



Ordinance Elements for Successful Implementation of Cannabis-Related Regulations in Merced, California

Presented by:

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Discussion Topics

1. Overview of SB 94
2. Special Land Use Permit and Process
3. Selection Process
4. Consider Other Commercial Cannabis Activities
5. Consider Zones for Commercial Cannabis Activities
6. Delivery Services as an Option for Local Dispensaries
7. Consider Onsite Consumption



Senate Bill 94 Medical and Adult Use of Cannabis Regulation and Safety Act (MAUCRSA)

- Resolves Differences Between MCRSA (Medical) and AUMA (Non-Medical)
- Creates the Bureau of Cannabis Control (BCC) to Oversee Medical and Non-Medical
- Creates a CEQA Exemption "Grace Period" Until July 1, 2019
- Eliminates Transportation and "Producing Dispensary" License Types
- Does Away with AUMA California Residency Requirements
- Allows Vertical Integration Except for Testing Laboratory Licenses
- Bases the 15% Excise Tax on "Average Market Price"



Land Use Permit and Process



Process Options:

- Discretionary – Preferred – Requires an approval process before issuing.
- “SB 94, until July 1, 2019, would exempt from the California Environmental Quality Act the adoption of a specified ordinance, rule, or regulation by a local jurisdiction that requires discretionary review and approval of permits, license, or other authorizations to engage in commercial cannabis activity.”
- Ministerial – Is allowed without a hearing or approval process.

Permit Options:

- MUP or CUP
- Special Land Use for Commercial Cannabis Activities (SLP) – Preferred
 - Establishes process and procedures for approval and revocation.



Selection Process for Limited Licenses



1. Panel To Make Decision
2. Two Step Process
 - General Application Requirements
 - In Depth Interview, Complete Background Checks, Operational and Security Analysis, etc.

Process Options:

- First Come
- Lottery Drawing
- Merit Based – Preferred – All applications submitted in required timeframe are reviewed with point-based criteria established by the City.
- Criteria to Consider:
 - Experience with Cannabis Business
 - Local Business Experience
 - Military Service – State considering



Other Commercial Cannabis Activities

Distribution – means the procurement, sale, and transport of cannabis and cannabis products between licensees.

Testing Laboratory - means a laboratory, facility, or entity in the State that offers or performs tests of cannabis or cannabis products and that is independently accredited, and licensed by the State.

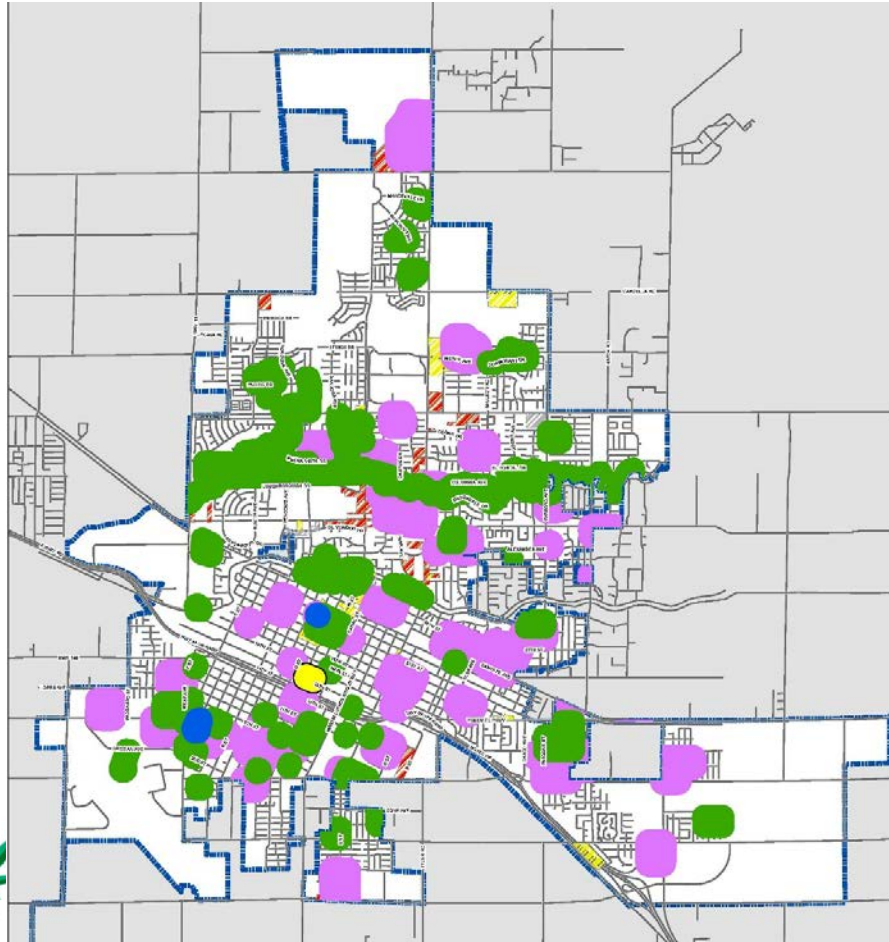
Manufacturing -Manufacturer means a licensee that conducts the production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container.

Cultivation - Cultivation means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.

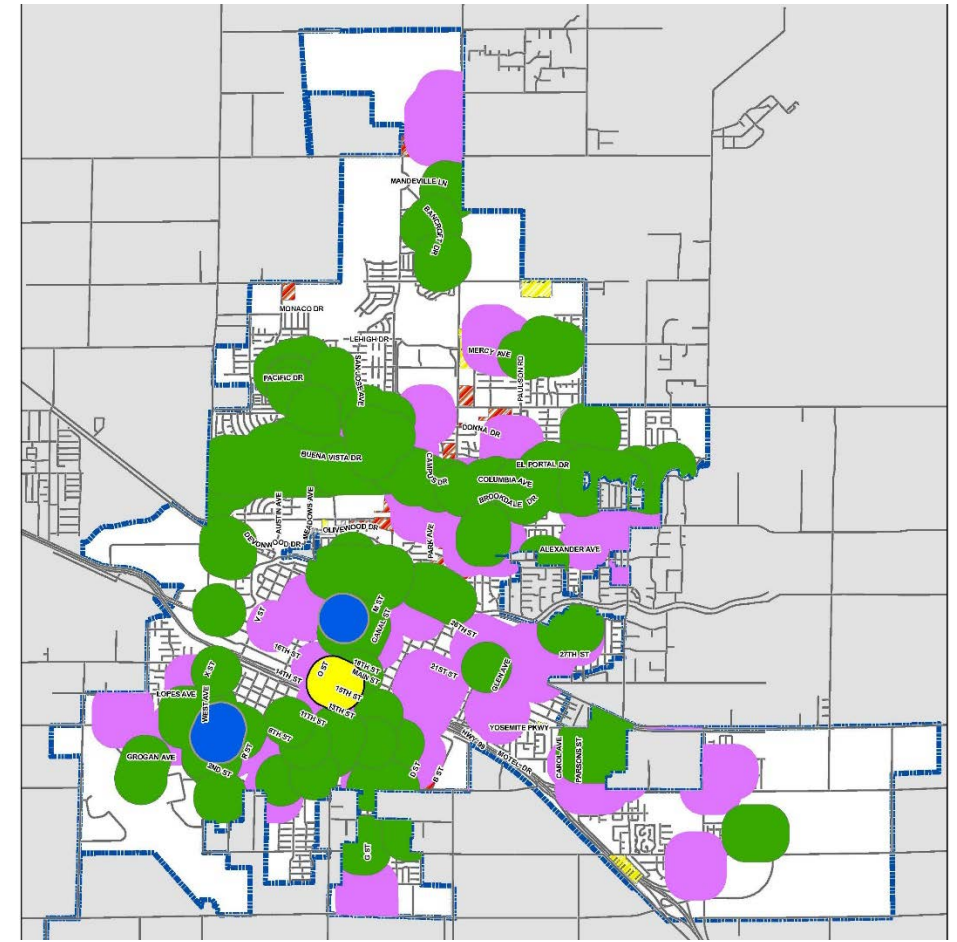


Buffers from Schools, Parks, Etc.

500 & 600 Foot Buffer



1,000 Foot Buffer



Locating Commercial Cannabis Activity

CURRENT

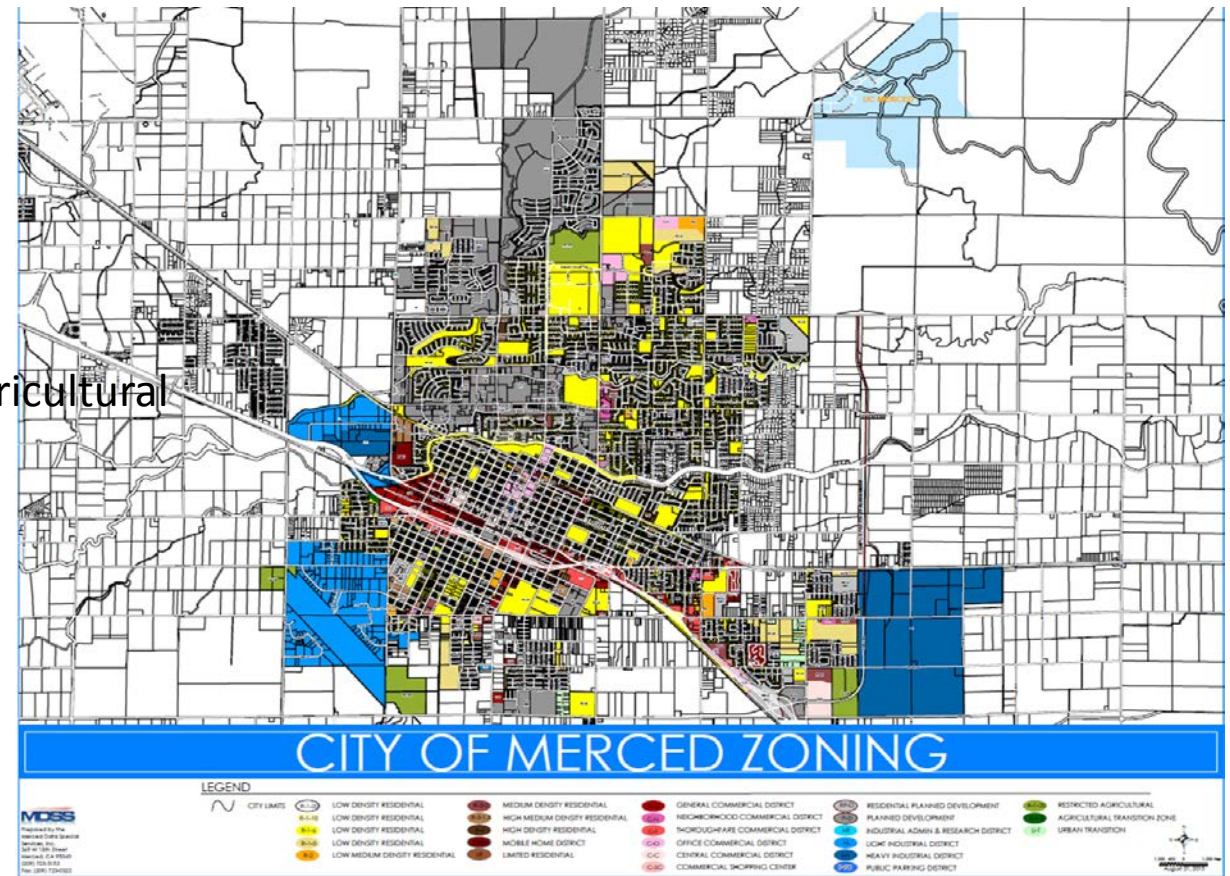
- CO – Office Commercial

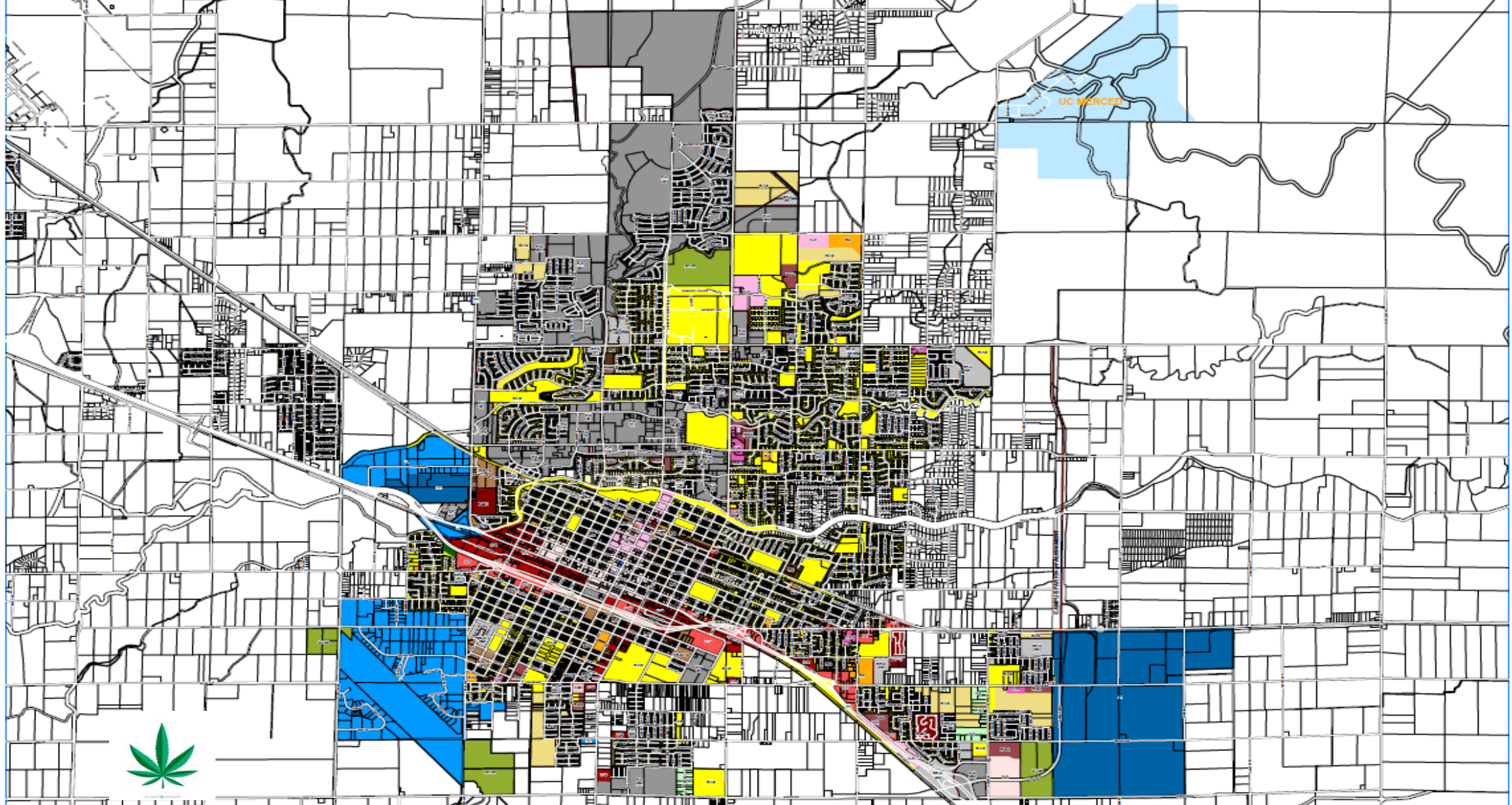
CONSIDER

- AR – Agricultural
- CG – General Commercial
- CC – Regional/Central Comm.
- IND – Industrial
 - IL – Light Industrial
 - IH – Heavy Industrial













AR – Agricultural



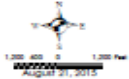


CITY OF MERCED ZONING

LEGEND

 CITY LIMITS	 R-1-20 LOW DENSITY RESIDENTIAL  R-1-10 LOW DENSITY RESIDENTIAL  R-1-6 LOW DENSITY RESIDENTIAL  R-1-5 LOW DENSITY RESIDENTIAL  R-2 LOW MEDIUM DENSITY RESIDENTIAL	 R-35 MEDIUM DENSITY RESIDENTIAL  R-3-1 HIGH MEDIUM DENSITY RESIDENTIAL  R-3 HIGH DENSITY RESIDENTIAL  MH MOBILE HOME DISTRICT  L LIMITED RESIDENTIAL	 C-1 GENERAL COMMERCIAL DISTRICT  C-2 NEIGHBORHOOD COMMERCIAL DISTRICT  C-3 THOROUGHFARE COMMERCIAL DISTRICT  C-4 OFFICE COMMERCIAL DISTRICT  C-5 CENTRAL COMMERCIAL DISTRICT C-3C COMMERCIAL SHOPPING CENTER	 RPD RESIDENTIAL PLANNED DEVELOPMENT  PD PLANNED DEVELOPMENT  IAR INDUSTRIAL ADMIN & RESEARCH DISTRICT  LI LIGHT INDUSTRIAL DISTRICT  HI HEAVY INDUSTRIAL DISTRICT P-20 PUBLIC PARKING DISTRICT	 A-1-20 RESTRICTED AGRICULTURAL  A-1-10 AGRICULTURAL TRANSITION ZONE  U-T URBAN TRANSITION
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Delivery Services

- “Delivery” “means the commercial transfer of cannabis or cannabis products to a customer. “Delivery” also includes the use by a retailer of any technology platform owned and controlled by the retailer.



- “Retailer,” for the retail sale and delivery of cannabis or cannabis products to customers. A retailer shall have a licensed premises which is a physical location from which commercial cannabis activities are conducted. A retailer’s premises may be closed to the public. A retailer may conduct sales exclusively by delivery.



Onsite Consumption or Recreational Dispensaries

Notwithstanding paragraph (1) of subdivision (a) of Section 11362.3 of the Health and Safety Code, a local jurisdiction may allow for the smoking, vaporizing, and ingesting of cannabis or cannabis products on the premises of a retailer or microbusiness licensed under this division if all of the following are met:

- (1) Access to the area where cannabis consumption is allowed is restricted to persons 21 years of age and older;
- (2) Cannabis consumption is not visible from any public place or non-age restricted area;
- (3) Sale or consumption of alcohol or tobacco is not allowed on the premises.

The bill would provide that MAUCRSA does not prohibit the issuance of a state temporary event license to a licensee authorizing onsite cannabis sales to, and consumption by, persons 21 years of age or older at a county fair or district agricultural association event, provided that certain requirements are met.

What about Recreational Cannabis Retail Outlets?



Questions and Answers

