



EXECUTIVE SUMMARY CONDITIONAL USE

HEARING DATE: JULY 22, 2021

Record No.: 2021-002978CUA
Project Address: 555 Fulton Street
Zoning: Hayes-Gough Neighborhood Commercial Transit (NCT) District
Residential Transit-Oriented (RTO) District
40-50-X Height and Bulk District
Fulton Street Grocery Store Special Use District (SUD)
Block/Lot: 0794/059,060
Project Sponsor: Trader Joe's Company
c/o Andrew Junius
1 Bush Street, Ste. 600
San Francisco, CA 94104
Property Owner: 555 Fulton St. Development, LLC
950 Tower Ln, Suite 870
Foster City CA 94404
Staff Contact: Claudine Asbagh – (628) 652-7329
claudine.asbagh@sfgov.org

Recommendation: Approval with Conditions

Background

On April 30, 2008, the Fulton Street Grocery Store Special Use District (SUD) was established as part of the Market & Octavia Plan). The SUD allowed a mixed-use project at the site of 555 Fulton Street provided that a moderate-sized, neighborhood-serving grocery store was included. On September 26, 2013, the Planning Commission approved a five-story mixed-use building with 139 dwelling units and approximately 25,300 square feet of ground floor commercial space for a grocery store (Case No. 2013-0063).

Although a majority of the site falls within the Residential Transit-Oriented (RTO) Zoning District, the SUD specifies the entire site is subject to the Hayes-Gough Neighborhood Commercial Transit (NCT) District controls that ban formula retail.

On April 24, 2020, an ordinance to allow a Formula Retail Grocery Store within the SUD was approved by the Board of Supervisors (63-20). The ordinance amended the SUD to allow a formula retail grocery store with a Conditional Use Authorization.

Project Description

The proposed tenant, Trader Joe’s, has 516 retail stores (6 in San Francisco) and qualifies as formula retail. Trader Joe’s seeks a conditional use to establish an approximately 16,686 square-foot formula retail grocery store in the ground-floor commercial space. The store offers general food and merchandise and will have fresh produce, meat, bakery, bulk products, cheese, deli, floral, pastry, seafood, nutrition, and wellness departments. The hours of operation will be from 8 a.m. to 9 p.m. daily. The store will employ approximately 110 employees.

Required Commission Action

In order for the project to proceed, the Commission must approve a Conditional Use Authorization pursuant to Planning Code Sections 303(c), 303.1, 703.4, and 249.35A to establish a Formula Retail Grocery store (d.b.a. Trader Joe’s). The project is located within the RTO (Residential Transit Oriented) and Hayes Valley NCT (Neighborhood Commercial Transit) Zoning Districts, the 40-X/50-X Height and Bulk District, and the Fulton Street Grocery Store Special Use District.

Issues and Other Considerations

- **Conditional Use Authorization**

The project is necessary and desirable, is compatible with the surrounding neighborhood, and would not be detrimental to persons or adjacent properties in the vicinity. The project will activate a currently vacant storefront, create approximately 110 jobs, and increase options and access to healthy foods in the Western Addition and Hayes Valley neighborhoods. The authorization of this business would not result in the displacement of any existing tenant.

Formula Retail Grocery Store: Trader Joe’s

The Hayes-Gough NCT is one of only three districts that completely prohibit formula retail. The Fulton Street Formula Retail Grocery Store SUD allows the Commission to approve Conditional Use Authorization for a formula retail grocery store as long as it finds that: 1) the store accepts payment assistance through Supplemental Nutrition Assistance Program (SNAP), the Special Supplemental Nutrition Program for Women (WIC), or other comparable programs; and 2) an analysis of the store’s food affordability projection that consists of current retail pricing for everyday grocery items.¹

The sponsor has demonstrated that they meet the two criteria of the proposed amendment. First, the project sponsor has indicated that the store accepts payment from individuals that participate in SNAP and WIC programs. Condition of approval #12 has been included in the Conditional Use motion to ensure that the grocery store continues to accept payment through assistance programs.

Second, the project sponsor has prepared a “food affordability projection” shown in “Table 1: Food Affordability of Trader Joe’s” located below.

¹ Items must represent all categories within the market basket of foods maintained by the USDA’s Center for Nutrition Policy and Promotion for their Official USDA Food Plans. See *Official USDA Food Plans: Cost of Food at Home at Four Levels, U.S. Average, April 2021*.

Table 1: Food Affordability of New Seasons Market

		WEEKLY Cost					MONTHLY Cost				
INDIVIDUALS		Thrifty plan	Low-cost plan	Moderate-cost plan	Liberal plan	Trader Joe's	Thrifty plan	Low-cost plan	Moderate-cost plan	Liberal plan	Trader Joe's
CHILD	1 year	\$23.00	\$30.90	\$35.00	\$42.80	\$23.71	\$99.80	\$133.90	\$151.80	\$185.70	\$101.63
	2-3 years	\$25.10	\$32.50	\$38.90	\$47.40	\$23.77	\$108.90	\$140.80	\$168.70	\$205.40	\$101.88
	4-5 years	\$26.60	\$33.30	\$41.60	\$50.60	\$27.67	\$115.30	\$144.50	\$180.40	\$219.50	\$118.58
	6-8 years	\$33.80	\$47.40	\$56.80	\$67.30	\$30.60	\$146.70	\$205.30	\$246.00	\$291.50	\$131.12
	9-11 years	\$38.20	\$50.70	\$65.90	\$76.90	\$41.71	\$165.50	\$219.70	\$285.50	\$333.00	\$178.74
MALE	12-13	\$40.90	\$58.40	\$73.00	\$85.90	\$44.29	\$177.40	\$252.90	\$316.40	\$372.10	\$189.81
	14-18	\$42.20	\$59.30	\$75.10	\$87.00	\$52.81	\$182.90	\$257.10	\$325.30	\$376.80	\$226.34
	19-50	\$45.30	\$58.50	\$73.50	\$90.10	\$49.01	\$196.40	\$255.00	\$318.60	\$390.40	\$210.05
	51-70	\$41.30	\$55.50	\$69.30	\$83.70	\$47.45	\$178.90	\$240.60	\$300.20	\$362.70	\$203.34
	71+	\$41.50	\$54.40	\$67.70	\$83.80	\$39.53	\$179.90	\$235.80	\$293.40	\$363.00	\$169.43
FEMALE	12-13	\$40.70	\$50.20	\$60.60	\$74.40	\$43.97	\$176.30	\$217.50	\$262.80	\$322.20	\$188.44
	14-18	\$40.10	\$50.10	\$59.90	\$74.20	\$43.88	\$173.90	\$217.20	\$259.70	\$321.70	\$188.06
	19-50	\$40.20	\$51.10	\$62.50	\$80.00	\$45.08	\$174.30	\$221.50	\$270.80	\$346.60	\$193.19
	51-70	\$39.90	\$49.70	\$61.80	\$75.00	\$45.34	\$172.90	\$215.30	\$268.00	\$324.80	\$194.30
	71+	\$38.80	\$49.00	\$61.10	\$73.70	\$41.58	\$168.20	\$212.30	\$264.60	\$319.10	\$178.19
FAMILIES		Thrifty plan	Low-cost plan	Moderate-cost plan	Liberal plan	Trader Joe's	Thrifty plan	Low-cost plan	Moderate-cost plan	Liberal plan	Trader Joe's
Family of 2 (Male & Female Couple)	19-50	\$94.10	\$120.90	\$149.60	\$187.10	\$94.09	\$407.80	\$524.00	\$648.30	\$810.70	\$403.24
	51-70	\$89.30	\$115.70	\$144.20	\$174.50	\$92.78	\$387.00	\$501.40	\$625.00	\$756.20	\$397.63
Family of 4 (Couple 19-50 years)	AND Children 2-3 and 4-5 years	\$137.30	\$175.80	\$216.60	\$268.20	\$145.53	\$594.90	\$761.60	\$938.50	\$1,161.90	\$623.69
	AND Children 6-8 and 9-11 years	\$157.60	\$208.00	\$258.70	\$314.20	\$166.39	\$682.80	\$901.50	\$1,120.90	\$1,361.50	\$713.10

As illustrated in the orange columns for weekly and monthly costs, a sampling of everyday grocery items would fall between the Low-cost and Moderate-cost food plans. Based on the census data for median income levels in this area, a family of four could expect to spend approximately 12% - 14% of their income if they shopped at Trader Joe's and followed the dietary guidelines provided by the USDA. That compares with 15% - 18% and 18% - 22% for the Low-cost and Moderate-cost plans respectively

Based on the SUD criteria, Trader Joe's has demonstrated that they would be necessary and desirable from a food affordability perspective.

- Public Comment & Outreach.**

As of the drafting of this report, the department has received one letter in support of the project. The Project Sponsor has had ongoing communication with neighborhood groups.

Environmental Review

The Department’s Environmental Review Officer deemed the revised project was analyzed in the Mitigated Negative Declaration prepared for the original project Case No. 2005.1085E.

Basis for Recommendation

- The attached draft motion would ensure that the City and the neighborhood could be certain that the grocery will continue to accept WIC and SNAP as a condition of approval.
- The project is necessary and desirable, is compatible with the surrounding neighborhood, and would not be detrimental to persons or adjacent properties in the vicinity.
- The Project would occupy a 16,686 square foot retail space that has been zoned for the use and been vacant.
- The proposed project would not be expected to affect existing traffic patterns and the site is well-served by public transit lines.
- The Project meets all applicable requirements of the Planning Code.

Attachments:

Draft Motion – Conditional Use Authorization with Conditions of Approval
Exhibit B – Plans and Renderings
Exhibit C – Maps and Context Photos
Exhibit D - Project Sponsor Brief



PLANNING COMMISSION DRAFT MOTION

HEARING DATE: July 22, 2021

Record No.: 2021-002978CUA
Project Address: 555 Fulton Street
Zoning: Hayes-Gough Neighborhood Commercial Transit (NCT) District
Residential Transit-Oriented (RTO) District
40-50-X Height and Bulk District
Fulton Street Grocery Store Special Use District (SUD)
Block/Lot: 0794/059,060
Project Sponsor: Trader Joe's Company
c/o Andrew Junius
1 Bush Street, Ste. 600
San Francisco, CA 94104
Property Owner: 555 Fulton St. Development, LLC
950 Tower Ln, Suite 870
Foster City CA 94404
Staff Contact: Claudine Asbagh – (628) 652-7329
claudine.asbagh@sfgov.org

ADOPTING FINDINGS RELATING TO THE APPROVAL OF CONDITIONAL USE AUTHORIZATION PURSUANT TO SECTIONS 303, 303.1, 703.4, and 249.35A OF THE PLANNING CODE TO ESTABLISH A FORMULA RETAIL GROCERY STORE (d.b.a. TRADER JOE'S) WITHIN THE HAYES-GOUGH NEIGHBORHOOD COMMERCIAL TRANSIT (NCT) AND RESIDENTIAL TRANSIT ORIENTED (RTO) ZONING DISTRICTS, THE FULTON STREET GROCERY STORE SPECIAL USE DISTRICT (SUD) AND A 40-X/50-X HEIGHT AND BULK DISTRICT.

PREAMBLE

On March 23, 2021, Andrew Junius, acting for Trader Joe’s (hereinafter “Project Sponsor”), filed an application with the Planning Department (hereinafter “Department”) for Conditional Use Authorization under Planning Code Sections 303, 303.1, 703.3, and 249.35A to establish a formula retail grocery store (d.b.a. Trader Joe’s) within the Hayes-Gough NCT and Residential Transit Oriented (RTO) Zoning Districts and the Fulton Street Grocery Store Special Use District at 555 Fulton Street, Block 0794, Lots 059 and 060 (hereinafter “Project Site”).

On July 22, 2021, the San Francisco Planning Commission (hereinafter “Commission”) conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Application No. 2021-002978CUA.

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

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

MOVED, that the Commission hereby approves the Conditional Use Authorization requested in Application No. 2021-002978CUA, 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. Project Description.** The project would establish a Formula Retail Grocery Store (dba “Trader Joe’s”) in the Fulton Street Formula Retail Grocery Store Special Use District.
- 3. Site Description, Present Use and Surrounding Properties.** The project is located on a 44,250 square foot lot that is bounded by Fulton, Laguna, Octavia, and Birch Streets, Assessor's Block 0794, Lot 059 and 060. The Project Site is improved with a five-story mixed-use building containing 139 residential units and 27,049 square feet of ground floor retail. The site is located within the Hayes-Gough NCT District, the Residential Transit-Oriented District (RTO), the 40-50-X Height and Bulk District, and the Fulton Street Grocery Store Special Use District (SUD).
- 4. Surrounding Properties and Neighborhood.** The project site is located in the Western Addition Neighborhood adjacent to Hayes Valley and one block west of the Downtown/Civic Center area. Other Zoning Districts in the area include Moderate Density Residential Mixed Use (RM-2) and Three-Family Residential Housing District (RH-3) to the west of the project. The area surrounding the project site primarily consists of residential buildings of two to four stories in height. Ground floor retail and restaurant uses are found along Hayes Street two blocks south of the project site, while other isolated commercial establishments are scattered throughout the vicinity. Open spaces in the vicinity include Jefferson Square and Hayward Playground to the north, Patricia's Green and Koshland Park to the south, Buchanan Street Mall and Alamo Square to the west, and Civic Center Plaza to the east.

5. **Project Description.** The proposal would establish an approximately 16,686 square-foot Formula Retail Sales and Service use (grocery store d.b.a. Trader Joe's) in the commercial space previously entitled as part of the 139-unit mixed-use project (Case No. 2013-0063). The store offers general food and merchandise and will have offerings such as fresh produce, meat, baked goods, cheese, deli, floral, pastry, seafood, nutrition, and wellness. The hours of operation will be from 8 a.m. to 9 p.m. daily. The store will employ approximately 110 employees. No exterior modifications to the existing building are proposed except for the addition of signage and in certain locations, vinyl treatment on the interior of the windows along Birch Street and Laguna Street for privacy; no building expansion is proposed. Trader Joe's currently operates over 500 stores nationwide in 42 states and Washington, D.C. with 6 stores operating in San Francisco.
6. **Public Comment.** The Project Sponsor has been engaged in ongoing community outreach with multiple neighborhood and community groups since prior to submitting their application. As of the writing of this report, staff has received one letter in support of the project from the Hayes Valley Neighborhood Association.
7. **Planning Code Compliance:** The Commission finds that the Project is consistent with the relevant provisions of the Planning Code in the following manner:

- A. **Use.** The project would establish a Formula Retail Grocery Storey (dba "Trader Joe's") within the Hayes Valley NCD.
- B. **Hours of Operation.** Planning Code Section 761 states that permitted hours of operation are from 6AM – 2AM, daily.

The proposed hours of operation will be from 8am-9pm daily.

- C. **Parking.** Pursuant to Planning Code Section 151, no off-street parking is required for commercial uses in the Hayes-Gough NCT Zoning District.

There are 73 parking spaces existing on the site that were approved as part of the mixed-use project. There are an additional 4 parking spaces on the site for ride share. The current proposal for the grocery store does not include any additional parking.

- D. **Parking Screening and Greening.** Planning Code Section 142 requires all vehicle use areas that are greater than 25-feet and adjacent to the public right-of-way to provide a screening feature. Such screening and landscaping features are acceptable if they include ornamental fencing or a solid wall that is four feet in height. Also required is a five-foot deep permeable surface with landscaping along the portion of the lot's perimeter adjacent to a public right-of-way. Such landscaping must be compliant with the applicable water use requirements of Administrative Code Chapter 63.

The project site has a perimeter greater than 25-feet along the adjacent public rights-of-way. Therefore, the Project includes screening and greening treatments to the site that comply with the requirements of Section 142. A five-foot deep permeable landscaping area buffers the edge of the parking perimeter that is adjacent to any public right-of-way, with the exception of areas devoted to ingress and egress. The Project also includes decorative screen walls along the parking lot's perimeter when adjacent to public rights-of-way.

- E. **Loading.** For retail uses larger than 10,000 square-feet and less than 60,000 square-feet, Planning Code Section 152 requires one off-street freight loading space.

The site has one off-street loading space dedicated to the grocery store use, thus the project complies with this requirement. Trader Joe’s anticipates deliveries to occur approximately 2-4 daily from approximately 4 AM to 11 PM.

- F. **Signage.** The Project Sponsor has submitted a sign program for the project. The proposed signage complies with the limitations of the Planning Code and individual signs are subject to the review and approval of the Planning Department.

- 8. Conditional Use Authorization.** Planning Code Section 303(c) establishes criteria for the Planning Commission to consider when reviewing applications for Conditional Use approval. On balance, the project does comply with said criteria in that:

- 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 proposed Formula Retail use is compatible with and desirable for the surrounding community. The project is located within the Fulton Street Grocery Store SUD, adopted in 2008. The purpose of the SUD was to enable the consideration of a neighborhood-serving grocery store of moderate size in a location accessible to the Hayes Valley and Western Addition neighborhoods. The project will activate a currently vacant storefront, create approximately 110 jobs, and increase options and access to healthy foods in the Western Addition and Hayes Valley neighborhoods. The authorization of this business would not result in the displacement of any existing tenant since the proposed tenant would occupy a vacant storefront. The project has demonstrated its affordability and would be neighborhood serving. The 16,686 square foot store will serve a wide variety of groceries to accommodate a diverse community with wide-ranging needs. In Neighborhood Commercial Districts, non-residential use size is limited to 3,000 square feet. A Conditional Use Authorization granting a non-residential use greater the 3,000 square feet was approved as part of Case No. 2013-0063.

- B. The proposed project will not be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity. Including but not limited to the following:

- (1) The nature of proposed site, including its size and shape, and the proposed size, shape and arrangement of structures;

There are no features of the project that could be detrimental to the health, safety or convenience of those residing or working in the area, in that the size and shape of the site and the size, shape, and arrangement of the building, e.g., height and bulk, will not be altered as part of the project.

The Formula Retail use will not be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity. Since the adoption of the Market and Octavia Plan in 2008, City policy has envisioned a grocery store of this size at this location to meet neighborhood needs within a comfortable walking distance. The establishment of this Formula Retail use is not anticipated to significantly affect the existing retail uses within the

District.

- (2) 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 Planning Code does not require off-street parking for Retail Sales and Service uses, which includes General Grocery Stores. The Planning Code does require at least one off-street freight loading space for Retail Sales and Service uses that are between 10,001 and 60,000 square feet. The project site has one freight loading space within the loading dock. The grocery store is intended to be a neighborhood-serving grocery store that will attract people from within the immediate vicinity and is not anticipated to increase the volume of neighborhood traffic. The project does not propose additional parking than what is already existing at the site. Additionally, the project area is well served by Muni and is within short walking distance from several transit lines and the Civic Center BART Station. In addition, there are numerous existing businesses in the area that serve customers from throughout San Francisco, so traffic generated by the Trader Joe’s will not be proportionally significant.

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

The proposed use, by the nature of the business, will not produce noxious or offensive emissions such as noise, glare, dust, and odor. The Formula Retail activities would be within an enclosed building, providing sound insulation. The proposed use is also subject to the standard conditions of approval for a Formula Retail Use as outlined in Exhibit A, specifically, Condition #15 related to odor control.

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

The existing Project includes landscape treatments that increase the overall permeability of the site’s surface and screen any vehicular areas. No additional landscaping, screening, or open spaces will be completed as part of the project. The sponsor has submitted a sign program that complies with the limitations under the SUD. The project will not alter the site’s vehicle parking, loading areas, or service areas.

- 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 in item #9 below.

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

The proposed project is consistent with the stated purpose of the Hayes-Gough NCT Zoning District and the Fulton Street Grocery Store Special Use District in that the intended grocery store use is located at the ground floor and will provide a compatible convenience service for the neighborhood.

- 9. Fulton Street Grocery Store Special Use District.** Planning Code Section 249.35A establishes criteria for the Planning Commission to consider when evaluating projects seeking a conditional use pursuant to

Section 303 and 249.35A within the Fulton Street Grocery Store Special Use District to establish a Formula Retail grocery store:

- A. **Acceptance of Payment Assistance.** The project sponsor shall describe the proposed grocery store’s commitment to accept payment from individuals through assistance programs including but not limited to the United States Department of Agriculture’s (USDA) Supplemental Nutritional Assistance Program (SNAP); the Special Supplemental Nutrition Program for Women Infants, and Children (WIC), or other similar assistance programs.

The proposed grocery store accepts SNAP and WIC payment through the Electronic Balance Transfer (EBT) program. Condition of approval #12 has been added to ensure this requirement is met.

- B. **Food Affordability Projection.** The project sponsor shall prepare a projection of food affordability at the proposed location and submit it for review by the Planning Commission. The projection shall consist of current retail pricing for a sampling of everyday grocery items that represent all categories within the market basket of foods maintained by the USDA’s Center for Nutrition Policy and Promotion for their Official USDA Food Plans.

The project sponsor has prepared a food affordability projection based on the cost of everyday food items as outlined by the USDA. According to the projection, the cost of food from Trader Joe’s would be comparable to the four food plans listed in the most recent April 2021 food cost summary.

Based on the census data for median income levels in this area, a family of four could expect to spend approximately 12% - 14% of their income if they shopped at Trader Joe’s and followed the dietary guidelines provided by the USDA. That compares with 15% - 18% and 18% - 22% for the Low-cost and Moderate-cost plans respectively.

10. **General Plan Compliance.** The Project is consistent with the following Objectives and Policies of the General Plan:

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 1.3:

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 is consistent with this policy, adding a full-service grocery store in a neighborhood where the community is underserved by grocery stores. The Project will add desirable goods and services to the

neighborhood and will provide resident employment opportunities for people in the community. A grocery store is not only consistent with activities in the commercial land use plan but was required by the Board of Supervisors pursuant to its adoption of a Special Use District Zoning for this Project Site, subject to approval by the Planning Commission.

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.

Trader Joe's will occupy a currently vacant space, adding a commercial activity and providing a new grocery store for the neighborhood. The Project will not displace another commercial or industrial activity, nor would it prevent the district from achieving optimal diversity in the types of goods and services available in the neighborhood. Trader Joe's will provide neighborhood-serving grocery goods and services that will be heartily welcomed by the community.

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.

Policy 3.2:

Promote measures designed to increase the number of San Francisco jobs held by San Francisco residents.

The Project will affirmatively support these policies by creating new jobs for unskilled and semi-skilled workers, increasing the City's sales tax base, and occupying the ground floor retail space.

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.

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.

Policy 6.3:

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

of commercial activity.

Policy 6.4:

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

The Project will not displace anyone, nor would it prevent the district from achieving optimal diversity in the types of goods and services available in the neighborhood. Trader Joe’s will provide neighborhood-serving grocery goods and services that will be heartily welcomed by the community in a vacant storefront intended for such a sized grocery store use. The establishment will provide resident employment opportunities to those in the community. Furthermore, by establishing a new commercial activity in a vacant space, the neighborhood retains a commercial use at this site and enables the project to enhance the economic base of the City and immediate area.

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.

Policy 1.6:

Ensure choices among modes of travel and accommodate each mode when and where it is most appropriate.

The proposal enables patrons to make use of a variety of transit options when visiting the site which is readily accessible by BART or Muni and provides 10 bicycle parking spaces for customers and 12 bicycle parking spaces for employees. Furthermore, activation of a general grocery store at this location ensures immediate access to fresh food for those residents that cannot easily visit the nearest grocery store, approximately a mile away, due to physical or economic constraints.

- 11. 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.

Grocery stores are a primary business draw in neighborhood commercial districts and support other retail activities by serving as a retail anchor of neighborhood commercial districts. The project is located within an NCT Moderate Scale, Neighborhood Commercial Zoning District. The project will occupy a vacant neighborhood serving general grocery store space. Trader Joe’s will employ approximately 110 new employees and seek to attract workers from within the surrounding

neighborhood.

- B. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods.

The proposal will have no direct effect on housing and will preserve the existing neighborhood character by occupying a vacant grocery store space.

- C. That the City’s supply of affordable housing be preserved and enhanced.

The project will have no effect on housing, as the project proposes a grocery store at the site of a vacant commercial space.

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

The Project area is well served by Muni and BART.

- 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 proposed project will not include any commercial office development and will not displace any industrial establishments. The Project will generate approximately 110 new employment opportunities.

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

The proposed project will comply with the City Codes to achieve the proper preparedness in the event of an earthquake.

- G. That landmarks and historic buildings be preserved.

There are no designated landmarks or historic buildings on the Project site.

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

The proposed project will not have a negative effect on existing parks and open space.

- 12. The Project is consistent with and would promote the general and specific purposes of the Code provided under Section 101.1(b) in that, as designed, the Project would contribute to the character and stability of the neighborhood and would constitute a beneficial development.

- 13. The Commission hereby finds that approval of the Conditional Use authorization would promote the health, safety and welfare of the City.

DECISION

That based upon the Record, the submissions by the Applicant, the staff of the Department and other interested parties, the oral testimony presented to this Commission at the public hearings, and all other written materials submitted by all parties, the Commission hereby **APPROVES Conditional Use Application No. 2021-002978CUA** subject to the following conditions attached hereto as “EXHIBIT A” in general conformance with plans on file dated **March 19, 2021**, 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. 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 July 22, 2021.

Jonas P. Ionin
Commission Secretary

AYES:

NAYS:

ABSENT:

ADOPTED: July 22, 2021

EXHIBIT A

AUTHORIZATION

This authorization is for a conditional use to establish a formula retail grocery store (Trader Joe’s) located at 555 Fulton Street pursuant to Planning Code Section(s) 303, 249.35A, and 703.3 within the Hayes-Gough NCT Zoning District and the Fulton Street Grocery Store Special Use District and a 40- X/50X Height and Bulk District and subject to conditions of approval reviewed and approved by the Commission on **July 22, 2021**, under **Motion No. XXXXX**. This authorization and the conditions contained herein run with the property and not with a particular Project Sponsor, business, or operator.

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 **July 22, 2021**, under **Motion No. XXXXX**.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under 'Exhibit A' of this Planning Commission **Motion No. XXXXX** 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 date that the Planning Code text amendment(s) and/or Zoning Map amendment(s) become effective. 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 628.652.7463, www.sfplanning.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 628.652.7463, www.sfplanning.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 the date that the Planning Code text amendment(s) and/or Zoning Map amendment(s) became effective.

For information about compliance, contact Code Enforcement, Planning Department at 628.652.7463, www.sfplanning.org

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 628.652.7463, www.sfplanning.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 628.652.7463, www.sfplanning.org

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 628.652.7463, www.sfplanning.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 628.652.7463, www.sfplanning.org

DESIGN

- 8. 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 628.652.7463, www.sfplanning.org

- 9. Signage.** The Project Sponsor shall develop a signage program for the Project which shall be subject to review and approval by Planning Department staff before submitting any building permits for construction of the Project. All subsequent sign permits shall conform to the approved signage program. Once approved by the Department, the signage program/plan information shall be submitted and approved as part of the site permit for the Project. All exterior signage shall be designed to complement, not compete with, the existing architectural character and architectural features of the building.

For information about compliance, contact the Case Planner, Planning Department at 628.652.7463 or www.sfplanning.org

- 10. Landscaping, Screening of Parking and Vehicular Use Areas.** Pursuant to Planning Code Section 142, the Project Sponsor shall submit a site plan to the Planning Department prior to Planning approval of the building permit application indicating the screening of parking and vehicle use areas not within a building. The design and location of the screening and design of any fencing shall be as approved by the Planning Department. The size and specie of plant materials shall be as approved by the Department of Public Works.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378 628.652.7463 or www.sfplanning.org

OPERATION

- 11. Acceptance of Payment Assistance.** The grocery store shall continue to accept payment through SNAP, WIC, or other comparable programs for the life of the project.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378 628.652.7463 or www.sfplanning.org

12. 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.

13. *For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works at 628.271.2000, www.sfpublicworks.org*

14. Odor Control. While it is inevitable that some low level of odor may be detectable to nearby residents and passersby, appropriate odor control equipment shall be installed in conformance with the approved plans and maintained to prevent any significant noxious or offensive odors from escaping the premises.

For information about compliance with odor or other chemical air pollutants standards, contact the Bay Area Air Quality Management District, (BAAQMD), 1-800-334-ODOR (6367), www.baaqmd.gov and Code Enforcement, Planning Department at 628.652.7463, www.sfplanning.org

15. 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, and www.sfplanning.org

SF PLANNING
CASE NO. 2021-002978CUA
EXHIBIT B

TRADER JOE'S®
555 FULTON STREET
SAN FRANCISCO, CA 94102

03.19.21

PROJECT DATA

EXISTING SPACE		PROPOSED TENANT ALTERATION	
USE GROUP	M	M	
TYPE OF CONSTRUCTION	VB	VB	
NO. OF STORIES	1 STORY	1 STORY	
COVERED MALL (Y/N)	N	N	
FULLY SUPPRESSED (Y/N)	Y	Y	
FLOOR AREA	16,686 SF	16,686 SF	
SQUARE FEET SUMMARY			
EXISTING RETAIL SALES AREA	12,874 SF		
EXISTING BACK OF HOUSE/ STORAGE ROOM	3,812 SF		
TOTAL PROJECT AREA -	16,686 SF		
TABLE 1017.2 - EXIT ACCESS TRAVEL DISTANCE			
(SPACE IS SPRINKLERED)	250		
MAXIMUM TRAVEL DISTANCE PERMITTED	FEET		
MAXIMUM TRAVEL DISTANCE ACTUAL	FEET		
TABLE 1004.12 - DESIGN OCCUPANT LOAD			
SALES & SUPPORT OCCUPANCY	SF / PERSON =	OCCUPANTS	
	12,874 SF / 60	214 PERSONS	
STOCK/RECEIVING	3,812 SF / 300	12 PERSONS	
TOTAL OCCUPANCY	216 PERSONS		

TABLE 1005.3.2 - EGRESS WIDTH				
ALL EXIT DOORS SHALL BE PROVIDED WITH PANIC HARDWARE				
EGRESS CAPACITY REQUIRED	PERSONS		INCHES/ PERSON	
	26	X	0.2	=
EGRESS CAPACITY ACTUAL PROVIDED	43.2 INCHES			
208 INCHES				
TABLE 1006.3 - MINIMUM NUMBER OF EXITS				
OCCUPANT LOAD AND REQUIRED EXITS	OCCUPANT LOAD		REQUIRED EXITS	
	H-500		2	
ACTUAL OCCUPANT LOAD AND EXITS	26			4

CALIFORNIA PLUMBING CODE TABLE A: OCCUPANT LOAD FACTOR				
SALES & SUPPORT OCCUPANCY (M)	OCCUPANCY		OCCUPANT LOAD FACTOR (SF)	
	M	S	200	5,000
STOCK/RECEIVING (S)		3,812 SF / 5,000	=	0 PERSONS
TOTAL OCCUPANCY				32 MALE /32 FEMALE

CALIFORNIA PLUMBING CODE TABLE 422.1 MINIMUM PLUMBING FACILITIES					
OCCUPANCY	WATER CLOSETS(S)		LAVATOIRES		DRINKING FOUNTAINS(S)
	MALE	FEMALE	MALE	FEMALE	
MERCANTILE	1:1-HOO	1:1-HOO	1:1-1200	1:1-1200	1:1-250
REQUIRED FIXTURES	1	1	1	1	1
PROVIDED FIXTURES	1	1	1	1	2
* 1 ADDITIONAL ALL GENDER RESTROOM PROVIDED IN BACK OF HOUSE FOR EMPLOYEES					

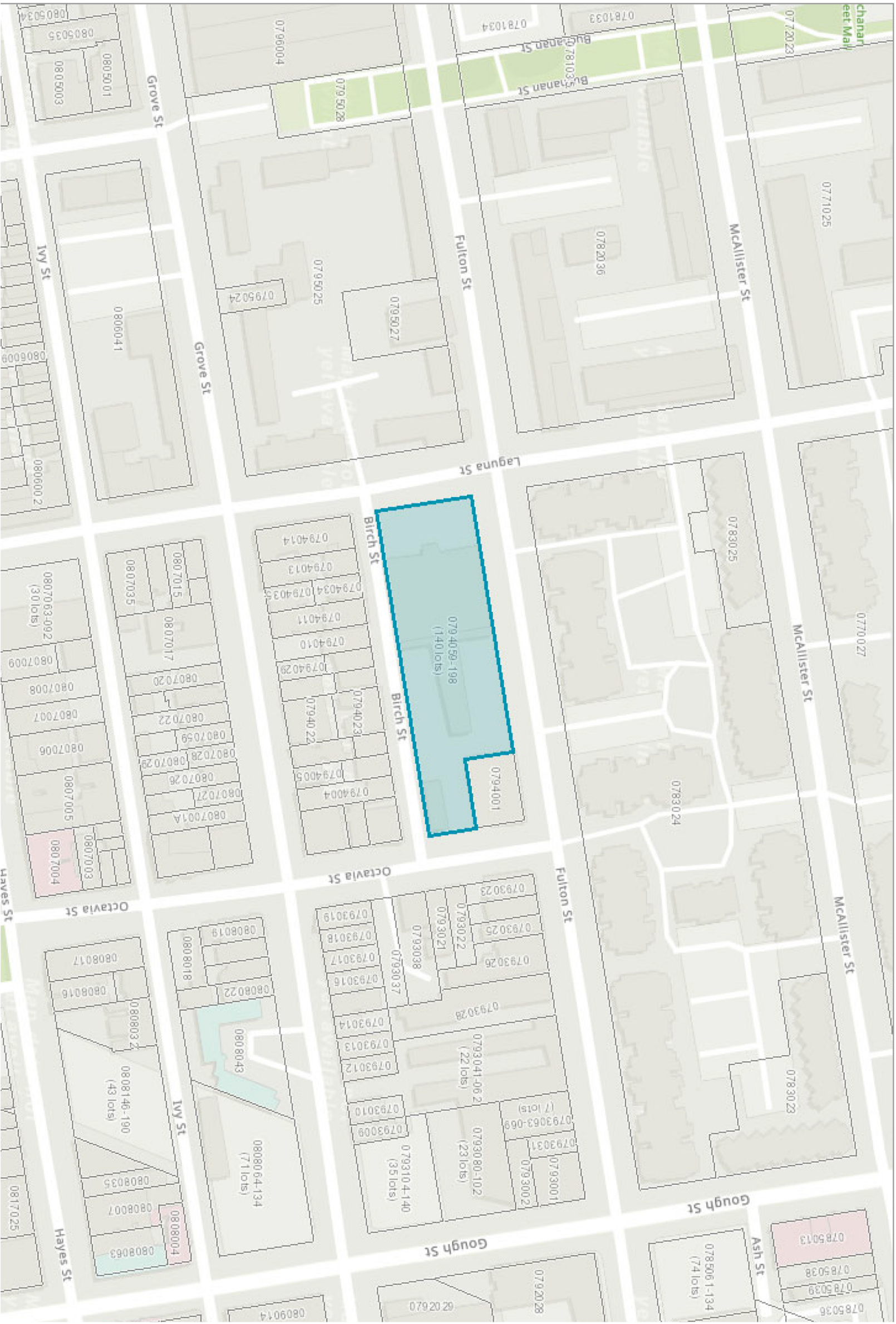
SHEET INDEX

COVER SHEET	1
PROJECT DATA/SHEET INDEX	2
EXISTING PARCEL INFORMATION MAP	3
EXISTING AERIAL MAP	4
EXISTING SITE PLAN	5
PROPOSED SITE PLAN	6
EXISTING/PROPOSED BASEMENT PLAN	7
EXISTING 1ST FLOOR PLAN	8
PROPOSED 1ST FLOOR PLAN	9
EXISTING ELEVATIONS - LAGUNA ST	10
EXISTING ELEVATIONS - BIRCH ST	11
PROPOSED ELEVATIONS - LAGUNA ST	12
PROPOSED ELEVATIONS - BIRCH ST	13
PHOTOS/REFERENCE PLAN	14
BUILDING SIGNAGE	15

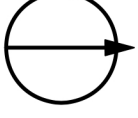


PROJECT DATA/SHEET INDEX

PROPOSED TRADER JOE'S
555 FULTON ST.
SAN FRANCISCO, CA 94102



Scale: NTS



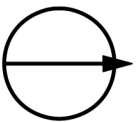
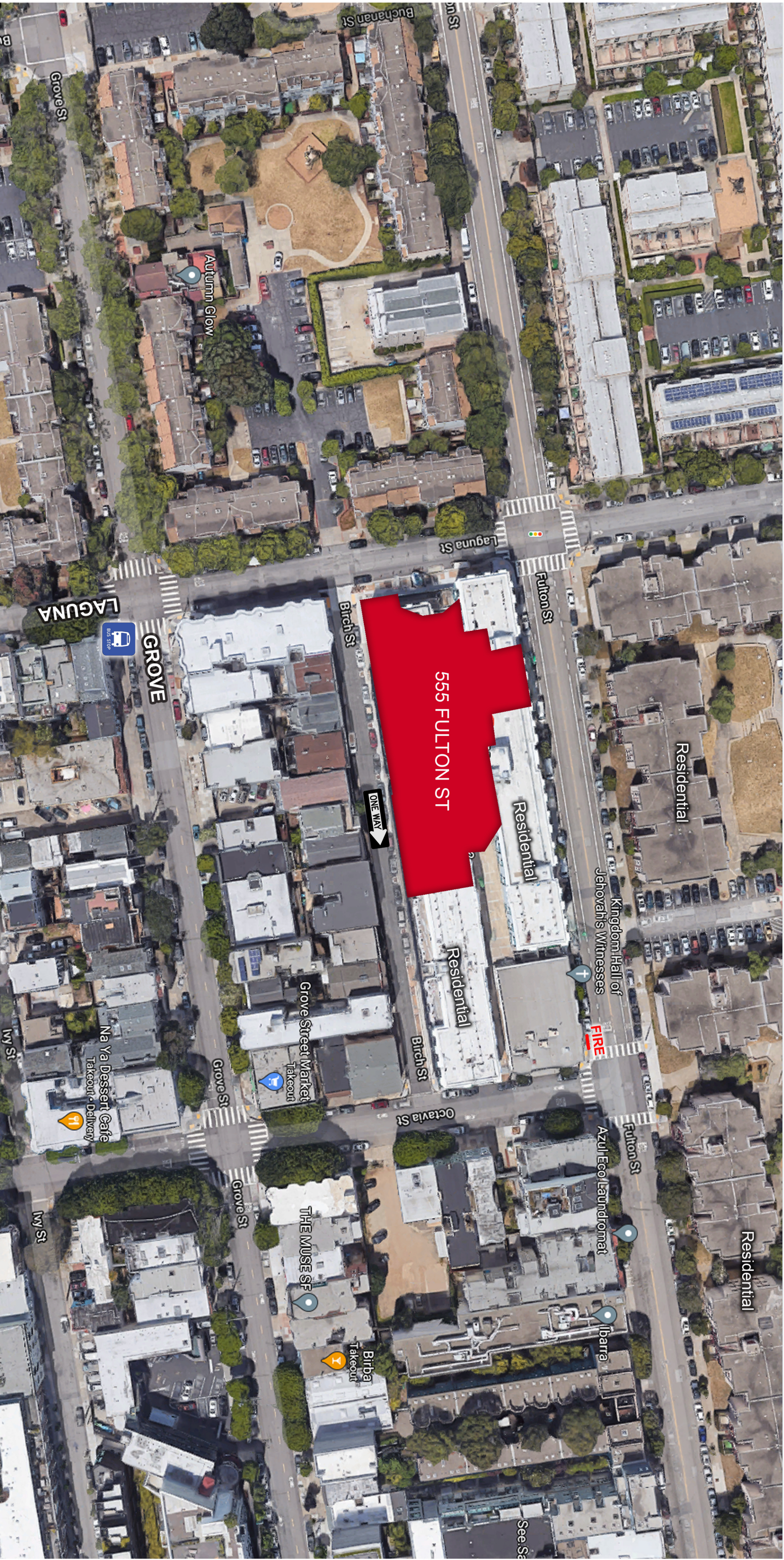
NORTH
13.19.21

EXISTING PARCEL INFORMATION MAP

PROPOSED TRADER JOE'S
555 FULTON ST.
SAN FRANCISCO, CA 94102

TRADER JOE'S®

3



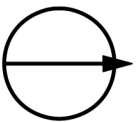
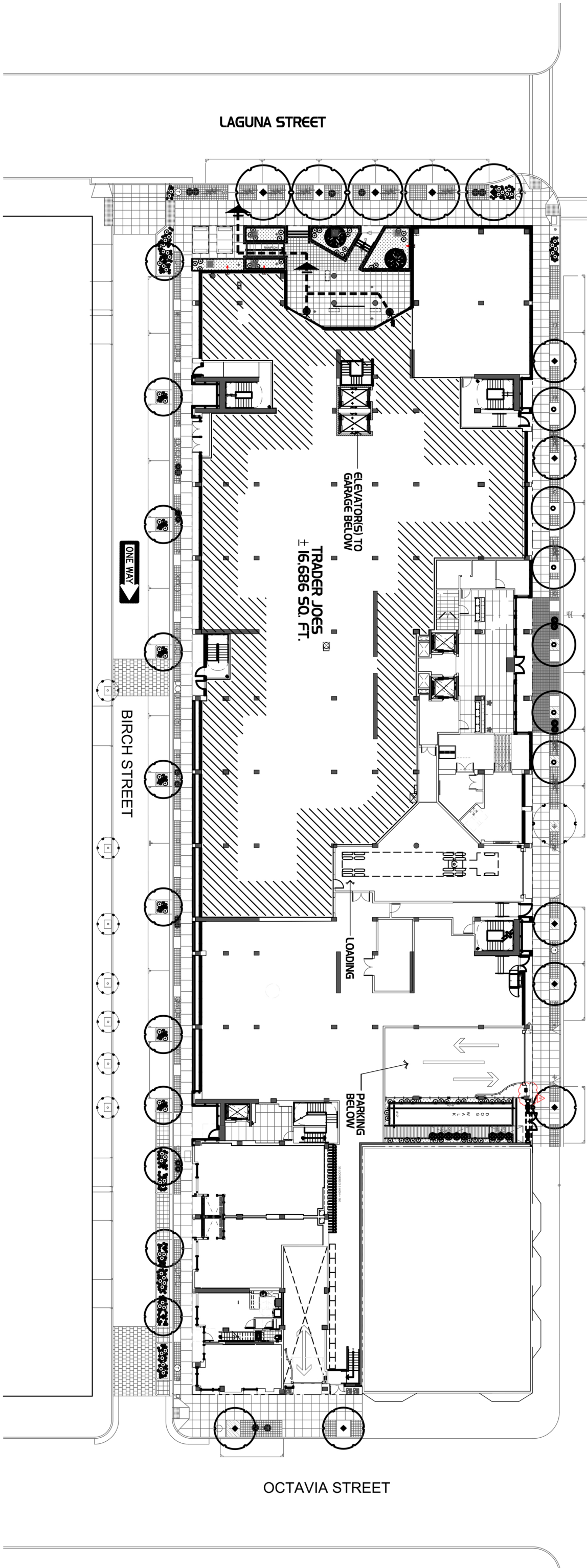
Scale: NTS

NORTH
03.19.21

EXISTING AERIAL MAP

TRADER JOE'S®

PROPOSED TRADER JOE'S
555 FULTON ST.
SAN FRANCISCO, CA 94102



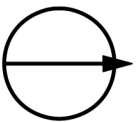
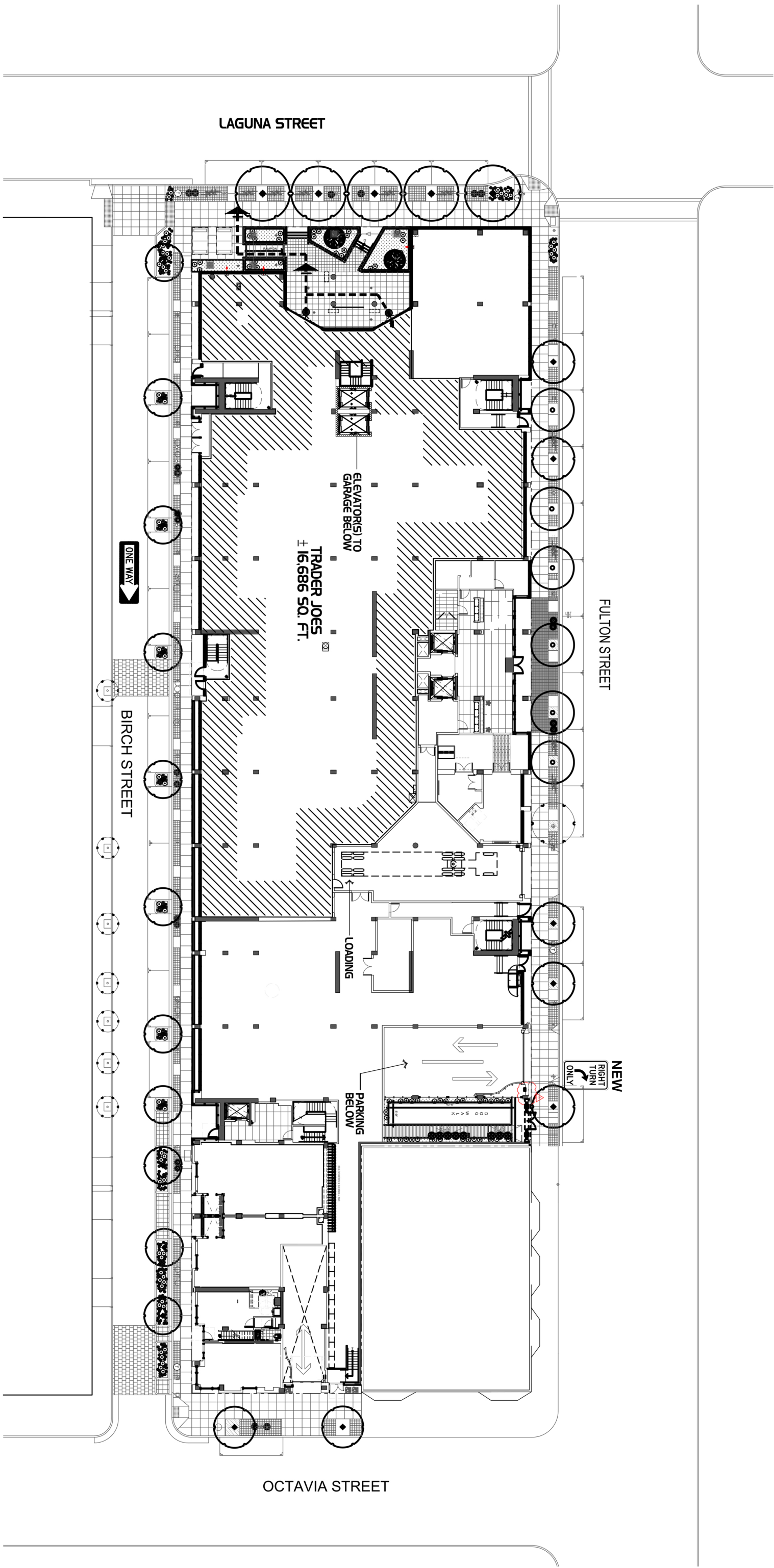
Scale: NTS

NORTH
03.19.21

EXISTING SITE PLAN

TRADER JOE'S®

PROPOSED TRADER JOE'S
555 FULTON ST.
SAN FRANCISCO, CA 94102



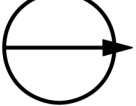
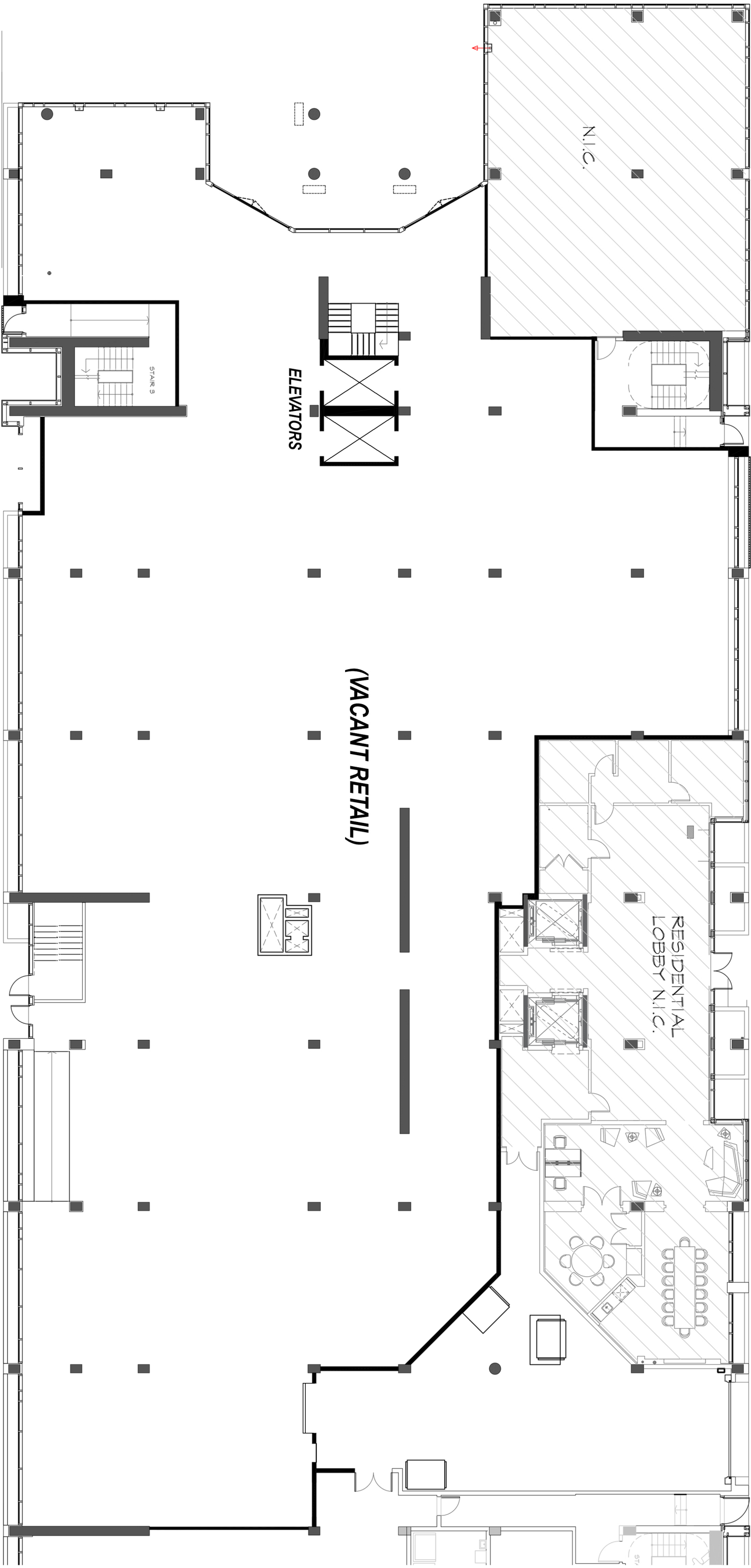
Scale: NTS

NORTH
03.19.21

PROPOSED SITE PLAN

TRADER JOE'S®

PROPOSED TRADER JOE'S
555 FULTON ST.
SAN FRANCISCO, CA 94102



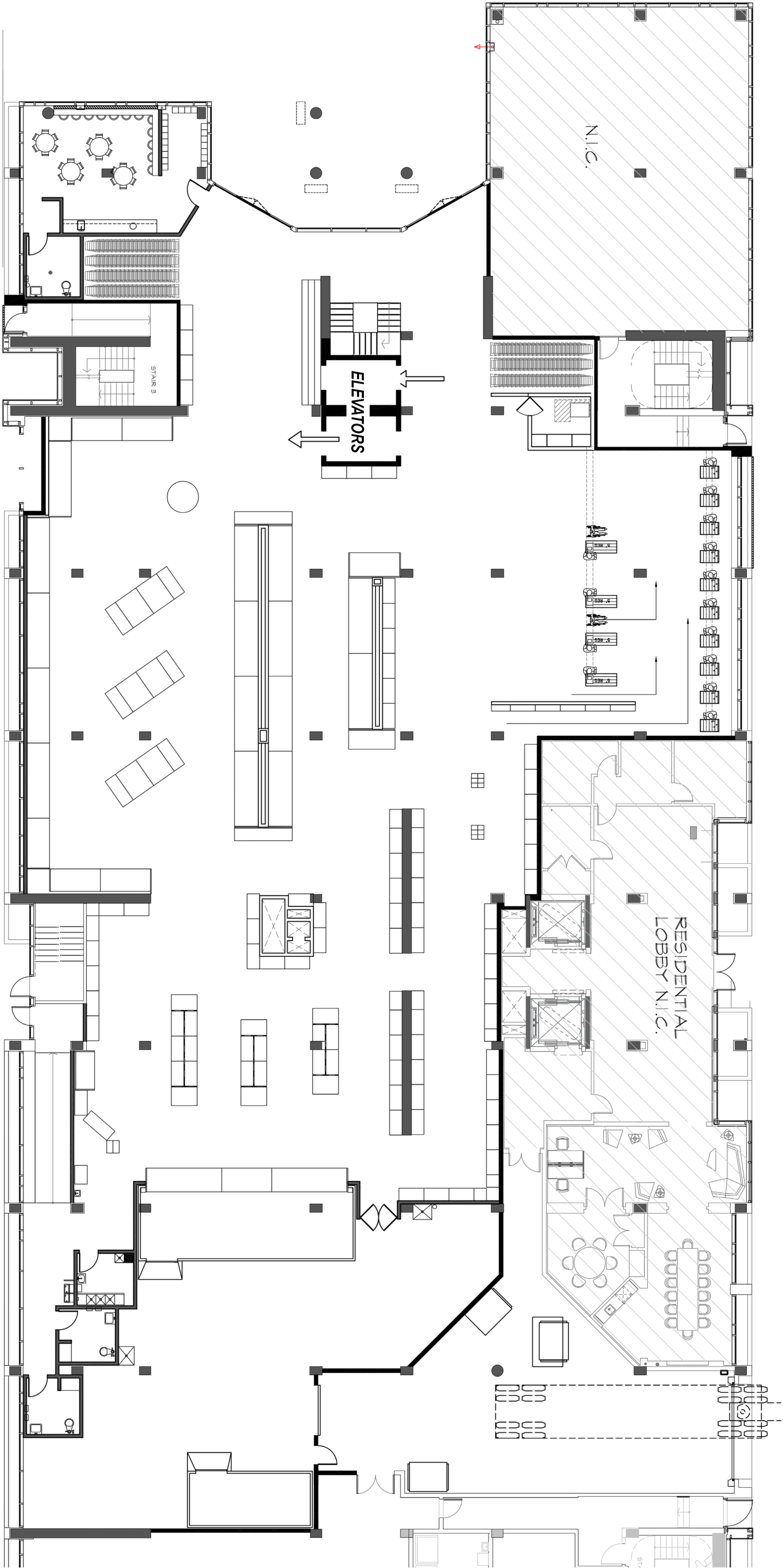
Scale: NTS

NORTH
03.19.21

EXISTING 1ST FLOOR PLAN

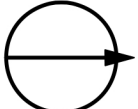
TRADER JOE'S®

PROPOSED TRADER JOE'S
555 FULTON ST.
SAN FRANCISCO, CA 94102



Scale: NTS

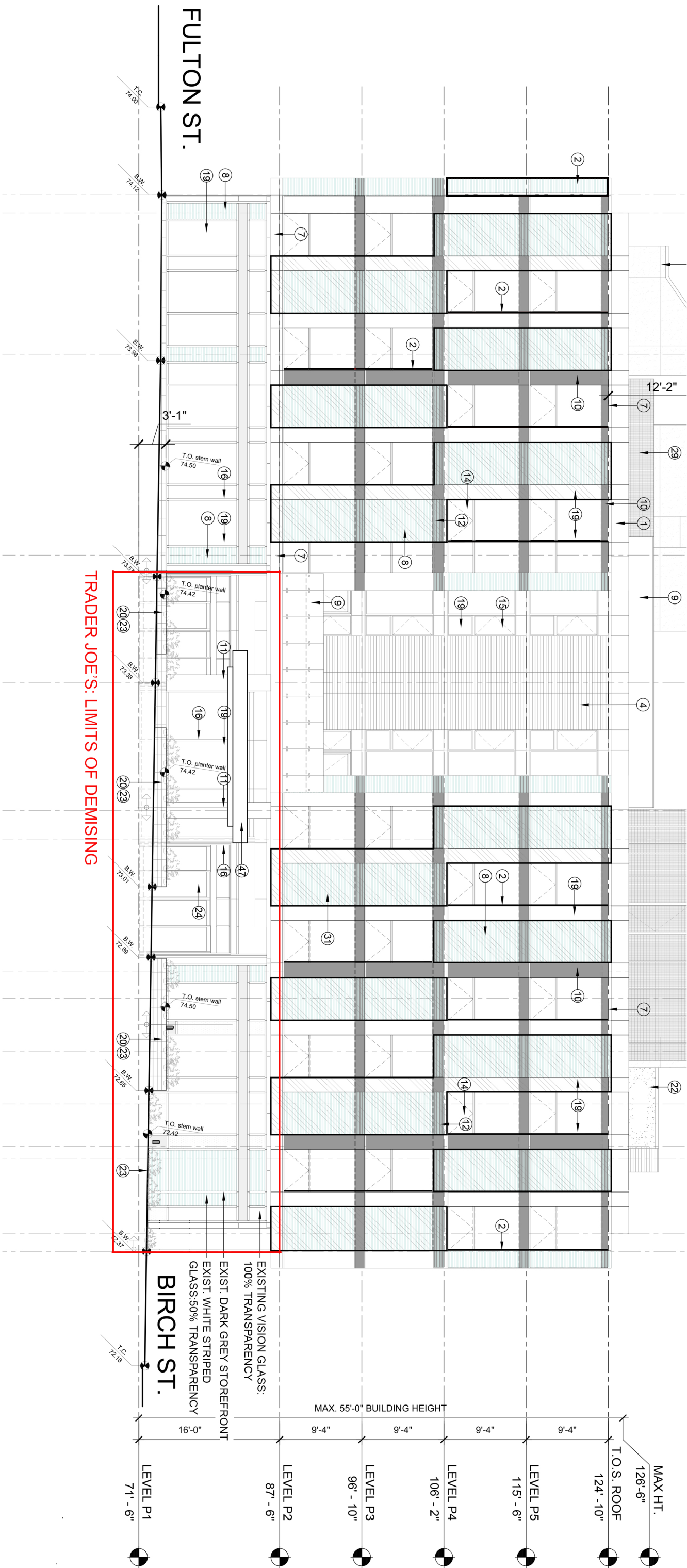
NORTH
03.19.21



PROPOSED 1ST FLOOR /FIXTURE PLAN

TRADER JOE'S®

PROPOSED TRADER JOE'S
555 FULTON ST.
SAN FRANCISCO, CA 94102



TRADER JOE'S: LIMITS OF DEMISING

FULTON ST.

BIRCH ST.

EXISTING VISION GLASS:
100% TRANSPARENCY

EXIST. DARK GREY STOREFRONT

EXIST. WHITE STRIPED
GLASS:50% TRANSPARENCY

MAX. 55'-0" BUILDING HEIGHT

Scale: NTS

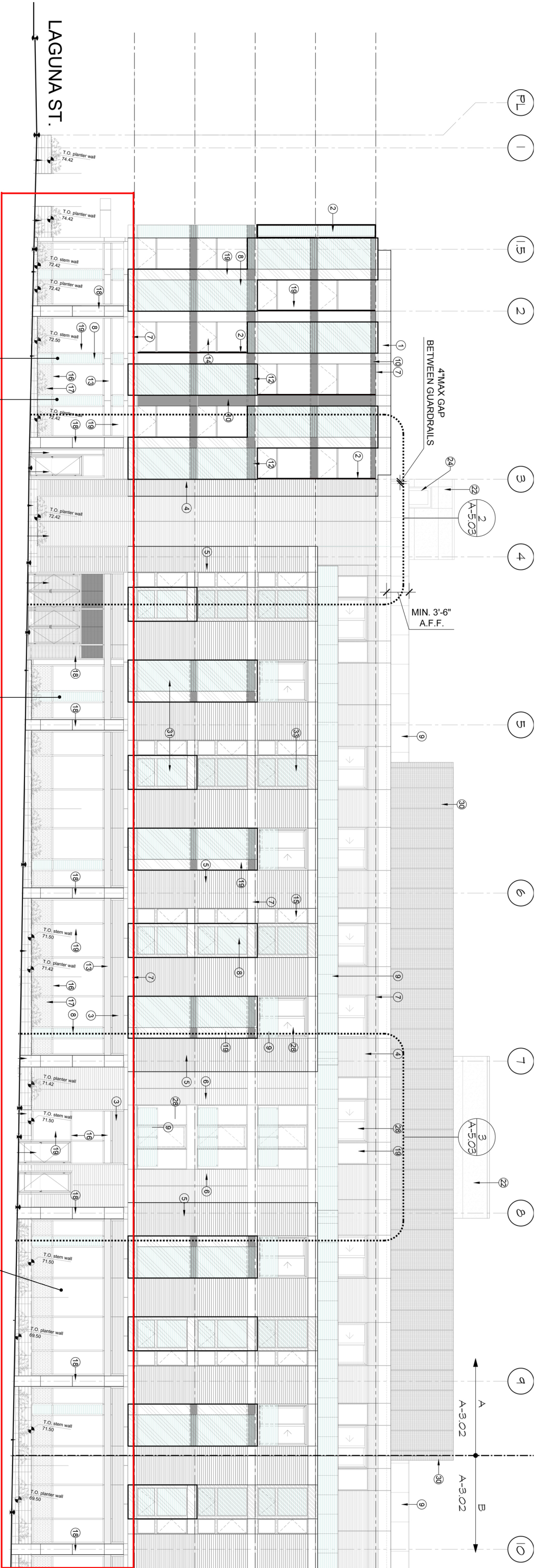
03.19.21

TRADER JOE'S®

EXISTING ELEVATIONS - LAGUNA ST

PROPOSED TRADER JOE'S
555 FULTON ST.
SAN FRANCISCO, CA 94102

10



EXIST. WHITE STRIPED
GLASS: 50% TRANSPARENCY

EXISTING VISION GLASS:
100% TRANSPARENCY

TRADER JOE'S: LIMITS OF DEMISING

LAGUNA ST.

4" MAX GAP
BETWEEN GUARDRAILS

MIN. 3'-6"
A.F.F.

A
A-3.02

B
B-3.02

TRADER JOE'S®

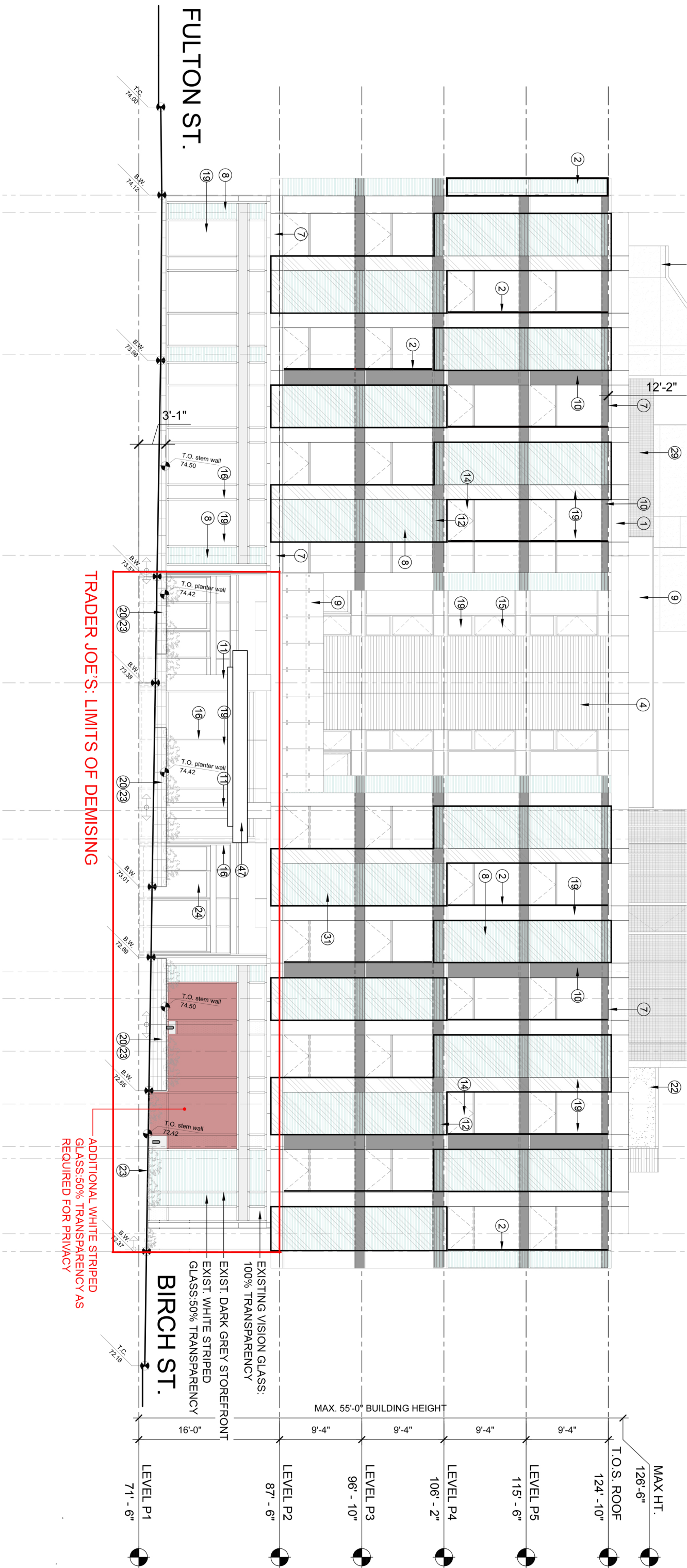
EXISTING ELEVATIONS - BIRCH ST

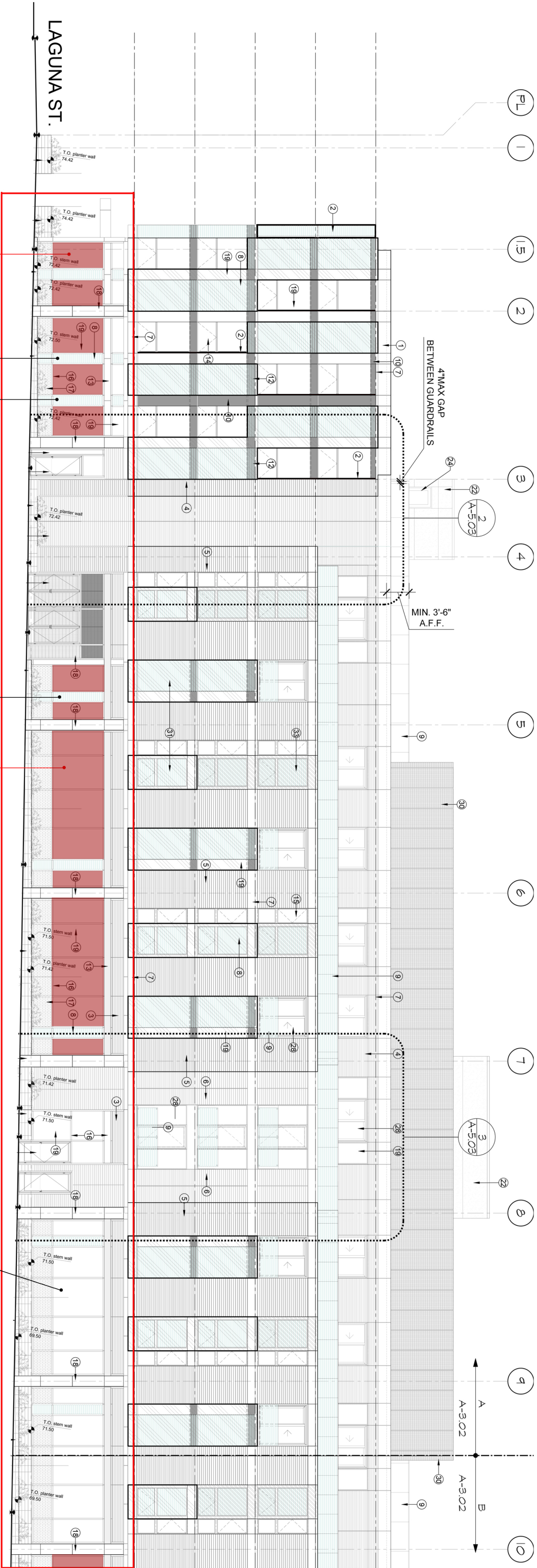
PROPOSED TRADER JOE'S
555 FULTON ST.
SAN FRANCISCO, CA 94102

11

Scale: NTS

03.19.21





ADDITIONAL WHITE STRIPED
GLASS: 50% TRANSPARENCY AS
REQUIRED FOR PRIVACY

EXIST. WHITE STRIPED
GLASS: 50% TRANSPARENCY

ADDITIONAL WHITE STRIPED
GLASS: 50% TRANSPARENCY TO
SCREEN REFRIGERATION CASES

EXISTING VISION GLASS:
100% TRANSPARENCY

TRADER JOE'S: LIMITS OF DEMISING

LAGUNA ST.

PROPOSED ELEVATIONS - BIRCH ST

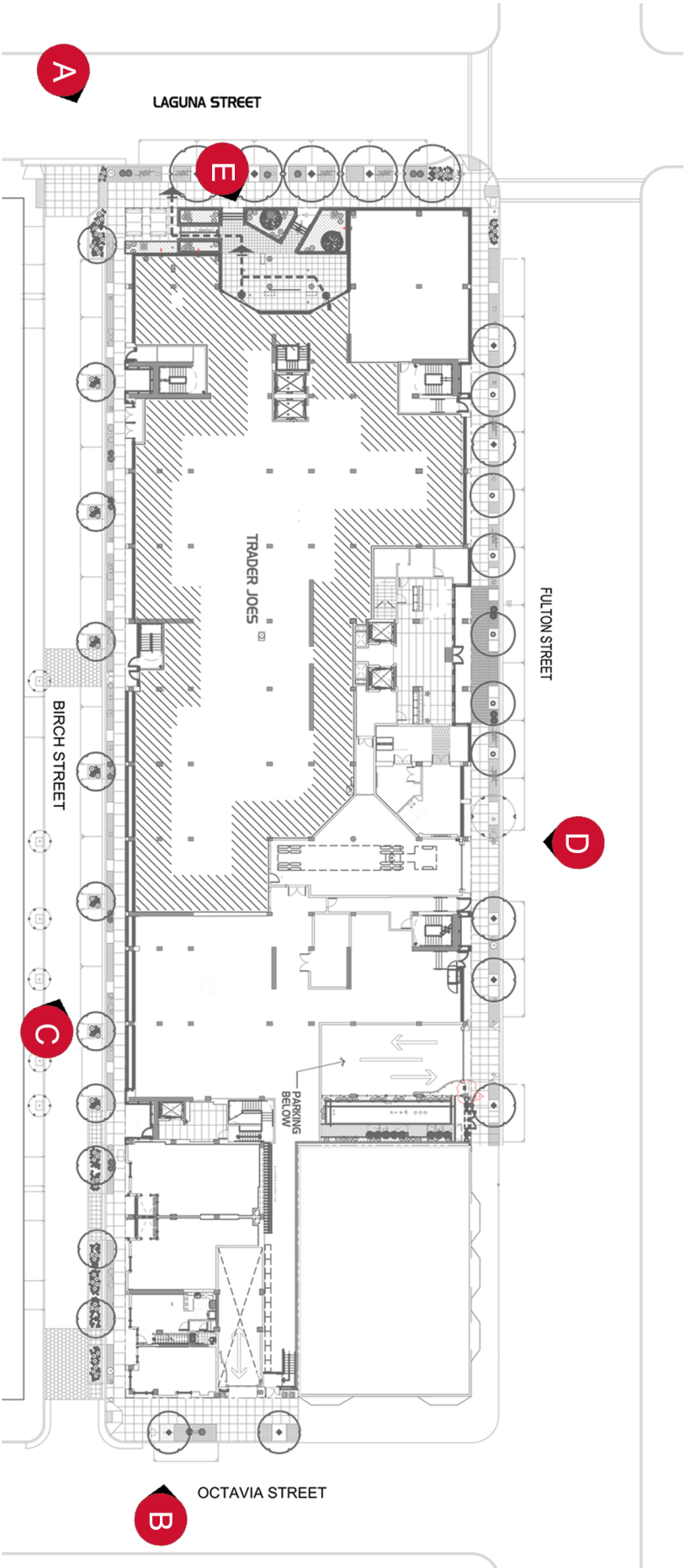
TRADER JOE'S®

Scale: NTS

03.19.21

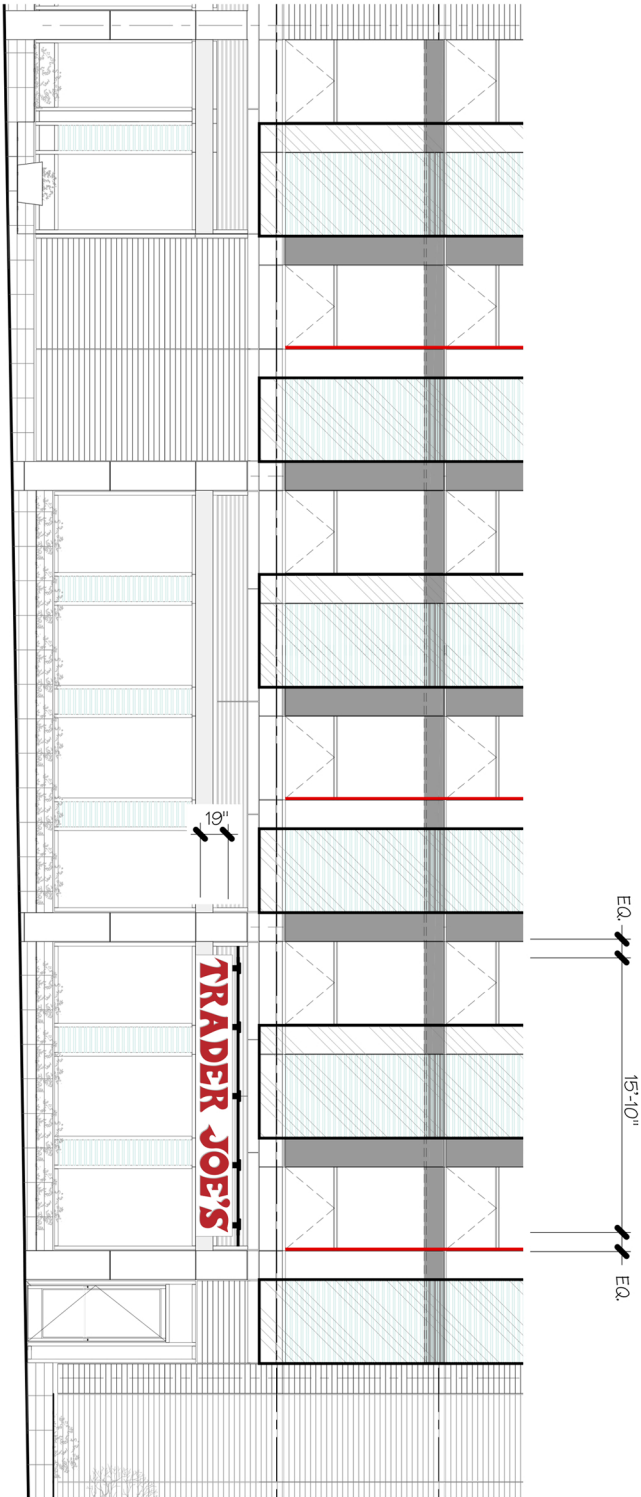
PROPOSED TRADER JOE'S
555 FULTON ST.
SAN FRANCISCO, CA 94102

13



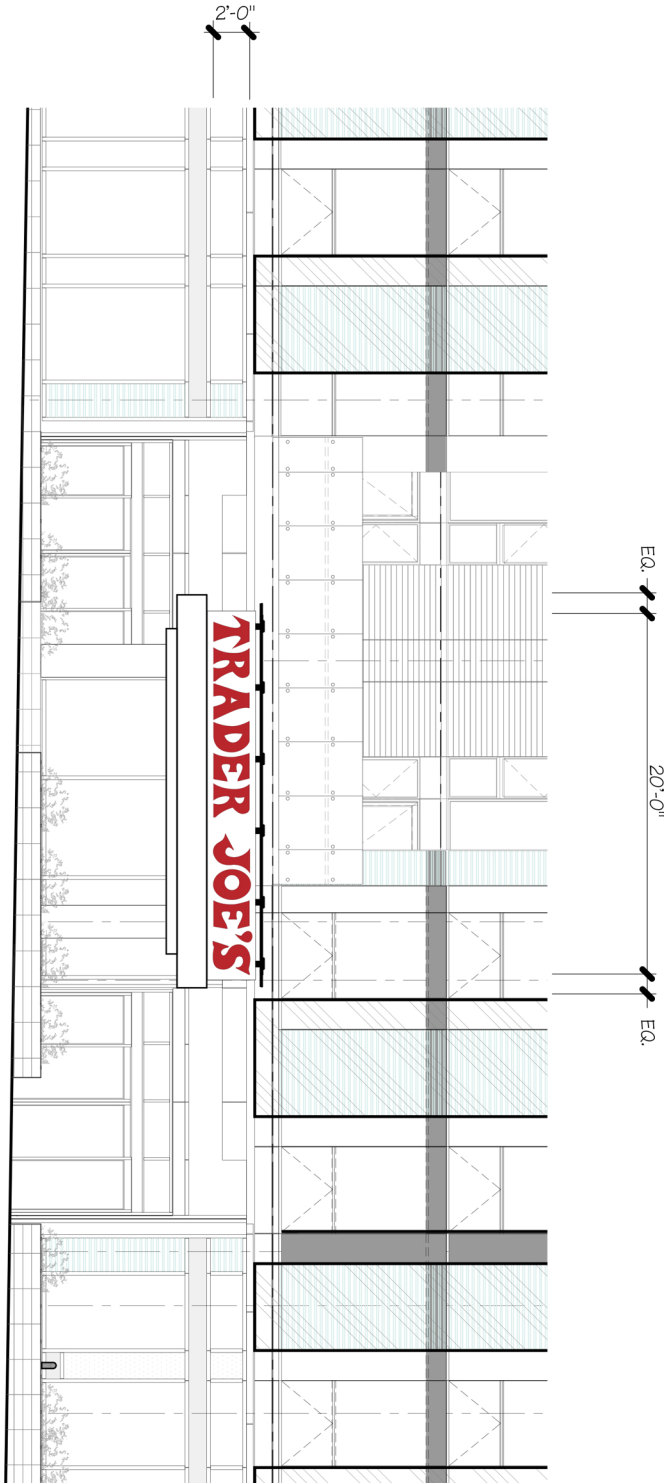


REFERENCE PLAN



PARTIAL NORTH, FULTON STREET

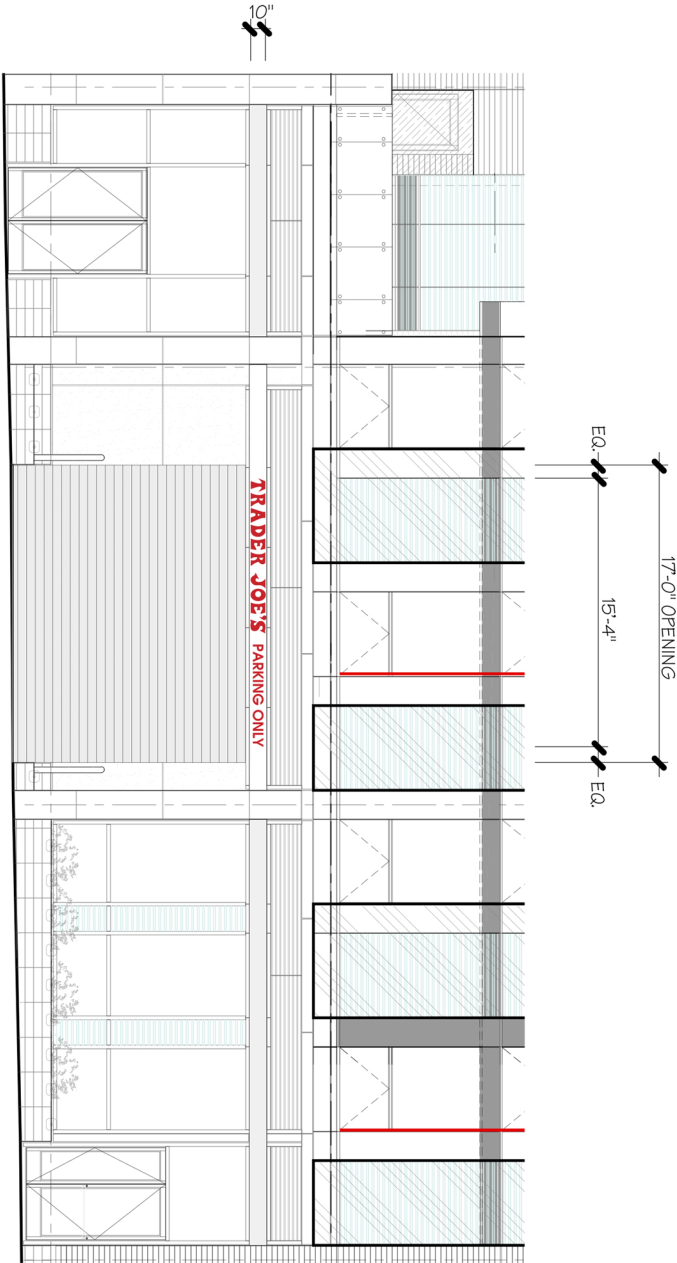
SIGN (B)



PARTIAL EAST, LAGUNA STREET

SIGN (A)

SCALE 1/8"=1'-0"



PARTIAL NORTH, FULTON STREET

SIGN (C)

Scale: NTS

03.19.21

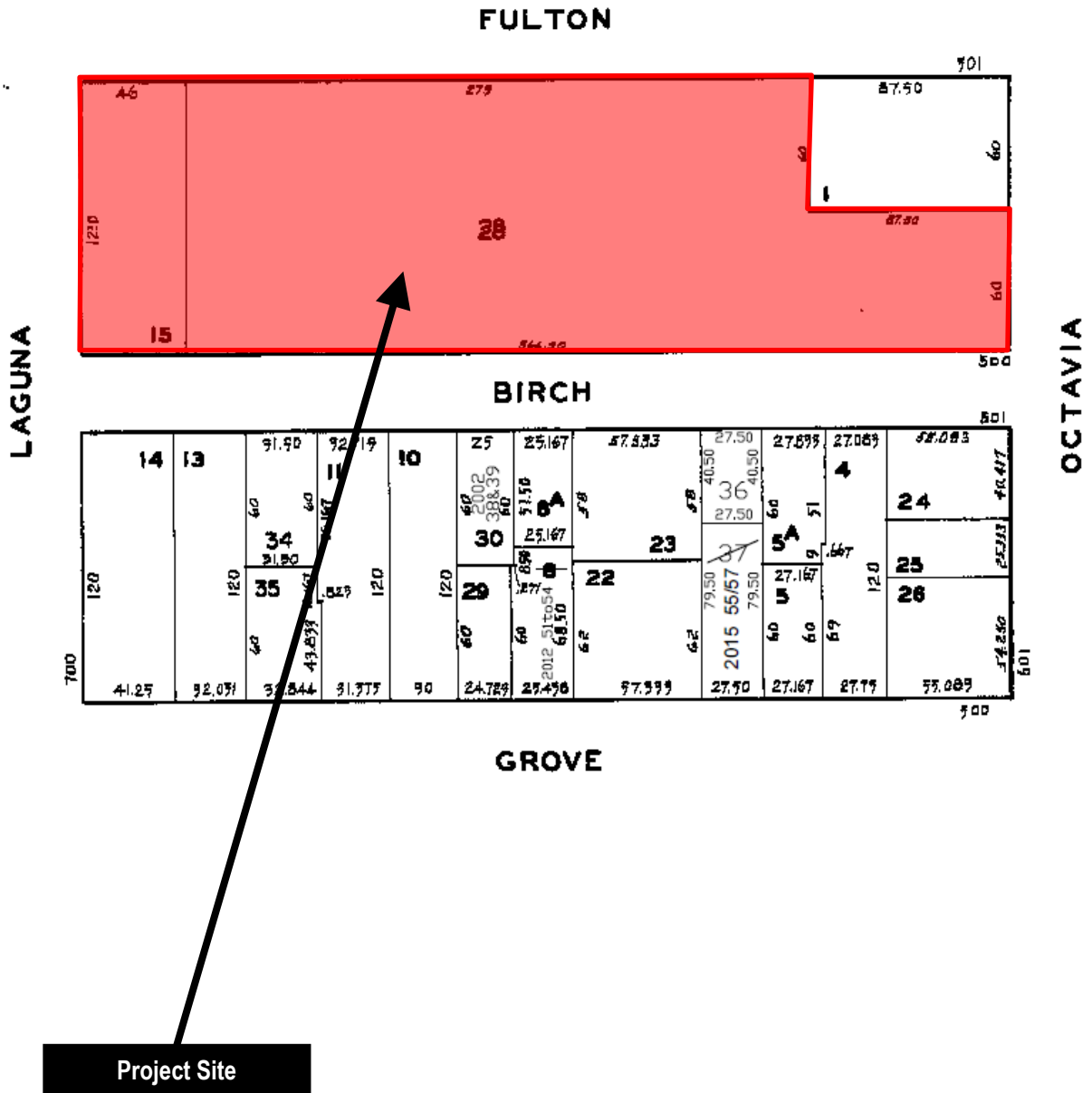
TRADER JOE'S®

BUILDING SIGNAGE

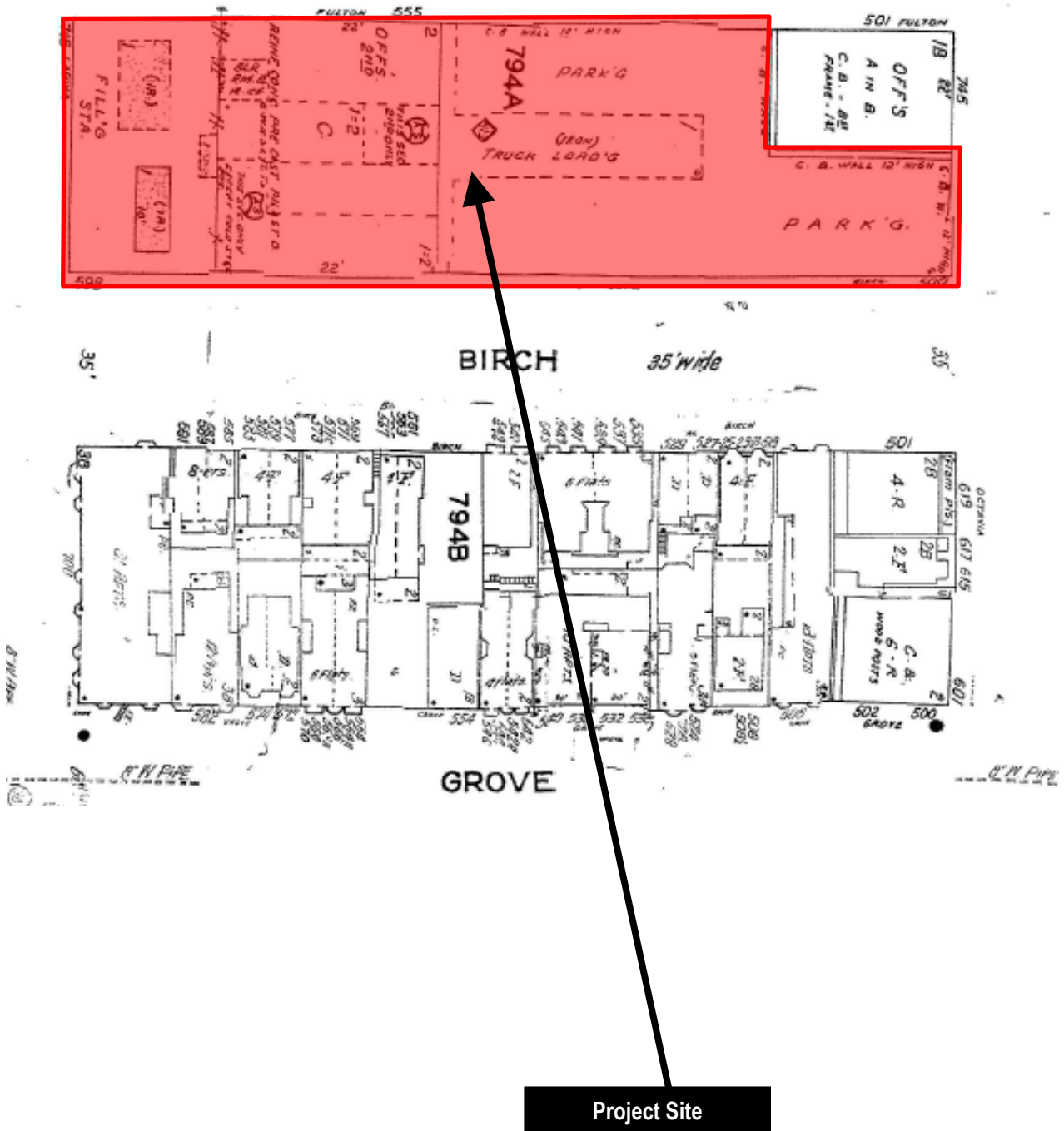
PROPOSED TRADER JOE'S
555 FULTON ST.
SAN FRANCISCO, CA 94102

15

Parcel Map



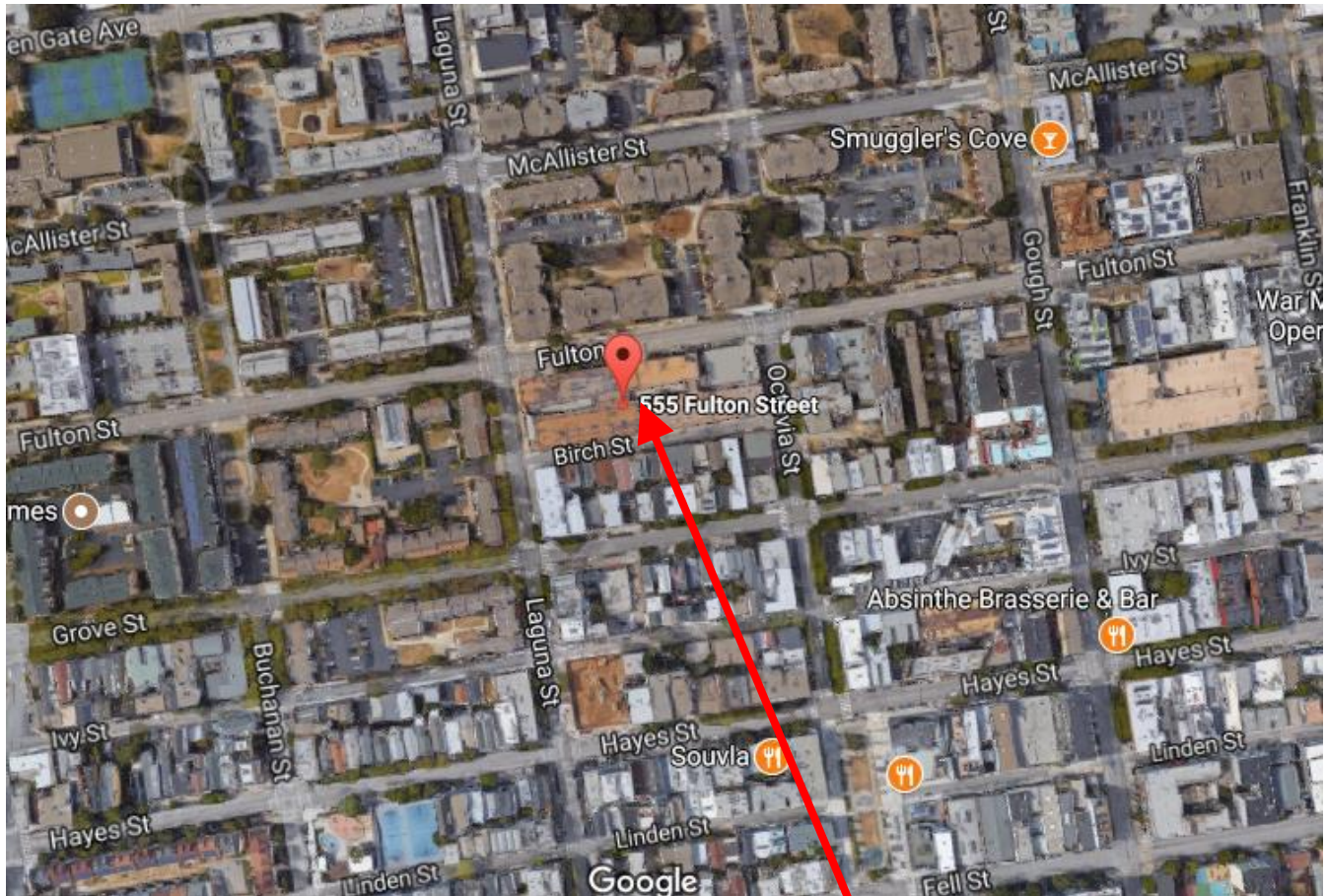
Sanborn Map*



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



Aerial Photo



Project Site

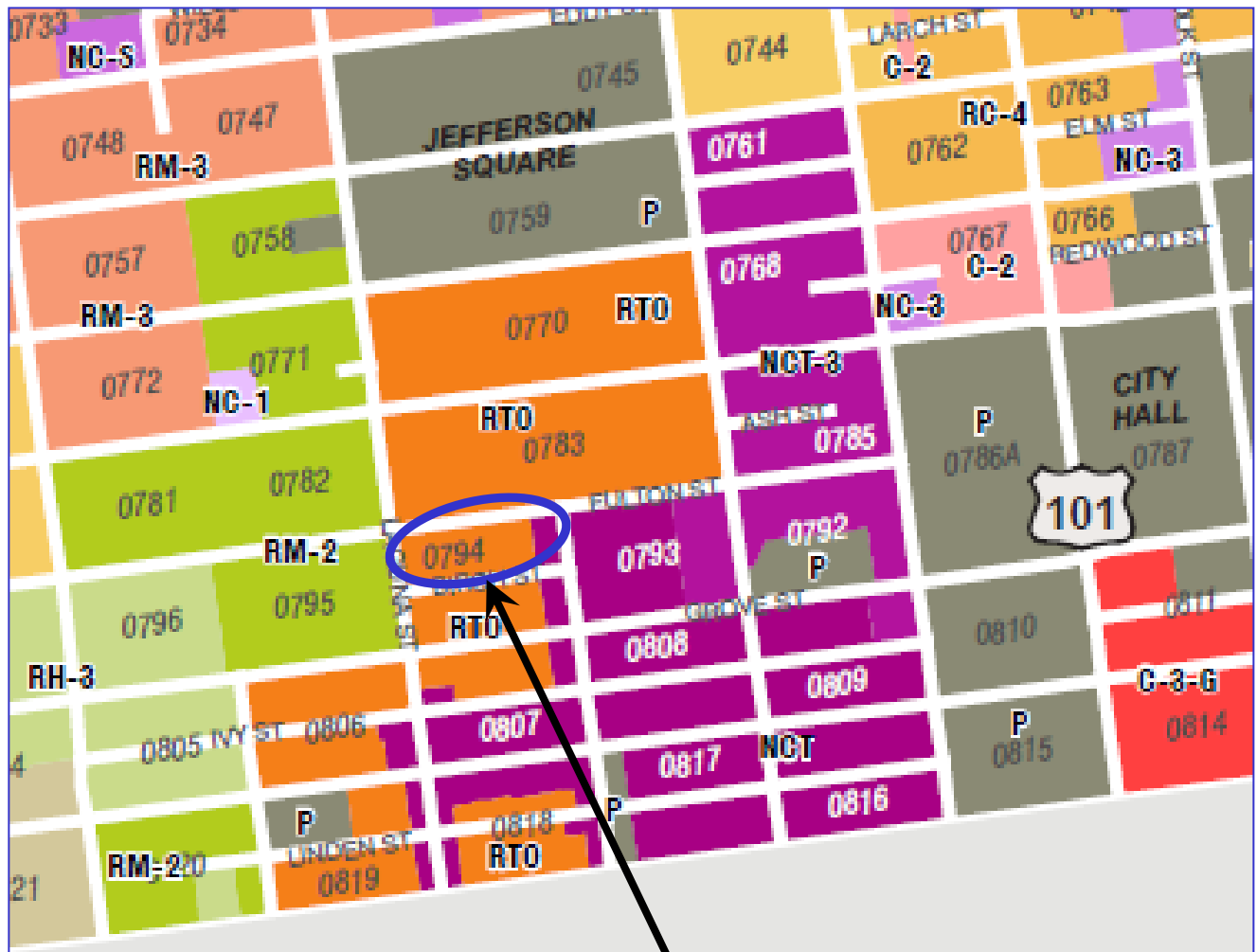


Case No. 2021-002978CUA

555 Fulton Street

Planning Code Amendment/ Conditional
Use Authorization

Zoning District Map



Project Site

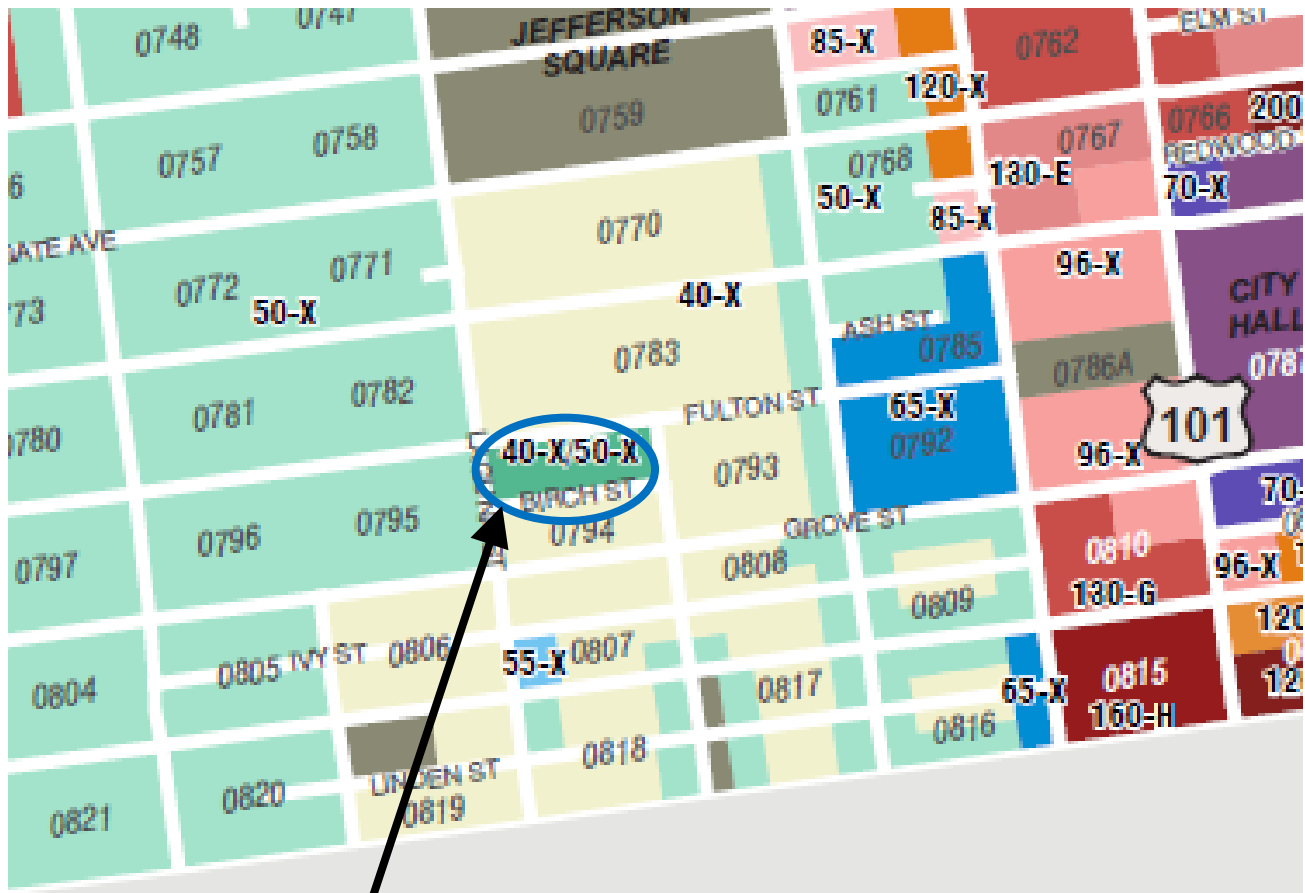


Case No. 2021-002978CUA

555 Fulton Street

Planning Code Amendment/ Conditional
Use Authorization

Height and Bulk Map



Project Site

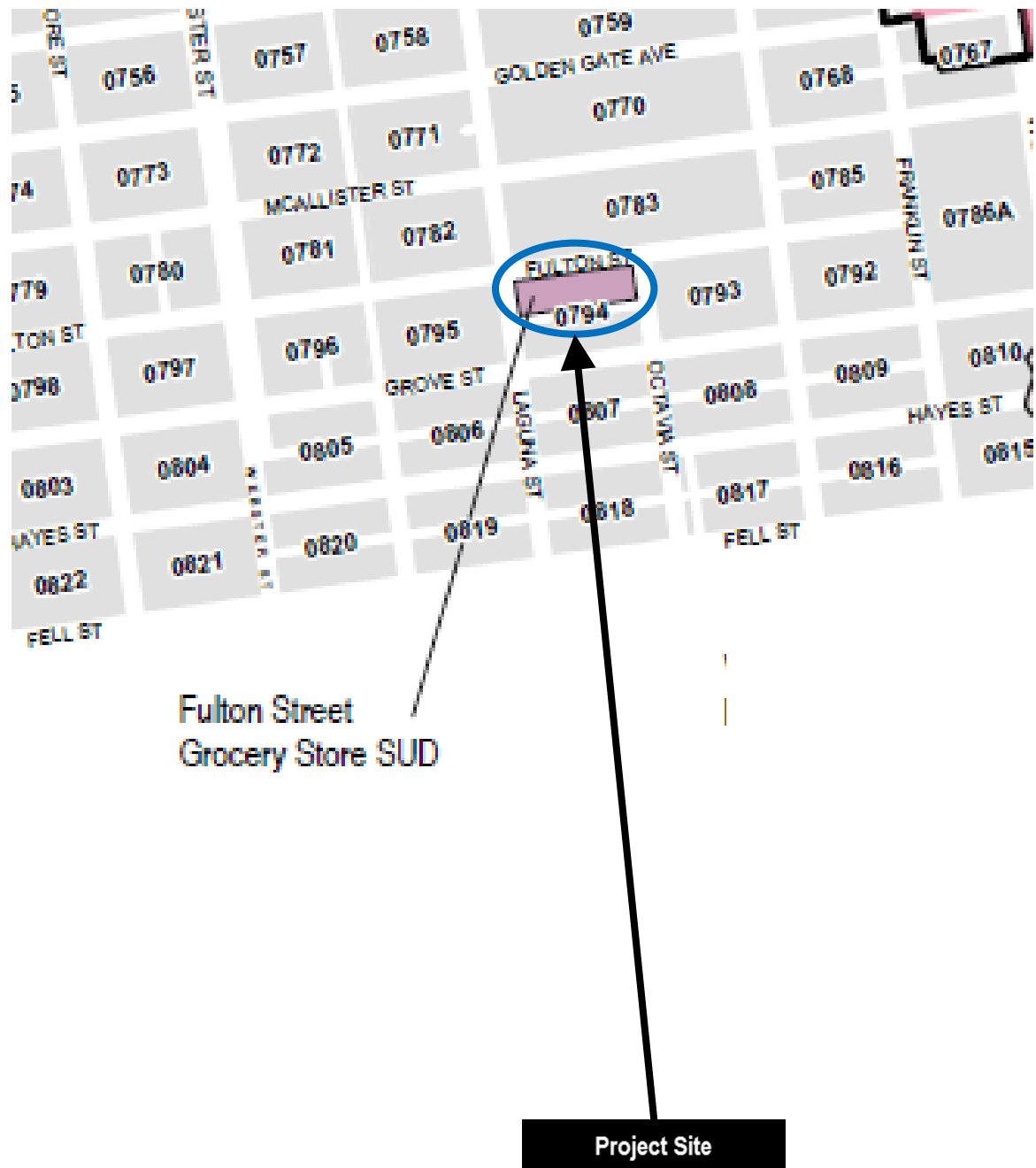


Case No. 2021-002978CUA

555 Fulton Street

Planning Code Amendment/ Conditional
Use Authorization

Fulton Street Grocery SUD



REUBEN, JUNIUS & ROSE, LLP

Andrew Junius
ajunius@reubenlaw.com

July 13, 2021

Delivered Via Email (Claudine.Asbagh@sfgov.org)

President Joel Koppel
San Francisco Planning Commission
49 South Van Ness Avenue, Suite 1400
San Francisco, CA 94103

**Re: 555 Fulton Street
Project Sponsor Submittal
Planning Department Case No. 2021-002978CUA
Hearing Date: July 22, 2021
Our File No.: 6596.03**

Dear President Koppel and Commissioners:

Our office is working with Trader Joe's, sponsor ("Project Sponsor") of the proposed formula retail general grocery store (the "Project") in the vacant ground floor retail space located in the mixed-use project at 555 Fulton Street (the "Property"). The Project site was specifically zoned for a formula retail grocery store use through the Board of Supervisors' adoption of the "Fulton Street Grocery Store Special Use District" as set forth in Planning Code Section 249.35A.

The Project requires Conditional Use ("CU") authorization for formula retail use pursuant to Planning Code Section 303.1. We respectfully request that the Planning Commission approve the CU application. Project benefits include:

- Providing a convenient and affordable neighborhood grocery store with broader selection of products, including fresh and local produce, meats, seafoods, cheese and deli products, nutrition, and wellness in an area not well served by grocery stores;
- The Project will activate a vacant storefront that was purpose built for a grocery store, and utilizing special legislation adopted specifically to allow a formula retail grocery store at this location;
- The Project sponsor has entered into a comprehensive Community Benefits Agreement ("CBA") with Hayes Valley Neighborhood Association ("HVNA").

We urge the Planning Commission to approve the Project.

A. SITE DESCRIPTION

The Project site is bounded by Fulton, Laguna, Octavia, and Birch Streets, within the Hayes-Gough NCT and Residential Transit Oriented Districts, the Fulton Street Grocery Store Special Use District, and the 40X-50X Height and Bulk Districts. The site measures 44,250 square feet, and is nearly rectangular, with the exception of a separate parcel located at the northeast corner of Fulton and Octavia Streets.

The area surrounding the Project site primarily consists of residential buildings of two to four stories in height. Ground floor retail and restaurant uses are found along Hayes Street two blocks south of the Project site, while other isolated commercial establishments are scattered throughout the vicinity. The Civic Center district begins three blocks to the east of the Project site, and includes various government buildings, museums, libraries, and performance spaces. Open spaces in the vicinity include Jefferson Square and Hayward Playground to the north, Patricia's Green and Koshland Park to the south, Buchanan Street Mall and Alamo Square to the west, and Civic Center Plaza to the east.

Conditions in the immediate area are atypical for neighborhood commercial districts, which are generally characterized by small- to mid-sized businesses. Though heavily trafficked, neighborhood commercial streets tend to be pedestrian-oriented with continuous retail frontages at the ground floor. In contrast, the area immediately surrounding the Project site is auto-oriented in its scale and design.

B. PROJECT DESCRIPTION

The Project would establish a Trader Joe's grocery store in a vacant 16,686 square foot ground floor retail space purpose built for a grocery store. There would be no expansion of the building envelope, and the façade would remain unchanged but for the installation of appropriate signage meeting citywide design standards for formula retail. The existing parking lot and loading would remain unchanged. Project plans are included in your materials.

C. COMPLIANCE WITH CONDITIONAL USE CRITERIA FOR FORMULA RETAIL USE

Under Planning Code section 303(c), the City Planning Commission shall approve the application and authorize a conditional use if the facts presented are such to establish the following:

1. Desirability and Compatibility of Project

Planning Code section 303(c)(1) requires that facts be established which demonstrate the following:

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

A retail grocery store in excess of 15,000 gross square feet of occupied floor area is required by the zoning for the Project site, subject to approval by the Planning Commission. Trader Joe's is an ideal grocery operator. Trader Joe's currently operates nationwide in 42 states and Washington, D.C. with 6 stores operating in San Francisco. Hours of operation will be 8:00 AM – 9:00 PM. Grocery departments will include fresh and local produce, meats, seafoods, cheese and deli products, nutrition, and wellness. Trader Joe's gives back to the local communities with a preference to support not-for-profit groups who benefit the people who live in the community around its stores. Trader Joe's has a long-running policy to donate 100% of products that go unsold, but are safe for consumption through a neighborhood shares program. The Trader Joe's will create approximately 110 new jobs.

2. Effect of Project on Health, Safety, Convenience or General Welfare

Planning Code Section 303(c)(2) requires that facts be established which demonstrate the following:

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 injuries to property, improvements or potential development in the vicinity, with respect to aspects including, but not limited to, the following:

- (a) **The nature of the proposed site, including its size and shape, and the proposed size, shape and arrangement of the structure.**

The Trader Joe's store will move into a 16,686 gross-square-foot retail space that was purpose built for a grocery store. Trader Joe's does not propose any expansion to the existing building and would not affect the building envelope.

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

The Property is well-served by public transit, existing on-site parking, and bicycle spaces. A number of MUNI lines run in front of the site or nearby, including the 5-Fulton and 21-Hayes. The Property has 73 parking spaces and a loading space dedicated to the grocery store use existing on the site that were approved as part of the mixed-use project. The current proposal for the grocery store does not include any additional parking or loading.

- (c) **The safeguards afforded to prevent noxious or offensive emissions such as noise, glare, dust and odor.**

The Project involves interior tenant improvement work for a new grocery in an existing commercial unit within a new mixed-use development. It will not produce,

nor include, any uses that could emit noxious or offensive emissions such as noise, glare, dust, and odor.

- (d) **Treatment given, as appropriate, to such aspects as landscaping, screening, open spaces, parking and loading areas, service areas, lighting and signs.**

The Project will authorize a retail grocery store to occupy a vacant retail space. It will not include any changes to the Property's existing landscaping, screening, open space, parking or loading areas, or lighting approved as part of the mixed-use project. Trader Joe's will comply with all applicable rules and regulations relating to signage.

3. Compliance with the General Plan.

Planning Code Section 303(c)(3) requires that facts be established that demonstrate the following:

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 affirmatively promote, is consistent with, and will not adversely affect the General Plan, specifically the **Commerce and Industry Element** as follows:

Commerce and Industry Element

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.

Policy 1.3 Locate commercial and industrial activities according to a generalized commercial and industrial land use plan.

The Project is consistent with this policy, adding a full-service grocery store in a neighborhood where the public housing residents who live across Fulton Street, and the community in general, are underserved by grocery stores. The Project will add desirable goods and services to the neighborhood, and will provide resident employment opportunities for people in the community. A grocery store is not only consistent with activities in the commercial land use plan, but was required by the Board

of Supervisors pursuant to its adoption of a special use district zoning for this Project site, subject to approval by the Planning Commission.

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 meets this policy. Trader Joe's will be the first tenant to occupy this space, adding a commercial activity and providing a new grocery store for the neighborhood.

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 affirmatively support these policies by creating new jobs for unskilled and semi-skilled workers, increasing the City's sales tax base, and occupying the ground floor retail space.

OBJECTIVE 6 MAINTAIN AND STRENGTHEN VIABLE NEIGHBORHOOD COMMERCIAL AREAS EASILY ACCESSIBLE TO CITY RESIDENTS.

Policy 3.1 Ensure and encourage the retention and provision of neighborhood-serving goods and services in the city's neighborhood commercial districts, while recognizing and encouraging diversity among the districts.

The Project will not displace anyone, nor would it prevent the district from achieving optimal diversity in the types of goods and services available in the neighborhood. Trader Joe's will provide neighborhood-serving grocery goods and services.

D. NEIGHBORHOOD OUTREACH AND SUPPORT

The Project Sponsor met with the Hayes Valley Neighborhood Association a number of times over the last several years. HVNA and the Project Sponsor entered into the CBA as of December 2020. The CBA covers participation in the Neighborhood Shares Program, hiring

President Joel Koppel
San Francisco Planning Commission
July 13, 2021
Page 6 of 6

practices, food affordability, security and traffic management. A copy of the CBA is attached as **Exhibit A**.

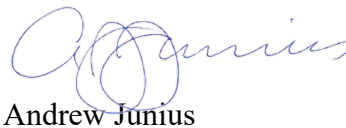
E. CONCLUSION

The Project will add a much-needed grocery store into a vacant retail space in the Western Addition neighborhood adjacent to Ella Hill Hutch Center, public housing, and within walking distance to the Civic Center. The proposed grocery store is necessary and desirable for the neighborhood, and specifically legislated for by the Board of Supervisors with their adoption of the Fulton Street Grocery Store Special Use District. Community feedback has been very positive and supportive, including support from the Hayes Valley Neighborhood Association. Trader Joe's is a socially responsible company and will focus on serving the community.

For these reasons, we respectfully request that you grant this Conditional Use Authorization.

Very truly yours,

REUBEN, JUNIUS & ROSE, LLP



Andrew Junius

Enclosures:

Exhibit A – Community Benefits Agreement

cc: Kathrin Moore, Vice President
Deland Chan, Commissioner
Sue Diamond, Commissioner
Frank S. Fung, Commissioner
Theresa Imperial, Commissioner
Rachel Tanner, Commissioner

EXHIBIT A

COMMUNITY BENEFITS AGREEMENT

THIS [HVNA TJ's] COMMUNITY BENEFITS AGREEMENT (the "Agreement") is entered into this 15th day of December, 2020 ("Effective Date"), by and between the Hayes Valley Neighborhood Association ("HVNA") and Trader Joe's Company, a California corporation ("Trader Joe's").

RECITALS

WHEREAS, on July 24, 2019, Trader Joe's and 555 Fulton St. Development, LLC, a California limited liability company (the "**Landlord**"), entered into a Lease ("**Lease**") whereby Trader Joe's leased certain premises totaling approximately 16,686 square feet (the "**Premises**") located at 555 Fulton Street, San Francisco, California;

WHEREAS, the Lease is contingent upon the satisfaction of certain conditions, including, but not limited to, Trader Joe's or the Landlord entering into this Agreement with HVNA and Trader Joe's obtaining the Conditional Use Authorization for Formula Retail Use pursuant to Section 303.1(e) of the San Francisco Planning Code; and

WHEREAS, the purpose of this Agreement is to create a formal understanding of community benefits to be conveyed by Trader Joe's as it becomes a new member of the Hayes Valley and Western Addition districts.

NOW THEREFORE, in consideration of the foregoing Recitals, the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Neighborhood Store.

- a. Trader Joe's is a chain of neighborhood grocery stores committed to providing customers outstanding value – the best quality products at great everyday prices.
- b. As a neighborhood grocery store, sustaining the health and well-being of the communities in which Trader Joe's operates is a priority. Trader Joe's efforts start with its commitment to providing outstanding value and service to its customers. From providing affordably priced food of the highest quality and feeding those in need through its Neighborhood Shares Program (as defined in Section 2.b. below), to continuously striving to reduce food waste and better manage its environmental impact, Trader Joe's is dedicated to being the great neighbor its customers deserve.
- c. To Trader Joe's, being a good neighbor means a commitment to maintaining a welcoming, inclusive and safe environment within its stores and acting with integrity (treating others as we would want and expect to be treated).

2. Neighborhood Involvement and Neighborhood Shares Program.

- a. In all Trader Joe's stores, Trader Joe's gives back to the local communities, handling all requests for product donations and involvement in community events at the store level. Each Trader Joe's store has a designated Crew Member (as defined in Section 4.a) (the "**Donation Coordinator**") to manage these activities, and it is Trader Joe's preference to support not-for-profit groups who benefit the people who live in the community around its stores.

- b. Trader Joe's giving also aligns with its intent never to let food go to waste. It has been Trader Joe's long-running policy to donate 100% of products that go unsold but are safe for consumption (the "**Neighborhood Shares Program**"). To avoid unnecessary waste, support people in need, and deepen Trader Joe's neighborhood connections, Trader Joe's takes care in the redistribution of the still useful products through its Neighborhood Shares Program. The store Donation Coordinator is responsible for overseeing the care for these products, from their handling in our stores to their delivery to our local food recovery partners, seven days a week.
 - c. In 2019, Trader Joe's donated nearly \$384 million dollars of food and beverages, which equates to about 78 million pounds of food or 65 million meals served to those in need through the Neighborhood Shares Program. In 2019, Trader Joe's stores in the San Francisco area donated over \$4.1 million dollars of food and beverages.
 - d. Each Trader Joe's store is also an active member in the community in a variety of other ways. This involvement varies by neighborhood depending on the needs, but regularly includes supporting neighborhood events and collaborating with community groups.
 - e. At the Premises, Trader Joe's will continue the company's mission of being a good neighbor and giving back to the community through its Neighborhood Shares Program and other community engagement.
3. Community Outreach. As of the Effective Date, Trader Joe's has, in coordination with the District 5 Supervisor's officer, participated in outreach in the neighborhood, including, but not limited to, with HVNA; The Success Center; The New Community Leadership Foundation; The Village Project; The African American Arts and Culture Complex; Berry Powerful Ladies; Mo Magic; SF Bike Coalition; Bayview Senior Services/Rosa Parks Senior Center. After the Effective Date, Trader Joe's will continue to work with HVNA and the District 5 Supervisor's officer to set up opportunities to meet members in the community that Trader Joe's plans to serve.
4. Trader Joe's Hiring Practices.
- a. Trader Joe's fosters an environment that reflects the diversity of the neighborhoods it serves in order to enhance the customer experience and benefit Trader Joe's employees ("**Crew**" or "**Crew Members**"). When Trader Joe's hires, Trader Joe's looks for hard-working, fun people who have a passion for food, learning, and creating delight for others.
 - b. Applications are open for all to apply to be a Crew Member in Trader Joe's stores. Applications can be submitted in person at the store or on-line through Trader Joe's website. Trader Joe's looks for the best applicants who are engaging, inspiring and can deliver a fantastic customer experience.
 - c. As a neighborhood grocery store, it is important to Trader Joe's to hire Crew Members from the neighborhood. In most cases, the majority of the Crew Trader Joe's hires is from the neighborhood.
 - d. Trader Joe's offers competitive salaries and a comprehensive benefits package to qualifying Crew Members.
 - e. As part of its initial process to hire Crewmembers at the Premises, Trader Joe's shall:
 - i. Notify the Success Center of its intent to hire Crewmembers 4-6 weeks before it starts hiring;

- ii. Hang a banner at the site 2 weeks prior to job postings so that individuals without computers can become aware of Trader Joe's intent to hire for the Premises; and
- iii. Hold an open-call job fair (to the extent it is safe to do so). Trader Joe's will share the details of the job fair with the local community partners and on the Trader Joe's website.

5. Affordability.

- a. Trader Joe's is committed to providing customers outstanding value – the best quality products at great everyday prices, without separating the two. Trader Joe's does not have sales, offer coupons, or make customers enroll in "loyalty" programs to receive the best deals. Trader Joe's believes everyone should have access to great food and beverages for low prices *every day*.
- b. Over 80% of Trader Joe's products are private label (products with "Trader Joe's" name on them), which removes a lot of unnecessary costs, like slotting fees, marketing fees, and middleman fees. Trader Joe's works closely with its suppliers, negotiating for the best prices and continuously looking to improve the efficiency of its distribution channels. In turn, Trader Joe's passes along these savings to its customers.
- c. Trader Joe's sells its products, including core food staples (*e.g.*, milk, eggs, butter, bananas, ground beef, cereal, etc.), at competitive prices relative to other grocery stores both nationwide and in San Francisco. Trader Joe's also offers a wide variety of organic products and unique, interesting finds at affordable prices.

6. Security and Traffic Management.

- a. Trader Joe's will act in good faith to support proactive measures to protect residents and patrons in collaboration with SFPD, HVNA and the community at large.
- b. Trader Joe's will install a camera inside the store to monitor entry and exit. Recordings from the camera will be retained for review for a commercially reasonable period.
- c. Trader Joe's will work with the Landlord to install cameras on the exterior of the Premises. Trader Joe's will advise the Landlord to retain the recordings from the cameras for a commercially reasonable period.
- d. Trader Joe's will use commercially reasonable efforts to monitor the store perimeter during store hours.
- e. Trader Joe's will work with the Landlord to ensure that SFPD has access to the parking garage 24 hours per day, 7 days per week.
- f. When Trader Joe's initially opens to the public in the Premises, Trader Joe's will engage a traffic control company or support some other party engaged by the Landlord to monitor the parking garage during peak hours or at other times deemed necessary. Monitoring will include managing traffic within the parking lot and safe entry and exit into the parking garage, including across bike lanes, as deemed necessary. During the term of the Lease, Trader Joe's will evaluate the traffic control needs on an on-going basis.
- g. Trader Joe's will provide secure bicycle parking for employees in the parking garage.

- h. Trader Joe's will support proposed improvements made to SFMTA by HVNA to the Trader Joe's garage entrance on Fulton St. Proposed improvements are: garage entrance to be right turn in only, right turn out only and bulbouts added to the right and left of the entrance to improve safety and visibility, daylighting the Trader Joe's garage entrance on Fulton St.
- i. Trader Joe's will utilize the loading zones that have been built in the locations approved by the City, which are accessed from Fulton Street and accommodate a WB-50 truck. When Trader Joe's initially opens to the public in the Premises, Trader Joe's will engage a traffic control company or support some other party engaged by the Landlord to oversee car and bike traffic traveling safely on Fulton Street while Trader Joe's delivery trucks are entering and exiting the loading area during Trader Joe's receiving hours. During the term of the Lease, Trader Joe's will evaluate the traffic control needs during receiving hours on an on-going basis.
- j. Trader Joe's shall utilize the designated trash area within the loading area. All trash will be picked up on a regular basis.

7. Miscellaneous.

- a. All section headings, titles or captions contained in this Agreement are for convenience only and shall not be deemed part of this Agreement and shall not in any way limit or amplify the terms and provisions of this Agreement.
- b. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one in the same agreement.
- c. This Agreement contains the entire understanding between the parties with respect to the matter contained herein. No representations, warranties, covenants or agreements have been made concerning or affecting the subject matter of this Agreement, except as are contained herein. This Agreement may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, agreement or discharge is sought.
- d. Each party to this Agreement covenants, warrants and represents that it has full right, power and authority to enter into this Agreement and each person signing this Agreement covenants, warrants and represents that such person has the power and due authority to execute this Agreement in the capacity stated and to bind the entity for which such person is signing.

In witness whereof, the parties hereto have executed this Amendment as of the Effective Date.

NVNA:

Hayes Valley Neighborhood Association



Name: _____
Title: **Craig Hamburg
President**

TRADER JOE'S:

Trader Joe's Company



Name: **MITCH NADER**
Title: **SENIOR VICE PRESIDENT**