



DATE: January 8, 2024

TO: Honorable Mayor and Members of the City Council through City Manager

FROM: Eric Danly, City Attorney
Brian Oh, Director of Community Development

SUBJECT: Adoption (Second Reading) of Ordinance No. 2877 N.C.S. Amending Chapter 5 of the Petaluma Implementing Zoning Ordinance to Add Section 5.080 Establishing a Fairgrounds Overlay Zone and Authorizing a Zoning Map Amendment to Zone a Portion of Two Existing Parcels Located at 866 E Washington and 0 E Washington St; APNs: 007-031-004; 007-031-005

RECOMMENDATION

It is recommended that the City Council adopt a regular ordinance amending Chapter 5 of the Petaluma Implementing Zoning Ordinance to add Section 5.080 Fairgrounds Overlay Zone for the purposes of (1) allowing interim ongoing operation of legacy uses on the fairgrounds property until such time as a master plan with associated land use policies and zoning is prepared and adopted, (2) achieving the Guiding Principles identified in City Council Resolution 2022-167 N.C.S., (3) ensuring ongoing operation of the site and its uses occurs in a manner that is in the best interest of the public health, safety, and welfare, and (4) regulating and permitting other civic uses in the near-term to inform long-term master planning efforts.

BACKGROUND

On December 12, 2023, the Planning Commission held a public meeting and voted 4-0, with 3 absences to recommend that City Council adopt the proposed ordinance to Chapter 5 of the Petaluma Implementing Zoning Ordinance (IZO) to add a Fairgrounds Overlay. The Planning Commission made this recommendation with two edits to the ordinance presented to the Planning Commission and which have been reflected in the attached ordinances with strikethroughs and are highlighted. The first edit was to amend the definition of “mobile food vendor” in subsection (C)(1) to remove “food” and now the use is just “mobile vendor.” This edit is also made in Table 5.1 of the Fairgrounds Overlay Ordinance. This amendment allows greater flexibility for this use as now the use does not limit the mobile vendors to just vending food and can include pop ups of art or clothes or other similar retail. The second edit was to subsection (C)(4) to amend the definition of “Temporary Use” to “60 days or less” from “typically less than 90 days. This edit mirrors IZO Section 7.070 (Short-Term Activities) which

limits short term activity zoning permits to 60 days in a calendar year.

On December 18, 2023, City Council adopted an urgency ordinance and introduced a regular ordinance, with the recommended edits from Planning Commission, by a 6-0 vote, with one recusal. The staff report for the December 18, 2023, City Council meeting can be found here: <https://cityofpetaluma.primegov.com/api/compilemeetingattachmenthistory/historyattachment/?historyId=2c107d7a-0e60-4237-9b14-817c954d97c9>.

DISCUSSION

Purpose

The proposed Fairgrounds Overlay Zone is an important milestone in implementing City Council direction on the city's management of the fairgrounds beginning on January 1, 2024. Given the unique history of the site and the City's impending responsibility to manage site operations, including facility and grounds maintenance, sub-user interactions, event bookings, programming, and other applicable responsibilities, the Fairgrounds Overlay Zone is proposed consistent with the stated purpose set forth in Chapter 5 (Overlay Zones) of the Implementing Zoning Ordinance (IZO). As provided therein, the purpose of overlay zones is to provide standards that apply to proposed development in addition to the requirements of the primary zone, where important site, environmental, safety, compatibility, or design issues may require particular attention during project planning. The proposed Overlay will establish temporary zoning controls, which will be in addition to regulations for the underlying base zoning districts, as well as all other applicable regulations set forth in the IZO.

Existing Uses

As shown in Table 1 and Figure 1 below, five of the nine existing uses onsite are not allowed within the zoning districts in which they are located. It is not known if these uses are legal nonconforming as set forth in Chapter 22 of the IZO1. However, to allow for continued operation of these uses, and, consistent with the recently adopted Resolution authorizing the City Manager to execute license agreements with existing tenants, the Fairgrounds Overlay Zone will effectively permit these uses as they are in their current state.

Figure 1: Fairgrounds Zoning Map

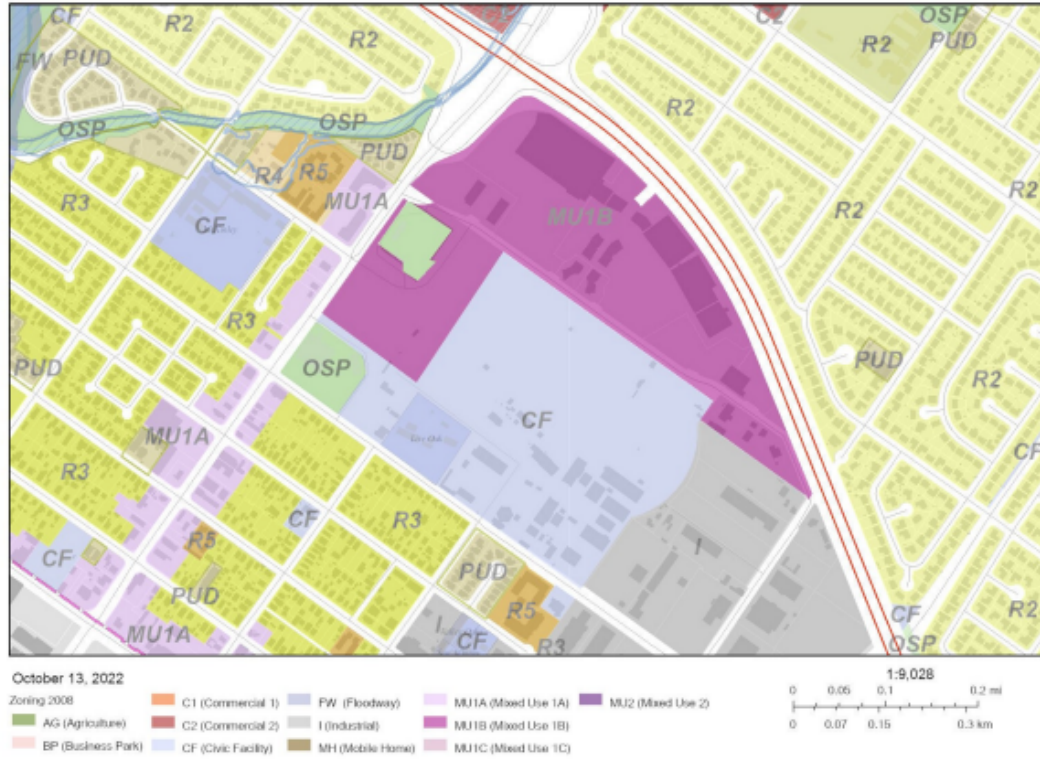


Table 1: Existing Tenants Zoning Compliance

Tenant	Zoning Designation	IZO Use Category	Regulations ¹
El Roy's	MU1B	NA ¹	X
Java Hut	MU1B	Restaurant, Café, Coffee Shop	P
Airport Express	MU1B	Parking Facility, Commercial	X
Happy Hearts Preschool	CF	Child Care Center	P
Rebuilding Together	CF	Office (Professional/Administrative)	P
Play Dog Play	CF	Kennel, Animal Boarding	X
Playland	CF	Commercial Recreation, Outdoor	X
Live Oak Elementary and Middle School	CF	School	CUP
Glad Enterprises	CF	Commercial Recreation, Outdoor	X

¹ The Implementing Zoning Ordinance does not include a use category for mobile food vendors. As provided in Chapter 28 (Glossary) of the IZO, the "Restaurant, Café, Coffee Shop" use category explicitly excludes mobile food vendors.

Sources: IZO Chapter 4 (Zone Districts and Allowable Land Uses), Table 4.3 (Mixed Use Zones) and Table 4.5 (Civic Facility Zone); Chapter 28 (Glossary)

¹ X: Use Not Allowed; P: Use Permitted; CUP: Conditional Use Permit Required

Proposed Overlay Provisions

As proposed, the Fairgrounds Overlay Zone will do the following:

- Formally legalize all existing tenant uses listed in Table 1 during this interim transition phase subject to the following provisions:
 - *Modifications to Uses.* Uses shall not be enlarged, extended, or moved to a different portion of the lot or parcel without the written consent of the City Manager in accordance with the license agreement.
 - *Change of Use.* Uses shall not be changed to another use without approval by the Planning Commission, and any such change shall be to a use which, in the opinion of the Commission, is of the same or of a more restricted nature and requires the written consent of the City Manager in accordance with the license agreement.
 - *Change of Operator.* Prior to the transfer of operation of permitted establishments from one licensee to another without the written consent of the Petaluma City Manager in accordance with the license agreement, and the new operator shall demonstrate that the operation of the establishment will have substantially the same characteristics as the existing establishment, including but not limited to, hours of operation, number of employees, and services provided.
 - *Discontinuation of a Use.* Uses shall not be re-established if such use has been discontinued for a period of 12 months or more.
 - *Maintenance and Repair.* Nothing in this section shall be deemed to prevent normal maintenance and repair of any use or structure or the carrying out upon the issuance of a building permit of major structural alterations or demolitions necessary in the interest of public safety. Where applicable, modifications to existing structures and site improvements shall account for historic eligibility as set forth in the Sonoma-Marin Fairgrounds Historic Resources Documentation, prepared by Page & Turnbull, July 1, 2022, and shall carry out modifications in a manner that will not result in a substantial adverse change in the significance of a historic resource.
- Allow for continued operation of the 5-day annual fair (occurring mid-late June)

Specific controls for the annual fair would be set forth in a license agreement with a fair operator.

- Allow for continued operation of temporary uses, subject to approval of a Zoning Permit from the Planning Director as set forth in Section 7.070 (Short-Term Activities) of the Petaluma Implementing Zoning Ordinance.
- Allow new uses that are accessory and ancillary to the public benefit use of the Fairgrounds

property, including but not limited to: mobile vendors, community gardens, uses with a recreational, educational, and/or agricultural component, nonprofit organization activities, and community gathering events or activities, subject to review and approval of a Minor Use Permit by the Planning Director, provided that a use: (a) will not involve the construction of new permanent structures, (b) is in alignment with the Guiding Principles set forth in City Council Resolution 2022-167 N.C.S., and (c) provides a public benefit (see Additional Use and Site Considerations discussion below).

- Allow construction/operation of new permanent structures/uses subject to Planning Commission recommendation and City Council approval pursuant to the applicable review criteria set forth in Chapter 24 of the IZO and provided that (a) new uses are in alignment with the Guiding Principles set forth in City Council Resolution 2022-167 N.C.S., and (b) new uses provide a public benefit.
- Allow for major site modifications (e.g. to improve site access and circulation; increase onsite stormwater retention; install electric vehicle (EV) charging stations etc.) to Planning Commission review and City Council approval of Site Plan and Architectural Review (SPAR).
- Limit construction of new permanent structures.

Additional Use and Site Considerations

Site Improvements

As described above, the proposed Overlay limits the construction of new permanent structures. The intent of limiting the construction of new permanent structures is due to the forthcoming Master Planning effort for future development and use of the site, which will holistically consider community input and needs to inform the type, intensity, and location of any future site development, including land uses. As proposed, any new permanent uses/structures will be subject to review by the Planning Commission and City Council, which will ensure any new development is in line with the community's vision for the property and represents the best and highest use of the land in the long term. Though the Overlay will limit the construction of new permanent structures, the transfer of maintenance and operations of existing development presents an opportunity for the City to make site improvements that are in line with state and local goals, such as improving onsite stormwater management, installing EV charging stations, or improving site access and circulation. As stated in the Proposed Overlay Provisions section above, any major site improvements would be subject to SPAR review by the Planning Commission and City Council.

Other Public Benefits Uses as Allowed

In addition to regulating the ongoing operation of existing uses and site improvements through the proposed Fairgrounds Overlay, staff also recommends a provision to allow new uses that are accessory and ancillary in nature to overall operation of the site and benefit the public, subject to subsequent review and approval of a minor use permit by the Planning Director. As discussed in detail below, this Ordinance provision provides flexibility for the types of uses that can occur at the site in the near-term.

As specified in Section 24.060(B) of the IZO, the Planning Director is authorized to approve minor use permits, including new use permits to authorize the establishment of “conditional uses” in commercial districts where the Director finds that the use will be compatible with adjacent uses and is in conformance with applicable development standards, and subject to the same findings and other requirements that apply to the Planning Commission’s approval of Conditional Use Permits. This approach would provide an avenue for the City to allow the operation of temporary uses at the site for a specified period, which can help to inform future Master Planning efforts while allowing the use of the property to continue to evolve in a manner that is consistent with the community’s vision and meets local goals and priorities in the near-term. Accessory and ancillary uses that benefit the public could include, but are not limited, community gardens, farmers markets, uses with a recreational, educational, or agricultural component, nonprofit organizations, and uses that provide opportunities for community gatherings. As further provided in Section 24.060(D), the Planning Director may refer an application for a minor use permit to the Planning Commission, if deemed necessary.

Among other benefits, allowing for such uses at the Fairgrounds property for an interim period offers a unique opportunity to provide educational opportunities that tie into the agricultural history of the site and the City of Petaluma, create additional community gathering opportunities that could serve to revitalize the site, and generate revenues to contribute to ongoing maintenance and operation of the site. Additionally, rather than preserving the site in place until such time as a Master Plan is approved and implemented, permitting accessory and ancillary uses through the minor use permit process provides an opportunity to achieve the following Guiding Principles adopted by the City Council in Resolution 2022-167 in the near-term, and would inform ways to achieve these Guiding Principles in the long-term:

- **Acknowledge and build upon community input regarding the fairgrounds property while continuing to engage with the community going forward.**

The proposed Fairgrounds Overlay Zone acknowledges input received from stakeholders related to the Fairgrounds’ continued and expanded use as a community gathering space, including specific ideas for the site to house a community garden and year-round farmer’s market and builds upon the input received by allowing additional accessory and ancillary uses such as mobile vendors, which contributes to increased equity in the community as well as provides access to affordable, healthy food options and other necessary goods. By providing an avenue for the operation of such uses in specific locations on the Fairgrounds site through review and approval of a minor use permit, the proposed Ordinance provides opportunities for continued community engagement and informed decision-making for near- and long-term development of the site.

- **Provide civic and institutional stability during the transition period and beyond so that the fair event and other key uses continue.**

Amidst the uncertainties and challenges the City faces during a transitional period for the Fairgrounds property, incorporating accessory and ancillary uses such as a community garden and farmer’s market can serve to enhance stability and resilience at the site. Providing uses such as these would provide a variety of community benefits, such as access to fresh, nutritious produce, fostering a sense of community engagement, promoting healthy eating habits, and stimulating local economic activity. Additional accessory and ancillary uses at the site have the potential to create

a more inclusive and equitable public space, which can, in turn, foster civic and institutional stability by engaging all members of the public, including traditionally marginalized communities. Furthermore, the operation of these uses at the Fairgrounds property can provide stability by generating revenues that will help the City in its operation and maintenance of the property, which will, in turn, allow for ongoing and successful operation of the annual fair and other permanent and temporary uses at the site.

- **Affirm a renewed commitment of the City to the Petaluma community's agricultural future, present, and past through near-, medium-, and long-term actions and milestones for the property and related programs.**

The inclusion of a provision to allow accessory and ancillary uses, subject to additional review and approval of a minor use permit by the Planning Director, affirms a renewed commitment to the community's agricultural past, present, and future as it would allow for additional uses, including agricultural-centered and related uses in the near-term, which can help to inform medium- and long-term milestones and related programs for the Fairgrounds property. For example, allowing accessory and ancillary uses at the site, such as a community garden, launching a farmer's market, and partnering with mobile vendors are near-term actions that provide a direct commitment to honoring the community's agricultural history by providing opportunities for all members of the community to be engaged in the cultivation of fresh, locally grown produce, provide opportunities for access to the larger, local agricultural economy through operation of a farmer's market, and provide opportunities for local food vendors to source produce from both the community garden and farmer's market, thereby engaging in more sustainable food practices, expanding access to healthy foods, and contributing to the local economy. By incorporating a mechanism within the Fairgrounds Overlay Zone to develop these short-term actions, development of medium- and long-term actions will be informed by real community experiences, which provide a unique opportunity to the community and decision makers for ongoing operation and programming of the Fairgrounds property.

- **Honor the legacy of history, place, and community while fostering safety, health, inclusivity, cultural connectedness, accessibility, and useability of the fairgrounds property for the benefit of all.**

Allowing additional accessory and ancillary uses at the Fairgrounds property can serve as a bridge between the past, present, and future, honoring the legacy of history, place, and community while fostering health, inclusivity, cultural connectedness, accessibility, and usability and can strike a harmonious balance between preserving the rich historical legacy of the site while also allowing for the space to continue to evolve over time. Carefully integrating accessory and ancillary uses, such as a community garden, farmer's market, and mobile vendors into the fairgrounds' landscape, can serve as a catalyst to revitalize and contribute to the overall operation of the site by introducing a diversity of community gathering spaces and healthy food options, while ensuring that the unique character and heritage of the fairgrounds remain intact. For example, a community garden honors traditional agricultural practices and celebrates the rich history of farming and land stewardship within the City of Petaluma, a farmer's market provides a vibrant gathering place where people can connect with their community and source fresh, locally grown produce, and mobile vendors promote inclusivity and help to address equitable access to food and other essential goods. Allowing additional uses at the site provides an opportunity to represent the cultural diversity of

Petaluma and can help to address issues of accessibility, enhance usability, and serve to transform the property into a dynamic hub of community engagement, economic opportunity, and cultural celebration while preserving its historical legacy as a community gathering space.

General Plan Consistency

The proposed Fairgrounds Overlay Zone is consistent with existing General Plan policies and programs including the following:

- **Policy 1-P-7:** Encourage flexibility in building form and in the nature of activities to allow for innovation and the ability to change over time.

The Fairgrounds Overlay Zone allows for ongoing operation of existing uses and provides an opportunity for the site to change in the near-term, which will help to inform use of the site in the long-term. The transition of the property from the 4th DAA to the City of Petaluma presents an opportunity for innovation through establishment of uses that provide community benefits such as community spaces, gardens, farmers markets, uses with a recreational, educational, or agricultural component, nonprofit organizations, and uses that provide opportunities for community gatherings. The proposed Overlay is intended to provide flexibility and innovation, consistent with this general plan policy.

- **Policy 2-P-82:** Work with the Sonoma-Marín Fair to explore more optimal use or relocation of the Fair's site. Optimal use could include redesign and intensification of the existing acreage; reduction and intensification of the existing site; or master planning of the Fairground and adjacent property(ies) to create an improved layout of the fairground; improve compatibility with existing neighborhoods and enhance adjacent development potential.

The Fairgrounds Overlay is consistent with this General Plan policy as it will allow for ongoing operation of the existing tenants and uses, including the annual fair, and will encourage development of accessory and ancillary uses that are in alignment with adopted Guiding Principles for the site, and provide a public benefit. Allowing for ongoing operation of existing uses as well as new uses that align with the community's goals will help to inform master planning efforts for the site and will ensure optimal use is achieved in the near-, medium- and long-term.

- **Policy 2-P-83:** Work with the Sonoma-Marín Fair to explore opportunities to achieve a joint-use agreement and/or year-around use of open space/green field areas of the fairgrounds for public access and/or recreational activities including group sports.

The Fairgrounds Overlay provides a mechanism to explore opportunities for certain new uses and tenants to use the Fairgrounds, including use of open spaces for public access and recreational activities, which is consistent with this General Plan policy, is in alignment with the stated vision and principles for the site, and provides opportunities for public benefits.

- **Policy 6-P-1-G:** Encourage and support the collaboration of local school districts, non-profit organizations and private parties in the use of public lands for outdoor education

opportunities such as community gardens.

The Fairgrounds Overlay will allow ongoing operation during this interim planning period of Live Oak Elementary and Middle School, Happy Hearts Preschool, and Rebuilding Together, and is also proximate to the Petaluma Regional Library and Kenilworth Teen Center. The presence of these uses within the Overlay as well as in proximity to the Overlay provides an opportunity for collaboration to establish new uses such as community gardens which can be used by the general public as well as provide educational opportunities for nearby schools, nonprofits, and other organizations. As such, the proposed Overlay is consistent with this General Plan policy as it encourages and supports collaboration to use public lands to establish community gardens.

- **Policy 6-P-1-H** Improve community health and unity by providing community-wide, family-oriented special events that bring the community together.

The Fairgrounds Overlay provides opportunities to establish new uses and programs that provide community benefits, such as community gardens and farmers markets, which encourage health and unity by providing access to healthy foods and additional community gathering spaces in a centralized location within the City. As such, the proposed Overlay is consistent with this General Plan policy.

- **Policy 6-P-1-I** Where feasible, acquire and/or restore, maintain, and use for the community's benefit, local historic assets.

The Fairgrounds Overlay Zone is consistent with this General Plan policy as the City will manage and operate its fairgrounds on January 1, 2024. The Overlay will allow ongoing operation during this transition period of legacy uses which provide services for the community's benefit and also provides provisions that allow the property to evolve over time with uses that align with the community's vision for the property and provide additional community benefits.

PUBLIC OUTREACH

In addition to ongoing community engagement efforts for ongoing and future planning efforts at the Fairgrounds, for the Planning Commission hearing on a December 12th, a public notice of the December 12, 2023 Planning Commission hearing to consider recommendation of the Fairgrounds Overlay Zone to the City Council was published in the Argus-Courier on December 1, 2023 and individually mailed to all property owners and tenants within a 1,000-foot radius of the project site, consistent with IZO Section 24.100. Additionally, on or before December 1, 2023, two on-site public notification signs were installed to inform the public of the upcoming December 12, 2023, Planning Commission hearing. Pursuant to IZO Section 24.100.B, the signs were at least 32 square feet in area and placed in a position most visible to the public, with one sign facing East Washington Street, one sign Kenilworth Drive, and one sign facing Payran Street. As of the publishing date of this staff report 0 public comment has been received.

For the December 18, 2023, City Council hearing, notices were mailed to all residences within 1000 feet of the Fairgrounds and signage was posted on the Fairgrounds in compliance with the City's noticing requirements stated in Petaluma Implementing Zoning Ordinance Section 24.100.

COUNCIL GOAL ALIGNMENT

The Fairgrounds Overlay Zone achieves the following Council goals and priorities:

- A City that works for everyone
 - Item #18: Establish and improve paths, as useful transportation options, and make walking and biking easy, fun and safe.
- An economy that prospers
 - Item #101: Create and promote business-friendly city operations such as zoning, permitting, and licensing.
 - Item #104: Create programs to support start-up businesses by expediting permits and providing in-person permit consultations.
 - Item #111: Incentivize, support, and incubate small, start-up businesses.
- An environmental legacy we can be proud of
 - Item #193: Identify funds to support Storm Water program and infrastructure.
- A safe community that thrives
 - Item #96: Improve access to healthy, sustainable food throughout the community, including consideration of community garden sites and farmers market locations (e.g., fairgrounds), and events; explore opportunities to incorporate elements of County Food Action Plan.
 - Item #98: Create more diverse recreational, social, and cultural opportunities for youth.
- Spaces and places that inspire
 - Item #127: Work with Fair District board and agricultural stakeholders to find creative ways to promote and support Petaluma's agricultural heritage.
 - Item #128: Engage the community to envision and adopt a master plan for the fairgrounds property.
 - Item #129: Identify partners and funding for developing the fairground property.
- Moreover, Petaluma Fairgrounds was one of Council's top 10 goals and priorities for the year 2023. This initiative actively advances the Council's objective, reaffirming the Petaluma Fairgrounds' integral role in shaping the City's future.

CLIMATE ACTION/SUSTAINABILITY EFFORTS

The Fairgrounds Overlay Ordinance may result in future minor uses that have environmentally friendly uses such as a community garden or farmers market.

ENVIRONMENTAL REVIEW

The proposed Fairgrounds Overlay Zone is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301 (Existing Facilities), which includes operation, repair, maintenance, permitting, leasing, licensing, and minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use. As proposed, the Fairgrounds Overlay Zone will allow for ongoing operation of existing uses and maintenance of the property and structures as needed to ensure public safety. The Fairgrounds Overlay Zone proposes that major site improvements would go through a follow up discretionary process (Site Plan and Architectural Review, or SPAR). Through a separate discretionary process (CUP), the proposed Fairgrounds Overlay Zone also provides an avenue for the City to permit the operation of a community garden, farmer's market, and mobile vendors at the site, which represent temporary and semi-permanent uses that are consistent with existing uses at the site. The key consideration in the use of the Class 1 exemption is whether the project involves negligible or no expansion of use. Adoption of the proposed Overlay will not result in expansion of use. Future site improvements would be determined through the SPAR process.

Additionally, the Fairgrounds Overlay Zone is exempt from CEQA pursuant to Section 15305 (Minor Alterations in Land Use Limitations), which consists of minor alterations in land use limitations in areas with an average slope of less than 20%, which do not result in any changes in land use or density. As proposed, the Fairgrounds Overlay Zone will effectively permit the ongoing operation of existing land uses, which will not change land use or density at the site. In addition, the Overlay provides opportunities, subject to additional discretionary review, for site improvements and operation of a community garden, farmer's market, and mobile vendors, which are consistent with current commercial and community gathering operations of the site. Furthermore, none of the exceptions to the use of a categorical exemption as set forth in Section 15300.2 of the CEQA Guidelines apply to the project. As such, no further review under CEQA is required at this time.

FINANCIAL IMPACTS

This Ordinance does not have any direct financial impacts.

ALTERNATIVES

No alternatives are suggested as not adopting this ordinance would result in some current uses being in violation of the City's Zoning Code.

ATTACHMENTS

1. Proposed Fairgrounds Overlay Zoning Ordinance
 - a. IZO Chapter 4 Amendment
 - b. IZO Chapter 5 Amendment
2. 12/12/23 Planning Commission Resolution
3. Responses to City Council Questions
4. 12/18/23 PowerPoint Presentation