

Proposed Grocery Outlet – 218 N. Main Street, Sebastopol, CA

Narrative

Grocery Outlet is proposing to open an approximate 16,000-square-foot grocery store at 218 North Main Street in Sebastopol, with a planned opening in early 2027, moving into a vacant building that has been occupied by both Rite Aid and Safeway. The store will employ approximately 50 individuals, with an average of 12 employees on-site during operating hours. The project requires a Conditional Use permit for a formula business and alcohol sales, and a design review permit.

Grocery Outlet is well known for delivering significant value to its customers through a wide selection of products at deeply discounted prices. Our product assortment includes fresh groceries, frozen foods, deli items, vitamins, health and beauty products, housewares, seasonal merchandise, and more.

Grocery Outlet's model also provides local economic opportunity through our Independent Operator ("IO") program. We partner with local entrepreneurs from the area who operate the store as small business owners. This approach empowers IOs to manage operations efficiently, support their families, and reinvest in the community. Independent Operators are often active members of local Chambers of Commerce, participate in civic and community events, and collaborate with public safety and other local organizations to enhance community well-being.

The proposed Sebastopol Grocery Outlet will bring several lasting benefits to the city, including:

- Local Employment: Approximately 50 jobs created, with hiring focused on local residents.
- Affordable Shopping Options: Essential groceries and household goods at discounted prices, supporting household budgets for families and individuals.
- Small Business Ownership: The Independent Operator program fosters entrepreneurship by empowering a local business owner to run the store.
- Community Engagement: Operators typically partner with local nonprofits, schools, and civic groups, and contribute to food drives and other charitable causes.
- Increased Local Commerce: Grocery Outlet will draw shoppers from outside Sebastopol, generating additional economic activity within the city.
- Help ensure tax dollars stay in the community of Sebastopol.
- Clean and Safe Environment: Commitment to maintaining a neat, attractive property that contributes positively to the neighborhood.

By offering a full assortment of essential grocery items at affordable prices, Grocery Outlet will serve as a valuable community asset in Sebastopol—providing local jobs, expanding shopping options, supporting small business ownership, and strengthening the city's economic and social vitality.

Link to the project website: <https://www.groceryoutletsebastopol.com/>

Also, here is additional information regarding the store requested in the Plan Check Letter dated May 14, 2026 and provided in our response to that letter:

Grocery Outlet Operations

Grocery Outlet is a full-service value grocery retailer offering a wide range of products, including fresh produce, dairy, meat, canned and dry goods, and seasonal merchandise. Each store provides a convenient shopping experience in an easy-to-navigate small-box format.

Stores are operated by entrepreneurial independent operators (IOs), many of whom live in the communities they serve. This local IO model creates a neighborhood feel through personalized customer service and product offerings tailored to community preferences.

Independent Operator

A typical Independent Operator (IO) candidate has 4–5 years of retail management experience, a solid financial background, and demonstrated sales and merchandising skills. IOs also include owners of small businesses from various retail sectors. It is common for stores to be operated by partners, including spouses, domestic partners, or siblings.

Hours of Operation

Most Grocery Outlet stores are open daily, excluding major holidays, and generally operate within the hours of 7:00 a.m. to 10:00 p.m. Hours may vary based on the independent operator's discretion and any applicable municipal restrictions.

Deliveries

Most stores receive deliveries 6 to 7 days per week to maintain product freshness and a broad selection for customers. Deliveries typically occur between 5:00 a.m. and 4:00 p.m. Grocery Outlet can work with the city to accommodate reasonable delivery conditions or restrictions.

Employees

A typical store employs approximately 50 people, with 10 to 15 employees working during normal business operations at any given time.

Formula Business Findings

Sebastapol requires a conditional use permit for new formula businesses. Below is a narrative explaining how the Sebastapol Grocery Outlet will meet all conditional use criteria.

- A. If the establishment, maintenance, or operation of the proposed use or development applied for will not, under the circumstances of the particular case, be detrimental to the health, safety, peace, comfort, and general welfare of persons residing or working in the neighborhood of such proposed use or development, or be detrimental or injurious to property and improvements in the neighborhood or to the general welfare of the City;

The project will not be detrimental to the health, safety, peace comfort or general welfare of people who live and work near 218 N. Main Street, and will not be detrimental or injurious to property and improvements in the neighborhood.

Currently, the site is a vacant retail building that was last used as a pharmacy. The project proposes to re-use the existing building, activating a prominent retail site in downtown. Loading operations will take place off-street within the parking area on the Property, minimizing impacts to Sebastapol's street network and pedestrians.

Also, the project does not propose any demolition or major alterations that could disrupt the safety, peace, comfort, or general welfare of the neighborhood that could result from extensive demolition or exterior construction activity.

The Project itself would introduce a new retail tenant—a grocery store—into a space formerly occupied by a different but related retail use—a pharmacy. It would not introduce a land use that could result in excessive noise, air emissions, fumes, or other operations which could be detrimental to the neighborhood.

In contrast, the project would result in a discount grocer that offers affordable, fresh, and healthy food options at a time when inflation and rising gas prices challenge customers' checkbooks. A new discount grocer in Sebastapol will provide an option for many residents who simply cannot afford to shop at Sebastapol's current conventional and premium supermarkets, or specialty food markets.

- B. That the formula business establishment will complement existing businesses, and promote diversity and variety to assure a balanced mix of commercial uses available to serve both resident and visitor populations;

Although Sebastapol already has a number of grocers, Grocery Outlet will complement these existing businesses. Unlike the other grocers in Sebastapol—which are all conventional or premium supermarkets, specialty food markets, or convenience stores—Grocery Outlet is a discount supermarket, offering fresh and healthy foods at a price point that is lower than Sebastapol's current offerings.

Sebastapol and the surrounding areas have a significant lack of discount supermarkets; the nearest other discount grocer to 218 N. Main Street in the store's trade area is Foodmaxx in Santa Rosa. As a result of this lack of supply for discount grocers, there is a significant unmet demand for a discount grocer like Grocery Outlet in Sebastapol. This means that it will in large part not compete with the more expensive conventional and premium supermarkets or the produce market and specialty food market in the city.

Additionally, while Sebastapol is a relatively wealthy community, many residents of the city and the rest of Grocery Outlet's trade area—which includes a significant portion of west Sonoma County—are not. Grocery Outlet would be the westernmost discount supermarket in Sonoma County. Grocery Outlet's location at 218 N. Main would provide a local opportunity for these residents and County residents to shop at a grocer that is within their price range without needing to drive to cities and towns east of Sebastapol.

Grocery Outlet will also compliment existing businesses in Sebastapol. Grocery Outlet shoppers will be able to walk to other nearby businesses in downtown Sebastapol when they do their grocery shopping, increasing the customer base of these other businesses.

Finally, the store is expected to be used by residents in many west County communities, as it will be the westernmost discount grocer in the region. This will also help to increase Sebastapol's sales tax, and bring shoppers to Sebastapol who otherwise might travel to different cities for discount groceries.

- C. That the proposed use, together with its design and improvements, is consistent with the unique and historic character of Sebastapol, has an exterior design which appropriately limits "formula" architectural, sign, and other components, and will preserve the distinctive visual appearance and shopping/dining experience of Sebastapol for its residents and visitors;

The project proposes an adaptive re-use of an existing retail building, replacing it with a different kind of retailer but maintaining the same overall site orientation and design. Thus, it will be consistent with the historic use of the building, and not disrupt the existing unique and historic character or visual appearance of Sebastapol's downtown.

Outside of cosmetic upgrades, the only change to the exterior of the building will be new signage. Grocery Outlet will work with city staff to ensure its signage complies with Sebastapol's signage regulations, ensuring the exterior design is consistent with Downtown's current distinctive visual appearance.

- D. That, as applicable, the proposed use will help residents and visitors avoid the need to shop out of town for goods or services;

Only one other discount grocer exists near the property: the Foodmaxx on Sebastapol Road in Santa Rosa. Thus, the Grocery Outlet would provide a local opportunity for residents and visitors who shop at discount grocers such as Foodmaxx or other Grocery Outlet stores in cities and towns east of Sebastapol to avoid the need to shop out of town for groceries. This will enhance the city's sales tax base, in addition to providing a much-needed affordable grocer.

Also, as noted above, the store is expected to be used by residents in many west County communities, as it will be the westernmost discount grocer in the region. This will also help to increase Sebastapol's sales tax and bring shoppers to Sebastapol who otherwise would go to different towns to shop for affordable groceries. Some of these non-resident shoppers will also patronize other Sebastapol businesses, as well.

- E. That the proposed use will be pedestrian-oriented and connect to the area's existing and planned pedestrian and bicycle facilities; and

The project proposes an adaptive re-use of an existing building, and would not disrupt downtown Sebastapol's existing pedestrian and bike network. It will be within walking distance of the rest of downtown and several nearby residential neighborhoods, providing an opportunity for downtown

shoppers to pick up groceries while visiting other commercial establishments, and for nearby residents to do their grocery shopping by walking.

- F. That if the proposed use is greater than 10,000 gross square feet, the establishment will provide needed goods or services, will promote Sebastapol's economic vitality, and will be compatible with existing and planned uses.

Grocery Outlet will provide a much-needed source of healthy and affordable groceries. The demand for discount grocery stores significantly exceeds current supply in the trade area for 218 N. Main Street. The trade area is currently served by a single discount grocer—Foodmaxx in Santa Rosa. This store does not come close to fully satisfying the demand from lower- and middle-income households for whom value-oriented grocery formats represent an important share of overall grocery spending.

The store will also promote Sebastapol's economic vitality, activating a currently-vacant retail space. It will generate direct sales tax, and indirectly draw more shoppers to downtown Sebastapol, some of whom can be expected to patronize other businesses. Given the fundamental shift away from big-box retail fueled by e-commerce and the Pandemic, if Grocery Outlet does not move into the space there is a distinct possibility it will remain vacant for a significant period of time, hindering the city's economic vitality.

And finally, the store will largely serve an unmet demand for discount groceries, meaning it will be compatible with other existing grocers in Sebastapol, all of which are conventional or premium supermarkets, specialty food markets, or convenience stores. And introducing a new retailer into an existing retail building that operated as such for decades will be compatible with the overall existing commercial uses in downtown Sebastapol.