

DIRECTOR REPORT

STAFF RECOMMENDATION

Staff recommends the Zoning Administrator approve, with conditions, a Conditional Use Permit for the project known as **Z26-014 (1017 2nd Street Tobacco Sales)**. Draft Findings of Fact and Conditions of Approval for the project are included below.

REQUESTED ENTITLEMENTS

1. **Conditional Use Permit** to allow tobacco retailing at an approximately 1,260 square foot convenience store within the General Commercial (C-3-SPD) zone and Central City Special Planning District (SPD).

PROJECT INFORMATION

Location: 1017 2nd Street

Parcel Number: 006-0073-047-0000

Council District: 4

Applicant: Steven Pasion, Pasion Architecture
P.O. Box 214404
Sacramento, CA 95821

Property Owner: Hossein Entezari
815 27th Street
Sacramento, CA 95816

Project Planner: Sierra Peterson, Associate Planner

Hearing Date: August 27, 2026

Land Use Information

General Plan: Residential Mixed Use (RMU)

Community Plan Area: Central Area

Housing Element Site: No

Specific Plan: Central City

Zoning: Central Business District (C-3-SPD)

Special Planning District: Central City

Planned Unit Development: n/a

Design Review Area: Central City Neighborhood

Parking District: Traditional

Historic Landmark: n/a
 Historic District: n/a

Surrounding Land Use and Zoning

North:	C-3-SPD	Commercial service, retail, restaurant
South:	C-3-SPD	Commercial service, retail, restaurant
East:	C-3-SPD	Interstate 5
West:	C-3-SPD	Commercial service, retail, restaurant

Site Characteristics

Existing Property Area:	±4,263 square feet / ±0.1 acres
Topography:	Flat
Street Improvements:	Existing
Utilities:	Existing
Existing Land Use:	Multi-Tenant Commercial Building

Other Information

Concurrent Files:	None
Previous Files:	P08-107 (alcohol sales; expired)

ATTACHMENTS

Attachment A: Project Plans

PROPOSED PROJECT AND ANALYSIS

SITE CONTEXT

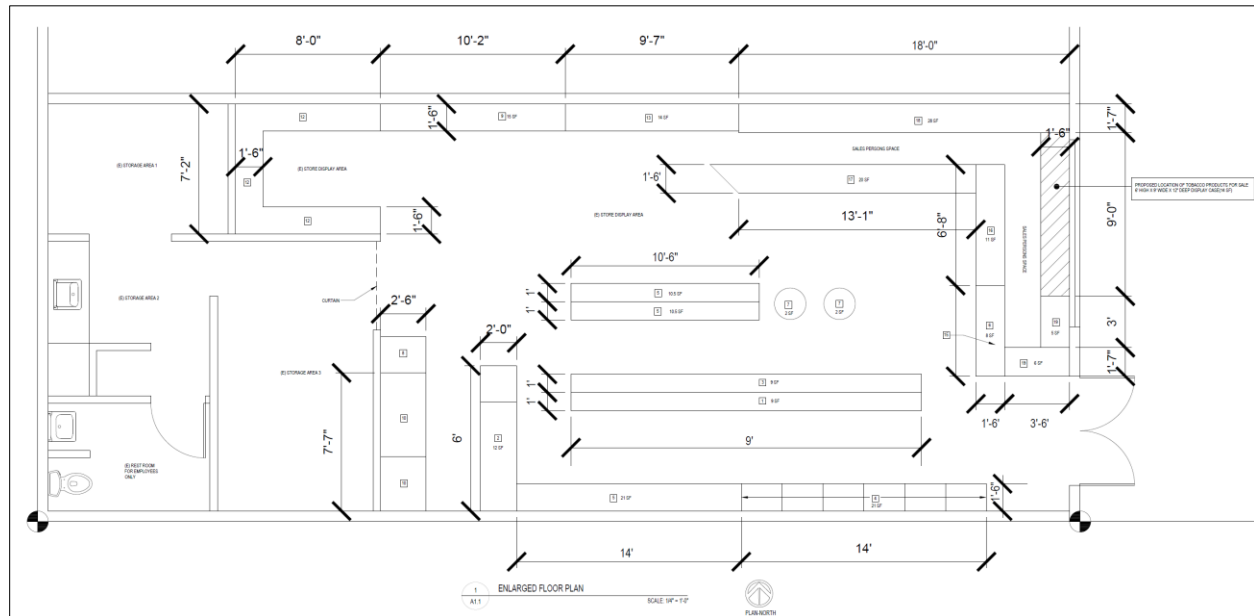
The project is located at 1017 2nd Street, on the east side of 2nd Street at the intersection of J Street/ K Street Alley, within the Central Business District (C-3-SPD) zone and the Central City Special Planning District (SPD). The project parcel is located within the Old Sacramento Waterfront and is surrounded by retail, restaurants, bars, commercial services, office, and residential uses to the north, south, and west. To the east there is an elevated portion of Interstate 5 with a parking garage at ground level. The project site contains a two-story, multi-tenant commercial building. Existing businesses within the commercial building, including restaurants (Slice of Old Sacramento Pizza, Fanny Ann's Saloon, and La Terraza), tattoo shop (Capital Ink Tattoo and Body Piercings), retail (Sacramento Sports and Souvenirs, and Rocky Mountain Chocolate Factory) and convenience store (Capital General Store). The site is served by existing public infrastructure including streets, sidewalks, and wet and dry utility connections in 2nd Street and J Street and K Street Alley.

PROJECT DETAILS

The applicant is requesting to sell tobacco at an existing convenience store (Capital General Store) that currently sells a range of everyday food, drink, and souvenir items. This request requires Zoning Administrator approval of a Conditional Use Permit (CUP) to allow tobacco retailing. It is noted that the applicant has applied for a Tobacco Retailer License (License No. 25-

008255) pursuant to Sacramento City Code (SCC) Title 5, which will not be processed until the business first receives a CUP authorizing tobacco retailing.

Figure 1: Floor Plan



Conditional Use Permit

Tobacco retailing, as defined in SCC section 17.108.210, is classified as a conditional use within the C-3 zone (pursuant to SCC section 17.216.810.B) within buildings less than 15,000 square feet or allocates more than 250 square feet of shelving to tobacco products and tobacco paraphernalia. All tobacco retailers are also required to obtain a Tobacco Retailer License (TRL) and comply with the requirements established in SCC chapter 5.138. As part of the TRL requirements, no license shall be issued, and no existing license shall be renewed, to authorize tobacco retailing within 1,000 feet of a tobacco retailer already licensed (SCC section 5.138.040.B). Based on current licensing information available to staff, the project site is not within 1,000 feet of a licensed tobacco retailer. The nearest tobacco retailer is Jazzi's Steampunk Cigar Co. (License No. 18-020831), located 1,400 feet northeast of the project site at 431 I Street.

The applicant is requesting to sell tobacco products within a small convenience and souvenir store. The proposed floor plan indicates that tobacco products and tobacco paraphernalia would be in the western portion of the store behind the point-of-sale (POS) counter. The eastern portion of the store would contain the existing food, drink, and souvenir items.

The CUP process is designed to evaluate a project's potential impact on a site and the surrounding area. In evaluating the proposed project, staff found the potential impacts generated by the project to be minimal as the tobacco retailing is located in a commercial and tourist area with a variety of existing retail, commercial service, restaurant, and office uses.

The project site is located within a designated disadvantaged community or a food desert pursuant to General Plan Map EJ-4. The area is primarily a tourist and entertainment destination with limited residential uses with two apartment buildings located on 2nd Street and L Street, one church, and a state park. The area does not include any schools, medical, or other sensitive uses. The subject retailer is the only tobacco retailer in the 11-block area of Old Sacramento Waterfront which is an area of the city that is physically separated by Interstate 5 and an at grade parking to the east. This leads staff to believe the tobacco retailing would not result in an unequitable concentration of unhealthy uses in areas of poverty or low access to healthy foods that would run contrary to the goals and policies of the Environmental Justice element of the 2040 General Plan. In addition to tobacco products, the business sells a range of snack foods, beverages, and souvenirs in eastern portion of the store and near the entrance, with tobacco products behind the POS to shield the tobacco retailing from public views. Additionally, staff has conditioned the project to prohibit window advertising of tobacco products and tobacco paraphernalia and require a POS identification check to ensure tobacco is not sold to minors. Based on the above, staff finds that the request is consistent with the General Plan and would not result in a nuisance in that the existing convenience store promotes economic development, employs safety measures to ensure the business has limited disturbances, and provides for a mix of uses along a commercial corridor.

ENVIRONMENTAL CONSIDERATIONS

The proposed development is a “project” as defined in the California Environmental Quality Act (CEQA). The City, as lead agency, is required to proceed in accordance with CEQA requirements prior to considering any approval. Environmental Planning Services of the Community Development Department has reviewed this project and determined that this is eligible to be exempt from the provisions of the CEQA pursuant to CEQA Guidelines section 15301 (Existing Facilities—Class 1). Class 1 consists of projects involving the operation, permitting, and licensing of existing facilities and involves negligible or no expansion of existing or former uses. The project qualifies for these exemptions because it involves the operation of a business within an existing building. This project is not proposing new development nor is it modifying the existing conditions of the site layout regarding ingress/egress. Therefore, the project will not have a significant effect on the environment and no further CEQA analysis is required.

PUBLIC/NEIGHBORHOOD OUTREACH AND COMMENT

The project was routed to the Downtown Sacramento Partnership, Old Sacramento Waterfront, and Preservation Sacramento. All property owners, residents, and neighborhood associations within 500 feet of the subject site were mailed a public hearing notice and a notice was posted at the project site. To date, staff has received no public comments on the project, and there is no known opposition.

FINDINGS OF FACT**ENVIRONMENTAL**

1. The Zoning Administrator finds the Project is exempt from the CEQA pursuant to CEQA Guidelines section 15301 (Existing Facilities—Class 1). Class 1 consists of projects involving the operation, permitting, and licensing of existing facilities and involves negligible or no expansion of existing or former uses. The project qualifies for this exemption because it involves the operation of a commercial business within an existing commercial building with no new construction or expansion of uses.

CONDITIONAL USE PERMIT

2. The proposed use and its operating characteristics are consistent with the General Plan and Central City Specific Plan, in that it allows an active use to continue to operate in a ground level tenant space that contributes to the street frontage and activates the pedestrian realm along a commercial street. Further, the proposed tobacco retailing would not result in an unequitable concentration of unhealthy uses in areas of poverty or low access to healthy foods in that the area is primarily a tourist and entertainment destination with limited residential uses with two apartment buildings located on 2nd Street and L Street, one church, and a state park. The area does not include any schools, medical, or other sensitive uses. The subject retailer is the only tobacco retailer in the 11-block area of Old Sacramento Waterfront which is an area of the city that is physically separated by Interstate 5 and at grade parking to the east. The project is conditioned to employ safety measures to ensure the business operates in a courteous manner by limiting disturbances and nuisances from operations and patrons. The commercial area currently has a multitude of pedestrian oriented commercial services and retail uses to support the neighborhood. The request does not include any physical changes to the exterior of the building thus maintaining the existing vibrancy and architectural character of the corridor.
3. The proposed use and its operating characteristics are consistent, as conditioned, with the applicable standards, requirements and regulations of the Central Business District (C-3-SPD) zone, the Central City Special Planning District (SPD), and the Planning and Development Code in that the purpose of the C-3-SPD zone is to provide for the most intense residential, retail, commercial, and office developments in the city. The project would expand the offerings at an existing convenience store and supports the intent of the zoning designation by allowing a local business to evolve while also adding to the City's tax base and sustaining the commercial viability of this commercial area. Further, the proposed use is allowed within the C-3-SPD zone subject to the approval of a conditional use permit and the use is conditioned appropriately to deter nuisance activities.
4. The proposed use is situated on a parcel that is physically suitable in terms of location, size, topography, and access, and that is adequately served by public services and utilities, in that the project site is located within an intensive commercial district within the

Central City with improved roadways and sidewalks providing multiple points of access to the site for customers, employees, and emergency response. Further, the project is not proposing any modifications to the building, the site, or ingress/egress to the site, and the building has existing utility services that will continue to adequately serve the use.

5. The proposed use and operating characteristics will not be 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, in that it is compatible with the variety of uses within the surrounding area, and is conditioned to ensure that the business will not negatively impact the surrounding area. For example, the proposed use is conditioned to post the name of an emergency contact person and phone number on the exterior of the building in the event of an emergency or to report a complaint as well as establish a clear process for neighboring businesses and residents to communicate directly with a business representative should there be any issues. Further, project is conditioned to prohibit window advertising of tobacco products and tobacco paraphernalia and require a point-of-sale (POS) identification check to ensure tobacco is not sold to minors.

CONDITIONS OF APPROVAL

CONDITIONAL USE PERMIT

- A1. Prior to commencement of tobacco retailing, the applicant shall obtain any required approvals; such as, but not limited to, a Business Operating Tax Certificate with the Department of Finance or a Tobacco Retailer License with the Department of Community Development.
- A2. This approval is valid for three years and subject to SCC section 17.808.400.
- A3. The business shall conduct their operations as a "Good Neighbor" by: a) posting the name of an emergency contact person and phone number on the exterior of the building in the event of an emergency or to report a complaint; and b) establishing a clear process for neighboring businesses and residents to communicate directly with a business representative should there be any issues.
- A4. Tobacco products shall be located behind the point-of-sale (POS).
- A5. A minimum of one "No Loitering" sign shall be prominently placed on the exterior of the building.
- A6. Any window advertisement of tobacco products is prohibited.
- A7. Any signage shall comply with the City Sign Code requirements. All signage is subject to a separate review and approval process through a sign permit.

- A8. The operator shall be responsible for the daily removal of all litter from the site.
- A9. Any graffiti painted or marked upon the premises or on any adjacent area under the control of the applicant shall be removed or painted over with matching paint within 72 hours of being applied.
- A10. Any modifications to the hours of tobacco sales shall require additional planning review and may result in the need for additional planning entitlements.

Police

- A11. Business shall be equipped with and maintain a security system with:
 - a. An alarm system with a valid UL Certificate in accordance with UL 681(ED.15-2014) (Standard for Installation and Classification of Burglar and Holdup Alarm)
- A12. Holdup alarm system shall be employed near the:
 - a. all points of sale;
 - b. safe(s); and
 - c. manager's office.
- A13. A Video Assessment and Surveillance System (VASS) shall be installed at the site and maintained by a property management company, security company, or designee.
- A14. Manager with access to VASS storage shall be able to respond to any activation within two hours.
- A15. Cameras shall be day/night capable with a resolution of no less than two (2) megapixels and a minimum frame rate of 15 frames per second.
- A16. VASS shall be capable of exporting footage to common media in a standard viewing format and shall not require proprietary software for third party viewing.
- A17. VASS shall be capable of storing no less than 30 days' worth of activity.
- A18. VASS shall provide comprehensive coverage of:
 - a. all points of sale;
 - b. safe(s);
 - c. areas of ingress and egress;
 - d. alcohol placement areas (if applicable); and
 - e. at least one camera shall be positioned to get a front face shot (e.g. height strip camera).
- A19. Height markers are required on the interior doorway(s) and shall be installed prior to

commencement of tobacco retailing.

- A20. No more than 10% of the square footage of windows and clear doors for retail purposes shall be blocked by advertising, signs, shelves or anything else. All advertising, signs, and shelving shall be placed and maintained in a manner that ensures that law enforcement personnel have a clear and unobstructed view of the interior of the premises from the exterior public sidewalk or entrance to the premises. All signs shall comply with the City Code.
- A21. Electronic “point of sale” age verification system is required, including:
- a. scans and authenticates ID;
 - b. identifies fake IDs; and
 - c. records dates and times of entry.

Respectfully Submitted:

Sierra Peterson
Associate Planner



Recommendation Approved:

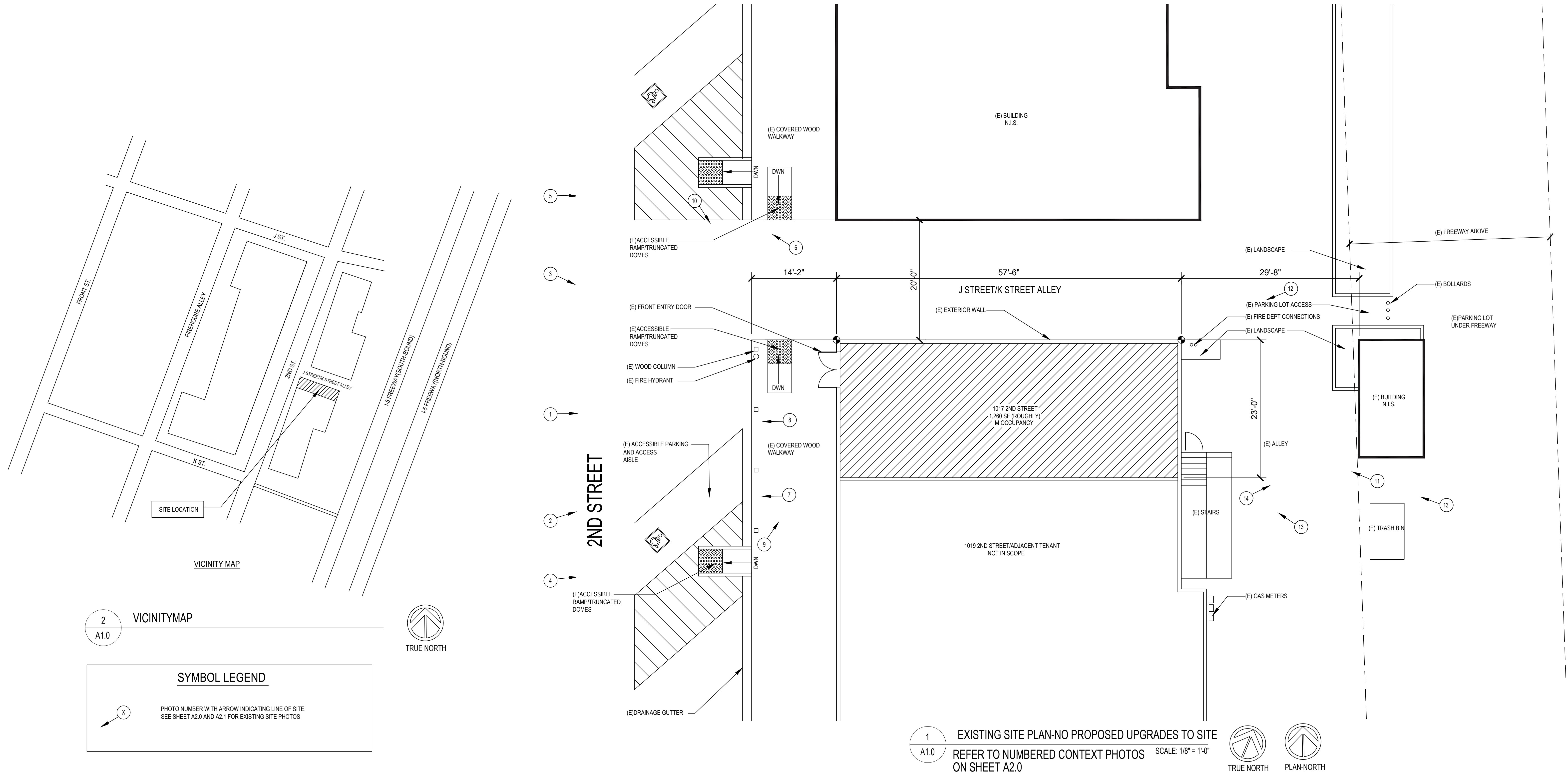
Karlo Felix
Senior Planner

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

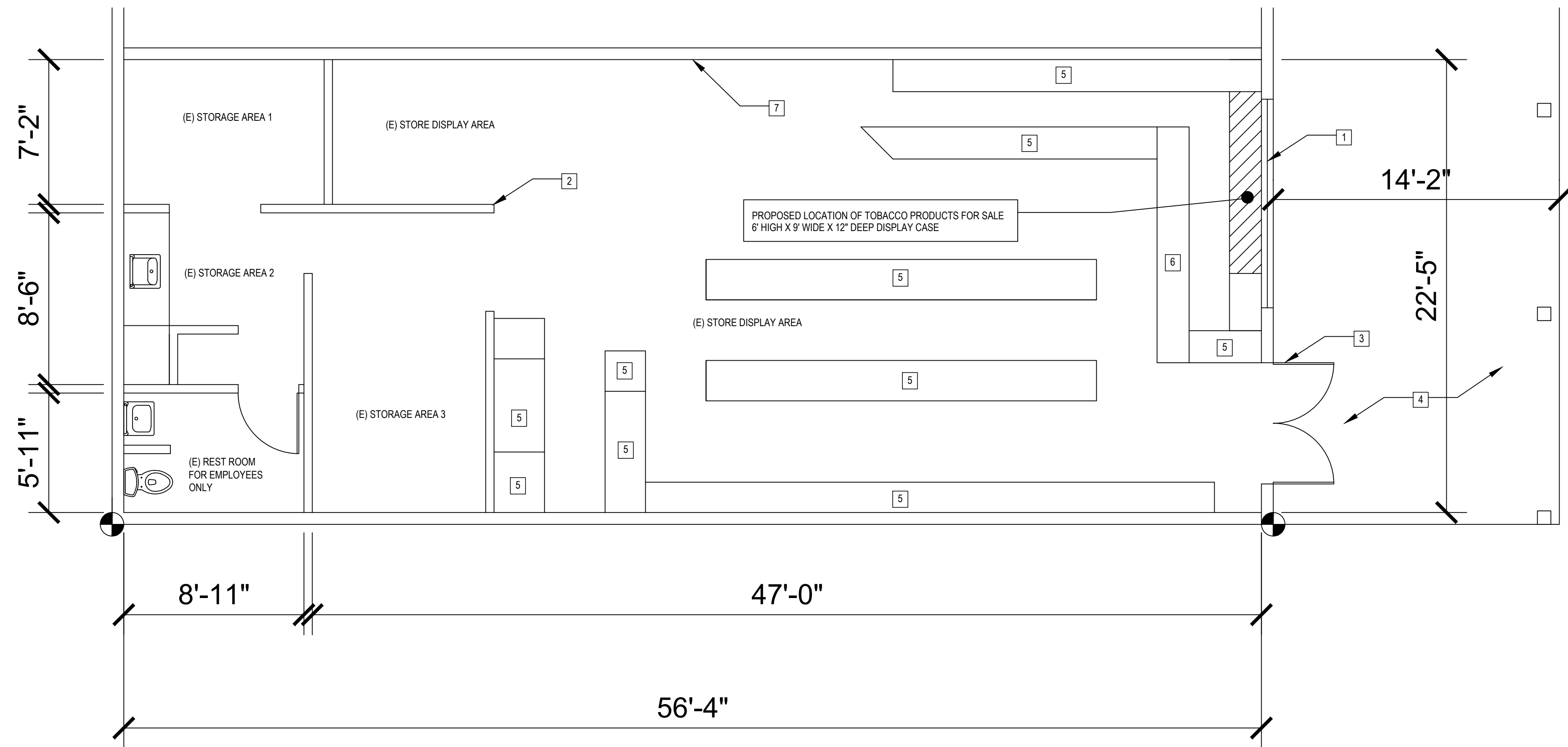
Note: The applicable time period is either three years from the effective date of approval of the discretionary permit; or the time specified by the decision-maker, if so stated in a condition of approval of the discretionary permit. A use or development project that requires a building permit is established when the building permit is secured for the entire development project and construction is physically commenced.

Attachment A
Project Plans

SECOND STREET CONDITIONAL USE PERMIT



BUILDING DATA	PROJECT SUMMARY	CONSULTANTS	SHEET INDEX	PASION ARCHITECTURE 7144 FAIR OAKS BLVD. SUITE A2 CARMICHAEL, CA 95608 (916) 599 -7689 WWW.PASIONARCHITECTURE.COM	
PROJECT NAME: SECOND STREET CONDITIONAL USE PERMIT APN#: 006-0073-047-0000 PROJECT ADDRESS: 1017 2ND STREET, SACRAMENTO, CA 95814 JURISDICTION: CITY OF SACRAMENTO ZONING: C-3-SPD-CENTRAL BUSINESS DISTRICT/SPECIAL PLANNING DISTRICT SITE AREA: 4,263 SF/0.1 ACRES GROSS BUILDING AREA: 11,380 SF FLOOR AREA : 1,260 SF(APPROXIMATION)	THE PROPERTY OWNER IS APPLYING FOR A CONDITIONAL USE PERMIT IN ORDER TO SELL TOBACCO PRODUCTS IN THE EXISTING CONVENIENCE STORE OF M (MERCANTILE) OCCUPANCY. NO UPGRADES ARE PROPOSED FOR THE SITE OR BUILDING EXTERIOR.	<u>OWNER</u> MANSOOR SADRI 1017 2ND STREET SACRAMENTO, CA 95814 MANSOORSADRI@GMAIL.COM (916) 280-6402	<u>ARCHITECT:</u> PASION ARCHITECTURE 7144 FAIR OAKS BOULEVARD, STE. A2 CARMICHAEL, CA. 95608 PHONE: (916) 599 7689 EMAIL: steve@pasionarchitecture.com CONTACT: STEVE PASION		A1.0 EXISTING SITE PLAN AND DATA A1.1 FLOOR PLAN A2.0 PHOTOS OF SITE/CONTEXT PHOTOS A3.0 EXISTING EXTERIOR ELEVATIONS
PROPOSED SITE PLAN					
CONDITIONAL USE PERMIT					
SCALE: AS NOTED					
PLOT DATE: 2-14-2026					
				A1.0	



1
A1.1

FLOOR PLAN

SCALE: 1/4" = 1'-0"



SHEET NOTES				N.I.S. = NOT IN SCOPE	E = EXISTING
1	(E) WINDOW	6	(E) POINT OF SALE COUNTER		
2	(E) WALL, TYPICAL	7	(E) DEMISING WALL		
3	(E) FRONT DOOR	8	(E) ATM DISPENSOR		
4	(E) EXTERIOR WOOD WALKWAY				
5	(E) DISPLAY SHELVES				

PASION ARCHITECTURE 7144 FAIR OAKS BLVD. SUITE A2 CARMICHAEL, CA 95608 (916) 599-7689 WWW.PASIONARCHITECTURE.COM		FLOOR PLAN	
		CONDITIONAL USE PERMIT	
		SCALE: AS NOTED	
		PLOT DATE: 2-28-2026	
			A1.1



1



2



3



4



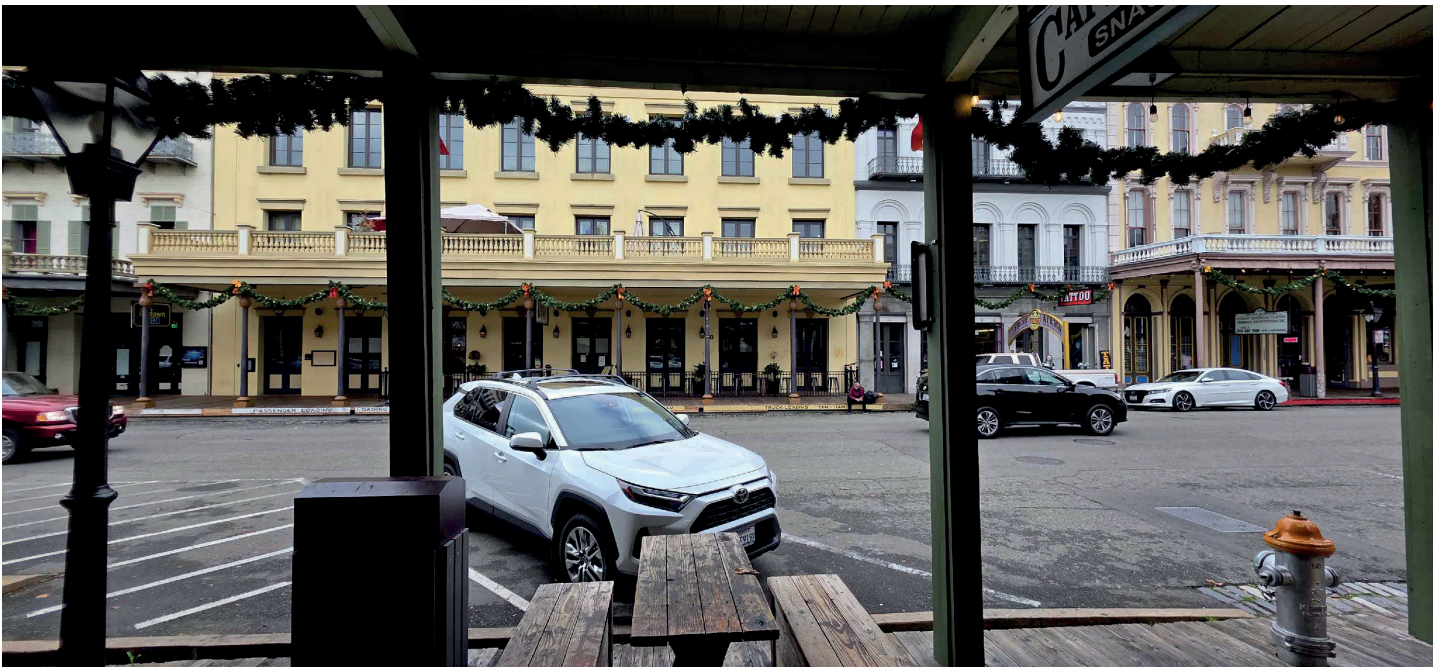
5



6



7



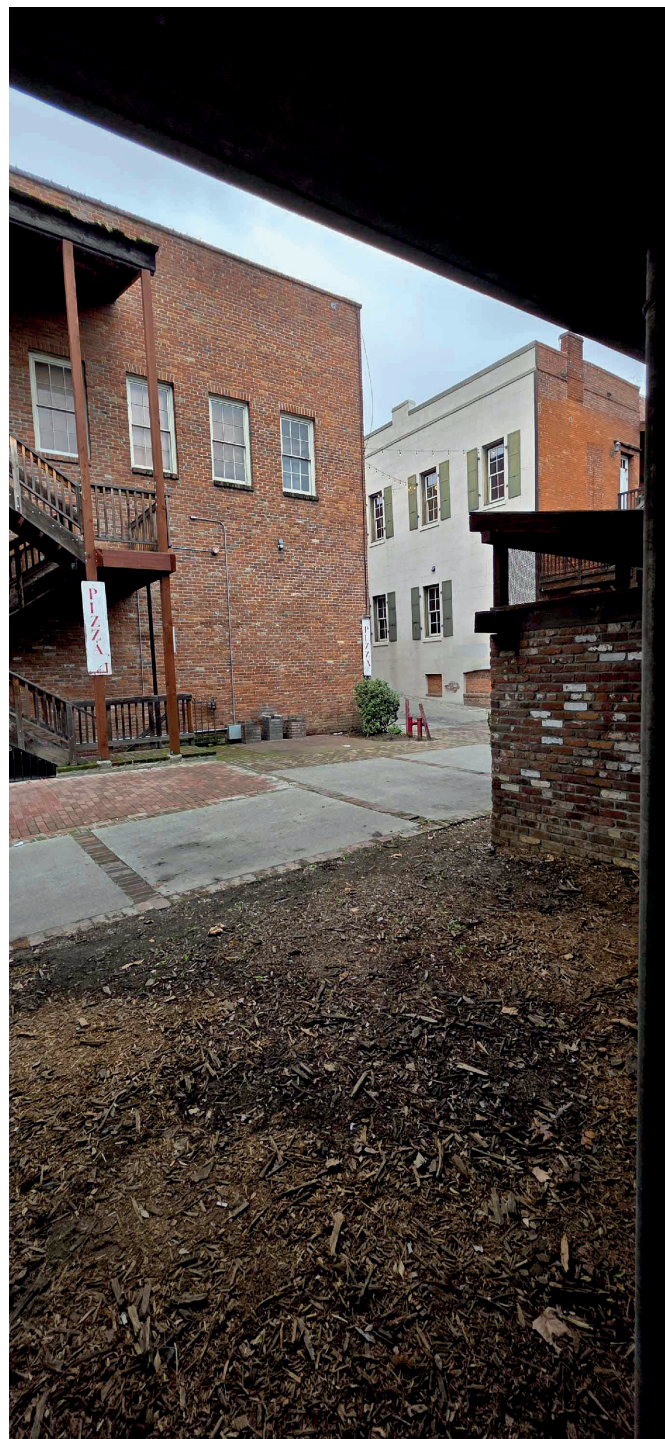
8



9



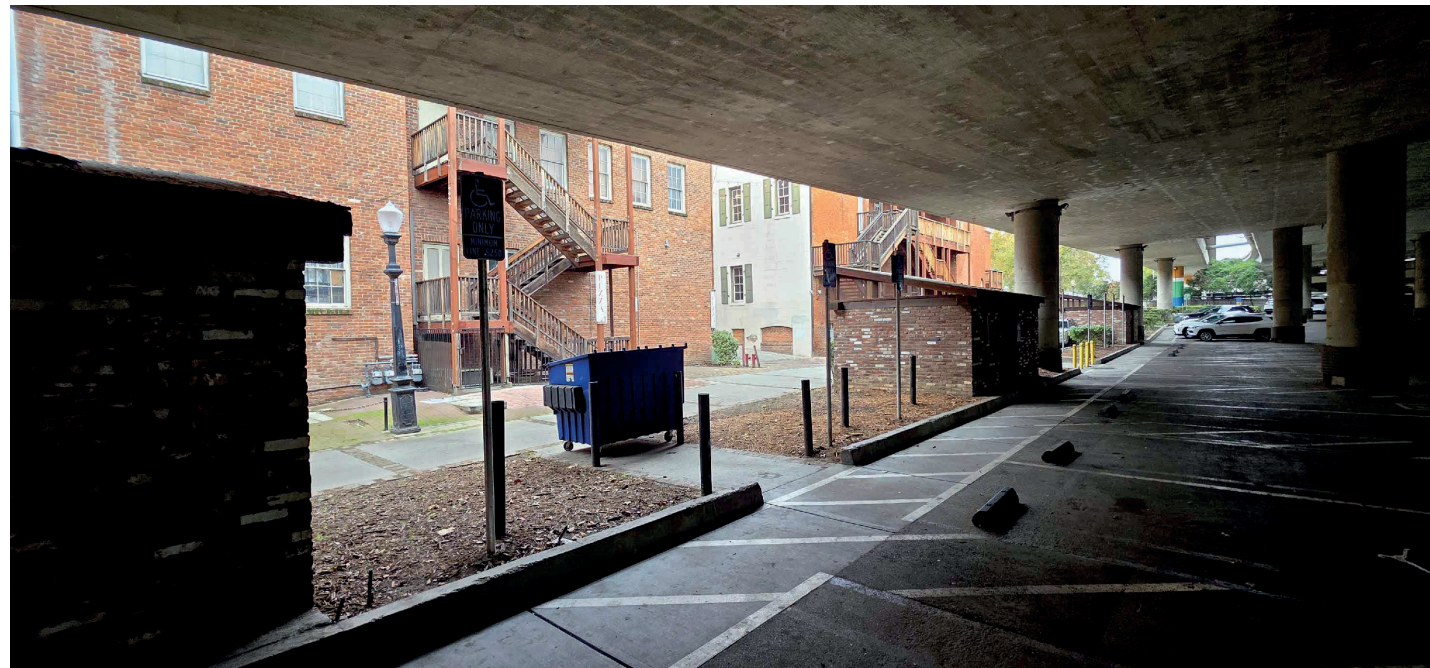
10



11



12

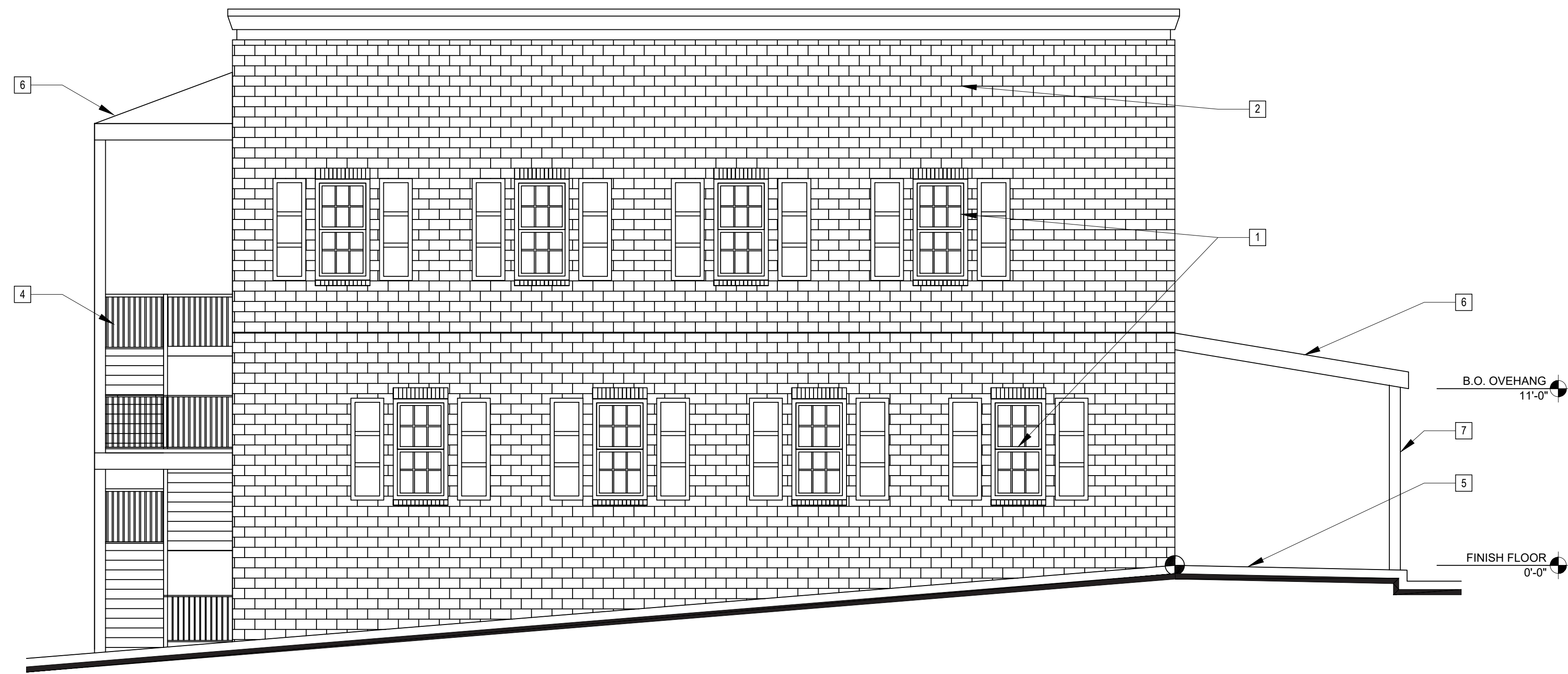


13

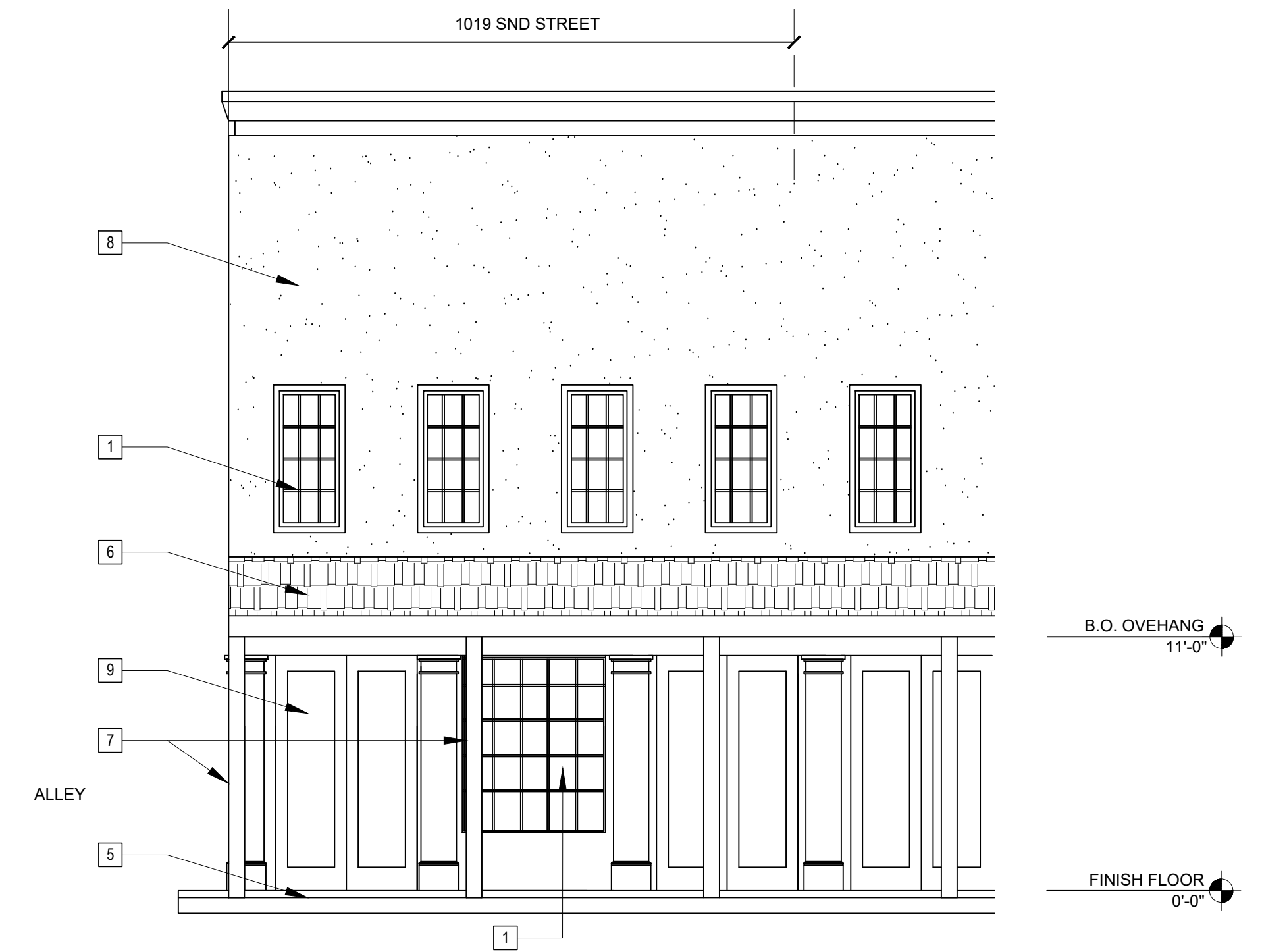


14

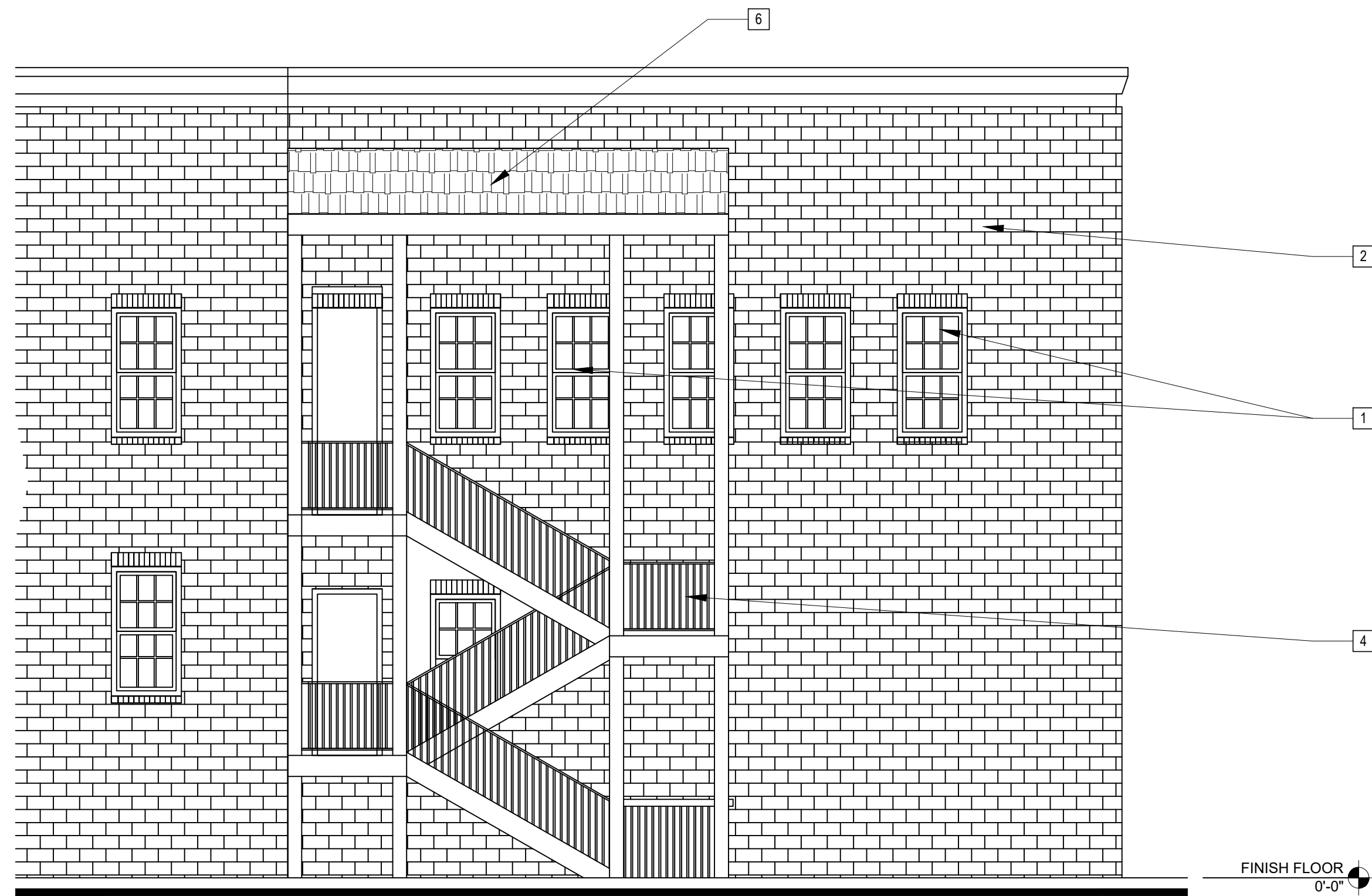
PASION ARCHITECTURE 7144 FAIR OAKS BLVD. SUITE A2 CARMICHAEL, CA 95608 (916) 599-7689 WWW.PASIONARCHITECTURE.COM	EXISTING SITE CONTEXT PHOTOGRAPHS	
	CONDITIONAL USE PERMIT	
	JOB NO.: 2025-12001	
	PLOT DATE: 1-29-2026	
		A2.0



2 NORTH EXTERIOR ELEVATIONS AT ALLEY
A3.0 SCALE: 3/16" = 1'-0"



1 WEST EXTERIOR ELEVATIONS (FRONT)
A3.0 SCALE: 3/16" = 1'-0"



3 EAST EXTERIOR ELEVATIONS (REAR)
A3.0 SCALE: 3/16" = 1'-0"

SHEET NOTES		N.I.S. = NOT IN SCOPE	E = EXISTING
1	(E) WINDOW	6	(E) ROOF
2	(E) BRICK WALL	7	(E) WOOD COLUMN
3	(E) FRONT DOOR	8	(E) PAINTED STUCCO/ CEMENT PLASTER FINISH
4	(E) STAIRS	9	(E) FRONT ENTRY DOOR
5	(E) WOOD WALKWAY		

PASION
ARCHITECTURE

7144 FAIR OAKS BLVD. SUITE A2
CARMICHAEL, CA 95608 (916) 599-7689
WWW.PASIONARCHITECTURE.COM

EXISTING EXTERIOR ELEVATIONS

CONDITIONAL USE PERMIT

JOB NO.: 2025-12001

SCALE: AS NOTED

PLOT DATE: 1-29-2026

A3.0