

Resolution No. 2008-189 N.C.S.
of the City of Petaluma, California

**ESTABLISHING A POLICY AND PROCEDURE
FOR THE PREPARATION, REVIEW AND USE OF
“FISCAL AND ECONOMIC IMPACT ASSESSMENTS”
FOR SPECIFIED DEVELOPMENT PROJECTS
IN THE CITY OF PETALUMA**

WHEREAS, in 2008, the City of Petaluma adopted General Plan 2025 (“General Plan”), which included an entire chapter on economic health and sustainability (Chapter 9); and,

WHEREAS, Goal 9-G-1 of the General Plan is to “establish a diverse and sustainable local economy that meets the needs of the community’s residents and employers;” and,

WHEREAS, policies and programs under Goal 9-G-1 of the General Plan focus on attaining a diverse and sustainable local economy, including Policy 9-P-2 concerning ensuring that new commercial development will have a net positive impact on the community; and,

WHEREAS, Program “A” of General Plan Policy 9-P-2 recommends that the City consider the need for a “fiscal/economic analysis, as a component of the project’s entitlement process, of the impacts on Petaluma’s economy, existing businesses, local workforce and city finances” when reviewing commercial development proposals; and,

WHEREAS, on June 16, 2008, the City Council held a discussion regarding the means by which the City could begin to implement the various General Plan policies and programs related to the goal of establishing a diverse and sustainable local economy; and,

WHEREAS, the City Council’s June 16, 2008, discussion of general plan economic policies concluded with City Council support for completion of a City-wide economic development strategy, and an immediate requirement for certain commercial uses of a given size and type that are particularly likely, given their size and nature, to have significant impacts on the local economy, to prepare a “fiscal and economic impact assessment” pursuant to Program “A” of Policy 9-P-2 prior to the granting of any required land use entitlements; and,

WHEREAS, on July 7, 2008, and August 4, 2008, the City Council considered and received public comment on proposed policies and procedures for the preparation and review of fiscal and economic impact assessments;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Petaluma as follows:

1. Recitals Made Findings.

The above recitals are hereby declared to be true and correct and incorporated in this resolution as findings of the City Council of the City of Petaluma.

2. Fiscal and Economic Impact Assessment Policy Established.

The City Council of the City of Petaluma hereby establishes this policy and procedure for the preparation, review and use of Fiscal and Economic Impact Assessments (“FEIAs”) for specified development projects within the City of Petaluma (“City”). The purpose of this policy and procedure is to provide an objective evaluation of the potential economic impacts of specified retail/commercial projects within the City. Such evaluation, together with all other available information in the public record, is intended to help the decision making body determine project consistency with General Plan economic goals, policies and programs, including Policy 9-P-2 concerning ensuring new commercial development will have a net positive impact on Petaluma’s economy, existing businesses, city finances and quality of life.

This policy and procedure implements General Plan Program 9-P-2 (A), regarding consideration of the need when reviewing commercial development proposals over a specific size in building area per occupant, to obtain a fiscal/economic analysis of the impacts on Petaluma’s economy, existing businesses, local workforce and city finances as a component of the project’s entitlement process. FEIAs required pursuant to this resolution may also be used as appropriate by project applicants, the City Council, the Petaluma Community Development Commission, and City staff to assist in identifying projects that may merit City and/or Commission assistance, such as through negotiation of development agreements, direct Commission assistance for eligible projects, and other assistance.

3. Covered Projects and Time for Submission of FEIAs

Any applicant for a “General Retail,” “Grocery,” “Hotel,” or “Building and Landscape Materials” use, as defined by the City of Petaluma Zoning Ordinance, as amended from time-to-time, that standing alone, or in combination with any other uses, has a total floor area (including, where applicable, the area used for outdoor sales) of 25,000 square feet or more of “General Retail,” “Grocery,” “Hotel,” and/or “Building and Landscape Materials” uses shall be required to prepare and submit an FEIA to the City for consideration in accordance with this resolution. To the maximum extent permitted by law, this requirement shall apply to any new development or any redevelopment, as defined in California Health and Safety Code Sections 33020 and 33021 as amended from time to time, that meets the use and size requirements specified in this section. Subject to applicable law, FEIAs in accordance with this resolution must be submitted to the City for consideration prior to the granting of any required land use entitlements for the project

If current economic impact assessment information already exists for a project, and that information analyzes and discusses one or more of the FEIA factors identified in Section 6(a-g) of this resolution, then that existing information may be used by the City or its consultants in the preparation of the FEIA. The City may elect to obtain peer review of existing economic impact assessment information. The source for all data and studies relied upon by the FEIA shall be identified, including materials submitted by the applicant and/or the public.

4. Preliminary Information Required from Applicants

Prior to commencing an FEIA, applicants for projects subject to this resolution shall submit to the City the following information in a form acceptable to the City:

- a. Complete applicant and project manager contact information.

b. Descriptions of proposed uses, where those uses are known, by area (square footage), owner(s), and tenancies. Where owner(s), tenancies and/or users are not known, reasonable assumptions regarding proposed types of retail users (e.g., home electronics, furniture, clothing, etc.) may be substituted.

5. FEIA Costs

Applicants for projects subject to this resolution shall be responsible for all costs associated with the preparation, administration and processing of the FEIA, including the cost of consulting services, noticing, and any subsequent analysis in accordance with this resolution. Applicants shall file with the City a deposit against Consultant costs for the preparation of the FEIA and the City's administration and processing costs in an amount to be determined by the City. To avoid delayed FEIA preparation and processing, applicants must update deposits when and as directed by the City.

6. FEIA Contents

FEIAs shall analyze and discuss each of the following factors in sufficient detail to assist City officials and bodies responsible for project review and entitlement determinations in assessing project consistency with General Plan economic goals, policies and programs, including whether the project will have a net positive impact on Petaluma's economy, existing businesses, City finances and quality of life in accordance with Policy 9-P-2 of the General Plan and this resolution. . FEIAs shall include a separate section on each of the factors and a summary discussion on potential impacts to the local economy. For each factor, FEIAs shall analyze project impacts for a five-year period from the estimated completion of the project. FEIAs required pursuant to this resolution may analyze and discuss in addition to the following factors, any additional factors or information an applicant deems important or relevant for a meaningful assessment of the project's economic impact.

a. The existing local retail market conditions for market sectors proposed for the project, including project primary and significant secondary market sectors , leakage of sales to other communities in those market sectors, regional market competition in the project market sectors, and population, demographic and related data for the project market sectors.

b. Estimated retail sales by project retail sectors or merchandise categories per square foot, including estimated captured leakage.

c. Current and estimated retail supply and demand for each project retail sector or merchandise category.

d. The following estimated employment characteristics: i) the estimated number and type of jobs, including construction related, permanent, part-time and full-time of the proposed project for the period covered by the FEIA; ii) whether the proposed project will result in significantly increased or decreased permanent part-time jobs (35 hours or less per week), or permanent full-time jobs (more than 35 hours per week), or a combination of permanent and full-time jobs compared to or using applicable local or regional employment projections, such as those from the Association of Bay Area Governments ("ABAG") for Petaluma for the period covered by the FEIA; iii) estimated employee wages, benefits, and employer contributions for the proposed project compared with or using relevant data for the Petaluma community, such as living wages established in the Petaluma Municipal Code, or California Employment

Development Department occupational wage data for the Santa Rosa-Petaluma Metropolitan Statistical Area for the period covered by the FEIA.

e. The estimated impacts of the proposed project on existing retail businesses, including the potential for opportunities for business renewal and growth due to new businesses locating in the Petaluma community, as well as the potential for negative impacts such as reduced sales or closures.

f. The estimated project impacts on current and projected public revenues, including: sales tax, use tax, base property tax, tax increment, transient occupancy tax, development fee proceeds, benefit assessments, land dedication, exactions, developer-funded improvements, and other public revenue benefits.

g. The estimated cost of public contributions, services and infrastructure required by the project, including: tax rebates or refunds, land right-downs, below market or contingent loans, site acquisition or preparation costs, fee waivers or payments, and unfunded infrastructure and public improvement costs, and whether the estimated project public revenues will equal or exceed estimated project public contribution, services, and infrastructures costs.

7. FEIA Preparation

Consultants preparing FEIAs must be designated or approved by the City. Project applicants may propose FEIA consultants. City staff will coordinate with project applicants and FEIA consultants to avoid conflicts among FEIAs that are being prepared at the same time, or that involve related or overlapping market studies, or that otherwise could conflict.

8. Treatment of FEIA and Other Project Information

The contents of FEIAs, and other project information supplied in accordance with this resolution, will be available to members of the public, except to the extent such information is exempt from disclosure or the disclosure of such information is prohibited pursuant to the California Public Records Act and/or other applicable law.

9. Notice of FEIA Availability and Council Hearing on FEIA

Upon receipt of the completed FEIA, the Community Development Department shall provide a public notice of its completion and availability for public review. Notice shall be provided in the form of a one-eighth page display advertisement in the City's adjudicated newspaper of general circulation, and by mail to all property owners and residents within 1,000 feet of the project site and to all others that have requested such notice in writing. Additional information shall be provided on the City's website and at designated City facilities. The notice shall appear at least thirty days prior to the City Council hearing on the FEIA. The notice shall contain the time and place of the City Council hearing on the FEIA.

10. City Council Hearing and Use of FEIAs

Before a project subject to this resolution is granted any required land use entitlements, the City Council will hold a public hearing, noticed in accordance with Section 9, to consider and discuss the FEIA and the project, and to permit project applicants, FEIA consultants, and the public to comment on the FEIA and the project. The FEIA hearing before the City Council is not intended

to require or result in separate findings, conclusions or approvals regarding a project. The purpose of the Council FEIA hearing is to have public discussion of project FEIAs with the City Council, applicants and the public before required project land use entitlements are granted.

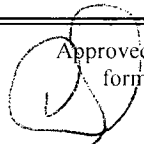
The City officials and/or bodies responsible for project review and entitlement determinations shall, in the normal course of their project review and entitlement determination responsibilities, use the FEIA to assist them in determining project consistency with General Plan economic goals, policies and programs, including whether the project will have a net positive impact on Petaluma's economy, existing businesses, city finances and quality of life. In the normal course of their project review and entitlement determination responsibilities and after due consideration of the information, analysis and conclusions contained in the FEIA, the City officials and/or bodies responsible for project review and entitlement determinations may accept and adopt the information, analysis, and conclusions of the FEIA as findings of the officials or bodies in support of their action concerning the project. However, nothing in this resolution requires reviewing bodies to make findings concerning project consistency with the General Plan economic goals, policies and programs separate from or in addition to findings required by law or that are part of the City's existing entitlement process.

11. No Private Right of Action

Nothing in this resolution creates or shall be construed as creating a private right of action.

Under the power and authority conferred upon this Council by the Charter of said City.

REFERENCE: I hereby certify the foregoing Resolution was introduced and adopted by the Council of the City of Petaluma at a Regular meeting on the 6th day of October, 2008, by the following vote:

Approved as to form:


City Attorney

AYES: Barrett, Harris, Nau, Vice Mayor Rabbitt, Mayor Torliatt

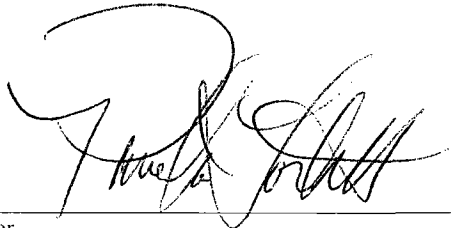
NOES: Freitas, O'Brien

ABSENT: None

ABSTAIN: None

ATTEST: 

City Clerk



Mayor