



FORMULA BUSINESSES

City Council Meeting
October 24, 2019



STANDARD DEFINITION – FORMULA BUSINESS

Any business that is required to maintain a standardized array of services, merchandise, menu, uniform, décor, signage, color scheme, trademark or service mark; and is substantially identical to 25 or more other businesses in the United States.

FORT BRAGG'S DEFINITION OF FORMULA BUSINESS

Formula Business is a business which is required by contractual or other arrangement to maintain standardized services, décor, uniforms, architecture, signs or other similar features. This shall include, but not be limited to retail sales and service, and visitor accommodations.

From Fort Bragg Inland and Coastal Land Use Plan

A CITY'S POWER TO REGULATE FORMULA BUSINESSES

- Extensive Control over Land Use through zoning
 - *Structural and architectural design*
 - *Allowable land uses in zoning districts*
- Zoning Ordinances list permitted uses, allowed as a matter of right within each district
- Zoning Ordinance may allow other uses, with a conditional use permit (CUP)
- CUPs for review to ensure compatibility with the neighborhood

POSSIBLE REGULATED USES

- Fast-Food Formula
- Restaurant Formula
- Accommodations Formula
- Retail Formula
- Business Office Formula

REGULATING LOCATION

- Allow/disallow in certain Zoning Districts
 - *Central Business District, General Commercial, Highway Visitor Commercial*
- Limit location within a block
- Limit location within a building
- Limit the number of formula businesses
 - *Within a district*
 - *On a block*
 - *Within a building*

REGULATING SIZE

- Limit size to blend into zoning district
- Limit size to control “big box retail”
 - *City already has controls in place that limit “big box retail”*
 - *Limit size by zoning*

“BIG BOX RETAIL” POLICIES ALREADY IN PLACE

Policy LU-4.3 Large-Scale Commercial Development: To maintain scenic views of the coast and to ensure that building sizes at the City’s gateways are in scale with the community, no commercial building shall exceed the following limitations on the gross floor area:

- *a) between the Noyo River and Pudding Creek Bridges - maximum 50,000 square feet;*
- *b) east of Highway One and north of Pudding Creek Bridge - maximum 30,000 square feet;*
- *c) west of Highway One and north of Pudding Creek Bridge and south of the Noyo River Bridge - maximum 15,000 square feet; and*
- *d) east of Highway One and south of Noyo River Bridge – maximum 40,000 square feet.*

REGULATING APPEARANCE

- Character
- Consistency
- Design Guidelines
- Theme

CONDITIONAL USE PERMITS

A tool to allow each formula business permit application to be reviewed for consistency with a set of criteria.

1. Concentration
2. Need for Goods and/or Services Offered
3. Vacancy Rate
4. Neighborhood Character
5. Enhance Economic Health
6. Diversify Uses

FORMULA BUSINESSES POLICIES ALREADY IN PLACE

Goal LU-4 Promote the economic vitality of the City's existing commercial areas.

- Policy LU-4.1 Formula Businesses and Big Box Retail: Regulate the establishment of formula businesses and big box retail to ensure that their location, scale, and appearance do not detract from the economic vitality of established commercial businesses and are consistent with the small town, rural character of Fort Bragg.

“BIG BOX RETAIL” POLICIES ALREADY IN PLACE

Policy LU-4.2: Require that a fiscal and economic analysis be performed as part of the conditional use permit process for big box retail projects. The analysis shall evaluate the economic effects of the project for a minimum five-year time frame. A consultant selected by the City and paid for by the project proponent shall carry out the analysis. [emphasis added]

CONSIDERATIONS

- Locally-owned Franchises
- “Business Friendly?”
- Online and Over the Hill Sales
- Impact to Local Economy – Short-Term & Long-Term
- Coastal Land Use and Development Code changes must be submitted and approved by Coastal Commission
- Potential Impact to City Revenues

TOP TWENTY-FIVE SALES TAX PRODUCERS

BUSINESS NAME	TYPE
Arco AM/PM Mini Marts	Service Stations
Boatyard Tobacco	Miscellaneous Retail
Chevron Service Stations	Service Stations
CVS/Pharmacy	Drug Stores
David's Deli	Restaurant
Denny's Restaurants	Restaurant
Dollar Tree Stores	Department Stores
Geo Aggregates	Bldg. Matls-Retail
Harvest Market	Food Markets
McDonald's Restaurants	Restaurant
Mendo Mill & Lumber Company	Bldg. Matls-Retail
Mendocino County Horticulture	Florist/Nursery

BUSINESS NAME	TYPE
O'Reilly Auto Parts	Auto Parts/Repair
Redwood Coast Fuels	Energy Sales
Rino Pacific Service Stations	Service Stations
Rite Aid Drug Stores	Drug Stores
Rossi Building Materials	Bldg. Matls-Retail
Safeway Stores	Food Markets
Sinclairs Service Stations	Service Stations
Sport Chrysler Jeep Dodge	Auto Sales - New
Taco Bell	Restaurant
The Brewery Shop	Food Markets
True Value Hardware	Bldg. Matls-Retail
Two Short Sales	Bldg. Matls-Whsle
US Cellular	Miscellaneous Retail

QUESTIONS