



REPORT TO PLANNING COMMISSION City of Sacramento

9

915 I Street, Sacramento, CA 95814-2671

PUBLIC HEARING
September 22, 2011

To: Members of the Planning Commission

Subject: All About Wellness (P11-048)

A request to operate a medical marijuana dispensary located in the General Commercial (C-2 NC) zone and located in the Neighborhood Corridor Overlay.

- A. Environmental Determination: Exempt (CEQA Guidelines Section 15301, Existing Facilities);
- B. Special Permit to allow a medical marijuana dispensary on .07± acres in the General Commercial (C-2 NC) zone and located in the Neighborhood Corridor Overlay.

Location/Council District:

1900 19th Street

Assessor's Parcel Number 010-0022-011

Council District 4

Recommendation: Staff recommends the Commission approve the request based on the findings and subject to the conditions listed in Attachment 1. The Commission has final approval authority over items A and B above, and its decision is appealable to City Council.

Contact: Evan Compton, Associate Planner, (916) 808-5260
Stacia Cosgrove, Senior Planner, (916) 808-7110

Applicant: Phillip Blurton, All About Wellness, Inc., (916) 454-4327, 1900 19th Street, Sacramento, CA 95811

Owner: Ronald Horak, (916) 802-8159, 6781 Trudy Way, Sacramento, CA 95831



Summary: The applicant is requesting to operate a 1,350 square foot medical marijuana dispensary. The project site is located at the southwest corner of 19th and S Streets, and the area is composed of residential and commercial uses. The site is currently developed with an existing commercial building. **At the time of writing this report, there were no outstanding issues or concerns regarding the project and the project is considered to be noncontroversial.**

Table 1: Project Information
General Plan designation: Urban Corridor Low (FAR: 0.30-3.00)
Existing zoning: C-2 NC, General Commercial (Neighborhood Corridor Overlay) zone
Existing use of site: Retail/Office Building
Property area: 3,200 square feet or approximately .07 acres

Entitlement History: The building at 1900 19th Street was previously used by Standard Supply USA, an appliance business for commercial and residential. The All About Wellness project was formally submitted on July 11, 2011.

Background Information: In 1996, California voters passed Proposition 215 (The Compassionate Use Act of 1996) which decriminalized the cultivation and use of marijuana by seriously ill people. The possession, sale, cultivation, or transportation of marijuana is ordinarily a crime under California law, however, Proposition 215 made it possible for seriously ill people to cultivate and use marijuana for medical purposes when recommended by a physician who has determined that the person's health would benefit from the use of marijuana. The Act allows patients and their caregivers to possess and cultivate marijuana upon physician approval.

The Medical Marijuana Program, enacted by the State Legislature in 2003, allows medical marijuana patients ("qualified patients") and their primary caregivers to associate with one another in order to collectively or cooperatively cultivate marijuana for medical use by qualified patients. The co-ops and collectives must require membership applications, verify status as a caregiver or qualified patient and refuse membership to those who divert marijuana for non-medical use. They are to acquire marijuana from and allocate it only to members of the co-op or cooperative. State law allows cities and counties to regulate and tax these co-ops and cooperatives, which are also known as medical marijuana dispensaries.

On November 9, 2010, the Sacramento City Council approved two ordinances which permit "medical marijuana dispensaries", under certain conditions, in the City of Sacramento. A medical marijuana dispensary is defined as a cooperative or collective of four or more qualified patients and their primary caregivers, who collectively or cooperatively cultivate and distribute marijuana exclusively for use by the qualified patient members for medical purposes.

Ordinance 2010-037 enacted the City's regulatory permit requirement for medical marijuana dispensaries (administrated by the Revenue Division) and is found in Chapter 5.150 of the Sacramento City Code. One of the conditions is that only the dispensaries that registered with the City of Sacramento by July 14, 2009 are permitted to apply for dispensary permits with the Revenue Division. These dispensaries were required to apply for their Phase I permit by February 7, 2011. Thirty-five of the 39 eligible dispensaries applied by the deadline and of those, 33 have currently met the Phase I requirements and were invited to continue in the application process. These dispensaries are eligible and must apply for a Phase II application with the Revenue Division by October 11, 2011. One of the requirements of the Phase II application is a copy of a valid special permit (City Code 5.150.070). All dispensary permits must be approved by the Revenue Division by January 7, 2012 or the dispensary must cease operation.

Ordinance 2010-038 amended the Zoning Code (Title 17) to allow dispensaries in specified zones subject to special permit review and approval. The Zoning Code requires a Planning Commission special permit in the C-2 zone and a Zoning Administrator's special permit in the C-4, M-1, M-1S, M-2 and M-2S zones when location criteria has been verified. When the dispensaries were notified in writing that they had completed their Phase I requirements (for the most part in April and May 2011), they were also notified of a planner assigned to their dispensary and encouraged to apply for the special permit. In June a second letter was sent to all dispensaries reminding them of the Phase II deadline and encouraging them to apply for a special permit by July 15, 2011.

The Zoning Code also requires a dispensary to be located a minimum of: 300 feet from a residential zone or use; 600 feet from a park, K-12 school, child care center, child care-family day care home, youth-oriented facility, church/faith congregation, substance abuse center, movie theater/cinema, tobacco store; and 1000 feet from another dispensary; HOWEVER, the location requirements do not apply to a dispensary that registered with the city as of July 27, 2009, is operating and has operated continuously at the location for which the special permit is requested since at least October 26, 2010, is organized as a cooperative or collective, and has not been cited or convicted of maintaining a public nuisance or of a public safety violation relating to the operation of a medical marijuana dispensary. If the registered dispensary location does not meet the location requirements a Planning Commission special permit is required, whether the site is located in the C-2, C-4, M-1, M-1S, M-2, or M-2S zone. In evaluating the special permit, staff and the Planning Commission can take into consideration all surrounding land uses and the proposed dispensary's impact on those land uses whether they are residential, non-residential, one of the land uses listed above or another dispensary.

All About Wellness is located in the C-2 NC zone which requires a Planning Commission Special Permit. All About Wellness has been operating at the site since April 2009 and submitted their Special Permit application on July 11, 2011.

Public/Neighborhood Outreach and Comments: An early notice was sent on July 14, 2011 to property owners within 500 feet of the subject site. The project was also routed to the following community associations: Newton Booth, Midtown Neighborhood, Midtown Business, Richmond Grove, and Capitol Area R Street Association.

A public hearing notice was sent to property owners within 500 feet of the subject site and community associations to notify the date and time of the Planning Commission hearing on September 22, 2011.

The City has received letters from a resident in the Central City, Dale Kooyman who supports the medical marijuana dispensary at this location (See Attachment 6) and the Union Pacific Railroad who has concerns about the medical marijuana dispensary use near the railroad tracks (See Attachment 7). The Union Pacific Railroad requests that a seven foot tall fence be erected as a security measure to prevent customers of the dispensary from walking or driving into the path of an oncoming train. Staff has not conditioned the project to erect fencing because: a) patients of the medical marijuana dispensary cannot use the product at the site; b) the site does not abut the railroad tracks; and c) any fencing erected at the subject site would not further the purpose of safety for railroad tracks located ½ block to the east of the dispensary.

Environmental Considerations: The Environmental Services Manager has determined the project is exempt from environmental review pursuant to the California Environmental Quality Act (CEQA) Guidelines (Section 15301). Section 15301 consists of existing facilities involving no expansion of use.

Policy Considerations: The subject site is designated as Urban Corridor Low on the General Plan Land Use and Urban Form Diagram. The Urban Corridor Low designation includes street corridors that have multistory structures and more-intense uses at major intersections, lower-intensity uses adjacent to neighborhoods, and access to transit service throughout. At major intersections, nodes of intense mixed-use development are bordered by lower-intensity single-use residential, retail, service, and office uses. Street-level frontage of mixed-use projects is developed with pedestrian-oriented uses. The streetscape is appointed with landscaping, lighting, public art, and other pedestrian amenities.

2030 General Plan Development Standards

The minimum Floor Area Ratio (FAR) for the Urban Corridor Low designation is .30. The site is currently developed with a 1,350 square foot building on a 3,200 square foot parcel. Therefore, the FAR is .42 and meets the General Plan Development Standards. The applicant is not proposing to make any changes to the footprint of the existing building with this proposal.

2030 General Plan Policies:

The following General Plan Policies support the project:

PHS 5.1.7 Healthy Communities. *The City shall encourage the planning of new communities and revitalization of existing urban areas to achieve improvements in overall public health by encouraging a healthier living environment that includes walkable neighborhoods, access to recreation and open space, healthy foods, medical services, and public transit.*

PHS 6.1.12 Safe and Fair Practices. *The City shall maintain safe and fair business operations and ensure the health and safety of the general public through enforcement of State and local health and safety statues and codes.*

PHS 1.1.7 Development Review. *The City shall continue to include the Police Department in the review of development projects to adequately address crime and safety, and promote the implementation of Crime Prevention through Environmental Design principles.*

Land Use

The applicant proposes to establish a 1,350 square foot medical marijuana dispensary in the General Commercial (C-2 NC) zone and located in the Neighborhood Corridor Overlay. All About Wellness has been established at this location since April of 2009. This dispensary was properly registered with the city manager pursuant to Ordinance No. 2009-033, and is applying for a special permit for the location from which they have operated continuously since at least October 26, 2010. All About Wellness is organized as a cooperative or collective, and has not been cited or convicted of maintaining a public nuisance or of a public safety violation relating to the operation of a medical marijuana dispensary. Therefore, this dispensary is exempt from the proximity restrictions that would otherwise apply (Section 17.24.050(85)(d)).

Staff has evaluated the site and has determined that there are residential uses within 300 feet of the proposed medical marijuana dispensary, a dance school which includes instruction for children, church, and future park site within 600 feet. (See Table 2 on page 7) Staff did not observe any other sensitive uses.

Staff visited the site on several occasions and has observed that the dispensary's operations do not extend beyond the specific location in which they are located. The dispensary operates such that members (qualified patients and caregivers), as well as prospective members, arrive at the parking lot, are escorted into the facility by the security guard, and screened for status of valid identification and if a qualified patient member, the required physician recommendation letter, and a medical marijuana ID prior to accessing the sales area. Furthermore, the parking lot is regulated by All About Wellness staff during business hours to ensure that members are entering and exiting the property efficiently. Staff has observed that members do not remain in the parking

lot after utilizing the dispensary. The main entrance to the dispensary is located on 19th Street. Member parking is located at the rear of the building and the parking lot is generally accessed from S Street and exited on 19th Street. All property owners within 500 feet received the public hearing notice for this medical marijuana dispensary and staff has not received any calls or concerns.

Table 2 below provides specific information regarding sensitive uses in the vicinity of the subject site.

Land Use	Location	Distance from Site
Residential Uses	West, South, North of Site	Within 300 feet
Step One Sacramento Dance School	1920 T Street	346 feet
Berkeley Psychic Institute (Church of the Divine Man)	2018 19 th Street	521 feet
Future Park Site	Northwest Corner of 19 th and R Streets	589 feet

All About Wellness operates a medical marijuana dispensary within a 1,350 square foot commercial building. The hours of operation are Monday through Thursday from 11 am to 7 pm, Friday-Saturday from 11 am to 8 pm, and Sunday from 11 am to 5 pm. The All About Wellness Collective currently has about 12,000 members registered with their dispensary. The facility serves about 200 patients each day and the patient visits are evenly distributed throughout the business operation times. All About Wellness does not allow on-site consumption of marijuana, which is prohibited under SCC Chapter 5.150. The floor plan of the dispensary includes the following: a lobby and reception area; a waiting room; office, break area, and closet which is not open to the public; and a sales area with an armed security guard.

The Police Department has reviewed the security plan for All About Wellness and finds that they have implemented appropriate security measures for this use. The measures include items such as security cameras, panic buttons, alarms with motion detectors, and lighting.

In evaluating special permit proposals of this type, the Planning Commission is required to make the following findings:

- a. Sound Principals of Land Use. The special permit for the dispensary shall be granted upon sound principals of land use. The dispensary is located in the C-2 NC zone and is allowed to apply for a special permit because it has been properly registered with the City prior to the moratorium ordinance adopted on July 14, 2009, and has operated continuously at the subject location since at least October 26, 2010;
- b. Not injurious. The special permit for the dispensary shall not be granted if it will be detrimental to the public health, safety or welfare, or if it results in the creation of a nuisance. The dispensary is located in an area surrounded by residential and commercial uses, provides adequate onsite parking, and operates the business to take into consideration the neighborhood;
- c. Must Relate to a Plan. The special permit for the dispensary must comply with the objectives of the general or specific plan for the area in which the dispensary is to be located. The operation of a dispensary (retail) is consistent with the types of uses located in Urban Corridor Low General Plan designation;
- d. The dispensary has not generated an excessive number of calls for police service compared to similarly situated businesses of the same size as the dispensary. The Police Department has evaluated the number of calls for police service at the proposed address and the calls do not, currently, indicate that the dispensary has generated an excessive number of calls for police service compared to similarly situated businesses of the same size as the dispensary;
- e. The dispensary has not caused secondary criminal or public nuisance impacts in the surrounding area or neighborhood, including, but not limited to, disturbances of the peace, illegal drug activity, marijuana use in public, harassment of passersby, littering, loitering, illegal parking, loud noises, or lewd conduct; and,
- f. The proposed location, size and other development standards of the medical marijuana dispensary are consistent with state law, SCC Chapter 5.150, and the Zoning Code. All About Wellness operates in compliance with the Medical Marijuana Program, and the 2008 Attorney General Guidelines, in addition to the C-2 NC requirements.

Staff believes that the Planning Commission can make adequate findings as required to approve the project. Staff does not have any objections to the requested entitlements.

Access, Circulation and Parking

The proposed project site is located within an existing commercial building. The site has driveway access on 19th Street which is a one-way street heading south. The site also shares a driveway on S Street with an adjacent parking lot, which is under the same ownership.

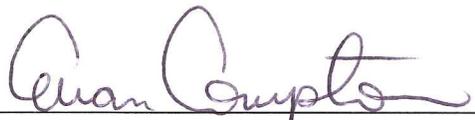
The parking ratio for a medical marijuana facility is the same as for a retail use. Since the project is located within the C-2 NC zone, the parking required is 1 space per 400 square feet. This building is 1,350 square feet and therefore requires three parking spaces which have been provided onsite.

Table 3: Parking			
Use	Required Parking	Provided Parking	Difference
Medical Marijuana Dispensary	3 spaces (1 space per 400 sqft)	3 spaces	No

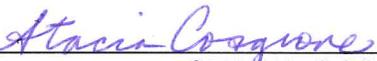
Building Design and Signage

The existing building is comprised of a one story structure with T1-11 siding and asphalt/wood shingle roofing. No exterior modifications or site improvements are proposed as a part of this project. Any future signage will require a sign permit.

Conclusion: Staff recommends approval of the project since the proposal: a) is consistent with the General Plan designation of Urban Corridor Low and the General Commercial (C-2 NC) zone; b) has been reviewed and conditioned by the Police Department for the implementation of appropriate security measures; c) limits the proposed hours of operation for the business to lessen potential impacts on adjacent residential uses; and d) provides adequate onsite parking.

Respectfully submitted by: 
 EVAN COMPTON
 Associate Planner

Approved by:


 STACIA COSGROVE
 Senior Planner

Recommendation Approved:


 for GREGORY BITTER, AICP
 Principal Planner

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Attachment 1
Proposed Findings of Fact and Conditions of Approval
All About Wellness (P11-048)
1900 19th Street

Findings Of Fact

- A. Environmental Determination:** Based on the determination and recommendation of the City's Environmental Planning Services Manager and the oral and documentary evidence received at the hearing on the Project, the Planning Commission finds that the Project is exempt from review under **Section 15301 Existing Facilities** of the California Environmental Quality Act because it involves the use of existing facilities without the expansion of use.
- B. The Special Permit** to allow a medical marijuana dispensary is approved subject to the following Findings of Fact:
1. Sound Principals of Land Use. The special permit for the dispensary shall be granted upon sound principals of land use. The dispensary is located in the C-2 NC zone and is allowed to apply for a special permit because it has been properly registered with the City prior to the moratorium ordinance adopted on July 14, 2009, and has operated continuously at the subject location since at least October 26, 2010;
 2. Not injurious. The special permit for the dispensary shall not be granted if it will be detrimental to the public health, safety or welfare, or if it results in the creation of a nuisance. The dispensary is located in an area surrounded by residential and commercial uses, provides adequate onsite parking, and operates the business to take into consideration the neighborhood;
 3. Must Relate to a Plan. The special permit for the dispensary must comply with the objectives of the general or specific plan for the area in which the dispensary is to be located. The operation of a dispensary (retail) is consistent with the types of uses located in Urban Corridor Low General Plan designation;
 4. The dispensary has not generated an excessive number of calls for police service compared to similarly situated businesses of the same size as the dispensary. The Police Department has evaluated the number of calls for police service at the proposed address and the calls do not, currently, indicate that the dispensary has generated an excessive number of calls for police service compared to similarly situated businesses of the same size as the dispensary;

5. The dispensary has not caused secondary criminal or public nuisance impacts in the surrounding area or neighborhood, including, but not limited to, disturbances of the peace, illegal drug activity, marijuana use in public, harassment of passersby, littering, loitering, illegal parking, loud noises, or lewd conduct; and,
6. The proposed location, size and other development standards of the medical marijuana dispensary are consistent with state law, SCC Chapter 5.150, and the Zoning Code. All About Wellness operates in compliance with the Medical Marijuana Program, and the 2008 Attorney General Guidelines, in addition to the C-2 NC requirements.

Conditions Of Approval

The **Special Permit** to allow a medical marijuana dispensary is **approved** subject to the following conditions of approval:

Planning

1. Any modification to the attached plans shall be subject to review and approval by Planning Division staff prior to the issuance of building permits.
2. The applicant/operator of the dispensary shall comply with the security plan on file with the Revenue Division.
3. A sign permit shall be required for all signage.

Building

4. A building permit shall be required for all work being proposed or work that has been previously done without a permit and all work shall comply with the 2010 California Code of Regulations, Title 24.

Department of Transportation

5. The applicant shall repair/reconstruct the deteriorated portions of the existing sidewalk along 19th Street close to the existing driveway and the existing bus stop per City standards and to the satisfaction of the Department of Transportation.

Police

6. Any door used to admit employees or deliveries shall be equipped with a 180 degree viewing device to screen persons before allowing entry.

7. All exterior lighting fixtures shall be maintained and operational.
8. No public telephone/pay phone shall be allowed on the premises.
9. The proprietor or his agent is responsible for reasonably controlling the conduct of persons on or immediately adjacent to the site and shall immediately disperse loiterers in order to prevent nuisance or unreasonable interference with adjacent properties.
10. There shall be no video/arcade machines maintained upon the premises at any time.
11. All dumpsters shall be kept locked.
12. The applicant shall be responsible for the daily removal of all litter generated by the business, from the subject site, adjacent properties and streets.
13. Sacramento City Codes prohibit smoking of marijuana in certain locations. All members shall sign a statement showing they understand smoking is illegal in the City of Sacramento:
 - Upon or within 1000 feet of the grounds of any school or park;
 - In or within 100 feet of any building or facility to which the members of the public have access, except in a health facility or clinic; or
 - Within 100 feet of any other person, other than a "primary caregiver" as that term is defined in California Health and Safety Code Section 11362.5(e).
14. Notwithstanding that the Dispensary may be exempt from the City's entertainment ordinance (i.e., it may be a private club having an established membership where admission is not open to the public) all forms of Entertainment, including but not limited to, Entertainment hosted, promoted, produced or commissioned by the Dispensary or others are prohibited in the "Dispensary building" and "Dispensary area" (as both are defined in SCC section 5.150.020). For purposes of this condition, "Entertainment" means any single event, a series of events, or an ongoing activity or business, occurring alone or as part of another business, to which members of the dispensary or of the public are invited or allowed to watch, listen, or participate or that is conducted for the purposes of holding the attention of, gaining the attention of or diverting or amusing guests, members, or patrons, including, but not limited to:
 - A. Presentations by single or multiple performers, such as hypnotists, mimes, comedians; musical song or dance acts, plays, concerts, any type of contest; sporting events,

exhibitions, festivals, carnival, rodeo or circus acts, demonstrations of talent; shows, reviews and any other such activity which may be attended by guests, patrons, members of the dispensary or of the public;

- B. Dancing to live or recorded music;
- C. The presentation of recorded music played on equipment which is operated by an agent or contractor of the establishment, commonly known as a "DJ" or "disc jockey." Entertainment does not include ambient music provided through the use of a radio, stereo, juke box, music recording machine or other similar device.

Advisory Notes:

Planning

ADV1. The applicant must apply for a Phase II Medical Marijuana Dispensary Permit with the City Revenue Division by October 11, 2011. The Phase II Medical Marijuana Dispensary Permit must be obtained by, and the dispensary be in operation on December 21, 2011 (90 days from the date of special permit approval) or the special permit shall be automatically revoked (Section 17.24.050(85)(m)(ii)(E)).

ADV2. This medical marijuana dispensary is subject to Footnote 85 (m)(ii)(D) through and including (H) due to their exemption from the location requirements. The applicable text is included below for the reader's convenience:

(D) The special permit shall be deemed automatically revoked if the medical marijuana dispensary ceases operation at any time, voluntarily or involuntarily, for thirty (30) consecutive days.

(E) The special permit shall be deemed automatically revoked if the medical marijuana dispensary fails to obtain a medical marijuana dispensary permit under Chapter 5.150 and commence operation within ninety (90) days of the date of approval of the special permit.

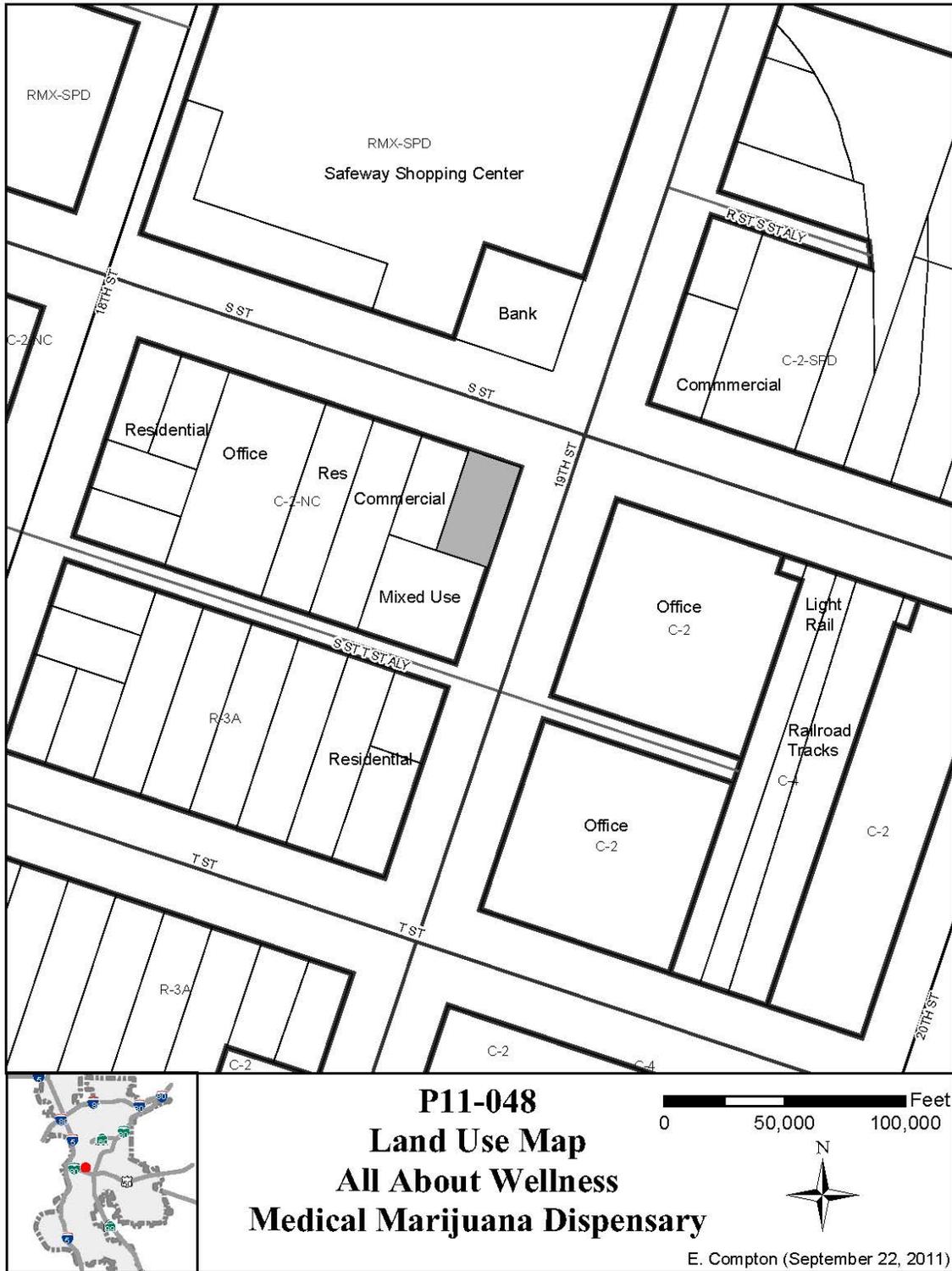
(F) The special permit shall be deemed automatically revoked upon transfer of ownership or management control of the dispensary to another person.

(G) The special permit shall be deemed automatically revoked upon revocation of the medical marijuana dispensary permit issued under Chapter 5.150.

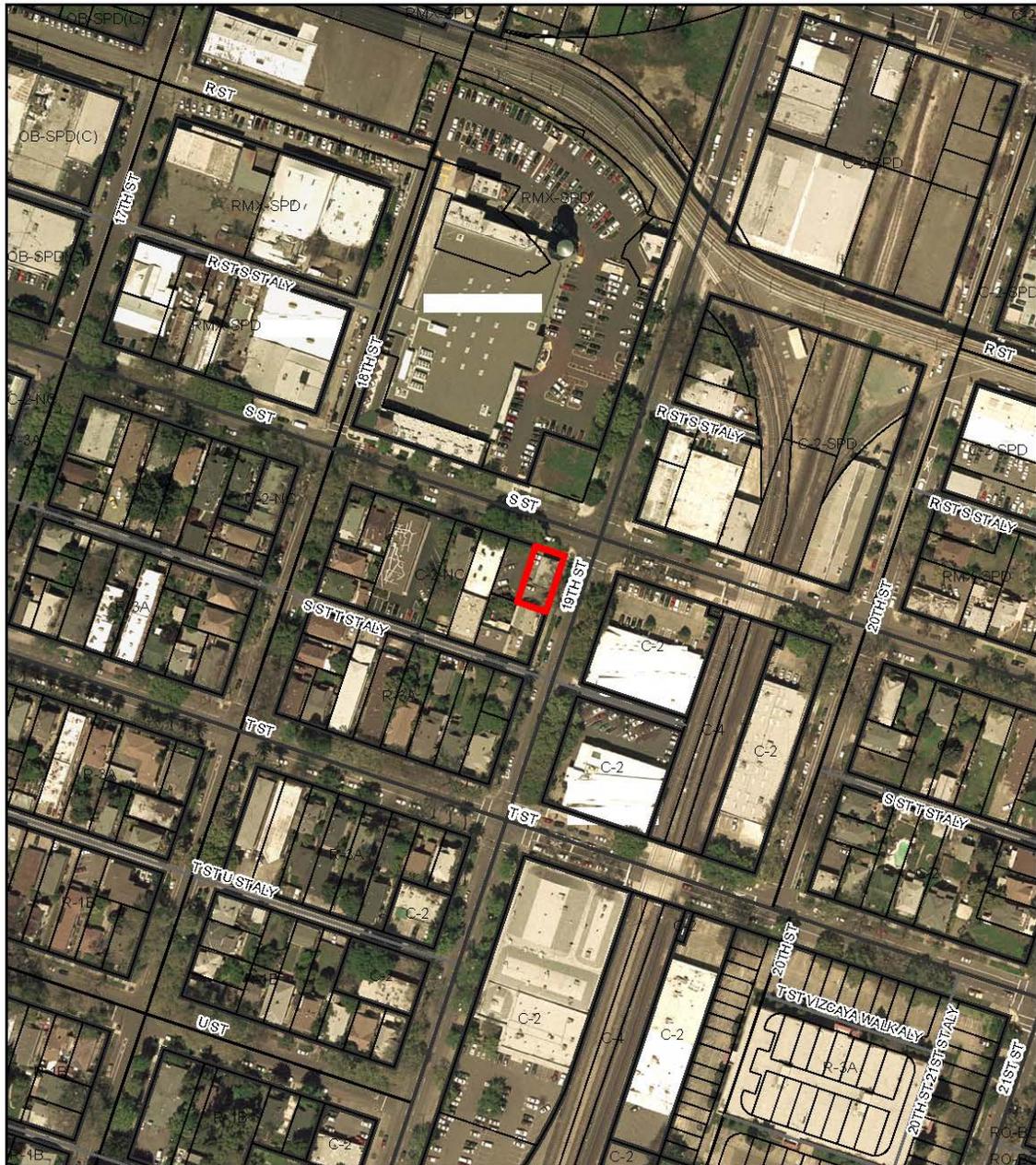
(H) A special permit modification may not be approved to allow an expansion of the registered medical marijuana dispensary.

ADV3. A dispensary shall have a separate and secure area designated for distributing medical marijuana to its members (5.150.130)

Attachment 3: Land Use and Zoning Map



Attachment 4: Aerial Map



P11-048
Aerial Map
All About Wellness
Medical Marijuana Dispensary

0 250 500 Feet



E. Compton (September 22, 2011)

Attachment 5: Building Photos

Looking West - 19th Street Elevation and Front Door



Looking Northeast – Parking Lot and Interior / Rear Sides of Building



Looking South – S Street Elevation



Attachment 6: Letter of Support

Evan Compton

From: Greg Sandlund
Sent: Wednesday, August 03, 2011 10:32 AM
To: Evan Compton; Antonio Ablog; Arwen Wacht
Cc: Stacia Cosgrove
Subject: FW: Medical Marijuana dispensary applications

An email below from Dale Kooyman, who supports the four proposed dispensaries we are processing.

From: dale kooyman [<mailto:kooyman801@gmail.com>]
Sent: Wednesday, August 03, 2011 8:07 AM
To: Greg Sandlund
Subject: Medical Marijuana dispensary applications

The following was forwarded to me by a neighbor. I own property and live within a block of Green Door and walk by J Street Wellness frequently.

I see that the applications for these four business are assigned to three different planners. I believe that I emailed you previously that I supported the city's granting Green Door's application. Please let Ablog and Wacht know that I have no opposition to the others as well. You may forward this email to them.

My support is based on our many months experience that these businesses and their patients are very good neighbors. They are open only for limited hours--closing by 8 p.m.

Personally, based on our past experience with them, I prefer them over than the alcohol clubs, bars and those that call themselves "restaurants" but are open the hours of bars/club. The reason, of course, is that they and their patient customers are far better neighbors

Neither the businesses nor their patient customers have ever caused us neighbors any problems such as loitering near or around the dispensary, noise, vandalism, littering, fighting, arguing, screaming, shouting, cursing, over parking our neighborhoods, stomping on or breaking our lawn sprinkler heads, staggering and falling into our flower, beds and shrubbery, ALL of which the drunken customers of the many alcohol dispensaries in Midtown are guilty of repeatedly, sometimes starting on some evenins as early as 10 p.m and lasting until 3:00 a.m.

If you have any resident objecting to these businesses, I would like to know, so please email me such information.

I have heard that a couple people have stated opposition among neighbors but both these are rabid supporters and customers of the over concentrated number of alcohol clubs and bars in Midtown, so their opposition is hardly objective.

- A Therapeutic Alternative (Project Planner: Arwen Wacht)
- J Street Wellness (Project Planner: Antonio Ablog)
- All About Wellness (Project Planner: Antonio Ablog)
- The Green Door (Project Planner: Greg Sandlund)

Attachment 7: Letter from Union Pacific



Law Department

Gerard Sullivan
Senior General Attorney
(402) 544-4468
(402) 501-0132 (FAX)

August 8, 2011

VIA e-mail to ecompton@cityofsacramento.org;
gsandlund@cityofsacramento.org;
emarshal@cityofsacramento.org;
dallen@cityofsacramento.org
and via facsimile 916-808-7722

City of Sacramento
Community Development Department
300 Richards Blvd., 3rd Floor
Sacramento, CA 95811

Re: Numerous Notices of Applications to Establish Marijuana Dispensaries ("Projects") in the City of Sacramento ("City") at the following locations: (1) 1900 19th Street; (2) 908 21st Street; (3) 515 Broadway; and (4) 1832 Tribute Road, Ste. #, P11-044 ("Sites")

Dear Sir or Madam:

Union Pacific Railroad Company ("UP") has the following objections to the above Projects.

The fact that dispensaries for marijuana are located near UP's right of way increase the likelihood of trespass on the right of way. People with impaired senses on the Sites could possibly create an even greater safety concern of which UP remains vigilantly aware. This could result in trains being forced to proceed more slowly because of the additional people in the area and/or make more frequent emergency stops, which makes rail service less effective and efficient. UP requests that the City analyze and seek to mitigate the impact that the permit for entertainment will have on the UP right of way and rail service by requiring appropriate mitigation measures.

People who consume marijuana could have a greater chance of endangering themselves and others by possibly walking or driving in the path of a train. This creates an unsafe and dangerous condition which could disable or derail a train.

City of Sacramento
August 8, 2011
Page Two

In the event these Projects are approved, at the very least, the requestors should be required to erect and maintain a seven foot or higher security fence to separate the railroad right of way from the dispensaries and parking lot.

Please give notice to UP of all future hearings and other matters with respect to the above Projects as follows:

Mr. Jim Smith
Manager Industry and Public Projects
Union Pacific Railroad Company
9541 Atkinson Street
Roseville, CA 85747

With a copy to:

Ms. Lisa Burnside
Union Pacific Railroad Company
1400 Douglas Street, Stop 1690
Omaha, NE 68179

Please do not hesitate to contact the undersigned if you have any questions or concerns.

Very truly yours,



Gerard Sullivan
Senior General Attorney