



City Manager’s Report
December 10, 2019 City Council Meeting
Prepared By: Pierre Rivas, Development Services Director

Item#: 12.3

Subject: Consideration of initiating the process to amend the Zoning Ordinance to consider restrictions on formula businesses within the Central Business District (CBD) Zone

Purpose: To allow for the City Council to consider directing staff to make draft amendments to the Zoning Ordinance pertaining to regulation of formula businesses in the Central Business District, more specifically, within the Downtown Main Street commercial corridor.

Background: On February 24, 2004, the City Council adopted Ordinance No. 1597 which modified the Central Business District zoning regulations to further require that any “formula business” be subject to a conditional use permit and site plan review approval prior to being established. A formula business is defined as “any business with a proposed or existing exterior design (appearance, colors, signage) that is essentially identical to five (5) or more other business sites using the same or similar name or identity” (Code Section 10-1-4). The purpose of requiring a conditional use permit and a site plan review is to allow the City discretion over the business operation and the design, architecture, and materials of the proposed formula business/development.

The City Council may initiate amendments to the Placerville Zoning Ordinance by Resolution of Intention or minute order, per Section 10-1-7(A-1) of the City Code.

Discussion: On June 4, 2019, conditional use permit (CUP 19-01) and site plan review (SPR 19-01) applications were submitted to the Planning Division for consideration of a franchise Sourdough & Co. sandwich shop proposing to locate within the first floor of the Plaza Building located at 385 Main Street replacing the former occupant, Centro coffee house. Sourdough & Co. is a food service restaurant business having a standardized menu and with more than 20 locations.

On June 11, 2019, the City Council directed staff to hold a discussion item with the Planning Commission regarding the City’s current regulation of “formula business” within the Central Business District (CBD) Zone and whether the City should consider the allowance of formula businesses within the CBD Zone more restrictive. In addition, staff initiated holding a workshop with the Placerville Economic Advisory Committee on the same.

The Sourdough & Co. is not the first formula business request within the Central Business District since the amendments were made to City Code in 2004 regarding formula business design criteria and conditional use permit requirements. A few months after the ordinance went into effect; Quiznos sandwich shop applied and was approved to operate under a conditional use permit at 545 Main Street, within the Robert Hook Building. Quiznos operated until April of 2008. Mr. Pickle's Sandwich Shop took over the space and utilized the existing formula business

conditional use permit to operate their formula business until February 2010. This conditional use expired in late 2010. An inventory of formula businesses in the CBD was taken in June 2019 shown in Attachment 1.

Placerville Economic Advisory Committee (PEAC)

On September 20, 2019, PEAC held a workshop item to discuss the City's current regulation of formula businesses and make recommendations to the City Council regarding changes to the same and the zoning map. The PEAC members were provided a discussion outline (Attachment 2) and a map of the current CBD zoned properties (Attachment 3). Following discussion and public input, PEAC forwarded a unanimous consensus of the five members present to recommend to the City Council that no change should be made to the existing regulations of formula businesses in the CBD Zone (Attachment 4).

Planning Commission

On October 1, 2019, the Planning Commission held a workshop to discuss the City's current regulation of formula businesses and make recommendations to the City Council regarding changes to the same and the zoning map. Commission members were provided a discussion outline (Attachment 5) and a map of the current CBD zoned properties (Attachment 3). Following discussion and public input, the Planning Commission unanimously recommended no modifications to the regulations (Attachment 6).

Options:

1. Receive report and direct staff to make no changes to the Zoning Code for additional restrictions of formula businesses in the Central Business District.
2. Provide staff with further direction to amend the Zoning Code and initiate the formal process for amendments to the Zoning Ordinance.

Cost: Negligible cost with staff time would be absorbed within the Development Services Department budget.

Budget Impact: None. The cost of public hearings before the Planning Commission and City Council; and preparation of Zoning Code amendments, and public noticing requirements are contained within the adopted Fiscal Year 2019-20 Operating Budget.

Recommendation: Consider initiating the process to amend the Zoning Ordinance to consider restrictions on formula businesses within the Central Business District (CBD) Zone and direct staff to begin the formal process.



 M. Cleve Morris, City Manager



 Pierre Rivas, Development Services Director

Attachments:

1. Inventory of Formula Businesses in CBD Zone
2. PEAC Discussion Outline
3. Map of Current CBD Zoned Parcels
4. Minutes of PEAC September 20, 2019 Meeting
5. Planning Commission Discussion Outline
6. Minutes of Planning Commission October 1, 2019 Regular Meeting

**MINUTES
REGULAR MEETING
CITY OF PLACERVILLE PLANNING COMMISSION
TUESDAY, OCTOBER 1, 2019, 6:00 P.M.
TOWN HALL, 549 MAIN STREET, PLACERVILLE, CALIFORNIA**

1. CALL TO ORDER

Chair Kiehne called the Regular Meeting to order at 6:00 P.M.

2. PLEDGE OF ALLEGIANCE TO THE FLAG

Chair Kiehne led the audience in the Pledge of Allegiance to the Flag.

3. ROLL CALL:

Members Present: *Chair Kiehne, Frenn, Lepper, Vice Chair List, Raines*

Members Absent: *None*

Staff Present: *Director Rivas, City Planner Painter, I.T. Analyst Tanger,
City Attorney Driscoll*

4. CONSENT CALENDAR:

4.1 Approve Agenda

4.2 Adoption of September 17, 2019 Regular Meeting Minutes

Action: Motion made by Frenn, seconded by Lepper to approve the Consent Calendar.

Motion approved on the following voice vote:

Ayes: Kiehne, Frenn, Lepper, List, Raines

Nays: None

5. ITEMS PULLED FROM CONSENT CALENDAR (if applicable)

None.

6. ITEMS OF INTEREST TO THE PUBLIC

None received.

7. COMMUNICATIONS

None received.

8. WORKSHOP SESSIONS

8.1 Ex Parte Communications

City Attorney conducted a workshop regarding ex parte communications with respect to a planning commissioner's gathering of information through written material or oral communication relevant to the merits of an item that is before the

Planning Commission. Public comments received from Kirk Smith and Dana LeBlanc.

8.2 Formula Business Regulations/ Locations

Development Services Director Rivas conducted a workshop regarding the City's current regulations of "formula businesses" within the Central Business District Zone (City Code Section 10-5-14) and Site Plan Review (City Code Section 10-4-9(C)10), to solicit Commission recommendations on modifications to the same and the zoning map. Public comments received from Kirk Smith and Dana LeBlanc. The Commission unanimously recommended no modifications to the regulations.

9. ENVIRONMENTAL ASSESSMENTS/PUBLIC HEARINGS

None.

10. NEW BUSINESS

10.1 Planning Commission Bylaws Review / Amendment

No action was taken.

11. MATTERS FROM COMMISSIONERS AND STAFF

Staff informed Members that the Regular Meeting of October 15, 2019 would take place as scheduled. Staff provided Members of City Council Resolution Nos. 7896 and 8285 regarding duties of the Historical Advisory Committee.

12. ADJOURNMENT

Chair Kiehne announced meeting adjournment at 8:05 P.M.



Andrew Painter, Executive Secretary
Placerville Planning Commission

PLANNING COMMISSION – OCTOBER 1, 2019
FORMULA BUSINESS REGULATION IN CBD ZONE DISCUSSION OUTLINE

Introduction:

- Current Regulation – CUP & SPR for any formula business in [CBD Zone](#)
 - *“FORMULA BUSINESS: Any business with a proposed or existing exterior design (appearance, colors, signage) that is essentially identical to five (5) or more other business sites using the same or similar name or identity.”* (Code Sec. 10-1-4)
 - CBD Zone Sec. 1-5-14(C)2: “Formula Business” permitted with a CUP
 - Site Plan Review Required per 10-4-9(C)10: *“New formula businesses and major exterior modifications to existing formula businesses within the central business district (CBD) zone. Major modifications are those defined in subsection (P) of this section.”* (Ord. 1597, 2-24-2004)
- Sourdough & Co. – 385 Main Street- ground floor: Approved by City Council Sept. 10, 2019
- Council directed staff to return to the Council for possible modifications to CBD Zone regulations

Options:

- No Change – formula business to be controlled under current regulations
- Increased Formula Business Regulation
 - Complete ban of all formula businesses (eating & drinking establishments, retail, and services – such banks, real estate)
 - Limit ban to apply to eating & drinking establishments and retail businesses (exclude service businesses such as banks and real estate)
 - Limit formula business ban to apply to only “eating and drinking establishments”
 - Other?
- Geographic Area Changes
 - Apply modifications to entire existing CDB Zoned areas
 - Limit modifications to apply within Defined Geographical Areas
 - From Sacramento St. east to Bedford
 - From Sacramento St. east to Cedar Ravine

MINUTES

CITY OF PLACERVILLE
PLACERVILLE ECONOMIC ADVISORY COMMITTEE
FRIDAY, September 20, 2019, 12:00 P.M.
TOWN HALL, 549 MAIN STREET, PLACERVILLE, CALIFORNIA

1. **CALL TO ORDER:** The meeting was convened at 12:00 p.m. The Pledge of Allegiance was recited.

2. **ROLL CALL:**

Members Present: Vice Chair Kaiserman, Anderson, Wager, Thomas, Vonderschmitt,
Members Absent: Chair Miller, Member Brown
Staff Present: Rivas

3. **ADOPTION OF AGENDA:**

Adoption of the Agenda was moved by Member Anderson and seconded by Member Thomas. Motion carried 5-0.

4. **ADOPTION OF THE MINUTES OF THE MEETING OF August 16, 2019:**

Adoption of the Minutes was moved by Member Vonderschmitt, and seconded by Member Anderson. Motion carried 5-0.

5. **ITEMS OF INTEREST TO THE PUBLIC:** None

6. **INFORMATIONAL ITEMS:**

- a. HDL Trends August 13
- b. HDL Trends August 29

The Committee Members held a general discussion on economic trends.

7. **PRESENTATIONS:** None

8. **DISCUSSION ITEMS:**

a. **Subcommittee Updates**

- 1. Business Outreach Visits (Brown, Kaiserman, Miller): Member Kaiserman updated the Committee stating that the Subcommittee contacted Hangtown Leathers. Vice Chair Kaiserman noted that the response was not included in the packet and requested that the report be moved to the next meeting for discussion. Member Wager recommended

Minutes, September 20, 2019
Approved 

adding Hangtown Range to the Business Outreach list. The Committee discussed burglaries at downtown businesses including Hangtown Leather, Timmy's Brown Bag, and tagging of Lofty Lou's Yarn Shop; and the need to work more closely with the Placerville PD. **Member Thomas** reported on the installation of 12 Tesla charging stations at Hangtown Village Square. **Member Anderson** reported on the closing of Fine Art's In The Pines Art School and that an apple cider/deli tenant was looking at the space.

2. Tourism/Health and Wellness (Anderson, Wager, Thomas): No discussion by Subcommittee.
 3. Broadband Service: (Vonderschmitt, Brown, Kaiserman) **Member Vonderschmitt** stated that there is nothing to report yet; staff is working on the RFP.
- b. Discussion on Formula Business Regulations in the Commercial Business District Zone: Mr. Rivas updated the Committee on City Council's request to consider additional regulation of formula businesses in the CBD Zone along downtown Main Street. Mr. Rivas passed out a discussion outline and the Committee discussed the various options of increasing the regulation of formula business from a complete ban on any new formula businesses to recommending no change to the existing zoning regulations, and geographic restrictions. **Member Wager** stated that limiting formula business from Sacramento Street to Bedford Avenue creates an island between Bedford and Cedar Ravine; we need to be more inclusive. **Member Anderson** stated that the consumer should choose which business to patronize. **Member Vonderschmitt** stated that the free market will decide what businesses operate downtown. **Member Wager** stated that this Committee is tasked with keeping the City vibrant and economic development and bringing in tax dollars; the economy has good and bad times – mom and pop business go away, need choices and a balance. **Member Thomas** stated that there is a need for a mix of business on Main Street and that the current regulations maintain the downtown character. **Vice Chair Kaiserman** stated that the market place is competition and that the City should not dictate who a property can rent to; the City runs on sales tax and every shop needs to be filled and do well. **Member Vonderschmitt** stated that the current regulations provides for the economic wellbeing of its citizens. **Member Anderson** stated that there are a lot of hobby businesses on Main Street and a lot of turn-over; people like to go somewhere that is predictable - like McDonalds; adds stability to an area and to downtown. **Vice Chair Kaiserman** opened the item for public comment. No public comment was received. It was the unanimous consensus of the five Committee Members present to recommend to the City Council that no change should be made to the existing regulations of formula businesses in the CBD Zone.
- c. Amgen Discussion – Consider appointing Tourism/Health and Wellness Committee to work on this program: Mr. Rivas updated the Committee on City

Council's action on September 10th authorizing the City Manager to send a letter to the Amgen Tour of California indicating the City's intent to be a Host City for the 2020 Amgen Tour of California taking place between May 10th through May 16th next year. It was moved by **Member Wager**, seconded by **Member Vonderschmitt** to add the Amgen Tour to the Committee. **Motion carried 5-0.**

9. STAFF AND COMMITTEE MEMBER COMMUNICATIONS:

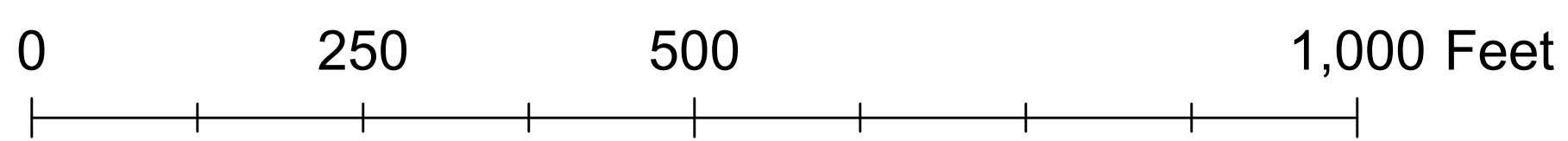
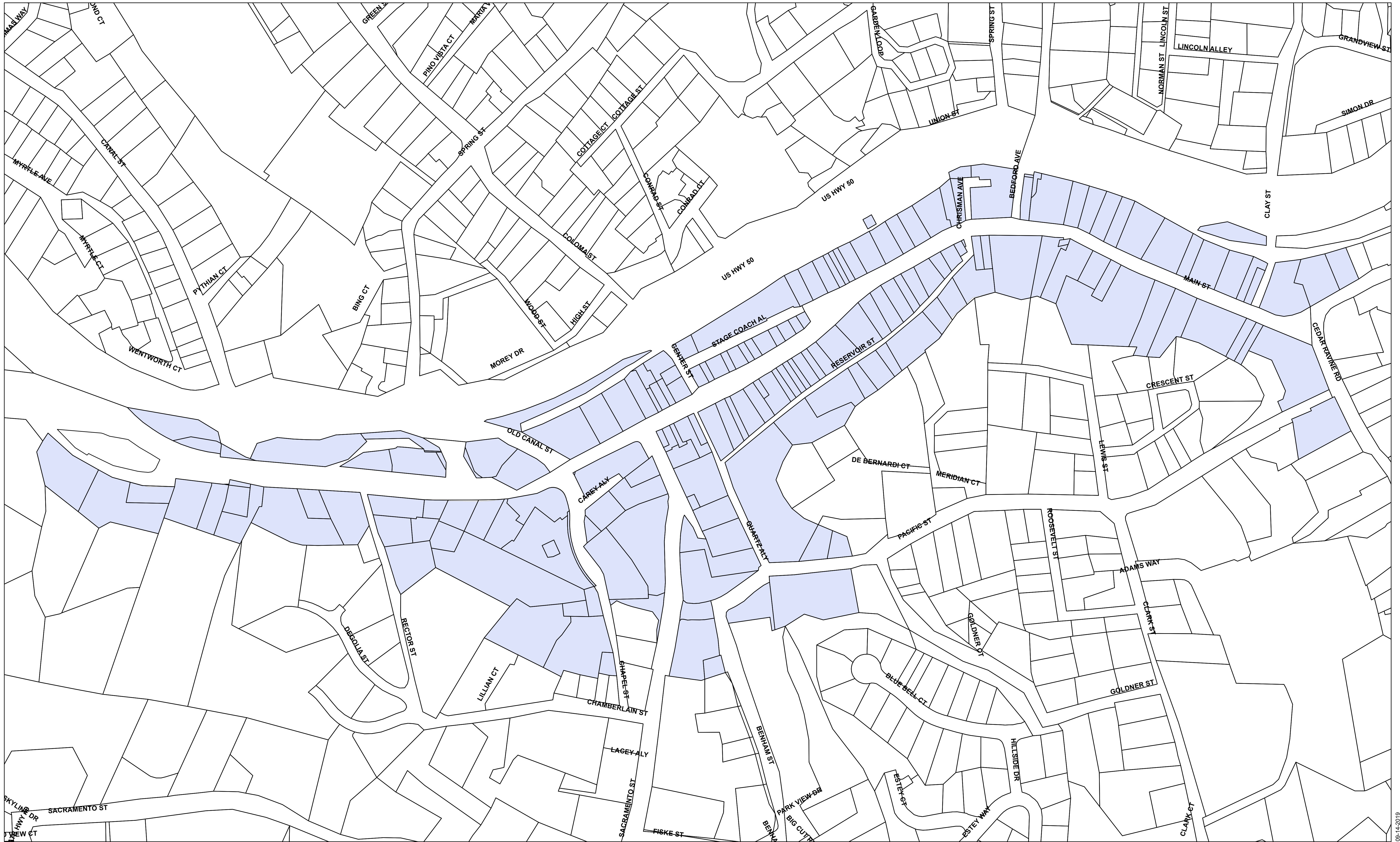
- a. **Update on Jacquier Road Hotel Development.** Mr. Rivas updated the Committee on the status of the hotel. The developer is still working on both the Holiday Inn Express plans and the Hampton Inn & Suites plans for comparison prior to moving forward.
- b. **Update on potential hotel project on Forni Road:** Mr. Rivas updated the Committee on the "Brad Sweet Hotel" to be located on the adjoining 5.8 acre parcel located south downslope from the In-N-Out Burger restaurant and OfficeMax store; and that the hotel proponents have closed on the purchase of the property.
- c. **Historic City Hall Reuse:** Mr. Rivas provided an update and that the Arts and Culture El Dorado will present their proposal to the City Council on September 24th.
- d. **Cannabis Dispensaries Update:** Mr. Rivas updated the Committee on the status of the 13 applications received and reviewed by HdL under Phase 2 of the application process. Three of the four applications that did not pass Phase 2 of the application process have filed appeals. Nine of the applications are proceeding to the Phase 3 Cannabis Selection Committee interviews. A maximum of three dispensary licenses will be issued.
- e. **Sourdough & Co. Appeal Results:** Mr. Rivas updated the Committee on the two appeals filed on the Planning Commission's approval of the CUP and SPR that were considered by the City Council on September 10th. The appeals filed by Friends of Historic Hangtown and Kirk Smith were both denied upholding the Commission's decision and further modified the sign specifications.

10. ITEMS FOR NEXT AGENDA: None

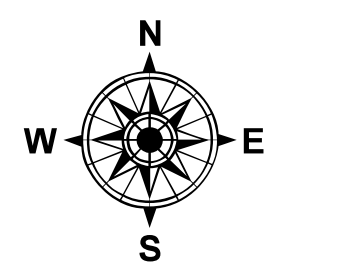
11. NEXT MEETING: It was moved by **Member Wager**, seconded by **Member Vonderschmitt** to change the regular scheduled meeting from October 18th to October 11, 2019. **Motion carried 5-0.**

12. ADJOURNMENT: 1:50 p.m.

PLACERVILLE DOWNTOWN, MAIN STREET CENTRAL BUSINESS DISTRICT ZONED PARCELS



Central Business District Zone (CBD)



PLACERVILLE ECONOMIC ADVISORY COMMITTEE - SEPTEMBER 20, 2019
FORMULA BUSINESS REGULATION IN CBD ZONE DISCUSSION OUTLINE

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- Current Regulation – CUP & SPR for any formula business in CBD Zone
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Date: June 13, 2019

Subject: Current Businesses Within the CBD That if Requested Today Would Meet City Code Section 10-1-4
Definition of a Formula Business (Having Five or More Other Business Site Using Same Name or
Similar Name)

<u>Business</u>	<u>Address</u>	<u>Established Before Ord. 1597 – 02/10/04</u>	<u># of Business Outlets in State and/or U.S.</u>
KFC	73 Main St	Yes, SPR79-07	1000s
Coldwell Banker	111 Main St	Yes	1000s
Shell	151 Main St	Yes, CUP65-01	1000s
Original Mels	232 Main St	Yes	22 per pebsite
El Dorado Savings Bank	247 Main St	Yes	35 per website
River City Bank	348 Main St		11 per website
Placerville True Value Hardware	441 Main St	Yes	1000s
Round Table Pizza	512 Main St	Yes	100s
Edward Jones Investments	550 D Main St	2002 per City Business Licenses	100s
Movement Mortgage	550 J-1 Main St	?	100s
Bank of America	3044 Sacramento St	Yes, pre-1976 SPR76-03	1000s
U.S. Bank	3075 Sacramento St	Yes, ≈ 1992	1000s
Remax Gold	3025 Sacramento St	No	+50