Associate at Cash Drawer
  - Prior to Releasing Product to Customer, Sales Associate does the following:
    - Verifies expiration dates
    - Verifies products are labeled either “A” or “M” (Adult or Medical)
    - Verifies products are properly packaged & pre-labeled for sale
    - Insert cannabis education sheet into “exit” bag
  - Prior to accepting payment, POS system will alert sales associate of potential purchases that exceed personal limits of 28.5 grams of flowers, 8 grams of concentrate for adult use, or 8 ounces of flower for medical.

## **Safety & Security Plans**

- Alarms on All Doors
- 24-Hour Surveillance with Interior and Exterior Day/Night Cameras
- Security Agents Outside Intake Foyer during Business Hours
- Front Door & Store Access Door May Not be Opened At Same Time
- Restrooms Shall be Locked and Not Accessible to Public
- Security Agents Walk the Perimeter and Immediate Vicinity Hourly to Ensure Patrons Leave and Do Not Consume Products Onsite, including Parking Lot
- All Windows and Skylights Secured & Sealed
- No Cannabis Products Visible from the Exterior
- Inventory is Secured at All Times—Vault Room with Fireproof Steel Vault Door Holds All Inventory during Non-Business Hours; Vault Room is Not Visible to Public; Cameras & Alarms in Vault Designed to Detect Intrusion and Facilitate a Minimum 30-minute Response Time for Law Enforcement
- Cycle Counts Performed Daily for Inventory with Full Blind Physical Inventory Performed & Reconciled Weekly



## Community Benefits & Outreach

- Literacy & Tutoring Program
- “Just the Facts” Ongoing Educational Programming (Quarterly)
- Pain Management Classes (Monthly)
- Cannabis Safe Use Education (Monthly)
- Financial Contributions (2% of sales or Estimated \$87,500 in 2019) to SWAG, Veterans Continuum of Care, Youth Sports, Heart-for-Heart Program, & Committed but Unassigned
- Neighborhood Liaison (City Resident)
- Manzanita Community Update Program/Quarterly Public Outreach Meetings
- “Best Neighbor BBQ” Policy—Quarterly Neighborhood Outreach BBQ & Ongoing Feedback
- Initially, Manzanita will Employ 23 Employees at above market wage, company paid medical benefits, vacations/paid time off, 100% Local Hiring, & 25% Veteran Hiring



## **Conditions of Note**

- 2) All conditions and requirements contained in Merced Municipal Code (MMC) Section 20.44.170/Ordinance #2480 (Attachment J of Staff Report #18-25) shall apply. Particular attention shall be paid to MMC 20.44.170(F) “Additional Regulations for Dispensary and Retail Sales of Cannabis” and MMC 20.44.170(G) “Additional Regulations for Commercial Cannabis Delivery Services.”
- 14) A Commercial Cannabis Business Permit is valid for one year or until December 31 of each year, unless sooner revoked. Applications for the renewal of a permit shall be filed with the Director of Development Services, in accordance with MMC 20.44.170(L).4, “Commercial Cannabis Business Permit Renewal (All Types)”, at least sixty (60) calendar days before the expiration of the current permit. If the permittee allows their permit to lapse, they shall be required to submit a new application, pay corresponding fees, and be subject to all aspects of the selection process.

## **Conditions of Note**

- 17) The applicants shall provide a trash enclosure on the property such that all waste is securely stored until it is removed from the premises with access to the enclosure to be provided to the Refuse Division. The proposed enclosure as shown on the Site Plan is located at the southwest corner of the parcel, but per the Refuse Division, it should be relocated closer to the northwest corner of the parcel. The final location and design shall be approved by the Refuse Division prior to issuance of a building permit. The applicants have also agreed to post a sign on the enclosure making clear there is no cannabis product inside of it, and it will be locked.
- 20) The parking areas shall be repaved and striped to City Standards prior to obtaining a Certificate of Occupancy.
- 21) The final design of the exterior elevations and any signage shall be approved by Planning staff prior to obtaining a Certificate of Occupancy. Details to be worked out with staff.



## Planning Commission Action

After the public hearings on all four Dispensary applications, the Planning Commission may Approve/Disapprove/Modify:

- 1) Environmental Review #18-30 (Categorical Exemption)
- 2) Commercial Cannabis Business Permit #18-17R

Includes Adoption of Resolution with 21 Conditions.



Questions?





# MERCED MANZANITA PROJECT

September 2018



618





# MERCED MANZANITA PROJECT

BEFORE





# MERCED MANZANITA PROJECT

AFTER





# Company Values Statement

As with any declarative statement, a statement of values by our company only carries meaning if our activity, decisions and commitments demonstrate these values.

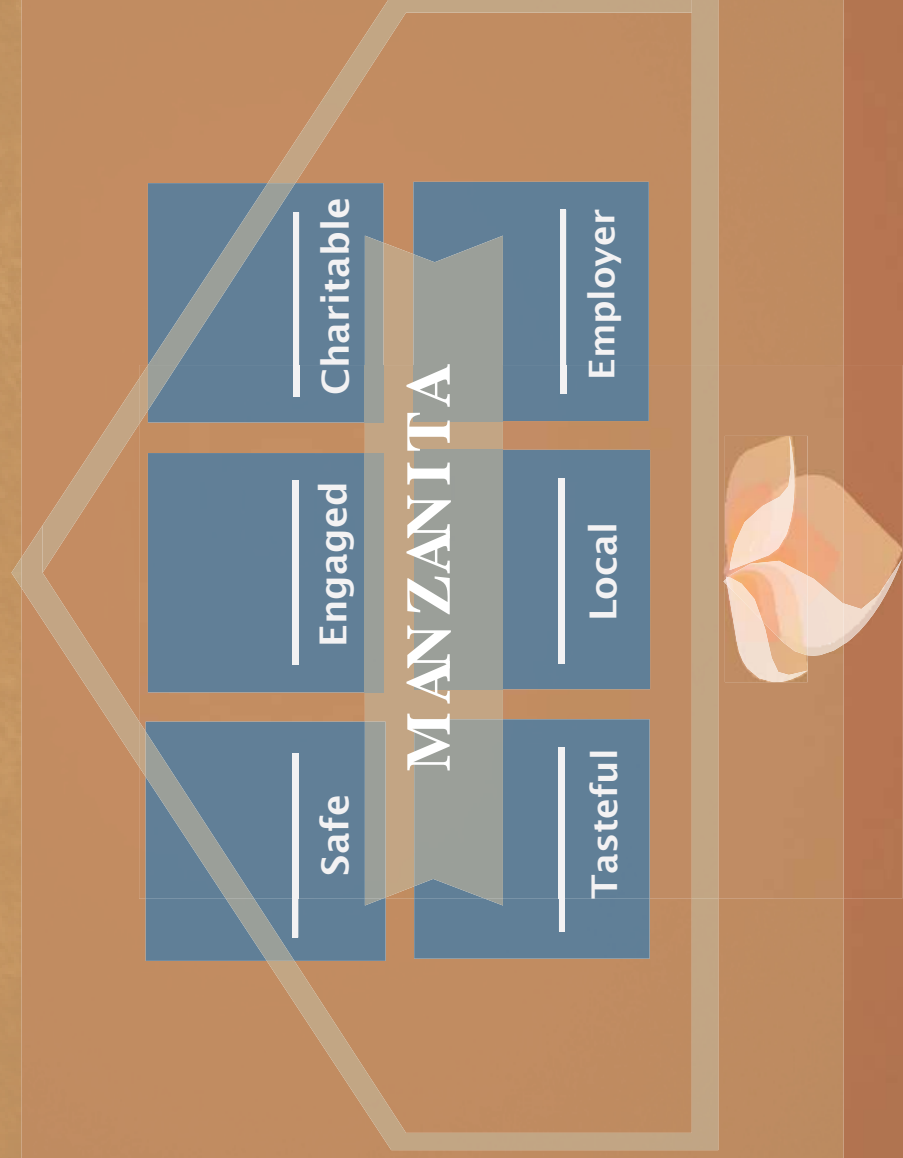
We declare them here to both communicate our intent and internally reinforce those ideals to which we as a company have obligated ourselves:

- Act with Integrity in all things.
- Treat every customer to a great experience without regard to perceived economic status.
- Preserve the continued employment and welfare of our employees.
- Make the community proud to have us as a member.
- Display grace under pressure.
- Reward both compassion and achievement

We believe that if we strive to achieve these values every day, that our customers will feel good about their time with us, we will earn community trust, our employees will be proud to work for us and as a business will prosper.

## Our Place in the Community

Manzanita clearly understands that the cannabis industry carries with it perceptions and sensitivities that must be respected. Therefore, our obligation to the community is multi-faceted.





# Our Place in the Community

## ENGAGED

Getting involved in the community in which you do business is more than simply giving money. It is helping those that are disadvantaged with time, energy and expertise to better their lives.

This may mean supporting a group with extra hands or starting an initiative of own where we see need.

It is also stepping up during any emergency to assist a community in need.

Manzanita has identified three initial areas of engagement and we are crafting programs to implement within our first three months of permit issuance.

## CHARITABLE

We intend to be profitable. We also intend to share our good fortune with the community that made it possible. Manzanita is committing two percent of its sales (sales not profits) to the community.

This represents roughly \$100,000.00 annually for the first few years. The number is expected to grow year after year.

In addition, we have become acquainted with SW AG. A group doing valuable work with at-risk youth in Merced and we grew to understand and admire their work.

Therefore, Manzanita is now committed to assisting SW AG financially with an annual contribution of over \$30,000.



# Our Place in the Community

## SAFE

We must be unassuming in our presence with zero tolerance for the negative elements often associated with cannabis such as odor, criminal or gang activity, loitering and mischief, poor representation by our employees and any other activity that does not credit the values of the community.

## TASTEFUL

Our brand image, the way we present ourselves as a retailer should not only be tasteful but match or exceed the standard set by the community's best businesses.

## LOCAL

Manzanita is committed to hire, contract and spend its money locally. These commitments are built into our construction, hiring and contract services plans. The only expenditures that are sourced outside of Merced are for specific items that cannot be obtained locally (i.e. a cannabis POS system).

## EMPLOYER

Manzanita shall initial employ 19 non-exempt and 4 exempt employees hired locally and compensated with above market wages for both managers and hourly employees and company paid medical benefits, vacation and PTO.



# The Customer Experience

## We Are Different

The customer experience in our retail stores is differentiated from any other in the cannabis retail channel.

Cannabis expert guides

Multi-media theater

Concierge service

History, origins and specifications of the products  
tell the farm to table story “cannabis style”

586



# The Customer Experience

## We Are Different

Manzanita provides a cannabis shopping experience that rivals conventional retail leaders such as Apple or BassPro.

Fully immersive

Augmented reality

Live video microscopes

The customer will never be asked to pay higher product prices for a great place to shop.



# Professional Ownership Team

Luke Bruner



## Current Role

Luke serves as Director of Compliance, business partner, and management advisor for Manzanita. Luke brings a great depth of cannabis policy understanding and insight as well as several years of “hands-on” operating experience. Luke Bruner is a cannabis industry expert and community advocate.

## Background

For over three years, Luke served as the Business Manager for Wonderland Nursery in Garberville, California (2013-2016), fully permitted by Humboldt County as a Dispensary and Nursery for the entire time. He managed all local and state government relations and compliance, oversaw and implemented yearly budgets exceeding \$5,000,000 and grew Wonderland into California's largest cannabis nursery.

Worked for two years at Humboldt Patient Resource Center in all areas of dispensary operations: nursery, cultivation, processing/trimming, patient education, and retail.

- Co-founder of California Cannabis Voice Humboldt
- Board of Directors of the California Cannabis Industry Association, serving as Chairman of the Legislative Committee during the 2015 MCRSA process.
- Co-Creator Humboldt County Track and Trace Pilot Program – unanimously approved by Humboldt County Board of Supervisors (“The Humboldt Stamp Program”).
- Investor in 415 Capital Investments Group

Luke holds a Bachelor of Arts degree in Theology from Holy Cross College, Notre Dame, IN.

# Professional Ownership Team

## Jeff Linden

### Current Role

Jeff serves as the Chief Operating Officer for the Manzanita project. Jeff also currently serves as CFO for Focus 415 Capital Investments Group with restaurant and cannabis interests in San Francisco.

### Background

Jeff's career spans almost 40 years of business and organizational management, the last 18 years, as a senior executive and officer of both public and private companies. His professional portfolio includes retail, consumer products, wholesale distribution and now cannabis.

Most recently, as CEO and President of a management company operating a licensed medicinal cannabis retail & delivery enterprise in San Francisco branded Medithrive. Mr. Linden redesigned and relaunched a unique and critically acclaimed retail brand with first year revenue exceeding \$6 million in 900 square ft.

### *Professional History*

CEO, President - Cabinets To Go, national retail company  
President, COO - Zoom Eyeworks, a manufacturer and distributor of eyewear  
Sr. Vice President - "The Good Guys, Inc" public \$800mm electronics retailer  
Director of Operations – "Cost Plus World Market"  
Store Manager, Buyer, Distribution Manager – "Macy's Department Stores"

589



Literacy and tutoring focused on at-risk youth led by resource with both a doctorate in education and 30 years of working with at-risk students.

Veteran assistance focused on personal marketing and employment opportunities.

Cannabis education emphasizing the medical benefits versus opioids for pain management and benefits for the elderly.



# Harvest of Merced

COMMERCIAL CANNABIS BUSINESS PERMIT #18-14R  
RETAIL DISPENSARY PERMIT APPLICATION FOR  
MEDICINAL AND ADULT USE CANNABIS

PUBLIC HEARING: SEPTEMBER 18 & 19, 2018



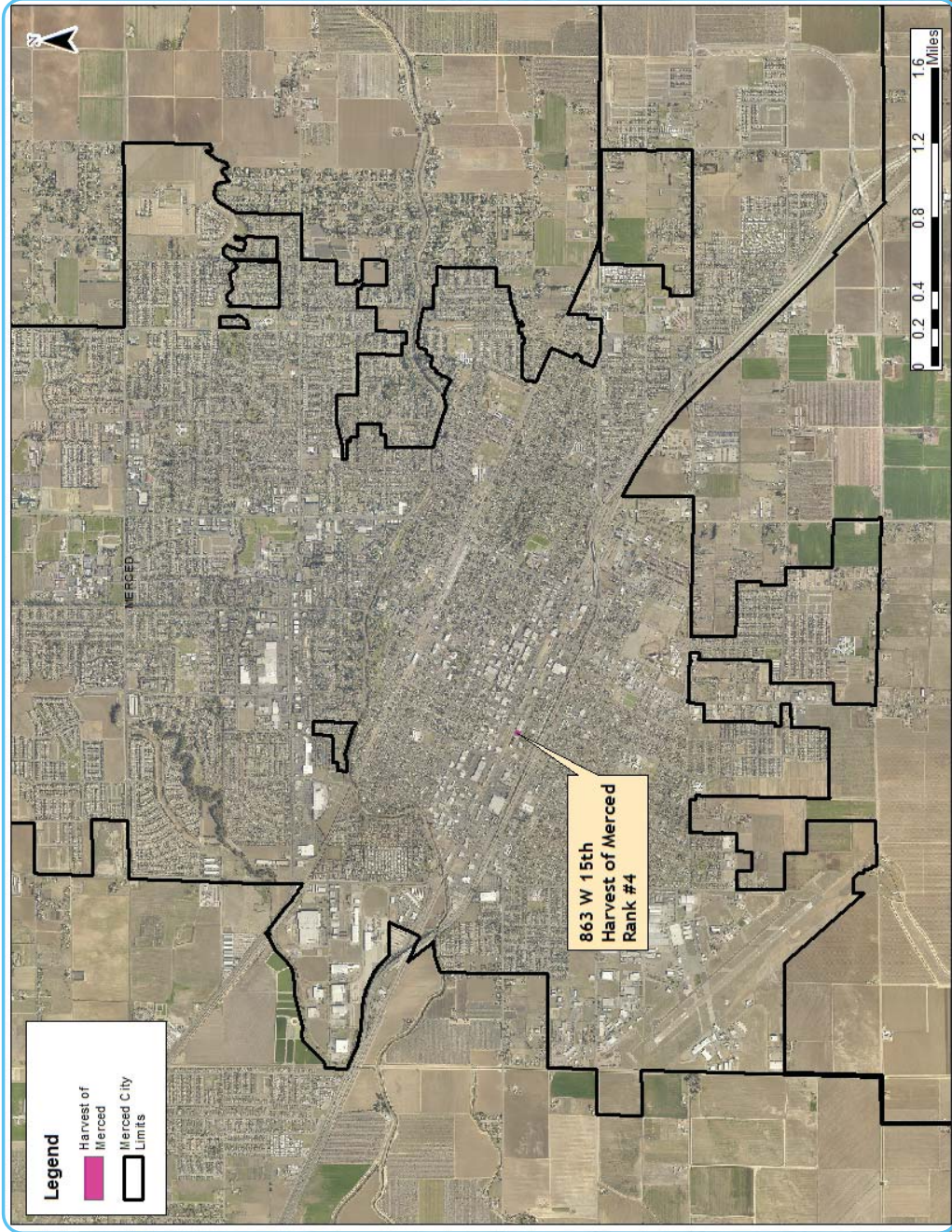
## Harvest- Scoring

2

Rank:  
#4

Average  
Score:  
95.000

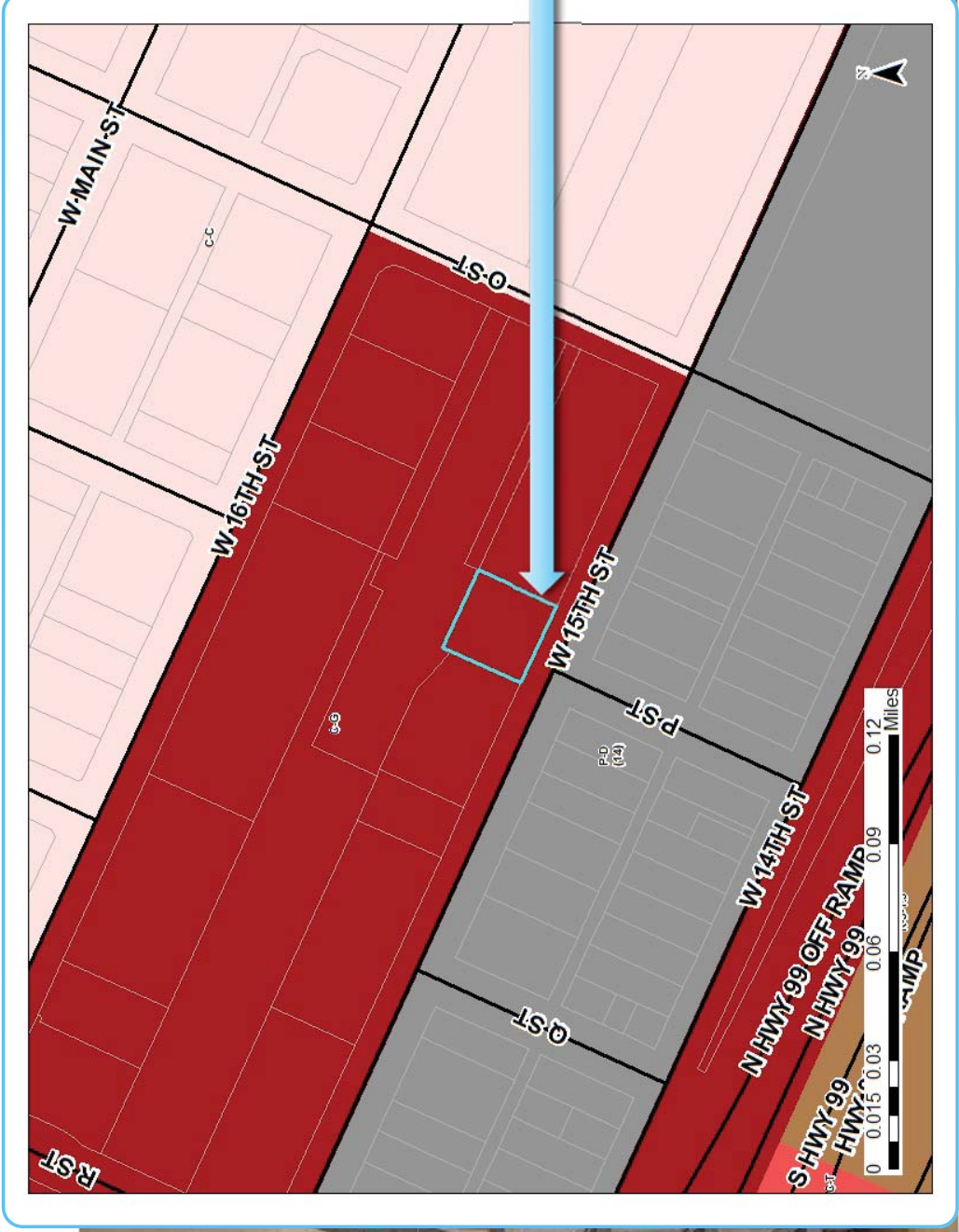




Harvest Proposed Site  
Context Map

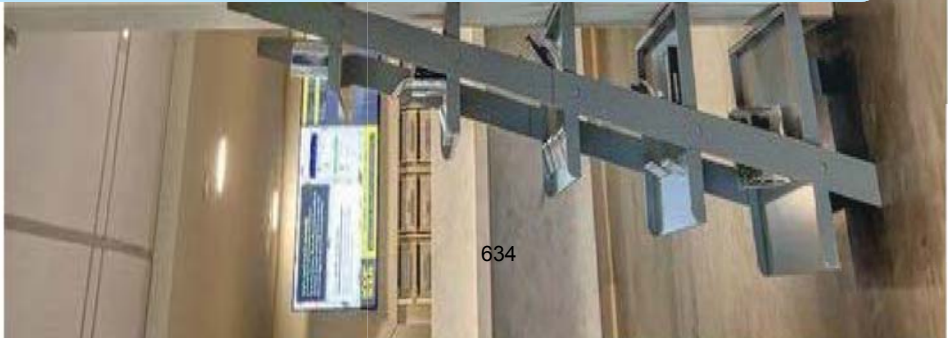
593



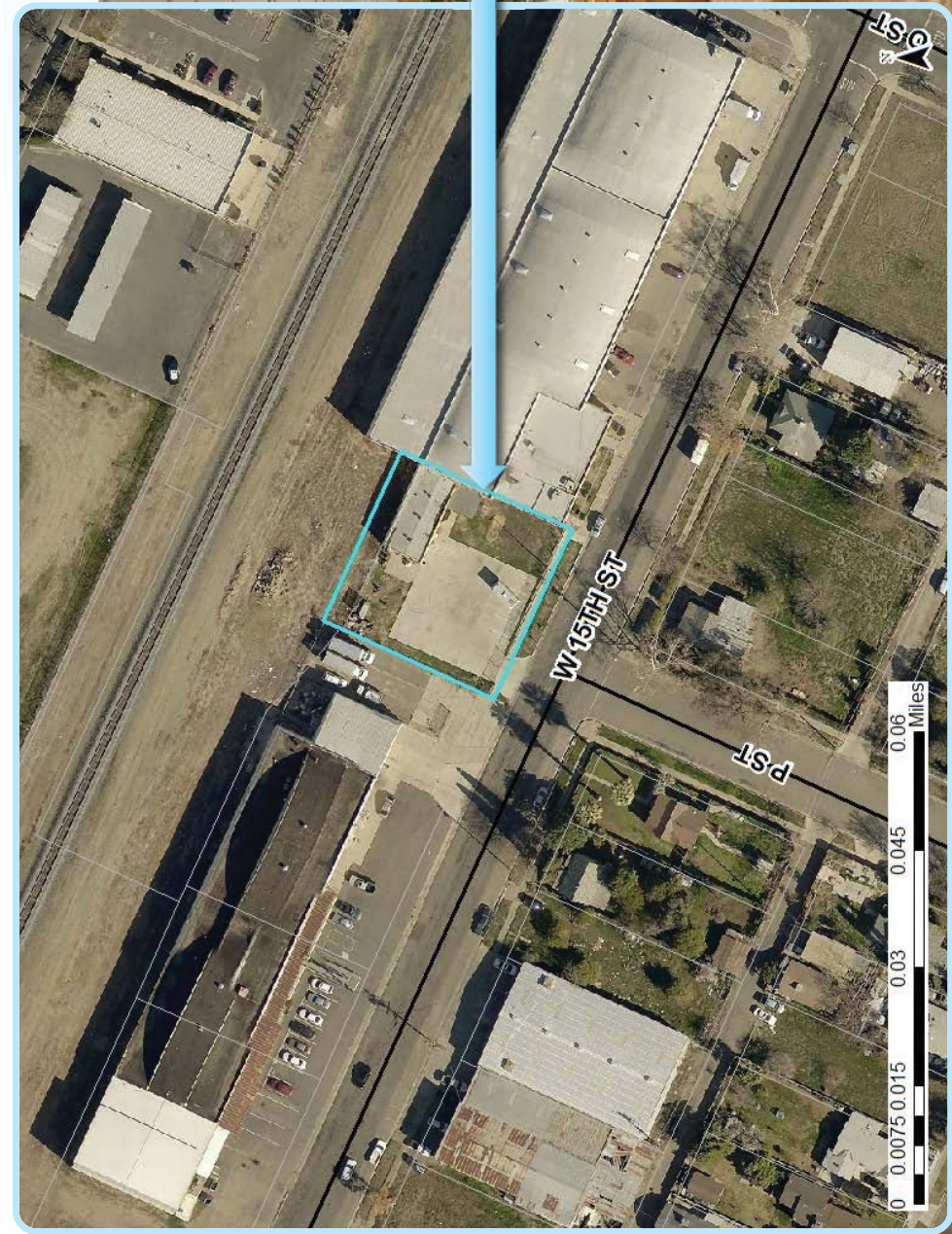


Harvest Proposed Site  
Context Map





634



5

863 W. 15th Street

863 W. 15th Street  
Aerial Map

595



City of Merced-Cannabis Ordinance Map

9/7/2018, 4:07:12 PM

City of Merced Addresses

Properties With Appropriate Zoning for Cannabis Activities

Properties With Inappropriate Zoning for Cannabis Activities

City of Merced Limits

600 FT Buffers

1000 FT Buffers

Scale: 0 0.01 0.02 0.03 mi / 0 0.01 0.02 0.04 km

Planning Department Email: jaramonew@cityofmerced.org Phone: 209-385-6855  
 EPA, HERE, Garmin, INCREMENT P, METAANALYSIS, USGS, Bureau of Land Management, EPA, NPS, US Census Bureau, USDA, Merced Data Special Services, LAFCO, Merced County

596



Legend

City Of Merced Addresses

600FT Buffers



1000 FT Buffers



City Center Boundary



Properties With Appropriate Zoning for Cannabis Activities

Properties With Appropriate Zoning for Cannabis Activities



Properties With Inappropriate Zoning for Cannabis Activities

Properties With Inappropriate Zoning for Cannabis Activities



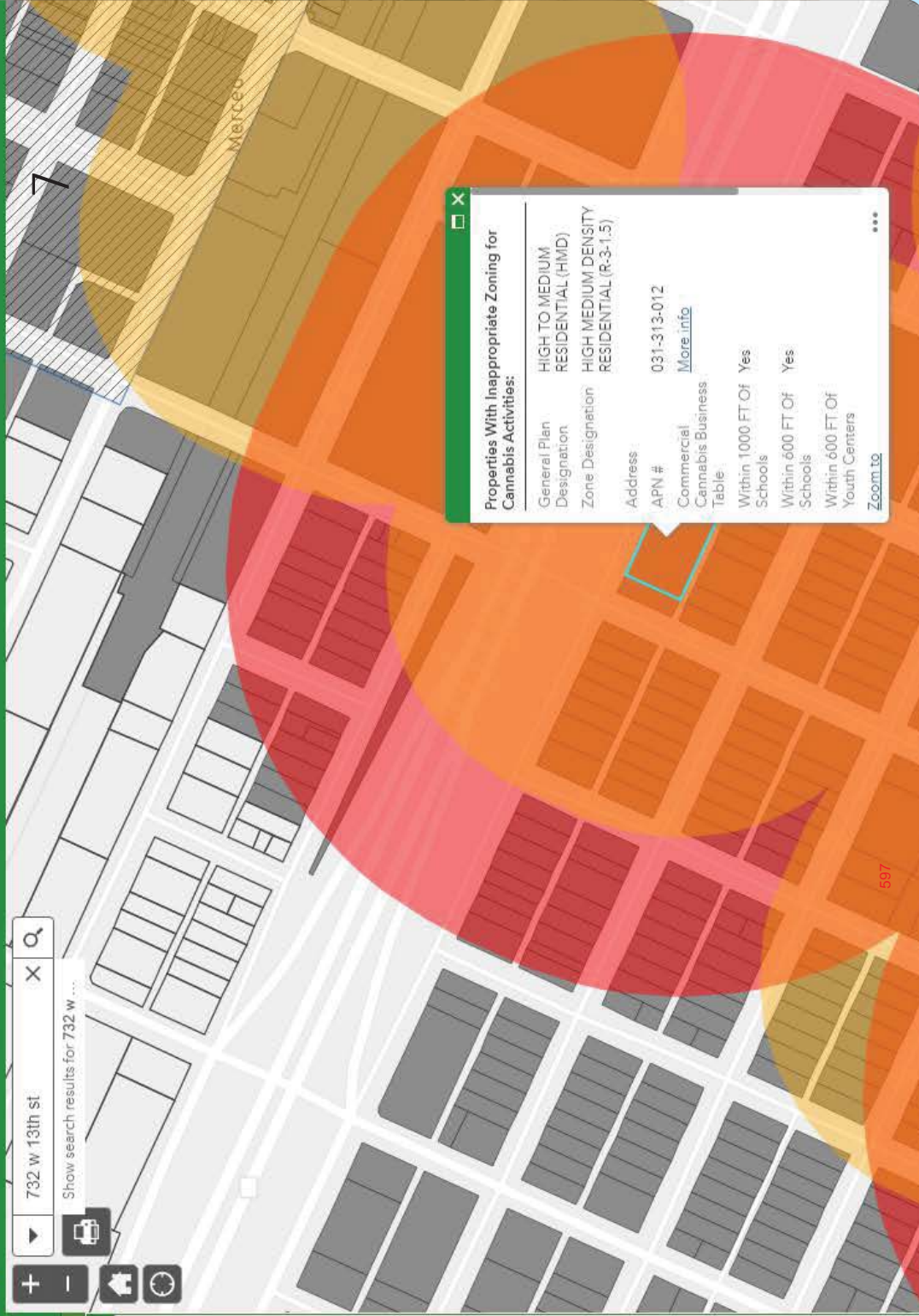
City of Merced Limits



732 W 13th St

Show search results for 732 W 13th St

Map navigation icons: zoom in (+), zoom out (-), home, search, refresh



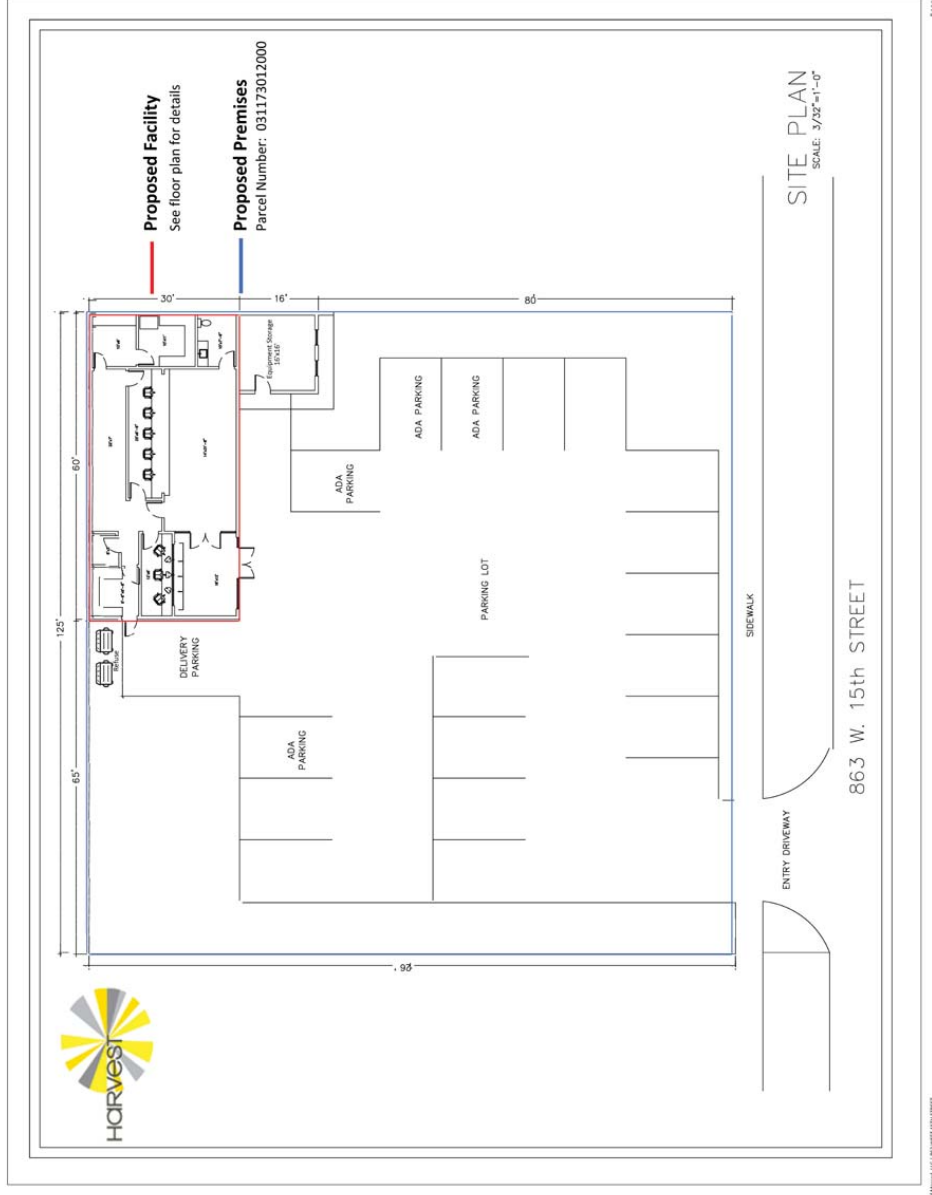
Properties With Inappropriate Zoning for Cannabis Activities:

General Plan Designation	HIGH TO MEDIUM RESIDENTIAL (HMD)
Zone Designation	HIGH MEDIUM DENSITY RESIDENTIAL (R-3-1.5)
Address	
APN #	031-313-012
Commercial Cannabis Business Table	<a href="#">More info</a>
Within 1000 FT Of Schools	Yes
Within 600 FT Of Schools	Yes
Within 600 FT Of Youth Centers	
Zoom to	



- Parking Spaces: 17, 4 listed as ADA-Compliant

8

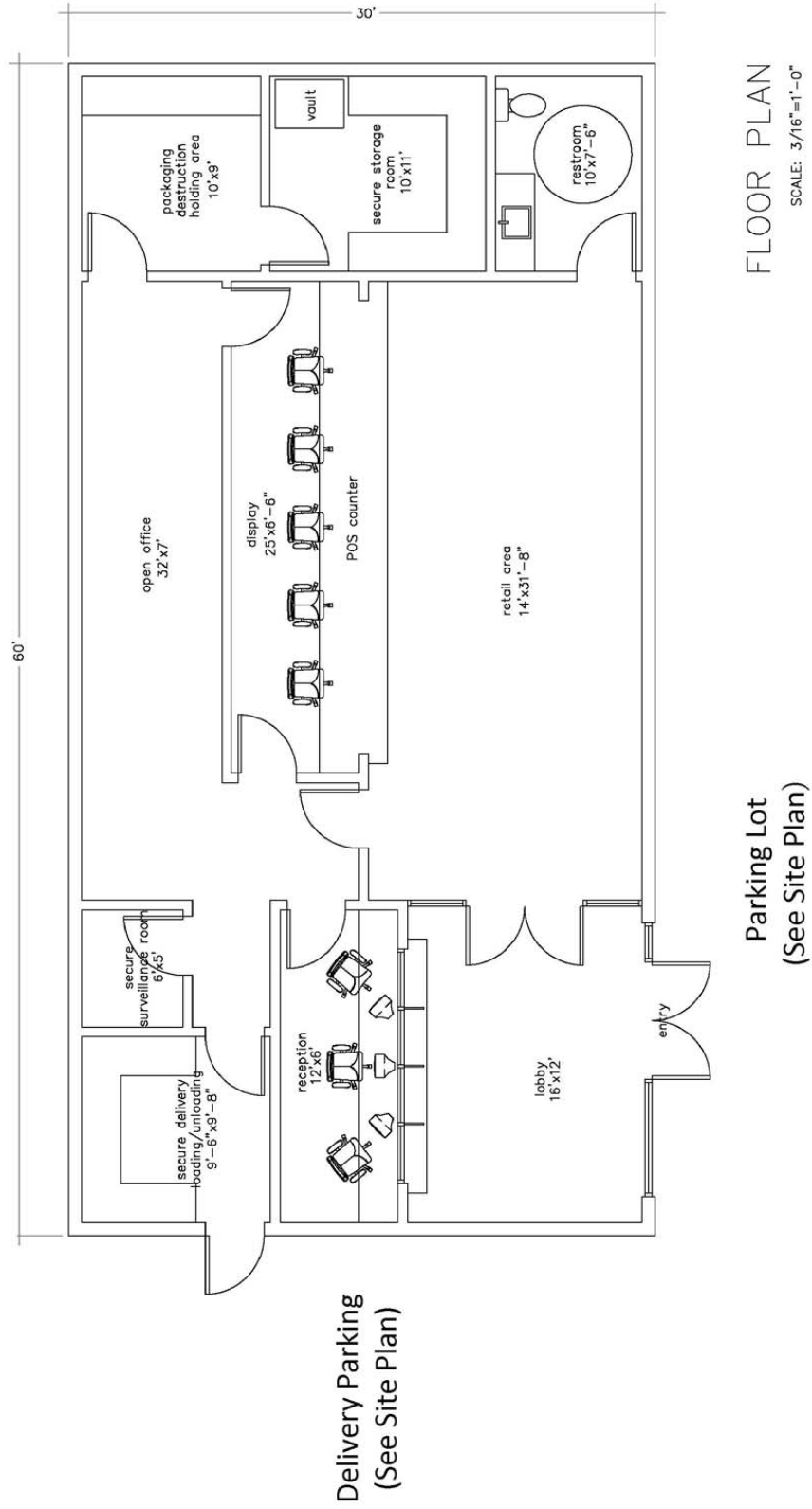


Site Plan

863 W. 15th Street

598

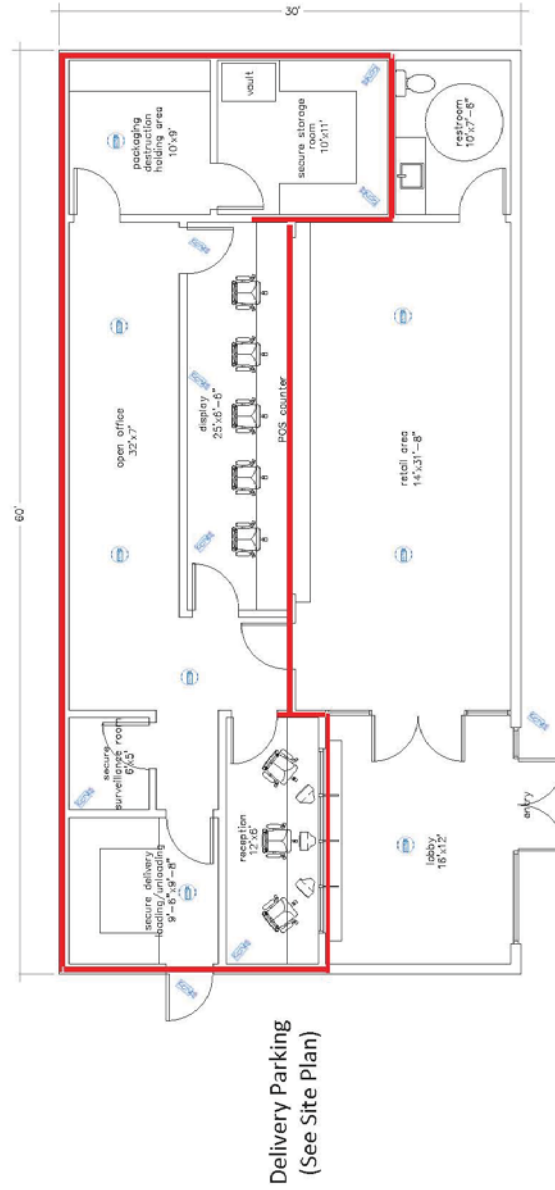




Floor Plan  
863 W. 15<sup>th</sup> Street



## Harvest of Merced Security Plan



Delivery Parking  
(See Site Plan)

Parking Lot  
(See Site Plan)

### FLOOR PLAN

SCALE: 3/16"=1'-0"



360 degree camera  
Directional camera  
Limited Access Areas

863 W 15th Street  
Merced, CA 95340  
Parcel Number: 031173012000

## Floor Plan

863 W. 15<sup>th</sup> Street

600



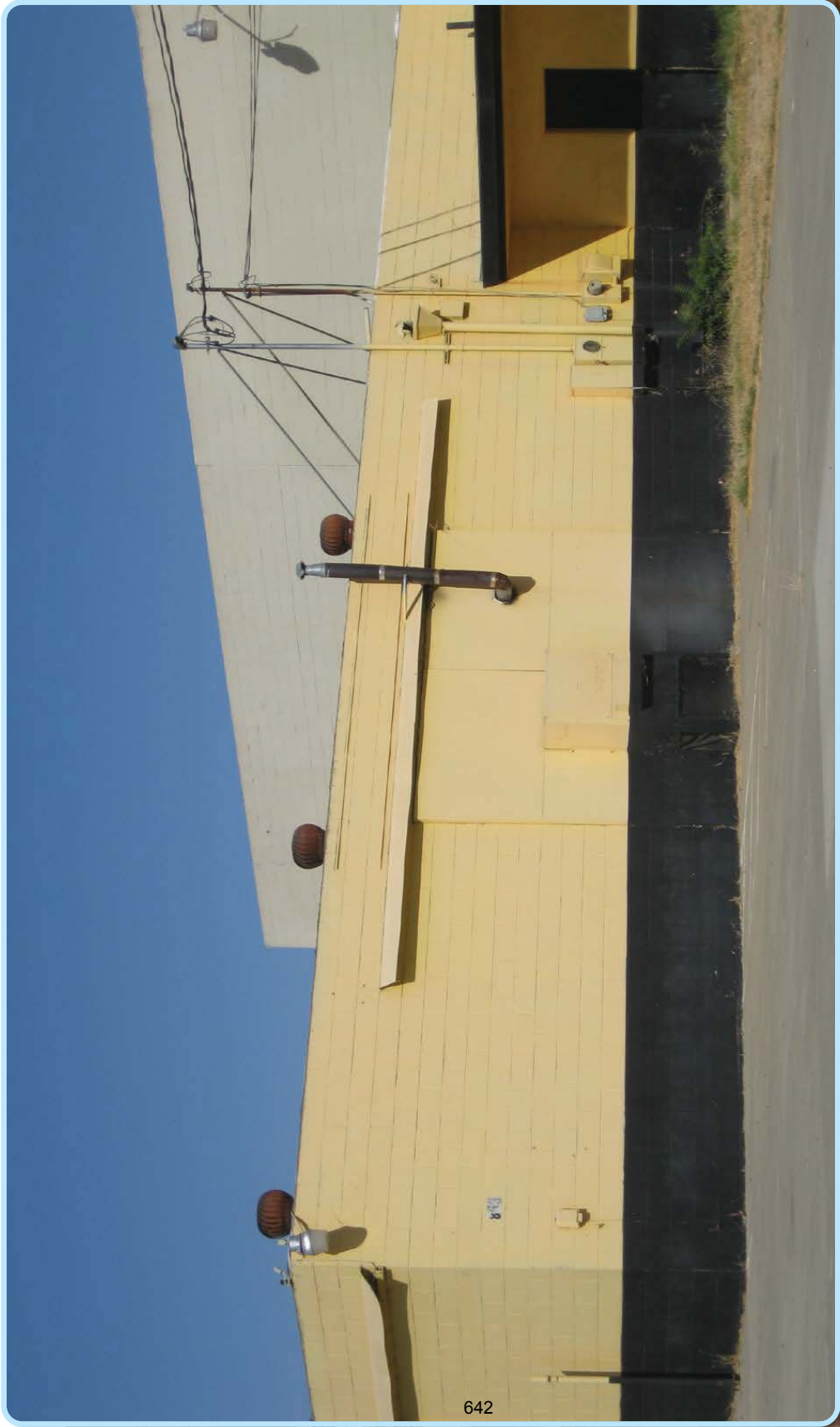
Site Photos  
863 W. 15<sup>th</sup> Street





Site Photos  
863 W. 15<sup>th</sup> Street





642

Site Photos  
863 W. 15<sup>th</sup> Street

603



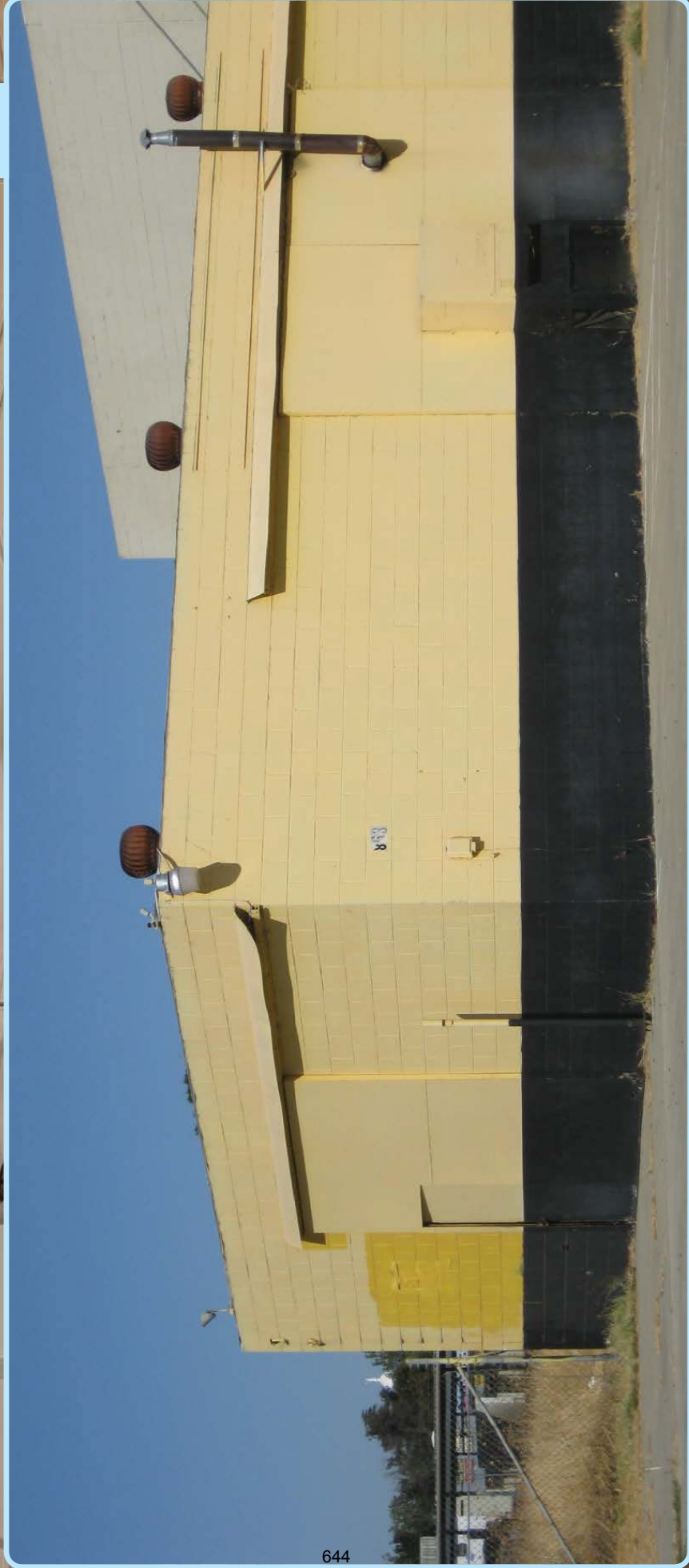


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Site Photos  
863 W. 15<sup>th</sup> Street

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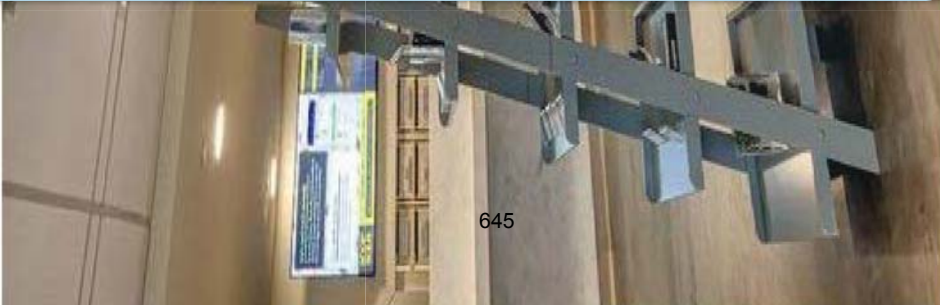




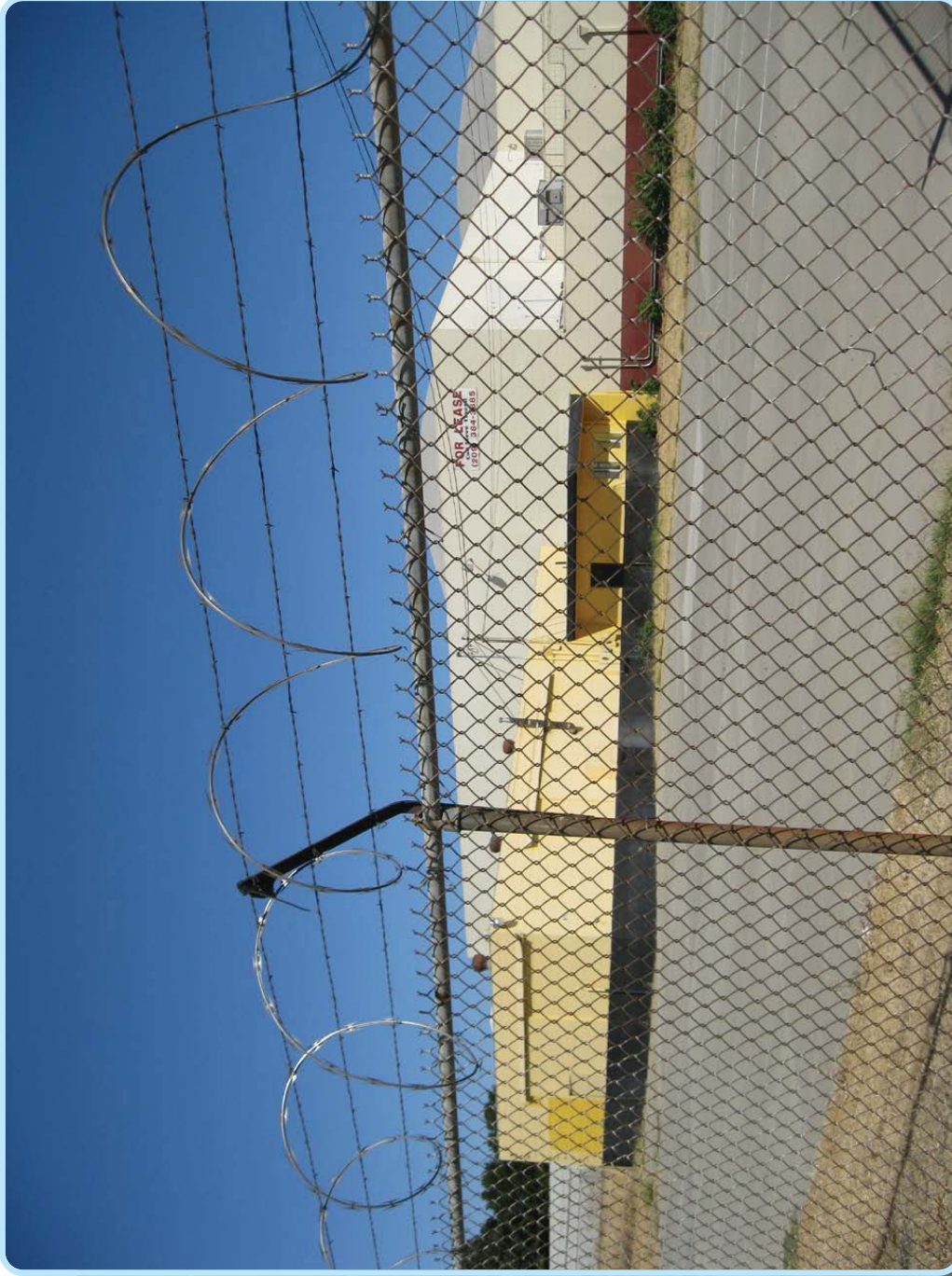
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Site Photos  
863 W. 15<sup>th</sup> Street

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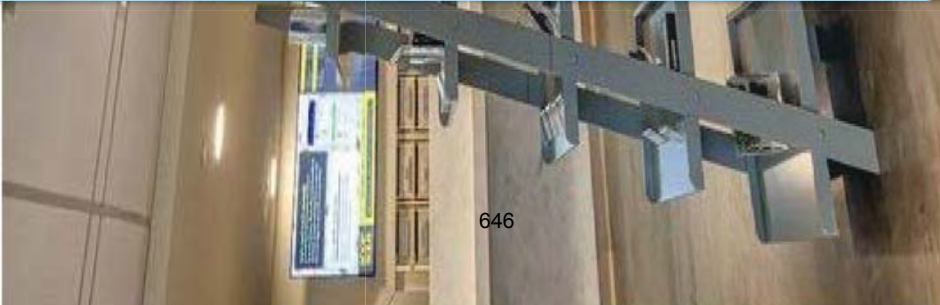


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Site Photos  
863 W. 15<sup>th</sup> Street

606





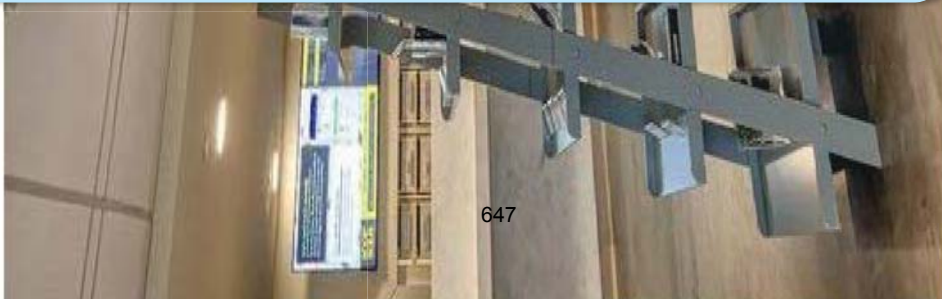
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Site Photos  
863 W. 15<sup>th</sup> Street

607



647



608



18

Site Photos  
863 W. 15<sup>th</sup> Street



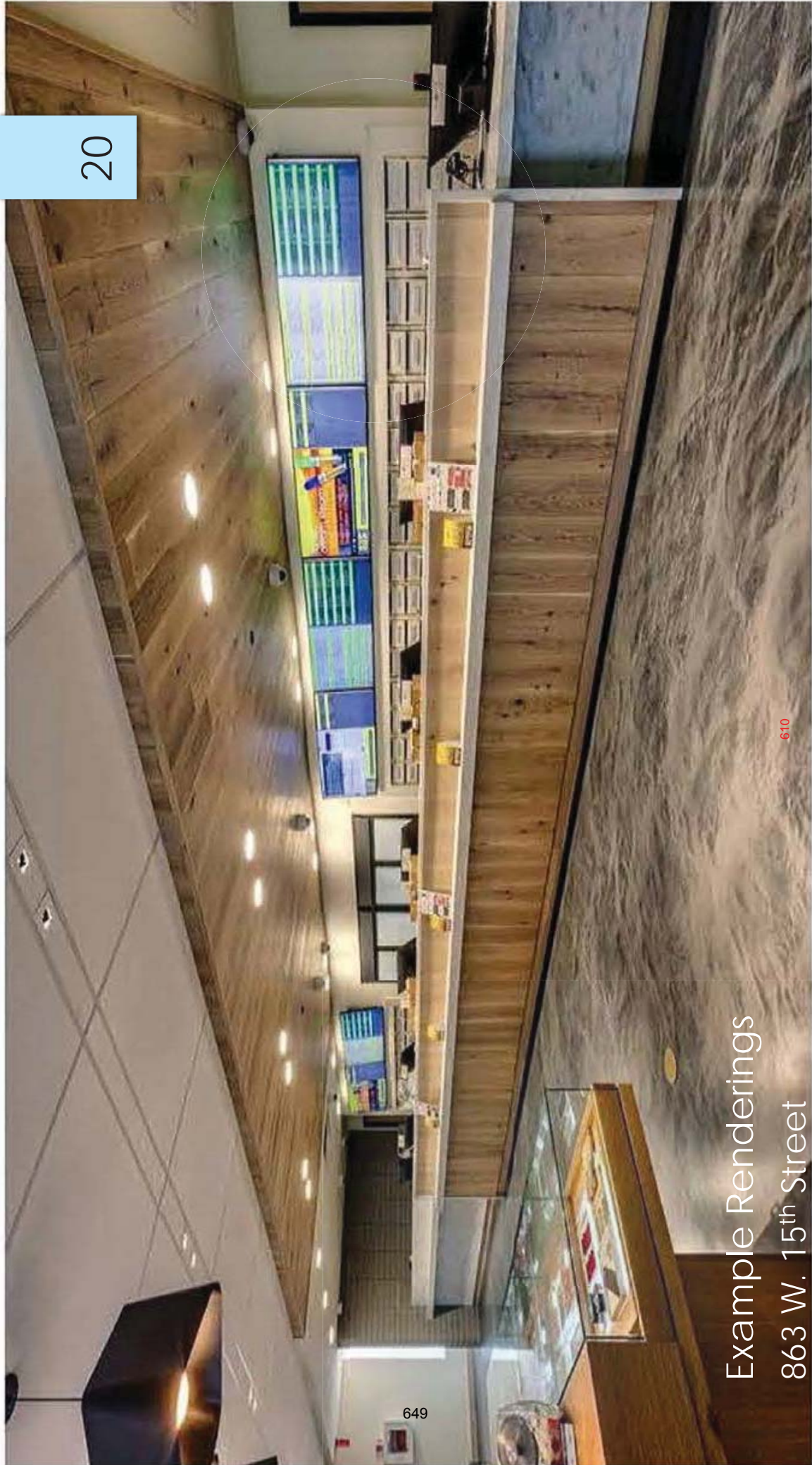


Site Photos

863 W. 15<sup>th</sup> Street

609





20

Example Renderings  
863 W. 15<sup>th</sup> Street

610

649



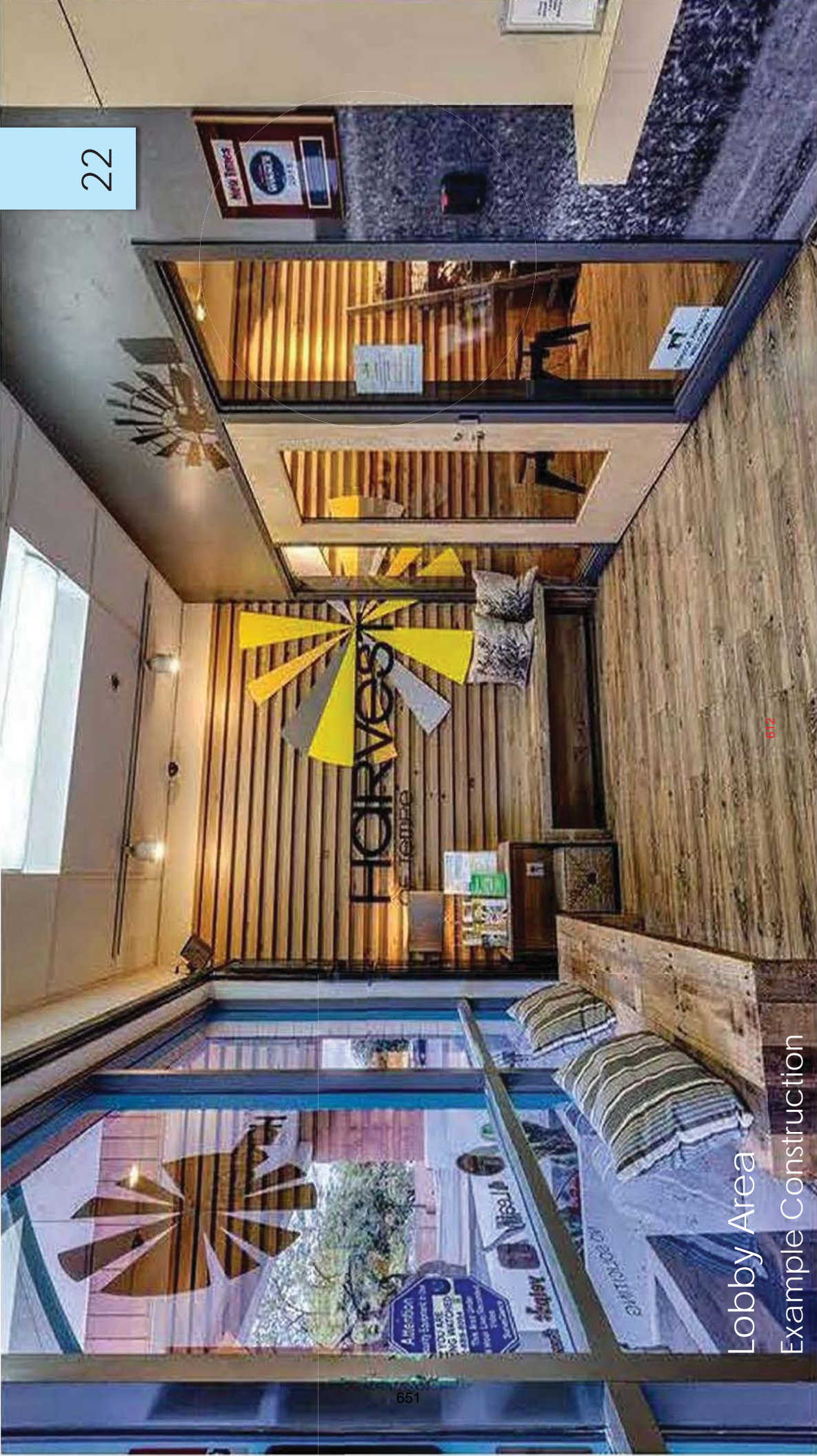


Example Renderings  
863 W. 15<sup>th</sup> Street

611

650





22

Lobby Area  
Example Construction

612

651

## Security Services provided by Guardco Security Services, Inc.:

23

- 1) State certified uniformed security officers during the hours of required coverage
- 2) High visibility foot patrol at the serviced location
- 3) Experienced field supervisors to oversee the operation of the assigned officers during the hours of required coverage
- 4) Availability of a security consultant when necessary and/or desired by the client
- 5) Office support for scheduling personnel and advisory needs
- 6) Police liaisons for the serviced location(s) resulting from arrests or criminal incidents
- 7) Carefully maintained incident reports, and other such documents or records as required by the client's individual needs
- 8) Alarm System, Access Control Equipment, Video Surveillance

## Safety/Security Security Plan Inclusions

613



Mr. Steve White founded Harvest in 2012. Beginning with a single dispensary in Tempe, Arizona, Harvest presently holds 26 licenses in seven states. Under Mr. White's direction, Harvest has also engaged in a number of community activities and events, including the donation of over \$400,000 to local charitable organizations.

Ms. Beth Stavola is a female entrepreneur, COO and Board Member of MPX Bioceutical Corporation, the Founder and CEO of Stavola Medical Marijuana Holdings, Health for Life Inc, GreenMart of Nevada, and CBD For Life. In 2017, Cannabis Business Executive named Ms. Stavola #3 on the "CBE 75 Most Important Women" in cannabis list.

Ms. Anna Blazeovich has eleven years of prior experience in operating a verified Mutual Benefit Non-Profit Corporation for cannabis in compliance with California law with proof of payment of taxes. Ms. Blazeovich, successfully founded and continues to run Therapeutic Health Collective (DBA Stone Age Farmacy).

Mr. Edgar Contreras, a native of Merced, California, has extensive managerial experience with local Merced retail businesses, totaling over three years. He will also serve as the dispensary's Neighborhood Liaison. Mr. Contreras will play an integral role in Harvest's youth drug prevention program.

## Details

### Ownership Experience



Harvest is committed to setting aside at least three percent (3%) of yearly net profits for monetary contributions to local charitable and community organizations.

- Merced County Food Bank- At least \$10,000 per year
- United Way of Merced County- At least \$10,000 per year
- Boys & Girls Club of Merced County- At least \$2,500 per year
- Challenged Family Resource Center and Golden Valley Health Center- At least \$2,500 per year

Harvest has also pledged to chaperone the Challenged Family Resource Center's annual formal dance for developmentally disabled children.

## Details

### Community Benefits

- ❑ Customer Volunteer Discount
  - ❖ Offers a range of discounts to patients and consumers who regularly volunteer at local charitable organizations.
- ❑ 20% discount to Veterans
  - ❖ As part of this program, Harvest will help customers understand the potential benefits and effects of using cannabis to treat wounds of war like Post Traumatic Stress Disorder (PTSD) and Chronic Traumatic Encephalopathy (CTE).
- ❑ 20% discount to medical patients who are low-income.
- ❑ Harvest plans to host free bicycle and wheelchair repair clinics in the spring, summer, and fall months.
  - ❖ Harvest will set up temporary wheelchair and bike stands for free tune-ups and replacement of parts such as tires, tubes, chains, and brake cables.

655

## Details

### Community Benefits

616

**Condition #2:** All conditions and requirements contained in Merced Municipal Code (MMC) Section 20.44.170/Ordinance #2480 (Attachment I of Staff Report #18-26) shall apply. Particular attention shall be paid to MMC 20.44.170(F) "Additional Regulations for Dispensary and Retail Sales of Cannabis" and MMC 20.44.170(G) "Additional Regulations for Commercial Cannabis Delivery Services."

**Condition #8:** The applicants shall meet the standards of the City of Merced's "Commercial Building Permit Application Submittal Requirements" at the time of submittal for building permits for tenant improvement.

**Condition #15:** The applicants shall provide or cause to be provided a trash enclosure on the property such that all waste is securely stored until it is removed from the premises. Access to this enclosure shall be provided to the City's Department of Public Works.

**Condition #18:** The parking lot shall be repaved and restriped in compliance with the City of Merced's City Standard Designs.

**Condition #20:** There shall be no shared access to the building sharing a common wall with 863 W. 15th Street. Any existing shared access point must be sealed prior to the issuance of a Certificate of Occupancy.

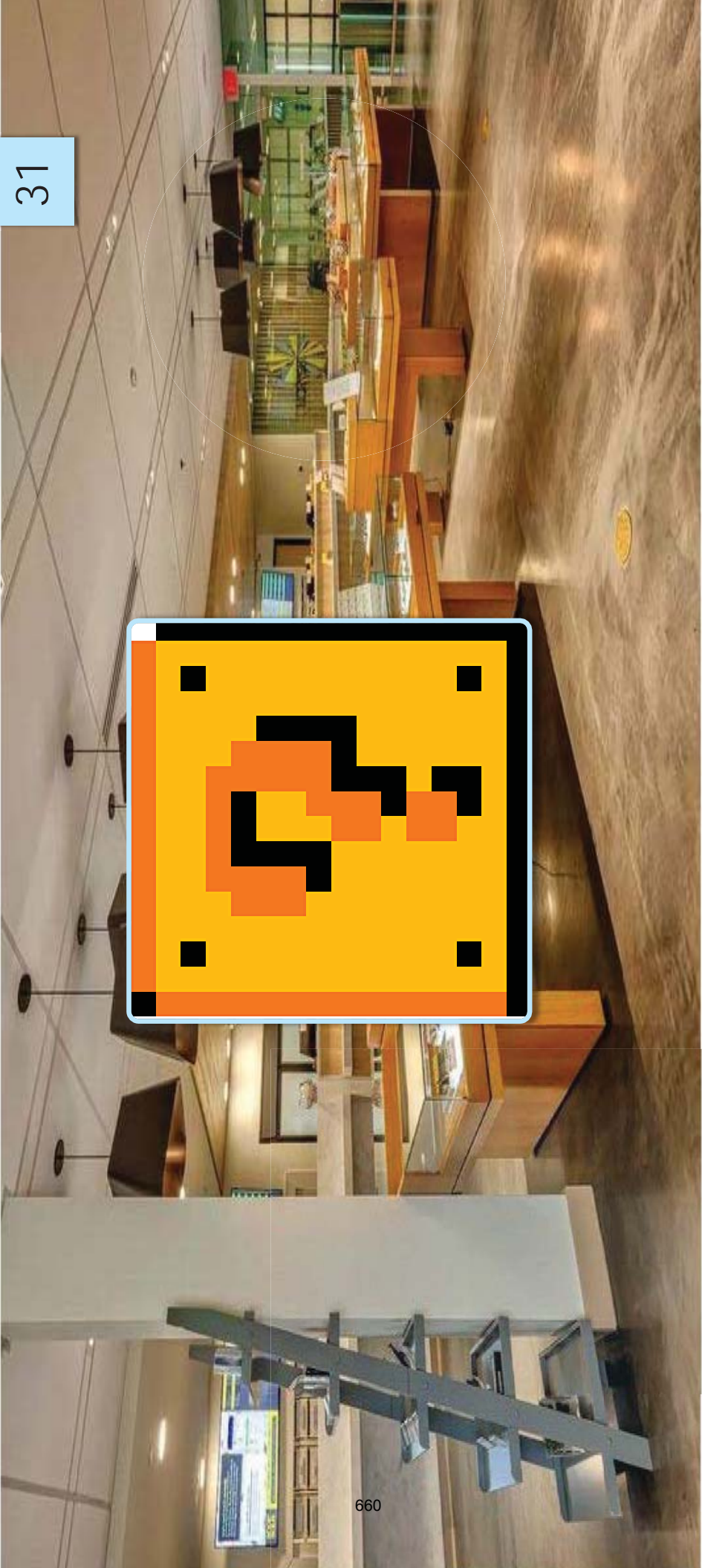


**Condition #21:** The details of the final design of the exterior elevations and any signage shall be approved by Planning staff prior to issuance of a Certificate of Occupancy.

**Condition #22:** Future modifications to the scale, scope, activities, implementation, processes, materials, design, layout, or other factors pertaining to the operation of the project that are consistent with permits to perform activities related to operation of a retail dispensary of cannabis and cannabis-based products may be authorized with the approval of the City's Chief Building Official, Fire Chief, and Director of Development Services.

After the Public Hearing, the Planning Commission may Approve, Disapprove, or Modify subject to the conditions in the staff report:

1. Environmental Review #18-27 (Categorical Exemption)
2. Commercial Cannabis Business Permit #18-14R



31

660

621

Questions



# HARVEST







# Overview of Harvest

- Formed in 2012
- Has received 37 medical marijuana licenses in seven states
- Including provisional licenses; 32 in 13 states.
- Harvest dispensaries are secure, discrete, clean, and patient friendly
- Harvest's objective is to be an exemplary and beneficial partner to local community





# Harvest's Dispensaries





- 863 West 15<sup>th</sup> Street, Merced, CA
- Built environment / 1800 s.f.
- Has been vacant for more than a 1.5 years.
- Harvest will invest approximately \$400,000 in the property











# Harvest Merced - Frontages

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# Harvest Merced – Entry and Exit

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# Harvest Merced - Partnerships



627 S. 48TH STREET, SUITE 100 | TEMPE, ARIZONA 85281

Harvest of Merced  
863 W. 15th Street  
Merced, CA 95340

March 22, 2018

Golden Valley Health Centers  
847 W. Childs Avenue  
Merced, CA 95341

Dear Golden Valley Health Centers,

I am writing today on behalf of Harvest of Merced ("Harvest") regarding our commitment to provide a charitable contribution to Golden Valley Health Centers. Thank you so much for taking the time to meet with our organization to discuss how we can work together to benefit our community. Harvest has a long history of supporting the communities in which we operate, and we are excited to continue that in partnering with Golden Valley Health Centers. Since 2013, we have donated over \$400,000 to local charitable organizations in the cities where we own and operate businesses. To continue our charitable endeavors in Merced, the Harvest Community Outreach Committee will work with Golden Valley Health Centers on an ongoing basis to provide monetary contributions and to commit valuable time and resources to the organization.

Golden Valley Health Centers focuses on assisting under-served individuals in the community by providing resources to fight poverty. We know that the amazing work your organization accomplishes is due, in part, to the donations made by members of the Merced community.

If we are granted a permit and given the opportunity to operate our business in Merced, Harvest plans to set aside at least three percent of yearly net profits for monetary contributions to local charitable and community organizations. While the Harvest Community Outreach Committee will work to appropriately distribute the set aside funds to its partnering organizations, no partnering organization, including Golden Valley Health Centers, will receive less than \$2,500 per year, once our application is approved. Further, we would like to commit to donating our time and other resources to your organization in any way we can, according to your specifications.

Thank you for joining us in our quest to continue to support the charitable organizations that allow our communities to thrive. We very much look forward to working with Golden Valley Health Centers for the foreseeable future.

Sincerely,

Steve White, CEO  
Harvest of Merced



627 S. 48TH STREET, SUITE 100 | TEMPE, ARIZONA 85281

Harvest of Merced  
863 W. 15th Street  
Merced, CA 95340

March 22, 2018

United Way of Merced County  
658 W. Main Street  
Merced, California 95340

Dear Jeremy Martinez,

I am writing today on behalf of Harvest of Merced ("Harvest") regarding our commitment to provide a charitable contribution to United Way of Merced County. Thank you so much for taking the time to meet with our organization to discuss how we can work together to benefit our community. Harvest has a long history of supporting the communities in which we operate, and we are excited to continue that in partnering with United Way. Since 2013, we have donated over \$400,000 to local charitable organizations in the cities where we own and operate businesses. To continue our charitable endeavors in Merced, the Harvest Community Outreach Committee will work with United Way on an ongoing basis to provide monetary contributions and to commit valuable time and resources to the organization.

United Way of Merced County focuses on assisting under-served individuals in the community by providing resources to fight poverty. We know that the amazing work your organization accomplishes is due, in part, to the donations made by members of the Merced community.

If we are granted a permit and given the opportunity to operate our business in Merced, Harvest plans to set aside at least three percent of yearly net profits for monetary contributions to local charitable and community organizations. While the Harvest Community Outreach Committee will work to appropriately distribute the set aside funds to its partnering organizations, Harvest would like to commit to giving your organization \$10,000 per year, once our application is approved. Further, we would like to commit to donating our time and other resources to your organization in any way we can, according to your needs.

Thank you for joining us in our quest to continue to support the charitable organizations that allow our communities to thrive. We very much look forward to working with United Way for the foreseeable future.

Sincerely,

Steve White, CEO/Owner  
Harvest of Merced



# Harvest Merced- Partnerships



827 S. 48TH STREET, SUITE 100 | TEMPE, ARIZONA 85281

Harvest of Merced  
863 W. 15th Street  
Merced, CA 95340

March 22, 2018

Mike Pierick  
Boys & Girls Club of Merced County  
615 W. 15th Street  
Merced, CA 95340

Dear Mike Pierick,

I am writing today on behalf of Harvest of Merced ("Harvest") regarding our commitment to provide a charitable contribution to Boys & Girls Club of Merced County. Thank you so much for taking the time to meet with our organization to discuss how we can work together to benefit our community. Harvest has a long history of supporting the communities in which we operate, and we are excited to continue that in partnering with Boys & Girls Club. Since 2013, we have donated over \$400,000 to local charitable organizations in the cities where we own and operate businesses. To continue our charitable endeavors in Merced, the Harvest Community Outreach Committee will work with Boys & Girls Club on an ongoing basis to provide monetary contributions and to commit valuable time and resources to the organization.

Boys & Girls Club of Merced County focuses on assisting under-served individuals in the community by providing resources to fight poverty. We know that the amazing work your organization accomplishes is due, in part, to the donations made by members of the Merced community.

If we are granted a permit and given the opportunity to operate our business in Merced, Harvest plans to set aside at least three percent of yearly net profits for monetary contributions to local charitable and community organizations. While the Harvest Community Outreach Committee will work to appropriately distribute the set aside funds to its partnering organizations, no partnering organization, including Boys & Girls Club, will receive less than \$2,500 per year, once our application is approved. Further, we would like to commit to donating our time and other resources to your organization in any way we can, according to your specifications.

Thank you for joining us in our quest to continue to support the charitable organizations that allow our communities to thrive. We very much look forward to working with Boys & Girls Club for the foreseeable future.

Sincerely,

Steve White, CEO  
Harvest of Merced



827 S. 48TH STREET, SUITE 100 | TEMPE, ARIZONA 85281

Harvest of Merced  
863 W. 15th Street  
Merced, CA 95340

March 22, 2018

Bill Gibbs, Executive Director  
Merced County Food Bank  
2000 W. Olive Avenue  
Merced, CA 95348

Dear Bill Gibbs,

I am writing today on behalf of Harvest of Merced ("Harvest") regarding our commitment to provide a charitable contribution to Merced County Food Bank. Thank you so much for taking the time to meet with our organization to discuss how we can work together to benefit our community. Harvest has a long history of supporting the communities in which we operate, and we are excited to continue that in partnering with Merced County Food Bank. Since 2013, we have donated over \$400,000 to local charitable organizations in the cities where we own and operate businesses. To continue our charitable endeavors in Merced, the Harvest Community Outreach Committee will work with Merced County Food Bank on an ongoing basis to provide monetary contributions and to commit valuable time and resources to the organization.

Merced County Food Bank focuses on assisting under-served individuals in the community by providing resources to fight poverty. We know that the amazing work your organization accomplishes is due, in part, to the donations made by members of the Merced community.

If we are granted a permit and given the opportunity to operate our business in Merced, Harvest plans to set aside at least three percent of yearly net profits for monetary contributions to local charitable and community organizations. While the Harvest Community Outreach Committee will work to appropriately distribute the set aside funds to its partnering organizations, Harvest would like to commit to giving your organization \$10,000 per year, once our application is approved. Further, we would like to commit to donating our time and other resources to your organization in any way we can, according to your needs.

Thank you for joining us in our quest to continue to support the charitable organizations that allow our communities to thrive. We very much look forward to working with Merced County Food Bank for the foreseeable future.

Sincerely,

Steve White, CEO  
Harvest of Merced



# Harvest Merced - Outreach



627 S. 48TH STREET, SUITE 100 | TEMPE, ARIZONA 85281

March 22, 2018

Steve White, CEO  
Harvest of Merced  
863 W. 15th Street  
Merced, CA 95340

Dear Neighboring Business,

My name is Steve White and I am the CEO of Harvest of Merced. I am pleased to inform you that our company is applying for a new medical and adult-use cannabis retail storefront permit proposed to be located at 863 W 15th Street, Merced, CA 95340. Our store will also accept orders for delivery through an online platform and over the phone to best serve the City of Merced's cannabis patients and customers. We want our retail store to serve as a model operation for the regulated commercial cannabis industry, both in our internal efforts regarding safety and compliance and our external efforts with community outreach and participation. Our company highly values its patients, customers, and neighbors and our reputation among these parties. As such, we have appointed one of Merced's own residents and part owner of Harvest of Merced, Edgar Contreras, to serve as our Neighborhood Liaison if our application is approved.

Harvest is committed to maintaining positive relationships with all local businesses and community members, especially those immediately nearby our facility. Once we receive a permit, we will schedule a community and neighbor meeting to discuss our operation and listen to and address any concerns you or other community neighbors may have. We intend to be as available and transparent as possible with our neighbors and community regarding our operation. Harvest is committed to ensuring our company makes a positive impact on our surrounding community.

We are excited to be in the City of Merced and look forward to becoming a responsible and respected part of the community. Please do not hesitate to contact us with any questions or concerns.

Thank you,

Steve White, CEO  
Harvest of Merced, LLC





# Harvest in the Community

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- **Harvesting Hope is a non-profit organization created to help young children who suffer from pediatric epilepsy.**
- **This mission is supported through financial assistance, specialized medical cannabis, patient care and support services.**
- **This is about quality of life for affected children and their families.**



# Harvest in the Community

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- Harvest supports the community with well-compensated jobs.
- We hire, train, and retain from your community to build a great team.
- Harvest seeks compassionate team members who believe in “showing up.”
- Ancillary jobs are always local.

# HARVEST

## Questions?





# Untitled Map

Write a description for your map.

## Legend

NORTH  
1932343.004  
EAST  
6564790.123

DISTANCE = 1163.83' FROM THE CLOSEST PROPERTY  
CORNERS BETWEEN 808 W. 16th & 732 W. 13th  
MERCED, CA.  
COORDINATES ARE BASED UPON CALIFORNIA ZONE  
COORDINATES, USING "TOPCON GPS HIPER V"  
MICHAEL FARLEY  
LAND SURVEYOR # 6939  
FEB. 8, 2018  
209-649-9905  
MFSURVEYOR@AOL.COM

RECEIVED AT Planning  
Commission MEETING  
OF 9/19/18 (DATE)  
Ref: 008P #18-142

NORTH  
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EAST  
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Google Earth

© 2018 Google



863 West 15th Street

Doras Fashion  
Bounce House

W 15th St

W 15th St

W 15th St

W 15th St

Boys & Girls  
Club of Merced

PG&E Merced  
Service Center

W 15th St

W 14th St

W 14th St

Polaris Tint & Wraps

E & J Auto Repair

W 14th St

W 13th St

Wolfe Education Center

W 13th St

W 15th St

1st St

Ernie's  
ssion Shop

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Greyhound: Bus Station

Merced Senior  
Community Center

The Branding Iron

W 16th St

W 16th St

Fiesta Mexicana

16th Street

W 16th

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Canal St

W 15th St

W 15th St

Merced Recycl

Canal St

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Merced Tattoo  
and Piercing

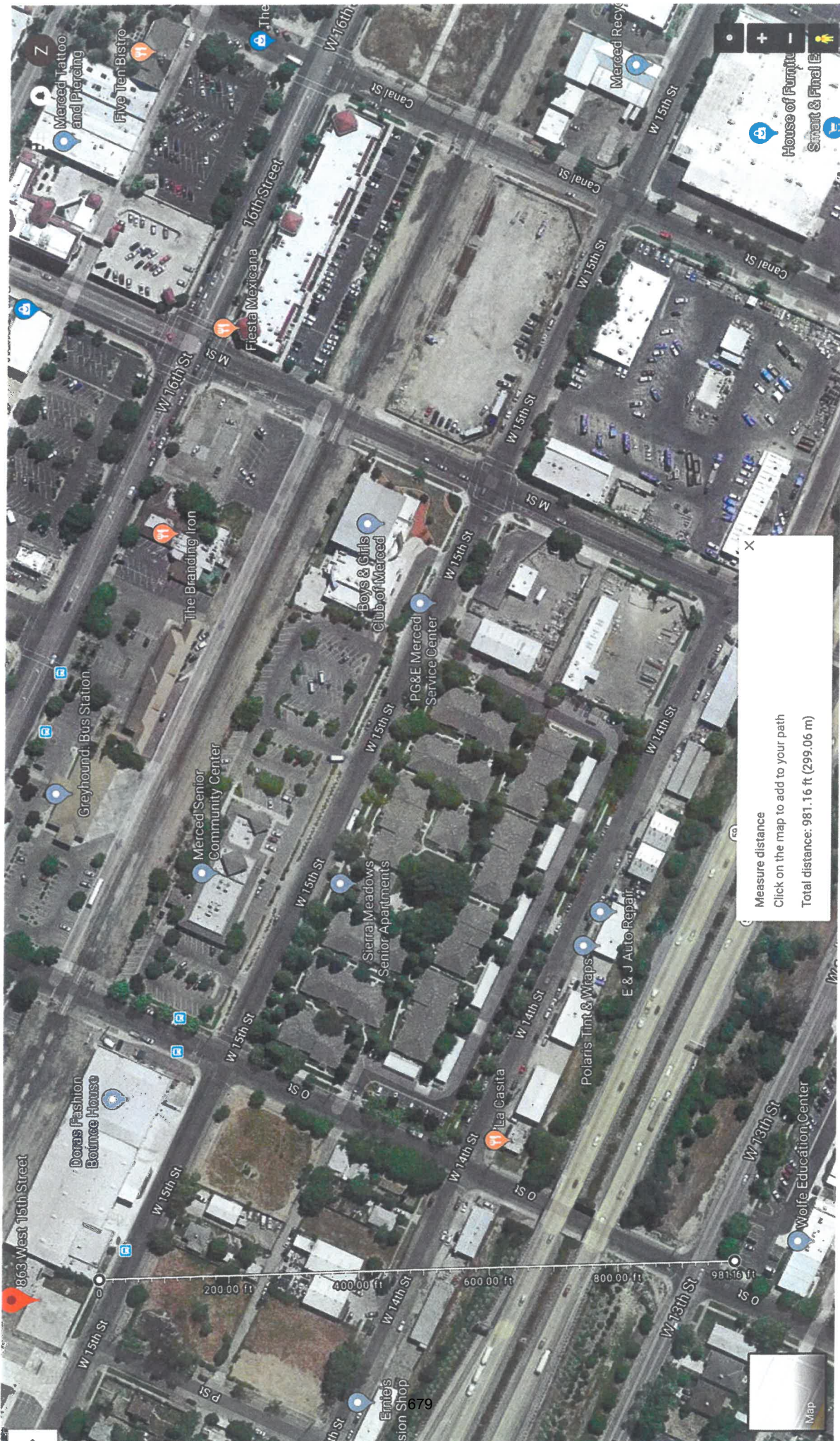
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Measure distance  
Click on the map to add to your path

Total distance: 981.16 ft (299.06 m)



Measure distance  
Click on the map to add to your path  
Total distance: 981.16 ft (299.06 m)



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CITY OF MERCED PLANNING COMMISSION

SEPTEMBER 18 AND 19, 2018

Audiotape/Videotape transcribed by:

JULIE RISHWAIN PALERMO

PALERMO REPORTING SERVICES

1301 G Street, Suite A

Modesto, CA 95354



1       **DAY 1 SEPTEMBER 18, 2018**

2  
3               VICE-CHAIRPERSON CAMPER: Good evening. I will  
4 call the order of this meeting of the Planning Commission  
5 for Wednesday, September 18th, 2018. I now ask for a  
6 moment of silence.

7               Commissioner Padilla, will you please lead us in  
8 the pledge of the allegiance.

9               (Pledge)

10              VICE-CHAIRPERSON CAMPER: Okay. Stephanie, roll  
11 call.

12              RECORDING SECRETARY DAVIS: Commissioner Padilla.

13              COMMISSIONER PADILLA: Here.

14              RECORDING SECRETARY DAVIS: Drexel.

15              COMMISSIONER DREXEL: Here.

16              RECORDING SECRETARY DAVIS: Harris?

17              COMMISSIONER HARRIS: Here.

18              RECORDING SECRETARY DAVIS: Rashe? Absent.

19 Rashe, absent excused. Martinez?

20              COMMISSIONER MARTINEZ: Here.

21              RECORDING SECRETARY DAVIS: Chairperson Dylina,  
22 absent excused. Vice-Chairperson Camper.

23              VICE-CHAIRPERSON CAMPER: Here.

24              RECORDING SECRETARY DAVIS: Approve of the  
25 agenda.

26              COMMISSIONER PADILLA: So moved.

27              COMMISSIONER HARRIS: Second.

28              VICE-CHAIRPERSON CAMPER: Okay. I'll call for an



1 oral vote. All in favor?  
2 (Aye.)  
3 VICE-CHAIRPERSON CAMPER: Any opposed? Okay.  
4 Hearing none, the agenda is approved. Okay. Approval of  
5 the minutes of September 5th, 2018.  
6 COMMISSIONER PADILLA: So moved.  
7 COMMISSIONER HARRIS: Second.  
8 VICE-CHAIRPERSON CAMPER: Okay. I'll call for an  
9 oral vote. All in favor?  
10 (Aye.)  
11 VICE-CHAIRPERSON CAMPER: Opposed? Okay.  
12 Hearing none, the minutes are approved. Okay. Item 3,  
13 communications. At this time any member of the audience  
14 may comment on any matter which is not listed on the  
15 agenda. Please submit a request to speak form prior to  
16 the announcement of the item.  
17 Stephanie, do we have any?  
18 RECORDING SECRETARY DAVIS: No, I don't have any.  
19 VICE-CHAIRPERSON CAMPER: Okay. All right. The  
20 next item is Item 4.1, which is an overview of other  
21 Commercial Cannabis Business Permit retail sales  
22 applications.  
23 PLANNING MANAGER ESPINOSA: Good evening,  
24 Chairman, members of the Commission. Tonight we're going  
25 to give you a brief overview of the Commercial Cannabis  
26 Business Permit's applications that we received for  
27 dispensaries and retail sales, and after the overview I'm  
28 going to tell you what's going to happen at tonight's

1 meeting, how we're going to run the meeting.

2 So here's a map that shows the 22 complete  
3 dispensary applications that we received. We actually  
4 received 24. There was one that didn't pass phase 1 and  
5 another one that was disqualified. These are the 22 that  
6 were deemed to be complete and were ranked through the  
7 merit-based process. The top four, and those are the four  
8 that we're going to have public hearings on the agenda  
9 tonight, were Blue Fire on Olive Avenue, the Green Door on  
10 West Main Street, Manzanita on West 18th Street, and  
11 Harvest of Merced on West 15th Street. And there you can  
12 see the total scores and the average scores and the  
13 ranking. And here is just a map that just shows those  
14 four -- top four dispensary, again, the ones that we'll be  
15 looking at on public hearings this evening.

16 As far as the rest of the applications, I'm not  
17 going to go into them in detail, but you can see they're  
18 ranked from -- well, from No. 1 all the way down to I  
19 believe it's 22 because there's a tie. So here's the --  
20 sorry. There was 5 through 10, and then we had 12 through  
21 17, and then we had 18 through 21. There was a tie at  
22 both 10th place and the 21st place.

23 Are there any questions from the Commission about  
24 any of those items? Okay. We'll get to that in a minute.  
25 Okay.

26 So just so we know where we're going the rest of  
27 the evening, I'm going to go over what the format is going  
28 to be tonight, and we will -- I believe that Stephanie

1 does have a few requests to speak for this item. So after  
2 I go over the overview, we will have a chance for public  
3 comment on this item. Again, because there are -- there  
4 is a limit of four Commercial Cannabis Business Permits  
5 that can be given out in the city. We're going to be  
6 conducting the public hearings tonight a little bit  
7 differently than we usually do. So agenda Items 4.2  
8 through 4.5, we're going to have -- the individual public  
9 hearings are going to be conducted as follows for each of  
10 the items. There will be a staff presentation. The  
11 Planning Commission will have a chance to ask any  
12 questions of staff on that item and then the public  
13 hearing will be opened.

14           The public hearing format is that the applicant  
15 will be invited to speak, and the applicant gets 15  
16 minutes total allowed, including rebuttal time. If  
17 there's a designated leader of the opposition, that leader  
18 will be invited to speak, and they also get 15 minutes  
19 total. The other speakers will be invited to speak in the  
20 order in which they submitted their request to speak forms  
21 to the clerk. And for those members of the audience, the  
22 request to speak forms are here at the back with the green  
23 forms. And so you're going to want to turn those in at  
24 the file that's up above or you can give it to one of our  
25 staff members. Julie is over here. Or you can bring it  
26 directly up to the clerk. But if you would turn those in,  
27 that would be -- that's the way we run the meeting and  
28 know who wants to speak.

1           If there are three speakers or less, each speaker  
2   is limited to five minutes each. If there's over three  
3   speakers, then each speaker is limited to three minutes  
4   each. And then we'll close the public hearing.

5           Now under normal circumstances after the public  
6   hearing is closed, the Planning Commission would talk  
7   about the item and would ultimately take action. In this  
8   case they won't be doing that tonight. The Planning  
9   Commission will not deliberate or take any action on these  
10   four agenda items until after they've heard all the public  
11   hearings. So after agenda Item 4.2's public hearing is  
12   closed, we'll move on to agenda Item 4.3, then 4.4, then  
13   4.5.

14           At the end of the public hearings tonight, the  
15   meeting will be adjourned to tomorrow tonight at 7:00  
16   o'clock. Tomorrow night the Planning Commission will have  
17   their deliberations and take action on each of the  
18   individual cannabis permits in the same order that they  
19   were presented tonight. If for some reason we don't get  
20   through all the public hearings tonight, we'll have those  
21   public hearings at the beginning of tomorrow's meeting  
22   instead.

23           Are there any questions about how the meeting is  
24   going to work? Now we can have the public comment on this  
25   item if there is any.

26           VICE-CHAIRPERSON CAMPER: I'm sorry. You didn't  
27   put a name on the card. Who's the gentleman? Okay.  
28   Please state your name and your place of residence when



1       you get to the podium.

2               ZACH DRIVON: Good evening, Madam Chair, members  
3 of the Commission. Thank you for the opportunity to be  
4 heard. My name is Zach Drivon. I'm an attorney  
5 practicing out of Stockton, California, and my practice  
6 focuses exclusively on commercial cannabis licensing,  
7 advocacy, and compliance. And tonight before you on  
8 behalf of Medallion Wellness, the 5th ranked applicant in  
9 Merced's commercial cannabis business licensing process.  
10 I wanted to provide you with some comments and some  
11 information as to how circumstances have changed since the  
12 submittal of our application, and as to some of the  
13 specifics as far as components of our operation that were  
14 proposed that I think you should take into consideration  
15 in evaluating the merits not only of the applicants before  
16 you this evening but the quality of their proposals and  
17 their projects themselves.

18               First, as I mentioned, we were ranked fifth out  
19 of all 22 of the applicants. As it relates to  
20 discretionary scoring with respect to security and the 20  
21 discretionary points that the evaluation committee had  
22 available to them to award at their discretion, had we  
23 been awarded full discretionary points, we would have tied  
24 for the fourth ranking. As to security, one of the  
25 scorers gave us 5 out of 5. Two of the scorers gave us 4  
26 out of 5. I did want to mention some of the specific  
27 components of our security. Not only did we propose a  
28 secure value transfer area where distributions of product

1 into the facility and transfers of currency out of the  
2 facility would be able to take place behind an enclosure  
3 coordinated by security managers and security staff, we  
4 also proposed two on site security guards, a 24 hour a day  
5 security manager as well as a cinder block reinforced safe  
6 room, 360 degrees surveillance camera coverage, panic  
7 buttons available to our staff, as well as several other  
8 features that I believe should have -- we should have had  
9 the benefit of the 5 out of 5 discretionary points as it  
10 relates to security. I don't imagine there was another  
11 proposal for a business with public access that had  
12 greater security features than we did.

13 As to those 20 points that could have been  
14 awarded by each of the scorers purely on their own  
15 discretion, one of the scorers awarded us 20 out of 20  
16 points, the other awarded us 10 out of 20, and the third  
17 awarded us 16 out of 20.

18 I wanted to share a little bit about the  
19 principal, Mr. Michael O'Leary's experience in this  
20 industry, as well as how circumstances have changed since  
21 the submittal of our application with his existing state  
22 licensed operations in Stanislaus County. At the time of  
23 this application, we had temporary licenses with the State  
24 of California pending for distribution and retail with  
25 delivery out of our existing operation in Stanislaus  
26 County. Since that time we have been awarded not only  
27 those state temporary licenses for retail and  
28 distribution, but we've been ranked second out of all

1 applicants in Stanislaus County as far as retail proposals  
2 are concerned. Furthermore, we have been moved forward in  
3 the land use entitlement process for a type three  
4 greenhouse cultivation facility that will be breaking  
5 ground in Stanislaus County in the months to come.

6 As far as our proposed location here in the City  
7 of Merced, we proposed our operation at 808 West 16th  
8 Street. That's within two miles of California Highway 99.  
9 We have public transportation within 300 feet of this  
10 facility. There are several thousand vehicles, if not  
11 tens of thousands of vehicles that pass that location  
12 every day in the City of Merced, and I can't imagine a  
13 more ideal location for a retail facility here in the  
14 city.

15 Furthermore, since that time, we've reached an  
16 agreement in principle with the largest cannabis  
17 cultivator in the State of California, Emerald Family  
18 Farms. We have at our disposal two and a half acres of  
19 canopy space in Humboldt County that should be licensed by  
20 the CDFA as early as Friday. We are operational. We are  
21 in the market. Mr. O'Leary boasts over 20 years of  
22 experience in the cannabis industry in every aspect  
23 including cultivation, retail, manufacturing, and  
24 distribution. And again, we are in the market currently  
25 with state licenses for retail and distribution.

26 As far as our neighborhood compatibility plan  
27 that we proposed in the City of Merced, we proposed to  
28 have track and trace clinics, not only for our employees

1 but for members of the community to understand how we were  
2 going to ensure that product would not be diverted outside  
3 of the regulated chain of distribution. We proposed  
4 neighborhood watch meetings as well as our community  
5 benefits program where we pledged a thousand dollars per  
6 month every month once we were cash flow positive and  
7 incentivized our staff to go out and volunteer in the  
8 community, providing a pool of 20 hours per month to allow  
9 them to be compensated for volunteering in the City of  
10 Merced.

11 So thank you for your consideration. Very much  
12 appreciate it. Thank you.

13 VICE-CHAIRPERSON CAMPER: Any more?

14 RECORDING SECRETARY DAVIS: No. That was the  
15 only one.

16 VICE-CHAIRPERSON CAMPER: Okay. Thank you. All  
17 right then. Moving on to Item 4.2, Commercial Cannabis  
18 Business Permit #18-06R. Stephanie. Sorry. Go ahead.

19 RECORDING SECRETARY DAVIS: Initiated by Blue  
20 Fire, Inc. on a property owned by REM Land Group, LLC.  
21 This application is a request to permit the operation of a  
22 retail dispensary for medicinal and adult-use cannabis and  
23 cannabis-related products including delivery services at  
24 1975 West Olive Avenue, a parcel of 2.08 acres within  
25 planned development No. 12 with a general plan designation  
26 of industrial. This is a public hearing.

27 MICHAEL HREN: Thank you, Stephanie. Good  
28 evening, Madam Chairman, members of the Commission,



1 members of the public. As Stephanie said, this is a  
2 public hearing for the Commercial Cannabis Business Permit  
3 #18-06R Blue Fire. This was ranked No. 1 with an average  
4 score of 98.3 repeating in our merit-based scoring  
5 criteria. The site is at 1975 West Olive. Here is the  
6 context map. It may be familiar as it was related to a  
7 previous application for a nondispensary Commercial  
8 Cannabis Business Permit recently. Here is the zoning  
9 context for that. It is in an appropriately zoned planned  
10 development with an underlying general plan designation  
11 that is appropriate for the site, for the siting of  
12 cannabis businesses. The aerial photo shows the current  
13 existing location of the site. It is adjacent to a pair  
14 of warehouses that were also recently subject for a  
15 Commercial Cannabis Business Permit. I will discuss that  
16 slightly more later in the presentation.

17 In the sensitive use context, the site is outside  
18 the 600-foot radius of all sensitive uses and the  
19 1,000-foot radius of all schools. There's no concerns  
20 with those radii according to the map tool that we have  
21 used for this purpose. Here is an image of the site plan  
22 proposed for this project. It is a 5,722 square foot  
23 building. They are proposing 36 parking spaces with two  
24 listed as ADA compliant, which exceeds the city's parking  
25 requirements for this site. They have met with staff  
26 regarding some concerns and questions that staff had  
27 related to the trash enclosure and provided an updated  
28 site plan in order to meet the city engineer's and the

1 public works department's needs related to that. So that  
2 refuse enclosure is now in a location that is acceptable  
3 to city departments, and the applicant has been very  
4 cooperative with the changes that were requested at those  
5 meetings.

6 Here's a zoom-in of the floor plan. The green  
7 arrow show the sort of proposed flow of customers through  
8 the business. There's a lobby in the front, 322 square  
9 foot, that will serve as the sort of gateway to the  
10 business, ensuring the flow of customers is appropriate.  
11 And then they will proceed from there with the appropriate  
12 security checks and measures into the sales area following  
13 that green arrow pattern along the display cases, which  
14 here are outlined in blue. There are a number of other  
15 nonaccessible to the public areas related to storage and  
16 management of the facility as well in the other portions  
17 of the facility.

18 Here are a number of pictures of the existing  
19 elevations of the building. As you can see from the  
20 elevations, and I'm just going to sort of cycle through  
21 them, there are a number of boarded up windows and doors  
22 and other blighted conditions to this property, paint and  
23 other falling apart, dilapidated features of it. This  
24 project proposes to greatly improve all the facades,  
25 greatly improve the appearance of the facility, and make  
26 this a much more attractive and less prone to nuisance  
27 attraction than it currently is.

28 The parking lot is in reasonable to decent shape,

1 but there is a condition in the staff report that requires  
2 that the parking lot be made up to the city's current  
3 standards related to condition and striping of the parking  
4 lot as well.

5 Here is just the elevation map itself.

6 As I mentioned before, 1975 West Olive does have  
7 an approved Commercial Cannabis Business Permit for  
8 operation of a distribution facility for cannabis and  
9 cannabis-related business and the approved CCBP for a  
10 cultivation and distribution facility at 1985 West Olive  
11 Avenue proposes to provide products through cultivation to  
12 the facility at 1975 West Olive in the event of the  
13 approval for the dispensary CCBP. That was something that  
14 was in those plans as a vertically integrated business for  
15 Blue Fire and Fuego Azul in order to provide that product  
16 to this dispensary as well. It was something that went  
17 into the previous CCBP application consideration.

18 The security plan is robust. I won't go into  
19 every last detail, but they have three distinct HD  
20 security camera systems, a minimum of two licensed  
21 uniformed armed guards outside during business hours, a  
22 number of fireproof safes, both for cannabis and cash  
23 storage, commercial alarm system, steel mesh windows,  
24 security and graffiti film, a vault room that is built in,  
25 high intensity perimeter lighting, safety protocols, pass  
26 code door locks, fire rated drywall and steel reinforced  
27 studs. The security plan is very detailed. I've broken  
28 it down as quickly as I could in a small form. But there

1 were no concerns related to the securities.

2 Here's a number of visuals of the types of  
3 products that will be being used including the lighting,  
4 bollards in the parking lot and behind roll-up doors, the  
5 high intensity lighting being shown at night, showing the  
6 visibility that those provide, some custom steel security  
7 mesh on the doors and windows as well as reinforced  
8 product storage rooms, pass code door locks, dual camera  
9 systems with the security monitors shown here, a steel  
10 locking storage rack for video footage, a camera with  
11 sirens and two-way audio so that the 24 hour security team  
12 that is operating it can speak warnings or speak to the  
13 people that would trigger these cameras for the -- or the  
14 alarms to go off so that you can communicate to those  
15 persons to warn them to vacate the premises as well as the  
16 FireKing safes for the product storage.

17 This application notes it has the following  
18 relevant experience and qualifications for its owners.  
19 Mr. Sarkis, Mr. Stetler, and Mr. Bridwell are the owners  
20 of -- forgive me if I butcher it -- but Pacafi  
21 Cooperative, which is doing business as Patient Care First  
22 in Ceres and Flavors in Riverbank. They have a combined  
23 experience of three years and nine months in operating  
24 their two dispensaries since opening in late December of  
25 2016. Mr. Bridwell is also a military veteran with an  
26 honorable discharge and Ms. Maciel is a full-time resident  
27 of the City of Merced and has over 20 years of experience  
28 with Merced's retail community through her jewelry store



1 that is inside of Merced mall, which was established as  
2 Silver Mine.

3 The community benefits that will be provided  
4 according to this application, they are currently  
5 employing five Merced residents with expansion to at least  
6 25 upon permit approval. Reduction black market of  
7 cannabis and cannabis-related products through a unique  
8 low price model that causes direct competition for street  
9 dealers. The use of something they call Project Fish  
10 Bowl, which urges their own patrons to donate to local  
11 youth charities. This program collected over \$15,000  
12 during its first 60 days of implementation in Stanislaus  
13 County, and the applicant has a goal to raise more money  
14 for local charities in 2018 than any other business in the  
15 city. Community outreach software for direct and always  
16 on communication and feedback with the community as well  
17 as the improvement of a significantly blighted property on  
18 Olive Avenue including security and lighting investments  
19 that will provide visibility and protection for the  
20 neighborhoods surrounding the business.

21 There are a number of recommended conditions that  
22 staff is recommending with the approval of this project if  
23 the Commission chooses to do so including that all  
24 conditions of the Merced Municipal Code Ordinance 2480  
25 shall apply and that particular attention be paid to the  
26 additional regulations for dispensary and retail sales,  
27 that the applicant shall meet the standards of the City of  
28 Merced's commercial building permit application submittal

1 requirements, which is our tenant improvement package that  
2 was worked up by our building department, meeting the full  
3 and public improvements that shall be installed and  
4 repaired if the permit value of the project exceeds a  
5 hundred thousand dollars. The parking lot being repaved  
6 and restriped in accordance to the City of Merced, the  
7 city standards, the final design of exterior elevations  
8 and any signage to be approved by planning staff prior to  
9 issuance of a certificate of occupancy as well as the  
10 standard condition for these cannabis permits that future  
11 modifications to the scale scope activities, et cetera.  
12 Other factors pertaining to the operation of the project  
13 that are consistent can be approved with the discretion of  
14 the city's chief building official, fire chief, and  
15 director of development services, preventing the need for  
16 any change in business activities to come back to the  
17 Planning Commission for a public hearing if it is a simple  
18 change. Obviously something major, major changes, could  
19 trigger the need for a public hearing if that should be  
20 the case.

21 After this public hearing and on the next -- the  
22 next day, the Planning Commission may approve, disapprove,  
23 or modify subject to the conditions in the staff report,  
24 environmental review #18-19 and Commercial Cannabis  
25 Business Permit #18-06R. And I am happy to answer any  
26 burning questions that the commissioners may have.

27 VICE-CHAIRPERSON CAMPER: Okay. Any questions?  
28 None apparently. All right. So let's see. Okay. So

1 this is a public hearing. At this time I will open the  
2 hearing for public comment, and I invite the applicant to  
3 speak.

4           DEVIN STETLER: Good evening, Commissioners.  
5 Thank you, guys, so much for all your hard work on this  
6 ordinance and this project. I know it's been a couple  
7 years. I'm really grateful to be part of this process. I  
8 appreciate your work. Thank you for consideration for  
9 Blue Fire retail dispensary here. I'm Devin Stetler, by  
10 the way. I'm the applicant on the business. Also  
11 co-owner and community liaison of our two currently  
12 existing facilities in Ceres and Riverbank. Oh, it's  
13 already on there. This is an overview of the campus as  
14 actually Michael Hren did an amazing job, did half my work  
15 for me. So I'm going to blast through a lot of these  
16 slides because we've already seen them. But some of you  
17 are familiar with the campus, the two cultivations on the  
18 left, the retail dispensary facing West Olive in the  
19 front.

20           We're especially excited about this project. As  
21 you saw in the pictures, this is a place that really needs  
22 some positive attention. So that makes it really extra  
23 exciting that we're going to hopefully be able to make  
24 that happen here. Under -- I'm going to move through  
25 these quickly. We've kind of seen them. This is  
26 currently what the site looks like today. We've worked  
27 with a highly regarded design firm to actually take this  
28 building down to four walls and do a complete redesign on

1 it. We're pretty excited about how it's going to look.  
2 This next slide shows an artist's rendering of the new  
3 design on that face of the building there. Well, on the  
4 entire building. I'm going to have Natasha speak for a  
5 few slides. She's our director of operations and she'll  
6 fill you in on some of the retail operations.

7 NATASHA PARRA: Hello. Thank you. My name is  
8 Natasha. I'm the director of operations. Thank you,  
9 Commission, for your consideration. To start here. We're  
10 looking at a before of the Flavors dispensary in  
11 Riverbank. Here is an after. As you can see, we've  
12 re-slurried the parking lot. There's new paint has been  
13 applied, and it's got a new more modern look. There is no  
14 signage out front to be community sensitive to -- it's  
15 very important to me, I'm a mother of two children, and  
16 not having a signage outside or any cannabis from the  
17 outside is important. Here is what you would see when you  
18 walk in after being greeted by our exterior security  
19 guard. There's still no mention of cannabis at this  
20 point. The two receptionists there on the back wall are  
21 two to three receptionists who would be able to check in  
22 existing patients. The kiosk over here on the side wall,  
23 those are for new patients that are able to use the kiosk  
24 to quickly check in for their first visit.

25 Once being validated, their ID is validated, they  
26 are buzzed in remotely through the door over on the right  
27 wall. And this is what you would see when you walk in.  
28 As you can see, we design all of our locations to be



1 spacious and well lit. Here is an example of our product  
2 wall and the edibles. Here is the flower section. As you  
3 can see, there is -- over the product storage behind you  
4 is where we also are (unintelligible) at night. Devin is  
5 going to go over some of the security measures that we're  
6 very proud of also.

7 DEVIN STETLER: Thanks, Natasha.

8 That's a photo, by the way, of those FireKing  
9 safes mentioned in the security plan, nonfile cabinets.  
10 We've also seen this. Thank you, Michael. Gone through  
11 -- it was just kind of showing the natural flow of the  
12 walking path. You can see all the products. It also  
13 improves efficiency on moving customers in and out. This  
14 is more my wheelhouse. I'm an electrical engineer from  
15 Cal Poly with 15 years experience doing really awesome  
16 tech stuff, so I real geeked out on this. We've had three  
17 distinct camera systems as mentioned. The top one there  
18 on the left is our 32 on the interior floor, there's 22 on  
19 the outside to the right of that, including license plate  
20 capture. That's the -- it exceeds state requirements, a  
21 locking steel cabinet there. It stores over 90 days of  
22 storage, which is a state requirement. The camera on the  
23 lower left, we always buy the latest and greatest  
24 technology with each store we open. Those are four  
25 megapixel light P cameras. The one in the middle is night  
26 protection. That's who we 24/7 licensed to watch the  
27 premises through these cameras. You can speak and listen,  
28 set off a siren locally to scare someone off. In the

1 bottom right corner is a panic button. We place 6 to 10  
2 of those around strategic locations on the retail floor  
3 and reception and secure areas.

4 All of this is accessible by police over the  
5 Internet. We've got interior and exterior security. The  
6 exterior security is contracted through a third party  
7 called Stone Protection. The interior is our staff.  
8 That's Uri right there.

9 It's a little hard to see this, but basically  
10 that street in the middle is an intersection of Patterson  
11 Road and Oakdale and Riverbank. We're situated on the  
12 upper right corner near where that star is. It's actually  
13 off a little. It's next to Auto Zone there. There's two  
14 major grocery stores across the street, two gas stations,  
15 a dozen eateries, just showing we're situated there in a  
16 high retail area. We've evolved to these kinds of  
17 locations. We started in light industrial. There was  
18 never enough building space, never enough parking. People  
19 don't think about going to light industrial for shopping  
20 experiences. So to be in this retail corridor is really  
21 key. It also has abundant parking, which we look for in  
22 all of our locations.

23 This is really what we're excited about again, is  
24 all the building improvements we're going to do here,  
25 which we know directly will alleviate a lot of the  
26 loitering and vandalism and things that are happening  
27 there. Completely new roofs, new paint, aesthetic  
28 improvements and landscaping, discrete -- again, there's

1 no signage. You would not know it's a cannabis dispensary  
2 driving by. Re-slurry the parking lots with new striping  
3 and secure fencing around the entire campus.

4 We plan to start with 15 full-time jobs. I  
5 expect that to double by the end of the first year. We  
6 have full-time security personnel, dual interview, two  
7 store managers interview all applicants. If we do feel  
8 they're a good fit, everyone is subject to a background  
9 check and live scan.

10 I've also collected some letters. There's been  
11 some really touching stories. This one most recent. Our  
12 neighbor from Auto Zone who was pretty vocal about how  
13 much he hated us being there when we first moved in. And  
14 over time, I've worked with them and alleviated some  
15 concerns they've had, and really grown to have a great  
16 relationship with him. And just the other day when I  
17 asked for this letter, he told me about some -- his wife's  
18 back, and I was able to give him some medicine and try it  
19 and she slept through the night for the first time. So  
20 this letter actually led to a really cool story like that.  
21 And that's happening kind of around with all our  
22 neighbors. Cruisers is right next door. He's seen the  
23 sales increase. Loves the improvement to -- the  
24 aesthetics of the building right next door. Rene Atwood  
25 reports improvements to the neighborhood and dramatic  
26 decrease in criminal activities since our Ceres affiliate  
27 opened and brought a renovated design building, bright  
28 lighting, and 24/7 security to the neighborhood.

1           Toby Wells, he's a Ceres city manager, states how  
2 we've exceeded all their expectations and are clearly  
3 leaders in the industry. And last but not least, Chris  
4 Vierra, the mayor in Ceres, appreciates our leadership in  
5 all areas, sales, structure, management, security,  
6 technology, and being good partners to the City of Ceres.  
7 We're extremely proud to be chosen as the number one  
8 ranked candidate for a dispensary here. I view this as an  
9 opportunity to really prove ourselves over the coming  
10 years and create something that the city and community can  
11 be proud of here. We're ready to expand our proven  
12 business model to Merced, and continue to earn this rank.  
13 So thank you for listening, and I'll let you guys take it  
14 from here. Thank you.

15           VICE-CHAIRPERSON CAMPER: Okay. Thanks.

16           Does the Commission have any questions for the  
17 applicant?

18           Jeremy, go ahead.

19           COMMISSIONER MARTINEZ: Just a quick question.  
20 That term low price model, I'm just kind of interested on  
21 what that encompasses, because I know you guys were bound  
22 to quite a bit of taxation and such. So I'm just curious  
23 how you balance that.

24           DEVIN STETLER: Sure. I'm not -- balance what  
25 exactly? Can you just clarify your question?

26           COMMISSIONER MARTINEZ: To make it profitable,  
27 because you're telling me --

28           DEVIN STETLER: Oh, sure.



1 COMMISSIONER MARTINEZ: -- essentially kind of  
2 undercut the black market and kind of help it go away.  
3 DEVIN STETLER: Sure.  
4 COMMISSIONER MARTINEZ: What's like the strategy  
5 there?  
6 DEVIN STETLER: Well, we stock a lot of  
7 inventory. There's over three million dollars of  
8 inventory on our shelves right now. We invest in a lot of  
9 product and that means we turn over a lot of product. And  
10 that means we buy in volume. So Costco model allows us to  
11 lower our prices.  
12 VICE-CHAIRPERSON CAMPER: Okay. Commissioner  
13 Harris.  
14 COMMISSIONER HARRIS: How many -- how many skews  
15 do you have?  
16 DEVIN STETLER: Oh, gees. Do you know, Natasha?  
17 NATASHA PARRA: Over a thousand.  
18 DEVIN STETLER: Well over a thousand at each  
19 store.  
20 COMMISSIONER HARRIS: And what's your -- what's  
21 your estimated time frame?  
22 DEVIN STETLER: To open?  
23 COMMISSIONER HARRIS: Uh-huh.  
24 DEVIN STETLER: Well, we're at this point going  
25 through the last motions. I believe we've paid our fees  
26 and we're ready to go. So as soon as we have approval  
27 we're, you know, 90 days out or as quick as. I'm looking  
28 at our landlord.

1 COMMISSIONER HARRIS: That's taking into  
2 consideration all the renovations you're doing,  
3 improvements?

4 DEVIN STETLER: That may be a question better for  
5 our building team, which I think Ron can speak to. But is  
6 it --

7 RON ROBERTS: Sure. That's a great question. A  
8 lot of that will depend on the city and the approval  
9 process of the permits. The actual work in itself can't  
10 be more than six to eight weeks, but again, that will be  
11 delayed with the plan checks that are necessary. I'm  
12 sorry. Ron Roberts. I'm the landlord of 1975 West Olive.

13 COMMISSIONER HARRIS: Thank you.

14 VICE-CHAIRPERSON CAMPER: Okay. No other  
15 questions. Do we have any request to speak cards?

16 RECORDING SECRETARY DAVIS: No, not for this  
17 item.

18 VICE-CHAIRPERSON CAMPER: Okay. Okay. So then  
19 we will move on to Item 4.3. No, what? Is there someone?  
20 No? Okay. Any people wish to speak on that item? Okay.  
21 Then we'll move along to 4.3, Commercial Cannabis Business  
22 Permit #18-10R.

23 RECORDING SECRETARY DAVIS: Initiated by Green  
24 Door, Inc. on property owned by Ray Barry McAuley and  
25 Jeanne R. McAuley, trustees. This application is a  
26 request to permit the operation of a retail dispensary for  
27 both medicinal and adult-use cannabis and cannabis-related  
28 products including delivery services on a 0.17 acre parcel

1 at 811 West Main Street within a regional central  
2 commercial zone. This is a public hearing.

3 PLANNING MANAGER ESPINOSA: So this item is for  
4 the Green Door, which is the Commercial Cannabis Business  
5 Permit application #18-17R. This is the location map that  
6 shows where it's at in relation to or the overall with the  
7 city. And here just shows with the zoning map where it's  
8 at off of O Street. Did I -- okay. Well, yeah. Here's  
9 the aerial photo which shows the business, and we'll look  
10 a little more in detail when we look at the site plan.  
11 The building itself takes up an entire parcel and then  
12 there is parking on two adjacent parcels. And this is on  
13 West Main Street.

14 And this shows that it is outside of the  
15 sensitive -- the radii for sensitive uses. It is also  
16 just outside the city center boundary. There were no  
17 Commercial Cannabis Business Permits allowed within the  
18 city center; however, this parcel is just outside that  
19 boundary.

20 And this shows the distance to transit that was  
21 provided as part of their application. They're about 600  
22 feet from the bus depot.

23 So here's a detailed site plan. Again, the  
24 building takes up the one parcel to the far east, and then  
25 there are two adjacent parcels which have the parking and  
26 the trash enclosure. We zoomed in a little bit on that.  
27 The building itself is about 7500 square feet. Between  
28 the three parcels, it's approximately 22,500 square feet.

1 There are ten parking stalls and three disabled spaces on  
2 one parcel, and then 15 spaces on the second parcel. And  
3 there would be cross access provided between those two.

4 This is a look of what the existing exterior of  
5 the building looks. The one on the top is the elevation  
6 that faces West Main Street, and the other one is the  
7 west-facing wall. This is a rendering of what they  
8 proposed improvements to improve the exterior of the  
9 building. So this is showing the front facade off of Main  
10 Street. Here is a close-up of the floor plan. You will  
11 enter off of Main Street into a reception area and then  
12 there's the sales area, and then there's kind of the back  
13 areas. And we'll look at the details here in a minute.  
14 So as you walk in off of West Main Street, you go into a  
15 reception lobby, and then once you pass that, there's  
16 security. Then you're led into the sales area, which is  
17 behind there, behind the reception lobby, and then you're  
18 going to come out the same way.

19 And this just shows the areas in the back. They  
20 have an area inside the building where they will take in  
21 product. They have their product storage and offices  
22 within those areas.

23 This is -- they have indicated that they're going  
24 to model their interior of a dispensary out of Scottsdale,  
25 Arizona, and they had a number of photos in their  
26 application that shows that dispensary so just you have a  
27 kind of an idea of what the interiors will look like for  
28 this proposal.



1           As far as the customer experience, the business  
2 would be opened Sundays, Mondays, Wednesday, Fridays, and  
3 Saturdays from 10:00 AM to 9:00 PM. And then on Tuesdays  
4 and Thursdays, they propose to be opened from 8:00 AM to  
5 9:00 PM. As far as what a customer would experience as  
6 they come in the door, a security guard will check their  
7 ID at the front door, then the receptionist will confirm  
8 or input their customer profile into their database. Then  
9 the customer enters the sales area through a secure door.  
10 The customers may browse or be assisted by one of their  
11 roaming sales associates. All the cannabis products are  
12 secured in locked cabinets. The customer orders are taken  
13 on a tablet by the sales associate, and then the customer  
14 selections are brought from the inventory area in the back  
15 of the building, which isn't accessible to the public, and  
16 brought out to the customer. And then the customer would  
17 exit the building through the lobby off of Main Street.

18           As far as the security plans, and we have, as  
19 Michael had indicated, all of these proposals have very  
20 robust security plans, and so we have simply summarized  
21 the highlights. There's, as I said, a secure entrance  
22 that's protected by bulletproof glass. The windows are  
23 secure and opaque. They have motion sensor lighting and  
24 security cameras all over the exterior, in the parking  
25 lot. They have electronic controls on all their doors.  
26 At all times while the dispensary is opened, they'll have  
27 at least two security guards on duty. They have indicated  
28 that they'll have armed security at start-up and then

1 based on input from the community, they'll evaluate  
2 whether it's necessary to have armed security or not.  
3 They'll still maintain security, even if they aren't  
4 armed. There will still be the security. But that would  
5 be the only difference.

6 There's also, as with the other application,  
7 panic alarms throughout the dispensary. There's security  
8 alarms, surveillance cameras throughout the dispensary  
9 itself. All the inventory is securely locked in display  
10 cases for customers to view. They also have a number of  
11 diversion, prevention, and procedural safeguards to ensure  
12 that the employee access to the cannabis storage  
13 facilities are also secure, and also the product intake  
14 and deliveries will actually occur inside the building as  
15 far as the loading of the delivery vehicles.

16 As far as community outreach, they have proposed  
17 to donate 30,000 per year to the Boys and Girls Club.  
18 They offer their employees one paid volunteer day per  
19 quarter to donate time to local community groups,  
20 including Love Merced. They have a community cannabis  
21 education program that they'll offer quarterly. They  
22 would work with local schools during Red Ribbon Week on  
23 anti-drug efforts. They would be providing a food truck,  
24 which would not be on the premises, for job training, for  
25 at risk youth. That's through the Simple Equation  
26 program.

27 They also have a proposed mural project that  
28 would be on the west-facing wall of the dispensary. And

1 the artist that has worked here in Merced that you can see  
2 along the Merced Theater. And I have a couple of photos  
3 of that on the next few slides. They would also at their  
4 first phase, which in, according to their application,  
5 would be the first 90 days, they would have at least 16  
6 employees, and that includes, they have six manager  
7 owners. And then at phase two, which is after 90 days,  
8 they expect to have at least 23 employees, again,  
9 including the manager owners. And they expect to offer  
10 hourly wages, minimum \$12 an hour with health benefits for  
11 those employees who work at least 30 hours a week.

12 And here is the mural project. It would not look  
13 exactly like that. The final design would need to be  
14 approved by the city, and we'll talk about that in a  
15 minute. But it would be on the west-facing wall of the  
16 dispensary and actually on this -- on their label that's  
17 mislabeled as north-facing wall. It is the west-facing  
18 wall. And this shows an example of the work of that  
19 artist that's on -- currently on the Merced Theater.

20 So a few conditions of note, the same one that  
21 Michael talked about. We have the -- as far as having to  
22 conform to all the ordinance requirements and especially  
23 the ones for the dispensary and retail sales and the  
24 regulations for the delivery services. Also I wanted to  
25 point out that a Commercial Cannabis Business Permit is  
26 valid for one year. They actually all expire on December  
27 31st of each year. There is an application renewal  
28 process that goes through the Director of Development

1 Services, and they need to apply within 60 calendar days  
2 before their permit expires. If they allow their permit  
3 to expire, they would have to go through a new application  
4 process in order to get their permit back.

5           Talked about the final design of the exterior  
6 elevations and any signage will have to be approved by the  
7 planning staff prior to a certificate of occupancy. And  
8 the final design of the proposed mural on the west  
9 elevation would -- may require the approval of the city's  
10 new Arts Commission, and I indicated there the details  
11 would be worked out with staff since the Arts Commission  
12 is not yet in place. I wanted to -- if they are, they are  
13 supposed to be looking at these kind of projects, but we  
14 did not want to hold this applicant up if for some reason  
15 the Arts Commission is not in place at the proper time.  
16 So we will then go through an approval process through  
17 staff to approve the mural project.

18           Very specific to this particular application, the  
19 dispensary owners have indicated that they would -- that  
20 they will work with the property owners. There was a food  
21 truck that the Planning Commission approved actually for a  
22 food truck parking area on the adjacent lot where there is  
23 parking, and we have a condition here that they try to  
24 basically work out, allowing the food truck to remain.  
25 Ultimately it would be the responsibility of the property  
26 owner, if for some reason they can't reach an agreement to  
27 decide, you know, which one of these tenants he's going  
28 to, you know, basically allow on his property. This shows



1 the food truck parking area that was approved, and this is  
2 the westernmost parcel. The Green Door business actually  
3 does have enough parking on the parking area that's  
4 directly adjacent to their building, so if -- for their  
5 use. So if for some reason they're not able to work out  
6 things on the property with the food truck, they still  
7 have enough parking for their facility. But they have  
8 indicated that they're willing to work with them to try to  
9 make sure that they can all mutually exist on the site.

10 And again, after the public hearings for all four  
11 of the dispensaries, tomorrow night the Planning  
12 Commission may approve or disapprove or modify the  
13 environmental review and the Commercial Cannabis Business  
14 Permit with 22 conditions. So are there any questions?

15 VICE-CHAIRPERSON CAMPER: Any questions for  
16 staff? No. Okay. So this is a public hearing. At this  
17 time I will open the hearing for public comment. I invite  
18 the applicant to speak. Chris Hester of Sacramento.

19 CHRIS HESTER: Good evening, everyone. Thank you  
20 for allowing us to present. It's been a pleasure working  
21 with the city. We've done this several times, and I can  
22 assure you that the organization and the planning that  
23 went into the actual application process was very good,  
24 and we appreciate that. Again, thank you for hearing us,  
25 Planning Commission. We appreciate the opportunity to  
26 present. My name is Chris Hester, and I represent Green  
27 Door.

28 A little bit about myself. I grew up in

1 Sacramento. I was in the Marine Corps for about five  
2 years. I moved to boulder. I have an urban planning  
3 degree from Boulder, Colorado. My primary scope is kind  
4 of this process, working with the community, working with  
5 the planning commissions, trying to get these applications  
6 approved. I'm also a security director for Green Door.

7 A little bit about the company background. We  
8 have a very strong -- excuse me -- so just to recap what  
9 we're going to go over. So our executive team, the  
10 location, safety and security plans, our community  
11 partners, and some of the tax benefits that we could bring  
12 to the community, and tax benefits that we brought into  
13 cities in the past.

14 So our executive team is highly seasoned. We  
15 actually have over 75 years commercial cannabis  
16 experience. There's about six managing operators. We've  
17 been operating probably the second longest running  
18 dispensary in the United States. It said California, but  
19 we were the first ones to start doing this. That's Green  
20 Door, San Francisco right downtown San Francisco. We have  
21 experience in multiple facets of business, retail and  
22 cannabis, of course. We have an intimate knowledge of the  
23 process of getting the licenses and working with the state  
24 for the regulations.

25 We also have local representation here. We have  
26 the Regina family has been operating tomato farm here for  
27 three generations, and Katie Condit is also our  
28 neighborhood outreach.

1           So a little bit about the location. We try to go  
2 to areas that are more densely populated. We also try to  
3 pick locations that when we rehabilitate will add value to  
4 the community. I can go into the security a little bit  
5 more, but we think that there's positive synergy with the  
6 businesses downtown. The food truck, for instance. We've  
7 used that model in other areas where we actually bring  
8 food trucks in, and we have events. So the fact that the  
9 owner is doing it ahead of time is great for us. They're  
10 doing it on Friday nights. We'd like to see it on other  
11 nights as well. We think it's a good opportunity for  
12 local food trucks to kind of come there and prosper. They  
13 can benefit from our traffic. And it's a mixed use kind  
14 of parking lot then. So we've never had a bad experience  
15 with that, so we're more than willing to work with that.

16           So not to go into this whole security system.  
17 Again, we've been doing this for a very long time. We  
18 haven't had a lot of security problems ever because you're  
19 always equipped with these very robust security systems.  
20 Usually what happens when we move into a neighborhood is  
21 that because of those security systems that you put in  
22 place, the crime goes down. So in areas where there's a  
23 lot of homeless or loitering or, I mean, call it whatever  
24 you want it -- because we have people on site, on foot,  
25 standing around the business, that kind of inadvertently  
26 redirects crime. We also service the area around the  
27 building too. So whether it be graffiti or trash, we  
28 always like to keep those areas clean and well maintained.

1           In this instance, the building is pretty solid  
2     for cannabis. It's a solid brick building. There's open  
3     parking lots around it. There's an alleyway in the back  
4     that's fenced in for now. We need to put a trash  
5     enclosure in that faces the alleyway. But I mean, other  
6     than that, it's a pretty simple security program in this  
7     instance.

8           So, you know, based on our community partnerships  
9     and local enterprise, we like to go in. We don't like to  
10    tell the local charities kind of what we want to do. We  
11    like them to explain to us what they do and then we like  
12    to provide financial assistance in those instances. Right  
13    now we've already contributed to the Boys and Girls Club.  
14    The \$30,000 was actually a letter of commitment to Simple  
15    Equations and Kelly Turner and their youth program for the  
16    food truck. But we also intend to donate to other  
17    organizations too. We had meetings with Jim Williamson  
18    and the Tree Partners Foundation. We love supporting the  
19    Merced College for the botanical garden and Nature and  
20    Education Center. Those are projects that we like to  
21    support. We find that partnering with those good local  
22    nonprofits gives us longevity. You know, because of the  
23    stigma related to cannabis, you know, it shows that we are  
24    community players. We want to give back to the community  
25    and, you know, we are grateful for allowing you to allow  
26    us to operate in the community.

27           We also met with the neighborhood association,  
28    downtown neighborhood association. Sometimes those



1 meetings can be very difficult. And in this instance we  
2 didn't have any negative feedback. There was some  
3 questions about how we would contribute to, you know, the  
4 Red Ribbon Week. Again, we're not -- we're not saying,  
5 hey, this is what we're going to do. We just want -- we  
6 want to say, hey, we're here to support Red Ribbon Week in  
7 a way that you guys can come up with an idea that allows  
8 us to support, you know, we're there to do it.

9 We also -- when we're working on building  
10 improvements and everything, we try to do -- we always try  
11 to work with local contractors. We usually sign union  
12 labor agreements that allow the union to come in and  
13 present to our employees. We have 56 employees in San  
14 Francisco, and we're probably going to have about half  
15 that here when we're all said and done. So we allow the  
16 employees to have, you know, direct contact with labor.  
17 If they want to unionize, then that's their decision.

18 So here's some basic tax benefits. I don't have  
19 2017 with me. I do have 2013 through '16; what we  
20 contributed just to the POE so it's verifiable.  
21 Essentially if I was to go off of the Merced low, what  
22 we've indicated, what we think we can generate in revenue,  
23 we're thinking over a three- or four-year period, it would  
24 be about half a million dollars. And if we hit the Merced  
25 high, which is pretty much double the low, it's about a  
26 million dollars over four years or so. And again, we've  
27 been doing this for a long time so it's pretty -- the data  
28 is there for us. Like we can analyze the community. We

1 can analyze the density. And we can project, you know,  
2 within a pretty exceptional range of what we're going to  
3 be able to do. So those are real numbers.

4 Here's some of the community organizations that  
5 we have gone through, worked with, in Oakland and San  
6 Francisco. You know, again, we've also operated in Las  
7 Vegas, Sacramento. I could go on. But these are some of  
8 the bigger names that we've contributed to and, again, you  
9 know, we'd like to mirror that and work with a lot of  
10 different organizations here.

11 Again, it kind of mimics this interior details.  
12 These were the -- these were not the photos that were  
13 presented before, but again, like we'll have an open floor  
14 plan similar to what was presented earlier.

15 So just some basics again. We're allowing for a  
16 good job opportunity here: The economics are there, the  
17 employment opportunities are here. We're proven in this  
18 business with how heavily regulated it's been. We've been  
19 operating for almost 15 years in San Francisco. So we  
20 also had the first public company merger in the United  
21 States, which was at TerraTech, and all of our financials  
22 are highly auditable. So again, that's a proven fact.  
23 That's not a -- you're not taking a chance on that.

24 So I -- kind of in conclusion, you know, staff  
25 supports us. We finished second, and I had some  
26 discrepancies with the grading, but I'm okay with second.  
27 We only lost by a point. Anyway, we have a seasoned  
28 superior operational staff, and we believe this new

1 exciting work force diversity in the City of Merced, and  
2 we think that, you know, we're going to provide a lot of  
3 economic enhancement, and we thank you for the opportunity  
4 to work with you guys. It's been a pleasure. Thanks.

5 VICE-CHAIRPERSON CAMPER: Thank you.

6 CHRIS HESTER: Any questions?

7 VICE-CHAIRPERSON CAMPER: Does the Commission  
8 have any questions for the applicant?

9 CHRIS HESTER: Thanks, everyone.

10 VICE-CHAIRPERSON CAMPER: Okay. Do we have any  
11 request to speak cards with us?

12 RECORDING SECRETARY DAVIS: No, not for this  
13 item.

14 VICE-CHAIRPERSON CAMPER: Okay. Anyone? All  
15 right. So then we will close any public comment. Yeah.  
16 And we will move on to Item 4.4, Commercial Cannabis  
17 Business Permit #18-17R.

18 RECORDING SECRETARY DAVIS: Initiated by Merced  
19 Business Ventures, Inc., dba Manzanita, on property owned  
20 by Robert Gray. This application is a request to permit  
21 the operation of a retail dispensary for both medicinal  
22 and adult-use cannabis, including delivery services on a  
23 .3-acre parcel at 1594 West 18th Street within a general  
24 commercial zone. This is a public hearing.

25 PLANNING MANAGER ESPINOSA: So this application  
26 is the No. 3 application. This is for Manzanita, and this  
27 is Commercial Cannabis Business Permit #18-17-R. And  
28 again, this was the third-ranked dispensary application

1 with an average score of 96.333. The location is at 1594  
2 West 18th Street, so this just shows you the location and  
3 context with the rest of the city. And the zoning, it's  
4 in a general commercial zone. And here's an aerial photo  
5 that shows the area with the building. And that's north  
6 of Bear Creek Drive and Bear Creek to the north, and it's  
7 at the end of the -- what would be West 18th Street as it  
8 dead ends into the creek.

9 This shows the sensitive use context as far as  
10 this area is outside of the buffer areas for the 600 feet  
11 from all sensitive uses and a thousand feet from schools.

12 This is the site plan, and it shows the overall  
13 area, and we're going to zoom in on it in a little bit so  
14 you can see the details.

15 So here is the -- there is the building, which is  
16 on the far end, which it has a parking area that's a  
17 secured parking area, and then also to the east side of  
18 the building there is another area where they have  
19 parking, and that's indicated and it's part of the  
20 conditions. There was a new location proposed working  
21 with our refuse department as far as where the trash  
22 enclosure would be located, making it a little easier to  
23 service.

24 Again, the building is about 5,000 square feet.  
25 The first parcel is about 13,000 square feet. The second  
26 parcel is 9,000 square feet. There is a total of 21  
27 parking stalls, and it's approximately 1600 feet from  
28 public trans -- a bus stop.



1           These are some conceptual renderings of what the  
2 exterior looks like. And this is the floor plan for the  
3 entire facility. And this is kind of a detail of what the  
4 main entrance looks like. You go in through a lobby area  
5 and then you go on to the sales floor. And again, this  
6 just shows the main sales areas, and we'll talk about the  
7 customer experience here in a minute. And again, there's  
8 the main sales floor.

9           And here are some conceptual renderings of what  
10 the sales areas will look like, and there are a number of  
11 those. Actually this first one, the top one, is the lobby  
12 reception area, and then you go into the sales area. And  
13 here are some, again, some interior renderings of the  
14 site. And then there is actually a courtyard area in  
15 which they exit the building, and here is the conceptual  
16 renderings of the courtyard area. It doesn't have any  
17 seating or anything. It's not an area where people are  
18 encouraged to linger. It's simply a pass-through area.

19           So as far as the customer experience goes, the  
20 project would be open to the public from Monday through  
21 Saturday from 9:00 AM to 9:00 PM. And from Sunday from  
22 9:00 AM to 8:00 PM. They have what they call express  
23 ordering or you could have a fully immersive educational  
24 experience, which they have a concierge service. They  
25 have a lot of multi-media features that would allow you to  
26 look at the history and origins and specifications of  
27 their products. The customer is greeted in the foyer as  
28 they come in, and there are two podium stations where they

1 check their IDs. And if they do wish to do express  
2 ordering, they can do that there. There are no cannabis  
3 products in the foyer. Security personnel are stationed  
4 at the front of the store just outside the foyer during  
5 all business hours. The podiums have their product menus  
6 with their prices. Behind the podiums there's an  
7 electronically-controlled access door which allows you  
8 into the store, which can only be opened by the security  
9 personnel.

10 So you enter the sales area and you have a chance  
11 to either browse on your own or be assisted. The sales  
12 floor is divided into distinct boutique areas for the  
13 different types of product. The inventory is held in  
14 secure drawers on the sales floor. There is some sample  
15 handling allowed with certain safeguards that are spelled  
16 out in the staff report. As far as checkout goes, the  
17 customers select their products, the sales associates will  
18 retrieve them from the locked drawers, the customer  
19 submits their payment at the cash drawer, and then prior  
20 to releasing the product to the customer, the sales  
21 associate is going to verify the expiration dates, verify  
22 whether these are adult use or medical products. Make  
23 sure that the products are properly packaged and labeled  
24 for sale, and actually also insert a cannabis education  
25 sheet into their exit bag.

26 Also part of their point of sale system will  
27 alert a sales associate if people are potentially going  
28 over their personal limits of what they can buy per state

1 law.

2 Again, all these security plans are very robust.  
3 Alarms on all the doors. 24-hour surveillance, or  
4 surveillance. Security guards. This one had a -- as part  
5 of their application said that the front door and the  
6 store access door can't be opened at the same time. So  
7 that would -- wouldn't allow somebody to, I guess, getting  
8 in the front door, they couldn't get in through the store  
9 without going through the proper checks. The restrooms  
10 are locked and not accessible to the public, which is per  
11 the city's requirements. Their security guards are going  
12 to be walking the perimeter in the immediate vicinity  
13 hourly to ensure the patrons do leave the site and don't  
14 linger or consume products on site. All their windows and  
15 skylights are secured and sealed. Again, there are no  
16 cannabis products visible from the exterior. They have  
17 security on -- as far as their inventory. They actually  
18 have a vault room with a fireproof steel vault door that  
19 holds all the inventory during nonbusiness hours. The  
20 vault room is not visible to the public. There's cameras  
21 and alarms in the vault, and it's designed to detect  
22 intrusion and to facilitate, allowing for a 30-minute  
23 response time for law enforcement.

24 They also do careful inventory checks to make  
25 sure that all their products are where they need to be.

26 As far as community benefits and outreach, they  
27 proposed a literacy and tutoring program. They have what  
28 they call just the facts ongoing educational program,

1 which is quarterly. They have pain management classes  
2 monthly, cannabis safe use education classes monthly.  
3 They have committed to financial contributions equal to 2  
4 percent of their sales, and they estimate that would be  
5 \$87,000 in 2019. Two various organizations including  
6 SWAG, Veterans Continue With Care, youth sports, Heart For  
7 Heart program, and then some areas that they have not  
8 committed to any particular charity at this time. They  
9 also have a neighborhood liaison who is a city resident.  
10 They would have what they call their community update  
11 program and quarterly public outreach meetings. They  
12 would have a best neighbor barbecue policy, in which they  
13 have quarterly neighborhood outreach barbeques and seek  
14 ongoing feedback from the neighborhood. They initially  
15 indicate they'll employ 23 employees at above market  
16 wages. They have company paid medical benefits, vacation,  
17 paid time off. They're committed to a hundred percent  
18 local hiring and 25 percent veterans hiring.

19           Again, some of the conditions of note. There's  
20 the standard condition there that they have to conform  
21 with the city's cannabis ordinance and also talking about  
22 when the cannabis permit expires and has to be renewed.  
23 It also talks about the relocation of the trash enclosure,  
24 and making sure that it's secure and that the refuse  
25 division has proper access to it. They've also agreed to  
26 post a sign on the enclosure, making it clear that there  
27 are no cannabis products inside of it, and making sure  
28 that that trash area is secured. They would be repaving



1 and restriping the parking areas to city standards, and  
2 the final design of the exterior elevations would be  
3 approved by planning staff.

4 And again, after all the public hearings on the  
5 agenda tonight and tomorrow night, the Planning Commission  
6 will go through their deliberations and may approve,  
7 disapprove, or modify the environmental review and the  
8 cannabis business permit including the adoption of the  
9 resolution with 21 conditions.

10 Are there any questions?

11 VICE-CHAIRPERSON CAMPER: No. Thank you. All  
12 right. So this is a public hearing. At this time I will  
13 open the hearing for public comment, and I invite the  
14 applicant to speak. Luke Bruner, Jeff Linden, and Robert  
15 Gray from Merced.

16 LUKE BRUNER: Honorable Chair Woman, honorable  
17 Commissioners, my name is Luke Bruner. I'll be opening up  
18 for just a moment or two, and then I will handing the  
19 torch over to Jeff Linden, who is our very distinguished  
20 chief operating officer. I want to begin by thanking your  
21 commission and the city staff for its extensive hard work.  
22 I first appeared before this commission just about two and  
23 a half years ago at the genesis of this process, have been  
24 very heavily engaged throughout the Merced process, and  
25 the city is certainly distinguished itself and established  
26 itself as a clear model for the Central Valley and  
27 jurisdictions around the state on how to proceed in a  
28 rational and orderly fashion and a topic that just has so

1 much going on around it.

2 To that end, we have endeavored to put together  
3 the very best application we could. We are very honored  
4 to be picked in the top four, and we have, of course, the  
5 extensive security plan and so forth. But our  
6 presentation will speak more about our operation, our  
7 retail, our expertise, and our values in the role of  
8 cannabis in the community. What people have seen as  
9 cannabis retail in the past is very much changing. Not  
10 only is retail changing but while this whole legalization  
11 for adult use, not recreational adult use, has really just  
12 changed all sorts of things, and retail has to step up its  
13 game. That's okay. That's how it looks now. It's going  
14 to look a lot better real soon now.

15 And then also just to introduce into the record,  
16 we have a letter from one of our charitable partners, the  
17 students with aspiring goals, and we brought enough to  
18 introduce into the project file. If I can pass that to  
19 you there, Michael. Thank you very much. I'm now going  
20 to turn it over to Jeff Linden, our chief operating  
21 officer, and we look forward to passing it back to me to  
22 answer any questions you have at the end. Thank you.

23 JEFF LINDEN: Thank you, Luke. Luke is our  
24 compliance officer and policy officer for our project  
25 here.

26 I would like to echo the applicants that went  
27 before us this evening and thank the city for what was a  
28 very professional and very fair and thorough process.

1 They were professional throughout the entire process. And  
2 for those of us that have been through this in other  
3 cities, that's a very high compliment. I also want to  
4 thank you for your time this evening with the Commission,  
5 and a good evening to all of you. We're very pleased to  
6 be able to present this evening. So I will walk you  
7 through in short order a little bit about us and a little  
8 bit about our project and what we're proposing. And I  
9 think security has been touched on in great length, so  
10 I'll just touch on some of the highlights in security when  
11 we get there.

12 But we'll start with the building itself. That  
13 is the before building. It is at the end of a cul-de-sac,  
14 and that cul-de-sac, we believe that our goal in this is  
15 not to just to create cannabis retail. It's to create a  
16 retail store that the city would be proud of, regardless  
17 of what's sold in it. And that will improve the  
18 neighborhood. It will improve the traffic. It will  
19 improve security. And I will echo what was said by some  
20 of the previous applicants. If you've been in this  
21 business around retail cannabis, everywhere that it goes  
22 in, the actual neighborhood gets better. It gets more  
23 secure. And that's been our experience over the years.  
24 For whatever reason, I think it's because we bring so much  
25 security there, because we're so visible, and but the  
26 neighborhoods actually get more secure. So that's our --  
27 that's our before picture, and there. So this is our  
28 after picture. We're going to wrap the building, create a

1 facade. As it was pointed out by city staff, there will  
2 be a little garden that's part of the exit. That is an  
3 exit only. It's off to the right. We're enclosing an  
4 existing kind of pad and courtyard there. But that's an  
5 exit area only. There will be no loitering or staffing in  
6 there at all.

7 Company values. I think as with anything, any  
8 retail organization or any organization in general, you  
9 have to have a value statement, what do you believe in.  
10 And we believe that if we act in integrity, if we follow  
11 our mission, and if we had value to the community, and  
12 then display grace under pressure, which is a big one for  
13 me, then everything flows smoothly. So we just put in a  
14 really a statement about our company values because we  
15 believe that's an important component of any partner, any  
16 business that comes in any community, you should know what  
17 we stand for.

18 Cannabis particularly has some things that go  
19 with it, perceptions and realities that we have to respect  
20 in the community. We have to make sure it's safe. We  
21 have an obligation to be engaged in the community because  
22 we're now a part of the community. It should be  
23 charitable, because as everybody knows, as you get into  
24 this business, these businesses generate a lot of dollars.  
25 There's a lot of sales that go through here. So we have  
26 an obligation to be charitable. We need to be tasteful.  
27 Tasteful is not the old pot shops that existed for so long  
28 for so many, and it's up to us to bring mainstream retail



1 presentation concepts into the cannabis world. We need to  
2 stay local and toward that end, all of our employees will  
3 be local. Our managers local. Our security company is  
4 local. Our contractor is local. Our property owner is a  
5 local. And so we will stay as local as we can.

6 The -- as an employer, we have an obligation to  
7 protect the jobs of the people that work for us, to  
8 provide the best benefit package that we can that's --  
9 that fits the market and fits the job, and make sure that  
10 we train people, that if they leave us -- and this is  
11 something I believe for my entire career -- if they leave  
12 us, they leave us for a better opportunity and better  
13 trained than they came to us. And that's our obligation  
14 as an employer. We need to treat them fair, we need to  
15 pay them well, and engage their loyalty. So we have an  
16 obligation as an employer. That's our place in the  
17 community when you take all of those things together.

18 I just walked through this so I'll leave you to  
19 read that. But I'll go in and let's cover safe for a  
20 minute, because safe is both perception and it is -- and  
21 it's reality. Inventory controls provide a safe  
22 environment that goes -- speaks to security as well. We  
23 have a poured concrete room in the middle of our facility  
24 with a 30 minute torch-proof door for anybody who would  
25 try to get in. All the products go on the floor during  
26 the day. They all come off and go into this vault at  
27 night, and that vault sits in the middle so you have to go  
28 through what is really -- I deem it as casino level camera

1 coverage and recording in addition to motion detectors,  
2 all of that that you would treat it if you were putting  
3 diamonds in that vault. And that's what it takes to get  
4 into that. And that provides a level of safety. The  
5 facade, the security guards, which we have two all the  
6 time, that also provides a level of safety. That's -- the  
7 entire atmosphere that you create, the culture you create,  
8 creates a safe place.

9 We talked about employer. Talked about local.  
10 Talked about tasteful. Talk about the customer  
11 experience. We're substantially different. You walk in  
12 and we use tablets. I think it was mentioned earlier  
13 here. But we cue up the -- we cue up for the customer.  
14 We have all their information at hand. We bring them in  
15 and we have -- if they want to see what they're purchasing  
16 and make sure it's clean and pure, we have live Vizio  
17 microscope feeds for their purchases. If they want to see  
18 what they're buying, we can put it right up and live on a  
19 video microscope feed for them. That makes us different.  
20 We can tell a video story about where the farm was that  
21 and the brand and the strain and all of the attributes of  
22 that product will pop up on a video screen and tell that  
23 story. It's very experiential. So that's the future of  
24 retail, which is experiential, and that's what we've  
25 brought into cannabis as well.

26 This gives you a little bit of what the store  
27 will look like inside. We actually pioneered what you see  
28 there are domes. Those are glass domes which hold the

1 flowers. They will be described and they will be lit. So  
2 each of the buds sit there suspended like they're in air  
3 underneath a museum style case for display.

4 So with that, that's -- that's kind of the  
5 customer experience, the safety, what we believe in. And  
6 I'm going to turn it back to Luke to talk a little bit  
7 about his background and compliance.

8 LUKE BRUNER: Hi there. Thank you so much, Jeff.  
9 This is usually the hardest part of a presentation,  
10 talking about myself. Gee, there's only five minutes left  
11 for that one. But I will be serving, of course, as our  
12 director of compliance and managing our local and state  
13 permitting submission and then maintenance. I have a very  
14 strong background in that field. I have now been in this  
15 industry for some time, coming originally from Humboldt  
16 County where I served as the business manager for the  
17 county's first permitted dispensary and southern  
18 Humboldt's first -- excuse me -- nursery in southern  
19 Humboldt's first permitted dispensary. And in that time I  
20 was very heavily engaged in both the local and state  
21 process. I cofounded our local grassroots movement of  
22 farmers up there. There's a lot of farmers up in Humboldt  
23 County. Not quite as much dairy but very agriculture,  
24 nonetheless. And served on the board of directors for the  
25 California Cannabis Industry Association as the  
26 legislative chair during the 2015 season when we passed  
27 the original framework of NMRSA, which has become MCRSA,  
28 and of course the legislature will keep tinkering at it,

1 I'm sure. In that time, a particular accomplishment I'm  
2 very proud of is co-created, along with our county staff  
3 up there, a really innovative track and trace program to  
4 bring into the county's product. Now we're of course  
5 going to place a premium on local products as much as  
6 possible. Humboldt County also has an excellent diversity  
7 of products. We have very good ties, and it will be a  
8 completely secured and trackable supply chain because of  
9 what the county is doing. And then also involved with a  
10 very unique San Francisco project, Cafe Florin. Out of  
11 all the things through the years that I never thought  
12 would serve me as well as they did as my background in  
13 theology. So often as I have traipsed around the state on  
14 this, there has to be a lot of discussions with community  
15 groups, especially people who have, with families, they  
16 have real concerns about the cannabis. And we certainly  
17 can't pooh pooh that in any way. We are really committed  
18 to the ongoing process of listening and dialogue and also  
19 expertise. So not only have we built this on the  
20 compliance side, but we have Mr. Linden's exceptional  
21 retail background to tell you about.

22 JEFF LINDEN: Thanks, Luke. I will keep this  
23 under a minute. The photo that I have on the screen is  
24 actually the dispensary that I re-branded and re-launched  
25 in San Francisco called Medithrive, which received -- it  
26 was opened three weeks and it was named the number one  
27 dispensary in the city at that point from outside kind of  
28 a critics best list, if you will. My background is

1 retail. And in under a minute I've got about 35 years of  
2 retail. I've been a senior executive for over 20 of those  
3 years for big companies that you probably know, Cost Plus,  
4 World Market. If you ever wore Dr. Dean Edell reading  
5 glasses, somewhere along the way, I was the president of  
6 that company. Good Guys. Consumer Electronics, I was a  
7 senior vice-president for that company. President of  
8 Cabinets to Go. So I have about 15, 20 years of senior  
9 executive experience in retail. And now I'm in cannabis  
10 because it was the last bastion of where good retailers  
11 can go, and breaking new ground and be creative. And so  
12 this is a lot of fun. And there's a lot of compliance  
13 issues, but a lot of them are best practices that already  
14 exist in the rest of the world and you just apply them  
15 here. So that I will leave with it, and then I want to  
16 thank you all for your time.

17 LUKE BRUNER: Thank you. And of course we just  
18 want to reiterate our real dedication to the community,  
19 especially with the partners that we're working with,  
20 we've already assembled literacy and tutoring program and  
21 are coordinating on the launch of that. We're very  
22 committed to the veterans. I've worked with a lot of  
23 veterans because my time in Humboldt County especially and  
24 the cannabis and the PTSD issue, frankly, go together. So  
25 we're committed, of course, to 25 percent veterans hiring.  
26 And then a whole series of education related to pain  
27 management and other medical issues. The opioid crisis is  
28 really substantial, and seniors especially are receiving a



1 lot of benefits from the juicing and the topicals, and  
2 they shouldn't be left out by any stretch of the  
3 imagination.

4 Thank you so much for your time and  
5 consideration. We request that tomorrow evening you  
6 approve us to do business in Merced and approve our permit  
7 request, and we look forward to doing business with you  
8 for very many years to come and being a dedicated partner  
9 in this community.

10 Madam Chair, I yield the remainder of my time.

11 VICE-CHAIRPERSON CAMPER: Thank you. Does the  
12 Commission have any questions for the applicant?  
13 Commissioner Harris.

14 COMMISSIONER HARRIS: Tell us a little bit more  
15 about the literacy and tutoring program, if you have  
16 previous experience with it.

17 JEFF LINDEN: Certainly. My wife is a retired  
18 educator. She was a superintendent of a private school  
19 district in the valley. She has a doctorate in education,  
20 and she volunteered to -- she identified that as a need  
21 and then volunteered to start that program as one of our  
22 charitable. So she has experience in that and she would  
23 lead that. So her name is Dr. Woodard, and she -- like I  
24 said, a retired school principal, superintendent of a  
25 private school district. So that's how we came about  
26 identifying that need and then thought that would be a  
27 good place for us to start because we have the expertise.

28 COMMISSIONER HARRIS: Have you done it before or

1 is this going to be a --

2 JEFF LINDEN: We haven't done it in the context  
3 of cannabis, but we have done it in the context of other  
4 community outreach things -- tied with the schools. So  
5 she's previously done that with other schools. In fact,  
6 she was a -- one of the team that did this in East Palo  
7 Alto when East Palo Alto was starting up and engaging with  
8 how to raise the standard of education there, and this is  
9 one of the programs that she was on the team that  
10 participated in that.

11 COMMISSIONER HARRIS: Thank you.

12 VICE-CHAIRPERSON CAMPER: Any other questions  
13 from the Commission? Okay. Do we have any other or any  
14 request to speak cards for this one?

15 RECORDING SECRETARY DAVIS: Yes. Can I have Rene  
16 Gutierrez from Merced?

17 RENE GUTIERREZ: Rene Gutierrez, actual resident  
18 of Merced, and good evening, Chair and Commissioners. So  
19 I am the president of the Merced County Hispanic Chamber  
20 of Commerce, and I am here in full support of the cannabis  
21 (unintelligible) and the applicants today. Based on what  
22 you see, they're very professional. They've crossed their  
23 Ts, dotted their Is. We don't want to lose their  
24 business. You have people from Merced that are going to  
25 Stanislaus and San Joaquin already. Why should we lose  
26 out on these businesses going elsewhere? So we highly  
27 encourage you guys to make a great decision and fully  
28 support these businesses to open a business here in Merced

1 County, because based on what you see, there's huge  
2 positive impacts that we need here in Merced County. So  
3 that being said, we fully support the applicants to open a  
4 business here in Merced County. Thank you for your time.

5 VICE-CHAIRPERSON CAMPER: Thank you.

6 Anyone else?

7 RECORDING SECRETARY DAVIS: That was the last  
8 card that I had.

9 VICE-CHAIRPERSON CAMPER: Okay. All right. At  
10 this time then I will close the public comment and we will  
11 move on to our last Item 4.5 Commercial Cannabis Business  
12 Permit #18-14R.

13 RECORDING SECRETARY DAVIS: Initiated by Harvest  
14 of Merced, LLC, on a property owned by a Stephen G.  
15 Tinetti, trustee. This application is a request to permit  
16 the operation of a retail dispensary for both medicinal  
17 and adult-use cannabis and cannabis-related products,  
18 including delivery services, on a 0.36-acre parcel in the  
19 General Commercial Zone at 863 West 15th Street. This is  
20 a public hearing.

21 MICHAEL HREN: Thank you, Stephanie. Again,  
22 Madam Chairman, members of the Commission, members of the  
23 public. I'm here to introduce Harvest of Merced, which is  
24 CCBP 18-14R. This was the rank No. 4 with an average  
25 score of 95 even. The proposal here is for 863 West 15th  
26 Street of Harvest of Merced. You can see there on the  
27 context map. This is another site in a C-G, a general  
28 commercial zone. It meets all city zoning requirements.

1 Here's an aerial image of the property showing it next to  
2 a number of warehouses with some single family residential  
3 across West 15th Street and the railroad tracks to the  
4 north of the property. This property does meet the  
5 sensitive use context. It is outside the 600-foot radius  
6 of all sensitive uses and the 1,000-foot radius of all  
7 schools. That red bubble that you can see there is the  
8 1,000-foot radius of a school that does just miss the  
9 corner of the property there.

10 This is the site plan for 863 West 15th Street.  
11 17 listed parking spaces with 4 listed as ADA compliant.  
12 We have had some discussions with this applicant regarding  
13 the siting of a trash enclosure, which may modify the  
14 parking plan slightly, but the plans that they have come  
15 up with would still meet the city's parking requirements  
16 for moving forward, and the siting of the trash enclosure  
17 is listed as a condition for the approval of this project.

18 Here's a -- the floor plan of the project.  
19 Similar to some of the others, there is a lobby for the  
20 intake of customers with the security checks prior to  
21 being allowed into that retail area. The point of sale  
22 counter covering. There is also a significant area for  
23 office, the surveillance room, and delivery, loading and  
24 unloading, as well as a holding area in the back. Those  
25 areas would not be accessible to the general customers and  
26 the general public.

27 The security plan just shows the areas that are  
28 not accessible to the public there. Here are a number of

1 the site photos. This building does share a wall, as you  
2 can see here, with the building to the east. There's a  
3 condition of this that there should be no -- there shall  
4 be no shared access amongst those, and if there is any  
5 existing, that it would be securely closed prior to any  
6 operations.

7 The site is in some disrepair at the moment, as  
8 you can see. There is fencing currently on the site with  
9 barbed wire. There is -- the parking lot will require  
10 significant re-slurrying and re-striping to come into  
11 conformance with city standards. And just some general  
12 context photos of the site as it sits on the location.

13 Here's some example renderings of the interior of  
14 the project. This is not necessarily 100 percent  
15 indicative of what's going to go in just because they  
16 don't -- this rendering doesn't conform to the floor plan.  
17 But these are some example renderings of what the interior  
18 might look like with the screens behind the counter, the  
19 point of sale service, and the cases in the center area  
20 that customers can review the product. Just some more  
21 example renderings of that interior. And the example  
22 lobby area from the Harvest in Tempe, Arizona site just to  
23 show what that lobby area would look like.

24 Security services as we've covered in each of  
25 these are very extensive. Uniformed security officers,  
26 foot patrol, experienced field supervisors overseeing the  
27 operation of the assigned officers, police liaisons for  
28 service locations, carefully maintained incident reports,



1 alarm systems, access control equipment, surveillance  
2 equipment as well.

3 The details of the ownership experience, Mr.  
4 White founded Harvest in 2012. He has -- holds presently  
5 26 licenses in seven states. He's engaged in a number of  
6 community activities including the (unintelligible) of  
7 over \$400,000 to local charitable organizations. Ms.  
8 Stavola is the COO and board member of MPX Bioceuticals  
9 and was listed No. 3 on the CBE, 75 most important women  
10 in cannabis lists. Ms. Blazovich (phonetic) has 11 years  
11 of prior experience in the field as well with a mutual  
12 benefit nonprofit corporation. Its success, we found out,  
13 it continues to run Stone Age Pharmacy. And Mr. Edward  
14 Contreras is a native of Merced and has extensive  
15 managerial experience with local Merced retail businesses  
16 and will also serve as the dispensary's neighborhood  
17 liaison, playing an integral role in the youth drug  
18 prevention program at Harvest.

19 Harvest is committed to setting aside at least 3  
20 percent of yearly profits for monetary contributions to  
21 local charitable and community organizations with at least  
22 \$10,000 per year to each of the Merced County food bank  
23 and the United Way of Merced County, and at least 2,500  
24 per year for the Boys and Girls Club of Merced County and  
25 the Challenged Family Resource Center and Golden Valley  
26 Health Center. They've also pledged to chaperone the  
27 Challenged Family Resource Centers annual formal dance for  
28 developmentally disabled children. They have a customer

1 volunteer discount offering a range of discounts to  
2 patients and consumers regularly volunteering at local  
3 charitable organizations and a robust program to implement  
4 that, a 20 percent discount to veterans, a 20 percent  
5 discount to medical patients who are low income, and plan  
6 to host free bicycle and wheelchair repair clinics in the  
7 spring, summer, and fall months, temporary wheelchair and  
8 bike stands for tune-ups, replacement of parts, and  
9 they've also noted that customers who wish to volunteer  
10 their time at this can also qualify for that customer  
11 volunteer discount.

12 As with all of these applications, there are a  
13 number of conditions to highlight including the  
14 requirements contained in Ordinance 2480 and the special  
15 sections related to dispensary and retail sales and  
16 delivery services meeting the standards of the commercial  
17 building permit application requirements, the trash  
18 enclosure that we spoke of earlier, the parking lot,  
19 repaving and re-striping compliance with standard designs,  
20 no shared access between the building, sharing the common  
21 wall, as well as the details of the final design of the  
22 exterior elevations and any signage to be approved by  
23 planning staff prior to the issuance of a certificate of  
24 occupancy, and the standard condition regarding future  
25 modifications with the approval of city's building  
26 official fire chief and director of development services.

27 After the public hearing this evening and on  
28 tomorrow, the Planning Commission may approve, disapprove,

1 or modify subject to the conditions in the staff report  
2 Environmental Review 18-27 and Commercial Cannabis  
3 Business Permit 18-14R. And I'm happy to take any  
4 questions that the Commission may have.

5 VICE-CHAIRPERSON CAMPER: Any questions? Okay.  
6 None. All right. This is a public hearing. At this time  
7 I will open the hearing for public comment, and I invite  
8 the applicant to speak.

9 RECORDING SECRETARY DAVIS: Ben Kimbro, please  
10 state your place of residence.

11 BEN KIMBRO: Thank you. I appreciate it. Good  
12 evening, Commissioners. Ben Kimbro on behalf of the  
13 applicant, 3207 South Evanston Avenue, Tulsa, Oklahoma. I  
14 serve as the director for Harvest for public affairs. I  
15 would also say, I think something that's very important.  
16 I just was elected to my second term as a City Councilor  
17 in Tulsa, Oklahoma, and get the privilege of working very  
18 closely with my Planning Commission. So you all have my  
19 unwavering respect for answering the call and service to  
20 your community. It's not always a fun place to be, and I  
21 certainly know you don't do it for the big money. So  
22 thank you all for your commitment to Merced.

23 My own personal involvement with medical cannabis  
24 is kind of an odd path, spending most of my adult life  
25 involved in special enforcement, foreign intelligence, a  
26 lot of which was counter narcotics. Working in 51 foreign  
27 countries. How on earth did I wind up in this? And it's  
28 pretty simple. I worked for an E & R 400 construction

1 company, and we were doing a lot of design for a lot of  
2 folks. And I stumbled across some terrific people, but  
3 folks that a lot of whom had worked for two and three  
4 decades as outlaws. And you don't suddenly wake up one  
5 day in a regulated environment having lost those types of  
6 notions. So it was through a long vetting process,  
7 looking for an operating partner on a project. In another  
8 state that I came across Harvest and found them very  
9 clearly to be a best in show organization, one that is  
10 forward leaning, one that respects and develops talent in  
11 its teammates, one that understands business standards,  
12 one that understands and practices principals of  
13 accountancy, and one that is very competent in working in  
14 regulated environments. So it was -- it was no surprise  
15 through a couple of years of working with them that I  
16 eventually came on board with them full time.

17 Harvest was formed in 2012, so we do have a fair  
18 amount of experience in the cannabis industry. At present  
19 we're at 37 medical licenses in 7 states. If you include  
20 provisional licenses or licenses where we're under  
21 construction and have not gone operational yet, that total  
22 is 32 in 13 states. So we have a big footprint. We've  
23 become very capable at working in what is arguably a  
24 complex industry, but one that is essential for us to get  
25 right so that we offer a safe environment for our  
26 employees, our community members, and our teammates, and  
27 as well that we provide a safe, consistent product to our  
28 customers.

1           Our dispensaries, as you will see here in Merced,  
2 I hope, are secure, discrete, clean, and patient friendly.  
3 I categorize them under a homemade rule that I've come up  
4 with, which is would I bring my mom in here. You know, is  
5 it clean, well lit, and a safe environment for customers  
6 and team members. Our objective, as you'll see, is to be  
7 an exemplary and beneficial partner to your community. We  
8 take that very seriously and execute on that in every  
9 community that we've had the privilege of working in.

10           A couple of examples that you'll see. Mr. Hren  
11 showed the lobby of the Tempe store; that will be the one  
12 on the right. The one on the left is our baseline store.  
13 So a slightly different look. But clean and discrete and  
14 completely conformal to the zoning requirements in both of  
15 those locations.

16           Interiors of the stores are a comfortable clean  
17 feeling. Safety is at the forefront of all of our design.  
18 We utilize, you know, leverage with the very best  
19 technology that we have available to us on that, but we  
20 also use a smart design and a smart approach, I think, to  
21 customer service. Without being overbearing, we're right  
22 there to be an advocate for the patient, to get to know  
23 them, and to develop a relationship, which is essential to  
24 any partnership. Again, the left photograph would be our  
25 north Scottsdale location, and on the right Tempe. So two  
26 very different types of structures, but both that we've  
27 handled in a way that we feel very satisfactory, addresses  
28 employee and customer safety and security.



1           Our application here this evening is 863 West  
2   15th. That is going to be about an 1800-square-foot  
3   building. So, you know, sort of on the small end of the  
4   scale with some of the other applicants in the top 4. At  
5   present it's been vacant for more than a year and a half.  
6   It's got some blight conditions on it. We look  
7   enthusiastically forward to jumping in there and getting  
8   to tidy it up and make it something that the neighborhood  
9   would be very proud of. And in fact, everybody in Merced  
10  would much rather look at than as it appears. Now we've  
11  got about \$400,000 lined up for the renovation on this.  
12  We anticipate that if we can accept that notionally  
13  permitting is 30 days, design, completion, call it 30  
14  days, we would look at about 90 days for the construction  
15  aspects of the renovation of that building.

16           Some more of the exterior. It's pretty ugly.  
17  It's -- it's due a face lift, I think. We'll have good  
18  security focus on our entry and exit areas. And parking  
19  lot absolutely, as Mr. Hren pointed out, is -- needs  
20  re-slurry. The stalls need to be re-stripped and it needs  
21  an update as well.

22           Harvest is about partnerships, and you'll see  
23  that at every facet from our executive leadership all the  
24  way through to our most recent new team members, working a  
25  point of sale in a dispensary. We believe in communities.  
26  We've made commitments. As you pointed out in your  
27  community, we really enjoy being a part of everywhere we  
28  work. We've reached out to neighbors in the area and very

1 pleased to say that there was no feedback, good, bad, or  
2 otherwise. There's been some communication with the  
3 landlord that folks are excited to see it cleaned up, but  
4 it has been the experience, and I will echo what other  
5 applicants have said, you know, the places that we work.  
6 Typically because of the security requirements regulated  
7 by state, we help with loitering. We impact property and  
8 violent crime in areas, and we partner very well with law  
9 enforcement in all those instances.

10 Something that we hope to bring to California is  
11 Harvesting Hope. It's a nonprofit organization that we  
12 created to help young children who suffer from pediatric  
13 epilepsy. It's a program we've got going on in Arizona  
14 with some pretty make-your-eyes-leak outcomes. So it's  
15 something that we look forward to working with your  
16 community on as well. Mention is supported through  
17 financial assistance, specialized medical cannabis,  
18 patient care, and support services. It's very simply  
19 about quality of life for these kids and their families.

20 We're going to have 20 to 25 employees at this  
21 facility intended. None of those will be minimum wage  
22 jobs. We compensate our employees fairly to the high  
23 side, I would say, in the industry with the very best  
24 medical benefits that match the employee's needs. We  
25 hire, train, and retain from your community. These will  
26 -- these will be your neighbors. These will be folks that  
27 you know. They will be folks from your city. So  
28 ancillary jobs like construction and that, we're going to

1 hire local subcontractors, roofers, pavers, all that sort  
2 of stuff as well.

3 I would say that one thing that was touched on in  
4 staff's slides was that we -- we as well -- we want to  
5 find out from our employees and our customers what  
6 philanthropic giving organizations are important to them.  
7 We want them to direct that process, and we have once a  
8 month a selection by staff and customers as to who we  
9 would make a donation to. So that's a constant moving  
10 thing outside of the commitments that we've already made.

11 Another thing that I think is cool and has sort  
12 of happened organically in the organization, it's one  
13 thing to give money. It does make the world go round in  
14 the nonprofit world. It's an essential component of it.  
15 But it's pretty important to show up. And our employees  
16 take a lot of pride in the fact that they're there.  
17 They're wearing the T-shirt. They're organizing the run.  
18 They're filling water cups or whatever the event is. So  
19 you're going to see Harvest employees at community events  
20 in Merced.

21 That's all I got. I can be out of your hair.

22 VICE-CHAIRPERSON CAMPER: All right. Does the  
23 Commission have any questions for the applicant? No? We  
24 don't. Thank you.

25 BEN KIMBRO: Thank you for your consideration and  
26 for the offering to come and address this body. I look  
27 forward to and would ask you to vote for approval of our  
28 permit tomorrow.

1 VICE-CHAIRPERSON CAMPER: Thank you.  
2 BEN KIMBRO: Thank you all.  
3 VICE-CHAIRPERSON CAMPER: Do we have any request  
4 to speak cards for this item?  
5 RECORDING SECRETARY DAVIS: No, we don't.  
6 VICE-CHAIRPERSON CAMPER: No? Okay. All right.  
7 Then at this time we will close the public comment and we  
8 will actually move along to -- right? No, not even to  
9 Item 5. Just we're done.  
10 PLANNING MANAGER ESPINOSA: Well, no, we -- we'll  
11 go through our --  
12 VICE-CHAIRPERSON CAMPER: Regular?  
13 PLANNING MANAGER ESPINOSA: Yeah.  
14 VICE-CHAIRPERSON CAMPER: Okay. All right. So  
15 Item 5, which is the information items.  
16 PLANNING MANAGER ESPINOSA: Okay. For your --  
17 well, tomorrow night, obviously, you will have your  
18 deliberations and your decisions on the four items that  
19 you heard tonight. So that's your agenda for tomorrow  
20 night.  
21 On the October 3rd Planning Commission meeting,  
22 we have three items: One is a -- all related to  
23 subdivisions. One is an abandonment request for some  
24 easements in one subdivision, and then there is a  
25 reapproval of a previously expired tentative map and some  
26 changes to the tentative map for Bright Homes, which is  
27 something that you looked at previously through the -- a  
28 number of months ago, the Commission looked at the Bright

65

1 Homes tentative map and granted an extension. And one of  
2 the conditions of that extension was that they modify  
3 their map, and so that modified map will be coming back  
4 before you.

5 And we have one item right now for October 17th,  
6 and I don't have any items for the meetings in November as  
7 of yet. Just so you know, we will be cancelling the  
8 November 21st meeting, which is just before Thanksgiving,  
9 and the December 19th meeting, which is just before  
10 Christmas.

11 VICE-CHAIRPERSON CAMPER: All right. Then Item  
12 6, adjournment. Okay. I'll call for an oral vote. All  
13 in favor?

14 Okay. We're adjourned.



1 DAY 2, SEPTEMBER 19, 2018

2  
3 CHAIRPERSON DYLINEA: We have a commissioner en  
4 route right now, so we're going to go ahead and try and  
5 give him a few more minutes. We'll get started at 7:15  
6 regardless. Thank you.

7 Are you ready, Stephanie? Okay. All right. So  
8 I'm not going to make us wait any longer, so I'm going to  
9 go ahead and call to order this Planning Commission  
10 meeting, Day 2, September 19th, 2018. At this time I'd  
11 like to call for a moment of silence.

12 (Unintelligible) lead us in the Pledge of  
13 Allegiance.

14 (Pledge)

15 CHAIRPERSON DYLINEA: Stephanie, roll call.

16 RECORDING SECRETARY DAVIS: Commissioner Padilla.

17 COMMISSIONER PADILLA: Here.

18 RECORDING SECRETARY DAVIS: Camper?

19 COMMISSIONER CAMPER: Here.

20 RECORDING SECRETARY DAVIS: Drexel?

21 COMMISSIONER DREXEL: Here.

22 RECORDING SECRETARY DAVIS: Harris?

23 COMMISSIONER HARRIS: Here.

24 RECORDING SECRETARY DAVIS: Rashe?

25 COMMISSIONER RASHE: Here.

26 RECORDING SECRETARY DAVIS: Martinez?

27 COMMISSIONER MARTINEZ: Here.

28 RECORDING SECRETARY DAVIS: Chairperson Dylina.

67

1 CHAIRPERSON DYLINE: Here. Okay. So this is day  
2 2. So agenda has already been approved and minutes  
3 yesterday. At this time we are going to, upon written  
4 notice that there's someone that would like to speak,  
5 we're going to reopen public comments on item -- on four  
6 separate applications. We're going to reopen them all  
7 individually. So we're going to start with Item 4.2. If  
8 you have anything to comment on this, please fill out a  
9 request to speak form and present it to staff.

10 Stephanie -- I'm sorry. Are you going to go  
11 ahead and read the title? That's what I was going to ask.

12 RECORDING SECRETARY DAVIS: I'll read the  
13 description.

14 CHAIRPERSON DYLINE: Okay. Thank you very much.

15 RECORDING SECRETARY DAVIS: Item 4.2, Commercial  
16 Cannabis Business Permit #18-06R initiated by Blue Fire,  
17 Inc. on a property owned by REM Land Group, LLC. This  
18 application is a request to permit the operation of a  
19 retail dispensary for medicinal and adult-use cannabis and  
20 cannabis-related products including delivery services at  
21 1975 West Olive Avenue, a parcel of 2.08 acres within  
22 planned development No. 12 with a general plan designation  
23 of industrial. This is a public hearing.

24 CHAIRPERSON DYLINE: Okay. For item 4.2, do we  
25 have any request to speak cards?

26 RECORDING SECRETARY DAVIS: I do not.

27 CHAIRPERSON DYLINE: Okay. Kim, do we need to  
28 close each item individually as well?

1 PLANNING MANAGER ESPINOSA: Yes. So since you  
2 reopened the public hearing, you need to close the public  
3 hearing if there is no comment, and then we can move to  
4 the Commission's deliberation on that item.

5 CHAIRPERSON DYLINA: Okay. Then in that case  
6 seeing as we have no public comment on that one, I'm going  
7 to go ahead and close the public comment. Prior to moving  
8 to the deliberation, I do need to disclose that I did miss  
9 a meeting yesterday obviously, but I have reviewed the  
10 agenda, the staff package, the full two hours of  
11 yesterday's presentations, and what was the word? I am  
12 reconstituted and aware of all of the information relative  
13 to each application.

14 Commissioner, you had a similar situation?

15 COMMISSIONER RASHE: Yes. I too also have to  
16 disclose that I was unable to attend the meeting last  
17 night, and I was able to read or not -- I was able to read  
18 the packets and review the audio hearing, and I'm sorry.  
19 What was -- and reconstituted and prepared to vote.

20 CHAIRPERSON DYLINA: Okay. In that case we're  
21 going to bring this item back to Commission for  
22 discussion. Would anybody like to comment? Anybody have  
23 anything to say on this one or anyone like to make a  
24 motion?

25 Commissioner Padilla?

26 COMMISSIONER PADILLA: Well, given the blighted  
27 condition of this property, I think anything is an  
28 improvement of over what's there. My only concern is how

1 the city allowed it to become that blighted to start with.  
2 That code enforcement and others weren't acting on that  
3 property and acting -- working with the landlord to  
4 salvage that property. But that being said, I see nothing  
5 that does not meet the conditions that were set out for  
6 this permit. So I would like to recommend that we approve  
7 Environmental Review 18-19 and Commercial Cannabis  
8 Business Permit 18-06R. I'd like to make that motion.

9 COMMISSIONER HARRIS: Second.

10 CHAIRPERSON DYLINEA: We have a motion and a  
11 second. Is there any additional discussion? Okay.  
12 Seeing none, I will call for a vote. That is 7-4, none  
13 against. Unanimously approved. Congratulations.

14 All right. Moving on to Item 4.3. Stephanie, do  
15 you want to go ahead and read that one?

16 RECORDING SECRETARY DAVIS: Item 4.3, Commercial  
17 Cannabis Business Permit 18-10R initiated by Green Door,  
18 Inc. on property owned by Ray Barry McAuley and Jeanne R.  
19 McAuley, trustees. This application is a request to  
20 permit the operation of a retail dispensary for both  
21 medicinal and adult-use cannabis and cannabis-related  
22 products including delivery services on a 0.17-acre parcel  
23 at 811 West Main Street within a regional central  
24 commercial zone. This is a public hearing.

25 CHAIRPERSON DYLINEA: Okay. Prior to opening  
26 public comment, Commissioner Camper, you had something?

27 COMMISSIONER CAMPER: Yes. I have to recuse  
28 myself from this one.

1 CHAIRPERSON DYLINEA: Okay. All righty. So we'll  
2 go ahead and reopen public comments on Item 4.3. Anyone  
3 that would like to speak on this item, fill out a request  
4 to speak form and please give it to staff. None?

5 RECORDING SECRETARY DAVIS: I don't have any.

6 CHAIRPERSON DYLINEA: Okay. In that case, nobody  
7 is hopping up, so I'm going to go ahead and close public  
8 comment on that item.

9 Yes, sir? Well, if you'd like to speak it needs  
10 to be on the record. You'll need to fill out a form and  
11 come up to the dais up here. The thing is, it needs to be  
12 -- it needs to be on the record, yeah. No; right up here.  
13 Come on up and we'll help you fill it out.

14 RICHARD SANDFORD: Thank you so much. My name is  
15 Rick Sandford. My question is simple. Why did Mary  
16 Camper recuse herself from the following -- from your  
17 following vote here?

18 CHAIRPERSON DYLINEA: Unknown. She didn't declare  
19 the specific reason. But she felt that she had a conflict  
20 that would have been inappropriate for her to have voted  
21 on this item.

22 RICHARD SANDFORD: Okay. I don't really come to  
23 many of these meetings. I've kind of started to come  
24 recently, within the last few months, but I figure if she  
25 was going to recuse herself, she should at least tell us  
26 why.

27 CHAIRPERSON DYLINEA: Well, I don't know what  
28 counsel has to say on the topic, but I don't know that she



1 has a specific requirement to do so.

2 KIM FLORES: Yes. She doesn't have a requirement  
3 to disclose why, and she chose not to disclose that.  
4 She's recused herself, so.

5 RICHARD SANDFORD: Answers my question. Thank  
6 you.

7 CHAIRPERSON DYLINA: Thank you.

8 Okay. Seeing as we have no one else that looks  
9 like they want to talk on this topic, we're going to go  
10 ahead and close public comments on Item 4.3 and bring it  
11 back to the Commission for discussion. Does anybody have  
12 anything they want to discuss on this item or a motion to  
13 make?

14 Commissioner Padilla?

15 COMMISSIONER PADILLA: I'll make the motion to  
16 approve Environmental Review 18-23 and Commercial Cannabis  
17 Business Permit 18-10R. I don't see anything in this  
18 request that is outside the parameters that we were  
19 dealing with.

20 CHAIRPERSON DYLINA: Okay. We have a motion. Do  
21 we have a second?

22 COMMISSIONER DREXEL: I'll second.

23 CHAIRPERSON DYLINA: That is a second from  
24 Commissioner Drexel. Is there any additional discussion?  
25 Looks like Commissioner Harris.

26 COMMISSIONER HARRIS: No, that was for making the  
27 motion, but he beat me to it.

28 CHAIRPERSON DYLINA: Beat you to it. Okay. Any

1 additional discussion? Seeing as there is none, I will go  
2 ahead and call for a vote. That is 6 yes, one abstention,  
3 and so it passes. Congratulations.

4 Moving on to Item 4.4.

5 RECORDING SECRETARY DAVIS: Item 4.4, Commercial  
6 Cannabis Business Permit #18-17.R initiated by Merced  
7 Business Ventures, Inc., dba Manzanita, on property owned  
8 by Robert Gray. This application is a request to permit  
9 the operation of a retail dispensary for both medicinal  
10 and adult-use cannabis, including delivery services on a  
11 .3-acre parcel at 1594 West 18th Street within a general  
12 commercial zone. This is a public hearing.

13 CHAIRPERSON DYLINEA: Okay. And so we will go  
14 ahead and reopen public comments on Item 4.4. If anyone  
15 has anything that they would like to say on this item,  
16 please fill out a request to speak form and give it to  
17 staff.

18 Stephanie, do we have any?

19 RECORDING SECRETARY DAVIS: No, not for this  
20 item.

21 CHAIRPERSON DYLINEA: Okay. In that case we're  
22 going to close public comment and bring it back to the  
23 Commission for discussion. Anything anybody would like to  
24 discuss or a motion to make on this item?

25 COMMISSIONER CAMPER: I make a motion that we  
26 accept, or excuse me, that we approve Environmental Review  
27 18-30 and Commercial Cannabis Business Permit 18-17R. I  
28 think it is, just the plan of what they plan to do to the

1 building, it looks really nice. We were saying we wish we  
2 had restaurants that were going to look as nice in our  
3 town. Too bad we can't go there and eat at this place.  
4 But anyway, yeah, so that's my motion.

5 COMMISSIONER HARRIS: Second.

6 CHAIRPERSON DYLINE: Was that Commissioner Harris  
7 with a second?

8 COMMISSIONER HARRIS: Yes.

9 CHAIRPERSON DYLINE: Okay. We have a motion and  
10 a second. Is there any additional discussion? Okay.  
11 Seeing as there is none, I'll go ahead and call for a  
12 vote. Unanimously approved, 7 yes, 0 noes.

13 Item 4.5.

14 RECORDING SECRETARY DAVIS: Item 4.5, Commercial  
15 Cannabis Business Permit 18-14R initiated by Harvest of  
16 Merced LLC, on a property owned by a Stephen G. Tinetti,  
17 trustee. This application is a request to permit the  
18 operation of a retail dispensary for both medicinal and  
19 adult-use cannabis and cannabis-related products,  
20 including delivery services, on a 0.36 acre parcel in the  
21 General Commercial Zone at 863 West 15th Street. This is  
22 a public hearing.

23 CHAIRPERSON DYLINE: Okay. So we're going to go  
24 ahead and open up public comment on Item 4.5.

25 Stephanie, do we have any request to speak forms?

26 RECORDING SECRETARY DAVIS: I do. I have one  
27 firm, Zach Drivon, from Stockton.

28 CHAIRPERSON DYLINE: Okay, Zach. I'm going to

1 note at this time that you and I had spoken aside, prior  
2 to the meeting, and that I had advised you at that time  
3 that I felt the appropriate measure, seeing as how public  
4 comment had been closed yesterday, was to appeal to the  
5 City Council. We're going to go ahead and reopen public  
6 comment obviously, and afford you the opportunity to speak  
7 regardless.

8 ZACH DRIVON: Thank you very much. Zach Drivon.  
9 I'm an attorney representing Medallion --

10 CHAIRPERSON DYLINEA: Sorry. I apologize. We  
11 have also received a written communicate from you.

12 KIM FLORES: A written communication will be part  
13 of the record for today's proceeding.

14 ZACH DRIVON: Thank you, Counsel.

15 My name is Zach Drivon. I represent Medallion  
16 Wellness, Merced. The location is 808 West 16th Street  
17 here in town. First off, I would like to thank Council,  
18 the Chair, all the Commissioners, Staff, for the  
19 opportunity to be heard. The reason I'm before you  
20 tonight is an issue completely unrelated to the  
21 merit-based scoring system that I spoke about last night.  
22 And something struck us during the presentation on this  
23 project last night, and that was the project's proximity  
24 to 732 West 13th Street, which is also known as the Wolfe  
25 Education Center. The reason why this was compelling to  
26 us is because early on in this process, staff, when they  
27 initially rolled out their GPS or their GIS mapping system  
28 that measured these subject parcels from sensitive uses,

1 they had originally indicated to us that our project was  
2 within a thousand feet of this school site. And what was  
3 striking to us was that this project was actually closer  
4 in proximity to the school than our project.

5 So when we received this original indication that  
6 we may be ineligible early on, that prompted us to hire a  
7 surveyor and actually go and measure our property from the  
8 school site. And that would be 808 West 16th to 732 West  
9 13th. And the results of that survey indicated that our  
10 site measured the closest parcel line, the closest parcel  
11 line was 1163 feet in distance. And that was in line with  
12 our original due diligence that we conducted for our  
13 subject site when determining whether or not there were  
14 any other sensitive uses in the vicinity and allowing us  
15 the confidence to move forward and enter into a lease and  
16 enter into this process.

17 Having this issue called to our attention last  
18 night has prompted us to conduct some additional due  
19 diligence, and I went ahead and measured, using Google  
20 Maps, the 863 West 15th Street parcel to the 732 West 13th  
21 parcel, and I discovered that the distance between the two  
22 sites is actually 981 feet. And this would indicate that  
23 this project is within a thousand feet of a school, which  
24 under the ordinance would make it ineligible to be a  
25 commercial cannabis business location.

26 Before you tonight are three documents that I  
27 provided. One is the original surveyor's map that we  
28 commissioned to measure our own property. I'd call your



1 attention to the white box in the top left-hand corner  
2 with red text. Just below that box, you'll notice a red  
3 X. That X marks the 863 West 15th Street parcel as you  
4 can see is much closer than 808 West 16th, which is right  
5 above that box and where the top arrow is pointed to.

6 The next two documents are screen shots of Google  
7 Maps that I used to measure the 863 West 15th Street  
8 parcel to the Wolfe Education Center. And as you can see  
9 in the text box on the bottom center, the distance as  
10 measured by Google is 981.16 feet. Now when we provided  
11 the survey map to the city early on to confirm that our  
12 site was outside of a thousand feet, the city was  
13 extremely forthright in acknowledging that their mapping  
14 system was flawed, that it had a glitch. And to us that  
15 indicates that this system has some issues.

16 And it's our position tonight, it is within your  
17 sound discretion to ensure that the integrity of this  
18 process is protected. From the beginning the city  
19 officials stated that they wanted the City of Merced to  
20 set the standard as it relates to this merit-based  
21 selection process and the fitness and eligibility of these  
22 parcels. For us tonight, it's extremely important that  
23 you take this information into consideration in  
24 determining whether or not you feel it's appropriate to  
25 award this permit to this project based on the experience  
26 we've had in flagging the issues with the mapping system  
27 that the city had early on, and this objective information  
28 that I've provided to you tonight that would indicate that

1 the subject parcel, 863 West 15th Street, under the  
2 ordinance is in fact within a thousand feet of a school  
3 site and thus ineligible as a commercial cannabis business  
4 location according to Merced law. I very much appreciate  
5 your thoughtful consideration on this, and again, the  
6 opportunity to be heard.

7 CHAIRPERSON DYLINEA: Okay. We need to set the  
8 clock at 4 --

9 PLANNING MANAGER ESPINOSA: The gentleman that's  
10 up here is -- came to the microphone is the applicant.  
11 The applicant has 15 minutes to make their case. He only  
12 used -- well, he had -- I made note last night that he had  
13 4 minutes and 16 seconds remaining in his testimony.

14 So you have 4 minutes and 16 seconds.

15 RECORDING SECRETARY DAVIS: Hold on one second.  
16 Sorry. This is a new system.

17 BEN KIMBRO: May I ask what was the time limit on  
18 counsel for the fifth place finishing applicant in post --  
19 post closed public hearing, public hearing.

20 KIM DAVIS: It should have been five.

21 RECORDING SECRETARY DAVIS: Okay. We're good to  
22 go.

23 BEN KIMBRO: Thank you. Ben Kimbro on behalf of  
24 the applicant, Harvest of Merced. I think 4 minutes and  
25 10 seconds is perfectly adequate to address what I believe  
26 to just be a simple sour grapes ambush. Last night  
27 counsel for the fifth place finishing applicant came in  
28 and the complaint that we all heard lodged was bad

1 program, bad discretionary scoring, flawed judgment on  
2 behalf of the scoring participants. Tonight the story is  
3 that there's a spacing problem that didn't exist last  
4 night. He's further stated to this body that upon hearing  
5 the presentation last night, this is what tickled his  
6 question of this. He left last night after his  
7 presentation. He did not hear from any of the top four  
8 applicants as we addressed the Planning Commission.

9 It is poor form at least to come in outside of  
10 the bounds of normal approved lawful communication with  
11 the Commission and to try to do what I've sat and observed  
12 to be a biased campaign directly prior to a vote. Our due  
13 diligence is good. I believe that it is in agreement  
14 completely with Staff. That's the first I've heard that  
15 City of Merced operates with flawed GIS software. I have  
16 not been presented a copy of these documents, and it would  
17 be my request, respectfully, that you disregard this as it  
18 is an 11th hour, inappropriate complaint and that the  
19 fifth place finishing applicant take their normal course  
20 of appeals with the City Council. Thank you. Questions?

21 CHAIRPERSON DYLINE: Does the Commission have any  
22 questions for the applicant? It doesn't look like it.

23 Thank you. Oh, Commissioner Padilla.

24 COMMISSIONER PADILLA: Then you were saying that  
25 you feel that you comply with the thousand foot  
26 regulation?

27 BEN KIMBRO: Absolutely, sir.

28 COMMISSIONER PADILLA: Everything that you have

1 done has verified that?

2 BEN KIMBRO: That is correct.

3 COMMISSIONER PADILLA: Thank you.

4 CHAIRPERSON DYLINA: Okay. Stephanie, do we have  
5 any additional request to speak forms?

6 RECORDING SECRETARY DAVIS: Yes, you do.

7 MICHAEL O'LEARY: My name is Michael O'Leary.

8 CHAIRPERSON DYLINA: Can you speak into the mic  
9 for the rest of us, please?

10 MICHAEL O'LEARY: I'm sorry. My name is Michael  
11 O'Leary, and I am the fifth place applicant. I would just  
12 like to say I'm the one that told him that I saw last  
13 night that there was a problem with the measurement. He  
14 didn't go home and make this up. I stayed until the end  
15 of the meeting. Thank you.

16 CHAIRPERSON DYLINA: Did Michael go to grab him a  
17 form?

18 FEMALE: Yes.

19 CHAIRPERSON DYLINA: Okay. Additional public  
20 comment?

21 RECORDING SECRETARY DAVIS: Yeah. Hold on one  
22 second.

23 DWIGHT LARKS: Hello. Dwight Larks here from  
24 Merced. I would just-- this is all new to me, listening  
25 to this. And I would say if there's any reservations that  
26 you might have about it, you know, you can postpone a vote  
27 on that if it -- you know, I would encourage you to -- you  
28 know, if there's any -- any concern whatsoever for -- for

1 the distance, to make sure that the process -- everyone is  
2 covered, city staff, you guys, the applicants, everybody,  
3 before you have make a vote. That's -- that's -- that's  
4 all I have to say. Thanks.

5 SUSAN BOUSCAREN: Good evening. Susan Bouscaren.  
6 I would like to thank you guys. You guys have done a  
7 wonderful job. I'm sorry I wasn't in the running, but you  
8 guys got a little expensive for me and that's okay. But I  
9 did want to say as I'm listening to this is that, you  
10 know, when we're looking at -- at like all these places  
11 and we were doing our own work, because we had an  
12 application, we were -- we're looking at, you know, 20, 30  
13 feet? I mean we were disqualified in places that were 20  
14 and 30 feet less than the thousand or just a corner of the  
15 property in the thousand. So, you know, I think that at  
16 this point in time that maybe some due diligence needs to  
17 be done and that measured out completely because I would  
18 hate to see that that's within the boundaries and that  
19 that gets disqualified later. But, you know, I just feel  
20 that very strongly about that thousand feet because we all  
21 had to work with that. Thank you.

22 CHAIRPERSON DYLINE: Thank you.

23 Okay. Do we have anybody else?

24 Mr. Hren, do you have any additional request to  
25 speak forms?

26 MICHAEL HREN: I have no additional request to  
27 speak forms at this time.

28 CHAIRPERSON DYLINE: Okay. In that case we're



1 going to go ahead and close public comments on Item 4.5.  
2 I'd like to afford staff the opportunity to speak on any  
3 of the public comments.

4 MICHAEL HREN: What I can say as far as the staff  
5 process we went through, we did investigate this parcel  
6 specifically. It's a school that is used by -- excuse me  
7 -- it's a property that's owned by MCOE. And the property  
8 in question was -- we determined that this was not being  
9 solely used for administrative purposes and there were  
10 classes that were taking place at this property. The  
11 parcel number we entered from the address that was given  
12 according to our GIS software, this property that we are  
13 looking at for this public hearing is outside of a  
14 thousand feet of the property. It is very close to the  
15 thousand foot border as I showed in my presentation  
16 yesterday. If it please the Chair, I can bring up the  
17 PowerPoint slide that shows that as well as another slide  
18 that I've prepared for this conversation.

19 CHAIRPERSON DYLINE: If you don't mind, that  
20 would be great. Yeah. Do you need a slide or --

21 (Unintelligible) any school how do we  
22 (unintelligible)?

23 KIM FLORES: So there's two areas in the  
24 ordinance where this definition could come in play. A  
25 school under our ordinance is defined as any public or  
26 private school providing instruction in kindergarten or  
27 any grades 1 to 12 inclusive, but does not include any  
28 private school in which education is primarily conducted

1 in private homes or as otherwise provided in the Health  
2 and Safety Code Section 11362.768, Subsection H. Another  
3 potential section would be as a youth center. A youth  
4 center is defined under our ordinance as any public or  
5 private facility that's primarily used to host  
6 recreational or social activities for minors, et cetera.  
7 There's more to the definition than that. The school  
8 definition I think is what we're concerned with.

9 COMMISSIONER PADILLA: K through 12 --

10 KIM FLORES: Yes.

11 COMMISSIONER PADILLA: -- is what we're looking  
12 at.

13 PLANNING MANAGER ESPINOSA: Yes. Public --

14 COMMISSIONER PADILLA: I'm not familiar with the  
15 Wolfe Center. Do you know what it?

16 PLANNING MANAGER ESPINOSA: I would defer to  
17 staff on that because they are the ones that did the work.

18 MICHAEL HREN: I don't recall the specifics of  
19 the Wolfe Center.

20 Kim, do you --

21 PLANNING MANAGER ESPINOSA: Primarily the area  
22 down on West 13th Street is the MCOE's administrative  
23 offices. However, when we were starting to work on the  
24 tool, it comes up -- it had come up in the city database  
25 as a school because it was owned by the school district.  
26 We had a number of things that came up like that. And so  
27 we took the time to actually confirm: Are these schools  
28 or not? Were there classes taking place? Staff reached

1 out to the staff at MCOE, and we were told that they did  
2 occasionally or regularly hold classes on the parcel  
3 that's shown on the map. They also own other parcels down  
4 there, but that was not one in which they indicated they  
5 were -- they were regularly conducting classes.

6 CHAIRPERSON DYLINEA: Kim, quick question. This  
7 map, if I'm not mistaken, was somewhat evolving over time;  
8 correct? I mean the usual version we kept identifying  
9 additional sensitive uses?

10 PLANNING MANAGER ESPINOSA: Right. We --

11 CHAIRPERSON DYLINEA: Is it also the case that  
12 things were eliminated that were later investigated and  
13 found not to be a sensitive use?

14 PLANNING MANAGER ESPINOSA: Yes. We -- we went  
15 through, and we were very diligently, when we put the --  
16 the tool up on the city's website. We did our best to  
17 make -- to confirm everything and to make sure it was  
18 okay. When we identified that there was an issue, when  
19 something would come to our attention, we made a point of  
20 sending it out to all the people who had been -- who were  
21 on our mailing list who had asked to be informed about  
22 cannabis-related permits so that every time we had to make  
23 a change, we made sure that we notified people. Because  
24 we wanted to make sure that if there was a change where a  
25 piece of property might have been eligible before and was  
26 not eligible or a piece of property, more importantly,  
27 that we thought wasn't eligible was actually available for  
28 commercial cannabis permits, we wanted to make sure the

1 people knew that.

2 So we -- like I said, we're very confident in the  
3 tool that we put together. We investigated it. We made  
4 sure that we went through and double-check and triple  
5 checked -- sorry -- Michael and our GIS coordinator spent  
6 a lot of time on it as did another member of city staff.  
7 So we're very confident that, you know, we put together  
8 the best tool that we could.

9 MICHAEL HREN: So what you can see on the map in  
10 front of you is the highlighted in blue parcel is the  
11 parcel that we're drawing the buffer from, the thousand  
12 foot buffer, up at the top left of that, and I'm going to  
13 switch slides here just to show -- that's what the parcel  
14 that we're referring to here, that square parcel on West  
15 15th Street, is the subject property for Harvest.

16 Based on our system, the thousand-foot buffer  
17 does not impact that parcel in any way. It does not cross  
18 the parcel lines. It is outside that thousand-foot  
19 buffer. And what Kim has said is all correct. We did go  
20 through this very thoroughly with respect to this specific  
21 property. There is a property to the west of it that is  
22 also owned by MCOE that to our understanding is used for  
23 administrative purposes and does not hold classes. So  
24 that parcel is not within the buffer. That is not being  
25 buffered from, which may or may not be related to the  
26 current claim. I'm not certain if the line that's being  
27 drawn on the Google Map is to this parcel or to the  
28 adjacent one. So as Kim said, we're very confident in our

1 tool, and we have done a lot of research with respect to  
2 this property specifically.

3 PLANNING MANAGER ESPINOSA: I would also like to  
4 point out that with all due respect, Google Maps is not a  
5 survey. So that's the only way to do, you know, to  
6 actually determine the actual distance from parcel line to  
7 parcel line would be through a survey. A stamped survey  
8 by a licensed surveyor.

9 CHAIRPERSON DYLINEA: Okay. Is that the  
10 completion of your presentation, Mr. Hren?

11 MICHAEL HREN: Yes, sir.

12 CHAIRPERSON DYLINEA: Okay. Thank you.

13 Does the Commission have any questions for staff  
14 on this topic? Commissioner Martinez?

15 COMMISSIONER MARTINEZ: So as far as staff  
16 measuring the distance and such, this was done using a  
17 program and it wasn't physically surveyed?

18 MICHAEL HREN: We used our GIS software in order  
19 to do these measurements. We've not physically surveyed  
20 every possible property that could have been done in the  
21 city for this, no.

22 COMMISSIONER MARTINEZ: Well, my point is, we're  
23 comparing two census software against each other. I'm  
24 just curious. I -- considering the closeness of this  
25 property, it is -- it is somewhat concerning, you know, to  
26 ensure that whether or not it is entirely accurate or not.  
27 That's just my opinion on it. I think it's too close to  
28 call to leave it up to software.



1 CHAIRPERSON DYLINE: Commissioner Padilla.  
2 COMMISSIONER PADILLA: Yes. The only thing I  
3 want to clarify with staff is is that every applicant had  
4 access to the same software.  
5 PLANNING MANAGER ESPINOSA: Correct. The tool  
6 was up on the city's website and was available for all the  
7 applicants to use, yes.  
8 COMMISSIONER PADILLA: And they had months to  
9 verify all these measurements?  
10 PLANNING MANAGER ESPINOSA: Yes.  
11 COMMISSIONER PADILLA: Thank you.  
12 CHAIRPERSON DYLINE: All right. Commissioner  
13 Rashe.  
14 COMMISSIONER RASHE: I am somewhat familiar with  
15 our GIS, so I trust the measurements. The only thing I  
16 was going to ask is was there any -- I know the gentleman  
17 said that there was some glitches in the GIS software  
18 itself that was being used. Are you aware of any?  
19 MICHAEL HREN: No, I don't believe there are any  
20 glitches in the software. What I believe the gentleman  
21 was referring to was the -- the facilities that were not  
22 actually educational facilities that were showing up in  
23 our database as such and any facilities that may not have  
24 been represented in the database. From that standpoint,  
25 there were some initial technical issues that we needed to  
26 resolve, but none of it was related to software that I  
27 feel was compromised or working improperly in any way. It  
28 was simply due to clarifying what locations, you know, the

87

1 data that you give into the system is all that the data  
2 can read -- the system can read, so I don't believe  
3 there's any problem with the software itself.

4 COMMISSIONER RASHE: So just pretty much updating  
5 the information was all that the --

6 MICHAEL HREN: Correct. Thank you.

7 CHAIRPERSON DYLINA: Commissioner Drexel.

8 COMMISSIONER DREXEL: My -- that was my question,  
9 so withdraw.

10 CHAIRPERSON DYLINA: Okay.

11 Commissioner Harris.

12 COMMISSIONER HARRIS: Asked and answered.

13 MICHAEL HREN: Mr. Chairman, was public comment  
14 closed? We had someone attempt to submit a request to  
15 speak form at this time.

16 CHAIRPERSON DYLINA: Public comment was closed.  
17 Yes.

18 MICHAEL HREN: Just wanted to alert you to that.

19 CHAIRPERSON DYLINA: Mr. Hren, I do have a  
20 question.

21 MICHAEL HREN: Yes, sir.

22 CHAIRPERSON DYLINA: Now Google Maps and GIS  
23 software exists, in, for lack of a better word, two  
24 different leagues; correct? GIS software is considered to  
25 be accurate and true?

26 MICHAEL HREN: It is the precision software that  
27 we use in order to do our day-to-day zoning work, and it's  
28 -- we rely on it for measurements and such, yes.

1 CHAIRPERSON DYLINEA: Okay. And all the data  
2 that's entered in there is based off of historical surveys  
3 presumably; correct? Like each of the -- each of the  
4 points that are measured out, at some point in time is  
5 based around actual measurements.

6 MICHAEL HREN: As far as I understand it.

7 CHAIRPERSON DYLINEA: (Unintelligible)? You know,  
8 Google Maps would let you -- a car driving around.

9 PLANNING MANAGER ESPINOSA: Yes. The GIS is  
10 based on the parcel information that comes from -- that's  
11 in the database in Merced County, and those parcel books  
12 are based on survey information and information provided  
13 by engineers. When any kind of map is recorded, it has  
14 been surveyed and confirmed, so yes.

15 CHAIRPERSON DYLINEA: Okay. Does the Commission  
16 have any additional questions for staff? Okay. Seeing  
17 none, then we're going to go ahead and return to  
18 discussion amongst the Commission on this item. If  
19 anybody would like to make a motion, now would be the  
20 time.

21 Commissioner Martinez?

22 COMMISSIONER MARTINEZ: Yeah. I want to recuse  
23 myself from this vote for a conflict of interest, and that  
24 I'm just really not comfortable with the closeness of this  
25 measurement right now in determining accuracy between  
26 Google and the GIS system. So I want to recuse myself.

27 CHAIRPERSON DYLINEA: Okay.

28 Commissioner Padilla.

1 COMMISSIONER PADILLA: Well, first off, I wish  
2 that mister -- the Commissioner Martinez had not given us  
3 any more information that that was prejudiced.

4 CHAIRPERSON DYLINEA: Yeah.

5 COMMISSIONER PADILLA: But I deal with kind of  
6 with Google in a different way on a regular basis. I have  
7 a second home in the mountains, and I'm constantly turning  
8 people around who have followed Google Maps. And if I  
9 don't, they're going to go off a cliff. So the accuracy  
10 of Google Maps is a big question in my mind. So, you  
11 know, if Google says it's 20 feet short, I got a lot of  
12 problems believing Google because I just see too much of  
13 this going on with Google Maps being inadequate and  
14 inaccurate, so... but I would like to go ahead and make a  
15 motion that we approve the Environmental Review 18-27 and  
16 Commercial Cannabis Business Permit 18-14R.

17 CHAIRPERSON DYLINEA: Okay. We have a motion. Do  
18 we have a second?

19 COMMISSIONER: I second.

20 CHAIRPERSON DYLINEA: Okay. We have a motion and  
21 a second. Is there any additional discussion on this  
22 item? Okay. Seeing -- yes, Commissioner.

23 COMMISSIONER: I'll speak to the other  
24 commissioners. I was fortunate enough to put myself  
25 through a misery of having to learn some art GIS, and I  
26 know to people who aren't familiar with it, getting this  
27 information could be a little uneasy as one of the  
28 commissioners recused himself from. But if you do take

1 the time to educate yourself on GIS, it's very -- it's  
2 precision. They like to go off the science of where. So  
3 if that's what they're using and if the staff is saying  
4 that there was no glitches outside his measurements, I  
5 feel very confident in our staff and in the software of  
6 the GIS. Just want everybody to know that.

7 MICHAEL HREN: Thank you.

8 CHAIRPERSON DYLINEA: Okay. During this period of  
9 discussion, I'm just going to go ahead and echo the  
10 comments. For now, I see no reason to doubt staff nor  
11 precision tool that we have been using for how long now to  
12 determine things and haven't had an issue. So given that  
13 last bit of discussion, unless anybody has anything else  
14 that they would like to discuss or state, do you want to  
15 go ahead and -- Commissioner Padilla?

16 COMMISSIONER PADILLA: Yeah. I am under the  
17 impression that this is the standard tool used by many  
18 agencies for measurements including the National Park  
19 Service and the Forest Service and other government  
20 agencies. So this has been a tool relied on by many  
21 government agencies for its accuracy. So I would like  
22 that to be going, that this is not just a Merced tool.

23 CHAIRPERSON DYLINEA: Okay. Any additional  
24 discussion? Seeing none, I'm going to go ahead and call  
25 for a vote. That is somehow 7-4, but it should actually  
26 be 6 and an abstention.

27 SPEAKER: Can we clear the vote?

28 CHAIRPERSON DYLINEA: Yeah, let's go ahead and



1 rerun that vote. Everybody cast your votes. There we go.  
2 6 yes; 1 abstention. And so it passes.

3 And Kim, would you, just for the education of the  
4 audience at large, would you address the appeal process.

5 KIM FLORES: Yes. So in the ordinance, there is  
6 a process to appeal the denial of a commercial cannabis  
7 permit. It is found in a section of our municipal code.  
8 It's in Section 20.44.170, subsection L, and under No. 3.  
9 The process is that you have five business days from the  
10 date you received notification that your application has  
11 been denied to file a written appeal, and then the matter  
12 shall be scheduled for a public hearing before the City  
13 Council within 30 calendar days of receipt of the appeal  
14 by the city. So I just want to point that out for  
15 everyone and make sure that the process is transparent.  
16 This is all set forth in the ordinance.

17 PLANNING MANAGER ESPINOSA: And I would like to  
18 add that if anybody did want to file an appeal, you can  
19 come to the planning department and we will give you the  
20 proper forms. And there is a fee as part of that. I  
21 don't have it in front of me. So please contact us and we  
22 will get you that information.

23 MICHAEL HREN: Is the denial technically when the  
24 ratings were released?

25 KIM FLORES: No. It's when the decision is made.  
26 And tomorrow we'll be meeting with staff -- sorry --  
27 tomorrow we'll be meeting with staff. Written notices  
28 will be going out to the successful and unsuccessful

1 applicants.

2 CHAIRPERSON DYLINE: Okay. Thank you very much.

3 Kim, do we need to go through informational items again

4 tonight?

5 PLANNING MANAGER ESPINOSA: Actually we went

6 through them last night so I think we're fine.

7 CHAIRPERSON DYLINE: Okay. In that case we are

8 going to go ahead and move on to adjournment for today.

9 Is there a motion?

10 COMMISSIONER HARRIS: So moved.

11 CHAIRPERSON DYLINE: That was Commissioner

12 Harris. Is there a second?

13 COMMISSIONER CAMPER: Second.

14 CHAIRPERSON DYLINE: Any additional discussion?

15 Hearing none, I'll call for an oral vote. All in favor

16 say aye.

17 (Aye.)

18 CHAIRPERSON DYLINE: Opposed? Hearing none, we

19 are adjourned.

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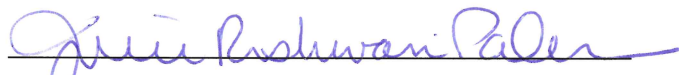
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STATE OF CALIFORNIA,. )  
 )  
COUNTY OF STANISLAUS. )

I, JULIE RISHWAIN PALERMO, a Certified Shorthand  
Reporter in and for the County of Stanislaus, State of  
California, do hereby certify:

That I have transcribed the electronic/audiotaped  
recording of the proceedings; that the foregoing  
transcript constitutes a full, true, and correct  
transcription of all proceedings had and given.

IN WITNESS HEREOF, I have hereunto set my hand  
and affixed my Official Seal on October 18, 2018.



JULIE RISHWAIN PALERMO, CSR #4220

Certified Shorthand Reporter

**CITY OF MERCED**  
**Planning Commission**

**MINUTES**

Merced City Council Chambers  
Tuesday, September 18, 2018  
DAY 1

Vice-Chairperson CAMPER called the meeting to order at 7:00 p.m., followed by a moment of silence and the Pledge of Allegiance.

**ROLL CALL**

Commissioners Present: Mary Camper, Scott G. Drexel, Michael Harris, Jeremy Martinez, and Peter Padilla,

Commissioners Absent: Sam Rashe (excused) and Chairperson Robert Dylina (excused)

Staff Present: Director of Development Services McBride, Planning Manager Espinosa, Principal Planner Hren, Associate Planner Nelson, Interim Deputy City Attorney Flores, Police Chief Goodwin, SCI Consultant Kyle Tankard, Secretary III Lane, and Recording Secretary Davis

**1. APPROVAL OF AGENDA**

M/S PADILLA-HARRIS, and carried by unanimous voice vote (two absent), to approve the Agenda as submitted.

**2. MINUTES**

M/S PADILLA-HARRIS, and carried by unanimous voice vote (two absent), to approve the Minutes of September 5, 2018, as submitted.

**3. COMMUNICATIONS**

None.

#### 4. **ITEMS**

##### 4.1 Overview of Other Commercial Cannabis Business Permit (CCBP) Retail Sales Applications.

Planning Manager ESPINOSA provided an overview of all the cannabis retail sales applications and explained to members of the public and the Commission how the meeting will proceed differently than most meetings in that all the public hearings for Items 4.2 through 4.5 will be conducted tonight without Planning Commission action. At tomorrow's meeting, the Planning Commission will take action on the individual applications.

Vice-Chairperson CAMPER opened public testimony at 7:08 p.m. to allow public comment as follows:

ZACH DRIVON, Drivon Consulting, Stockton, spoke as a representative of the 5<sup>th</sup> ranked dispensary applicant.

There were no speakers from the audience in opposition to the project.

Public testimony was completed at 7:14 p.m.

##### 4.2 Commercial Cannabis Business Permit #18-06R, initiated by Blue Fire, Inc., on a property owned by REM Land Group, LLC. This application is a request to permit the operation of a Retail Dispensary for medicinal and adult-use cannabis and cannabis-related products, including delivery services, at 1975 W. Olive Avenue, a parcel of 2.08 acres, within Planned Development (P-D) #12, with a General Plan Designation of Industrial (IND).

Principal Planner HREN reviewed the report on this item. For further information, refer to Staff Report #18-23.

Public testimony was opened at 7:24 p.m.

##### Speakers from the Audience in Favor:

DEVIN STETLER, Applicant, Modesto



NATASHA PARRA, Blue Fire Director of Operations, Modesto  
RON ROBERTS, Property Owner, Oakdale

The Applicant provided a small presentation that covered their years of experience in the industry and an overview of their business operations, including security.

There were no speakers from the audience in opposition to the project.

Public testimony was completed at 7:36 p.m.

[Secretary's Note:

There was no vote at this meeting; the Commission voted on this item at the meeting of Wednesday, September 19, 2018.]

- 4.3 Commercial Cannabis Business Permit #18-10R, initiated by Green Door, Inc., on property owned by Ray Barry McAuley and Jeanne R McAuley, trustees. This application is a request to permit the operation of a retail dispensary for both medicinal and adult-use cannabis and cannabis-related products, including delivery services, on a 0.17-acre parcel at 811 W. Main Street within a Regional/Central Commercial (C-C) Zone.

Planning Manager ESPINOSA reviewed the report on this item. For further information, refer to Staff Report #18-24.

Public testimony was opened at 7:49 p.m.

Speaker from the Audience in Favor:

CHRIS HESTER, Applicant, Sacramento

The Applicant provided a small presentation that covered their years of experience in the industry and an overview of their business operations, including security.

There were no speakers from the audience in opposition to the project.

Public testimony was completed at 7:59 p.m.

[Secretary's Note:

There was no vote at this meeting; the Commission voted on this item at the meeting of Wednesday, September 19, 2018.]

- 4.4 Commercial Cannabis Business Permit #18-17R, initiated by Merced Business Ventures, Inc., DBA Manzanita, on property owned by Robert Gray. This application is a request to permit the operation of a retail dispensary for both medicinal and adult-use cannabis, including delivery services, on a 0.3-acre parcel at 1594 W. 18<sup>th</sup> Street within a General Commercial (C-G) Zone.

Planning Manager ESPINOSA reviewed the report on this item. For further information, refer to Staff Report #18-25.

Public testimony was opened at 8:10 p.m.

Speakers from the Audience in Favor:

LUKE BRUNER, Applicant, Merced

JEFF LINDEN, Applicant, Merced

RENE GUTIERREZ, Merced Hispanic Chamber of Commerce, Merced

The Applicant provided a small presentation that covered their years of experience in the industry and an overview of their business operations, including security.

There were no speakers from the audience in opposition to the project.

Public testimony was completed at 8:27 p.m.

[Secretary's Note:

There was no vote at this meeting; the Commission voted on this item at the meeting of Wednesday, September 19, 2018.]

- 4.5 Commercial Cannabis Business Permit #18-14R, initiated by Harvest of Merced, LLC., on a property owned by Stephen G. Tinetti, trustee. This application is a request to permit the

operation of a retail dispensary for both medicinal and adult-use cannabis and cannabis-related products, including delivery services, on a 0.36 acre parcel in the General Commercial (C-G) Zone at 863 W. 15th St.

Principal Planner HREN reviewed the report on this item. For further information, refer to Staff Report #18-26.

Public testimony was opened at 8:35 p.m.

Speaker from the Audience in Favor:

BEN KIMBRO, Applicant, Tulsa, OK

The Applicant provided a small presentation that covered their years of experience in the industry and an overview of their business operations, including security.

There were no speakers from the audience in opposition to the project.

Public testimony was completed at 8:47 p.m.

[Secretary's Note:

There was no vote at this meeting; the Commission voted on this item at the meeting of Wednesday, September 19, 2018.]

## 5. **INFORMATION ITEMS**

### 5.1 Calendar of Meetings/Events

Planning Manager ESPINOSA briefed the Planning Commission on items for the next few Planning Commission meetings.

## 6. **ADJOURNMENT**

Vice-Chairperson CAMPER adjourned the meeting at 8:49 p.m., to the Planning Commission meeting of Wednesday, September 19, 2018.

-----September 19, 2018, Day 2-----  
Merced City Council Chambers  
Wednesday, September 19, 2018

[Secretary's Note:

Chairperson DYLINA delayed the commencement of the meeting in order to allow Chairperson MARTINEZ to arrive from a work obligation that ran late.]

Chairperson DYLINA called the meeting to order at 7:19 p.m., followed by a moment of silence and the Pledge of Allegiance.

ROLL CALL

Commissioners Present: Mary Camper, Scott G. Drexel, Michael Harris,  
\*Jeremy Martinez, Peter Padilla, Sam Rashe, and  
Chairperson Dylina

\*Commissioner Martinez arrived at 7:19 p.m.

Commissioners Absent: None

Staff Present: Director of Development Services McBride,  
Planning Manager Espinosa, Principal Planner  
Hren, Associate Planner Nelson, Interim Deputy  
City Attorney Flores, Police Chief Goodwin, SCI  
Consultant Kyle Tankard, and Recording Secretary  
Davis

[Secretary's Note: Items 1 through 3 on the agenda were addressed at the previous meeting on Tuesday, September 18, 2018, Chairperson DYLINA chose to begin with Item 4.2 and to reopen the public hearing for each item.]

[Secretary's Note: Commissioner RASHE and Chairperson DYLINA disclosed to the Commission that since they were absent at the previous meeting, they did come in to City Hall to listen to the recording of the meeting and listened to all the public testimony on Agenda Items 4.1 through 4.5. Therefore, they were able to participate in the discussion and the vote.]

4. **ITEMS**

- 4.2 Commercial Cannabis Business Permit #18-06R, initiated by Blue Fire, Inc., on a property owned by REM Land Group, LLC. This application is a request to permit the operation of a Retail Dispensary for medicinal and adult-use cannabis and cannabis-related products, including delivery services, at 1975 W. Olive Avenue, a parcel of 2.08 acres, within Planned Development (P-D) #12, with a General Plan Designation of Industrial (IND).

[Secretary's Note: Recording Secretary DAVIS re-read the item description; there was no presentation given by Staff. For further information, refer to Staff Report #18-23.]

There was no one present wishing to speak regarding this item; therefore, public testimony was re-opened and then closed at 7:20 p.m.

M/S PADILLA-HARRIS, and carried by the following vote, to adopt a Categorical Exemption regarding Environmental Review #18-19, and approve Commercial Cannabis Business Permit #18-06R, subject to the Findings and twenty (20) Conditions set forth in Staff Report #18-23 (RESOLUTION #4005):

AYES: Commissioners Camper, Drexel, Harris, Martinez, Padilla, Rashe, and Chairperson Dylina

NOES: None

ABSENT: None

ABSTAIN: None

- 4.3 Commercial Cannabis Business Permit #18-10R, initiated by Green Door, Inc., on property owned by Ray Barry McAuley and Jeanne R McAuley, trustees. This application is a request to permit the operation of a retail dispensary for both medicinal and adult-use cannabis and cannabis-related products, including delivery services, on a 0.17-acre parcel at 811 W. Main Street within a Regional/Central Commercial (C-C) Zone.



[Secretary's Note: Recording Secretary DAVIS re-read the item description; there was no presentation given by Staff. For further information, refer to Staff Report #18-24.]

Commissioner CAMPER recused herself.

Public testimony was re-opened at 7:26 p.m.

Speaker from the Audience (Neutral):

RICHARD SANDFORD, Merced

There were no speakers from the audience in support or opposition to the project.

Public testimony was completed at 7:27 p.m.

M/S PADILLA-DREXEL, and carried by the following vote, to adopt a Categorical Exemption regarding Environmental Review #18-23, and approve Commercial Cannabis Business Permit #18-10R, subject to the Findings and twenty-two (22) Conditions set forth in Staff Report #18-24 (RESOLUTION #4006):

AYES: Commissioners Drexel, Harris, Martinez, Padilla, Rashe, and Chairperson Dylina

NOES: None

ABSENT: None

ABSTAIN: Commissioner Camper

Commissioner CAMPER returned to the dais.

- 4.4 Commercial Cannabis Business Permit #18-17R, initiated by Merced Business Ventures, Inc., DBA Manzanita, on property owned by Robert Gray. This application is a request to permit the operation of a retail dispensary for both medicinal and adult-use cannabis, including delivery services, on a 0.3-acre parcel at 1594 W. 18<sup>th</sup> Street within a General Commercial (C-G) Zone.

[Secretary's Note: Recording Secretary DAVIS re-read the item description; there was no presentation given by Staff. For further information, refer to Staff Report #18-25.]

Public testimony was re-opened at 7:29 p.m.; there being no one present wishing to speak regarding this item, Chairperson DYLINEA closed public testimony at 7:30 p.m.

M/S CAMPER-HARRIS, and carried by the following vote, to adopt a Categorical Exemption regarding Environmental Review #18-30, and approve Commercial Cannabis Business Permit #18-17R, subject to the Findings and twenty-one (21) Conditions set forth in Staff Report #18-25 (RESOLUTION #4007):

AYES: Commissioners Camper, Drexel, Harris, Martinez, Padilla, Rashe, and Chairperson Dylina

NOES: None

ABSENT: None

ABSTAIN: None

- 4.5 Commercial Cannabis Business Permit #18-14R, initiated by Harvest of Merced, LLC., on a property owned by Stephen G. Tinetti, trustee. This application is a request to permit the operation of a retail dispensary for both medicinal and adult-use cannabis and cannabis-related products, including delivery services, on a 0.36 acre parcel in the General Commercial (C-G) Zone at 863 W. 15th St.

[Secretary's Note: Recording Secretary DAVIS re-read the item description; there was no presentation given by Staff. For further information, refer to Staff Report #18-26.]

Public testimony was re-opened at 7:31 p.m.

Speakers from the Audience in Opposition:

ZACH DRIVON, representative for Medallion Wellness, Stockton  
MICHAEL O'LEARY, Applicant, Medallion Wellness

Mr. DRIVON presented information regarding the location chosen by Harvest of Merced, LLC, and questioned its proximity to a school in the area and whether it met the distance requirement from a school in the ordinance.

Mr. DRIVON noted three map images that he presented to the Commission during the meeting showing approximate distances between parcels.

Speaker from the Audience in Favor:

BEN KIMBRO, Applicant, Harvest of Merced, LLC, Tulsa, OK

[Secretary's Note: Planning Manager ESPINOSA noted that the applicant had time remaining from his fifteen minutes at the previous meeting and was allowed to use the remaining time of 4:16 to rebut Mr. DRIVON.]

Speaker from the Audience (Neutral):

DWIGHT LARKS, Merced

SUSAN BOUSCAREN, Merced

Public testimony was completed at 7:41 p.m.

Chairperson DYLINE allowed staff to comment on public testimony regarding the 1,000 ft. buffer and the web-based mapping tool.

Principal Planner HREN stated that they investigated the parcel in question by communicating with the MCOE (Merced County Office of Education) to confirm the use of the parcel and determined that it was not used as a school for children.

Commissioner PADILLA asked Interim Deputy City Attorney FLORES to define the use of "schools" in regards to the Cannabis Ordinance.

Planning Manager ESPINOSA spoke on staff's due diligence in keeping the web-based mapping tool updated and confirming active schools located on the aforementioned mapping tool.

Commissioner PADILLA confirmed with staff that the software was available to all the applicants during the process and that applicants were provided ample time to verify distances and measurements of the property they chose.

Commissioner MARTINEZ disclosed his concern of the accuracy of relying on software for cases that are in close proximity to sensitive uses. He recused himself from the vote due to a conflict of interest.

Commissioner RASHE and Chairperson DYLINEA both vouched for the accuracy of the GIS software and voiced their confidence in City staff and saw no reason to doubt software that has been in use by the City for many years without major discrepancies.

M/S PADILLA-RASHE, and carried by the following vote, to adopt a Categorical Exemption regarding Environmental Review #18-27, and approve Commercial Cannabis Business Permit #18-14R, subject to the Findings and twenty-two (22) Conditions set forth in Staff Report #18-26 (RESOLUTION #4008):

AYES: Commissioners Camper, Drexel, Harris, Padilla, Rashe, and Chairperson Dylina

NOES: None

ABSENT: None

ABSTAIN: Commissioner Martinez

Chairperson DYLINEA asked Ms. FLORES, for the benefit of the members of the audience, to explain the appeal process regarding the commercial cannabis business permits.

[Secretary's Note: At the discretion of the Chairperson, Section 5, Informational Items, was omitted during this meeting since Ms. ESPINOSA reviewed upcoming meeting details during the previous meeting on Tuesday.]

6. **ADJOURNMENT**

There being no further business, Chairperson DYLINEA adjourned the meeting at 8:01 p.m.

Respectfully submitted,



KIM ESPINOSA, Secretary  
Merced City Planning Commission

APPROVED:



ROBERT DYLINEA, Chairperson  
Merced City Planning Commission



**CITY OF MERCED**  
**Planning Commission**

**Resolution #4005**

**WHEREAS**, the Merced City Planning Commission at its scheduled meetings of September 18 and September 19, 2018, held a public hearing and considered **Commercial Cannabis Business Permit #18-06R**, initiated by Blue Fire, Inc., on a property owned by REM Land Group, LLC. This application is a request to permit the operation of a Retail Dispensary, including delivery services, for medicinal and adult use cannabis and cannabis-related products at 1975 W. Olive Avenue, a parcel of 2.08 acres, within Planned Development (P-D) #12, with a General Plan Designation of Industrial (IND); also known as Assessor's Parcel Number (APN) 058-030-004; and,

**WHEREAS**, the Merced City Planning Commission concurs with Findings A through M of Staff Report #18-23; and,

**NOW THEREFORE**, after reviewing the City's Draft Environmental Determination, and discussing all the issues, the Merced City Planning Commission does resolve to hereby adopt a Categorical Exemption regarding Environmental Review #18-19 and approve Commercial Cannabis Business Permits #18-06R, subject to the Conditions set forth in Exhibit A attached hereto and incorporated herein by this reference.

Upon motion by Commissioner PADILLA, seconded by Commissioner HARRIS, and carried by the following vote:

AYES: Commissioners Camper, Drexel, Harris, Martinez, Padilla, Rashe, and Chairperson Dylina

NOES: None

ABSENT: None

ABSTAIN: None

PLANNING COMMISSION RESOLUTION # 4005

Page 2

September 18 and 19, 2018

Adopted this 19<sup>th</sup> day of September 2018

  
\_\_\_\_\_  
Chairperson, Planning Commission of  
the City of Merced, California

ATTEST:

  
\_\_\_\_\_  
Secretary

Attachment:

Exhibit A – Conditions of Approval

**Conditions of Approval**  
**Planning Commission Resolution # 4005**  
**Commercial Cannabis Business Permit #18-06R**

1. The proposed project shall be constructed/designed as shown on Exhibit 1 (site plan) and Exhibit 2 (elevations) – Attachments C and E of Staff Report #18-23, except as modified by the conditions.
2. All conditions and requirements contained in Merced Municipal Code (MMC) Section 20.44.170/Ordinance #2480 (Attachment I of Staff Report #18-23) shall apply. Particular attention shall be paid to MMC 20.44.170(F) “Additional Regulations for Dispensary and Retail Sales of Cannabis” and MMC 20.44.170(G) “Additional Regulations for Commercial Cannabis Delivery Services.”
3. The proposed project shall comply with all standard Municipal Code and Subdivision Map Act requirements as applied by the City Engineering Department.
4. All other applicable codes, ordinances, policies, etc. adopted by the City of Merced shall apply.
5. The developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, and any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof, from any and all claims, actions, suits, proceedings, or judgments against the City, or any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof to attack, set aside, void, or annul, an approval of the City, or any agency or instrumentality thereof, advisory agency, appeal board, or legislative body, including actions approved by the voters of the City, concerning the project and the approvals granted herein. Furthermore, developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, or any agency or instrumentality thereof, against any and all claims, actions, suits, proceedings, or judgments against any governmental entity in which developer/applicant’s project is subject to that other governmental entity’s approval and a condition of such approval is that the City indemnify and defend such governmental entity. City shall promptly notify the developer/applicant of any claim, action, or proceeding. City shall further cooperate fully in the defense of the action. Should the City fail to either promptly notify or cooperate fully,

the developer/applicant shall not thereafter be responsible to indemnify, defend, protect, or hold harmless the City, any agency or instrumentality thereof, or any of its officers, officials, employees, or agents.

6. The developer/applicant shall construct and operate the project in strict compliance with the approvals granted herein, City standards, laws, and ordinances, and in compliance with all State and Federal laws, regulations, and standards. In the event of a conflict between City laws and standards and a State or Federal law, regulation, or standard, the stricter or higher standard shall control. State Law shall prevail in regards to cannabis activities as permitted by State Law.
7. The proposed project shall comply with all applicable regulations of the State of California including, but not limited to, those found in the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).
8. The applicants shall meet the standards of the City of Merced's "Commercial Building Permit Application Submittal Requirements" (Attachment J of Staff Report #18-23) at the time of submittal for building permits for tenant improvement.
9. The details of the property's fencing (if any), security, and screening are to meet the approval of the Director of Development Services and Chief of Police prior to the issuance of a Certificate of Occupancy.
10. The applicants shall keep on the premises of the proposed project site a physical copy of the approved plans, to be annotated and updated accordingly with any notes, changes, or requirements determined to be necessary by representatives of the City of Merced or any contractors that the City of Merced may employ for the purpose of site inspections. These plans shall be made available to the City's representatives, employees, agents, inspectors, or contractors upon request.
11. Fire sprinklers shall be modified or installed to accommodate the building configuration and process configuration prior to occupancy if required by the Chief Building Official.
12. Regulatory Fees, as per Resolution #2017-67, are to be paid prior to the issuance of a Certificate of Occupancy and annually thereafter on or before the anniversary date. The Regulatory Fee may be amended from time to time based upon actual costs. The amount of the fees shall be adjusted annually (starting on January 1, 2019) to account for inflation

by using the Consumer Price Index (CPI). In no event, shall the fees in any year be less than the preceding year.

13. A Commercial Cannabis Business Permit is valid for one year or until December 31 of each year, unless sooner revoked. Applications for the renewal of a permit shall be filed with the Director of Development Services, in accordance with 20.44.170(L).4, “Commercial Cannabis Business Permit Renewal (All Types)”, at least sixty (60) calendar days before the expiration of the current permit. If the permittee allows their permit to lapse, they shall be required to submit a new application, pay corresponding fees and be subject to all aspects of the selection process.
14. As per Ordinance #2480, the use of vending machines to dispense cannabis is strictly prohibited. Any vending machines on the property must not contain cannabis or cannabis-based products.
15. The applicants shall provide or cause to be provided a trash enclosure on the property such that all waste is securely stored until it is removed from the premises. Access to this enclosure shall be provided to the City’s Department of Public Works.
16. As required by Merced Municipal Code Section 17.04.050 and 17.04.060, full public improvements shall be installed/repared if the permit value of the project exceeds \$100,000. Public improvements may include, but not be limited to, repairing/replacing the sidewalk, curb, gutter, and street corner ramp(s), so that they comply with ADA standards and other relevant City of Merced/State standards and regulations.
17. The parking lot shall be repaved and restriped in compliance with the City of Merced’s City Standards.
18. If the applicants are unable to provide a FEMA flood elevation certificate showing that the top of the bottom floor and all equipment are at the required height as to not mandate mitigation measures if applicable, flood mitigation measures shall be required to meet the approval of the City flood plain manager and City Engineer.
19. The details of the final design of the exterior elevations and any signage shall be approved by Planning staff prior to issuance of a Certificate of Occupancy.



20. Future modifications to the scale, scope, activities, implementation, processes, materials, design, layout, or other factors pertaining to the operation of the project that are consistent with permits to perform activities related to operation of a retail dispensary of cannabis and cannabis-based products may be authorized with the approval of the City's Chief Building Official, Fire Chief, and Director of Development Services.

n:\shared\planning\PC Resolutions: CCBP #18-06R Exhibit A

**CITY OF MERCED**  
**Planning Commission**

**Resolution #4006**

**WHEREAS**, the Merced City Planning Commission at its scheduled meetings of September 18 and September 19, 2018, held a public hearing and considered **Commercial Cannabis Business Permit #18-10R**, initiated by Green Door, Inc., on property owned by Ray Barry McAuley and Jeanne R McAuley, trustees. This application is a request to permit the operation of a retail dispensary, including delivery services, for both medicinal and adult-use cannabis on a 0.17-acre parcel at 811 W. Main Street within a Regional/Central Commercial (C-C) Zone; also known as Assessor's Parcel Number (APN) 031-123-008; and,

**WHEREAS**, the Merced City Planning Commission concurs with Findings A through O of Staff Report #18-24; and,

**NOW THEREFORE**, after reviewing the City's Draft Environmental Determination, and discussing all the issues, the Merced City Planning Commission does resolve to hereby adopt a Categorical Exemption regarding Environmental Review #18-23 and approve Commercial Cannabis Business Permit #18-10R, subject to the Conditions set forth in Exhibit A attached hereto and incorporated herein by this reference.

Upon motion by Commissioner PADILLA, seconded by Commissioner DREXEL, and carried by the following vote:

AYES: Commissioners Drexel, Harris, Martinez, Padilla, Rashe, and Chairperson Dylina

NOES: None

ABSENT: None

ABSTAIN: Commissioner Camper

PLANNING COMMISSION RESOLUTION # 4006

Page 2

September 18 and 19, 2018

Adopted this 19<sup>th</sup> day of September 2018



\_\_\_\_\_  
Chairperson, Planning Commission of  
the City of Merced, California

ATTEST:

  
\_\_\_\_\_  
Secretary

Attachment:

Exhibit A – Conditions of Approval

**Conditions of Approval**  
**Planning Commission Resolution #4006**  
**Commercial Cannabis Business Permit #18-10R**

1. The proposed project shall be constructed/designed as shown on Exhibit 1 (site plan), Exhibit 2 (floor plan) and Exhibit 3 (elevations) -- Attachments C, D, and E of Staff Report #18-24, except as modified by the conditions.
2. All conditions and requirements contained in Merced Municipal Code (MMC) Section 20.44.170/Ordinance #2480 (Attachment J of Staff Report #18-24) shall apply. Particular attention shall be paid to MMC 20.44.170(F) "Additional Regulations for Dispensary and Retail Sales of Cannabis" and MMC 20.44.170(G) "Additional Regulations for Commercial Cannabis Delivery Services."
3. The proposed project shall comply with all standard Municipal Code and Subdivision Map Act requirements as applied by the City Engineering Department.
4. All other applicable codes, ordinances, policies, etc. adopted by the City of Merced shall apply.
5. The developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, and any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof, from any and all claims, actions, suits, proceedings, or judgments against the City, or any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof to attack, set aside, void, or annul, an approval of the City, or any agency or instrumentality thereof, advisory agency, appeal board, or legislative body, including actions approved by the voters of the City, concerning the project and the approvals granted herein. Furthermore, developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, or any agency or instrumentality thereof, against any and all claims, actions, suits, proceedings, or judgments against any governmental entity in which developer/applicant's project is subject to that other governmental entity's approval and a condition of such approval is that the City indemnify and defend such governmental entity. City shall promptly notify the developer/applicant of any claim, action, or proceeding. City shall further cooperate fully in the defense of the

action. Should the City fail to either promptly notify or cooperate fully, the developer/applicant shall not thereafter be responsible to indemnify, defend, protect, or hold harmless the City, any agency or instrumentality thereof, or any of its officers, officials, employees, or agents.

6. The developer/applicant shall construct and operate the project in strict compliance with the approvals granted herein, City standards, laws, and ordinances, and in compliance with all State and Federal laws, regulations, and standards. In the event of a conflict between City laws and standards and a State or Federal law, regulation, or standard, the stricter or higher standard shall control. State Law shall prevail in regards to cannabis activities as permitted by State Law.
7. The proposed project shall comply with all applicable regulations of the State of California including, but not limited to, those found in the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).
8. The details of the property's fencing (if any), security, and screening are to meet the approval of the Director of Development Services and Chief of Police prior to the issuance of a Certificate of Occupancy. Key access and/or a Knox Box to any perimeter fencing shall be provided to the City Fire, Police, and Public Works Departments.
9. The applicants shall meet the standards of the City of Merced's "Commercial Building Permit Application Submittal Requirements" (Attachment K of Staff Report #18-24) at the time of submittal for building permits for tenant improvement.
10. The applicants shall keep on the premises of the proposed project site a physical copy of the approved plans, to be annotated and updated accordingly with any notes, changes, or requirements determined to be necessary by representatives of the City of Merced or any contractors that the City of Merced may employ for the purpose of site inspections. These plans shall be made available to the City's representatives, employees, agents, inspectors, or contractors upon request.
11. Any non-public areas, including cannabis inventory storage room, restrooms, etc., within the facility shall be secured from intentional or accidental access by any person not employed, contracted, or otherwise authorized on the premises.



12. Fire sprinklers shall be modified or installed to accommodate the building configuration and process configuration prior to occupancy if required by the Chief Building Official.
13. Regulatory Fees, as per Resolution #2017-67, are to be paid prior to the issuance of a Certificate of Occupancy and annually thereafter on or before the anniversary date. The Regulatory Fee may be amended from time to time based upon actual costs. The amount of the fees shall be adjusted annually (starting on January 1, 2019) to account for inflation by using the Consumer Price Index (CPI). In no event, shall the fees in any year be less than the preceding year.
14. A Commercial Cannabis Business Permit is valid for one year or until December 31 of each year, unless sooner revoked. Applications for the renewal of a permit shall be filed with the Director of Development Services, in accordance with MMC 20.44.170(L).4, "Commercial Cannabis Business Permit Renewal (All Types)", at least sixty (60) calendar days before the expiration of the current permit. If the permittee allows their permit to lapse, they shall be required to submit a new application, pay corresponding fees, and be subject to all aspects of the selection process.
15. If the applicants are unable to provide a FEMA flood elevation certificate showing that the top of the bottom floor and all equipment are at the required height as to not mandate mitigation measures (if applicable), flood mitigation measures shall be required to meet the approval of the City flood plain manager and City Engineer.
16. As required by Merced Municipal Code Section 17.04.050 and 17.04.060, full public improvements shall be installed/repared if the permit value of the project exceeds \$100,000.00. Public improvements may include, but not be limited to, repairing/replacing the sidewalk, curb, gutter, and street corner ramp(s), so that they comply with ADA standards and other relevant City of Merced/State/Federal standards and regulations.
17. The applicants shall provide a trash enclosure on the property such that all waste is securely stored until it is removed from the premises with access to the enclosure to be provided to the Refuse Division. The proposed enclosure as shown on the Site Plan is located at the northwest corner of APN 031-123-010, which may conflict with the approved food truck parking area on that lot, so the final location and design shall be

approved by the Refuse Division prior to issuance of a building permit. The cross access agreement described in Condition #19 will also include the final location of the trash enclosure and ensure the dispensary's access to that enclosure.

18. Future modifications to the scale, scope, activities, implementation, processes, materials, design, layout, or other factors pertaining to the operation of the project that are consistent with permits to perform activities related to operation of a retail dispensary of cannabis and cannabis-based products may be authorized with the approval of the City's Chief Building Official, Fire Chief, and Director of Development Services.
19. A joint parking and cross access agreement shall be recorded by the property owner to ensure that the dispensary has access to the parking, trash enclosure, and any other required facilities on the adjacent parcels (APN #031-123-009 and -010).
20. The parking areas shall be repaved and striped to City Standards prior to obtaining a Certificate of Occupancy.
21. The final design of the exterior elevations and any signage shall be approved by Planning staff prior to obtaining a Certificate of Occupancy. The final design of the proposed mural on the west elevation may require approval from the City's new Arts Commission. Details to be worked out with staff.
22. The dispensary owners shall work with the property owners and food truck operators as approved with Conditional Use Permit #1226 to allow for the joint use of the parking area on APN #031-123-010. If agreement cannot be reached, the property owners will need to determine the future use of the property. If the food truck(s) remain, the dispensary owners shall be responsible for ensuring that cannabis products are not consumed on-site as required in MMC 20.44.170(F)(16).

**CITY OF MERCED**  
**Planning Commission**

**Resolution #4007**

**WHEREAS**, the Merced City Planning Commission at its scheduled meetings of September 18 and September 19, 2018, held a public hearing and considered **Commercial Cannabis Business Permit #18-17R**, initiated by Merced Business Ventures, Inc., DBA Manzanita, on property owned by Robert Gray. This application is a request to permit the operation of a retail dispensary for both medicinal and adult-use cannabis, including delivery services, on a 0.3-acre parcel at 1594 W. 18<sup>th</sup> Street within a General Commercial (C-G) Zone; also known as Assessor's Parcel Number (APN) 031-351-031; and,

**WHEREAS**, the Merced City Planning Commission concurs with Findings A through O of Staff Report #18-25; and,

**NOW THEREFORE**, after reviewing the City's Draft Environmental Determination, and discussing all the issues, the Merced City Planning Commission does resolve to hereby adopt a Categorical Exemption regarding Environmental Review #18-30 and approve Commercial Cannabis Business Permit #18-17R, subject to the Conditions set forth in Exhibit A attached hereto and incorporated herein by this reference.

Upon motion by Commissioner CAMPER, seconded by Commissioner HARRIS, and carried by the following vote:

AYES: Commissioners Camper, Drexel, Harris, Martinez, Padilla, Rashe, and Chairperson Dyline

NOES: None

ABSENT: None

ABSTAIN: None

PLANNING COMMISSION RESOLUTION # 4007

Page 2

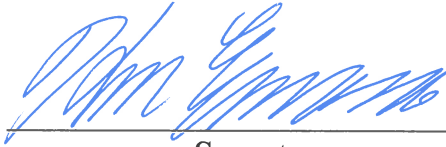
September 18 and 19, 2018

Adopted this 19<sup>th</sup> day of September 2018



\_\_\_\_\_  
Chairperson, Planning Commission of  
the City of Merced, California

ATTEST:



\_\_\_\_\_  
Secretary

Attachment:

Exhibit A – Conditions of Approval

**Conditions of Approval**  
**Planning Commission Resolution # 4007**  
**Commercial Cannabis Business Permit #18-17R**

1. The proposed project shall be constructed/designed as shown on Exhibit 1 (site plan), Exhibit 2 (floor plan), and Exhibit 3 (elevations) -- Attachments C, D, and E of Staff Report #18-25, except as modified by the conditions.
2. All conditions and requirements contained in Merced Municipal Code (MMC) Section 20.44.170/Ordinance #2480 (Attachment J of Staff Report #18-25) shall apply. Particular attention shall be paid to MMC 20.44.170(F) "Additional Regulations for Dispensary and Retail Sales of Cannabis" and MMC 20.44.170(G) "Additional Regulations for Commercial Cannabis Delivery Services."
3. The proposed project shall comply with all standard Municipal Code and Subdivision Map Act requirements as applied by the City Engineering Department.
4. All other applicable codes, ordinances, policies, etc. adopted by the City of Merced shall apply.
5. The developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, and any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof, from any and all claims, actions, suits, proceedings, or judgments against the City, or any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof to attack, set aside, void, or annul, an approval of the City, or any agency or instrumentality thereof, advisory agency, appeal board, or legislative body, including actions approved by the voters of the City, concerning the project and the approvals granted herein. Furthermore, developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, or any agency or instrumentality thereof, against any and all claims, actions, suits, proceedings, or judgments against any governmental entity in which developer/applicant's project is subject to that other governmental entity's approval and a condition of such approval is that the City indemnify and defend such governmental entity. City shall promptly notify the developer/applicant of any claim, action, or proceeding. City shall further cooperate fully in the defense of the



action. Should the City fail to either promptly notify or cooperate fully, the developer/applicant shall not thereafter be responsible to indemnify, defend, protect, or hold harmless the City, any agency or instrumentality thereof, or any of its officers, officials, employees, or agents.

6. The developer/applicant shall construct and operate the project in strict compliance with the approvals granted herein, City standards, laws, and ordinances, and in compliance with all State and Federal laws, regulations, and standards. In the event of a conflict between City laws and standards and a State or Federal law, regulation, or standard, the stricter or higher standard shall control. State Law shall prevail in regards to cannabis activities as permitted by State Law.
7. The proposed project shall comply with all applicable regulations of the State of California including, but not limited to, those found in the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).
8. The details of the property's fencing (if any), security, and screening are to meet the approval of the Director of Development Services and Chief of Police prior to the issuance of a Certificate of Occupancy. Key access and/or a Knox Box to any perimeter fencing shall be provided to the City Fire, Police, and Public Works Departments.
9. The applicants shall meet the standards of the City of Merced's "Commercial Building Permit Application Submittal Requirements" (Attachment K of Staff Report #18-25) at the time of submittal for building permits for tenant improvement.
10. The applicants shall keep on the premises of the proposed project site a physical copy of the approved plans, to be annotated and updated accordingly with any notes, changes, or requirements determined to be necessary by representatives of the City of Merced or any contractors that the City of Merced may employ for the purpose of site inspections. These plans shall be made available to the City's representatives, employees, agents, inspectors, or contractors upon request.
11. Any non-public areas, including cannabis inventory storage room, restrooms, etc., within the facility shall be secured from intentional or accidental access by any person not employed, contracted, or otherwise authorized on the premises.

12. Fire sprinklers shall be modified or installed to accommodate the building configuration and process configuration prior to occupancy if required by the Chief Building Official.
13. Regulatory Fees, as per Resolution #2017-67, are to be paid prior to the issuance of a Certificate of Occupancy and annually thereafter on or before the anniversary date. The Regulatory Fee may be amended from time to time based upon actual costs. The amount of the fees shall be adjusted annually (starting on January 1, 2019) to account for inflation by using the Consumer Price Index (CPI). In no event, shall the fees in any year be less than the preceding year.
14. A Commercial Cannabis Business Permit is valid for one year or until December 31 of each year, unless sooner revoked. Applications for the renewal of a permit shall be filed with the Director of Development Services, in accordance with MMC 20.44.170(L).4, "Commercial Cannabis Business Permit Renewal (All Types)", at least sixty (60) calendar days before the expiration of the current permit. If the permittee allows their permit to lapse, they shall be required to submit a new application, pay corresponding fees, and be subject to all aspects of the selection process.
15. If the applicants are unable to provide a FEMA flood elevation certificate showing that the top of the bottom floor and all equipment are at the required height as to not mandate mitigation measures (if applicable), flood mitigation measures shall be required to meet the approval of the City flood plain manager and City Engineer.
16. As required by Merced Municipal Code Section 17.04.050 and 17.04.060, full public improvements shall be installed/repared if the permit value of the project exceeds \$100,000.00. Public improvements may include, but not be limited to, repairing/replacing the sidewalk, curb, gutter, and street corner ramp(s), so that they comply with ADA standards and other relevant City of Merced/State/Federal standards and regulations.
17. The applicants shall provide a trash enclosure on the property such that all waste is securely stored until it is removed from the premises with access to the enclosure to be provided to the Refuse Division. The proposed enclosure as shown on the Site Plan is located at the southwest corner of the parcel, but per the Refuse Division, it should be relocated closer to the northwest corner of the parcel. The final location and design

shall be approved by the Refuse Division prior to issuance of a building permit. The applicants have also agreed to post a sign on the enclosure making clear there is no cannabis product inside of it, and it will be locked.

18. Future modifications to the scale, scope, activities, implementation, processes, materials, design, layout, or other factors pertaining to the operation of the project that are consistent with permits to perform activities related to operation of a retail dispensary of cannabis and cannabis-based products may be authorized with the approval of the City's Chief Building Official, Fire Chief, and Director of Development Services.
19. A joint parking and cross access agreement shall be recorded by the property owner to ensure that the dispensary has access to the parking, trash enclosure, and any other required facilities on the adjacent parcel to the east (APN #031-351-028).
20. The parking areas shall be repaved and striped to City Standards prior to obtaining a Certificate of Occupancy.
21. The final design of the exterior elevations and any signage shall be approved by Planning staff prior to obtaining a Certificate of Occupancy. Details to be worked out with staff.

Note: This item has been  
appealed; therefore,  
Resolution #4008 has not  
yet gone into effect.  
Efficacy of this Resolution  
will be contingent on City  
Council decision.

**CITY OF MERCED  
Planning Commission**

**Resolution #4008**

**WHEREAS**, the Merced City Planning Commission at its scheduled meetings of September 18 and September 19, 2018, held a public hearing and considered **Commercial Cannabis Business Permit #18-14R**, initiated by Harvest of Merced, LLC., on a property owned by Stephen G. Tinetti, trustee. This application is a request to permit the operation of a Retail Dispensary, including delivery services, for both medicinal and adult use cannabis and cannabis-related products on a 0.36 acre parcel in the General Commercial (C-G) Zone at 863 W. 15th St.; also known as Assessor's Parcel Number (APN) 031-173-012; and,

**WHEREAS**, the Merced City Planning Commission concurs with Findings A through M of Staff Report #18-26; and,

**NOW THEREFORE**, after reviewing the City's Draft Environmental Determination, and discussing all the issues, the Merced City Planning Commission does resolve to hereby adopt a Categorical Exemption regarding Environmental Review #18-27 and approve Commercial Cannabis Business Permit #18-14R, subject to the Conditions set forth in Exhibit A attached hereto and incorporated herein by this reference.

Upon motion by Commissioner PADILLA, seconded by Commissioner RASHE, and carried by the following vote:

AYES: Commissioners Camper, Drexel, Harris, Padilla, Rashe, and Chairperson Dylina

NOES: None

ABSENT: None

ABSTAIN: Commissioner Martinez

PLANNING COMMISSION RESOLUTION # 4008

Page 2

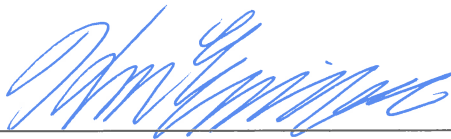
September 18 and 19, 2018

Adopted this 19<sup>th</sup> day of September 2018



\_\_\_\_\_  
Chairperson, Planning Commission of  
the City of Merced, California

ATTEST:



\_\_\_\_\_  
Secretary

Attachment:

Exhibit A – Conditions of Approval



**Conditions of Approval**  
**Planning Commission Resolution #4008**  
**Commercial Cannabis Business Permit #18-14R**

1. The proposed project shall be constructed/designed as shown on Exhibit 1 (site plan), Attachment C of Staff Report #18-26, and Exhibit 2 (floor plan), Attachment D of Staff Report #18-26, except as modified by the conditions.
2. All conditions and requirements contained in Merced Municipal Code (MMC) Section 20.44.170/Ordinance #2480 (Attachment I of Staff Report #18-26) shall apply. Particular attention shall be paid to MMC 20.44.170(F) “Additional Regulations for Dispensary and Retail Sales of Cannabis” and MMC 20.44.170(G) “Additional Regulations for Commercial Cannabis Delivery Services.”
3. The proposed project shall comply with all standard Municipal Code and Subdivision Map Act requirements as applied by the City Engineering Department.
4. All other applicable codes, ordinances, policies, etc. adopted by the City of Merced shall apply.
5. The developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, and any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof, from any and all claims, actions, suits, proceedings, or judgments against the City, or any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof to attack, set aside, void, or annul, an approval of the City, or any agency or instrumentality thereof, advisory agency, appeal board, or legislative body, including actions approved by the voters of the City, concerning the project and the approvals granted herein. Furthermore, developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, or any agency or instrumentality thereof, against any and all claims, actions, suits, proceedings, or judgments against any governmental entity in which developer/applicant’s project is subject to that other governmental entity’s approval and a condition of such approval is that the City indemnify and defend such governmental entity. City shall promptly notify the developer/applicant of any claim, action, or proceeding. City shall further cooperate fully in the defense of the

action. Should the City fail to either promptly notify or cooperate fully, the developer/applicant shall not thereafter be responsible to indemnify, defend, protect, or hold harmless the City, any agency or instrumentality thereof, or any of its officers, officials, employees, or agents.

6. The developer/applicant shall construct and operate the project in strict compliance with the approvals granted herein, City standards, laws, and ordinances, and in compliance with all State and Federal laws, regulations, and standards. In the event of a conflict between City laws and standards and a State or Federal law, regulation, or standard, the stricter or higher standard shall control. State Law shall prevail in regards to cannabis activities as permitted by State Law.
7. The proposed project shall comply with all applicable regulations of the State of California including, but not limited to, those found in the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).
8. The applicants shall meet the standards of the City of Merced's "Commercial Building Permit Application Submittal Requirements" (Attachment J of Staff Report #18-26) at the time of submittal for building permits for tenant improvement.
9. The details of the property's fencing (if any), security, and screening are to meet the approval of the Director of Development Services and Chief of Police prior to the issuance of a Certificate of Occupancy.
10. The applicants shall keep on the premises of the proposed project site a physical copy of the approved plans, to be annotated and updated accordingly with any notes, changes, or requirements determined to be necessary by representatives of the City of Merced or any contractors that the City of Merced may employ for the purpose of site inspections. These plans shall be made available to the City's representatives, employees, agents, inspectors, or contractors upon request.
11. Fire sprinklers shall be modified or installed to accommodate the building configuration and process configuration prior to occupancy if required by the Chief Building Official.
12. Regulatory Fees, as per Resolution #2017-67, are to be paid prior to the issuance of a Certificate of Occupancy and annually thereafter on or before the anniversary date. The Regulatory Fee may be amended from time to time based upon actual costs. The amount of the fees shall be

adjusted annually (starting on January 1, 2019) to account for inflation by using the Consumer Price Index (CPI). In no event, shall the fees in any year be less than the preceding year.

13. A Commercial Cannabis Business Permit is valid for one year or until December 31 of each year, unless sooner revoked. Applications for the renewal of a permit shall be filed with the Director of Development Services, in accordance with 20.44.170(L).4, “Commercial Cannabis Business Permit Renewal (All Types)”, at least sixty (60) calendar days before the expiration of the current permit. If the permittee allows their permit to lapse, they shall be required to submit a new application, pay corresponding fees and be subject to all aspects of the selection process.
14. As per Ordinance #2480, the use of vending machines to dispense cannabis is strictly prohibited. Any vending machines on the property must not contain cannabis or cannabis-based products.
15. The applicants shall provide or cause to be provided a trash enclosure on the property such that all waste is securely stored until it is removed from the premises. Access to this enclosure shall be provided to the City’s Department of Public Works.
16. Key access and/or a Knox Box to the perimeter fence shall be provided to the City of Merced Fire Department, Department of Public Works, and Police Department.
17. As required by Merced Municipal Code Section 17.04.050 and 17.04.060, full public improvements shall be installed/repared if the permit value of the project exceeds \$100,000. Public improvements may include, but not be limited to, repairing/replacing the sidewalk, curb, gutter, and street corner ramp(s), so that they comply with ADA standards and other relevant City of Merced/State standards and regulations.
18. The parking lot shall be repaved and restriped in compliance with the City of Merced’s City Standard Designs.
19. If the applicants are unable to provide a FEMA flood elevation certificate showing that the top of the bottom floor and all equipment are at the required height as to not mandate mitigation measures if applicable, flood mitigation measures shall be required to meet the approval of the City flood plain manager and City Engineer.

20. There shall be no shared access to the building sharing a common wall with 863 W. 15th Street. Any existing shared access point must be sealed prior to the issuance of a Certificate of Occupancy.
21. The details of the final design of the exterior elevations and any signage shall be approved by Planning staff prior to issuance of a Certificate of Occupancy.
22. Future modifications to the scale, scope, activities, implementation, processes, materials, design, layout, or other factors pertaining to the operation of the project that are consistent with permits to perform activities related to operation of a retail dispensary of cannabis and cannabis-based products may be authorized with the approval of the City's Chief Building Official, Fire Chief, and Director of Development Services.

n:\shared\planning\PC Resolutions: CCBP #18-14R Exhibit A

Merced City Council  
678 W 18th St.  
Merced, CA 95340



September 26, 2018

**Attn:** Mayor Mike Murphy; Council Member Michael Belluomini; Council Member Kevin Blake; Council Member Josh Pedrozo; Council Member Anthony Levi Martinez; Mayor Pro Tempore Jill McLeod; Council Member Matthew Serratto.

**Cc:** City Manager Steve Carrigan; Development Services Director Scott McBride

**Re:** Appeal from 9/19/18 Merced Planning Commission Approval of CCBP #18-14R ("Harvest of Merced") at 863 W 15th St

Dear Mayor Murphy and Members of the Council,

On behalf of CCBP #18-21R ("Medallion Wellness") at 808 W 16th St, hereinafter referred as 'Medallion', I, Michael O'Leary, hereby appeal the City of Merced Planning Commission's Approval of the above referenced Commercial Cannabis Business (Retail) applicant, 'Harvest of Merced' hereinafter referred as 'Harvest'.

**Grounds for Appeal:** Violation of Merced Municipal Code Section 20.44.170 (E), subsection 3f.

On September 18, 2018 during City staff's presentation of the Harvest project, I noted that the project's location was within a close vicinity to the Wolfe Education Center located at 732 W 13th Street, which is designated by the City as a sensitive use school site. Following the presentation, I contacted Medallion Representative Zach Drivon to research the Harvest project's proximity to the Wolfe Education Center.

Immediately prior to the Planning Commission decision at issue, on September 19, 2018 Mr. Drivon provided communication with information to the City Clerk, Planning Commission Chair Robert Dylina, Planning Department Staff Member Michael Wren, City Attorney Kim Flores, and Development Services Director Scott McBride regarding the proximity of the Harvest location to the Wolfe Education Center.

In sum, the information indicated that the Commission's approval of the Harvest location would violate the above referenced Municipal Code Section which provides in relevant part:

"No Cannabis dispensary may be located within a 1,000-foot radius from a school... The distance specified in this section shall be the horizontal distance measured in a straight line of the lot on which the commercial cannabis business shall be located without regard to intervening structures."

ATTACHMENT 3



This communication prompted staff and Chair Dylina to re-open public comment so that the Commissioners could receive and consider the information prior to their decision. Mr. Drivon provided 'screen shots' of google maps measurements of the distance between the Harvest location and the Wolfe Education Center which illustrated a separation of only 981 feet. The screen shots are attached as 'Exhibit A' and 'Exhibit B'.

In response to inquiries from several commissioners following Mr. Drivon's presentation, City staff indicated the following:

1. The Wolfe Education Center was marked as a sensitive use 'School' location following the City's confirmation that K-12 instruction was 'frequently' provided at that location.
2. The Planning Department's approval of the Harvest site as an eligible location relative to its proximity to the Wolfe Education Center was based solely in reliance on the City's Cannabis Ordinance Web Application Mapping Tool, and not on an actual measurement by a licensed surveyor.

During the discussion of the proximity issue, staff and commissioners exchanged opinions and commentary regarding their confidence in the accuracy of the Mapping Tool, and lack of confidence in google maps as reliable measures of determination on this issue.

However, the landing page for the mapping tool link contains the following disclaimer:

**"[Disclaimers Regarding Use of this Mapping Tool]**

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." A printout of the landing page disclaimer is attached as 'Exhibit C'.

**Additional Background:**

On January 26, 2018 the City hosted an Application Workshop where zoning maps were provided to illustrate appropriately zoned areas within the City of Merced for various commercial cannabis activities. Staff members were also present to field inquiries and conduct assessments of specific properties using the Mapping Tool.

A City representative assisted Mr. Drivon in regard to the Medallion project, and informed him that the Mapping Tool indicated that the 808 16th Street location was itself within 1,000 feet of the Wolfe Education Center. Since these results contradicted Medallion's prior due diligence as to its proximity to sensitive uses in the area, it enlisted the services of licensed Surveyor, Michael Farley (Land Surveyor # 6939) to prove the eligibility of the 808 16th Street location relative to its proximity to the Wolfe Education Center.

The Land Survey results for the 808 16th street location confirmed a distance of 1136.83 feet between the Medallion Location and the Wolfe Education Center. Following telephone conversations on the issue on or around February 9, 2018, Mr. Drivon provided the Survey report to Development Services Director Scott McBride. Mr. Drivon was informed the following week by Planning Department staff member Michael Wren via telephone that staff had reviewed and conceded to the accuracy of the Farley Survey. The '808 16th Land Survey Report' is attached as 'Exhibit D'.

Furthermore, On January 29, 2018 Medallion Representative Mike Lynch contacted Merced County Superintendent of Schools, Steve Tietjen who advised that the Wolfe Education Center site was used for educational purposes, including 'foster youth'. The email exchange is attached as 'Exhibit E'.

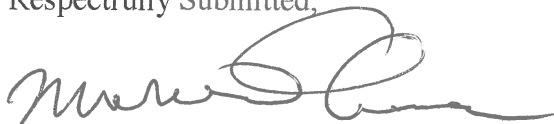
Additionally, an ABC news report from September 20, 2018 regarding the Planning Commission report at issue also noted "The Merced County Office of Education did confirm there is an elementary school site near potential dispensary site on 15th street." The news article is attached as 'Exhibit F'.

**Conclusion:** Land Survey confirms ineligibility of the Harvest location

On September 20, 2018 Medallion again contacted Mr. Farley to conduct a measurement of the distance between the Harvest Location and the Wolfe Education Center. Mr. Farley took measurements on the same day and produced a Land Survey Report on September 24. The results of this report show that the Harvest location is located only 977.27 feet away from the Wolfe Education Center and is thus ineligible as a Commercial Cannabis Dispensary location under the Merced Municipal Code. Mr. Farley's '863 15th Land Survey Report' is attached as 'Exhibit G'.

Based on City staff and Planning Commission reliance on the Mapping Tool, information provided to the Planning Commission as to the accuracy of this system during the Hearing, and resulting erroneous determination of eligibility relative to the distance between the Harvest Location and Wolfe Education Center, City Council should rightfully overturn the Planning Commission's Approval of the Harvest location for a Commercial Cannabis Business Permit.

Respectfully Submitted,

A handwritten signature in dark ink, appearing to read "Michael O'Leary", with a stylized flourish at the end.

Michael O'Leary  
Medallion Wellness

# 'Exhibit A'

## Google Maps Screen Shot 1



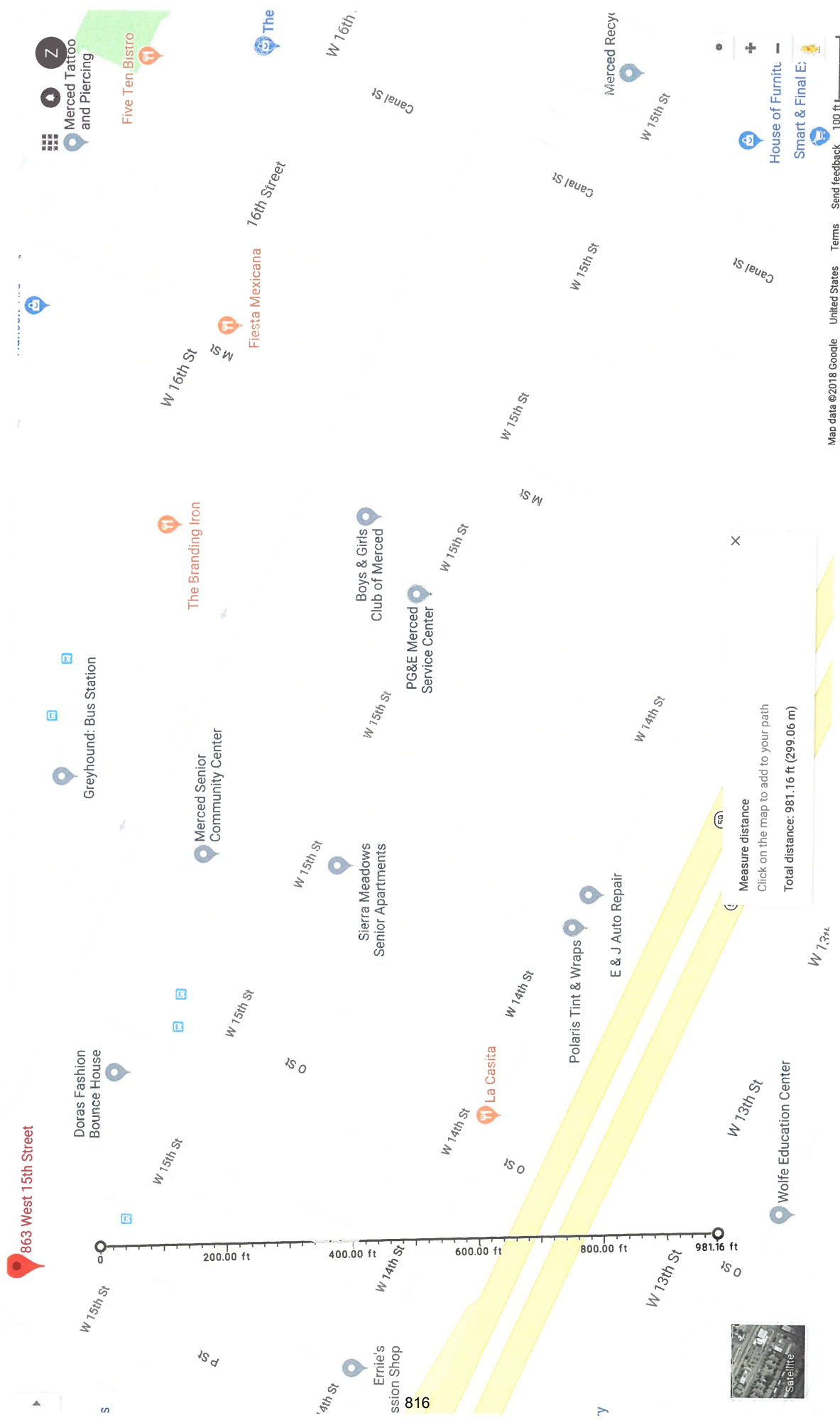


Measure distance  
Click on the map to add to your path  
Total distance: 981.16 ft (299.06 m)

# 'Exhibit B'

## Google Maps Screen Shot 2





Measure distance  
Click on the map to add to your path  
Total distance: 981.16 ft (299.06 m)

# 'Exhibit C'

## Mapping Tool Disclaimer

### **Terms of City of Merced Cannabis Ordinance (No. 2480)**

- Specific commercial cannabis business types are allowed as special uses in the City of Merced within certain commercial and industrial zoning districts. This also applies within Planned Development zones that have equivalent General Plan land use designations to those zones listed in Table 20.44-1 (provided as a downloadable PDF and as a widget located in the upper left within the mapping application). Those business types that are permitted in each listed zone are noted with a "P", and those businesses not allowed in a listed zone are noted with an "X"
- All commercial cannabis businesses must obtain a Commercial Cannabis Business Permit (CCBP) from the City. The number of dispensaries/retail sales businesses is limited to a maximum of four (4). CCBP's must be renewed each year and annual regulatory fees must be paid to ensure monitoring and enforcement.
- The process for obtaining a Commercial Cannabis Business Permit is as follows:
  - For dispensaries/retail sales CCBP's, there is a limit of 4 permits. Because of this, these applications will undergo a 2-Phase review, consisting of:
    - A Phase 1 application review including confirmation of zoning compliance and completion of all required documents; and,
    - A Phase 2 detailed background check of all owners to the satisfaction of the Police Chief and a merit-based review of applications that passed Phase 1. This review will be overseen by a panel consisting of the City Manager, Police Chief, and the Director of Development Services or their assigns. The panel will recommend the top 4 applications to the Planning Commission; and,
  - The top 4 applications will have Planning Commission public hearings held, and the CCBP permit will be approved or denied.
- For all other cannabis businesses with no limitation on the number of permits:
  - There is no merit-based process and all applications that pass Phase 1 and extensive background checks will go to the Planning Commission for public hearings.
- Specific operating requirements that address security, product storage, operating hours, disposal, etc., are provided for all the different types of cannabis businesses (cultivation, manufacturing, distribution, testing, deliveries, and retail sales/dispensaries). In general, all cannabis activities, including cultivation, must take place indoors.
- Distance requirements from sensitive land uses are also required as follows:
  - A Cannabis Business that involves a Dispensary/Retail Sales is not allowed within 1,000 feet of a school;
  - A Cannabis Business of any other type (not retail sales) is not allowed within 600 feet of a school.
  - A Cannabis Business of any type is not allowed within 600 feet of a day care center, a youth center, a public park (not including bike paths), or a library.
- Specific regulations are imposed on the cultivation of cannabis for personal use in private residences in residential zones. In general, the cultivation of cannabis for personal use is only permitted indoors and is limited to six (6) plants as per State law.

### **Disclaimers Regarding Use of this Mapping Tool**

- **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.**

☐ I have read, understood, and agree to the terms of the City of Merced's Ordinance 2480 and the Disclaimers regarding the use of this mapping tool.

Agree

'Exhibit D'  
808 16th Land Survey  
Report



# Untitled Map

Write a description for your map.

Legend

NORTH  
1932343.004  
EAST  
6564790.123

DISTANCE = 1163.83' FROM THE CLOSEST PROPERTY  
CORNERS BETWEEN 808 W. 16th & 732 W. 13th  
MERCED, CA.  
COORDINATES ARE BASED UPON CALIFORNIA ZONE  
COORDINATES, USING "TOPCON GPS HIPER V"  
MICHAEL FARLEY  
LAND SURVEYOR # 6939  
FEB. 8, 2018  
209-649-9905  
MFSURVEYOR@AOL.COM

NORTH  
1931218.239  
EAST  
6564491.114

Google Earth

© 2018 Google



# 'Exhibit E'

## Tietjen-Lynch Email Exchange

From: mike@mikelynchconsulting.com  
Subject: Fwd: 732 w. 13th  
Date: September 26, 2018 at 9:05 AM  
To: Zach Drivon zach@drivonconsulting.com



Begin forwarded message:

**From:** Steve Tietjen <[STietjen@mcoe.org](mailto:STietjen@mcoe.org)>  
**Subject:** Re: 732 w. 13th  
**Date:** January 29, 2018 at 4:06:57 PM PST  
**To:** MikeLynchConsulting <[mike@mikelynchconsulting.com](mailto:mike@mikelynchconsulting.com)>

It's a combination, some special ed 18-22, some adult ed, some foster youth.

Steve M. Tietjen, Ed.D.

County Superintendent of Schools

MERCED COUNTY OFFICE OF EDUCATION  
632 West 13th Street  
Merced CA 95341  
(209) 381-6601  
(209) 381-6767 Fax  
[stietjen@mcoe.org](mailto:stietjen@mcoe.org)

This communication contains information which may be confidential. The information (including all attachments) is intended only for the use of the individual or entity named above. If you are not the intended recipient, you should notify the sender named above and delete this communication from your computer. You are hereby notified that any disclosure, copying, distribution, or the taking of any action in reliance on the contents of said information is strictly prohibited.

On 1/29/18, 9:31 AM, "MikeLynchConsulting" <[mike@mikelynchconsulting.com](mailto:mike@mikelynchconsulting.com)> wrote:

How does district use The Wolfe Center next to your headquarters? It looks like classrooms. Is it adult ed or K-12?

**'Exhibit F'**  
**ABC News Report Re:**  
**Merced Dispensaries**

abc30

WATCH LIVE

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TWEET

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EMAIL

MARIJUANA

Merced planning commission approves four marijuana dispensaries

EMBED <>

MORE VIDEOS

Four marijuana dispensaries are approved to come to Merced, and some could open their doors by the end of the year.

By [Nathalie Granda](#)

Published: September 26, 2018 11:01 AM PT

MERCED, Calif. (KFSN) — Four dispensaries are approved to come to Merced, and some could open their doors by the end of the year:

1. Blue Fire - to be located along Olive Avenue
2. The Green Door - to be located along Main Street
3. Manzanita - to be located on the 1500 block of 18th Street
4. The Harvest of Merced - to be located inside an old warehouse on 15th Street



RECOMMEN



"They're going to hire local people, they're going to use local contractors, they're going to inject money into the local community," City Development Services Scott McBride said.

The approval comes after two nights of public hearings.



Nathalie Granda  
@NathalieABC30

**#NEW** : Following the public hearings, The Merced Planning Commission approved the 4 top/picked dispensaries. These renderings are what they could look like when finished! 1st is Blue Fire, 2nd is Green Door, 3rd Manzanita, & 4th is Harvest of Merced @ABC30

10:42 AM - Sep 20, 2018

10 See Nathalie Granda's other Tweets

All four of the businesses plan to have extensive video and alarm security systems, with hired security during operating hours. City officials say during the meeting, however, an applicant named Medallion Wellness spoke against the 4th highest ranked dispensary, The Harvest of Merced, because of its location.

"They are concerned that the location for Harvest of Merced might be too close to a school, so they sent some information for the commission to consider. They did review it, they did respond to questions and ultimately voted to review the application," McBride said.

The Merced County Office of Education did confirm there is an elementary school site near potential dispensary site on 15th Street.

The owner of the fifth highest ranked applicant, Medallion Wellness, stated in an email to Action News that the company plans to do their own independent investigation before they decide to appeal the planning commission's approval of the fourth dispensary, The Harvest of Merced.

Other applicants are not too happy with the winners.

Charles Veilleux, the owner of the Stone Bowl, was hoping to open a medicinal dispensary. It cost him about \$10,000 to apply. He was under the impression local



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## TRENDING



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## TOP STORIES



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business owners would get additional points but said the dispensaries chosen are all from out of the area.

"That to me seems like they're showing favoritism how much many can you put into the community, rather than supporting local businesses that have been struggling to make a living," said Veilleux.

People can appeal any of the four choices before Thursday.

If there is an appeal, there will be hearing with the city council within 30 days, and councilmembers will ultimately make the final decision.

City officials said if there aren't any appeals, the city will issue a certificate and businesses can start the process for state licensing.

### Report a Typo

#### Related Topics:

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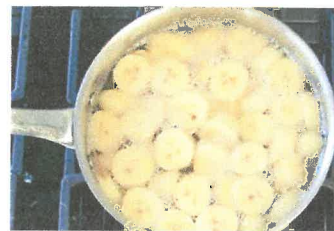
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'Exhibit G'  
863 15th Land Survey  
Report



# Untitled Map

Write a description for your map.

Legend

NORTH  
1932195.441  
EAST  
6564479.881

DISTANCE = 977.27' FROM THE CLOSEST PROPERTY  
CORNERS BETWEEN 863 W. 15th & 732 W. 13th  
MERCED, CA.  
COORDINATES ARE BASED UPON CALIFORNIA ZONE  
COORDINATES, USING "TOPCON GPS HIPER V"  
MICHAEL FARLEY  
LAND SURVEYOR # 6939  
209-649-9905  
MFSURVEYOR@AOL.COM  
SEPTEMBER 24th, 2018

NORTH  
1931218.239  
EAST  
6564491.114

Google Earth

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**RESOLUTION NO. 2018-\_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF MERCED, CALIFORNIA,  
AFFIRMING THE PLANNING  
COMMISSION'S APPROVAL OF  
COMMERCIAL CANNABIS BUSINESS  
PERMIT #18-14R TO ALLOW HARVEST  
OF MERCED, LLC. TO OPERATE A  
RETAIL DISPENSARY FOR MEDICINAL  
AND ADULT USE CANNABIS AND  
CANNABIS-RELATED PRODUCTS,  
INCLUDING DELIVERY SERVICES, AT  
863 W. 15TH STREET, AND DENYING AN  
APPEAL BY MEDALLION WELLNESS  
AND ITS AGENTS**

WHEREAS, the Planning Commission of the City of Merced ("Planning Commission") at its meetings of September 18 and September 19, 2018 held public hearings, and considered Commercial Cannabis Business Permit #18-14R to allow Harvest of Merced, LLC. to operate a retail dispensary for medicinal and adult use cannabis and cannabis-related products, including delivery services, at 863 W. 15th Street (as shown on the map at Exhibit A); also known as Assessor's Parcel Number 031-073-012; and

WHEREAS, after hearing all of the evidence and testimony on September 18, 2018, the Planning Commission re-opened the public hearing on September 19, 2018 at the request of Medallion Wellness and its agents ("Medallion") to hear additional testimony; and

WHEREAS, on September 19, 2018, the Planning Commission, after hearing all evidence and testimony and after exercising its independent judgment, the Planning Commission adopted Resolution #4008 adopting a Categorical Exemption regarding Environmental Review #18-27 (Categorical Exemption) and approving Commercial Cannabis Business Permit #18-14R subject to the findings and conditions attached thereto; and

WHEREAS, the Appellant (Medallion) appealed the Planning Commission decision to approve Commercial Cannabis Business Permit #4008; and

WHEREAS, the Appellant (Medallion) has not appealed the Planning Commission's decision to adopt a Categorical Exemption regarding Environmental Review #18-27 (Categorical Exemption); and

WHEREAS, the City Council held a noticed public hearing on September 25, 2018, at which time all those interested in the matter were provided the opportunity to speak or to provide written or oral testimony regarding the application.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCED DOES HEREBY RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

SECTION 1. CALIFORNIA ENVIRONMENTAL QUALITY ACT.  
Based upon the evidence and testimony in the record at the City Council public hearing, the City Council exercising its independent judgment and review, hereby adopts Environmental Review #18-27 (Categorical Exemption), pursuant to the provisions of the California Environmental Quality Act.

SECTION 2. COMMERCIAL CANNABIS BUSINESS PERMIT.  
Based upon the evidence and testimony in the record at the City Council public hearing, the City Council exercising its independent judgment and review, hereby affirms the decision of the Planning Commission thereby approving Commerical Cannabis Business Permit #18-14R together with the original findings and conditions of approval contained in Planning Commission Staff Report #18-26 Addendum, which are attached hereto as Exhibits "B" and "C."

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the \_\_\_\_ day of \_\_\_\_\_ 2015, by the following vote:



AYES: Council Members:

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

APPROVED:

---

Mayor

ATTEST:  
STEVE CARRIGAN, CITY CLERK

BY: \_\_\_\_\_  
Assistant/Deputy City Clerk

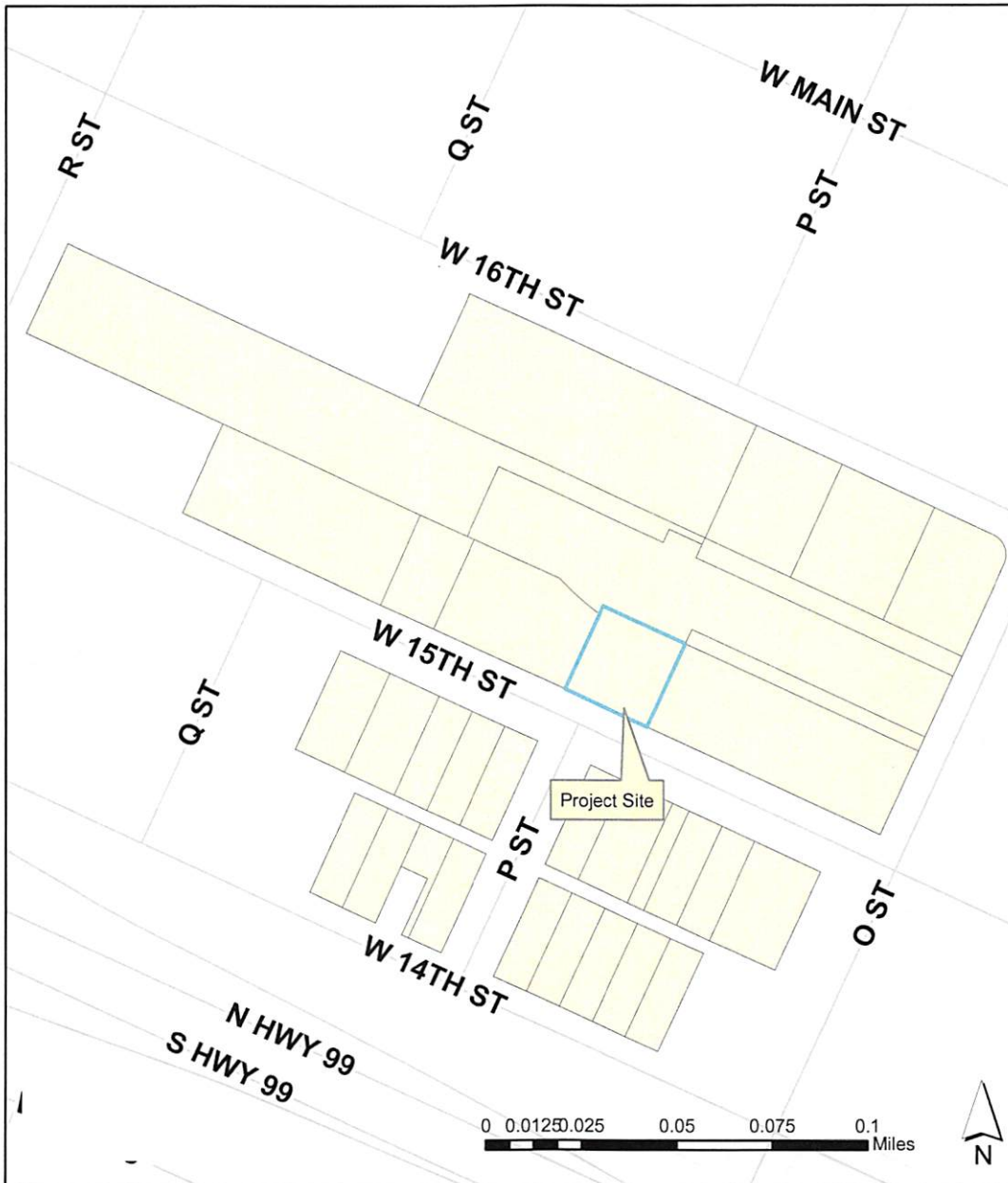
(SEAL)

APPROVED AS TO FORM:

K. Glover      10-19-18  
City Attorney      Date

EXHIBIT A  
LEGAL DESCRIPTION

Parcel 3 as described in Document #2009-022222 of Merced County Records; also known as Assessor's Parcel Number (APN) 031-173-012.



**FINDINGS FOR APPROVAL**  
**COMMERCIAL CANNABIS BUSINESS PERMIT #18-14R**

**General Plan/Zoning Compliance**

- A) The proposed project complies with the General Plan designation of General Commercial (CG) and the zoning designation of General Commercial (C-G) with approval of a Commercial Cannabis Business Permit.

**Land Use Issues**

- B) The subject site is more than 1,000 feet from any schools and more than 600 feet from any day care centers, youth centers, libraries, or public parks that are currently in existence, as is required by Section 11362.768 of the Health and Safety Code and Section 20.44.170(E).3.f of City of Merced Ordinance #2480 for retail cannabis businesses (Attachment I).

**Merit-Based Scoring**

- C) The City Selection Committee, made up of the City Manager, Chief of Police, and Director of Development Services, ranked this application #4 of all retail sales Dispensary applications, with an average score of 95.000. The full scoring sheet for this application is at Attachment G.

**Proposed Operations**

- D) The applicants propose the operation of a retail sales dispensary for both medicinal and adult-use cannabis and cannabis-related products, including delivery services. Approximately 444 square feet of the building is proposed as the sales area, with another 192 square feet for the lobby. These areas comprise the total of space that would be accessible by members of the public. The remainder of the building is for “back-of-the-house” purposes such as storage and delivery.

**Traffic/Circulation**

- E) As the project is proposed in an existing building with existing access to the City’s roadway infrastructure, and due to the conformity with the zoning and land use for the site, no concerns related to traffic or circulation have been raised as a result of this project.

**Parking**

- F) The site plan proposes 17 parking spaces adjacent to 863 W. 15th Street, with four of those being ADA-compliant spaces. The 1,800-square-foot building, using the general retail requirements for portions accessible to the public and the warehousing requirements for the portions inaccessible to the public, would require three spaces. The City’s Zoning Code requires one space per 300 square feet for general retail, using a 15% reduction in usable space for hallways and other ‘non-public’ spaces, and one space per 2,000 square feet for

warehousing. Therefore, the proposal meets and exceeds the City's parking requirements.

### **Neighborhood Impact/Interface**

- G) The proposed property is surrounded by industrial and commercial uses to the west, north, and east. To the south of the property, across 15<sup>th</sup> Street, are single-family residences approximately 81 feet away from property line to property line. The project proposes significant upgrades to the property, including robust security; a building that has been vacant for some time represents a potential risk for illegal activities. The project would also improve the parking lot and improve the appearance of the building.

Staff believes that the project will enhance the neighborhood, particularly as it relates to safety and security. Planning staff circulated a public hearing notice in the Merced County Times and mailed the notice to property owners within 300 feet of the subject site at least ten days prior to this public hearing. As of the date that this report was prepared, staff had not received any comments from the community about this project.

### **Elevations/Signage**

- H) Exterior signage shall be limited to one wall sign not to exceed twenty (20) square feet in area. Interior signage or advertising may not be visible from the exterior. No temporary signs including but not limited to, banners and A-frames, nor window signs are allowed. The details of final elevations and signage shall be approved by Planning staff prior to issuance of a Certificate of Occupancy (Condition #21). Example renderings of the interior of the facility have been provided at Attachment E; these are illustrative and final details will need to be approved by Building staff.

### **Safety/Security**

- I) The applicants' security plan includes the following provisions:
- State-certified uniformed security officers during the hours of required coverage
  - High visibility foot patrol at the serviced location
  - Experienced field supervisors to oversee the operation of the assigned officers during the hours of required coverage
  - Availability of a security consultant when necessary and/or desired by the client
  - Office support for scheduling personnel and advisory needs
  - Police liaisons for the serviced location(s) resulting from arrests or criminal incidents
  - Carefully maintained incident reports, and other such documents or records as required by the client's individual needs
  - Inventory reconciliation: scheduled daily, weekly, semi-annual, and annual reconciliation of inventory with increasing intensity
  - An alarm system that will include:
    - Appropriate equipment, including a centrally monitored fire and burglar alarm system, necessary to monitor activity inside and outside the facility, including:
      - All entrances and exits

- Rooms with exterior walls or walls shared with other building tenants
  - Rooms containing cannabis and cannabis goods
  - Rooms containing the vault
  - The vault
  - The security room
  - Exterior windows
- A panic alarm, meaning a silent alarm signal generated by the manual activation of a device intended to signal a robbery in progress
- Automatic voice dialer
- Motion detection devices tied to the surveillance monitoring system
- Failure notification system that signals the alarm-monitoring provider of any system error within a maximum of five minutes
- A backup battery system that immediately provides power for at least twenty-four (24) hours in the event of a power outage
- A back-up alarm system that will detect unauthorized entry when no employees should be present at the Facility
  - The back-up alarm system will be provided by a company supplying commercial grade equipment and not the same company supplying the primary security system.
- Access Control equipment that will, at minimum, include:
  - Biometric fingerprint and/or RFID proximity card access control devices for all access points to the dispensary facility and doors entering or exiting a limited access area
  - Backup battery system that immediately provides power for at least twenty-four (24) hours in the event of a power outage
  - Electric strike locks on all doors in the dispensary facility with the ability to override access control for emergency exit even during a power outage
  - System that allows for programming or uploading individual user permissions and allowed entry times, as well as operations-specific information including employee photos
  - System that monitors and records identification of employees or visitors entering and exiting, the date and time of entry and exit, length of time in specific area and any unauthorized access attempts
- Video surveillance cameras that will:
  - Be immobile and in permanent locations
  - Record a minimum twenty (20) frames per second
  - Provide an image resolution of at least D1
  - Have a minimum resolution of 0.9 megapixels (1280 x 720 pixels)
  - Have infrared capabilities to capture images in low or no lighting conditions
  - Have the ability to identify activity occurring within twenty feet (20') from all points of ingress/egress to the facility, points of ingress/egress to limited access



- area, and all points of sale
- Include a digital archiving device and monitors that will each be at least nineteen (19) inches or greater that will be connected to the electronic recording security system at all times

### **Ownership**

- J) Harvest of Merced, LLC. consists of owners who have at least 5% interest in the proposed business. The owners are Steve White (83%), Elizabeth Stavola (5%), Edgar Contreras (5%), and Anna Blazeovich (5%), who have each performed a Live Scan check and have successfully passed a background check to the satisfaction of the Chief of Police. The remaining 2% of ownership is held by a Mr. Brian Vicente. This amount of ownership does not classify Mr. Vicente as an 'owner' by the standards defined in City of Merced Ordinance #2480 and thus no background check has been performed on him.

According to the application, the owners have the following relevant experience and qualifications:

- Mr. Steve White founded Harvest in 2012. Beginning with a single dispensary in Tempe, Arizona, Harvest presently holds 26 licenses in seven states, with operating facilities in four of those states (Harvest's first Pennsylvania dispensary and Ohio cultivation facility are currently under construction and will be operational in 2018). In addition to overseeing medical cannabis license acquisition, facility start-up and operations, and providing guidance on organizational direction and strategy, Mr. White has also been instrumental in navigating state and county level regulatory audits, including, to date, 10 county building safety certificate of occupancy inspections, five county health department inspections, 16 state department of health services inspections, four Americans for Safe Access Patient Focused Certifications, and 14 certified financial audits.

Harvest facilities host monthly support group meetings for individuals suffering from epilepsy, chronic pain, cancer, and PTSD. Under Mr. White's direction, Harvest has also engaged in a number of community activities and events, including the donation of over \$400,000 to local charitable organizations, veterans, seniors, and patients in need. Mr. White also serves on the board of directors for Harvesting Hope, a 501(c)(3) non-profit organization dedicated to improving quality of life for young children suffering from seizure disorders. To date, Harvesting Hope has raised and distributed nearly \$30,000 and provided services for over one hundred (100) families and their children.

- Ms. Beth Stavola is a female entrepreneur, Chief Operating Officer and Board Member of MPX Bioceutical Corporation, the Founder and CEO of Stavola Medical Marijuana Holdings, Health for Life Inc, GreenMart of Nevada, and CBD For Life. In 2017 Cannabis Business Executive named Ms. Stavola #3 on the "CBE 75 Most Important Women" in cannabis list. She runs a thriving cannabis business, which includes growing, processing, and dispensing operations throughout Arizona, Nevada,

Maryland, and Massachusetts.

The current overall operation consists of two Dispensary licenses, two Production licenses, and four Cultivation licenses in the state of Arizona operated under the Health for Life brand; as well as three medical marijuana licenses in Las Vegas, Nevada under the GreenMart of Nevada brand. In the last year the company has expanded to Maryland managing three dispensary licenses under the Health For Life brand and one production license under MPX, as well to Massachusetts with a fully integrated grow, production and dispensary license. Her beauty and wellness brand CBD For Life provides customers with the benefits of cannabinoids while avoiding unwanted psychoactive effects and can be sold throughout the country.

Ms. Stavola has successfully established the Health for Life brand from inception to significant sales/cash flow within 5 years time and maintains one of the most stellar compliance records in the state of Arizona, receiving a 100% score on the last several state compliance audits. Given this record, Ms. Stavola was able to establish a banking relationship for the business, which is not an easy feat in this industry. Health for Life is one of the most recognized brands of cannabis dispensary, cultivation, and processors in Arizona. Ms. Stavola is also the owner of Melting Point Extracts (MPX), which has become an extremely well-respected and sought after brand in Arizona

- Ms. Anna Blazeovich has eleven years of prior experience in operating a verified Mutual Benefit Non-Profit Corporation for cannabis in compliance with California law with proof of payment of taxes. Ms. Blazeovich, successfully founded and continues to run Therapeutic Health Collective (DBA Stone Age Farmacy). Therapeutic Health Collective is a verified Mutual Benefit Non-Profit Corporation for cannabis that operates in compliance with California law and has proof of payment of taxes. In 2017 for example, the Collective paid the City of Los Angeles \$52,648 in taxes. Therapeutic Health Collective has created 35 jobs in Gardena, California. While the brand began as a verified Mutual Benefit Non-Profit Corporation, it has blossomed into three stores serving both medical patients and recreation customers in two different states.

As a licensed dispensary owner in California and Oregon, Ms. Blazeovich has a decade of experience in regulatory cannabis compliance. The Collective is vertically integrated, meaning it grows the cannabis products it sells. This capability translates into improved pricing for patients and customers while retaining maximum quality. Additionally, being vertically integrated allows for more control throughout the supply chain, which further supports a professional product selection and shelf stock for the consumer. This business resiliency and impeccable compliance standards will be transferred to the Harvest dispensary.

- Mr. Edgar Contreras, a native of Merced, California, has extensive managerial experience with local Merced retail businesses, totaling over three years. He will also serve as the dispensary's Neighborhood Liaison. Mr. Contreras graduated from Merced High School in 1995. After graduating, Mr. Contreras began working at Sweet River

Saloon as a dishwasher. Through personal drive and ambition, he was promoted to kitchen manager within a year, managing a staff of twenty people for over four years, where he was responsible for a myriad of supervision duties, including staff scheduling, inventory tracking, and quality control. Mr. Contreras subsequently served as manager of a Dollar Tree retail store, where he was responsible for shipping and receiving goods, customer service, staff scheduling, inventory tracking, and product stocking, all while managing eleven staff members for over two years. He successfully streamlined services to make the business more profitable, resilient, and customer focused.

A passionate advocate for the city of Merced, Mr. Contreras remains an active member of the local community. Mr. Contreras volunteers his time as a high school coach for basketball, football, baseball, and soccer at El Capitan High School. He has a special affinity for mentoring students. He regularly encourages young athletes to believe in their potential, give back to the community, and avoid destructive habits like substance abuse. Mr. Contreras will play an integral role in Harvest's drug prevention for youth program.

### **Community Benefits**

K) The Harvest of Merced, LLC. application indicates the following benefits to the community should their application be approved:

- Commitment to set aside at least three percent of yearly net profits for monetary contributions to local charitable organizations.
  - Merced County Food Bank- At least \$10,000 per year
  - United Way of Merced County- At least \$10,000 per year
  - Boys & Girls Club of Merced County- At least \$2,500 per year
  - Challenged Family Resource Center and Golden Valley Health Center- At least \$2,500 per year
- Pledged to chaperone the Challenged Family Resource Center's annual formal dance for developmentally disabled children.
- Customer Volunteer Discount initiative in order to encourage Harvest consumers to give back to their local Merced community. This program will offer a range of discounts on final purchases of cannabis goods to patients and consumers who regularly volunteer at local charitable organizations. Harvest will create a simple form that customers and patients may pick up from the retail facility that will track their volunteer time and include a place for the charitable organization's supervisor to confirm any completed volunteer hours. For the discount, Harvest consumers are not required to complete all of their volunteer hours at one charitable organization. For every five volunteer hours Harvest customers complete and record, the customer will receive a 10% discount on their next two purchases. If a Harvest customer completes ten or more volunteer hours in a month, the Harvest customer will receive a 20% discount on all purchases made for the rest of the month in which the hours

were completed. Harvest will never give away cannabis or cannabis goods for free.

- Harvest plans to host free bicycle and wheelchair repair clinics in the spring, summer, and fall months. Harvest will set up temporary wheelchair and bike stands where Harvest employees can perform free tune-ups and replace simple bicycle parts such as tires, tubes, chains, and brake cables. Harvest will operate these services by receiving donations and purchasing parts at-cost from participating local suppliers. Harvest will also have a volunteer sign up document for employees and consumers to commit to help at the clinics. Harvest consumers may volunteer their time making repairs at our temporary wheel and bike stands, which will count toward Harvest's Consumer Volunteer Discount initiative.
- Harvest will offer a 20% discount on final purchases to any customers with a veteran designation as part of our Merced facility's initiative to Heal Our Heroes. As part of this program, Harvest will help customers understand the potential benefits and effects of using cannabis to treat wounds of war like Post Traumatic Stress Disorder (PTSD) and Chronic Traumatic Encephalopathy (CTE). To promote Healing Our Heroes and support California veterans, Harvest will advertise this initiative with local chapters of the American Legion, Veterans of Foreign Wars (VFW), Disabled American Veterans Charity, California National Guard Association, and other active veteran service organizations.
- Harvest's Merced facility will implement the Merced Cares initiative, offering a 20% discount on final purchases to medical patients who are low income. To qualify for the Merced Cares program, patients will be asked to show proof of eligibility in either CalFresh, Medi-Cal, or other comparable qualified assistance program. The State of California recognizes that medical cannabis can provide relief that is, unfortunately, not covered by health insurance as medical cannabis falls outside the traditional healthcare system. This leaves many low-income families scrambling to pay for medicine and pain relief that can alleviate their or a loved one's suffering. Harvest believes no patient or family should be denied access to medicine simply because they cannot afford it.
- Harvest wants the citizens of Merced to know that the unlawful use of cannabis has severe consequences. Although recreational cannabis is legal in the State of California, there are still current penalties for recreational use under the age of twenty one and medical use without a prescription. To bring awareness of the penalties for unlawful use of cannabis, Harvest would like to partner with the City of Merced Police Department and the Merced County Sheriff's Department to hold community discussions. Harvest would also like to invite local elected officials to participate and let the local police departments set the agenda.
  - During these community discussions, Harvest will solicit feedback from the community. Community feedback is essential to understanding the best way to reach our neighbors. There is a lot of misinformation about the use of cannabis and the consequences of unlawful use. Harvest will promote these community

discussions through traditional media and social media. In order to drive attendance to these important events, Harvest will encourage the City of Merced Police Department, the Merced County Sheriff's Department, and local elected officials to promote the community discussions.

- Harvest hopes to hold these community discussions at a school, so that the youth can have access to this important information. Harvest is prepared and working to facilitate and sponsor that event. These events would be incredibly productive because social media makes students especially vulnerable to misinformation about cannabis and drug use.

### **Modification to Operations**

- L) The City of Merced recognizes that the details of operating a business, particularly one in a developing sector such as cannabis and cannabis-based products, requires continual updating of business practices, methodologies, and tools, the modification of which may require alterations to the configuration of the equipment, setup, or layout of the facility. In order to allow for these changes while maintaining the safety of all parties involved, modifications to the permit in the course of retail sales of cannabis and cannabis-related products may be requested by the applicants and approved with the consent of the City's Chief Building Official, Fire Chief, Police Chief and Director of Development Services (Condition #22).

### **Environmental Clearance**

- M) The project proposes to utilize an existing building on a 0.36-acre parcel. Planning staff has conducted an environmental review (Environmental Review #18-27) of the project in accordance with the requirements of the California Environmental Quality Act (CEQA), and a Categorical Exemption (no further environmental review is required) is being recommended (see Attachment K).



**Conditions of Approval**  
**Planning Commission Resolution #4008**  
**Commercial Cannabis Business Permit #18-14R**

1. The proposed project shall be constructed/designed as shown on Exhibit 1 (site plan), Attachment C of Staff Report #18-26, and Exhibit 2 (floor plan), Attachment D of Staff Report #18-26, except as modified by the conditions.
2. All conditions and requirements contained in Merced Municipal Code (MMC) Section 20.44.170/Ordinance #2480 (Attachment I of Staff Report #18-26) shall apply. Particular attention shall be paid to MMC 20.44.170(F) "Additional Regulations for Dispensary and Retail Sales of Cannabis" and MMC 20.44.170(G) "Additional Regulations for Commercial Cannabis Delivery Services."
3. The proposed project shall comply with all standard Municipal Code and Subdivision Map Act requirements as applied by the City Engineering Department.
4. All other applicable codes, ordinances, policies, etc. adopted by the City of Merced shall apply.
5. The developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, and any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof, from any and all claims, actions, suits, proceedings, or judgments against the City, or any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof to attack, set aside, void, or annul, an approval of the City, or any agency or instrumentality thereof, advisory agency, appeal board, or legislative body, including actions approved by the voters of the City, concerning the project and the approvals granted herein. Furthermore, developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, or any agency or instrumentality thereof, against any and all claims, actions, suits, proceedings, or judgments against any governmental entity in which developer/applicant's project is subject to that other governmental entity's approval and a condition of such approval is that the City indemnify and defend such governmental entity. City shall promptly notify the developer/applicant of any claim, action, or proceeding. City shall further cooperate fully in the defense of the

**EXHIBIT C**

- action. Should the City fail to either promptly notify or cooperate fully, the developer/applicant shall not thereafter be responsible to indemnify, defend, protect, or hold harmless the City, any agency or instrumentality thereof, or any of its officers, officials, employees, or agents.
6. The developer/applicant shall construct and operate the project in strict compliance with the approvals granted herein, City standards, laws, and ordinances, and in compliance with all State and Federal laws, regulations, and standards. In the event of a conflict between City laws and standards and a State or Federal law, regulation, or standard, the stricter or higher standard shall control. State Law shall prevail in regards to cannabis activities as permitted by State Law.
  7. The proposed project shall comply with all applicable regulations of the State of California including, but not limited to, those found in the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).
  8. The applicants shall meet the standards of the City of Merced's "Commercial Building Permit Application Submittal Requirements" (Attachment J of Staff Report #18-26) at the time of submittal for building permits for tenant improvement.
  9. The details of the property's fencing (if any), security, and screening are to meet the approval of the Director of Development Services and Chief of Police prior to the issuance of a Certificate of Occupancy.
  10. The applicants shall keep on the premises of the proposed project site a physical copy of the approved plans, to be annotated and updated accordingly with any notes, changes, or requirements determined to be necessary by representatives of the City of Merced or any contractors that the City of Merced may employ for the purpose of site inspections. These plans shall be made available to the City's representatives, employees, agents, inspectors, or contractors upon request.
  11. Fire sprinklers shall be modified or installed to accommodate the building configuration and process configuration prior to occupancy if required by the Chief Building Official.
  12. Regulatory Fees, as per Resolution #2017-67, are to be paid prior to the issuance of a Certificate of Occupancy and annually thereafter on or before the anniversary date. The Regulatory Fee may be amended from time to time based upon actual costs. The amount of the fees shall be

adjusted annually (starting on January 1, 2019) to account for inflation by using the Consumer Price Index (CPI). In no event, shall the fees in any year be less than the preceding year.

13. A Commercial Cannabis Business Permit is valid for one year or until December 31 of each year, unless sooner revoked. Applications for the renewal of a permit shall be filed with the Director of Development Services, in accordance with 20.44.170(L).4, "Commercial Cannabis Business Permit Renewal (All Types)", at least sixty (60) calendar days before the expiration of the current permit. If the permittee allows their permit to lapse, they shall be required to submit a new application, pay corresponding fees and be subject to all aspects of the selection process.
14. As per Ordinance #2480, the use of vending machines to dispense cannabis is strictly prohibited. Any vending machines on the property must not contain cannabis or cannabis-based products.
15. The applicants shall provide or cause to be provided a trash enclosure on the property such that all waste is securely stored until it is removed from the premises. Access to this enclosure shall be provided to the City's Department of Public Works.
16. Key access and/or a Knox Box to the perimeter fence shall be provided to the City of Merced Fire Department, Department of Public Works, and Police Department.
17. As required by Merced Municipal Code Section 17.04.050 and 17.04.060, full public improvements shall be installed/repared if the permit value of the project exceeds \$100,000. Public improvements may include, but not be limited to, repairing/replacing the sidewalk, curb, gutter, and street corner ramp(s), so that they comply with ADA standards and other relevant City of Merced/State standards and regulations.
18. The parking lot shall be repaved and restriped in compliance with the City of Merced's City Standard Designs.
19. If the applicants are unable to provide a FEMA flood elevation certificate showing that the top of the bottom floor and all equipment are at the required height as to not mandate mitigation measures if applicable, flood mitigation measures shall be required to meet the approval of the City flood plain manager and City Engineer.

20. There shall be no shared access to the building sharing a common wall with 863 W. 15th Street. Any existing shared access point must be sealed prior to the issuance of a Certificate of Occupancy.
21. The details of the final design of the exterior elevations and any signage shall be approved by Planning staff prior to issuance of a Certificate of Occupancy.
22. Future modifications to the scale, scope, activities, implementation, processes, materials, design, layout, or other factors pertaining to the operation of the project that are consistent with permits to perform activities related to operation of a retail dispensary of cannabis and cannabis-based products may be authorized with the approval of the City's Chief Building Official, Fire Chief, and Director of Development Services.

**RESOLUTION NO. 2018-\_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF MERCED, CALIFORNIA,  
REVERSING THE PLANNING  
COMMISSION'S APPROVAL OF  
COMMERCIAL CANNABIS BUSINESS  
PERMIT #18-14R, DENYING ISSUANCE OF  
COMMERCIAL CANNABIS PERMIT  
#18-14R AND CAUSING THE NEXT  
HIGHEST-SCORING APPLICATION FOR  
A COMMERCIAL CANNABIS BUSINESS  
PERMIT USING THE CITY'S MERIT-  
BASED SCORING CRITERIA TO BE  
HEARD FOR ONE OF THE AVAILABLE  
FOUR COMMERCIAL CANNABIS  
BUSINESS PERMITS TO OPERATE A  
RETAIL DISPENSARY OF CANNABIS AND  
CANNABIS-BASED PRODUCTS AT A  
FUTURE PUBLIC HEARING AT A  
MEETING OF THE PLANNING  
COMMISSION**

WHEREAS, the Planning Commission of the City of Merced ("Planning Commission") at its meetings of September 18 and September 19, 2018 held public hearings, and considered Commercial Cannabis Business Permit #18-14R to allow Harvest of Merced, LLC. to operate a retail dispensary for medicinal and adult use cannabis and cannabis-related products, including delivery services, at 863 W. 15th Street (as shown on the map at Exhibit A); also known as Assessor's Parcel Number 031-073-012; and

WHEREAS, after hearing all of the evidence and testimony on September 18, 2018, the Planning Commission re-opened the public hearing on September 19, 2018 at the request of Medallion Wellness and its agents ("Medallion") to hear additional testimony; and

WHEREAS, on September 19, 2018, the Planning Commission, after hearing all evidence and testimony and after exercising its independent judgment, the Planning Commission adopted Resolution #4008 adopting a Categorical Exemption regarding Environmental Review #18-27 (Categorical Exemption) and approving Commercial Cannabis Business Permit #18-14R subject to the findings and conditions attached thereto; and

WHEREAS, the Appellant (Medallion) appealed the Planning Commission decision to approve Commercial Cannabis Business Permit #4008; and



WHEREAS, the Appellant (Medallion) has not appealed the Planning Commission's decision to adopt a Categorical Exemption regarding Environmental Review #18-27 (Categorical Exemption); and

WHEREAS, the City Council held a noticed public hearing on September 25, 2018, at which time all those interested in the matter were provided the opportunity to speak or to provide written or oral testimony regarding the application.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCED DOES HEREBY RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

SECTION 1. CALIFORNIA ENVIRONMENTAL QUALITY ACT.  
Based upon the evidence and testimony in the record at the City Council public hearing, the City Council exercising its independent judgment and review, hereby adopts Environmental Review #18-27 (Categorical Exemption), pursuant to the provisions of the California Environmental Quality Act.

SECTION 2. COMMERCIAL CANNABIS BUSINESS PERMIT.  
Based upon the evidence and testimony in the record at the City Council public hearing, the City Council exercising its independent judgment and review, hereby reverses the decision of the Planning Commission thereby denying Commercial Cannabis Business Permit #18-14R, together with findings attached hereto as Exhibit "B".

Because this denial leaves unfulfilled one of the four allowable Commercial Cannabis Business Permits for the purpose of operating a retail dispensary of cannabis and cannabis-based products, the next-highest-scoring application for a Commercial Cannabis Business Permit for such purpose, using the City's merit-based scoring criteria, shall be heard at a future public hearing at a meeting of the Planning Commission.

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the \_\_\_\_ day of \_\_\_\_\_ 2018, by the following vote:

AYES: Council Members:

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

APPROVED:

\_\_\_\_\_  
Mayor

ATTEST:  
STEVE CARRIGAN, CITY CLERK

BY: \_\_\_\_\_  
Assistant/Deputy City Clerk

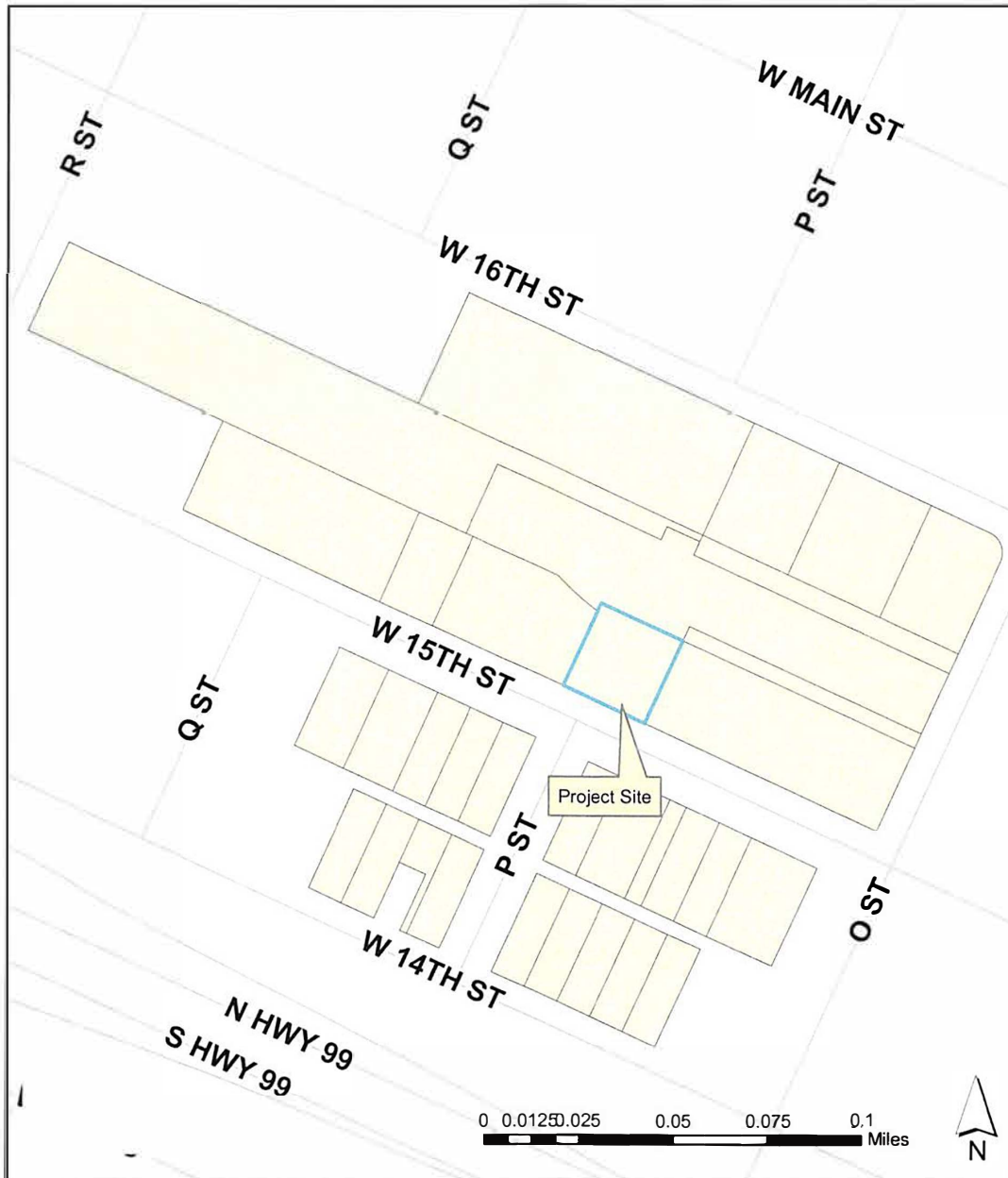
(SEAL)

APPROVED AS TO FORM:

*K. Lopez*      10.19.18  
City Attorney      Date

EXHIBIT A  
LEGAL DESCRIPTION

Parcel 3 as described in Document #2009-022222 of Merced County Records; also known as Assessor's Parcel Number (APN) 031-173-012.



**FINDINGS FOR DENIAL**  
**COMMERCIAL CANNABIS BUSINESS PERMIT #18-14R**

**Land Use Issues**

- A) The subject site is within 1,000 feet from a school that is currently in existence, which would be in violation of the requirements of Section 20.44.17(E).3.f of City of Merced Ordinance #2480 for retail cannabis businesses if this permit were to be approved.

**RESOLUTION NO. 2018-\_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF MERCED, CALIFORNIA,  
MODIFYING THE PLANNING  
COMMISSION'S APPROVAL OF  
COMMERCIAL CANNABIS BUSINESS  
PERMIT #18-14R TO ALLOW HARVEST  
OF MERCED, LLC. TO OPERATE A  
RETAIL DISPENSARY FOR MEDICINAL  
AND ADULT USE CANNABIS AND  
CANNABIS-RELATED PRODUCTS,  
INCLUDING DELIVERY SERVICES, AT  
863 W. 15TH STREET**

WHEREAS, the Planning Commission of the City of Merced ("Planning Commission") at its meetings of September 18 and September 19, 2018 held public hearings, and considered Commercial Cannabis Business Permit #18-14R to allow Harvest of Merced, LLC. to operate a retail dispensary for medicinal and adult use cannabis and cannabis-related products, including delivery services, at 863 W. 15th Street (as shown on the map at Exhibit A); also known as Assessor's Parcel Number 031-073-012; and

WHEREAS, after hearing all of the evidence and testimony on September 18, 2018, the Planning Commission re-opened the public hearing on September 19, 2018 at the request of Medallion Wellness and its agents ("Medallion") to hear additional testimony; and

WHEREAS, on September 19, 2018, the Planning Commission, after hearing all evidence and testimony and after exercising its independent judgment, the Planning Commission adopted Resolution #4008 adopting a Categorical Exemption regarding Environmental Review #18-27 (Categorical Exemption) and approving Commercial Cannabis Business Permit #18-14R subject to the findings and conditions attached thereto; and

WHEREAS, the Appellant (Medallion) appealed the Planning Commission decision to approve Commercial Cannabis Business Permit #4008; and



WHEREAS, the Appellant (Medallion) has not appealed the Planning Commission's decision to adopt a Categorical Exemption regarding Environmental Review #18-27 (Categorical Exemption); and

WHEREAS, the City Council held a noticed public hearing on September 25, 2018, at which time all those interested in the matter were provided the opportunity to speak or to provide written or oral testimony regarding the application.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCED DOES HEREBY RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

SECTION 1. CALIFORNIA ENVIRONMENTAL QUALITY ACT.  
Based upon the evidence and testimony in the record at the City Council public hearing, the City Council exercising its independent judgment and review, hereby adopts Environmental Review #18-27 (Categorical Exemption), pursuant to the provisions of the California Environmental Quality Act.

SECTION 2. COMMERCIAL CANNABIS BUSINESS PERMIT.  
Based upon the evidence and testimony in the record at the City Council public hearing, the City Council exercising its independent judgment and review, hereby modifies the decision of the Planning Commission approving Commercial Cannabis Business Permit #18-14R together with the original findings and conditions of approval, as modified by the direction of the City Council at its meeting of October 25, 2018, contained in Planning Commission Staff Report #18-26 Addendum, which are attached hereto as Exhibits "B" and "C."

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the \_\_\_\_ day of \_\_\_\_\_ 2018, by the following vote:

AYES: Council Members:

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

APPROVED:

\_\_\_\_\_  
Mayor

ATTEST:  
STEVE CARRIGAN, CITY CLERK

BY: \_\_\_\_\_  
Assistant/Deputy City Clerk

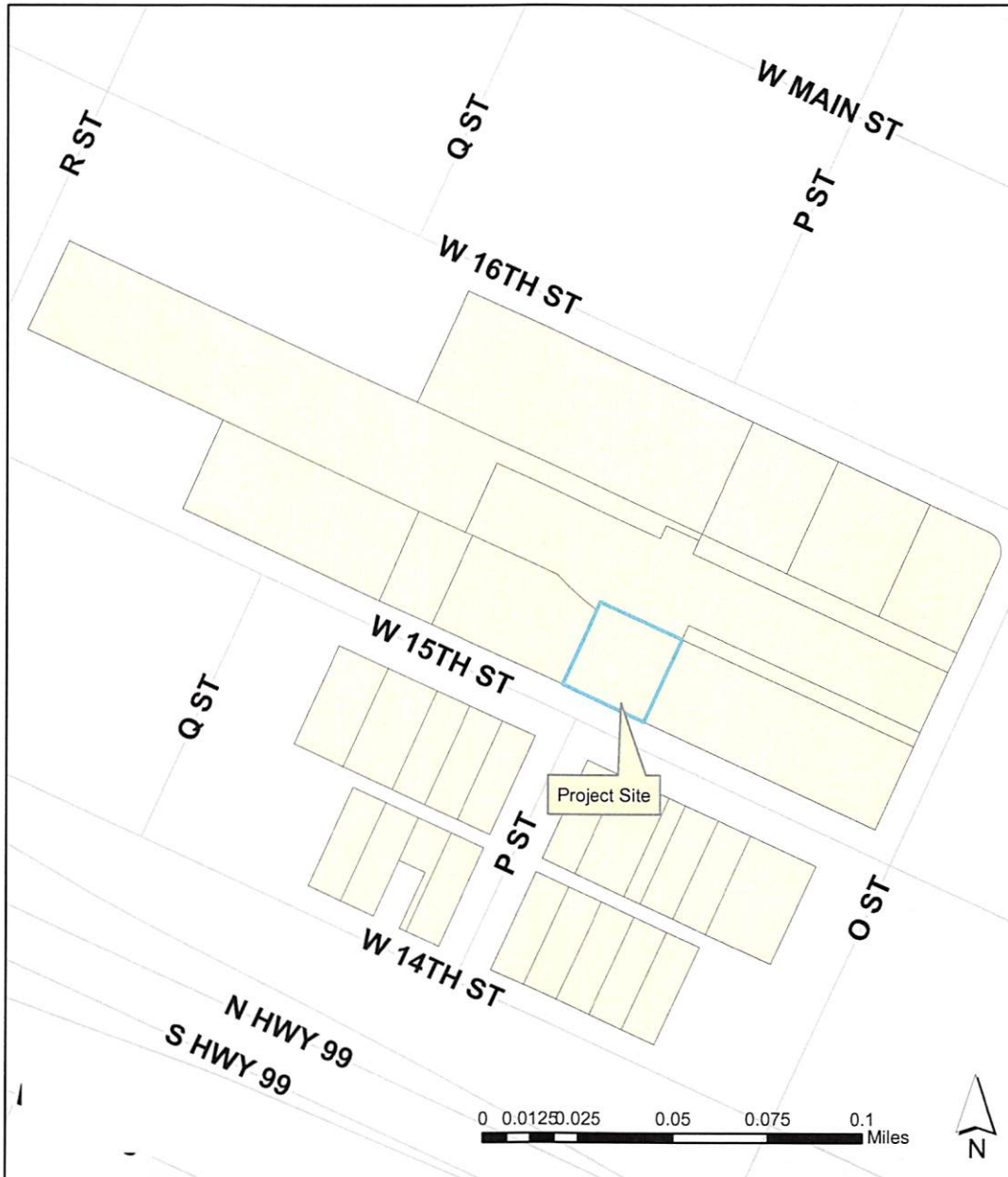
(SEAL)

APPROVED AS TO FORM:

K. Flores      10.19.18  
City Attorney      Date

EXHIBIT A  
LEGAL DESCRIPTION

Parcel 3 as described in Document #2009-022222 of Merced County Records; also known as Assessor's Parcel Number (APN) 031-173-012.



**FINDINGS FOR APPROVAL, TO BE MODIFIED PER  
THE INSTRUCTIONS OF CITY COUNCIL  
COMMERCIAL CANNABIS BUSINESS PERMIT #18-14R**

**General Plan/Zoning Compliance**

- A) The proposed project complies with the General Plan designation of General Commercial (CG) and the zoning designation of General Commercial (C-G) with approval of a Commercial Cannabis Business Permit.

**Land Use Issues**

- B) The subject site is more than 1,000 feet from any schools and more than 600 feet from any day care centers, youth centers, libraries, or public parks that are currently in existence, as is required by Section 11362.768 of the Health and Safety Code and Section 20.44.170(E).3.f of City of Merced Ordinance #2480 for retail cannabis businesses (Attachment I).

**Merit-Based Scoring**

- C) The City Selection Committee, made up of the City Manager, Chief of Police, and Director of Development Services, ranked this application #4 of all retail sales Dispensary applications, with an average score of 95.000. The full scoring sheet for this application is at Attachment G.

**Proposed Operations**

- D) The applicants propose the operation of a retail sales dispensary for both medicinal and adult-use cannabis and cannabis-related products, including delivery services. Approximately 444 square feet of the building is proposed as the sales area, with another 192 square feet for the lobby. These areas comprise the total of space that would be accessible by members of the public. The remainder of the building is for “back-of-the-house” purposes such as storage and delivery.

**Traffic/Circulation**

- E) As the project is proposed in an existing building with existing access to the City’s roadway infrastructure, and due to the conformity with the zoning and land use for the site, no concerns related to traffic or circulation have been raised as a result of this project.

**Parking**

- F) The site plan proposes 17 parking spaces adjacent to 863 W. 15th Street, with four of those being ADA-compliant spaces. The 1,800-square-foot building, using the general retail requirements for portions accessible to the public and the warehousing requirements for the portions inaccessible to the public, would require three spaces. The City’s Zoning Code requires one space per 300 square feet for general retail, using a 15% reduction in usable space for hallways and other ‘non-public’ spaces, and one space per 2,000 square feet for

warehousing. Therefore, the proposal meets and exceeds the City's parking requirements.

### **Neighborhood Impact/Interface**

- G) The proposed property is surrounded by industrial and commercial uses to the west, north, and east. To the south of the property, across 15<sup>th</sup> Street, are single-family residences approximately 81 feet away from property line to property line. The project proposes significant upgrades to the property, including robust security; a building that has been vacant for some time represents a potential risk for illegal activities. The project would also improve the parking lot and improve the appearance of the building.

Staff believes that the project will enhance the neighborhood, particularly as it relates to safety and security. Planning staff circulated a public hearing notice in the Merced County Times and mailed the notice to property owners within 300 feet of the subject site at least ten days prior to this public hearing. As of the date that this report was prepared, staff had not received any comments from the community about this project.

### **Elevations/Signage**

- H) Exterior signage shall be limited to one wall sign not to exceed twenty (20) square feet in area. Interior signage or advertising may not be visible from the exterior. No temporary signs including but not limited to, banners and A-frames, nor window signs are allowed. The details of final elevations and signage shall be approved by Planning staff prior to issuance of a Certificate of Occupancy (Condition #21). Example renderings of the interior of the facility have been provided at Attachment E; these are illustrative and final details will need to be approved by Building staff.

### **Safety/Security**

- I) The applicants' security plan includes the following provisions:
- State-certified uniformed security officers during the hours of required coverage
  - High visibility foot patrol at the serviced location
  - Experienced field supervisors to oversee the operation of the assigned officers during the hours of required coverage
  - Availability of a security consultant when necessary and/or desired by the client
  - Office support for scheduling personnel and advisory needs
  - Police liaisons for the serviced location(s) resulting from arrests or criminal incidents
  - Carefully maintained incident reports, and other such documents or records as required by the client's individual needs
  - Inventory reconciliation: scheduled daily, weekly, semi-annual, and annual reconciliation of inventory with increasing intensity
  - An alarm system that will include:
    - Appropriate equipment, including a centrally monitored fire and burglar alarm system, necessary to monitor activity inside and outside the facility, including:
      - All entrances and exits



- Rooms with exterior walls or walls shared with other building tenants
  - Rooms containing cannabis and cannabis goods
  - Rooms containing the vault
  - The vault
  - The security room
  - Exterior windows
- A panic alarm, meaning a silent alarm signal generated by the manual activation of a device intended to signal a robbery in progress
- Automatic voice dialer
- Motion detection devices tied to the surveillance monitoring system
- Failure notification system that signals the alarm-monitoring provider of any system error within a maximum of five minutes
- A backup battery system that immediately provides power for at least twenty-four (24) hours in the event of a power outage
- A back-up alarm system that will detect unauthorized entry when no employees should be present at the Facility
  - The back-up alarm system will be provided by a company supplying commercial grade equipment and not the same company supplying the primary security system.
- Access Control equipment that will, at minimum, include:
  - Biometric fingerprint and/or RFID proximity card access control devices for all access points to the dispensary facility and doors entering or exiting a limited access area
  - Backup battery system that immediately provides power for at least twenty-four (24) hours in the event of a power outage
  - Electric strike locks on all doors in the dispensary facility with the ability to override access control for emergency exit even during a power outage
  - System that allows for programming or uploading individual user permissions and allowed entry times, as well as operations-specific information including employee photos
  - System that monitors and records identification of employees or visitors entering and exiting, the date and time of entry and exit, length of time in specific area and any unauthorized access attempts
- Video surveillance cameras that will:
  - Be immobile and in permanent locations
  - Record a minimum twenty (20) frames per second
  - Provide an image resolution of at least D1
  - Have a minimum resolution of 0.9 megapixels (1280 x 720 pixels)
  - Have infrared capabilities to capture images in low or no lighting conditions
  - Have the ability to identify activity occurring within twenty feet (20') from all points of ingress/egress to the facility, points of ingress/egress to limited access

area, and all points of sale

- Include a digital archiving device and monitors that will each be at least nineteen (19) inches or greater that will be connected to the electronic recording security system at all times

### **Ownership**

- J) Harvest of Merced, LLC. consists of owners who have at least 5% interest in the proposed business. The owners are Steve White (83%), Elizabeth Stavola (5%), Edgar Contreras (5%), and Anna Blazevich (5%), who have each performed a Live Scan check and have successfully passed a background check to the satisfaction of the Chief of Police. The remaining 2% of ownership is held by a Mr. Brian Vicente. This amount of ownership does not classify Mr. Vicente as an ‘owner’ by the standards defined in City of Merced Ordinance #2480 and thus no background check has been performed on him.

According to the application, the owners have the following relevant experience and qualifications:

- Mr. Steve White founded Harvest in 2012. Beginning with a single dispensary in Tempe, Arizona, Harvest presently holds 26 licenses in seven states, with operating facilities in four of those states (Harvest’s first Pennsylvania dispensary and Ohio cultivation facility are currently under construction and will be operational in 2018). In addition to overseeing medical cannabis license acquisition, facility start-up and operations, and providing guidance on organizational direction and strategy, Mr. White has also been instrumental in navigating state and county level regulatory audits, including, to date, 10 county building safety certificate of occupancy inspections, five county health department inspections, 16 state department of health services inspections, four Americans for Safe Access Patient Focused Certifications, and 14 certified financial audits.

Harvest facilities host monthly support group meetings for individuals suffering from epilepsy, chronic pain, cancer, and PTSD. Under Mr. White’s direction, Harvest has also engaged in a number of community activities and events, including the donation of over \$400,000 to local charitable organizations, veterans, seniors, and patients in need. Mr. White also serves on the board of directors for Harvesting Hope, a 501(c)(3) non-profit organization dedicated to improving quality of life for young children suffering from seizure disorders. To date, Harvesting Hope has raised and distributed nearly \$30,000 and provided services for over one hundred (100) families and their children.

- Ms. Beth Stavola is a female entrepreneur, Chief Operating Officer and Board Member of MPX Bioceutical Corporation, the Founder and CEO of Stavola Medical Marijuana Holdings, Health for Life Inc, GreenMart of Nevada, and CBD For Life. In 2017 Cannabis Business Executive named Ms. Stavola #3 on the “CBE 75 Most Important Women” in cannabis list. She runs a thriving cannabis business, which includes growing, processing, and dispensing operations throughout Arizona, Nevada,

Maryland, and Massachusetts.

The current overall operation consists of two Dispensary licenses, two Production licenses, and four Cultivation licenses in the state of Arizona operated under the Health for Life brand; as well as three medical marijuana licenses in Las Vegas, Nevada under the GreenMart of Nevada brand. In the last year the company has expanded to Maryland managing three dispensary licenses under the Health For Life brand and one production license under MPX, as well to Massachusetts with a fully integrated grow, production and dispensary license. Her beauty and wellness brand CBD For Life provides customers with the benefits of cannabinoids while avoiding unwanted psychoactive effects and can be sold throughout the country.

Ms. Stavola has successfully established the Health for Life brand from inception to significant sales/cash flow within 5 years time and maintains one of the most stellar compliance records in the state of Arizona, receiving a 100% score on the last several state compliance audits. Given this record, Ms. Stavola was able to establish a banking relationship for the business, which is not an easy feat in this industry. Health for Life is one of the most recognized brands of cannabis dispensary, cultivation, and processors in Arizona. Ms. Stavola is also the owner of Melting Point Extracts (MPX), which has become an extremely well-respected and sought after brand in Arizona

- Ms. Anna Blazeovich has eleven years of prior experience in operating a verified Mutual Benefit Non-Profit Corporation for cannabis in compliance with California law with proof of payment of taxes. Ms. Blazeovich, successfully founded and continues to run Therapeutic Health Collective (DBA Stone Age Farmacy). Therapeutic Health Collective is a verified Mutual Benefit Non-Profit Corporation for cannabis that operates in compliance with California law and has proof of payment of taxes. In 2017 for example, the Collective paid the City of Los Angeles \$52,648 in taxes. Therapeutic Health Collective has created 35 jobs in Gardena, California. While the brand began as a verified Mutual Benefit Non-Profit Corporation, it has blossomed into three stores serving both medical patients and recreation customers in two different states.

As a licensed dispensary owner in California and Oregon, Ms. Blazeovich has a decade of experience in regulatory cannabis compliance. The Collective is vertically integrated, meaning it grows the cannabis products it sells. This capability translates into improved pricing for patients and customers while retaining maximum quality. Additionally, being vertically integrated allows for more control throughout the supply chain, which further supports a professional product selection and shelf stock for the consumer. This business resiliency and impeccable compliance standards will be transferred to the Harvest dispensary.

- Mr. Edgar Contreras, a native of Merced, California, has extensive managerial experience with local Merced retail businesses, totaling over three years. He will also serve as the dispensary's Neighborhood Liaison. Mr. Contreras graduated from Merced High School in 1995. After graduating, Mr. Contreras began working at Sweet River

Saloon as a dishwasher. Through personal drive and ambition, he was promoted to kitchen manager within a year, managing a staff of twenty people for over four years, where he was responsible for a myriad of supervision duties, including staff scheduling, inventory tracking, and quality control. Mr. Contreras subsequently served as manager of a Dollar Tree retail store, where he was responsible for shipping and receiving goods, customer service, staff scheduling, inventory tracking, and product stocking, all while managing eleven staff members for over two years. He successfully streamlined services to make the business more profitable, resilient, and customer focused.

A passionate advocate for the city of Merced, Mr. Contreras remains an active member of the local community. Mr. Contreras volunteers his time as a high school coach for basketball, football, baseball, and soccer at El Capitan High School. He has a special affinity for mentoring students. He regularly encourages young athletes to believe in their potential, give back to the community, and avoid destructive habits like substance abuse. Mr. Contreras will play an integral role in Harvest's drug prevention for youth program.

### **Community Benefits**

K) The Harvest of Merced, LLC. application indicates the following benefits to the community should their application be approved:

- Commitment to set aside at least three percent of yearly net profits for monetary contributions to local charitable organizations.
  - Merced County Food Bank- At least \$10,000 per year
  - United Way of Merced County- At least \$10,000 per year
  - Boys & Girls Club of Merced County- At least \$2,500 per year
  - Challenged Family Resource Center and Golden Valley Health Center- At least \$2,500 per year
- Pledged to chaperone the Challenged Family Resource Center's annual formal dance for developmentally disabled children.
- Customer Volunteer Discount initiative in order to encourage Harvest consumers to give back to their local Merced community. This program will offer a range of discounts on final purchases of cannabis goods to patients and consumers who regularly volunteer at local charitable organizations. Harvest will create a simple form that customers and patients may pick up from the retail facility that will track their volunteer time and include a place for the charitable organization's supervisor to confirm any completed volunteer hours. For the discount, Harvest consumers are not required to complete all of their volunteer hours at one charitable organization. For every five volunteer hours Harvest customers complete and record, the customer will receive a 10% discount on their next two purchases. If a Harvest customer completes ten or more volunteer hours in a month, the Harvest customer will receive a 20% discount on all purchases made for the rest of the month in which the hours

were completed. Harvest will never give away cannabis or cannabis goods for free.

- Harvest plans to host free bicycle and wheelchair repair clinics in the spring, summer, and fall months. Harvest will set up temporary wheelchair and bike stands where Harvest employees can perform free tune-ups and replace simple bicycle parts such as tires, tubes, chains, and brake cables. Harvest will operate these services by receiving donations and purchasing parts at-cost from participating local suppliers. Harvest will also have a volunteer sign up document for employees and consumers to commit to help at the clinics. Harvest consumers may volunteer their time making repairs at our temporary wheel and bike stands, which will count toward Harvest's Consumer Volunteer Discount initiative.
- Harvest will offer a 20% discount on final purchases to any customers with a veteran designation as part of our Merced facility's initiative to Heal Our Heroes. As part of this program, Harvest will help customers understand the potential benefits and effects of using cannabis to treat wounds of war like Post Traumatic Stress Disorder (PTSD) and Chronic Traumatic Encephalopathy (CTE). To promote Healing Our Heroes and support California veterans, Harvest will advertise this initiative with local chapters of the American Legion, Veterans of Foreign Wars (VFW), Disabled American Veterans Charity, California National Guard Association, and other active veteran service organizations.
- Harvest's Merced facility will implement the Merced Cares initiative, offering a 20% discount on final purchases to medical patients who are low income. To qualify for the Merced Cares program, patients will be asked to show proof of eligibility in either CalFresh, Medi-Cal, or other comparable qualified assistance program. The State of California recognizes that medical cannabis can provide relief that is, unfortunately, not covered by health insurance as medical cannabis falls outside the traditional healthcare system. This leaves many low-income families scrambling to pay for medicine and pain relief that can alleviate their or a loved one's suffering. Harvest believes no patient or family should be denied access to medicine simply because they cannot afford it.
- Harvest wants the citizens of Merced to know that the unlawful use of cannabis has severe consequences. Although recreational cannabis is legal in the State of California, there are still current penalties for recreational use under the age of twenty one and medical use without a prescription. To bring awareness of the penalties for unlawful use of cannabis, Harvest would like to partner with the City of Merced Police Department and the Merced County Sheriff's Department to hold community discussions. Harvest would also like to invite local elected officials to participate and let the local police departments set the agenda.
  - During these community discussions, Harvest will solicit feedback from the community. Community feedback is essential to understanding the best way to reach our neighbors. There is a lot of misinformation about the use of cannabis and the consequences of unlawful use. Harvest will promote these community



discussions through traditional media and social media. In order to drive attendance to these important events, Harvest will encourage the City of Merced Police Department, the Merced County Sheriff's Department, and local elected officials to promote the community discussions.

- Harvest hopes to hold these community discussions at a school, so that the youth can have access to this important information. Harvest is prepared and working to facilitate and sponsor that event. These events would be incredibly productive because social media makes students especially vulnerable to misinformation about cannabis and drug use.

### **Modification to Operations**

- L) The City of Merced recognizes that the details of operating a business, particularly one in a developing sector such as cannabis and cannabis-based products, requires continual updating of business practices, methodologies, and tools, the modification of which may require alterations to the configuration of the equipment, setup, or layout of the facility. In order to allow for these changes while maintaining the safety of all parties involved, modifications to the permit in the course of retail sales of cannabis and cannabis-related products may be requested by the applicants and approved with the consent of the City's Chief Building Official, Fire Chief, Police Chief and Director of Development Services (Condition #22).

### **Environmental Clearance**

- M) The project proposes to utilize an existing building on a 0.36-acre parcel. Planning staff has conducted an environmental review (Environmental Review #18-27) of the project in accordance with the requirements of the California Environmental Quality Act (CEQA), and a Categorical Exemption (no further environmental review is required) is being recommended (see Attachment K).

**Conditions of Approval,  
to be modified per instructions of the City Council,  
Resolution #4008 Commercial Cannabis Business  
Permit #18-14R**

1. The proposed project shall be constructed/designed as shown on Exhibit 1 (site plan), Attachment C of Staff Report #18-26, and Exhibit 2 (floor plan), Attachment D of Staff Report #18-26, except as modified by the conditions.
2. All conditions and requirements contained in Merced Municipal Code (MMC) Section 20.44.170/Ordinance #2480 (Attachment I of Staff Report #18-26) shall apply. Particular attention shall be paid to MMC 20.44.170(F) "Additional Regulations for Dispensary and Retail Sales of Cannabis" and MMC 20.44.170(G) "Additional Regulations for Commercial Cannabis Delivery Services."
3. The proposed project shall comply with all standard Municipal Code and Subdivision Map Act requirements as applied by the City Engineering Department.
4. All other applicable codes, ordinances, policies, etc. adopted by the City of Merced shall apply.
5. The developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, and any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof, from any and all claims, actions, suits, proceedings, or judgments against the City, or any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof to attack, set aside, void, or annul, an approval of the City, or any agency or instrumentality thereof, advisory agency, appeal board, or legislative body, including actions approved by the voters of the City, concerning the project and the approvals granted herein. Furthermore, developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, or any agency or instrumentality thereof, against any and all claims, actions, suits, proceedings, or judgments against any governmental entity in which developer/applicant's project is subject to that other governmental entity's approval and a condition of such approval is that the City indemnify and defend such governmental entity. City shall promptly notify the developer/applicant of any claim, action, or proceeding. City shall further cooperate fully in the defense of the

**EXHIBIT C**

- action. Should the City fail to either promptly notify or cooperate fully, the developer/applicant shall not thereafter be responsible to indemnify, defend, protect, or hold harmless the City, any agency or instrumentality thereof, or any of its officers, officials, employees, or agents.
6. The developer/applicant shall construct and operate the project in strict compliance with the approvals granted herein, City standards, laws, and ordinances, and in compliance with all State and Federal laws, regulations, and standards. In the event of a conflict between City laws and standards and a State or Federal law, regulation, or standard, the stricter or higher standard shall control. State Law shall prevail in regards to cannabis activities as permitted by State Law.
  7. The proposed project shall comply with all applicable regulations of the State of California including, but not limited to, those found in the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).
  8. The applicants shall meet the standards of the City of Merced's "Commercial Building Permit Application Submittal Requirements" (Attachment J of Staff Report #18-26) at the time of submittal for building permits for tenant improvement.
  9. The details of the property's fencing (if any), security, and screening are to meet the approval of the Director of Development Services and Chief of Police prior to the issuance of a Certificate of Occupancy.
  10. The applicants shall keep on the premises of the proposed project site a physical copy of the approved plans, to be annotated and updated accordingly with any notes, changes, or requirements determined to be necessary by representatives of the City of Merced or any contractors that the City of Merced may employ for the purpose of site inspections. These plans shall be made available to the City's representatives, employees, agents, inspectors, or contractors upon request.
  11. Fire sprinklers shall be modified or installed to accommodate the building configuration and process configuration prior to occupancy if required by the Chief Building Official.
  12. Regulatory Fees, as per Resolution #2017-67, are to be paid prior to the issuance of a Certificate of Occupancy and annually thereafter on or before the anniversary date. The Regulatory Fee may be amended from time to time based upon actual costs. The amount of the fees shall be

adjusted annually (starting on January 1, 2019) to account for inflation by using the Consumer Price Index (CPI). In no event, shall the fees in any year be less than the preceding year.

13. A Commercial Cannabis Business Permit is valid for one year or until December 31 of each year, unless sooner revoked. Applications for the renewal of a permit shall be filed with the Director of Development Services, in accordance with 20.44.170(L).4, "Commercial Cannabis Business Permit Renewal (All Types)", at least sixty (60) calendar days before the expiration of the current permit. If the permittee allows their permit to lapse, they shall be required to submit a new application, pay corresponding fees and be subject to all aspects of the selection process.
14. As per Ordinance #2480, the use of vending machines to dispense cannabis is strictly prohibited. Any vending machines on the property must not contain cannabis or cannabis-based products.
15. The applicants shall provide or cause to be provided a trash enclosure on the property such that all waste is securely stored until it is removed from the premises. Access to this enclosure shall be provided to the City's Department of Public Works.
16. Key access and/or a Knox Box to the perimeter fence shall be provided to the City of Merced Fire Department, Department of Public Works, and Police Department.
17. As required by Merced Municipal Code Section 17.04.050 and 17.04.060, full public improvements shall be installed/repared if the permit value of the project exceeds \$100,000. Public improvements may include, but not be limited to, repairing/replacing the sidewalk, curb, gutter, and street corner ramp(s), so that they comply with ADA standards and other relevant City of Merced/State standards and regulations.
18. The parking lot shall be repaved and restriped in compliance with the City of Merced's City Standard Designs.
19. If the applicants are unable to provide a FEMA flood elevation certificate showing that the top of the bottom floor and all equipment are at the required height as to not mandate mitigation measures if applicable, flood mitigation measures shall be required to meet the approval of the City flood plain manager and City Engineer.

20. There shall be no shared access to the building sharing a common wall with 863 W. 15th Street. Any existing shared access point must be sealed prior to the issuance of a Certificate of Occupancy.
21. The details of the final design of the exterior elevations and any signage shall be approved by Planning staff prior to issuance of a Certificate of Occupancy.
22. Future modifications to the scale, scope, activities, implementation, processes, materials, design, layout, or other factors pertaining to the operation of the project that are consistent with permits to perform activities related to operation of a retail dispensary of cannabis and cannabis-based products may be authorized with the approval of the City's Chief Building Official, Fire Chief, and Director of Development Services.





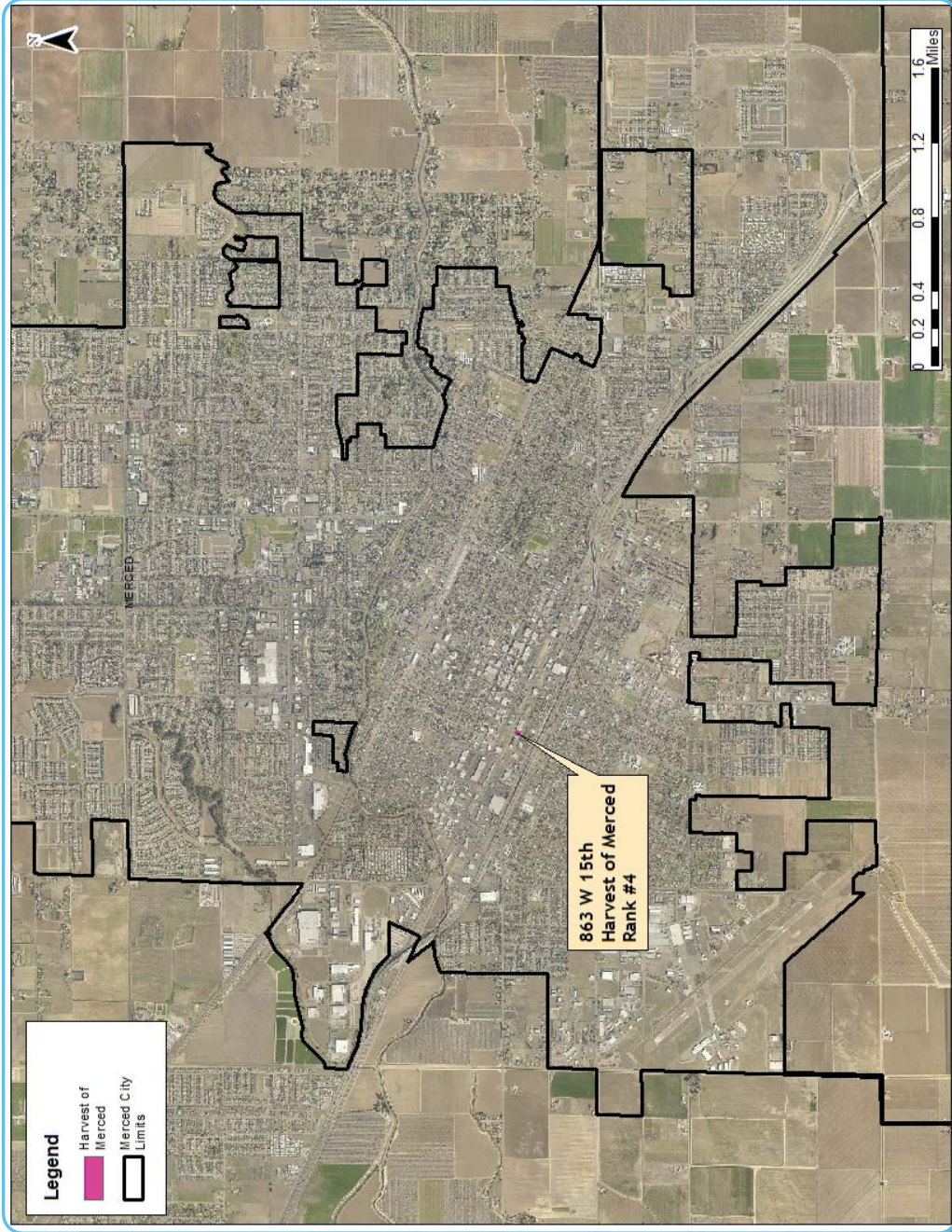
# **APPEAL TO COMMERCIAL CANNABIS BUSINESS PERMIT #18-14R**

**RETAIL DISPENSARY PERMIT APPLICATION FOR MEDICINAL AND  
ADULT USE CANNABIS FOR HARVEST OF MERCED, LLC.**

**PUBLIC HEARING: OCTOBER 25, 2018**

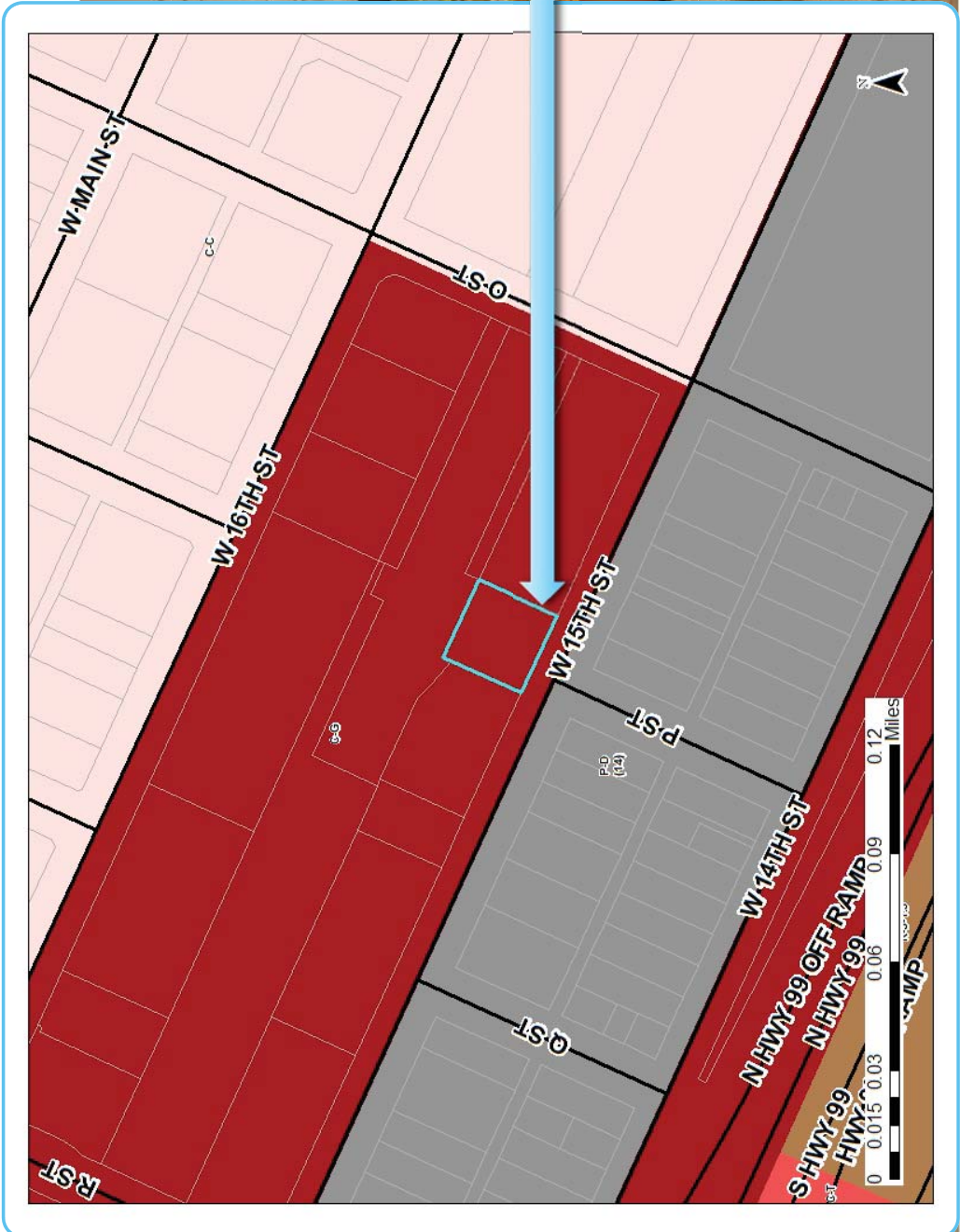
**ATTACHMENT 7**





Harvest Proposed Site  
Context Map

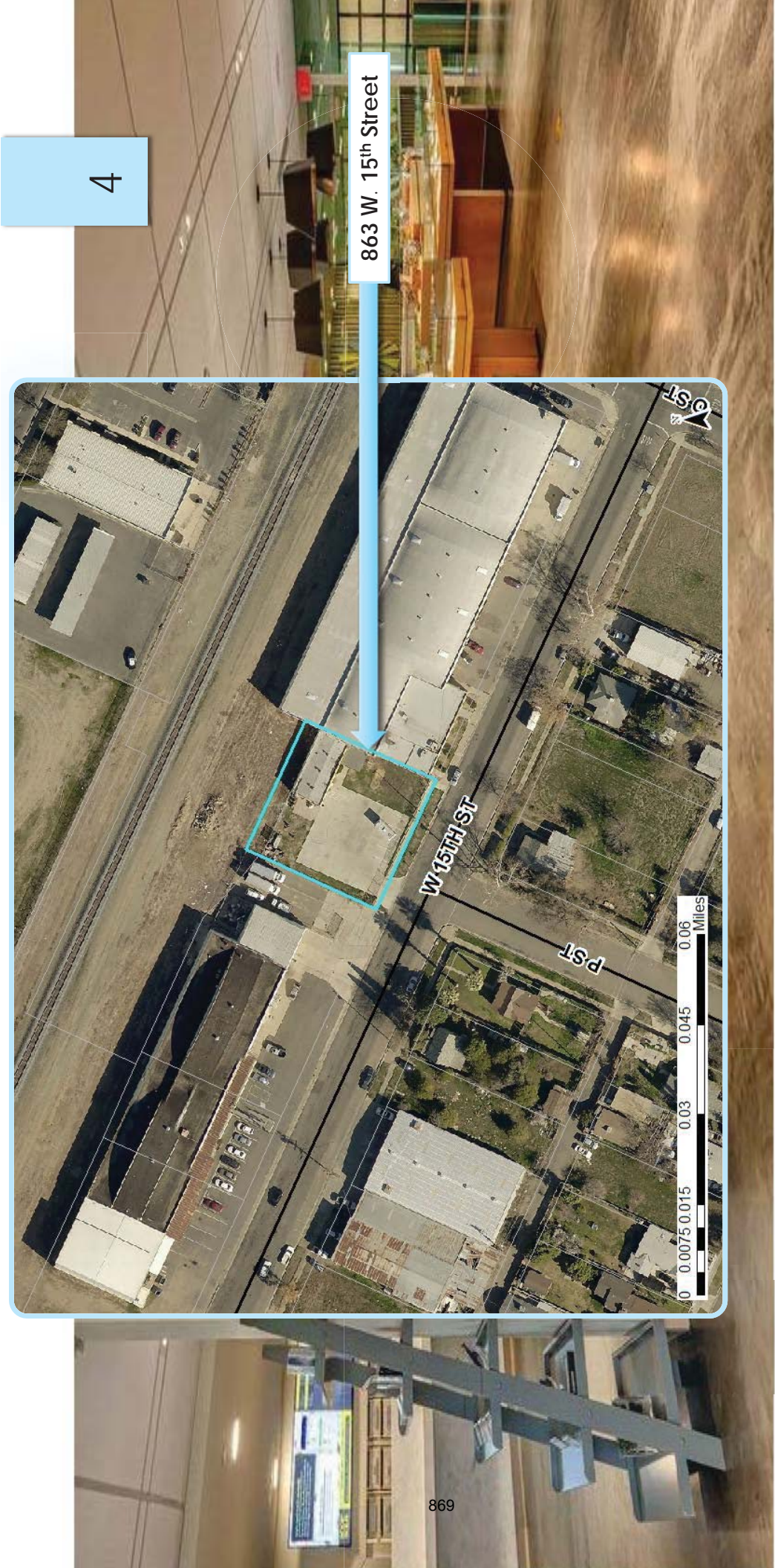




863 W 15th Street

Harvest Proposed Site  
Context Map



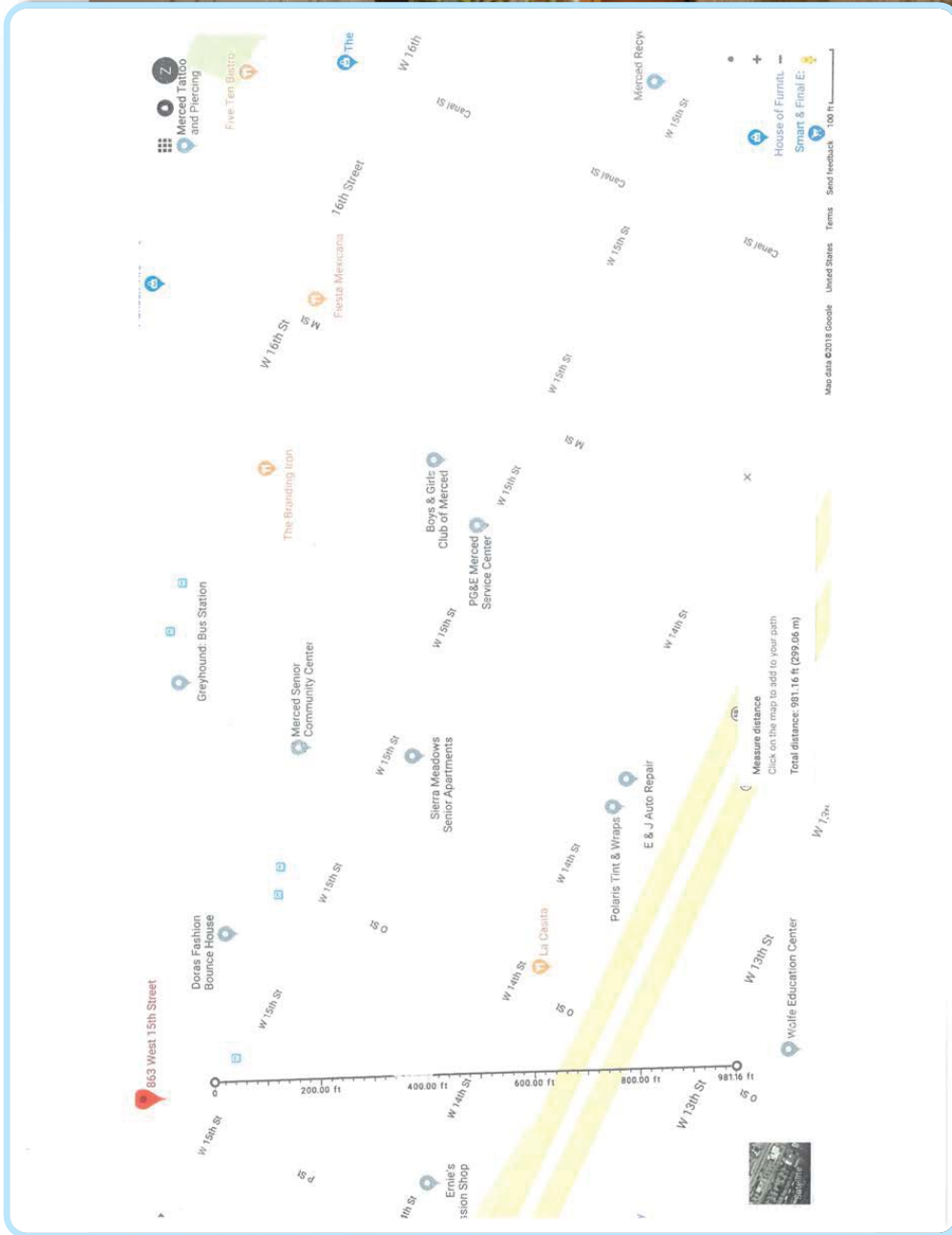






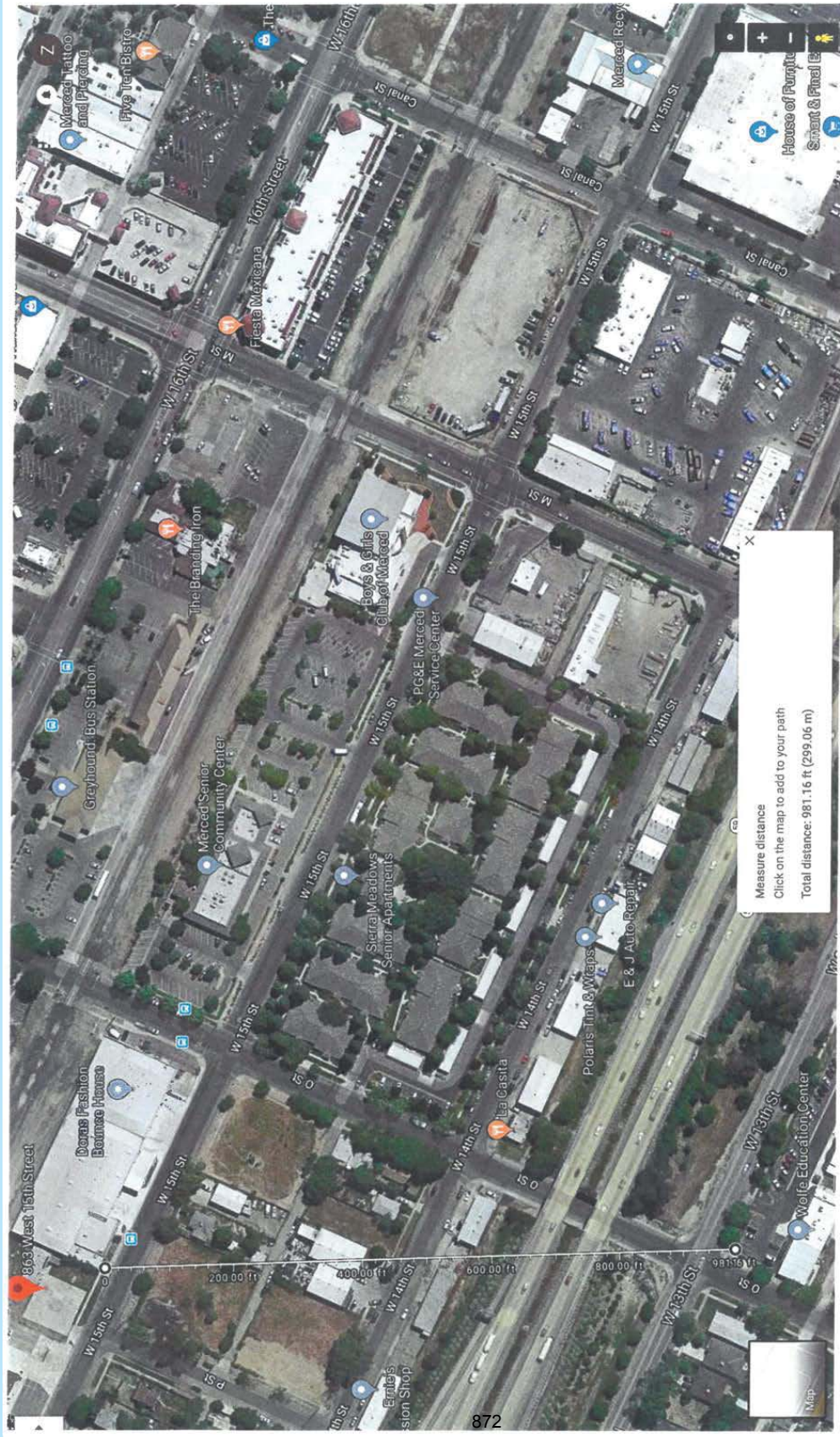
Documents Presented by Appellant  
Planning Commission Meeting of September 19, 2018





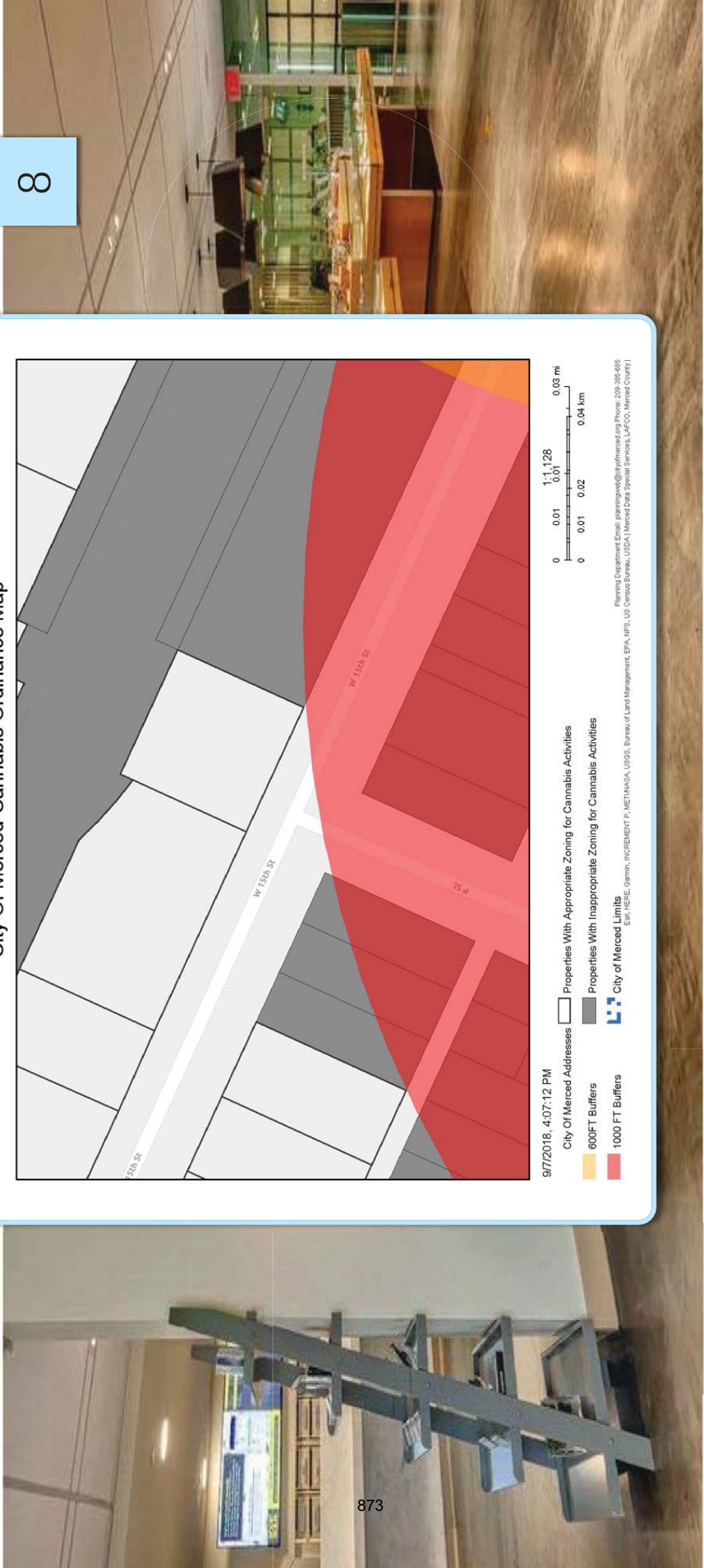
# Documents Presented by Appellant

## Planning Commission Meeting of September 19, 2018

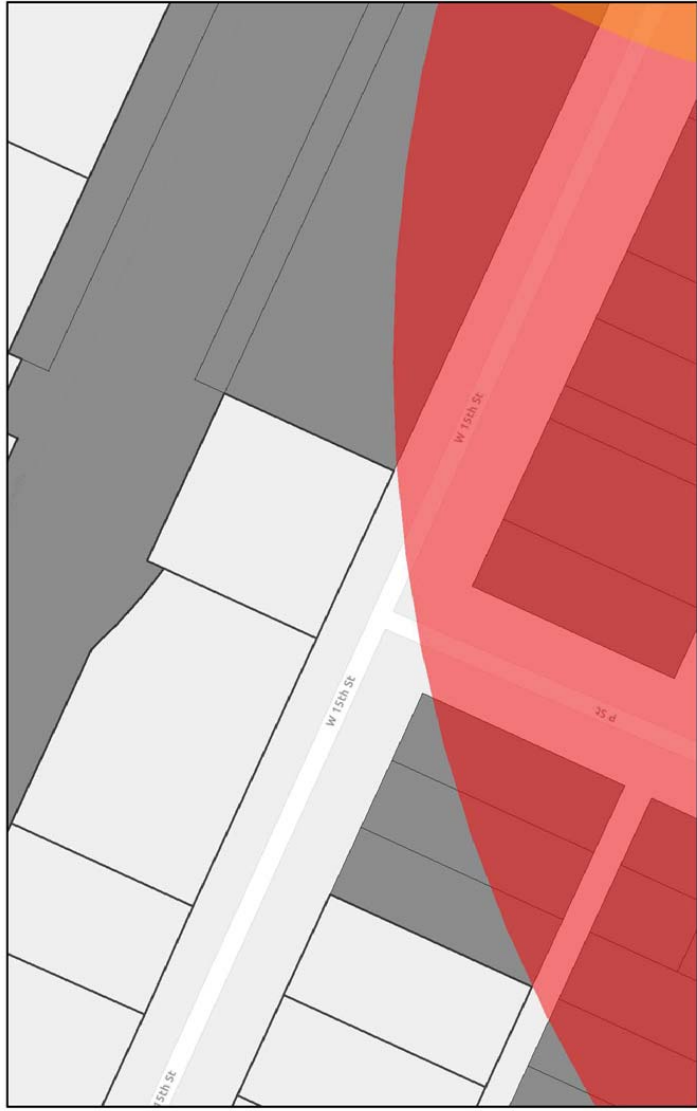


Documents Presented by Appellant  
Planning Commission Meeting of September 19, 2018





## City Of Merced-Cannabis Ordinance Map



9/7/2018, 4:07:12 PM

- City Of Merced Addresses
- Properties With Appropriate Zoning for Cannabis Activities
- Properties With Inappropriate Zoning for Cannabis Activities
- City of Merced Limits
- Earl H. Here, Garmin, INCIDENT P, METANASA, USGS, Bureau of Land Management, EPA, NPS, US Census Bureau, USDA (Merced Data Special Services, LAFCO, Merced County)

1:1,128  
0 0.01 0.02 0.03 mi  
0 0.01 0.02 0.04 km

Sensitive use context

Property is outside of 600' radii of all sensitive uses and 1,000' radius of schools



Legend

City Of Merced Addresses

600FT Buffers



1000 FT Buffers



City Center Boundary



Properties With Appropriate Zoning for Cannabis Activities

Properties With Appropriate Zoning for Cannabis Activities

Properties With Inappropriate Zoning for Cannabis Activities

Properties With Inappropriate Zoning for Cannabis Activities

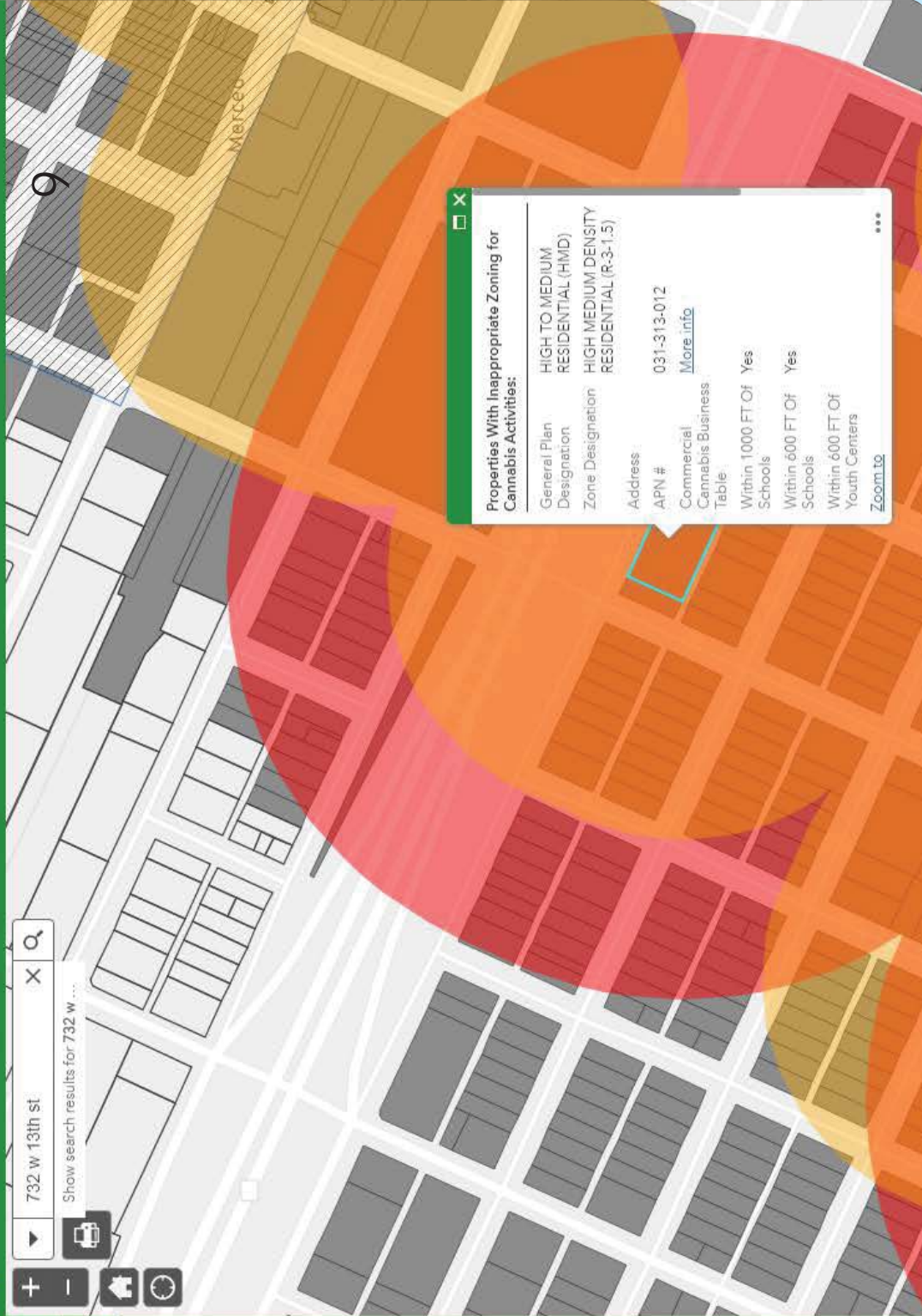
City of Merced Limits



732 W 13th St

Show search results for 732 W 13th St

Map navigation controls: zoom in, zoom out, home, and a small map overview icon.

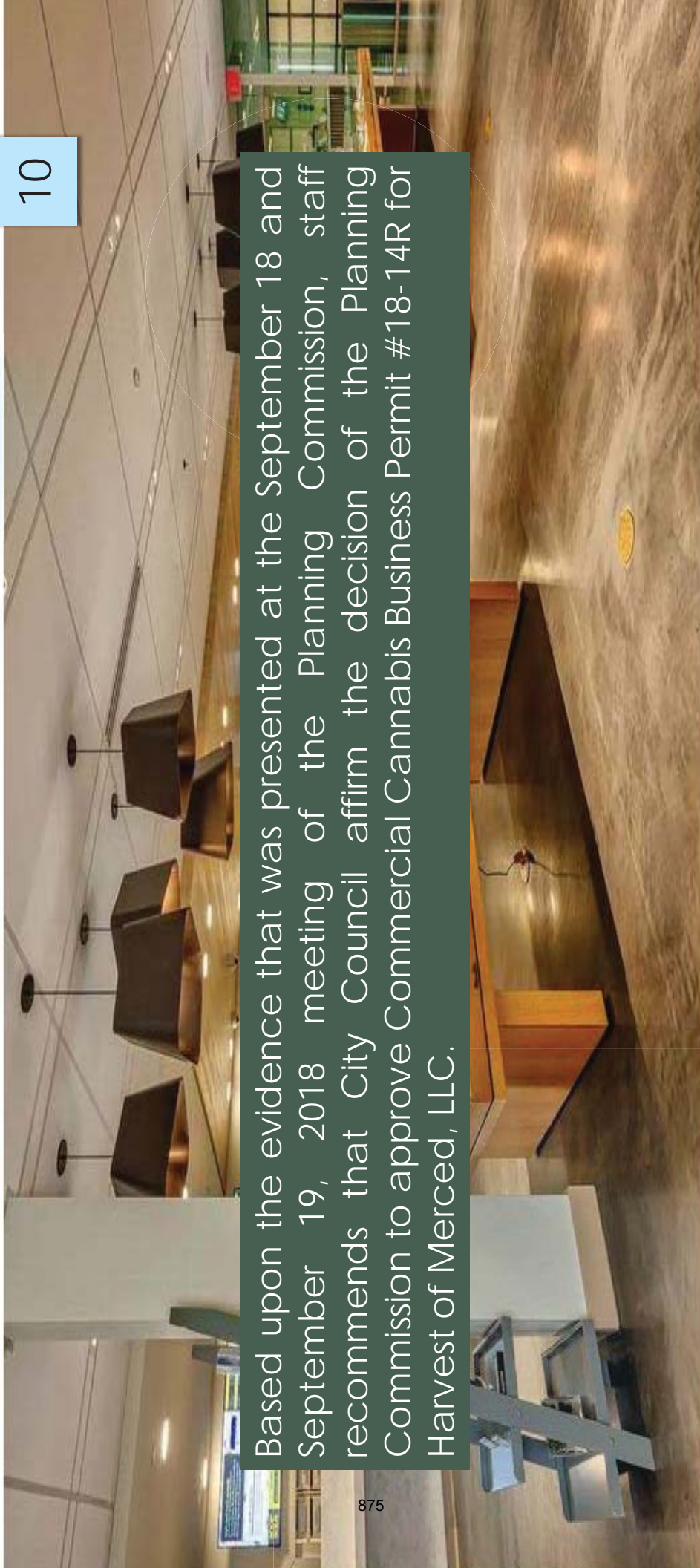


Properties With Inappropriate Zoning for Cannabis Activities:

General Plan Designation	Zone Designation	Address	APN #	Commercial Cannabis Business	Within 1000 FT Of Schools	Within 600 FT Of Schools	Within 600 FT Of Youth Centers
HIGH TO MEDIUM RESIDENTIAL (HMD)	HIGH MEDIUM DENSITY RESIDENTIAL (R-3-1.5)		031-313-012	More info	Yes	Yes	

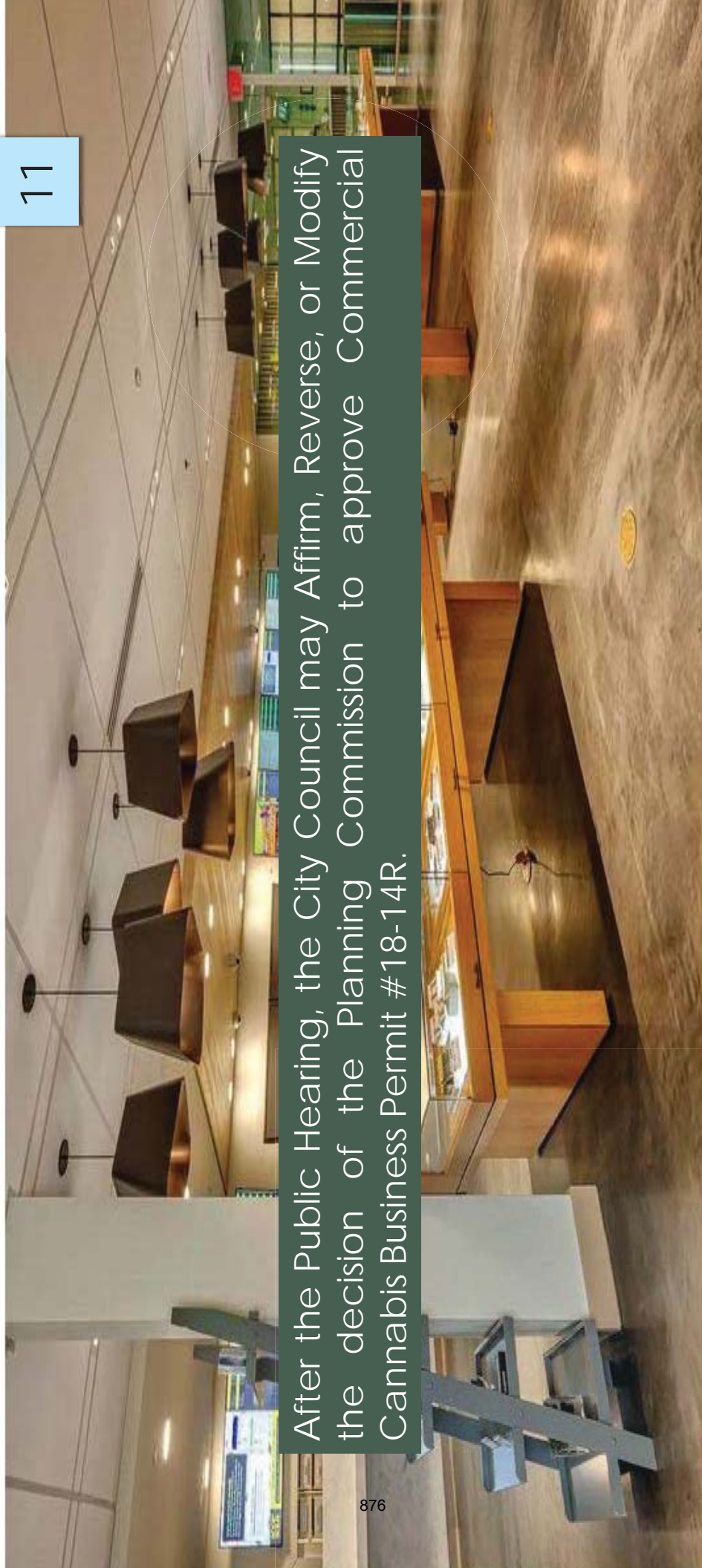
Zoom to





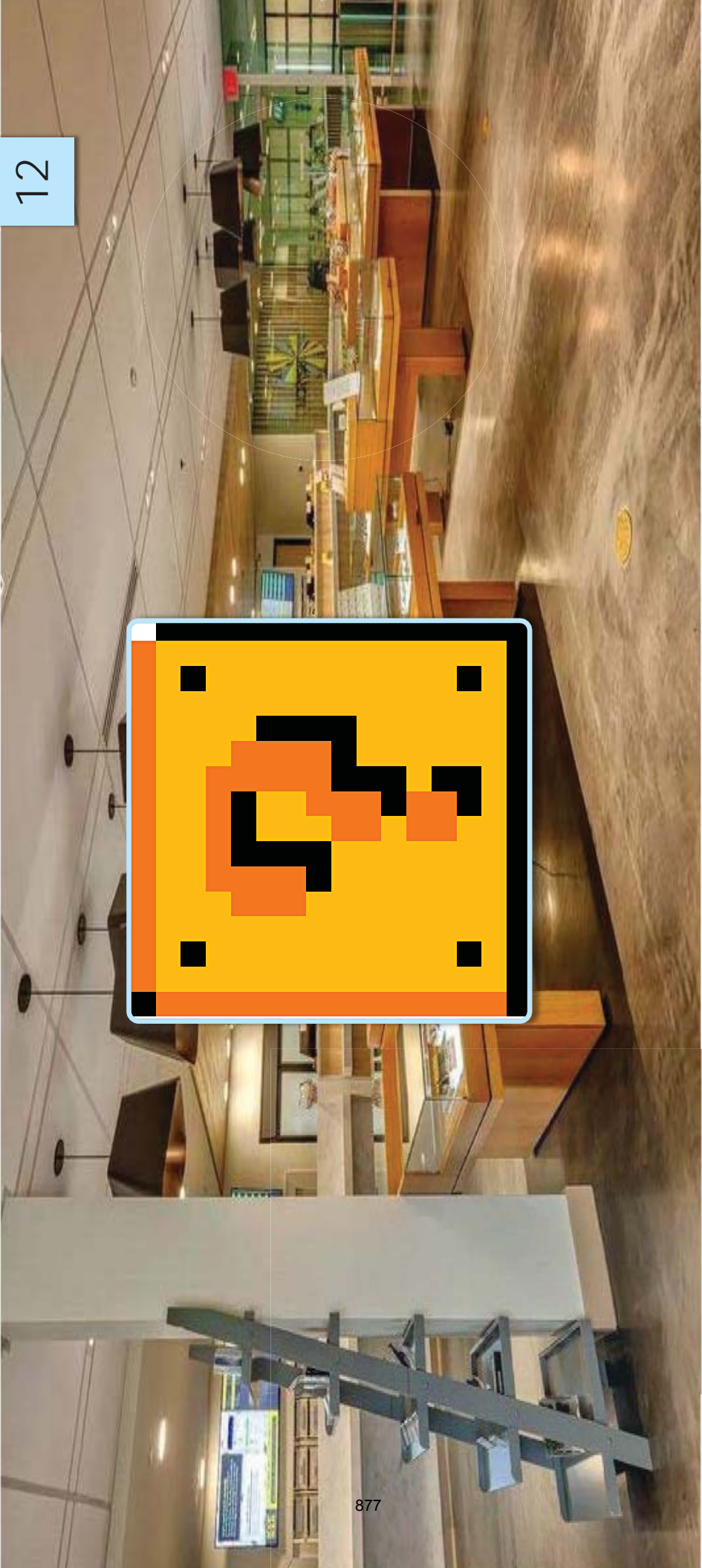
Staff Recommendation





11

After the Public Hearing, the City Council may Affirm, Reverse, or Modify the decision of the Planning Commission to approve Commercial Cannabis Business Permit #18-14R.



12