



Folsom City Council Staff Report

MEETING DATE:	5/11/2021
AGENDA SECTION:	Old Business
SUBJECT:	Report on Public Outreach Regarding the Retail Space in the Historic District Parking Garage and Direction to Staff
FROM:	Parks and Recreation Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff is seeking direction on next step(s) after conducting public outreach on potential uses for the retail space in the City's Historic District parking garage.

BACKGROUND / ISSUE

At the March 23, 2021 City Council meeting, staff made a presentation regarding potential use options in the vacant City-owned retail space in the Historic District parking garage. Within that presentation, staff provided background about the space including its size of 3,700 square feet, its current vacant and unimproved interior, the prior use of the space as a museum, its zoning (Historic District/Commercial C-2), and the allowable uses within the zone. Staff further provided that any uses of the space should be consistent with FMC Section 17.22 (C-2 allowed uses), FMC 17.56 (Historic District), as well as the Historic District Retail Study results of 2006.

The presentation included three main options for City Council consideration. They included: retain for City uses (such as police/fire department substation or rental/banquet facility); lease the space (which could be restaurant, retail, local market, offices, event center, faith based center or other allowable uses), or sell the space (which would require the creation of a commercial condo and additional engineering/professional services).

Staff also presented the potential expenses and revenue associated with the three options. With the three options, potential tenant improvement costs would be approximately \$150,000 to add restrooms, kitchen, storage, walls, fire suppression, HVAC, electrical, blinds, lighting, paint, and audiovisual equipment. Revenue potentials for the City-use option ranged from

\$22,000 to \$177,000 per year; for the lease option about \$88,800 per year; and for the sell option about \$740,000 to \$925,000.

At the City Council meeting there was public input from several speakers suggesting that the space should be sold (rather than leased) to ensure the pricing of the space would be market-rate. There was also input that the space would be ideal for high-end furnishings sales. After discussion of the various options related to the space, staff received direction from the City Council to coordinate a community meeting with interested persons and stakeholders to gather input on what types of uses are needed or desired for this location, and to then report-back to the City Council.

POLICY / RULE

Pursuant to Section 2.02 of the Folsom City Charter, all powers of the City are vested in the City Council.

ANALYSIS

As a result of the direction received from the City Council on March 23, City Manager Elaine Andersen hosted and facilitated a virtual workshop on April 15, 2021, providing an overview of the space (including a photo and video tour) and encouraging input from those attending on what uses should be considered for the space. In addition, City staff advertised a web-based survey and dedicated e-mail address for those who wished to provide ideas and input for consideration, whether or not they attended the virtual workshop. The due date for all submissions was April 23, 2021. A summary of the specific input received is included in the attachment to this staff report.

Workshop Results

The April 15 workshop was held on a virtual platform from 3:00 to 5:00 PM. There were 50 attendees who signed up for the virtual meeting. During the workshop, an overview of the space and use parameters was provided. In addition to asking specific questions to draw out input, the City Manager provided an open dialogue opportunity for those participating in the meeting to share their ideas for the retail use. There were over 20 different ideas and many similar thoughts that emerged, including using the space as a rental store for water sports equipment, small market, public safety station, iconic brand type business to attract visitors (a brewhouse/taphouse was mentioned several times), sports equipment store, bike sales, venue for arts, trades/makers community space, and souvenir shop. Please see Attachment 1.

Survey Results

There were six online surveys completed with the following suggestions:

- Deli/Local Market
- Shops/Retail
- Event Space
- Restaurant/Deli
- Brewery
- City Services Information Center
- Festival Center

Emails Received

Numerous emails were received covering about 15 different ideas, with many being similar concepts from the workshop. A few different ideas that arrived via e-mail were using the space as a homeless job center, elder craftsperson workshop, start-up incubator center, community class center, and a teen center.

Letters Received

Staff also received one letter which outlined the need for the use to be consistent with the Railroad Block Master Plan and the Historic Folsom Station Development Agreement, as well as being mindful of impacted parking, compatible operating hours, and the thought that a privately owned use would streamline leasing processes.

Suggestions Received

Two more specific suggestions were received. One for a child/pet-friendly brewery to purchase the space. A description of the need and proposed use was provided. There was no purchase offer included.

The other was for a bicycle sales showroom. The proposal described continuing the proposer's rental operation at the corner of Reading/Leidesdorff Street and relocating from their other storefront at 150 Natoma Station Drive to the proposed retail space at the parking garage. An offer of \$3,000 per month with an annual CPI increase for a 5-year lease was included.

Based on the workshop, survey, emails, letters, and proposals received, staff is seeking direction on the next steps to take to fulfill City Council's direction.

FINANCIAL IMPACT

Depending upon the next steps that City Council chooses, funding for tenant improvements and/or professional services for appraisals or preparation of Request for Proposals or other documents may result in direct costs to the General Fund.

ENVIRONMENTAL REVIEW

This report to Council is not a project under the California Environmental Quality Act and does not require environmental review.

ATTACHMENT

Summary of input received from workshop, survey, emails, letters, and suggestions.

Submitted,

Lorraine Poggione, Parks and Recreation Director

Retail Space Feedback

Summary of Workshop 4/15/21; Emails and Letters Received

50 attendees including staff attended workshop

Suggestions/Comments Received Via Workshop:

- Stand up Paddle Board, kayaks, canoe rentals - water sports event staging, water sports info
- Nothing too loud
- Small market with items needed by travelers
- No tattoo shops
- Public Safety
- Retail use to enhance the rest of the plan development around the plaza
- Lease would benefit the city to support other services it provides in the Historic District
- Something outdoor related
- Non-retail is a bad idea - we need business that are open daily - fun unique stores
- Meet Historic District guidelines and have a conditional use permit
- Limitation on percentage of parking used
- Iconic brand aligning with Folsom's Distinctive By Nature brand (like Sierra Nevada Brewery Taphouse) (agreed by several)
- Market similar to David Berkely Pavillions - market, café, deli all in one (agreed by several)
- Brewery could have the wrong kind of hours - stays open too late - should close by 10 p.m.
- No more alcohol sales in the plaza area (agreed by several)
- Dog store
- Brewery not family friendly
- REI-ish store
- Souvenir shop
- Venue for the arts
- Local owner-no chains
- Many said lease the property
- Many said sell property
- Some said it shouldn't be used for events (due to limited parking)

Emails Received:

- Children's museum
- Community makers space
- Bike sales
- Artists' collaborative
- Elder craftspersons' store
- Pop-Up retail for small businesses
- Volunteer community repair shop
- Coffee/Small bites shop
- Start-up incubator center (similar to Chicostart)
- Commission Based Rental Agreement for Music / Theatre
- Homeless job center

•Restaurant with outdoor dining

Input Received Via Letters:

- Railroad Block Master Conceptual Plan (2004) said that street or plaza level should be retail
- Historic Folsom Station development agreement lists unsuitable retail uses
- Restaurant in that space could be problematic due to construction of floors/ceilings
- Operating hours should be no earlier than 7AM and no later than 10PM
- Conference use requires parking and there is conference space nearby
- Public safety presence for part of the building would be beneficial
- Private ownership may streamline leasing process and tenant improvements and ensure compatible tenant mix

Surveys Received:

Deli/Local Market
Shops/Retail
Event Space
Restaurant/Deli
Brewery
City Services Information Center
Festival Center

Suggestions Received:

Brewery
Bike Sales Showroom

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