



SAN FRANCISCO PLANNING DEPARTMENT

MEMO

Categorical Exemption Appeal

2505 Noriega Street – Medical Cannabis Dispensary

DATE: September 25, 2017
TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Lisa Gibson, Environmental Review Officer – (415) 575-9032
Wade Wietgreffe – (415) 575-9050
Andrew Perry – (415) 575-9017
RE: Planning Case No. 2014-003153APL-02
Appeal of Categorical Exemption for 2505 Noriega Street – Change of Use to
Medical Cannabis Dispensary
HEARING DATE: October 3, 2017
ATTACHMENT: A – FEHR AND PEERS TRANSPORTATION AND PARKING STUDY

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

PROJECT SPONSOR: Ryan Hudson, 2029 Market Street, San Francisco, CA 94114
APPELLANT: Wilson Chu, on behalf of Zhiming Bi, (415) 846-6534

INTRODUCTION

This memorandum and the attached documents respond to the letter of appeal (“Appeal Letter”) to the Board of Supervisors (“Board”) regarding the Planning Department’s (“Department”) issuance of a Categorical Exemption under the California Environmental Quality Act (“CEQA Determination”) for the proposed change of use to a Medical Cannabis Dispensary at 2505 Noriega Street (“Project”).

The Department issued a Categorical Exemption CEQA Determination for the Project on July 2, 2017, finding that the Project is exempt from further environmental review under the California Environmental Quality Act (CEQA), Public Resources Code Section 21000 *et seq.*, as a Class 1 Categorical Exemption (14 Cal. Code Reg. §§ 15301).

This response addresses the Appeal Letter filed with the Board of Supervisors (“Board”) on August 14, 2017 by Wilson Chu, on behalf of Zhiming Bi (“Appellant”). The Appeal Letter referenced the CEQA Determination for the Project associated with Planning Case No. 2014-003153CUA.

The decision before the Board is whether to uphold the Department’s decision to issue a Categorical Exemption and deny the appeal, or to overturn the Department’s decision to issue a Categorical Exemption and return the project to the Department for additional environmental review.

Memo

PROJECT DESCRIPTION

The Project Sponsor proposes to establish a new Medical Cannabis Dispensary (“MCD”) (d.b.a. “Apothecarium”) at 2505 Noriega Street, within a currently vacant ground floor retail commercial space last occupied by Ace Pharmacy in April 2014. The proposal would allow for the on-site sale of medical cannabis – including concentrates, edibles, and tinctures – and also proposes to provide delivery services to patients of medical cannabis. The MCD would not allow for on-site medication (e.g., smoking, vaporizing, or consumption of edibles), or on-site cultivation for harvesting of medical product. The proposed hours of operation are 9 a.m. to 9 p.m., seven days a week.

The proposal would make tenant improvements to the approximately 2,780 square foot corner retail space with approximately 103.5 linear feet of frontage along Noriega Street and 32nd Avenue at the ground floor of the building. No physical expansion of the building is proposed, and exterior work is limited to repair of the existing storefront only. No on-site vehicular parking is proposed. The Project Sponsor would maintain a full-time security guard at the storefront, and would install security cameras to cover each room, point of sale, entry, exit, and adjacent sidewalks.

BACKGROUND

On December 10, 2014, Vincent Gonzaga, on behalf of Ryan Hudson (“Project Sponsor”), filed Building Permit Application Number 2014.12.10.3440 with the Department of Building Inspection to authorize a change of use and establish a Medical Cannabis Dispensary within an existing, vacant ground floor retail space at 2505 Noriega Street, located within the Noriega Street Neighborhood Commercial District and a 40-X Height and Bulk District. On January 21, 2015, the Project Sponsor then filed Application No. 2014-003153DRM with the Department to operate the MCD.

On May 21, 2015, the Project Sponsor filed Application No. 2014-003153CUA (“Application”) with the Department seeking Conditional Use Authorization to establish an MCD in the previously referenced location.

The Project was duly noticed and scheduled to be heard by the Commission at the June 8, 2017 hearing. However, the Project and request for Conditional Use Authorization were continued without comment to the July 13, 2017 hearing.

On July 2, 2017, the Department determined that the Project was categorically exempt under CEQA Class 1 – Existing Facilities, and that no further environmental review was required.

On July 13, 2017, at a regularly scheduled and duly noticed public hearing, the Commission heard the request for Conditional Use Authorization as part of Application 2014-003153CUA, and voted 5-1 to approve the request to establish an MCD at 2505 Noriega Street. A large amount of public testimony was heard on this item, both in support and in opposition to the proposal.

On August 14, 2017, Wilson Chu, on behalf of Zhiming Bi, filed an appeal of the Categorical Exemption CEQA Determination was filed.

On August 17, 2017, in a letter to the Clerk of the Board, the Environmental Review Officer determined that the appeal of the CEQA Determination was timely, because an Approval Action (San Francisco Planning Commission Motion No. 19961) had been taken for the Project.

CEQA GUIDELINES

Section 21084 of the California Public Resources Code requires that the CEQA Guidelines identify a list of classes of projects that have been determined not to have a significant effect on the environment and are exempt from further environmental review.

In response to that mandate, the State Secretary of Resources found that certain classes of projects, which are listed in CEQA Guidelines Sections 15301 through 15333, do not have a significant impact on the environment, and therefore are categorically exempt from further environmental review.

CEQA Guidelines Section 15301, or Class 1, provides an exemption from environmental review for minor alterations to existing public or private structures, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. This includes interior and exterior alterations associated with a change of tenant, provided the project involves negligible or no expansion of an existing use. CEQA requires that local agencies adopt a list of categorical exemptions from CEQA. Such list must show those specific activities at the local level that fall within each of the classes of set forth in the CEQA Guidelines. The Planning Commission adopted such list on August 17, 2000 as part of Resolution No. 14952.¹ Changes of use are specifically included as an example in the Planning Commission list for Class 1 exemptions.

APPELLANT CONCERNS AND PLANNING DEPARTMENT RESPONSES

The concerns raised in the appellant's August 14, 2017 Appeal Letter are cited below and are followed by the Department's responses.

Concern 1: The Appellant asserts that the Project does not fall within a strict or broad interpretation of the definition of a CEQA Class 1 categorical exemption.

Response 1: The Project approved by the Planning Commission does fall within the definition of a CEQA Class 1 categorical exemption and no exceptions apply.

The Appellant claims that the Project is a significant change of commercial use from that of a typical neighborhood pharmacy to a MCD, and that as such the change of use is not negligible. The Appellant continues, noting that the former pharmacy use served the needs of thousands of consumers in a much different manner, requiring a large display space in order to sell a wide variety of goods. This is in contrast to an MCD, they argue, which narrowly focuses on specific medicinal needs, and thus does not serve the same, or as diverse a population as the pharmacy.

¹ The list is available online here: <http://208.121.200.84/ftp/files/Commission/policies/14952.pdf>.

Although the Project involves a change of use under Planning Code definitions, from a retail pharmacy to an MCD, under CEQA this change of use would qualify as a Class 1 Categorical Exemption. For Class 1 exemptions, “the key consideration is whether the Project involves negligible or no expansion of an existing use,” and generally consists of the operation, repair, maintenance, permitting, or minor alteration of existing public or private structures. Planning Commission Resolution No. 14952 identifies within Class 1: “Changes of use are included if the new use, as compared with the former use, would first be permitted as a principal or conditional use in any equally restrictive or more restrictive zoning district.” The proposed change of use complies with this requirement as both MCDs and general retail, such as the former pharmacy, are permitted in the same classes of commercial districts, and not in residential districts.

CEQA also identifies certain exceptions that preclude a categorical exemption from being issued for a project. These exceptions apply when there is a cumulative impact from successive projects of the same type and in the same place, and which over time are significant; or when there are unusual circumstances present at the project site that result in a reasonable possibility that the proposed activity will have a significant effect; or when there is potential damage to scenic resources within a designated scenic highway; or when a project is located on a hazardous waste site; or when there is a possibility that the project may cause a substantial adverse change to the significance of a historical resource. This Project presents neither cumulative impacts from successive projects, nor unusual circumstances attributed to the project site. The Project is not located within a scenic highway or on a hazardous waste site, nor is there any potential adverse change to a historical resource.

Because the Project includes only interior tenant improvements and minor exterior alterations to the storefront, without any physical expansion or intensification of use on the site, and no exceptions to the Categorical Exemption apply, the Project is thus eligible to receive a Class 1 Categorical Exemption, which the Department appropriately issued in this case.

For informational purposes, the Project Sponsor commissioned Fehr and Peers to prepare the Transportation and Parking Study (the “Study”) in response to the interim zoning controls that were in place during the time the Department was considering the Project Sponsor’s Conditional Use application (Attachment A). The consultant prepared Study and the Appellant’s own comments in the Appeal Letter establish that the MCD use would not be more intensive than other typical types of retail use. In the Appeal Letter, the Appellant acknowledged that the proposed MCD would sell a more limited variety of products to a narrower population base, as compared to the previous pharmacy. Similarly, the Study found that other retail or restaurant uses, which would be the most common use type to occupy the subject storefront absent the proposed MCD, would result in similar, if not larger, trip generation than the MCD.

Concern 2: The Appellant claims that preparation of a parking and transportation study, as well as the applicant's agreement to provide certain transportation demand management measures, are admissions that the Project will have an environmental impact on the neighborhood.

Response 2: The Project was not required to prepare any additional transportation analysis under CEQA, nor is the Project subject to the requirements of the Transportation Demand Management (TDM) Program.

The Appellant claims that the preparation of a parking and transportation study for the Project is sufficient to demonstrate that the Project will have an environmental impact on the surrounding neighborhood. Similarly, the Appellant claims that the voluntary provision of certain measures intended to reduce the number of single-occupancy vehicle trips to and from the property is also an acknowledgement that the Project will result in environmental impacts, and should warrant further environmental review. The Appellant's argument and conclusions, however, fail to differentiate between analysis that may be prepared in order to inform the Department's environmental review under CEQA and what is separately required under the Planning Code.

Under CEQA, no additional transportation studies or analysis were required to be performed prior to issuance of the Categorical Exemption. The proposed change from a retail pharmacy to an MCD does not create any new housing units or parking spaces, nor would it include other features that could potentially result in significant adverse impacts to transit, pedestrian, or bicycle safety. In addition, as stated above in Response 1, the Project would not result in any unusual circumstances. For informational purposes, the Project Sponsor commissioned Fehr and Peers to prepare the Study in response to the interim zoning controls that were in place during the time the Department was considering the Project Sponsor's Conditional Use application. Specifically, under the interim controls, the Planning Commission was required to consider whether "the MCD has prepared a parking and transportation management plan sufficient to address the anticipated impact of patients visiting the MCD" in deciding whether to grant Conditional Use Authorization. This was not a requirement under CEQA.

The Study calculated an estimated trip generation rate for the proposed MCD, documented existing traffic, parking, and loading conditions in the vicinity of the site, and analyzed how the Project's anticipated trip generation would impact those existing conditions. The Study found that the existing parking and loading conditions in the vicinity are generally similar to conditions in other parts of the City, and that the existing parking availability in the neighborhood should be sufficient to absorb any demand for parking generated by the Project.² The Study was included as an attachment to the staff report for the Conditional Use Authorization hearing, and is included as an attachment to this response.

With regard to TDM measures, the Project is not required to comply with Planning Code Section 169 or the TDM Program, as the Project would not result in ten or more dwelling units or bedrooms of group housing, nor 10,000 occupied square feet of new non-residential construction, nor a change of use of 25,000 occupied square feet. Similarly, under CEQA, the Project would not result in any unusual

² CEQA section 21099 prohibits the Department from considering parking as a significant impact on the environment for projects that meet certain characteristics, like this Project.

circumstances or significant impacts that the Department must address through mitigation measures. The Project Sponsor's inclusion of voluntary TDM measures is instead a response to the concerns of the neighborhood about the Project's potential impacts to parking and transportation in the vicinity, and is intended to encourage trips to the site by means other than single-occupancy vehicles. This is not an admission that the Project would have significant environmental impacts, but rather an effort to address neighborhood concerns regarding the Project.

CONCLUSION

Appellant has presented no substantial evidence supporting a fair argument that the Project will cause a significant environmental effect due to unusual circumstances. As a consequence, no further environmental review is required. The Project is consistent with CEQA's Class 1 exemption.

For the reasons stated above and in the July 2, 2017 CEQA Categorical Exemption Determination, the CEQA Determination complies with the requirements of CEQA and the Project is exempt from further environmental review. The Department therefore recommends that the board uphold the CEQA Categorical Exemption Determination and deny the appeal of the CEQA Determination.

MEMORANDUM

Date: May 10, 2017
To: Ryan Hudson, The Apothecarium
From: Eleanor Leshner & Eric Womeldorff, Fehr & Peers
Subject: 2505 Noriega Street Transportation and Parking Study

SF17-0921

This focused transportation and parking study assesses the local traffic, parking¹, and loading conditions near the proposed Medical Cannabis Dispensary (MCD) at 2505 Noriega Street (the "Proposed Project") in the Sunset District of San Francisco. The study also estimates trip generation, parking and loading demand, and presents a Transportation Demand Management (TDM) plan for the Proposed Project. This study was requested by the project sponsor, The Apothecarium, in order to address the Findings of the Planning Code and help guide decision makers as to whether to approve the proposed use. To develop this study, Fehr & Peers has used several standard methodologies used for projects subject to CEQA by the San Francisco Planning Department and its transportation guidelines, although the Proposed Project is not subject to CEQA analysis.

The results of this study reveal that there is adequate parking in the vicinity of the Proposed Project to meet the anticipated demand and trip generation for the MCD. In addition, other retail or restaurant uses would result in similar, if not larger, trip generation and demand for parking. Retail and restaurant establishments are used as a comparison since they are two of the most common uses in the Noriega Street Neighborhood Commercial District, where the Proposed Project is located.

In addition, since medical cannabis and cannabis-related products are not currently allowed to be delivered by commercial vehicles, the Proposed Project would not generate demand for commercial loading vehicles. All deliveries to the MCD will be made by private passenger vehicles that park in

¹Parking is included as a topic of this study although typically it is included for informational purposes as part of project-specific environmental review conducted for CEQA



regular parking spaces. Delivery activity both to and from the Proposed Project is accounted for in the trip generation estimates that is compared to the existing parking supply.

Finally, while the Proposed Project is not subject to the City of San Francisco's Transportation Demand Management Program, due to its small size and other factors, the Project Sponsor has voluntarily agreed to implement several TDM measures to encourage travel by sustainable modes of transportation (e.g. walking, bicycling, and transit) and further reduce single occupancy vehicle (SOV) trips to/from the Proposed Project.

PROJECT DESCRIPTION

As shown in **Figure 1**, the Proposed Project is located at 2505 Noriega Street on the southwest corner of Noriega Street and 32nd Street in the Noriega Street Neighborhood Commercial District. The Proposed Project would inhabit the existing building at the address, which has one floor and includes 2,721 gross square feet (gsf) of MCD use. The Proposed Project does not propose any accessory parking spaces.

EXISTING CONDITIONS

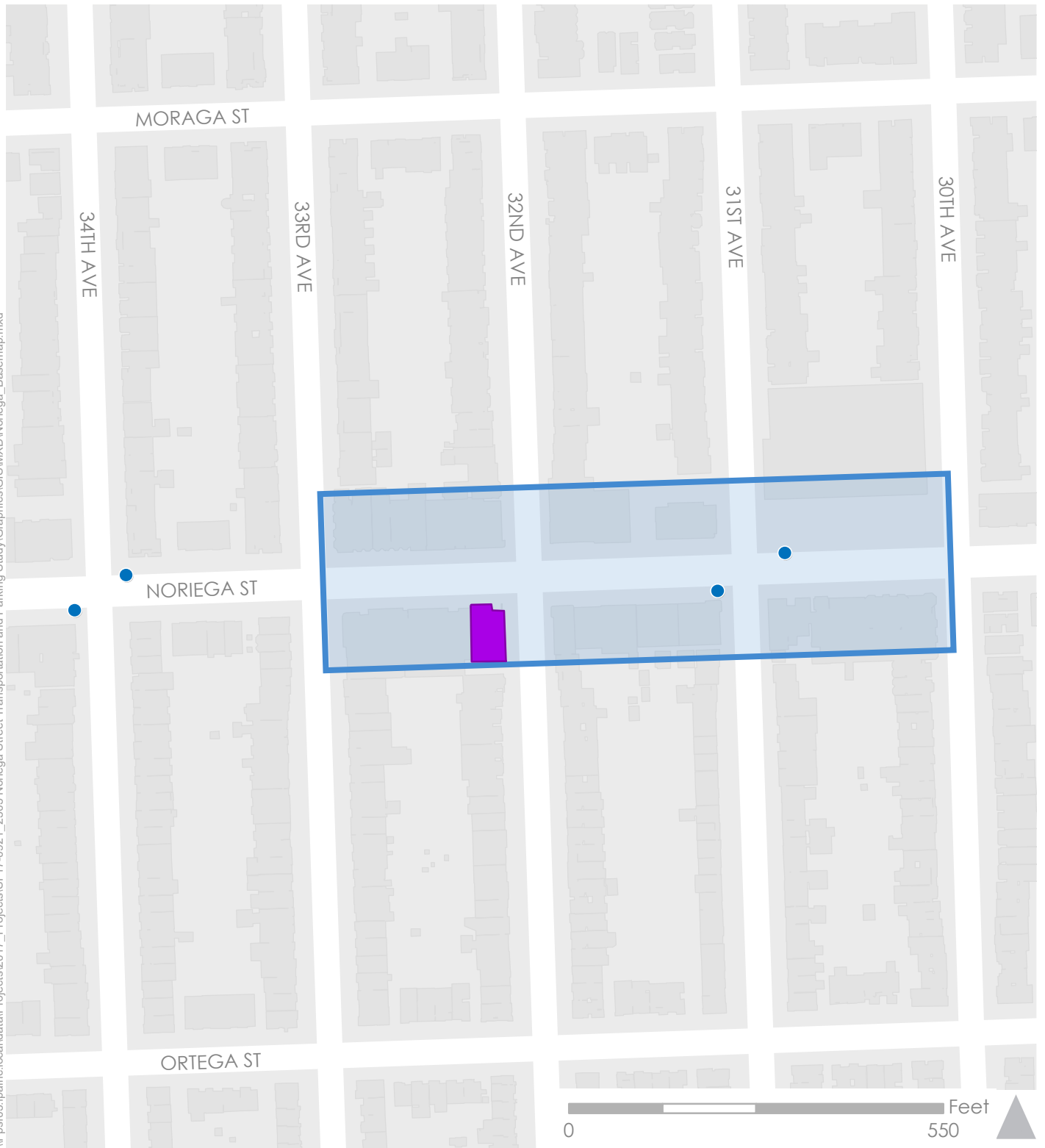
To assess existing conditions in the vicinity of the Proposed Project, Fehr & Peers collected information regarding the traffic, parking, and loading conditions near the Proposed Project. To better understand the area, Fehr & Peers also conducted a site visit on Tuesday, February 28, 2017.

Traffic Conditions: Fehr & Peers conducted 24-hour vehicle volume counts at two blocks adjacent to the Proposed Project site on Wednesday, February 22, 2017. Approximately, 7,000 vehicles travel on Noriega Street per day, with even vehicle volumes traveling in each direction.



Inset Figure 1. Existing Storefront at 2505 Noriega

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-  Project Site
-  Noriega Street Neighborhood Commercial District
-  Muni Stop (7 & 7X)



Figure 1
Project Location



Parking Conditions: Fehr & Peers conducted parking and loading surveys on Saturday, February 18, 2017 (a typical weekend day) between 11am and 2pm, and on Wednesday, February 22, 2017 (a typical weekday) from 11am to 2pm, and from 5pm to 8pm. Approximately 1,300 parking spaces are supplied within an approximately 1,000 feet radius of the Proposed Project site. **Table 1** summarizes the average parking occupancy observed by time period and **Table 2** presents the average parking availability by time period. **Figure 2A** and **2B** present average parking occupancy by time period and by block.

TABLE 1: AVERAGE PARKING OCCUPANCY BY TIME PERIOD		
Day	Midday (11am-2pm)	Evening (5pm-8pm)
Weekday	70%	77%
Weekend	87%	n/a

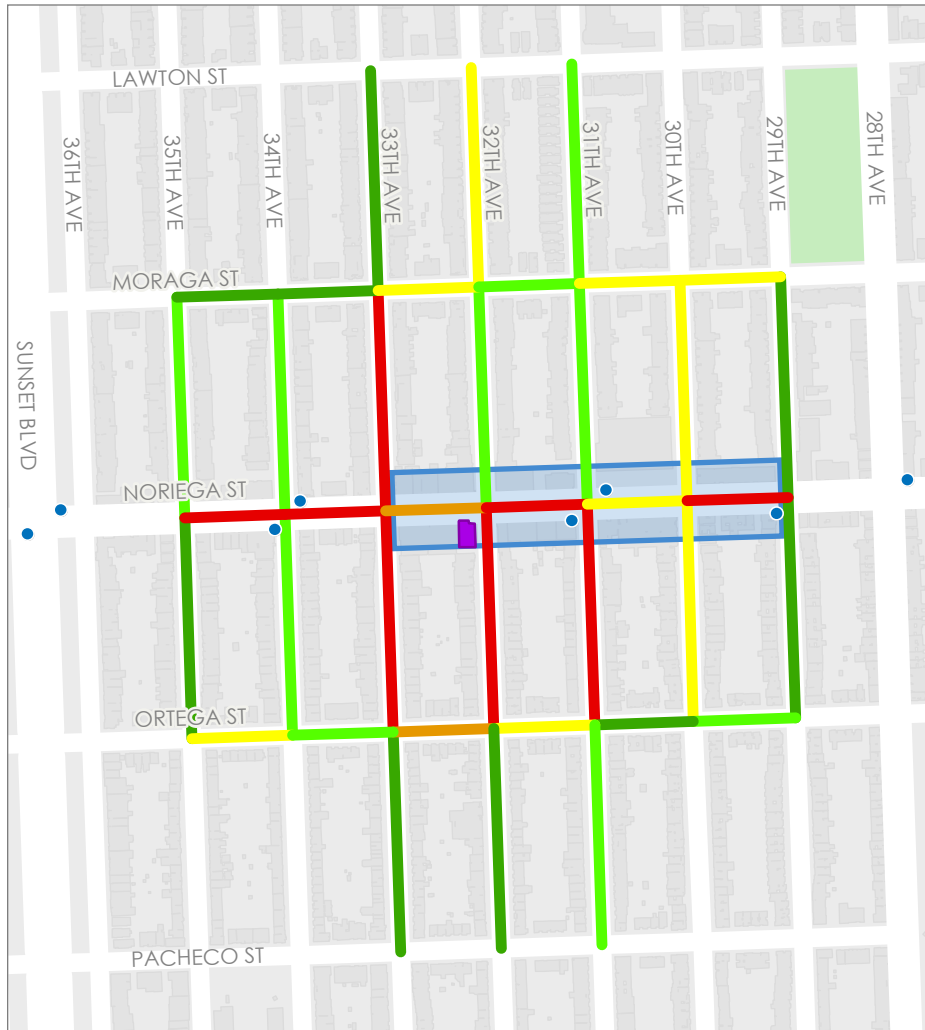
Source: Fehr & Peers, 2017.

Note: study area includes on-street parking and loading spaces within 1,000 feet of the Proposed Project site.

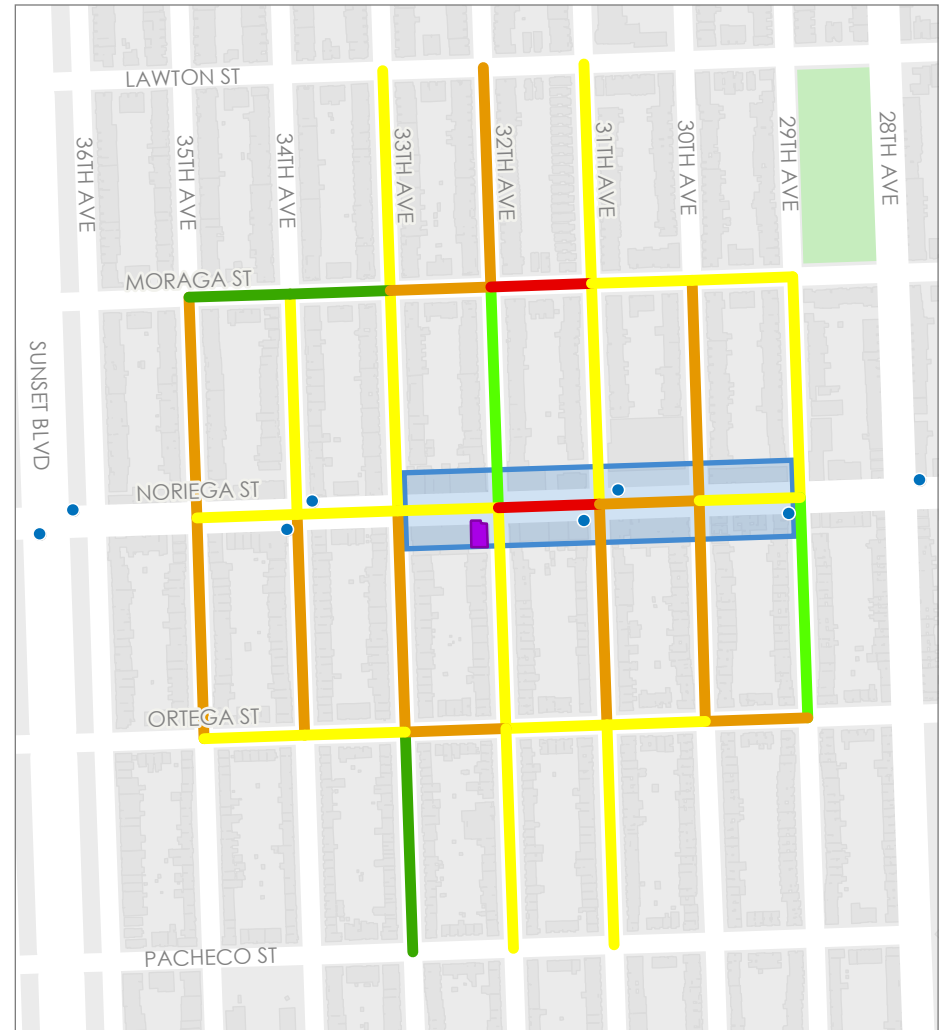
During the weekday midday period (11am-2pm), on-street parking is generally 70 percent occupied and, therefore, approximately 390 spaces are available within 1000 feet of the Proposed Project. During this time period, parking on Noriega Street and 31st, 32nd, and 33rd avenues one block south of Noriega Street is generally more occupied than other blocks observed, as presented in **Figure 2A**. On-street parking during the weekday evening period (5pm-8pm) is typically 77 percent occupied and, therefore, approximately 300 spaces are available within 1000 feet of the Proposed Project.

During this time period, parking occupancy is highest on Noriega Street between 31st and 32nd avenues but generally more evenly distributed across all blocks in the study area, compared to the midday time period. During the weekend midday (11am-2pm), on-street parking spaces are generally more occupied (87 percent) compared to the weekday time periods and approximately 175 spaces are available within 1000 feet of the Proposed Project. Generally, the blocks on and closest to Noriega Street are most occupied during the weekend midday time period, as presented in **Figure 2B**.

Weekday Midday (11am - 2pm)



Weekday Evening (5pm - 8pm)



On-Street Parking Occupancy

- █ 0% - 59% Occupied
- █ 60% - 69% Occupied
- █ 70% - 79% Occupied
- █ 80% - 89% Occupied
- █ 90% - 100% Occupied

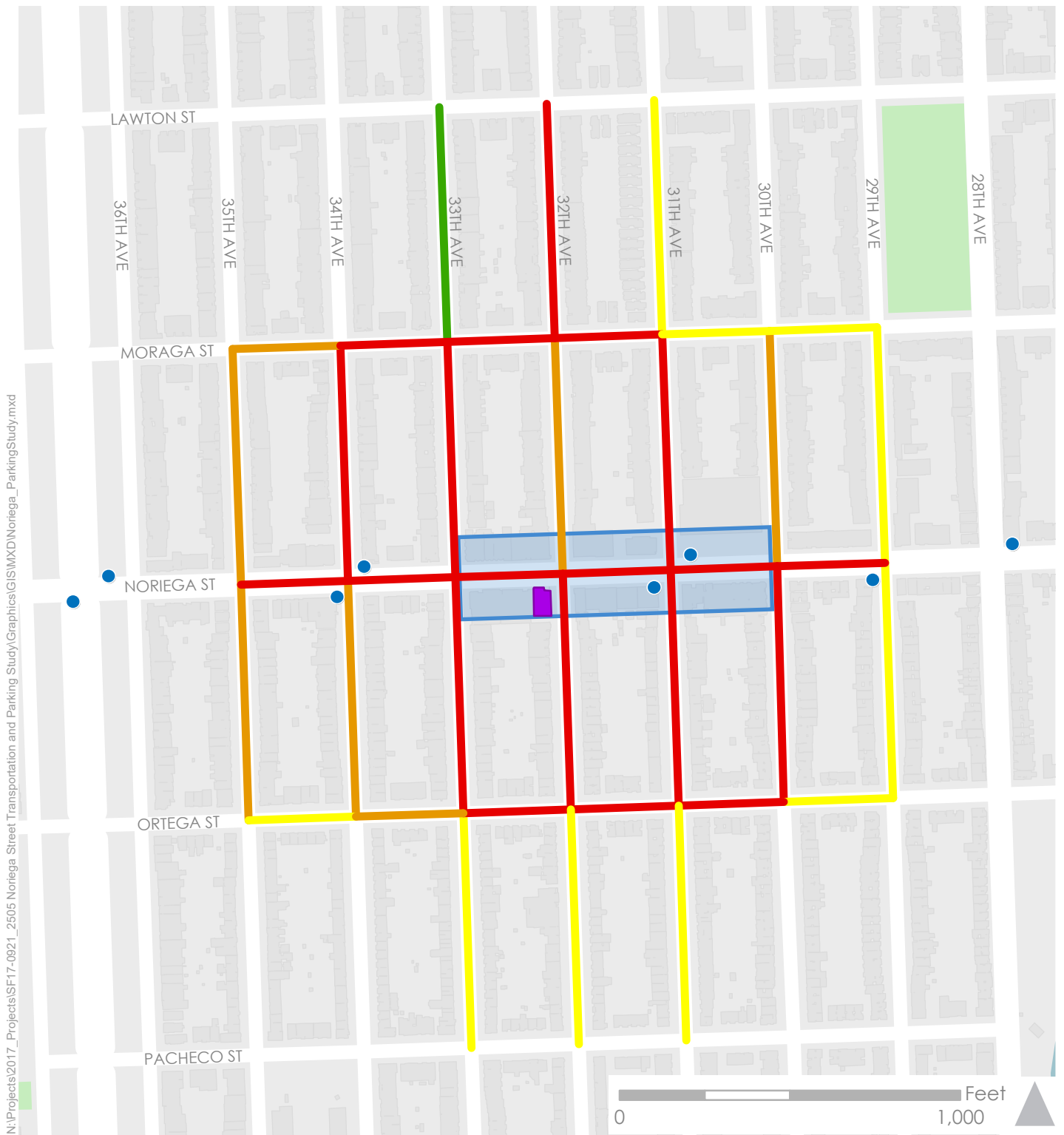
- █ Project Site
- █ Noriega Street Neighborhood Commercial District
- Muni Stop (7 & 7X)



Figure 2A

On-Street Parking Occupancy, Existing Conditions

Weekend Midday (11am - 2pm)



On-Street Parking Occupancy

- █ 0% - 59% Occupied
- █ 60% - 69% Occupied
- █ 70% - 79% Occupied
- █ 80% - 89% Occupied
- █ 90% - 100% Occupied

- █ Project Site
- █ Noriega Street Neighborhood Commercial District
- Muni Stop (7 & 7X)



Figure 2B
On-Street Parking Occupancy, Existing Conditions



TABLE 2: AVERAGE PARKING AVAILABILITY BY TIME PERIOD

Day	Midday (11am-2pm)	Evening (5pm-8pm)
Weekday	390 spaces	300 spaces
Weekend	170 spaces	n/a

Source: Fehr & Peers, 2017.

Note: study area includes on-street parking and loading spaces within 1,000 feet of the Proposed Project site.

Parking occupancy in the vicinity of the Proposed Project is similar to other locations in the City. For context, the City’s SFpark program has identified 60-80 percent as its target parking occupancy range.² This target occupancy rate aims to ensure that on-street parking is readily available and accommodates as many customers as possible for adjacent businesses. In addition, according to a study by the San Francisco County Transportation Authority, which documented parking conditions in residential and commercial areas in Bernal Heights, Cow Hollow, Hayes Valley and West Portal in 2009, parking occupancy ranged between 63 – 96 percent, 71 – 97 percent, and 80 – 99 percent during the weekday midday, weekday evening and weekend midday periods, respectively.³ The parking occupancy observed in the vicinity of the Proposed Project falls within these ranges for all time periods observed.

Loading Conditions: A total of seven commercial loading spaces are supplied within two blocks of the Proposed Project site. **Table 3** summarizes loading zone occupancy observed by time period. During weekday midday hours, loading spaces are generally 45 percent occupied. Loading occupancy during the weekday evening period is typically 82 percent full. Loading spaces are generally more occupied during the weekend midday time period (94 percent), when four loading spaces were observed as occupied during the entire time period. Generally, each loading space accommodates 2-6 unique loading vehicles during the time periods observed. Turnover rates by time period for the weekday midday, weekday evening, and weekend midday periods average 2.6, 2.7, and 4.3 vehicles, respectively.

² SFMTA (2014). SFpark: Pilot Project Evaluation. Accessed at <http://sfpark.org/about-the-project/pilot-evaluation/>

³ San Francisco County Transportation Authority (2009). the “On-Street Parking Management and Pricing Study.” Retrieved from <http://www.sfcta.org/transportation-planning-and-studies/current-research-and-other-projectsstudies/street-parking-management-and-pricing-study>.



TABLE 3: LOADING OCCUPANCY BY TIME PERIOD		
Day	Midday (11am-2pm)	Evening (5pm-8pm)
Weekday	45%	82%
Weekend	94%	n/a

Source: Fehr & Peers, 2017.

Note: study area includes on-street loading spaces within two blocks of the Proposed Project site.

TRIP GENERATION

Since City or industry-standard trip generation information is not available for MCD land uses, Fehr & Peers collected data at the Project Sponsor’s existing MCD on Market Street in San Francisco to better understand trip generation patterns at this land use and determine its empirical trip generation rate. Trip generation for the Proposed Project was then estimated using the empirical trip generation rate associated with the existing MCD, and finally compared to trip generation for a retail or restaurant use as presented in the SF Guidelines, which provide guidance on calculating trip generation and performing travel demand forecasts for projects in San Francisco.

Entry/exit counts were conducted at the Project Sponsor’s existing MCD location, located at 2029 Market Street, on Thursday, February 23, 2017 (a typical weekday) and Saturday, February 25 (a typical weekend day) during hours of operation, between 9am and 9pm. On a typical weekday, entry/exits at the existing location are evenly spaced throughout the day, in general, with the largest number of people entering/exiting the location between 2:45pm and 3:45pm and the least amount of activity occurring between 9am and 11am. On a typical weekend day, the entry/exits are more concentrated in the afternoon, with the largest number of entries/exits occurring between 3pm and 4pm, and least amount of activity occurring between 9am and 11am, and between 8pm and 9pm. According to the Project Sponsor, the typical length of stay for each visitor is approximately 15 minutes.

Table 4 compares the daily and PM peak hour trip generation rates per 1,000 gsf based on the observations conducted at the existing MCD to the trip generation rates for retail and restaurant uses presented in SF Guidelines. Retail and restaurant uses were selected for comparison as two of the most common uses in the Noriega Street Neighborhood Commercial District. For example, although the Proposed Project’s storefront is currently vacant, it was previously a pharmacy, which is a kind of retail use.



TABLE 4: PERSON TRIP GENERATION RATES PER 1,000 GSF

Reference	Day ¹	Use ²	Daily	PM Peak Hour (4-6pm)
SF Guidelines	Weekday	Retail	150	14
	Weekday	Restaurant	200	27
Observations at Market Street MCD	Weekday	MCD	98	10
	Weekend	MCD	136	17

Source: Fehr & Peers, 2017; SF Guidelines, 2002.

Note:

1. SF Guidelines provides guidance for estimating weekday trips only; observations at the existing MCD on Market Street were taken on both a weekday and weekend day.
2. SF Guidelines were referenced to determine trip rates for both Retail and Restaurant uses, which are two of the most common uses in the Noriega Street Neighborhood Commercial District, for comparison purposes.

The general characteristics of the Proposed Project will be similar to the Project Sponsor’s Market Street location. However, **Table 5** summarizes the ways in which the Proposed Project will differ from the existing MCD on Market Street. In general, the ways in which the Proposed Project would differ from the existing MCD on Market Street would likely result in less trip generation at the Noriega Street location. For example, the catchment area (i.e. the area from which people would be drawn from) for the existing location at Market Street (given its location at an important public transit node, walkability, and sole location in the City) represents the entire City of San Francisco whereas the Proposed Project expects to pull from a smaller catchment area, only the Western Neighborhoods (i.e. Richmond, Sunset, West of Twin Peaks, Ocean View, Merced Heights, Ingleside and Lake Merced districts). This is partially due to the fact that there is only one public transit line near the Noriega Street location, which is in the western portion of the City. Also, considering the prevalence of single family homes in the Sunset District, the development density near the Noriega Street site is lower than the Market Street location where buildings of more than two stories predominate.

The Project Sponsor expects delivery sales at the Proposed Project to work similarly to the existing delivery services provided at the Market Street location. Approximately one delivery trip will be made per day from the MCD and will go to up to 10 different locations within San Francisco’s city limits. Twenty-five percent of deliveries will be made by foot or by bicycle, within 10 blocks of the Project, and 75 percent of deliveries will be made by private passenger vehicle, for destinations



further than 10 blocks or when the weather is poor. Since each delivery would go to up to 10 different locations, increased delivery sales (+5 percent) at the Proposed Project would likely result in less vehicle trip generation compared to the Market Street location. In addition, the entry/exit counts performed at the Market Street location, which inform the trip generation rates presented in **Table 4**, captured all deliveries, both to and from the MCD, since the main entrance on Market Street is the MCD’s only entry/exit point. As another example, the Project Sponsor indicated that approximately 10 people on weekdays and 50 people on weekends enter the existing MCD on Market Street who are merely “curious passers-by”; these individuals are typically pedestrians walking by who are “curious” about what the store is but do not have the intention of becoming a member or making a purchase. It is anticipated that due to the lower pedestrian volumes on Noriega Street compared to Market Street, the Proposed Project would generate fewer entry/exits by “curious passers-by.” Therefore, it is expected that the Proposed Project would generate less trips than the Market Street location based on the difference in their catchment areas, the number of “curious passers-by,” and the other characteristics presented in **Table 5**.

TABLE 5: EXISTING VS. PROPOSED MCD COMPARISON				
Characteristic	Estimates			Effect on Trip Generation
	Market Street (Existing)	Noriega Street (Proposed)	Difference/ Ratio	
Size (gsf)	5,200	2,721	0.52	-
Employees	25-30	12-16	13-14	(neutral)
Curious passers-by	20 (weekday) 50 (weekend day)	5 (weekday) 10 (weekend day)	-15 (weekday) -40 (weekend day)	-
Delivery Sales	15%	20%	+5%	-
Catchment Area	Entire City of San Francisco	Western Neighborhoods	Smaller catchment area	-
Pedestrian Activity	High	Moderate	Less pedestrian activity	-
Visitor Length of Stay	15 minutes	15 minutes	n/a	(neutral)

Source: The Apothecarium & Fehr & Peers, 2017.

To estimate trip generation for the Proposed Project, Fehr & Peers applied the rates presented in **Table 4** to the size of the Proposed Project. The results of this exercise are presented in **Table 6**.



Based on this analysis, the estimated number of daily person and vehicle trips based on the Market Street observations, for both weekdays and weekends, are less than those estimated according to SF Guidelines for weekday retail and restaurant uses.

During the PM peak hour, the trip generation estimate based on weekday observations at the existing MCD on Market Street are also less than those estimated using SF Guidelines. However, the trip generation estimate for the PM peak hour trips based on weekend observations on Market Street is greater than SF Guideline’s weekday estimate for retail uses but less than SF Guideline’s estimate for restaurant uses. This finding reflects that shopping and dining-related trips tend to occur more on weekends compared to weekdays.

TABLE 6: TRIP GENERATION ESTIMATES						
Reference	Day ¹	Use ²	Daily		PM Peak (4-6pm)	
			Person Trips ³	Vehicle Trips ⁴	Person Trips ³	Vehicle Trips ⁴
SF Guidelines	Weekday	Retail	408	306	37	28
	Weekday	Restaurant	544	407	73	55
Observations at Market Street MCD	Weekday	MCD	266	199	27	20
	Weekend	MCD	369	277	46	34

Source: Fehr & Peers, 2017.

Note:

1. SF Guidelines provides guidance for estimating weekday trips only; observations at the existing MCD on Market Street were taken on both a weekday and weekend day.
2. SF Guidelines were referenced to determine trip rates for both Retail and Restaurant uses, which are two of the most common uses in the Noriega Street Neighborhood Commercial District, for comparison purposes.
3. Person trips refers to trips taken by all modes.
4. Mode split for all trip generation estimates is based on SF Guidelines Table E-16: Visitor Trips to SD-4: Retail.

In addition, the trip generation estimates presented in **Table 6** reflect only the change in size between the existing and proposed MCD locations. The information presented in **Table 5** suggests that trip generation at the proposed location on Noriega Street would likely be less than the estimates presented in **Table 6** since the estimates presented in **Table 6** do not account for the smaller catchment area, lower pedestrian volumes and lower number of “curious passers-by” associated with the Noriega Street location. In general, this analysis reveals that estimated trip



generation for the Proposed Project would likely be less than trip generation related to a retail or restaurant use, which are two of the most common uses in the Noriega Street Neighborhood Commercial District.

Parking Demand

The peak hour vehicle trip generation estimates presented in **Table 6** are less than the average number of parking spaces available within 1000 feet of the Proposed Project, which are presented in **Table 2**. Further, vehicle trip generation estimates include both people who park their vehicle to access the store and those who are dropped off by a vehicle (e.g. private vehicles, taxis, Uber/Lyft vehicles). Therefore, not all vehicle trips generate demand for a parking space.

Loading Demand

Since medical cannabis and cannabis-related products are not currently allowed to be delivered by commercial vehicles, the existing MCD on Market Street does not and the Proposed Project would not generate demand for commercial loading vehicles.⁴ All deliveries to the MCD will be made by private passenger vehicles that park in regular parking spaces.

The Project Sponsor expects that two deliveries will be made to the MCD per day on weekdays. No deliveries to the MCD will occur on weekend days. Deliveries to the MCD are carried by hand to the MCD from private passenger vehicles. As described above, one delivery trip will be made per day from the MCD and will go to up to 10 different locations within San Francisco's city limits. If one of the two short-term metered parking spaces adjacent to the Proposed Project on 32nd Avenue are available, private passenger vehicles making deliveries to/from the site could use those spaces, as any other private passenger vehicle, and make a short walk to the front or rear door of the Proposed Project.

The entry/exit counts performed at the Market Street location, which inform the trip generation rates presented in **Table 4**, captured all deliveries, both to and from the MCD, since the main entrance on Market Street is the facility's only entry/exit point. Therefore, delivery activity both to and from the Proposed Project is accounted for in the peak hour vehicle trip generation estimates

⁴ If the law changes such that it would allow delivery by commercial vehicles, the Project Sponsor would comply with the law and may or may not change its delivery model, depending on the conditions after a change in the law.



presented in **Table 6** and compared to the average number of parking spaces available within 1000 feet of the Proposed Project (see **Table 2**) in the *Parking Demand* sub-section.

For comparison purposes, **Table 7** presents the truck trip generation rates as well as the daily and peak hour truck trip generation estimates for retail and restaurant uses, as presented in SF Guidelines. The estimates are based on a land use of the same size as the Proposed Project. For a comparable retail or restaurant use of the same size as the Proposed Project, peak hour loading demand would likely fall in the range of 0 - 1 truck trip per peak hour.

TABLE 7: TRUCK TRIP GENERATION RATES AND ESTIMATES			
Use	Rate¹	Estimate	
		Daily	Peak Hour
Retail²	0.22	0.60	0.03
Restaurant²	3.60	9.80	0.57

Source: Fehr & Peers, 2017; SF Guidelines, 2002

Note:

1. Daily rate per 1,000 gsf.

2. Referred to as Retail (composite) and Restaurant/bar in SF Guidelines, Appendix H.

Based on the observations presented in the Existing Conditions section of this memorandum, a peak hour loading demand of up to one vehicle could likely be accommodated by the existing commercial loading supply within two blocks of the Proposed Project. The supply of commercial loading spaces is most occupied during the weekend midday. If the Proposed Project were to generate demand for commercial loading spaces in the future, the Project Sponsor could limit commercial loading activities during the weekend midday to avoid increasing demand for commercial loading spaces during that time period.

TDM PLAN

The Project Sponsor will implement a Transportation Demand Management (TDM) program as part of the Proposed Project. The TDM program will encourage travel via sustainable modes of transportation (e.g. walking, bicycling, and transit) and further reduce single occupancy vehicle (SOV) trips to the Proposed Project. SF Planning’s Transportation Demand Management Program,



which was approved in February 2017 under Planning Code Section 169, provides a menu of potential TDM measures.⁵ While the Proposed Project is not subject to Section 169, the Project Sponsor has agreed to implement the following TDM measures from the Standards for the Transportation Demand Management Program that would reduce SOV trips to and from the Project Site.⁶

1. Provide a minimum of 1 on-site Class I and 6 Class II bicycle parking spaces to encourage bicycling by employees and visitors;
2. Provide bicycle maintenance tools and supplies within the store on a permanent basis and in good condition to encourage bicycling by employees and visitors;
3. Provide delivery services by bicycle, on foot, or in a vehicle that makes multiple stops, when possible, to reduce Vehicle Miles Traveled from single-stop motorized deliveries;
4. Provide 100% subsidized monthly transit passes to employees, as requested, to encourage employee transit use;
5. Produce tailored marketing and communication campaigns and distribute information via the Project Sponsor's website and/or member on-boarding forms to encourage visitor use via bicycle, on foot, or transit.

If the Proposed Project were subject to SF Planning's TDM Program, the sum of these TDM measures – and including the fact that the Proposed Project would not provide parking – would result in 23 points according to the program's web-based tool.⁷ For comparison purposes, a retail use that is subject to SF Planning's TDM Program that provides 0-4 parking spaces would be required to attain 13 points.

⁵ SF Planning (2017). "SHIFT: Transportation Demand Management (TDM)." Accessed at <http://sf-planning.org/shift-transportation-demand-management-tdm>

⁶ SF Planning (2017). "Standards for the Transportation Demand Management Program." Accessed at http://default.sfplanning.org/plans-and-programs/emerging_issues/tsp/TDM_Program_Standards_02-17-2017.pdf

⁷ SF Planning (2017). SF TDM Tool. Accessed at <http://www.sftdmttool.org/>