

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE AMENDING SECTION 16.04.070 OF THE ARROYO GRANDE MUNICIPAL CODE REGARDING THE DEFINITION OF FORMULA BUSINESS AND FINDING THE ORDINANCE EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

WHEREAS, on April 26, 2005, the City Council held a study session to discuss alternatives for the regulations for chain businesses; and

WHEREAS, on August 23, 2005, the City Council adopted an ordinance to amend Title 16 of the Arroyo Grande Municipal Code (AGMC) regarding the definition of formula business; and

WHEREAS, on May 23, 2023, the City Council directed staff to review the definition of "Formula Business" in the municipal code and return with a study session to determine if ordinance revisions were warranted; and

WHEREAS, on October 10, 2023, the City Council discussed potential revisions to the definition of "Formula Business," and directed staff to proceed with an ordinance amendment; and

WHEREAS, on January 16, 2024, the Planning Commission conducted a duly noticed public hearing to consider the staff report, recommendations by staff, and public testimony concerning the ordinance. Following the public hearing, the Planning Commission voted to forward the ordinance to the City Council with a recommendation in favor of its adoption; and

WHEREAS, on February 13, 2024, the City Council introduced the ordinance and conducted a duly noticed public hearing to consider the ordinance, including: (1) the public testimony and agenda reports prepared in connection with the ordinance; (2) the policy considerations discussed therein; and (3) the consideration and recommendation of the Planning Commission; and

WHEREAS, all legal prerequisites to the adoption of the ordinance have occurred.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE DOES ORDAIN AS FOLLOWS:

SECTION 1. Incorporation. The above recitals are true and correct and are incorporated herein by this reference.

SECTION 2. Environmental. The City Council finds that this ordinance is exempt from the California Environmental Quality Act ("CEQA") because the ordinance does not

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qualify as a “project” under CEQA and because the ordinance will not result in a direct or reasonably foreseeable indirect physical change in the environment. (State CEQA Guidelines section 15060, subd. (c)(2), (3).) Section 15378 of the State CEQA Guidelines defines a project as the whole of an action, which could potentially result in either a direct physical change, or reasonably foreseeable indirect physical change, in the environment. Here, the ordinance will not result in any construction or development, and it will not have any other effect that would physically change the environment. The ordinance therefore does not qualify as a project subject to CEQA.

SECTION 3. Required Findings. In accordance with section 16.16.040(E) of the Arroyo Grande Municipal Code, the City Council hereby makes the following findings:

1. *General Plan.* The ordinance’s amendments to the AGMC are consistent with the general plan and necessary and desirable to implement the provisions thereof. Specifically, economic development objective ED2 and policies ED 3-4 and ED 5-4 support the small-town character and maintaining the Village as a vibrant downtown core. Land use element objective LU6 also supports maintaining the Village core as a “symbolic, functional and unique business center of the City” which can be achieved by the adoption of the amendment to the definition of formula business and its implementation. Thus, disallowing formula businesses, as defined, will ensure that current residents, visitors, and future generations may enjoy the unique and historic character, culture, and architecture of the Village, as contemplated by the above objectives and policies of the General Plan.

2. *Health, Safety, and Welfare; Illogical Land Use Pattern.* Adoption of the ordinance will not adversely affect the public health, safety, and welfare as it simply updates the definition of “formula business” in the AGMC to ensure that the AGMC is consistent with the City’s general plan. Finally, this ordinance will not result in an illogical land use pattern as it is not amending the City’s zoning map.

3. *Consistency with Title 16.* This ordinance is consistent with the purpose and intent of AGMC Title 16 because it removes an internal inconsistency therein and ensures that the provisions thereof are consistent with the City’s economic development and land use elements.

4. *Environmental.* There will be no environmental impact by amending the definition of a formula business because doing so authorizes no construction or development, nor could the definitional change of a formula business indirectly result in a physical impact on the environment. See Section 2 “Environmental” above.

SECTION 4. Code Amendment. Subsection (C) of Section 16.04.070 of the Arroyo Grande Municipal Code is hereby amended to read as follows (additions shown in underline and deletions shown in ~~strikethrough~~):

“Formula business”. Shall mean a business, ~~limited to retail trade uses and restaurants,~~ that is required by contractual or other arrangement to maintain

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standardized services and the same or similar name, tradename, or trademark which causes it to be substantially identical to ~~six (6)~~ ten (10) or more other establishments at the time of application submittal, regardless of ownership or location., ~~and which satisfies one of the following two criteria:~~

- ~~a. It has exterior design or architecture, signs, décor or similar features in a style which is distinctive to and standardized among the chain or group;~~
- ~~b. It is a fast food restaurant.~~

SECTION 6. Publication. A summary of this ordinance shall be published in a newspaper published and circulated in the City of Arroyo Grande at least five days prior to the City Council meeting at which the proposed ordinance is to be adopted. A certified copy of the full text of the proposed ordinance shall be posted in the office of the City Clerk. Within 15 days after adoption of the ordinance, the summary with the names of those City Council members voting for and against the ordinance shall be published again, and the City Clerk shall post a certified copy of the full text of such adopted ordinance.

SECTION 7. Effective Date. This ordinance shall become effective 30 days after adoption.

SECTION 8. Severability. Should any provision of this ordinance, or its application to any person or circumstance, be determined by a court of competent jurisdiction to be unlawful, unenforceable or otherwise void, that determination shall have no effect on any other provision of this ordinance or the application of this ordinance to any other person or circumstance, and, to that end, the provisions hereof are severable. The City Council declares that it would have adopted all the provisions of this ordinance that remain valid if any provisions of this ordinance are declared invalid.

SECTION 9. Records. The documents and materials associated with this ordinance that constitute the record of proceedings on which the City Council's findings and determinations are based are located at 300 E. Branch Street, Arroyo Grande, CA 93420. The City Clerk is the custodian of the record of proceedings.

On motion by Council Member _____, seconded by Council Member _____, and by the following roll call vote to wit:

AYES:

NOES:

ABSENT:

the foregoing Ordinance was adopted this ____ day of _____, 2024.

CAREN RAY RUSSOM, MAYOR

ATTEST:

JESSICA MATSON, CITY CLERK

APPROVED AS TO CONTENT:

MATTHEW DOWNING, CITY MANAGER

APPROVED AS TO FORM:

ISAAC ROSEN, CITY ATTORNEY