

BevMo!

1401 Willow Pass Rd, Suite 900 • Concord, California 94520 • T 925.609.6153 • F 925.798.7150 • www.bevmo.com

VIA FEDERAL EXPRESS

July 20, 2017

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

**RE: Request for "Public Convenience and Necessity" (PCN) Resolution
150 Kearny St., San Francisco, CA 94108**

Dear Clerk of the Board,

Beverages & More, Inc. ("BevMo!") recently submitted an application to the California Department of Alcoholic Beverage Control ("ABC") for three liquor licenses (detailed below) required to operate a 4,850 square foot retail store at the above referenced premise. BevMo!'s use at this particular location is a permitted use; therefore, no conditional use permit is required from city planning. However, there is an overconcentration of on- and off-sale licenses in the census tract, triggering the requirement for a PCN from the San Francisco Board of Supervisors. This letter provides basic applicant information, as well as information about how BevMo! operates its stores. The ABC PCN form is also enclosed.

Applicant Information

Contact Information: Liz Darrington, 925-609-6153, darringtonl@bevmo.com

Business Name: Beverages & More, Inc. (BevMo!)

Mailing Address: 1401 Willow Pass Road, Suite 900, Concord, CA 94520

License Types Applied for: Type 21, Type 42, Type 86

-Type 21 transferring from 3645 Lawton Street, San Francisco, CA

-Type 21 transferring to 150 Kearny Street, San Francisco, CA

-Type 42 and 86 are original licenses, not transferred.

Hours of Operation:

-Maximum Hours of Operation (per SFPD approved ABC Petition for Conditional License): Sunday-Saturday 7am-12am

-Regular Hours of Operation: Sundays 9am-8pm

Monday-Thursday 9am-9pm

Saturday & Friday 9am-10pm

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2017 JUL 21 AM 10:48

BevMo!

1401 Willow Pass Rd, Suite 900 • Concord, California 94520 • T 925.609.6153 • F 925.798.7150 • www.bevmo.com

Summary of Business and Operations

About BevMo!

BevMo! is the largest specialty retailer of wine in California and was awarded Retailer of the Year in 2006 by Wine Enthusiast, and in 2009 was awarded the Market Watch Leader Award for management. BevMo! offers a convenient and unique store for local residents to browse an extensive inventory of wine, spirits, beer, gourmet food and related items such as glassware and other wine accessories, which are not easily found elsewhere. A typical BevMo! store offers over 3,000 wines (1,000 from California), 1,200 specialty spirits, 600 beers (including a large selection of “craft” and imported beers), and over 2,000 “& More” products (cheese, party accessories, caviar, etc.).

License Types

In addition to a license Type 21 for the off-premises sale of alcoholic beverages, BevMo! requires a license Type 42 (On-Sale Beer and Wine, Public Premises) for educational beer and wine tastings and a Type 86 (Educational Tasting License) for spirits tastings. BevMo! operates the tasting program in a manner consistent with educating the customer—it is not intended to be a bar or lounge atmosphere. Sample sizes (1oz samples of beer and wine, and a maximum of three ¼ oz samples of spirits samples per customer) and tasting hours are limited.

Responsible Corporate Policies

BevMo! is a responsible retailer with several policies designed to limit adverse impact to the communities in which stores are located, including:

- 1) Limited hours of operation, as noted above.
- 2) Cigarettes, products of abuse (e.g. 40oz malt liquors and low-priced screw-top fortified wines), lottery tickets, and pornographic material will not be sold.
- 3) BevMo! does not allow pay telephones, video/pinball games on the premises.
- 4) BevMo! posts and maintains professional quality signs which state “No Loitering”, “No public drinking of alcoholic beverages”, “Stop you must be 21 to enter unless accompanied by an adult.”
- 5) Anyone who appears to be under the age 40 is carded. ID scanning equipment is used at every register. In addition, BevMo! utilizes a third party vendor which “secret” shops every store each month to ensure employees are following company policies.
- 6) BevMo! does not employ anyone under the age of 21 and we do not allow minors to enter the store unless they are accompanied by a parent or guardian.

Serving Public Convenience or Necessity

Approval of a PCN for this location would allow BevMo! to open in a neighborhood that is not currently served by a retailer like BevMo!.

BevMo!

1401 Willow Pass Rd, Suite 900 • Concord, California 94520 • T 925.609.6153 • F 925.798.7150 • www.bevmo.com

Off-Sale Licensees

Of the nineteen (19) off-sale licenses in this census tract, twelve (12) are Type 21 licenses (allowing for the sale of beer, wine and spirits for off-premise consumption). Of these twelve (12), ten (10) are either no longer open (e.g., Moza Easy Shop), not currently offering alcoholic beverages for sell (e.g., Macy's) or operate a store with a significantly different business model (e.g., Hyatt, which operates a small snack gift shop with some alcoholic beverages; Sam's Cable Car, which is actually a bar or lounge and holds an on-premise bar license; The Whisky Shop, a shop specializing only in whisky products; and, several small bodega or deli-type establishments which do not carry a large selection or higher end items; and Target, which limits its alcohol selection to just 5% of the retail square footage). None of these retailers offer the same level of delivery service or the breadth of selection that BevMo! will offer. Furthermore, with the exception of The Whisky Shop (which holds a Type 86 for educational whisky tastings), none of these licensees hold a Type 42 license and none hold the Type 42/Type 86 license combination. Therefore, BevMo! would be the only off-sale retailer that also offers educational beer, wine and spirits tastings for its customers.

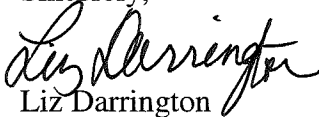
On-Sale

There are 112 on-sale licensees in this census tract. None of these licensees hold a Type 42 license, the others are bar and/or restaurant licenses. Therefore, BevMo! would be the only licensee in this census tract with a beer and wine public premise license. Furthermore, BevMo! utilizes this license to conduct educational beer and wine tastings (hosted either by trained BevMo! staff or in conjunction with a supplier) and, as noted above, these tastings are limited and the license will not be operated in the same manner as a bar or lounge.

In conclusion, BevMo!'s breadth of selection, delivery service, and educational tastings, sets BevMo! apart from the other retailers in this census tract and will provide a convenience to consumers in the area that does not currently exist. We, therefore, respectfully request approval of this application for a determination of Public Convenience or Necessity.

If you have any questions, please feel free to contact me at the number or email address listed below.

Sincerely,



Liz Darrington
Assistant General Counsel, BevMo!
925-609-6153
darringtonl@bevmo.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 Beverage & More, Inc.		
2. PREMISES ADDRESS (Street number and name, city, zip code) 150 Kearny St., San Francisco CA 94108-4802		3. LICENSE TYPE 21
4. TYPE OF BUSINESS		
<input type="checkbox"/> Full Service Restaurant	<input type="checkbox"/> Hofbrau/Cafeteria	<input type="checkbox"/> Cocktail Lounge
<input type="checkbox"/> Deli or Specialty Restaurant	<input type="checkbox"/> Comedy Club	<input type="checkbox"/> Night Club
<input type="checkbox"/> Cafe/Coffee Shop	<input type="checkbox"/> Brew Pub	<input type="checkbox"/> Tavern: Beer
<input type="checkbox"/> Bed & Breakfast:	<input type="checkbox"/> Theater	<input type="checkbox"/> Tavern: Beer & Wine
<input type="checkbox"/> Wine only <input type="checkbox"/> All		<input type="checkbox"/> Private Club
<input type="checkbox"/> Supermarket	<input type="checkbox"/> Membership Store	<input type="checkbox"/> Service Station
<input type="checkbox"/> Liquor Store	<input type="checkbox"/> Department Store	<input type="checkbox"/> Convenience Market
<input type="checkbox"/> Drug/Variety Store	<input type="checkbox"/> Florist/Gift Shop	<input type="checkbox"/> Convenience Market w/Gasoline
<input type="checkbox"/> Other - describe:		<input type="checkbox"/> Swap Meet/Flea Market
<input type="checkbox"/> Drive-in Dairy		
5. COUNTY POPULATION 866,583	6. TOTAL NUMBER OF LICENSES IN COUNTY <input type="checkbox"/> On-Sale <input type="checkbox"/> Off-Sale	7. RATIO OF LICENSES TO POPULATION IN COUNTY 1086 <input type="checkbox"/> On-Sale <input checked="" type="checkbox"/> Off-Sale
8. CENSUS TRACT NUMBER 117	9. NO. OF LICENSES ALLOWED IN CENSUS TRACT <input type="checkbox"/> On-Sale <input checked="" type="checkbox"/> Off-Sale	10. NO. OF LICENSES EXISTING IN CENSUS TRACT 21 <input type="checkbox"/> On-Sale <input checked="" type="checkbox"/> 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?) <input checked="" type="checkbox"/> Yes, the number of existing licenses exceeds the number allowed <input type="checkbox"/> No, the number of existing licenses is lower than the number allowed		
12. DOES LAW ENFORCEMENT AGENCY MAINTAIN CRIME STATISTICS? <input checked="" type="checkbox"/> Yes (Go to Item #13) <input type="checkbox"/> No (Go to Item #20)		
13. CRIME REPORTING DISTRICT NUMBER 170	14. TOTAL NUMBER OF REPORTING DISTRICTS 653	15. TOTAL NUMBER OF OFFENSES IN ALL REPORTING DISTRICTS 53,160
16. AVERAGE NO. OF OFFENSES PER DISTRICT 81	17. 120% OF AVERAGE NUMBER OF OFFENSES 97	18. TOTAL NUMBER OF OFFENSES IN REPORTING DISTRICT 188
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) <input checked="" type="checkbox"/> Yes, the total number of offenses in the reporting district equals or exceeds the total number in item #17 <input type="checkbox"/> 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)		
<input type="checkbox"/> a. If "No" is checked in both item #11 <u>and</u> item #19, <u>Section 23958.4 B&P does not apply</u> 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.		
<input type="checkbox"/> b. If "Yes" is checked in either item #11 <u>or</u> item #19, <u>and</u> 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 <u>applicant to complete Section 2</u> and bring the completed form to ABC when filing the application or as soon as possible thereafter.		
<input checked="" type="checkbox"/> c. If "Yes" is checked in either item #11 <u>or</u> item #19, <u>and</u> 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 <u>applicant to take this form to the local governing body, or its designated subordinate officer or body to have them complete Section 3.</u> 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)

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 this area. You may attach a separate sheet or additional documentation, if desired. Do *not* proceed to Part 3.

22. APPLICANT SIGNATURE

23. DATE SIGNED

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

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

Beverage & More, Inc.

2. PREMISES ADDRESS (Street number and name, city, zip code)

150 Kearny St., San Francisco CA 94108-4802

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 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

117

9. NO. OF LICENSES ALLOWED IN CENSUS TRACT

6 On-Sale Off-Sale

10. NO. OF LICENSES EXISTING IN CENSUS TRACT

131 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

170

14. TOTAL NUMBER OF REPORTING DISTRICTS

653

15. TOTAL NUMBER OF OFFENSES IN ALL REPORTING DISTRICTS

53,160

16. AVERAGE NO. OF OFFENSES PER DISTRICT

81

17. 120% OF AVERAGE NUMBER OF OFFENSES

97

18. TOTAL NUMBER OF OFFENSES IN REPORTING DISTRICT

188

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)

