

RESOLUTION NO. 2017- 67

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF MERCED, CALIFORNIA,
APPROVING APPLICATION FEES FOR
COMMERCIAL CANNABIS BUSINESS PERMITS
AND ANNUAL REGULATORY FEES FOR
COMMERCIAL CANNABIS BUSINESSES**

WHEREAS, the City Council of the City of Merced held a noticed public hearing on November 20, 2017, on proposed Ordinance No. 2480, at which time all those interested in the matter were provided the opportunity to speak or provide written or oral testimony regarding proposed Ordinance No. 2480, which amended the Zoning Ordinance (Title 20 of the Merced Municipal Code) to regulate all commercial cannabis activities and the cultivation of cannabis for personal use in the City of Merced; and

WHEREAS, after hearing all the evidence and testimony, on November 20, 2017, the City Council introduced Ordinance No. 2480. Ordinance No. 2480 was subsequently adopted on December 4, 2017, and will become effective 30 days later on January 3, 2018; and

WHEREAS, Ordinance No. 2480 included Section 20.44.170(O), which set forth that non-refundable initial application fees and non-refundable application renewal fees to cover the cost of processing an application and Commercial Cannabis Regulatory Fees, based on estimated additional costs of enforcement and monitoring associated with cannabis operations, shall be established by the City Council by resolution. The Regulatory Fee to be due and payable prior to opening the business and thereafter on or before the anniversary date. The Regulatory Fee may be amended from time to time based upon actual costs. Both the application fees and regulatory fees shall be adjusted annually each January 1st (starting in January 1, 2019) for the cost of inflation based on the Consumer Price Index (CPI); and

WHEREAS, after reviewing the estimated time and cost of City staff, including consultants if applicable, to process Commercial Cannabis Business Permit applications and to conduct enforcement and monitoring inspections of Commercial Cannabis Businesses in the City of Merced at appropriate intervals, a fee schedule was prepared; and

WHEREAS, the City Council of the City of Merced held a noticed public hearing on December 18, 2017, on the proposed fee schedule, at which time all

those interested in the matter were provided the opportunity to speak or provide written or oral testimony regarding the proposed fees.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MERCED AS FOLLOWS:

SECTION 1. That certain document entitled "Application Fees for Commercial Cannabis Business Permits and Annual Regulatory Fees for Commercial Cannabis Businesses in the City of Merced", attached hereto as Exhibit "A," is hereby approved.

SECTION 2. The fees herein shall become effective sixty (60) days within the date of this Resolution.

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the 18 day of December 2017, by the following vote:

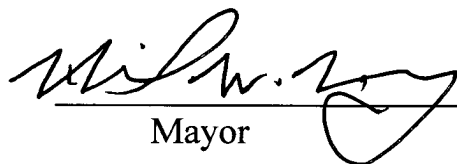
AYES: 7 Council Members: BELLUOMINI, BLAKE, MARTINEZ, MCLEOD, MURPHY, PEDROZO, SERRATTO

NOES: 0 Council Members: NONE

ABSENT: 0 Council Members: NONE

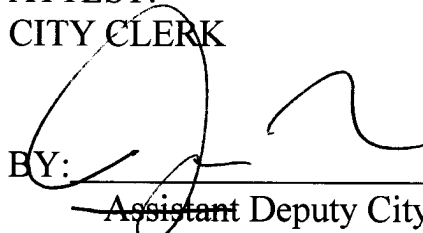
ABSTAIN: 0 Council Members: NONE

APPROVED:



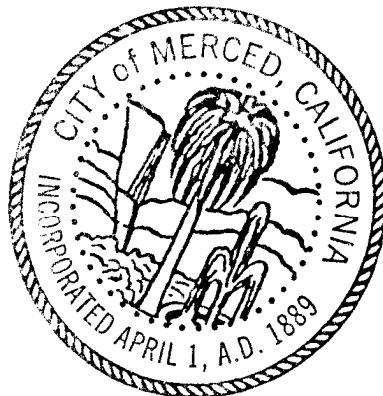
Mayor

ATTEST:
CITY CLERK

BY: 

Assistant Deputy City Clerk

(SEAL)



APPROVED AS TO FORM:

K. Flores 12.4.17
City/Attorney Date



City of Merced
Commercial Cannabis Business Permit (CCBP) Application Fees and Cannabis
Business Annual Regulatory Fees

<u>CCBP Application Fees</u>	<u>Proposed Fee</u>
Phase 1 (All Types)	\$964.00
Phase 2 (Merit-Based)	\$8,577.00
Phase 2 (Non-Merit Based)	\$6,250.00
Annual CCBP Renewal	\$2,232.00
Appeal of a CCBP	\$374.00
Appeal of a CCBP Renewal	\$473.00

Note: Application fees are due and payable upon submittal of a Commercial Cannabis Business Permit Application. The amount of the fees shall be adjusted annually (starting on January 1, 2019) 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.

<u>Annual Regulatory Fees</u>	<u>Proposed Fee</u>	<u># of Inspections/Year</u>
Cultivation--Up to 10,000 SF	\$18,193.00	4
Cultivation--Nursery Only	\$15,275.00	4
Distribution	\$12,556.00	4
Manufacturing	\$32,595.00	4
Retail Sales	\$20,920.00	6
Testing	\$6,259.00	2

Note: The Regulatory Fee is to be due and payable prior to opening the business and thereafter on or before the anniversary date. The Regulatory Fee may be amended from time to time based upon actual costs. The amount of the fees shall be adjusted annually (starting on January 1, 2019) 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.