



Formula Businesses

Planning Commission Meeting

October 14, 2020

What is a Formula Business?

- ▶ A business that is required by contractual or other arrangement to maintain standardized uses, services, decor, uniforms, architecture, signs, or other similar features; and is substantially identical to 25 or more other businesses in the United States. Formula businesses may include retail sales, services, restaurants, gas stations, visitor accommodations, etc.



Formula Businesses are not limited to just retail and restaurants.



Formula Business may include tax prep businesses, national chain real estate offices, hotels, private post offices, insurance agents, medical clinics, health clubs, banks and other financial institutes that may fall within the definition of Formula Business.

Regulate Formula Business

in the City of Fort Bragg



On October 24, 2019 and February 24, 2020, City Council met to discuss policies to regulate Formula Business in the City of Fort Bragg.

Council discussed the various locations:

- Gateway
- General Commercial Corridor
- Central Business District
- South of Pudding Creek
- North of Pudding Creek

Why Regulate Formula Businesses?

- ▶ The increase of formula businesses in the City's commercial areas, if not monitored and regulated, could obstruct the City's goal of maintaining a diverse retail base with distinct neighborhood retailing personalities comprised of a mix of businesses.



The purpose of the regulation must be tied to the long-term commercial health of the City and **cannot be discriminatory** against a particular business in order to be legally opposable.



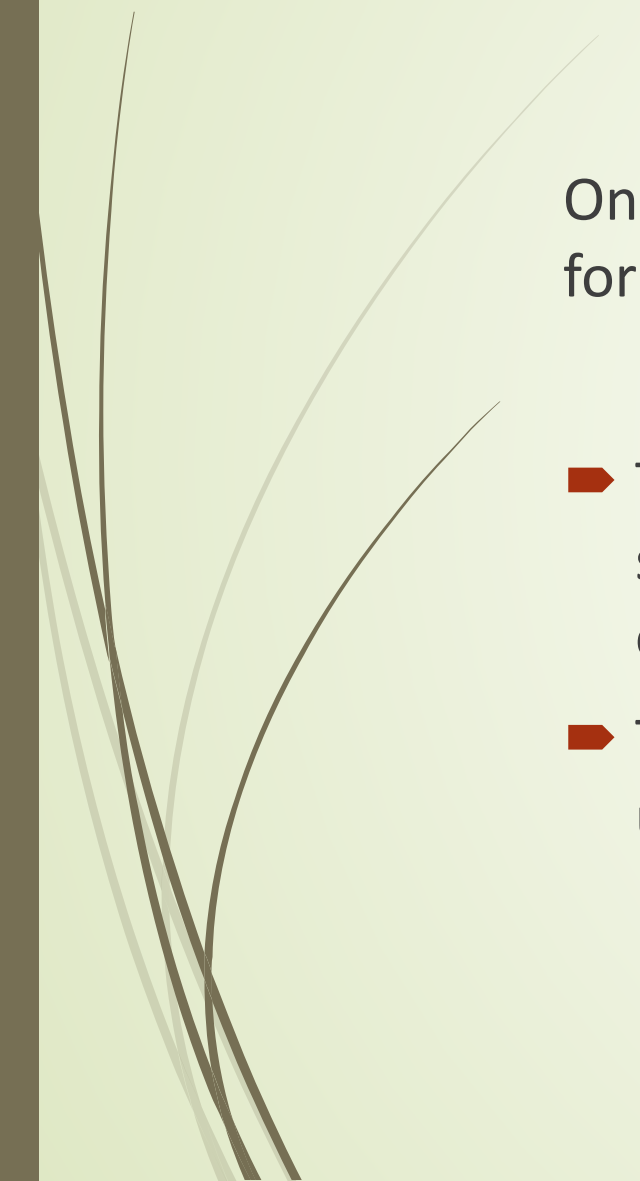
- ▶ While cities cannot completely prohibit “Formula Businesses” within their jurisdictions, cities can enact ordinances that impose **additional permit** requirements that **limit the numbers** in a given area and impose certain design guidelines in order to ensure they are compatible with surrounding uses.



The 2020 Formula Business Survey

(In English & Spanish)

On September 17, 2020, the City of Fort Bragg, launched a survey on formula business to the public.

- The **2020 Formula Business Survey** is being conducted as part of soliciting the public's input prior to adopting a formula business ordinance.
 - The responses will theoretically allow us to get a better understanding on our community needs as a whole.
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Existing Formula Business Regulation

- Fort Bragg's Coastal and Inland Land Use & Development Codes and General Plans contain some guidelines and restrictions on formula based businesses that should be considered in adding to and/or revising the existing regulation. (See Goals, Policy and Program)
- Fort Bragg's Coastal and Inland Land Use & Development Codes and General Plans contain the following guidelines and restrictions for the City's entryways or Gateways that should also be considered in policy changes. (See Goals, Policy and Program)



PROPOSED CHANGES TO ORDINANCE AND CONSISTENCY ANALYSIS

- The proposed amendment to the Municipal Code involves changes to Chapter 18 of the Inland Land Use and Development Code (ILUDC) only.
- Potential ILUDC amendments require changes to; the land use tables in Article 2 to specify where formula businesses may be allowed or require permitting; and Article 4 describes the specific uses and regulations as they apply to formula business; and Article 10 which defines the terminology.

Changes to Municipal Code Chapter 18

- ▶ **Article 2 Chapter 18.22:** Revise Commercial Land Use Table 2-6 in Chapter 18.22 to include Formula Business as a land use, and indicate its allowance in specific districts with Use Permit approval subject to the Specific Use Regulations that will be detailed in Chapter 18.42.025.

Primary Use	CN	CG	CH	CBD	IL	IH	Coastal ⁵
Formula Business	UP	UP	UP	--	--	--	--

P = Permitted, MUP = Minor Use Permit, UP = Use Permit, - -Not Permitted

- ▶ **Article 4 Chapter 18.42:** Add Section 18.42.025 – Formula Business to provide Specific Use Regulations for commercial uses.
 - ▶ Limitation on Location
 - ▶ Formula business Conditional Use Permit
 - ▶ Fiscal and Economic Analysis
 - ▶ Exterior Appearance
 - ▶ Quantity
 - ▶ Business License
- ▶ **Article 10 Chapter 18.100 :** Changes proposed for definition of terms “Formula Business” and “Big Box Retail”
 - ▶ Formula Business
 - ▶ Big Box



San Juan Bautista Conditional Use Permit Findings

Here is an example of formula business findings from San Juan Bautista:

- 1. The business offers merchandise and/or services that serve the unmet needs of the population.
- 2. Although the formula-based business may have other store locations throughout the country, State, or region, the business will complement and enhance the character of the City.
- 3. Both exterior and interior appearance and presentation of the business are compatible with the existing scale of development, distinctive architecture and pedestrian orientation of the town character and result in an enhancement of the look and feel (i.e., character) of the surrounding area.
- 4. Signs shall conform to the City sign standards and design guidelines.
- 5. Drive-through food establishments shall be prohibited.



Staff is seeking recommendations from the Planning Commission.

- ▶ Shall we require a conditional use permit for Formula Business?
 - ▶ Shall we require a fiscal and economic analysis be performed as part of the conditional use permit process?
 - ▶ A CEQA review is required for formula businesses.
 - Neighborhood Commercial – **CN**
 - General Commercial – **CG**
 - Highway Visitor Commercial – **CH**
 - Central Business District – **CBD**
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- Gateway
 - General Commercial Corridor
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