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FEB 3 - 2017

CITY & COUNTY OF S.F. LIQUOR LICENSE REVIEW
PLANNING DEPARTMENT
NEIGHBORHOOD PLANNING

Planning Department
AnMarie Rodgers/CTYPLN/SFGOV
Georgia Powell/CTYPLN/SFGOV@SFGOV
Fax No.: (415) 558-6409

File: 170149

TO: Police Department
Inspector Nelly Gordon
Phone: (415) 837-7273

DATE: February 3, 2017

Block/Lot: 0452T/029A
Zoning: C-2
Quad: NE
Record # 2017-001779
~~001657115~~

This item is tentatively scheduled to be heard in four to six weeks.
PLEASE EMAIL YOUR RESPONSE BY: March 15, 2017, to Erica Major, Public Safety and Neighborhood Services Committee Clerk.
Erica.Major@sfgov.org - Fax No: 554-7771

Applicant Name: Adelaide and Mike Pollastro
Pacific Retail VFC 1, Inc.
and Business Name: (Vom Fass Oils Vinegars Spirits)
Applicant Address: 900 North Point Street E205
San Francisco, CA 94109
and Phone No. (415) 404-6980

PLANNING COMMENTS: Approval Denial
ABC LICENSE TYPE 42 IS PERMITTED IN THE C-2 ZONING
DISTRICT PER VC SECTION 210.1

C. Grob C. GROB 3-1-17

POLICE COMMENTS: Approval Denial

Pacific Retail VFC1, Inc.
Dba Vom Fass Oils Vinegars Spices
Ghirardelli Square - Plaza Level
900 North Point Street E205
San Francisco, CA 94109

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SAN FRANCISCO

2017 FEB -3 PH 1:04

BY ZMB

February 3, 2017

Clerk, Board of Supervisors
1 Dr. Carlton B. Goodlett Place, City Hall, Room 244
San Francisco, CA 94102

Dear Board of Supervisors,

We respectfully request your support in obtaining a new Liquor Type 42 Beer and Wine License to be added to our current Type 21 and 86 Licenses #556397 for Pacific Retail VFC1, Inc. (dba Vom Fass Oils Vinegars Spirits) at Ghirardelli Square, 900 North Point Street E205, San Francisco, CA 94109. With Type 21 license and Type 86 Licenses already at this location our distributors are unable to provide us with sufficient tastings to materially help our business. We are seeking to add on-premise Wine and Beer to improve ability of clients to try our primarily organic wine selection and to be able to choose from our selection of craft beers. The business is owned and operated by Michael j. Pollastro, and managed by my wife Alaide (Adelaide) Batista Pollastro.

Please accept this letter as a part of our PCN application for a Type 42 Beer and Wine on-premise license. We have completed the application with the ABC and paid all fees. We have also completed the appropriate mailings to residents within 500 feet and on January 10, 2017 we posted our application on the front window of our business. We have also completed on-site inspections/interviews with the ABC representative (Rosette Flores), the local police station (Officer Mathias) as well as the SF Police ABC Liaison Unit (Sgt. George).

Almost 2 years ago we obtained a Type 21 (on-sale) license. Since receiving that license we have NOT had any infractions. We have been in business since August of 2013. Our hours of operation are Sunday through Thursday 10 AM until 7 pm during off-season and 10 AM until 9 PM Fridays and Saturdays year round as well as Mondays through Thursdays during peak season. We stay open a little later during events or if the Square is unusually busy. The hours will remain the same when we add on sale beer and wine. Additionally, we plan to serve some light food items such as cheese, charcuterie, chips, salads and some daily specials during in-store events.

Vom Fass is German and translates as 'from the cask'. Tasting of cask made products such as wine, beer, vinegars and spirits is a core aspect of our business model though we have had to compromise our business model because of the high cost of Type 47 licenses in San Francisco. We have a Type 86 Instructional Tasting License so that we could do tastings, however, that has not materially helped our sales because it is difficult to schedule tastings with the Wine, Beer and Spirits distributors. Tasting is necessary because we sell unique, high price-point products, many of which are either not available or not easily found elsewhere in San Francisco. For example our wines are mostly organic which most people are unfamiliar with. We need to be able to serve them a glass or a flight of wines to taste in order to show them how good they really are. About 60% of our wines (and an estimated 25% of our beers) will be from Northern California so our wine and beer selection focuses on local products unlike our vinegars and spirits, which are international, primarily for good reason (Champaign and cognac can only be made in France and Scotch in Scotland, etc).

We have only needed to make minor changes to the store configuration to accommodate the Type 42 license, which the ABC has already reviewed. This upgrade to our store will have no negative impact in the community as it is inside Ghirardelli Square in the West Plaza and does not front on a public street. Thus it will enhance the experience of those visiting the Square without affecting the neighbors. San Francisco City Planning has reviewed our project and we do not need a conditional use permit because we

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are in C2 zone (Block/Lot 0452/026 Zoning C-2 Quad NE Record # 2015-005532 MIS), which already has businesses that serve alcohol, us included with our 86 tasting license.

Other positive outcomes are that we estimate that on-sale wine and beer will increase our **taxable** sales by as much as 100% since a large portion of our current sales are not taxable because they are classified as food products. The added tax revenue for the city will come primarily from tourists. Additionally, we are committed to supporting the local economy while also catering to the European tastes of San Franciscans. For example, we have succeeded in getting Vom Fass to include California olive oil in the Vom Fass brand offerings nationwide and we have an organic Orancello made in California organic California oranges. We have also contributed to the SF Food Bank and the Aquatic Park Senior Center. We believe we can do more to support our community if we have can achieve improved profitability from sales of on-sale beer and wine especially for the Aquatic Park Senior Center which can no longer serve onsite alcohol for their annual Beer Event because they are located in a National Park building.

Our goal is to create a unique gourmet tasting experience like no other. We believe there is "public convenience necessity" because many patrons, both local and tourists are excited to see our reputable Vom Fass brand in Ghirardelli Square only to be disappointed that we do not offer more frequent tasting like other Vom Fass's due to the limitations of our 86 License. At present my wife and my staff work hard to ensure most of our patrons leave happy, but not without some difficulty and much disappointment due to our lack of wine and beer tasting except when a distributor is here to conduct them.

The quality of our organic wines and craft beer is both exquisite and unique. Our new marketing is targeted at tourists and upscale patrons of the Fairmont Hotel next door to us as well as to other hotels. Adding on premise Wine and Beer will enhance our unique tasting experience in Ghirardelli Square and delight people with many local organic wines and craft beers. We hope this will increase tourist traffic for the Square and also bring locals to sample our unique products, which we believe San Franciscans will appreciate. These brands are not usually stocked by corner package stores because of their higher price-point and the amount of space required. Most craft beers are sold in 375 ml bottles. Furthermore, during tourist season Ghirardelli Square could use more businesses that will keep people in the Square longer by offering them a unique onsite experience.

Frankly, we have struggled financially at our location in Ghirardelli Square because the Square has been under constant renovation and our rent is very high. We are located in the West Plaza Level of Ghirardelli Square in the back of the Square so we are affected the most by any construction in the Square. As such our store fronts on the Square and is not facing any public Street. The lengthy permitting and construction process in San Francisco has exacerbated the Ghirardelli client traffic issue for us. While the 86 license has helped a little, client's constantly ask for a taste or a glass of wine before they commit to a larger purchase. Unfortunately, tastings conducted by our distributor store are infrequent probably because we are such a small store (800 square feet of retail).

We believe the Type 42 license is essential to our survival so client's can purchase tastes of wine or beer or wine before committing to buying a bottle or case. Being in a tourist location we have "one shot" to close the deal with a client and our oils and vinegars are successful only because they can be tasted at any time. We believe from the success of the limited tastings we have experienced with our Type 86 Instructional Tasting License that the Type 42 will materially increase sales to tourists and locals alike because of our large selection of Organic Wines and Craft Beers.

Respectfully,



Adelaide and Mike Pollastro
Pacific Retail VFC 1, Inc.
dba Vom Fass Oils Vinegars Spirits
P: 415-404-6980 M: 206-369-7736
Email:Mike@VomFassSF.com

INFORMATION AND INSTRUCTIONS -

SECTION 23958.4 B&P

- Instructions This form is to be used for all applications for original issuance or premises to premises transfer of licenses.
- Part 1 is to be completed by an ABC employee, given to applicant with pre-application package, with copy retained in holding file or applicant's district file.
 - Part 2 is to be completed by the applicant, and returned to ABC.
 - Part 3 is to be completed by the local governing body or its designated subordinate officer or body, and returned to ABC.

PART 1 - TO BE COMPLETED BY ABC

1. APPLICANT'S NAME *Pacific Retail VFC 1 INC*

2. PREMISES ADDRESS (Street number and name, city, zip code) *900 N Point St., E205, San Francisco, CA 94109* 3. LICENSE TYPE *42*

4. TYPE OF BUSINESS
- | | | | |
|---|--|---|--|
| <input type="checkbox"/> Full Service Restaurant | <input type="checkbox"/> Hofbrau/Cafeteria | <input type="checkbox"/> Cocktail Lounge | <input type="checkbox"/> Private Club |
| <input type="checkbox"/> Deli or Specialty Restaurant | <input type="checkbox"/> Comedy Club | <input type="checkbox"/> Night Club | <input type="checkbox"/> Veterans Club |
| <input type="checkbox"/> Cafe/Coffee Shop | <input type="checkbox"/> Brew Pub | <input type="checkbox"/> Tavern: Beer | <input type="checkbox"/> Fraternal Club |
| <input type="checkbox"/> Bed & Breakfast: | <input type="checkbox"/> Theater | <input checked="" type="checkbox"/> Tavern: Beer & Wine | <input type="checkbox"/> Wine Tasting Room |
| <input type="checkbox"/> Wine only | <input type="checkbox"/> All | | |
-
- | | | | |
|---|--|--|--|
| <input type="checkbox"/> Supermarket | <input type="checkbox"/> Membership Store | <input type="checkbox"/> Service Station | <input type="checkbox"/> Swap Meet/Flea Market |
| <input type="checkbox"/> Liquor Store | <input type="checkbox"/> Department Store | <input type="checkbox"/> Convenience Market | <input type="checkbox"/> Drive-in Dairy |
| <input type="checkbox"/> Drug/Variety Store | <input type="checkbox"/> Florist/Gift Shop | <input type="checkbox"/> Convenience Market w/Gasoline | |
| <input type="checkbox"/> Other - describe: | | | |

5. COUNTY POPULATION *866,583* 6. TOTAL NUMBER OF LICENSES IN COUNTY On-Sale Off-Sale 7. RATIO OF LICENSES TO POPULATION IN COUNTY *279* On-Sale Off-Sale

8. CENSUS TRACT NUMBER *0102-00* 9. NO. OF LICENSES ALLOWED IN CENSUS TRACT *14* On-Sale Off-Sale 10. NO. OF LICENSES EXISTING IN CENSUS TRACT *20* On-Sale Off-Sale

11. IS THE ABOVE CENSUS TRACT OVERCONCENTRATED WITH LICENSES? (i.e., does the ratio of licenses to population in the census tract exceed the ratio of licenses to population for the entire county?)
 Yes, the number of existing licenses exceeds the number allowed
 No, the number of existing licenses is lower than the number allowed

12. DOES LAW ENFORCEMENT AGENCY MAINTAIN CRIME STATISTICS?
 Yes (Go to Item #13) No (Go to Item #20)

13. CRIME REPORTING DISTRICT NUMBER *106* 14. TOTAL NUMBER OF REPORTING DISTRICTS *653* 15. TOTAL NUMBER OF OFFENSES IN ALL REPORTING DISTRICTS *57,509*

16. AVERAGE NO. OF OFFENSES PER DISTRICT *88* 17. 120% OF AVERAGE NUMBER OF OFFENSES *106* 18. TOTAL NUMBER OF OFFENSES IN REPORTING DISTRICT *308*

19. IS THE PREMISES LOCATED IN A HIGH CRIME REPORTING DISTRICT? (i.e., has a 20% greater number of reported crimes than the average number of reported crimes as determined from all crime reporting districts within the jurisdiction of the local law enforcement agency)
 Yes, the total number of offenses in the reporting district equals or exceeds the total number in item #17
 No, the total number of offenses in the reporting district is lower than the total number in item #17

20. CHECK THE BOX THAT APPLIES (check only one box)
- a. If "No" is checked in both item #11 and item #19, Section 23958.4 B&P does not apply to this application, and no additional information will be needed on this issue. Advise the applicant to bring this completed form to ABC when filing the application.
 - b. If "Yes" is checked in either item #11 or item #19, and the applicant is applying for a non-retail license, a retail bona fide public eating place license, a retail license issued for a hotel, motel or other lodging establishment as defined in Section 25503.16(b) B&P, or a retail license issued in conjunction with a beer manufacturer's license, or winegrower's license, advise the applicant to complete Section 2 and bring the completed form to ABC when filing the application or as soon as possible thereafter.
 - c. If "Yes" is checked in either item #11 or item #19, and the applicant is applying for an off-sale beer and wine license, an off-sale general license, an on-sale beer license, an on-sale beer and wine (public premises) license, or an on-sale general (public premises) license, advise the applicant to take this form to the local governing body, or its designated subordinate officer or body to have them complete Section 3. The completed form will need to be provided to ABC in order to process the application.

Governing Body/Designated Subordinate Name: *Board of Supervisors*

FOR DEPARTMENT USE ONLY
PREPARED BY (Name of Department Employee)

Ad

PART 2 - TO BE COMPLETED BY THE APPLICANT (If box #20b is checked)

21. Based on the information on the reverse, the Department may approve your application if you can show that public convenience or necessity would be served by the issuance of the license. Please describe below the reasons why issuance of another license is justified in

Letter attached.

22. APPLICANT SIGNATURE

Michael J. Rollerton

23. DATE SIGNED

2/3/2017

PART 3 - TO BE COMPLETED BY LOCAL OFFICIALS (If box #20c is checked)

The applicant named on the reverse is applying for a license to sell alcoholic beverages at a premises where undue concentration exists (i.e., an over-concentration of licenses and/or a higher than average crime rate as defined in Section 23958.4 of the Business and Professions Code). Sections 23958 and 23958.4 of the Business and Professions Code requires the Department to deny the application unless the local governing body of the area in which the applicant premises are located, or its designated subordinate officer or body, determines within 90 days of notification of a completed application that public convenience or necessity would be served by the issuance. Please complete items #24 to #30 below and certify or affix an official seal, or attach a copy of the Council or Board resolution or a signed letter on official letterhead stating whether or not the issuance of the applied for license would serve as a public convenience or necessity.

24. WILL PUBLIC CONVENIENCE OR NECESSITY BE SERVED BY ISSUANCE OF THIS ALCOHOLIC BEVERAGE LICENSE?

Yes

No

See Attached (i.e., letter, resolution, etc.)

25. ADDITIONAL COMMENTS, IF DESIRED (may include reasons for approval or denial of public convenience or necessity):

26. CITY/COUNTY OFFICIAL NAME

27. CITY/COUNTY OFFICIAL TITLE

28. CITY/COUNTY OFFICIAL PHONE NUMBER

29. CITY/COUNTY OFFICIAL SIGNATURE

30. DATE SIGNED