

CHAPTER 18.46 FORMULA BUSINESS REGULATIONS

CITY COUNCIL

AUGUST 9, 2021



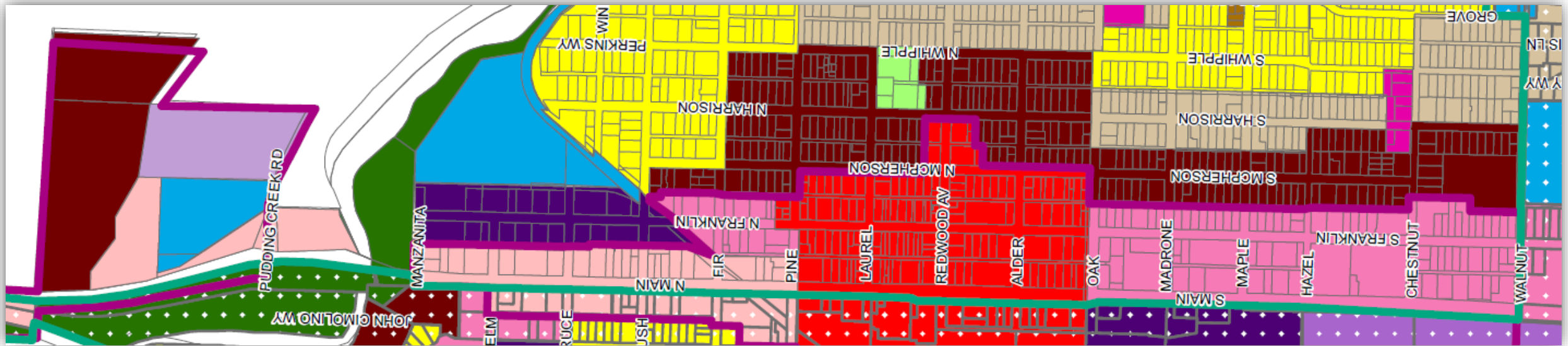
FORMULA BUSINESS ORDINANCE

| PROPOSED ACTION PLAN | PROPOSED DATE |
|--|--------------------------|
| PC Finalize Ordinance Language | May 5, 2021 |
| Planning Commission Public Hearing | June 2, 2021 |
| City Council Review Ordinance | June 28, 2021 |
| City Council Introduction and Public Hearing | August 9, 2021 |
| City Council Adopts Ordinance | September 13, 2021 |
| Formula Business Effective Date | October 13, 2021 |
| City Council Rescinds Moratorium | October 25, 2021 |
| Develop Coastal Formula Business Regulation | Late Fall/Winter 2021-22 |

MORATORIUM ON FORMULA BUSINESS

- ▶ 45-Day moratorium on approval of applications and permits for Formula Businesses in the Inland Zoning Area
- ▶ Approved by 4/5 Councilmembers
- ▶ May 24, 2021 –City Council extended moratorium for 10 months and 15 days
- ▶ May be extended for a total period of two years
- ▶ Impacts Dollar General Application
- ▶ Moratorium for Coastal Area failed

INLAND COMMERCIAL DISTRICTS



PROPOSED ORDINANCE - LEGISLATIVE FINDINGS

- ▶ Establishes the nondiscriminatory purpose for regulating Formula Businesses
- ▶ Lengthy preamble section aka “extensive findings”
- ▶ Not codified, so it is not printed as part of the Inland Land Use Development Code (ILUDC)

PROPOSED ORDINANCE – 18.46.010 PURPOSE

- ▶ Abbreviated purpose
- ▶ Serves as an Introduction
- ▶ Included in the codified or printed ILUDC
- ▶ Adds to the support for the nondiscriminatory purpose of the Ordinance

PROPOSED ORDINANCE - 18.46.020 DEFINITIONS

- ▶ Separately, listed in Definitions 18.100 as applicable to “Formula Business Chapter”
- ▶ Replace existing definition of “Formula Business”
- ▶ Added “Commercial Establishment” instead of listing all land uses that were included or excluded from Formula Business
- ▶ Added “Payday or Check Cashing Commercial Establishment”

PROPOSED ORDINANCE – 18.46.030 REGULATIONS

Added Regulation:

- ▶ *A Formula Business Establishment may be allowed in the Commercial Zoning Districts with a Use Permit (UP).*
- ▶ *Establishment of or exterior alteration of a Formula Business is subject to Design Review as set forth in Section 18.71.050.*

PROPOSED ORDINANCE – 18.46.040 REQUIRED FINDINGS

- A. The Commercial Establishment will add to, rather than detract from, the overall economic and cultural vitality of the City; and
- B. The Commercial Establishment will not result in an over-concentration of Formula Business establishments in its immediate vicinity or in the City as a whole; and
- C. The Commercial Establishment will complement existing businesses; and
- D. The Commercial Establishment will promote diversity and variety to assure a balanced mix of commercial uses to serve both resident and visitor populations; and
- E. The Commercial Establishment has been designed to preserve and enhance the City's small town character; and
- F. The Commercial Establishment's exterior design limits "formula" architectural, sign and other components; and
- G. The Commercial Establishment's exterior design integrates existing community architectural design features.

PROPOSED ORDINANCE – 18.46.050 SELECTED EXEMPTIONS

- D. *A Formula Business that does not exceed 2,000 square feet of gross floor area, except those uses prohibited by Section 18.46.060;*
- E. *Formula Business, which if approved, would not result in Formula Business(es) occupying more than twenty-five percent (25%) of the total gross floor area of a Retail Complex or Mixed Use Project, except those uses prohibited by Section 18.46.060;*
- F. *A Formula Business, which if approved, would not result in Formula Business(es) occupying more than thirty-five percent (35%) of the total gross floor area of a Mixed Use Project in which at least thirty-five percent (35%) of total gross floor area is a residential component, except those uses prohibited by Section 18.46.060; or*
- G. *Changes in ownership of existing Formula Businesses where there is no substantial change to the land use classification of the use, or in the mode or character of the operation.*

Proposed development that qualifies as an Exemption pursuant to D, E, F, or G of this Section is subject to Design Review as provided in Section 18.71.050.

SQUARE FOOTAGE COMPARISONS – FAST FOOD RESTAURANTS

| Restaurant Chain | Square Footage |
|------------------|----------------|
| McDonald's | 4,500 |
| Chick-fil-A | 4,200 |
| Burger King | 3,500 |
| Arby's | 3,500 |
| Wendy's | 3,000 |
| Chipotle's | 2,600 |

Source: www.statista & www.restfinance

SQUARE FOOTAGE COMPARISONS – LOCAL DEVELOPMENT

| Building | Square Footage |
|---|-----------------------|
| Dry Shed on Mill Site | ~70,000 |
| Safeway | ~51,700 |
| Rite Aid | ~27,000 |
| Proposed Grocery Outlet | ~16,150 |
| North Coast Brewery | ~15,700 |
| Former Sears Building | ~9,800 |
| Proposed Dollar General | ~9,000 |
| Floor Store/Holistic Sunshine (retail space only) | ~2,960 |
| Starbucks | ~2,800 |
| Taco Bell | ~2,400 |
| Speedex/Sinclair's Service Station (as expanded) | ~1,800 |

PROPOSED ORDINANCE – 18.46.060 PROHIBITED FB USES

- A. *Formula Businesses are prohibited in the Neighborhood Commercial (CN) Zoning District.*

- B. *Formula Business Payday Lending or Check Cashing Commercial Establishments are prohibited in all Zoning Districts.*

PROPOSED ORDINANCE – 18.46.070 BURDEN OF PROOF

- ▶ *In the event the City determines that a permit application or permit is subject to this chapter for a Formula Business, the permit applicant or holder bears the burden of proving to the City that the proposed or existing use does not constitute a Formula Business.*

PROPOSED ORDINANCE – USE TABLE UPDATES

Table 2-6

Retail Trade; Services - Business, Financial, Professional; and Services - General

| LAND USE (1) | PERMIT REQUIRED BY DISTRICT | | | | | Specific Use Regulations |
|-------------------------------------|-----------------------------|-------|-------|-------|-------|--------------------------|
| | CN | CO | CBD | CG | CH | |
| Formula Business | - | UP(2) | UP(2) | UP(2) | UP(2) | Chapter 18.46 |
| Formula Business – 2,000 sf or less | - | P | P | P | P | Chapter 18.46 |

(1) See Article 10 for land use definitions

(2) Use Permit required except for exemptions set forth in 18.46.050

QUESTIONS?