

## SAN FRANCISCO PLANNING DEPARTMENT

## Executive Summary Conditional Use

**HEARING DATE: JANUARY 15, 2014** 

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

Reception:

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Planning Information: 415.558.6377

Date: January 8, 2015

Case No.: **2014.0703C** 

Project Address: 400 Alabama Street

Zoning: Production, Distribution, and Repair - General (PDR-1-G) District

Mission Alcoholic Beverage Special Use District

68-X Height and Bulk District

Block/Lot: 3968/001

Project Sponsor: Gus's Community Market LLC

1530 Haight Street

San Francisco, CA 94117

*Staff Contact:* Doug Vu – (415) 575-9120

Doug.Vu@sfgov.org

Recommendation: Approval with Conditions

#### PROJECT DESCRIPTION

The Project Sponsor seeks a Conditional Use Authorization pursuant to Planning Code Sections 218(a), 249.60(b) and 303, for a change of use to establish a general grocery store and accessory restaurant (dba Gus's Community Market) in a portion of the ground floor of an existing industrial building located at 400 Alabama Street. The grocery store would offer a combination of food and non-food commodities, including prepared foods. The Sponsor intends to seek ABC licenses for beer and wine sales for on-site, as well as beer, wine and distilled spirits for off-site consumption. The proposed hours of operation would be from 7:00 a.m. to 10 p.m., daily.

The proposed neighborhood-serving grocery store and accessory restaurant would occupy 9,975 gross sq. ft. at the ground floor, and 20 parking spaces within an existing 11,800 sq. ft. garage on the subject property would be provided for customer use. The 430 sq. ft. accessory restaurant within the store would provide seating for customers to consume food that is prepared and purchased on-site. The Project would not result in any expansion of the existing building, although interior improvements and the installation of new windows, awnings and signage would be completed at the primary facades near the entrance on Harrison Street.

Gus's Community Market will be part of a local, family-based business that operates two similar grocery stores in the Haight Ashbury and Outer Sunset neighborhoods. Haight Street Market, located at 1530 Haight Street was established in 1981, and Noriega Produce at 3821 Noriega Street was established in 1985.

#### **Executive Summary** Hearing Date: January 15, 2015

#### SITE DESCRIPTION AND PRESENT USE

The Project is located at the southwest corner of Alabama and 17th Streets within the Production, Distribution, and Repair - General (PDR-1-G) Zoning District and a 68-X Height and Bulk District. The 24,900 square foot rectangular lot is developed with a 51,270 sq. ft. industrial building including the aforementioned garage, and has frontage along Alabama, 17th and Harrison Streets. The ground floor of this 1946 building is currently vacant, and was last occupied approximately six months ago as a packaging and distribution center for a company that sold adult-oriented merchandise. The second floor is currently occupied with office and light industrial uses by two separate tenants.

#### SURROUNDING PROPERTIES AND NEIGHBORHOOD

The surrounding neighborhood within this area of the Mission District is moderately mixed in character, and improved with industrial buildings on PDR-1-G zoned lots that provide business services, storage, distribution, and light manufacturing/processing. Ground floor retail uses are also present within the buildings that support these businesses, in addition to the live/work units located on the surrounding Urban Mixed Use (UMU) zoned lots. To a lesser extent, small clusters of properties that are zoned multifamily residential (RH-2 and RH-3) are scattered throughout this area, whereas the majority of the properties located south of 20th Street are residentially zoned. MUNI Bus Lines 33 and 27 are routed two blocks from the subject property, and lines 9, 14, 33, 49 are routed five blocks away in various directions. Franklin Square Park is located two blocks east of the project site, and a block-long storage and maintenance facility operated by the Metropolitan Transportation Authority is located one block north of the site. The Mission Street NCT is located approximately five blocks west, and the elevated US 101 Central Freeway is four blocks north of the project site.

#### **ENVIRONMENTAL REVIEW**

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

#### **HEARING NOTIFICATION**

ТҮРЕ	REQUIRED PERIOD	REQUIRED NOTICE DATE	ACTUAL NOTICE DATE	ACTUAL PERIOD
Classified News Ad	20 days	December 26, 2014	December 24, 2014	22 days
Posted Notice	20 days	December 26, 2014	December 26, 2014	20 days
Mailed Notice	10 days	January 5, 2015	December 24, 2014	22 days

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

#### **PUBLIC COMMENT**

To date, the Department has received five letters of support from nearby businesses and organizations including Heath Ceramics, Mission Creek Merchants Association, and the North East Mission Business Association. The letters identify a much needed neighborhood-serving use

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that Gus's Community Market would provide, and praise the Project Sponsor's responsible business practices and community support to the neighborhoods where they are located.

#### ISSUES AND OTHER CONSIDERATIONS

- The Commerce and Industry Element of the General Plan contains policies that encourage development which provides substantial net benefits and minimizes undesirable consequences, and promote the attraction of commercial and industrial firms which provide employment improvement opportunities for unskilled and semi-skilled workers.
- An objective of the Mission Area Plan is to strengthen the Mission's existing mixed use character, while maintaining the neighborhood as a place to live and work.
- The Project will occupy a large tenant space that has been vacant for six months.
- Other full-service grocery stores in the vicinity and their respective distance from the Project include Safeway at 2300 16<sup>th</sup> Street (0.3 mi.), Rainbow Grocery at 1745 Folsom Street (0.4 mi.), Trader Joe's at 555 19<sup>th</sup> Street (0.5 mi.), and Bi-Rite at 3639 18<sup>th</sup> Street (0.7 mi.).

#### REQUIRED COMMISSION ACTION

In order for the project to proceed, the Commission must grant conditional use authorization to allow the establishment of a grocery store within the Production, Distribution and Repair - General District and Mission Alcohol Beverage Special Use District pursuant to Planning Code Sections 218(a), 249.60(b) and 303.

#### BASIS FOR RECOMMENDATION

- The Project will provide a needed neighborhood-serving use that will offer an extensive selection of goods found in a full-service grocery store, including fresh produce.
- The Project will create employment opportunities for San Francisco residents that include 50-60 full-time, and 20-30 part-time jobs. These positions include cashiers, baristas, production staff, grocery clerks, cooks, cleaning crew, butchers, seafood clerks, produce clerks, and department managers. These positions do not require specialized training and would provide promotional opportunities within the business.
- The project would not displace an existing tenant.
- The project will activate the surrounding neighborhood throughout the day and early evening.
- The project meets all applicable requirements of the Planning Code.
- The project is desirable for, and compatible with the surrounding neighborhood.
- The business is locally-owned, not a Formula Retail use, and would serve the immediate neighborhood.

RECOMMENDATION: Approval with Conditions

#### **Attachments:**

Block Book Map

#### CASE NO. 2014.0703C 400 Alabama Street

Executive Summary Hearing Date: January 15, 2015

Sanborn Map
Zoning Map
Aerial Photographs
Public Correspondence
Project Sponsor Submittal, including:

- Cover Letter to the Commission
- Reduced Plans

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Attachment Checklist

	Executive Summary		Project sponsor submittal
	Draft Motion		Drawings: Existing Conditions
	Environmental Determination		Check for legibility
	Zoning District Map		Drawings: <u>Proposed Project</u>
	Height & Bulk Map		Check for legibility
	Parcel Map		3-D Renderings (new construction or significant addition)
	Sanborn Map		Check for legibility
	Aerial Photo		Wireless Telecommunications Materials
	Context Photos		Health Dept. review of RF levels
	Site Photos		RF Report
			Community Meeting Notice
			Housing Documents
			Inclusionary Affordable Housing Program: Affidavit for Compliance
]	Exhibits above marked with an "X" are inc	clude	d in this packetDV
			Planner's Initials

 $G: \label{localization} G: \label{localization} Local Alabama Street\_2014.0703C \label{localization}$ 



## SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)	
☐ Affordable Housing (Sec. 415)	☐ First Source Hiring (Admin. Code)
☐ Jobs Housing Linkage Program (Sec. 413)	☐ Child Care Requirement (Sec. 414)
☐ Downtown Park Fee (Sec. 412)	☐ Other

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### **Planning Commission Draft Motion**

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Mission Alcoholic Beverage Special Use District

68-X Height and Bulk District

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Project Sponsor: Gus's Community Market LLC

1530 Haight Street

San Francisco, CA 94117

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ADOPTING FINDINGS RELATING TO THE APPROVAL OF CONDITIONAL USE AUTHORIZATION PURSUANT TO SECTIONS 218(a), 249.60(b) AND 303 OF THE PLANNING CODE FOR A CHANGE OF USE TO ESTABLISH A GENERAL GROCERY STORE THAT INCLUDES AN OFF-SALE LIQUOR LICENSE TRANSFERRED FROM WITHIN THE MISSION ALCOHOLIC BEVERAGE SPECIAL USE DISTRICT AND ACCESSORY RESTAURANT (D.B.A. GUS'S COMMUNITY MARKET) WITHIN A PDR-1-G (PRODUCTION, DISTRIBUTION, AND REPAIR - GENERAL) DISTRICT, MISSION ALCOHOLIC BEVERAGE SPECIAL USE DISTRICT AND A 68-X HEIGHT AND BULK DISTRICT.

#### **PREAMBLE**

On May 8, 2014, Gregg Miller on behalf of Gus's Community Market LLC (hereinafter "Project Sponsor") filed an application with the Planning Department (hereinafter "Department") for Conditional Use Authorization under Planning Code Sections 218(a), 249.60(b) and 303 for a change of use to establish a general grocery store and accessory restaurant (d.b.a. Gus's Community Market) within a PDR-1-G (Production, Distribution, and Repair - General) District, Mission Alcoholic Beverage Special Use District and a 68-X Height and Bulk District.

On January 15, 2015, the San Francisco Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Application No. 2014.0703C.

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

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. 2014.0703C, subject to the conditions contained in "EXHIBIT A" of this motion, based on the following findings:

#### **FINDINGS**

Having reviewed the materials identified in the preamble 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 is located at the southwest corner of Alabama and 17th Streets within the Production, Distribution, and Repair General (PDR-1-G) Zoning District and a 68-X Height and Bulk District. The 24,900 square foot rectangular lot is developed with a 51,270 sq. ft. industrial building including the aforementioned garage, and has frontage along Alabama, 17th and Harrison Streets. The ground floor of this 1946 building is currently vacant, and was last occupied approximately six months ago by a company that distributed and sold adult-oriented merchandise. The second floor is currently occupied with office and light industrial uses by two separate tenants.
- 3. Surrounding Properties and Neighborhood. The surrounding neighborhood within this area of the Mission District is moderately mixed in character, and improved with industrial buildings on PDR-1-G zoned lots that provide business services, storage, distribution, and light manufacturing/processing. Ground floor retail uses are also present within the buildings that support these businesses, in addition to the live/work units located on the surrounding Urban Mixed Use (UMU) zoned lots. To a lesser extent, small clusters of properties that are zoned multifamily residential (RH-2 and RH-3) are scattered throughout this area, whereas the majority of the properties located south of 20th Street are residentially zoned. MUNI Bus Lines 33 and 27 are routed two blocks from the subject property, and lines 9, 14, 33, 49 are routed five blocks away in various directions. Franklin Square Park is located two blocks east of the project site, and a blocklong storage and maintenance facility operated by the Metropolitan Transportation Authority is located one block north of the site. The Mission Street NCT is located approximately five blocks west, and the elevated US 101 Central Freeway is four blocks north of the project site.

4. **Project Description.** The Project Sponsor seeks a Conditional Use Authorization pursuant to Planning Code Sections 218(a), 249.60(b) and 303, for a change of use to establish a general grocery store and accessory restaurant (dba Gus's Community Market) in a portion of the ground floor of an existing industrial building located at 400 Alabama Street. The grocery store would offer a combination of food and non-food commodities, including prepared foods. The Sponsor intends to seek ABC licenses for beer and wine sales for on-site, as well as beer, wine and distilled spirits for off-site consumption. The proposed hours of operation would be from 7:00 a.m. to 10 p.m., daily.

The proposed neighborhood-serving grocery store and accessory restaurant would occupy 9,975 gross sq. ft. at the ground floor, and 20 parking spaces within an existing 11,800 sq. ft. garage on the subject property would be provided for customer use. The 430 sq. ft. accessory restaurant within the store would provide seating for customers to consume food that is prepared and purchased on-site. The Project would not result in any expansion of the existing building, although interior improvements and the installation of new windows, awnings and signage would be completed at the primary facades near the entrance on Harrison Street.

Gus's Community Market will be part of a local, family-based business that operates two similar grocery stores in the Haight Ashbury and Outer Sunset neighborhoods. Haight Street Market, located at 1530 Haight Street was established in 1981, and Noriega Produce at 3821 Noriega Street was established in 1985.

- 5. Public Comment. The Department has received five letters of support from nearby businesses and organizations including Heath Ceramics, Mission Creek Merchants Association, and the North East Mission Business Association. The letters identify a much needed neighborhood-serving use that Gus's Community Market would provide, and praise the Project Sponsor's responsible business practices and community support to the neighborhoods where they are located.
- 6. **Planning Code Compliance:** The Commission finds that the Project is consistent with the relevant provisions of the Planning Code in the following manner:
  - A. **Off-Street Parking.** Planning Code Section 151.1 allows one off-street parking space for each 500 sq. ft. of floor area for retail uses, including grocery stores.

The Project includes a 9,975 sq. ft. grocery store and proposes twenty (20) off-street parking spaces in a garage on the same property, which is permitted to have no more than twenty (20) spaces under the Code.

B. **Bicycle Parking.** Planning Code Section 155.2.15 requires one Class 1 parking space for every 7,500 sq. ft., and one Class 2 space for every 2,500 sq. ft. of floor area.

The Project will provide six Class 1 and six Class 2 bicycle parking spaces, which exceeds the one Class 1 and four Class 2 spaces required under the Code.

C. **Signage**. Any signs on the property shall be made to comply with the requirements of Article 6 of the Code. Any proposed signage will be subject to the review and approval of the Planning Department.

Any proposed signage shall be subject to the review of the Planning Department.

D. **Diaper Changing Station.** Planning Code Section 168 requires any Public Serving Establishment that is 5,000 sq. ft. or more in size to provide a safe, sanitary and convenient baby diaper-changing station, deck table or similar amenity which is installed or placed in a separate, designated location. Such accommodations may include, but are not limited to, stations, decks and tables in women's and men's restrooms or unisex/family restrooms.

The Project is considered a Public Serving Establishment and will provide a diaper changing station required under the Planning Code.

E. Accessory Uses. Planning Code Section 204.3(d) permits an accessory use to a principal or conditional use in any PDR District which does not involve or require the use of more than one-third (1/3) of the total floor area occupied by such use and the principal or conditional use to which it is accessory, except in the case of accessory retail, off-street parking, and loading. Multiple PDR uses within a single building or development may combine their accessory retail allotment into one or more shared retail spaces, provided that the total allotment of accessory retail space per use does not exceed what otherwise would be permitted by this Section.

The proposed restaurant will occupy approximately 430 sq. ft., which is equivalent to 4.3 percent of the 9,975 sq. ft. of total floor area occupied by the grocery store, and is considered an accessory use pursuant to Planning Code Section 204.3(d).

F. Grocery Store Use. Planning Code Section 218(a) permits grocery stores within the PDR-1-G District subject to approval by the Planning Commission as a conditional use, as provided in Section 303 of the Code.

The Project Sponsor has applied for a Conditional Use Authorization to establish a grocery store in an existing building located in the PDR-1-G District.

G. Mission Alcohol Beverage Special Use District. Planning Code Section 249.60(b)(2) requires grocery stores that are greater than 5,000 sq. ft. and sell alcohol for off-site consumption to obtain their liquor license from within the Special Use District (SUD), and comply with the limitations set forth in Section 790.55 of the Code. In addition, Section 249.60(b)(1) allows a restaurant operating as Bona Fide Eating Place, as defined by Code Sections 790.91 and 790.142, respectively, to serve alcoholic beverages with the required liquor license that is transferred from within or outside the SUD.

The Project will obtain the necessary liquor license from within the Special Use District to sell beer, wine, or distilled spirits in the grocery store for consumption off the premises. The area within the store that is devoted to the display and sale of alcoholic beverages will occupy less than 1,496 sq. ft., or fifteen percent of the gross square footage of the grocery store. In addition, the Project will also obtain

the necessary liquor license to serve alcoholic beverages for on-site consumption within the dedicated 430 sq. ft. portion of the store that is considered an accessory Bona Fide Eating Place or restaurant.

H. **Transit Impact Development Fees.** The Project shall comply with the provisions of Planning Code Section 411, including payment of the Transit Impact Development Fee prior to the issuance of the first site or building permit.

The Project includes the conversion of 9,975 sq. ft. of PDR use to Retail use, and is subject to the Transit Impact Development Fee as outlined in Code Section 411, in which a credit shall be given for the eliminated PDR use on the site.

I. Eastern Neighborhoods Infrastructure Impact Fees. The Project shall comply with the provisions of Planning Code Section 423, including payment of the Eastern Neighborhoods Impact Fee, or execution of an In-Kind Agreement with the Planning Department prior to issuance of the first site or building permit.

The Project includes the conversion of approximately 9,975 sq. ft. of existing PDR use to Non-Residential use, and is subject to the Eastern Neighborhoods Infrastructure Impact Fees as outlined in Planning Code Section 423. These fees must be paid by the Project Sponsor prior to the issuance of the building permit application.

- 7. **Planning Code Section 303** 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:
  - A. 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 Project will occupy a vacant tenant space that will require interior tenant improvements and only minor alterations to the exterior of the existing building, including the installation of new windows and doors to convert the space into a functional storefront that will activate the surrounding area.

The Project will provide a needed neighborhood-serving grocery store within a portion of an underutilized building. The grocery store will provide a variety of merchandise, including packaged foods, dairy products, fresh meats and produce, prepared foods, and non-food commodities that will serve both the local residents and workers within the area. The Project will also provide a marketplace for local food producers to sell their wares. The Project Sponsor intends to stock items that are manufactured locally, such as coffee, salumeri, preserves, pressed juices, breads, cheese, wine, baked goods, frozen foods and ice cream.

The Project will obtain the necessary liquor license from within the Special Use District to sell beer, wine, or distilled spirits in the grocery store for consumption off the premises. The area within the store that is devoted to the display and sale of alcoholic beverages will occupy less than 1,496 sq. ft., or fifteen percent of the gross square footage of the grocery store. In addition, the Project will also obtain the necessary liquor license to serve alcoholic beverages for on-site consumption within the dedicated 430 sq. ft. portion of the store that is considered an accessory Bona Fide Eating Place or restaurant.

The Project will create new employment opportunities. In addition to the temporary construction jobs created during build out, the store will also create 50-60 new permanent jobs and 20-30 part-time jobs. These positions include cashiers, baristas, production staff, grocery clerks, cooks, cleaning crew, butchers, seafood clerks, produce clerks, and department managers. These positions do not require specialized education, and would provide promotional opportunities within the business.

- B. 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:
  - i. Nature of proposed site, including its size and shape, and the proposed size, shape and arrangement of structures;

The Project will occupy a vacant tenant space on the ground floor of an existing industrial building that is shared with two other tenants who occupy the second floor of the building. The building's envelope will not be altered, and only minor alterations including the installation of new windows, awnings and doors along the 17<sup>th</sup> and Harrison Street elevations will be completed to provide a storefront for the grocery store.

The Project will obtain the required off-sale liquor license from within the Special Use District to sell beer, wine, and distilled spirits in the grocery store for consumption off the premises, which will not result in a net additional liquor store within the Special Use District. The area within the store that is devoted to the display and sale of alcoholic beverages will occupy less than 1,496 sq. ft., or fifteen percent of the gross square footage of the grocery store. The Project will also obtain the required liquor license to serve alcoholic beverages for on-site consumption within the dedicated 430 sq. ft. portion of the store that is considered an accessory Bona Fide Eating Place or restaurant.

ii. 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;

The Project will provide customers with the exclusive use of twenty parking spaces that are located in a garage within the building using the existing driveways for ingress and egress. However, the Project is scaled and designed to function as a neighborhood-serving grocery store and should not generate significant amounts of vehicular trips from the neighborhood or citywide. Therefore, traffic patterns will remain substantially unaltered as a result of the Project, as patrons will have ample walking, bicycling, taxi and public transit options. New bicycle parking will be provided at the store, MUNI bus lines 33 and 27 are routed two blocks from the Project, and lines 9, 14, 33, 49 are routed five blocks away in various directions.

iii. The safeguards afforded to prevent noxious or offensive emissions such as noise, glare, dust and odor;

The Project will include the installation of appropriate ventilation and filtration equipment to minimize noise, dust, vibration and odor emissions. In addition, Conditions of Approval will require compliance with applicable City codes to control noise, dust and odor associated with any construction activities and business operations including on-site food preparation.

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

The Project does not require any additional landscaping or screening, and any proposed signage shall be subject to review by the Planning Department and required to meet all applicable provisions set forth in Article 6.

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

The 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.

8. **General Plan Compliance.** The Project is, on balance, consistent with the following Objectives and Policies of the General Plan:

#### MISSION AREA PLAN

#### **OBJECTIVE 1.1:**

STRENGTHEN THE MISSION'S EXISTING MIXED USE CHARACTER, WHILE MAINTAINING THE NEIGHBORHOOD A SA PLACE TO LIVE AND WORK.

The Project will provide a needed neighborhood-serving amenity that would offer an extensive selection of goods, including fresh produce, meats and dairy products. The Project will also include a delicatessen and prepared foods that will help meet the demand of the area's workforce and residents for meal options. Local residents will also be able to shop at a full-service grocery store that is within walking distance of residences, live/work units and public transit.

#### **OBJECTIVE 6.1:**

SUPPORT THE ECONOMIC WELLBEING OF A VARIETY OF BUSINESSES IN THE EASTERN NEIGHBORHOODS.

The Project will create new employment opportunities. In addition to the temporary construction jobs created during build out, the grocery store will also create 50-60 new permanent jobs and 20-30 part-time jobs. These positions include cashiers, baristas, production staff, grocery clerks, cooks, cleaning crew, butchers, seafood clerks, produce clerks, and department managers. These positions do not require specialized education, and would provide promotional opportunities within the business that would support the economic wellbeing in the Eastern Neighborhoods.

#### **COMMERCE AND INDUSTRY**

#### **Objectives and Policies**

#### **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 that has substantial undesirable consequences that cannot be mitigated.

#### 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 Project includes the establishment of a general grocery store within a vacant commercial space in an industrial building that is located in the PDR-1-G District, which is a compatible land use given the mixed use character of the surrounding area that includes other light industrial, commercial and residential uses. Food preparation, frequent deliveries and other activities associated with the operation of a 9,975 sq. ft. grocery store are compatible with this mix of uses, and the Project will provide substantial benefits to the neighborhood by establishing a business that will provide essential food and non-food commodities to nearby residents and workers. The Project is additionally beneficial because it will be operated by a local, independently-owned family company and will provide unskilled and semi-skilled employment opportunities for individuals in the community.

#### **OBJECTIVE 2:**

MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.

#### Policy 2.1:

Seek to retain existing commercial and industrial activity and to attract new such activity to the City.

The Project will help to retain the existing commercial and industrial activity in the area by providing a vital neighborhood service. The portion of the Northeast Mission neighborhood in which the Project is located is underserved by neighborhood businesses that provide a variety of food choices, including prepared healthy foods. Having such an amenity would enhance the desirability of the area for nearby workers and also attract new business activity. This will contribute to the diverse economic base of the City.

#### **OBJECTIVE 3:**

PROVIDE EXPANDED EMPLOYMENT OPPORTUNITIES FOR CITY RESIDENTS, PARTICULARLY THE UNEMPLOYED AND ECONOMICALLY DISADVANTAGED.

#### Policy 3.1:

Promote the attraction, retention and expansion of commercial and industrial firms which provide employment improvement opportunities for unskilled and semi-skilled workers.

The Project will create employment opportunities for local unskilled and semi-skilled workers, including 50-60 full-time managerial, clerical, blue-collar, and production-type jobs, many of which will be entry-level that may lead to career opportunities. In addition, the Project will also create 20-30 part-time jobs.

#### **OBJECTIVE 4:**

IMPROVE THE VIABILITY OF EXISTING INDUSTRY IN THE CITY AND THE ATTRACTIVENESS OF THE CITY AS A LOCATION FOR NEW INDUSTRY.

#### Policy 4.2:

Promote and attract those economic activities with potential benefit to the City.

#### **Policy 4.10:**

Enhance the working environment within industrial areas.

The Project will enhance the working environment within an industrial area by providing a neighborhood-serving amenity for workers during the day, and would therefore promote the attractiveness and appeal of an industrial neighborhood. Since the Project will provide 50-60 full-time and 20-30 part-time jobs, many of which are entry-level and suitable for unskilled and semi-skilled workers, the City would realize long-term benefits.

- 9. **Planning Code Section 101.1(b)** establishes eight priority-planning policies and requires review of permits for consistency with said policies. On balance, the project does comply with said policies in that:
  - A. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses be enhanced.
    - The Project will not displace an existing retail use, and would enhance the neighborhood by occupying a vacant commercial space with a locally-owned neighborhood-serving grocery store that would provide new job opportunities for San Francisco residents.
  - B. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods.
    - The Project will occupy an existing vacant commercial space and will preserve the existing housing and industrial neighborhood character.
  - C. That the City's supply of affordable housing be preserved and enhanced,

No housing will be removed for this Project.

D. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking.

The Project will provide customers with access to twenty existing parking spaces that are located in an adjacent garage using the existing driveways for ingress and egress. However, the Project is scaled and designed to function as a neighborhood-serving grocery store and will not generate significant amounts of vehicular trips. Therefore, traffic patterns will remain substantially unaltered as a result of the Project, as patrons will have ample walking, bicycling, taxi and public transit options. New bicycle parking will be provided at the store, MUNI bus lines 33 and 27 are routed two blocks from the Project, and lines 9, 14, 33, 49 are routed five blocks away in various directions.

E. 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.

The Project will not displace any service or industry establishment. The project will not affect industrial or service sector uses or related employment opportunities. Ownership of industrial or service sector businesses will not be affected by this project.

F. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.

The Project is designed and will be constructed to conform to the structural and seismic safety requirements of the City Building Code. This proposal will not impact the property's ability to withstand an earthquake.

G. That landmarks and historic buildings be preserved.

A landmark or historic building does not occupy the Project site.

H. That our parks and open space and their access to sunlight and vistas be protected from development.

The Project does not include any changes to the existing building envelope and will have no negative impact on existing parks and open spaces.

- 10. 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.
- 11. 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. 2014.0703C** subject to the following conditions attached hereto as "EXHIBIT A" in general conformance with plans on file, dated August 20, 2014, and stamped "EXHIBIT B", 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.

**Protest of Fee or Exaction:** You may protest any fee or exaction subject to Government Code Section 66000 that is imposed as a condition of approval by following the procedures set forth in Government Code Section 66020. The protest must satisfy the requirements of Government Code Section 66020(a) and must be filed within 90 days of the date of the first approval or conditional approval of the development referencing the challenged fee or exaction. For purposes of Government Code Section 66020, the date of imposition of the fee shall be the date of the earliest discretionary approval by the City of the subject development.

If the City has not previously given Notice of an earlier discretionary approval of the project, the Planning Commission's adoption of this Motion, Resolution, Discretionary Review Action or the Zoning Administrator's Variance Decision Letter constitutes the approval or conditional approval of the development and the City hereby gives **NOTICE** that the 90-day protest period under Government Code Section 66020 has begun. If the City has already given Notice that the 90-day approval period has begun for the subject development, then this document does not re-commence the 90-day approval period.

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on January 15, 2015.

Jonas P. Ionin
Commission Secretary
AYES:
NAYS:

ABSENT:

ADOPTED: January 15, 2015

#### **EXHIBIT A**

#### **AUTHORIZATION**

This authorization is for a conditional use to allow a general grocery store with an off-sale liquor license that is transferred from within the Mission Alcoholic Beverage Special Use District and an accessory restaurant (d.b.a. Gus's Community Market) located at 400 Alabama Street, Block 3968, and Lot 001 pursuant to Planning Code Sections 218(a), 249.60(b) and 303 within a Production, Distribution, and Repair - General (PDR-1-G) Zoning District and a 68-X Height and Bulk District; in general conformance with plans, dated August 20, 2014, and stamped "EXHIBIT B" included in the docket for Case No. 2014.0703C and subject to conditions of approval reviewed and approved by the Commission on January 15, 2015 under Motion No XXXXXX. This authorization and the conditions contained herein run with the property and not with a particular Project Sponsor, business, or operator.

#### 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 January 15, 2015 under Motion No XXXXXX.

#### PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the 'Exhibit A' of this Planning Commission Motion No. XXXXXX 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.** The authorization and right vested by virtue of this action is valid for three (3) years from the effective date of the Motion. The Department of Building Inspection shall have issued a Building Permit or Site Permit to construct the project and/or commence the approved use within this three-year period.

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

2. **Expiration and Renewal.** Should a Building or Site Permit be sought after the three (3) year period has lapsed, the project sponsor must seek a renewal of this Authorization by filing an application for an amendment to the original Authorization or a new application for Authorization. Should the project sponsor decline to so file, and decline to withdraw the permit application, the Commission shall conduct a public hearing in order to consider the revocation of the Authorization. Should the Commission not revoke the Authorization following the closure of the public hearing, the Commission shall determine the extension of time for the continued validity of the Authorization.

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

3. Diligent Pursuit. 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. Failure to do so shall be grounds for the Commission to consider revoking the approval if more than three (3) years have passed since this Authorization was approved.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, <a href="https://www.sf-planning.org">www.sf-planning.org</a>

4. **Extension.** All time limits in the preceding three paragraphs may be extended at the discretion of the Zoning Administrator where implementation of the project is delayed by a public agency, an appeal or a legal challenge and only by the length of time for which such public agency, appeal or challenge has caused delay.

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

5. **Conformity with Current Law.** No application for Building Permit, Site Permit, or other entitlement shall be approved unless it complies with all applicable provisions of City Codes in effect at the time of such approval.

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

#### **DESIGN**

6. Garbage, Composting and Recycling Storage. Space for the collection and storage of garbage, composting, and recycling shall be provided within enclosed areas on the property and clearly labeled and illustrated on the building permit plans. Space for the collection and storage of recyclable and compostable materials that meets the size, location, accessibility and other standards specified by the San Francisco Recycling Program shall be provided at the ground level of the buildings.

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

7. **Signage.** Any signs on the property shall be made to comply with the requirements of Article 6 of the Planning Code.

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

- 8. **Bicycle Parking.** Pursuant to Planning Code Sections 155.1 and 155.4., the Project shall provide no fewer than **one** Class 1 and **four** Class 2 bicycle parking spaces.
  - For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org
- 9. **Parking Maximum.** Pursuant to Planning Code Section 151.1, the Project shall provide no more than **twenty (20)** off-street parking spaces.
  - For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, <a href="https://www.sf-planning.org">www.sf-planning.org</a>

#### **PROVISIONS**

10. **Transit Impact Development Fee.** Pursuant to Planning Code Section 411, the Project Sponsor shall pay the Transit Impact Development Fee (TIDF) as required by and based on drawings submitted with the Building Permit Application. Prior to the issuance of a temporary certificate of occupancy, the Project Sponsor shall provide the Planning Director with certification that the fee has been paid.

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

11. **Eastern Neighborhoods Infrastructure Impact Fee.** Pursuant to Planning Code Section 423, the Project Sponsor shall comply with the Eastern Neighborhoods Public Benefit Fund provisions through payment of an Impact Fee pursuant to Article 4.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, <a href="https://www.sf-planning.org">www.sf-planning.org</a>

#### MONITORING – AFTER ENTITLEMENT

12. **Enforcement.** Violation of any of the Planning Department conditions of approval contained in this Motion or of any other provisions of Planning Code applicable to this Project shall be subject to the enforcement procedures and administrative penalties set forth under Planning Code

Section 176 or Section 176.1. The Planning Department may also refer the violation complaints to other city departments and agencies for appropriate enforcement action under their jurisdiction. For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, <a href="https://www.sf-planning.org">www.sf-planning.org</a>

13. **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 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, <a href="https://www.sf-planning.org">www.sf-planning.org</a>

#### **OPERATION**

- 14. **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, <a href="https://sfdpw.org">http://sfdpw.org</a>
- 15. **Sidewalk Maintenance.** The Project Sponsor shall maintain the main entrance to the building and all sidewalks abutting the subject property in a clean and sanitary condition in compliance with the Department of Public Works Streets and Sidewalk Maintenance Standards.

  For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works, 415-695-2017, <a href="http://sfdpw.org">http://sfdpw.org</a>
- 16. **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, www.sf-planning.org

17. **Hours of Operation.** The subject establishment is limited to the following hours of operation: 7:00 a.m. to 10:00 p.m. daily.

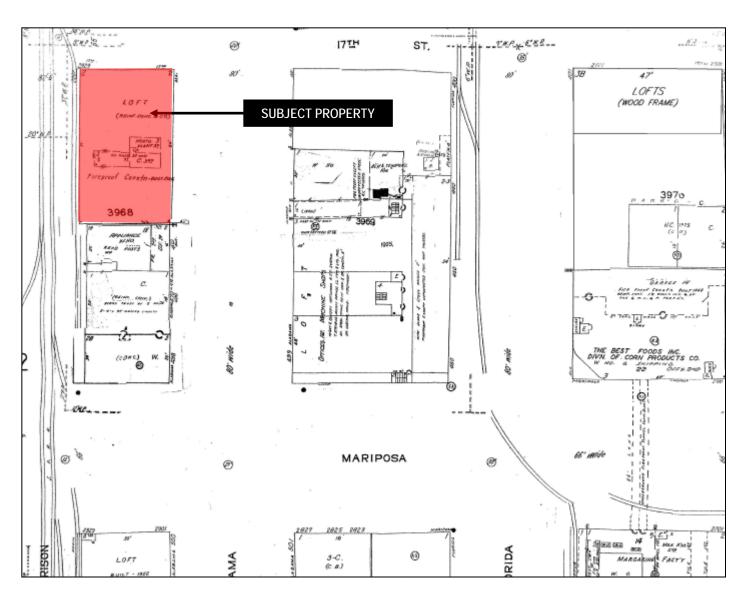
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, <a href="https://www.sf-planning.org">www.sf-planning.org</a>

## **Parcel Map**





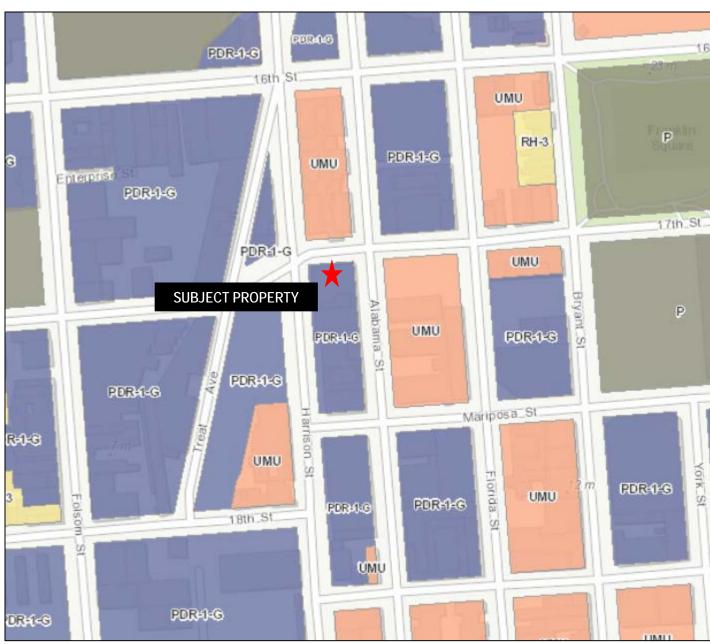
## Sanborn Map\*



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



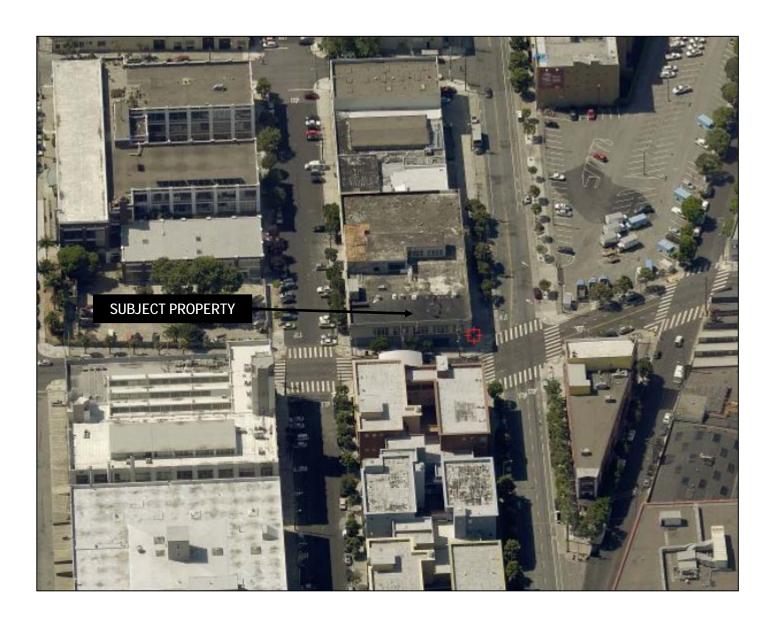
## **Zoning Map**



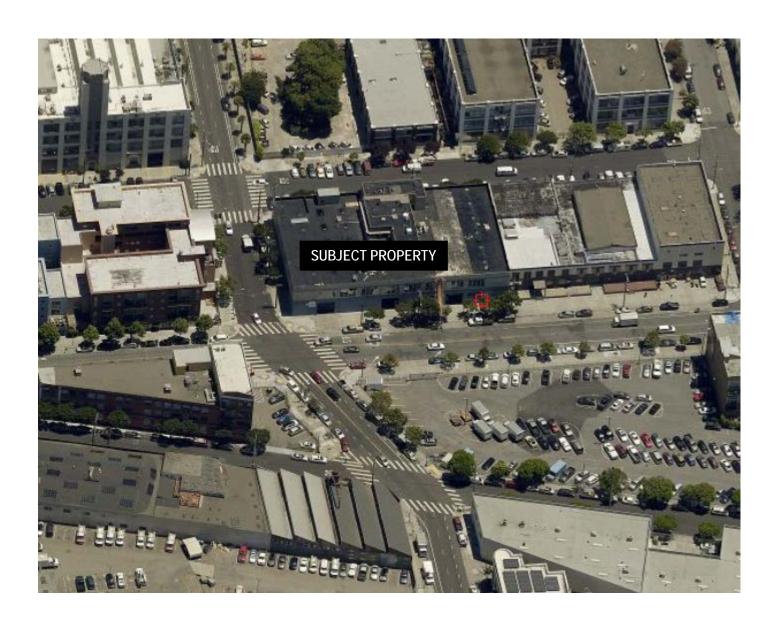


## **Aerial Photo**

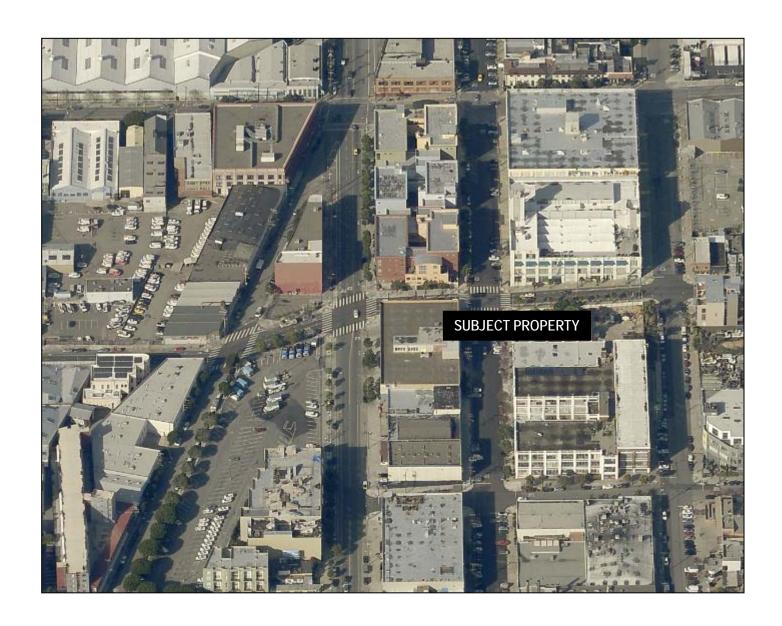
## view facing south



## Aerial Photo view facing west

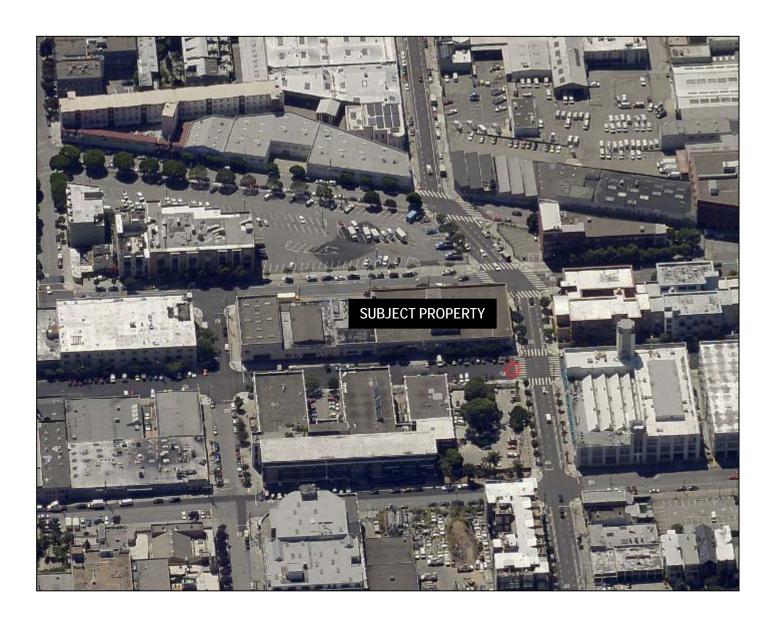


# Aerial Photo view facing north

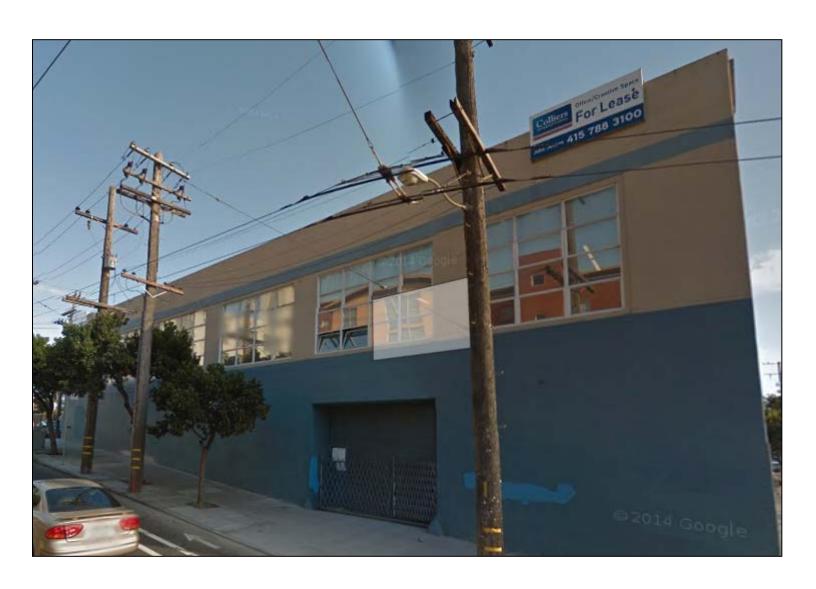


## **Aerial Photo**

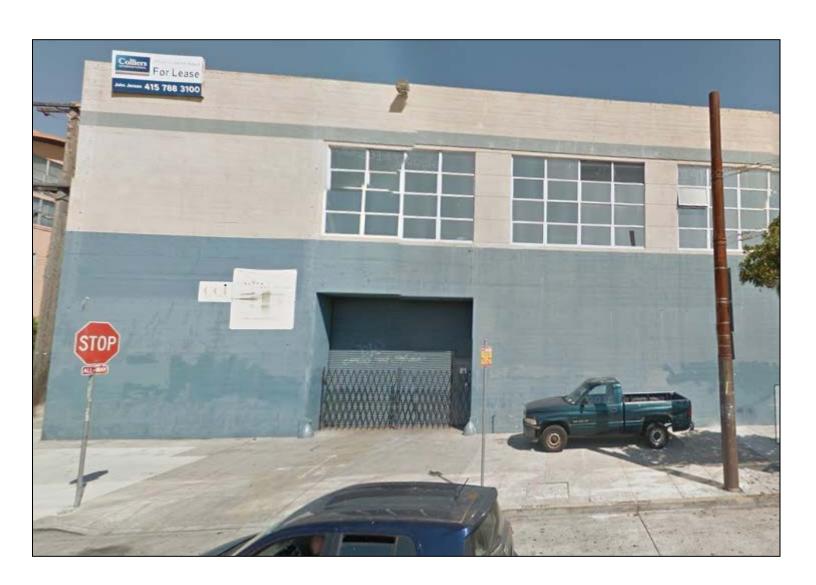
### view facing east



# Site Photo View from Alabama Street



# Site Photo View from Harrison Street





October 27, 2014

San Francisco Planning Department 1650 Mission Street, Suite 400 San Francisco, CA 94103 Attention: Doug Vu, Planner

Re: Case No. 2014.0703C for 400 Alabama Street

Dear Mr. Vu:

We write to express our support for the proposed supermarket project at 400 Alabama Street in San Francisco's Mission District. Our third generation San Francisco family mailing and direct marketing business has been located in the Mission District for nearly 30 years and we understand the unique mix of residential, retail and production facilities in the neighborhood.

The proposed supermarket will provide a much needed neighborhood serving grocery, offering a variety of locally sourced, healthy, fresh and prepared foods and other non-food commodities to the neighborhood residents, workers and visitors. In addition, the market will provide employment opportunities for a variety of workers ranging from skilled meat and seafood personnel; deli and food preparation workers; along with front of house cashiers and other staff. Few businesses offer such a range of employment opportunities.

Sincerely,

Gwen Kaplan

Ace Mailing Corporation

CEO



October 29, 2014

Doug Vu, Planner San Francisco Planning Department 1650 Mission Street, Suite 400 San Francisco, CA 94103

Re: Case No. 2014.0703C - Support for 400 Alabama Street Supermarket

Dear Mr. Vu:

At Heath Ceramics we make, gather, and sell enduring objects that enhance the way people eat, live, and connect. For over 60 years Heath Ceramics has remained a small and privately owned local manufacturer. We strive to become a model for US manufacturing — inspiring designers' domestic production and US manufacturers to think creatively about their business models, placing financial profit as the means, rather than the end. Heath Ceramics is proud of our newest retail space located in the heart of San Francisco's Northeast Mission neighborhood, at the center of a creative campus that houses our Heath retail showroom, Blue Bottle Coffee kiosk and viewing court area of our tile factory.

We believe the owners of the proposed supermarket at 400 Alabama Street share the spirit and values of Heath which can be seen in their 30 years of success at the Haight Street Market. Their commitment to local employment, support of local vendors, and competitive prices are traits not found at similar stores. The addition of their supermarket at 17th and Alabama Streets will be a welcome addition to the neighborhood and will continue and expand the opportunities for area employment and local vendors. We look forward to your approval of the supermarket use as quickly as possible.

Best Regards,

Robin Petravic, Managing Director



October 23, 2014

San Francisco Planning Department 1650 Mission Street, Suite 400 San Francisco, CA 94103 Attention: Doug Vu, Planner

Re: Support for 400 Alabama Street

Dear Mr. Vu:

Joe Goode Performance Group (JGPG) is happy to lend our support to the proposed grocery at 400 Alabama Street. We believe the grocery will provide much needed addition to the surrounding community as well as to our performers, audiences, and staff. The Project Sponsor has a reputation for using local vendors, offering healthy and organic products that the community will appreciate. At the same time the grocery will expand employment opportunities in the area. We urge the Planning Commission to quickly approve the permits.

In April 2011, JGPG moved into its new home, the Joe Goode Annex, at Project Artaud in the heart of San Francisco's lively Mission District. The Annex houses the JGPG administrative offices, is the primary rehearsal space for Joe Goode Performance Group, and the performance venue for the company's own small experimental performances. The Annex also serves as a multi-purpose community resource available to rent for classes, workshops, performances, and special events.

Our staff, audiences, and rental clients have all expressed excitement about the proposed project. This neighborhood is in vital need of a grocery store, and we couldn't be more thrilled to learn that a locally-owned and operated store might open here.

If you have any questions please don't hesitate to contact me.

Sincerely,

Dave Archuletta
Executive Director
dave@joegoode.org

Adenilla hlette

#### [Mission Creek Merchants Association Letterhead]

10<u>0</u>, 6, 2014

San Francisco Planning Department 1650 Mission Street, Suite 400 San Francisco, CA 94103 Attention: Doug Vu, Planner

Re: Case No. 2014.0703C for 400 Alabama Street

Dear Mr. Vu:

Members of the Mission Creek Merchants Association ("MCMA") have recently met with the Vardakastanis Family and their team regarding the proposed new market at 400 Alabama Street. We understand that the Planning Department and Planning Commission will be required to approve a Conditional Use Permit to allow the store at the proposed location and we want to add our support for the approval of the required permits. A market at this location will provide a much needed neighborhood amenity as well as opportunities for much needed local employment.

Potrero Hill and the Mission Creek neighborhood is home to an eclectic and growing mix of eateries, bars, salons, spas, healers, shopping, schools, business services, theaters, artists, entertainment and more. Merchants and residents are excited to continue building a sense of community in this area, through the promotion of events and the cultivation of green and communal spaces. MCMA believes that the addition of the proposed market will not only add a much needed supermarket to the area, but will also create a space for the community to gather, network and exchange ideas.

MCMA values itself as a nascent merchant association and encourages residents to think about the manifold advantages of supporting the various local, small businesses that make the Mission Creek area unique, while providing advocacy, networking and information to assist these companies. We look forward to the addition of the market at 400 Alabama Street and encourage you to move forward with approval of the permits as soon as possible.

Name:

Title:



#### NEMBA

#### North East Mission Business Association

2757 16th St., San Francisco, CA 94103 • Tel 415.863.4223 • Fax 415.863.8265 nemba@acemailingsf.com

October 27, 2014

Doug Vu, Planner San Francisco Planning Department 1650 Mission Street, Suite 400 San Francisco, CA 94103

Re: Support for 400 Alabama Street Market

(Case No. 2014.0703C)

Dear Mr. Vu:

On behalf of the members of the North East Mission Business Association ("NEMBA") we submit the following comments in support of the proposed supermarket use proposed for the above referenced location in the Mission. We understand and support the owners of the Haight Street Market bringing their unique mom 'n' pop character to the area and believe their buy-local philosophy and competitive prices are the right fit for the North East Mission's unique character. In addition, the proposed location will provide much needed services both to the local residents and area workers in the North East Mission, thereby enhancing the desirability of the area for those types of businesses.

The North East Mission is a unique, complex and primarily light industrial neighborhood located in the heart of San Francisco between the Inner Mission, SOMA, and Potrero Hill neighborhoods. This vibrant blue-collar neighborhood is home to many production, distribution and repair businesses as well as a large art and high-tech community. NEMBA's goal is to provide both large and small businesses within its boundaries with a strong, unified voice to affect positive change within the neighborhood and at City Hall. For over 20 years NEMBA members have been working with the city to help protect and improve the neighborhood and to preserve the endangered manufacturing and industrial type businesses of the North East Mission.

Sincerely,

Gwen Kaplan

North East Mission Business Association

Vice President and Founder

#### Coblentz Patch Duffy & Bass LLP

One Ferry Building, Suite 200 San Francisco, CA 94111-4213

T 415 391 4800

coblentzlaw.com

J. Gregg Miller, Jr. D (415) 772-5736 gmiller@coblentzlaw.com

December 22, 2014

The San Francisco Planning Commission c/o The San Francisco Planning Department 1650 Mission Street, Suite 400 San Francisco, California 94103

Re: 400 Alabama Street Case No 2014.0703C

Dear President Wu and Honorable Commissioners:

We submit this letter on behalf of the project sponsor, Gus's Community Market LLC ("Project Sponsor"), and ask that, at the January 15, 2015 hearing before the Planning Commission (the "Commission"), you grant conditional use authorization in order to allow a local, family-owned, community grocery store to occupy a portion of the building commonly known as 400-440 Alabama Street, San Francisco, California pursuant to Planning Code (the "Code") Section 303.

If approved, the Project would allow the Project Sponsor to operate a much needed neighborhood serving general grocery store in a portion of an under-utilized building. The store would create new jobs. In addition to the temporary construction jobs created during build-out, the store would create new permanent jobs. The Project Sponsor estimates that it will maintain a payroll of approximately 50-60 full time workers and 20-30 part time workers. Most positions would not require a college degree. In addition, the Project Sponsor would pay development impact fees, including the Eastern Neighborhoods fee of approximately \$70,000. Finally, although the use would technically be retail, use of the space for a general grocery store is very similar to a production, distribution and repair use, and involves loading/unloading, stocking, and production of foodstuffs. Therefore, the Project is consistent with the applicable PDR-1-G zoning.

#### I. Project Summary

The Project would occupy a portion of the approximately 54,980 gross square foot, two-story (plus penthouse) building commonly known as 400-440 Alabama Street (the "Building"). The Building occupies a portion of the block bounded by 17<sup>th</sup> Street to the north, Harrison Street to the East, Alabama Street to the west and Mariposa Street to the south. The building has frontage along Harrison, 17<sup>th</sup> and Alabama.

The Project Sponsor desires to operate a family-owned, neighborhood-serving general grocery store (as defined in Section 790.102 of the Code) in an existing building and construct interior tenant improvements at the premises for such use. No exterior improvements are contemplated other than replacing two of the existing roll-up doors with windows, installing new windows on

The San Francisco Planning Commission December 22, 2014 Page 2

both sides of the main entrance to the Project, and some louvers. The store would occupy approximately 9,975 gross square feet of space on the first floor. The store's patrons would have exclusive use of twenty (20) parking spaces located in the garage area of the Building. Six (6) Class 1 and six (6) Class 2 bicycle spaces would be available to the store.

The store would be similar to the other two stores that the Project Sponsor operates, through affiliates — Haight Street Market and Noriega Produce. The store would offer a mix of food and non-food commodities, including prepared foods for on-site and off-site consumption. A small portion of the Project would include a seating area for patrons to consume food prepared on-site. The Project Sponsor intends to seek ABC licenses for beer and wine sales for consumption off-site and on-site (type 20, 21 and type 41 licenses) under the applicable ABC controls and Section 249.60 of the Code.

The property is located in a PDR-1-G zoning district, 68-X height and bulk district. The property is located in the Mission Alcoholic Beverage Special Use District (Section 249.60 of the Code) and the Fringe Financial Service Restricted Use Districts (Section 249.35 of the Code). Under Section 218 of the Code, conditional use authorization is required for a general grocery store in PDR-1-G zoning districts that will occupy 5,000 gross square feet or more of space. The store proposes to occupy approximately 9,975 gross square feet of space in the Building. Accordingly, the Project Sponsor seeks conditional use authorization for the desired general grocery store use.

If approved, the new store would be the third store owned and operated by the Vardakastanis family. The family's first store, Haight Street Market, was established in the Haight Ashbury District by Gus and his father Dimitri in 1981. The store developed from a small produce market into a full service, neighborhood serving grocery store. The store is one of the oldest standing businesses in the Upper Haight.

Noriega Produce was established in the Outer Sunset by Gus and his father Dimitri in 1985. The store has developed from a produce market into a small-scale, neighborhood-serving grocery store. Noriega Produce is the cornerstone of the Outer Noriega Corridor which has grown to become one of the most popular destinations in the Sunset District.

### II. Approvals Requested

### A. <u>Conditional Use Authorization</u>.

The Project Sponsor seeks conditional use authorization under Section 303 of the Code to operate a neighborhood-serving general grocery store (as defined in Section 790.102 of the Code) of approximately 9,975 gross square feet of space in the Building. Under Section 218 of the Code, conditional use authorization is required for a general grocery store in PDR-1-G

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zoning districts that will occupy 5,000 gross square feet or more of space. Accordingly, the Project Sponsor seeks conditional use authorization for the desired general grocery store use.

B. CEQA Review.

The Project is Categorically Exempt (Class 1 Exemption) under CEQA.

### III. Reasons to Grant Conditional Use Authorization

A. The Project Complies with and Satisfies the Conditional Use Criteria Under Section 303

### Satisfaction of Section 303 Criteria

1. That the proposed use or feature, at the size and intensity contemplated and at the proposed location, will provide a development that is necessary and desirable for, and compatible with, the neighborhood or the community.

The Project site is located in an area of the City that has a mix of commercial, residential and light industrial uses. The site is currently improved with a single, two-story (plus penthouse) concrete building that occupies almost the entire parcel. As designed, the Project would consist of interior renovations, minor changes to the Building's exterior, and installation of new HVAC equipment on the Building's roof.

The Project is necessary and desirable for, and compatible with, the neighborhood.

The Project will provide a much needed, family-owned, neighborhood-serving grocery store that will occupy a portion of an under-utilized building. The store will provide a variety of foods, including fresh produce and prepared foods, and non-food commodities. The store will serve both the local residential population, as well as area workers.

Also, the store will create new jobs. In addition to the temporary construction jobs created during build-out, the store will create new permanent jobs. The Project Sponsor estimates that it will maintain a payroll of approximately 50-60 full time workers and 20-30 part time workers. Positions at the store would include kitchen and food production staff, meat/seafood department staff, staff for the juice bar and retail juices made in-house, in-house packaged fresh and dry goods staff, and in-house private label production staff. Most positions will not require a bachelor's degree.

In addition, the Project will provide a marketplace for local food producers to sell their wares. The Project Sponsor intends to stock items that are manufactured locally, such as

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coffees, salumeri, preserves, pressed juices, breads, cheese, beer, wine, baked goods, frozen foods, and ice creams.

- 2. That such use or feature as proposed will not be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity, or injurious to the property, improvements or potential development in the vicinity, with respect to aspects including but not limited to the following:
- (2A) The nature of the proposed site, including its size and shape and the proposed size, shape and arrangement of structures;

The Project will not have a dramatic impact on the existing condition of the site. Almost all of the work associated with the Project will take place within the Building's interior. Some new equipment will be located on the Building's rooftop. No expansion of the Building is proposed.

(2B) The accessibility & traffic patterns for persons and vehicles, type and volume of such traffic, and the adequacy of proposed off-street parking and loading;

The Project will have exclusive use of twenty (20) parking spaces. The Project will also provide the required number and type of bicycle parking spaces. The Project will be walking distance for many of the neighborhood's residents and workers. The Project is also well served by public transit as follows: (i) to the north of Project -- 16th Street (1 block), bus lines 22 and 33, and Division Street (approximately .3 miles), bus line 47; (ii) to the west of Project -- Folsom Street (2 blocks), bus line 12, and Mission Street (approximately .5 miles), bus lines 14, 49, plus BART; and (iii) to the east of the Project -- Bryant Street (2 blocks), bus line 27, and Potrero Ave. (approximately .3 miles), bus lines 9, 9L, plus SamTrans bus lines 292 and 397.

(2C) The safeguards afforded to prevent noxious or offensive emissions such as noise, glare, dust and odor;

Nearly all of the construction will take place inside the existing building. Construction Conditions of Approval will be followed during construction to minimize noise, vibration, dust, and odor emissions. The Project will include the ventilation and filtration equipment to minimize cooking odors.

(2D) Treatment given, as appropriate, to such aspects as landscaping, screening, open spaces, parking and loading areas, service areas, lighting and signs;

The Project primarily consists of interior renovations to install tenant improvements. The Project will have exclusive use of twenty (20) parking spaces. The Project will also provide the required number and type of bicycle parking spaces.

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3. That such use or feature as proposed will comply with the applicable provisions of this Code and will not adversely affect the Master Plan;

The Project will be built in compliance with the City's Seismic, Accessibility, Fire and Building Codes. The proposed development complies with and promotes many of the Objectives and Policies of the General Plan, including the following:

#### MISSION AREA PLAN

# OBJECTIVE 1.1 -- STRENGTHEN THE MISSION'S EXISTING MIXED USE CHARACTER, WHILE MAINTAINING THE NEIGHBORHOOD AS A PLACE TO LIVE AND WORK

The Project will provide a much needed neighborhood amenity in the form of a general grocery store with an extensive selection of goods, including fresh produce. The Project will include a deli counter and prepared foods that will help to meet the demand of the area's workforce for meal options. Local residents will be able to shop at a full service grocery store that is within walking distance of residences and public transit.

### **COMMERCE AND INDUSTRY ELEMENT**

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.

The Project will provide substantial net benefits to the neighborhood by providing a neighborhood-serving grocery store that provides a mix of food and non-food commodities to local residents and workers. The Project will offer healthy foods, including fresh produce and prepared foods made with wholesome ingredients. The Project will provide managerial, clerical, blue-collar, and production-type jobs for as many as 50-60 full time workers and 20-30 part time workers.

# POLICY 1.3 -- Locate commercial and industrial activities according to a generalized commercial and industrial land use plan.

The Project site is zoned PDR-1-G. Under PDR-1-G zoning, a general grocery store use is permitted with conditional use authorization. The grocery store use is compatible with the PDR-1-G zoning. The grocery store will have production-like elements, including food preparation. The current mixed-use/light industrial nature of the area in which the Project will be located means that the frequent deliveries and other activities associated with a general grocery store of the size and nature of the proposed Project will be consistent with current PDR-type uses in the area.

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### OBJECTIVE 2 -- MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.

The Project is consistent with Objective 2 of the Commerce and Industry element because it supports the City's stated objective of providing more diversity in the types of activities and job opportunities in the City. The Project will provide managerial, clerical, blue-collar, and production-type jobs for as many as 50-60 full time workers and 20-30 part time workers.

# POLICY 2.1 -- Seek to retain existing commercial and industrial activity and to attract new such activity to the city.

The presence of the Project will help to retain existing commercial and industrial activity in the area of the Project by providing a vital neighborhood service. Currently, the portion of the Northeast Mission in which the Project would be located is underserved by neighborhood businesses that provide a variety of food choices, including healthy take-out foods. If approved, the Project would provide workers in the area with a variety of food options during working hours. Having such an amenity close by would enhance the desirability of the area for workers and increase the likelihood that existing business could recruit and retain workers.

# POLICY 3.1 -- Promote the attraction, retention and expansion of commercial and industrial firms which provide employment improvement opportunities for unskilled and semi-skilled workers.

The Project will provide managerial, clerical, blue-collar, and production-type jobs for as many as 50-60 full time workers and 20-30 part time workers. Some of these jobs will be entry-level jobs that will provide employment opportunities for unskilled workers.

### OBJECTIVE 4 -- IMPROVE THE VIABILITY OF EXISTING INDUSTRY IN THE CITY AND THE ATTRACTIVENESS OF THE CITY AS A LOCATION FOR NEW INDUSTRY.

### POLICY 4.10 -- Enhance the working environment within industrial areas.

Policy 4.10 states that the City should pursue efforts to enhance the environment of industrial areas, including the promotion of a limited number of small retail areas that would serve to improve the environment of many industrial areas. The goal of Policy 4.10 is to significantly influence the attractiveness and appeal of industrial neighborhoods. The Project would improve the environment of the Northeast Mission by providing a neighborhood-serving grocery store that would serve the area's workers and provide healthy food options for the area's workers.

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# POLICY 4.2 -- Promote and attract those economic activities with potential benefit to the City.

The Project would provide entry-level job opportunities to unskilled workers. The Project would also provide a much-need neighborhood amenity.

B. The Project is Consistent with Section 101.1(b)'s Policies.

### Priority General Plan Policies Findings:

- 1. No neighborhood serving retail uses currently exist on the site. The Project would provide a neighborhood-serving grocery store. The Project would provide employment opportunities for San Franciscans having a wide range of employment skills, as well as for unskilled workers.
- 2. No housing exists on the site. The neighborhood contains a mix of industrial, commercial and residential uses. The Project will improve the quality of life for neighborhood residents and workers by providing a local, neighborhood-serving grocery store.
- 3. No affordable housing exists on the site.
- 4. During construction, the Project will be coordinated so as not to impede Muni transit service in the area. The Project will include twenty parking spaces for patrons' exclusive use. The Project will also provide the required number and type of bicycle parking spaces.
- 5. The Project consists of a full service grocery store with a small seating area for patrons' use. The Project would occupy space in an under-utilized industrial building. The Project would provide employment opportunities for San Franciscans having a wide range of employment skills, as well as for unskilled workers.
- 6. Improvements will be built in compliance with the latest earthquake safety standards.
- 7. No historic landmarks or buildings exist on the site. The Project will consist almost entirely of interior improvements that will not significantly impact the exterior of the building in which the Project is located.
- 8. The project will not increase the height of the existing structures and will therefore have no impact on sunlight or vistas in the area.

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C. <u>Approval of the Office Allocation will Result in a Significant Payment to the City in the form of Development Impact Fees</u>

If the Commission approves the Project, then the Project Sponsor would be obligated to pay impact fees, including the Eastern Neighborhoods impact fee of approximately \$70,000, upon receipt of its building permits.

#### IV. Conclusion

For the reasons set forth above, we respectfully request that the Commission grant conditional use authorization for the Project.

Very truly yours,

J. Gregg Miller, Jr.

