



AGENCY: Planning Commission  
MEETING DATE: February 10, 2021  
DEPARTMENT: City Manager  
PRESENTED BY: Tabatha Miller  
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## AGENDA ITEM SUMMARY

**TITLE: Discussion and Possible Recommendations to Staff on Formula Business Ordinance**

### **ISSUE:**

The Planning Commission met on January 6, 2021 to provide staff additional feedback and recommendations on a Formula Business Ordinance. After a long and productive meeting, Commissioner Andreis raised the idea of creating a smaller “core” Central Business District (CBD) in order to strategically regulate Formula Businesses to encourage more pedestrian traffic and allow for development while protecting the historic character of the CBD. The concept of a smaller “core” included allowing or disallowing certain Formula Businesses in certain Districts based on square footage for a particular building, development or parcel.

Secondarily, at that same meeting the Planning Commission discussed if there was a way, using the Formula Business Ordinance, to encourage businesses to adopt protocols and policies that were socially and environmentally responsible. The example discussed was B Corporations or a benefit corporation which is purpose driven and creates benefit for all stakeholders, not just shareholders.<sup>1</sup> The short answer from the attorney is that placing those as requirements in the Land Use Code is not appropriate but the City may enter into development agreements or other contractual arrangements where those types of terms can be negotiated and would be enforceable under contract law. Additionally, the City can establish policies, goals and programs that reward certain business operations or behaviors, through reduced fees, education and other incentives. These types of policies are generally established by the City Council.

Lastly, the Planning Commission asked about how a Formula Business Ordinance would apply when businesses change ownership but the type of business remains the same. For example, if an existing independent Fort Bragg pizza restaurant was purchased by a chain pizzeria that met the City’s definition of Formula Business. The City Attorney provided that in this case, if the new chain pizzeria was operating in the same space and generally under the same conditions, the use permit runs with the land and the chain pizzeria would not be subject to the Formula Business Ordinance unless a permit is triggered by expanding the operation by size or intensity of use such that a permit would otherwise be required.<sup>2</sup>

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<sup>1</sup> A B Corporation is a company certified by B Lab (<https://bcorporation.net>) that meets certain standards. Although related, a Benefits Corporation is a legally incorporated status in California which allows a Board of Directors greater legal protection when making business decisions that promote social and environmental objectives.

<sup>2</sup> [The Park at Cross Creek, LLC v. City of Malibu](#), 12 Cal.App.5th 1196.

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## ANALYSIS:

This agenda item and staff report is general with little or no analysis so that the Planning Commission may have an open discussion on what other facets of regulating Formula Businesses to include in the final Ordinance recommended to the City Council. The City Attorney will be in attendance at this meeting to help provide answers to questions raised by the Planning Commission.

### Pedestrian-Oriented CBD Core

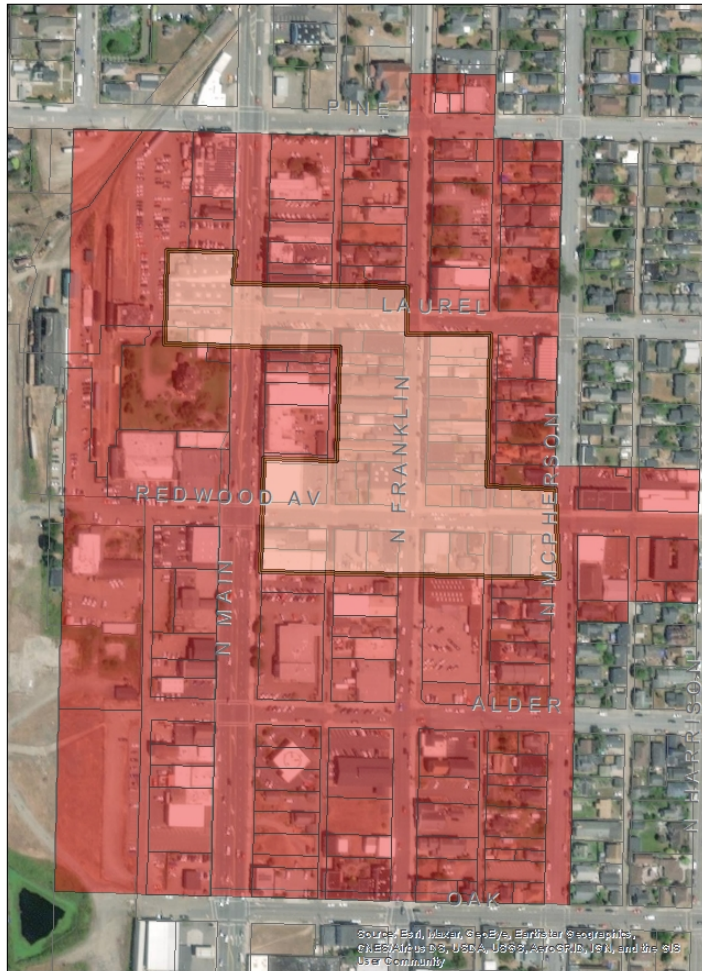
There is support already in place for the idea of creating an overlay district for the “core” CBD that would draw more attention to the pedestrian friendly heart of the City’s historic downtown. Section 18.22.030(C) of the Fort Bragg Inland Land Use and Development Code provides:

#### *18.22.030 - Commercial District Land Uses and Permit Requirements*

*C. Findings for Use Permit or Minor Use Permit approval. The approval of a Use Permit or Minor Use Permit for a project within a commercial district shall require that the review authority first make the following findings for the zoning district applicable to the site, in addition to the findings required by § 18.71.060 (Use Permit and Minor Use Permit):*

- 1. CN (Neighborhood Commercial) district. The use is designed and intended to serve the local neighborhood and not a broader service area, and is not of a size as to require a clientele larger than the neighborhood market area.*
- 2. CO (Office Commercial) district. The use acts to support primary uses in the zone, or clients or visitors of allowable permitted uses.*
- 3. CBD (Central Business District) district. The use complements the local, regional and tourist-serving retail, office and services functions of the CBD, and will not detract from this basic purpose of the CBD. Uses proposed for the intense pedestrian-oriented retail shopping areas of the CBD, which include the 100 blocks of East and West Laurel Street, the 300 block of North Franklin Street, and the 100 and 200 blocks of Redwood Avenue, shall be limited to pedestrian-oriented uses on the street-fronting portion of the building.*

The map on the next page highlights the “pedestrian-oriented retail shopping area” as defined above. As written in 18.22.030 (C)(3), this defined area leaves out Main Street, likely because the sidewalks and rights of way are under the jurisdiction of the California Department of Transportation (CalTrans) and not the City.



In addition to the reference in Section 18.22.030 (C)(3), a review of City archived files discovered a project from 2002 entitled “City’s Downtown Revitalization Study 2002”. This project included a flyer entitled “Downtown Overlay District” (Attachment 1) with a defined core CBD similar to the concept proposed by Commissioner Andreis.

**CONSISTENCY:**

Policies from the Inland General Plan Land Use Element that the Planning Commission may want to consider in its discussion this evening include:

**Commercial Land**

The goals and policies in this section ensure that the Central Business District remains the historic, civic, cultural, and commercial core of the community. There are also policies encouraging mixed use and infill development to strengthen the other commercial areas of the City. The Circulation and the Community Design Elements provide goals and policies

addressing parking, alleyways, and the overall appearance of commercial development.

**Goal LU-3 Ensure that the Central Business District remains the historic, civic, cultural, and commercial core of the community.**

Policy LU-3.1 Central Business District: Retain and enhance the small-scale, pedestrian friendly, and historic character of the Central Business District (CBD).

Program LU-3.1.1: Utilize City-owned land at City Hall and Bainbridge Park for historic and cultural uses, public assembly, and entertainment.

Program LU-3.1.2: Residential uses are permitted only above the ground floor or at the rear of buildings on the ground floor.

Policy LU-3.2 Mixed Uses: Support mixed use development (i.e., a combination of residential and commercial uses) in the Central Business District that does not conflict with the primary retail function of this area.

Policy LU-3.3 Historic Buildings and Mixed Uses: In the Central Business District and in other commercial areas with historic residential structures, encourage residential uses, mixed residential, and commercial uses, and the preservation of historic structures.

Policy LU-3.4 Encourage Infill Development: Encourage infill development of vacant and underdeveloped land in the Central Business District and adjacent commercial areas before amending the Inland General Plan and rezoning to obtain additional commercial land elsewhere.

Policy LU-3.5 Encourage Smart Growth: Locate new residential, commercial, or industrial development within, contiguous with, or in close proximity to, existing developed areas.

Policy LU-3.6 Re-Use of Existing Buildings: Encourage the adaptive re-use and more complete utilization of buildings in the Central Business District and other commercial districts.

Program LU-3.6.1: Consider establishing incentives such as low-interest loans for rehabilitation and installation of fire sprinklers in buildings to encourage the reuse of upper floors of existing buildings in the Central Business District for housing, offices, and other uses.

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

Policy LU-4.1 Formula Businesses and Big Box Retail: The location, scale, and appearance of formula businesses and big box retail shall not detract from the economic vitality of established commercial businesses, and shall be consistent with the small town, rural character of Fort Bragg.

Policy LU-4.2 Large-Scale Commercial Development: To maintain scenic views along Main Street 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.

Policy LU-4.3 Standards for Commercial Uses in Residential Areas: Commercial uses in and adjacent to residential areas shall not adversely affect the primarily residential character of the area.

**RECOMMENDED ACTION:**

There is no recommended action. Staff placed this discussion item on the agenda so that the Planning Commission can explore more creative concepts and provide staff direction on incorporating those concepts into a Formula Business Ordinance.

**ALTERNATIVE ACTION(S):**

N/A

**FISCAL IMPACT:**

N/A

**GREENHOUSE GAS EMISSIONS IMPACT:**

N/A

**ATTACHMENTS:**

1. Downtown Overlay District Flyer

**NOTIFICATION:**

1. Economic Development Planning, **Notify Me subscriber list**