

Formula Retail FAQ

What is a Formula Retail Business?

A type of retail business that is part of a chain or franchise and maintains standardized characteristics across multiple locations. These businesses typically have a recognizable brand identity, offering similar products, services, décor, signage, uniforms, and marketing strategies.

What is the purpose of a Formula Retail Ordinance?

A Formula Retail Ordinance is intended to regulate Formula Retail Businesses in a specific area to preserve community character and identity by encouraging small, unique businesses for both residents and visitors.

Why is Healdsburg preparing a Formula Retail Ordinance?

Currently there are only General Plan policies addressing Formula Businesses. There are no regulations within the zoning ordinance. The proposed ordinance will clarify locations within Healdsburg where a Formula Retail Business can and cannot locate. The current definition does not specify exact locations, clearly define characteristics of a formula business, or define a specific number of stores that would qualify a business as Formula Retail. The proposed ordinance will expand the definition of Formula Retail businesses to support consistent implementation of the policies.

How does Healdsburg currently define Formula Business?

A business that is generally required by contractual or other arrangement to maintain any of the following: standardized services, menus, decor, uniforms, architecture, signs or other similar features and is not part of a locally- or regionally based group of businesses.

What is the proposed definition of Formula Retail?

A retail business which is required by contractual or other arrangement or affiliation to maintain a standardized (“formula”) array of services and/or merchandise, menu, employee uniforms, décor, façade design, signage, color scheme, trademark or service mark, name or similar standardized features and which causes it to be substantially similar to 10 or more other retail businesses or restaurants in the United States regardless of ownership or location at the time the business’ license is approved.

- a. *“Array of merchandise or menu” means 50 percent or more of in-stock merchandise or menu items.*
- b. *“Color scheme” means the selection of colors used throughout, such as on the furnishings, wall coverings, or as used on the façade. Standardized lighting is considered part of the color scheme.*
- c. *“Décor” means the style of interior finishes such as the style of furniture, wall coverings, or permanent fixtures.*
- d. *“Façade” means the face of the front of a building or tenant space oriented onto a street or public open space. Awnings are considered part of the façade.*

- e. *“Service mark” means a word, phrase, symbol, or design or a combination of words, phrases, symbols or designs that identify and distinguish the source of a service from one party from those of others.*
- f. *“Trademark” means a word, phrase, or design, or a combination of words, phrases, symbols, or designs that identify or distinguish the source of goods of one party from those of others.*
- g. *“Uniform apparel” means standardized items of clothing such as aprons, pants, shirts, dresses, hats and pins, as well as standardized colors of clothing.*

Where are Formula Businesses currently prohibited in Healdsburg?

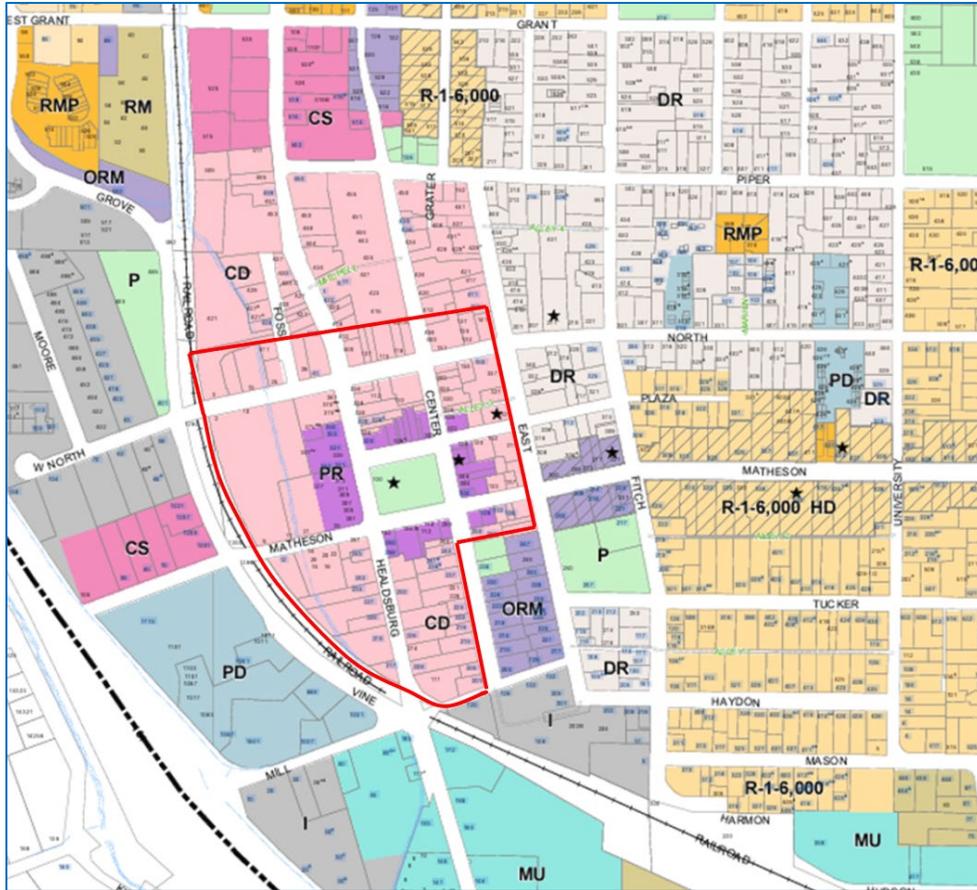
General Plan Policy LU-D-5 *Formula businesses are prohibited on properties around the historic Plaza in order to preserve its character of small, unique businesses that are attractive to residents and visitors.*

Since 2009, staff has implemented and enforced the prohibition on formula businesses around the Plaza pursuant to the General Plan policy above. Staff has interpreted this policy to apply to properties facing the Plaza within the Plaza Retail District.

Will Formula Retail Businesses be allowed around the Healdsburg Plaza?

The proposed ordinance would prohibit Formula Retail Businesses with 10 or more stores in the United States from operating around the Plaza (within the Plaza Retail district) and would expand the prohibition to include one block off the Plaza and both sides of North Street as depicted on the map below.

Formula Retail Businesses would be considered a permitted use outside the boundary illustrated below.



Are there any exceptions?

Any existing Formula Retail Businesses will be considered non-conforming and able to remain in their existing location. The proposed ordinance allows for an exception for a Formula Retail Business that would fill a need in the community that is not currently met. This exception would require a Conditional Use Permit to be approved by the Planning Commission.

Process to date and next steps.

On August 19, 2024, the City Council discussed and received input from the public on the issue of formula businesses in Downtown Healdsburg. The City Council directed staff to return with policy considerations and options to regulate formula businesses within the downtown area.

On December 2, 2024, the City Council discussed formula businesses, heard input from the public, and provided direction to staff to prepare an ordinance regulating formula businesses in the Plaza Retail and Downtown Commercial zoning districts up to North Street (regulations would apply to both sides of North Street).

On January 28, 2025 the Planning Commission held a public hearing and recommended the ordinance to the City Council.

*The ordinance is now scheduled for consideration by the City Council on **March 3, 2025**, with a second reading scheduled for April 7th. If approved, the ordinance would become effective on May 7, 2025.*