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| TO: | Inspector Dave Falzon | |
| | Police Department | Quod: NE |
| | Fax No: 970-3088 | |
| | | mB # 1000006 |
| DATE: | January 5, 2010 | |

This item is scheduled to be heard at a meeting on January 25, 2010. PLEASE E-MAIL OR FAX YOUR RESPONSE BY: January 19, 2010 to Victor Young, Clerk of City Operations and Neighborhood Services Committee. Fax No: 554-7714 or victor_young@sfgov.org

| Applicant Name: | Jim Howell |
|--------------------|-----------------------|
| and Business Name: | The Barrel Cellar LLC |

Applicant Address: 461 Pacific Avenue and Phone No.

415-836-5341

PLANNING COMMENTS: Approval Denial permitted per Pische section 218(6) Rul (1/1 1/8/10) PILK CIANSON

POLICE COMMENTS:

Approval Denial

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100032

Jim Howell *The Barrel Cellar LLC* 461 Pacific Avenue San Francisco, CA 94133 (408) 836-5341 December 16, 2009

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

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Re: Public Convenience and Necessity Resolution - Type 42 Alcohol License Application for 461 Pacific Avenue

Dear Ms. Angela Calvillo, Clerk of the Board:

This letter has been compiled to inform and serve as a friendly introduction/conversation starter for the planned business activities of *The Barrel Cellar LLC* at 461 Pacific Avenue in Jackson Square. *The Barrel Cellar LLC* has applied for a Type 42 alcohol license for the sale of beer and wine on public premise and thus seeks a resolution from the San Francisco Board of Supervisors for Public Convenience and Necessity. *The Barrel Cellar LLC*'s mission is to bring family-made, artisan wine from the local appellations to consumers seeking small-lot wine with a story. The bridge between family production and consumer attainment is in jeopardy given the economics of engineering massive scale distribution; additionally this phenomenon is exacerbated by the current economic conditions as small family wineries continue to curtail production or close down entirely.

Jackson Square, one of the cities eldest and most beloved neighborhoods, has benefited mightily in the past three decades from commercial development of ground floor and reconditioned office space. This surge in office space development has developed a cluster of successful architecture studios, financial services institutions, law offices and accounting firms. *The Barrel Cellar LLC* seeks to cater to this successful sub-sector of our city's residents. The Jackson Square area is renowned for its core retail community of design wares, antiques, classic and modern art, as well as galleries for the areas' top craftsmen. *The Barrel Cellar LLC* will be a complimentary service with respect to the lasting storefronts in the neighborhood. We at *The Barrel Cellar LLC* are mighty fans of the neighborhood's eclectic group of restaurants and bars, and view our relationship as completely inter-dependant. We are not directly competing with any of them, and ebbing the slow drain of foot traffic will be a boon to all establishments.

Unfortunately the economic woes of the region and city have had a major impact on the Jackson Square neighborhood. Vacancy in the area is up over a hundred percent year-over-year¹; most noticeably in ground floor units. The vacancies, not only a blight on the

¹ GVA Kidder Matthews, November 17th, 2009



neighborhood, bring down rental rates and encourage current tenants to seek open space in areas with more retail offerings and/or less rent. We hope to reverse this trend working alongside some of the existing businesses in the area already serving their dining and hospitality needs.

In short, we believe a strong ground floor presence at 461 Pacific Avenue will be a categorical improvement for the neighborhood; bringing another reason for similarly targeted guests to venture the neighborhood or relax after a long day's work with a glass of California's finest.

Below, you can find a brief description of the concept and design features, as well as answers to material questions neighborhood stakeholders may have in the launch of this new enterprise.

Design / Concept description

At its core, *The Barrel Cellar LLC* is a neighborhood establishment dedicated to the enjoyment of world-class, artisan wine; most grown within a 200 mile radius of San Francisco. Working through the three-tier system with smaller distributors and family wineries, *The Barrel Cellar LLC* will showcase these hard-to-find, small lot wines that largely go unnoticed- even by the consummate San Francisco wine enthusiast. The mission of *The Barrel Cellar LLC* is provide an intimate, interactive and affordable experience with wine; lowering the carbon footprint of beverage distribution and encouraging sustainable and organic farming and winemaking practices.

The Barrel Cellar LLC will apply the above-mentioned practices to the sale and service of food and non-alcoholic fares. The ingredients will be sourced from local farmers practicing sustainable growing / production techniques. The Barrel Cellar LLC will serve simple, sustentative dishes that will compliment the wine experience; these dishes are intended to maintain temperance by lengthening the time it takes to appreciate a glass of wine- therefore reducing the number of drinks consumed per hour.

The locale is on Pacific Avenue, on the northern edge of Jackson Square. THERE ARE NOT ANY RESIDENCES within 100 feet of the business. The area blocks are full of architecture offices, law offices, art galleries, design studios, financial firms and other service oriented office spaces. There is not a wine bar in the vicinity; nor is there a quiet and intimate place focused on the enjoyment of wine on Pacific Avenue (although there are some world-class restaurants.) *The Barrel Cellar LLC* will not emit noises or encourage loitering crowds that will affect neighboring businesses.

Operationally, the establishment will not be utilizing gas-powered commercial kitchen equipment thus reducing the need for HVAC hood ventilation. Bypassing these types of cooking methods/equipment will ensure there is not an impact on the air quality / odor management with adjacent business.



Anticipated Hours of Operation:

| Monday | Tuesday | Wednesday | Thursday | Friday | Saturday | Sunday |
|----------|----------|-----------|----------|--------|----------|--------|
| 3PM- | 3PM- | 3PM- | 3PM- | 3PM- | 11AM- | 11AM- |
| Midnight | Midnight | Midnight | Midnight | 1AM | 1AM | 10PM |

***These hours are the anticipated schedule; actual hours will vary depending on market demand. *The Barrel Cellar LLC* does not anticipate being open later than the proposed schedule above. That being said, the area's business women and men work late, and need infrastructure that can cater to their work schedules.

How will issuance enhance the quality of life in the area of the premises?

Jackson Square is home to renowned art galleries and import houses, antique shops, design studios, financial management firms, law offices and other service oriented professions. There are not any residential units in the nearby vicinity. *The Barrel Cellar LLC* aims to satisfy a public necessity by establishing a place for the neighborhood business class to enjoy fine wine and great food in and around the neighborhood in which they work. *The Barrel Cellar LLC* will work with the Jackson Square Neighborhood associations to collaborate on maintaining the culture of Jackson Square, encouraging more people to explore the diverse and historic businesses that operate here and provide jobs and economic stimulus in the worst financial crisis most citizens have ever experienced.

How will issuance of the applied-for license insure the quiet enjoyment of the area resident's properties?

With a max capacity of 49 persons, *The Barrel Cellar LLC* will enable a relatively quiet gathering place for neighborhood residents, local business employees, and others to enjoy a glass of wine after work or before dinner, as well as enjoy organic light fare, chocolate, coffee, or soda. The price point for said beverages will not encourage boisterous or drunken behavior; especially given the mission of providing an intimate and interactive place to taste California's top wines. There are not any residences immediately adjacent to the building, nor are there any on the 400 block of Pacific Avenue. Careful design has been implemented to make sure noise, odors, and lighting are not exported beyond the space to the detriment of the businesses nearby.

How will the premises operation not enhance crime within a high crime or police problem area?

We will be offering fine wine and light fare to consumers in the area who also go to the local restaurants and work at the local businesses. The anticipated clientele targeted by *The Barrel Cellar LLC* can generally be classified of a socioeconomic group not tied to



crime, public drunkenness or additional strains on police resources and/or infrastructure. Additionally, *The Barrel Cellar LLC* believes that its presence will be beneficial to public services by increasing retail occupancy (vacant storefronts lead to vagrancy, graffiti, etc.) complimenting other area business in serving similar customer "profiles", and taking responsibility in the neighborhood's image, cleanliness and perception. The lack of businesses or residences open at night in Jackson Square encourages the littering, defacing and disrespect often seen in this urban area.

What fiscal benefit will the community experience as a result of the issuance of the applied-for license?

The community will benefit in several ways from the issuance of this license, especially with respect to fiscal benefits. Most importantly, *The Barrel Cellar LLC* plans to employ, educate and train five to ten employees in the first year. *The Barrel Cellar LLC* will encourage the higher education and training of said employees by sponsoring association memberships, trade programs/certifications, and other channels deemed beneficial to their professional development. *Creating good quality jobs in the worst economic climate is the most important step we can take to get the micro economy going again.* The business will also generate sales tax receipts, and income tax revenues for local and state government coffers. Additionally, by helping anchor the neighborhood and somewhat diversifying the neighborhood's services; issuance of this license will combat falling commercial building values, vacancies and foreclosures that add significant strains on local government agencies such as law enforcement.

How is the premises operation different from other like-type establishments in the area?

The Barrel Cellar LLC will be unlike any establishment in San Francisco. Dedicated to being a retail platform for the area's famous, family produced artisan wines, *The Barrel Cellar LLC* will be de-gentrifying the wine experience and building a bridge to otherwise unconnected producers and consumers. The only way to get this experience now is to physically taste the wine on site in the vineyard. While there are other alcohol related service businesses north of Broadway in North Beach, the working business class has few options given the densely populated commercial financial district (on a relative basis.) *The Barrel Cellar LLC* will provide an option for these "after-work" crowds within a few blocks from their offices.

Will the applicant consider the imposition of conditions to address community of law enforcement concerns?

The Barrel Cellar LLC would be glad to work with the Central Station Police Department in brainstorming and implementing conditions to encourage lawful enjoyment of California's wine while alleviating any impacts to the Station's resources. We look forward to those conversations down the road.



In summary, The *Barrel Cellar LLC* views the business as a strategic importance for all residents, companies and organizations in the area. We are more than willing to discuss our plans with community stakeholders and encourage the Police Department to pass on our contact information should anyone want to discuss our plans for operation.

Sincerely,

Howell

Jim Howell President / Principal *The Barrel Cellar LLC* 408.836.5341 <u>thebarrelcellar@gmail.com</u> Mailing address: 714 North Point Street San Francisco, CA 94109

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