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Sent: Wednesday, February 18, 2026 12:34 PM

To: City Council <citycouncil@cityofsebastopol.gov>

Subject: Formal Opposition to Conditional Use Permit: Market Saturation and Regulatory Conflicts

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EXECUTIVE SUMMARY: PROTECTING SEBASTOPOL'S ECONOMIC INTEGRITY

Sebastopol currently maintains the highest grocery store density in Sonoma County, with one major market for every 1,046 residents—a ratio seven times denser than Santa Rosa and five times denser than Rohnert Park. Our community is served by a delicate balance of legacy independent grocers, including Fircrest Market, Pacific Market, Andy's Market, and the Sebastopol Community Market.

Unlike national discount chains, these entities are not backed by private equity or public subsidies; they rely entirely on the local circulation of capital. Introducing a corporate discount outlet into this hyper-saturated market is a direct violation of the Sebastopol General Plan and the Formula Business Ordinance, risking the permanent loss of the independent anchors that define our city's character.

SONOMA COUNTY GROCERY DENSITY MATRIX (2026 PROJECTIONS)

Criteria: Includes Full-Service Supermarkets, Discount Grocers, and Major Specialty/Natural Markets.

City / Area	Population (est. 2026)	Grocery Count	Citizens per Store	Primary Stores Included
Sebastopol	7,322	7	~1,046	Safeway, Lucky, Whole Foods, Community Market, Pacific Market, Fircrest Market, Andy's Market
Sonoma	10,546	4	~2,637	Sonoma Market, Safeway, Whole Foods, Lucky

Cloverdale	8,667	3	~2,889	Ray's Food Place, Grocery Outlet, Dahlia & Sage
Windsor	25,597	5	~5,119	Oliver's, Safeway, Raley's, Grocery Outlet, Walmart
Petaluma	59,215	10	~5,922	Petaluma Market, Safeway (2), Lucky (2), Whole Foods, Trader Joe's, Target, Sprouts, Grocery Outlet
Santa Rosa	177,300	25	~7,092	Oliver's (2), Safeway (7), Lucky (2), Whole Foods (2), Raley's, Trader Joe's (2), etc.
Cotati	7,358	1	7,358	Oliver's Market
Rohnert Park	45,108	6	~7,518	Safeway, Raley's, Walmart (2), Grocery Outlet, FoodMaxx
Larkfield-Wikiup	8,856	1	8,856	Molsberry Market

I. CONFLICT WITH THE FORMULA BUSINESS ORDINANCE (FBO)

Sebastopol's FBO (Ordinance 1111) is triggered by businesses with 25 or more locations nationally. Grocery Outlet is a textbook example, far exceeding this threshold with 536 locations as of January 2026.

- Publicly Traded Interests vs. Local Accountability:** As a publicly traded corporation (NASDAQ: GO), Grocery Outlet's primary fiduciary duty is to distant shareholders. This contrasts with local stalwarts like Pacific Market or Community Market, where profits are reinvested locally.
- Standardization over Character:** The FBO seeks to prevent "monotonous retail landscapes." Grocery Outlet utilizes standardized signage and a rigid "treasure hunt" inventory model identical across 16 states. This lack of customization is

inherently inconsistent with the "unique and historic character" of downtown Sebastopol.

II. ECONOMIC VITALITY: UNDERCUTTING LOCAL TRADE & JOBS

The Conditional Use Permit (CUP) requires a finding that the business will "promote Sebastopol's economic vitality." The data suggests the opposite:

- **"Race to the Bottom" on Labor:** Existing grocers like Lucky California and Safeway provide stable, often unionized jobs. Corporate discount chains often utilize lower pay scales and leaner staffing models. Replacing living-wage careers at local independents with entry-level corporate roles represents a net loss for the local workforce.
- **Cannibalization of Local Treasure:** Introducing a discount chain blocks away from Fircrest and Pacific Market is redundant. Because Grocery Outlet targets the same customer base with corporate-backed pricing power, it risks displacing local treasures that donate to community causes—a practice less common among national chains.

III. LACK OF "NEEDED" GOODS: EXISTING VALUE PROGRAMS

The applicant must prove the establishment will provide "needed" goods. There is no unmet need for affordable food in Sebastopol:

- **Existing Savings Programs:** Residents already access deep discounts through Safeway's "Just for U" app, Lucky Rewards, and Whole Foods (Amazon Prime) "yellow tag" discounts.
- **Local Value:** Independents like Andy's Market and Fircrest Market are noted for frequently beating national chains on price without requiring corporate memberships.

RECOMMENDATION

We urge the Council to uphold the Formula Business Ordinance. Market data proves that Sebastopol is the most "over-stored" community in the region. Approving this CUP serves no public necessity and poses a significant threat to the economic diversity and unique character of our city.