Elections Code Section 9212 Report

Arts, Industrial, & Maritime Preservation and Improvement Initiative

Prepared for

City of Sausalito

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I. EXECUTIVE SUMMARY

At its June 16, 2026 meeting, the Sausalito City Council received the City Clerk's report on the sufficiency of signatures for an initiative petition titled the Arts, Industrial & Maritime Preservation and Improvement Initiative (the "AIM Initiative" or the "Initiative"). Upon receiving the City Clerk's report, the City Council voted to place the Initiative on the ballot (as mandated by existing requirements for voter approval); and to order reports pursuant to Section 9212 of the Elections Code to analyze the Initiative's potential impacts on the community, should it be approved. The Council directed that two Section 9212 reports be prepared, one by City staff and one by consultants retained by the City. This report has been prepared by consultants Goldfarb & Lipman LLP and BAE Urban Economics.

The Arts, Industrial, & Maritime Preservation and Improvement Initiative ("AIM Initiative" or "Initiative") would substantially revise the land use framework governing Sausalito's Industrial ("I") and Waterfront ("W") zones, with the most significant direct effects in the Marinship area. The Initiative would repeal the Marinship Specific Plan, repeal the Marinship Overlay District and Industrial Marinship Zone, broaden the range of allowed uses in the I and W zones, increase allowable development intensity, and revise voter-approval requirements that currently constrain changes to certain land use regulations adopted through Ordinance No. 1022.

In broad terms, the AIM Initiative would shift the Marinship regulatory structure from a parcel-specific and use-restrictive planning framework toward a more flexible zoning framework. Existing rules emphasize maritime, industrial, waterfront-related, and limited arts and commercial uses, with additional parcel-specific limitations contained in the Marinship Specific Plan. The Initiative would remove those parcel-specific restrictions and allow most I and W properties to draw from a substantially expanded list of uses, subject to the permit requirements and development standards established in the revised zoning provisions.

Key proposed land use regulation changes include the following:

- **Repeal of the Marinship Specific Plan and related overlay controls**. The Initiative would eliminate the Marinship Specific Plan, Marinship Overlay District, and Industrial Marinship Zone. This would remove parcel-by-parcel use designations and development standards that currently limit many properties to narrower categories of maritime, industrial, arts, public access, or related uses.

- **Expansion and consolidation of allowed uses in the I and W zones**. The Initiative would make the I and W zones largely similar, with a broader shared list of allowed uses. Newly allowed or broadened uses include art galleries, digital art, harbor and marina facilities, moorings and mooring fields, houseboats, liveaboards, community centers, libraries and museums, ancillary retail, temporary outdoor retail, child day care, bakeries, temporary offices, and other commercial, arts, educational, recreation, and maritime-related uses.

- **Changes in permit requirements**. Several uses that currently require a conditional use permit or minor use permit would become permitted or subject to a lower level of review, while some uses would move to a higher permit level. Design review and environmental review requirements would continue to apply where triggered by new construction or qualifying alterations.

- **Increase in development intensity**. The Initiative would increase maximum floor area ratio in both the I and W zones to 3.0. This would be a substantial increase from the current 0.40 FAR in the I zone and 0.30 FAR in the W zone. On a 10,000-square-foot lot, the theoretical maximum floor area would increase from 4,000 and 3,000 square feet to 30,000 square feet.

- **Changes to height, lot coverage, and setbacks**. In the I zone, maximum building height would increase from 32 feet to 47 feet. In the W zone, height would generally remain at 32 feet, with potential extension to 47 feet for Marine Commercial Service or Marine Industrial uses with a use permit. Lot coverage would increase to 70 percent in both zones, and certain setbacks adjacent to residential or houseboat zones would be reduced for taller buildings.

- **Elimination of voter-approval constraints outside the Downtown Historic District**. The Initiative would allow future changes to zoning, permitted uses, and land use regulations outside the Downtown Historic District through the ordinary legislative process, including public hearings and compliance with applicable state and local law, rather than requiring voter approval for amendments to provisions originally adopted by initiative.

While regulatory impacts would be immediate if the AIM Initiative is approved, impacts to land uses could be expected to be more gradual, over an extended period of time. The Initiative would create substantially increased development capacity in the Marinship area and other W-zoned areas, but this report's market and parcel analysis indicates that actual development is likely to occur incrementally over time rather than immediately or uniformly across all eligible properties. The Marinship area is largely built out, with very limited vacant land, and redevelopment would depend on property owner motivation, project feasibility, market demand, parking, access, design constraints, and infrastructure capacity.

- **Land Use Impacts** - The most direct impact would be a broader range of potential uses and more intensive development opportunities in the Marinship area. Current parcel-specific restrictions would be removed, allowing properties in the I and W zones to accommodate a wider range of industrial, maritime, arts, commercial, food service, retail, education, recreation, marina, houseboat, and liveaboard uses. This flexibility could improve the ability of property owners to reinvest in underutilized properties and attract new users, but it could also increase competition for space and create displacement pressure on existing price-sensitive maritime, industrial, and arts users that currently benefit from more restrictive land use protections except where the AIM Initiative would provide protections for existing uses in specific locations, including the sites known as the ICB Building and the Arques Shipyard.

- **Development Potential Impacts** - The increased FAR, lot coverage, and height allowances would create a much larger theoretical building envelope. This report identifies properties with lower improvement-to-land value ratios (I/L ratios) as potentially more likely to redevelop and estimates that a 3.0 FAR applied to selected I and W parcels could yield a maximum theoretical development potential of approximately 1.8 million square feet on parcels where the existing I/L ratios are at or below the 25^{th} percentile, indicating significant potential for redevelopment. This figure provides perspective on the potential order of magnitude of new development the AIM Initiative might create, not a forecast of likely construction within the Marinship area. Because most retail and industrial uses are unlikely to develop in multi-story formats at 3.0 FAR, and because the office market shows elevated vacancy rates and negative absorption, actual near- to mid-term development can be expected to be more modest.

- **Fiscal Impacts** - The Initiative could generate net General Fund benefits if it stimulates new non-residential development and business activity. New or expanded development could increase assessed value and property-related tax revenues, sales and use tax, business license tax, franchise tax, transient occupancy tax associated with business travel, and other revenues. This report concludes that many City service cost increases associated with new non-residential development are likely to be relatively modest because several major service categories are primarily resident-driven; because planning and building services are at least partially fee-supported; and because infill development generally uses existing infrastructure more efficiently than geographically dispersed growth; and because the City will likely realize economies of scale and other efficiencies in extending services to infill development.

- **Infrastructure and Sea Level Rise Impacts** - New non-residential development may increase the need for roadway, utility, shoreline, and sea level rise adaptation improvements. Sausalito has a limited development impact fee program and does not currently collect broad impact fees for roadway capacity, public buildings, parks, or storm drainage. As a result, infrastructure needs not covered by existing fees may need to be addressed through project-level conditions of approval, future area planning, new financing mechanisms, or development-related mitigation such as new development impact fees. New development could increase the tax base and financing capacity available to help fund area-wide infrastructure and sea level rise adaptation, but it would also increase the value and activity exposed to sea level rise risks.

- **Traffic and Circulation Impacts** - The Initiative could increase vehicle trips if it leads to substantial new development or more intensive uses in the Marinship area. The General Plan traffic analysis previously concluded that key intersections could operate acceptably at General Plan buildout, then-estimated at 428,000 square feets. This report notes that an updated traffic study should be prepared once development approaches the previously assumed buildout or if individual projects create localized circulation concerns. Although traffic congestion is no longer treated as a CEQA impact, the City may still evaluate traffic operations and require project-level improvements through the entitlement process.

- **Housing Impacts** - The Initiative does not directly rezone property for residential development and is not expected to directly increase or decrease Sausalito's housing stock. It could indirectly affect future housing planning by allowing the City Council to amend commercial and industrial land use regulations outside the Downtown Historic District without returning to the voters, which may allow future rezoning for housing within the Marinship area if needed to satisfy state housing requirements. The Initiative also removes liveaboard limits from the City's Zoning Ordinance, but the Bay Conservation and Commission currently applies the same limits to liveaboard berths.

- **Consistency and Implementation Impacts** - The Initiative would revise General Plan policies to largely align with the new zoning framework. However, this report identifies several potential ambiguities and conflicts. These include inconsistencies between changes to Ordinance No. 1022 and retained provisions in SMC Section 10.40.020, ambiguity regarding protections for the ICB Building and historic Arques Shipyard, uncertainty about the classification of the W zone, and possible conflicts between use limitations and the broader uses listed in the revised zoning table. These issues may require future clarification if the Initiative is adopted.

Overall Conclusion

The AIM Initiative would meaningfully change the regulatory framework for Sausalito's working waterfront and Marinship area. Its most important effects would be to broaden allowable uses, increase potential development intensity, reduce or eliminate several existing use restrictions, and move most future land use changes outside the Downtown Historic District from voter approval to the ordinary legislative process. The Initiative could improve flexibility, reinvestment potential, business attraction, and long-term fiscal capacity. At the same time, it could reduce existing protections for maritime, industrial, and arts uses; increase development capacity beyond current traffic capacity; create infrastructure funding challenges; and introduce implementation ambiguities that may need to be resolved through subsequent City action.

II. INTRODUCTION

At its June 16, 2026 meeting, the Sausalito City Council received the City Clerk's report on the sufficiency of signatures for an initiative petition titled the Napa Arts, Industrial & Maritime Preservation and Improvement Initiative (the "AIM Initiative" or the "Initiative"). As described in detail in this report, the Initiative would substantially revise the development standards applicable to the Marinship area and would eliminate requirements for voter approval of General Plan and zoning changes except in the Downtown Historic District, where voter approval requirements would remain.

Upon receiving the City Clerk's report, the City Council voted to place the Initiative on the ballot (as mandated by existing requirements for voter approval); and to order reports pursuant to Section 9212 of the Elections Code to analyze the Initiative's potential impacts on the community, should it be approved. The Council directed that two Section 9212 reports be prepared, one by City staff and one by consultants retained by the City. This report has been prepared by consultants Goldfarb & Lipman LLP and BAE Urban Economics.

Elections Code Section 9212 provides a list of potential impacts the City may choose to study as a part of the report. The City Council limited the impacts to be studied to those listed in Section 9212, as follows:

- Fiscal impact;
- Effect on the internal consistency of the City's General and Specific Plans, including the Housing Element, the consistency between planning and zoning, and the limitations on City actions under Government Code Sections 65008 and 65915 (density bonus law);
- Effect on the use of land, impact on the availability and location of housing, and the ability of the City to meet its regional housing needs;
- Impact on funding for infrastructure of all types, including, but not limited to, transportation, schools, parks, and open space. The report may also discuss whether the measure would be likely to result in increased infrastructure costs or savings, including the costs of infrastructure maintenance, to current residents and businesses;

- Impact on the community's ability to attract and retain businesses and employment;

- Impact on the uses of vacant parcels of land;

- Impact on agricultural lands, open space, traffic congestion, existing business districts, and developed areas designated for revitalization

Because of the very limited time to prepare this report, we relied on existing City information and documents and other generally available information and could not, for instance, complete a market analysis specific to the Marinship area. Consequently most conclusions are qualitative rather than quantitative. Nonetheless, this report endeavors to analyze all of these topics.

III. <u>LAND USE CHANGES ADOPTED BY THE INITIATIVE</u>

The Arts, Industrial & Maritime Preservation and Improvement Initiative ("AIM Initiative" or "Initiative") revises Ordinance No. 1022, known as the Fair Traffic Limits Initiative, which was adopted by ballot initiative on June 4, 1985 ("Ord. 1022") and would repeal the Marinship Specific Plan ("MSP" or "Marinship Specific Plan"), which was adopted by the City in 1989. The Initiative would make revisions to the Industrial "I" zone and Waterfront "W" zone to increase building coverage limits, increase the maximum floor area ratio, change side yard setback requirements in certain areas, and increase height limits. The Initiative also expands some of the land uses allowed in these zones, revises the permit requirements for certain uses, and changes regulations on liveaboard berths to be governed by Bay Conservation and Development Commission ("BCDC") permit requirements. These changes would make the two zoning designations identical to each other with minor variations in permitting requirements for particular uses and similar development standards. Along with the repeal of the Marinship Specific Plan, the Initiative would repeal the Marinship Overlay District and the Industrial Marinship Zone.

The Initiative would additionally make changes to Ordinance No. 1022 to allow the City Council to amend certain provisions of the zoning ordinance in compliance with state and local procedures without further voter approval. Lastly, the Initiative makes changes to various provisions of the Sausalito General Plan ("GP") to be consistent with the zoning changes made.

A. Changes to General Plan Policies and Programs

The AIM Initiative's modifications to the General Plan are primarily to provide consistency between GP policies and programs, the repeal of the Marinship Specific Plan, and the changes in allowable uses and development regulations that the AIM Initiative would make to the Zoning Code.

<u>Introduction to the General Plan</u>: The AIM Initiative proposes to make changes in this section to achieve consistency between the General Plan and the Initiative. These changes include:

- Deleting a reference to Ordinance No. 1022, the Fair Traffic Limits Initiative, and replacing it with a reference to the AIM Initiative.
- Deleting a reference to the Marinship Specific Plan.
- In **Table 1-1, General Plan Land Use Categories,** substantially modifying the description of areas designated either Industrial or Waterfront and increasing the floor area ratio to 3.0 in both categories.

While the existing description of the Industrial designation describes it as "[i]ntended to maintain one of the last working waterfronts in Marin County," the AIM Initiative would describe it as "[a]n economically sustainable working waterfront neighborhood…while enabling compatible economic activity."

Similarly, while the existing description of areas designated as Waterfront describe the area as including waterfront areas where development is limited to water-dependent uses and areas in the water where uses are limited to harbors, piers, minor marina modifications, and certain research uses, the AIM initiative would "prioritize marine and maritime uses," while permitting a broad range of additional uses, and would allow houseboats and liveaboards. No limit would be included on uses in the water. The Element would provide that no new or additional use could displace the uses at the ICB Building or shipways at the historic Arques Shipyard, although the location of these uses is not shown.

The maximum floor area ratio ("FAR") would be increased from 0.40 in areas designated Industrial and 0.30 in areas designated Waterfront to 3.0 in both areas. The AIM Initiative in this section (Initiative page 214) shows that the current FAR allowed in areas designated Industrial is 3.0. That is incorrect; the existing Land Use Element limits FAR in areas designated as Industrial to 0.40.

<u>GP Land Use Element</u>: The AIM Initiative removes references to the Marinship Specific Plan throughout the Element and makes these specific changes in land use policies:

- **Policy LU-2.15 Existing Marinship Office Uses and Program LU-2.5.1 Identification of Existing Office Uses.** Existing Policy LU-2.15 recognizes all office buildings and office uses built before April 5, 1988 as legal non-conforming office uses. The AIM Initiative would continue this policy but reference the AIM Initiative rather than the Marinship Specific Plan. The Initiative would, however, delete Program LU-2.5.1, requiring that the City maintain an inventory of offices existing as of April 5, 1988.

- **Programs LU-2.16.2 New Marinship Office Uses; and LU-2.16.3 Ancillary/Accessory Office Space.** The AIM Initiative would retain existing Policy LU-2.16, requiring that the City ensure that offices do not adversely affect the continuance of maritime, industrial, and waterfront-related uses in the Marinship area. However, it would delete existing Program LU-2.16.2, limiting office uses to those existing on April 5, 1988 and to any allowed by Program LU-2.16.3.

  The Initiative would also amend LU-2.16.3, which now provides that the City will revise the Zoning Ordinance to allow some percentage of building area to be used as ancillary offices, to simply allow ancillary or accessory offices needed to administer the operations of an approved use, with no limitation on the percentage of building area that may be used for ancillary or accessory offices.

- **Policy LU-3.1 Marinship Industrial.** The AIM Initiation would retain Policy LU-3.1, which encourages industrial use of Marinship as described in Table 1-1. However, the description of the permitted uses in Table 1-1 has been substantially changed, as described in the section on "Introduction to the General Plan," above.

  All programs implementing this policy would be deleted by the Initiative. These programs called for updating and revising the list of conditional and permitted uses; limiting other commercial uses such as offices and restaurants to 15 percent of permitted floor area, and only when developed with non-commercial uses; and limiting accessory office and retail space to 15 percent of floor area. The AIM Initiative would also delete three diagrams showing maximum permitted accessory office space.

- **Policy LU-3.2 Marine Industrial Uses.** The AIM Initiative would retain Policy LU-3.2, to promote and encourage new marine industrial uses. However, it would delete the only implementing program, which proposed to update and revise the list of permitted and conditional uses in the Zoning Ordinance.

- **Policy LU-3.3 New General Industrial Uses.** While existing Policy LU-3.3 calls for promoting small-scale, low traffic and non-polluting industrial uses, the AIM Initiative would instead encourage "environmentally sensitive" industrial uses, consistent with those permitted by the AIM Initiative. Program LU-3.3.1 would be deleted, which proposed to update and revise the list of permitted and conditional uses in the Zoning Ordinance.

- **Policy LU-3.4 Marinship Preservation.** The AIM Initiative would retain this policy to preserve the heritage, history, and existing industrial community in the Marinship. However, it would delete Programs LU-3.4.1 (proposing to update and revise the list of permitted and conditional uses in the Zoning Ordinance) and Program LU-3.4.1, which restricts new restaurant and food service uses to those providing unique neighborhood-serving services and encourages mobile food vendors as an alternative to brick-and-mortar uses.

- **Policy LU-4.1 Marinship Waterfront Uses.** This policy currently promotes marine industrial-oriented uses that require waterfront locations and encourages general industrial uses. The AIM Initiative would rewrite the policy to preserve and strengthen the industrial, maritime, and creative arts character of Marinship while enabling other uses as set forth in the AIM Initiative.

  Both of the programs under this policy would be deleted. Program LU-4.1.1 proposes to revise the Zoning Ordinance to facilitate the maritime, light industrial, and artist communities; to submit any changes in floor area ratio to a vote as required by Ordinance No. 1022; to limit office, commercial service, and arts uses; to modify existing view corridor provisions; to amend the Marinship Specific Plan's provisions identifying uses parcel by parcel; and to make changes consistent with necessary infrastructure improvements, sea level rise, subsidence, and liquefaction potential.

Program LU-4.1.2 proposes to "retire" the Marinship Specific Plan once the zoning amendments proposed in Program LU-4.1.1 were adopted.

- **Policy LU-4.2 New Recreational Marinas and Program LU-4.2.1 Zoning Ordinance (Recreational Marinas).** This policy and program prohibit the creation of new recreational marinas along the Marinship waterfront. Both the policy and the program would be deleted, potentially allowing the City to approve new recreational marinas along the Marinship waterfront.

GP Waterfront Element: The AIM Initiative proposes to modify the **Vision** to eliminate language as follows: "Subareas may be considered as a planning tool in the General Plan Update, but they need not specifically be part of the Marinship vision ~~nor align with the subareas designated in the Marinship Specific Plan~~." This change would make the General Plan consistent with the repeal of the Marinship Specific Plan.

The AIM Initiative would modify **Industrial Policies** to provide language consistent with the AIM Initiative. "Existing office and retail that existed in 1989 are allowed to remain in the Marinship. New office, retail, restaurant, arts, creative, recreation, education, food and dining, service, and other uses are permitted in the Industrial (I) and Waterfront (W) zones as set forth in the AIM Initiative and Table 10.26-1." The AIM Initiative would also add language reiterating the AIM Initiative's changes to the FAR limits in the I and W zones but state that the 1985 Fair Traffic Limits Initiative remains in effect for the Downtown Historic District.

The AIM Initiative would modify **Policy W-1.1, Sausalito Waterfront, Program W-1.1.1, Industrial Neighborhood** to de-link consideration of "land use and development regulations that promote alternatives to automobile travel, including walking commutes and consideration of live/work sites focusing on maritime occupations" from a "public process to update the Zoning Ordinance described in program LU-4.1.1.c." The proposed changes to Program W-1.1.1 may allow consideration of changes aligning with the AIM Initiative more quickly than if they were still linked to the broader zoning revisions contemplated in program LU-4.1.1.

Finally, the AIM Initiative would modify **Policy W-5.1, Marinship Character, Program W-5.1.1, Permitted Use**. to consider expanding additional water dependent and maritime uses in the W zone and de-link this from the broader zoning revisions contemplated in Program LU-4.1.1. The proposed changes to Program W-5.1.1. may allow consideration of changes aligning with the AIM Initiative more quickly than if they were still linked to the zoning revisions contemplated in program LU-4.1.1.

<u>GP Community Design, Historic and Cultural Preservation Element</u>: This Element includes **Policy CD-3.2 Public Views,** which provides that new structures should be reviewed with consideration for their impact on significant public views and corridors. **Objective CD-3** is to Balance View Protection with Property Rights and directs the reader to view **Figure 4-4 View Corridors**. Figure 4-4 identifies view corridors within the Marinship Specific Plan Area. The Marinship Specific Plan provides detailed standards on view corridors and categorizes and prioritizes the different view corridors. The AIM Initiative would remove Figure 4.4 and all references to the figure. Uncodified Section 7 of the AIM Initiative does provide that the City may adopt objective view corridor standards for the I and W zones.

<u>GP Economic Development Element</u>: The AIM Initiative proposes to eliminate consideration of a revised list of "Applied Arts" in **Policy E-6.1 Marinship Uses, Program E-6.1.1 Applied Arts**, and substitutes, "All arts are welcome in the City of Sausalito per the AIM Initiative." This does not make any specific changes to allowable arts uses but directs the City away from considering restrictions on the range of arts uses in the Marinship area and supports the broader array of arts uses in the Marinship area contained in the Initiative.

Proposed changes to **Policy E-6.4, Manage Marinship Tourism**, eliminate language that limits new tourist attractions in the area to "focus on water-based recreation and visitor education around the arts, Marinship history, and sea level rise impacts and innovation." The initiative would replace the language with "Ensure that tourism-related uses in the Marinship are compatible with the industrial, maritime, and creative arts character of the neighborhood, consistent with the permitted uses established by the AIM Initiative." This may expand the range of potential tourism-related uses that could be permitted in the Marinship area, provided they are found to be compatible with the uses permitted by the AIM Initiative.

The AIM Initiative proposes to modify **Policy E-6.5, Innovative Marinship, and Program E-6.5.1, Innovative Uses**, to de-link consideration of permitting innovative businesses that further sustainability and resiliency goals from a broader Zoning Ordinance revision. This may facilitate consideration of permitting innovative businesses in the Marinship area by allowing additional innovative businesses to be considered outside a broader Zoning Ordinance revision.

<u>Summary of General Plan Changes</u>. As a whole, these proposed General Plan amendments would remove provisions that may limit uses allowed by the AIM Initiative. The range of uses allowed in the Marinship would be restricted only as provided in the AIM Initiative, as described in detail in the next section. In particular, limits on offices, restaurants, new marinas, and other commercial uses would be largely deleted from the General Plan, and any additional provisions included in the Marinship Specific Plan, such as the location of view corridors, would also be deleted.

B. Changes to Land Uses Allowed in the W and I Zones

The AIM Initiative repeals the Marinship Overlay Zone and converts the Industrial Marinship zone to Industrial. Specifically, it would repeal provisions in Sausalito Municipal Code (SMC) Chapter 10.24 for W and W-M zones and make allowed uses in I and W zones identical as set forth in Chapter 10.26, with minor variations in permitting requirements for particular uses and similar development standards. The Initiative additionally changes the type of permit required for certain uses. In some cases, uses currently needing a use permit, which requires public notice and may require a public hearing, have been changed to permitted uses, which may be allowed with no public notice. In other cases, the AIM Initiative requires a use permit where the use is currently permitted. The AIM Initiative also allows uses that are currently not permitted or conditional uses.

However, the AIM Initiative does not modify requirements for design review permits, so that new uses that involve any new commercial or industrial structure, or certain remodeling, will continue to require a public hearing by the Planning Commission and appropriate environmental review. (See SMC Chapter 10.54.) All changes of use require a zoning permit (SMC Chapter 10.52) to confirm that the use complies with the Zoning Ordinance.

New uses added to the Industrial and Waterfront Zones include art galleries, digital art, harbor and marina facilities, moorings and mooring fields, houseboats, liveaboards, community centers, libraries and museums, ancillary retail, temporary outdoor retail, child daycare, bakeries, and temporary offices. A new use that the Initiative would allow in the W zone that is not currently listed is recreational equipment sales and rentals. In general, these changes give property owners in the two zones greater opportunity to attract a broader range of potential users for primary use of properties. The change to allow up to 40 percent accessory commercial uses (offices and retail) would give property owners in both the W and I zones greater opportunity to accommodate accessory commercial uses on sites with other primary uses. Accessory commercial uses are uses included on a parcel that are accessory to a primary use.

While most of the changes to the zoning designations impact the Marinship area, the W zone also applies to other areas of the City, specifically the Central Waterfront. The uses added to the W zone will also be allowed in the Central Waterfront.

Some uses would no longer be allowed in the I and W zones, such as laundry and dry cleaning plants, service stations, and warehousing, although these could continue to operate as nonconforming uses. However, SMC Chapter 10.62 places limits on nonconforming uses and structures, including the following:

- Each use remains nonconforming until a conditional use permit is obtained. (SMC Section 10.62.030.)

- Structures used for a nonconforming use cannot be enlarged or structurally altered unless the structure is changed to a permitted use or a nonconformity permit is obtained. (SMC Section 10.62.040.A.)

- The use cannot be reinstated if it has been vacated for at least six months. (SMC Section 10.62.040.E.1.)

There would then be strict limitations on any expansion of these uses.

A comparison of the existing uses in the I and W zone alongside the uses identified in the Initiative follows:

Table 1: Comparison of Existing vs. Proposed I and W Zone Uses

Use	Existing Table 10.26-1	AIM Initiative Table 10.26-1	Comment
Applied arts / Arts, applied	MUP	P	Permit reduced
Arts, fine; Arts, industrial; Arts, marine	P (combined entry)	P (separate entries)	Same permit level; AIM Initiative breaks the category into three lines
Art galleries	–	P	New
Digital Art	–	P	New
Performing arts, theaters and rehearsal use / spaces	P	MUP	Permit increased
Recording studios	P	P	No change
Publishers	CUP	P	Permit reduced
Printing and publishing	MUP	P	Permit reduced
Light manufacturing	P	P	No change
Industrial research and development	P	P	No change
Industrial service and supply	P	P	No change
Wholesaling and distribution	P	MUP	Permit increased
Commercial fishing facilities	CUP (processing plants only)	MUP	Permit reduced; the "processing plants" special requirement is dropped
Lumber yards	CUP	CUP	No change
Recycling collection stations	No table entry – cross-referenced to SMC § 10.44.200	CUP	Now has its own permit level in the table
Photofinishing labs	CUP	CUP	No change
Marine industrial uses	P	P	No change
Marine commercial service uses	P	P	No change
Marine-oriented research and development	P	P ("...and education" added)	Same permit; description broadened to include education
Marine fuel facility	CUP	CUP	No change

Use	Existing Table 10.26-1	AIM Initiative Table 10.26-1	Comment
Boat storage	P	P	No change
Boat launching ramps, haul out and drydocks	CUP	MUP	Permit reduced
Harbor and marina facilities	–	P	New
Moorings and mooring fields	–	P	New
Wholesale and retail fish sales	CUP	P	Permit reduced
Piers or docks for pleasure craft / Piers, docks, floats, wharves	CUP (only when accessory to marine industrial use)	P	Permit reduced; the new table is not limited to pleasure craft and the accessory use condition is dropped
Houseboats	–	P	New
Liveaboards	–	P	New
Parks and playgrounds	P	P	No change
Community centers	–	P	New
Libraries & Museums	–	P	New
Schools – specialized education and training / Schools	CUP	MUP	Permit reduced; description shortened to “Schools”
Recreation and fitness centers / Fitness and wellness facilities	CUP	MUP	Permit reduced;
Yacht clubs (tax exempt) / Yacht clubs	CUP	MUP	Permit reduced; “tax exempt” qualifier dropped
Temporary uses and events	P	P	No change
Ancillary retail	–	MUP	New
Temporary outdoor retail sales	–	MUP	New (appears twice in the new table – once under Retail Trade, once under Temporary Uses)
Building material stores	CUP	MUP	Permit reduced
Auto, vehicle and parts sales	CUP	CUP	No change
Plant nurseries	CUP	–	No longer listed as a separate use
Nurseries	CUP	MUP	Permit reduced
Restaurants	CUP	MUP	Permit reduced
Outdoor dining areas	Addressed within the Restaurants standard, not a separate line	MUP	Now broken out as its own use
Child Day Care	–	MUP	New
Catering / Catering, retail	P	P	No change
Bakery	–	P	New
Business/office supply and support services	P	P	No change
Equipment rental and sales	P	P	No change
Financial institutions	P	P	No change
Laundry and dry cleaning plants	P	–	No longer listed
Medical services – clinics and laboratories	P	P	No change
Existing offices – prior to April 5, 1988	P	P	No change
Parcel delivery service	P	MUP	Permit increased

Use	Existing Table 10.26-1	AIM Initiative Table 10.26-1	Comment
Public safety facilities	P	P	No change
Public utility facilities	P	P	No change
Repair and maintenance – consumer products	P	P	No change
Repair and maintenance – vehicle	P	P	No change
Service stations	CUP	–	No longer listed
Storage, accessory	P	P	No change
Storage yards	CUP	CUP	No change
Veterinary clinics	CUP (only when accessory to a marine research laboratory)	CUP	Same permit; the marine research laboratory limitation is dropped
Warehousing	P	–	No longer listed
Antennas, communications facilities	CUP	CUP	No change
Off street parking	CUP (to serve use in W district)	CUP (“standalone”)	Same permit; existing table limits this to uses in the W district, Initiative table applies to standalone parking
Pipelines and transmission lines	P	MUP	Permit increased
Vehicle storage	CUP	CUP	No change
Offices, Temporary	–	MUP	New

* **Note:** P = Permitted; MUP = Minor Use Permit; CUP = Conditional Use Permit

C. Marinship Specific Plan Repeal and Changes to Land Use Designations of Properties in the Marinship Specific Plan Area

The AIM Initiative proposes to repeal the Marinship Specific Plan. In addition to General Plan and Zoning Ordinance requirements generally applicable to properties in the I and W zones, the Marinship Specific Plan identifies specific permitted uses on individual parcels or groups of parcels. These uses are more limited than those permitted by the zoning designation. For example, certain properties in the I zone are limited to Marine Industrial uses. This limitation would be removed, and all I uses would be permitted. Similarly, certain parcels are limited to only Marine Industrial Arts. The specific permitted uses, by parcel, and zoning designation, are included in Appendix A.

Also, in repealing the Marinship Specific Plan, the definitions of land uses in the Marinship area also be removed. While the definitions in the Specific Plan are generally consistent with the definitions in Title 10, Zoning, of the Sausalito Municipal Code, some of the defined terms are not identical and have some minor deviations. Repeal of the Marinship Specific Plan would mean the definitions in the Zoning Ordinance would apply throughout the City.

Repeal of the MSP would allow for an expanded list of permissible uses in the Marinship area. While the AIM Initiative does not change the underlying zoning designation of any parcel in the Marinship Specific Plan area and contains no changes to the City's zoning map, it does expand the types of uses in the I and W zones, which encompass most of the Marinship area, and removes all parcel-specific limitations imposed by the Marinship Specific Plan. Additionally, the AIM Initiative repeals the Marinship Overlay District, which contains additional use controls, such as a prohibition on ferry terminals within the Overlay Zone.

Because the I and W zoning designations are nearly identical in the AIM Initiative, the majority of properties in the Marinship would have access to development of the same types of uses. The properties would also have access to a much more expansive list of uses, as identified above. The Initiative does not make changes to the Public Zone (PP and PI), Open Area (OA), Shopping Center (CS) and Houseboat (H) zones, which are also present in the Marinship Specific Plan area, but eliminates any particular use limitations imposed by the Marinship Specific Plan.

D. Modifications to Development Standards

Changes to Development Standards Imposed by Ordinance No. 1022. Many development standards in the City, and in the I and W zones in particular, were established by the Fair Traffic Limits Initiative ("Ordinance No. 1022") adopted in 1985. Ordinance No. 1022 established both specific development standards in certain zoning districts and a set of additional requirements labeled, "Application of Standards." The AIM Initiative modifies both of these as applicable to the I and W Districts, as described below.

Changes to Development Standards in I and W Districts: The AIM Initiative provides that development standards within the I and W Districts are largely limited to those shown below in Table 2, except for specific standards established for specific uses elsewhere in the Zoning Code. (Revised Zoning Code Section 10.26.040.) Changes made by the AIM Initiative are shown in red in Table 2 below. These changes include:

- Increase in Maximum Floor Area. The Initiative would increase the maximum floor area ratio ("FAR") from 0.40 in the I District and 0.30 in the W District to 3.0. This would substantially increase the maximum square footage allowed for new development. On a lot of 10,000 sq. ft., the maximum square footage allowed would increase from 3,000 sq. ft. in the W zone, and 4,000 sq. ft. in the I zone, to 30,000 sq. ft. in both zones.

- Increase in Building Height. Maximum allowed building height would increase from 32 feet to 47 feet in the I zone, allowing an increase from 2-3 stories, to approximately four stories. In the W zone, heights would remain at 32 feet except for Marine Commercial and Marine Industrial uses that receive a use permit.

- Increase in Lot Coverage. Permitted lot coverage (the percentage of the lot that may be covered by buildings) would increase to 70 percent from 50 percent in the I zone and 30 percent in the W zone.

- Modifying Setbacks Adjacent to R and H Zones. Most required setbacks would be reduced for buildings adjacent to R (residential) or H (houseboat) zoning districts. Within the I District, a project adjacent to an R or H zoning district is now required to provide a 30-foot rear yard setback and a side setback equal to one-half the building height but at least five feet. Under the AIM Initiative, the required rear yard setback would be reduced to 15 feet, and the side setback would be 15 feet in all cases. This would increase the required side setback for buildings 30 feet high or less but reduce the required side setback for taller buildings.

  Within the W District, no change would be made in the required rear setback, but the same change as in the I zone would be made in the required side setback.

- ICB Building and Arques Shipyard. The AIM initiative provides that, within the W District, no new or additional use may displace the existing uses at the ICB Building and the historic Arques Shipyard. However, the AIM Initiative does not specifically identify, by a map or assessor's parcel number or building address, which properties are specifically included in this provision.

- Abandoned Footnotes. The Initiative does not include two footnotes included in the original Table 2 in Ordinance 1022 but also does not show them deleted. One footnote limits the maximum number of berths in a marina to 20 berths/acre. It is not clear if this limit was intended to be deleted, because the footnote's designation (***) remains in Table 2.

  The second footnote limits commercial use to .15 maximum floor area in the I District. This is inconsistent with other changes proposed by the AIM Initiative, which would limit commercial uses to 40 percent of the permitted 3.0 floor area ratio, or 1.20. Certain commercial uses may utilize the entire permitted 3.0 floor area ratio. (Revised Section 10.26.040.D.) Although it is likely that it was the intent of the Initiative to delete this provision, it is not shown to be deleted, although it is also not included.

Table 2: Changes to Table No. 2 in Ordinance No. 1022 Proposed by AIM Initiative

BASIC AREA, OPEN SPACE AND BULK REGULATIONS COMMERCIAL AND INDUSTRIAL DISTRICTS

(Changes proposed by the AIM Initiative are shown in red.)

		Req'd Yards Adjacent to R or H District				
District	**Parcel Area/Unit**	**Rear, Least Depth**	**Side, Least Width**	**Height Limit**	**Bldg. Coverage Limit %**	**Max. Floor Area Ratio**
CC	1,500	15'	10'	32 ft.	100	1.3~~0~~
CN	1,500	15'	10'	32 ft.	70	.50
CR	1,500	15'	10'	32 ft.	70	1.00
CM	NA	20'	*	32 ft.	50	.35
CS	NA	20'	*	32 ft.	50	.2~~0~~
I	NA	~~30'~~ 15'	15'~~*~~	~~32~~ 47 ft.	~~5~~70	.~~40~~ 3.0***
CW	NA	20'	*	32 ft.	30	.30***
W	NA	15'	15'*	32 ft.**	70 ~~30~~	3.0~~.30~~***†

NA = Not Applicable

* Side setback = ½ height of building but not less than 5'.

** ~~Required only along parcel lines abutting on such districts.~~ Height limit may be extended up to 47 feet for Marine Commercial Service or Marine Industrial uses with a use permit issued pursuant to Chapter 10.60 of the Sausalito Municipal Code.

† No new or additional use may displace the uses at ICB Building or shipways at the historic Arques Shipyard.

NOTE: The two footnotes below contained in Ordinance No. 1022 are not included in the AIM Initiative but are not shown to be deleted. The intent is not clear.

*** = The maximum number of berths for Boat Harbors in the W and CW Zoning Districts is 20 BERTHS/ACRE.

**** = Commercial use is limited to .15 maximum floor area ratio in I Zoning District.

<u>Changes to Ordinance No. 1022 Generally Affecting Development in the City</u>**.** The "Additional Standards" included in Ordinance No. 1022 establish development standards that affect development of all types throughout the City.

However, the AIM Initiative retains SMC Section 10.40.020, which duplicates and expands upon the original Ordinance No. 1022. Since these provisions remain in Section 10.40.020, these provisions remain applicable to properties in the City, and in some case conflict directly with the changes made by the AIM Initiative. The table below compares the precise language of the AIM Initiative with that adopted as part of Ordinance No. 1022 and with the provisions of SMC Section 10.40.020 as amended by the AIM Initiative.

The AIM Initiative would delete certain provisions entirely from Ordinance No. 1022:

- <u>Lot Splits for Parcels Exceeding Maximum FAR</u>. Ordinance No. 1022 does not allow a parcel that exceeded the maximum floor area ratio on December 1, 1984 to be split into additional parcels to provide additional buildable area. SMC Section 10.40.020.B.2 expanded this provision to encompass any parcel that exceeds maximum floor area.

The AIM Initiative would delete this provision from Ordinance No. 1022, allowing an applicant to apply to create additional parcels, even if existing development exceeds the maximum floor area ratio. However, the Initiative retains this provision as part of the Zoning Ordinance. (SMC Section 10.40.020.B.2.)

- Change of Use to Achieve Higher FAR. Ordinance No. 1022 does not allow an already developed parcel to change its use if that would result in increased commercial use or density, and the AIM Initiative would delete this provision. However, remaining SMC Section 10.40.020.B.4 interprets this provision as allowing increases in floor area so long as the applicable floor area ratio is not exceeded. While the AIM Initiative would allow an applicant to apply for a change in zoning classification to achieve a higher floor area ratio, this conflicts with remaining SMC Section 10.40.020.B.4.

- Variance to Exceed FAR. Ordinance No. 1022 does not allow maximum floor area to be exceeded by granting of a variance or any other planning entitlement. The AIM Initiative's changes to Ordinance No. 1022 would allow applications for variances or other mechanisms to exceed floor area limits in any zone. However, changes made by the Initiative in Section 10.40.020.B.6 would allow these applications for variances only in the I and M zones.

The AIM Initiative would retain one provision and portions of Table 2:

- Commercial Zones. The AIM Initiative does not make any modifications to the development standards for the CC, CN, CR, CM, CS, and CW zones established by Ordinance No. 1022. However, these standards could be modified without a vote of the people.

- Residences in the CR Zone. The AIM Initiative retains the prohibition on converting to another use residential uses in the CR zone existing on December 1, 1984.

The AIM Initiative would modify two provisions:

- Modifications to Zoning Map. Ordinance No. 1022 does not allow any change in zoning to a zoning classification that would allow greater density or floor area than existed on July 15, 1980. Any change that would allow greater density or floor area requires a vote of the people.

  The AIM Initiative removes this restriction and allows properties to be rezoned to allow a higher density or floor area by following the requirements in state and local law (discussed previously), without a vote of the people, except within the Downtown Historic District. It updates the Zoning Map used to that existing on March 13, 2026. However, SMC Section 10.40.020.B.3 retains the prohibition against zoning to allow a higher density or FAR.

- Nonconforming Uses and Structures. Ordinance No. 1022 states that existing uses that were made nonconforming by that initiative were to be considered "continuing existing uses" under former provisions of the City's Municipal Code. The AIM Initiative modifies that language as follows:

  > "Existing uses as of March 13, 2026 shall be considered Non-conforming Uses and Structures under the provisions of Section 10.62 of this Code."

  If *all* uses existing as of March 13, 2026 are considered to be nonconforming uses and structures, the ability to expand and modify these uses will be very limited. Chapter 10.62 places limits on nonconforming uses and structures, including the following:

  - Each use remains nonconforming until a conditional use permit is obtained. (Sausalito Municipal Code (SMC) Section 10.62.030.)

  - Structures used for a nonconforming use cannot be enlarged or structurally altered unless the structure is changed to a permitted use or a nonconformity permit is obtained. (SMC Section 10.62.040.A.)

  - The use cannot be reinstated if it has been vacated for at least six months. (SMC Section 10.62.040.E.1.)

  Most of the uses in Marinship, and in the City as a whole, currently are conforming uses. This provision will place strict limitations on expansion of all uses in the City. It also conflicts with remaining language in Section 10.40.020.

In summary, the AIM Initiative makes changes in specific provisions of Ordinance No. 1022 that are generally applicable in the City but fails to make the same changes in SMC Section 10.40.020. This will create conflicting provisions within the Zoning Ordinance.

Table 3: Additional Standards Imposed by Ordinance No. 1022, AIM Initiative, and SMC Section 10.40.020

Fair Traffic Standards Initiative (Ordinance No. 1022)	**AIM Initiative**	**SMC Section 10.40.020.B (with amendments made by AIM Initiative)**
(a) Existing uses which are made non-conforming by this amendment shall be considered Continued Existing Uses under the provisions of Section 10.110 of this Code.*	(a) Existing uses as of March 13, 2026 shall be considered Non-conforming Uses and Structures under the provisions of Section 10.62 of this Code.	1. Existing uses which are made nonconforming by this amendment shall be considered nonconforming under the provisions of SMC § **10.62.020** (Applicability).
(b) If on December 1, 1984, a parcel exceeds the Maximum Floor Area Ratio permitted by this amendment, that parcel may not be split into additional parcels in order to provide additional buildable area.	Deleted.	2. If on December 1, 1984, a parcel exceeds the maximum floor area ratio permitted by this amendment, that parcel may not be split into additional parcels in order to provide additional buildable area. *This section limits the division of land parcels which on or after December 1, 1984, equaled or exceeded the maximum floor area ratio*.
(c) The zoning map of Sausalito effective as amended July 15, 1980 shall govern the zoning categories. No site may be redesignated to any other zoning classification which would allow greater density or Floor Area Ratio.	(b) The zoning map of Sausalito effective as of March 13th, 2026 shall govern the zoning categories together with changes authorized by this measure or other changes pursuant to 10.200.2(d).	3. The zoning map of Sausalito effective as amended July 15, 1980, shall govern the affected zoning categories. No site may be redesignated to any other zoning classification that would allow greater density or floor area ratio. *The term "categories" may be used interchangeably with the term "classifications." The term "density" shall refer to the amount of floor area ratio as determined by the maximum floor area ratio column shown on the development standards table for each applicable commercial district. This section prohibits the redesignation of any site within the affected zoning districts to any other zoning classification from the list of classifications on the zoning map or any other zoning classification later invented, that would result in greater floor area ratio than presently attached to the site. No parcel reverts to the zoning classification that it bore on July 15, 1980*.

Fair Traffic Standards Initiative (Ordinance No. 1022)	**AIM Initiative**	**SMC Section 10.40.020.B (with amendments made by AIM Initiative)**
(d) Where a parcel is already developed, no conversion or change in use may be permitted when that conversion or change in use will result in increased commercial usage or density.	Deleted	4. Where a parcel is already developed up to or beyond the maximum floor area ratio, no conversion or change in use may be permitted when that conversion or change in use will result in increased commercial usage or density. *The term "increased commercial usage or density" refers to the prohibition of increasing the allowable percentage of commercial use and floor area ratio above those indicated in the maximum floor area ratio column of the development standards table for each applicable commercial district. This section does not prohibit the addition or deletion to the list of permitted uses in each affected zoning classification; provided, that such a modification would not produce an increase in the amount of allowable floor area ratio that would have been permitted had the list not been modified.*
(e) In the CR zone, residential uses existing as of December 1, 1984 may not be converted into any other uses.	(c) In the CR zone, residential uses existing as of December 1, 1984, may not be converted into any other uses.	5. In the CR zone, residential uses existing as of December 1, 1984, may not be converted into any other uses. *This section limits the conversion of residential uses in the CR (commercial-residential) zoning district which existed on or after December 1, 1984.*

Fair Traffic Standards Initiative (Ordinance No. 1022)	AIM Initiative	SMC Section 10.40.020.B (with amendments made by AIM Initiative)
(f) The limits set out in Maximum Floor Area Ratio Table No. 2 may not be exceeded by Variance, Conditional Use, Planning Unit Development or any other device.	Deleted	6. The maximum floor area ratios identified for the CN (commercial neighborhood), CS (commercial shopping center), ~~IM (industrial marinship)~~, CW (commercial waterfront), and ~~W (waterfront)~~ zoning districts may not be exceeded by variance, conditional use, planned unit development or any other device. *These zoning permits may not be used to increase the floor area ratio beyond the figures listed as the maximum floor area ratio in Table 2 of the initiative. Variances may be considered to modify required yards, height limit, required parcel size and building coverage; provided, that the variance does not result in an increase in the amount of development permitted by the floor area ratios in the development standards tables for each applicable commercial district*.

Other Changes in Development Standards. Uncodified Section 7 of the AIM Initiative provides that the City may adopt objective design and development standards that include (1) view corridor standards for the I and W zones; (2) setback standards for shoreline parcels, including building and parking setbacks from the shoreline; (3) setback standards for parcels adjacent to Houseboat or Public zoning districts, and (4) public open space setback standards.

Repeal of Development Standards in Marinship Specific Plan**.** The AIM Initiative would repeal the Marinship Specific Plan, which contains numerous development standards, often for specific parcels, related to street and driveway standards, landscaping, lighting, public access to both land and water, bike paths, boat launches, parking, view corridors, site coverage, landscaping, building height and bulk, and drainage. Under the AIM Initiative, these development standards would be eliminated unless articulated in the AIM Initiative, as described above.

Deletion of Development Standards Included in Zoning Ordinance. The AIM Initiative deletes all site development standards within the Industrial zone listed in Table 10.26.2 of the Zoning Ordinance. These include standards for minimum parcel size, lot width, setbacks from public open space and public streets, shoreline setbacks, and landscaped area. Parcel size standards would instead be set by other Zoning Ordinance and Subdivision Ordinance provisions.

All development standards contained in the Marinship Overlay District would also be deleted. These include provisions for public access to shoreline parcels; limits on dry boat berths; standards for lot width, setbacks from public open space, shorelines, and public open space; and other requirements. In SMC Section 10.44.210, Restaurants, restrictions on restaurants in the I and W zones would be deleted.

In summary, with a few exceptions, development standards within the W and I zones would be limited to those shown in Table 2 of Ordinance No. 1022 (shown above).

IV. <u>EFFECT OF AIM INITIATIVE ON EXISTING REQUIREMENTS FOR VOTER APPROVAL</u>

The Fair Traffic Limits Initiative ("Ordinance No. 1022") was adopted by Sausalito voters on June 4, 1985. The initiative's purpose was to "reduce the increase in automobile traffic generated by new development in the City's commercial and industrial zones and to preserve the maritime character of those areas by reducing permissible density…in a manner that will not generate excessive traffic, air or noise pollution, nor diminish the public health and welfare." (Section 10.200.1.) Any changes made in those standards, which are described in the previous section, require voter approval. The AIM Initiative would remove the requirement for voter approval of land use changes, except within the Downtown Historic District.

A. Existing Requirements for Voter Approval.

Ordinance No. 1022 sets no specific requirements for voter approval. However, Elections Code Section 9217 provides as follows:

> If a majority of the voters voting on a proposed ordinance vote in its favor, the ordinance shall become a valid and binding ordinance of the city. … *No ordinance that is either proposed by initiative petition and adopted by the vote of the legislative body of the city without submission to the voters, or adopted by the voters, shall be repealed or amended except by a vote of the people, unless provision is otherwise made in the original ordinance.* (emphasis added)

Because Ordinance No. 1022 made no provision for changes without a vote of the people, any proposal to change the development standards in Table 2 or to make any other modification that does not comply with Ordinance No. 1022 is required to be submitted to the voters for approval. Most recently, Sausalito voters on November 4, 2025, approved Measure J, allowing specific sites to be rezoned to higher densities to meet the City's Housing Element requirements.

The City adopted Zoning Code Section 10.40.20 to implement Ordinance No. 1022. These Zoning Code amendments (copied above) attempted to exclude parcels in the CC (Central Commercial) zone from the provisions of Ordinance No. 1022. However, the City Attorney has advised that this is inconsistent with the language of Ordinance No. 1022, and voter approval is required for all modifications to the standards and provisions contained in Ordinance No. 1022.

B. Effect of AIM Initiative on Requirements for Voter Approval.

The AIM Initiative modifies many of the specific development standards included in Ordinance No. 1022 (see analysis above). It also amends numerous provisions of the I (Industrial) and W (Waterfront) zones and numerous other provisions of the City's Zoning Code and General Plan, as described in Section III.

Section 3 of the AIM Initiative revises Section 10.200.2(d) of Ordinance No. 1022 to read as follows:

> (d) Except in the State-approved Downtown Historic District as designated and/or depicted on the Sausalito zoning map as of January 1, 2026, future changes in zoning, permitted uses and land use regulations may be made in compliance with the administrative and legislative hearing procedures in the Sausalito Municipal Code, the California Brown Act open meetings law, the California Environmental Quality Act and State law regarding adoption of general plans. Nothing herein shall abrogate the power of the voters found in Article XI of the California Constitution to adopt laws by Initiative or repeal changes in local law by Referendum.
>
> (e) Any changes in zoning, permitted uses and land use regulations in the State approved Downtown Historic District as designated and/or depicted on the Sausalito zoning map as of January 1. 2026 shall still require a vote of the People of the City of Sausalito.

Similarly, Section 12 of the AIM Initiative provides:

> In accordance with the state law which allows initiatives to contain a provision allowing them to be amended without a vote of the people:
>
> A. Except in the State-approved Downtown Historic District as designated and/or depicted on the Sausalito zoning map as of January 1, 2026, the provisions of this measure maybe changed in compliance with the administrative and legislative hearing procedures in the Sausalito Municipal Code, the California Brown Act open meetings law, the California Environmental Quality Act and State law regarding adoption of general plans.

B. In addition, the City Council may make changes to this measure in order to resolve ambiguities, resolve inconsistencies or further the purposes of this measure. Any such changes made by the City Council to resolve ambiguities, resolve inconsistencies or further the purposes of this measure must be accompanied by a finding specifically explaining how the correction furthers the purposes of the measure.

The provisions of Sections 3 and 12 allow the City to modify any and all of the provisions of both Ordinance No. 1022 and the AIM Initiative, except within the Downtown Historic District, without a vote of the people, by following the normal processes required for changes to the Zoning Code and General Plan. Under state Planning and Zoning Law and the City's own Zoning Code, these are considered legislative changes and require public notice, compliance with the California Environmental Quality Act and Brown Act, and public hearings before both the Planning Commission and City Council. (See Government Code Sections 65350 *et seq.*; 65853-65860; and Sausalito Municipal Code Section 10.80.070). Additionally, because any amendments to Ordinance No. 1022 or the AIM Initiative would be legislative changes, the City Council's actions would be subject to referendum.

V. FISCAL IMPACTS

A. Existing Conditions in Marinship Specific Plan Area

When evaluating the potential impacts of the AIM Initiative, it is helpful to understand the current real estate market context for the MSP area, where the most significant direct impacts to land use regulations would occur. In total, there are approximately 228 acres of land within the MSP area, according to Assessor's parcel data. The land uses in the area can be characterized in a number of ways, as summarized on Table 4 and shown on Figure 1. The table summarizes acreage by zoning district, by assessor's land use type, or by utilization. As shown on the table, the two most prevalent zoning types are Waterfront (W), covering 85 acres of land, and Industrial (59.1 acres). These are the two zoning districts that would be affected most directly by the AIM initiative. Other prominent zoning categories in the MSP area include Open Area (51.1 acres), followed by Public Institution (23.0 acres). The other zoning categories individually cover between 0.4 acres and 4.9 acres, including a 1.6-acre Shopping Center zoning district.

Existing uses, as determined by the Marin County Assessor, do not align exactly with the zoning, as shown on the middle part of Table 4. These existing uses may be permitted under the existing zoning, or they may reflect historical uses that are now considered nonconforming uses. As shown, the most prominent existing use is Industrial, on 98.6 acres of land. Non-taxable uses (e.g., publicly-owned) is the next largest category, on 58.3 acres of land, followed by Commercial- Improved, at 47.4 acres. The Assessor identifies significant amounts of land with "vacant" Commercial (12.4 acres), or "vacant" Industrial (10.1 acres); however, as shown at the bottom of the table, most of the area that is considered vacant is marine area (e.g., over water) and there is less than one acre (0.8 acre) of dry land that is considered vacant.

Table 4: Existing Land Uses in MSP Area

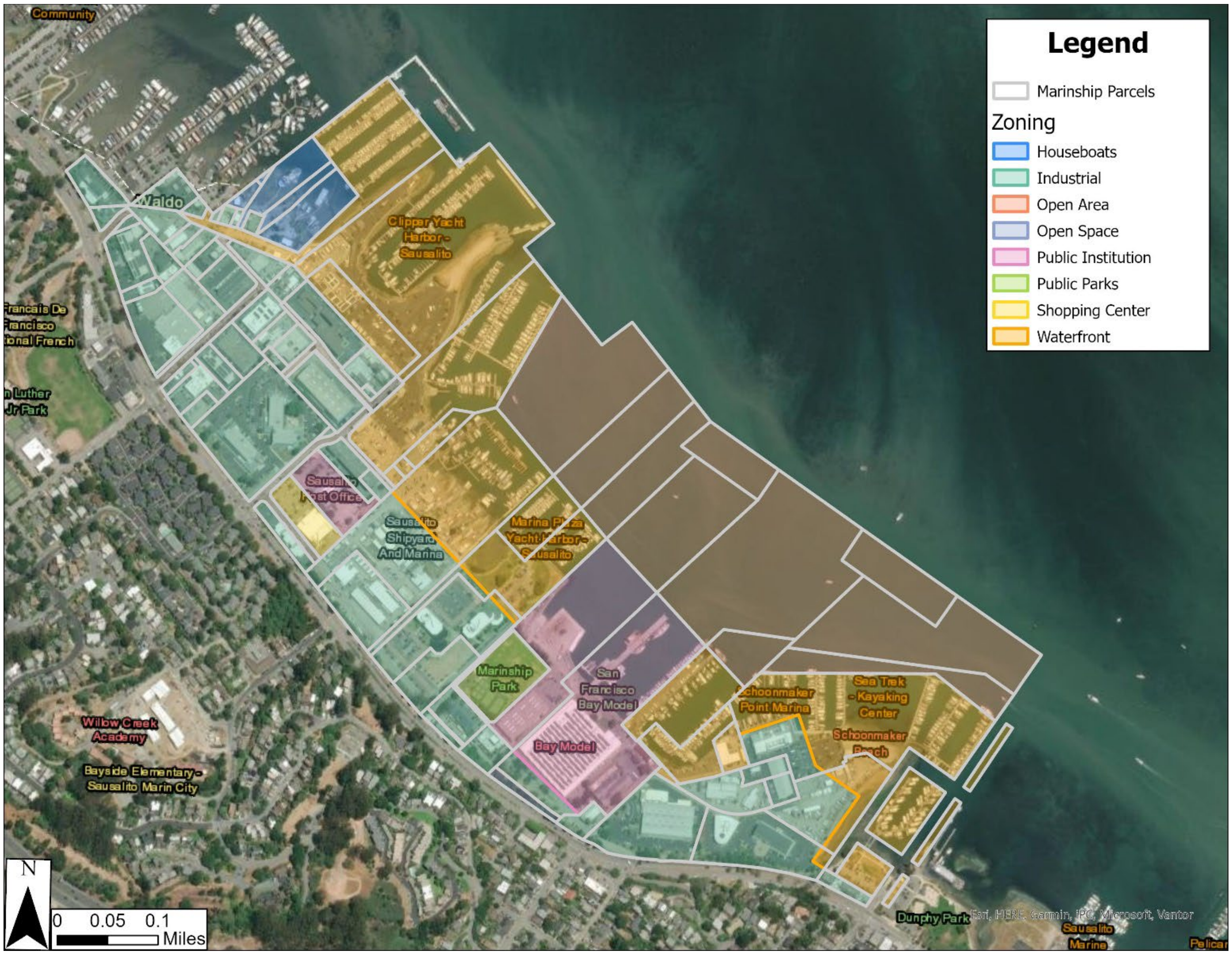
Zoning	Acres	%	Number of Parcels	%
Shopping Center	1.6	0.7%	1	1.0%
Houseboats	4.9	2.1%	5	5.2%
Industrial	59.1	25.9%	55	57.3%
Open Area	51.1	22.4%	9	9.4%
Open Space	0.4	0.2%	1	1.0%
Public Institution	23.0	10.1%	3	3.1%
Public Parks	2.8	1.2%	2	2.1%
Waterfront	85.0	37.3%	20	20.8%
Total	**227.8**	**100.0%**	**96**	**1**

Existing Uses	Acres	%	Marine Acres	Net Acres	%	Number of Parcels	%
Commercial - improved	47.4	20.8%	0.0	47.4	27.3%	32	33.3%
Commercial - vacant	12.4	5.4%	12.3	0.1	0.1%	6	6.3%
Industrial - vacant	10.1	4.4%	10.0	0.1	0.0%	3	3.1%
Industrial improved	98.6	43.3%	0.0	98.6	56.8%	41	42.7%
Non taxable - vacant and improved	58.3	25.6%	32.1	26.3	15.1%	11	11.5%
Single family residential - improved	0.9	0.4%	0.0	0.9	0.5%	2	2.1%
Single family residential - vacant	0.1	0.0%	0.0	0.1	0.0%	1	1.0%
Total	**227.8**	**100.0%**	**54.4**	**173.5**	**100.0%**	**96**	**100.0%**

Utilization	Acres	%	Number of Parcels	%
Vacant-Marine	54.4	23.9%	11	11.5%
Vacant	0.8	0.4%	6	6.3%
Improved	172.6	75.8%	79	82.3%
Total	**227.8**	**100.0%**	**96**	**100.0%**

Sources: Marin County Assessor; City of Sausalito; BAE, 2026.

Figure 1: Marinship Parcels and Zoning



Sources: City of Sausalito; Marin County Assessor; BAE, 2026.

BAE also collected current real estate market conditions data for Marin County, the City of Sausalito, and the MSP area, for Industrial, Retail, and Office building types, as summarized on Table 5, Table 6, and Table 7, respectively. For Industrial real estate, CoStar, the commercial real estate data provider, indicates that nearly all of Sausalito's industrial real estate is located in the MSP area. In addition, MSP represents just under ten percent of the total Industrial inventory that CoStar tracks in Marin County. The data show that Industrial vacancy rates are significantly below the Marin County average, indicating solid demand for the existing industrial space within the Specific Plan area. In addition, asking rents in Marinship are more than 50 percent higher than the Marin County average, although there was a year-over-year decline in the Marinship asking rents in contrast to a 6.3 percent increase in Marin County as a whole. In both Marinship and Marin County as a whole, there has been slight negative absorption since the third quarter of 2016, with no new industrial space in Marinship and just over 40,000 square feet of new space countywide since the third quarter of 2026. As of second quarter of 2026, CoStar did not identify any new Industrial space under construction, in Marinship or elsewhere in Marin County. Overall, these figures suggest that the Marinship/Sausalito industrial market is stable, with little growth, but commands a premium over other Industrial space countywide. With limited existing vacancy, there would potentially be interest in developing new Industrial space in the near- to mid-term if the recent trend of net negative absorption and declining rent reverses.

Table 5: Existing Industrial Market Conditions

Industrial	Marinship	Sausalito	Marin County
Inventory (sf) Q2 2026	**838,548**	**844,949**	**8,706,494**
Inventory (% of Marin County)	*9.6%*	*9.7%*	*n.a.*
Inventory (% of Sausalito)	*99.2%*	*n.a.*	*n.a.*
Occupied Stock (sf)	807,635	814,036	8,145,856
Vacant Stock (sf)	30,913	30,913	560,638
Vacancy Rate	3.7%	3.7%	6.4%
Average Square Foot	22,067	21,124	*n.a.*
	38	40	
Avg. Asking NNN Rents			
Avg. Asking Rent (per sf), Q2 2025	$32.40	$32.40	$19.93
Avg. Asking Rent (per sf), Q2 2026	$30.93	$30.93	$21.19
% Change Q2 2025 - Q2 2026	*-4.5%*	*-4.5%*	*6.3%*
Q2 2025	$2.70	$2.70	$1.66
Q2 2026	$3.50	$3.50	$1.71
Net Absorption			
Net Absorption (sf), Q3 2016 - Q2 2026	(22,313)	(22,313)	(286,930)
Net Absorption (sf), Q3 2025 - Q2 2026	1,724	1,724	(6,951)
New Deliveries (sf) Q3 2016 - Q2 2026	0	0	40,080
Under Construction (sf), Q2 2026	0	0	0

Sources: CoStar; BAE, 2026.

Based on the inventory of properties tracked by CoStar, the retail real estate market in Marin County (13.5 million square feet) is much larger than the Industrial market. Sausalito's share of the countywide market for retail (about six percent) is also smaller than its share of the countywide Industrial market. In contrast to Industrial, Marinship contains a relatively small portion of Sausalito's citywide retail inventory (about 11 percent). As of second quarter of 2026, CoStar did not identify any vacant retail space in Marinship and, thus, did not identify an average asking retail rent for the area. In Sausalito as a whole, the Retail vacancy rate was 3.5 percent, similar to the countywide rate of 3.3 percent, indicating that there is strong demand for available retail space countywide, citywide, and in Marinship. Asking retail rents in Sausalito are slightly higher than the asking rents in Marin County as a whole. Although it is noted the city's asking rent figure shows a steep year-over-year decline, it should be noted that there was only 27,105 square feet of vacant space, meaning that the asking rent level is likely more indicative of the specific property offered for lease, rather than indicative of an overall local market trend. As with the Industrial market, there was limited absorption activity over the last ten years, limited deliveries of new space, and no identified projects under construction. Again, these market metrics indicate that the Retail real estate market is relatively stable in Marin County and

Sausalito but that it is not growing appreciably. Nevertheless, with low vacancy in existing retail space, if the modest net absorption over the last ten years continues, this could stimulate demand for modest amounts of new Retail space in the near- to mid-term.

Table 6: Existing Retail Market Conditions

Retail	Marinship	Sausalito	Marin County
Inventory (sf), Q2 2026	85,074	784,112	13,458,408
Inventory (% of Marin County)	*0.6%*	*5.8%*	*20.0%*
Inventory (% of Sausalito)	*10.8%*	*n.a.*	*n.a.*
Occupied Stock (sf)	85,074	757,007	13,014,365
Vacant Stock (sf)	-	27,105	444,043
Vacancy Rate	0.0%	3.5%	3.3%
Avg. Asking NNN Rents			
Avg. Asking Rent (psf), Q2 2025	-	$75.46	$35.22
Avg. Asking Rent (psf), Q2 2026	-	$41.20	$38.51
% Change Q2 2025 - Q2 2026	-	-45.4%	9.3%
Net Absorption			
Net Absorption (sf), Q3 2016-Q2 2026	(15,036)	50,751	109,924
Net Absorption (sf), Q3 2025 - Q2 2026	0	(4,501)	3,337
New Deliveries (sf), Q3 2016 - Q2 2026	0	0	150,959
Under Construction (sf), Q2 2026	0	0	0

Sources: CoStar; BAE, 2026.

As measured by CoStar's inventory, the Marin County Office market is somewhat smaller than the retail market, with a total of about 12.7 million square feet. As with Retail, Sausalito commands a relatively small (about six percent) share of the countywide Office market. Just under two-thirds of Sausalito's Office inventory is located in Marinship. Across all three areas, vacancy rates are elevated, ranging between 20.7 percent in Marinship to 15.8 percent citywide, to 18.7 percent in Marin County as a whole. This indicates an excess of supply relative to demand; however, an upward trend in year-over-year asking Office lease rates across all three areas indicates that demand may be starting to at least stabilize. Sausalito Office asking rents are about 20 percent higher than the countywide average, and the asking rents for Office space in Marinship are somewhat higher than the citywide average, indicating that Marinship is considered a desirable location within the city and the county. As with Industrial and Retail, there has been limited absorption activity, limited new deliveries, and no new Office space under construction was identified as of second quarter of 2026. The information indicates that the Office market is fairly stable; however, with the elevated vacancy rates across the Marinship area, City of Sausalito, and Marin County as a whole, there may be relatively little interest in developing new office space while there is almost 2.4 million square feet of vacant Office space countywide and negative absorption of 726,000 square feet in the last year.

Table 7: Existing Office Market Conditions

Office	Marinship	Sausalito	Marin County
Inventory (sf), Q2 2026	501,079	773,445	12,680,837
Inventory (% of Marin County)	*4.0%*	*6.1%*	*100.0%*
Inventory (% of Sausalito)	*64.8%*	*100.0%*	*n.a.*
Occupied Stock (sf)	403,675	669,358	10,261,968
Vacant Stock (sf)	103,862	121,977	2,374,171
Vacancy Rate	20.7%	15.8%	18.7%
Avg. Asking Gross Rents			
Avg. Asking Rent (psf), Q2 2025	$52.99	$50.69	$42.34
Avg. Asking Rent (psf), Q2 2026	$55.27	$54.80	$43.24
% Change Q2 2025 - Q2 2026	4.3%	8.1%	2.1%
Net Absorption			
Net Absorption (sf), Q3 2016-Q2 2026	(72,921)	(75,247)	(726,253)
Net Absorption (sf), Q3 2025 - Q2 2026	(8,518)	(19,294)	101,477
New Deliveries (sf), Q3 2016 - Q2 2026	0	0	142,555
Under Construction (sf), Q2 2026	0	0	0

Sources: CoStar; BAE, 2026.

The previous sections of this analysis have considered the potential for the AIM Initiative to create the capacity for the Marinship area to accommodate increased development, and this section has also touched on the potential market demand to support new development that would take advantage of the area's increased capacity to accommodate new development. It would be overly speculative to make an assumption about how much new development of different types would occur within a specific timeframe within the Marinship area if the AIM Initiative obtains voter approval.

Thus, this analysis does not attempt to quantify the specific net fiscal impact that the proposed initiative would generate for the City of Sausalito but instead provides a more qualitative analysis of the potential fiscal impacts to the City. First, the potential for net fiscal impacts is typically oriented towards ongoing operations and maintenance expenditures, as opposed to one-time capital expenditures. Capital funding needs, costs, and revenues are discussed below. With an orientation towards the operating budget, this analysis further focuses on the City's General Fund, because, while the General Fund is the City's primary way of funding public services, at the same time the General Fund is largely reliant on general purpose tax revenues that accrue to the General Fund, without a direct connection to factors that influence demand for services. This is in contrast to other operating funds, such as enterprise funds, like water or sewer funds, which collect revenues based on usage, which can be adjusted as necessary to balance against the cost of operations. For this reason, most municipal fiscal impact analyses focus on the General Fund.

After considering the capacity and potential demand for new development in the Marinship area, in describing the fiscal impact to the City of the AIM Initiative, BAE first evaluated the current composition of revenues and expenditures tied to the Sausalito General Fund.

B. Existing General Fund Revenues and Expenditures

For fiscal year 2026-2027 (FY 26-27), the City of Sausalito projects approximately $23.2 million in revenues and approximately $24.4 million in expenditures, meaning that $1.1 million in expenditures need to be funded by drawing down the existing General Fund balance. Property-related taxes, including ad valorem property tax, property tax in-lieu of vehicle license fees, property transfer tax, and homeowners property tax relief reimbursement, are the General Fund's largest revenue sources, accounting for about one-third of total annual revenues. Next are four categories of funds that each make up between nine and eleven percent of the total revenues, including Sales and Use Tax (11 percent), Transient Occupancy Tax (10 percent), Business License Tax (10 percent), and Transfers In (9 percent). Transfers in includes funds from several sources, the largest of which is the Parking Fund, which contributes about $1.7 million, or 80 percent of the Transfers In. General Fund revenues and expenditures budgeted for FY 26-27 are shown on Table 8 and Table 9, respectively.

Table 8: General Fund Revenue Summary, FY 26-27

Category	26-27 Budget	% of Total	Likely to Increase due to new development in Marinship?
Property Tax (a)	$7,563,856.00	33%	Yes, due to increased assessed valuation.
Sales and Use Tax	$2,660,953.00	11%	Yes, due to new space and/or local retail expenditures of new local employees.
Transient Occupancy Tax	$2,302,316.77	10%	Indirectly, due to stimulation of local business travel associated with expanded business activity in Marinship.
Franchise Tax	$951,087.00	4%	Yes, due to increased utility/service usage.
Business License Tax	$2,306,942.00	10%	Yes, due to new retail space and/or local retail expenditures of new local employees.
Intergovernmental Revenues	$827,970.00	4%	No.
Recreation Revenues	$727,070.00	3%	Any increase would likely be offset by increased recreation participation by local workers.
Other Fees for Services (b)	$1,540,689.00	7%	Any increase would likely be offset by increased usage of City services by local businesses.
Fines	$474,226.00	2%	Yes, due to increased number of workers subject to local fines.
Interest Earnings	$589,396.00	3%	No.
Rentals	$365,059.00	2%	No.
Miscellaneous Revenues (c)	$793,698.00	3%	No.
Transfers In (d)	$2,141,133.00	9%	No.
Total Revenues	**$23,244,395.77**	**100%**	

Notes:
(a) Includes property tax, property tax in-lieu of vehicle license fees, excess ERAF payment, and Homeowners Property Tax Relief reimbursement.
(b) Includes Planning revenues and Building revenues.
(c) Includes Contributions and Proceeds from Sale of Assets.
(d) Includes transfers in from Parking Fund, Tidelands Fund, Old City Hall Fund, Dorothy Gibson Fund, and MLK Fund.

Sources: City of Sausalito; BAE, 2026.

Table 9: General Fund Expenditures Summary, FY 26-27

Department	26-27 Budget	% of Total	Likely to Increase due to new development in Marinship?
City Council	($61,345.00)	0%	No.
Administration	($1,717,116.00)	7%	Marginal
Legal Services	($541,554.00)	2%	Marginal
Finance	($1,136,590.00)	5%	Marginal
Technology	($963,886.00)	4%	Marginal
Resiliency & Sustainability	($139,812.00)	1%	No.
Planning & Zoning	($1,492,191.00)	6%	Marginal, likely to be offset by increased fees.
Economic Development	($216,530.00)	1%	No.
Police	($7,741,652.00)	32%	Yes
Non-Departmental	($3,061,887.00)	13%	Yes, indirectly due to increased costs for other departments.
Building	($1,142,019.00)	5%	Marginal, likely to be offset by increased fees.
Engineering	($684,635.00)	3%	No.
Public Works	($2,085,663.00)	9%	Marginal due to increased roadw ay maintenance needs.
Landscape Maintenance	($933,967.00)	4%	No.
Recreation	($1,317,416.00)	5%	No. Residents, not employees account for most demand.
Library	($1,025,845.00)	4%	No. Residents, not employees account for most demand.
Debt Service	($117,740.00)	0%	No.
Total Expenditures	**($24,379,848.00)**	**100%**	

Source: City of Sausalito, 2026.

C. Potential Increases in General Fund Revenues Due to New Development

Property taxes and related revenues, such as property tax in-lieu of vehicle license fees (ILVLF), and property transfer taxes, are all a function of the local assessed valuation. Intensification of development, which the AIM initiative would facilitate through its relaxation of development standards, would create increases in assessed valuation and therefore generate increased property tax and related revenues. Because there is limited vacant land in the Marinship area that can accommodate new development, it is likely that most new development that occurs in the area would occur as infill or redevelopment where buildings exist already. Redevelopment activity can be particularly beneficial because it may replace existing improvements which have benefitted for many years from the two percent annual assessment increase limitation imposed by Proposition 13 for properties that are not improved or that have not transferred ownership.

New non-residential development, such as that which the AIM Initiative's proposed regulatory changes would stimulate, would likely contribute to increased local sales and use tax revenues, through a combination of onsite retail sales tax generation from businesses engaged in sales of taxable goods and from increased local taxable sales activity attributable to the local retail purchases by new local employees (e.g., local shopping or dining, before, during, or after their work days) and from the local taxable purchases of new local businesses (i.e., business-to-business sales).

New or expanded business activity would also generate increases in franchise taxes which are collected on the basis of charges for services to both business and residential customers within the City.

Sausalito is fairly unique among California municipalities in that it generates a substantial amount of General Fund revenues from business license taxes that are levied on a gross receipts basis, accounting for about ten percent of the total General Fund. Many other jurisdictions impose only a nominal licensing fee that generates more modest amounts of General Fund support. New or expanded business activity facilitated by the AIM Initiative's proposed regulatory changes would contribute to direct increases in business license tax revenues.

Another unique feature of the City of Sausalito General Fund revenue base is the City's extra one percent local sales and use tax rate, enacted by Measure L in 2023 for a ten-year period. This essentially doubles the revenue-generating potential of new retail land uses and new development which brings residents or employees who can contribute to increased local demand for taxable goods.

New or expanded business activity could also help to indirectly generate increases in transient occupancy tax revenues, if local businesses attract new business travelers to the City, to interact with local businesses. Business travel can also be beneficial to the local lodging sector by providing a source of demand for lodging rooms that is outside of typical peak tourism periods.

Finally, new or expanded business activity and associated employees would likely generate increased revenue from fines imposed on people who violate local laws.

In total, General Fund Revenue sources that would be expected to increase as a result of new non-residential development, including Property Tax, Sales and Use Tax, Transient Occupancy Tax, Franchise Tax, Business License Tax, and Fines account for about 70 percent of local General Fund revenues. The other 30 percent of revenues are not likely to be significantly affected by new non-residential development, or increased revenues are likely to be offset by services provided, such as processing of Planning or Building applications.

D. Potential Increases in Service Demand and Service Costs Due to New Development

This qualitative assessment of potential increases in service demand and service costs from the AIM Initiative begins with the acknowledgement that, in most communities, demand for municipal services is primarily associated with the residential population; demand for certain services, such as recreation and library services, is primarily driven by people who live within the community. The City of Sausalito is somewhat unique in that a significant portion of local activity is driven by visitors. For example, the 2015 Management Study for the Sausalito Police Department, conducted by the California Commission on Peace Officer Standards and Training, found that significant variations in the seasonal pattern of police calls for service corresponded with seasonal tourism patterns.

In addition to law enforcement, demand for other services can be driven by both residents and the local employment base; however, an employee is typically considered to generate less demand than a resident, since employees are usually in present in the community only during work hours, unless they are also a local resident. Other city services operate on a partial to full cost recovery basis, including Planning & Zoning and Building. General Government functions, such as the City Council, Administration, Legal Services, Finance, Technology, Resiliency & Sustainability, Economic Development, Non-Departmental, and Engineering can be considered overhead type functions, and may or may not need to expand incrementally as overall demand for City services grows; however, many municipalities expect economies of scale to translate to less than linear increases in expenditures for these types of functions as the community grows.

Finally, expenditures on maintenance departments, such as Public Works and Landscape Maintenance, are a function of the number of public facilities that need to be maintained. Infill and redevelopment activity such as what may occur in the Marinship area typically does not bring with it increases in the network of local roadways or the inventory of local parklands. The City may see the need for modifications to roadways and associated improvements (e.g. traffic signals) and increases in needs for maintenance of existing local public facilities due to increased usage, but these increases to existing publicly maintained facilities, with the exception of roadway improvements, should be marginal. Indeed, infill development that does not require expanding the community's footprint is often touted as the most cost-effective means for a community to grow, because of the ability to take advantage of the efficiencies of providing services to development that is not geographically dispersed.

However, there are limited public roads in the Marinship area and access to many buildings is via private roads with confusing access. If the AIM Initiative stimulates a substantial amount of new development, it might be desirable to create new public roads within the area to serve the development. However, because new development will likely take place in a piecemeal fashion, it may be difficult for the City to require dedication of rights-of-way needed to create a logical street pattern. This may mean that the adequacy of existing roadways within the Marinship to handle increased vehicle trips may be another practical limitation to achieving the maximum development intensity (i.e., 3.0 FAR) that the AIM Initiative proposes.

The foregoing discussion indicates that expenditures for key City of Sausalito services such as Police, Recreation, and Library are primarily resident-driven and thus are less sensitive to increases in non-residential development. These three services account for 41 percent of General Fund expenditures.

Increases in costs for General Government services, such as City Council, Administration, Legal Services, Finance, Technology, Resiliency & Sustainability, Economic Development, Non-Departmental, and Engineering, will likely be muted in response to new non-residential development due to efficiencies of expanding these services as the community grows. These departments account for about one-third of the General Fund.

To the extent that other services, such as Planning & Zoning and Building, experience increased demand for services, the cost of these services would be at least partially offset by fees for service. These services account for about 11 percent of current General Fund expenditures.

Finally, costs for maintenance of public facilities via the Public Works and Landscape Maintenance Departments should be modest, due to the infill nature of new development that the AIM Initiative could facilitate. These services account for about 12 percent of General Fund expenditures.

Thus, demand and cost increases for most, if not all, of the services that the City of Sausalito would provide to new or expanded non-residential development activity in the Marinship area could be expected to be relatively modest due to the range of factors discussed above, including the resident-driven nature of key services, potential efficiencies in expanding

General Government functions, and potential efficiencies in providing services to infill development.

E. Likely Net Fiscal Impacts from New Non-Residential Development

Most of the City's General Fund revenue sources could be expected to increase, directly or indirectly, in response to new non-residential development that could occur in the Marinship area if voters approve the AIM Initiative. The City is helped in this regard by the fact that it imposes a Business License Tax that contributes meaningfully to the City's General Fund revenues and also currently imposes an extra one-percent local sales tax on top of the standard one-percent of local taxable sales that local governments receive. On the expenditure side, certain key General Fund expenditure categories are primarily resident-driven, while others would be limited in their increases due to efficiencies of scale for expansion and/or limitations on increases due to efficiencies of serving infill development within a fixed urban footprint. Overall, these factors indicate that the City of Sausalito would likely realize net General Fund fiscal benefits from new non-residential development that could occur in the Marinship area if voters approve the AIM Initiative.

F. Impact on Funding for Infrastructure and Infrastructure Maintenance

In contrast to the ongoing costs and revenues that are the basis of the fiscal impact analysis section, above, this section focuses on one-time capital costs for public facilities, including transportation, schools, parks, and open space. Similar to the analysis of General Fund fiscal impacts, significant considerations for this section include the fact that the proposed AIM Initiative would not directly impact residential development within the City of Sausalito and the fact that the new non-residential development that the AIM Initiative would facilitate would take the form of infill development. The former means that the AIM Initiative would not directly contribute to demand for public facilities for which demand is primarily resident-driven, such as schools, parks, and open space. The latter means that the AIM Initiative would not create the need for expansion of public infrastructure over a larger geographic area.

To the extent that new non-residential development creates the need for public facilities improvements, such as modifications to existing infrastructure to increase capacity, facilities connection fees and development impact fees are typically designed to cover these costs. In the post-Proposition 13 era, the mantra that development pays its own way has been particularly applicable to infrastructure improvements. However, unlike many California communities, the City of Sausalito has a limited development impact fee program. The City collects a Construction Impact Fee equal to 0.85 percent of development project valuation plus a surcharge of $5 per cubic yard of earth moved, which is intended to mitigate the impacts of construction activity on local road conditions. The City uses the proceeds to pay for roadway re-surfacing projects. The City does not collect impact fees for public buildings (e.g., City Hall, community centers, etc.), roadway capacity improvements, parkland and park improvements, or storm drainage infrastructure and does not have plans estimating the infrastructure costs of accommodating new development. The Marinship area is notable for the relatively few public roads located within the area. As mentioned previously, it is possible that if the AIM Initiative leads to a substantial amount of new development in the area, the existing roadway network both within and outside the Marinship area may be inadequate to handle increased traffic volumes; thus requiring roadway improvements to increase capacity. Ideally, the City would address this type of need through a comprehensive plan for the area; however, to the extent that individual development projects in the Marinship area could create the need for infrastructure improvements not covered by existing fees, these needs could be identified as part of the project entitlement process and could be addressed through permit requirements.

Sausalito-Marin City Sanitary District provides sewer treatment for customers in the City of Sausalito and charges sewer capacity and connection fees to cover the costs of serving new development that connects to its treatment system. The treatment capacity charge is equal to $27,140 per equivalent dwelling unit (EDU) and the connection charge is $135.70 per gallon per day of discharge.[1] Marin Water provides water services in the City of Sausalito, and charges fees for water service connections and water meter installations, as well as a capacity charge. The fees are generally graduated based on the capacity of the water connection.[2]

New non-residential development in Sausalito would be subject to a non-residential school impact fee $0.79 per square foot[3] collected for most types of non-residential development, which is split between the Sausalito Marin City School District ($0.54 for Kindergarten through 8th grade) and Tamalpais Union High School District ($0.24 for grads 9-12). Thus, new non-residential development that could occur in the Marinship area would contribute to capital funding for local schools while not contributing directly to demand for new school facilities.

Given the Marinship area's waterfront proximity, there are concerns regarding the need to mitigate the impacts of sea level rise. While new development in the Marinship area would not contribute to sea level rise, it would increase the value of property and the number of people who would be exposed to the risks of sea level rise in the area; thus, it would be appropriate for new development in the Marinship area to participate in funding for sea level rise mitigation. This could potentially be done as part of a new sea level rise

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[1] https://sausalitomarincitysanitarydistrict.com/customer-information/connections-and-construction-permits/, accessed July 9, 2026.

[2] https://marinwater.org/wp-content/uploads/2026/06/Schedule-of-Rates-Fees-and-Charges-Effective-7-1-2026.pdf, accessed July 9, 2026.

[3] https://resources.finalsite.net/images/v1728671217/tamdistrictorg/bsynjpco06b5d6qvicp4/SAUSALITO-MARINCITY-COMMERCIAL1.pdf, accessed July 9, 2026.

development impact mitigation fee, or on an individual basis as individual development projects and necessary mitigation measures are considered as part of the development permitting review process. A potential benefit of new development in the Marinship area that the AIM Initiative might stimulate is an increase in the area's tax base. An increase in the amount of development within the Marinship area could increase the area's financing capacity, if the City and property owners were to target a new special assessment or special tax on properties in the area as a mechanism to raise funds to help finance new infrastructure improvements needed for the area.[4]

G. Impact on Community's Ability to Attract and Retain Business and Employment

Because the AIM Initiative proposes to expand the range of business types allowed within the Marinship area and also to expand the development intensity that is allowed in the area, this should provide the City with greater ability to accommodate demand from a wider variety and an increased quantity of businesses. While this should be a net positive for the City's ability to attract and retain businesses in general, it is possible that by allowing a greater variety of business types in the Marinship area, this could create more competition amongst businesses seeking space in the area. This could translate to the possibility that existing business types that are currently protected by the more restrictive land use regulations applicable in the Marinship area could be displaced due to increased competition for available space. For example, the more restrictive land use regulations that currently apply to the area may be viewed as favoring targeted uses, such as certain arts uses in the Industrial zone, or certain maritime-related industrial uses in the W zone. If the AIM Initiative is approved, there may be existing users in the area who are more price-sensitive than other users that could be newly allowed in the area. If new users have a greater ability to pay higher rents and there is a limited supply of space, the increased competition could lead to displacement of the more price-sensitive users. It is noted; however, that the AIM Initiative does seek to provide protections for existing uses in specific locations. As previously discussed, the AIM initiative provides that, within the W District, no new or additional use may displace the existing uses at the ICB Building and the historic Arques Shipyard.

[4] Such an assessment or special tax would require approval by a vote of the affected property owners.

VI. LAND USE IMPACTS

A. Effect on Internal Consistency of the City's General and Specific Plans and Zoning and Limitations on City Action under Government Code Sections 65008 and 65915 (Density Bonus Law)

Internal Consistency

The AIM Initiative contains many provisions intended to achieve internal consistency between the City's General Plan and the revised zoning provisions contained in the Initiative, in particular the many changes made in the Land Use Element of the General Plan described above. The proposed repeal of the Marinship Specific Plan will remove any issues regarding the internal consistency of that plan with the City's General Plan and Zoning Ordinance as proposed to be revised by the Initiative.

Nonetheless, the AIM Initiative creates several internal inconsistencies, described below.

Conflict between Changes Made to Ordinance No. 1022 and SMC Section 10.40.020. Ordinance No. 1022 contained several general provisions that apply Citywide. The City later adopted SMC Section 10.40.020 to implement and interpret these provisions. While the AIM Initiative specifically modified these provisions in Ordinance No. 1022, it neglected to make conforming changes in SMC Section 10.40.020. As a consequence, as detailed in Section III.D, Table 3 above, the adoption of the Initiative will result in conflicting zoning ordinance provisions and retention of policies that the AIM Initiative proposed to delete elsewhere in the Initiative.

Provisions Regarding the ICB Building and the Historic Arques Shipyard. The AIM Initiative prohibits new or additional uses that may displace the uses at the ICB Building or the shipways at the historic Arques Shipyard. However, the AIM Initiative does not define these sites or specify their location. This is vague and unenforceable language. The Marinship Specific Plan includes a chart of properties that are identified by name, including the Arques Shipyard and ICB Building, along with designating their zone and parcel area. The Specific Plan includes maps of each of the zones, identifying the location of the properties listed in the table. These are found in Use Designations Table # B and Site Diagrams #s 1-3. If the Marinship Specific Plan is repealed, the location of the Arques Shipyard and the ICB building can no longer be identified in any planning document.

In addition, the Initiative's prohibition on changes of use on only these two sites could lead to future legal challenges. There is no language in the Initiative describing why these sites (which are not specifically identified) have been singled out for special treatment, unlike other sites that include shipyards or house artists. If, in the future, the existing uses are not feasible, the City could be exposed to a regulatory takings challenge.

Categorization of the W Zone. The AIM Initiative creates uncertainty in the categorization of the W zone. For example, the W zone would be removed from Table 10.24-1 (Land Uses Allowed in Commercial Districts) but remains listed as a commercial zoning district in Table 10.12-1 and Chapter 10.24 and, more particularly, in Section 10.24.020's discussion of the additional purposes of each commercial district. Nonetheless, the AIM Initiative proposes to identify the allowed land uses for the W zone in a separate table combined with land uses for the I zone (Table 10.26-1 Land Uses Allowed in Industrial (I) and Waterfront (W) Zones), in SMC Chapter 10.26, entitled the Industrial District. This uncertainty may lead to an inconsistency with the City's General Plan. General Plan Program CD-1.3.1 specifies that permitted heights in residential and commercial zones is 32 feet. The AIM Initiative allows the height limit in the W zone to be increased to 47 feet for Maine Commercial Service or Marine Industrial uses (Ord. No. 1022, Table 2, Footnote **).

Navigation Easement for Houseboats. The Marinship Specific Plan reserves a navigation easement in the Houseboat zoning district located in the Marinship Specific Plan. It is specifically identified as being needed in the event that the residential parcels are converted to maritime service uses. No other planning document makes reference to this easement. The AIM Initiative would repeal the Marinship Specific Plan, along with the policy to reserve a navigation easement. That being said, given federal, state, and Bay Conservation District Commission policies, elimination of this policy is unlikely to result in denying navigation rights in this area.

Deletion of Reference to Ordinance No. 1022, Fair Traffic Limits Initiative. In the introduction to the General Plan, in a list of past City initiatives, a reference to Ordinance No. 1022, the Fair Traffic Limits Initiative, was removed and replaced with a reference to the AIM Initiative. However, the General Plan would continue to refer to Ordinance No. 1022 and the Fair Traffic Limit Initiative throughout, creating some confusion about the origin of the 1985 initiative.

Inconsistency in Commercial Use FAR. The AIM Initiative would revise SMC Sections 10.26.030 and 10.26.040 to restrict commercial office, commercial services, restaurants, food services, and ancillary retail uses to forty precent (40%) of the floor area permitted on a parcel. However, these same sections also state that uses independently permitted by Table 10.26-1 are not subject to the forty percent (40%) limitation. Table 10.26-1 includes these types of uses. This discrepancy may create confusion and difficulty in determining allowed use of a parcel.

Effect on Limitations on City Actions Under Government Code Sections 65008 and 65915 (Density Bonus Law)

Government Code Section 65008 prohibits discrimination against affordable housing and any categories of persons protected by California's Fair Housing and Employment Act, including by race, ethnicity, families with children, and numerous other categories. We have not identified any direct or indirect effects of the AIM Initiative on affordable housing or any categories of persons protected by FEHA

Government Code Section 65915 is state density bonus law. Conceivably it could only apply to applications for new houseboat communities, which would be allowed by the AIM Initiative, and permit higher densities than permitted by the City. However, the AIM Initiative does not contain any provisions that would affect the application of state density bonus law.

B. Effect on the Use of Land

As described previously, the AIM Initiative will greatly broaden the permitted uses in the Marinship area, allow greater development intensity (especially by increasing floor area ratio), and retain only a limited number of development standards. The current Marinship Specific Plan further restricts specific parcels, permitting even fewer uses than allowed by the underlying zoning designation. The Marinship Overlay Zone implements these limitations. With the repeal of the Marinship Specific Plan and Overlay Zone, the AIM Initiative would create greater flexibility in uses permitted in the Marinship area. Further, the development standards modifications would provide property owners greater potential to develop their properties more intensively – increasing potential building square footage.

Potential Changes in Land Use Over Time. By both expanding the range of allowable uses in the Marinship Area and loosening the development standards so that parcels can be developed at higher intensities, the AIM initiative has the potential to change the type and the amount of development in the Marinship Area. All else being equal, this could potentially increase the amount of building square footage and the number of employees in the area.

The area is mostly developed and there are very few truly vacant parcels, so increases in development will be incremental over time. The AIM Initiative does not propose to change regulations concerning residential land uses; thus, this analysis does not anticipate any direct change in the City of Sausalito housing stock or resident population if voters approve the AIM Initiative.

Increases in development intensity that would be enabled by the AIM Initiative would require either redevelopment of parcels with existing structures and/or infill development on sites with existing structures. Infill and redevelopment of properties is typically a much slower process than development of vacant properties, depending on many factors, including property owner motivation and the potential financial returns from infill/redevelopment versus the income being generated by properties as-is.

The following is not an estimate of the maximum theoretical development potential in the Marinship Area that the AIM Initiative would allow. Rather, it is an evaluation of how the AIM Initiative might affect the development potential on a selected set of parcels that may be attractive for infill and redevelopment activity. The intent is to provide perspective on how increases in allowable development intensity may play out over time.

It is difficult to tell if any given property is ripe for infill or redevelopment; however, one metric used by planners to understand the relative attractiveness for infill and redevelopment of developed properties is the improvement-to-land value ratio (I/L ratio). The principle is that the lower the value of site improvements compared to the underlying land value, the greater the potential for infill and redevelopment. A low I/L ratio indicates that existing improvements are not very valuable, meaning that the property owner would not be removing much value in order to redevelop the site or that the site is not very intensively developed, meaning that there may be potential for additional infill development on the parcel.

Data on the assessed value of improvements and land for each parcel is publicly available from the County Assessor. City staff provided BAE with the Assessor's parcel data for the Marinship area and BAE analyzed the I/L ratios of all parcels within the I and W zones. BAE focused on properties that had I/L ratios at or below the 25^{th} percentile for parcels with the same zoning, or an I/L ratio of 0.455 or below for parcels in the I zone and an I/L ratio of 0.139 for parcels with a W zoning. As shown on Figure 2, there are three parcels in the W zone totaling 2.42 acres and nine parcels in the W zone totaling 11.58 acres with current I/L ratios at or below the 25^{th} percentile levels for their respective zones. These figures exclude small or oddly-shaped parcels that would be difficult to develop, which are shown with a cross-hatched pattern.

Figure 2: I and W Properties with I/L Ratios at or Below the 25th Percentile

Sources: Marin County Assessor; BAE, 2026.

While the I/L ratios are not deterministic as to which parcels may redevelop and which parcels would see their level of development unchanged, they can help to provide perspective on the potential magnitude of change in the area. Applying a 3.0 FAR to the parcel areas yields a maximum development potential on the selected parcels of approximately 1.8 million square feet on these parcels that may be most ripe for redevelopment, as shown on Table 10. It is important to understand that this is the total development potential if the selected properties were redeveloped to the maximum 3.0 FAR that the AIM Initiative would allow. This is not the maximum theoretical development potential that the AIM Initiative would permit if all parcels within the Marinship area were developed to the maximum allowable intensity. This also does not represent the net increase in development potential on the selected parcels, as the Marin County Assessor's data available for this analysis did not include data on existing building square footage. Also, it is unlikely that all of these selected parcels would develop at the full 3.0 FAR, for different site-specific reasons such as design considerations and parking needs. Nevertheless, these calculations establish an order of magnitude estimate of the development potential that the AIM Initiative would create for these sites. Further moderating the estimate of development potential is that the real estate market information presented earlier indicates relatively stable markets for Industrial and Retail real estate, both locally and countywide, with limited growth, while the market data indicate that the local and countywide markets for Office have had significant negative net absorption over the last ten years and there is a significant overhang of vacant Office space that may need to be absorbed before there is interest in developing significant new Office space.

From a practical standpoint, it is unlikely that buildings other than Office space would develop at FARs as high as the 3.0 maximum proposed by the AIM Initiative, since achieving a 3.0 FAR requires multistory construction. Retail and Industrial spaces are rarely constructed in multistory configurations. Combined with the fact that the demand for new Office construction is likely to be limited in near to mid-term due to the market conditions previously discussed, it is BAE's opinion that the AIM Initiative's land use and regulatory modifications would not spark a widespread increase in the amount of new development in the Marinship area over the foreseeable future, but instead more modest and incremental changes over a long period of time. Further discussion of the development potential on vacant parcels is provided in subsection D., below.

Table 10: Maximum Development Potential on Properties with I/L Ratios Below 25th Percentile

Zoning	Number of Parcels (a)	Acres	Square Feet	FAR	Development Potential (Sq.Ft.)
Waterfront	3	2.42	105,265	3.0	315,796
Industrial	9	11.58	504,496	3.0	1,513,489
Total	**12**	**14.00**	**609,762**	**3.0**	**1,829,285**

Sources: Marin County Assessor; BAE, 2026.

Changes to Commercial and Office: The Marinship Specific Plan and Overlay Zone limit the type of commercial uses permitted in the area. In particular, commercial uses are limited to office spaces accessory to other permitted uses on the site and no new commercial office uses are permitted. The AIM Initiative would remove these limitations. Instead, the AIM Initiative specifies in Sausalito Municipal Code Section 10.26.030.B that commercial office, commercial services, restaurants, food services, and ancillary retail uses may not exceed 40 percent of the floor area permitted on the parcel and must be accompanied by noncommercial uses. That being said, the AIM Initiative also permits all of the uses set forth in Table 10.26-1 without the 40 percent limitation, which includes several of the uses identified as being limited to 40 percent. This discrepancy may create confusion and difficulty in determining allowed use of a parcel.

Changes to Liveaboard Policies: The Marinship Specific Plan and Overlay Zone allows residential use of pleasure boats (liveaboards) where it can be demonstrated that such use is needed for security purposes in an approved harbor. A conditional use permit and occupancy permit are needed. The AIM Initiative's repeal of the Marinship Specific Plan would remove these requirements. Instead, liveaboards are permitted in all Industrial and Waterfront zones. The AIM Initiative updates the language used to describe residential density for liveaboards and houseboats in Sausalito Municipal Code Section 10.44.170.C; however, in practicality it does not make a difference. Existing zoning text specifies that 10 percent of total number of berths may be used for liveaboards. The AIM Initiative changes this to the requirements of BCDC Bay Plan policies. The BCDC Bay plan also allows for 10 percent of the boat berths in a marina to be used for liveaboards.[5] The Marinship Specific Plan requires that a percentage of recreational liveaboard berths should be reserved for persons of low and moderate income. A similar requirement is articulated in Sausalito Municipal Code Section 10.44.170.H, which is not modified by the AIM Initiative.

Changes to Houseboats: The Marinship Specific Plan states that no new houseboat marinas are permitted in the Marinship. Houseboats that existed in the W zone on or before July 1, 1985 are permitted with a conditional use permit. The AIM Initiative would make houseboats a permitted use in both the I and W zones. The AIM Initiative does not otherwise make changes to houseboat development standards or the H zoning designation.

Changes to Marinas/Harbors: The Marinship Specific Plan and Overlay District and the General Plan state that no new pleasure boat harbors will be permitted in the Marinship and existing harbors may continue, be remodeled, upgraded, and redeveloped. The AIM Initiative would remove this prohibition on new pleasure boat harbors and would allow them in W and I zones.

Changes to Arts Uses: The Marinship Specific Plan and Overlay Zone encourages art uses, but also limits the types of art uses allowed and restricts applied arts to not more than 50 percent of all art use on a site. Sale of art on-site is also limited. The AIM Initiative would remove the ratio of

[5] BCDC Policy, page 71: https://www.bcdc.ca.gov/wp-content/uploads/sites/354/2025/05/SanFranciscoBayPlan_ADA.pdf, last access 7/8/26

art use, requirement for a conditional use permit, and would allow arts uses to occupy any portion of a parcel or building.

Changes to Restaurants and Food Service Uses: The Marinship Specific Plan allows a limited number of restaurants and restaurants with up to 40 seats with a conditional use permit in the I zone. An analysis that the facility is needed for the needs of employees in the Marinship area is required, and the restaurant cannot encourage use from patrons outside of the Marinship area. Commercial food services with no dining on the premises and small eating establishments (up to 20 seats) may be allowed in the W zone with a conditional use permit. Similar to the larger restaurants allowed in the I zone, these smaller restaurants and food service uses must provide an analysis demonstrating that the facility is needed for area employees and that it does not encourage use from patrons outside of the Marinship area.

The AIM Initiative would remove these requirements by repealing the Marinship Specific Plan and Sausalito Municipal Code Section 10.44.210.D. Restaurant and food uses would be permitted uses or require a minor use permit, as specified in Table 10.26-1.

C. Impact on Availability and Location of Housing and the Ability of the City to Meet Its Regional Housing Needs

The AIM Initiative does not propose any changes in zoning for residential development, either to directly limit residential development potential, or to directly increase residential development potential, except for allowing new houseboat communities to be proposed. Indirectly, the initiative's proposed changes to Ordinance 1022 to allow the City Council to make changes in land uses within the City's commercial and industrial zoning districts without voter approval could potentially make it easier for the City to undertake rezoning necessary to accommodate future Regional Housing Need Allocations via rezonings in commercial and industrial districts.

The modifications to the General Plan allow houseboats and liveaboards throughout areas designated as Waterfront in the General Plan. While the AIM Initiative removes the local limitation on the percentage of boats that may be used as liveaboards, BCDC currently applies the same 10 percent limit as previously included in the City's ordinances and General Plan.

Eligibility for Development as Housing Under the Affordable Housing and High Road Jobs Act of 2022 ("AB 2011").

AB 2011 allows sites zoned for commercial uses to be developed for housing if retail, commercial, or parking uses are permitted as "principally permitted uses,". The phrase "principally permitted uses" means that commercial and retail uses are permitted without a use permit, and parking is permitted either as a permitted or conditional use. Because the AIM Initiative would allow parking and many retail and commercial uses in both the W or I zones without a use permit, sites within these zones may be theoretically eligible to use AB 2011 to develop housing.

However, there are numerous other requirements to qualify for use of AB 2011. In particular, development of mixed-income housing requires that the property front on a public right-of-way, and there are few public streets in the Marinship. Additionally, many sites are now permitted to have retail and commercial uses, and no AB 2011 applications have been made to the City. Nonetheless, the expansion of uses created by the AIM Initiative may enable a few sites to utilize AB 2011 to develop housing.

D. Impact on the Use of Vacant Parcels of Land

As discussed previously, the Marin County Assessor categorizes only 0.8 acres of land within the Marinship area as vacant.[6] However, from a planning standpoint, according to City staff, there are two vacant parcels in the Marinship area, APNs: 063-110-31 in the I zone (see Figure 3) and 063-100-10 in the OS zone (see Figure 4) owing to the fact that they are largely undeveloped. Since the AIM initiative would not change the OS zoning or development standards, it would not affect the development potential of parcel 063-100-10. Since the AIM Initiative would increase the range of uses allowed in the I zone and also increase the allowable development intensity, it would create additional development potential on parcel 063-110-31.

Under current regulations, land in the I zone can be developed to a maximum intensity of 0.40 FAR. If the AIM Initiative is passed, the maximum FAR would increase to 3.0. Parcel 063-110-31 is approximately 230,266 square feet, or just under 5.3 acres in size, according to the Marin County Assessor. This means that the maximum theoretical development on the parcel would be approximately 690,800 square feet of building floor area, or an increase of about 598,694 square feet from the maximum of roughly 92,106 square feet of floor area that would be permitted under the existing 0.40 FAR limit. By definition, achieving a development intensity of greater than 1.0 FAR would require multi-story construction. The ability to achieve the maximum allowable development intensity of 3.0 proposed by the AIM Initiative would likely be constrained by other applicable City development standards, such as setback requirements, maximum lot coverage limitations, building height limits, and parking requirements. As discussed previously, the most likely development type that would be permitted under the AIM Initiative and that also would be likely to develop in a multi-story configuration would be office space. Also discussed previously, current office market conditions (e.g., relatively high vacancy in existing office space; negative net absorption of office over the last ten years) are not conducive to new office construction. Based on the practical and market considerations outlined here, it is not likely that the property would be developed with a quantity of office space approaching the maximum theoretical potential in the near to mid-term. It is possible that the site may be developed less intensively with office space and/or one of the other uses that the AIM Initiative would permit, potentially in a single-story configuration with surface parking, for office or retail/commercial use. FARs of 0.40 or less are typical of these types of developments, meaning that it is possible that the AIM Initiative would not result in a meaningful net increase in the building square footage that would ultimately be constructed on this site, although the AIM

[6] This does not include vacant "marine" parcels

Initiative might encourage this development to occur sooner than would otherwise be the case, since the Initiative would allow a developer to target a broader range of users for the site.

Figure 3: Vacant Parcel 063-110-31

Source: City of Sausalito, 2026.

Figure 4: Vacant Parcel 062-100-10

Source: City of Sausalito, 2026.

E. Impact on Agriculture, Open Space, Traffic Congestion, Existing Business Districts, and Developed Areas Designated for Revitalization

Impacts on Agriculture. There is no agricultural land in the Marinship Specific Plan Area or other City property included in the Waterfront zoning designation.

Impacts on Open Space. There are four zoning designations that fall within the category of Open Space and Public. The AIM Initiative does not make changes to these zoning designations. However, the Marinship Specific Plan and Overlay Zone provide specific policies, standards, and considerations relating to open space that would be removed with the AIM Initiative. The Marinship Specific Plan also includes a policy suggesting if the Army Corps of Engineer were no

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longer to operate the Bay Model, the property could be used for open space, public access, or maritime uses. These policies would all be repealed.

Impacts on Traffic Congestion. The most recent comprehensive analysis of traffic congestion in Sausalito was completed on October 26, 2020 by Parisi Transportation Consulting and M-Group as Appendix F to the City's Environmental Impact Report (EIR) on the City's General Plan. The Parisi Report contemplated no improvements to the City's street system and estimated that General Plan buildout would increase total weekday vehicle trips by 26 percent, from 39,000 trips/day to 49,100 trips/day, with peak hour traffic increasing 31 percent.

The Parisi Report projected a significant amount of new non-residential development in Marinship by 2040: a total of 428,409 sq. ft., a significant increase from past development in Marinship. In all, the Traffic zones representing the Marinship properties were expected to generate approximately 30 percent of total new PM peak hour trips; and 40 percent of outbound trips.

The analysis examined ten key signalized intersections along Bridgeway at General Plan buildout, and traffic operations at all intersections were projected to operate at Level of Service (LOS) C or better, which is one or more letter grades above the City's LOS D standard in General Plan Policy CP-1.6, suggesting that capacity is available for even more than the projected 428,000 sq. ft. of new development. However, during the AM peak hour at full buildout, cars making left turns into Marinship at Harbor Drive and Easterby Street/Marinship Way may exceed the length of the left-turn pocket. The Parisi Report recommended that the left-turn pocket be extended by removing portions of the center median.

The City later rezoned several sites directly along Bridgeway for more intense housing development as part of its implementation of its Housing Element. Although no level of service analysis was completed for the Housing Element, it is possible that one or more signalized intersections could drop below LOS D with traffic entering Bridgeway directly from these projects.

There has been no study that reviewed the 1.8 million square feet of new development theoretically possible on the most likely sites to redevelop, nor any study to examine possible buildout under the proposed 3.0 FAR. In addition, as discussed previously, there are few private roads in Marinship, and the current private roads within the area are confusing and sometimes not maintained. While no study has been completed of their capacity, it is likely that many cannot accommodate any significant development. y.

Should new development in Marinship approach 400,000 sq. ft., an updated traffic study for the existing public streets will be needed. It would also be appropriate for the City to prepare a master plan for streets within Marinship, if possible. Even if this is not done, although traffic congestion is no longer a CEQA impact, the City has the authority to assess traffic impacts outside of CEQA as part of the entitlement process and retains the authority to require individual development projects to complete traffic improvements needed to maintain acceptable LOS. These requirements would be enforced outside CEQA by imposing conditions of approval.

Impacts on Existing Business Districts. As previously discussed, the proposed AIM Initiative has the potential to help attract a broader variety and quantity of businesses to the Marinship area. This could have an overall positive impact on the vitality of the area, although the expanded range of allowable uses could also create some potential for displacement of existing business types that are protected from competition for available space by the existing land use regulations, which are more restrictive.

The main commercial areas outside of the Marinship area focus on Bridgeway Street and Caledonia Street, including the Historic Downtown area. The AIM Initiative's proposed land use regulatory changes would not directly impact the City's business districts outside of the Marinship area; however, indirect impacts could include changes in market dynamics due to the effects of increased development in the Marinship area facilitated by the AIM Initiative, if approved. For example, the AIM Initiative would provide greater opportunities for certain types of businesses to locate in the Marinship area that are not currently allowable. This could divert demand from other business areas where these use types are currently permitted. Counterbalancing this, if greater amounts of business activity are accommodated in the Marinship area, this could potentially create additional market support for businesses elsewhere in Sausalito, due to increased demand from an expanding local employee base or increased business-to-business demand.

Impact on Developed Areas Designated for Revitalization. Although the General Plan does not designate developed areas designated for revitalization, the Economic Development element, Objective E-6 calls for the City to Promote and Enhance the Economic Vitality of the Marinship. By expanding the potential range of uses allowed and the potential intensity of development allowed in the Marinship area, the AIM Initiative would likely help to promote and enhance the vitality of the Marinship area.

APPENDIX A

Marinship Specific Plan Parcel Use Table Comparison

Marinship Property	Marinship Designation	Existing Allowed Uses in Marinship Specific Plan	Marinship Site Specific Exemptions	AIM Initiative Uses (as show in existing zoning map)
1750 Broadway	Zone 1, Parcel 1, A	*Principal Uses*: Gen Indust; Marine Indust; Arts (Ind, Mar Fine); Bus Com Serv; Mar Com Serv *Inclusionary w/ Admin CUP*: Applied Arts *Existing Legal Permitted*: Office		I
Terra Lndg	Zone 1, Parcel 1, B	*Principal Uses*: Marine Indust; Mar Com Serv; Maritime Berths (Marine Service; Dry Bt Stor); Public Use Open Space *Conditional Uses*: Arts (Ind, Mar Fine); Live-Abd Boats *Food Serv-Fish Sales only* *Marine Applied Arts only in "W" Zone*	Preserve maritime use and heritage of waterfront; land and water portions of the property should be developed together. Permissible uses include a veterinary clinic when associated with and incidental to on-site marine research facility Food service limited to fish sales	W

			Applied arts use limited to Marine Applied Arts only	
City Streets	Zone 1, Parcel 1, C	*Principal Uses*: Public Use (Open Space; Open Water)	Uses limited to Open Space and Open Water, Public Pier, Public small boat launch, access and circulation; temporary tie up of small pleasure boats and marine service boats (including fishing boats)	W
Schoonmaker	Zone 1, Parcel 2, B	*Principal Uses*: Gen Indust; Marine Indust; Arts (Ind, Mar, Fine) Bus Com Serv; Mar Com Serv; Maritime Berths (Marine Service; Pleasure Bts; Dry Bt Stor); Public Use Open Space *Conditional Uses:* Restaurant; Food Service; Houseboats; Live-Abd Boats *Inclusionary w/ Admin CUP*: Applied Art *Existing Legal Permitted*: Office *"W" Zone-Marine Serv Com only*	Mixed use development: I zone: To the extent feasible, the Three Bay Schoonmaker Building and 55 Foot Tall Building should be maintained and used in adaptive reuse development W zone: Many of the same objectives	I and W
Intr-Bay Lum	Zone 1, Parcel 2, C	*Principal Uses*: Gen Indust; Marine Indust; Arts (Ind, Mar, Fine) Bus Com Serv; Mar Com Serv *Inclusionary w/ Admin CUP*: Applied Arts		I

Cement Gun	Zone 1, Parcel 2, D	*Principal Uses*: Gen Indust; Marine Indust; Arts (Ind, Mar, Fine) Bus Com Serv; Mar Com Serv; Maritime Berth Dry Bt Stor *Conditional Uses*: Food Service *Inclusionary w/ Admin CUP*: Applied Arts *Restaurant As CUP and only if Parcel 2D develops as part of Parcel 2 B development*	mixed use	I
Easom's Btyd	Zone 1, Parcel 2, E	*Principal Uses*: Marine Indust; Arts (Ind, Mar, Fine); Mar Com Serv; Maritime Berths (Marine Service; Pleasure Bts; Dry Bt Stor); Public Use Open Space *Conditional Uses*: Live-Abd Boats *Inclusionary w/Admin CUP*: Applied Arts		W
Clipper #1	Zone 1, Parcel 2, F	*Principal Uses*: Marine Indust; Arts (Ind, Mar, Fine); Mar Com Serv; Maritime Berths (Marine Service; Pleasure Bts; Dry Bt Stor); Public Use Open Space *Conditional Uses*: Live-Abd Boats *Marine Applied Arts only in "W" Zone*	Pleasure boat marina use exceeds zoning code (*granfathered use*) applied arts uses limited to Marine Applied Arts only	W

Burkell	Zone 2, Parcel 2, A	*Principal Uses*: Gen Indust; Maine Indust; Arts (Ind, Mar, Fine); Bus Com Serv; Mar Com Serv *Inclusionary w/ Admin CUP*: Applied Art *Existing Legal Permitted*: Office		I
Sea K Fish	Zone 2, Parcel 2, G	*Principal Uses*: Marine Indust; Mar Com Serv; Maritime Berths (Marine Service; Dry Bt Stor); Public Use (Open Space; Open Water)	No arts uses permitted No pleasure boat berths, including liveaboard permitted (marine service live aboard is permitted) open water portion provides needed navigational access; objective is to maintain access	W and OA
Army Corps	Zone 2, Parcel 3, A	*Principal Uses*: Marine Indust; Arts (Ind, Mar, Fine); Bus Com Serv; Mar Com Serv; Army Corps; Maritime Berths (Marine Services; Dry Bt Stor); Public Use (Open Space; Open Water) *Conditional Uses*: Food Service *"W" Zone-Marine Serv Com only* *Marine Applied Arts only in "W" Zone*	If parcel is rezoned, it should be a combination of P and W open water portion provides needed navigational access; objective is to maintain access	P and OA
Record Pint	Zone 2, Parcel 3, B	*Principal Uses*: Gen Indust; Marine Indust; Art (Ind,	expanding the art and service use is desirable	I

		Mar, Fine); Bus Com Serv; Mar Com Serv *Inclusionary w/ Admin CUP*: Applied Art *Existing Legal Permitted*: Office	no floor or roof area of a future structure may have elevation above Bridgeway curb	
SWA Office	Zone 2, Parcel 3, C	*Principal Uses*: Gen Indust; Marine Indust; Art (Ind, Mar, Fine); Bus Com Serv; Mar Com Serv *Inclusionary w/ Admin CUP*: Applied Art *Existing Legal Permitted*: Office	local design firms; traffic resembles office use and existing use assumed to be commercial offices	I
Duryee Offices	Zone 2, Parcel 3, D	*Principal Uses*: Gen Indust; Marine Indust; Art (Ind, Mar, Fine); Bus Com Serv; Mar Com Serv *Inclusionary w/ Admin CUP*: Applied Art *Existing Legal Permitted*: Office	only applied arts use that will be permitted is Marine Applied Arts	I on Marinship SP; appears to be OS on City zoning map
Marinship Park	Zone 2, Parcel 3, E	*Principal Uses*: Public Use Open Space		PP
City of Sausalito	Zone 2, Parcel 3, F	*Principal Uses*: Public Use Open Water	should remain undeveloped, open water area	OA
Marina Plaza	Zone 2, Parcel 4, A	*Principal Uses*: Gen Indust; Marine Indust; Art (Ind, Mar, Fine); Bus Com Serv; Mar Com Serv; Maritime Berths (Marine Service, Pleasure Bts, Dry Bt Stor);	Mixed use development open water portion provides needed navigational access; objective is to maintain access	I, W, and OA

		Public Use (Open Space; Open Water) *Conditional Uses*: Restaurant; Food Service; Live Abd Boats *Inclusionary w/ Admin CUP*: Applied Art *Existing Legal Permitted*: Office *"W" Zone-Arine Serv Comm only*		
Gerhardt	Zone 2, Parcel 5, A	*Principal Uses*: Gen Indust; Marine Indust; Art (Ind, Mar, Fine)	No applied arts, commercial service, food service or dry boat storage will be permitted Should coordinate mix of uses with Parcel 5B, due to proximity	I
Arques Gate 3	Zone 2, Parcel 5, B	*Principal Uses*: Gen Indust; Marine Indust; Art (Ind, Mar, Fine); Bus Com Serv; Mar Com Serv; Maritime Berths (Marine Service, Pleasure Bts, Dry Bt Stor); Public Use (Open Space; Open Water) *Conditional Uses*: Restaurant; Food Service; Live Abd Boats *Inclusionary w/ Admin CUP*: Applied Art *Existing Legal Permitted*: Office	I zone: development objective is mixed use concept focusing on industrial and art uses, especially those complimentary to and oriented to marine services W zone: objective is to develop as full service marine center open water portion provides needed navigational access; objective is to maintain access	I, W, and OA

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		"W" Zone-Arine Serv Comm only		
2401 Mrnshp	Zone 2, Parcel 6, A	*Principal Uses*: Gen Indust; Marine Indust; Art (Ind, Mar, Fine) *Inclusionary w/ Admin CUP*: Applied Art; Bus Com Serv; Mar Com Serv *Existing Legal Permitted*: Office		I
Big "G" Sprmkt	Zone 2, Parcel 6, B	*Conditional Uses*: Gen Indust; Art (Ind, Mar, Fine) *Full Service Supermarket with CUP: Lumberyard, Warehouse, Dry Boat Storage only*		CS
Post Office	Zone 2, Parcel 6, C	*Conditional Uses*: Gen Indust; Art (Ind, Mar, Fine) *Full Service Supermarket with CUP: Lumberyard, Warehouse, Dry Boat Storage only* *Existing Legal Permitted*: Post Ofifice		PI
158/180 Harbor	Zone 2, Parcel 7, A	*Principal Uses*: Gen Indust; Marine Indust; Arts (Ind, Mar, Fine); Mar Com Serv *Conditional Uses*: Bus Com Serv *Inclusionary w/ Admin CUP*: Applied Art *Existing Legally Permitted:* Office	retail sales of art and business supplies is not permitted	I

Clipper #2, 3, 4	Zone 2, Parcel 8, A	*Principal Uses*: Marine Indust; Mar Com Serv; Maritme Berths (Marine Service; Pleasure Bts; Dry Bt Stor); Public Use Open Space *Conditional Uses*: Food Service; Live-Abd Boats *Indust, Marine Arts only* *Marine Applied Arts only in W Zone*	development objective to maintain and enhave marine service and public access uses	W
Storage Area	Zone 2, Parcel 8, B	*Principal Uses*: Marine Indust; Mar Com Serv; Maritme Berths Dry Bt Stor; *Indust, Marine Arts only* *Marine Applied Arts only in W Zone*	storage area	W
Spaulding Bts	Zone 2, Parcel 8, C	*Principal Uses*: Marine Indust; Mar Com Serv; Maritme Berths (Marine Service; Pleasure Bts; Dry Bt Stor); Public Use Open Space *Conditional Uses:*: Live-Abd Boats *Indust, Marine Arts only* *Marine Applied Arts only in W Zone*	arts uses limited to Industiral and Marine Arts with CUP: Marine Applied Arts	W
1/3 Harbor Dr.	Zone 3, Parcel 6, D	*Principal Uses*: Gen Indust; Mar Indust; Arts (Ind, Mar, Fine); Mar Com Serv; Bus Com Serv		I

		Conditional Uses: Restaurant; Food Service *Inclusionary w/ Admin CUP*: Applied Art *Existing Legally Permitted:* Office;		
Feng Nian	Zone 3, Parcel 6, E	*Principal Uses*: Gen Indust; Mar Indust; Arts (Ind, Mar, Fine); Mar Com Serv; Bus Com Serv *Conditional Uses*: Food Service *Inclusionary w/ Admin CUP*: Applied Art *Existing Legally Permitted:* Office; Restaurant		I
Com. Off Area	Zone 3, Parcel 6, F	*Principal Uses*: Gen Indust; Mar Indust; Arts (Ind, Mar, Fine); Mar Com Serv; Bus Com Serv *Conditional Uses*: Food Service *Inclusionary w/ Admin CUP*: Applied Art *Existing Legally Permitted:* Office; Restaurant		I
Indust Ctr Bldg	Zone 3, Parcel 7, B	*Principal Uses*: Gen Indust; Mar Indust; Arts (Ind, Mar, Fine); Mar Com Serv; Bus Com Serv *Inclusionary w/ Admin CUP*: Applied Art	preserve arts-based use	I

		Existing Legally Permitted: Office		
Heath Ceram	Zone 3, Parcel 7, C	*Principal Uses*: Gen Indust; Mar Indust; Arts (Ind, Mar, Fine); Mar Com Serv; Bus Com Serv *Inclusionary w/ Admin CUP*: Applied Art		I
Rest. Com Area	Zone 3, Parcel 7, D	*Principal Uses*: Gen Indust; Mar Indust; Arts (Ind, Mar, Fine); Mar Com Serv; Bus Com Serv *Inclusionary w/ Admin CUP*: Applied Art *Existing Legally Permitted:* Office; Retail; Restaurant		I
475 Gate 5 Rd	Zone 3, Parcel 7, E	*Principal Uses*: Gen Indust; Mar Indust; Arts (Ind, Mar, Fine); Mar Com Serv; Bus Com Serv *Inclusionary w/ Admin CUP*: Applied Art *Existing Legally Permitted:* Office; Restaurant	development objective to maintain mix of uses	I
Coloma Indust	Zone 3, Parcel 9, A	*Principal Uses*: Gen Indust; Mar Indust; Arts (Ind, Mar, Fine); Mar Com Serv; Bus Com Serv *Inclusionary w/ Admin CUP*: Applied Art *Existing Legally Permitted:* Office		I

150/200 Gate 5	Zone 3, Parcel 9, B	*Principal Uses*: Gen Indust; Mar Indust; Arts (Ind, Mar, Fine); Mar Com Serv; Bus Com Serv *Inclusionary w/ Admin CUP*: Applied Art *Existing Legally Permitted:* Office		I
Auto Repair	Zone 3, Parcel 9, C	*Principal Uses*: Gen Indust; Mar Indust; Arts (Ind, Mar, Fine); Mar Com Serv; Bus Com Serv *Inclusionary w/ Admin CUP*: Applied Art:		I
Auto Repair	Zone 3, Parcel 9, D	*Principal Uses*: Gen Indust; Mar Indust; Arts (Ind, Mar, Fine); Mar Com Serv; Bus Com Serv *Inclusionary w/ Admin CUP*: Applied Art:		I
Joe Ray Auto	Zone 3, Parcel 9, E	*Principal Uses*: Gen Indust; Mar Indust; Arts (Ind, Mar, Fine); Mar Com Serv *Inclusionary w/ Admin CUP*: Applied Art	only commercial service allowed is marine commercial services	I
Auto Storage	Zone 3, Parcel 9, F	*Principal Uses*: Gen Indust; Mar Indust; Arts (Ind, Mar, Fine); Mar Com Serv *Inclusionary w/ Admin CUP*: Applied Art	only commercial service allowed is marine commercial services	I
Clipper-Varda	Zone 3, Parcel 9, G	*Principal Uses*: Gen Indust; Mar Indust; Arts (Ind, Mar, Fine); Mar Com Serv	only commercial service allowed is marine commercial services	I

		Inclusionary w/ Admin CUP: Applied Art *Existing Legally Permitted:* Office		
Varda Ldg Std	Zone 3, Parcel 9, H	*Principal Uses*: Gen Indust; Mar Indust; Arts (Ind, Mar, Fine); Mar Com Serv *Inclusionary w/ Admin CUP*: Applied Art *Existing Legally Permitted:* Office *Existing Legal Nonconforming*: Existing Lnd Res	only commercial service allowed is marine commercial services	I
Planeaway	Zone 3, Parcel 9, I	*Principal Uses*: Gen Indust; Mar Indust; Arts (Ind, Mar, Fine); Mar Com Serv *Inclusionary w/ Admin CUP*: Applied Art *Existing Legal Nonconforming*: Existing Lnd Res	only commercial service allowed is marine commercial services	I
Small Bt Ctr	Zone 3, Parcel 9, J	*Principal Uses*: Gen Indust; Mar Indust; Arts (Ind, Mar, Fine); Mar Com Serv *Inclusionary w/ Admin CUP*: Applied Art	only commercial service allowed is marine commercial services	I
Gate 5 Indust	Zone 3, Parcel 9, K	*Principal Uses*: Gen Indust; Mar Indust; Arts (Ind, Mar, Fine); Mar Com Serv *Inclusionary w/ Admin CUP*: Applied Art	only commercial service allowed is marine commercial services	I

		Existing Legal Nonconforming: Existing Lnd Res		
Off, Stor (York)	Zone 3, Parcel 9, L	*Principal Uses*: Gen Indust; Marine Indust; Arts (Ind, Mar, Fine); Mar Com Serv *Conditional Uses*: Bus Com Serv *Inclusionary w/ Admin CUP*: Applied Art *Existing Legally Permitted:* Office	retail sale of art and business supplies not permitted	I
Anshen	Zone 3, Parcel 10, A	*Principal Uses*: Marin Indust; Arts (Ind, Mar, Fine); Existing Lnd Res (1 permitted); Houseboats, Maritime Berths – Marine Service, Dry Bt Stor; Public Use Open Space *Conditional Uses*: Live-Aboard Boats *Inclusionary w/ Admin CUP*: Applied Arts		H
Kingman	Zone 3, Parcel 10, B	*Principal Uses*: Marin Indust; Arts (Ind, Mar, Fine); Existing Lnd Res (1 permitted); Houseboats, Maritime Berths – Marine Service, Dry Bt Stor; Public Use Open Space *Conditional Uses*: Live-Abd Boats *Inclusionary w/ Admin CUP*: Applied Arts		H

Onslow-Ford	Zone 3, Parcel 10, C	*Principal Uses*: Marin Indust; Arts (Ind, Mar, Fine); Existing Lnd Res (1 permitted); Houseboats, Maritime Berths – Marine Service, Dry Bt Stor; Public Use Open Space *Conditional Uses*: Live-Abd Boats *Inclusionary w/ Admin CUP*: Applied Arts	retain as a historical landmark the ferry "Vallejo" and its site	H
Viet	Zone 3, Parcel 10, D	*Principal Uses*: Marin Indust; Arts (Ind, Mar, Fine); Existing Lnd Res (1 permitted); Houseboats, Maritime Berths – Marine Service, Dry Bt Stor; Public Use Open Space *Conditional Uses*: Live-Abd Boats *Inclusionary w/ Admin CUP*: Applied Arts		H
Winblad	Zone 3, Parcel 11, A	*Principal Uses*: Gen Indust; Marine Indust Arts (Ind, Mar, Fine); Bus Com Serv; Mar Com Serv *Inclusionary w/ Admin CUP:* Applied Art *Existing Legally Permitted:* Office		I
300 Brdgway	Zone 3, Parcel 11, B	*Principal Uses*: Gen Indust; Marine Indust Arts (Ind, Mar, Fine); Bus Com Serv; Mar Com Serv		I

		Inclusionary w/ Admin CUP: Applied Art *Existing Legally Permitted:* Office *Existing Legally Permitted:* Office		
Health Clb. Off	Zone 3, Parcel 11, C	*Principal Uses*: Gen Indust; Marine Indust Arts (Ind, Mar, Fine); Bus Com Serv; Mar Com Serv *Inclusionary w/ Admin CUP:* Applied Art *Existing Legally Permitted:* Office *Existing Legally Permitted:* Office		I
3030 Brdgway	Zone 3, Parcel 11, D	*Principal Uses*: Gen Indust; Marine Indust Arts (Ind, Mar, Fine); Bus Com Serv; Mar Com Serv *Inclusionary w/ Admin CUP:* Applied Art *Existing Legally Permitted:* Office *Existing Legally Permitted:* Office		I
4000 Brdgway	Zone 3, Parcel 11, E	*Principal Uses*: Gen Indust; Marine Indust Arts (Ind, Mar, Fine); Bus Com Serv; Mar Com Serv *Inclusionary w/ Admin CUP:* Applied Art	mix of uses	I

		Existing Legally Permitted: Office		