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DIRECTOR REPORT

STAFF RECOMMENDATION

Staff recommends the Zoning Administrator approve, with conditions, a Conditional Use Permit, for the project known as **Z24-056.** Draft Conditions of Approval and Findings of Fact for the project are included below.

REQUESTED ENTITLEMENTS

Conditional Use Permit to establish a cannabis dispensary (delivery-only), within an existing ±4,550-square-foot building, on approximately 0.65 acres in the Light Industrial (M-1S) zone.

PROJECT INFORMATION

Location:	8140 36th Avenue
Parcel Number:	027-0350-022-0000
Council District:	6 (Eric Guerra)
Applicant:	Marino Montes de Oca 5311 Shepard Avenue, Sacramento CA 95819
Property Owner:	Richard G. Barge 2022 Revocable Trust 9707 Bradshaw Road, Elk Grove, CA 95624
Project Planner:	Robert W. Williams, Associate Planner

Land Use In			
2040 General Plan:		Employment Mixed Use	
Communit	y Plan Area:	Fruitridge/Broadway	
Specific Plan:		n/a	
Zoning:		Light Industrial Zone (M-1S).	
Special Planning District:		n/a	
Planned Unit Development:		n/a	
Design Review Area:		Citywide	
Parking District:		Traditional	
Historic Landmark:		n/a	
Historic District:		n/a	
Surrounding Land Use and Zoning			
North:	M-1S	Industrial	
South:	M-1S	Industrial	
East:	M-2S	Industrial	
West:	M-1S	Industrial	
Site Charact	teristics		
Existing Property Area:		28,180 square feet / 0.65 acres	
Building Info:		±4,550 SF – 1-story – Built in 1978	
Topography:		Flat	
Street Improvements:		Existing	
Utilities:		Existing	
Existing La	and Use:	Industrial/Warehouse	
U			
Other Inform			
Concurrent Files:		n/a	
Previous Files:		Z17-224	

ATTACHMENTS: Project Plans

Background

Existing Site and Prior Entitlements

The subject property is located on the southeast side and the east end of the 36th Avenue cul-de-sac, approximately 500 feet east of Power Inn Road, in the southeast industrial area of the City. Assessor data indicates the property is developed with a 1-story, 4,320-square-foot building that was constructed in 1978.

On August 10, 2018, a Conditional Use Permit (CUP) was approved for cannabis production on this parcel (Z17-224). This approval consisted only of the cannabis production sub-type of cannabis cultivation. The project did not include any cannabis

manufacturing or cannabis distribution. The CUP entitlement request stated that the building was an existing $\pm 4,320$ -square foot warehouse with a new ± 385 -squre foot mezzanine, for a total $\pm 4,705$ square feet.

The CUP approval was valid for the standard three-year timeline, until August 10, 2021. On March 17, 2020, the City Council passed an emergency interim ordinance for all approved land use entitlements, which waived expiration deadlines for up to one year (OR2020-0014). Therefore, Z17-224 remained valid for an additional year, until August 10, 2022.

The cannabis production project did not establish the land use with the required building permit, nor did they submit a Time Extension application prior to the expiration time limit; therefore, the entitlements of Z17-224 have expired.

Proposed Project and Analysis



Figure #1: Site Plan

Proposed Project Overview and Required Entitlements

The applicant is proposing to establish a cannabis dispensary (delivery-only) within the

existing building. They are not proposing any cannabis production, which is a separate CUP entitlement. No exterior elevations have been provided, and exterior modifications are not proposed. A SPDR entitlement is not requested for this project.

Existing floor plans show a $\pm 4,142$ -square-foot first floor and a small ± 408 -square-foot second floor for a total of $\pm 4,550$ square feet. These areas will be modified to accommodate the proposed delivery-only dispensary use.





Conditional Use Permit for a Cannabis Dispensary

The applicant is requesting entitlements to establish a Delivery-Only Cannabis Dispensary. Per City Code section 17.228.920, a CUP is required to establish a cannabis dispensary.

The definition of a cannabis dispensary includes both a storefront dispensary and/or a delivery-only dispensary (City Code 17.108.040). A "delivery-only" dispensary is further defined in City Code Chapter 5.150 as a business selling cannabis or cannabis products via delivery and not via transfer within a building or structure that is open to customers

or elsewhere on the dispensary site.



Figure #3: Proposed 2nd Floor Plan

Pursuant to Planning and Development Code Section 17.228.920, a Planning and Design Commission (PDC) CUP is required to allow a cannabis dispensary where any of the following conditions apply:

- 1. The cannabis dispensary is a storefront cannabis dispensary, as defined in chapter 5.150, and the site is within 600 feet of another storefront cannabis dispensary site;
- 2. The cannabis dispensary site is within 600 feet of any park, childcare center, inhome childcare (family day care home), youth-oriented facility, church or faith congregation, substance abuse center, or cinema;
- 3. The cannabis dispensary site is within 600 feet of any tobacco retailer that has

15,000 square feet or less of gross floor area; or

4. The cannabis dispensary site is within 300 feet of a residential zone.

This dispensary CUP request is heard by the Zoning Administrator as the project is not proposing a storefront and meets the required distance requirements as it is more than 600 feet from any:

- park
- childcare center, in-home childcare (family day care home)
- youth-oriented facility
- church or faith congregation
- substance abuse center
- cinema
- tobacco retailer
- and 300 feet from a residential zone.

Figure #4: 600-foot Aerial Map



Neighborhood Context

The subject property is in the Light Industrial Zone (M-1S) and surrounded by industrial and commercial uses. Most of these buildings were constructed between the 1960s and 1980s. There are no residential zones or residential uses within 300 feet.

Agency Comments

The project has been reviewed by the City Police Department, the Fire Department (Fire), the Public Works Department (DPW), the Utilities Department (DOU), and the Parks and Recreation Department (Parks). Additionally, the Sacramento Municipal Utility District (SMUD), and the Sacramento Area Sewer District (SASD) have reviewed the project. The comments that were received pertaining to the project have been included as conditions of approval.

The Police Department and the Fire Department have reviewed the project for security and safety concerns. The Police Department will provide their conditions with the future issuance of the cannabis operating permit. A final security plan is required to be approved by the Revenue Division before a Business Operating Permit is issued.

Cannabis Business Operating Permit

Any cannabis-related business, in addition to obtaining all required land use approvals under the Planning and Development Code (Title 17), must also obtain a business permit from the City pursuant to Sacramento City Code Title 5, Chapter 5.150. Among other things, the business permit regulates the business and requires a final security plan, lighting plan, odor control plan, community relations plan, business plan and information on employees and owners for each business permitted by the City. The cannabis-related business is also required to obtain applicable permits from the State of California.

Environmental Determination

This project will not have a significant effect on the environment and is exempt from environmental review pursuant to California Environmental Quality Act Guidelines, Class 1, Section Number 15301, Existing Facilities.

Flood Hazard Zone

State Law (SB 5) and Planning and Development Code Chapter 17.810 require that the City must make specific findings prior to approving certain entitlements for projects within a flood hazard zone. The purpose is to ensure that new development will have protection from a 200-year flood event or will achieve that protection by 2025. The project site is within a flood hazard zone and is an area covered by SAFCA's Improvements to the State Plan of Flood Control System, and specific findings related to the level of protection have been incorporated as part of this project. Even though the project site is within a flood hazard zone, the local flood management agency, SAFCA, has made adequate progress on the construction of a flood protection by 2025. This is based on the SAFCA Urban level of flood protection plan, adequate progress baseline report, and adequate progress toward an urban level of flood protection engineer's report that were accepted by City Council Resolution No. 2016-0226 on June 21, 2016, and the SAFCA 2024 Adequate Progress Annual Report accepted by City Council Resolution No. 2024-0311 on October 22, 2024.

Community/Neighborhood Contact

On April 28, 2025, the project was routed by email to community groups, including the Power Inn Alliance and Preservation Sacramento. On July 11, 2025, a notice of public hearing for the proposed project was mailed to all addresses, property owners, and community groups located within 500 feet of the subject site. At the time of this report, staff has not received any comments about the proposed project.

Director Hearing

The public hearing is scheduled for July 24, 2025. Staff recommends that the Zoning

Administrator approve the project per the proposed findings of fact and with the draft conditions listed at the end of this report.

Staff finds the proposed cannabis delivery-only dispensary to be an appropriate use for this location as the operations will have a minimal impact on the adjacent industrially zoned neighborhood.

Findings of Fact – Conditional Use Permit – Cannabis Dispensary

- 1. The proposed use and its operating characteristics are consistent with the 2040 General Plan, Employment Mixed Use. Industrial designated areas represent the built form typically associated with manufacturing, warehousing, and other industrial activities. There is no applicable specific plan or transit village plan for this property.
- 2. The proposed use and its operating characteristics are consistent with the applicable standards, requirements, and regulations of the zoning district in which it is located, and of all other provisions of this title and this code, in that the site is zoned Light Industrial zone (M-1S), which allows for the manufacture or treatment of goods. The production of cannabis is an allowed use in the M-2S zone subject to obtaining a CUP.
- 3. The proposed use is situated on a parcel that is physically suitable in terms of location, size, topography, and access, and is adequately served by public and private services and utilities, in that the site will have vehicular access from 36th Avenue. The site will have an internal loading area. Furthermore, the site will be served by the necessary public and private utilities to ensure proper operation of the use.
- 4. The proposed use and its operating characteristics are not detrimental to the public health, safety, convenience, or welfare of persons residing, working, visiting, or recreating in the surrounding neighborhood and will not result in the creation of a nuisance. The proposed cannabis production use will not create a nuisance because the building has an internal loading area for the transfer of cannabis products. Additionally, the delivery and distribution of cannabis will be provided for by smaller vehicles, rather than large trucks, which are less noticeable in their impacts to surrounding uses.

Findings of Fact – 200-Year Flood Protection

5. The project site is within an area for which the local flood-management agency has made adequate progress (as defined in California Government Code section 65007) on the construction of a flood-protection system that, for the area intended to be protected by the system, will result in flood protection equal to or greater than the urban level of flood protection in urban areas for property located within a flood-hazard zone, as demonstrated by the SAFCA Urban Level of Flood Protection Plan and Adequate Progress Baseline Report and the SAFCA Adequate Progress Toward an Urban Level of Flood Protection Engineer's Report, each accepted by the City Council on June 21, 2016 (Resolution No. 2016-0226), and the SAFCA 2024 Adequate Progress Annual Report accepted by the City Council on October 22, 2024 (Resolution No. 2024-0311).

Draft Conditions of Approval – CUP

Planning

- 1. The project shall conform to the approved plans as shown on the attached exhibits. The interior of the ±4,550-square-foot building is approved for use as a delivery-only dispensary. Minor changes to the interior are permitted to conduct the use.
- 2. Obtain any required building permits for any construction and renovations that are to remain and may have been previously performed without permits.
- 3. Retain the existing onsite parking lot and repair any deteriorated parking lot paving.
- 4. Landscaping shall be maintained per Crime Prevention Through Environmental Design (CPTED) principles. Landscaping shall be retained in compliance with city code requirements for the M-1S zone. Existing front setback planter areas shall be repaired as needed and provided with landscaping and with automatic irrigation.
- 5. Only one non-illuminated sign is permitted for the use. If a new sign is proposed in the future the maximum size permitted of the sign is six square feet in area. The sign may be attached or detached. If the sign is detached it shall be included in the existing monument sign. A sign permit from the Building Division is required.
- 6. Install additional lightning on the building, as necessary, to meet CPTED standards or better as outlined and approved by the Sacramento Police Department.
- 7. Secure or block unused roll-up doors and windows.
- 8. No tent or canopy structures outside for cannabis production.
- 9. The site shall be inspected and maintained daily to be clear of litter. A daily maintenance plan to be implemented to control litter and debris.
- 10. The production permit holder(s) and/or property owner shall provide regular landscape maintenance for the site.
- 11. All dumpsters shall be locked. Refuse containers for cannabis products shall be stored within the buildings.
- 12. All cannabis related activities shall be performed indoors. No outdoor storage is allowed.
- 13. No unpermitted cannabis events on the premises shall be hosted by the property

owner, tenants, sub-tenants, or guests.

- 14. All cannabis project facilities shall be connected to SMUD or PG&E facilities for the supply of all electrical power. Generators shall be used only for emergency electrical service for the duration of any power outage.
- 15. Outdoor areas shall not be used for any other commercial use unrelated to
- 16. Trees on the cannabis project site shall be trimmed to avoid interference with security cameras operated as part of the project.
- 17. No storage of motor vehicles and boats and trailers is allowed on the property, except as registered to onsite cannabis business operations. No tire storage is allowed.
- 18. <u>Mechanical Equipment</u>: All newly installed ground-mounted and roof-mounted mechanical equipment must be completely concealed from all adjacent and approaching right-of-way views. Construction documents shall clearly illustrate compliance. Placement of all exterior mechanical equipment, along with any necessary screening and details, must be shown on site plans, roof plans, and exterior elevations. Permanently supported solid, slatted, or louvered metal panel material only may be used. Openings in slatted material shall be less than 10%. Louvered material shall be positioned so spacing does not align with line of sight views. All material shall be painted to match elements of building exterior finish.
- 19. <u>Electrical Service Equipment</u>: All newly installed exterior wall-mounted and ground-mounted electrical service equipment, excluding transformers, must be completely concealed from all adjacent and approaching right-of-way views. Construction documents shall clearly illustrate compliance. Placement of all exterior electrical equipment, along with any necessary screening and details, must be shown on site plans, floor plans, and exterior elevations, while maintaining all service clearance requirements. Permanently supported solid, slatted, or louvered metal panel material only may be used. Openings in slatted material shall be less than 10%. All material shall be painted to match elements of building exterior finish.
- 20. No exterior renovations are authorized with this project. Any exterior renovations must be approved by Design Review staff.
- 21. Any modification to the project proposed in the future shall be subject to review and approval by Planning staff and may require additional entitlement(s).

Building Division

22. A building permit is required to verify occupancy for a cannabis facility, even if no improvements to the property are proposed. The building permit applications must meet the City's general building permit submittal requirements.

Fire Department

23. Any modifications to the facility must be done under permit by way of plan review

for compliance to the Fire and Building Codes.

- 24. Obtain a Fire Clearance by requesting a fire and life safety inspection from the Sacramento City Fire Prevention Division.
- 25. Obtain any required operational permits from the Sacramento City Fire Prevention Division.
- 26. Provide documentation to verify that any fire and life safety systems such as fire suppression and fire alarm systems have been serviced, maintained and certified in accordance with the required maintenance schedules as may be applicable (quarterly, annual and 5-year service).

Sacramento Municipal Utility District (SMUD)

- 27. In the event the Applicant requires the relocation or removal of existing SMUD facilities on or adjacent to the subject property, the Applicant shall coordinate with SMUD. The Applicant shall be responsible for the cost of relocation or removal.
- 28. SMUD reserves the right to use any portion of its easements on or adjacent to the subject property that it reasonably needs and shall not be responsible for any damages to the developed property within said easement that unreasonably interferes with those needs.
- 29. The Applicant shall comply with SMUD siting requirements (e.g., panel size/location, clearances from SMUD equipment, transformer location, service conductors). Information regarding SMUD siting requirements can be found at: https://www.smud.org/en/Business-Solutions-and-Rebates/Design-and-Construction-Services.

Department of Utilities (DoU)

30. City records indicate the existing domestic water service does not have a backflow preventer. The applicant shall install a reduced pressure principal backflow device (per City standards) as part of their building permit or submit evidence of an existing device that meets City requirements. The applicant may contact the Department of Utilities Development Services staff at DOUDevelopmentReview@cityofsacramento.org or 916-808-7890 for assistance in permitting requirements related to the installation of a backflow device. The applicant shall provide the building permit number that includes the installation of an approved backflow device to the DOU entitlement engineer prior to condition signoff.

Sacramento Area Sewer District (SASD)

- 31. Prior to the approval of improvement plans, installation of a public cleanout is required at the right-of-way. These improvements must be shown on the plans.
- 32. Prior to the approval of improvement plans, SacSewer Design Standards and Specifications require minimum 6-inch lower laterals for commercial and

industrial buildings.

- 33. Prior to the approval of improvement plans, all onsite sewer plans and offsite sewer plans must be submitted separately to SacSewer for review and approval.
- 34. Prior to the approval of improvement plans, if any proposed garbage enclosure will contain a drain to the sewer, the enclosure must have a roof.
- 35. Prior to the issuance of a building permit, the owner must contact Permit Services Unit at PermitServices@sacsewer.com or by phone at (916) 876-6100 to determine if SacSewer impact fees are due. Fees are to be paid prior to the issuance of building permits. Programs are available that support the economic vitality and job growth in the region by reducing sewer impact fees for eligible commercial and industrial customers. Please visit www.sacsewer.com/confluence-regional-partnership-program to learn more.
- 36. Prior to the approval of improvement plans, the proposed density may be greater than what was planned in SacSewer's Master Plan. SacSewer will require water proposed to be used or discharged each month to verify sewer capacity.

Advisory Notes

- AV1. PLANNING: "Pursuant to Sacramento Planning and Development Code § 17.808.400.A.1.a.ii, the use or development project authorized by this permit must be "established" — as specified in Sacramento Planning and Development Code § 17.808.400.A.1.b or c, as applicable — no later than July 24, 2028, or this permit shall expire and be void."
- AV2. *PLANNING:* This site is not approved for a storefront cannabis dispensary, which would require a major modification of the CUP.
- AV3. *PLANNING:* This site is not approved for any cannabis production use, which would require a separate CUP.
- AV4. *PLANNING:* The M-1S zone requires a 25-foot landscape setback along all street frontages. Per City Code section 17.612.010, All minimum required front-yard and street side-yard setbacks shall be landscaped and maintained. The landscape shall primarily consist of grass, annuals, perennials, groundcover, shrubs, trees, or other living vegetation, provided that artificial turf may be used if it and its substrate is permeable, has a minimum pile height of 1.25 inches, and is not located within the dripline of any trees. Design elements like planters, rocks, mulch, wood chips, bark, or similar elements are permitted when integrated as part of the landscape.
- AV5. *PLANNING:* The approval of this project does not authorize any previous unpermitted work. Any existing unpermitted exterior building or site work is subject to SPDR approval.
- AV6. *BUILDING:* The plans are required to comply with the applicable sections of the California Building Standards Code (California Code of Regulations Title 24

Volumes 1-12).

- AV7. PUBLIC WORKS: The Department of Public Works has no conditions to be placed on the Conditional Use Permit (CUP) application.
- AV8. UTILITIES: The proposed project is located in a Zone X on the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps (FIRMs). Accordingly, the project site lies in an area with no requirements to elevate or flood proof.
- AV9. SASD: Public lower laterals must not be smaller than the upper laterals, sized according to the California Plumbing Code requirements.
- AV10. SASD: The existing building is currently connected to the public sewer. Any required construction and/or modification to the public sewer system must be to the satisfaction of SacSewer prior to the approval of improvement plans. SacSewer Design Standards and Specifications apply to any onsite and offsite public sewer construction.

Respectfully Submitted: Respectfully Submitted:

Robert W. Williams Associate Planner

Thorneetop				
Annrovadi	Thomas Vogt (Jul 15, 2025 11:19 DDT)			

Approved: Thomas Vogt (Jul 15, 2025 11:18 PDT)

Thomas Vogt Senior Planner

The decisions of the Zoning Administrator and Design Director may be appealed to the Planning and Design Commission. An appeal must be filed within 10 days of the decision. If an appeal is not filed, the action of the Zoning Administrator and Design Director is final.

A discretionary permit expires and is thereafter void if the use or development project for which the discretionary permit has been granted is not established within the applicable time period. The applicable time period is either three years from the effective date of approval of the discretionary permit; or the time specified by the decision-maker, if so stated in a condition of approval of the discretionary permit. A use or development project that requires a building permit is established when the building permit is secured for the entire development project and construction is physically commenced.









