



City of Colusa, California

STAFF REPORT

DATE: September 1, 2026
TO: City Council – Action Item – Public Hearing
FROM: Jake Morley, Planning Consultant

AGENDA ITEM: The project includes the adoption of a Development Agreement and Colusa Municipal Code Text Amendment for a Cannabis Dispensary, approval of a Use Permit and finding the project exempt pursuant to the California Environmental Quality Act - Cannabis at 2967 Davison Court (APN 017-150-007) - Colusa Responsible and Compliant Retail LLC (Embarc).

Recommendations: The Planning Commission and Staff recommend that the City Council hold a public hearing on the proposal and, under separate motions, adopt/introduce the following (for references, resolutions are adopted and ordinances are introduced):

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLUSA APPROVING A CANNABIS USE PERMIT FOR COLUSA RESPONSIBLE AND COMPLIANT RETAIL LLC (EMBARC) AND FIND THE PROJECT EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT PURSUANT TO 15061.B.3 – COMMON SENSE EXEMPTION (“PROJECT”)

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COLUSA APPROVING THE DEVELOPMENT AGREEMENT BETWEEN THE CITY OF COLUSA AND COLUSA RESPONSIBLE AND COMPLIANT RETAIL LLC (EMBARC) (DA 26-01)

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COLUSA AMENDING APPENDIX A – CHAPTER 21.5, CANNABIS REGULATIONS, SUBSECTION 21.5.01(A), OF THE COLUSA MUNICIPAL CODE AND FINDING THE ORDINANCE EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

REPORT IN BRIEF

The proposed project is to permit a Cannabis Dispensary at 2967 Davison Court (APN 017-150-007), located in the southeast quadrant of the city near lands known as the Colusa Industrial Property and the Colusa County Municipal Airport. The project includes the following components:

1. Development Agreement
2. Text Amendment to the Colusa Municipal Code, Appendix A – Article 21.5 Cannabis Regulations
3. Use Permit – Cannabis Permit

BACKGROUND AND ANALYSIS:

In 2025, the City Council opened the permit window for Cannabis Dispensary businesses to apply for permits. The Embarc team met with staff and discussed their desire to apply for a permit. Before the application window closed, Embarc successfully applied.

The proposed dispensary would be located at 2967 Davison Court, Suite B (APN 017-150-007) (See **Location Aerial, Attachment 4**), which is 1.74 acres in size and located within the CG – General Commercial zoning district and within the B1 and C1 Airport Land Use Overflight zone. The subject site contains a 9,380-square-foot structure and associated improvements, including parking lots, lighting, and landscaping. The proposed dispensary would occupy a 1,116-square-foot suite within the structure.

Currently, the Colusa Municipal Code (CMC) permits a cannabis dispensary (Storefronts) to be located within the M-1 Lighting Industrial zoning districts, which are located on lands on the north side of East Clay Street and on the city-owned Perilli building on Will S. Green Road.

In this instance, the entirety of Davidson Court lies within the C-G General Commercial zoning district and abuts the M-2 Lighting Industrial zoning district, on CIP and the Colusa County Municipal Airport property and lands that abut them.

To permit a cannabis dispensary within the C-G General Commercial zoning district, the applicant has applied to modify the existing CMC to specifically designate a specific parcel zoned C-G General Commercial for a dispensary. Rather than modify the CMC to permit a dispensary in the entire C-G General Commercial zoning district, which occupies other areas of the city (i.e., Riverfront District, Town and Country Shopping Center).

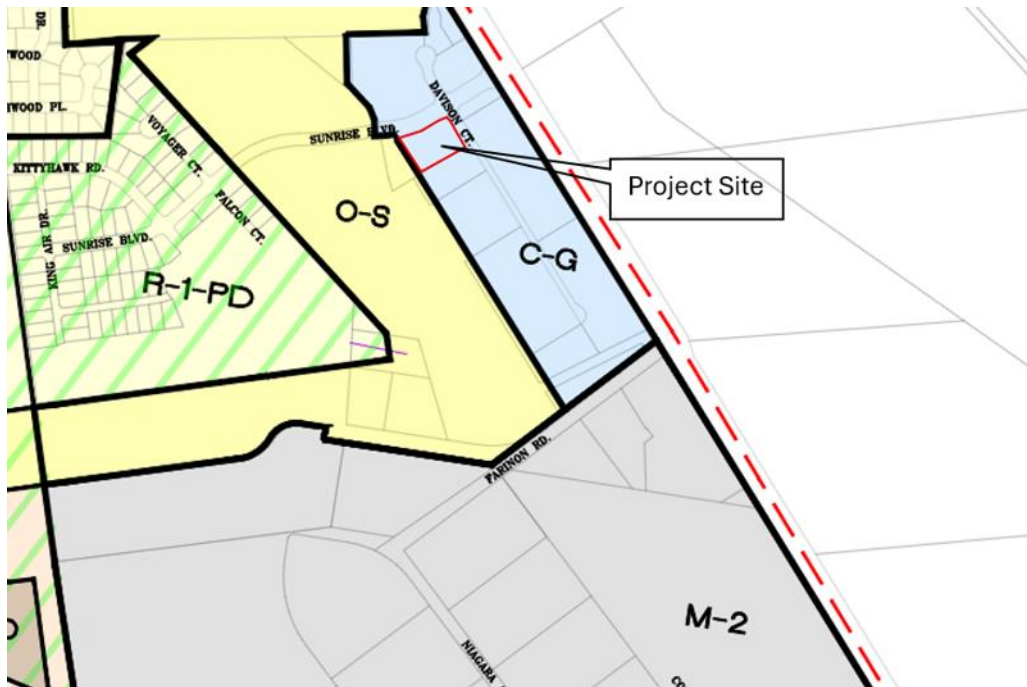


Figure: Screenshot from Colusa Zoning Map

Article 21.5 Cannabis Regulations of the CMC defines “dispensary” or “retail cannabis business” as:

A cannabis business facility where cannabis, cannabis products, or devices for the use of cannabis or cannabis products are offered, either individually or in any combination, for retail sale, including an establishment (whether fixed or mobile) that delivers, pursuant to express authorization, cannabis, and cannabis products as part of a retail sale.

Project Site

Embarc will occupy the 1,116 square foot Suite B of 2967 Davison Court (See **Overall Site Plan, Attachment 5**). The project site is accessible by vehicle from Sunrise Boulevard and Davison Court via a driveway entrance. The access from Davison Court also serves two additional office structures to the south. Pedestrian access is from Sunrise Boulevard to the north. The parking lot contains 44 parking stalls on both sides of the structure. The site is landscaped and contains light poles in the parking lot and additional lights placed on the structure.

The internal floor plan is designed to accommodate a lobby where customers will be greeted by a reception/screening desk before entering the 190-square-foot retail area. The balance of the suite is broken down into staff-only sales areas, a breakroom, a restroom, and a secure storage area. All areas will be secured with locked/key fob doors, with the exception of the staff-only sales, break room, and production intake spaces, which are connected to one another (See **Floor Plan, Attachment 6**).

CMC requires that any cannabis not be located within 1,200 feet of any existing or proposed school site as identified in the general plan. In this instance, the nearest school site is Colusa High School, which is approximately 6,700 linear feet to the northwest, exceeding the CMC requirement of 1,200 linear feet.

Operations

Pursuant to CMC Section 12-D – Cannabis Dispensaries, cannabis business storefronts may be open for access to the public only between the hours of 8:00 A.M. and 8:00 P.M. Monday through Sunday. Operators are to provide emergency contact information to the city, provide on-site signage in accordance with state and local laws, and prohibit minors and loitering on the premises. Operators are also required to have background checks for employees in compliance with the California Penal Code. No cannabis products may be consumed on site. Records and recordkeeping shall be maintained to detail revenues and expenses, assets, and liabilities. Records shall also include employees, managers, agents, customers, etc., while inventory shall also be kept, including records of inventory acquired, each supplier's name and date, date of acquisition, quantity acquired, and location of cultivation. For additional details, see Embarc's Business Plan (**Attachment 7**).

In addition to the Business Plan, Embarc has developed a good-neighbor element to its operation that involves building relationships and engagement with existing businesses around the dispensary and the community at large (See **Community Relations Plan, Attachment 8**).

Odor Control Plan

As required in both CMC Section 12F-12 – Odor Control and in Section 21.5.060 - Minimum operational requirements and restrictions, cannabis business facilities are to provide sufficient odor absorbing ventilation and exhaust system so that odor generated inside the cannabis business facility that is distinctive to its operations is not detected outside the cannabis facility, anywhere on adjacent property or public rights-of-way on or about any exterior or interior common area walkways, hallways, breeze ways, foyers, lobby areas or any other areas available for common use by tenants or the visiting public, or within any other unit located within the same building as the cannabis business facility.

As such, cannabis business facilities must install and maintain an exhaust air filtration system with odor control that prevents internal odors from being emitted, and an air system that creates negative air pressure between the cannabis business facility's interior and exterior so that odors generated inside the cannabis business facility are not detectable outside. Embarc has developed an Odor Control Plan (see **Odor Control Plan, Attachment 9**), which outlines its commitment to preventing odors generated from the building from being detected by a reasonable person of normal sensitivity.

Security Plan

As required in both CMC Section 12F-16 Inspections and enforcement and in CMC 21.5.06 Minimum operational requirements and restrictions, a security plan shall be submitted and implemented that, at a minimum, includes an alarm system (perimeter, fire, and panic) and remote monitoring, with on-site personnel during business hours. The structure shall also contain a perimeter lighting system for after-hours security. Operators shall also have an exterior and interior camera system that shall, at a minimum, have a five-megapixel resolution, pointed at all access points from the interior, and must be attached to an uninterruptible power supply that provides twenty-four hours of continuous power. Embarc has provided a detailed Security Plan (See **Security Plan, Attachment 10**), which also includes details for motion detectors,

dome turret cameras, scissor gates, panic alarms, and control areas etc. (See **Security Plan – Alarm/Camera Detail, Attachment 11**).

Signage

The applicant has submitted a sign package (See **Sign Package, Attachment 12**) which illustrates an approximately 3 square foot “Dispensary” copy to be placed on the existing monument sign which is located on the existing landscaped along the street, at the southeast corner. An additional 24.7 square foot “Embarc / Dispensary” will be placed above the customer service area. This sign is proposed for internal illumination.

CMC Article 21.5 Cannabis Regulations is silent on signage, while CMC Article 31 – Outdoor Advertising and Sign Regulations permits signs in the C-G General Commercial zoning district to be attached to the building on the site and not project more than two feet, be at least eight feet from grade and not to extend above the roof line. Total square footage is based upon two square feet for every 1 foot of site street frontage, not to exceed 240 square feet. In this instance, the proposal meets CMC requirements.

AIRPORT LAND USE PLAN

On April 17, 2026, Colusa County Planning Staff, the staff that oversees the Airport Land Use Compatibility Plan (ALUCP) and determined that because the site contains an existing structure, and that the anticipated number of employees are below the intensity matrix of both the B1 and C1 Overflight Zones, the proposed project does not need Airport Land Use Commission (ALUC) review (See **ALUC Memo, Attachment 13**).

GENERAL PLAN

The subject property is designated Commercial Professional on the General Plan diagram and located in the C-G General Commercial zoning district. The Land Use section of the General Plan notes that the Commercial Professional designation is intended to accommodate general retail sales, automotive services, hotels/motels, professional office and commerce.

The following General Plan Goals, Policies, and Actions apply to the project:

Policy LU-6.2: Growth shall occur on the basis that projected revenues should be sufficient to meet public costs.

Policy LU-6.4: The City shall accommodate projected population and employment growth in areas where the appropriate level of public infrastructure is planned or will be made available concurrent with development.

Goal LU-10: To promote an expanding and increasingly diversified local economy that will meet the employment needs of local residents and strengthen the local tax base.

Policy LU-10.1: The City shall make every effort to attract new jobs-producing businesses that will maximize economic benefits to current and new residents and businesses.

Policy CCD-9.7: Security lighting shall be effective while confining illumination to the property on which the fixtures are located.

Policy SAF-6.2: The City shall incorporate police protection considerations into City and community activities.

Goal SAF-7: To ensure a range of health care services are conveniently available to City residents.

FINDINGS

The required findings for adopting a Development Agreement, Use Permit – Cannabis and Colusa Municipal Code Text Amendment and California Environmental Quality Act exemption approval are provided as part of the Planning Commission Resolution.

PUBLIC CONTACT

On July 17, 2025, a 20-day public hearing notice was mailed to all landowners and residents within 300 feet of the site, and a legal notice was published in Pioneer Review. Pursuant to California Environmental Quality Act Guidelines, Section 15061.B.3 – Common Sense Exemption the proposed project is to permit a retail use (cannabis dispensary) in a zoning designation, C-G – General Commercial, which is a zoning district that is intended to be applied where general commercial facilities are necessary for public service and convenience.

On March 18, 2026, the Planning Commission held a public hearing and approved resolutions (5-0) recommending approval to the City Council to find the project exempt from the California Environmental Quality Act and approve the Development Agreement, Text Amendment to the Colusa Municipal Code, and the cannabis permit/use permit.

On August 21, 2026 a second legal notice was published in the Pioneer Review, noting that the Planning Commission is recommending that the City Council review and potentially approve a Development Agreement between the City of Colusa and Colusa Responsible and Compliant Retail LLC (Embarc) to establish and operate a cannabis dispensary at 2967 Davison Court, Colusa, CA 95932. The same notice was also mailed to all property owners within 300 feet of the site on August 13, 2026.

BUDGET IMPACT: Pursuant to the Development Agreement, sales will be subject to an additional five percent tax on specific cannabis gross sales.

ATTACHMENTS:

1. City Council Resolution 26-____
Exhibit I – Embarc Project Details
2. City Council Ordinance – Development Agreement
Exhibit I – Development Agreement
Exhibit II – Development Agreement Exhibit A – Owner Consent
Exhibit III – Development Agreement Exhibit B – Legal Description
Exhibit IV – Development Agreement Exhibit C – Overall Site plan
3. City Council Ordinance – Amendment to Article 21.5 Cannabis Regulations
4. Location Aerial
5. Overall Site Plan
6. Floor Plan
7. Business Plan

8. Community Relations Plan
9. Odor Control Plan
10. Security Plan
11. Security Plan – Camera & Alarm Detail
12. Sign Package
13. ALUC Memo