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

<table>
<thead>
<tr>
<th>Feature</th>
<th>Existing</th>
<th>Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Locations</td>
<td>11 (CU required at 12)</td>
<td>19 (CU required at 20)</td>
</tr>
<tr>
<td>Geography</td>
<td>United States</td>
<td>Add Global</td>
</tr>
<tr>
<td>Establishment</td>
<td>Operating/Leased</td>
<td>Add Permitted/Delete Leased</td>
</tr>
<tr>
<td>Subsidiaries</td>
<td>Do not count</td>
<td>No change</td>
</tr>
<tr>
<td>Accessory Uses</td>
<td>Formula Retail requires CU</td>
<td>No change</td>
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<tr>
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<tr>
<td>Use Category</td>
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<td>Add the following Services:</td>
</tr>
<tr>
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<td>• Amusement</td>
<td>• Fringe Financial</td>
</tr>
<tr>
<td></td>
<td>• Sales and Service – Retail and nonretail</td>
<td>• Limited Financial</td>
</tr>
<tr>
<td></td>
<td>• Financial Services</td>
<td>• Business and Professional</td>
</tr>
</tbody>
</table>
Number of Locations

Formula Retail Establishments by Number of Corporate Family Members

- Unknown/Franchises: 17%
- 11 to 20: 5%
- 21 to 50: 4%
- 51 to 375: 13%
- 376 to 1,045: 11%
- More than 1,045: 50%
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

- Elsewhere in US: 54%
- Elsewhere in California: 14%
- San Francisco: 14%
- Independent Franchises*: 8%
- Outside of US: 10%

* Franchises include independent and franchisees.
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

FIFTH & PACIFIC COMPANIES

kate spade
NEW YORK
JACK SPADE
LIZ CLAIBORNE
LUCKY BRAND
BLUE JEANS OF AMERICA
TOO TOUGH TO DIE
KATE SPADE SATURDAY
MONET
MEXX
Small Business Subsidiaries

- Super Duper Burgers
- Beretta
- Starbelly
- Lolinda
- Uno Dos Taco
- Pesci
Market Street
Central Market
## The Way It Would Be: Definition & Geography

<table>
<thead>
<tr>
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<th>Existing</th>
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<td><strong>Number of Locations</strong></td>
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<tr>
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<td>Add global</td>
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<td>Add permitted, delete leased</td>
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<td><strong>Subsidiaries</strong></td>
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<td>No change</td>
</tr>
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<td><strong>Accessory Use</strong></td>
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<td>No change</td>
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<td><strong>Use Category</strong></td>
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<td></td>
<td>• Financial Services</td>
<td>• Business and Professional</td>
</tr>
<tr>
<td><strong>Market Street</strong></td>
<td>Interim Controls</td>
<td>Add permanent controls</td>
</tr>
</tbody>
</table>
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

NOT RECOMMENDED

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

RECOMMENDED

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

Visibility Zone

Pedestrian Level

4'
8'

* Four feet is used as the minimum height because wheelchair accessible displays are usually no higher than four feet. Eight feet is used as the
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 ¼ 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

<table>
<thead>
<tr>
<th>Zoning</th>
<th>CU Required</th>
<th>Existing: CU Considerations</th>
<th>Proposed: Economic Impact Report</th>
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</thead>
<tbody>
<tr>
<td>All but C-3</td>
<td>50,000 sqft+</td>
<td>• Parking</td>
<td>• Employment effects</td>
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<td></td>
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<td>• Active street frontage</td>
<td>• Changes in sales tax</td>
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<tr>
<td></td>
<td></td>
<td>• Traffic impacts</td>
<td>• Costs of public services needed for workers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Employee demand on housing, transit, child care and social services</td>
<td>• Leakage study</td>
</tr>
<tr>
<td></td>
<td>+120,000sqft prohibited</td>
<td></td>
<td>• Multiplier study</td>
</tr>
<tr>
<td>C-3</td>
<td>120,000</td>
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</table>
Thank you!