

## **SUPPLEMENTAL MATERIAL FOR CANNABIS CONDITIONAL USE PERMIT APPLICATIONS**

The following information is required to be submitted, as noted, as part of the Conditional Use Permit (CUP) application for a cannabis project.

### **Type of Cannabis CUP**

This application can be used to apply for one or more types of cannabis permits. Please mark which cannabis business(es) the application is for and the square footage in the building for the use(s).

#### ***Production:***

\_\_\_ Cannabis cultivation: \_\_\_\_\_ square feet

\_\_\_ Cannabis distribution: \_\_\_\_\_ square feet

\_\_\_ Cannabis manufacturing: \_\_\_\_\_ square feet

#### ***Dispensary:***

\_\_\_ Cannabis dispensary, storefront: \_\_\_\_\_ square feet

\_\_\_ Cannabis dispensary, delivery-only: \_\_\_\_\_ square feet

Total building square footage: \_\_\_\_\_ square feet

If this application is to modify a previously approved CUP (aka - conditional use permit major or minor modification) please list previously approved file number(s) here and explain modification details in the Project Narrative on page 10 of the Planning Entitlement Application:

Previous File Number(s): \_\_\_\_\_

### **Neighborhood Context Map**

An accurate, straight-line drawing depicting the boundaries of the subject property, the boundaries of all other properties within 600 feet of the subject property, and the uses of those properties is **required** at time of CUP application submittal. If the completed map shows that the cannabis project site is within 600 feet of a public or private K-12 school, the application cannot be accepted. If the completed map shows that the site is within 600 feet of a neighborhood park or a community park (if dispensary application, all park types) as defined by the City of Sacramento Parks and Recreation Master Plan, the site does not qualify for Zoning Administrator review and must be reviewed by the Planning and Design Commission.

### **Community Relations Plan**

A Community Relations Plan is required to be submitted to the Revenue Division before a Business Operating Permit can be issued. The plan must describe who is designated as being responsible for outreach and communication with the surrounding community, including residential neighborhoods and commercial businesses, and how the designee can be contacted. A primary goal of the plan is to encourage neighborhood residents to call the community relations manager to solve problems, if any, before any calls or complaints are made to the City. If a community relations manager has been designated, please list the name and contact information (phone number and/or email) on the line below:

Name/Contact Information: \_\_\_\_\_

### **Security Plan**

A draft security plan is **required** as a part of the CUP application submittal. Sacramento City Code Section [5.150](#) contains the minimum components required in the written security plan. The security plan should also include protocols for day-to-day operational security and identify potential risks, remedies and contingency plans. A separate photometric plan for the site should also be included in the plan. As the draft plan contains sensitive information pertaining to the proposed business it will be sent directly to the Police Department to review and will not be a part of the planning application routing to other agencies and groups. An approved final security plan is required prior to issuance of a business operations permit by the Revenue Division.

### **Energy Efficiency**

The cannabis CUP application will be routed to SMUD for their review. Applicants may contact SMUD Strategic Accounts at [strategicaccounts@smud.org](mailto:strategicaccounts@smud.org) or 1-877-622-7683 for help finding the best way to provide reliable and efficient energy solutions for their business.

### **Wastewater Management Plan (Required for Cultivation Applications Only)**

A cannabis cultivation application will be routed to the City Utilities Department for their review. Please respond to the following questions on a separate sheet of paper to assist the department in the review of your project:

1. Describe efforts you plan to exercise to reduce or eliminate, or otherwise control any pesticides, fertilizers or any substances proposed for use within your cultivation processes, as it relates to potential accidental discharge into the wastewater system.
2. Describe how pesticides, fertilizers or other substances will be stored, and what mechanisms (i.e., secondary containment systems) will be in place to prevent an accidental discharge into the wastewater system.
3. Describe the mechanical provisions you will have in place to prevent any potential overflow of water and/or wastewater.
4. Describe the “recycling” process of your irrigation system, and the anticipated percentage of unusable water as compared to water used in operations.

5. What is the volume of water accumulating because of condensation related to your climate control system, and how do you use this water? Because it may contain elements of pesticides, fertilizers and/or other substances, do you filter or otherwise recycle, and do you have secondary containment measures in place? Please describe.
6. Indicate whether a water meter and backflow device have been installed at the site. If installed, please provide proof that these two items are existing on the site.

### **Neighborhood Responsibility Agreement**

A Neighborhood Responsibility Agreement is **required** to mitigate any ongoing adverse effects of cannabis on the surrounding neighborhood. A requirement of a CUP application submittal is that the property owner of a cannabis site agrees to enter into an agreement with the City Manager to pay money to be used by the City of Sacramento ("City") to pay for measures to mitigate the adverse impacts.

Below are the instructions on how to fill out the agreement. The agreement must be filled out and signed by the property owner or the planning application **will not** be accepted by the Planning Division.

- 1: Date agreement signed by the property owner (page 1 of agreement).
- 2: Name of property owner (page 1).
- 3: Check business (or businesses) you are applying for a CUP to operate (page 1).
- 4: Planning file number given at time of application submittal (will start with a P or a Z). This can be filled in by the planner for you (page 1).
- 5: Address where cannabis business will be located (page 1).
- 6: Assessor's Parcel Number of the location of cannabis business (page 1).
- 7: Owner of property is to initial the blank beside one of the two payment options. These are:  
  
Owner will be responsible to make sure that a fee in the amount of 1% of the gross receipts of every cannabis business that is part of the project on the owner's property is paid to the City (page 2); **Or**  
  
The owner of the property will be responsible for having a development impact study conducted (direction will be given by the Office of Cannabis Policy and Enforcement) and then responsible to make sure that a fee in the amount established by the study is paid to the City (page 2).
- 8: Address where property owner would like notices and correspondence from the City to be sent (page 6).
- 9: Name, title and signature of the property owner. The signature of the property owner shall be **notarized** (page 7).

When the Neighborhood Responsibility Agreement is signed by the City Manager (or his/her authorized representative), the final signed agreement will be sent to the property owner by the City Clerk.

**NEIGHBORHOOD RESPONSIBILITY AGREEMENT  
FOR CANNABIS PROJECTS**

This Agreement is made and entered into on \_\_\_\_\_, by and between \_\_\_\_\_ (“Property Owner”), and the CITY OF SACRAMENTO, a municipal corporation (“City”).

**RECITALS**

A. Property Owner plans to develop the following project (the “Project”):

[check all that apply]

- Cannabis production - cultivation
- Cannabis production - nonvolatile manufacturing
- Cannabis production - distribution
- Cannabis dispensary - storefront
- Cannabis dispensary - delivery-only

The Project is identified by City Project No. \_\_\_\_\_, on real property (the “Property”) owned by Property Owner and located at:

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Assessor’s Parcel #: \_\_\_\_\_

- B. Development of the Project on the Property is subject to the special use regulations for cannabis in article IX of chapter 17.228 of the Sacramento City Code.
- C. The Sacramento City Code requires Property Owner to provide a neighborhood responsibility plan that addresses the adverse impacts of the Project on the surrounding area. Compliance with the neighborhood responsibility plan can be achieved through an agreement with the City, conditions of approval on the use permit, or through other means acceptable to the City.
- D. The requirement for a neighborhood responsibility plan may be achieved through means other than this agreement. However, the Sacramento City Council has resolved that the Property Owner shall be deemed to have sufficiently mitigated its neighborhood impact and satisfied the neighborhood responsibility plan

requirement for the Project if the Property Owner voluntarily enters into an agreement for either (a) the periodic payment of 1% of the gross receipts of every marijuana manufacturing business on the Property, or (b) the payment of a fee in the amount established by a development impact fee study.

- E. The scope of the adverse impacts of the Project on the surrounding community are not yet quantified as a specific payment obligation because the impact fee study has not yet been completed. To meet scheduling requirements, Property Owner desires to proceed with development of the Project before completion of the impact fee study. Accordingly, Property Owner has offered to mitigate the adverse impacts of the Project on the surrounding neighborhood and meet the neighborhood responsibility plan requirement by entering into this Agreement.
- F. This Agreement sets forth the terms of the parties' understanding and agreement regarding the Property Owner's future payment.

### **AGREEMENT**

Based on the facts and other matters set forth in the Recitals above, together with the covenants and agreements set forth below, the parties agree as follows:

#### **1. Property Owner's Payment Options.**

Property Owner agrees for itself, its constituents, successors and assigns, that Property Owner will mitigate adverse impacts of the Project on the surrounding neighborhood by one of the following payment options [indicated by Property Owner's initial]:

\_\_\_\_\_ One Percent of Gross Receipts: Pay a fee in the amount of 1% of the gross receipts of every cannabis business that is part of the Project on the Property. Payment shall be made in accordance with section 2 of this Agreement.

\_\_\_\_\_ Fee Established by Study: Pay a fee in the amount established by a development impact fee study approved by the City Council. Payment shall be made in accordance with section 3 of this Agreement.

#### **2. Payment of One Percent of Gross Receipts.**

If the Property Owner selects the option to pay a fee in the amount of 1% of gross receipts, the following terms and conditions apply:

a. Property Owner shall pay 1% of the gross receipts of every cannabis business that is part of the Project on the Property for the term of the conditional use permit.

b. For purposes of this Agreement, the following definitions apply:

(1) "Cannabis business" has the same meaning as in chapter 5.150 of the Sacramento City Code.

(2) "Gross receipts" has the same meaning as in chapter 3.08 of the Sacramento City Code.

c. Payments shall be made monthly to the City of Sacramento, Department of Finance, Revenue Division at 915 I Street, Room 1201, Sacramento, California 95814. City may change the payment address by giving written notice of the change to the Property Owner.

d. Property Owner shall keep complete records of business activities and transactions including sales, receipts, purchases, expenditures and any other record and data relevant to establish and verify the payments made pursuant to this Agreement; and shall retain all such records and data for examination by the City for a period of at least three years. Upon request by the City, the Property Owner shall make such records available for inspection and audit at reasonable times and places for the purpose of administering and enforcing this Agreement.

### **3. Payment of Fee Established by Study.**

If the Property Owner selects the option to pay a fee in the amount established by a development impact fee study in section 1 above, the following terms and conditions shall apply:

a. Property Owner shall pay a fee in the amount established by the development impact fee study approved by the City Council.

b. If the development impact fee study has not been completed and approved before the City's approval of the conditional use permit for the Project, Property Owner shall comply with the fee payment terms established by the study no later than 30 days after the City notifies Property Owner in writing. If the development impact fee study has been completed and approved before the City's approval of the conditional use permit for the Project, Property Owner shall comply with the fee payment terms established by the study prior to the City's approval of the conditional use permit.

c. Payments shall be made to the City of Sacramento, Department of Finance, Revenue Division at 915 I Street, Room 1201, Sacramento, California 95814. City may change the payment address by giving written notice of the change to the Property Owner.

**4. Property Owner Obligations Relative to Establishing the Fee.**

Property Owner understands and agrees that the amount of the fees to be imposed for the mitigation of adverse impacts of the Project will be established based on a development impact fee study performed by or for the City. Property Owner further understands and agrees that an important component of this Agreement is Property Owner's advance consent to the establishment, implementation, and imposition of any such developer fees. City agrees that all property and property owners engaged in cannabis businesses will be treated on a fair and equitable basis in respect to any such fees the City establishes and imposes.

Without limiting the generality of the foregoing, Property Owner for itself, its constituents, successors and assigns, as to the Property, specifically agrees to the following:

a. Property Owner hereby grants advance consent to the establishment, implementation, and retroactive application of any and all fees, exactions, assessments, taxes or other charges established or imposed by City for the purpose of funding the mitigation of adverse impacts of the Project on the surrounding neighborhood. Property Owner further agrees that it will not contest, challenge, or protest the retroactive imposition or application of any such fees, exactions, development fees, assessments, taxes or other charges so established or imposed by City. Without limiting the generality of the foregoing, Property Owner specifically waives the provisions of the Mitigation Fee Act (California Government Code section 66000, et seq.), or any other provision of law providing a procedure for contest or protest of establishment or imposition of fees, exactions, assessments, taxes or other charges of a similar nature.

b. Property Owner agrees and specifically represents to City that it is fully aware of all of its legal rights relative to the advance consents, waivers and other agreements set forth above, having been fully advised by its own independent attorneys. Having such knowledge and understanding of its rights, Property Owner has nevertheless voluntarily entered into this Agreement. Each party is aware that the other party is relying on the representations contained in this section 4 in entering into this Agreement.

**5. Covenants Run with Property Owner's Land.**

The parties agree that all of Property Owner's waivers, advance consents, and

other covenants contained herein are covenants that run with the Property, in accordance with California Civil Code section 1486, and the burden thereof shall be binding upon Property Owner's constituents, successors, and assigns. Property Owner's compliance with this Agreement is a condition of the conditional use permit for the Project issued by the City in accordance with article IX of chapter 17.228 of the Sacramento City Code.

**6. Term of Agreement.**

The term of this Agreement shall commence upon its execution and shall remain effective until terminated by the mutual written agreement of the parties.

**7. Property Owner's Representations Regarding Ownership.**

Property Owner certifies that it owns full legal title to the Property. Each individual executing this Agreement on behalf of a corporation or partnership represents and warrants to City that he or she has been authorized to do so by the entity on whose behalf he or she executes this Agreement and that said entity will thereby be obligated to perform the terms of this Agreement.

**8. Indemnification.**

Property Owner agrees to indemnify, defend, and hold harmless City from any and all claims, costs, expenses, losses and liabilities of whatever nature and whatever kind, including attorneys' fees, made or caused either by signatories hereto or third parties not signatories hereto, that arise out of or are in any way related to, caused by, or based upon any breach of this Agreement by Property Owner or any negligent act of Property Owner under this Agreement.

**9. Notices.**

Any notice, tender, delivery, invoice or other communications pursuant to this Agreement shall be in writing and shall be deemed to be properly given when delivered to the following persons:

- a. If to City:  
CITY MANAGER  
City of Sacramento  
915 I Street  
Sacramento, CA 95814



b. If to Property Owner:

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Any party may change that party's address for these purposes by giving written notice of the change to the other parties.

**10. Governing Law.**

This Agreement and the legal relations between the parties shall be governed by and construed in accordance with the laws of the State of California.

**11. Waiver.**

The waiver by any party to this Agreement of a breach of any provision of this Agreement shall not be deemed a continuing waiver or a waiver of any subsequent breach of that or any other provision of the Agreement.

**12. Partial Invalidity.**

If any term or provision of this Agreement or the application thereof shall be determined by a court of competent jurisdiction to be invalid or unenforceable, or prohibited by law, the remainder of this Agreement, or the application of such term or provision to persons, entities or circumstances other than those as to which it is held invalid or unenforceable or prohibited, shall not be affected thereby, and each such term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

**14. Assignment.**

This Agreement may not be assigned by either party without the written consent of the non-assigning party, and any purported assignment without such consent shall be void.

**15. Entire Agreement.**

This Agreement constitutes the entire agreement and understanding between City and Property Owner concerning the subject matter contained herein.

**IN WITNESS WHEREOF** this Agreement has been executed by the parties hereto on the date first above stated.

**PROPERTY OWNER:**

\_\_\_\_\_  
Print Name

By: \_\_\_\_\_  
Signature

Title: \_\_\_\_\_

By: \_\_\_\_\_ \*

Title: \_\_\_\_\_

*\* **Note:** If the Property Owner is a corporation, the following two signatures are required (1) the first signature by either the Chairman of the Board, the President, or any Vice President of the corporation; and (2) the second signature by either the Secretary, any Assistant Secretary, the Chief Financial Officer, or any Assistant Treasurer of the corporation.*

**CITY OF SACRAMENTO**

A Municipal Corporation

By: \_\_\_\_\_  
Howard Chan, City Manager

**APPROVED AS TO FORM:**

\_\_\_\_\_  
City Attorney

**ATTEST:**

\_\_\_\_\_  
City Clerk