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# ZONING ORDINANCE AMENDMENT

## #21-02- COMMERCIAL CANNABIS BUSINESS REQUIREMENTS

City Council Public Hearing,  
September 20, 2021

Michael Hren, Principal Planner



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# OVERVIEW

- On March 15, 2021, the City Council directed staff to make updates to the regulations regarding cannabis businesses and MMC 20.44.170 in preparation for a new application cycle for dispensary businesses.
- On August 4, 2021, at a public hearing, the Planning Commission recommended for approval to the City Council these changes and some additional updates staff proposed.





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# BREAKDOWN

- Directives from the City Council that amend 20.44.170
- Additional updates to 20.44.170 recommended by staff
- Directives from the City Council in the form of a Resolution modifying the merit-based selection criteria for retail cannabis dispensaries
- Additional modifications to the merit-based selection criteria for retail cannabis dispensaries recommended by staff
- Amendments recommended by Planning Commission
- Issues raised since the Planning Commission meeting

# COUNCIL-DIRECTED AMENDMENTS

## A. LABOR PEACE AGREEMENT:

Mandatory if 5+ employees.

## B. QUALIFIED LIST:

1 year retention.

## C. BUSINESS PARK:

Suitable for all cannabis business types.

## D. THOROUGHFARE COMMERCIAL:

Suitable for retail dispensaries.

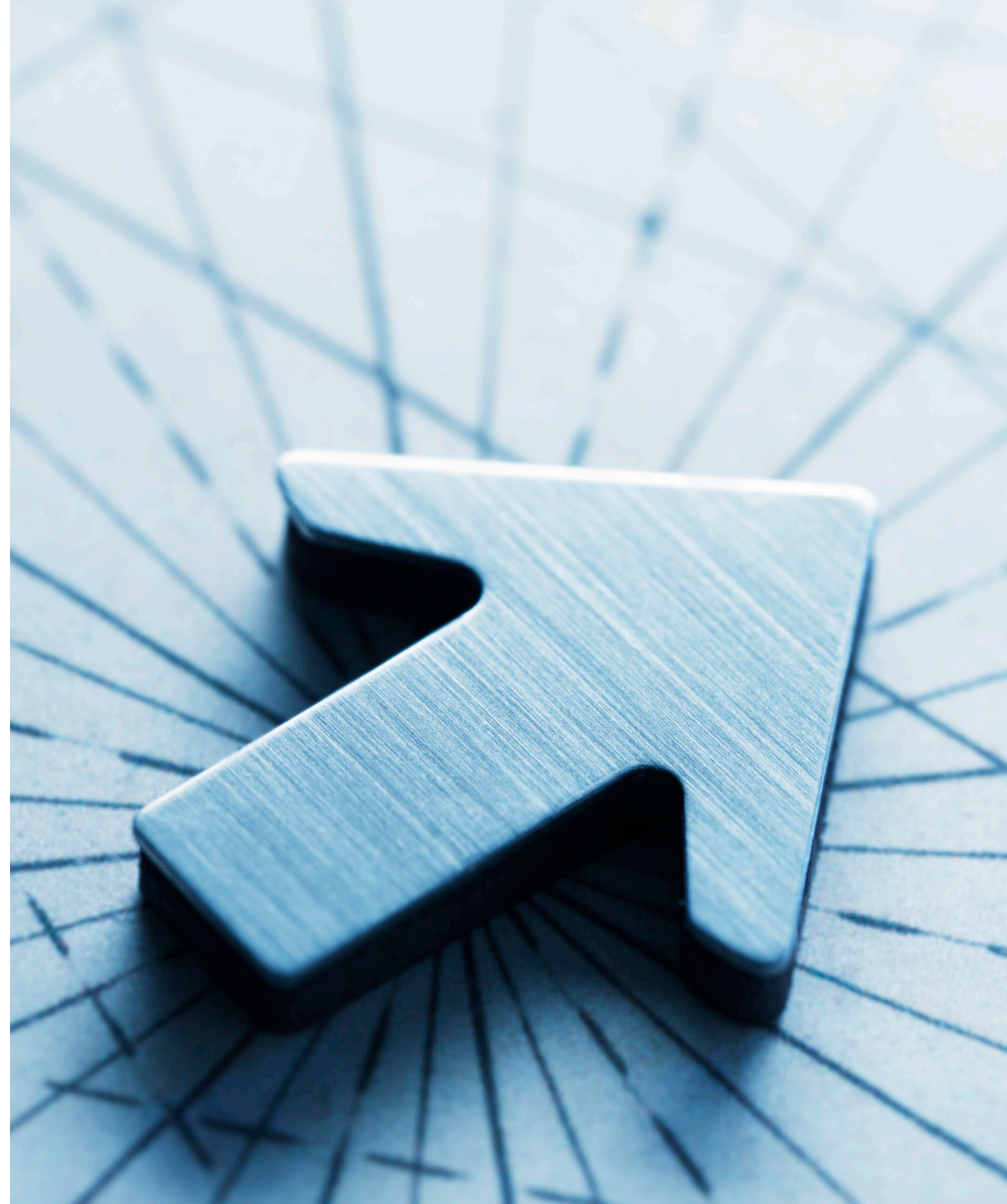
## E. DISPENSARY HOURS:

Until 10pm.

## F. STAFF:

To begin enforcement of points given during merit process.

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## STAFF-RECOMMENDED AMENDMENTS

### A. BACKGROUND CHECK FEES:

Scale to number of owners, payment stipulated for ownership modifications.

### B. LOCAL OWNERSHIP PRESERVATION:

If an application receives points for local ownership, the City will reject modifications that would reduce local ownership below the level it received points for. Would not apply retroactively to existing permittees.

### C. CLEAN-UP:

Outdated regulations stating what to do regarding the Qualified Applicant List that was established on September 20, 2018, have been removed.

# COUNCIL-DIRECTED CRITERIA UPDATES

## A. ONE ADDITIONAL POINT:

Applications 3+ blocks from an existing retail dispensary.

## B. TWO ADDITIONAL POINTS:

Applications with >30% local ownership.

## C. TWO ADDITIONAL POINTS:

Applications with >50% local ownership (cumulative with *B*).

## D. FIVE REDUCED POINTS:

Discretionary point pool has been reduced to maintain the total point value at 100.

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## STAFF-RECOMMENDED CRITERIA UPDATES

### A. REMOVAL OF CRITERIA:

1. Business open >5 hours per day.
2. Proposal shows how all products meet State testing requirements.
3. Proposal participates in web-based public safety application.

### B. REALLOCATION OF POINTS (+1 EA.):

1. At least one owner is a military veteran.
2. Is a Disadvantaged Business Enterprise per USDOT.
3. Promotes/incentivizes local hiring.

# PLANNING COMMISSION AMENDMENTS

## A. ONE FEWER POSSIBLE POINT:

Item 4c: Security Measures now 0-3 points.

## B. ONE FEWER POSSIBLE POINT:

Item 9a: Discretionary points from Selection Committee now 0-14 points.

## C. ONE ADDITIONAL POINT:

Item 6b: Ownership residence in County of Merced now worth 2 points.

## D. ONE ADDITIONAL POINT:

Item 6c: Ownership residence in City of Merced now worth 3 points.

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# ISSUES RAISED POST-PLANNING COMMISSION

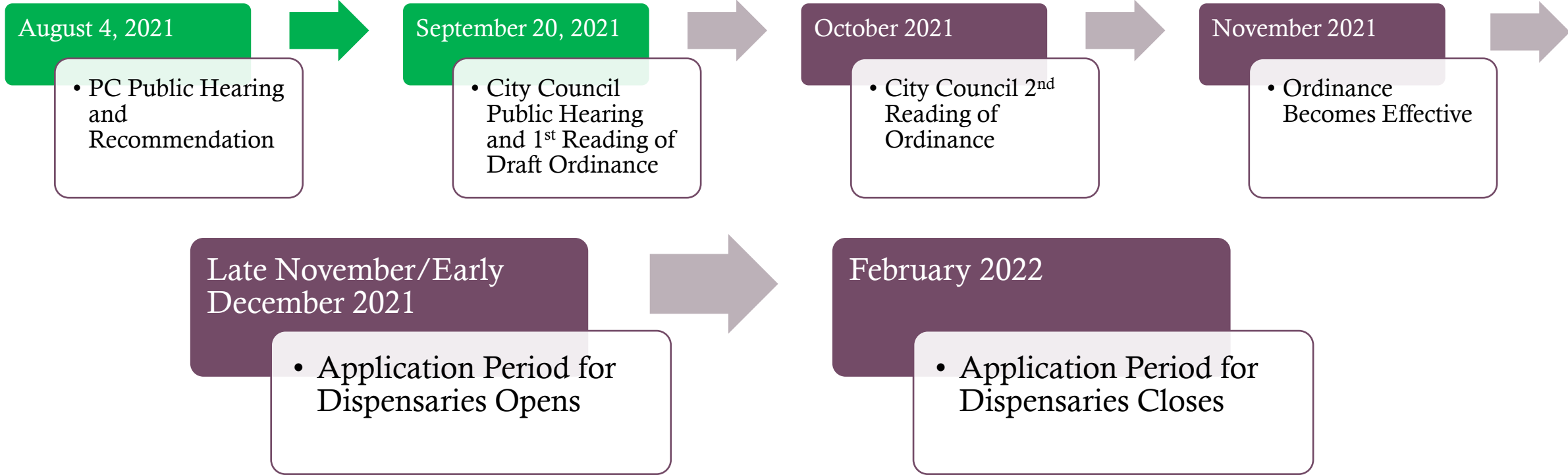
## A. FINDINGS OF FACT CORRECTION:

An error in the definition of “Labor Peace Agreement” in the Findings of Fact (Exhibit A of Planning Commission Resolution #4068) that incorrectly referred to the State has been corrected to refer to the City.

## B. CLARIFYING UPDATE OF SCHOOLS:

Staff is also proposing an amendment to Section 20.44.170(E)(3)(f)(i) that clarifies the process updating the City’s List of Schools. The language is updated to clarify that staff will review the list annually or when a dispensary permit is available, and if amendments are needed, they are considered by the City Council at a public hearing.

# TENTATIVE TIMELINE





# QUESTIONS?