

# City of Merced Commercial Cannabis Business Application Checklist - Retail Sales

Your initial application packet must include three (3) hardcopies of everything required below including any attachments. All copies must be 8½" x 11", single-sided, in a three-ring binder. All answers to items in Section 3 and on the Merit-Based Criteria form shall be tabbed for easy reference. One copy must have original signatures in blue ink and be clearly labeled.

You must also electronically submit all documents to <http://merced.seamlessdocs.com/f/planningweb>. You must also include a digital version of your application redacting all home addresses, home telephone numbers, cell phone numbers, Social Security information, tax ID information, and bank information. Flash drives will not be accepted.



## Fees

- Phase 1 Application Fee of \$1,088 (Phase 2 Fee to be collected if Phase 1 is passed).
- Environmental Review Fee of \$139 (Discuss with Planning staff if new construction is involved).
- Filing fee of \$50 in the form of a check made out to "Merced County".

## Section 1

- Section 1 information completed.
- Proof of status of applicant entity structure (articles of incorporation, by-laws, partnership agreements, etc.)
- Site Plan/Floor Plan, including all requested information and attachments.
- Ownership list, including residency verification for all owners the applicant wishes to receive merit points for.
- For each owner of 5% or more, a completed Live Scan (within last 14 days) or receipt from Live Scan check.

## Section 2

- Property Owner Affidavit wet-signed in blue ink
- Building Owner Affidavit wet-signed in blue ink (if applicable)
- Property Manager Affidavit wet-signed in blue ink (if applicable)
- Proof of ownership of the premises
- Documentation showing authorization to sign on behalf of the owner/manager entity (if applicable)
- Applicant Certification saying all information contained on all application documents is true and accurate

## Section 3

- Section 3 information completed with answers for each lettered item tabbed.

## Section 4

- Environmental Review Checklist.
- A signed copy of the Merit Based Selection Criteria form along with supporting documentation, tabbed.
- Signed Indemnification Agreements for all "owners" of the cannabis business of 5% or more.
- A list of types and numbers of licenses already received (or applied for) by the applicant from the California Bureau of Cannabis Control including the date the license was obtained and the licensing authority that issues the license.
- A copy of all documents filed with the California Secretary of State including but not limited to business formation documents. If applicant is a foreign corporation, a certificate of qualification issued by the California Secretary of State pursuant to Section 2105 of the Corporations Code.

## Digital

- Digital copies of all documents sent to <http://merced.seamlessdocs.com/f/planningweb>
- Redacted version submitted to <http://merced.seamlessdocs.com/f/planningweb>



# Cannabis Business Application

CITY OF MERCED PLANNING & PERMITTING  
678 West 18th Street  
Merced, CA 95340  
Phone: (209) 385-6858  
Email: [planningweb@cityofmerced.org](mailto:planningweb@cityofmerced.org)

RECEIPT NO:	DATE:	APP. NO:
TOTAL FEE:	CHECK NO:	RECEIVED BY:

**All applications must be submitted in person.**  
**Incomplete or incorrect applications will be rejected and will require resubmittal.**

Three (3) copies of the physical application must be submitted. Applications must satisfy the following criteria:

- 8½" x 11"
- Single-Sided
- In a three-ring binder
- One copy, labeled "Original", must have all required signatures wet-signed and in blue ink,
- All Section 3 information and Merit-Based Criteria documentation must be tabbed for easy review
- Digital submittal of all files must also be made to <http://merced.seamlessdocs.com/f/planningweb>.
- Digital submittal must also include a full application redacting all home addresses, home telephone numbers, cell phone numbers, Social Security information, tax ID information, and bank information.

## Section 1- Cannabis Business Information

Proposed Name of Business: \_\_\_\_\_

Proposed Cannabis Facility Address: \_\_\_\_\_

Assessor's Parcel Number: \_\_\_\_\_

Applicant's Primary Contact (Print Name): \_\_\_\_\_

Applicant Address: \_\_\_\_\_

Applicant Telephone: \_\_\_\_\_

Applicant Email: \_\_\_\_\_

Applicant Entity Structure: (*attach proof of status* such as articles of incorporation, by-laws, partnership agreements, and other documentation that supports status and designates who is authorized to sign on behalf of the entity).

- Corporation
- Unincorporated Association (i.e. LLC, LP, etc.)
- Other (describe): \_\_\_\_\_

Mark each activity that is proposed in your application:

- Medicinal Cannabis
- Adult Use Cannabis
- Cannabis Delivery

**Site Plan/Floor Plan**

Using a separate sheet of 8½” X 11” plain white paper submit a scaled premises diagram showing the boundaries of the property and proposed premises with all boundaries, dimensions, entrances and exits, interior partitions, walls, rooms, windows and common or shared entryways. If the proposed premises consists of only a portion of the property, the diagram shall be labeled indicating which part of the property is the proposed premises and what the remaining property is used for. Include a floor plan as well.

The plan shall include the assessor’s parcel number and shall be to scale and include all the following (may be on separate pages, if necessary):

- Designated holding area for cannabis designated for destruction
- Designated refuse areas
- Designated parking spaces, including accessible parking
- Location/Distance from public transportation stops or facilities
- Scaled Elevations or Photographs of the exterior of the building including the entrance(s), exit(s), street frontage(s), signage, and parking area.
- Evidence of appropriate buffer from sensitive uses (per Merced Municipal Code 20.44.170). A tool for this purpose is available at <http://bit.ly/CityofmercedCannabisOrdinance>
- Camera placement

**Please complete the following information:**

- A complete list of ownership of the proposed business totaling 100%. Every natural person shall be identified by the full name, percentage of ownership interest, birthdate, social security or tax identification number, and if applicable the number of shares owned and any financial interest in any other cannabis business licensed by the State of California.
- For each owner a completed Live Scan check (from within the last 14 days) or receipt from Live Scan check must be provided. Live Scans must be performed at a licensed California location. In the event an entity holds a financial interest in the commercial cannabis business of five percent (5%) or more, any person who holds a financial interest in said entity of five percent (5%) or more is also considered an "owner" of the commercial cannabis business and must therefore undergo a background check.
- For any owner of 5% or more that resides in the City or County of Merced, proof of address (DMV – issued ID/driver’s license, and/or recent utility bill under Primary’s name) must be provided in order for any merit-based points to be awarded.

Name	Percent of ownership	Date of Birth	SSN or Tax ID #	City or County of Merced Resident?

**Please attach additional sheets, if necessary, to list all owners and applicants along with financial interests in other cannabis businesses licensed by the State of California.**

## **Section 2 - Affidavits**

### **Property Owner Affidavit:**

I hereby authorize the applicant to use the property at the following address, \_\_\_\_\_, as a Commercial Cannabis facility, as those terms are defined in the City of Merced Municipal Code, should the applicant obtain a Permit. I further understand that I am responsible for, and subject to, enforcement actions regarding any violations and/or nuisance activity that may occur at this property.

Printed Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

### **Building Owner Affidavit (if applicable):**

I hereby authorize the applicant to use the property at the following address, \_\_\_\_\_, as a Commercial Cannabis facility, as those terms are defined in the City of Merced Municipal Code, should the applicant obtain a Permit. I further understand that I am responsible for, and subject to, enforcement actions regarding any violations and/or nuisance activity that may occur at this property.

Printed Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

### **Property Manager Affidavit (if applicable):**

I hereby authorize the applicant to use the property at the following address, \_\_\_\_\_, as a Commercial Cannabis facility, as those terms are defined in the City of Merced Municipal Code, should the applicant obtain a Permit. I further understand that I am responsible for, and subject to, enforcement actions regarding any violations and/or nuisance activity that may occur at this property.

Printed Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

### ***Attach the following:***

- Proof of ownership of the premises
- If the property is owned by an entity, please attach documentation that shows that the person signing on behalf of the entity above is authorized to sign on its behalf.

*At least one copy of the application must include all applicable signatures on this page, wet-signed in blue ink.*

## **Applicant Certification**

- *Your application is public record and information regarding your application is available at the Development Services Department at the Merced Civic Center. All references to names, addresses, telephone numbers, email addresses and project information are part of this public record, and subject to disclosure pursuant to the Public Records Act. Staff will provide the redacted version provided digitally by the applicant for these purposes. All applications must be filed under the property owner's name and address of the property that is the subject of the application; however, you may use an alternate contact address and telephone number.*
- *The Federal Controlled Substances Act (codified as 21 U.S.C. sections 801 et seq.) is a regulatory system designed to combat recreational drug abuse by making it unlawful to manufacture, distribute, dispense, or possess any controlled substance. The Act lists cannabis as a controlled substance, classifying it as a Schedule I Drug, which is defined as a drug or other substance that has a high potential for abuse, that has no currently accepted medical use in treatment in the United States, and that has not been accepted as safe for use under medical supervision. The Federal Controlled Substances Act makes it unlawful, under federal law, for any person to cultivate, manufacture, distribute or dispense, or possess with intent to manufacture, distribute, or dispense, cannabis. By signing below, applicant acknowledges the foregoing and participates in cannabis related activities pursuant to state and local law at its own risk.*
- *An application is restricted to one facility in one location. The applicant must meet all additional standard criteria and fulfill any additional standard requirements typically associated with obtaining a Permit in the City. Requirements shall conform to the State licensing requirements as set forth by the California Business and Professions Code, Division 8, Chapter 3.5.*
- *Permit fees include a non-refundable application fee and an annual regulatory fee per Resolution No. 2021-43, as updated annually. Annual regulatory fees are first paid at the time the business begins operation and annually on that same date.*

Under penalty of perjury, I hereby declare that the information contained within and attached to this application is complete true, and accurate. I understand that a misrepresentation of fact is cause for rejection of this application, denial of the license or revocation of a license issued. By submitting this application, I certify that I have read and understand the requirements of the application process and that I may be disqualified for failure to meet the requirements of state law or City ordinance, or for incomplete, late or inaccurate applications/attachments, and that all fees paid in connection with this application are non-refundable.

Please check this box to acknowledge that the Applicant had read and understood these provisions.

I, \_\_\_\_\_, acknowledge that I have read and understood the above paragraphs.

Signature of Applicant: \_\_\_\_\_

Date: \_\_\_\_\_

**Section 3 – Business Operations and Security Plan** - Applicants must use tabs for all lettered items to ensure that all responses are easily found during review. Additional inclusion of a table of contents, index, or other organizational tools is strongly encouraged.

**General Description**

- A) A description of the operating hours of the facility.
- B) A description of the hours/days of the week the facility is open to the public.
- C) Estimated number of employees (at start-up and at full build-out).

**Records and Inventory**

- D) A description of how and where inventory will be kept, including the specific manner of securing the inventory, and how records will be maintained.
- E) A description of how any transaction information including patient records, reports, manifests and any other documents will be stored.
- F) A description of the auditing methods for product and financial transactions.
- G) A description of the Track and Trace system the applicant will employ.
- H) A description of applicant's practices for ensuring all cannabis goods are properly packaged and labeled prior to retail sale.
- I) A description of applicant's practices for ensuring all cannabis products are tested by a licensed testing facility prior to retail sales.
- J) A description of applicant's practices for preventing deterioration of any cannabis goods held by applicant, including any practices for responding to product recalls.
- K) A description of applicant's practices for transfer/transport of cannabis products to and from premises.
- L) A description of method(s) that will be used to dispose of unused cannabis.
- M) A description of any environmentally friendly ("green") business practices relating to energy and climate, water conservation, and materials/waste storage.
- N) A description of applicant's air treatment system.
- O) A description of how applicant will maintain the premises and ensure that it remains free from trash and graffiti.

**Security**

- P) A description of all security practices including panic buttons, dyes, bulletproof windows, or other.
- Q) A description of applicant's video surveillance system including camera placement and practices for maintenance of video surveillance equipment.
- R) A description of how applicant will ensure that all access points to the premises will be secured including the use of security personnel if applicable.
- S) A description of applicant's security alarm system.
- T) A description of applicant's practices for allowing individuals access to the licensed premises.

### **Neighborhood/Community/Employee Relations**

- U) A description of all employee training programs, including safety programs.
- V) A description of all public relations and neighborhood outreach/feedback programs.
- W) Will an employee be designated as a neighborhood liaison for the business? If so, will that liaison be a resident of the City of Merced?
- X) A description of any community benefits, such as defined contributions or donating time to community organizations.
- Y) Does the business propose to provide health benefits to all employees or is there a timetable for providing them in the future? If so, provide details. Also include a description of hourly wages or salaries, if available.
- Z) A description of hiring practices, including incentives/preferences for City/County of Merced residents to be employed by the business.

### **Business Plan/Qualifications of Principals**

- AA) A description of the Business Plan, including an operating budget (including startup costs, labor, utility, equipment, construction, operating costs, etc.), documented sources of capital, and a pro forma.
- BB) A description of any documented agreements with distributors to supply cannabis products to the business
- CC) A description of the prior experience (including number of years) that the business owners have in operating a verified Mutual Benefit Non-Profit Corporation for cannabis in compliance with California law and with proof of payment of taxes. Please note if this experience was within the City of Merced, the County of Merced, or within 100 miles of the City of Merced.
- DD) A description of the prior experience that the business owners have in operating any legal retail facility (non-cannabis related) and/or any formal association between this business and a non-retail cannabis business in the City of Merced or a non-cannabis-related business in the City of Merced.
- EE) Are any of the owners:
  - 1) A military veteran with an honorable discharge? If so, what branch and how many years?
  - 2) A full-time resident of the City of Merced? If so, give most current address and for how many years.
  - 3) A full-time resident of the County of Merced? If so, give most current address and for how many years.
  - 4) Qualified as a Disadvantaged Business Enterprise (DBE) as defined by the U.S. Department of Transportation?
- FF) Any additional information about the proposed cannabis business that was not covered in any of the other questions.

### **Additional Questions for Delivery Services**

**For applicants who choose to conduct retail delivery services, please answer these questions:**

- GG) The applicant's process to ensure driver and patient safety.
- HH) The applicant's process to verify delivery is to a qualified purchaser and to a qualified location.
- II) The applicant's process to track and maintain communication with the delivery person at all times.
- JJ) The applicant's process to verify deliveries and provide accurate manifests for audit purposes.

## **Section 4 – Additional Documentation**

- A signed copy of the Merit Based Selection Criteria form along with supporting documentation, tabbed.
- Signed Indemnification Agreements for all “owners” of the cannabis business of 5% or more.
- Environmental Review Checklist
- A list of types and numbers of licenses already received (or applied for) by the applicant from the California Bureau of Cannabis Control including the date the license was obtained and the licensing authority that issues the license.
- A copy of all documents filed with the California Secretary of State including but not limited to business formation documents. If applicant is a foreign corporation, a certificate of qualification issued by the California Secretary of State pursuant to Section 2105 of the Corporations Code.

## **Digital Submittal**

- Digital copy of all files sent to <http://merced.seamlessdocs.com/f/planningweb>
- A redacted copy of the full application and submittal submitted to <http://merced.seamlessdocs.com/f/planningweb>
  - The full application must be submitted with redactions.
  - Redactions are for the purpose of obscuring home addresses, home telephone numbers, cell phone numbers, Social Security information, tax ID information, and bank information.
  - Other information than the above, such as business practices, is not permissible for redaction. All applications submitted to the City of Merced become part of the public record and the City is required to furnish relevant documentation pursuant to a public records request.

**Staff Use Only**

Application #: \_\_\_\_\_ Address: \_\_\_\_\_ Applicant: \_\_\_\_\_

Determination by City Staff Member (Name, Date, & Initials) \_\_\_\_\_

**Application Complete: Phase 1**

**Application Incomplete: Phase 1**

**Complete on Resubmittal: Phase 1**

**Application Fails to Pass Phase 1**



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

<u>Description of Criteria:</u>	<u>Points Awarded</u>	<u>Points Possible</u>
<b>Section 1: Prioritize Medicinal Cannabis Access</b>		
a) Proposal for combined medicinal/adult use dispensary		4
b) Proposal for medicinal only dispensary		3
c) Proposal for non-medicinal/adult use dispensary only		0
d) Proposal includes Delivery Services		2
<b>Section 1: Sub-Total of Points Possible</b>		<b>6</b>
<b>Section 2: Geographical Preference/Neighborhood Relations</b>		
a) Proposed location is within 1,200 feet of local public transportation		1
b) Proposal includes a process and schedule for at least two public outreach meetings per year that meet City approval		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
d) Proposal includes the appointment of an employee as a designated liaison with the neighborhood		1
e) Designated liaison employee is a City resident		1
f) Proposed location is more than 1,000 feet from an existing cannabis dispensary		1
<b>Section 2: Sub-Total of Points Possible</b>		<b>8</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
b) Proposal includes daily inspection to ensure maintenance of the interior and exterior of the facility (i.e. free of trash, graffiti, etc.)		2
c) Location exceeds City parking requirements by 10% or more		1
e) Location exceeds minimum accessible parking requirements by 100% or more		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
<b>Section 3: Sub-Total of Points Possible</b>		<b>7</b>



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

<u>Description of Criteria:</u>	<u>Points Awarded</u>	<u>Points Possible</u>
<b>Section 4: Standards and Procedures for the Safe Operation of Facilities:</b>		
a) Proposal includes documented employee safety training program		1
b) Proposal includes documented employee cannabis educational training program		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 3
d) Proposal includes climate-controlled environment		1
e) Proposal includes plan for disposal of all solid waste based on best practices of the State		1
f) Proposal includes a comprehensive documented process for 24-hour minimum response time to cannabis product recall notifications		2
g) Proposal includes more than one on-site security guard during business hours		2
h) 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
i) 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
j) Proposal includes any proposed “green” business practices relating to energy and climate, water conservation, and materials/waste storage		1
k) Proposal includes secured loading/unloading area for deliveries		1
<b>Section 4: Sub-Total of Points Possible</b>		<b>17</b>



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

<u>Description of Criteria:</u>	<u>Points Awarded</u>	<u>Points Possible</u>
<b>Section 5: Prior Experience in Business Ownership and Management</b>		
a) Combined prior experience of proposed owners is between 6 months to 3 years of verified successful management of a legal retail cannabis facility		1
b) Combined prior experience of proposed owners is more than 3 years of verified successful management of a legal retail cannabis facility		1
c) Combined prior experience of proposed owners is more than 3 years of verified successful management of any non-cannabis legal retail facility		2
d) Combined prior experience of proposed owners is more than 1 year and up to 3 years with a verified Mutual Benefit Non-Profit Corporation for cannabis in compliance with California law and with proof of payment of taxes		1
e) Combined prior experience of proposed owners is more than 3 years and up with a verified Mutual Benefit Non-Profit Corporation for cannabis in compliance with California law and with proof of payment of taxes		2
f) Above prior experience was obtained within the City or County of Merced		3
g) Above prior experience was obtained within 100 miles of the City of Merced		1
<b>Section 5: Sub-Total of Points Possible</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		2
b) At least one owner is a full-time resident of the County of Merced		2
c) At least one owner is a full-time resident of the City of Merced		3
d) More than 30% of the ownership is full-time residents of the City of Merced		2
e) More than 50% of the ownership is full-time residents of the City of Merced		2
f) Does the business qualify as a Disadvantaged Business Enterprise (DBE) as defined by the U.S. Department of Transportation?		2
g) 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
h) 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
i) Business Plans contain a valid pro forma for at least 3 years of operation		2
j) Business has documented agreements with cannabis distributors to supply products to their business		2
<b>Section 6: Sub-Total of Points Possible</b>		<b>23</b>



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

<u>Description of Criteria:</u>	<u>Points Awarded</u>	<u>Points Possible</u>
<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		3
b) The business provides employee health benefits for all employees		2
c) The business employs more than 5 people full-time, not counting the owners or security personnel		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
<b>Section 7: Sub-Total of Points Possible</b>		<b>9</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
<b>Section 8: Sub-Total of Points Possible</b>		<b>5</b>
<b>Section 9: Discretion of the City Selection Committee</b>		
a) 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.		0 to 14
<b>Section 9: Sub-Total of Points Possible</b>		<b>14</b>
<b>TOTAL POINTS POSSIBLE</b>		<b>100</b>



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

### **DISCLAIMER:**

Although the City welcomes the applicant to suggest how many points they believe should be awarded in the "Points Awarded" column above, please note that the FINAL determination of how many points are awarded is at the sole discretion of the City's Selection Committee, made up of the City Manager, Police Chief, and the Director of Development Services or their designees. Final scores of the Committee members will be combined and divided by three for an average score. In the event of any tied scores, a random drawing will be used to break the tie.

**PLEASE NOTE THAT FAILURE OF THE PROPOSED OWNERS (ANYONE WITH OWNERSHIP INTEREST) TO SUCCESSFULLY PASS THE DETAILED PHASE 2 BACKGROUND CHECK TO THE SATISFACTION OF THE POLICE CHIEF WILL RESULT IN AUTOMATIC DISQUALIFICATION OF THE APPLICATION FROM FURTHER CONSIDERATION.**

### **APPLICANT CERTIFICATION (REQUIRED)**

Under penalty of perjury, I hereby declare that I have read and understood the criteria above and I have provided information relative to how my cannabis business addresses that criteria in the application or attached to this document. I declare that this information is completely true and accurate. I understand that a misrepresentation of fact is cause for rejection of this application, denial of the license, or revocation of a license issued.

Signed \_\_\_\_\_ Date \_\_\_\_\_

**COMMERCIAL CANNABIS BUSINESS PERMIT  
INDEMNIFICATION AGREEMENT**

THIS COMMERCIAL CANNABIS BUSINESS PERMIT INDEMNIFICATION AGREEMENT (“Agreement”) is entered into this \_\_\_ day of \_\_\_\_\_, 20\_\_\_, by and between the City of Merced (“City”) and \_\_\_\_\_ (“Applicant”).

**RECITALS**

WHEREAS, the Applicant has a legal and/or equitable interest in the certain real property located commonly known as \_\_\_\_\_, within the City of Merced, State of California, APN \_\_\_\_\_ (the “Property”);

WHEREAS, the Applicant has submitted an application to the City for a Commercial Cannabis Business Permit “CCBP” for the commercial dispensing, cultivation, distribution, testing, and/or manufacturing of medical marijuana at the Property (the “Project”);

WHEREAS, Merced Municipal Code 20.44.170, requires applicants to execute and deliver an Indemnification Agreement to the City as part of the application package for any CCBP, prior to the issuance of a CCBP.

**AGREEMENT**

NOW, THEREFORE, in consideration of the promises, covenants and provisions set forth herein, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. Nothing in this Agreement shall be construed to limit, direct, impede or influence the City’s review and consideration of Applicant’s application to the City for the Project.

2. 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.

With respect to the City's review and/or approval of the Project, this obligation shall also extend to any effort to attack, set aside, void, or annul the approval of the Project, including any contention the Project or its approval is defective because a City ordinance, resolution, policy, standard or plan is not in compliance with local, State or Federal law. With respect to acts or omissions of the Applicant, its agents, employees or contractors, its obligation, hereunder shall apply regardless of whether the City prepared, supplied and/or approved plans and/or specifications.

3. The obligations of the Applicant under this Agreement shall apply regardless of whether a permit is actually issued.

4. The City will promptly notify Applicant of any such claim, action, or proceeding that is or may be subject to this Agreement and will cooperate fully in the defense. The City may, within its unlimited discretion, participate in the defense of any such claim, action, or proceeding if the City defends the claim, action, or proceeding in good faith.

5. The City Council shall have the absolute right to approve any and all counsel employed to defend the City. To the extent the City uses any of its resources to respond to such claim, action or proceeding, or to assist the defense, the Applicant will reimburse the City upon demand. Such resources include, but are not limited to, staff time, court costs, City Council's time at its regular rate for non-City agencies, or any other direct or indirect cost associated with responding to, or assisting in defense of, the claim, action or proceedings.

6. The Applicant shall not be required to pay or perform any settlement unless the settlement is approved in writing by the Applicant, which approval shall not be unreasonably withheld. The City must approve any settlement affecting the

rights and obligations of the City in writing.

7. The defense and indemnification of City set forth herein shall remain in full force and effect throughout all stages of litigation including appeals of any lower court judgments rendered in the proceeding.

8. For any breach of this Agreement the City may rescind its approval of the Project and/or any CCBP previously issued.

9. The parties agree that this Agreement shall constitute a separate agreement from any Project approval, and/or CCBP and that if the Project, in part or in whole, is invalidated, rendered null or set aside by a court of competent jurisdiction, the parties agree to be bound by the terms of this Agreement, which shall survive such invalidation, nullification or setting aside.

10. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

11. In any legal action or other proceeding brought by either party to enforce or interpret this Agreement, the appropriate venue is the Merced County Superior Court.

12. If any action, proceeding, or arbitration arising out of or relating to this Agreement is commenced by either party, the prevailing party shall be entitled to receive from the other party, in addition to any other relief that may be granted, the reasonable attorneys' fees, costs, and expenses incurred in the action, proceeding, or arbitration by the prevailing party.

13. This Agreement shall be binding on and inure to the benefit of the parties and their legal representative, successors, heirs and assigns.

14. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same Agreement

After review and consideration of all of the foregoing terms and conditions, Applicant, but its signature below, hereby agrees to be bound by and to fully and timely comply with all of the foregoing terms and conditions.

Dated: \_\_\_\_\_

Owner(s) of 5% or more:

\_\_\_\_\_  
Printed Name/Title

\_\_\_\_\_  
Signature

Additional Owners of 5% or more:

\_\_\_\_\_  
Printed Name/Title

\_\_\_\_\_  
Signature

CITY OF MERCED  
A California Charter Municipal  
Corporation

BY: \_\_\_\_\_  
City Manager

ATTEST:  
STEPHANIE DIETZ, CITY CLERK

BY: \_\_\_\_\_  
Assistant/Deputy City Clerk

APPROVED AS TO FORM:

BY: \_\_\_\_\_  
City Attorney                      Date

ACCOUNT DATA:

BY: \_\_\_\_\_  
Verified by Finance Officer



# CITY OF MERCED

## Environmental Review Checklist Application

APPLICANT'S NAME: \_\_\_\_\_

APPLICANT'S ADDRESS: \_\_\_\_\_

PROJECT LOCATION: \_\_\_\_\_

ASSESSORS'S PARCEL NUMBER: \_\_\_\_\_

TYPE OF PROJECT: \_\_\_\_\_

CONTACT PERSON: \_\_\_\_\_

TELEPHONE NO.: \_\_\_\_\_

### FOR USE BY PLANNING DIVISION

Fee Collected at Submittal: \_\_\_\_\_

Fee Type:

- \_\_\_\_ Categorical Exemption
- \_\_\_\_ Negative Declaration
- \_\_\_\_ Mitigated Negative Declaration
- \_\_\_\_ Expanded Initial Study

Additional fees may be required if it is determined that more extensive environmental review is required for this proposal.

(Refer to current Fee Schedule)

By \_\_\_\_\_ Date: \_\_\_\_\_

Application No: \_\_\_\_\_

In order to determine what effect your project will have on the environment, the following Environmental Review Checklist must be filled out and returned to the Merced City Planning Division. We understand that the form is lengthy and not every question will apply to every project, so feel free to simply note "Not applicable" or "N/A" for those questions and move on. If you have questions about filling out the form and/or need assistance, please feel free to contact the Planning Division at (209) 385-6858 and we will be happy to assist you.

As soon as possible, the City's Responsible Official (Director of Development Services) will determine whether or not the project will affect the environment and whether additional environmental review is needed.

Applicant, please complete each of the following:

1. Describe the proposed project and include a clear site plan with your submittal (if residential, please provide projected range of sales prices and/or rents) :

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**\*\*\*PLEASE NOTE** : If additional environmental review is required for this proposal, there may be additional fees sufficient to cover the costs of this review.

2. Size of parcel (square feet or acres): \_\_\_\_\_
3. Square feet of building area: \_\_\_\_\_ Number of floors: \_\_\_\_\_
4. General existing use of the site: \_\_\_\_\_  
\_\_\_\_\_
5. Describe in general the existing uses to the:
- North: \_\_\_\_\_
- South: \_\_\_\_\_
- East: \_\_\_\_\_
- West: \_\_\_\_\_
6. Are there any natural or man-made channels through or adjacent to the site : \_\_\_\_\_  
If so, where? \_\_\_\_\_
7. Grading – Amount of dirt/fill material being moved (check one) :
- 0-500 cubic yards \_\_\_\_\_ 5, 000-20,000 cubic yards \_\_\_\_\_
- 500-5,000 cubic yards \_\_\_\_\_ over 20, 000 (indicate amount) \_\_\_\_\_
8. Number of existing trees on the site: \_\_\_\_\_
9. Number, size, and type of trees being moved: \_\_\_\_\_  
\_\_\_\_\_
10. Describe other vegetation: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
11. Describe noise sources generated by your project during construction: \_\_\_\_\_  
\_\_\_\_\_  
After construction: \_\_\_\_\_  
\_\_\_\_\_

12. Projected vehicle trips per day (use factors below): \_\_\_\_\_

LAND USE	WEEKEND TRIP END GENERATION RATES ASSUMING 100% OCCUPANCY
Single-Family	11.1 trips/dwelling unit
Patio Homes/Duplexes	9.5 trips/dwelling unit
Townhouses	7.5 trips/dwelling unit
Condominiums	7.5 trips/dwelling unit
Apartments	6.0 trips/dwelling unit
Mobile Homes	6.8 trips/dwelling unit
Retirement Communities	3.3 trips/dwelling unit
Motel	11 trips/room
Fast-Food Restaurant	553.0 trips/1,000 square feet building area
Retail Commercial	46.6 trips/1,000 square feet building area
Sit-Down Restaurant	45.0 trips/1,000 square feet building area
Office Retail	38.2 trips/1,000 square feet building area
Institutions (Schools, Churches)	18.4 trips/1,000 square feet building area
Industrial Plant (under 500,000 square feet)	4.7 trips/1,000 square feet building area
Industrial Warehouse	4.7 trips/1,000 square feet building area
Other	Estimate Amount

13. What is (are) the nearest major street(s) and distance(s) from project: \_\_\_\_\_

\_\_\_\_\_

14. Amount of off-street parking provided: \_\_\_\_\_

15. If more than 5,000 square feet of paving is proposed, give amount and describe methods of storm water disposal and heat build-up mitigation: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

16 a. Source of water: \_\_\_\_\_

b. Estimated gallons per day (use factors below): \_\_\_\_\_

LAND USE	ESTIMATED WATER CONSUMPTION RATES (gallons per day)
Single-Family Residential	606/DU or 190/resident
Multi-Family Residential	240 D/U or 125/resident
Office	120 gallons/day/ 1,000 square feet floor area
Retail Commercial	120 gallons/day/ 1,000 square feet floor area
Other Land Use	Estimate amount
Industrial	Variable- Please describe the water requirements for any industrial uses in your project (General Projection= 3,000 gallons/day/acre): _____ _____ _____ _____

c. Will non-domestic wastewater or process solutions be discharged into the sewer? YES \_\_\_ NO \_\_\_

If yes, a Wastewater Discharge Permit Application questionnaire must be submitted to the City's Industrial Waste Inspector (available from the City Planning Division).

17. a Will sewage treatment facilities be utilized? \_\_\_\_\_

b. Describe the type of sewage to be generated: \_\_\_\_\_

c. Estimate the amount (gallons/day) of sewage to be generated (use factors below): \_\_\_\_\_

<b>LAND USE</b>	<b>ESTIMATED SEWAGE GENERATION RATES (gallons per day)</b>
Single-Family Residential	354 gallons/DU or 111 gallons/day/resident
Multi-Family Residential	213 gallons/DU or 111 gallons/day/resident
Office	108 gallons//day/ 1,000 square feet floor area
Commercial	108 gallons//day/ 1,000 square feet floor area
Industrial	Variable- Please describe the water requirements for any industrial uses in your project (General Projection= 3,000 gallons/day/acre): _____ _____ _____ _____

d. Will the facility utilize floor drains for wash-down or other purposes? \_\_\_\_\_

If yes, a Wastewater Discharge Permit Application questionnaire must be submitted to the City's Industrial Waste Inspector (available from the City Planning Division).

18. Height of the tallest structure involved in the project: \_\_\_\_\_

19. Are architectural or landscaping features involved that would help mitigate possible environmental concerns (e.g., noise, glare, traffic) ? YES \_\_\_\_\_ NO \_\_\_\_\_

If yes, briefly describe: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

20. Describe the type and amount of outdoor lighting involved: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

21. Could any kind of wildlife, such as birds, rodents or predators, inhabit or use the project site? \_\_\_\_\_

If yes, briefly describe: \_\_\_\_\_  
\_\_\_\_\_

22. Proposed construction phasing: \_\_\_\_\_

\_\_\_\_\_

23. **Residential**

a. Number of dwelling units: \_\_\_\_\_

b. Unit size(s): \_\_\_\_\_

\_\_\_\_\_

c. Household size (number of people) expected: \_\_\_\_\_

24. **Industrial**

a. Type: \_\_\_\_\_

\_\_\_\_\_

b. Estimated employment per shift: \_\_\_\_\_

c. Will project involve the use or disposal of potentially hazardous materials (including petroleum products) ?  
Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, a Wastewater Discharge Permit Application questionnaire must be submitted to the City's Industrial Waste Inspector (available from the City Planning Division).

25. **Institutional (e.g. public facilities, hospitals, schools)**

a. Major function: \_\_\_\_\_

b. \_\_\_\_\_

c. Estimated employment per shift: \_\_\_\_\_

d. Estimated occupancy: \_\_\_\_\_

26. Why do you feel your project is justified now and in this location? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

27. Are there any feasible and less environmentally alternatives to your project?\_\_\_\_\_

Explain:\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

28. What additional special feature in your project plan will help reduce noise pollution, water consumption and pollution, solid waste, fossil fuel consumption, and energy use ?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

29. Do you believe an Environmental Impact report is needed for you project? Why? \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**\*\*PLEASE READ AND SIGN**

I certify that the above answers are true and correct to the best of my knowledge and belief, and I understand that subsequent action to rescind any permit based upon this questionnaire may be possible if evidence in uncovered to the contrary.

Signed:\_\_\_\_\_ Date:\_\_\_\_\_

Name (print):\_\_\_\_\_ Title:\_\_\_\_\_

Firm/Company:\_\_\_\_\_

Phone:\_\_\_\_\_ Fax:\_\_\_\_\_

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**FOR STAFF USE ONLY**

1. SOILS: P\_S\_U\_L\_G\_D\_X\_

2. FLOOD HAZARD AREA: Merced City Flood Plain Map, 100-year Flood Area, Yes\_\_\_\_\_ No\_\_\_\_\_  
Zone\_\_\_\_\_

3. DAY-NIGHT AVERAGE SOUND LEVEL(LdN) CONTOUR: \_\_\_\_\_  
Clearly unacceptable:\_\_\_\_\_ Normally unacceptable:\_\_\_\_\_ Normally acceptable:\_\_\_\_\_ Acceptable:\_\_\_\_\_