

## FAQ Formula Business Ordinance and Grocery Outlet

Q: What is the Formula Business Ordinance?

*A: The City of Sebastopol has long sought to preserve its small-town character, local business identity, and vibrant downtown. The Formula Business Ordinance, codified as Sebastopol Municipal Code Chapter 17.340, supports these goals by regulating the establishment of chain or “formula” businesses in Sebastopol. Within the Downtown, the Formula Business Ordinance completely prohibits new formula business offices (except banks) on the ground floor, formula business restaurants, and formula business hotels and motels. For all other types of businesses, Chapter 17.340 requires an applicant to obtain a Use Permit to establish and operate 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.*

Q: What is a “Formula Business”?

*A: Chapter 17.340 generally defines a “formula” business as one that uses standard branding (name, logo, signs, décor) that is also used by 25 or more other locations within the United States. (SMC 17.340.020)*

Q: Doesn’t the City’s Formula Business Ordinance prohibit chain grocery stores like the Grocery Outlet from opening in the Downtown?

*A: No, the City’s Formula Business Ordinance does not prohibit grocery stores that are formula businesses from opening in the Downtown. Formula Businesses like Grocery Outlet can be allowed within the downtown if they are granted a Use Permit by the Sebastopol Planning Commission.*

Q: What City approvals would be needed for the Grocery Outlet to be in the former Rite Aid building at 218 N Main Street?

*A: Prior to opening at the old Rite Aid location, Grocery Outlet would need to apply for and receive the following entitlements from the City:*

- *A Use Permit for a Formula Business;*
- *A Use Permit for Alcohol Sales;*
- *Design Review for exterior changes;*
- *A Business License; and*
- *A Building Permit for tenant improvements.*

*The review process for the Formula Business Conditional Use Permit would proceed as follows:*

1. *Staff review for application completeness and code compliance*
2. *Public hearing before the Planning Commission*

*No hearings can be scheduled until a complete application is received and staff has prepared their analysis of consistency with the General Plan and Zoning Ordinance, including the findings of fact required for approval of a Formula Business Use Permit. The review and hearing process typically takes several months, and cannot begin before the application is deemed complete. All hearings allow for public comment in accordance with the Ralph M. Brown Act.*

**Q:** Has Grocery Outlet applied for these permits?

*A: The Grocery Outlet submitted the required application for a Formula Business Use Permit, an Alcohol Use Permit, and Design Review on February 6, 2026. City staff reviewed the submitted materials and determined that the application is not yet complete for processing. Application materials submitted to the City are available here:*

*<https://www.cityofsebastopol.gov/project/grocery-outlet-218-n-main-st/>*

**Q:** What are the Grocery Outlet meetings that have been held in Sebastopol?

*A: To date, all meetings about the Grocery Outlet have been organized and held by Grocery Outlet. The City was not consulted about these meetings, nor did the City have any role in the facilitation of these meetings.*

**Q:** How can I submit comments about the Grocery Outlet proposal?

*A: Comments may be submitted at any time by emailing: [planning@cityofsebastopol.gov](mailto:planning@cityofsebastopol.gov). All comments received will be forwarded to the Planning Commission in advance of their consideration of the application.*

*Once the application has been deemed completed and staff's analysis has been completed, the item will be placed on an upcoming Planning Commission agenda. All residents within 600 feet, and anyone who has requested notice of this item, will be notified and invited to submit comments, either in writing or at the Planning Commission hearing. At the hearing, members of the public may speak during the public comment period for that specific agenda item (2 minutes per speaker), either in person or on Zoom. Following the conclusion of public comments, the Planning Commission will discuss the item and take action.*

**Q:** When is the next hearing on this proposal?

*A: No hearing has been scheduled. A Planning Commission hearing cannot be scheduled until a complete application is received and reviewed by Planning Department staff. Once this has been completed, the hearing will be noticed on the City's website, and notices will be sent out.*

Q: Where can I read the relevant Municipal Code Sections?

*A: The Formula Business Regulations are in Sebastopol Municipal Code Chapter 17.340: <https://sebastopol.municipal.codes/SMC/17.340>*

Q: Who can I contact with questions?

*A: Planning Department*

*Email: [planning@cityofsebastopol.gov](mailto:planning@cityofsebastopol.gov)*

*Phone: (707) 823-6167*

*In person: 7120 Bodega Avenue, Sebastopol, CA*