

ORDINANCE NO. __

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUTTER CREEK
AMENDING SECTIONS 18.60.020, 18.60.030, AND 18.60.040 OF THE SUTTER CREEK
MUNICIPAL CODE AUTHORIZING A SINGLE RETAIL STOREFRONT CANNABIS
DISPENSARY AS A CONDITIONAL USE IN ANY ZONING DISTRICT SUBJECT TO
THE EXECUTION OF A DEVELOPMENT AGREEMENT**

WHEREAS, California law authorizes local jurisdictions to regulate or prohibit commercial cannabis activities within their jurisdictions and recognizes the authority of cities to determine whether, and under what conditions, cannabis businesses may operate within their boundaries;

WHEREAS, the City of Sutter Creek (“City”) is a located in rural county and has a population of approximately 2,700 residents, so the City Council finds that land use decisions concerning commercial cannabis activities must be tailored to the City's unique size, character, geography, and public safety needs;

WHEREAS, the City Council recognizes that cannabis is a lawful product under California law for qualified medicinal use and adult-use consumption by persons 21 years of age and older;

WHEREAS, because residents of the City and the surrounding county areas currently must travel substantial distances to access licensed cannabis dispensaries located in the Sacramento Metropolitan Region, the City Council finds that permitting a limited, locally regulated dispensary will improve access to legal and regulated cannabis products while reducing reliance upon unregulated or illicit sources;

WHEREAS, the City Council further finds that a locally regulated dispensary, subject to a development agreement, will provide economic benefits to the community through permit fees, regulatory fees, tax revenues, community benefit payments, employment opportunities, and related economic activity;

WHEREAS, the City Council finds that the establishment of a community benefit program, as would be required under a development agreement, would provide direct and measurable benefits to City residents and community organizations;

WHEREAS, the City Council finds that permitting only a single storefront retain cannabis dispensary within city limits is necessary to ensure effective oversight, monitoring, and enforcement by City staff and law enforcement personnel. Given the City's size and available administrative resources, the City Council finds that a single dispensary can be effectively regulated and monitored while minimizing impacts on surrounding properties and neighborhoods;

WHEREAS, the City Council finds that authorizing more than one dispensary would not materially improve access to cannabis products for residents but could increase the risk of adverse land use impacts, enforcement burdens, market saturation, and incompatibility with the City's small population and location within a rural county outside a larger, metropolitan area;

WHEREAS, the City Council finds that state law and local regulations impose extensive security, age-verification, surveillance, inventory-control, and operational requirements designed to prevent access by persons under 21 years of age and to protect public health and safety;

WHEREAS, the City Council further finds that limiting cannabis retail activity to one licensed dispensary will allow the City to closely monitor compliance with these regulations and promptly address any operational concerns;

WHEREAS, the City Council finds that a single licensed dispensary will adequately serve the needs of residents and visitors while preserving the City's small-town character, protecting public safety, minimizing land use impacts, and ensuring that commercial cannabis activity remains compatible with surrounding uses;

WHEREAS, the City Council therefore finds that allowing one licensed cannabis dispensary, subject to the requirements of this Chapter 18.60 of the Sutter Creek Municipal Code, appropriately balances lawful consumer access, economic development, community benefits, public safety, neighborhood compatibility, youth protection, and the preservation of the City's small community nature in a rural county; and

WHEREAS, based upon the foregoing findings, the City Council determines that limiting the number of cannabis dispensaries within the City to one licensed dispensary is reasonable, necessary, and in the public interest.

NOW, THEREFORE, the City Council of the City of Sutter Creek does hereby ordain as follows:

Section 1.

Section 18.60.020 of the Sutter Creek City Code is amended to read as follows:

18.60.020 - Uses permitted in any zone.

The following uses may be permitted in any zone unless limited to specific zones, and upon the granting of a conditional use permit:

- A. Bed and breakfast inns;
- B. Cemeteries, columbariums, mausoleums and mortuaries;
- C. Day care centers (adult/child);
- D. Churches or other places used exclusively for religious worship;
- E. Educational institutions including public and private schools;
- F. Establishments or enterprises involving large assemblages of people or vehicles including: amusement parks, circuses, carnivals, expositions, fair grounds, open air

- theaters, recreational and sports centers, and recreation vehicle parks;
- G. Hospitals and sanitariums;
 - H. Institutions of a philanthropic (benevolent) or eleemosynary (charitable) nature;
 - I. Libraries, museums and private clubs
 - J. Large scale neighborhood housing projects having a minimum gross area of five acres;
 - K. Mining and natural resources development together with the necessary buildings, apparatus or appurtenances incidental thereto;
 - L. Outdoor retail sales;
 - M. Parks, playgrounds, parking lots or structures, and community buildings;
 - N. Public utility or public service buildings, structures and uses, except as otherwise provided in this ordinance;
 - O. New or remodeled residential structures in a commercial or industrial zone;
 - P. Existing structures converted to residential uses in a commercial or industrial zone;
and
 - Q. Golf courses, driving ranges and country clubs.;
 - R. Special events.;; and
 - S. A storefront retail cannabis dispensary, provided only one such dispensary may operate within city limits at one time, and further provided the operator of the conditionally permitted dispensary enters into a development agreement for the same term as any approved conditional use permit.

Section 2.

Section 18.60.030 of the Sutter Creek City Code is amended to read as follows:

18.60.030 - Conditions.

In approving a use permit, the commission may include such conditions as the commission deems reasonable and necessary under the circumstances to preserve the integrity and character of the district and to secure the general purposes of this title and the general plan. Such conditions, without limiting the discretion and authority of the commission in this regard, may include time limitations, architectural and site approval, street dedication, and street and drainage improvements. For any application to conditionally permit a retail storefront cannabis dispensary, the commission may incorporate by reference into the conditional use permit any conditions that are separately included in any development agreement to be approved for the cannabis use.

Section 3.

Section 18.60.040 of the Sutter Creek City Code is amended to read as follows:

18.60.040 - Findings and decisions.

The commission, on the basis of the evidence submitted at the hearing, may grant use permits required by the provisions of this title when it finds that:

- A. The proposed uses of the property are desirable to the public convenience or welfare;
- B. The proposed uses will not impair the integrity and character of the area in which it is located or the zoning district;
- C. The proposed uses would not be detrimental to public health, safety, or general welfare;
- D. There are adequate public utilities and services available for the proposed uses; ~~and~~
- E. The proposed uses of the property are in harmony with the various elements or objectives of the general plan and the purposes of this title; and
- F. For any storefront retail cannabis dispensary, the proposed use will be subject to a separately approved development agreement for the same term as the approved conditional use permit and:
 - 1. The development agreement will provide for appropriate community benefit as consideration for the City's execution of the agreement;
 - 2. The operator has a demonstrated record of successfully operating storefront retail cannabis dispensaries in more than one other jurisdiction for a period of at least three years preceding the date of its application;
 - 3. The operator demonstrates it will have adequate capitalization, access to a stable workforce, and a business location conducive to sustaining long-term operations; and
 - 4. The operator, including its principals, shareholders, partners, and officers, has not been convicted of, found civilly liable for, having sold or distributed cannabis or cannabis products in violation of any state statute, state regulation, or local ordinance.

Section 4. REPEAL OF INCONSISTENT ORDINANCES

Any provisions of the Sutter Creek Municipal Code inconsistent with this Ordinance are hereby repealed.

Section 5. SEVERABILITY

If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason deemed or held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision will not affect the validity of the remaining portions of this Ordinance. The City Council of the City of Sutter Creek hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases or other portions might subsequently be declared invalid or unconstitutional.

Section 6. PUBLICATION.

The City Clerk shall certify to the passage of this Ordinance and shall cause this Ordinance or a summary thereof to be printed once within fifteen (15) days after its adoption in a newspaper of general circulation, published and circulated in the City of Sutter Creek.

Presented to the Planning Commission for recommendation on July 8, 2026 and PASSED, APPROVED, AND ADOPTED this ____ day of August 2026 by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

APPROVED:

Claire Gunselman, Mayor

ATTEST:

Pam Caronongan, City Clerk

Date