



REPORT TO COUNCIL

City of Sacramento

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CONSENT
April 11, 2006

Honorable Members of the
Sacramento City Council

Subject: Amendments to the Sacramento City Code related to Superstores
(M05-025)

Location/Council District: Citywide

Recommendation:

1) Review the attached Ordinance amending Title 17 of the Sacramento City Code related to the regulation of superstores; 2) Pass for publication the Ordinance title as required by Sacramento City Charter 32c; and 3) Continue to April 18, 2006 for adoption.

Contact: Joy Patterson, Senior Planner, 808-5607

Presenters: Non-applicable

Department: Development Services

Division: Planning

Organization No: 4870

Summary:

On February 15, 2005, the Sacramento City Council adopted an interim ordinance requiring a special permit for superstores in the City of Sacramento (Ordinance 2005-013). The direction of the Council was to come back with a permanent ordinance to regulate superstores. The Council also directed staff to meet with members of the public that would be interested in providing comments to City staff as they finalized the permanent ordinance. Staff met with the public in October 2005 and returned to the Law and Legislation Committee with the results of the meeting on January 5, 2006. The Law and Legislation Committee directed staff to prepare the interim ordinance for adoption as the final ordinance with one text change and hold the required public hearings before the Planning Commission and City Council for final adoption.

Committee/Commission Action:

On February 23, 2006, by a vote of seven ayes, one no and one vacant the Sacramento City Planning Commission voted to recommend approval of the

proposed amendments to Title 17 of the City Code and forward to City Council. The Commission recommended that the City Council may want to consider amending the definition of superstore to say "...where more than ten percent (10%) of the gross floor area, **which includes both the sales floor and storage/warehouse areas**, is devoted to the sale of non-taxable merchandise."

Background Information:

As the result of renewed nationwide discussion on the impacts of big box retail centers of 90,000 square feet or more, the City Council, at the request of Councilmember Sheedy, asked that a policy discussion on super size stores occur at the Law and Legislation Committee. The Committee had several policy discussions in the Fall/Winter of 2004-05 and, on February 15, 2005, the Sacramento City Council adopted the interim ordinance requiring a special permit for superstores in the City of Sacramento. As noted above, the Council directed staff to meet with members of the public who would be interested in providing comments to City staff as they finalized the permanent ordinance. A letter with a copy of the interim ordinance was sent to 32 groups and individuals interested in the superstore ordinance inviting them to a meeting on October 17, 2005. Eight members of the public attended the superstore meeting. City staff from the Development Services Department, Economic Development Department, the City Attorney's office and Councilmember Sheedy's office was also in attendance. The interim ordinance and suggestions for refinement were discussed. Staff also gave participants until November 15, 2005 to provide written comments. On January 5, 2006 staff returned to the Law and Legislation Committee with the comments received during the public outreach. The committee made one change to the ordinance, limiting the amount of gross floor area devoted to the sale of non-taxable merchandise to a maximum of 10% rather than 20% and directed staff to hold the required public hearings before the Planning Commission and City Council for final adoption of the ordinance.

The attached ordinance defines a superstore as a retail store with more than 90,000 gross square feet that devotes more than 10% of the gross square footage to the sale of non-taxable merchandise. The ordinance requires a Planning Commission special permit for superstores in all zones where retail uses are currently allowed. The ordinance would apply to new retail stores that propose to occupy existing buildings as well as new construction. As part of the special permit review, an Economic Impact Analysis (EIA) would be prepared for the proposed project that would analyze the potential economic impacts of the proposed superstore on the city. The ordinance would not apply to wholesale clubs or other establishments selling primarily bulk merchandise that charge dues or restrict merchandise sales in another manner. Adoption of the ordinance will give policymakers a mechanism to insure that sufficient information regarding the economic impacts of superstores will be prepared and presented as part of the project approval process.

Financial Considerations:

There are no financial considerations associated with this report.

Environmental Considerations:

The proposed amendment to the City Code is exempt under CEQA Section 15061(b)(3).

Policy Considerations:

The proposed ordinance is consistent with the City's Strategic Plan, three-year goal, to achieve sustainability and livability in the City of Sacramento.

Emerging Small Business Development (ESBD):

No goods or services are being purchased under this report.

Respectfully Submitted by: David W. Kwong
David Kwong
Planning Manager

Approved by: William J. Schulte for
William Thomas
Director of Development Services

Recommendation Approved:

Ray Kerridge
RAY KERRIDGE
City Manager

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ORDINANCE NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

AN ORDINANCE AMENDING SECTIONS 17.16.010, 17.24.030, AND 17.24.050 OF TITLE 17 OF THE SACRAMENTO CITY CODE (THE ZONING CODE) RELATING TO SUPERSTORES

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1. Section 17.16.010 of Title 17 of the Sacramento City Code (the Zoning Code) is amended as follows:

A. Section 17.16.010 is amended by adding the definition of "Superstore" to read as follows:

"Superstore" means a retail store where the use will occupy more than 90,000 gross square feet and where more than ten percent (10%) of the gross floor area is devoted to the sale of non-taxable merchandise. Notwithstanding the foregoing, the term "superstore" shall exclude wholesale clubs or other establishments selling primarily bulk merchandise and charging membership dues or otherwise restricting merchandise sales to customers paying a periodic assessment or fee.

B. Except as specifically amended in this Section 1, all other provisions of section 17.16.010 remain unchanged and in full force and effect.

SECTION 2. Section 17.24.030 Commercial Land Use Chart of Title 17 of the Sacramento City Code (the Zoning Code) is amended as follows:

A. The matrix set forth in Table 17.24.030 A is amended to add a row for "superstore" to read as follows:

Uses Allowed	RE	R-1	R-1A	R-1B	R-2	R-2A	R-2B	R-3	R-3A	R-4	R-5	RMX	RO	OB
Superstore											7/33/81	33/69/81		

B. The matrix set forth in Table 17.24.030 B is amended to add a row for "superstore" to read as follows:

Uses Allowed	EC	HC	SC	C-1	C-2	C-3	C-4	M-1	M-1(S)	M-2	M-2(S)	MIP	MRD	H	SPX	TC	A	AOS	F	AR P-F
Superstore			81	33/81	81	81	81	81	20/81	81	20/81									

C. Except as specifically amended for the uses indicated, all other provisions of section 17.24.030 and Tables 17.24.030 A and 17.24.030 B remain unchanged and in full force and effect.

SECTION 3. Section 17.24.050 of Title 17 of the Sacramento City Code (the Zoning Code) is amended as follows;

A. Footnote 81 is added to section 17.24.050 to read as follows:

81. Superstores.

a. A planning commission special permit shall be required to establish a superstore in this zone. The requirement for a special permit shall apply to proposals to construct a new building or structure for a superstore, and it shall also apply to proposals to utilize an existing building or structure for a superstore.

b. Upon submittal and acceptance of an application for a special permit for a superstore, and in addition to all other requirements of this title relating to applications for special permits, an Economic Impact Analysis ("EIA") shall be prepared for the project. The EIA shall be prepared by the City or by a qualified entity or consultant selected and retained by the City, the cost of which shall be an expense of the applicant. The EIA shall not be prepared by or under the direction of the applicant.

c. The EIA shall analyze the potential economic impacts of the proposed superstore and shall include at least the following information:

i. A survey of existing retail stores in the city reasonably likely to be impacted or materially affected by the proposed superstore. A survey of the number of persons employed by existing retail stores in the city, and estimate of the number of persons who will likely be employed by the proposed superstore, and an analysis of whether the proposed superstore will result in a net increase or decrease of jobs in the city.

ii. A survey of the wage and benefit differentials, if any, between the proposed superstore and existing retail stores in the city.

iii. An analysis of the effects of the proposed superstore on retail sales and whether there will be a net increase or decrease in net retail sales in the city.

iv. An analysis of the sales tax revenues that are likely to be generated by the proposed superstore, and an analysis of the effect of the proposed superstore on sales tax revenues generated by existing retail stores in the city, including an analysis of the sales tax revenues that are likely to be lost by existing retail stores in the city, either due to loss of business or from closure.

d. The EIA shall be considered by the planning commission at the time of consideration of the special permit application.

B. Except as specifically amended by the amendments to footnote 81, all other provisions of section 17.24.050 remain unchanged and in full force and effect.

