

**TOWN OF SAN ANSELMO
STAFF REPORT
February 9, 2017**

For the Meeting of February 14, 2017

TO: Economic Development Committee
FROM: Elise Semonian, Planning Director
SUBJECT: Filling Commercial Vacancies

RECOMMENDATION

That the Committee review the ideas and request additional information from staff on any item for future discussion.

BACKGROUND AND DISCUSSION

The Economic Development Committee (EDC) is seeking ways to fill commercial vacancies and requested staff to provide additional information on some options to consider. The Town does not have control over some factors that influence vacancies, such as national economic and employment conditions, or rental rates set by property owners. However, the Town can take actions like those in the Economic Development Committee's 2-year Action Plan to make the Town more appealing as a place of business, which could stimulate demand for commercial rentals and reduce vacancies.

The following are some other actions the Town could consider:

- 1. *Eliminate 1,200 sq. ft. Use Permit Requirement*** The Town requires Planning Commission design review and a use permit for a "change of occupancy" for a space 1,200 square feet or larger, even if the use is ordinarily "permitted" in the district. The Town put the rule in place in order to provide an opportunity to review formula retail businesses. This requirement increases the time and expense for new businesses that wish to locate in Town. The nonrefundable fee is approximately \$2,492. Staff tries to place the applications on a council agenda as soon as possible. However, the process adds uncertainty and at least one-month delay to starting a new business. If the Town eliminates this requirement, then many permitted businesses could open in vacant spaces with just a business license. However, the Town would not have any review of the businesses and some formula retailers could open in the Town with no review.

- 2. *Amend Zoning Regulations Regarding Parking*** Many downtown commercial spaces do not have any parking. A variance is required in order to increase the intensity of any use without providing required parking. As a result, uses in many downtown spaces cannot change to a business that would draw additional customers without going through a public hearing for a parking variance. For example, a space used for retail cannot change to a restaurant, since it would increase parking demand. The Planning Commission has difficulty considering the parking variance requests without details on existing parking and parking studies can cost over \$5,000. The Town could consider changing the regulation to allow sites with nonconforming parking to intensify uses

without providing parking. However, there are ongoing complaints about lack of parking in the business area.

3. Abate Prohibited Uses and Require Open Business Hours for Retail There are several vacant storefront spaces that are not advertised for lease. A few storefront businesses have very limited and “by appointment” hours. These vacancies reduce foot traffic to other businesses and impact the perceived vitality of the business district.

- Staff could abate businesses with “storage” use. Storage uses could be considered prohibited under the Town’s permissive zoning rules (since storage is not listed as a permitted use). Town could require only permitted uses or properties must be actively advertised.
- Businesses that significantly change approved hours of operation (always closed or “by appointment only”) could be considered in violation of their use permit, if the business has a use permit with hours of operation.
- Council could amend zoning code to require storefront retail businesses to be open to public during certain hours and not by appointment only.

4. Window screening ordinance – This will not fill vacancies but will improve the appearance of vacant storefronts.

- Require graphic or artistic screening of vacant storefronts.

Example: Highland Park, IL requires 80% of ground floor storefront windows to be covered with window screening with “graphic elements, words, or letters” within 15 days of vacancy.

Compliant Storefronts:



Noncompliant Storefronts:



More information: <http://www.chicagotribune.com/suburbs/highland-park/news/ct-hpn-storefront-window-art-tl-20150407-story.html> and <https://www.cityhpil.com/Index.aspx?NID=590>

- Some communities limit covering of vacant storefronts (must allow view of interior).

5. Require registration of vacant commercial spaces and charge a fee or tax - require owners to actively advertise property to avoid it. Staff has observed that property owners that actively seek

tenants fill their vacancies quickly. Therefore, it may help to encourage owners to advertise vacancies with a registry and tax or fee. Requirements for property maintenance can be included in the ordinance.

- Registration and Fee - The Town cannot charge fees that exceed the cost of providing services. Most San Anselmo vacancies do not rise to the level of “public nuisance” or “blight” that costs the Town. Therefore, any fee would be small and may not discourage vacancies.

Example - San Francisco ordinance:

<http://www.sfbos.org/ftp/uploadedfiles/bdsupvrs/ordinances14/o0182-14.pdf>

- Tax - Requires voter approval. The City of Berkeley considered a commercial vacancy tax of \$1 per square foot of ground floor commercial space vacant for two years, with escalating assessments for subsequent years of vacancy. The tax had 54 percent approval in a poll of voters, but would need two-thirds vote. The City has not yet placed it on a ballot. Berkeley also considered a vacancy fee in recent years.

A Berkeley staff report on the fee:

<http://www.berkeleyside.com/wp-content/uploads/2014/10/2014-10-07-Item-13-Vacancy-Registration.pdf>

6. Other Ideas

- Invite owners of vacant or “dead” storefronts to attend EDC meeting and share concerns.
- Track number of storefront vacancies for EDC monthly to monitor if number is declining or increasing.

Respectfully submitted,



Elise Semonian
Planning Director

APN	Property Owner	Address	Prior Use	Reason for Vacancy	\$ Sq. Ft. Month/Sale Price
005-121-15	GLANTZ DAVID &	1608 SIR FRANCIS DRAKE BLVD	Business Cents/Office	Owners illegally converted commercial to residential space	
006-091-41	MARCHANT JON A /TR/ & ETA	12 LOMA ROBLES DR	Marchant Chapman Real Estate office	Retired	Status unknown
006-091-39	MONFREDINI PROPERTIES LLC	754 SIR FRANCIS DRAKE BLVD	TCBY	Have approval to build 12 apartments	Not for lease
006-083-04	PARMAR RAVINDER S &	745 SIR FRANCIS DRAKE BLVD	735 sq. ft. streetfront shop	Does not appear to have ever been occupied/used as storage	Not for lease
006-251-27	MACDONALD EDMUND B JR	324 SIR FRANCIS DRAKE BLVD	Junction Shoes		940 sq. ft. storefront \$2.25/sq. ft.
006-251-02	FLOOD CARLA M /TR/	312 SIR FRANCIS DRAKE BLVD	Country Store		2,993 sq. ft. storefront/ \$1.75
006-092-09	ACL BUILDING & DEVELOPMENT INC	610 SIR FRANCIS DRAKE BLVD	The Pavillion	Use permit approved for tire store. Building permit pulled in 2016 but no work started.	
006-211-21	BARHAM RICHARD A TR &	275 GREENFIELD AVE	Marketratesinsight.com	Acquired by another company 8/16	4,570 sq. ft. office/\$2.85
006-171-04	GUELFY ROBERT & CATHERINE M REVO	122 GREENFIELD AVE	PB&A Inc. Structural Engineer	Moved to San Rafael	? May have been rented
006-103-04	MARIN COUNTY FLOOD CONTROL & W	800 SAN ANSELMO AVE	The Great Acorn	Purchased by County for Flood Control	Not for lease
007-212-26	MORF GEORGE	625 SAN ANSELMO AVE	Bakery	sold	4,233 sq. ft. \$1,350,000
006-102-15	ROSSETTI KATHERINE N /TR/	556 SAN ANSELMO AVE	Bella Luna Café		Status unknown
007-302-17	HUMPHREYS FAMILY TRUST ETAL	8 BOLINAS AVENUE	Laundry	Toxic clean up	Can't be rented until clean up
006-241-63	PERRY WARREN R /TR/	100 SIR FRANCIS DRAKE BLVD	Union Bank		3,300 sq. ft. negotiable price
006-241-05	ANDRESEN ROBERT E /TR/ & ETAL	160 SIR FRANCIS DRAKE BLVD	Muse	Relocated to downtown	? May have been rented
006-102-25	MC EACHERN ANDREW O	574 SAN ANSELMO AVE	Antique Timepieces & Jewelry		In probate?
006-091-09	DILL TERRY E	520 RED HILL AVE		Unknown use	
007-254-05	LESWING KURT /TR/ &	330 SAN ANSELMO AVE			1,200 sq. ft. 2nd floor office \$2.50
007-282-20	BIASETTO MARIA /TR/	305 SAN ANSELMO AVE	US Bank Building		Suite 301/1,544 sq. ft. and Suite 303/477 sq. ft. \$2.50
007-251-21	ALILAM LLC	407 SAN ANSELMO AVE	Studiolo		200 sq. ft. office \$1,200/mo. and 871 sq. ft. retail storefront \$3.00
007-014-21	PEARSON KATHY S /TR/	1525 SAN ANSELMO AVE	Fun House Studio		300 sq. ft. studio in live/work space, \$3,000 mo.