

San Francisco's Formula Retail Controls Today and Tomorrow Policy Recommendations

May 22, 2014



SAN FRANCISCO
PLANNING DEPARTMENT

Today's Agenda

- Presentation: Planning Department Preliminary Policy Recommendations
 - 4 Aspects of Proposed Changes
 1. Definition & Geography
 2. Conditional Use Process – Performance Based Review Standards
 3. Administrative Performance Based Review
 4. Super Stores
- Next steps
 - Today: Initiate Ordinance



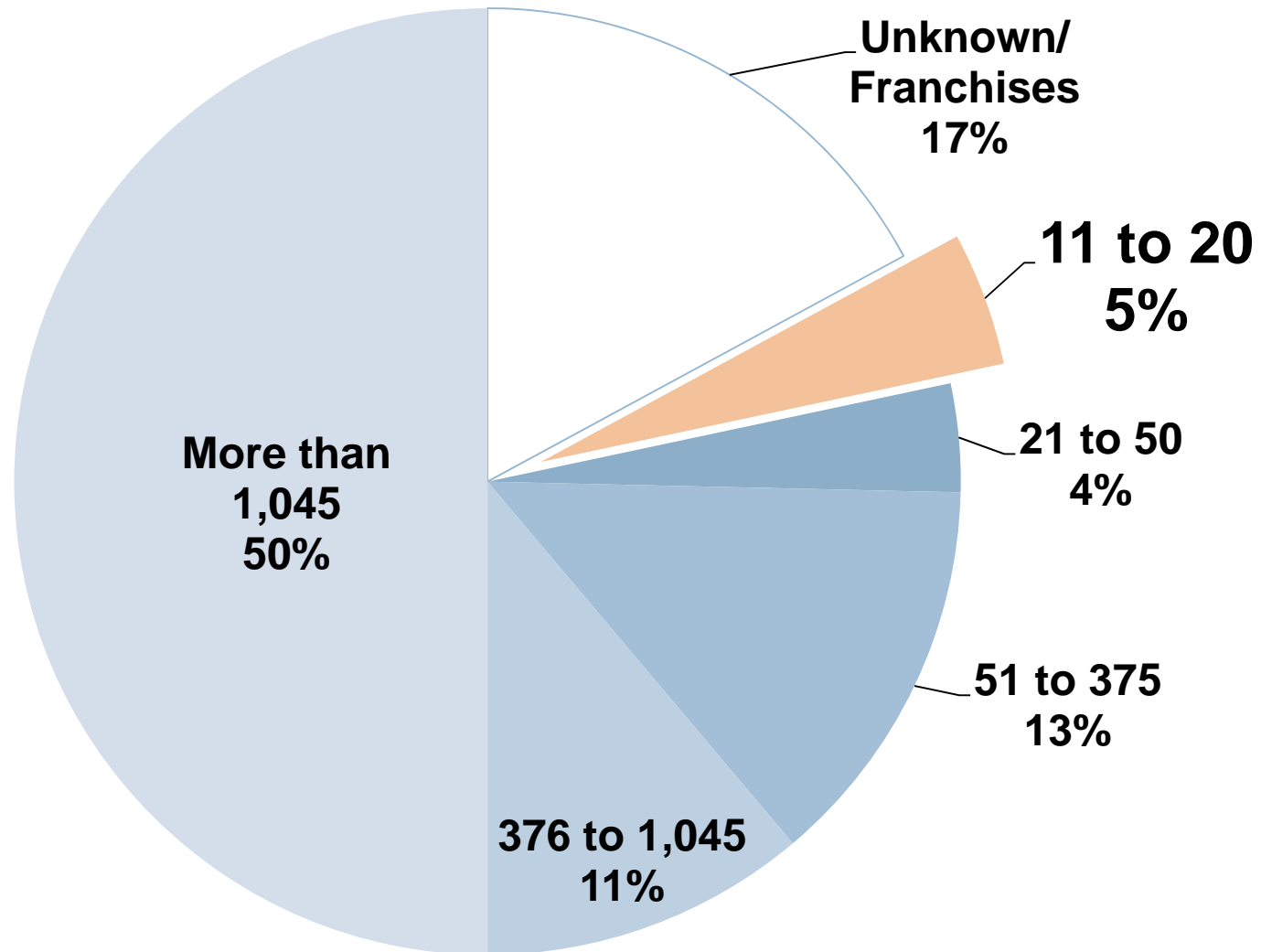
1.Changing the Definition of Formula Retail and Expanding Area of Controls

The Way It Is Now & The Way It Would Be

Feature	Existing	Proposed
Number of Locations	11 (CU required at 12)	19 (CU required at 20)
Geography	United States	Add Global
Establishment	Operating/Leased	Add Permitted/Delete Leased
Subsidiaries	Do not count	No change
Accessory Uses	Formula Retail requires CU	No change
Standardized Features	2 or more	No change
Use Category	<ul style="list-style-type: none"> • Eating & Drinking • Amusement • Sales and Service – Retail and nonretail • Financial Services 	Add the following Services: <ul style="list-style-type: none"> •Fringe Financial •Limited Financial •Business and Professional

Number of Locations

Formula Retail Establishments by Number of Corporate Family Members



Small Business Impacts



13 Locations



55 Locations



14 Locations



16 Locations



20,000+ Locations



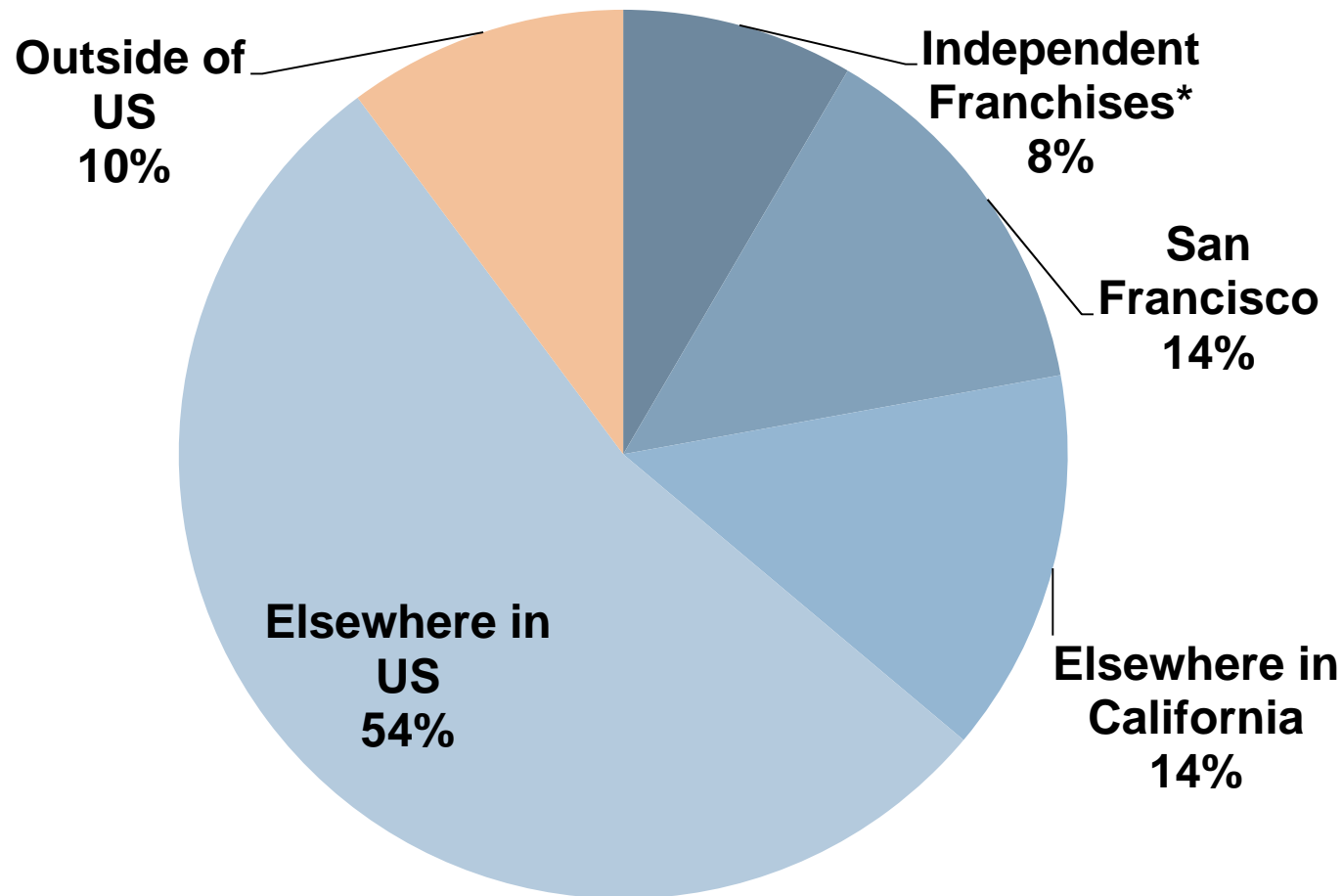
1,000 + Locations



40,000+ Locations

International Locations

Formula Retail Establishments by Headquarters Location



Expanded Land Use Categories

- **Fringe Financial Services**
 - Restricted use that is rarely permitted in NCDs
- **Limited Financial Services**
 - Similar to financial services which are already FR
- **Business and Professional Services**
 - Similar to office uses on the ground floor and can also contribute to homogenization



Parent and Subsidiary Companies



Small Business Subsidiaries



Market Street



Central Market



The Way It Would Be: Definition & Geography

Feature	Existing	Proposed
Number of Locations	11 (CU required at 12)	19 (CU required at 20)
Geography	United States	Add global
Establishment	Operating/Leased	Add permitted, delete leased
Subsidiaries	Do not count	No change
Accessory Use	Formula Retail requires CU	No change
Use Category	<ul style="list-style-type: none"> • Eating & Drinking • Amusement • Sales and Service – Retail and nonretail • Financial Services 	Add the following services: <ul style="list-style-type: none"> •Fringe Financial •Limited Financial •Business and Professional
Market Street	Interim Controls	Add permanent controls



2. Performance Based Formula Retail Review Standards

The Way It Is Now: Undefined Criteria

Planning Code directs staff to review the following 5 criteria:

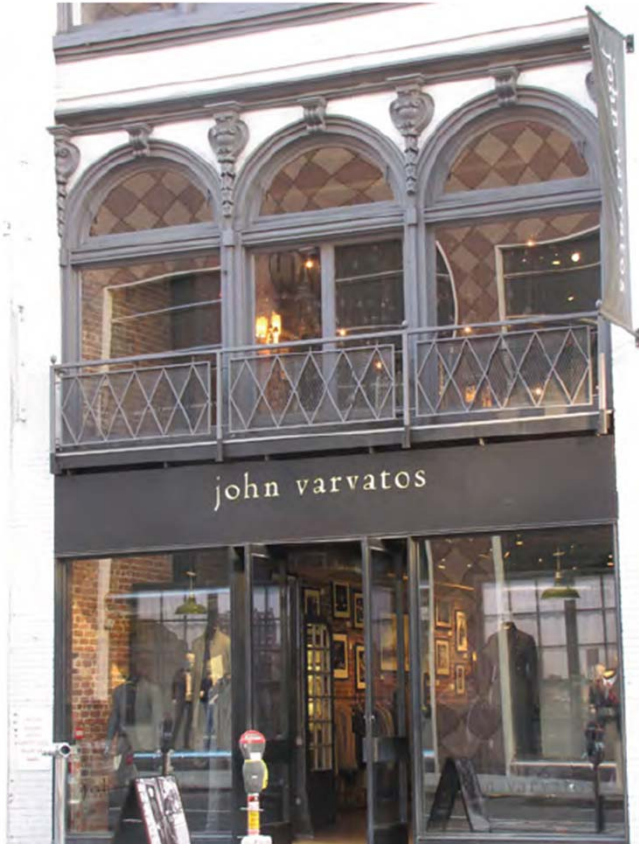
1. Existing **concentrations** of formula retail uses within the district.
2. Availability of other **similar retail uses** within the district.
3. **Compatibility** of the proposed formula retail use with the existing architectural and **aesthetic character** of the district.
4. Existing retail **vacancy rates** within the district
5. Existing mix of **Citywide-serving retail** uses and **neighborhood-serving retail** uses within the district.

The Way It Would Be: Adopt Performance Based Review Standards

- Signage
- Storefront Design
- Storefront Transparency
- Pedestrian Accessibility



Signage: Minimized & Compatible



One sign per store versus excessive signage

Storefront Design: Cohesive & Contextual

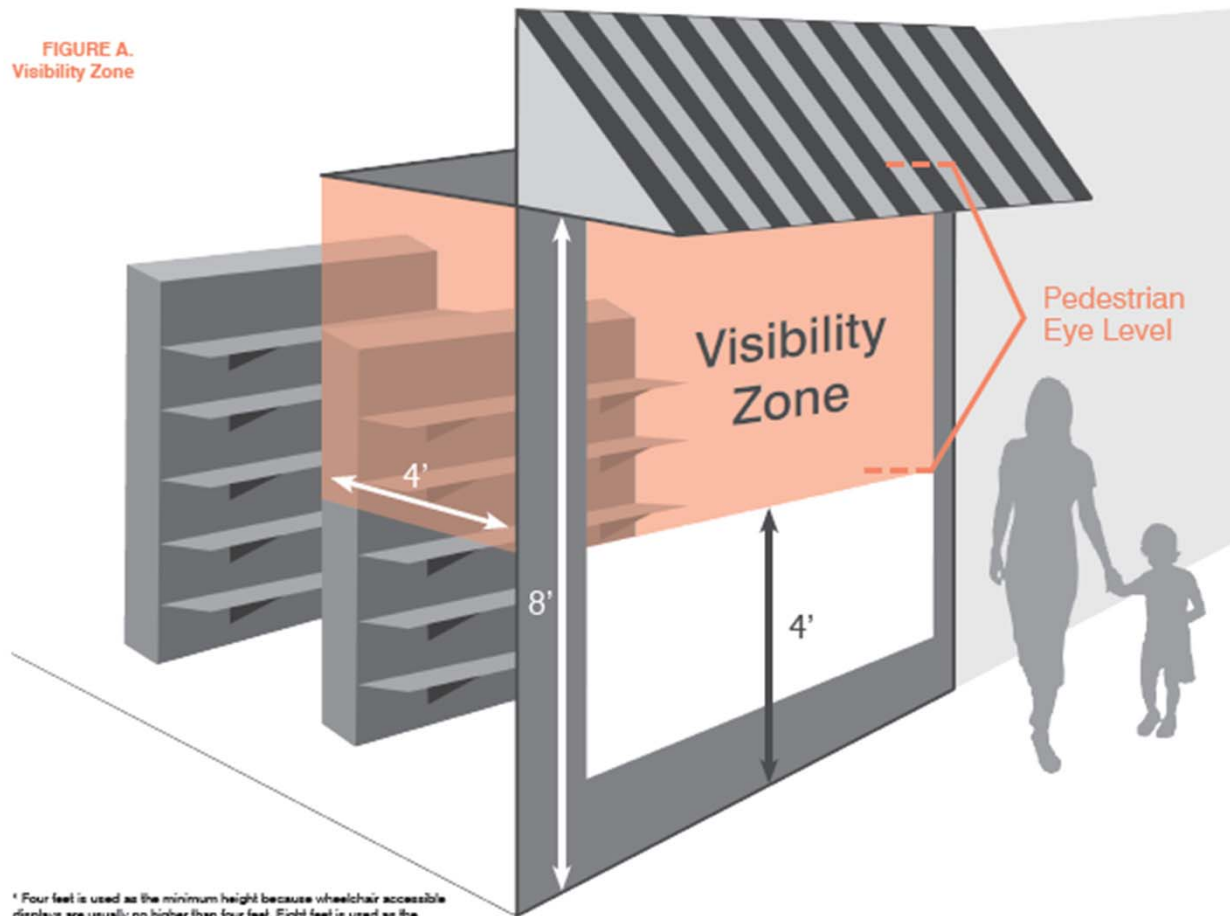


These three storefronts have been individually designed and altered. They neither relate to each other nor the historic building materials. This application is discouraged.

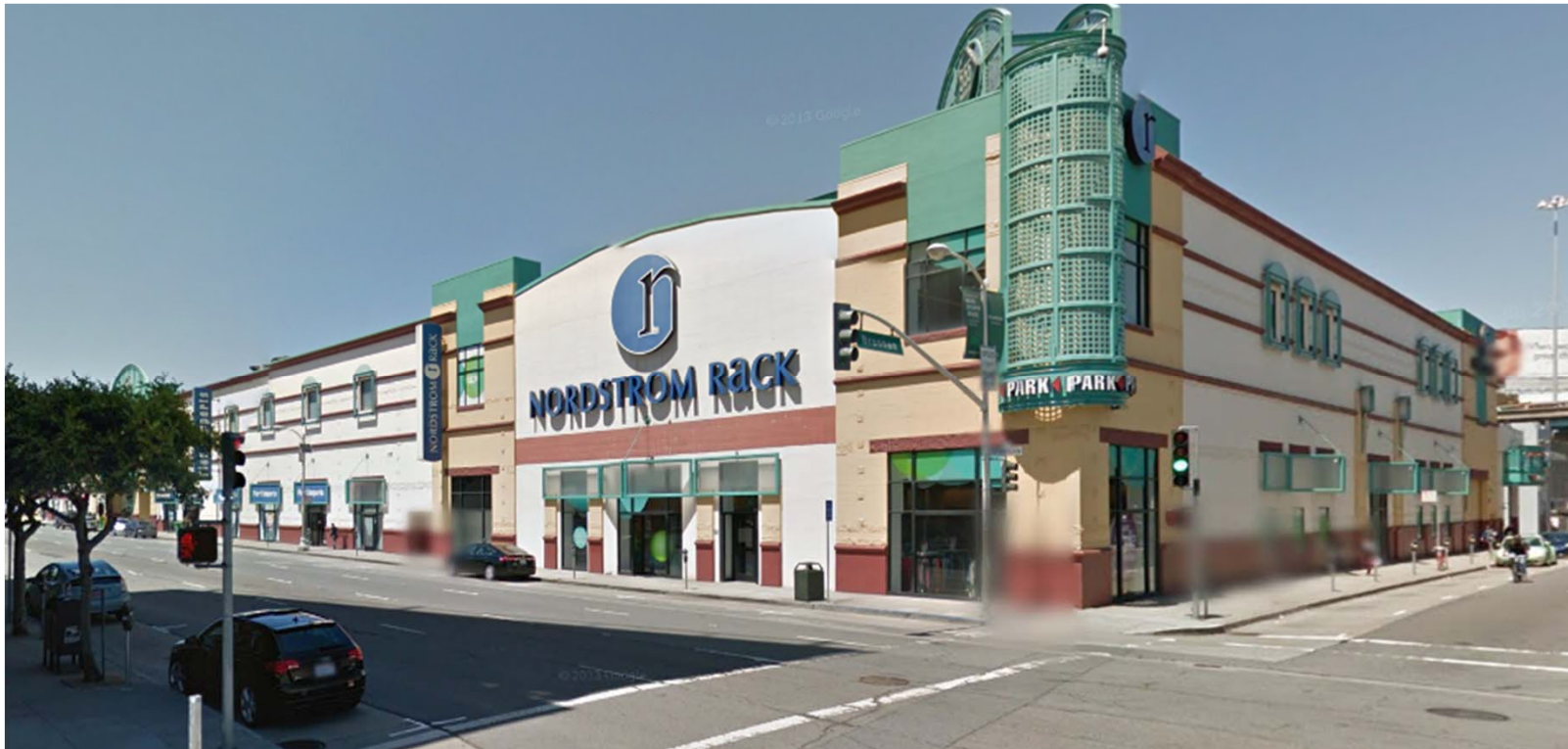


The building above contains multiple storefronts that have a consistent alignment and composition. This creates a cohesive façade while maintaining storefront distinction.

Storefront Transparency: Maximize Visibility



Pedestrian Accessibility



The Way It Would Be: Data & Analysis Standards

- Demographic trends, where applicable
- Number of formula retail and non formula retail uses within the District
- Characterize the nature of the District, including
 - Massing
 - Use sizes
 - Anchors and/or clusters
 - Long term vacancies
 - Unique characteristics, where applicable
- Provide context and comparisons to trends City-wide and in other Districts



Define: “Neighborhood-Serving”

- This criteria is currently undefined for FR and even has another definition elsewhere in the Code.
- Change “neighborhood-serving” to “daily needs serving”
- The primary intent of these districts is to serve neighbors
- Define daily needs to include:
 - Limited Restaurants
 - Pharmacy
 - Household goods/services
 - Personal services
 - Variety merchandise, pet supply and grooming
 - Books, music, sporting goods, etc
 - General/specialty grocery
 - Laundry/dry cleaning
 - Financial services
 - Limited financial services
 - Trade Shops (repair of goods and tailoring)

The Way It Would Be

1. Holistic evaluation of the District using qualitative and quantitative methods to characterize the District.
2. Adopt performance standards regarding
 - Signage
 - Storefront design
 - Visibility
 - Pedestrian accessibility
3. Define daily needs-serving retail uses
4. Evaluate existing concentrations of the following within a $\frac{1}{4}$ mile walking area of the proposed locations:
 - Formula retail uses
 - Similar retail uses
 - Citywide versus daily-need serving uses



3. Performance Based Administrative Review

New Administrative Review

- Intended to achieve aesthetic goals of neighborhood variety where a full conditional use hearing is not needed.
- Change in operator but not use size or category
- Process would allow FR a choice: comply with Performance Standards & neighborhood notice for non-controversial projects OR go through full CU hearing at Commission.
- After public notice is complete, application is approved if there's no objection.
- If the public or a commissioner requests, the item could go to full hearing.



4. Economic Impact of Large Scale Retail

Super Stores: Characteristics

- Large, free-standing, generally single-floor structures
- Usually part of a chain
- Large parking lot, vehicle focused rather than pedestrian focused
- Initial employment gains are nullified over time
- No vertical expansion is a loss of tax revenue



Super Stores: Existing & Proposed

Zoning	CU Required	Existing: CU Considerations	Proposed: Economic Impact Report
All but C-3	50,000 sqft+	<ul style="list-style-type: none"> • Parking • Active street frontage • Traffic impacts • Employee demand on housing, transit, child care and social services 	<ul style="list-style-type: none"> • Employment effects • Changes in sales tax • Costs of public services needed for workers • Leakage study • Multiplier study
All but C-3	+ 120,000sqft prohibited		
C-3	120,000		



Thank you!