

SAN FRANCISCO PLANNING DEPARTMENT

Memo to the Planning Commission

HEARING DATE: JULY 26, 2012 Continued from the June 21, 2012 Hearing 1650 Mission St. Suite 400 San Francisco, CA 94103-2479

 Date:
 July 18, 2012
 Reception:

 Case No.:
 2011.1056C
 415.558.6378

Project Address: 22 PEACE PLAZA, SUITES 400-410 [AKA 22 PEACE PLAZA - LOCATED

WITHIN THE INTERIOR OF JAPAN CENTER (MIYAKO) EAST MALL] 415.558.6409

Zoning: NC-3 (Moderate-Scale) Neighborhood Commercial District

Japantown Special Use District

50-X Height and Bulk District

Planning
Information:
415.558.6377

Block/Lot: 0700/027

Project Sponsors: Daiso California LLC (applicant)

Local Contact: Yoshihide Murata, Senior Vice President

26523 Danti Court Hayward, CA 94545

Japan Center West Associates, LP – Japan Center Malls (property owners)

1880 Century Park East, Suite 810

Los Angeles, CA 90067 Local Contact: Sheron Chiu 1770 Post Street, Box 297 San Francisco, CA 94115

Staff Contact: Sharon M. Young – (415) 558-6346

sharon.m.young@sfgov.org

Recommendation: Approval with Conditions

UPDATE

The proposal is a request for Conditional Use authorization under Sections 249.31, 303, and 712.21 of the Planning Code to legalize a use size that exceeds 6,000 square feet of floor area with the merger of ground floor commercial tenant space Suite 400 (a retail variety store d.b.a. Daiso Japan established at the current location in July 2009) with Suite 410 (once vacant commercial tenant space previously occupied by Genji Antiques until March 2010) within the NC-3 Zoning District, Japantown Special Use District, and a 50-X Height and Bulk District. The two commercial spaces were merged in December 2010 with the removal of interior wall partitions which previously separated Suite 400 (2775 square feet of floor area) and Suite 410 (5,606 square feet of floor area); the expanded space currently contains 8,381 square feet of floor area. No additional tenant improvements are proposed within the merged commercial tenant space nor are changes proposed to the exterior building envelope. On June 21, 2012, the Planning Commission continued the Conditional Use case, without hearing to July 26, 2012, upon the request of the project sponsor to allow for additional time to conduct a community meeting (particularly involving members in the Japantown Better Neighborhood Planning process.)

Case reports for the Conditional Use authorization request were previously distributed to the Planning Commission on June 14, 2012. No changes to the project have been made since that time, and the project description remains unchanged. However, the Planning Department has received one letter in opposition to the proposal. (Attached)

San Francisco Planning Dept 1650 Mission Street, Suite 400 San Francisco CA 94103

07/17/2012

2011.1056C - 22 PEACE PLAZA SUITE 400 - 410 (LOCATED WITHIN THE INTERIOR OF JAPAN CENTER EAST MALL) - Request for conditional use authorization exceeds 6,000 square feet of floor area with the merger of ground floor commercial tenant space by a retail variety store d.b.a. Daiso Japan established at the current location since July 2009.

Dear Sharon M. Young,

My name is Makoto Imaizumi, President of Ichiban Kan Inc. which is local based Japanese variety shop doing business at 22 Peace Plaza, Suite 540, San Francisco California 94115. We are in business since June 2000 at the same location, owned and operated by Japanese Americans and Registered Aliens from Japan. We also import variety of goods from Japan and they are sold mostly at \$1.50 and thus our business conflicts with Daiso Store in the same building.

I would like to speak in representing Ichiban Kan store in Japan Town and 20 co-workers of the same location to challenge Daiso CU permit of this time.

<Business Damage to Ichiban Kan Japan Town store>
Our Japan Town store lost 30% business since Daiso Japan Town store expanded to current size. This is not due to economy since our other store (TANFORAN mall in San Bruno) marked steady 14% increase in the same 2010 and 2011 sales.

For this loss, we had to lay off One full time manager and 3 part

Festival Committees due to budget cut, and stopped attending local meetings since short staff. This is sad when Daiso Japan Town is not attending or contributing to local communities at all. In the local meeting held last week, I met the regional responsible person for the first time and he mentioned that he will attend the local meeting from now on while he can't promise. I am not quite sure if

<Law Compliance of Daiso USA>

Usually, the conditional use and other applicable permits would be present and process before such tenant improvement started. In this case, the tenant is already expanded and in operation without such process since March 2010. Also in March 2010, The U.S. Consumer Product Safety Commission announced the action against Daiso Holding USA Inc., Daiso Seattle LLC, of Seattle, Wash, and Daiso California LLC, of Hayward, Calif. The company was accused of violating laws governing the import and sale of toys with high levels of lead, lead paint and phthalates, as well as having toy parts too small for products meant for children younger than three year old, and for failing to have required warning labels. Attached material is titled as "Daiso to pay \$2 million fine, stop selling kids products after breaking federal laws." Another material dated 01/20/2012 is titled "Daiso Stores Agree to Pay \$350K in fines Over Sales of Products Containing Lead", Santa Clara and Alameda district attorneys file suit over the sale of children's toys containing lead and phthalates.

I just worry if they have proper understanding about law compliance in the United States. We don't want to invite the company who sold harmful toys to our kids, operating without proper permits in Japan Town.

This way, I can hardly see any benefit but concerns of having this company to our neighbor hood. For this reasons, I would like to

Ichiban Kan Inc 22 Peace Plaza, Suite 540 San Francisco, Ca 94115

oppose their CU permit in Japan Town of this time.

Sincerely,

Makoto Imajzumi, President

Tel: 650-763-1848



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Questions or Feedback ?

Daiso to pay \$2 million fine, stop selling kids products after breaking federal laws

By Mitch Lipka Posted 5:04PM 03/02/10

Posted under: Consumer Ally, Recalls

Daiso, a huge Japanese-owned retail chain with some 3,000 stores worldwide, has been accused of repeatedly violating federal safety laws while importing toys and other children's goods from China and Vietnam. The company has agreed to pay a \$2 million penalty and, in an extraordinary move, was forbidden from future commerce of children's products until the company can demonstrate it can comply with U.S. laws.



The U.S. Consumer Product Safety Commission announced the action against Daiso Holding USA Inc., Daiso Seattle LLC, of Seattle, Wash. and Daiso California LLC, of Hayward, Calif. today. The company was accused of violating laws governing the import and sale of toys with high levels of lead, lead paint and phthalates, as well as having toy parts too small for products meant for children younger than three years old, and for

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failing to have required warning labels.

"This landmark agreement for an injunction sets a precedent for any firm attempting to distribute hazardous products to our nation's children" CPSC Chairman Inez Tenenbaum said in a written statement. "We are committed to the safety of children's products and we will use the full force of our enforcement powers to prevent the sale of harmful products."

In order to resume selling children's products in the U.S., Daiso must hire an independent product safety coordinator to develop a product safety program, undergo a merchandise audit and ensure the company has proper procedures in place to comply with U.S. safety laws.

Daiso, which runs nine stores on the West Coast, already has agreed to withdraw all toys and children's products from the market. The company is best known for running "100 Yen stores" -- more familiarly known as dollar stores. Daiso has had U.S. operations since 2005.

The company has been subject to several recalls ranging from pull toys to purses to stuffed animals after flunking inspections of its merchandise by CPSC staff. A complaint lodged in U.S. District Court in San Francisco details how the company has been warned since 2006 and was found over and over again to have brought in children's products that violated federal law.

In 2002, several companies faced a similar action with far smaller penalties (the maximum fine has since been raised considerably.)

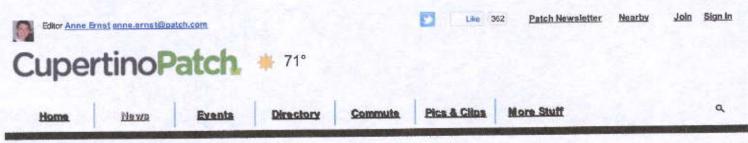
In agreeing to the penalty and restrictions, Daiso admitted no wrongdoing.

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News

Daiso Stores Agree to Pay \$350K in Fines Over Sales of Products Containing Lead

Santa Clara and Alameda district attorneys file suit over the sale of children's toys containing lead and phthalates.

By Pam Marino	Email the author		January 20, 2012	
Recommend	3	Tw	eet 0	
Email		Print	Commen	



Daiso California will pay fines totaling \$350,000 for the sale of children's products containing lead and other potentially harmful compounds, District Attorney Jeff Rosen announced Friday.

The fine is the result of a lawsuit brought by the District Attorney's Offices of Santa Clara and Alameda counties. The settlement, signed by Alameda County Presiding Judge C. Don Clay, pertains to Dalso's retail stores located in San Jose, Dely City and Newark. Dalso also operates a store in Mountain View and in Cupertino at 19750 Stevens Creek Blvd.

The products in question were sold in Daiso stores in 2008 and 2009 before it was discovered that they might violate California consumer protection laws. Daiso has cooperated fully with both local prosecutors and the United States Consumer Product Safety Commission to bring their consumer products into compliance with state and federal regulations, according to Rosen.

The lawsuit alleged that the company sold consumer products, including toys and children's products, made of materials that contain lead, lead compounds and/or certain phthalate compounds—used by manufacturers to make plastic more flexible and to add pleasant fragrances to consumer goods—without first providing clear and reasonable warnings in violation of Proposition 65.

The lawsuit also alleged that the company violated AB 1108 by selling toys or child care articles containing certain phthalate compounds exceeding 0.1 percent regardless of whether phthalate warnings were given or not.

Although there have not been any known illnesses or injuries caused by any of the Daiso products in question, current research suggests there are increased medical risks for children exposed to excess levels of phthalates and lead.

The civil penalties from the judgment will be used to provide money to support local enforcement of California consumer protection laws and for the state Safe Water and Toxic Enforcement Fund.

"The Santa Clara County District Attorney's Office is committed to protecting California consumers from potentially harmful products in the market place," Rosen said in a press release.

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Executive Summary

Conditional Use

HEARING DATE: JUNE 21, 2012

1650 Mission St. Suite 400 San Francisco, CA 94103-2479

Reception: 415.558.6378

Date:

June 14, 2012

2011.1056C

Case No.:

Project Address:

415.558.6409 22 PEACE PLAZA, SUITES 400-410 [AKA 22 PEACE PLAZA - LOCATED

WITHIN THE INTERIOR OF JAPAN CENTER (MIYAKO) EAST MALL]

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Planning Information:

NC-3 (Moderate-Scale) Neighborhood Commercial District

415.558.6377

Japantown Special Use District

50-X Height and Bulk District

Block/Lot:

0700/027

Project Sponsors:

Daiso California LLC (applicant)

Local Contact: Yoshihide Murata, Senior Vice President

26523 Danti Court Hayward, CA 94545

Japan Center West Associates, LP – Japan Center Malls (property owners)

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Staff Contact:

Sharon M. Young – (415) 558-6346

sharon.m.young@sfgov.org

Recommendation:

Approval with Conditions

PROJECT DESCRIPTION

The proposal is a request for Conditional Use authorization under Sections 249.31, 303, and 712.21 of the Planning Code to legalize a use size that exceeds 6,000 square feet of floor area with the merger of ground floor commercial tenant space Suite 400 (a retail variety store d.b.a. Daiso Japan established at the current location in July 2009) with Suite 410 (once vacant commercial tenant space previously occupied by Genji Antiques until March 2010) within the NC-3 (Neighborhood Commercial, Moderate-Scale) Zoning District, Japantown Special Use District, and a 50-X Height and Bulk District. The two commercial spaces were merged in December 2010 with the removal of interior wall partitions which previously separated Suite 400 (2775 square feet of floor area) and Suite 410 (5,606 square feet of floor area); the expanded space currently contains 8,381 square feet of floor area. No additional tenant improvements are proposed within the merged commercial tenant space nor are changes proposed to the exterior building envelope.

SITE DESCRIPTION AND PRESENT USE

The Project Site at 22 Peace Plaza (Suites 400-410) is on the north side of Geary Boulevard between Laguna and Webster Streets; Assessor's Block 0700; Lot 027. The irregular 'L-shaped' subject log is 18,883 square-feet in size and is occupied by Japan Center East (Mikayo) Mall within the NC-3 Zoning District, Japantown

www.sfplanning.org

Executive Summary Hearing Date: June 21, 2012

Special Use District, and a 50-X Height and Bulk District. The existing retail variety store d.b.a. Daiso Japan located within the interior of Japan Center East Mall was established in Suite 400 in July 2009 and merged with Suite 410 (once vacant commercial tenant space previously occupied by Genji Antiques until March 2010) in December 2010.

SURROUNDING PROPERTIES & NEIGHBORHOOD

The Project Site is located within the Western Addition Neighborhood and the southwest corner of the Japantown Special Use District. The Project Site is bounded by Japan Center West (Kintetsu) Mall and Peace Plaza to the west, Laguna Street to the east, Post Street to the north, and Geary Boulevard to the south. The site south of Geary Boulevard is zoned RM-3 (Residential, Mixed, Medium Density) and east of Laguna Street is zoned RM-4 (Residential, Mixed, High Density). Some of the existing commercial establishments adjacent to the existing retail variety store within the Japan Center East Mall include Ikkyo and Glam Up, Union Bank (located on a separate parcel).

ENVIRONMENTAL REVIEW

The Project is exempt from the California Environmental Quality Act ("CEQA") as a Class 1 categorical exemption.

HEARING NOTIFICATION

TYPE	REQUIRED PERIOD	REQUIRED NOTICE DATE	ACTUAL NOTICE DATE	ACTUAL PERIOD
Classified News Ad	20 days	June 1, 2012	May 30, 2012	22 days
Posted Notice	20 days	June 1, 2012	June 1, 2012	20 days
Mailed Notice	20 days	June 1, 2012	May 31, 2012	21 days

The proposal requires Section 312-neighborhood notification, which was conducted in conjunction with the conditional use authorization process.

PUBLIC COMMENT

As of June 14, 2012, the Department has not received any letters or phone calls in support of or in opposition to the project. On June 5, 2012, the project sponsor conducted a community outreach meeting of the project held at Union Bank Community Room located at 1675 Post Street between 6 p.m. - 9 p.m. The Department received one email in regards to information on the community outreach meeting.

REQUIRED COMMISSION ACTION

The proposal is for **Conditional Use** authorization under Sections 249.31, 303, and 712.21 of the Planning Code to legalize a use size that exceeds 6,000 square feet of floor area with the merger of ground floor commercial tenant space Suite 400 (a retail variety store d.b.a. Daiso Japan established at the current location since July 2009) with Suite 410 (once vacant commercial tenant space previously occupied by Genji Antiques until March 2010) within the NC-3 (Neighborhood Commercial, Moderate-Scale) Zoning District, Japantown Special Use District, and a 50-X Height and Bulk District.

ISSUES AND CONSIDERATIONS

- The existing Daiso Japan retail variety store is a commercial establishment which will continue to sell Japanese-themed retail goods and is considered one of the anchor stores occupying one of the larger commercial tenant spaces (which replaced a Japanese-themed retail store d.b.a. Genji Antiques which vacated the premises) within the Japan Center Mall. The existing store currently enhances the economic diversity of the neighborhood, is complementary to the other existing retail commercial tenants within the mall with no apparent adverse effect on the cultural and historic integrity, neighborhood character, development pattern, and design aesthetic of the Japantown Special Use District. According to the project sponsor, the existing Daiso Japan retail variety store is a neighborhood-serving use and its expansion from the previous 2,775 square feet to 8,381 square feet provides a more diverse inventory of Japanese products to the Japantown community. In addition, the existing use complements the local vendors within the Japan Center Mall and provides a draw for tourism traffic which further benefits the community with both employment and business opportunities.
- The existing Daiso Japan retail variety store was not considered a Formula Retail Use under Section 703.3 of the Planning Code since it was established in 2009 as the 9th Daiso Japan store located in the United States.
- The merger of the ground floor commercial tenant spaces (Suite 400 with Suite 410) without Conditional Use authorization is the subject of Planning Enforcement Case No. 11350, and if approved by the Planning Commission, the enforcement case will be closed.

BASIS FOR RECOMMENDATION

- The existing Daiso Japan retail variety store will continue to be complimentary to the existing mix of neighborhood-serving uses in the Japan Center Mall and within the surrounding neighborhood within the Japantown Special Use District. The proposed project meets all the applicable requirements of the Planning Code.
- The Department believes that this project is necessary and/or desirable for the following reasons:
 - a) The proposed project will enhance the economic diversity of the neighborhood by allowing an existing business which occupies a large commercial tenant space within the Japan Center Mall to remain in the area.
 - b) The proposed project is a neighborhood-serving use which residents can access by walking or taking public transit.
 - c) The proposed project will be consistent with the mixed commercial-residential character of this portion of the NC-3 Zoning District and is compatible with the cultural and historic integrity, neighborhood character, development pattern, and design aesthetic of the Japantown Special Use District.

RECOMMENDATION: App

Approval with Conditions

Planner's Initials

Attachments: Zoning District Map Parcel Map Sanborn Map Aerial Photographs Site and Context Photographs Reduced Plans		
Attachment Checklist		
Executive Summary	\boxtimes	Project sponsor submittal
Draft Motion		Drawings: Existing Conditions
Environmental Determination		Check for legibility
Zoning District Map		Drawings: Proposed Project
Height & Bulk Map		Check for legibility
Parcel Map		
Sanborn Map		
Aerial Photo		
Context Photos		
Site Photos		
		SMY
Exhibits above marked with an "X" are inc	luded	in this packet

SMY: C:\22 Peace Plaza, Suites 400-410 summary-smy.doc



SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)		1650 Mission St
☐ Inclusionary Housing (Sec. 315)	☐ First Source Hiring (Admin. Code)	Suite 400
☐ Jobs Housing Linkage Program (Sec. 313)	☐ Child Care Requirement (Sec. 314)	San Francisco, CA 94103-2479
☐ Downtown Park Fee (Sec. 139)	☐ Other	Reception:

Planning Commission Motion No.

HEARING DATE: JUNE 21, 2012

Planning Information: 415.558.6377

415.558.6409

Date:

June 14, 2012

Case No.:

2011.1056C

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22 PEACE PLAZA, SUITES 400-410 [AKA 22 PEACE PLAZA -

LOCATED WITHIN THE INTERIOR OF JAPAN CENTER (MIYAKO)

EAST MALL]

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Staff Contact:

Sharon M. Young - (415) 558-6346

sharon.m.young@sfgov.org

Recommendation:

Approval with Conditions

ADOPTING FINDINGS RELATED TO THE APPROVAL OF A CONDITIONAL USE AUTHORIZATION UNDER PLANNING CODE SECTIONS 249.31, 303, AND 712.21 TO LEGALIZE A USE SIZE THAT EXCEEDS 6,000 SQUARE FEET OF FLOOR AREA WITH THE MERGER OF GROUND FLOOR COMMERCIAL TENANT SPACE SUITE 400 (A RETAIL VARIETY STORE D.B.A. DAISO JAPAN ESTABLISHED AT THE CURRENT LOCATION IN JULY 2009) WITH SUITE 410 (ONCE VACANT COMMERCIAL TENANT SPACE PREVIOUSLY OCCUPIED BY GENJI ANTIQUES UNTIL MARCH 2010) WITHIN THE NC-3 (NEIGHBORHOOD COMMERCIAL, MODERATE-SCALE) ZONING DISTRICT, JAPANTOWN SPECIAL USE DISTRICT, AND A 50-X HEIGHT AND BULK DISTRICT.

Motion No. Hearing Date: June 21, 2012

PREAMBLE

On September 13, 2011, Yoshihide Murata representing Daiso California LLC, (hereinafter "Project Sponsor") made an application for Conditional Use authorization for the property at 22 Peace Plaza Suites 400-410 (located within the interior of Japan Center East Mall), Lot 027 in Assessor's Block 0700 (hereinafter "Subject Property"), pursuant to Planning Code Sections 249.31, 303, and 712.21 of the Planning Code to legalize a use size that exceeds 6,000 square feet of floor area with the merger of ground floor commercial tenant space Suite 400 (a retail variety store d.b.a. Daiso Japan established at the current location in July 2009) with Suite 410 (once vacant commercial tenant space previously occupied by Genji Antiques until March 2010) within the NC-3 (Neighborhood Commercial, Moderate-Scale) Zoning District, Japantown Special Use District, and a 50-X Height and Bulk District, in general conformity with plans dated September 19, 2011, and labeled "Exhibit B" (hereinafter "Project").

On June 21, 2012, the San Francisco Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Application No. 2011.1056C.

The Project is exempt from the California Environmental Quality Act ("CEQA") as a Class 1 categorical exemption.

The Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of the applicant, Department staff, and other interested parties.

MOVED, that the Commission hereby authorizes the Conditional Use requested in Application No. 2011.1056C, subject to the conditions contained in "EXHIBIT A" of this motion, based on the following findings:

FINDINGS

Having reviewed the materials identified in the recitals above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

- 1. The above recitals are accurate and constitute findings of this Commission.
- 2. Site Description and Present Use. The Project Site at 22 Peace Plaza (Suites 400-410) is on the north side of Geary Boulevard between Laguna and Webster Streets; Assessor's Block 0700; Lot 027. The irregular 'L-shaped' subject log is 18,883 square-feet in size and is occupied by Japan Center East (Mikayo) Mall within the NC-3 Zoning District, Japantown Special Use District, and a 50-X Height and Bulk District. The existing retail variety store d.b.a. Daiso Japan located within the interior of Japan Center East Mall was established in Suite 400 in July 2009 and merged with Suite 410 (once vacant commercial tenant space previously occupied by Genji Antiques until March 2010) in December 2010.
- 3. **Surrounding Properties and Neighborhood.** The Project Site is located within the Western Addition Neighborhood and the southwest corner of the Japantown Special Use District. The

Project Site is bounded by Japan Center West (Kintetsu) Mall and Peace Plaza to the west, Laguna Street to the east, Post Street to the north, and Geary Boulevard to the south. The site south of Geary Boulevard is zoned RM-3 (Residential, Mixed, Medium Density) and east of Laguna Street is zoned RM-4 (Residential, Mixed, High Density). Some of the existing commercial establishments adjacent to the existing retail variety store within the Japan Center East Mall include Ikkyo and Glam Up, Union Bank (located on a separate parcel).

4. **Project Description.** Request for Conditional Use authorization under Sections 249.31, 303, and 712.21 of the Planning Code to legalize a use size that exceeds 6,000 square feet of floor area with the merger of ground floor commercial tenant space Suite 400 (a retail variety store d.b.a. Daiso Japan established at the current location in July 2009) with Suite 410 (once vacant commercial tenant space previously occupied by Genji Antiques until March 2010) within the NC-3 (Neighborhood Commercial, Moderate-Scale) Zoning District, Japantown Special Use District, and a 50-X Height and Bulk District. The two commercial spaces were merged in December 2010 with the removal of interior wall partitions which previously separated Suite 400 (2775 square feet of floor area) and Suite 410 (5,606 square feet of floor area); the expanded space currently contains 8,381 square feet of floor area. No additional tenant improvements are proposed within the merged commercial tenant space nor are changes proposed to the exterior building envelope.

5. Issues and Other Considerations.

- According to the project sponsor, the existing Daiso Japan retail variety store is a neighborhood-serving use and its expansion from the previous 2,775 square feet to 8,381 square feet provides a more diverse inventory of Japanese products to the Japantown community. In addition, the existing use complements the local vendors within the Japan Center Mall and provides a draw for tourism traffic which further benefits the community with both employment and business opportunities.
- The existing Daiso Japan retail variety store was not considered a Formula Retail Use under Section 703.3 of the Planning Code since it was established in 2009 as the 9th Daiso Japan store located in the United States.
- 6. **Public Comment.** As of June 14, 2012, the Department has not received any letters or phone calls in support of or in opposition to the project. On June 5, 2012, the project sponsor conducted a community outreach meeting of the project held at Union Bank Community Room located at 1675 Post Street between 6 p.m. 9 p.m. The Department received one email in regards to information on the community outreach meeting.
- 7. Use District. The project site is within the NC-3 (Neighborhood, Moderate-Scale) District and within the boundaries of the Japantown Special Use District. The NC-3 District controls are intended to provide the opportunity for a wide variety of comparison and specialty goods and services to a population greater than the immediate neighborhood, additionally providing convenience goods and services to the surrounding neighborhoods. NC-3 Districts are linear districts located along heavily trafficked thoroughfares which also serve as major transit routes.

In 2006, the Japantown Special Use District was established to maintain the cultural and historic integrity and neighborhood of Japantown with purposes of: (1) Preserve and develop Japantown as a viable neighborhood by revitalizing its commercial, recreational, cultural, and spiritual identity as a local, regional, statewide, national, and international resource; (2) Enhance the distinctive image and unique character of Japantown to passing motorists, transit riders, and pedestrians through architectural design, streetscape enhancements, signage, and other elements of the built environment; (3) Strengthen and support Japantown's identity through recognition of its planning subdistricts including the Geary Boulevard corridor; Japantown Center; Post Street commercial core; Sutter Street community/cultural core; Buchanan Mall; Fillmore Street corridor; and surrounding residential districts; and (4) Encourage the representational expression of Japanese architectural design and aesthetic for commercial, cultural, and institutional uses.

- 8. **Planning Code Compliance:** The Commission finds that the project is consistent with the relevant provisions of the Planning Code in the following manner:
 - A. Existing Retail Variety Store Use D.B.A. Daiso Japan Exceeding Use Size Limits. Planning Code Section 712.21 establishes size limits on non-residential use sizes in the NC-3 Zoning District. Within the District, Conditional Use authorization is required for any non-residential use that meets or exceeds 6,000 square feet.

The proposal requires Conditional Use authorization under Planning Code Section 712.21 to legalize a use size that exceeds 6,000 square feet of floor area with the merger of ground floor commercial tenant space Suite 400 (a retail variety store d.b.a. Daiso Japan established at the current location in July 2009) with Suite 410 (once vacant commercial tenant space previously occupied by Genji Antiques until March 2010). The expanded space currently contains 8,381 square feet of floor area.

B. Existing Retail Variety Store Use D.B.A. Daiso Japan in the Japantown Special Use District. Under Planning Code Section 249.31(b) for any use subject to Conditional Use authorization and for any activity that the Planning Commission considers under its discretionary review power, the Planning Commission shall make the following additional findings:

<u>Planning Code Section 249.31(b)(2)(i)</u> - The use is not incompatible with the cultural and historic integrity, neighborhood character, development pattern, and design aesthetic of the Japantown Special Use District; and

<u>Planning Code Section 249.31(b)(2)(ii)</u> - The use supports one or more of the purposes for establishing the Japantown Special Use District.

The existing Daiso Japan retail variety store is a commercial establishment which will continue to sell Japanese-themed retail goods and is considered one of the anchor stores occupying one of the larger commercial tenant spaces (which replaced a Japanese-themed retail store d.b.a. Genji Antiques which vacated the premises) within the Japan Center Mall. The existing store currently enhances the economic diversity of the neighborhood, is complementary to the other existing retail commercial tenants within the mall with no apparent adverse effect on the cultural and historic integrity,

neighborhood character, development pattern, and design aesthetic of the Japantown Special Use District.

<u>Planning Code Section 249.31(b)(3)</u> - Any change in use or establishment of a new use in the neighborhood commercial zones within this Special Use District shall require notice pursuant to Planning Code Section 312.

The proposal requires Section 312-neighborhood notification, which was conducted in conjunction with the conditional use notification process.

C. Hours of Operation. Planning Code Section 712.27 does not limit hours of operation.

Pursuant to Planning Code Section 712.27, there are no limits on the hours of operation for commercial uses within the NC-3 Zoning District. The current hours of operation of the existing retail variety store are 10 a.m. to 8 p.m. Monday through Sunday.

D. Street Frontage in Neighborhood Commercial Districts. Section 145.1 of the Planning Code requires that within NC Districts space for active uses shall be provided within the first 25 feet of building depth on the ground floor and 15 feet on floors above from any facade facing a street at least 30 feet in width. In addition, the floors of street-fronting interior spaces housing non-residential active uses and lobbies shall be as close as possible to the level of the adjacent sidewalk at the principal entrance to these spaces. Frontages with active uses that must be fenestrated with transparent windows and doorways for no less than 60 percent of the street frontage at the ground level and allow visibility to the inside of the building. The use of dark or mirrored glass shall not count towards the required transparent area. Any decorative railings or grillwork, other than wire mesh, which is placed in front of or behind ground floor windows, shall be at least 75 percent open to perpendicular view. Rolling or sliding security gates shall consist of open grillwork rather than solid material, so as to provide visual interest to pedestrians when the gates are closed, and to permit light to pass through mostly unobstructed. Gates, when both open and folded or rolled as well as the gate mechanism, shall be recessed within, or laid flush with, the building facade.

Approximately 45% of the street frontage at the ground level on Geary Boulevard (53 feet on Geary Boulevard) is fenestrated with transparent windows and doorways allowing for visibility to the inside of the building. In addition, approximately 41% of the frontage at the ground level facing Peace Plaza is fenestrated with transparent windows and doorways allowing for visibility to the inside of the building.

E. **Off-Street Parking and Loading.** Planning Code Sections 712.22 and 151 require off-street parking for every 500 square-feet of occupied floor area, where the occupied floor area exceeds 5,000 square feet but not in excess of 20,000 square feet. Section 152 requires one off-street loading space for retail stores between 10,001 and 60,000 gross square feet.

The subject commercial tenant space, with 8,381 square feet in floor area, requires 17 off-street parking spaces which will be provided within the existing basement level parking garage (Japantown Main Garage) within the mall. There is also an off-street parking garage within the surrounding

neighborhood (Fillmore Street Annex Garage). The existing commercial tenant space does not require any loading spaces.

- F. **Signage.** Any existing and proposed signage will be subject to the review and approval of the Planning Department and must comply with Article 6 of the Planning Code.
- 9. Section 303(c) establishes criteria for the Planning Commission to consider when reviewing applications for Conditional Use approval. On balance, the project does comply with said criteria in that:
 - (1) The proposed new uses and building, at the size and intensity contemplated and at the proposed location, will provide a development that is necessary or desirable, and compatible with, the neighborhood or the community.

The proposal will not involve additional interior tenant improvements to the ground floor commercial space or exterior modifications to the storefront located within the Japan Center East Mall. The proposal is complimentary to the existing commercial establishments within the Japanese-themed mall which contains a mix of eating and drinking establishments and retail stores.

- (2) The proposed project will not be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity. There are no features of the project that could be detrimental to the health, safety or convenience of those residing or working the area, in that:
 - (A) Nature of proposed site, including its size and shape, and the proposed size, shape and arrangement of structures;

The size and shape of the site and the arrangement of the structures on the site are adequate for the proposed project. There will be no exterior expansion of the existing building.

(B) The accessibility and traffic patterns for persons and vehicles, the type and volume of such traffic, and the adequacy of proposed off-street parking and loading;

Existing traffic patterns will not be significantly affected by the proposed project. Public transit that is in close proximity to the proposed amusement game arcade establishment and retail store includes Muni Line 2, 3, 4, and 38 Judah within walking distance of the project site. There is on-street parking in front of the subject mall and in the surrounding neighborhood. There are also two parking garages (Japan Center Main Garage and Fillmore Street Annex Garage) within the mall and surrounding neighborhood.

(C) The safeguards afforded to prevent noxious or offensive emissions such as noise, glare, dust and odor;

No noxious or offensive emissions such as noise, glare, dust, or odor are expected to be produced by the proposed project.

(D) Treatment given, as appropriate, to such aspects as landscaping, screening, open spaces, parking and loading areas, service areas, lighting and signs;

The proposal will not involve additional interior tenant improvements to the ground floor commercial space and exterior modifications to the storefront located within the Japan Center East Mall. There will be no addition of parking spaces, loading facilities, open space or service areas. All project signage and projections will be consistent with the controls of the Planning Code.

i. That the use as proposed will comply with the applicable provisions of the Planning Code and will not adversely affect the General Plan.

The proposed project complies with all relevant requirements and standards of the Planning Code and is consistent with objectives and policies of the General Plan as detailed below.

ii. That the use as proposed would provide development that is in conformity with the purpose of the applicable Neighborhood Commercial District.

The proposed project is consistent with the stated purpose of the NC-3 Zoning District in that the intended use is a neighborhood-serving business.

10. **General Plan Compliance.** The project is consistent with the Objectives and Policies of the General Plan in that:

COMMERCE AND INDUSTRY ELEMENT

GENERAL/CITYWIDE

OBJECTIVE 1:

MANAGE ECONOMIC GROWTH AND CHANGE TO ENSURE ENHANCEMENT OF THE TOTAL CITY LIVING AND WORKING ENVIRONMENT.

Policy 1.1:

Encourage development which provides substantial net benefits and minimizes undesirable consequences. Discourage development, which has substantial undesirable consequences that cannot be mitigated.

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Policy 1.2:

Assure that all commercial and industrial uses meet minimum, reasonable performance standards.

Policy 1.3:

Locate commercial and industrial activities according to a generalized commercial and industrial land use plan.

The proposed project would allow for the retention of an existing commercial use within the Japan Center East Mall within the NC-3 Zoning District which will enhance the diverse economic base of the City.

NEIGHBORHOOD COMMERCE

Objectives and Policies

Policy 1:

Ensure and encourage the retention and provision of neighborhood-serving goods and services in the city's neighborhood commercial districts, while recognizing and encouraging diversity among the districts.

The existing retail variety store d.b.a. Daiso Japan which is currently one of the anchor tenants within Japan Center will continue to be complimentary to the type of uses characterizing this portion of the NC-3 Zoning District which primarily include a mixture of food establishments, retail establishments, and a few medical and personal service establishments.

Policy 3:

Preserve and promote the mixed commercial-residential character in neighborhood commercial districts. Strike a balance between the preservation of affordable housing and the needed expansion of commercial activity.

Approval of the proposed project would be consistent with the mixed commercial-residential character of this portion of the NC-3 Zoning District. The proposed project would not adversely affect any affordable housing resources in the neighborhood.

Policy 4:

Encourage the location of neighborhood shopping areas throughout the city so that essential retail goods and personal services are accessible to all residents.

The existing retail variety store d.b.a. Daiso Japan will continue to provide goods and services that is accessible to all residents within this portion of the NC-3 Zoning District.

Policy 9:

Regulate uses so that traffic impacts and parking problems are minimized.

The proposed project does not adversely affect public transit or place a burden on the existing supply of parking in the neighborhood. Many patrons are able to walk from their residences or places of

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employment, and the project is well served by public transportation. There is on-street and off-street parking on the subject block and in the surrounding neighborhood.

URBAN DESIGN ELEMENT

CITY PATTERN

Objectives and Policies

OBJECTIVE 1:

EMPHASIS OF THE CHARACTERISTIC PATTERN WHICH GIVES TO THE CITY AND ITS NEIGHBORHOODS AN IMAGE, A SENSE OF PURPOSE AND A MEANS OF ORIENTATION.

Policy 3:

Recognize that buildings, when seen together, produce a total effect that characterizes the City and its districts.

The project's design preserves the existing neighborhood character since the proposal does not include any facade and exterior envelope changes to the existing building (Japan Center East Mall).

- 11. Section 101.1(b) establishes eight priority planning policies and requires the review of permits that authorize changes of use for consistency with said policies:
 - **(1)** That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced.
 - The proposed project will preserve and enhance existing neighborhood-serving retail uses by continuing to occupy a commercial space. The proposed project will not alter the existing mix of commercial establishments within the immediate neighborhood. The proposed project will continue to provide job opportunities to the City.
 - (2) That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods.
 - The proposed project will preserve and enhance the cultural and economic diversity of the neighborhood by retaining an existing business in the area. Existing housing will not be significantly affected by the proposed project.
 - (3) That the City's supply of affordable housing be preserved and enhanced.
 - The proposed project will not displace any affordable housing.
 - That commuter traffic not impede MUNI transit service or overburden our **(4)** streets or neighborhood parking.

The proposed project will not significantly increase automobile traffic congestion and parking problems in the neighborhood. The proposal is a neighborhood-serving use which residents can access by walking or taking public transit.

- (5) That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced.
 - There is no commercial office development associated with the proposed project and there will be no displacement of any existing industrial or service businesses in the area.
- (6) That the City achieves the greatest possible preparedness to protect against injury and loss of life in an earthquake.
 - The proposed project will comply with all applicable earthquake safety standards and built to the current standards of the California Building Code.
- (7) That landmark and historic buildings be preserved.
 The proposed project will not significantly affect any landmarks or historic buildings.
- (8) That our parks and open space and their access to sunlight and vistas be protected from development.
 - The proposed project will not affect any city-owned park or open space.
- 12. The project is consistent with and would promote the general and specific purposes of the Code provided under Section 101.1(b) in that, as designed, the project would contribute to the character and stability of the neighborhood and would constitute a beneficial development.
- 13. The Commission hereby finds that approval of the Conditional Use Authorization would promote the health, safety and welfare of the City.

DECISION

That based upon the Record, the submissions by the Applicant, the staff of the Department and other interested parties, the oral testimony presented to this Commission at the public hearings, and all other written materials submitted by all parties, the Commission hereby **APPROVES Conditional Use Application No. 2011.1056C** subject to the following conditions attached hereto as "EXHIBIT A" which is incorporated herein by reference as though fully set forth.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Conditional Use Authorization to the Board of Supervisors within thirty (30) days after the date of this Motion No. XXXXX. The effective date of this Motion shall be the date of this Motion if not appealed (After the 30-day period has expired) OR the date of the decision of the Board of Supervisors if appealed to the Board of Supervisors. For further information, please contact the Board of Supervisors at (415) 554-5184, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on June 21, 2012.

Commission Secretary		
AYES:		
NAYS:		
ABSENT:		
ADOPTED:		

EXHIBIT A

AUTHORIZATION

This authorization is for a Conditional Use to legalize a use size that exceeds 6,000 square feet of floor area with the merger of ground floor commercial tenant space Suite 400 (a retail variety store d.b.a. Daiso Japan established at the current location in July 2009) with Suite 410 (once vacant commercial tenant space previously occupied by Genji Antiques until March 2010) within the Japan Center East (Miyako) Mall in Assessor's Block 0700, Lot 027, pursuant to Planning Code Sections 249.31, 303, and 712.21 within the NC-3 (Neighborhood Commercial, Moderate-Scale) Zoning District, Japantown Special Use District, and a 50-X Height and Bulk District; in general conformance with plans, dated September 19, 2012, and stamped "EXHIBIT B" included in the docket for Case No. 2011.1056C and subject to conditions of approval reviewed and approved by the Commission on June 21, 2012, under Motion No. XXXXX. This authorization and the conditions contained herein run with the property and not with a particular project sponsor, business, or operator.

The two commercial spaces were merged in December 2010 with the removal of interior wall partitions which previously separated Suite 400 (2775 square feet of floor area) and Suite 410 (5,606 square feet of floor area); the expanded space currently contains 8,381 square feet of floor area. No additional tenant improvements are proposed within the merged commercial tenant space nor are changes proposed to the exterior building envelope.

RECORDATION OF CONDITIONS OF APPROVAL

Prior to the issuance of the building permit or commencement of use for the project the Zoning Administrator shall approve and order the recordation of a Notice in the Official Records of the Recorder of the City and County of San Francisco for the subject property. This Notice shall state that the project is subject to the conditions of approval contained herein and reviewed and approved by the Planning Commission on June 21, 2012 under Motion No. XXXXX.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the 'Exhibit A' of this Planning Commission Motion No. 18479 shall be reproduced on the Index Sheet of construction plans submitted with the site or building permit application for the project. The Index Sheet of the construction plans shall reference to the Conditional Use authorization and any subsequent amendments or modifications.

SEVERABILITY

The project shall comply with all applicable City codes and requirements. If any clause, sentence, section or any part of these conditions of approval is for any reason held to be invalid, such invalidity shall not affect or impair other remaining clauses, sentences, or sections of these conditions. This decision conveys no right to construct, or to receive a building permit. "Project Sponsor" shall include any subsequent responsible party.

CHANGES AND MODIFICATIONS

Changes to the approved plans may be approved administratively by the Zoning Administrator. Significant changes and modifications of conditions shall require Planning Commission approval of a new Conditional Use authorization.

Conditions of Approval, Compliance, Monitoring, and Reporting PERFORMANCE

1. Validity and Expiration. The authorization and right vested by virtue of this action is valid for three years from the effective date of the Motion. A building permit from the Department of Building Inspection to construct the project and/or commence the approved use must be issued as this Conditional Use authorization is only an approval of the proposed project and conveys no independent right to construct the project or to commence the approved use. The Planning Commission may, in a public hearing, consider the revocation of the approvals granted if a site or building permit has not been obtained within three (3) years of the date of the Motion approving the project. Once a site or building permit has been issued, construction must commence within the timeframe required by the Department of Building Inspection and be continued diligently to completion. The Commission may also consider revoking the approvals if a permit for the project has been issued but is allowed to expire and more than three (3) years have passed since the Motion was approved.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, <u>www.sf-planning.org</u>

2. **Extension.** This authorization may be extended at the discretion of the Zoning Administrator only where failure to issue a permit by the Department of Building Inspection to perform said tenant improvements is caused by a delay by a local, State or Federal agency or by any appeal of the issuance of such permit(s).

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, <u>www.sf-planning.org</u>

DESIGN - COMPLIANCE AT PLAN STAGE

3. **Signage.** All existing and proposed exterior signage shall be designed to compliment, not compete with, the existing architectural character and architectural features of the building and shall be consistent with the controls of Article 6 of the Planning Code. Project signage shall be reviewed and approved by the Planning Department. A Building Permit from the Department of Building Inspection must be obtained for all exterior proposed project signage.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, <u>www.sf-planning.org</u>.

MONITORING - AFTER ENTITLEMENT

4. **Revocation due to Violation of Conditions.** Should implementation of this project result in complaints from interested property owners, residents, or commercial lessees which are not resolved by the project sponsor and found to be in violation of the Planning Code and/or the specific

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conditions of approval for the project as set forth in Exhibit A of this Motion, the Zoning Administrator shall refer such complaints to the Commission, after which it may hold a public hearing on the matter to consider revocation of this authorization.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, <u>www.sf-planning.org</u>

OPERATION

- 5. **Garbage, Recycling, and Composting Receptacles.** Garbage, recycling, and compost containers shall be kept within the premises and hidden from public view, and placed outside only when being serviced by the disposal company. Trash shall be contained and disposed of pursuant to garbage and recycling receptacles guidelines set forth by the Department of Public Works.

 For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works at 415-554-5810, http://sfdpw.org
- 6. Community Liaison. Prior to issuance of a building permit to construct the project and implement the approved use, the project sponsor shall appoint a community liaison officer to deal with the issues of concern to owners and occupants of nearby properties. The project sponsor shall provide the Zoning Administrator with written notice of the name, business address, and telephone number of the community liaison. Should the contact information change, the Zoning Administrator shall be made aware of such change. The community liaison shall report to the Zoning Administrator what issues, if any, are of concern to the community and what issues have not been resolved by the project sponsor.

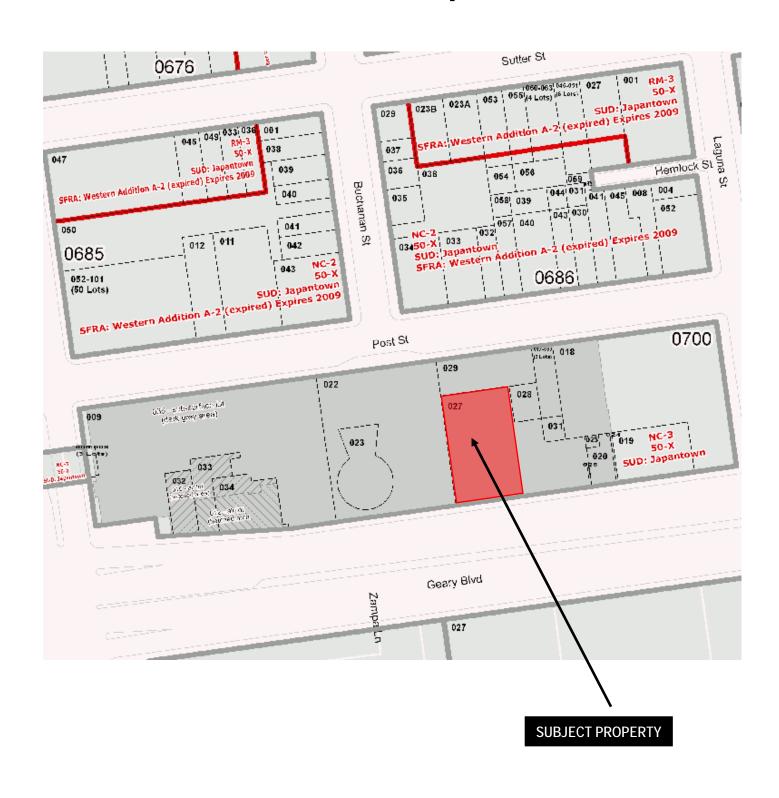
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, <u>www.sf-planning.org</u>

Zoning Map



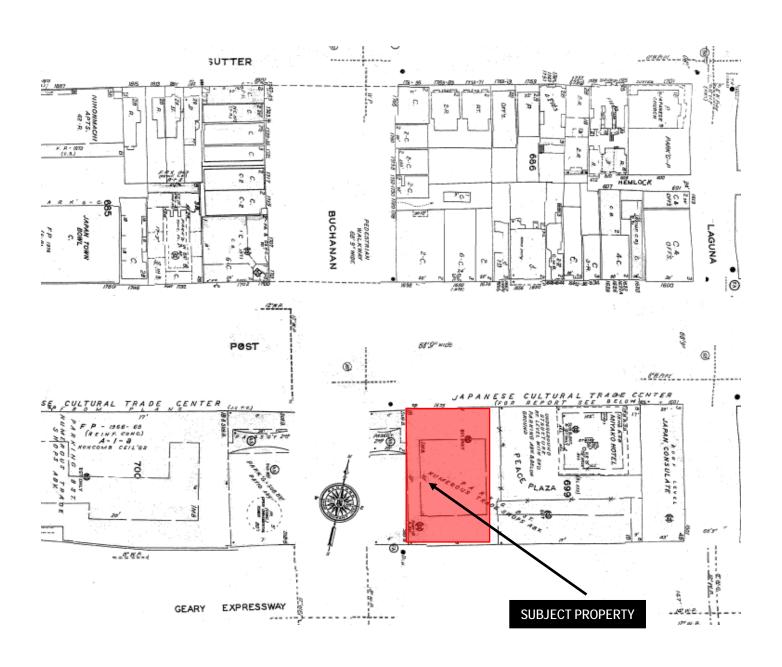


Parcel Map





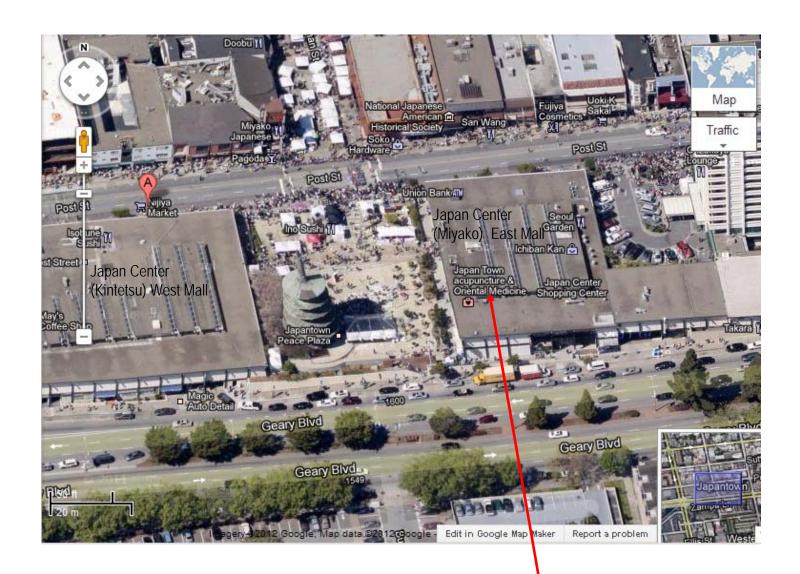
Sanborn Map*



*The Sanborn Maps in San Francisco have not been updated since 1998, and this map may not accurately reflect existing conditions.



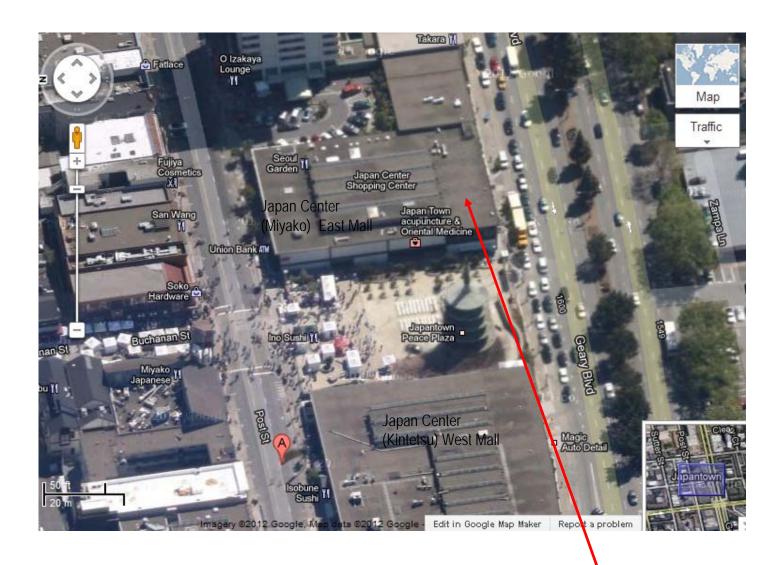
Aerial Photo*



SUBJECT PROPERTY



Aerial Photo*



SUBJECT PROPERTY



Site Photo

(ON GEARY BOULEVARD)



SUBJECT PROPERTY

Site Photo

(FACING PEACE PLAZA)



SUBJECT PROPERTY









