

## Wong, Jocelyn (BOS)

---

**From:** Carroll, John (BOS)  
**Sent:** Tuesday, June 18, 2019 3:34 PM  
**To:** Board of Supervisors, (BOS)  
**Cc:** BOS Legislation, (BOS)  
**Subject:** FW: Written Comment Item 42 (Leg 190312)  
**Attachments:** Item 42 - Arab American Grocers Association Public Comment.pdf

**Categories:** 190312

For post-packet and c-pages.

JEC

---

**From:** Board of Supervisors, (BOS)  
**Sent:** Tuesday, June 18, 2019 3:21 PM  
**To:** BOS-Supervisors <bos-supervisors@sfgov.org>; Carroll, John (BOS) <john.carroll@sfgov.org>  
**Subject:** FW: Written Comment Item 42 (Leg 190312)

---

**From:** Arab American Grocers Association (AAGA) <[ArabGrocersAssn@gmail.com](mailto:ArabGrocersAssn@gmail.com)>  
**Sent:** Monday, June 17, 2019 2:38 PM  
**To:** Board of Supervisors, (BOS) <[board.of.supervisors@sfgov.org](mailto:board.of.supervisors@sfgov.org)>  
**Cc:** Yu, Angelina (BOS) <[angelina.yu@sfgov.org](mailto:angelina.yu@sfgov.org)>  
**Subject:** Written Comment Item 42 (Leg 190312)

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

1 Dr. Carlton B. Goodlett Place  
City Hall, Room 244  
San Francisco, Ca. 94102-4689

Item 42, Leg. 190312

To the Board of Supervisors,

We are writing in opposition to the Ordinance 190312 Health Code - Restricting the Sale, Manufacture, and Distribution of Tobacco Products, Including Electronic Cigarettes unless there are substantive amendments and immediate mitigation for affected small businesses. Proposed amendments include exempting compliant brick and mortar retailers, keeping e-cigarette products in a lock-box, improved technology with age-checking technology for each retailer, and a limit in the amount of product that can be purchased at a time. We also ask that the Supervisors request an Economic Impact Report conducted by the Controller's office prior to a final vote in addition to a study on the black market (since the Ban on Flavored Tobacco) and foreseeable ramifications of a similar proposed ban where products are readily available in neighboring cities and online. We have seen a 25% decrease in tobacco license holding businesses since the Flavored Tobacco Ban last year.

The formation of a long-term “working group” has been alluded to in order to address the cumulative affect recent laws have had on the corner grocer sector in particular; however, we ask that immediate mitigation measures be taken including:

- a. Administer a tobacco retail permit buy-back program: for licensed tobacco retailers who are interested or, who anticipate that they will be forced into closure due to restrictions on their inventory. The buy-back value should be determined with at least a consideration of the following: discretionary cash flow relative to the product inventory; number of years the tobacco license has been held; proximity to localities that will continue to sell e-cigarette and flavored tobacco products; and the density of tobacco retail permits in the district. This may be a limited option for those who are nearing retirement, wish to sell their business, or want to transition their business entirely.
- b. Allowing for a pathway for merchants to diversify their inventory and current consumer offerings. For example: Broker with pop-ups and companies that open food booths in gas stations and stores, i.e. Krispy Krunchy Chicken to support flexible retail options;
- d. Facilitate fast-tracked permitting as needed (i.e. the CU process for delis);
- e. Connect merchants with consultants who can advise on diversifying their stock;
- f. Assist merchants in facilitating bulk purchasing via established trade associations, 501c6s, etc.. This allows for merchants to buy their inventory at a much cheaper price and therefore compete for formula retailers.
- g. Expand the Healthy Retail SF program to assist most vulnerable corner stores: The current Health Retail SF program assists corner stores in upgrading their storefronts (through SF Shines), transitioning their current consumer offerings to more healthy options through technical assistance and infrastructure support, and assists with long-term business planning. An estimated \$70k is spent per store. At minimum, this fund should be expanded to \$3.5 million annually to allow for 50 stores per year to participate per year. (The Sugar Tax proposed budget only allocates \$150,000)
- h. Reassess the Cigarette Litter Abatement Fee and Fund. Direct that a nexus study be conducted to 1) reassess the fee as compared to the sales of combustible tobacco as well as merchant inventories; 2) evaluate how the funds have been used since program’s inception relative to the requirements of the legislation. Ensure funds are used for public outreach and education as intended.
- i. Expand on technical assistance that can be provided to merchants through SBDC, OSB, and OEWD - i.e. business to business services and development; POS and general tech support.

Thank you.

AAGA Board



Arab American Grocers  
Association (AAGA)

1 Dr. Carlton B. Goodlett Place  
City Hall, Room 244  
San Francisco, Ca. 94102-4689

Item 42, Leg. 190312

To the Board of Supervisors,

We are writing in opposition to the Ordinance 190312 Health Code - Restricting the Sale, Manufacture, and Distribution of Tobacco Products, Including Electronic Cigarettes unless there are substantive amendments and immediate mitigation for affected small businesses. Proposed amendments include exempting compliant brick and mortar retailers, keeping e-cigarette products in a lock-box, improved technology with age-checking technology for each retailer, and a limit in the amount of product that can be purchased at a time. We also ask that the Supervisors request an Economic Impact Report conducted by the Controller's office prior to a final vote in addition to a study on the black market (since the Ban on Flavored Tobacco) and foreseeable ramifications of a similar proposed ban where products are readily available in neighboring cities and online. We have seen a 25% decrease in tobacco license holding businesses since the Flavored Tobacco Ban last year. The formation of a long-term "working group" has been alluded to in order to address the cumulative affect recent laws have had on the corner grocer sector in particular; however, we ask that immediate mitigation measures be taken including:

- a. Administer a tobacco retail permit buy-back program: for licensed tobacco retailers who are interested or, who anticipate that they will be forced into closure due to restrictions on their inventory. The buy-back value should be determined with at least a consideration of the following: discretionary cash flow relative to the product inventory; number of years the tobacco license has been held; proximity to localities that will continue to sell e-cigarette and flavored tobacco products; and the density of tobacco retail permits in the district. This may be a limited option for those who are nearing retirement, wish to sell their business, or want to transition their business entirely.
- b. Allowing for a pathway for merchants to diversify their inventory and current consumer offerings. For example: Broker with pop-ups and companies that open food booths in gas stations and stores, i.e. Krispy Krunchy Chicken to support flexible retail options;
- d. Facilitate fast-tracked permitting as needed (i.e. the CU process for delis);
- e. Connect merchants with consultants who can advise on diversifying their stock;
- f. Assist merchants in facilitating bulk purchasing via established trade associations, 501c6s, etc.. This allows for merchants to buy their inventory at a much cheaper price and therefore compete for formula retailers.

Arab American Grocers Association (AAGA) - 200 Valencia St, San Francisco, CA 94103 -

ArabGrocersAssn@gmail.com



g. Expand the Healthy Retail SF program to assist most vulnerable corner stores: The current Health Retail SF program assists corner stores in upgrading their storefronts (through SF Shines), transitioning their current consumer offerings to more healthy options through technical assistance and infrastructure support, and assists with long-term business planning. An estimated \$70k is spent per store. At minimum, this fund should be expanded to \$3.5 million annually to allow for 50 stores per year to participate per year. (The Sugar Tax proposed budget only allocates \$150,000)

h. Reassess the Cigarette Litter Abatement Fee and Fund. Direct that a nexus study be conducted to 1) reassess the fee as compared to the sales of combustible tobacco as well as merchant inventories; 2) evaluate how the funds have been used since program's inception relative to the requirements of the legislation. Ensure funds are used for public outreach and education as intended.

i. Expand on technical assistance that can be provided to merchants through SBDC, OSB, and OEWD - i.e. business to business services and development; POS and general tech support.

Thank you.

AAGA Board