### Committee/Board of Supervisors

**Agenda Packet Contents List**

**Committee:** Budget and Finance Committee  
**Date:** June 21 & 22, 2012

**Board of Supervisors Meeting**  
**Date:**  

<table>
<thead>
<tr>
<th>Cmte Board</th>
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<tbody>
<tr>
<td>✓ Motion</td>
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<td>✓ Resolution</td>
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<td>✓ Ordinance</td>
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<td>✓ Legislative Digest</td>
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<td>✓ Budget and Legislative Analyst Report</td>
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<td>✓ Legislative Analyst Report</td>
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<td>✓ Youth Commission Report</td>
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<td>✓ Introduction Form (for hearings)</td>
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<td>✓ Department/Agency Cover Letter and/or Report</td>
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<td>✓ MOU</td>
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<td>✓ Grant Information Form</td>
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<td>✓ Grant Budget</td>
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<td>✓ Subcontract Budget</td>
<td></td>
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<tr>
<td>✓ Contract/Agreement</td>
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<td>✓ Form 126 – Ethics Commission</td>
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<td>✓ Award Letter</td>
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<td>✓ Application</td>
<td></td>
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<td>✓ Public Correspondence</td>
<td></td>
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</tbody>
</table>

**OTHER**  
(Use back side if additional space is needed)

1. 
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5. 
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11. 
12. 

**Completed by:** Victor Young  
**Date:** June 14, 2012

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document can be found in the file.
[Business and Tax Regulations and Health Codes - Food Product and Marketing Establishment License Fees]

Ordinance amending 1) the San Francisco Business and Tax Regulations Code Sections 248 and 249.1; and 2) the San Francisco Health Code Sections 440 and 451 relating to fees for food product and marketing establishment licenses issued by the Department of Public Health.

NOTE: Additions are single-underline italics Times New Roman; deletions are strike-through italics Times New Roman. Board amendment additions are double-underscored; Board amendment deletions are strikethrough normal.

Be it ordained by the People of the City and County of San Francisco:

Section 1. Findings.

The Planning Department has determined that the actions contemplated in this ordinance comply with the California Environmental Quality Act (California Public Resources Code Section 21000 et seq.). Said determination is on file with the Clerk of the Board of Supervisors in File No. 120638 and is incorporated herein by reference.

Section 2. The San Francisco Business and Tax Regulations Code is hereby amended by amending Sections 248 and 249.1, to read as follows:

SEC. 248. FOOD PRODUCT AND MARKETING ESTABLISHMENTS.

(a) The following fee for licenses is established for persons, firms or corporations engaged in the conduct or operation of the handling, manufacture or sale of foodstuffs, annually payable in advance to the Tax Collector.

<table>
<thead>
<tr>
<th>Class</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A. Food product and marketing establishments without food preparation with a total</td>
<td></td>
</tr>
<tr>
<td>Class</td>
<td>A-1. Less than 5,001 square feet</td>
</tr>
<tr>
<td>-------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>Class A-2</td>
<td>5,001 square feet to 10,000 square feet</td>
</tr>
<tr>
<td>Class A-3</td>
<td>10,001 square feet to 20,000 square feet</td>
</tr>
<tr>
<td>Class A-4</td>
<td>Greater than 20,000 square feet</td>
</tr>
</tbody>
</table>

**Class B. Food product and marketing establishments with food preparation with a total square footage of:**

<table>
<thead>
<tr>
<th>Class B-1</th>
<th>Less than 5,001 square feet</th>
<th>$640</th>
<th>$693</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class B-2</td>
<td>5,001 square feet to 10,000 square feet</td>
<td>$794</td>
<td>$898</td>
</tr>
<tr>
<td>Class B-3</td>
<td>10,001 square feet to 20,000 square feet</td>
<td>$968</td>
<td>$1,091</td>
</tr>
<tr>
<td>Class B-4</td>
<td>Greater than 20,000 square feet with:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1 Food Preparation Station</td>
<td>$1,154</td>
<td>$1,235</td>
</tr>
<tr>
<td></td>
<td>2 to 3 Food Preparation Stations</td>
<td>$1,390</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4 or more Food Preparation Stations</td>
<td>$1,544</td>
<td></td>
</tr>
</tbody>
</table>

**Class C. Retail bakeries with total square footage of:**

| Class C-1  | Less than 2,001 square feet        | $625 | $753 |
| Class C-2  | Greater than 2,001 square feet     | $645 | $1,290 |

**Class D. Produce stand/Farm Stand**

| Class D     | $629 | $309 |

**Class E. Certified farmers market**

| Class E     | $635 | $1,039 |

**Class F. Wholesale food markets with retail**

| Class F     | $640 | $645 |

**Class G. Food manufacturing or processing**

| Class G     | $629 | $714 |

**Class H. Food product and marketing establishments with an inventory of food at cost in stock as of the first day of April:**

<table>
<thead>
<tr>
<th>Inventory</th>
<th>Less than $1,000</th>
<th>$105</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Greater than $1,000</td>
<td>0</td>
</tr>
</tbody>
</table>

**Class I. Food product and marketing establishments in stadiums, arenas or auditoriums with a seating capacity of**

| Class I     | $625 | |

Mayor Lee
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25,000 or more

(b) The license fees set forth above shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.

SEC. 249.1. FOOD PREPARATION AND SERVICE ESTABLISHMENTS.

Every person, firm or corporation engaged in the business of operating food preparation and service establishments, as defined in Section 451 of the San Francisco Health Code, that require permits from the Health Department shall pay an annual license fee to the Tax Collector as follows:

(a)

<table>
<thead>
<tr>
<th>Class</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Class A.</strong> Food preparation and service establishments with a total square footage of:</td>
<td>$777</td>
</tr>
<tr>
<td>Less than 1,000 square feet</td>
<td>$1,028</td>
</tr>
<tr>
<td>1,000 square feet to 2,000 square feet</td>
<td>$1,179</td>
</tr>
<tr>
<td>Greater than 2,000 square feet</td>
<td></td>
</tr>
</tbody>
</table>

**Class B. Bar or tavern**

| Without food preparation | $923 |

| With food preparation | $750 |

<p>| <strong>Class C. Take-out establishment</strong> | $932 | $1,051 |
| <strong>Class D. Fast food establishment</strong> | $1,056 | $1,189 |
| <strong>Class E. Catering facility</strong> | $968 | $1,025 |
| <strong>Class F. Temporary facility</strong> | $145 | $176 |
| <strong>Class G. Food demonstrations</strong> | $105 |
| <strong>Class H. Commissary</strong> | $884 | $998 |
| <strong>Class H1. Mobile Food Facilities</strong> | | |</p>
<table>
<thead>
<tr>
<th>Class</th>
<th>Description</th>
<th>License Fee 1</th>
<th>License Fee 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>I-1</td>
<td>Mobile Food Facility 1</td>
<td>$181</td>
<td>$195</td>
</tr>
<tr>
<td>I-2</td>
<td>Mobile Food Facility 2</td>
<td>$274</td>
<td>$292</td>
</tr>
<tr>
<td>I-3</td>
<td>Mobile Food Facility 3</td>
<td>$184</td>
<td>$195</td>
</tr>
<tr>
<td>I-4</td>
<td>Mobile Food Facility 4</td>
<td>$724</td>
<td>$778</td>
</tr>
<tr>
<td>I-5</td>
<td>Mobile Food Facility 5</td>
<td>$724</td>
<td>$778</td>
</tr>
<tr>
<td>IL</td>
<td>Stadium concession</td>
<td>$625</td>
<td>$710</td>
</tr>
<tr>
<td>KJ</td>
<td>Vending machines companies</td>
<td>$177</td>
<td>$211 plus</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$5.56 per machine</td>
</tr>
<tr>
<td>LK</td>
<td>Bed and breakfast establishment</td>
<td>$999</td>
<td>$1,126</td>
</tr>
<tr>
<td>ML</td>
<td>Boarding house</td>
<td>$244</td>
<td>$283</td>
</tr>
<tr>
<td>NM</td>
<td>Private school cafeteria</td>
<td>$294</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Without food preparation</td>
<td></td>
<td>$342</td>
</tr>
<tr>
<td></td>
<td>With food preparation</td>
<td></td>
<td>$527</td>
</tr>
<tr>
<td>QP</td>
<td>Hospital kitchen, with food service to the general public and staff only</td>
<td>$940</td>
<td>$1,060</td>
</tr>
<tr>
<td>PO</td>
<td>Licensed Health Care Facility</td>
<td>$4,050</td>
<td>$1,169</td>
</tr>
<tr>
<td>OP</td>
<td>Caterer</td>
<td>$359</td>
<td>$376</td>
</tr>
<tr>
<td>O</td>
<td>Employee Cafeteria</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Without food preparation</td>
<td></td>
<td>$669</td>
</tr>
<tr>
<td></td>
<td>With food preparation</td>
<td></td>
<td>$1,029</td>
</tr>
</tbody>
</table>

The license fees set forth above shall be paid annually on or before March 31, in accordance with the provisions of Section 76.1 of the Business and Tax Regulations Code.

(b) Exemptions. The following establishments are exempt from paying the fees required by this Section:

Mayor Lee
BOARD OF SUPERVISORS
(1) Food preparation and service establishments used exclusively by day care facilities for children are exempt from paying the fees required by this Section.

For the purpose of this subsection, a "day care facility for children" shall mean a "community care facility" licensed pursuant to the provisions of Chapter 3, Division 2 of the California Health and Safety Code (commencing at Section 1500) which provides nonmedical care to children in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual on less than a 24-hour basis, or a "family day care home for children" licensed pursuant to the provisions of Chapter 3.6, Division 2 of the California Health and Safety Code (commencing at Section 1597.50).

(2) Food preparation and service establishments funded through the San Francisco Commission on Aging for nutrition projects for older individuals.

(c) Beginning with fiscal year 2010-2011 and annually thereafter, the fees set forth in this section may be adjusted each year, without further action by the Board of Supervisors, as set forth in this subsection. Not later than April 1, the Director shall report to the Controller the revenues generated by the fees for the prior fiscal year and the prior fiscal year's costs of operation, as well as any other information that the Controller determines appropriate to the performance of the duties set forth in this Article. Not later than May 15, the Controller shall determine whether the current fees have produced or are projected to produce revenues sufficient to support the costs of providing the services for which the fee is assessed and that the fees will not produce revenue that is significantly more than the costs of providing the services for which the fee is assessed. The Controller shall, if necessary, adjust the fees upward or downward for the upcoming fiscal year as appropriate to ensure that the program recovers the costs of operation without producing revenue that is significantly more than such costs. The adjusted rates shall become operative on July 1.
Section 3. The San Francisco Health Code is hereby amended by amending Sections 440 and 451, to read as follows:

SEC. 440. FOOD PRODUCT AND MARKETING ESTABLISHMENT.

(a) "Food Product and Marketing Establishment" means any room or building, or place or portion thereof, maintained, used or operated for the purpose of commercially storing, selling, vending, packaging, making, cooking, mixing, processing, bottling, canning, packing, slaughtering, or otherwise preparing or handling food, except Food Preparation and Service Establishments as defined in Section 451 and Food Product and Marketing delivery vehicles.

(b) "Food" as used in this Section, includes all articles used for food, drink, confectionery, or condiment, whether simple or compound, including perishable foods, such as fruits, vegetables, fish, meat, poultry, eggs, and bakery goods, whether sold after processing or sold in a fresh or frozen form. Food as used in this Section, shall not include whole pumpkins sold during the month of October for purely decorative purposes, which are not intended for human consumption, and which are clearly marked as being sold only for such limited purposes.

(c) "Bakery" as included within this Section and means any room, building, premises, or place which is used or operated for commercial baking, manufacturing, preparing, processing, retail selling, or packaging of bakery products. It includes all rooms of a bakery in which bakery products or ingredients are stored or handled. It does not, however, include any Food Preparation and Service Establishment as defined in Section 451.

(d) "Certified Farmers Market" means a location approved by the San Francisco Agricultural Commissioner where agricultural products are sold by producers or certified producers directly to consumers or to individuals, organizations, or entities that subsequently sell or distribute the Mayor Lee
BOARD OF SUPERVISORS
products directly to end users. A certified farmers' market may only be operated by one or more
certified producers, by a nonprofit organization, or by a local government agency and must meet the
requirements of San Francisco Administrative Code Chapter 9A, or any successor provisions.

(e) "Farm Stand" means a location at or near the point of production of a community or
urban garden where their fresh produce, shell eggs and non-potentially hazardous processed
agricultural products made with ingredients produced on or near the community or urban garden are
sold. The community or urban garden must be deemed an approved source by the Director of
Environmental Health or the County Agricultural Commissioner. "Near" is defined as "within San
Francisco City Limits".

(f) "Food Preparation Station" means a preparation area where separate equipment
and/or facilities are used by designated trained staff for a specific type of food conveyance, including,
but not limited to, meat, fish, bakery, prepared foods, or confection.

(g) "Retail Food Vendor at Farmers Market" means a vendor who sells prepackaged
food items that are processed, packaged and labeled from and approved permitted food facility, and
has an individual permit that is specific to that market.

(h) "Supermarket" means a food product and marketing establishment that sells a variety
of food and is greater than 20,000 square feet.

(i) "Wholesale Food Market with retail" means a food market which predominantly
specializes in buying produce, bakery, meat, fish, processed food, confection and other food items for
resale to retail outlets, but retains a retail space within the establishment to sell the aforementioned
items to the public.

(d)(i) It shall be unlawful for any person, persons, firm or corporation to maintain
or operate within any room, building, vehicle or place or portion thereof a Food Product and
Marketing Establishment within the City and County of San Francisco, without having first

Mayor Lee
BOARD OF SUPERVISORS
obtained a permit issued and signed by the Director of Public Health of said City and County
to do so.

Said permit when issued shall be kept displayed in a prominent place on the
premises of the establishment, vehicle or cart for which or whom it is issued.

SEC. 451. FOOD PREPARATION AND SERVICE ESTABLISHMENT.

(a) "Bar or tavern" means any food preparation and service establishment which
primarily prepares and/or serves alcoholic beverages.

(b) "Bed and breakfast establishment" means a "restricted food service facility"
as defined in Health and Safety Code Section 113893.

(c) "Boardinghouse" means any building or portion thereof occupied or
intended, arranged or designed for occupation by six or more but less than 35 guests where
sleeping rooms and meals are provided to the guests for compensation and includes all
private institutional type homes where inspection is made by the San Francisco Department of
Public Health.

(d) "Caterer" means a person who is in the business of providing food,
beverages, and sometimes service, at social gatherings. The caterer prepares the food at a
location separate from the social gathering, though the caterer may engage in limited food
preparation at the location where the caterer serves the food. A caterer is not a private chef or
chef for hire who prepares food in a private home.

(e) "Catering facility" means any food preparation and service establishment
where a caterer prepares food for service at another location.

(f) "Commissary" means any food establishment in which food, containers,
equipment, or supplies are stored or handled for use in vehicles, mobile food preparation
units, food carts, or vending machines.

Mayor Lee
BOARD OF SUPERVISORS
(g) "Director" means the "Director of Public Health of the City and County of San Francisco" or his or her designee. "Inspectors" shall mean the "Inspectors of the Department of Public Health," administered by said Director. The Director shall be responsible for the administration and enforcement of Sections 451 to 456, inclusive, of this Article and the rules and regulations relating thereto. The Director shall, after a public hearing, prescribe the rules and regulations relating thereto. Said rules and regulations shall be issued in pamphlet form. All such food preparation and service establishments shall be operated, conducted and maintained in accordance therewith.

(h) "Employee Cafeteria" means a food facility located within business premises where the business employees are provided or sold food on a regular basis. Food and drink are not regularly served to the public and the food establishment is not subject to tax. The operators of the food facility are either employees of the business or are contracted by that business.

(h)(i) "Food demonstrations" means any food preparation and/or service facility operating out of temporary facilities approved by the Director of Public Health for a period of time not to exceed seven consecutive days for purposes of demonstrating food preparation or equipment.

(h)(i) "Food preparation and service establishment" means and includes any restaurant, mobile food facility, guest house, boardinghouse, special events, school food concessions, bar or tavern, take-out establishment, fast food establishment, caterer, catering facility, temporary facility, food demonstration, commissary, pushcart, stadium concession, vending machine, bed and breakfast establishment, employee cafeteria, private school cafeteria, hospital kitchen, and licensed health care facility, as those terms are defined herein.

(h)(i) "Guest house" means any building or portion thereof occupied or intended, arranged, or designed for occupation by 35 or more guests where sleeping rooms and meals
are provided to the guests for compensation and shall include "guest house," "residence club," "lodge," "dormitory," "residence cooperative" and any of its variants.

(6)(l) "Hospital kitchen" means any food preparation and service facility operating within a hospital that serves food to staff or the general public, but not to patients.

(6)(m) "Licensed Health Care Facility" means all of the following health facilities with 16 or more beds designated for the diagnosis, care, prevention, and treatment of human illness, physical or mental, including convalescence, rehabilitation, and care during and after pregnancy, to which persons are admitted for a 24-hour stay or longer:

(1) General Acute Care Hospital as defined in Cal. Health and Safety Code Section 1250(a) or any successive statutes;

(2) Acute Psychiatric Hospital as defined in Cal. Health and Safety Code Section 1250(b) or any successive statutes;

(3) Skilled Nursing Facility as defined in Cal. Health and Safety Code Section 1250(c) or any successive statutes;

(4) Intermediate Care Facility as defined in Cal. Health and Safety Code Section 1250(d) or any successive statutes;

(5) Special Hospital as defined in Cal. Health and Safety Code Section 1250(f) or any successive statutes;

(6) Intermediate Care Facility/Developmentally Disabled as defined in Cal. Health and Safety Code Section 1250(g) or any successive statutes;

(7) Chemical Dependency Recovery Facility as defined in Cal. Health and Safety Code Section 1250.3 or any successive statutes;

Any of the facility types listed above that are operated by the State of California Departments of Mental Health, Developmental Services, Corrections, or Youth Authority are not included in this definition.

Mayor Lee
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"Mobile Food Facility" means any vehicle or pushcart used in conjunction with a commissary or other permanent food facility upon which food is sold or distributed at retail. Mobile Food Facilities may be located on private or public property. Mobile Food Facility does not include a "Transporter" used to transport packaged food from a food facility or other approved source to the consumer. There are five categories of Mobile Food Facilities for licensing and fee payment purposes under San Francisco Business and Tax Regulations Code Section 249.1 as set forth below. For purposes of this Section, the term "potentially hazardous food" shall have the same meaning as set forth in California Health and Safety Code Section 110005 or any successor provisions, the term "limited food preparation" shall have the same meaning set forth in California Health and Safety Code Section 113818 or any successor provisions, and the term "prepackaged" shall have the same meaning as set forth in California Health and Safety Code Section 113876 or any successor provisions.

1. "Mobile Food Facility 1" means a Mobile Food Facility where a Mobile Food Facility Vendor handles prepackaged and non-potentially hazardous foods, including but not limited to, pastries, bagels, donuts, popcorn, chips, candies, sodas, or bottled drinks.

2. "Mobile Food Facility 2" means a Mobile Food Facility where a Mobile Food Facility Vendor handles prepackaged and potentially hazardous foods, including but not limited to, cold sandwiches, salads, pasta, or cold noodles.

3. "Mobile Food Facility 3" means a Mobile Food Facility where a Mobile Food Facility Vendor handles non-prepackaged and non-potentially hazardous foods, including but not limited to, churros, salted bagels, cotton candy, lemonade, or tea.

4. "Mobile Food Facility 4" means a Mobile Food Facility where a Mobile Food Facility Vendor engages in limited food preparation.

5. "Mobile Food Facility 5" means a Mobile Food Facility where a Mobile Food Facility Vendor engages in full food preparation or any food preparation not covered by
Mobile Food Facility Categories 1-4, including but not limited to, tacos, burritos, crepes, or falafel.

"Mobile Food Facility Vendor" means any person engaged in the business of operating a Mobile Food Facility within the City and County of San Francisco.

"Owner" or "owners" mean those persons, partnerships, or corporations who are financially interested in the operation of a food preparation and service establishment.

"Operator" means any person engaged in the dispensing of or in assisting in the preparation of food, or a person otherwise employed in a food preparation and service establishment.

"Private school cafeteria" means any food preparation and service facility serving food to faculty and/or students of a school not operated by the San Francisco Unified School District.

"Restaurant" means any coffee shop, cafeteria, short-order cafe, luncheonette, cocktail lounge, sandwich stand, soda fountain, public school cafeteria or eating establishment, in-plant or employee eating establishment and any other eating establishment, organization, club, including Veterans' Club, boardinghouse, bed and breakfast establishments, or guest house, which gives, sells or offers for sale, food to the public, guests, patrons, or employees as well as kitchens or other food preparation areas in which food is prepared on the premises for serving or consumption on or off the premises, and requires no further preparation and also includes manufacturers of perishable food products that prepare food on the premises for sale directly to the public. The term "restaurant" shall not include mobile food facilities, cooperative arrangements made by employees who purchase food or beverages for their own consumption and where no employee is assigned full time to care for or operate equipment used in such arrangement, or private homes; nor shall the term...
"restaurant" include churches, church societies, private clubs or other nonprofit associations of a religious, philanthropic, civic improvement, social, political, or educational nature, which purchase food, food products, or beverages, or which receive donations of food, food products, or beverages for service without charge to their members, or for service or sale at a reasonable charge to their members or to the general public at occasional fundraising events, for consumption on or off the premises at which the food, food products, or beverages are served or sold, if the service or sale of such food, food products or beverages does not constitute a primary purpose or function of the club or association, and if no employee or member is assigned full-time to care for or operate equipment used in such arrangements.

(s)(1) "School food concessions" means any food preparation, food service or food products intended for consumption by students attending or participating in activities within a school facility.

(s)(v) "Special events" means any organized collection of food purveyors operating individually or collaboratively out of approved temporary or mobile food facilities at a fixed location for a period of time not to exceed 25 days in a 90-day period in conjunction with a single, weekly, or monthly community event as defined in the California Health and Safety Code Section 113755.

(v)(w) "Stadium concession" means any food preparation and/or service facility operating within a stadium, arena, or auditorium with a seating capacity of 25,000 or more.

(v)(y) "Take-out establishment" means any food preparation and service establishment which primarily prepares food for consumption off premises.

(s)(y) "Temporary facility" means any food preparation and service facility operating out of temporary facilities approved by the Director of Public Health at a fixed location for a period of time not to exceed 25 days in any 90-day period in conjunction with a single event or celebration.
(y) (2) "Vending machine" means any self-service device, which upon insertion of
money or tokens, dispenses food without the necessity of replenishing the device between
each vending operation.

Section 4. Effective Date. This ordinance shall become effective 30 days from the
date of passage.

Section 5. In enacting this Ordinance, the Board intends to amend only those words,
phrases, paragraphs, subsections, sections, articles, numbers, punctuation, charts, diagrams,
or any other constituent part of the San Francisco Park Code that are explicitly shown in this
legislation as additions, deletions, Board amendment additions, and Board amendment
deletions in accordance with the "Note" that appears under the official title of the legislation.

Section 6. Severability. If any section, subsection, sentence, clause, or phrase of this
ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of
competent jurisdiction, such decision shall not affect the validity of the remaining portions of
the ordinance. The Board of Supervisors hereby declares that it would have passed this
ordinance and each and every section, subsection, sentence, clause, or phrase not declared
invalid or unconstitutional without regard to whether any portion of this ordinance would be
subsequently declared invalid or unconstitutional.

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: VIRGINIA DARIO ELIZONDO
Deputy City Attorney

Mayor Lee
BOARD OF SUPERVISORS
LEGISLATIVE DIGEST

[Business & Tax Regulations and Health Codes- Food Product and Marketing Establishment License Fees]

Ordinance amending 1) the San Francisco Business & Tax Regulations Code by amending Sections 248 and 249.1; and 2) the San Francisco Health Code by amending Sections 440 and 451 relating to fees for food product and marketing establishment licenses issued by the Department of Public Health.

Existing Law

The Department of Public Health issues licenses for facilities defined in San Francisco Health Code Section 440, food product and marketing establishments, and Section 451, food preparation and service establishments. San Francisco Business and Tax Regulations Code Sections 248 and 249.1 set the various fees for these licenses, to cover program costs as required by Section 10.19-3 of the San Francisco Administrative Code.

Amendments to Current Law

These amendments: 1) define new categories of food facilities, 2) add or increase the fees for the regulatory licenses to ensure that the Department of Public Health can recover the full costs of implementing the programs, and 3) reflect the annual cost of living increases, authorized by Business and Tax Regulations Code Section 35(h), since the last time these sections were amended.

Background Information

The Health Commission has approved the proposed fees as part of the budget process.
The Budget and Legislative Analyst Reports for the Mayor's Fiscal Year 2012-2013 to Fiscal Year 2013-2014 Budget for the following files are located in Board of Supervisors **File No. 120591:**

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MEMORANDUM

TO: Planning Department
    Environmental Review Officer

FROM: Angela Calvillo, Clerk of the Board

DATE: June 7, 2012

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS
    Budget and Finance Committee

The Board of Supervisors Budget and Finance Committee has received the following, which is being referred to the Planning Department for determination as to whether the proposed fee increase will impact the environment.

Please provide your findings within 10 days from the date of referral.

File No. 120638

Ordinance amending 1) the San Francisco Business & Tax Regulations Code Sections 248 and 249.1; and 2) the San Francisco Health Code Sections 440 and 451 relating to fees for food product and marketing establishment licenses issued by the Department of Public Health.

Please return this cover sheet with the Commission's response to Victor Young, Clerk, Budget and Finance Committee.

c: Joy Navarrete, Major Environmental Analysis
   Monica Pereira, Major Environmental Analysis

RESPONSE FROM PLANNING DEPARTMENT - Date: June 7, 2012

No Comment

Recommendation Attached

Bill Wyckoff, Environmental Review Officer
COPY OF NOTICE

Notice Type: GPN GOVT PUBLIC NOTICE

Ad Description: Fee Ad File No. 120538 Public Health Food product

To the right is a copy of the notice you sent us for publication in the San Francisco Chronicle. Please read this notice carefully and call us with any corrections. The Proof of Publication will be filed with the Clerk of the Board. Publication date(s) for this notice is (are):

06/09/2012, 06/15/2012

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CNS 2328665

NOTICE OF PUBLIC HEARING
BUDGET AND FINANCE COMMITTEE
SAN FRANCISCO BOARD OF SUPERVISORS
NOTICE IS HEREBY GIVEN THAT the Budget and Finance Committee will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard:

Date: Thursday, June 21, 2012
Time: 10:00 a.m.
Location: Legislative Chamber, Room 250 located at City Hall,
1 Dr. Carlton B. Goodlett Place, San Francisco, CA
94102

The following fee for licensure is established for persons, firms or corporations engaged in the conduct or operation of the handling, manufacture or sale of foodstuffs, annually payable in advance to the Tax Collector:

Class A. Food product and marketing establishments without food preparation with a total square footage of:
- Class A-1. Less than 5,000 square feet from $595 to $657.
- Class A-2. 5,000 square feet to 10,000 square feet from $748 to $957.
- Class A-3. 10,000 square feet to 20,000 square feet from $904 to $1,054.
- Class A-4. Greater than 20,000 square feet from $1,135 to $1,277.

Class B. Food product and marketing establishments with food preparation with a total square footage of:
- Class B-1. Less than 5,000 square feet from $931 to $969.
- Class B-2. 5,001 square feet to 10,000 square feet from $764 to $806.
- Class B-3. 10,001 square feet to 20,000 square feet from $791 to $839.
- Class B-4. Greater than 20,000 square feet from $812 to $860.

Class C. Retail bakeries - without food preparation from $825 to $873.

Class D. Food preparation with food preparation from $940 to $1,050.

Class E. Certified farmers market from $1,093 to $1,295.

Class F. Wholesale food products from $901 to $945.

Class G. Food preparation and service establishments from $1,024 to $1,125.

Permits from the Health Department shall pay an annual license fee to the Tax Collector as follows:
- Class A. Food preparation and service establishments with a total square footage of:
  - Less than 1,000 square feet from $777 to $879.
  - 1,000 square feet to 2,000 square feet from $1,023 to $1,258.
  - Greater than 2,000 square feet from $1,179 to $1,386.
- Class B. Retail bakeries from $1,056 to $1,166.
- Class C. Take-out establishments from $822 to $952.
- Class D. Food preparation establishments from $1,006 to $1,186.
- Class E. Catering facilities from $1,059 to $1,206.
- Class F. Temporary facility from $145 to $175.
- Class G. Commissaries from $894 to $984.

Class H. Retail Food Facilities:
- Class H-1. Mobile Food Facility 1 from $191 to $195.
- Class H-2. Mobile Food Facility 2 from $271 to $290.
- Class H-3. Mobile Food Facility 3 from $317 to $340.
- Class H-4. Mobile Food Facility 4 from $324 to $340.
- Class H-5. Mobile Food Facility 5 from $724 to $778.
- Class I. Stadium concessions from $625 to $710.
- Class J. Vending machine companies from $177 to $211 plus $5.65 per machine.
- Class K. Bed and breakfast establishments from $699 to $1,179.
- Class L. Boarding house from $241 to $283.
- Class M. Private school cafeteria from $204 to $238.

Permits from the Health Department shall pay an annual license fee to the Tax Collector as follows:
- Class A. Food preparation and service establishments with a total square footage of:
  - Less than 1,000 square feet from $777 to $879.
  - 1,000 square feet to 2,000 square feet from $1,023 to $1,258.
  - Greater than 2,000 square feet from $1,179 to $1,386.
- Class B. Retail bakeries from $1,056 to $1,166.
- Class C. Take-out establishments from $822 to $952.
- Class D. Food preparation establishments from $1,006 to $1,186.
- Class E. Catering facilities from $1,059 to $1,206.
- Class F. Temporary facility from $145 to $175.
- Class G. Commissaries from $894 to $984.

Class H. Retail Food Facilities:
- Class H-1. Mobile Food Facility 1 from $191 to $195.
- Class H-2. Mobile Food Facility 2 from $271 to $290.
- Class H-3. Mobile Food Facility 3 from $317 to $340.
- Class H-4. Mobile Food Facility 4 from $324 to $340.
- Class H-5. Mobile Food Facility 5 from $724 to $778.

Class I. Stadium concessions from $625 to $710.
- Class J. Vending machine companies from $177 to $211 plus $5.65 per machine.
- Class K. Bed and breakfast establishments from $699 to $1,179.
- Class L. Boarding house from $241 to $283.
- Class M. Private school cafeteria from $204 to $238.

1575
NOTICE OF PUBLIC HEARING

BUDGET AND FINANCE COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

NOTICE IS HEREBY GIVEN THAT the Budget and Finance Committee will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard:

Date: Thursday, June 21, 2012
Time: 10:00 a.m.
Location: Legislative Chamber, Room 250 located at City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA

Subject: File No. 120638. Ordinance amending 1) the San Francisco Business & Tax Regulations Code Sections 248 and 249.1; and 2) the San Francisco Health Code Sections 440 and 451 relating to fees for food product and marketing establishment licenses issued by the Department of Public Health.

If the Ordinance passes, it would authorize an increase to the current fees or establish a new fee as follows:

Food Product and Marketing Establishments. (Section 248)

The following fee for licenses is established for persons, firms or corporations engaged in the conduct or operation of the handling, manufacture or sale of foodstuffs, annually payable in advance to the Tax Collector.

Class A. Food product and marketing establishments without food preparation with a total square footage of:
  Class A-1. Less than 5,001 square feet from $569 to $647;
  Class A-2. 5,001 square feet to 10,000 square feet from $748 to $847;
  Class A-3. 10,001 square feet to 20,000 square feet from $934 to $1,054;
  Class A-4. Greater than 20,000 square feet from $1,135 to $1,277.

Class B. Food product and marketing establishments with food preparation with a total square footage of:
Class B-1. Less than 5,001 square feet from $610 to $693;
Class B-2. 5,001 square feet to 10,000 square feet from $794 to $898;
Class B-3. 10,001 square feet to 20,000 square feet $968 to $1,091;
Class B-4. Greater than 20,000 square feet ("Supermarket") with:
   1 Food Preparation Station will be $1,235;
   2 to 3 Food Preparation Stations will be $1,390;
   4 or more Food Preparation Stations will be $1,544.
Class C. Retail bakeries - without food preparation from $625 to $753; with food preparation from $645 to $1,290.
Class D. Farm Stand from $629 to $309.
Class E. Certified farmers market from $635 to $1,039.
Class F. Wholesale food markets with retail from $610 to $645.
Class G. Food manufacturing or processing from $629 to $714.

Food Preparation and Service Establishments. (Section 249.1)

Every person, firm or corporation engaged in the business of operating food preparation and service establishments, as defined in Section 451 of the San Francisco Health Code, that require permits from the Health Department shall pay an annual license fee to the Tax Collector as follows:

Class A. Food preparation and service establishments with a total square footage of:
   Less than 1000 square feet from $777 to $879;
   1000 square feet to 2,000 square feet from $1,028 to $1,158;
   Greater than 2,000 square feet from $1,179 to $1,236.

Class B. Bar or tavern:
   Without food preparations shall be $750;
   With food preparation shall be $950.
Class C. Take-out establishment from $932 to $1,051.
Class D. Fast food establishments from $1,056 to $1,189.
Class E. Catering facility from $908 to $1,025.
Class F. Temporary facility from $145 to $176.
Class G. Commissary from $884 to $998.
Class H. Mobile Food Facilities:
   Class H-1. Mobile Food Facility 1 from $181 to $195;
   Class H-2. Mobile Food Facility 2 from $271 to $292;
   Class H-3. Mobile Food Facility 3 from $181 to $195;
   Class H-4. Mobile Food Facility 4 from $724 to $778;
   Class H-5. Mobile Food Facility 5 from $724 to $778.
Class I. Stadium concessions from $625 to $710.
Class J. Vending machine companies from $177 to $211 plus $5.56 per machine.
Class K. Bed and breakfast establishments from $999 to $1,126;
Class L. Boarding house from $241 to $283;
Class M. Private school cafeteria from $294 to:
   Without food preparation $342;
   With food preparation $527.
Class N. Hospital kitchen, with food service to the general public and staff only from $940 to $1,060.
Class O. Licensed Health Care Facility from $1,050 to $1,169.
Class P. Caterer from $350 to $376.
Class Q. Employee Cafeteria:
   Without food preparations will be $669;
   With food preparation will be $1,029.

In accordance with Section 67.7-1 of the San Francisco Administrative Code, persons who are unable to attend the hearing on this matter may submit written comments to the City prior to the time the hearing begins. These comments will be made a part of the official public record in this matter, and shall be brought to the attention of the Members of the Committee. Written comments should be addressed to Angela Calvillo, Clerk of the Board, Room 244, City Hall, 1 Dr. Carlton Goodlett Place, San Francisco, 94102. Information relating to the proposed fee is available in the Office of the Clerk of the Board and agenda information relating to this matter will be available on June 9, 2012.

Angela Calvillo, Clerk of the Board

DATED: June 8, 2012
POSTED: June 9, 2012
PUBLISHED: June 9 and 15, 2012
Charter Section 9.102 requires that the Controller provide the Board of Supervisors with an opinion regarding the accuracy of economic assumptions underlying the revenue estimates in the Mayor’s Proposed Budget and the reasonableness of such estimates. On May 31, 2012, Mayor Edwin Lee submitted his FY 2012-13 and FY 2013-14 Proposed Budget to the Board of Supervisors. An overview of the revenues is provided in Table 1.

**Overall, the proposed two-year budget appears to be reasonable given the information currently available.** The proposed budget reduces the City’s recent reliance on one-time revenues and includes a gradual rebuilding of reserves, reducing prospective budgetary shortfalls, provided that the current economic recovery is sustained and potential future reductions in State revenues remain manageable.

**Overview**

As shown in Table 1, the Proposed Budget for FY 2012-13 of $3.5 billion General Fund and $7.3 billion All Funds represents a 7% increase from the FY 2011-12 original budget. The Proposed Budget for FY 2013-14 represents a further 3% increase in both General Fund and All Funds. Highlights include:

- **Local tax revenue estimates are reasonable given current economic assumptions but will continue to be monitored.** The proposed budget reflects the prevailing economic consensus in assuming a steady economic recovery through FY 2012-13 and FY 2013-14, with regular revenues increasing by $220 million over the FY 2011-12 budget (representing $92 million above the revised FY 2011-12 revenue outlook in the Controller’s Nine Month Budget Status Report), and FY 2013-14 revenues increasing by a further $109 million. However, San Francisco’s economy is vulnerable to national and international economic developments that could cause changes to the currently favorable trends in job growth, property values and tourism. Any significant economic slowdown would require the Mayor’s Office and Board to adjust the budget to reflect reduced revenues. The Controller’s Office will monitor local tax receipts and the overall economic outlook carefully and provide revenue projection updates throughout the budget years.
City & County of San Francisco

Master Fee Schedule of Budget Submissions

for

FY 2012-13 and FY 2013-14 Budget Deliberations

Controller’s Office
April 2012

** Complete copy of document is located in
File No. 120591

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