

# CANNABIS BUSINESS GUIDE: **PROCESSOR**

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The NYC Department of Buildings (DOB) provides small business owners and entrepreneurs with dedicated DOB support so planned or ongoing construction projects move to completion.





An adult-use cannabis processor is a facility that engages in any one or combination of extracting, blending and infusing, packaging and other manufacturing of adult-use cannabis products. Its products may include edibles, beverages, topicals, cartridges and extracts or concentrates. If you haven't done so already, familiarize yourself with the [State regulations](#) available through the NYS Office of Cannabis Management. Reach out to [Cannabis NYC](#) at [NYC Small Business Services](#) for assistance with adult-use cannabis licenses, no-cost resources and government regulations. Also, [DOB's Small Business Team](#) offers one-on-one support on DOB filing matters.

## ZONING USE GROUP & PERMITTED AREAS

To determine where you can open your cannabis processing facility, you need to look for a property within the five boroughs where manufacturing uses are permitted. The [Guide to Locating Cannabis Businesses in NYC in Compliance with the Zoning Resolution](#) will take you through this first step. A cannabis processing facility is considered Use Group (UG) X *food manufacturing or beverage and tobacco manufacturing*. Specific sets of requirements apply to different districts which are shown in the following table. However, further restrictions pertaining to emissions and hazardous substances (such as noise, vibration, odor, toxic or noxious matter, or fire and explosive matter, and humidity, heat, or glare) are detailed in the Zoning Resolution, so be sure to consult a Registered Design Professional.

Use Group (pre-ZEO UG) <sup>1</sup> : Use Name (NAICS Code)	Districts Permitted	Allowances & Restrictions <i>NOTE: sf area indicates zoning floor area</i>
UG X (6A, 17B): Food manufacturing (311), Beverage and tobacco product manufacturing (312)	C1, C2	Limited to 5,000 sf, except 3,000 sf in C1-1 thru C1-4; additional conditions per ZR 32-203
	C4 - C7	Up to 10,000 sf at ground floor; limitless area above ground floor; additional conditions per ZR 32-203
	C8	No area limitation; additional conditions per ZR 32-203
	M1 - M3	No area limitation; additional conditions per ZR 42-202

An adult-use cannabis processor licensee is permitted to concurrently hold a distributor license per **NYS Office of Cannabis Management (OCM)** regulation. Distribution may be considered UG IX(A) micro-distribution facility, or wholesale establishment.

<sup>1</sup> The New York City Zoning Resolution was amended to provide for new zoning uses and new Use Group categories and numbering. Use Groups have been reorganized and simplified from numbers ranging from 1 to 18, to ten Roman numerals ranging from I through X. Read the [Service Notice](#) to learn more.

## BUILDING CODE OCCUPANCY GROUP & REQUIREMENTS

Operational Activity	Building Code Occupancy Group
Extraction – Mechanical Method, Closed-loop CO <sub>2</sub> System	F-1
Extraction – Ethanol or Alcohol Based	F-1, H-2, H-3
Extraction – Closed-loop Volatile Solvent or Hydrocarbon Method	H-2, H-3
Food processing, baking, infusing, blending, pre-rolls	F-1
Beverages/Bottling	F-2
Packaging	F-1, F-2
Storage – hazardous materials	F-1, H-2, H-3
Drying/Curing	F-1
Offices	B

The occupancy group dictates the life safety requirements such as fire protection systems, egress, fire separation and other limitations. A building or space used for processing or manufacturing of cannabis products is generally classified under Factory Industrial Group F-1 and/or High Hazard Group H-2 or H-3. The classification of its occupancy group within the building depends on the amounts of hazardous materials used and stored on the premises.<sup>2</sup> Construction plans should clearly indicate these materials, i.e., ethanol, butane, or propane, along with the locations within the building and amounts to be used and stored. The table to the left shows the occupancy group classifications that are typical of a processing facility.

Considering the dangers associated with manufacturing settings, you are encouraged to locate the facility in a building of non-combustible construction, which means the structure of the building is of masonry or steel. Depending on the year the building was erected, a non-combustible building may be classified as one of the following on the Certificate of Occupancy.

Year the Building was Erected	Non-combustible Construction Classifications
Pre-1968	Class 1 Fireproof Structure (Old Code) Class 2 Fire-protected (Old Code)
1968 - 2008	I-A: 4-Hour Protected (Non-Combustible) I-B: 3-Hour Protected (Non-Combustible) I-C: 2-Hour Protected (Non-Combustible) I-D: 1-Hour Protected (Non-Combustible)
After 2008	I-A: 3-Hour Protected (Non-Combustible) I-B: 2-Hour Protected (Non-Combustible) II-A: 1-Hour Protected (Non-Combustible) II-B: Unprotected (Non-Combustible)

<sup>2</sup> See BC Table 414.2.2 for maximum allowable quantities in control areas set forth in Tables 307.1(1) & 307.1(2)





If the building does not fall under one of these non-combustible classes, be sure to discuss with a Registered Design Professional (RDP) as there may be additional fire protection requirements. Remember to stay away from wood frame structures as they are not permitted within Fire Districts, even if they are sprinklered. The Fire Districts are mapped areas of higher density, which mandate more restrictive provisions against fire risks. Manhattan, Brooklyn, and the Bronx are entirely within the fire districts; Queens and Staten Island are partially within.

Your RDP will ascertain compliance with the NYC Construction Code and the NYC Fire Code – start with the following list of critical requirements.

**NOTE: The following list is only a guide, and all relevant Code requirements apply.**

- **Building Code**

- Use & Occupancy Classification – BC 306 and 307
- Special detailed requirements pertaining to hazardous materials – BC 414
  - Submittal of report to the NYC Fire Department (FDNY) – BC 414.1.3
  - Control Areas – BC 414.2
- Special detailed requirements pertaining to H Occupancies – BC 415
  - Fire Protection & Detection Systems – BC 415.3-5
  - Fire Separation Distance – BC 415.6
  - Special provisions for Group H-2 and H-3 Occupancies – BC 415.8-10
- Fire Protection & Detection Systems – BC Chapter 9

- **Mechanical Code**

- Location of Exhaust Outlets – MC 501.3.1
- Exhaust System for Hazardous Materials – MC 502.8
- Hazardous Exhaust Systems – MC 510
- Air Filters Standards – MC 605.2

- **Energy Conservation Code** – ECC 101.3

- **NYC Fire Code**

- Design & Installation Documents – FC 105.4
- Fire Protection Systems – FC Chapter 9
- High-piled Combustible Storage – FC Chapter 32
- Flammable & Combustible Liquids – FC Chapter 57
- Flammable Gases – FC Chapter 58



## OCM REGULATIONS & OTHER AGENCY APPROVALS

Additionally, there are State regulations pertaining to mitigation of odor, smoke, and fine particles where cannabis is stored, processed or consumed, which should be reflected in construction plans. Complaints of odor may lead to violations from the **NYC Department of Environmental Protection (DEP)**, so your business plan should incorporate an acceptable mitigation program including carbon filtration, vapor-phase systems, or other technology approved by OCM. Furthermore, other agency approvals may be required, as follows:

- DEP enforces the City's Air and Noise Codes, Community Right-to-Know Law, Hazardous Substances Emergency Response Law, and the *Spill Bill*.
- FDNY regulates variances where Fire Code provisions are not met.

## CERTIFICATE OF OCCUPANCY

A **Certificate of Occupancy (CO)** describes the legal use and type of occupancy permitted in a building and confirms that the completed work substantially complies with all applicable laws. If the CO of the location you are intending to have your processor facility does not list factory or manufacturing occupancy use, the CO would have to be updated so that the CO is consistent with the intended use of the space. The process to get an updated CO is called an Alteration-CO filing. Obtain informational material pertaining to an **Alteration-CO in DOB NOW** and the **Certificate of Occupancy process**. Speak to a licensed professional to discuss how best to manage your project.

## RESOURCES

- **NYC Small Business Services - Cannabis NYC**: visit [nyc.gov/cannabis](https://nyc.gov/cannabis) or call (888) SBS-4NYC | (888) 727-4692
- **DOB's Small Business Team**: for DOB filing assistance, visit [nyc.gov/dob-sbt](https://nyc.gov/dob-sbt)
- **NYS OCM** for detailed regulations pertaining to adult-use cannabis licenses, call (888) 626-5151 or visit them online at [cannabis.ny.gov/adult-use](https://cannabis.ny.gov/adult-use)
- Use the **NYC Guide to Locating Cannabis Businesses in Compliance with the Zoning Resolution** to learn where Zoning Use Groups are allowed.

