



REPORT TO PLANNING COMMISSION City of Sacramento

8

915 I Street, Sacramento, CA 95814-2671

PUBLIC HEARING
October 13, 2011

To: Members of the Planning Commission

Subject: HUGS Dispensary (P11-054)

A request to operate an 1,857 square foot medical marijuana dispensary located in the General Commercial (C-2) zone.

- A. Environmental Determination: Exempt (CEQA Guidelines Section 15301, Existing Facilities);
- B. Special Permit to allow a medical marijuana dispensary.

Location/Council District:

2035 Stockton Boulevard

Assessor's Parcel Number 011-0102-026-0000, -027-0000, &-028-0000

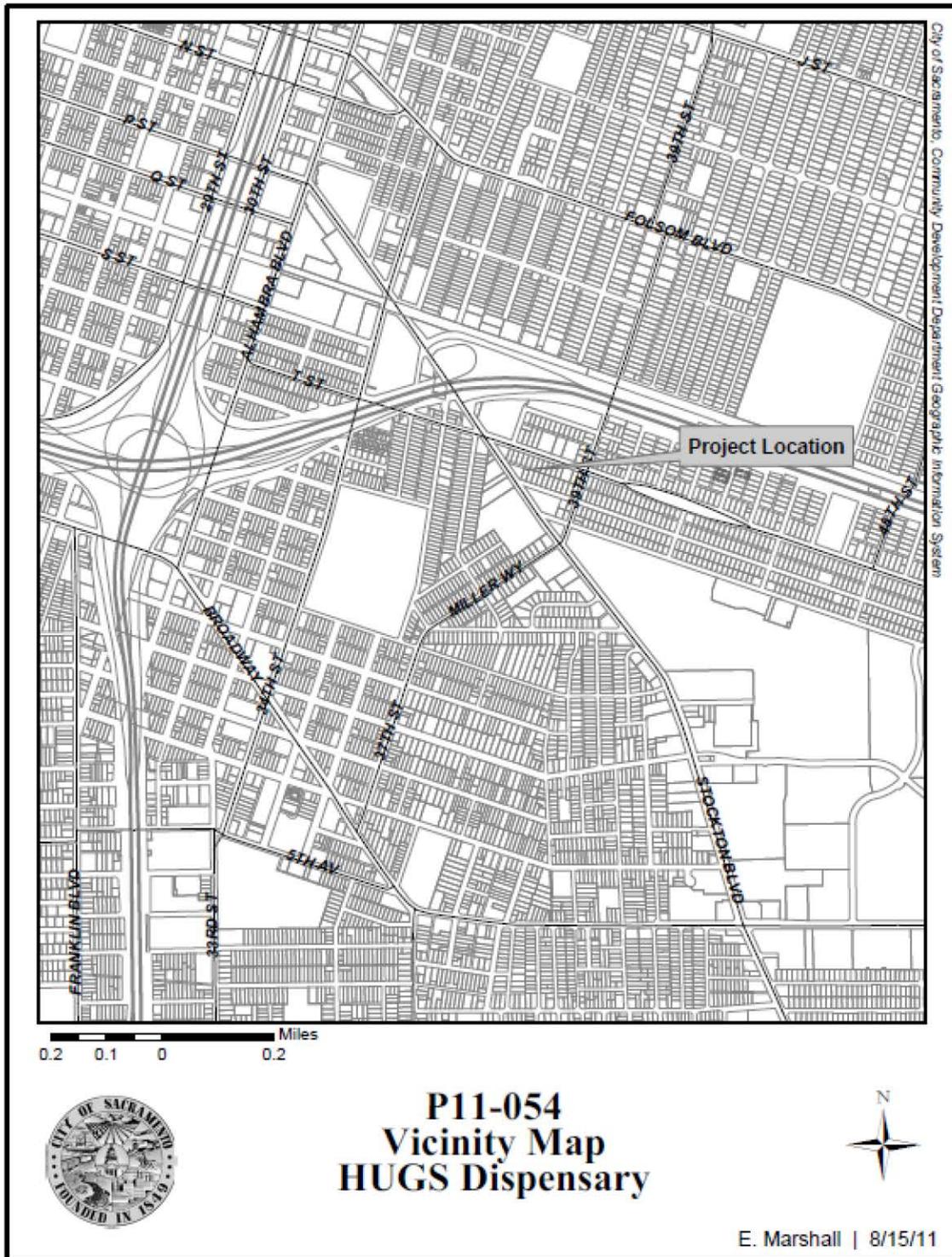
Council District 6

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: Ellen Marshall, Associate Planner, (916) 808-5851
Sandra Yope, Senior Planner, (916) 808-7158

Applicant: Billy Baker, HUGS Dispensary, (916) 862-4136, 2035 Stockton Boulevard, Sacramento, CA 95817

Owner: Hong Kim, (916) 537-2409, 5252 Sunrise Blvd., #6, Fair Oaks, CA 95628



Summary: The project site is located within the C-2 (General Commercial) zone, and surrounded by commercial, medical office and residential uses. The site is currently developed with a 3800 square foot building. The applicant is requesting to operate a 1857 square foot medical marijuana dispensary. **At the time of writing this report, six emails and one phone call were received from surrounding residents in opposition to the project. The neighbors are opposed to the project based on its proximity to single family residences and the potential of the dispensary to bring crime to the area. The project is considered to be controversial.**

Table 1: Project Information
General Plan designation: Urban Corridor Low (FAR: 0.30-3.00)
Existing zoning of site: C-2, General Commercial Zone
Existing use of site: Retail Building
Property area: 21,100 square feet or .48 acres

Entitlement History: The HUGS Dispensary project was formally submitted on July 22, 2011. A lot line adjustment to merge 3 lots into 1 lot was approved on November 14, 1985 (P85-413), but the merger was never finalized. The space occupied by HUGS was formerly used as a medical supply store and offices.

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 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.

HUGS is located in the C-2 zone which requires Planning Commission Special Permit. HUGS has been operating at the site since August 15, 2007 and submitted their special permit application on July 22, 2011.

Public/Neighborhood Outreach and Comments: An Early Project Notification was sent to all property owners within 500 feet of the dispensary and affected Neighborhood Associations on August 18, 2011. A public hearing notice was sent to property owners within 500 feet of the subject site. The City has received letters of support from three residents adjacent to HUGS (see Attachments 6, 7, and 8). Staff received five letters (Attachments 9 – 13) from nearby single family property owners expressing opposition to the dispensary based on proximity to single family residents and concerns over the dispensary increasing crime in the area. The comments received are summarized below, followed by Staff responses to the comments.

- HUGS will bring crime to the area, would not be a good neighbor;
- Dispensary would contribute to existing crime issues;
- Neighborhood nuisance;

HUGS has been in operation since August 2007. The Police Department has evaluated the number of calls for police service at HUGS and the calls do not indicate the dispensary has generated an excessive number of calls for police service. Additionally, the owners of HUGS patrol the parking lot to ensure that customers do not loiter or create unnecessary noise in the parking lot. HUGS hours of operation (10am to 7pm), limits the impacts of the dispensary on the adjacent neighborhood.

- Too close to single family homes;

HUGS is located on the east side of Stockton Boulevard. Stockton Boulevard is a commercial corridor. The HUGS parcel is typical of the Stockton Boulevard commercial corridor, in that, parcels fronting on Stockton are commercial and the surrounding parcels are residential. Although the HUGS dispensary is adjacent to single family homes, this is not a unique situation for retail uses along Stockton Boulevard. The HUGS owners and employees also ensure that there is no on-site usage of medicinal marijuana and the parking lot is monitored to discourage loitering.

- Not appropriate use adjacent to skilled nursing facility;

The skilled nursing facility is located across Stockton Boulevard from HUGS. The skilled nursing facility is not considered a sensitive use in the Zoning Ordinance. Additionally, it is unlikely that the dispensary patrons would cross Stockton Boulevard and impact the skilled nursing facility.

- Across the street from Sacramento County Mental Health Facility which provides care and counseling for persons with alcohol and drug dependency.

- Not appropriate near Gateway Recovery House for Women which treats substance abuse.

The Zoning Ordinance requires dispensaries to be located 600 feet from substance abuse treatment centers, as they are considered a sensitive uses. Sacramento County has indicated the Alcohol and Drug Services Division has moved all the substance abuse treatment from the Sacramento County Mental Health Treatment Center to a facility on Power Inn Road.

The Gateway Recovery House for Women is located 534 feet southwest of HUGS, around a corner on a residential street, Miller Way, which intersects with Stockton Boulevard. HUGS is not visible from Gateway. It is doubtful the residents of Gateway would be impacted by the dispensary as it operates unobtrusively in a commercial area. Furthermore, HUGS does not allow people to enter the dispensary unless they have the appropriate physician's recommendation.

- Children in the neighborhood would be impacted;

The owners of HUGS operate in a discreet manner and the dispensary resides in a non-descript commercial building. The signage advertising the dispensary is smaller than allowed by Code and the majority of people passing by HUGS would not be able to ascertain that HUGS is a medicinal marijuana dispensary. No children are permitted inside the facility unless they are a qualified patient and accompanied by a parent or guardian.

- Increased vehicular and pedestrian traffic.

City Department of Transportation has reviewed the proposal and determined that the dispensary will not have any traffic or pedestrian impacts above a typical retail user.

On September 28th from 5pm to 7pm, HUGS hosted a community open house. The owners walked the neighborhood to introduce themselves to the business and residential neighbors and invite them to the open house.

The public hearing notice was sent to property owners and the site was also posted more than 10 days in advance of the public hearing. Staff has included two conditions of approval that were added by Planning Commission to recent dispensary projects that are within close proximity to residential uses, related to posting contact information and requiring an onsite security guard during business hours.

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 provides for mixed-use corridors throughout the city. Each corridor includes a mix of horizontal and vertical mixed-use development and single use commercial and residential development. Urban Corridor Low 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. Building heights for Urban Corridor Low are between two and six stories.

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 3,800 square foot building on a 21,100 square foot parcel. Therefore, the FAR is .18 and does not meet the General Plan Development Standards. The project site has been in existence prior to 1970s, over 40 years before the current General Plan established the FAR requirement. The applicant is not proposing to make any changes to the footprint of the existing building with this proposal. General Plan Policy LU 1.1.6 allows for renovations or expansions to occur within existing buildings that do not meet the FAR.

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 statutes 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 1,857 square foot medical marijuana dispensary in the General Commercial (C-2) zone. HUGS has been established at this location since August 15, 2007. 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,

HUGS is organized as a cooperative or collective, and has not been cited or convicted or 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 25 single family homes within 300 feet of the proposed medical marijuana dispensary. The single family homes within 300 feet of HUGS are located to the north off of T Street, east off of U Street, to the northwest, off of Gerber Avenue, and one single family home to the west on Stockton Boulevard. Five of the homes on T Street share the alley with HUGS. Two of the homes have garage access from the shared alley. The remaining six homes on T Street do not have any shared access points with HUGS, as HUGS does not front on T Street. There are seven homes on U Street within 300 feet of HUGS. One of the homes shares the alley with HUGS and access on U Street. The remaining 6 homes have access to U Street, as does HUGS. There are six homes on Gerber Avenue within 300 feet of HUGS. These homes do not have any shared driveways with HUGS and are separated from the dispensary by commercial uses and Stockton Boulevard. There is one single family home located west, across Stockton Boulevard from HUGS. This home is surrounded by commercial uses.

Sacramento County Mental Health Treatment Center at 2150 Stockton Boulevard and is located within 600 feet of HUGS, but the hospital no longer provides substance abuse treatment. Staff recently identified a sensitive use, a substance abuse treatment center, within 600 feet of HUGS. The Gateway Recovery House for Women is located at 4049 Miller Way and is 534 feet from HUGS. This facility provides residential recovery home services to women seeking recovery from alcoholism and/or drug addiction. The recovery house is located to the southwest of HUGS, across Stockton Boulevard and three streets away. HUGS is not visible from the recovery house. Staff contacted the executive director by phone and initially the executive director has indicated opposition to the dispensary based on the proximity to their facility and because they have treated patients for marijuana dependency. Subsequently, the executive director contacted staff and rescinded the opposition to the dispensary based on HUGS discreet manner of operation and because none of the counselors at the facility have had any issues with HUGS. There are no schools, places of worship, youth oriented facilities, theaters, tobacco shops or parks within 600 feet of HUGS.

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 monitored by HUGS 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 entrance to the dispensary is located on the south side of the building, near Stockton Boulevard. Member parking is located on the adjacent parcel to the east. The sensitive uses are located on separate parcels to the north, east, and northwest of the dispensary and do not share roadway access or parking with the dispensary. Five of the homes fronting on T Street do share rear alley access with HUGS. The surrounding residents would not come into contact with any of the members of HUGS during their business operations. The twenty five single family homes noted above also received the public hearing notice for this medical marijuana dispensary and staff received letters of concern from six property owners.

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

Table 2: Surrounding Uses		
Land Use	Location	Distance from Site
Single Family Residential	3672 T St.; 3702 T St.; 3708 T St.; 3716 T St.; 3724 T St.; 3732 T St.; 3740 T St.; 3733 U St.; 3741 U St and, 2050 Stockton Boulevard.	1 to 100 feet
Single Family Residential	3748 T St.; 3800 T St., 3749 U St.; and, 3801 U St;	101 to 200 feet
Single Family Residential	3701 T St.; 3707 T St.; 3731 T St.; 3809 T St.; 3808 T St.; 3816 T St.; 3809 U St.; 3817 U St.; 2309 Gerber Ave.; 2041 Gerber Ave.; 2047 Gerber Ave.; 2105 Gerber Ave.; 2109 Gerber Ave.; 2117 Gerber Ave.; and, 2125 Gerber Ave.	201 to 300 feet
Gateway Recovery House for Women	4049 Miller Way	534 feet

HUGS Dispensary operates a medical marijuana dispensary within a 1,857 square foot tenant space within a 3,800 square foot commercial building. The existing hours of operation are daily from 10:00 a.m. to 7:00 p.m. HUGS currently has approximately 1,000 members registered with their dispensary. The facility serves about 20 to 30 members per day with peak times from 11am to noon and 3:00pm to 5:00pm.

The applicant has stated that none of HUGS staff, owners and volunteers have been convicted of felonies nor are they minors. HUGS 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 patient entrance on the south end of the building; the dispensary area; office space, storage, breakroom and restrooms make up the remainder of the building.

The Police Department has reviewed the security plan for HUGS and finds that they have implemented appropriate security measures for this use. 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. There have been 8 calls in the last 4 years. In March 2008, the dispensary was victim of an armed robbery. Since that event, dispensary management has taken affirmative steps to prevent such crime through target hardening, such as the masonry wall in the patient entrance area and security guards, as well as enhanced overall site security. All of their member's information is kept confidential and secure. The lighting within the building and outside of the building provides an added security measure.

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 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. The Title 5 dispensary permit subjects the facility to routine monitoring to assure that it is operating consistent with Title 5 requirements and planning conditions of approval. While there are sensitive uses within the 300-foot and 600-foot radius areas, there is not substantive evidence to suggest that the dispensary will be problematic for the community;
- 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 staff monitors the parking lot to discourage loitering and help disperse patients. The dispensary is located in an area surrounded by commercial and residential uses and operates with a security and business operation plan that takes into consideration the business and residential neighbors;
- 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 (general commercial) is consistent with the types of uses located in Urban Corridor 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. HUGS operates in compliance with the Medical Marijuana Program, and the 2008 Attorney General Guidelines, in addition to the C-2 requirements.

Staff believes that the Planning Commission can make adequate findings as required to approve the project. Staff recognizes there are concerns related to crime, traffic, and proximity to single family uses, however, Staff feels the operators and the security provided will minimize these issues. 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 includes a driveway access point along U Street and along Stockton Boulevard. An alley runs along the east of the site and also provides access. The parking ratio for a medical marijuana facility is the same as for a retail use which is 1 space per 250 gross sq.ft. Based on HUGS size of 1,857 sq.ft., they are required to provide 7 parking spaces. The restaurant located in the same building as HUGS has 54 seats, therefore, because restaurants are required to provide one parking space for every 3 seats, the restaurant is required to provide 18 parking spaces. The two uses combined require 25 parking spaces. The site currently has 38 parking spaces and exceed the required parking.

Building design and signage

The existing building is a one story stucco structure with a glass storefront entry and mansard roof. No exterior modifications or site improvements are proposed as a part of this project. Any new exterior signage is required to meet the City's Sign Ordinance.

The General Commercial (C-2) zone allows up to two attached signs with a combined maximum size of 3 square feet per front foot of building occupancy. The site plan indicates the tenant space has 32.25 front feet of building occupancy therefore signage may not exceed 96.75 square feet. HUGS has two attached signs located on the west and south sides of the building. The signs are 15 square feet each for a total of 30 square feet of signage. The site is also permitted one detached sign, not exceeding one square foot of sign area for each lineal foot of street frontage. The parcel has 180 feet of street frontage, therefore, a detached sign of up to 180 square feet would be permitted.

Respectfully submitted by: Ellen Marshall

ELLEN MARSHALL
Associate Planner

Approved by:

Stacia Cosgrove
for SANDRA YOPE
Senior Planner

Recommendation Approved:

Gregory Bitter
GREGORY BITTER, AICP
Principal Planner

Table of Contents:

Page 1	Report
Page 14	Attachment 1: Recommended Findings and Conditions
Page 19	Exhibit A: Site Plan/Floor Plan
Page 20	Attachment 2: Land Use & Zoning Map
Page 21	Attachment 3: Neighborhood Context Map
Page 22	Attachment 4: Photos of the Site and Neighborhood
Page 25	Attachment 5: Summary of Comments
Page 26	Attachment 6: Letter of Support – Joyce Champion
Page 27	Attachment 7: Letter of Support – Ken Lazzarini
Page 28	Attachment 8: Letter of Support – Stockton Burger
Page 29	Attachment 9: Letter of Opposition – North American Health Care, Inc.
Page 30	Attachment 10: Letter of Opposition – Thomas Savage
Page 31	Attachment 11: Letter of Opposition – Don and Janet Peterson
Page 32	Attachment 12: Letter of Opposition – Jo Ann Zuver
Page 33	Attachment 13: Letter of Opposition – Connie Spickelmier
Page 34	Attachment 14: Petition of Opposition

Attachment 1
Proposed Findings of Fact and Conditions of Approval
HUGS Dispensary (P11-054)
2035 Stockton Boulevard

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:
- 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 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. The Title 5 dispensary permit subjects the facility to routine monitoring to assure that it is operating consistent with Title 5 requirements and planning conditions of approval. While there are sensitive uses within the 300-foot and 600-foot radius areas, there is not substantive evidence to suggest that the dispensary will be problematic for the community;
 - 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 staff monitors the parking lot to discourage loitering and help disperse patients. The dispensary is located in an area surrounded by commercial and residential uses and operates with a security and business operation plan that takes into consideration the business and residential neighbors;
 - 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 is consistent with the types of uses located in Urban Center 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. HUGS operates in compliance with the Medical Marijuana Program, and the 2008 Attorney General Guidelines, in addition to the C-2 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 security guard shall be on duty during business hours.
4. Good Neighbor signage shall be posted near the front entrance of the dispensary to provide the contact information for the Dispensary's Office Manager and the City's Zoning Investigator.

Building

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

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 must 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 in certain locations. All members shall sign a statement showing they understand smoking is illegal in the City of Sacramento:
 - a. Upon or within 1000 feet of the grounds of any school or park;
 - b. 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
 - c. 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 dispensary permit must be obtained by January 11, 2012 (90 days from the date of special permit approval) or the special permit shall be revoked.

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)

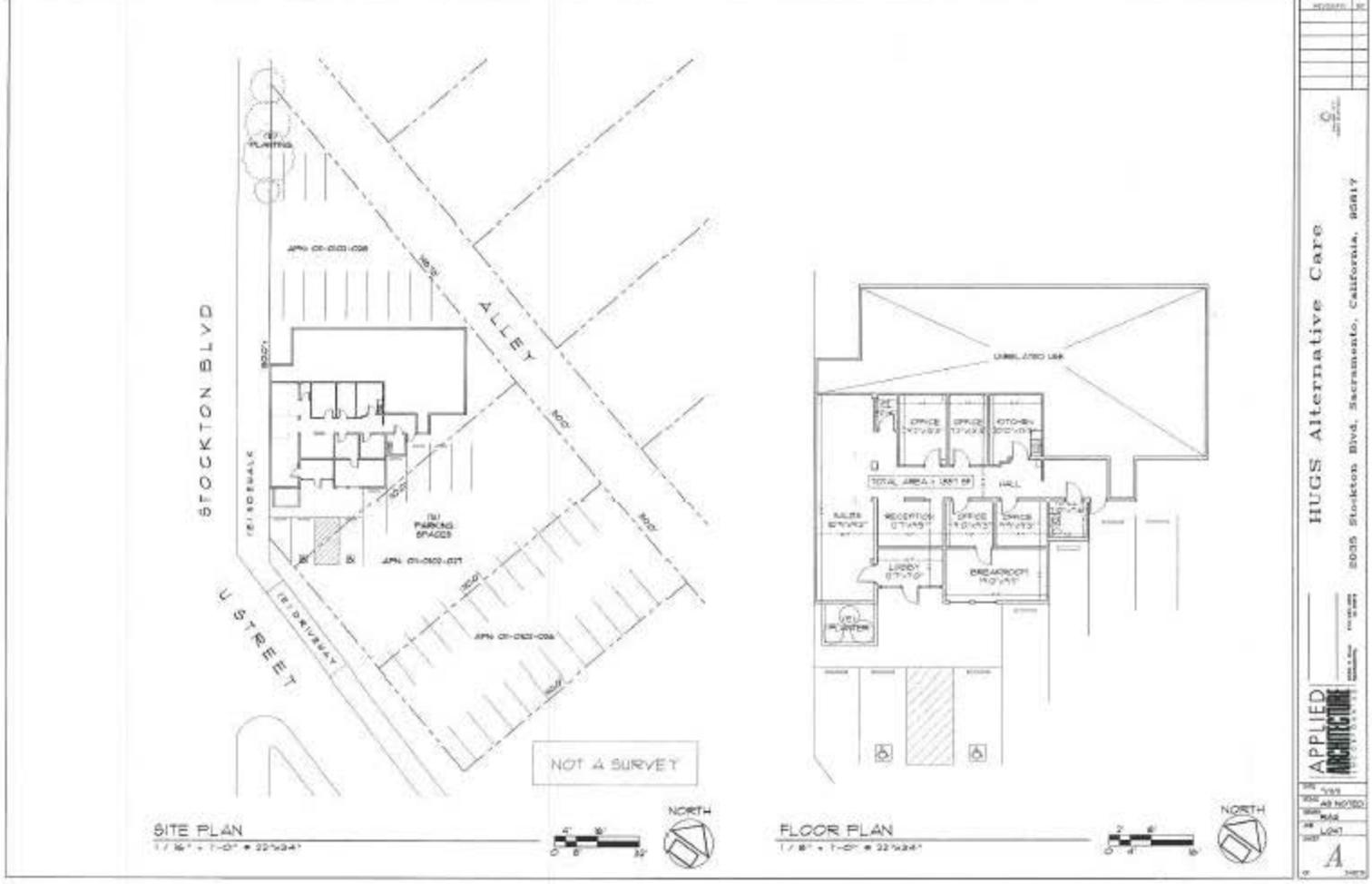
Police

ADV4. The installation of a metal detector is recommended.

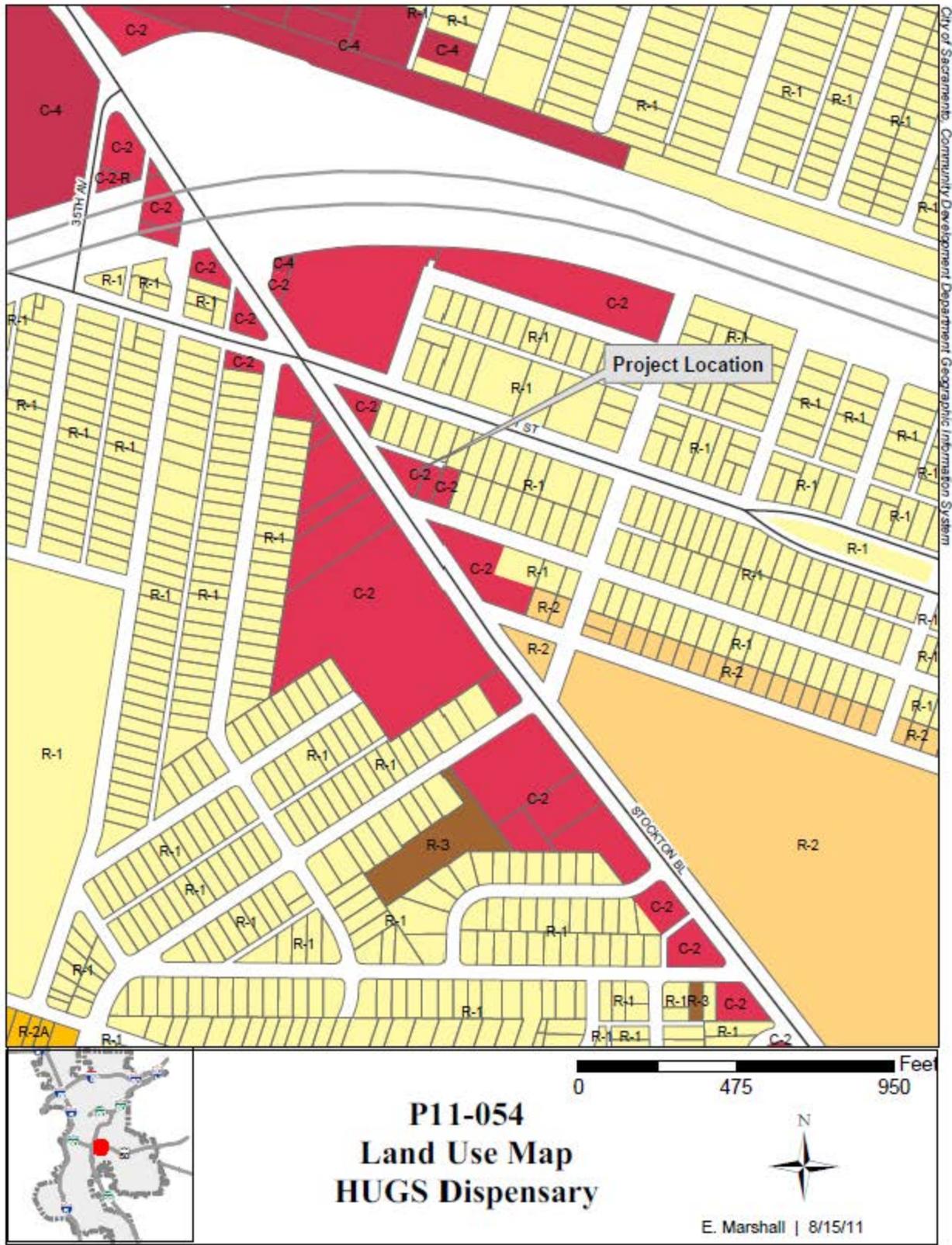
Building

ADV5. The above condition is a Code requirement and cannot be waived.

Exhibit A: Site Plan/Floor Plan



Attachment 2: Land Use and Zoning Map



Attachment 3: Neighborhood Context Map

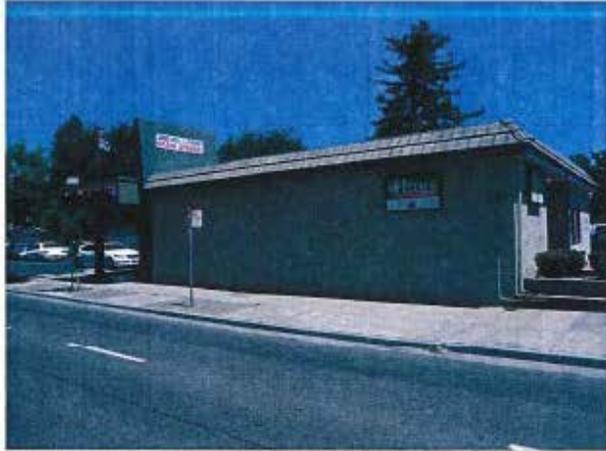


P11-054

Attachment 4: Building Photos and Surrounding Neighborhood Photos



South Elevation



West Elevation



North Elevation

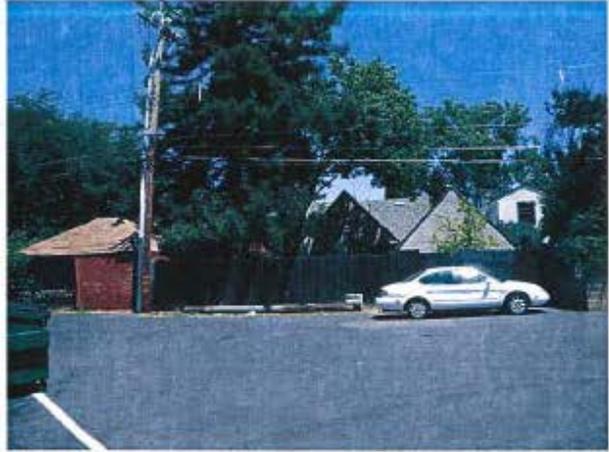


East Elevation

P11-054
JUL 22, 2011



View Looking East (1)



View Looking East (2)

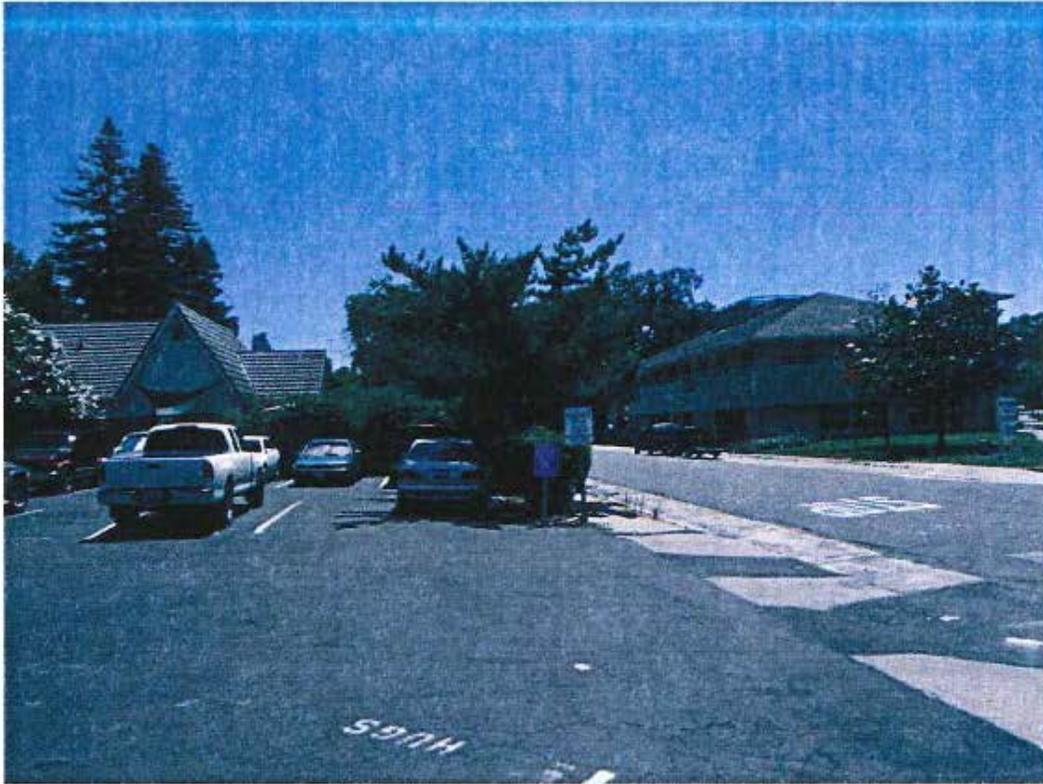


View Looking North



View Looking West

P11-054
JUL 22, 2011



View Looking South

Attachment 5: Summary of Comments

**HUGS Dispensary
Comment Summary**

September 30, 2011

Summary of Supporting Comments

- Good Neighbor.

Summary of Opposing Comments

- HUGS will bring crime to the area, would not be a good neighbor;
- Too close to single family homes;
- Not appropriate use adjacent to skilled nursing facility;
- Dispensary would contribute existing crime issues;
- Children in the neighborhood would be impacted;
- Across the street from Sacramento County Mental Health Facility which provides care and counseling for persons with alcohol and drug dependency;
- Neighborhood nuisance; and
- Increased vehicular and pedestrian traffic.

Support

- Joyce Champion (letter)
- Ken Lazzarini (letter)
- Stockton Burger (letter)

Oppose

- Nancy Caniglia, property owner (call)
- North American Health Care (call/email)
- Thomas Savage, property owner (e-mail)
- Don and Janet Peterson, property owner (email)
- Rose Ratekin (call, email)
- Jo Ann Zuver (e-mail)
- Connie Spickelmier (email)
- Neighborhood Petition

Attachment 6: Letter of Support

To the City of Sacramento

I am a neighbor of Hugs Alternative Care, a medical cannabis dispensary located at 2035 Stockton Blvd.

I am aware of their location and have no problem with them continuing to operate in the neighborhood.

Please approve their application.

Joyce Champion

9-31-11

Date

3817 "U" St.

Address

I think Hugs has always been a good neighbor to me.

Attachment 7: Letter of Support

To the City of Sacramento

I am a neighbor of Hugs Alternative Care, a medical cannabis dispensary located at 2035 Stockton Blvd.

I am aware of their location and have no problem with them continuing to operate in the neighborhood.

Please approve their application.

Ken Lazzarini

8/31/11
Date

3800 T Street
Address 91616

Attachment 8: Letter of Support

To the City of Sacramento

I am a neighbor of Hugs Alternative Care, a medical cannabis dispensary located at 2035 Stockton Blvd.

I am aware of their location and have no problem with them continuing to operate in the neighborhood.

Please approve their application.

Stockton Burger
2033 Stockton Blvd.

8/31/11
Date

Sacramento, CA 95817.

Address

Attachment 9: Letter in Opposition

From: [Catherine Strout](#)
To: [Ellen Marshall](#)
Subject: 2035 Stockton Boulevard - App Number P11-054 - Special Permit for Medical Marijuana Dispensary
Date: Tuesday, August 23, 2011 8:20:33 AM

Ms. Marshall:

I left you a voicemail early evening yesterday. I am the in-house counsel for North American Health Care, Inc. who is the service provider for 35 skilled nursing facilities, one of which, University Post-Acute Rehab, is located at 2120 Stockton Boulevard in Sacramento, California – very close to the above referenced property that is requesting a Special Permit for a Medical Marijuana Dispensary.

Please let us know what can be done to stop such Permit from issuing.

Thank you.

Very truly yours,

Catherine Strout, Esq.

In-house Counsel

Phone: (949) 240-2423 x56

Direct Fax: (949) 218-4694



Warning Confidential Notice

Notice: North American Health Care, Inc. contracts with independent operators to provide facility services that the client must independently evaluate. Operational, administrative or managerial directives are outside the scope of services the North American Health Care, Inc. provides. Individuals serving on the governing body or board of managers of independent operators exercise authority derived directly from their position with that independent operator: no operational, administrative, or managerial authority vests with North American Health Care, Inc. This e-mail is confidential and may constitute privileged, attorney work product, privileged information protected by the right of privacy under state and federal constitutions, and/or Protected Health Information intended only for the addressee (s). The sender wishes to preserve the attorney-client, work product, right of privacy privilege, quality assurance and all other privileges that apply. The e-mail may also be protected by the Electronic Communications Privacy Act, 18 USC Sections 2510, et seq. The sender does not intend to create an electronic record, an electronic signature, or an agreement to conduct a transaction electronically.

Attachment 10: Letter in Opposition

From: [Clint main](#)
To: [Ellen Marshall](#)
Subject: Do Not Allow !!!
Date: Tuesday, August 23, 2011 9:08:50 AM

Re: The proposal for a "Marijuana Dispensary" at 2035 Stockton Blvd. Sacramento.

My Wife and I Request this be DENIED, Refused, Not allowed!

This would bring the criminal element into the area.

We are unable to attend, both Blind.

This is our opinion and wish, NO !!!

Thomas Savage
2124 Gerber Ave.

Attachment 11: Letter in Opposition

From: [Don and/or Janet](#)
To: [Ellen Marshall](#)
Cc: [Kevin McCarty](#)
Subject: Marijuana dispensary
Date: Wednesday, September 07, 2011 3:37:06 PM

Dear Ellen Marshall,

We are sending this email in objection to any special permit being allowed for a marijuana dispensary clinic at 2035 Stockton Blvd., app.# P11-054.

This is a residential neighborhood, and a marijuana dispensary is definitely a negative impact upon our quality of life. The dispensary moved in secretly, with no notice to any of the neighbors, and now intends to be allowed to stay, even though it violates the requirements stated for such dispensaries. The property lines of several residences are immediately next door, and behind the dispensary, and the Sacramento Mental Health facility and a skilled nursing facility are across the street.

The Mental Health facility, at 2150 Stockton Blvd., deals with mental health issues and also with drug and alcohol dependency, providing AA meetings and counseling at the facility. Such meetings and counseling sessions are in direct opposition to the requirements of the city ordinance.

Our neighborhood of Elmhurst is dealing with the expansion of the UCD Med Center, to twice its current size within the next decade, which means much increased traffic, both vehicular and pedestrian, and increased noise (from helicopters, ambulances, patients and shift changes). We have no desire to add to these difficulties the complications of a marijuana dispensary.

Along with our objection, we include in this email the objection of our neighbor, Ms. Rose Ratekin, at 3724 T St. Ms. Ratekin does not have access to a computer or to email, and has asked us to convey her objections along with our own.

Don and Janet Petersen
3740 T Street

Attachment 12: Letter in Opposition

From: [JoAnn Zuver](#)
To: [Ellen Marshall](#)
Subject: proposed medical marijuana dispensary at 2035 Stockton Blvd.
Date: Tuesday, September 13, 2011 3:34:53 PM

Dear Ellen

I received the notice regarding the above planning application, and am definitely against this nearby site being used for the dispensing of marijuana. Our neighborhood has been, over the years, plagued by similar use facilities, and has not been better for it.

On the block where I am, (3748 T) there are six (6) young children, to my knowledge, 5 of whom are under 10 yrs. old. {This includes councilman Keven McCarty's twins}. In addition to these residents, there are many other young families slightly further up on T St., who walk their toddlers, strollers and pets frequently to Starbucks for coffee, etc., Starbucks is on the corner of T and Stockton...right behind the proposed marijuana dispensary. To have this street and these really close- in proximity blocks put upon by undesirable elements again, is a bad idea.

At 39th and T, we have light rail too, which adds a bit to our need to be wary when we're outside.

I recently had a young contractor do some work at my home, over a few days. In his going in and out, to his truck for tools, supplies, etc., he was approached on two separate days, by someone trying to sell him drugs. All we need, is more chance for that to happen!!!

Just how vigilant are we going to have to be, to live in our own homes? It seems to me that there are plenty of convenient locations already in the downtown area. Why should there be yet another one?

With police reports showing that we maybe shouldn't leave our windows open over night, we're already on edge. Again, I believe we're being set up for more trouble/crime right here where we live.

Thank you for your attention to this matter. Please know that long-time residents of T Street are against this proposal.

Jo Ann Zuver

Attachment 13: Letter in Opposition

From: [Connie Spickelmier](#)
To: [Ellen Marshall](#)
Subject: Disapproval of planned Dispensary!
Date: Monday, September 19, 2011 9:45:23 AM

To: Ellen Marshall, Associate Planner
Community Development Department of Sacramento

Date: September 19, 2011

Subject: To register my extreme disapproval of proposed Medical Marijuana Dispensary # P11-054 at 2035 Stockton Blvd. Sacramento

From: Connie Spickelmier
3830 T Street
Sacramento, CA 95816
916-254-0724

As a concerned resident of Elmhurst since 1974, I write this letter to register my official protest of the proposed application for a Medical Marijuana Dispensary located at 2035 Stockton Blvd. (Assessor's Parcel # 011-0102-023-0000) in the Elmhurst Neighborhood of District 6 Sacramento.

This type of business is particularly inappropriate for this family-friendly neighborhood because of the close proximity to our homes located only one block away. At the very least it will create a neighborhood nuisance due to increased vehicle traffic and parking on our streets, increased pedestrian traffic to and from the light rail station at 39th Street.

In addition, this type of business does not belong near the UC Davis Medical Center and hospital-affiliated medical services nor does it belong so close to our neighborhood Tiny Tot Center at Coloma Community Center on T Street.

Many of our young and impressionable high school students will be walking by this dispensary each day to and from Sacramento High School. This will expose them to the idea that marijuana use is acceptable. No marijuana should be allowed to be dispensed this close to ANY school, medical or not! It just makes it too easy for our students and young people to be victimized.

We simply do not want a medical marijuana dispensary in our neighborhood due to legitimate concerns for the safety of our families and children, the possible dispensary clientele, parking and traffic, lowered property values and the potential increased crime related to this dispensary!

I strongly advocate denial of this proposal!
Please stay in touch with me concerning this issue. Thank you.

Sincerely,

Connie Spickelmier
3830 T Street
Sacramento, CA 96816
(916) 254-0724

Petition to Deny Special License to a Marijuana Dispensary at 2035 Stockton Blvd.

We, the undersigned, of the Elmhurst neighborhood, wish to deny the Special License to the Marijuana Dispensary at 2035 Stockton Blvd., Sacramento, CA. The proposed location of the dispensary is in a residential neighborhood; it is across the street from the Sacramento County Mental Health Facility, which provides care and counseling for persons with alcohol and drug dependency, and a skilled nursing facility, and close to Sacramento High School.

<u>Name</u>	<u>Address/Ph#</u>
1. Don Petersen	3740 T St. 451-0892
2. Janet Peterson	3740 T St.
3. ACE [unclear]	3808 T St. 456-5822
4. MCSwitzer	3808 T Street 916 807 0812
5. Connie Spickelmeier	3830 T St (916) 254-0724
6. Connie Spickelmeier	
7. Ron Paulat	3830 T St 916 203 3085
8. Tom Baker	3909 T St 916-452-3865
9. Elizabeth McCarty	3925 T St 916 454-1155
10. MUNE SI	3933 T St 916 784-1508
11. Nirav Patel	3945 T St 203 710 9982
12. JACQUES DEVER	4001 T St 916 761-6579
13. John Joyce	4124 T St 916 214-9095
14. ROBERT McDUGAL	4132 T St 916 454-9209
15. Jamie Mason	4024 T St 916 452-6239 (cell)
16. George Godstet	4008 T St 916-736-0701
17. Bonnie York	4000 T St 916-731-8401
18. Dany McCarin	4000 T St 916-731-8401
19. Darda Egenter	3456 T St 916 456 4779
20. Matt [unclear]	3924 T St 916 456 5612
21. Oriana Wehner	3924 T St 916-456-5612

Petition to Deny Special License to a Marijuana Dispensary at 2035 Stockton Blvd.

We, the undersigned, of the Elmhurst neighborhood, wish to deny the Special License to the Marijuana Dispensary at 2035 Stockton Blvd., Sacramento, CA. The proposed location of the dispensary is in a residential neighborhood; it is across the street from the Sacramento County Mental Health Facility, which provides care and counseling for persons with alcohol and drug dependency, and a skilled nursing facility, and close to Sacramento High School.

<u>Name</u>	<u>Address/Ph#</u>
1. James Bartunich	2916 T-St.
2. Deborah Cregger	3900 'T' Street
3. Steve C. Dupont	2040 39 th St.
4. RUDOLPH SCHROT	2100 39 th Street 916-7121706
5. Carlos Hernandez	3741 W St
6. SUZANNE LAZZARINI	3800 T Street, SAC, CA 916531-0942
7. Shepaly Martine	3716 T Street 916) 3085984
8. Joffie Zuber	3148 T Street 916) 451-2212
9. Jon A. Rosenberg	3901 T St. (916) 457-3663
10.	
11.	
12.	
13.	
14.	
15.	
16.	
17.	
18.	
19.	