



### **Summary of City of Merced Cannabis Ordinance (No. 2480)**

- Specific commercial cannabis businesses are allowed as a special use in the City of Merced within certain commercial and industrial zoning districts and Planned Developments which have the equivalent General Plan land use designations of those zones per Table 20.44-1 below. Those businesses that are permitted in each zone are noted with a “P”, and those businesses not allowed in each zone are noted with an “X”.
- All commercial cannabis businesses must obtain a Commercial Cannabis Business Permit (CCBP) from the City. The number of dispensaries/retail sales businesses is limited to a maximum of four (4). CCBP’s must be renewed each year and pay annual regulatory fees to ensure monitoring and enforcement.
- The process for obtaining a Commercial Cannabis Business Permit is as follows:
  - For dispensaries/retail sales for which there is a limitation on the number of permits (4):
    - A 2-step application review process is in place, which includes a merit-based review of all applications that passed Phase 1 by a panel of the City Manager, Police Chief, and the Director of Development Services. The panel will recommend the top applicants to move forward with a public hearing before the Planning Commission.
    - Planning Commission public hearings will be held and the CCBP will be approved or denied. Appeals to the City Council would be allowed.
  - For all other cannabis businesses with no limitation on the number of permits:
    - There would be no merit-based process and all those that pass Phase 1 will go to the Planning Commission for public hearings after extensive background checks.
- Specific operating requirements that address security, product storage, operating hours, disposal, etc., are provided for all the different types of cannabis businesses (cultivation, manufacturing, distribution, testing, deliveries, and retail sales/dispensaries). In general, all cannabis activities, including cultivation, must take place indoors.
- Distance requirements from sensitive land uses are also required as follows:
  - A Cannabis Business that involves a Dispensary/Retail Sales is not allowed within 1,000 feet of a school;
  - A Cannabis Business of any other type (not retail sales) is not allowed within 600 feet of a school.
  - A Cannabis Business of any type is not allowed within 600 feet of a day care center, a youth center, a public park (not including bike paths), or a library.

- Specific regulations are imposed on the cultivation of cannabis for personal use in private residences in residential zones. In general, the cultivation of cannabis is only allowed indoors and is limited to the number of plants allowed in State law (6).

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**Table 20.44-1—Commercial Cannabis Businesses**

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

**Footnotes**

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

**Zoning Districts**

C-C = Regional/Central Commercial  
 C-G = General Commercial  
 I-L = Light Industrial

C-O = Professional/Commercial Office  
 C-N = Neighborhood Commercial  
 I-H = Heavy Industrial