



ADMINISTRATIVE REPORT

File #: 22-840

Meeting Date: 11/9/2022

Planning Commission Staff Report

Report Prepared by: Stephani Davis, Development Services Technician II, Development Services Department

SUBJECT: Commercial Cannabis Business Permit #22-02R, initiated by Devon Julian for Culture Merced on Motel Drive, Inc. (Culture Cannabis Club), on behalf of KWP Consulting, property owner. This application is to permit the operation of a retail dispensary, including delivery services, for both medicinal and adult-use cannabis in an existing 3,520-square-foot building located at 1111 Motel Drive. The property is zoned Thoroughfare Commercial (C-T), with a General Plan designation of Thoroughfare Commercial (CT). **PUBLIC HEARING**

ACTION: Approve/Disapprove/Modify

- 1) Environmental Review #22-04 (*Categorical Exemption*)
- 2) Commercial Cannabis Business Permit #22-02R

SUMMARY

This application is for a permit to utilize the property at 1111 Motel Drive 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 #22-04 (*Categorical Exemption*), and Commercial Cannabis Business Permit (CCBP) #22-02R, including the draft Resolution at Attachment A, subject to the conditions in Exhibit A and the findings/considerations in Exhibit B.

DISCUSSION

Culture Merced on Motel Drive, Inc., seeks to operate their cannabis-related business in an existing building at 1111 Motel Drive.

Project Description

Culture Merced on Motel Drive, Inc. will offer a wide variety of cannabis products for both adult use for the general public and medicinal products for customers who have legal identification indicating that they are permitted to purchase medical cannabis products within the State of California. Hours of operation are proposed from Monday to Friday, 8:00 a.m. to 10:00 p.m.

Once in operation, the proposed dispensary anticipates a staff of 25 employees, 4 managers, and at least 2 security guards.

Surrounding Uses

<i>Surrounding Land</i>	<i>Existing Use of Land</i>	<i>City Zoning Designation</i>	<i>City General Plan Land Use Designation</i>
North	Residential	Low Density Residential (R 1-6)	Low Density Residential (LD)
South	County Property (on the other side of the highway)	County	County (MCO)
East	Fair Bridge Inn & Suites	Thoroughfare Commercial (C-T)	Thoroughfare Commercial (CT)
West	Best Western	Thoroughfare Commercial (C-T)	Thoroughfare Commercial (CT)

Background

Since the City adopted its Cannabis Ordinance in 2018 (current Ordinance #2532, revised in 2021), the Planning Commission has approved five (5) CCBPs for retail uses; only five dispensaries may be approved under the City's cannabis ordinance. After some time, one permit was abandoned, leaving one available.

In January 2022, Staff began the application process for commercial cannabis retail proposals in order to fill the remaining vacant cannabis permit within the City. The City received eleven (11) applications; 9 applications succeeded in reaching Phase 2 Merit-based review with the City's Selection Panel, consisting of the City Manager, Police Chief, and Director of Development Services. At the conclusion of the Selection Panel scoring, Commercial Cannabis Business Permit #22-02R received the highest rank with an average score of 95.33.

Commercial Cannabis Business Permit (CCBP) #22-02R has passed through all applicable Phases of commercial cannabis business review and have paid all necessary fees, including background checks on all owners of 5% or more that have been performed to the satisfaction of the Chief of Police, as required by MMC Section 20.44.170(L).

Findings/Considerations

Please refer to Exhibit B of the Draft Planning Commission Resolution at Attachment A.

ATTACHMENTS

- A. Draft Planning Commission Resolution
- B. Location Map
- C. Site Plan
- D. Elevations

- E. Floor Plan
- F. Sensitive Use Map
- G. Summary of Merit-Based Scores for All Applicants
- H. Merit-Based Score Sheet for Culture Merced
- I. City of Merced Commercial Building Permit Application Submittal Requirements
- J. Environmental Review #22-04 (Categorical Exemption)
- K. Presentation

CITY OF MERCED
Planning Commission

Resolution #5000

WHEREAS, the Merced City Planning Commission at its regular meeting of November 9, 2022, held a public hearing and considered **Commercial Cannabis Business Permit #22-02R**, initiated by Devon Julian for Culture Merced on Motel Drive, Inc., on behalf of KWP Consulting, property owners. This application is to permit the operation of a retail dispensary, including delivery services, for both medicinal and adult-use cannabis located at 1111 Motel Drive, using an approximately 3,520-square-foot existing building. The property is zoned Thoroughfare Commercial (C-T), with a General Plan designation of Thoroughfare Commercial (CT); also known as Assessor's Parcel Number (APN) 035-101-004; and,

WHEREAS, the Merced City Planning Commission concurs with Findings A through O (Exhibit B) of Staff Report #22-840; 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 #22-04 and approve Commercial Cannabis Business Permit #22-02R, 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)

PLANNING COMMISSION RESOLUTION #5000

Page 2

November 9, 2022

Adopted this 9th day of November 2022

Chairperson, Planning Commission of
the City of Merced, California

ATTEST:

Secretary

Attachment:

Exhibit A – Conditions of Approval

Exhibit B – Findings and Considerations

Conditions of Approval
Planning Commission Resolution #5000
Commercial Cannabis Business Permits #22-02R

1. The proposed project shall be constructed/designed as shown on Exhibit 1 (site plan), Exhibit 2 (floor plan) and Exhibit 3 (elevation)- Attachments C, D, and E of Staff Report #22-840, and all other application materials submitted by the applicant, including business plans, security plans, etc., except as modified by the conditions.
2. All conditions and requirements contained in Merced Municipal Code Section 20.44.170, “Regulation of Commercial Cannabis Activities— Commercial Cannabis Business Permit Required” shall apply, including 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 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, 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 (with counsel selected by the City) such governmental entity. City shall promptly notify the developer/applicant of any claim, action, suits, or proceeding. Developer/applicant shall be responsible to immediately prefund the litigation cost of the City including, but not limited to, City’s attorney’s fees and costs. If any claim, action, suits, or proceeding is filed challenging this approval, the developer/applicant shall be required to execute a separate and formal defense, indemnification, and deposit agreement that meets the approval

of the City Attorney and to provide all required deposits to fully fund the City's defense immediately but in no event later than five (5) days from that date of a demand to do so from City. In addition, the developer/applicant shall be required to satisfy any monetary obligations imposed on City by any order or judgment. 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.

4. The proposed project shall comply with all standard Municipal Code and Subdivision Map Act requirements as applied by the City Engineering Department.
5. 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.
6. 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), as it may be amended or updated from time to time.
7. The details of the property's fencing, security, and screening shall meet the approval of the Director of Development Services and Chief of Police prior to the issuance of a Certificate of Occupancy.
8. The applicant shall meet the standards of the City of Merced's "Commercial Building Permit Application Submittal Requirements" (Attachment H of Staff Report #22-840) at the time of submittal for building permits for tenant improvements.
9. All plans and supporting documents, including landscape and irrigation plans and a parking lot lighting plan, submitted for Building Permits shall meet or exceed the building codes in effect at the time of building permit application submittal.

10. Plans shall be drawn by a licensed California design professional, meeting current codes at the time of building permit application submittal. Building permit applications submitted after December 31, 2022, shall comply with 2022 California Building Codes.
11. Landscape and irrigation plans shall be drawn in compliance with all City landscape requirements including those under Merced Municipal Code Section 20.36 – Landscaping, which also addresses the Water Efficient Landscape Ordinance under relevant State requirements regarding water efficiency. Details to be reviewed by the Planning Department at the Building Permit stage.
12. All existing landscaping shall be kept healthy and maintained, and any damaged or missing landscaping shall be replaced immediately. Grasses and weeds shall be kept to a maximum of six inches in height or as otherwise required by the Fire Department and County Health Department.
13. 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.
14. Any non-public areas, including cannabis inventory storage room, restrooms, etc., within the retail facility shall be secured from intentional or accidental access by any person not employed, contracted, or otherwise authorized on the premises.
15. Regulatory Fees, as per Resolution #2021-43, are to be paid prior to the issuance of a Certificate of Occupancy and annually thereafter on or before the anniversary date of the business opening. The Regulatory Fee may be amended from time to time based upon actual costs. The amount of the fees shall be adjusted annually (starting January 1) 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.
16. Prior to issuance of a Certificate of Occupancy, applicant shall acquire a City of Merced Business License and provide the City with proof of general liability insurance per requirements.

17. 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)(5), “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.
18. In accordance with MMC 20.44.170 (E)(1)(d), “General Provisions for Commercial Cannabis Activities in the City of Merced,” in the event that this permit is approved after October 1 of any calendar year, the permit shall be valid until December 31 of the following year. In this case, the permit shall be valid until December 31, 2023.
19. 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 the operation of a retail dispensary of cannabis and cannabis-based products may be authorized with the approval of the Director of Development Services by submitting a request for Minor Modification, in accordance with MMC 20.44.170(L)(7), “Modifications to Commercial Cannabis Business Permit (All Types).”
20. In the event that a proposed Minor Modification is submitted by the applicant that includes an expansion of building space being used, Staff shall reevaluate parking needs and the applicant shall provide additional parking if necessary.
21. The developer shall use proper dust control procedures during site development in accordance with San Joaquin Valley Air Pollution Control District rules.
22. The applicant shall work with the City’s Refuse Department to determine the proper location for a trash enclosure and if a recycling container will be required to comply with AB 341. The container(s) shall be enclosed within a refuse enclosure built to City standards.
23. The parking lot layout shall comply with all applicable City Standards. Applicant shall obtain an encroachment permit with the City Engineering Department if necessary. Parking lot and building lighting shall be

sufficient and shall be shielded or oriented in a way that does not allow “spill-over” or affect the residents located directly across the street.

24. The applicant shall meet the standard parking requirement using the regulation for Retail, General, uses by on-site parking or by obtaining off-site parking at the approval of the Site Plan Committee via a shared parking agreement with an adjacent lot or one that is a maximum of 400 feet from the proposed property, per MMC Section 20.38.040 C – General Requirements.
25. Prior to issuance of certificate of occupancy, the applicant shall provide a cross-access agreement between the subject site (APN: 035-101-004) and the adjacent lot to the west of the subject site (APN: 035-101-003).
26. Appropriate turning radii shall be provided within the parking areas to allow for Fire engine and refuse truck access.
27. Parking lot shall be paved and striped in compliance with the City of Merced City Standards.
28. The applicant shall provide or cause to be provided the necessary Accessible Parking Spaces in accordance with Table 11B-208.2, “Parking Spaces” of the California Building Code, Title 24, Part 2, and shall ensure that the site provides a clear path of travel from the provided accessible parking spaces to the main entrance of the building. Details to be shown on submitted plans at the building permit stage.
29. In accordance with Table 20.38-4, “Required Bicycle Parking Spaces” of the City of Merced Zoning Ordinance, the applicant shall provide or cause to be provided a minimum of 2 short-term bicycle parking spaces and is not required to provide long-term spaces.
30. The applicant shall provide required loading spaces in accordance with Table 20.38-5, “Required Loading Spaces.”
31. Exterior signage shall be limited to no more than twenty square feet. Per MMC 20.44.170(F)(15), interior signage or advertising may not be visible from the exterior. No temporary signs, free-standing “A-frame” or “sandwich board” signs, or window signs shall be allowed. Details to be worked out with Planning staff at the building permit stage.
32. Security practices shall comply with all standards under the State and local standards within MMC Section 20.44.170 E (3) to ensure patrons do not consume cannabis products on-site as well as alcohol, tobacco or food.

33. Prior to approval of building permits, the applicant shall extend the proposed chain-link fence so that deliveries do not enter unsecured areas. Plans shall reflect these revisions.
34. On-site sale of alcohol or tobacco products is prohibited at this location.
35. The use of vending machines to dispense cannabis products is strictly prohibited.
36. Applicant will provide staff with necessary documents for the Community Outreach Meetings, as outlined in the Commercial Cannabis Business Permit application. Inaugural meeting shall be scheduled no later than 2 months after the grand opening.
37. Per MMC 20.44.170(L)(1)(g)(iv), any element of an application, including community benefits, that provided a successful applicant with points on the merit-based scoring system is subject to review and inspection by the City, which may include self-certification by the licensed business, on-site inspection, or other methods of enforcement.
38. Per MMC 20.44.170(P)(1), the business shall provide the City with a notarized statement that the business will enter into, or demonstrate to the City that it has already entered into, and abide by the terms of a Labor Peace Agreement.
39. Per MMC 20.44.170(L)(7)(b)(iii), any business that is awarded points on the merit-based selection criteria for local ownership shall not be approved for any request for Minor Modification that proposes to reduce local ownership below the minimum threshold for which points were awarded in the first place. Per the merit-based points awarded to this application, the minimum amount of local ownership that could be approved through a Minor Modification is 51%.

Findings and Considerations
Planning Commission Resolution #5000
Commercial Cannabis Business Permits #22-02R

FINDINGS/CONSIDERATIONS:

General Plan Compliance and Policies Related to This Application

- A) The proposed project complies with the General Plan designation of Thoroughfare Commercial (CT) and the zoning classification of Thoroughfare Commercial (C-T) 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 (MMC) (Attachment F of Staff Report #22-840).

Merit Based Scores and Ranking of Application

- C) The City of Merced received eleven (11) applications for retail cannabis dispensaries in January 2022. Nine (9) applications passed Phase 1 review, succeeding in qualifying for Phase 2 Merit-based review with the Selection Panel, consisting of the City Manager, Police Chief, and Director of Development Services. Those nine (9) applications were reviewed and scored based on merit-based criteria established by the City Council.

A total score of 100 points was possible for each application. Points were awarded based on non-discretionary elements within the applications (a total of 78 points possible), and a total of 22 possible points were reserved for the members of the Selection Panel to award at their discretion based on any outstanding features contained in the application that went above the minimum requirements of the commercial cannabis business permit process. 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 Panel ranked Culture Merced on Motel Drive, Inc. (Culture Merced) at Number 1 out of 9 places, with an average score of 95.33, the full scoring sheet for this application can be

found at Attachment H of Staff Report #22-840. A Summary of Scores for all the applications can be found at Attachment G of Staff Report #22-840.

Proposed Operations

- D) The proposed dispensary will offer the retail sale of both medicinal and adult-use cannabis products, along with delivery services. The proposed hours of operation within the dispensary shall be daily from 8:00 a.m. to 10:00 p.m., with delivery to be from 9:00 a.m. to 7:00 p.m. Culture Merced anticipates a staff of twenty-five (25) employees, 4 managers, and at least two (2) security guards. Per their own projections, Culture Merced anticipates an average of 250-300 customers per day; their staff will grow as needed.

The proposed business owners plan a 6-month timeline to full build-out following approval of this cannabis business permit, with the bulk of the build-out to occur within the first 4 months. Most of their staff is anticipated to be hired within the final 2 months, prior to the grand opening.

Deliveries

- E) When a scheduled delivery occurs, the inventory manager will receive a notification through the application Treez and will verify the invoice and proceed to follow all State and local requirements of process. Delivery times will occur within the hours of 9:00 a.m. and 7:00 p.m. 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

- F) With consideration that this project is proposed on a site within an existing building that has existing access to the City's roadway infrastructure and conforms to the current zoning and land use designation, no concerns related to traffic, or circulation have been raised in relation to this project.

Site Plan/Parking

- G) The applicant is proposing to use the entire space of the existing building at approximately 3,520 square-feet (SF). Ingress to the site is located off Motel Drive with circulation directed out onto Pine Street. The City's

EXHIBIT B

OF PLANNING COMMISSION RESOLUTION #5000

Page 2

Zoning Code requires one space per 300 SF of floor area for retail use. For this site, the floor area would qualify for approximately 2,040 SF (including the sales floor and the reception area), therefore, the minimum required parking for this site would be 7 spaces. Per the provided site plan found at Attachment C of Staff Report #22-840, the site has a total of 14 existing parking spaces (this includes 4 accessible parking spaces). The site meets and exceeds the City's parking requirements for this use and shall comply with the requirements regarding bicycle and loading spaces per the Ordinance sections identified in Attachment A of Staff Report #22-840 (Conditions #28, 29, and 30). The Building Department has identified concerns with regards to the accessible parking and requests that plans show the installation of a clear and safe path of travel from the accessible parking spaces to the main entrance, per the California Building Code (Condition #28).

Neighborhood Impact/Interface

- H) The subject site is within the Thoroughfare Commercial (C-T) zone, in between two hotels and across the street from single-family homes with the front of the dispensary facing away from the homes and set back approximately 180 feet from the northern property line of the subject site (Attachment B of Staff Report #22-840). The dispensary will be making improvements to the interior and exterior of the building and site as well as bringing a substantial security presence to the area (see Findings I and K below). Based on these factors, City staff believes the dispensary would have minimal negative impact on the surrounding area.

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

Exterior Elevations

- I) The applicants have proposed to upgrade the exterior of the building as well as improvements to the interior floor plan, plans to be submitted to the City at a later date (Attachment E of Staff Report #22-840). See photographs at Attachment D of Staff Report #22-840 that depict the current building elevation and parking areas along with a rendering of the proposed façade.

Signage

- J) 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. Design to be reviewed at building permit stage (Condition #31).

Safety/Security

- K) The applicant's security plan includes the following provisions:
- Entire property, including parking areas to be under video surveillance 24/7 of at least 1920X1080p (2 MP) resolution, 20 frames per second (FPS), and up to 360-degree field of view (Attachment E of Staff Report #22-840)
 - Video surveillance systems will use removable hard-drives and rack-mounted servers for extensive video storage, made available to the City Police Department when requested.
 - Electronic access controls on all the doors
 - At least two employees will be on-site at all times during regular business hours from opening to closing
 - At least two security guards, hired from a licensed security company, shall be present onsite 24/7, working in 8 and 12-hour shifts
 - Windows will be secure and opaque with a break strength of 400 lbs/inch to protect against breakage
 - 3SI SecurityPac dye packs will be placed strategically to deter burglary and theft
 - Emergency remote panic alarm buttons will be strategically and discreetly located within the dispensary
 - All entrances and windows will be illuminated after sundown to a minimum of 500 lux, with cones of illumination to be oriented in a downward overlapping fashion in case of bulb failure. Motion-activated lighting to be installed at 1,000 lux.
 - All employees will be given keycards with varying and limited access, to be supervised by the designated Security Manager.
 - Secure storage areas will be equipped with two-factor authorization including keycode and card readers.

All security practices shall comply with the standards contained in MMC Ordinance Section 20.44.170 E (3) (Condition #32).

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). Culture Merced proposes to contract with a local, private security firm to ensure security guards shall be present during all operating hours.

Ownership

L) Culture Merced has eight (8) owners with 5% or more interest in the proposed business, with four out of the eight owners being residents of Merced. In order of ownership from highest to lowest:

- Jamie Godinez, 51%
- DBJ La Mesa Corp (Devon Julian), 19%
- Alejandro Calleres, 5%
- Heidi Hanley, 5%
- Allen Holder, 5%
- Barigye McCoy, 5%
- Victor Mancilla, 5%
- Jared Ruscoe, 5%

Each listed owner has performed a Live Scan check and has successfully passed background checks to the satisfaction of the Chief of Police.

According to their application, Culture Merced has at least 10 years of experience in the commercial cannabis industry, with 6 stores open and operating in places such as Long Beach, Calexico, Banning, and Jurupa Valley. The owners have a combined 13 years of experience of management of a legal retail cannabis facility (at least 3 of those years with general retail management).

Community Benefits

M) According to the applicant's application, the proposed dispensary's proposed community benefits include, but are not limited to:

- Designated Chief Communications Officer will implement accessible outreach and feedback programs in the community
- Community Outreach Meetings (Condition #36)

EXHIBIT B
OF PLANNING COMMISSION RESOLUTION #5000

- Public-Neighborhood Outreach program (canvassing to residents within 300-foot radius of the business)
- Donating 2% of their gross receipts to local charitable organizations
- Youth Incubator Program to provide mentorship from Culture team members and local volunteers, showing the youth meaningful guidance and navigation
- Comprehensive Purchaser & Community Education Program to provide open communication between customer and the well-trained staff on products sold at the dispensary through a variety of methods
- Designated Neighborhood Liaison appointed from Culture staff: Jamie Godinez
- Culture Volunteer Program pays for a combined 30 hours of volunteerism from their staff
- Creation of a Culture Community Board to oversee and liaise with other community organizations and organizing the Culture Community Program. Anticipated to meet once a month to plan community events and budgeting of funds toward the program
- Committed \$20,000 per year to support the Merced Food Bank
- Committed \$10,000 per year of Community Benefits funds to the Italo-American Lodge
- Committed \$20,000 to Merced Lodge 1240 Benevolent & Protective Order of Elk (Elk Lodge)
- *Premier Partner* of the League of California Cities League Partner Program

Proposed community benefits that the applicant includes in their proposal shall be verified by staff either prior to or during the biannual inspection (Condition #37).

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 the retail sales of

cannabis and cannabis-based products may be requested by the applicants by submitting a request for Minor Modification, in accordance with MMC 20.44.170(L)(7), “Modifications to Commercial Cannabis Business Permit (All Types)” (Conditions #19 and #20).

Environmental Clearance

- O) The project proposes to utilize an existing building on a 16,381 square-foot parcel. Planning staff has conducted an environmental review (Environmental Review #22-04) 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 (Attachment J of Staff Report #22-840).



Disclaimer: This document was prepared for general inquiries only. The City of Merced is not liable for errors or omissions that might occur. Official information concerning specific parcels should be obtained from recorded or adopted City documents.

Commercial Cannabis Business Permit (CCBP) #22-02R
Culture Merced on Motel Drive, Inc (Culture Cannabis Club)
Commercial Cannabis Retail Use
1111 Motel Drive







PHOTO 6

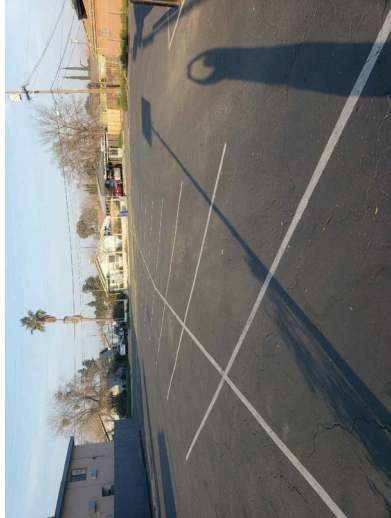


PHOTO 5

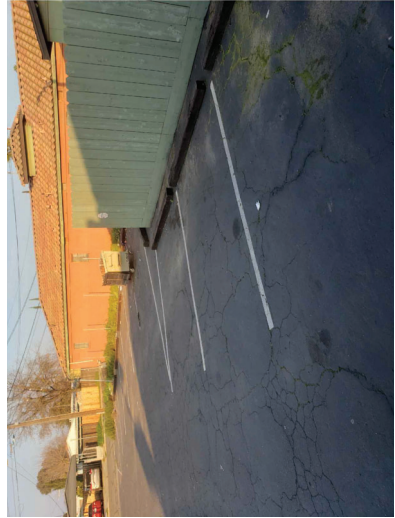


PHOTO 4

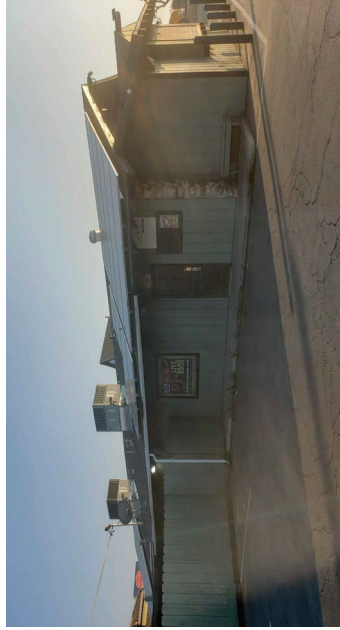


PHOTO 3

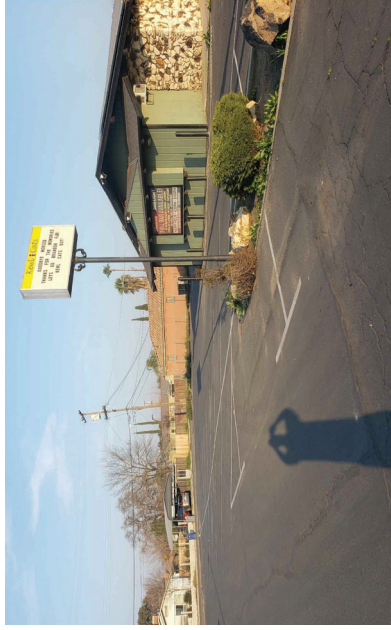
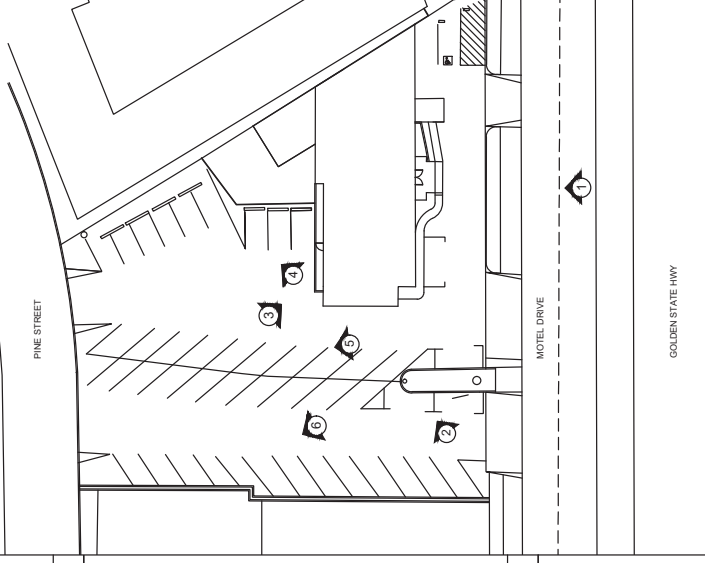


PHOTO 2

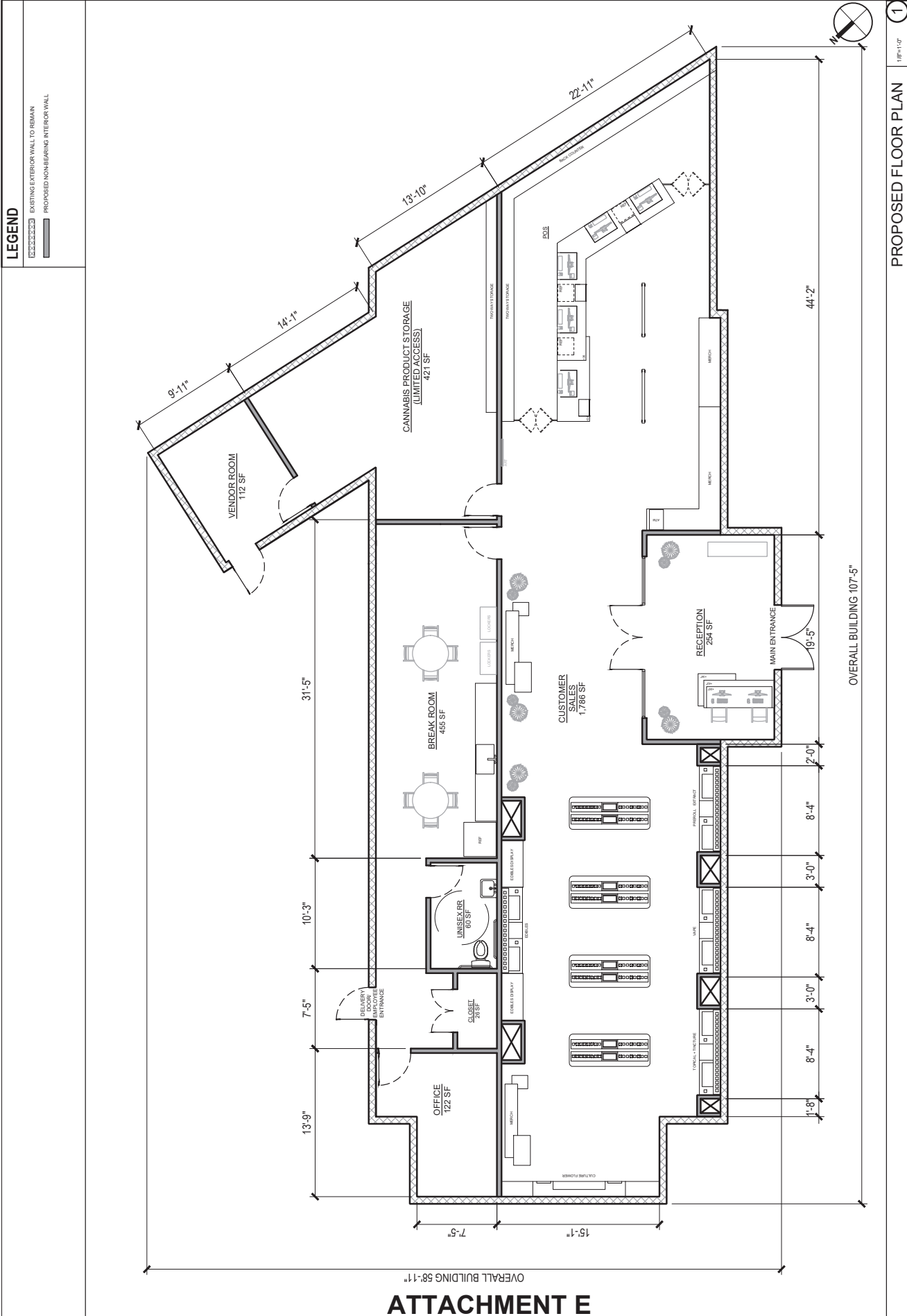


PHOTO 1



















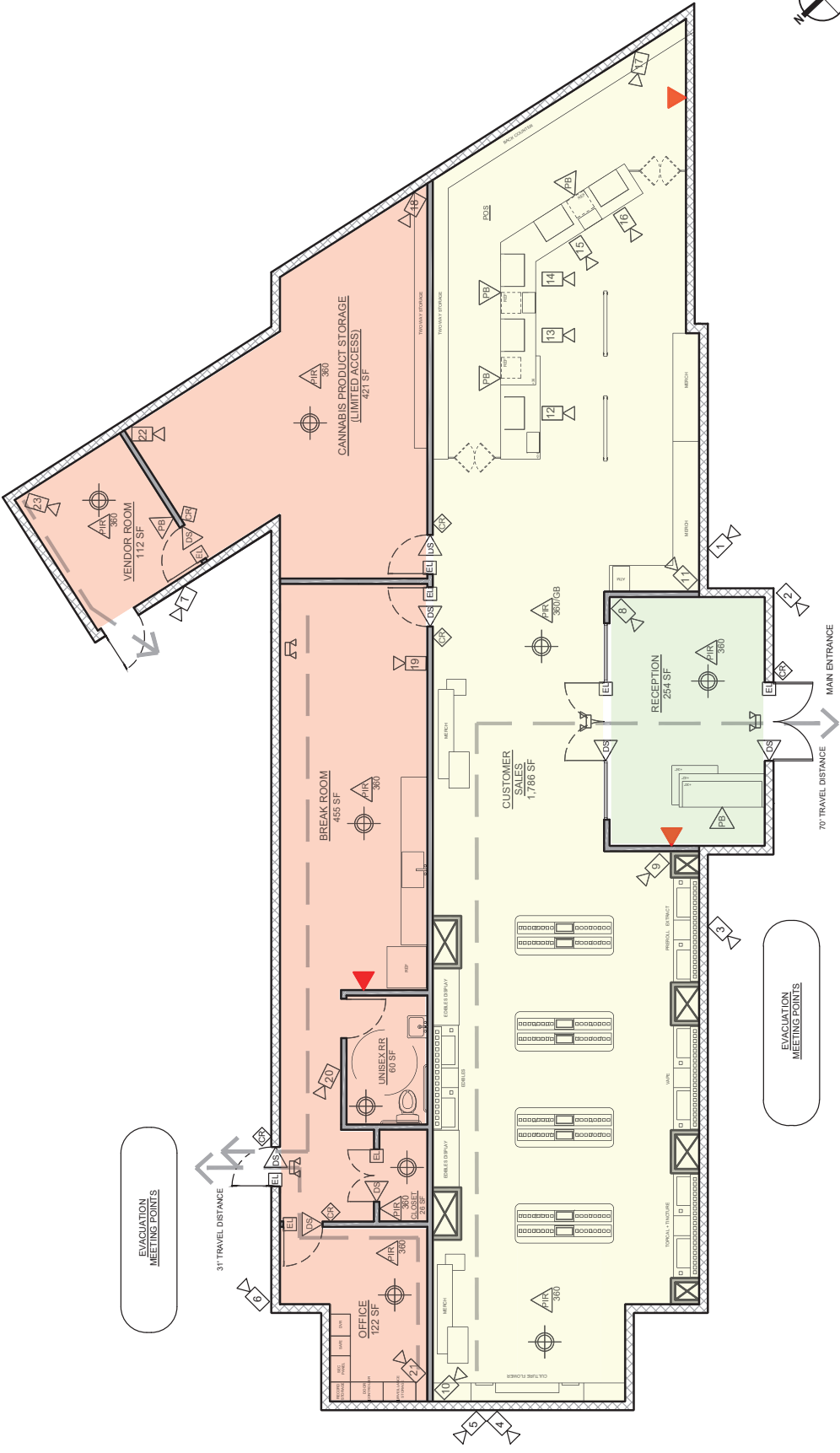
EXISTING SITE PHOTOS

1

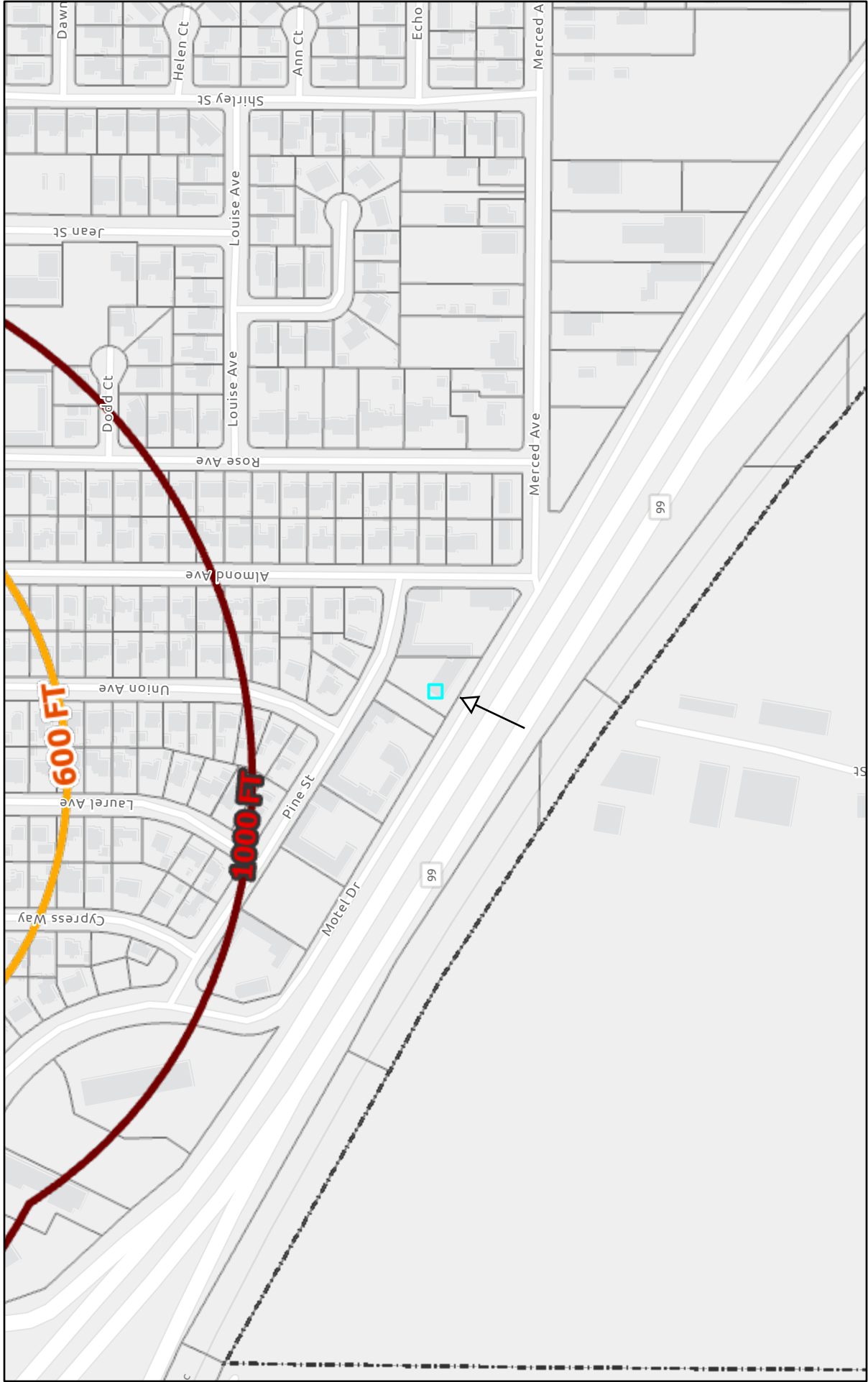


LEGEND

- | | | |
|---|--|--|
|  Limited Access Area |  FIRE EXTINGUISHER |  CEILING MOUNT PIR MOTION DETECTOR W/ BUILT IN GLASS BREAK DETECTOR |
|  Retail Access/Customer Sales Area |  PROXIMITY CARD READER |  CEILING MOUNT PIR MOTION DETECTOR |
|  Unrestricted Access |  ELECTRONIC LOCKING DEVICE | |
| |  PUNCH-HOLD-UP BUTTON | |
| |  DOOR CONTACT SENSOR | |
| |  EXISTING EXTERIOR WALL TO REMAIN | |
| |  PROPOSED NON-BEARING INTERIOR WALL | |
| |  PATH OF EGRESS | |
| |  SECURITY CAMERA (23 TO 74) | |
| |  EMERGENCY LIGHT | |
| |  ILLUMINATED EXIT SIGN WITH EMERGENCY LIGHT | |

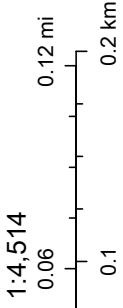


1111 motel drive



9/14/2022, 4:01:35 PM

- Property Boundaries
- 600FT Exclusion Zones
- 1000 Ft Exclusion Zones
- City of Merced Limits



Esri Community Maps Contributors, Fresno County Dept. PWP, Merced County Association of Gov, California State Parks, © OpenStreetMap, Esri, HERE, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, Bureau of Land Management, EPA,

City of Merced Commercial Cannabis Business Application Scoring

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

ATTACHMENT G

CCBP #22-02R Culture

Section 1: Prioritize Medicinal Cannabis Access

	PM #1	PM #2	PM #3	Max Points
1a) Proposal for combined medicinal/adult use dispensary	4	4	4	4
1b) Proposal for medicinal only dispensary	0	0	0	3
1c) Proposal for non-medicinal/adult use dispensary only	0	0	0	0
1d) Proposal includes Delivery Services	2	2	2	2

Section 2: Geographical Preference/Neighborhood Relations

2a) Proposed location is within 1,200 feet of local public transportation	1	1	1	1
2b) Proposal includes a process and schedule for at least two public outreach meetings per year that meet City approval	2	2	2	2
2c) 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
2d) Proposal includes the appointment of an employee as a designated liaison with the neighborhood	1	1	1	1
2e) Designated liaison employee is a City resident	1	1	1	1
2f) Proposed location is more than 1,000 feet from an existing cannabis dispensary	1	1	1	1

Section 3: Facility Plan

3a) Business is formally associated with a non-retail cannabis or non-cannabis-related business in the City of Merced	2	2	2	2
3b) 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
3c) Location exceeds City parking requirements by 10% or more	1	1	1	1
3e) Location exceeds minimum accessible parking requirements by 100% or more	1	1	1	1
3f) 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

Section 4: Standards and Procedures for the Safe Operation of

Facilities

4a) Proposal includes documented employee safety training program	1	1	1	1
4b) Proposal includes documented employee cannabis educational training program	1	1	1	1

CCBP #22-02R Culture

	PM #1	PM #2	PM #3	Max Points
4c) 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 3 points to be awarded at the discretion of the City Selection Committee.)	3	3	3	3
4d) Proposal includes climate-controlled environment	1	1	1	1
4e) Proposal includes plan for disposal of all solid waste based on best practices of the State	1	1	1	1
4f) Proposal includes a comprehensive documented process for 24-hour minimum response time to cannabis product recall notifications	2	2	2	2
4g) Proposal includes more than one on-site security guard during business hours	2	2	2	2
4h) 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
4i) 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
4j) Proposal includes any proposed "green" business practices relating to energy and climate, water conservation, and materials/waste storage	1	1	1	1
4k) Proposal includes secured loading/unloading area for deliveries	1	1	1	1

Section 5: Prior Experience in Business Ownership and Management

5a) Combined prior experience of proposed owners is between 6 months to 3 years of verified successful management of a legal retail cannabis facility	1	1	1	1
5b) Combined prior experience of proposed owners is more than 3 years of verified successful management of a legal retail cannabis facility	1	1	1	1
5c) 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

CCBP #22-02R Culture

	PM #1	PM #2	PM #3	Max Points
5d) 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	0	0	0	1
5e) 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	0	0	0	2
5f) Above prior experience was obtained within the City or County of Merced	3	3	3	3
5g) Above prior experience was obtained within 100 miles of the City of Merced	1	1	1	1

Section 6: Qualifications of Principals/Business Plan

6a) At least one owner is a military veteran with an honorable discharge	2	2	2	2
6b) At least one owner is a full-time resident of the County of Merced	2	2	2	2
6c) At least one owner is a full-time resident of the City of Merced	3	3	3	3
6d) More than 30% of the ownership is full-time residents of the City of Merced	2	2	2	2
6e) More than 50% of the ownership is full-time residents of the City of Merced	2	2	2	2
6f) Does the business qualify as a Disadvantaged Business Enterprise (DBE) as defined by the U.S. Department of Transportation?	2	2	2	2
6g) 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
6h) 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
6i) Business Plans contain a valid pro forma for at least 3 years of operation	2	2	2	2
6j) Business has documented agreements with cannabis distributors to supply products to their business	2	2	2	2

Section 7: Employee & Public Relations

7a) The business promotes local hiring or provides incentives for City/County of Merced residents to work with the business	3	3	3	3
7b) The business provides employee health benefits for all employees	2	2	2	2
7c) The business employs more than 5 people full-time, not counting the owners or security personnel	2	2	2	2
7d) 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 8: Community Benefits

8a) 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.)	5	5	5	5
---	---	---	---	---

Section 9: Discretion of the City Selection Committee

9a) 0 to 14 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.	11	14	12	14
---	----	----	----	----

PM1 Total	PM2 Total	PM3 Total	Max Total
94	97	95	100

Avg. Score **95.33333333**



City of Merced

inspectionsservicesweb@cityofmerced.org

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)*



City of Merced

inspectionsservicesweb@cityofmerced.org

- 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 . 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 .
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.



City of Merced

inspectionsservicesweb@cityofmerced.org

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.



City of Merced

inspectionsservicesweb@cityofmerced.org

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.



City of Merced

inspectionsservicesweb@cityofmerced.org

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.



City of Merced

inspectionsservicesweb@cityofmerced.org

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).



City of Merced

inspectionsservicesweb@cityofmerced.org

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).



City of Merced

inspectionsservicesweb@cityofmerced.org

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

To: _____ Office of Planning and Research
P.O. Box 3044
Sacramento, CA 95812-3044
Merced, CA 95340

From: (Public Agency)
City of Merced
678 West 18th St.

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

Project Title: Commercial Cannabis Business Permit #22-02R
(Environmental Review #22-04)

Project Applicant: Devon Julian for Culture Merced on Motel Drive, Inc., on behalf of
KWP Consulting (property owner)

Project Location (Specific): 1111 Motel Drive APN: 035-101-004

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 retail cannabis dispensary, including delivery services, 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: Devon Julian for Culture Merced on Motel Drive, Inc., on behalf of KWP Consulting (property owner)

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: 15332
☐ Statutory Exemptions. State Code Number: _____
☐ General Rule (Sec. 15061 (b)(3))

Reasons why Project is Exempt: As defined under the above referenced Section, the proposed project is considered an in-fill project. The project location is within the City limits on an approximately 16,381 square-foot (0.38 acres) parcel surrounded by urban uses. The site can be served by all required utilities and public services, and the project site has no value as habitat for endangered, rare or threatened species. No significant effects resulting from traffic, noise, air quality, or water quality will result from the construction of the building, the building already exists. The project is consistent with the City of Merced General Plan and Zoning regulations.

Lead Agency: City of Merced

Contact Person: Stephani Davis **Area Code/Telephone:** (209) 385-6858

Signature:  **Date:** October 20, 2022

Title: Development Services Technician II

X Signed by Lead Agency **Date Received for Filing at OPR:** n/a
(If applicable)

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

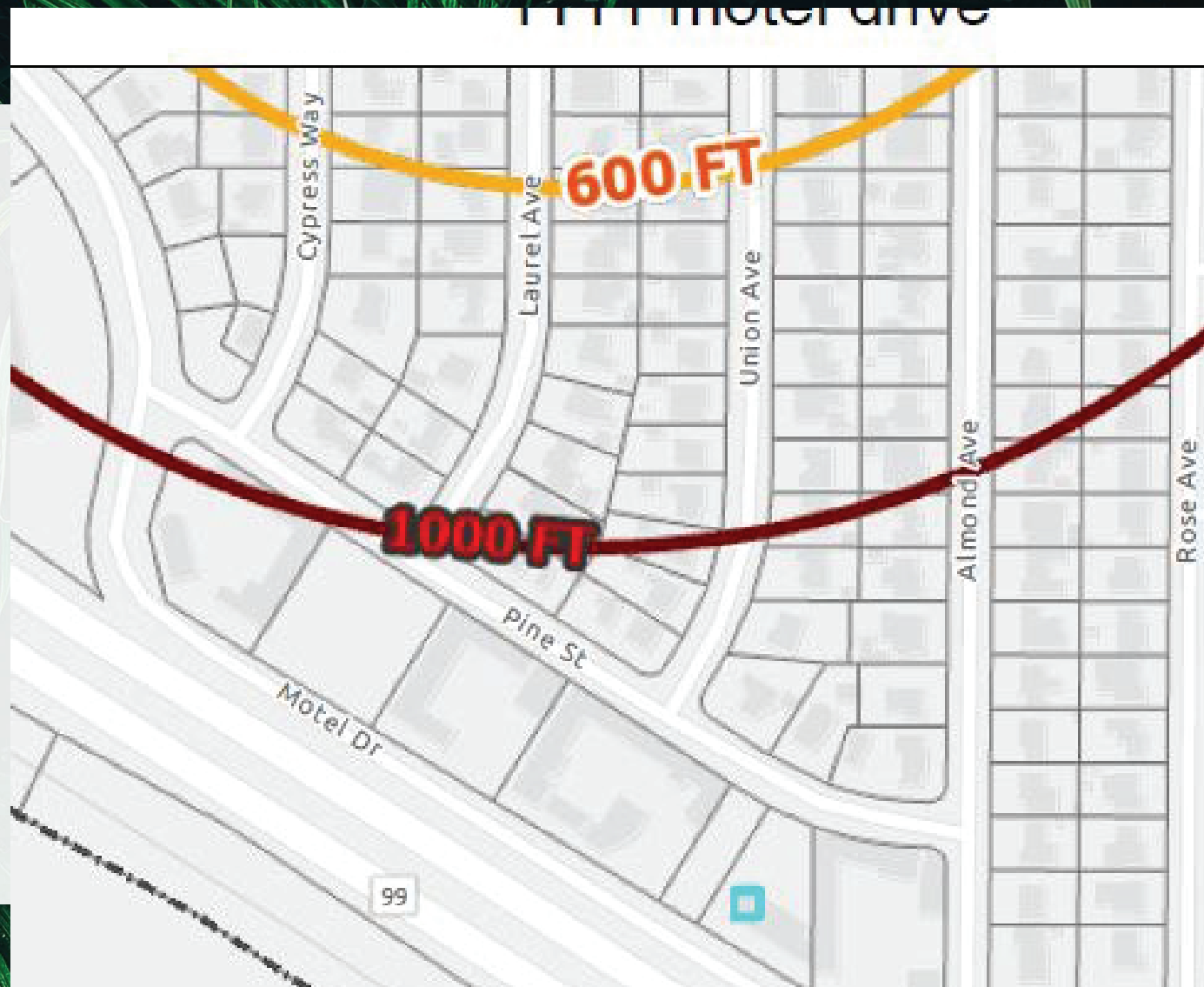
Culture Merced on Motel Drive, Inc. (Culture Cannabis Club)
Commercial Cannabis Retail
1111 Motel Drive

SUBJECT SITE

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



Sensitive Use Buffer Map



ELEVATIONS



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

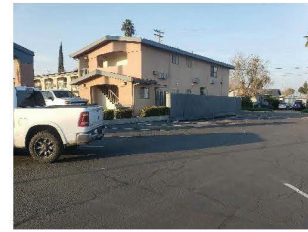


PHOTO 6



PHOTO 3

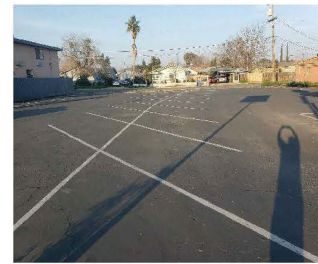


PHOTO 5



PHOTO 2

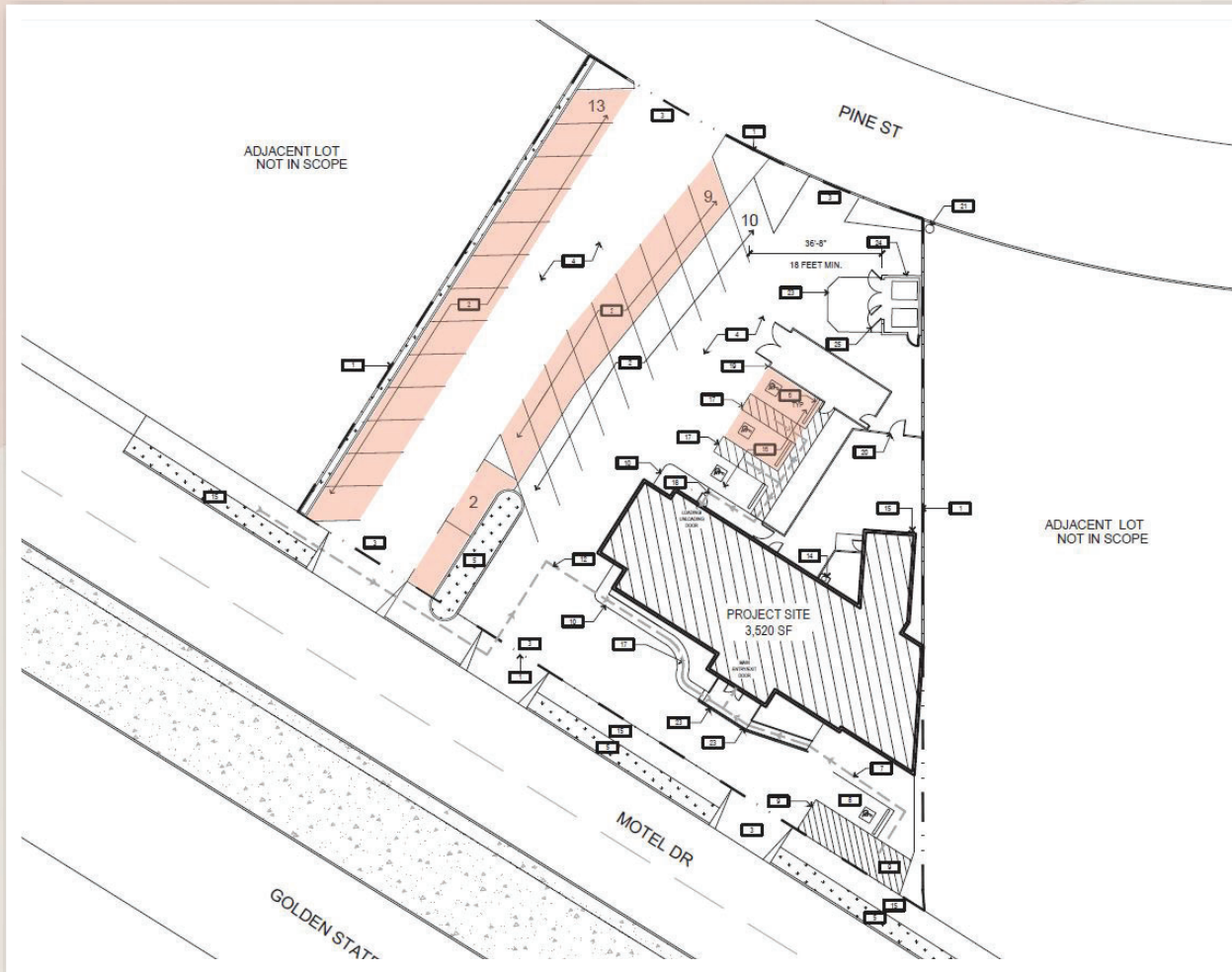


PHOTO 4



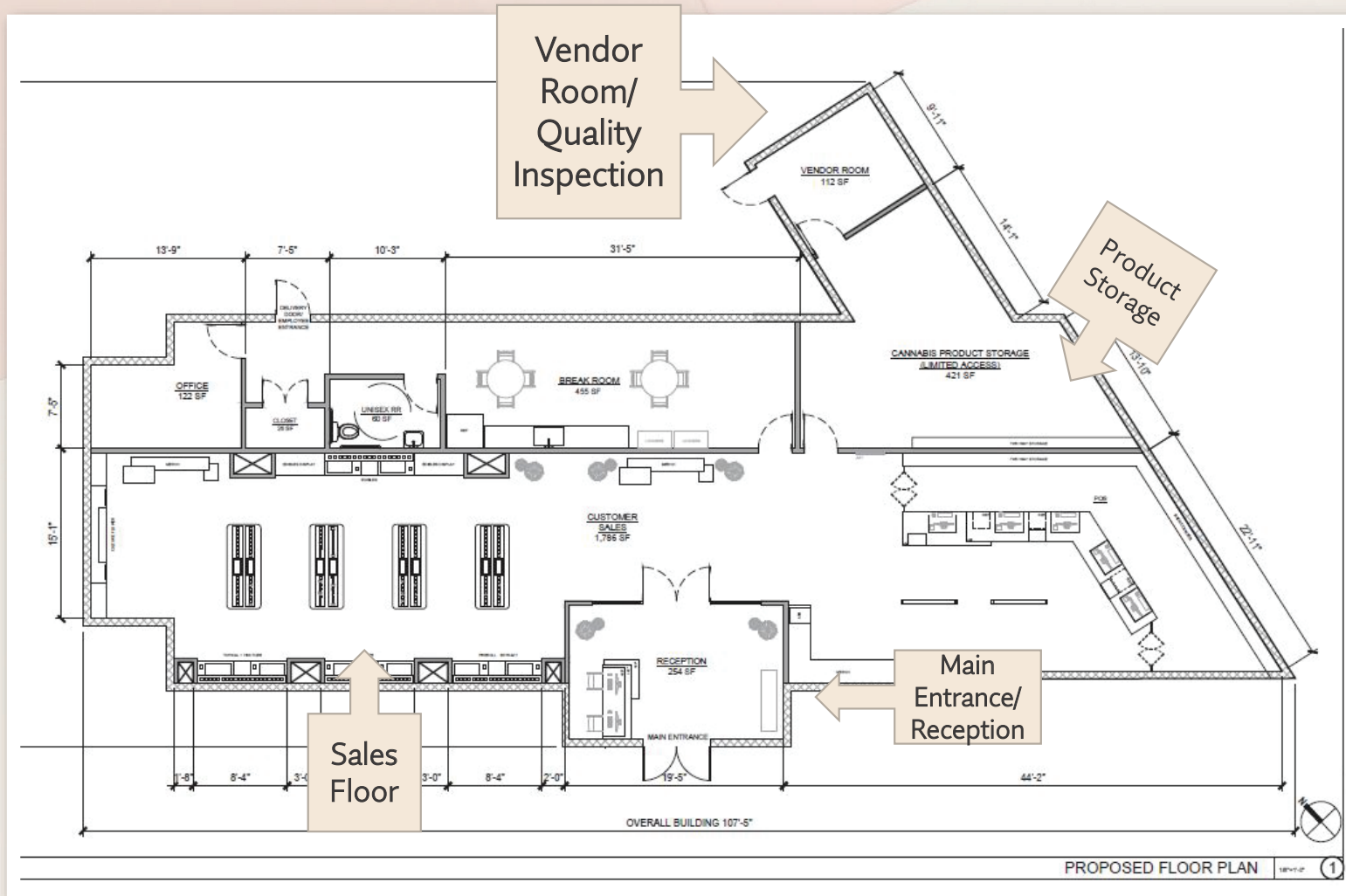
PHOTO 1

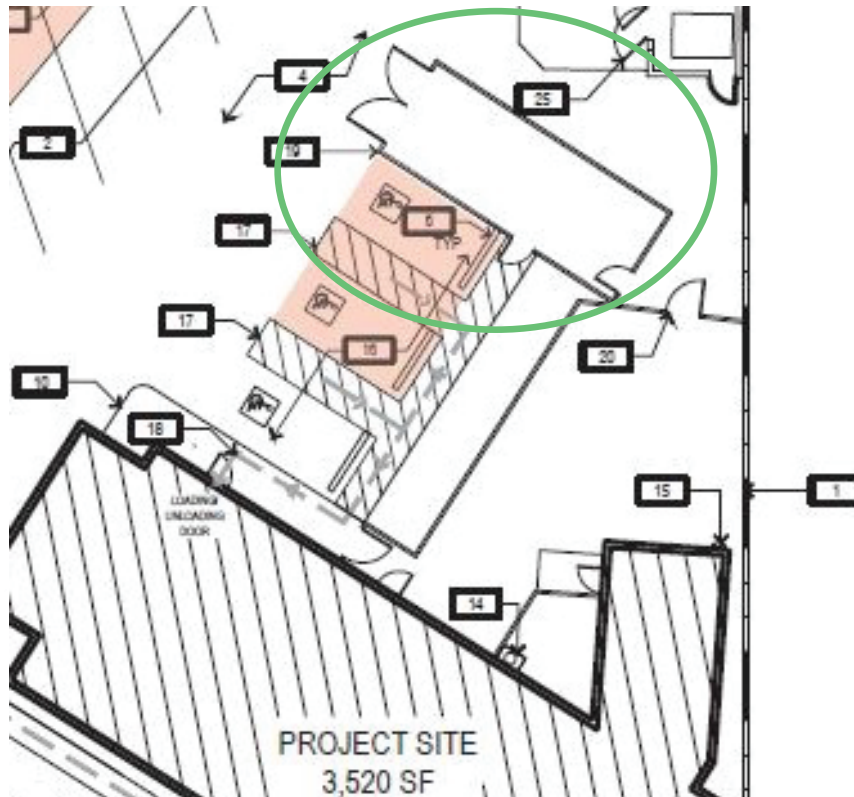
SITE PLAN- 1111 MOTEL DRIVE



- Retail Use
- Parking requirements: 7 spaces minimum
- Including 2 accessible spaces
- Red shaded areas indicate extra parking
- Primary ingress to the South (off Motel Dr)
- Primary egress to the North (on to Pine St)
- Adjacent lot (west) is opposite orientation

FLOOR PLAN- 1111 MOTEL DRIVE





DELIVERY AREA

- Fenced in loading bay allows for only 1 authorized vehicle at a time
- Security guard present
- Surveillance cameras
- Protocols in line with State requirements

MERIT-BASED SCORING (FINDING C)

City of Merced Commercial Cannabis Business Application Scoring

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

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

OPERATIONS

- Hours of Operation to be from 8:00 a.m. to 10:00 p.m., daily
- Commercial Cannabis Dispensary (Medicinal and Recreational) including Delivery
- Business to receive finished product from licensed cannabis distributors and sell to the general public
- Four Manager positions will be filled at build out; staff anticipated at a total of 25 employees at open
- 5 POS Stations on the sales floor



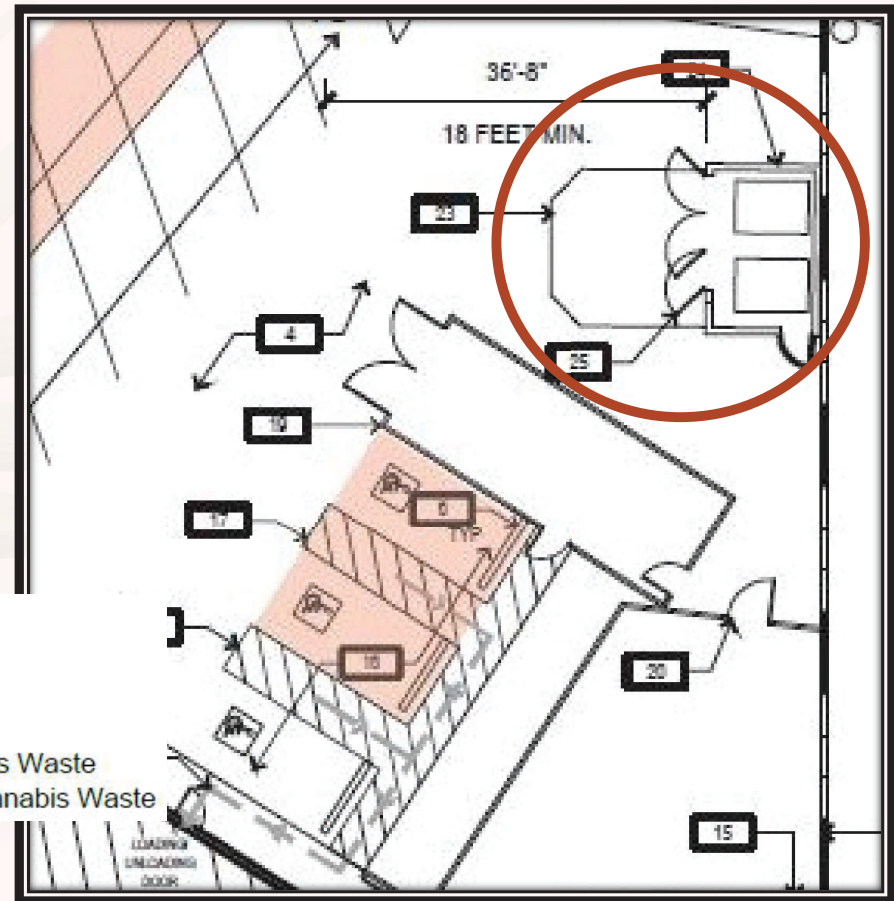
Cannabis waste shall be stored in two 65-gallon waste storage receptacles

One receptacle shall be for compostable waste and the other for non-compostable waste

Will use City refuse for non-cannabis waste and a cannabis waste hauling company to dispose of cannabis waste



- Solid Waste
- Recycling
- Organic Waste
- Electronic Waste
- Compostable Cannabis Waste
- Non-Compostable Cannabis Waste



Community Benefits Proposed by Applicants

Community Outreach
Meetings

Youth Incubator
Program

2% Gross Receipts
Donated to Local
Charitable
Organizations

Various
Contributions to
Local
Organizations

100% Local
Workforce

SECURITY

- At least one guard shall be onsite during the build out; two guards shall be present onsite after open
- Security to increase if operations require it
- Security guards shall be present onsite 24/7
- Card scanners installed for restricted (employee-only) access areas
- Applicant shall meet or exceed all security requirements set forth in MMC 20.44.170 E(3)

CONDITIONS TO NOTE

- 10)...Building permit applications submitted after December 31, 2022, shall comply with 2022 California Building Codes
- 23) ...Parking lot and building lighting shall be shielded or oriented in a way that does not allow “spill-over” or affect the residents located directly across the street.
- 25) ...applicant shall provide a cross-access agreement between subject site and the adjacent lot to the west...
- 28) (Applicant) shall ensure that the site provides a clear path of travel from the provided accessible parking spaces to the main entrance...
- 33)...applicant shall extend the proposed chain-link fence so that deliveries do not enter unsecured areas
- 37)...any element of an application that provided a successful applicant with points on the merit-based scoring system is subject to review and inspection by the city...(MMC 20.44.170 L(1)(g)(iv)
- 39)...the minimum amount of local ownership that could be approved through a Minor Modification is 51% (MMC 20.44.170 L(7)(b)(iii)

ENVIRONMENTAL REVIEW #22-04

STAFF IS
RECOMMENDING A
CATEGORICAL
EXEMPTION FOR CCBP
#22-02R, BASED ON
SECTION 15332 FOR IN-
FILL PROPERTIES



PLANNING COMMISSION ACTION

APPROVE/DISAPPROVE/MODIFY:

- **ENVIRONMENTAL REVIEW #22-04
(CATEGORICAL EXEMPTION)**
- **CCBP #22-02R (DISPENSARY), 39
CONDITIONS**