



REPORT TO CITY OF VISALIA PLANNING COMMISSION

HEARING DATE: July 13, 2026

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SUBJECT: Zoning Text Amendment No. 2026-01: A request by the City of Visalia to amend Visalia Municipal Code Title 17 (Zoning Ordinance) based on the adoption of a Cannabis Business Ordinance, allowing various Cannabis related business types to operate within the City of Visalia.

STAFF RECOMMENDATION

Staff recommends that the Planning Commission adopt Resolution No. 2026-32, recommending that the City Council approve adoption of Zoning Text Amendment (ZTA) No. 2026-01, which amends Title 17, Chapters 17.04 Definitions, 17.25 Uses in the Commercial, Office, and Industrial Zones, and 17.32 Special Provisions.

This recommendation is based on the findings contained therein and summarized as follows:

- The Zoning Text Amendment is consistent with the goals, objectives, and policies of the City's General Plan.
- The Zoning Text Amendment makes various updates necessary based on the adoption of a Cannabis Business Ordinance, allowing various Cannabis related business types to operate within the City of Visalia, with the specific amendments applying City-wide.

RECOMMENDED MOTION

I move to recommend that the City Council approve Zoning Text Amendment No. 2026-01 based on the findings and conditions in Resolution No. 2026-32.

REASON FOR ZONING TEXT AMENDMENTS

The zone text amendments discussed herein are being requested by City staff to update the Zoning Ordinance based on direction received from City Council to begin the process of preparing municipal code amendments to establish a Cannabis Business Ordinance, allowing various Cannabis related business types to operate within the City of Visalia.

This process, which has been lengthy, began in July of 2023 with Council direction to initiate a Zoning Ordinance update to implement reasonable zoning regulations in response to Senate Bill (SB) 1186 and hire a consultant, via a sole source contract, to assist staff with the preparation of a potential tax measure specifically for cannabis sales for the 2024 general election, and to identify potential revisions to cannabis regulations in Visalia. Following the Planning Commission's recommendation on October 9, 2023, to adopt ZTA No. 2023-02, in response to SB 1186, City Council adopted Zoning Text Amendment No. 2023-02 on November 6, 2023. This ZTA approved amending Title 17, Chapters 17.25 Commercial, Mixed Use, Office, and Industrial Zones Use Matrix, and adding Section 17.32.167 for "delivery-only" medical marijuana retail in order to implement reasonable zoning regulations to allow state mandated businesses to operate within the City, as required per SB 1186.

In June of 2024, Council conducted the first reading of Ordinance No. 2024-06, adding Chapter 3.14 (Cannabis Business Tax) to Title 3 of the Visalia Municipal Code to establish a tax on

cannabis business activities within the city, and adopting Resolution No. 2024-24 to place a cannabis tax measure on the November 2024 general election ballot.

Following successful passage of the City's cannabis tax measure (Measure O) by the voters, Council authorized staff to proceed with drafting a Commercial Cannabis Activity / Cannabis Business Ordinance for adoption. During the adoption process, Council set the number of businesses permitted to operate in the City to zero (0), effectively establishing the regulatory framework for such businesses but not yet permitting such businesses to operate in the City of Visalia. After several work sessions with Council, staff prepared a draft Cannabis Business Ordinance (Visalia Municipal Code Chapter 4.04; see Exhibit "C" attached to this staff report) ready for the first reading at a future City Council meeting along with a draft resolution to establish the application and selection process for both storefront and non-storefront retail cannabis business license applicants given these are the only licenses proposed to be limited.

Included in the Draft Cannabis Business Ordinance (Exhibit "C") are the proposed changes to Chapter 17, to be presented to the City Council. Below is a detailed list of the proposed amendments for Planning Commission consideration and recommendation. Where sections of Municipal Code are given, changes specified with ~~strikeout~~ are being deleted from Municipal Code, and changes specified with underline and italics are being added to Municipal Code. It is important to note that retail storefront buffer requirements are already established in the Cannabis Business Ordinance itself but are also outlined in section B.6. below.

DESCRIPTION AND EVALUATION

A. Introduction of new definitions of cannabis business types in Zoning Ordinance Section 17.04.030 Definitions.

1. "Cannabis Distributor" means a business operating legally under appropriate CA Department of Cannabis Control licensing that moves cannabis and/or cannabis products between cultivation, manufacturing, distribution, or retail premises that may store such products and arrange for testing of such products.

a. This pertains to the movement and storage of cannabis products.

1. Type 11 – This type of distributor can move cannabis products between cultivation, manufacturing, or distribution premises, provide storage services to other licensees, and arrange for testing of cannabis goods.
2. Type 13 – Transport only, they can only move cannabis and cannabis products between cultivation, manufacturing, or distribution premises.

Given Visalia's competitive strategic location in the state, this use has been recommended to be eligible for local cannabis business licensure.

2. "Cannabis Manufacturer" means a business operating legally under appropriate CA Department of Cannabis Control licensing that manufactures cannabis containing products by state licensed methods except for volatile solvent-based extraction, as that use is prohibited.

a. This pertains to cannabis containing products as opposed to "raw" cannabis itself (cultivation). This too consists of several sub-types of businesses, all of which could likely operate in an industrial park setting. In addition to our strategic location in the state, our concentration of food packaging/food processing industries (manufacturing) and investments into Industrial zoned properties make Visalia a viable location for such industries. Council has directed to exclude the volatile solvent-based extraction processes specifically but allow all others.

3. *“Cannabis Microbusiness” means a business operating legally under a Type 12 CA Department of Cannabis Control license that does not conduct storefront retail activities, manufacturing by volatile solvent-based extraction, or any form of cultivation activities other than that of the “Processor” sub license type of the Cultivation licenses issued by the CA Department of Cannabis Control.*
 - a. The Microbusiness use is unique as it is for businesses that do at least three of the following activities at one location:
 1. Cultivation – up to 10,000 total square feet
 2. Manufacturing – use of non-volatile solvents, mechanical extraction or infusion
 3. Distribution or distribution transport-only
 4. Retail – storefront or non-storefront

Council input was to only allow Microbusiness uses that didn’t include storefront retail, manufacturing by volatile solvent-based extraction, or any form of cultivation other than the processing sub license type, which is described in more detail below.
4. *“Cannabis Non-storefront Retailer” means a business operating legally under appropriate CA Department of Cannabis Control licensing that is closed to the public and provides product to customers solely by means of a delivery service which the retailer owns and controls.*
 - a. This type of business/use would seemingly function much like a fulfillment center. Given Visalia’s strategic location in the state, Visalia offers a competitive location for such businesses in the industrial park. Again, current direction from Council is to approve the regulatory framework for cannabis businesses to operate within the City but initially set the number of licenses to be issued to zero, effectively holding off on allowing such businesses to operate for the time being. That said, Council has suggested that three non-storefront retailer licenses may be the number of allowed businesses they may want to consider in the future.
5. *“Cannabis Processor” means a business operating legally under appropriate CA Department of Cannabis Control licensing that conducts only trimming, drying, curing, grading, packaging, or labeling of cannabis and non-manufactured cannabis products.*
 - a. This use is a subset of Cultivation. Cultivation includes various sub licensee types pertaining to the growing of cannabis such as indoor cultivation, outdoor cultivation, and mixed-light cultivation (such as a greenhouse). They are also categorized on the size of the operation, from “Cottage” type operations to “Large” operations, and whether the license is for a “Nursery” meaning cultivators that grow plants, seeds, or other types of cannabis, or a “Processor.” The Processor type of cultivation license, according to the Dept. of Cannabis Control, is *“for cultivators that only trim, sift, cure, dry, grade, package or label cannabis”*. Given potential high energy requirements, high-water consumption needs, and potential high land demands as well as odor for outdoor cultivation, Council does not wish to allow such uses. However, the Processor sub license type may be allowed as Visalia could offer a competitive location to conduct such activities without the potential concerns of the other cultivation use types.
6. *“Cannabis Storefront Retailer” means a business operating legally under appropriate CA Department of Cannabis Control licensing that sells cannabis and/or cannabis*

a. HdL initially estimated that retailers in Visalia could potentially have gross receipts of approximately \$18 million annually. Based on this estimated level of revenue, HdL estimated this could support between five to seven retailers. Again, while the number of licenses will be set to zero for the time being, Council has suggested that three storefront retailer licenses may be the number of allowed businesses they may want to consider in the future.

a. This use is associated with laboratories that test cannabis goods prior to sale of these products at a retailer.

It should be noted that in all cases except for the pre-existing “Delivery only medical marijuana retail use type”, all cannabis business use types will require a Conditional Use Permit to operate. Delivery only medical marijuana retail is a use permitted “by-right” in the Light Industrial (I-L) or Industrial (I) zones in part, to remain in compliance with Senate Bill 1186.

a. This use could potentially be appropriate in the I-L or I zones given the clear similarities to other distribution uses. Further, this use shall be restricted to a Visalia Industrial Park Overlay area only (please see attached Exhibit “B”). This is in order to reduce potential proximity concerns to sensitive uses allowed in other zones more prevalently found adjacent to I-L or I zoned properties outside of this Visalia Industrial Park Overlay area. The overlay area will encompass the appropriately zoned property mainly found west of Shirk Street but including the properties along North Shirk Street between Doe Avenue and Grove Avenue.

- a. This use could potentially be appropriate in the I-L or I zones given the similarities to light manufacturing/food processing uses and would be restricted to the Visalia Industrial Park Overlay.

	USE	Commercial and Mixed Use Zones					Office Zones			Industrial	
		C-N	C-R	C-S	C-MU	D-MU	O-PA	O-C	BRP	I-L	I
<u>C2</u>	<u>Cannabis Manufacturer</u>									<u>C</u>	<u>C</u>

3. Cannabis Non-storefront Retailer

- a. As non-storefront only retail operations conceptually function similar to a distribution or fulfillment center, they should likely be located in I-L or I zones and restricted to the Visalia Industrial Park Overlay area.

	USE	Commercial and Mixed Use Zones					Office Zones			Industrial	
		C-N	C-R	C-S	C-MU	D-MU	O-PA	O-C	BRP	I-L	I
<u>C4</u>	<u>Cannabis Non-storefront Retailer</u>									<u>C</u>	<u>C</u>

4. Cannabis Processor

- a. As mentioned in section A. above, the “Processor” use type is the only cultivation use type being considered. This use functions similar to distribution and light manufacturing/food processing uses and so would be appropriate in the I-L or I zones, restricted to the Visalia Industrial Park Overlay area.

	USE	Commercial and Mixed Use Zones					Office Zones			Industrial	
		C-N	C-R	C-S	C-MU	D-MU	O-PA	O-C	BRP	I-L	I
<u>C5</u>	<u>Cannabis Processor</u>									<u>C</u>	<u>C</u>

5. Cannabis Microbusiness

- a. Again, this use type would only include ‘Processor’ Cultivation sub license type and non-storefront Retail use type. Given this, the zoning to consider should likely also be I-L or I and restricted to the Visalia Industrial Park Overlay area.

	USE	Commercial and Mixed Use Zones					Office Zones			Industrial	
		C-N	C-R	C-S	C-MU	D-MU	O-PA	O-C	BRP	I-L	I
<u>C3</u>	<u>Cannabis Microbusiness</u>									<u>C</u>	<u>C</u>

6. Cannabis Storefront Retailer

- a. Upon review with Council, it is recommended that these uses be considered in the Regional Commercial (C-R), Service Commercial (C-S), and Commercial Mixed Use (C-MU) zones given they are retail operations. Because of the buffer requirements detailed below, Neighborhood Commercial (C-N) is not recommended nor is the Downtown Mixed Use (D-MU) zone as Council does not wish to consider these uses in downtown Visalia. Along these lines, this use will also not be permitted in the Microbrewery/Microwinery Overlay District (a.k.a., the East Downtown area).
- b. The sensitive uses and corresponding buffer sizes required for cannabis storefront retail uses are (see attached Buffer map, Exhibit “A”):
 1. 600 foot buffer from existing:
 - a. Churches
 - b. Parks – not to include open space land use, trails or conservation easements
 - c. Schools – K-12, public and private
 - d. State licensed day care facilities

e. "Youth centers"

2. 100 foot buffer from all residential zoning

	USE	Commercial and Mixed Use Zones					Office Zones			Industrial	
		C-N	C-R	C-S	C-MU	D-MU	O-PA	O-C	BRP	I-L	I
<u>C6</u>	<u>Cannabis Storefront Retailer</u>		<u>C</u>	<u>C</u>	<u>C</u>						

7. Cannabis Testing Laboratory

- a. Currently, zones where medical laboratories are currently permitted or conditionally permitted include Commercial Mixed Use (C-MU), Downtown Mixed Use (D-MU), Office Professional Administrative (O-PA), and Business Research Park (BRP) while labs pertaining to manufacturing (chemical products, organic or inorganic) are permitted in the BRP, I-L, and I zones. Cannabis Testing Laboratories are recommended to be conditionally permitted in the Commercial Mixed Use (C-MU), Professional/Administrative Office (O-PA), Business Research Park (BRP), and I-L and I zones.

	USE	Commercial and Mixed Use Zones					Office Zones			Industrial	
		C-N	C-R	C-S	C-MU	D-MU	O-PA	O-C	BRP	I-L	I
<u>C7</u>	<u>Cannabis Testing Laboratory</u>				<u>C</u>		<u>C</u>		<u>C</u>	<u>C</u>	<u>C</u>

8. Delivery Only Medical Marijuana Retail

- a. Delivery only medical marijuana retail will remain permitted by right in the I-L and I zones in order to be in compliance with SB 1186.

	USE	Commercial and Mixed Use Zones					Office Zones			Industrial	
		C-N	C-R	C-S	C-MU	D-MU	O-PA	O-C	BRP	I-L	I
<u>C8</u>	<u>Delivery only medical marijuana retail</u>									<u>P</u>	<u>P</u>

C. Updating Chapter 17.32 to reflect the rescinding of Chapter 5.66 and the creation of Chapter 4.04.

With the adoption of a new Cannabis Business Ordinance, Chapter 5.66 (which pertains to the state mandate to permit delivery only medical marijuana retail businesses as a result of SB 1186) would effectively be outdated, and no longer valid. To reduce confusion and be more efficient and simplified for both staff and potential businesses, provisions in Chapter 5.66 are now incorporated into Chapter 4.04. This requires minor edits to Chapter 17.32 and also Chapter 8.64 to be consistent as well.

Environmental Review:

The requested action would be considered exempt under Section 15061(b)(3) of the State Guidelines for the California Environmental Quality Act (CEQA). A Notice of Exemption has been prepared for the project because Section 15061 (b) (3) states that the project is exempted from CEQA if the activity is covered by the commonsense exemption that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can

be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

RECOMMENDED FINDINGS

1. That the Zoning Text Amendment is needed to achieve the objectives of the Zoning Ordinance (Visalia Municipal Code Title 17) prescribed in Code Section 17.02.020.
2. That the proposed Zone Text Amendment is consistent with the intent of the General Plan, and Zoning Ordinance, and is not detrimental to the public health, safety, or welfare, or materially injurious to properties or improvements in the vicinity.
3. That the Zoning Text Amendment makes various updates necessary based on the adoption of a Cannabis Business Ordinance, allowing various Cannabis related business types to operate within the City of Visalia, with the specific amendments applying City-wide.
4. That the project is exempt from further review under the California Environmental Quality Act (CEQA) Guidelines section 15061(b)(3) (common sense exemption).

APPEAL INFORMATION

The Planning Commission's recommendation on Zoning Ordinance Text Amendment No. 2026-01 is advisory only and is automatically referred to the City Council for final action.

Attachments:

- Related Plans and Policies
- Resolution No. 2026-32
- Attachment "A" to Resolution No. 2026-32 – Recommended Changes to Zoning Ordinance
- Exhibit "A" – Final Buffer Map
- Exhibit "B" – Visalia Industrial Park Overlay map
- Exhibit "C" – Draft Cannabis Business Ordinance, VMC Ch. 4.04

RELATED PLANS AND POLICIES

Chapter 17.44 ZONING AMENDMENTS

Sections:

- 17.44.010 Purpose.**
- 17.44.020 Initiation.**
- 17.44.030 Application procedures.**
- 17.44.040 Public hearing—Notice.**
- 17.44.050 Investigation and report.**
- 17.44.060 Hearing.**
- 17.44.070 Action of city planning commission.**
- 17.44.090 Action of city council.**
- 17.44.100 Change of zoning map.**
- 17.44.110 New application.**
- 17.44.120 Report by city planner.**

17.44.010 Purpose.

As a general plan for Visalia is put into effect, there will be a need for changes in zoning boundaries and other regulations of this title. As the general plan is reviewed and revised periodically, other changes in the regulations of this title may be warranted. Such amendments shall be made in accordance with the procedure prescribed in this chapter.

17.44.020 Initiation.

A. A change in the boundaries of any zone may be initiated by the owner of the property within the area for which a change of zone is proposed or by his authorized agent. If the area for which a change of zone is proposed is in more than one ownership, all of the property owners or their authorized agents shall join in filing the application, unless included by planning commission resolution of intention.

B. A change in boundaries of any zone, or a change in a zone regulation, off-street parking or loading facilities requirements, general provision, exception or other provision may be initiated by the city planning commission or the city council in the form of a request to the commission that it consider a proposed change; provided, that in either case the procedure prescribed in Sections 17.44.040 and 17.44.090 shall be followed.

17.44.030 Application procedures.

A. A property owner or his authorized agent may file an application with the city planning commission for a change in zoning boundaries on a form prescribed by the commission and that said application shall include the following data:

1. Name and address of the applicant;

2. Statement that the applicant is the owner of the property for which the change in zoning boundaries is proposed, the authorized agent of the owner, or is or will be the plaintiff in an action in eminent domain to acquire the property involved;
 3. Address and legal description of the property;
 4. The application shall be accompanied by such sketches or drawings as may be necessary to clearly show the applicant's proposal;
 5. Additional information as required by the historic preservation advisory board.
- B. The application shall be accompanied by a fee set by resolution of the city council sufficient to cover the cost of processing the application.

17.44.040 Public hearing—Notice.

The city planning commission shall hold at least one public hearing on each application for a change in zone boundaries and on each proposal for a change in zone boundaries or of a zone regulation, off-street parking or loading facilities requirements, general provisions, exception or other provision of this title initiated by the commission or the city council. Notice of the public hearing shall be given not less than ten days or more than thirty (30) days prior to the date of the hearing by publication in a newspaper of general circulation within the city, and by mailing notice of the time and place of the hearing to property owners within three hundred (300) feet of the boundaries of the area occupied or to be occupied by the use that is the subject of the hearing.

17.44.050 Investigation and report.

The city planning staff shall make an investigation of the application or the proposal and shall prepare a report thereon that shall be submitted to the city planning commission.

17.44.060 Hearing.

- A. At the public hearing, the city planning commission shall review the application or the proposal and may receive pertinent evidence as to why or how the proposed change is necessary to achieve the objectives of the zoning ordinance prescribed in Section 17.02.020.
- B. If the commission's recommendation is to change property from one zone designation to another, the commission may recommend that conditions be imposed so as not to create problems adverse to the public health, safety and general welfare of the city and its residents.

17.44.070 Action of city planning commission.

The city planning commission shall make a specific finding as to whether the change is required to achieve the objectives of the zoning ordinance prescribed in Section 17.02.020. The commission shall transmit a report to the city council recommending that the application be granted, conditionally approved, or denied or that the proposal be adopted or rejected, together with one copy of the application, resolution of the commission or request of the Council, the sketches or drawings submitted and all other data filed therewith, the report of the city engineer and the findings of the commission.

17.44.080 [Reserved].

17.44.090 Action of city council.

- A. Upon receipt of the resolution or report of the city planning commission, the city council shall review the application or the proposal and shall consider the resolution or report of the commission and the report of the city planning staff.

B. The city council shall make a specific finding as to whether the change is required to achieve the objectives of the zoning ordinance prescribed in Section 17.02.020. If the council finds that the change is required, it shall enact an ordinance amending the zoning map or an ordinance amending the regulations of this title, whichever is appropriate. The city council may impose conditions on the change of zone for the property where it finds that said conditions must be imposed so as not to create problems inimical to the public health, safety and general welfare of the city and its residents. If conditions are imposed on a change of zone, said conditions shall run with the land and shall not automatically be removed by a subsequent reclassification or change in ownership of the property. Said conditions may be removed only by the city council after recommendation by the planning commission. If the council finds that the change is not required, it shall deny the application or reject the proposal.

17.44.100 Change of zoning map.

A change in zone boundary shall be indicated on the zoning map.

17.44.110 New application.

Following the denial of an application for a change in a zone boundary, no application for the same or substantially the same change shall be filed within one year of the date of denial of the application.

17.44.120 Report by city planner.

On any amendment to the zoning code changing property from one zone classification to another, the city planner shall inform the planning commission and the city council of any conditions attached to previous zone changes as a result of action taken pursuant to Sections 17.44.060, 17.44.070 and