

### SAN FRANCISCO PLANNING DEPARTMENT

### Executive Summary Conditional Use

HEARING DATE: OCTOBER 18, 2012

Date:	October 11, 2012	415
Case No.:	2012.0752 C	Fax:
Project Address:	1830 OCEAN AVENUE	415
Zoning:	Ocean Avenue NCT (Neighborhood Commercial Transit District)	Plan
	45-X Height and Bulk District	Infor
Block/Lot:	3283/124	415
Project Sponsor:	Schuyler Jackson	
	Real Estate Director	
	Fresh & Easy Neighborhood Market Inc.	
	2120 Park Place, Suite 200	
	El Segundo, CA 90245	
Staff Contact:	Rick Crawford – (415) 558-6358	
	rick.crawford@sfgov.org	
Recommendation:	Approval with Conditions	

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

Reception: 415.558.6378

ax: 15.558.6409

Planning Information: 415.558.6377

#### PROJECT DESCRIPTION

The Project Sponsor proposes to establish an approximately 17,289 square foot formula retail grocery store (d.b.a. Fresh & Easy Neighborhood Market) in a space formerly occupied by Rite Aid Pharmacy, a formula retail drug store. The project is located in the southeast commercial unit in the building. The project would involve some modest interior modifications, minor construction, and modification to the exterior entries and windows of the building, and new signage for the proposed Fresh & Easy. The project requires Conditional Use authorization under Planning Code Section 703.4, formula retail.

The project would provide a general grocery store use, which is anticipated to include the sale of ready to eat prepared foods; baked goods; specialty cheese, wine and beer; fresh meat poultry and seafood; and natural supplements and body care products.

The project would retain 103 existing off-street parking spaces at the property, of which 46 are allocated to the Fresh & Easy. Off-street parking is not required in the Ocean Avenue NCT. The project would use the existing curb cut on Dorado Terrace so no new curb cuts or exit points are proposed for parking. The store would seek to create a new on-street loading zone along Ocean Avenue and will seek approval of a small curb cut, similar in scale to a disabled access ramp, to access this existing loading corridor fronting on Ocean Avenue. This area was used informally as a loading zone for the former Rite Aid. The main entrance to this store is at the corner of Ocean Avenue and Dorado Terrace.

#### SITE DESCRIPTION AND PRESENT USE

The project site is located at northwest corner of the intersection of Ocean Avenue and Dorado Terrace on the borders of the West of Twin Peaks and Ocean View neighborhoods in Balboa Park. The project site is 64,350 square feet in area and is occupied by a structure consisting of a mixed-use building constructed in 1985 with 56 dwelling units on 3 levels and approximately 50,000 square feet of commercial space on a one-story podium fronting on Ocean Avenue. The 17,289 square foot space intended for the project is vacant and was formerly occupied by a Rite Aid pharmacy store. A 24 Hour Fitness Health Club occupies the remainder of the retail space in the building.

#### SURROUNDING PROPERTIES AND NEIGHBORHOOD

The project site is located at the intersection of Ocean Avenue and Dorado Terrace on the borders of the West of Twin Peaks and Ocean View neighborhoods in Balboa Park. The area is developed with commercial uses along Ocean Avenue in a mix of single-story commercial buildings and two to four-story mixed-use buildings with ground floor commercial uses. A Whole Foods grocery store is locating six blocks away at 1150 Ocean Avenue. A Walgreens pharmacy store is located one block from the property at 1630 Ocean Avenue. Residential uses are located behind the project site and behind the commercial frontage across Ocean Avenue. The K line streetcar operates in front of the property on Ocean Avenue. Several bus lines including the 8X, 8BX, 29, 43 and 49 are located about one half mile away and the Balboa Park BART and Muni Metro station approximately 0.8 miles from the property.

#### ENVIRONMENTAL REVIEW

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

ТҮРЕ	REQUIRED PERIOD	REQUIRED NOTICE DATE	ACTUAL NOTICE DATE	ACTUAL PERIOD
Classified News Ad	20 days	September 28, 2012	September 26, 2012	22 days
Posted Notice	20 days	September 28, 2012	September 28, 2012	20 days
Mailed Notice	10 days	October 8, 2012	September 27, 2012	21 days

#### **HEARING NOTIFICATION**

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 not received any comment from the public regarding this project.

#### ISSUES AND OTHER CONSIDERATIONS

 Currently, neighborhood residents have very limited nearby options for their larger grocery needs, and must go either to the Trader Joe's at Stonestown (1.5 mi.), to the Mollie Stone's Tower Market at Portola Avenue and O'Shaughnessy Blvd. (3.0 mi), or to the Safeway at 625 Monterrey Boulevard( 1.3 mi). The closest groceries to the project site are two small "corner" stores – The Winson Supermarket at 1532 Ocean Ave and the Las Americas Market at 1400 Ocean Ave, located 3 and 4 blocks to the east of the project site. A new Whole Foods grocery store opened in the fall of 2012 seven blocks to the east. Fresh & Easy serves a different demographic than Whole Foods. The project would provide a choice of grocery goods for neighborhood residents, resulting in lower prices and more goods and services,

- With ten formula retail uses in the approximately 0.8 mile long district, the existing concentration of formula retail uses is relatively low, relative to other neighborhood commercial districts. In addition, at least two formula retail uses Rite Aid and Blockbuster Video have closed in recent years, meaning that establishing a Fresh & Easy in the retail space would still not increase the number of formula retail uses in this neighborhood commercial district above the amount that existed just a few years ago.
- The Ocean Avenue NCT currently contains nine vacant storefronts. Lack of available retail space is not an issue in the district, and it would need a number of new retail tenants to occupy spaces along Ocean Avenue in order to reach a level of thriving retail activity. The project would help revive the district by improving the appearance of the property and providing a new tenant.
- The project is not required to obtain Conditional Use authorization for nonresidential use size as it will be located within an existing building and the project would not expand the building or the retail space to be occupied.
- The existing building on the property does not include an off-street loading area and is considered nonconforming under Section 180 of the Planning Code. The project is not required to provide off-street loading as the retail space occupied by the project would not be expanded by the project. The former occupant of the space, Rite-Aid Pharmacy, had loading from the curbside on Ocean Avenue. The Project Sponsor is working with the Department of Public Works to provide a restricted on-street loading area and a small curb cut for loading purposes.
- The project would include self-service checkout stands. The Commission has expressed concerns
  regarding the sales of alcoholic beverages from self-service checkout stands and the draft motion
  includes a condition requiring that the checkout register for alcoholic beverages be staffed.

#### **REQUIRED COMMISSION ACTION**

In order for the project to proceed, the Commission must grant conditional use authorization to allow the establishment of a formula retail grocery store within the Ocean Avenue NCT, pursuant to Planning Code Section 703.4.

#### BASIS FOR RECOMMENDATION

- The project would occupy a vacant storefront previously occupied by a formula retail use (Rite-Aid Pharmacy) in a commercial district with nine vacant storefronts.
- With ten formula retail uses in the approximately 0.8 mile long district, the existing concentration of formula retail uses is relatively low, relative to other neighborhood commercial districts.

#### Executive Summary Hearing Date: October 18, 2012

- The proposed grocery store would be only the second full-line grocery store within the district.
- The project meets all applicable requirements of the Planning Code.
- The project is desirable for, and compatible with the surrounding neighborhood.

### RECOMMENDATION: Approval with Conditions

#### Attachments:

Block Book Map Sanborn Map Zoning Map Site Photographs Context Photographs Aerial Photographs Reduced Plans Attachment Checklist

$\square$	Executive Summary	$\square$	Project sponsor submittal
$\square$	Draft Motion		Drawings: Existing Conditions
	Environmental Determination		Check for legibility
$\square$	Zoning District Map		Drawings: Proposed Project
	Height & Bulk Map		Check for legibility
$\square$	Parcel Map		Wireless Telecommunications Materials
$\square$	Sanborn Map		Health Dept. review of RF levels
$\square$	Aerial Photo		RF Report
$\boxtimes$	Context Photos		Community Meeting Notice
$\square$	Site Photos		Housing Documents
			Inclusionary Affordable Housing Program: Affidavit for Compliance
			Residential Pipeline

Exhibits above marked with an "X" are included in this packet

<u>\_\_\_\_\_RC</u>\_\_\_\_

Planner's Initials



### SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

- $\hfill\square$  Affordable Housing (Sec. 415)
- □ Jobs Housing Linkage Program (Sec. 413)
- □ Downtown Park Fee (Sec. 412)
- □ First Source Hiring (Admin. Code)
- $\Box$  Child Care Requirement (Sec. 414)
- Other

# Planning Commission Draft Motion

HEARING DATE: OCTOBER 18, 2012

Date:	October 11, 2012
Case No.:	2012.0752 C
Project Address:	1830 OCEAN AVENUE
Zoning:	Ocean Avenue NCT (Neighborhood Commercial Transit District)
	45-X Height and Bulk District
Block/Lot:	3283/124
Project Sponsor:	Schuyler Jackson
	Real Estate Director
	Fresh & Easy Neighborhood Market Inc.
	2120 Park Place, Suite 200
	El Segundo, CA 90245
Staff Contact:	Rick Crawford – (415) 558-6358
	rick.crawford@sfgov.org

ADOPTING FINDINGS RELATING TO THE APPROVAL OF CONDITIONAL USE AUTHORIZATION PURSUANT TO SECTIONS 303 AND 703.4, FORMULA RETAIL, OF THE PLANNING CODE TO ALLOW A 17,289 SQUARE FOOT, FORMULA RETAIL ESTABLISHMENT, FRESH & EASY NEIGHBORHOOD MARKET, TO BE DEVELOPED IN THE EXISTING BUILDING WITHIN THE OCEAN AVENUE NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT, AND 45-X HEIGHT AND BULK DISTRICT.

#### PREAMBLE

On June 14, 2012 Lawrence Badiner, Agent for Fresh & Easy Neighborhood Markets (hereinafter "Project Sponsor") filed an application with the Planning Department (hereinafter "Department") for Conditional Use Authorization under Planning Code Sections 303 and 703.4 of the Planning Code to allow a 17,289 square foot formula retail grocery store (d.b.a. Fresh & Easy Neighborhood Market) to be developed within an existing building within the Ocean Avenue Neighborhood Commercial Transit Oriented District, and 45-X Height and Bulk District.

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

Reception: 415.558.6378

Fax: 415.558.6409

Planning Information: 415.558.6377 On October 18, 2012, the San Francisco Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Application No. 2012.0752C.

The project is categorically exempt as a Class 1 exemption under CEQA Guidelines.

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. 2012.0752C, 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 site is located at the intersection of Ocean Avenue and Dorado Terrace on the borders of the West of Twin Peaks and Ocean View neighborhoods in Balboa Park. The project site is 64,350 square feet in area and is occupied by a structure consisting of a mixed-use building constructed in 1985 with 56 dwelling units on 3 levels and approximately 50,000 square feet of commercial space on a one-story podium fronting on Ocean Avenue. The 17,289 square foot space intended for the project is vacant and was formerly occupied by a Rite Aid pharmacy store. A 24 Hour Fitness Health Club occupies the remainder of the retail space in the building.
- 3. **Surrounding Properties and Neighborhood.** The project site is located at northwest corner of the intersection of Ocean Avenue and Dorado Terrace on the borders of the West of Twin Peaks and Ocean View neighborhoods in Balboa Park. The area is developed with commercial uses along Ocean Avenue in a mix of single-story commercial buildings and two to four-story mixed-use buildings with ground floor commercial uses. A Whole Foods grocery store is locating six blocks away at 1150 Ocean Avenue. A Walgreens pharmacy store is located one block from the property at 1630 Ocean Avenue. Residential uses are located behind the project site and behind the commercial frontage across Ocean Avenue. The K line streetcar operates in front of the property on Ocean Avenue. Several bus lines including the 8X, 8BX, 29, 43 and 49 are located about one half mile away and the Balboa Park BART and Muni Metro station approximately 0.8 miles from the property.
- 4. **Project Description.** The Project Sponsor proposes to establish an approximately 17,289 square foot formula retail grocery store (d.b.a. Fresh & Easy Neighborhood Market) in a space formerly occupied by Rite Aid Pharmacy, a formula retail drug store. The project is located in the

southeast commercial unit in the building. The project would involve some modest interior modifications, minor construction, and modification to the exterior entries and windows of the building, and new signage for the proposed Fresh & Easy. The project requires Conditional Use authorization under Planning Code Section 703.4, formula retail.

The project would provide a general grocery store use, which is anticipated to include the sale of ready to eat prepared foods; baked goods; specialty cheese, wine and beer; fresh meat poultry and seafood; and natural supplements and body care products.

The project would retain 103 existing off-street parking spaces at the property, of which 46 are allocated to the Fresh & Easy. Off-street parking is not required in the Ocean Avenue NCT. The project would use the existing curb cut on Dorado Terrace so no new curb cuts or exit points are proposed for parking. The store would seek to create a new on-street loading zone along Ocean Avenue and will seek approval of a small curb cut, similar in scale to a disabled access ramp, to access this existing loading corridor fronting on Ocean Avenue. This area was used informally as a loading zone for the former Rite Aid. The main entrance to this store is at the corner of Ocean Avenue and Dorado Terrace.

- 5. **Public Comment**. The Department has not received any comment from the public regarding this project.
- 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. **Formula Retail.** Planning Code Section 703.3 states that a Conditional Use Authorization is required for Formula Retail Uses within this District. The proposed use, Fresh & Easy Neighborhood Markets is a national chain establishment with more than eleven stores. Section 303(i) requires that, with respect to an application for Conditional Use authorization for formula retail use, the Planning Commission shall consider the following criteria:
    - i. The existing concentrations of formula retail uses within the Neighborhood Commercial District.

With ten formula retail uses in the approximately 0.8 mile long district, the existing concentration of formula retail uses is relatively low, relative to other neighborhood commercial districts. In addition, at least two formula retail uses - Rite Aid and Blockbuster Video - have closed in recent years, meaning that establishing a Fresh & Easy in the retail space would still not increase the number of formula retail uses in this neighborhood commercial district above the amount that existed just a few years ago. There were no apparent adverse effects from the previous formula retail use there would have an adverse effect on the surrounding neighborhood.

ii. The availability of other similar retail uses within the Neighborhood Commercial District.

Currently, neighborhood residents have no nearby options for their larger grocery needs, and must go either to the Trader Joe's at Stonestown (1.5 mi.), to the Mollie Stone's Tower Market at Portola Avenue and O'Shaughnessy Blvd. (3.0 mi), or to the Safeway at 625 Monterrey Boulevard( 1.3 mi). The closest groceries to the project site are two small "corner" stores – The Winson Supermarket at 1532 Ocean Ave and the Las Americas Market at 1400 Ocean Ave, located 3 and 4 blocks to the east of the project site. A new Whole Foods grocery store opened in the fall of 2012, seven blocks to the east. Fresh & Easy serves a different demographic than Whole Foods. The project would provide a choice of grocery goods for neighborhood residents, resulting in lower prices and more goods and services.

iii. The compatibility of the proposed formula retail use with the existing architectural and aesthetic character of the Neighborhood Commercial District.

The project would not expand the exterior of the existing building, but would upgrade the facade. The height, bulk, and arrangement of space of the existing building along Ocean Avenue are consistent with that of the Ocean Avenue corridor. The height is limited to one story and the retail space is divided into two units to house retail tenants that are neighborhood serving. The existing facade of the retail space is unattractive. The project would restore transparent windows along the store's frontage in order to provide a more appealing storefront to pedestrians. The project would turn this potentially blighting influence into a space that enhances the aesthetic character of the district while providing a neighborhood-serving tenant.

iv. The existing retail vacancy rates within the Neighborhood Commercial District.

The Ocean Avenue Neighborhood Commercial Transit district currently contains nine vacant storefronts. Lack of available retail space is not an issue in the district, and it would need a number of new retail tenants to occupy spaces along Ocean Avenue in order to reach a level of thriving retail activity. The project would help revive the district by improving the appearance of the property and providing a new tenant.

v. The existing mix of Citywide-serving retail uses and neighborhood-serving retail uses within the Neighborhood Commercial District.

The existing retail uses in the Ocean Avenue corridor are overwhelmingly neighborhood-serving. The area is in an easily accessible part of the City and consists mainly of residential neighborhoods. For this reason, the retail uses in the area generally serve the local residents. The project would add a retail grocery store that would serve this neighborhood. The neighborhood is currently underserved by grocery stores, and the project would provide neighborhood residents with another choice for their grocery needs.

B. Street Frontage in Neighborhood Commercial Districts. Section 145.1 of the Planning Code requires that NC Districts containing specific uses have at least ½ the total width of the new or altered structure at the commercial street frontage devoted to entrances to commercially used space, windows or display space at the pedestrian eye-level. Such windows shall use

clear, un-tinted glass, except for decorative or architectural accent. Any decorative railings or decorated grille work, other than wire mesh, which is placed in front or behind such windows, shall be at least 75 percent open to perpendicular view and no more than six feet in height above grade.

The use would occupy an existing commercial space. No expansion or major modifications would occur to the space therefore, it is not subject to the requirements of this Section. The project would upgrade and restore transparency to the façade of the building and activate the pedestrian realm adjacent to the project site.

C. **Parking**. Planning Section 151 of the Planning Code requires off-street parking space for every 500 square-feet of occupied floor area, where the occupied floor area exceeds 5,000 square-feet.

The project is located within the Ocean Avenue NCT and no parking is required. The existing offstreet parking garage in the building provides 103 parking spaces of which 46 are allocated to Fresh & Easy customers and employees. The existing 103 parking spaces have been sufficient to provide for the parking demand generated by previous uses. Up to two spaces may be removed to provide for bicycle parking. In addition to the off-street parking available in the parking garage, approximately 25 on-street parking spaces are available along Dorado Terrace adjacent to the site.

D. Loading. Section 152 of the Planning Code requires one off-street loading space for each retail use exceeding 10,000 square feet in area.

The existing building on the Project Site does not include an off-street loading area and is considered nonconforming under Section 180 of the Planning Code. The project is not required to provide off-street loading as the retail space occupied by the project would not be expanded by the project. The former occupant of the space, Rite-Aid Pharmacy, had loading from the curbside on Ocean Avenue. The Project Sponsor is working with the Department of Public Works to continue the on-street loading and provide a restricted loading area and a small curb cut for loading purposes.

Deliveries to the store from tractor-trailer size vehicles would be at two separate times. Fresh foods would be delivered daily between the hours of 4 a.m. and 8:00 a.m. and frozen items would be delivered up to three times per week between the hours of 8 a.m. and 5:00 p.m. Deliveries from smaller vehicles would occur ten to twelve times per week between the hours of 7 a.m. and noon. The curb cut should be arranged so it replaces no more than one existing on-street parking space. Deliveries from tractor-trailer sized vehicles should not occur during the morning peak traffic hours.

E. **Bicycle Parking.** Section 155.4 requires 3 bicycle parking spaces where the gross square footage of the retail floor area exceeds 25,000 square feet but is no greater than 50,000 feet, are required

The existing building on the Project Site is considered nonconforming under Section 180 of the Planning Code and as the project would not expand the building or the retail space to be occupied. The

project occupies less than 25,000 square feet of floor area. The project is not required to provide bicycle parking however, the project would include approximately 20 bicycle spaces for customers and employees.

F. Signage. Section 607 of the Planning Code regulates signage on the Ocean Avenue NCT.

The project sponsor has not submitted a proposed sign program for this project. Any proposed signage would comply with Section 607 and would be subject to the review and approval of the Planning Department.

G. **Use Size**. Section 737.21 of the Planning Code requires Conditional Use authorization for a nonresidential use for each retail use exceeding 3,999 square feet in area.

The existing building on the Project Site is considered nonconforming under Section 180 of the Planning Code and, as the project would not expand the building or the retail space to be occupied, the project is not required to comply with the nonresidential use size limitation.

H. **Hours of Operation.** Planning Code Section 737.27 principally permits hours of operation from 6 a.m. to 2 a.m., as defined by Planning Code Section 790.48.

The project proposes hours of operation from 6:00 a.m. to 12:00 a.m.

- 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 is necessary and desirable because it would provide a grocery store use for the neighborhood. The project site is a relatively large lot in the Ocean Avenue NCT District that could accommodate an anchor store for the other retail uses in the District. The retail space was previously occupied by Rite Aid, a formula retail pharmacy that closed in 2009. By replacing the previous formula retail pharmacy use, the Fresh & Easy store would strengthen the surrounding retail and residential districts. Fresh & Easy would not increase the historical number of Formula Retail operations in the Ocean Avenue District, although it would add one Formula Retail use to the number currently existing.

Grocery stores are vital elements to neighborhoods as they anchor commercial district and attract more customers to nearby businesses. The City has adopted policies that support the necessity of maintaining grocery store uses in the City. In 2005 and in 2009, the Director of Planning designated grocery stores as priority projects eligible for expedited Planning Department review. The elimination of grocery stores now requires conditional use authorization under Planning Code Sec. 303(m),

demonstrating the importance of grocery stores in commercial districts. The proposed Fresh & Easy introduces a grocery store use to the site, which would add to the vitality of the District and support the residents of the neighborhood.

The retail unit that the project would occupy has become a source of blight in the neighborhood. The windows are boarded up and are frequently covered with graffiti. The blight extends the full half block occupied by the subject retail space. The project would restore the retail space and frontage to active use and reactivate the area for pedestrians. Many of the storefronts in the area are vacant and establishing a grocery store in the space would improve the corridor and provide an anchor store that could attract more businesses to the area.

- 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 existing building on the property was built over two decades ago and the subject retail space was most recently used for a formula retail pharmacy store. No expansion of the exterior of the building is proposed. The proposed use would be confined entirely to the existing retail space. The one-story retail building is consistent with the size and configuration of other retail buildings along the corridor.

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 is replacing another formula retail use of similar size and is not expected to generate more vehicular traffic than that former use. The site is well served by transit with the K line streetcar operating in front of the property on Ocean Avenue. Several more transit lines, including the 8X, 8BX, 29, 43 and 49 bus lines about one half mile away, and the Balboa Park BART and MUNI Metro station approximately 0.8 miles from the property.

The project would retain the existing 103 parking spaces (46 allocated to Fresh & Easy) serving the property which have been sufficient to provide for the parking demand generated by previous uses, although up to two spaces may be removed to provide space for bicycle parking. In addition, approximately 25 on-street parking spaces are available along Dorado Terrace adjacent to the site. The project would include approximately 20 bicycle spaces for customers and employees.

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

The project consists of approximately 17,289 square feet of general grocery store retail space. The project would not produce, or include, any uses that would emit noxious or offensive emissions such as noise, glare, dust, and odor. The garbage area would be enclosed.

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

The project would clean up and improve the façade of the existing building. New landscaping is proposed to be planted in existing planters. Signage for the use would comply with all Planning Code requirements.

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.

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

The Ocean Avenue NCT District is intended to provide convenience goods and services to the surrounding neighborhoods as well as limited comparison-shopping goods for a wider market. The range of comparison goods and services offered varies and often includes specialty retail stores, restaurants, and neighborhood-serving offices. Buildings may range in height, with height limits generally allowing up to four or five stories. Lots are generally small to medium in size and lot consolidation is prohibited to preserve the fine grain character of the district, unless the consolidation creates a corner parcel that enables off-street parking to be accessed from a side street.

The proposed Fresh & Easy would predominantly serve the surrounding neighborhood, rather than the city generally or the Bay Area region. It is anticipated that the majority of its shoppers will live in the immediate area. The project would use a portion of an existing mixed-use building constructed in 1985. The scale of the project would be in relation to other buildings in the surrounding area, as it would not alter or modify the existing building on the property. The retail grocery store would not create or exacerbate problems with traffic, congestion, and noise or late-night activity. The project area is well served by six Muni transit routes. In addition, the project would retain the existing 46 off-street parking spaces, which were sufficient for the previous formula retail pharmacy.

The Fresh & Easy store would clean up and reactivate an existing retail space along Ocean Avenue that is considered by area residents as being a blighting influence on the aesthetic character of the neighborhood. The project would increase the number of retail options available to residents while simultaneously removing a blighting influence in the neighborhood. At a time when few retailers are expanding their operations, the project would be beneficial to the Ocean Avenue Neighborhood Commercial District by expanding grocery-shopping options for area residents.

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

#### BALBOA PARK AREA PLAN

#### **Objectives and Policies**

#### **OBJECTIVE 1.2:**

STRENGTHEN THE OCEAN AVENUE NEIGHBORHOOD COMMERCIAL DISTRICT.

#### Policy 1.2.3:

Retain and improve the neighborhood's existing businesses while attracting new businesses that address unmet retail and service needs of the diverse local neighborhood.

The project furthers this policy by adding a new retail tenant along the Ocean Avenue corridor and occupying a vacant storefront. The project would provide groceries and everyday convenience goods within walking, biking, and transit distance from the neighborhood's residents. The project would also serve the students and staff of nearby City College. The project would increase the vitality of the neighborhood commercial corridor by cleaning up and remodeling a vacant retail space that is becoming a blighting influence on the neighborhood. The project would bring competition for grocery shopping by bringing a second grocery store to the area.

#### **OBJECTIVE 5.3:**

# PROMOTE AN URBAN FORM AND ARCHITECTURAL CHARACTER THAT SUPPORTS WALKING AND SUSTAINS A DIVERSE, ACTIVE AND SAFE PUBLIC REALM.

#### Policy 5.3.1:

Improve the visual and physical character of the Ocean Avenue Neighborhood Commercial District.

The façade of the retail space to be occupied by the project is currently in a neglected condition. Storefront windows have been boarded up and the façade is often tagged with graffiti. The project would remove the boards, open up the storefront, clean the façade, and improve the physical appearance of the building and property in general. The activated site would bring renewed vitality to this portion of the Ocean Avenue corridor.

#### TRANSPORTATION ELEMENT

#### **Objectives and Policies**

#### **OBJECTIVE 1:**

# MEET THE NEEDS OF ALL RESIDENTS AND VISITORS FOR SAFE, CONVENIENT, AND INEXPENSIVE TRAVEL WITHIN SAN FRANCISCO AND BETWEEN THE CITY AND OTHER PARTS OF THE REGION WHILE MAINTAINING THE HIGH QUALITY LIVING ENVIRONMENT OF THE BAY AREA.

#### Policy 1.3:

Give priority to public transit and other alternatives to the private automobile, as the means of meeting San Francisco's transportation needs, particularly those of commuters.

The project is replacing another formula retail use of similar size and is not expected to generate more vehicular traffic than that use. The site is well served by transit with the K line streetcar operating in front of the property on Ocean Avenue. Several more transit lines, including the 8X, 8BX, 29, 43 and 49 bus lines about one half mile away and the Balboa Park BART and Muni Metro station approximately 0.8 miles from the property.

#### **OBJECTIVE 2:**

USE THE TRANSPORTATION SYSTEM AS A MEANS FOR GUIDING DEVELOPMENT AND IMPROVING THE ENVIRONMENT.

#### Policy 2.2:

Reduce pollution, noise, and energy consumption.

The project proposes no new off-street parking and only seeks to retain the existing parking on the property. The K streetcar line runs directly in front of the property and five other bus lines stop within one half mile of the site. The easy transit access to the property encourages employees and patrons to utilize public transit, thereby reducing pollution, noise, and energy consumption relating to automobile use.

#### **OBJECTIVE 35:**

MEET THE SHORT-TERM PARKING NEEDS IN NEIGHBORHOOD COMMERCIAL DISTRICTS CONSISTENT WITH PRESERVATION OF A DESIRABLE ENVIRONMENT FOR PEDESTRIANS AND RESIDENTS.

The project supports this objective by maintaining the 103 existing off-street parking spaces on the property, although up to two spaces may be removed for bicycle parking. The proposed grocery store is allocated 46 of the parking spaces in the on-site garage. No new parking is proposed. While the project encourages the use of public transit, grocery trips can result in larger loads not easily carried by customers on foot. The parking spaces would provide ready access for such customers, while maintaining a pedestrian-friendly environment.

#### COMMERCE ELEMENT

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

#### Policy 1.3

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

The project would increase the level of commercial activity on the site by occupying a vacant retail space in accordance with the general land use requirements of the City. The project would bring competition to the neighborhood by establishing a second grocery store in the corridor.

#### **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 proposed grocery store reactivates a site that might otherwise remain vacant. The proposed use would attract new jobs to the neighborhood, specifically for unskilled and semi-skilled workers.

#### NEIGHBORHOOD COMMERCE

#### **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 proposed development would provide desirable goods and services to the neighborhood and would provide resident employment opportunities to those in the community. The Project Site is located within a Neighborhood Commercial District and is thus consistent with activities in the commercial land use plan.

#### **OBJECTIVE 6**:

MAINTAIN AND STRENGTHEN VIABLE NEIGHBORHOOD COMMERCIAL AREAS EASILY ACCESSIBLE TO CITY RESIDENTS.

#### Policy 6.1:

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.

No commercial tenant would be displaced and the project would not prevent the district from achieving optimal diversity in the types of goods and services available in the neighborhood. The grocery store would serve as an anchor business for this portion of the district. As such, the volume of commercial activity generated by the use would attract other business to the area to occupy vacant storefronts.

#### Policy 6.2:

Promote economically vital neighborhood commercial districts which foster small business enterprises and entrepreneurship and which are responsive to the economic and technological innovation in the marketplace and society.

The grocery store would serve as an anchor business for this portion of the district. As such, the volume of commercial activity generated by the use would attract other business to the area to occupy vacant storefronts.

- 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 would provide approximately 17,289 square feet of neighborhood-serving retail use and occupy a retail space that has remained vacant for several years. The project would provide new employment opportunities for neighborhood residents. The project would activate the commercial space attracting pedestrian traffic that would also patronize existing neighborhood businesses along Ocean Avenue.

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 proposes a retail grocery store use to occupy a vacant retail space in an existing mixed-use building. The project would have no effect on housing.* 

C. That the City's supply of affordable housing be preserved and enhanced,

*The project is a retail grocery store occupying an existing vacant commercial space and would have no effect on housing.* 

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

The project is a neighborhood-serving retail grocery store, and not a major generator of commuter traffic. The project is well served by public transit with the MUNI K street-car line running in front of the site on Ocean Avenue, five Muni bus lines within a half mile of the site and the Balboa Park BART and Muni Metro station approximately 0.8 miles to the east of the property.

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 does not propose any office use. The project would enhance the City's service sector by putting a new retail grocery store in a vacant retail space in an existing mixed-use building.

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 would be constructed to conform to the structural and seismic safety requirements of the City Building Code. This proposal would not affect the property's ability to withstand an earthquake.

G. That landmarks and historic buildings be preserved.

The project is not located in any conservation district and 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 would have no negative effect on existing parks and open spaces. The project does not have an impact on 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. 2012.0752C** subject to the following conditions attached hereto as "EXHIBIT A" in general conformance with plans on file, dated February 29, 2012, 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.

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on October 18, 2012.

Linda D. Avery Commission Secretary

AYES:

NAYS:

ABSENT:

ADOPTED: October 18, 2012

# **EXHIBIT A**

#### **AUTHORIZATION**

This authorization is for a conditional use to allow a Formula Retail grocery store (d.b.a. Fresh & Easy) located at 1830 Ocean Avenue, Assessor's Block 3283, Lot 124, pursuant to Planning Code Sections 303 and 703.4, for formula retail within the Ocean Avenue Neighborhood Commercial Transit District and a 45-X Height and Bulk District; in general conformance with plans, dated February 29, 2012 and stamped "EXHIBIT B" included in the docket for Case No. 2012.0752C and subject to conditions of approval reviewed and approved by the Commission on October 18, 2012 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 October 18, 2012 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 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**

2. 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 architectural addenda. 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, <u>www.sf-planning.org</u>.

3. **Streetscape Plan.** The Project Sponsor shall continue to work with Planning Department staff, in consultation with other City agencies, to refine the design and programming of the Streetscape Plan. The Project Sponsor shall complete final design of all required street improvements, including procurement of relevant City permits, prior to issuance of first architectural addenda, and shall complete construction of all required street improvements prior to issuance of first temporary certificate of occupancy.

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

#### PARKING AND TRAFFIC

4. **Bicycle Parking.** The project shall provide no fewer than 10 Class 1 or Class 2 bicycle parking spaces.

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

5. **On Street Loading.** The on-street loading space should be arranged such that the the curb cut for pallet loading across the sidewalk replaces no more than one existing on-street parking space. Other parking spaces shall be allowed to be converted to loading, if approved by SFMTA and other agencies. Deliveries from tractor-trailer sized vehicles shall not occur during the morning peak traffic hours.

#### MONITORING

- 6. 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, www.sf-planning.org*
- 7. **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, <u>www.sf-planning.org</u>

#### OPERATION

- 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, <u>http://sfdpw.org</u>
- 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, <u>http://sfdpw.org</u>.
- 3. **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>

4. **Hours of Operation.** The subject establishment is limited to the following hours of operation: from 6:00a.m. to midnight seven days per week.

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

13. Alcohol Sales. The proposed grocery store intends to procure a liquor license from the California Department of Alcoholic Beverage Control. The Conditional Use approval is based on the understanding that only beer and wine will be sold at this location. Additionally, the sale of all alcohol must take place at checkout registers that are staffed, and not at the self-checkout registers.

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

# **Parcel Map**



Conditional Use Authorization Case Number 2012.0752 C Fresh & Easy 1830 Ocean Avenue 

# Sanborn Map\*



SUBJECT PROPERTY

# **Zoning Map**



# **Aerial Photo**





# **Context Photos**



# **Context Photos**



# **Site Photo**





\* ALL PAINTS ARE GLIDDEN PROFESSIONAL

ADOLPH ZIEMBA, AIA & ASSOCIATES, INC. 601 South Glenoaks blvd.- Suite 400 burbankt, CA 91905 161(81) 841-2385 fcx (819) 841-7782 Emolic offendeagoodphylemba.com





Neighborhood Market

1830 OCEAN AVE SAN FRANCISCO, CA

NWC- OCEAN AVE & DORADO TERRACE







PROJECT NUMBER 100612

PROTOTYPE F10 - Revision 9.3 STORE NUMBER

REVISIONS

NWC-OCEAN AVE & DORADO TERRACE

1830 OCEAN AVE SAN FRANCISCO, CA

Neighborhood Market





ADOLPH ZIEMBA, AIA & ASSOCIATES, INC.

**A0.1 SITE PLAN SUMMARY** 

601 SOUTH GLENOAKS BLVD.- SUITE 400 BURBANK, CA 91502 Tel. (818) 841-2585 Fax (818) 841-7782 Email: aziemba@adolphziemba.com



Ocean Ave. & Dorado Terrace	Prototype	Proposed	Difference
ISCO, CA	OPTION "A" (truck access		(From Option "A")
	around building)		
(square footage)	76,355	87,287	10,932
(acres)	1.75	2.01	0.26
			0
rea (square footage)	13,953	17,289	3,336
/ LAND COVERAGE (%)	18.27%	19.81%	1.53%
			0
arking Stalls	62	32	-30
Parking Stalls	з	ω	0
Children Parking Stalls	2	0	-2
king Stalls RKING REQUIRED (1/500)	2 69	35,0	-2
	69	35	-34
3' or 53' 53'			
APPROVAL SIG	SIGNATURES		
			DATE
REVISIONS	SN		
DESC	DESCRIPTION		
			DATE
nittal			2/14/2012





PROJECT NUMBER 100612 STORE NUMBER

PROTOTYPE F10 - Revision 9.3

REVISIONS

NWC-OCEAN AVE & DORADO TERRACE

1830 OCEAN AVE SAN FRANCISCO, CA

Neighborhood Market





ADOLPH ZIEMBA, AIA & ASSOCIATES, INC.

601 SOUTH GLENOAKS BLVD.- SUITE 400 BURBANK, CA 91502 Tel. (818) 841-2585 Fax (818) 841-7782 Email: aziemba@adolphziemba.com

		ES	PAM APPROVAL SIGNATURES
3/2/2012			tal
DATE			DESCRIPTION
			REVISIONS HIS TORY
0	1,061	1,061	3ES (CASES, FIXTURES & SHLV'G)
0	51	51	URES (LIN.FT.)
0	7	7	
0	44	44	
0	351.51	351.51	ES (LIN.FT.)
0	4	4	
	0	0	Door Frozen (used only if 29 doors of frozen is available).
0.00	16.25	18.25	ozen well cases (length x .5)
0.00	73.60	73.60	s (29 or 32 Doors @ 2.3 lf.)
0	4	4	Bakery (length x .5)
0	30	8	Beer / Wine
0	32	8	Meet / Seafood
0	32	8	Praduce
0.00	153.06	153.00	Deli / Dairy (11 dairy doors @ 2.3 lf.)



95 Brady Street San Francisco, CA 94103 Phone: (415) 865-9985

E-Mail: larry@badinerurbanplanning.com Web: badinerurbanplanning.com

### VIA MESSENGER

October 10, 2012

Mr. Rodney Fong, President San Francisco Planning Commission 1650 Mission Street, 4th Floor San Francisco, CA 94103

Re: Fresh and Easy Neighborhood Grocery 1830 Ocean Avenue Formula Retail Conditional Use Authorization Planning Department Case No. 2012.0752C Hearing Date: October 18, 2012

Dear President Fong and Commissioners,

This office represents Fresh & Easy Neighborhood Market Inc., the project sponsor ("Project Sponsor") for the proposed renovation of the existing five-story commercial/residential building at 1830 Ocean Avenue ("Project Site") at Dorado Terrace.

The Project Sponsor respectfully requests that the Planning Commission grant the conditional use authorization for the formula retail use as a grocery store.

### A. Summary of Project Benefits.

Benefits the project will include:

**1.** Occupy a Vacant and Blighted store and introducing a grocery store at the project site.

The Project would replace the vacant formula retail pharmacy use in a legal nonconforming building (use size and lot size) with a new grocery store with minor alterations. The site was last occupied by a Rite Aid pharmacy that vacated the site about 2 years ago when Walgreens purchased the Rite Aid chain.

The Project would provide a general grocery store use. The project will use the existing parking accessed from Dorado Terrace. While no parking spaces are required in the Ocean Avenue Neighborhood Commercial Transit District, the project will retain approximately the 46 spaces allocated to the project, and add bicycle parking. The Rite Aid used the parking spaces on Ocean Avenue for loading, and the Project Sponsor will formalize this loading by converting the parking spaces to a time-limited yellow loading zone.

The proposed size (approximately 17,250 sf) of the use is necessary for a general grocery store to provide the typical variety of products expected by consumers. The Project will not modify the existing size of the site or of the building.

### 2. Provide a needed food service.

Fresh & Easy will be one of the few medium-scale groceries in the area. The proposed Fresh & Easy grocery store will serve the neighborhood surrounding the site. The neighborhood is underserved by retailers considering at there are nine vacant retail spaces along Ocean Avenue. There are two smaller specialty grocery stores a few blocks to the east of the site, and a Whole Foods store seven blocks to the east scheduled that just opened in September 2012. With the majority of its products own-branded, Fresh & Easy is different than these niche markets and will diversify the grocery services available in the neighborhood.

Fresh & Easy will allow customers of other businesses to use their parking lot, promoting cross-shopping. Fresh & Easy has found that nearby food retailers, rather than being hurt by competition, are helped by cross shopping. This has proven to be the case in San Francisco at the 32<sup>nd</sup> and Clement store, where a nearby Russian specialty food store has seen an improvement in their business since Fresh & Easy moved in.



### 3. Improving the physical appearance of the building and site.

The exterior of the existing building will be improved to accommodate Fresh & Easy's design and to upgrade the appearance of the store. The awnings will be replaced and the existing empty planters will be re-planted.

# 4. Providing 25 to 30 permanent jobs and more than 300 construction jobs at the project site.

The retail grocery store will employ a high percentage of unskilled and semiskilled employees. Local hiring is a priority for Fresh & Easy and they have partnered with Arriba Juntos in the Mission District to assist with recruiting residents from the immediate zip codes to work at the store, similar to what was done at the Bayview, Portola and Richmond stores. Fresh & Easy will also partner with Arriba Juntos on this store. Since Fresh & Easy is a neighborhood grocery store, the company strongly feels that its stores should reflect the surrounding community. The goal is for at least 50 percent of the store employees to be from the surrounding neighborhood – a goal that has been exceeded on Fresh & Easy's other San Francisco stores.

### **B. Project Site and Background.**

The Project Sponsor proposes a formula retail grocery store to be located at the vacant site of a former formula retail pharmacy store on the lot at 1830 Ocean Ave. The Site is located in the Ocean Avenue NCT (Neighborhood Commercial, Transit) District and a 45-X Height and Bulk District. The Project site is located on the north side of Ocean Avenue at Dorado Terrace on the border of West of Twin Peaks/Ocean View neighborhoods.

The approximately 64,500 square-foot ("sf") project site is occupied by retail and condominium project built in the 1980s. The other retail tenant is 24-Hour Fitness at 1850 Ocean Avenue. The former tenant, Rite Aid, vacated the site in 2010. The project site also includes 103 on-site parking spaces on the second level accessed from Dorado Terrace. Forty-six spaces are allocated to Fresh & Easy.



### C. Project Description.

The Project would replace the vacant pharmacy store use in a legal, nonconforming building with minor alterations to the exterior of the existing building to accommodate Fresh & Easy's design and to upgrade the appearance of the store.

The Project would provide a general grocery store use, which is anticipated to include the sale of: ready to eat prepared foods; baked goods; specialty cheese, wine and beer; fresh meat, poultry and seafood; grocery items; and natural supplements and body care products. Fresh & Easy does not use high-fructose corn syrup, artificial flavors, colors or transfats in their own-branded products, which typically constitute over half of the items stocked in a Fresh & Easy store and over two-thirds of Fresh & Easy's sales.

### D. Extensive Neighborhood Outreach.

The Project Sponsor has actively engaged nearby residents, churches, schools, community based organizations, neighborhood associations, property owners and business owners in the development process by organizing numerous meetings to present the project. At these meetings issues and suggestions have been address as well as incorporated in the planning for the site. Over 400 notices have been mailed to residents and organizations providing information and invitations to attend these community meetings.

A summary of the Project Sponsor's outreach efforts and support letters are attached.

### E. CEQA Review.

The Project is Categorically Exempt from Environmental Review since the same type of use occupied the building and the Project will occupy the same space as the previous tenant.

### F. Project Related Approvals.

The Project Sponsor has requested the following approvals from the Planning Commission:

**Conditional Use Authorization** pursuant to Section 703.4 requires projects that include formula retail use in a Neighborhood Commercial District to obtain



Conditional Use authorization from the Planning Commission. Formula retail use is defined as a type of use that includes 12 or more establishments in the United States that maintain two or more of the following standardized features: array of merchandise, facade, decor, uniform apparel, signage, trademark or servicemark. The Project proposes a Fresh and Easy grocery, which qualifies as a formula retail use.

The existing store and site are nonconforming with respect to use and site size. While a new store exceeding 3,999 square feet would require Conditional Use Authorization under Planning Code Section 121, the use size is not considered abandoned by the Planning Department, and in any event, the space has been vacant for less than the three year abandonment period. Similarly, the site size is cannot be abandoned.

Section 303(i) requires that, with respect to an application for Conditional Use authorization for a formula retail use, the Planning Commission shall consider the following:

(1) The existing concentrations of formula retail uses within the Neighborhood Commercial District;

With nine (10 when the recently approved Sherwin Williams paint store opens) Formula Retail uses in the approximately 0.8 mile long district, the existing concentration of Formula Retail uses is fairly low, relative to other neighborhood commercial districts. In addition, the project will replace a formula retail use – Rite Aid, so opening Fresh & Easy Grocery Store in the retail space will still not increase the number of Formula Retail uses in this neighborhood commercial district above the amount that existed just a few years ago, as the CVS approval noted there were 11 Formula Retail Uses at the time of approval. There were no apparent adverse effects from the previous Formula Retail use at the site, and therefore it is unlikely that the reestablishment of a Formula Retail use there will have an adverse effect on the surrounding neighborhood.

(2) The availability of other similar retail uses within the Neighborhood Commercial District;



Until the opening of Whole Foods, neighborhood residents have no nearby options for their larger grocery needs, and must go either to the Trader Joe's at Stonestown (1.5 mi.), to the Mollie Stone's Tower Market at Portola Avenue and O'Shaughnessy Blvd. (3.0 mi), or to the Safeway at 625 Monterey Boulevard (1.3 mi). The closest groceries to the project site are two small "corner" stores – The Winson Supermarket at 1532 Ocean Ave and the Las Americas Market at 1400 Ocean Ave, located 3 and 4 blocks to the east of the project site. The Whole Foods is seven blocks to the east. The West of Twin Peaks/Ocean View area mainly consists of residential neighborhoods. The project would provide a choice of grocery goods for neighborhood residents, resulting in lower prices and more goods and services.

(3) The compatibility of the proposed formula retail use with the existing architectural and aesthetic character of the Neighborhood Commercial District;

The project will not expand the exterior of the existing building at the project site, but will significantly upgrade the facade. The height, bulk and arrangement of space of the existing building along Ocean Avenue are consistent with that of the Ocean Avenue corridor. The existing facade of the retail space is unattractive, with obscured windows and a faded awning. The project will reestablish windows that have been obscured along the store's frontage in order to provide a more appealing storefront to pedestrians. The project will turn this negative influence into a space that enhances the aesthetic character of the Ocean Avenue Neighborhood Commercial Transit Oriented district while providing a neighborhood-serving tenant.

(4) The existing retail vacancy rates within the Neighborhood Commercial District;

The Ocean Avenue Neighborhood Commercial Transit Oriented district currently contains nine vacant storefronts. Lack of available retail space is not an issue in the district, and it would need a number of new retail tenants to occupy spaces along Ocean Avenue in order to reach a level of thriving retail activity. Many of the existing spaces are occupied by marginal uses. The project would work towards reviving the district by cleaning up a property considered a blight to the neighborhood and occupying it with a new tenant. The project will further reduce the vacancy rate by attracting people to the area spurring occupancy of other



vacant retail properties.

(5) The existing mix of Citywide-serving retail uses and neighborhood- serving retail uses within the Neighborhood Commercial District.

The existing retail uses in the Ocean Avenue corridor are overwhelmingly neighborhood-serving. The area is in an easily accessible part of the City and consists mainly of residential neighborhoods. For this reason, the retail uses in the area generally serve the local residents. The project will add a retail grocery store that will serve the surrounding neighborhoods. The neighborhood is currently underserved by groceries, and the project will provide neighborhood residents with another choice for their pharmacy and other convenience item needs.

### G. Outreach

The project sponsor has contacted nearby neighborhood groups, including the Westwood Park Association and the OMI Neighbors in Action, and is unaware of any opposition at this time.

### H. Conclusion.

The Project will occupy a vacant formula retail use that has been vacant for over two years. It will not change the nature or character of the area, except to improve a vacant and blighted storefront. We respectfully ask the Commission to grant the requested conditional use authorization.

Very truly yours,

June Bade

Lawrence B. Badiner

cc: Commissioner Michael J. Antonini, Commissioner Gwyneth Borden, Commissioner Rich Hillis, Commissioner Kathrin Moore, Commissioner Hisashi Sugaya, Commissioner Cindy Wu John Rahaim, Planning Director Linda Avery, Commission Secretary Rick Crawford, Planner





