



SMALL BUSINESS COMMISSION  
OFFICE OF SMALL BUSINESS



CITY AND COUNTY OF SAN FRANCISCO  
GAVIN NEWSOM, MAYOR

September 17, 2010

Ms. Angela Calvillo, Clerk of the Board  
Board of Supervisors  
City Hall room 244  
1 Carlton B. Goodlett Place  
San Francisco, CA 94102-4694

**Re: File No. 101056 [Banning the Sale of Tobacco Products in Pharmacies]**

Small Business Commission Recommendation: **Approval only with Modification**

Dear Ms. Calvillo:

On September 13, 2010, the Small Business Commission heard and recommended approval with modification of Board of Supervisors File No. 101056. The Small Business Commission supports the intent of this ordinance but, as with many other well intentioned pieces of legislation, the impact to small businesses has not been fully considered.

The Small Business Commission recommends that the Board of Supervisors consider amending the proposed ordinance to allow for an exception for grocery stores that meet the following criteria:

- Less than \$2 million of gross sales from non pharmacy products. The state of California and Progressive Grocers Handbook considers stores with more than \$2 million annual sales to be a "Supermarket"
- Less than 5,000 gross square feet

The SBC is concerned that once again, small businesses are being forced to abruptly change their business model without time to make adjustments. Large formula retail establishments can spread reductions in income around hundreds or thousands of stores while small businesses do not have this luxury. In the future, the SBC asks that the Department of Public Health reach out to our commission in advance of legislation being introduced so that we may proactively assist potentially affected small businesses in implementing necessary changes.

Sincerely,

Regina Dick-Endrizzi  
Director, Office of Small Business

cc. Supervisors Mar, Dufty, Maxwell  
Starr Terrell, Mayors Office  
Alisa Somera, Clerk of the Economic and Land Use Committee.