

January 22, 2024

Via Email and U.S. Mail

[John.Carroll@sfgov.org]

San Francisco Board of Supervisors
Public Safety and Neighborhood Services Committee
1 Dr. Carlton B. Goodlet Place, Room 244
San Francisco, CA 94102
Attn: John Carroll, Committee Clerk

Re: Request for Determination of Public Convenience or Necessity;
Trader Joe's Store to be located at 555 Fulton Street

Dear Members of the Public Safety and Neighborhood Services Committee:

On January 5, 2024, Trader Joe's Company ("Trader Joe's") applied for a Type-21 license (see application no. 655669) for its store to be located at 555 Fulton Street, San Francisco, CA (the "Store"). The ABC posting notice was posted on January 16, 2024. We have been informed by the ABC that a determination of public convenience or necessity by the Board of Supervisors is a condition to the ABC's issuance of this license. Trader Joe's respectfully requests that the Board determine that the issuance of a Type-21 license to this Store will serve public convenience or necessity.

I. Project Description.

Located at 555 Fulton Street, the Store will provide a service and convenience to thousands of visitors and residents who frequent the area each day. The Store is located in the Western Addition Neighborhood adjacent to Hayes Valley and one block west of the Downtown/Civic Center area. The Store will provide a wide variety of products that will enhance the diverse retail options in the neighborhood.

Trader Joe's has been operating nationwide for almost 70 years, with six stores currently operating in San Francisco. It offers a complete selection of goods, including fresh meats and fish, produce, dry goods, floral, wellness products, and other items. Trader Joe's specializes in unique items that are often unavailable at other stores,

providing the communities in which it is located with high-quality commodities and outstanding service.

In addition to the offerings above, the Store also intends to carry a specialty selection of beer, wine and spirits, many of which are unique to Trader Joe's and not available in other retail stores in the area. Trader Joe's will offer affordable wines, domestic and import beers, and an array of spirits typically found at Trader Joe's stores.

While the ability to sell a full range of alcoholic beverages at the Store is a critical component of the Trader Joe's business model, the sale of alcoholic beverages will be ancillary to the Store's primary use as a grocery store and general retailer. Trader Joe's estimates that less than 10% of the Store's shelf space will be devoted to the display of alcohol. It is also estimated that the sale of alcohol at this Store will amount to less than 10% of total sales. The Store's hours of operation will be from 8:00 a.m. to 9:00pm daily.

II. The Sale of Alcohol at the Store will serve Public Convenience or Necessity.

Trader Joe's is committed to being a good community partner. It will provide a unique product offering to its customers without negatively impacting the surrounding area. The neighborhood is home to several other businesses that sell alcohol, however the selection at these businesses is quite different than the products that would be available at the Store.

The product offerings will serve to add convenience to the thousands of business people, local shoppers and tourists that pass through the area each day. By offering a wide variety of goods including beer, wine and spirits, Trader Joe's will provide a "one-stop" shopping experience for its customers. This "will result in increased efficiency for shoppers, and is consistent with what today's consumers expect from a specialty grocery store and general merchandiser such as Trader Joe's.

III. The Issuance of a Type-21 License to the Store is Consistent with the Zoning Code and Adjacent Uses.

The Store is located in a zone designated as Hayes-Gough Neighborhood Commercial Transit District (NCT), Residential Transit Oriented District (RTO), 40-50-X Height and Bulk District, and the Fulton Street Grocery Store Special Use District. The use is consistent with the intent of each of these zoning districts. The sale of alcohol for off-premises consumption is permitted with a Conditional Use Authorization, which was approved in 2021. The use fulfills the purpose of the Fulton Street Grocery Store

SUD, which intends to enable a neighborhood-serving grocery store in a location accessible to Hayes Valley and Western Addition neighborhoods.

IV. The Issuance of a License to the Store will Not Create a Burden on the Police Department.

The Store is located in census tract 0162.00. Based on information provided by the ABC, the number of active off-sale liquor licenses in this census tract results in an “undue concentration” (as defined by Business & Professions Code § 23958.4). However, due to the methodology by which “undue concentration” is determined, almost every census tract in California located in a heavily commercial/retail area with a low population density – such as census tract 0162.00 – has “undue concentration.” Therefore, Trader Joe’s respectfully requests that you consider the nature of the census tract when addressing the issue of “undue concentration.”

The nature and style of the Store and its customers are such that the sale of alcoholic beverages will neither add to, nor create problems for local law enforcement. There will be a number of safeguards in place to ensure alcohol is sold in a safe and responsible manner and that the sale of alcohol does not add to the crime rate, including extensive staff training, security cameras, product placement, and age verification systems.

V. The issuance of a License to the Store will Not have a Detrimental Impact on the Surrounding Area.

In an effort to be consistent with both the City’s Good Neighbor policies and the conditions required by the SFPD, Trader Joe’s will take preemptive measures to ensure that alcoholic beverages will be sold in a highly responsible and conscientious manner. Detailed alcohol sales policies and procedures will be implemented and strictly enforced. Trader Joe’s alcohol sales training focuses on recognizing and preventing any sale of alcohol that may be detrimental to the public welfare (i.e., the sale of alcohol to minors and intoxicated persons). For security purposes, the alcohol selection will not be located near any exit area, thereby discouraging theft.

Conclusion.

The issuance of a Type-21 license to the Store will enable Trader Joe’s to provide the neighborhood with a convenient and unique shopping experience currently

TRADER JOE'S COMPANY

CORPORATE OFFICE
P.O. BOX 5049 • 800 SOUTH SHAMROCK AVE.
MONROVIA, CA 91016-6346
(626) 599-3700 • FAX (626) 301-4483

unavailable to residents and visitors to the area. Trader Joe's is committed to providing this experience in a safe and conscientious manner, with minimal disruption to the surrounding neighborhood.

For these reasons, Trader Joe's respectfully requests that the Board determine that public convenience or necessity will be served by the issuance of a Type-21 license to the Store.

Thank you in advance for your consideration. Please contact our attorney, Dan Kramer, at (415) 795-2327 or dan@djklawgroup.com if you need any further information or documentation. All correspondence relating to this application can be sent to:

Dan Kramer Law Group
Attn: Dan Kramer
350 Sansome St., Suite 400
San Francisco, California 94104

Sincerely,

TRADER JOE'S COMPANY



Mitchell Nadler, VP & CFO