



City of Visalia

City Council

Monday, July 20, 2026

**First Reading and Public Hearing, Ordinance No. 2026-05 and
Adoption of Resolution No. 2026-42**

Ordinance No. 2026-05 and Resolution No. 2026-42

Recommendation:

Hold a public hearing and introduce the first reading of Ordinance No. 2026-05:

- Adding Chapter 4.04, "Commercial Cannabis Activity"
- Rescinding Chapter 5.66
- Amending Chapter 8.64
- Approving Zoning Text Amendment No. 2026-01

Adopt Resolution No. 2026-42 establishing the application and selection process for both storefront and non-storefront retail cannabis business license applications.

Ordinance No. 2026-05

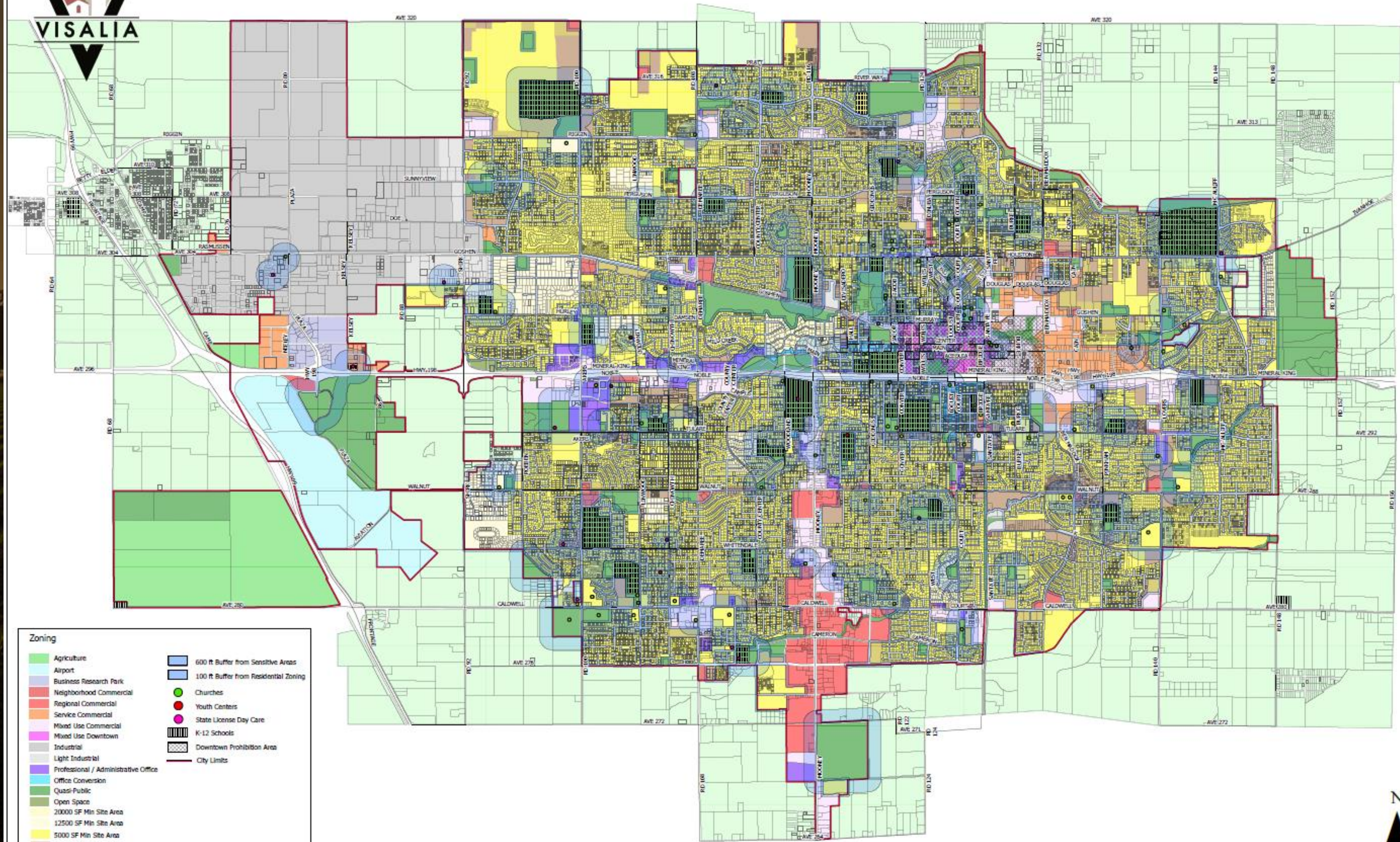
Cannabis Business Ordinance Ch. 4.04:

- Retail hour restrictions: 9AM – 9PM
- Annual license terms to expire June 30th to align with our regular business tax term.
- Application and selection process to be codified by separate resolution.
- City Manager is authorized to make all decisions concerning the issuance of renewal licenses.
- All appeals will be heard by an appointee designated by the City Manager.

Ordinance No. 2026-05

Sensitive uses and buffer sizes for retail storefront buffer:

- 600 foot buffer from existing:
 - Churches
 - Parks
 - Schools – K-12, public and private
 - State licensed day care facilities
 - Youth centers
- 100 foot buffer from all residential zoning



Ordinance No. 2026-05

Rescinding Chapter 5.66:

When adopting the Cannabis Ordinance, staff recommends rescinding Chapter 5.66. To reduce confusion and be more efficient, provisions in Chapter 5.66 are now incorporated into Chapter 4.04.

Amending Chapter 8.64:

This will also require some minor edits to Chapter. 8.64 to be consistent as well.

Ord. 2026-05: Zoning Text Amendment No. 2026-01

Ch. 17.04: Definitions

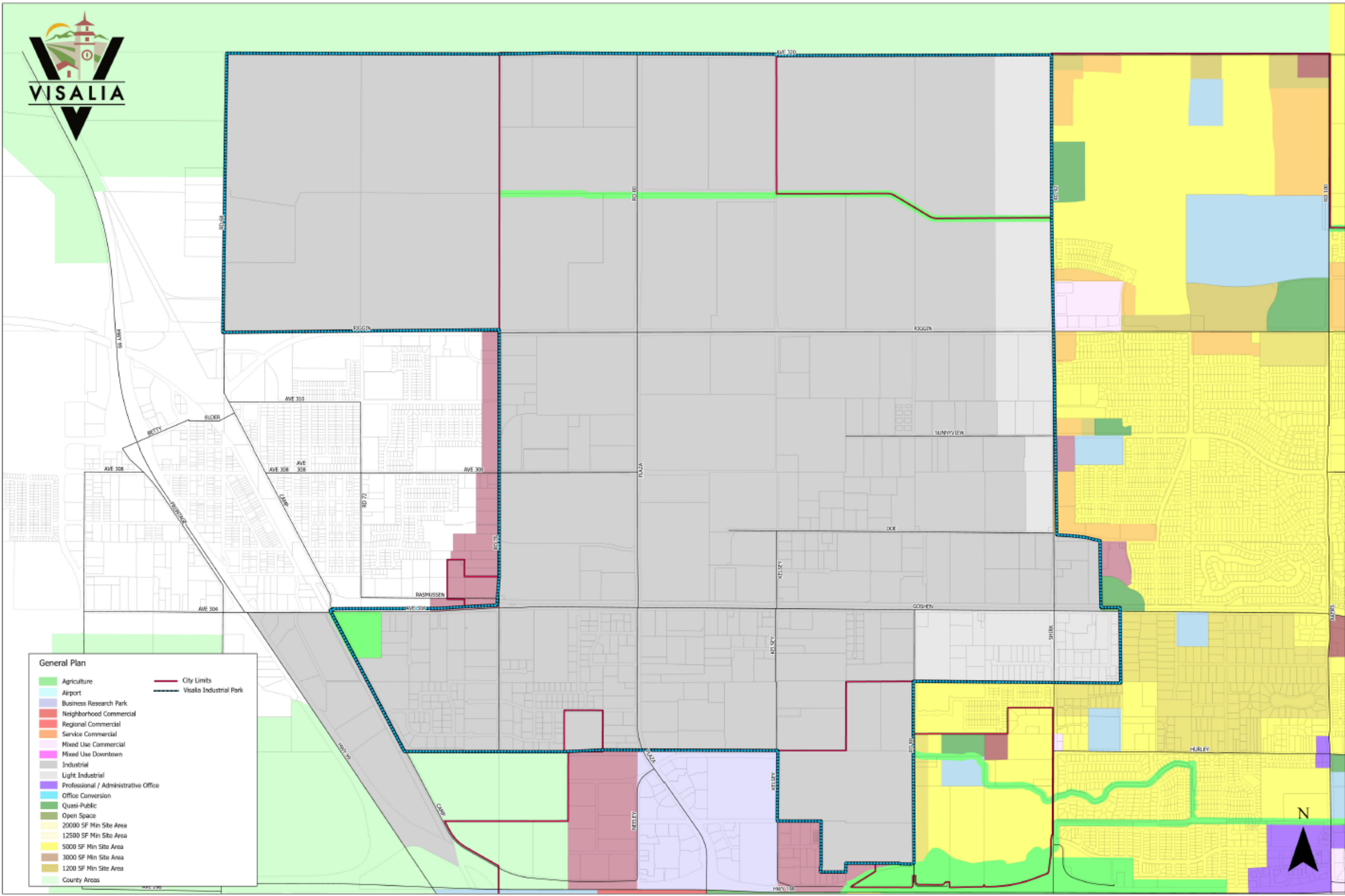
- Retail storefront and non-storefront
- Cultivation: Only the 'Processor' sub license type
- Manufacturing
- Distribution
- Testing laboratory
- Microbusiness: May only include 'Processor' Cultivation sub license type and non-storefront Retail use type amongst other use types
- Delivery only medical marijuana retail per state mandate

Ord. 2026-05: Zoning Text Amendment No. 2026-01

Chapter 17.25: Zone Use Matrix

Zones where each use type can be conditionally permitted:

- Retail Storefront: C-R, C-S, CMU (excl. Microbrewery Overlay)
- I-L, I: Non-storefront, Distributors, Manufacturers, Microbusiness, Processors (in Industrial Park Overlay only)
- Testing Laboratories: CMU, O-PA, BRP, I-L, I
- Delivery Only Medical Marijuana Retail will remain permitted by right in the I-L, I zones in order to be in compliance with SB 1186



Resolution No. 2026-42: Business Application

- Commercial Cannabis Business Application
- Financial Responsibility, Indemnity and Consent to Inspection Agreement
- Agreement on Limitations of City's Liability (Indemnification)
- Property Owner Consent/Landlord Affidavit
- Proof Property Ownership or Lease Agreement
- Proof of insurability from an Insurance Company
- Zoning Verification Application and Letter
- Application fee
- Background Check(s)

Resolution No. 2026-42: Application Evaluation

Business Application Evaluation and Review:

- Business Plan
- Location and Neighborhood Compatibility Plan
- Safety and Security Plan
- Community Benefits Plan
- Licensees will be expected to pay an annual minimum to the City of \$50,000 or 1% of annual gross receipts, whichever amount is greater.

Resolution No. 2026-42: Lottery Selection

Lottery Selection vs. Merit based:

- Lottery process is recommended in an effort to reduce exposure and risk to potential litigation and to best streamline the lengthy appeals process common with unselected applicants.
- Staff is confident the application and selection process and cannabis business ordinance guidelines presented will result in quality operators being eligible for selection while also mitigating risk of lengthy appeal processing and litigation.

Resolution No. 2026-42: Lottery Selection

- Selected applicants will have 12 months to acquire CUP and any necessary building permits and begin construction. Renewal licenses will not be provided to licensees who do not meet this timeframe.
- Selected applicants will have 24 months to acquire their Certificate of Occupancy or risk license revocation.
- Cannabis Business License cannot be transferred or otherwise sold within the first 5 years of the date of issuance.
- A transferee must obtain an amendment to the license from the City Manager and the process is essentially a new application.

Ordinance No. 2026-05 and Resolution No. 2026-42

CEQA Review:

The project is exempt from further environmental review under the CEQA Guidelines section 15061(b)(3), which states that the project is exempted from CEQA if the activity is covered by the common sense exemption that CEQA applies only to projects that have the potential for causing significant effect on the environment.

Ordinance No. 2026-05 and Resolution No. 2026-42

Recommended Motion:

I move to conduct a public hearing for the first reading of Ordinance No. 2026-05 and adopt Resolution No. 2026-42.

An aerial photograph of a city at sunset. The sky is a mix of orange, yellow, and dark blue. In the foreground, a large, light-colored building with a central tower is visible. The tower has a clock face and the word 'FOX' written vertically. The building is surrounded by parking lots filled with cars. A semi-transparent white rectangular box is overlaid on the center of the image, containing the text 'Comments or Questions?'.

Comments or
Questions?