

# San Francisco Formula Retail Economic Analysis Planning Commission Update: Draft Final Report

April 24, 2014



SAN FRANCISCO  
**PLANNING DEPARTMENT**



STRATEGIC ECONOMICS INC

# Background & Project Overview

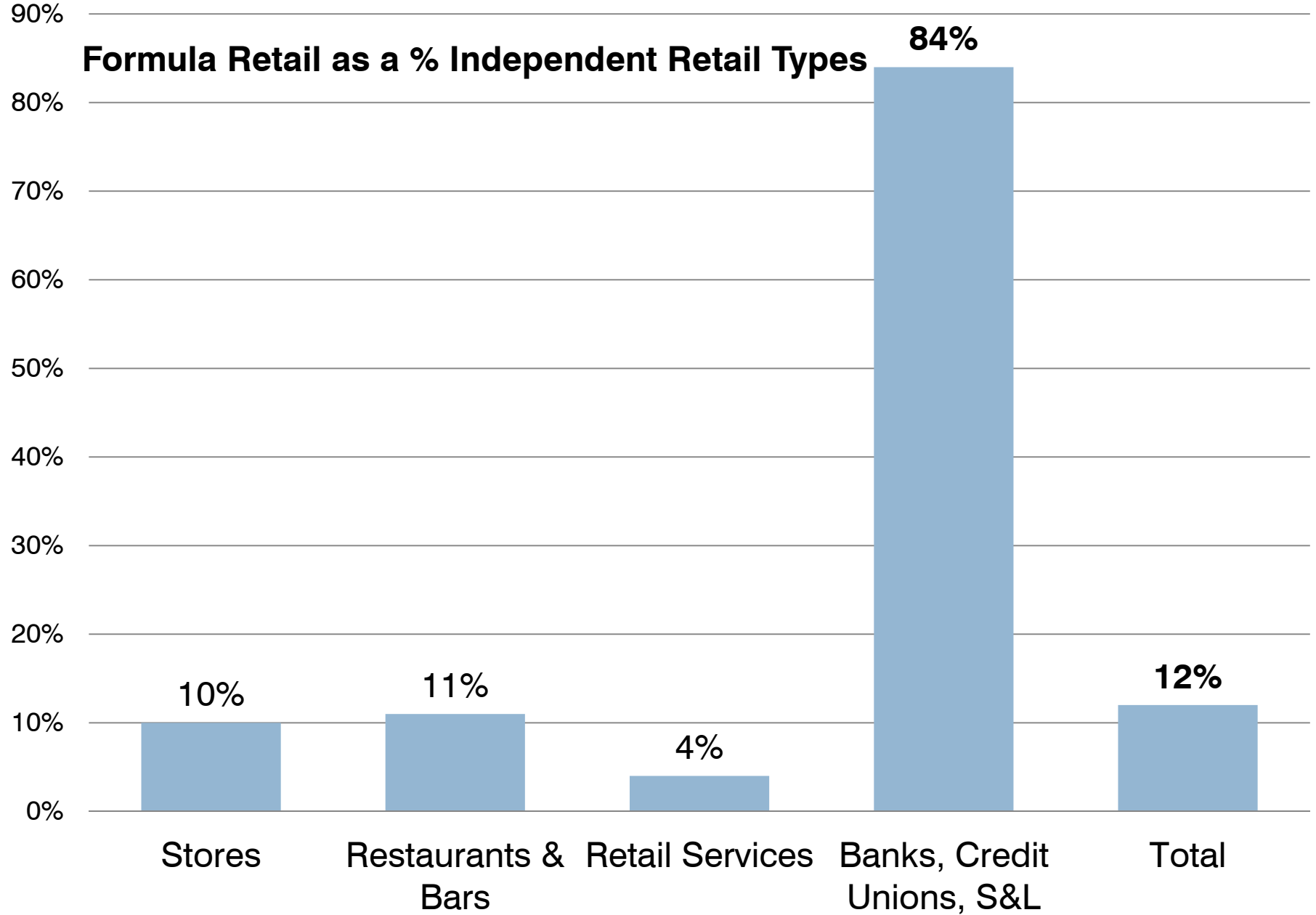
Approximate Dates	Scope of tasks	Hearing Dates
July	Formula retail study initiated	7/25/13
January	Initial Citywide and Supervisor District analysis and stakeholder focus group meetings	1/23/14
February	Phase 1: Refine citywide data; release draft of 4 issue briefs	2/27/14
March	Phase 2: Neighborhood Case Studies, Subarea analysis and stakeholder focus group meetings	

# Formula Retail Study -- Schedule

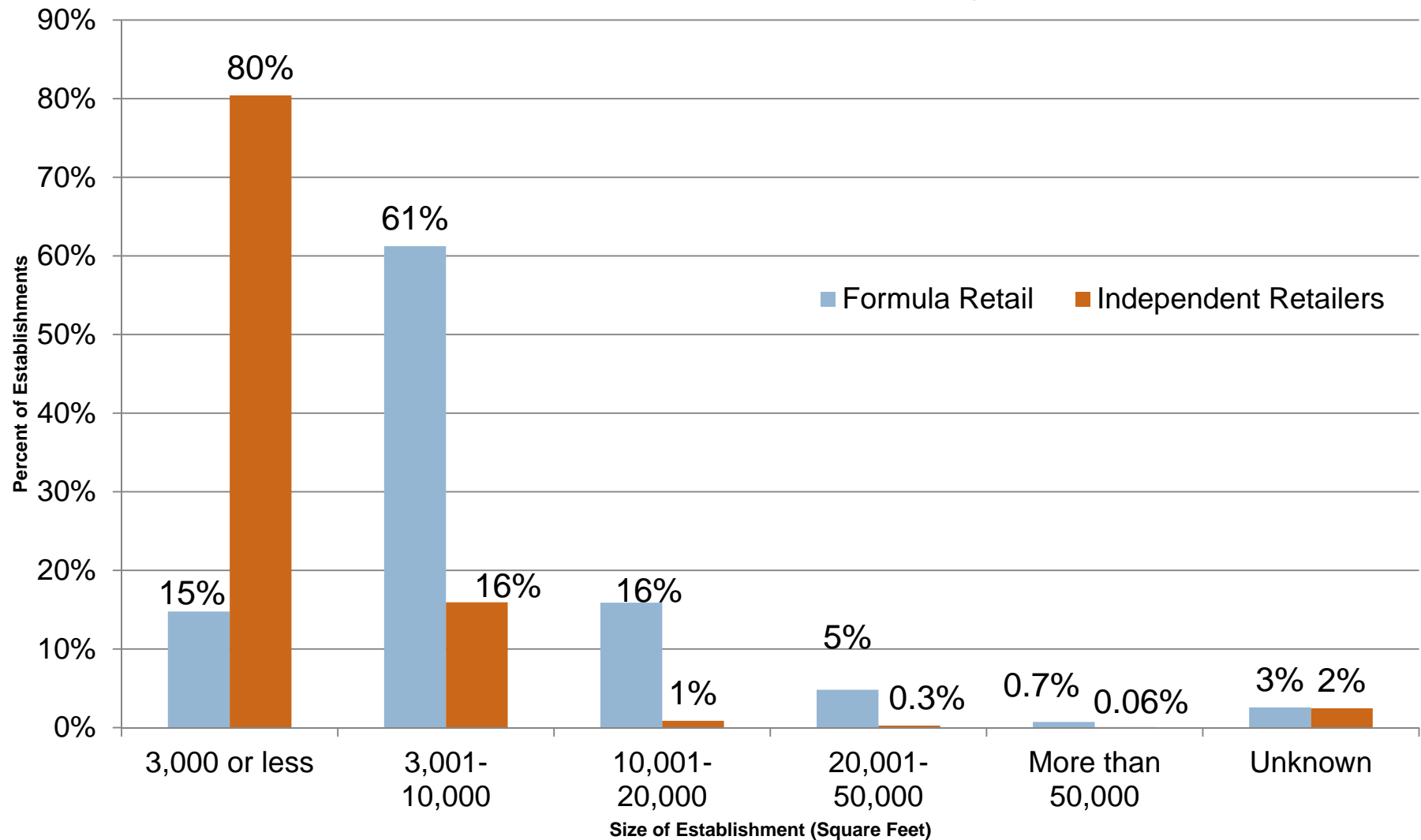
Approximate Dates	Scope of tasks	Hearing Dates
<b>Upcoming</b>		
May	Stakeholder focus group meetings; policy recommendations	5/22
June	Office of Economic Analysis, Chief Economist Ted Egan's report on Expanding Formula Retail Controls and Supervisor Mar's Ordinance [Board File No. 130788]	6/5



# Existing Formula Retail



## Formula and Independent Retail Establishments by Store Size



INTERIM DRAFT

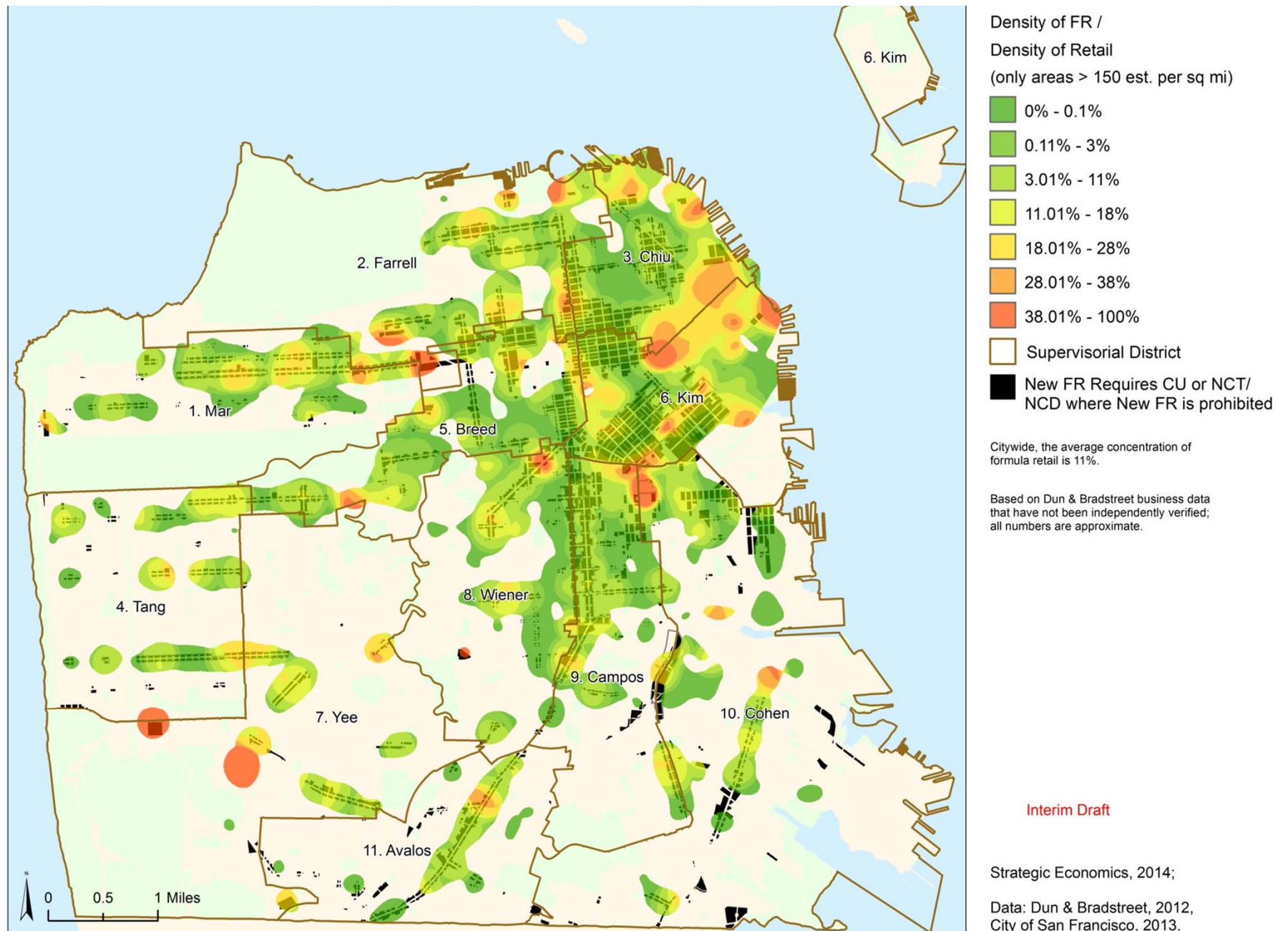
Sources: Dun & Bradstreet, 2012; Strategic Economics, 2014. Based on Dun & Bradstreet business data that have not been independently verified; all numbers are approximate.



# Locations of Formula Retail

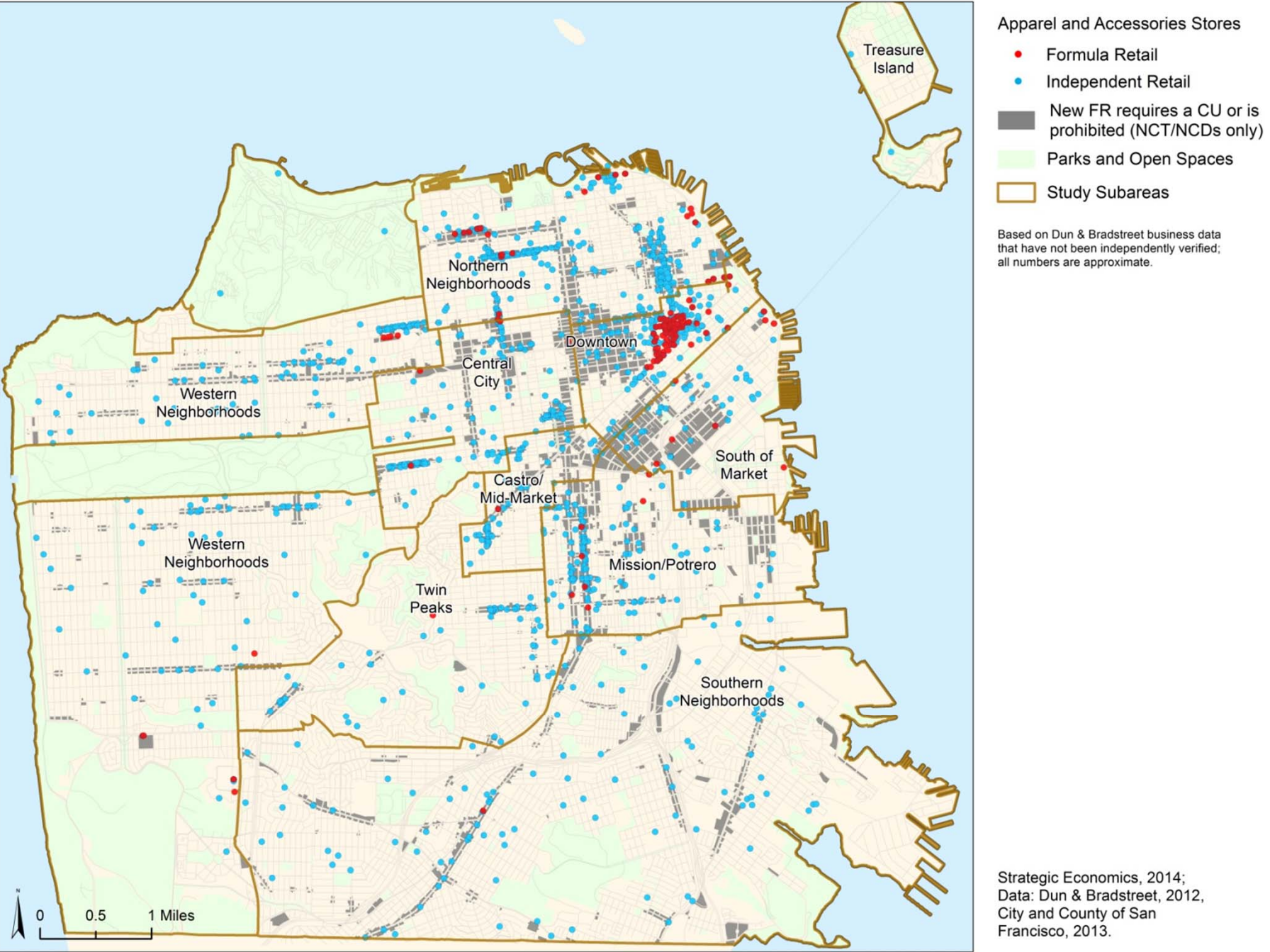


# Formula Retail Establishments as a Percent of Total Retail Establishments





# Apparel and Accessories Clusters





OCEAN AVENUE

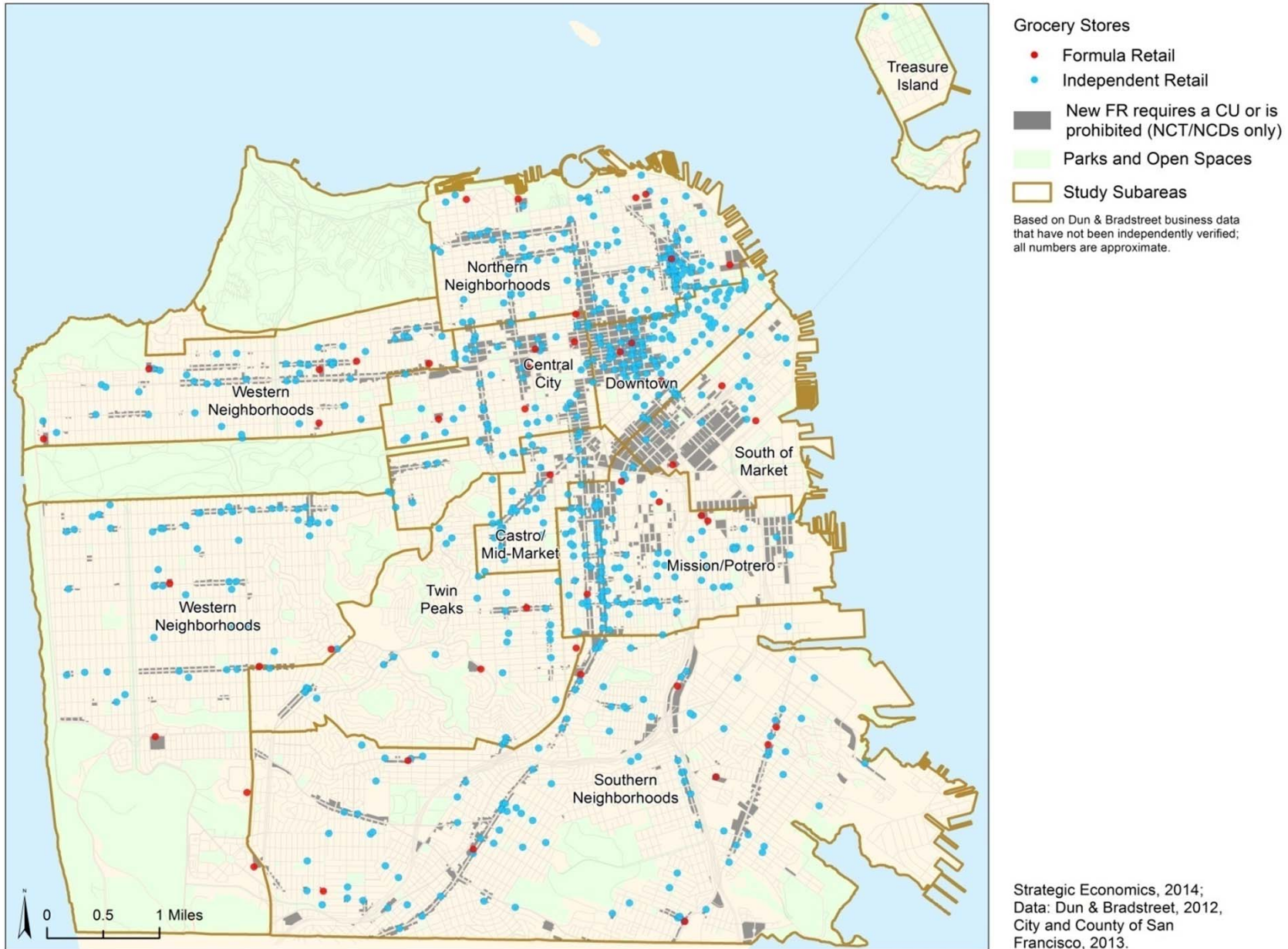






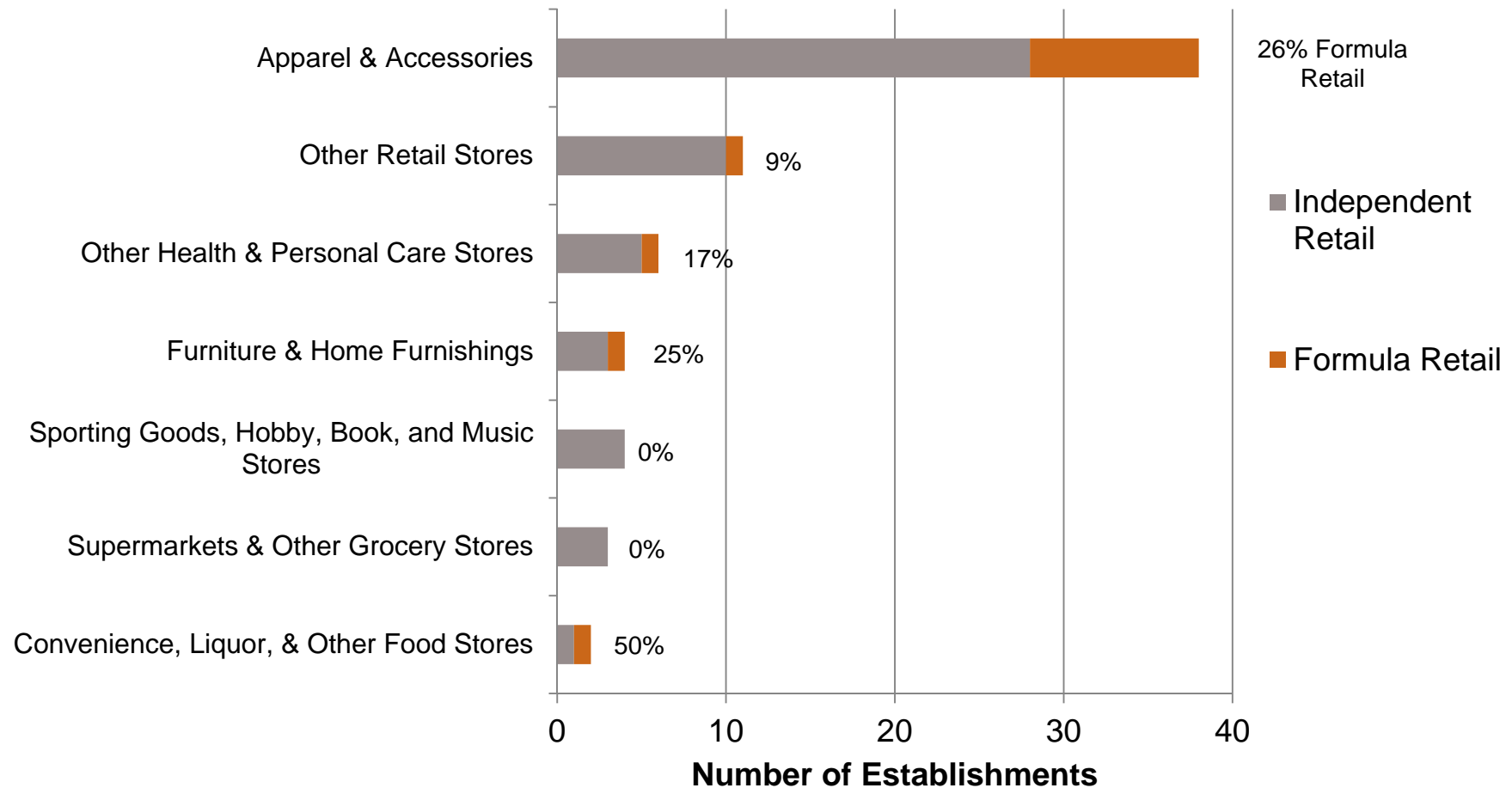
# Goods & Services

# Distribution of Grocery Stores



# Retail Mix in the Upper Fillmore

**Retail Stores by Type**



# Ocean Ave. Retail Mix







# Neighborhood Effects

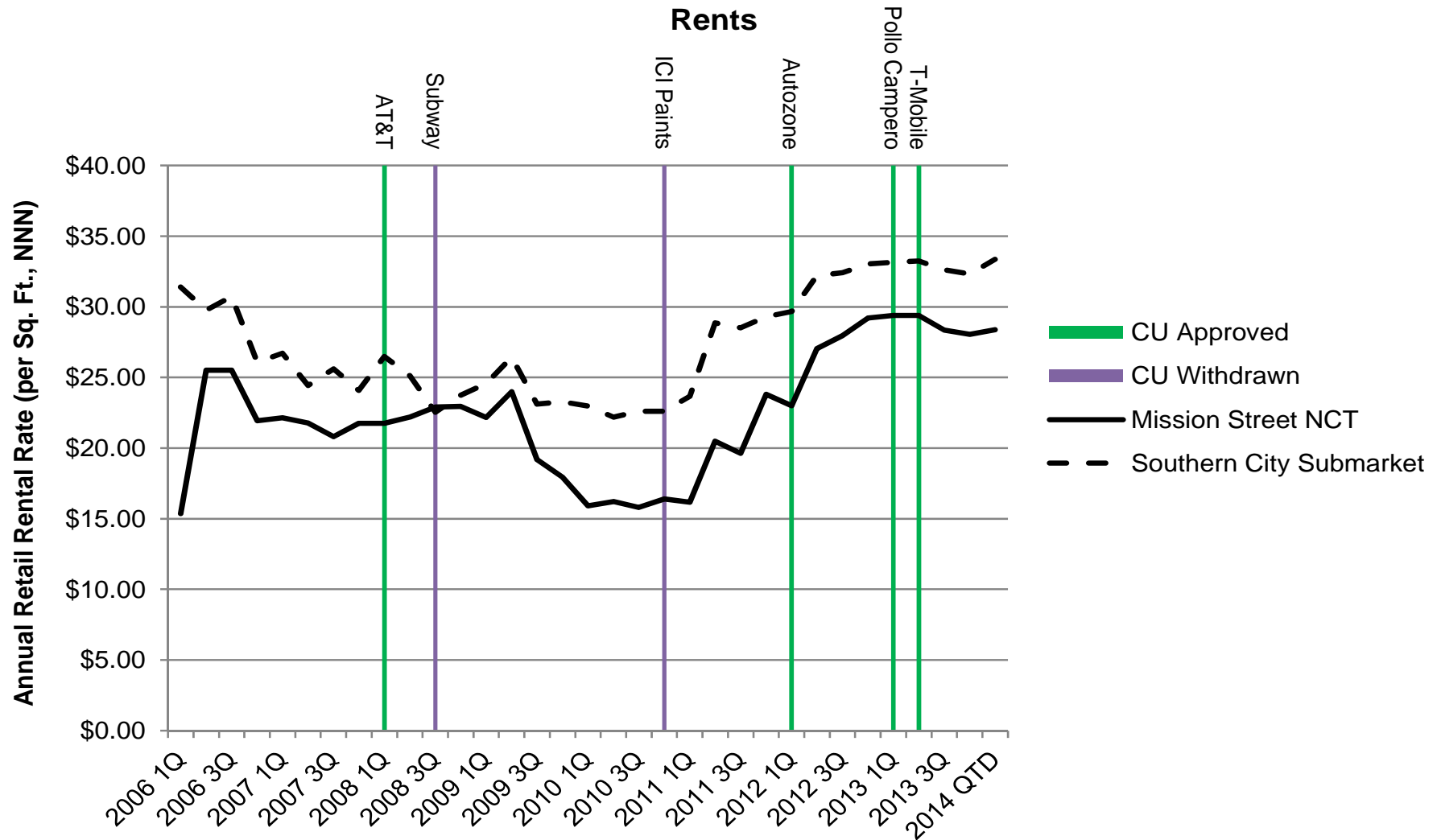
# The Retail Market



An example of quick turnover with the Upper Fillmore NCD – as well as a loss of daily needs serving uses



## Rents and FR CU Activity in the Mission Street NCT





## FR as Catalyst for Revitalization and Anchor



Lea Suzuki/The Chronicle



# Employment

Employment practices in San Francisco vary as much or more by retail subsector and firm size as by whether a business is formula or independent.

Multi-site firms employ more workers than firms with a single location – although some of the difference may be due to scheduling and other business practices.

# Local Context: SF Labor Laws

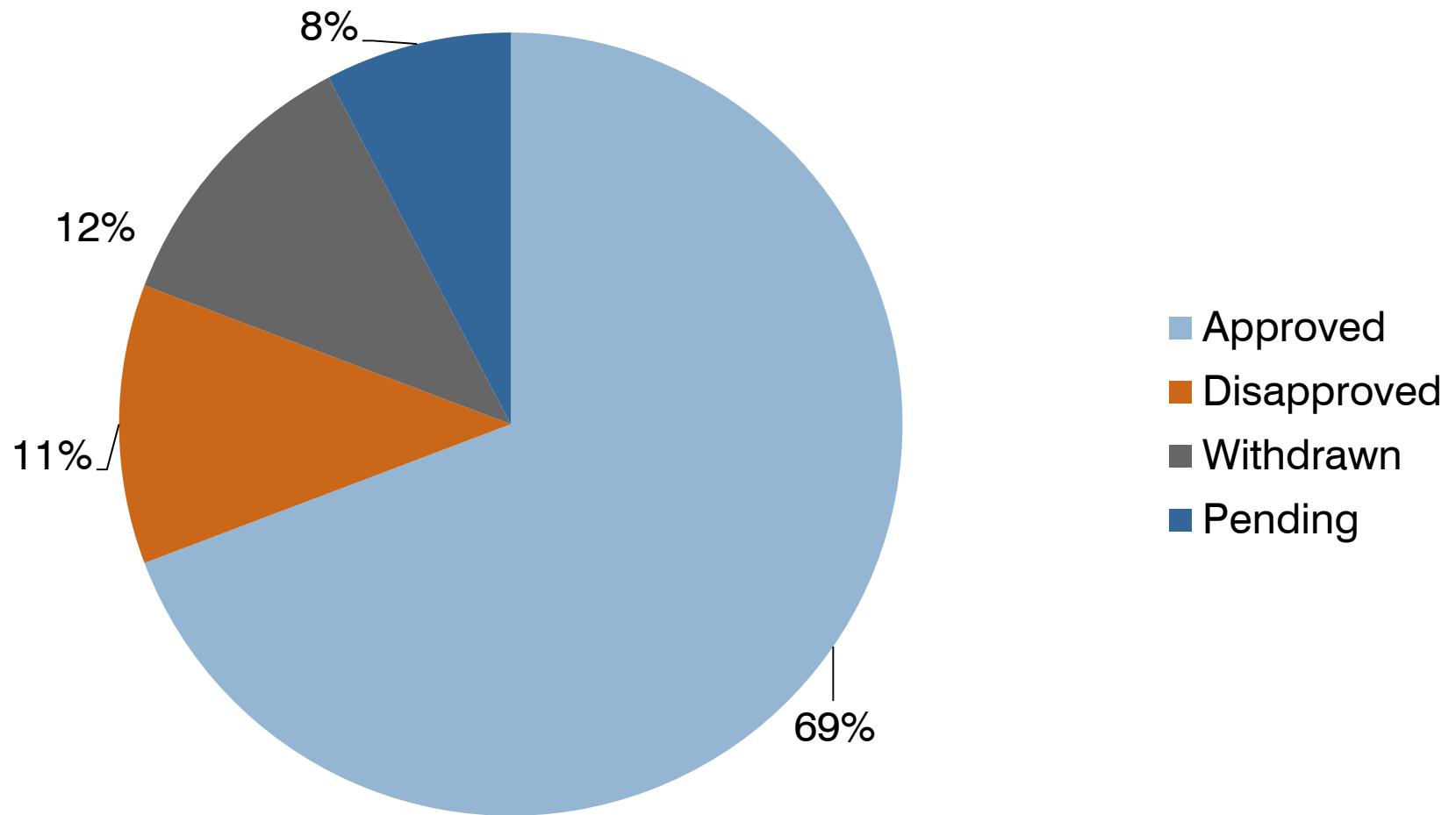
Local Laws	Applicability
<b>Minimum Wage Ordinance</b>	Will apply equally to formula retailers and independent retailers, in general.
<b>Paid Sick Leave Ordinance</b>	
<b>Health Care Security Ordinance</b>	Applies to firms with 20 or more workers, nationwide, which will generally include all formula retailers.
<b>Family Friendly Workplace Ordinance</b>	





# Effects of Existing Controls

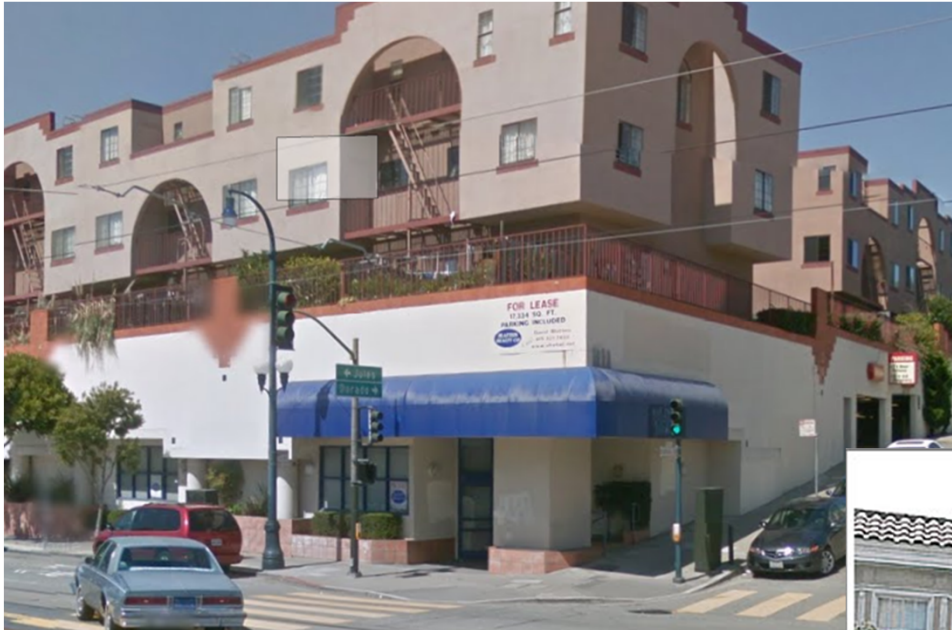
## Citywide Formula Retail Conditional Use Activity through Jan. 2014



# FR Concentrations



# Vacancies



OCEAN AVENUE







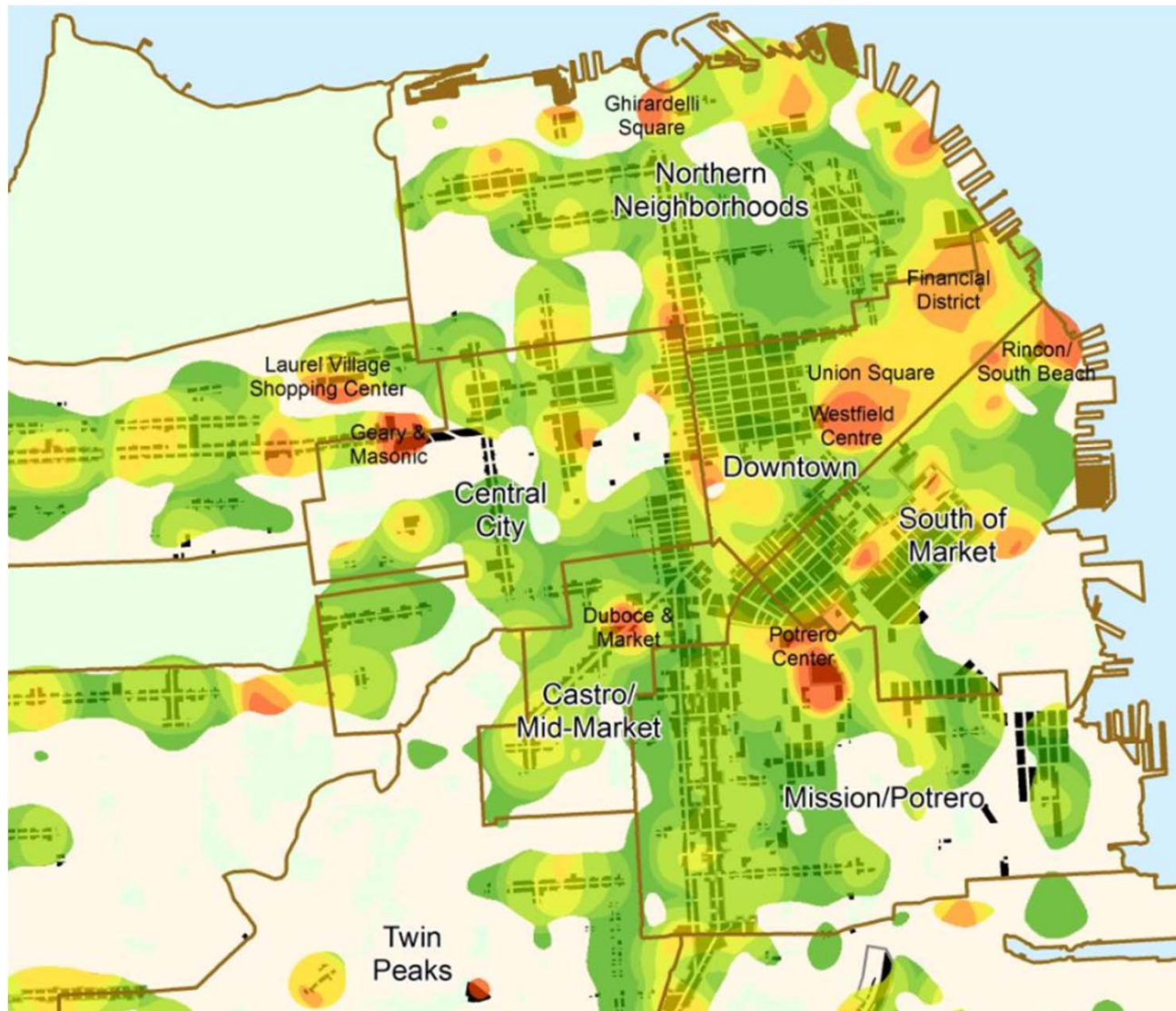
# Issues and Concerns

# Expanding the Definition of FR

- Location of Establishments
  - Could have a significant effect in certain neighborhoods, but is unlikely to affect many businesses citywide.
- Use Categories
  - Could make it more challenging to fill vacant storefronts
- Subsidiaries
  - Unlikely to have a wide-ranging effect
  - Subsidiaries only account for 3% of retail businesses in San Francisco and many of these qualify as formula retail under the existing code



# Concentration Thresholds



# Small Business Impacts



14 Locations



55 locations



14 Locations



16 Locations



20,000+ locations



1,000 + locations



40,000+ locations

# Next Steps

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Thank you!