



City of Sebastopol Planning Commission Staff Report

Meeting Date: October 14, 2025
Agenda Item: 6A
To: Planning Commission
From: Alex Mog, City Attorney
Subject: Public Hearing to Consider Amendments to Sebastopol Municipal Code Chapter 17.340 Regarding Formula Businesses
Applicant/Owner: City of Sebastopol
CEQA Status: Exempt pursuant to CEQA Guidelines Section 15061(b)(3)
Recommendation: Adopt a Resolution Recommending that the Sebastopol City Council Amend Sebastopol Municipal Code Chapter 17.340 regarding exemptions to Formula Business Ordinance and Related Definitions.

EXECUTIVE SUMMARY

The City of Sebastopol has long sought to preserve its small-town character, local business identity, and vibrant downtown. The existing Formula Business Ordinance, codified as Sebastopol Municipal Code Chapter 17.340, has supported these goals by regulating the establishment of chain or “formula” businesses in downtown Sebastopol. Chapter 17.340 generally defines a “formula” business as an establishment with 25 or more locations in the Country.

The Formula Business Ordinance completely prohibits new formula business offices on the ground floor, formula business restaurants, and formula business hotels and motels. For all other types of businesses, the Chapter 17.340 requires an applicant to obtain a conditional use permit in order to establish the formula business. The Planning Commission is responsible for reviewing and either approving or denying the use permit, and the Planning Commission’s decision can be appealed to the City Council.

The City Council and community members have expressed interest in reviewing the Formula Business Ordinance to ensure its continued effectiveness and alignment with City values. At its September 16 meeting, the City Council directed staff to review the Formula Business Ordinance for potential updates. The Council’s direction was to identify any limited and focused updates that would further the Ordinance’s purpose of preserving the City’s unique character and supporting locally owned businesses, but to not pursue any significant revisions.

DISCUSSION

After review of the Formula Business Ordinance, staff is proposing amendments to Section 17.340.030 regarding exemptions to the Ordinance. Currently, the Ordinance contains a number of exemptions, most of which are limited in scope. However, the Ordinance also includes an exemption for “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.” Staff has identified two potential issues with this exemption. First, whether or not there has been a change in the mode or character of the operation is subjective and not well-defined. This potentially makes the Ordinance hard to administer, and can create disputes as to whether or not a change has occurred.

Second, the City’s land use classifications are relatively broad. Businesses that would commonly be thought of as different types of business actually fall within the same land use classification. For example, the land use classification of “*Automotive Sales, Service, and Repair*” includes both “automotive rental service” and “automotive or truck wash”. That means a theoretical existing Avis Car Rental could potentially become a Quick Quack Car Wash without having to obtain a conditional use permit pursuant to the Formula Business Ordinance.

The proposed amendments to the Formula Business Ordinance would remove reference to “land use classifications,” and instead refer to changes in the “type of business”. The amendment will define “type of business” to have the same meaning as that phrase “is commonly used and is intended to be narrower than the land use classifications used elsewhere in this Title. For example, a coffee shop would be the same type of business as another coffee shop, but a fast food restaurant would be a different type of business than a coffee shop.”

In addition, the proposed ordinance would create a definition of what qualifies as a “substantial change in the mode or character of the operation.” The proposed definition is not comprehensive, but rather is intended to provide guidance to decision makers.

Sebastopol Municipal Code Section 17.445.030 requires the Planning Commission to make certain findings when recommending approval of zoning amendments. Specifically, the Planning Commission must find that the proposed amendment:

- a. Is compatible with the general objectives of the General Plan and any applicable specific plan.
- b. Is in conformity with public convenience, general welfare and good land use practice.
- c. Will not be detrimental to the public health, safety and general welfare.
- d. Will not adversely affect the orderly development of property.

Analysis and Conclusion. The proposed zoning amendments satisfy all of these required findings. It is consistent with the Sebastopol General Plan, including the following General Plan goals and policies:

- Goal LU 7: Emphasize and Advance Sebastopol’s Role as a Market and Service Center for the West County by Providing for a Vibrant Downtown, Diversified Uses, and Community Services and Facilities
- Policy LU 7-10: Maintain Zoning Ordinance controls on formula businesses that strengthen the City’s unique character, support the local economy, and ensure the provision of needed goods and services.

- Goal CD 1: Preserve and Enhance Sebastopol's Unique Character, Design, and Sense of Place as a Small, Compact Town

Additionally, the amendments are in conformity with the public welfare and convenience; are not detrimental to the public health, safety and welfare; and do not adversely affect the orderly development of property. Specifically, the Amendments strengthen the City's existing formula business ordinance in order to provide clarity and ensure that the unique character of the City's downtown commercial core is protected. The proposed amendments do not authorize or prohibit any use, but rather require discretionary review by the City prior to the establishment of certain formula businesses.

Sebastopol Municipal Code section 17.445.020 requires that the Planning Commission adopt a resolution of intention before a zoning amendment is formally adopted. The proposed resolution satisfies this requirement.

RESTATED RECOMMENDATION:

That the Planning Commission adopt a resolution recommending that the Sebastopol City Council amend Sebastopol Municipal Code Chapter 17.340 regarding exemptions to Formula Business Ordinance and Related Definitions.

ATTACHMENTS:

1. Draft Resolution
2. Proposed Changes
3. Public Comments

RESOLUTION NUMBER: XXXX-2025
SEBASTOPOL PLANNING COMMISSION

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF SEBASTOPOL
RECOMMENDING THE CITY COUNCIL AMEND SEBASTOPOL MUNICIPAL CODE
CHAPTER 17.340 REGARDING EXEMPTIONS TO FORMULA BUSINESS ORDINANCE
AND RELATED DEFINITIONS

WHEREAS, the City of Sebastopol has long sought to preserve its small-town character, local business identity, and vibrant downtown; and

WHEREAS, the existing Formula Business Ordinance, codified as Sebastopol Municipal Code Chapter 17.340, has supported these goals by regulating the establishment of chain or “formula” businesses in downtown Sebastopol; and

WHEREAS, the City Council and community members have expressed interest in reviewing the Formula Business Ordinance to ensure its continued effectiveness and alignment with City values; and

WHEREAS, the proposed zoning amendments would clarify the scope of certain exemptions contained in Section 17.340.030 and establish related definitions; and

WHEREAS, the Planning Commission held a duly noticed Public Hearing on October 15, 2025, at which time all interested parties had the opportunity to be heard; and

WHEREAS, the Planning Commission has carefully considered the written and oral staff report, as well as all testimony presented during the public hearing.

NOW, THEREFORE, BE IT RESOLVED by the Planning Commission of the City of Sebastopol that the above recitals are true and correct and made part of this resolution.

BE IT FURTHER RESOLVED THAT the Planning Commission hereby recommends that the City Council adopt an ordinance to approve the proposed Zoning Code amendments, as shown in attached **Exhibit A**, based on the following findings and considering the staff report and the whole of the record related to the Project:

- a. The amendments are compatible with the general objectives of the General Plan and any applicable specific plan.
- b. The amendments are in conformity with public convenience, general welfare and good land use practice.
- c. The amendments will not be detrimental to the public health, safety, and general welfare.
- d. The amendments will not adversely affect the orderly development of property.

BE IT FURTHER RESOLVED that the Planning Commission recommends that the City Council find that adoption of the proposed amendments is exempt from further environmental review pursuant to CEQA Guidelines Section 15061(b)(3).

BE IT FUTHER RESOLVED that this Resolution declares the intent of the City to amend the Zoning Code pursuant to the requirements of Sebastopol Municipal Code section 17.445.020.

The above and foregoing Resolution was duly passed, approved, and adopted at a meeting by the Sebastopol Planning Commission on the 14th day of October, 2025 by the following vote:

VOTE:

Ayes:

Noes:

Absent:

Abstain:

APPROVED: _____
Chair

ATTEST: _____
Planning Commission Secretary

EXHIBIT A

Additions to the Municipal Code are shown in underline and deletions in ~~striketrough~~.

1. The following definitions shall be added to Section 17.340.020.B:

“Substantial change in the mode or character of the operation” includes, but is not limited to: extending the hours of operation to open earlier than 8:00 a.m. or close later than 9 p.m.; any change in use requiring a new discretionary approval from the City; or any change in ownership requiring a new license to sell alcoholic beverages.”

“Type of business” has the same meaning as this term is commonly used and is intended to be narrower than the land use classifications used elsewhere in this Title. For example, a coffee shop would be the same type of business as another coffee shop, but a fast food restaurant would be a different type of business than a coffee shop.

2. Section 17.340.030.F is amended to read as follows:
3. “Changes in ownership of existing formula businesses where there is no substantial change to the type of business ~~and use classification of the use~~, or in the mode or character of the operation of the business as determined by the Planning Director;”

From: roger shapiro [REDACTED]
Sent: Tuesday, September 16, 2025 4:47 PM
To: City Council <citycouncil@cityofsebastopol.gov>
Subject: Chain store ban

Please dont allow chain stores into downtown Sebastopol. We've seen a few come in but it really does nothing to enhance our beautifully unique city and competes with local businesses. Stay local love the charm of our city. Sincerely, Roger Shapiro

Sent from my T-Mobile 5G Device
Get [Outlook for Android](#)

From: Brian Berbiglia [REDACTED]
Sent: Tuesday, September 16, 2025 4:52 PM
To: City Council <citycouncil@cityofsebastopol.gov>
Subject: Keep chains out of Sebastopol

Please continue to keep chain businesses of any kind OUT of Sebastopol. Sebastopol is a gem that is visited by people near and far who come for its unique culture and small town feel. Do not threaten small businesses here. Do not threaten what Sebastopol is about. CHAINS OUT OF SEBASTOPOL!!!!

Thank you-

Your constituent

From: Gabriella Iraola [REDACTED]
Sent: Tuesday, September 16, 2025 4:39 PM
To: City Council <citycouncil@cityofsebastopol.gov>
Subject: Keep chains out of Sebastopol

Please continue to keep chain businesses of any kind OUT of Sebastopol. Sebastopol is a gem that is visited by people near and far who come for its unique culture and small town feel. Do not threaten small businesses here. Do not threaten what Sebastopol is about. CHAINS OUT OF SEBASTOPOL!!!!

Thank you-
Your constituent
Gabriella Iraola
[REDACTED]

From: Jacki Wilson [REDACTED]
Sent: Tuesday, September 16, 2025 2:12 PM
To: City Council <citycouncil@cityofsebastopol.gov>
Subject: Downtown sebastopol

I am strongly opposed to large chain stores and corporate businesses opening in our downtown area. Our community thrives because of the unique, locally owned businesses that bring character, diversity, and personal connection to our town. These small businesses are run by our neighbors, support our local economy, and reinvest directly into our community. Allowing large chains to move in would undermine the hard work and sustainability of these local establishments, threatening the very identity of our downtown. We must prioritize and protect what makes our town special by supporting those who have built it from the ground up.

Jacki Wilson
Two Dog Night Creamery
Sebastopol, CA
[REDACTED]

-----Original Message-----

From: Kee Nethery [REDACTED]
Sent: Saturday, September 20, 2025 1:23 PM
To: Mary Gourley <mgourley@cityofsebastopol.gov>
Subject: Letter for board

Regarding easing the rules on franchises on main street.

The current rule says any entity with more than some number of franchise locations cannot open offices downtown.

Suggest that if you relax the rule that the new limit is double the existing limit. In addition, for businesses in that expanded range, limit the square feet they can occupy.

Also include a (5?) year sunset clause that grandfathers in any business allowed before the sunset. After those years, the existing limits for new businesses go back into force.

You can always extend the limits but this way, it's a temporary exception, an experiment.

Kee Nethery

From: Megan Camarena [REDACTED]
Sent: Tuesday, September 16, 2025 4:09 PM
To: City Council <citycouncil@cityofsebastopol.gov>
Subject: Chain businesses in downtown

I am writing to state my strong opposition to chain businesses being allowed in downtown Sebastopol. Downtown is the heart of Sebastopol, and that heart is made up of the independent businesses and the community they foster.

I do the vast majority of my shopping in Sebastopol, and most months at least 85% of what I spend is at the Sebastopol farmers market and various independent businesses downtown.

Part of what makes Sebastopol so special is the reduced presence of chain businesses. We need to keep it that way. Now more than ever, I want to be a part of a community that supports and celebrates small business, not a community that sells out to chains owned and operated by billionaires working to destroy this country. I strongly urge you to look for ways to support the hardworking, unique, and frankly brave small businesses you have downtown, rather than look further into allowing chain businesses. Put community first, not corporations. Thank you.

Megan Camarena

Grocery Outlet/Rite Aid location Concern

From Tyler Kidd [REDACTED]
Date Mon 9/29/2025 10:18 AM
To Planning <planning@cityofsebastopol.gov>

Good Morning Planning Department,

As one of the owners of Pacific Market in Sebastopol, located in close proximity to the former Rite Aid, I am writing to express my concern to the proposal for Grocery Outlet to occupy this location.

While I recognize the importance of filling vacant retail space, I am deeply concerned that the addition of Grocery Outlet at this site will negatively impact both the local business community and the overall economic health of the area. Specifically:

- **Market Saturation & Competition:** The immediate area already has established grocery providers. Adding a discount grocer will oversaturate the market and create unfair strain on existing businesses that have been invested in this community for years.
- **Community Character:** The proposed use does not align with the long-term development goals for this area, which emphasize balanced retail diversity and sustainable economic growth rather than introducing a discount outlet model.

For these reasons, I respectfully request that the Planning Department review and discuss Grocery Outlet's application with multiple city businesses to gather more data, information, and feelings of the people before allowing Grocery Outlet to occupy the former Rite Aid site.

Thank you for your consideration of my perspective as a local business owner. I would be glad to provide further input at any public hearing or community meeting on this matter.

Sincerely,

Tyler Kidd

Supervisor

Mar Val Food Stores

Genes Fine Foods

Glen Ellen Village Market

Pacific Market

Podesto’s Market

