



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary Conditional Use

HEARING DATE: DECEMBER 4, 2014

Date: November 25, 2014
Case No.: **2014.1190C**
Project Address: **549 Castro St**
Zoning: Castro Street NCD (Neighborhood Commercial District)
Within ¼ Mile of an Existing Fringe Financial District
40-X Height and Bulk District
Block/Lot: 3583/065
Project Sponsor: Jody Knight
Reuben, Junius & Rose LLP
1 Bush Street
San Francisco, CA 94104
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PROJECT DESCRIPTION

The applicant proposes to change the existing 1,310 square foot tenant space from a campaign office to a formula retail establishment d.b.a "Philz Coffee". The project includes minor tenant improvements. The proposed operation would have 15 employees and operate between 6:00 a.m. and 8:30 p.m. Monday through Friday and 7:00 a.m. and 8:00 p.m. on Saturday and Sunday.

SITE DESCRIPTION AND PRESENT USE

The project site is located on the ground floor of a 3,634 square-foot, two-story building with a residential unit on the 2nd floor. The 3,123 square-foot lot is located on the east side of Castro Street between 18th and 19th Streets, Block 3583, Lot 065. The property is located within the Castro Street NCD (Neighborhood Commercial District), a ¼ mile of an Existing Fringe Financial Service District, and a 40-X Height and Bulk District. The building was constructed in 1905 and is listed as a potential historic resource. The property is sandwiched between two similar attached buildings containing ground floor retail and residential uses above.

SURROUNDING PROPERTIES AND NEIGHBORHOOD

The surrounding development consists of a variety of commercial and mixed-use buildings, mostly containing residential uses above ground-floor commercial establishments. The scale of development in the area consists of a mix of two to three-story buildings, most of which were constructed in the early 1900s. Generally, the commercial establishments characterizing this portion of Castro Street include a mixture of restaurants, specialty retail, attire and medical and personal service establishments. On the east side of the block, there are approximately 17 commercial establishments and 24 on the west side of

the subject block. Of the approximate 41 commercial establishments on both sides of the block, there are 4 formula retail establishments, including Bank of America, Sunglass Hut, Levi’s Store and Wells Fargo. In the larger Castro Street Neighborhood Commercial District, there are approximately 158 businesses, 11 of which are formula retail, amounting to a concentration of approximately 7%. Although the subject project would add an additional formula retail establishment on the block, it would not contribute to the overall concentration of formula retail establishments in the District as the existing Philz Coffee on 18th Street would close down and be replaced by the subject project. Hamburger Mary’s, a formula-retail restaurant, is proposed for the retail space at 531 Castro Street, a couple buildings north of the subject property. Additionally, SoulCycle, which is not currently considered formula retail under the current definition, but will be within the next two months once new legislation on formula retail controls is passed (estimated to become effective January 2015) is proposed on 400 Castro Street. The addition of these two establishments will bring the count of formula retail establishments to 13 of 158, or approximately 8%.

Based on analysis of Planning Department data from as recent as the 2 quarter of 2014, approximately 26% of all ground floor uses within the Castro Street Neighborhood Commercial District consist of food and beverage establishments while 32% of all uses in the NCD are considered retail. For the Castro Street NCD and Upper Market NCT, the percentage of ground floor frontage in linear feet occupied by food/ beverage establishments amount to 17%, whereas retail uses amounted to 25%. Vacancies occupy 5% of the ground floor frontage within the Castro Street NCD, whereas 7% of ground floor frontage within both the Castro and Upper Market Street NC districts. This information is summarized in the table below.

Table 1. Castro Street NCD / Upper Market NCT Ground Floor Frontage Breakdown per Land Use¹

| LAND USE TYPE | CASTRO FRONTAGE TOTAL (FT.) | CASTRO % | CASTRO/ UPPER MARKET FRONTAGE TOTAL (FT.) | CASTRO/ UPPER MARKET % |
|----------------------------|-----------------------------|-------------|---|------------------------|
| RETAIL SALES | 1214 | 32% | 3651 | 25% |
| FOOD/BEVERAGE | 1015.5 | 26% | 2507.5 | 17% |
| RESIDENTIAL | 595.5 | 16% | 1833 | 13% |
| MEDICAL OFFICE | 217 | 6% | 524 | 4% |
| VACANT | 184.5 | 5% | 1397 | 10% |
| PERSONAL SERVICE | 211 | 5% | 974 | 7% |
| FINANCIAL ESTABLISHMENT | 155.5 | 4% | 272.8 | 2% |
| PARKING | 85 | 2% | 777 | 5% |
| HOTEL | 58.5 | 2% | 160 | 1% |
| INSTITUTION | 49 | 1% | 208.5 | 1% |
| THEATER | 44 | 1% | 65.5 | 0% |
| OFFICE | 7 | 0% | 1090 | 7% |
| UNDER CONSTRUCTION | 0 | 0% | 907 | 6% |
| AUTO SERVICE (GAS STATION) | 0 | 0% | 176 | 1% |
| TOTAL | 3836.5 | 100% | 14543.3 | 100% |

¹ The Castro/ Upper Market Land Use table was developed using data collected during a foot survey performed by Planning Department Staff in 2012 and updated with 2014 data on applications for a change of use since 2012.

The surrounding zoning is primarily Castro Street NCD and RH-3 (Residential, House, Three-Family). RH-3 districts feature structures with one, two and three-family units. The predominant form is large flats rather than apartments, with lots 25 feet wide, a fine or moderate scale and separate entrances for each unit. Building styles tend to be varied but complementary to one another. Outdoor space is available at ground level, and also on decks and balconies for individual units. Nonresidential uses are more common in these areas than in RH-2 Districts. The Castro Street District is situated in Eureka Valley, close to the geographic center of San Francisco between the Mission District, Twin Peaks, and Upper Market Street. The physical form of the district is a crossing at Castro and 18th Streets, the arms of which contain many small, but intensely active commercial businesses. The multi-purpose commercial district provides both convenience goods to its immediate neighborhood as well as comparison shopping goods and services on a specialized basis to a wider trade area. Commercial businesses are active both in the daytime and late into the evening and include a number of gay-oriented bars and restaurants, as well as several specialty clothing and gift stores. The district also supports a number of offices in converted residential buildings.

ENVIRONMENTAL REVIEW

The Project is exempt from the California Environmental Quality Act (“CEQA”) as a Class 1 categorical exemption.

HEARING NOTIFICATION

| TYPE | REQUIRED PERIOD | REQUIRED NOTICE DATE | ACTUAL NOTICE DATE | ACTUAL PERIOD |
|--------------------|-----------------|----------------------|--------------------|---------------|
| Classified News Ad | 20 days | November 10, 2014 | November 13, 2014 | 23 days |
| Posted Notice | 20 days | November 13, 2014 | November 12, 2014 | 21 days |
| Mailed Notice | 20 days | November 13, 2014 | November 13, 2014 | 20 days |

The proposal requires a Section 312-neighborhood notification, which was conducted in conjunction with the conditional use authorization process.

PUBLIC COMMENT

- To date, the Department has received four letters in support of the project from two separate neighborhood groups and two individual residents and/or employees of the neighborhood.

ISSUES AND OTHER CONSIDERATIONS

- The Planning Department has recently completed a study on Formula Retail establishments in the City, which resulted in recently approved legislation that expands the Citywide definition of formula retail to include business that have 11 or more outlets worldwide, to include businesses that are at least 50% owned by a formula retail businesses and in any of the following. Land use categories: Limited Financial Service, Fringe Financial Service, Business and Professional Service, Personal Services, Massage Establishment and Tobacco Paraphernalia Establishment, which were not previously included in the City’s formula retail definition. The subject project applicant is not

affected, as Philz Coffee is already considered a formula retail use with approximately 16 locations state-wide.

- The project would introduce a new formula retail use within the Castro Street Neighborhood Commercial District, and thus result in a net increase in the number of formula retail uses within the district.
- There are approximately 11 existing formula retail establishments out of 158 retail uses within the Castro Street NCD, amounting to a concentration of approximately 7%.
- There are approximately four other limited-restaurant coffee establishments in the subject NCD.

REQUIRED COMMISSION ACTION

In order for the project to proceed, the Commission must grant conditional use authorization to allow the establishment of a 1,310 square foot, formula retail limited restaurant d.b.a "Philz Coffee" within the Castro Street Neighborhood Commercial District, pursuant to Planning Code Sections 303, 703.3, 703.4 and 715.43.

BASIS FOR RECOMMENDATION

- The project would not increase the concentration of formula retail or limited-restaurants in the Castro Street Neighborhood Commercial District. The project sponsor will vacate its existing retail space on 18th Street and relocate to the subject property.
- The project would fill a vacancy on a relatively prominent block within the District.
- The project meets all applicable requirements of the Planning Code.
- The project is desirable for, and compatible with the surrounding neighborhood.

| |
|--|
| RECOMMENDATION: Approval with Conditions |
|--|

Attachments:

Parcel Map

Sanborn Map

Zoning Map

Aerial Photograph

Site Photograph

Reduced Plans

Project Sponsor Submittal, including:

- Letter from Sponsor
- Letters of Support

Attachment Checklist

- | | |
|---|---|
| <input checked="" type="checkbox"/> Executive Summary | <input checked="" type="checkbox"/> Project sponsor submittal |
| <input checked="" type="checkbox"/> Draft Motion | <input checked="" type="checkbox"/> Letter |
| <input type="checkbox"/> Environmental Determination | <input checked="" type="checkbox"/> Letter in support |
| <input checked="" type="checkbox"/> Zoning District Map | Drawings: <u>Proposed Project</u> |
| <input type="checkbox"/> Height & Bulk Map | <input checked="" type="checkbox"/> Check for legibility |
| <input checked="" type="checkbox"/> Parcel Map | Health Dept. review of RF levels |
| <input checked="" type="checkbox"/> Sanborn Map | <input type="checkbox"/> RF Report |
| <input checked="" type="checkbox"/> Aerial Photo | <input checked="" type="checkbox"/> Community Meeting Notice |
| <input type="checkbox"/> Context Photos | <input type="checkbox"/> Inclusionary Affordable Housing Program: Affidavit for Compliance |
| <input checked="" type="checkbox"/> Site Photos | <input type="checkbox"/> |

Exhibits above marked with an "X" are included in this packet

TC

Planner's Initials

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SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

- | | |
|--|--|
| <input type="checkbox"/> Affordable Housing (Sec. 415) | <input type="checkbox"/> First Source Hiring (Admin. Code) |
| <input type="checkbox"/> Jobs Housing Linkage Program (Sec. 413) | <input type="checkbox"/> Child Care Requirement (Sec. 414) |
| <input type="checkbox"/> Downtown Park Fee (Sec. 412) | <input type="checkbox"/> Other |

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Planning Commission Draft Motion

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ADOPTING FINDINGS RELATING TO THE APPROVAL OF CONDITIONAL USE AUTHORIZATION PURSUANT TO SECTIONS 703.3, 703.4, 715.43 AND 303 OF THE PLANNING CODE TO ESTABLISH A FORMULA RETAIL LIMITED-RESTAURANT (D.B.A. PHILZ COFFEE) IN THE 1,310 SQUARE-FOOT TENANT SPACE OCCUPIED BY A CAMPAIGN OFFICE, LOCATED WITHIN THE CASTRO STREET NCD (NEIGHBORHOOD COMMERCIAL DISTRICT), AND A 40-X HEIGHT AND BULK DISTRICT.

PREAMBLE

On August 1, 2014, Jody Knight on behalf of Philz Coffee (hereinafter “Project Sponsor”) filed an application with the Planning Department (hereinafter “Department”) for Conditional Use Authorization under Planning Code Section(s) 703.4, 715.43 and 303 to establish a formula retail limited-restaurant (d.b.a. Philz Coffee) in the 1,310 square-foot tenant space occupied by David Chiu’s campaign office located within the Castro Street NCD (Neighborhood Commercial District), within ¼ mile of an existing Fringe Financial Service District, and a 40-X Height and Bulk District.

On December 4, 2014, the San Francisco Planning Commission (hereinafter “Commission”) conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Application No. 2014.1190C.

The Project is exempt from the California Environmental Quality Act ("CEQA") as a Class 1 categorical exemption.

The Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of the applicant, Department staff, and other interested parties.

MOVED, that the Commission hereby authorizes the Conditional Use requested in Application No. 2014.1190C, subject to the conditions contained in "EXHIBIT A" of this motion, based on the following findings:

FINDINGS

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

1. The above recitals are accurate and constitute findings of this Commission.
2. **Site Description.** The project site is located on the ground floor of a 3,634 square-foot, two-story building with a residential unit on the 2nd floor. The 3,123 square-foot lot is located on the east side of Castro Street between 18th and 19th Streets, Block 3583, Lot 065. The property is located within the Castro Street NCD (Neighborhood Commercial District), a ¼ mile of an Existing Fringe Financial Service District, and a 40-X Height and Bulk District. The building was constructed in 1905 and is listed as a potential historic resource. The property is sandwiched between two similar attached buildings containing ground floor retail and residential uses above.
3. **Surrounding Neighborhood.** The surrounding development consists of a variety of commercial and mixed-use buildings, mostly containing residential uses above ground-floor commercial establishments. The scale of development in the area consists of a mix of two to three-story buildings, most of which were constructed in the early 1900s. Generally, the commercial establishments characterizing this portion of Castro Street include a mixture of restaurants, specialty retail, attire and medical and personal service establishments. On the east side of the block, there are approximately 17 commercial establishments and 24 on the west side of the subject block. Of the approximate 41 commercial establishments on both sides of the block, there are 4 formula retail establishments, including Bank of America, Sunglass Hut, Levi's Store and Wells Fargo. In the larger Castro / Upper Market Neighborhood Commercial District, there are approximately 158 businesses, 11 of which are formula retail, amounting to a concentration of approximately 7%. Although the subject project would add an additional formula retail establishment on the block, it would not contribute to the overall concentration of formula retail establishments in the District as the existing Philz Coffee on 18th Street would close down and be replaced by the subject project. Hamburger Mary's, a formula-retail restaurant, is proposed for the retail space at 531 Castro Street, a couple buildings north of the subject property. Additionally, SoulCycle, which is not currently considered formula retail under the current definition, but will be within the next two months once new legislation on formula retail controls

is passed (estimated to become effective January 2015) is proposed on 400 Castro Street. The addition of these two establishments will bring the count of formula retail establishments to 13 of 158, or approximately 8%.

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convenience goods to its immediate neighborhood as well as comparison shopping goods and services on a specialized basis to a wider trade area. Commercial businesses are active both in the daytime and late into the evening and include a number of gay-oriented bars and restaurants, as well as several specialty clothing and gift stores. The district also supports a number of offices in converted residential buildings.

4. **Project Description.** The applicant proposes change the existing tenant space from a campaign office to a formula retail establishment d.b.a "Philz Coffee". The project includes minor tenant improvements. The proposed operation would have 15 employees.
5. **Public Comment.** The Department has received two emails from neighborhood groups supporting the project and one phone call from a local merchant who opposed the project due to the perceived high concentration of food and beverage establishments in the Neighborhood Commercial District.
6. **Planning Code Compliance:** The Commission finds that the Project is consistent with the relevant provisions of the Planning Code in the following manner:

A. **Formula Retail.** Planning Code Section 703.3 provides additional criteria for the Planning Commission to consider when considering any discretionary review pursuant Section 703.3, Formula Retail Uses:

- a. The existing concentrations of formula retail uses within the district.

There are approximately 11 existing formula retail establishments, and 2 proposed formula retail establishments, out of approximately 158 retail establishments within the Castro Street Neighborhood Commercial District. The existing intensity of formula retail uses is approximately 7% of all businesses within the district. The proposed establishment is a formula retail use with 16 locations throughout California, according to <http://www.philzcoffee.com/Store-Locations>.

- b. The availability of other similar retail uses within the district.

There are approximately four other coffee shops in the neighborhood including Spike's Coffees and Tea, Café La Taza, Castro Coffee Company and Starbucks.

- c. The compatibility of the proposed formula retail use with the existing architectural and aesthetic character of the district.

The Castro Street Neighborhood Commercial District is characterized by a variety of retail uses and architectural styles, including Edwardian and Victorian style buildings circa the early 1900s. The subject project is contained within an Edwardian-esque building constructed in 1905. The project sponsor proposes to modernize the openings of the façade, with finishes including a wood frame around the entrance and windows, contrasted by a dark gray colored paint. The proposed faced alterations appear consistent with adjacent properties and retail establishments in the

neighborhood. The project would be subject to additional review by historic preservation staff upon submission of the building permit application.

- d. The existing retail vacancy rates within the district.

There are currently 11 vacancies out of 232 establishments amounting to a 5% vacancy rate.

- e. The existing mix of Citywide-serving retail uses and neighborhood-serving retail uses within the district.

Most retail establishments in the Castro Street NCD, which vary from clothing, and gift shops to convenience retailers such as dry cleaners and pharmacies, would be considered neighborhood-serving retail. However, there are several establishments that cater to the Citywide population, such as Castro Theatre.

B. Street Frontage in Neighborhood Commercial Districts. Planning Code Section 145.1 requires the following:

- a. Off-street parking at street grade on a development lot must be set back at least 25 feet on the ground floor and at least 15 feet on floors above, from any facade facing a street at least 30 feet in width. Parking above the ground level shall be entirely screened from all public rights-of-way in a manner that accentuates ground floor uses, minimizes mechanical features and is in keeping with the overall massing and architectural vocabulary of the building.
- b. No more than one-third of the width or 20 feet, whichever is less, of any given street frontage of a new or altered structure parallel to and facing a street shall be devoted to parking and loading ingress or egress. Street-facing garage structures and garage doors may not extend closer to the street than a primary building facade unless the garage structure and garage door are consistent with the features listed in Section 136 of this Code. The total street frontage dedicated to parking and loading access should be minimized, and combining entrances for off-street parking with those for off-street loading is encouraged. The placement of parking and loading entrances should minimize interference with street-fronting active uses and with the movement of pedestrians, cyclists, public transit, and autos. Entrances to off-street parking shall be located at least six feet from a lot corner located at the intersection of two public rights-of-way. Off-street parking and loading entrances should minimize the loss of on-street parking and loading spaces. Off-street parking and loading are also subject to the provisions of Section 155 of this Code.
- c. With the exception of space allowed for parking and loading access, building egress, and access to mechanical systems, space for active uses as defined in Subsection (b) (2) and permitted by the specific district in which it is located shall be provided within the first 25 feet of building depth on the ground floor and 15 feet on floors above from any facade
 - i. facing a street at least 30 feet in width.
- d. Ground floor non-residential uses in all NC districts, shall have a minimum floor-to-floor
 - i. height of 10 feet for lots in a 40 foot height district.

- e. The floors of street-fronting interior spaces housing non-residential active uses and lobbies shall be as close as possible to the level of the adjacent sidewalk at the principal entrance to these spaces. Street-facing ground-level spaces housing non-residential active uses in hotels, office buildings, shopping centers, and other large buildings shall open directly onto the street, rather than solely into lobbies and interior spaces of the buildings. Such required street-facing entrances shall remain open to the public during business hours.
- f. Frontages with active uses that are not residential or PDR must be fenestrated with transparent windows and doorways for no less than 60 percent of the street frontage at the ground level and allow visibility to the inside of the building. The use of dark or mirrored glass shall not count towards the required transparent area. Buildings located inside of, or within an unobstructed line of less than 300 feet of an Urban Bird Refuge, as defined in Section 139(c)(1), shall follow glazing requirements within Section 139(c) of this Code.
- g. Any decorative railings or grillwork, other than wire mesh, which is placed in front of or behind ground floor windows, shall be at least 75 percent open to perpendicular view. Rolling or sliding security gates shall consist of open grillwork rather than solid material, so as to provide visual interest to pedestrians when the gates are closed, and to permit light to pass through mostly unobstructed. Gates, when both open and folded or rolled as well as the gate mechanism, shall be recessed within, or laid flush with, the building facade.

The subject retail space has approximately 25 feet of frontage on Castro Street. Approximately 19 feet of frontage or 75% is devoted to either entrances to the building or windows. The windows are at least 75% clear and unobstructed, and meet the active use requirement. The project does not propose any off-street parking.

- C. **Parking Requirement.** Section 151 requires retail stores to provide one parking space for every 500 square feet of occupied floor area, where the occupied floor area exceeds 5,000 square feet.

The project does not occupy more than 5,000 square feet of floor area, and therefore does not require the provision of off-street parking.

- D. **Loading.** Section 152 requires off-street freight loading for uses above a certain size. Eating Retail uses up to 10,000 square feet in gross floor area are not required to provide off-street freight loading.

The project is less than 10,000 square feet in gross floor area and thus not required to provide off-street freight loading.

- E. **Use Size.** Section 715.21 establishes size limits on nonresidential uses in the Castro Street NCD. Within the District, conditional use authorization is required for any nonresidential use that exceeds 2,000 square feet.

At 1,310 square feet, the Project does not require Conditional Use authorization for use size.

- F. **Hours of Operation.** Pursuant to Sections 715.27 of the Code, the principally permitted hours of operation are from 6 a.m. to 2 a.m.

The proposed hours of operation are between 6 a.m. to 8:30 p.m. Monday through Friday and 7 a.m. to 8 p.m. on Saturdays and Sundays.

- G. **Limited Restaurants.** Section 790.90 of the Planning Code defines a limited-restaurant as a:
- a. A retail eating and/or drinking use which serves foods and/or drinks to customers for consumption on or off the premises, that may or may not have seating. It may include wholesaling, manufacturing, or processing of foods, goods, or commodities on the premises as an accessory use as set forth in Section 703.2(b)(1)(C)(v).
 - b. It includes, but is not limited to, specialty foods provided by bakeries, delicatessens, and confectioneries meeting the above characteristics, but it is distinct from a Restaurant, as defined in Section 790.91, and a Bar, as defined in Section 790.22. It may also operate as a Take-Out Food use as defined in Section 790.122.
 - c. It shall not provide on-site beer and/or wine sales for consumption on the premises, but may provide off-site beer and/or wine sales for consumption off the premises with a California Alcoholic Beverage Control Board License type 20 (off-sale beer and wine) within the accessory use limits as set forth in Section 703.2(b)(1)(C)(vi). This use must comply with the controls set forth in Section 703.5.

The proposed project will serve food and/or drinks to customers for consumption, and will not provide on-site beer and/or wine.

- H. **Conditional Use Authorization.** Planning Code Section 303(c) establishes criteria for the Planning Commission to consider when reviewing applications for Conditional Use approval. On balance, the project does comply with said criteria in that:

- a. The proposed new uses and building, at the size and intensity contemplated and at the proposed location, will provide a development that is necessary or desirable, and compatible with, the neighborhood or the community.

The project is desirable because it maintains the balance of formula-retail establishments by closing one limited-restaurant selling light snacks and coffee and opening the same establishment in another location within the same neighborhood commercial district. Additionally, the Planning Department has received two letters in support of the project from two separate neighborhood groups.

- b. The proposed project will not be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity. There are no features of the project that could be detrimental to the health, safety or convenience of those residing or working the area, in that:

Nature of proposed site, including its size and shape, and the proposed size, shape and arrangement of structures;

The size and shape of the site and the size, shape and arrangement of the building will not be altered as part of this project. The proposed work will not affect the building envelope.

- c. The accessibility and traffic patterns for persons and vehicles, the type and volume of such traffic, and the adequacy of proposed off-street parking and loading;

The Project will not affect public transit or overburden the existing supply of parking in the neighborhood. The Project is not intended to be a destination use but one that is meant to serve the needs of local residents who reside in or visit the District for other goods and services.

- d. The safeguards afforded to prevent noxious or offensive emissions such as noise, glare, dust and odor;

The Project will not produce noxious or offensive emissions related to noise, glare and dust.

- e. Treatment given, as appropriate, to such aspects as landscaping, screening, open spaces, parking and loading areas, service areas, lighting and signs;

The project would not alter the sites landscaping, open spaces, parking and loading areas, service areas, and lighting. Any new signage will be required to comply with the requirements of the Planning Code.

- f. That the use as proposed will comply with the applicable provisions of the Planning Code and will not adversely affect the General Plan.

The Project complies with all relevant requirements and standards of the Planning Code and is consistent with objectives and policies of the General Plan as detailed below.

- g. That the use as proposed would provide development that is in conformity with the purpose of the applicable Neighborhood Commercial District.

The proposed project is consistent with the stated purpose of the Castro Street Neighborhood Commercial District in that the intended use is located at the ground floor, will provide a compatible, convenience service for the immediately surrounding neighborhoods during daytime hours, and is compliant with the limitations on certain uses within the Castro Street Neighborhood Commercial District.

- 8. **General Plan Compliance.** The Project is, on balance, consistent with the Objectives and Policies of the General Plan.

NEIGHBORHOOD COMMERCE

Objectives and Policies

OBJECTIVE 1:

MANAGE ECONOMIC GROWTH AND CHANGE TO ENSURE ENHANCEMENT OF THE TOTAL CITY LIVING AND WORKING ENVIRONMENT.

Policy 1.1:

Encourage development which provides substantial net benefits and minimizes undesirable consequences. Discourage development that has substantial undesirable consequences that cannot be mitigated.

Policy 1.2:

Assure that all commercial and industrial uses meet minimum, reasonable performance standards.

Policy 1.3:

Locate commercial and industrial activities according to a generalized commercial and industrial land use plan.

The proposed project will provide desirable goods and services to the neighborhood and will provide resident employment opportunities to those in the community. The conditions of approval will ensure that the use meets minimum, reasonable performance standards. Further, the project site is located within a Neighborhood Commercial District and is thus consistent with activities in the commercial land use plan.

OBJECTIVE 2:

MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.

Policy 2.1:

Seek to retain existing commercial and industrial activity and to attract new such activity to the City.

The Project will retain an existing commercial activity and will help maintain the diverse economic base of the City.

OBJECTIVE 6:

MAINTAIN AND STRENGTHEN VIABLE NEIGHBORHOOD COMMERCIAL AREAS EASILY ACCESSIBLE TO CITY RESIDENTS.

Policy 6.1:

Ensure and encourage the retention and provision of neighborhood-serving goods and services in the city's neighborhood commercial districts, while recognizing and encouraging diversity among the districts.

No commercial tenant would be displaced and the project would not prevent the district from achieving optimal diversity in the types of goods and services available in the neighborhood. The project will replace a retail space currently used as a supervisor's campaign office, which will be vacated in the near future.

9. **Planning Code Section 101.1(b)** establishes eight priority-planning policies and requires review of permits for consistency with said policies. On balance, the project does comply with said policies in that:

- A. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses be enhanced.

The proposal would relocate an existing formula-retail use to another location. The existing Philz Coffee will be closed upon the opening of the subject coffee shop and thus it would not alter the balance of formula-retail uses within the neighborhood commercial district. The proposed alterations are within the existing building footprint.

- B. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods.

The Project would not impact the character or diversity of the neighborhood.

- C. That the City's supply of affordable housing be preserved and enhanced,

The Project would not have any impact on the City's supply of affordable housing.

- D. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking.

The Project would not adversely impact public transit or place a burden on the existing supply of parking in the neighborhood. The Project Site is well-served by off-street parking.

- E. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced.

The Project will not displace any service or industry establishment. The project will not affect industrial or service sector uses or related employment opportunities. Ownership of industrial or service sector businesses will not be affected by this project.

- F. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.

The Project is designed and will be constructed to conform to the structural and seismic safety requirements of the City Building Code. This proposal will not impact the property's ability to withstand an earthquake.

- G. That landmarks and historic buildings be preserved.

The existing building is not a landmark and it is not historically rated.

- H. That our parks and open space and their access to sunlight and vistas be protected from development.

The project will have no negative impact on existing parks and open spaces. The Project does not have an impact on open spaces.

10. The Project is consistent with and would promote the general and specific purposes of the Code provided under Section 101.1(b) in that, as designed, the Project would contribute to the character and stability of the neighborhood and would constitute a beneficial development.
11. The Commission hereby finds that approval of the Conditional Use Authorization would promote the health, safety and welfare of the City.

DECISION

That based upon the Record, the submissions by the Applicant, the staff of the Department and other interested parties, the oral testimony presented to this Commission at the public hearings, and all other written materials submitted by all parties, the Commission hereby **APPROVES Conditional Use Application No. 2014.1190C** subject to the following conditions attached hereto as "EXHIBIT A" in general conformance with plans on file, dated August 1, 2014, and stamped "EXHIBIT B", which is incorporated herein by reference as though fully set forth.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Conditional Use Authorization to the Board of Supervisors within thirty (30) days after the date of this Motion No. XXXXX. The effective date of this Motion shall be the date of this Motion if not appealed (After the 30-day period has expired) OR the date of the decision of the Board of Supervisors if appealed to the Board of Supervisors. For further information, please contact the Board of Supervisors at (415) 554-5184, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

Protest of Fee or Exaction: You may protest any fee or exaction subject to Government Code Section 66000 that is imposed as a condition of approval by following the procedures set forth in Government Code Section 66020. The protest must satisfy the requirements of Government Code Section 66020(a) and must be filed within 90 days of the date of the first approval or conditional approval of the development referencing the challenged fee or exaction. For purposes of Government Code Section 66020, the date of imposition of the fee shall be the date of the earliest discretionary approval by the City of the subject development.

If the City has not previously given Notice of an earlier discretionary approval of the project, the Planning Commission's adoption of this Motion, Resolution, Discretionary Review Action or the Zoning Administrator's Variance Decision Letter constitutes the approval or conditional approval of the development and the City hereby gives **NOTICE** that the 90-day protest period under Government Code Section 66020 has begun. If the City has already given Notice that the 90-day approval period has begun for the subject development, then this document does not re-commence the 90-day approval period.

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on December 4, 2014.

Jonas Ionin
Commission Secretary

AYES:

NAYS:

ABSENT:

ADOPTED: December 4, 2014

EXHIBIT A

AUTHORIZATION

This authorization is for a conditional use to allow a formula retail limited-restaurant (d.b.a. Subway) located at 549 Castro Street, Block 3583, Lot 065 pursuant to Planning Code Sections 703.3, 703.4 and 303 within the **Castro Street Neighborhood Commercial District**, and a **40-X** Height and Bulk District; in general conformance with plans, dated **August 1, 2014** and stamped "EXHIBIT B" included in the docket for Case No. **2014.1190C** and subject to conditions of approval reviewed and approved by the Commission on **December 4, 2014** under Motion No **XXXXXX**. This authorization and the conditions contained herein run with the property and not with a particular Project Sponsor, business, or operator.

RECORDATION OF CONDITIONS OF APPROVAL

Prior to the issuance of the building permit or commencement of use for the Project the Zoning Administrator shall approve and order the recordation of a Notice in the Official Records of the Recorder of the City and County of San Francisco for the subject property. This Notice shall state that the project is subject to the conditions of approval contained herein and reviewed and approved by the Planning Commission on **December 4, 2014** under Motion No **XXXXXX**.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the 'Exhibit A' of this Planning Commission Motion No. **XXXXXX** shall be reproduced on the Index Sheet of construction plans submitted with the Site or Building permit application for the Project. The Index Sheet of the construction plans shall reference to the Conditional Use authorization and any subsequent amendments or modifications.

SEVERABILITY

The Project shall comply with all applicable City codes and requirements. If any clause, sentence, section or any part of these conditions of approval is for any reason held to be invalid, such invalidity shall not affect or impair other remaining clauses, sentences, or sections of these conditions. This decision conveys no right to construct, or to receive a building permit. "Project Sponsor" shall include any subsequent responsible party.

CHANGES AND MODIFICATIONS

Changes to the approved plans may be approved administratively by the Zoning Administrator. Significant changes and modifications of conditions shall require Planning Commission approval of a new Conditional Use authorization.

Conditions of Approval, Compliance, Monitoring, and Reporting

PERFORMANCE

1. **Validity and Expiration.** The authorization and right vested by virtue of this action is valid for three years from the effective date of the Motion. A building permit from the Department of Building Inspection to construct the project and/or commence the approved use must be issued

as this Conditional Use authorization is only an approval of the proposed project and conveys no independent right to construct the project or to commence the approved use. The Planning Commission may, in a public hearing, consider the revocation of the approvals granted if a site or building permit has not been obtained within three (3) years of the date of the Motion approving the Project. Once a site or building permit has been issued, construction must commence within the timeframe required by the Department of Building Inspection and be continued diligently to completion. The Commission may also consider revoking the approvals if a permit for the Project has been issued but is allowed to expire and more than three (3) years have passed since the Motion was approved.

Extension. This authorization may be extended at the discretion of the Zoning Administrator only where failure to issue a permit by the Department of Building Inspection to perform said tenant improvements is caused by a delay by a local, State or Federal agency or by any appeal of the issuance of such permit(s).

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org.

DESIGN

- Garbage, composting and recycling storage.** Space for the collection and storage of garbage, composting, and recycling shall be provided within enclosed areas on the property and clearly labeled and illustrated on the architectural addenda. Space for the collection and storage of recyclable and compostable materials that meets the size, location, accessibility and other standards specified by the San Francisco Recycling Program shall be provided at the ground level of the buildings.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org.

- Signage.** Any signs on the property shall be made to comply with the requirements of Article 6 of the Planning Code. Additionally, as the property is a potential historic resource, all signage and façade alterations will be subject to historic preservation review for compliance with the Secretary of the Interior Standards.

MONITORING

- Enforcement.** Violation of any of the Planning Department conditions of approval contained in this Motion or of any other provisions of Planning Code applicable to this Project shall be subject to the enforcement procedures and administrative penalties set forth under Planning Code Section 176 or Section 176.1. The Planning Department may also refer the violation complaints to other city departments and agencies for appropriate enforcement action under their jurisdiction.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org.

OPERATION

5. **Sidewalk Maintenance.** The Project Sponsor shall maintain the main entrance to the tenant space and all sidewalks abutting the subject property in a clean and sanitary condition in compliance with the Department of Public Works Streets and Sidewalk Maintenance Standards.
For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works, 415-695-2017, <http://sfdpw.org/>
6. **Seating.** Seating in the limited-restaurant shall not exceed 15 seats with no more than 700 square feet of floor area devoted to seating.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org
7. **Community Liaison.** Prior to issuance of a building permit to construct the project and implement the approved use, the Project Sponsor shall appoint a community liaison officer to deal with the issues of concern to owners and occupants of nearby properties. The Project Sponsor shall provide the Zoning Administrator with written notice of the name, business address, and telephone number of the community liaison. Should the contact information change, the Zoning Administrator shall be made aware of such change. The community liaison shall report to the Zoning Administrator what issues, if any, are of concern to the community and what issues have not been resolved by the Project Sponsor.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

MONITORING - AFTER ENTITLEMENT

8. **Enforcement.** Violation of any of the Planning Department conditions of approval contained in this Motion or of any other provisions of Planning Code applicable to this Project shall be subject to the enforcement procedures and administrative penalties set forth under Planning Code Section 176 or Section 176.1. The Planning Department may also refer the violation complaints to other city departments and agencies for appropriate enforcement action under their jurisdiction.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org
9. **Revocation due to Violation of Conditions.** Should implementation of this Project result in complaints from interested property owners, residents, or commercial lessees which are not resolved by the Project Sponsor and found to be in violation of the Planning Code and/or the specific conditions of approval for the Project as set forth in Exhibit A of this Motion, the Zoning Administrator shall refer such complaints to the Commission, after which it may hold a public hearing on the matter to consider revocation of this authorization.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

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Exhibits

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Parcel Map

© COPYRIGHT SAN FRANCISCO CITY & COUNTY ASSESSOR 1995

3583

MISSION BLK. 113

LOTS MERGED
 LOTS 17 INTO LOT 16 1943
 " 40 " " 39 " "
 " 39A " " 28-30 "

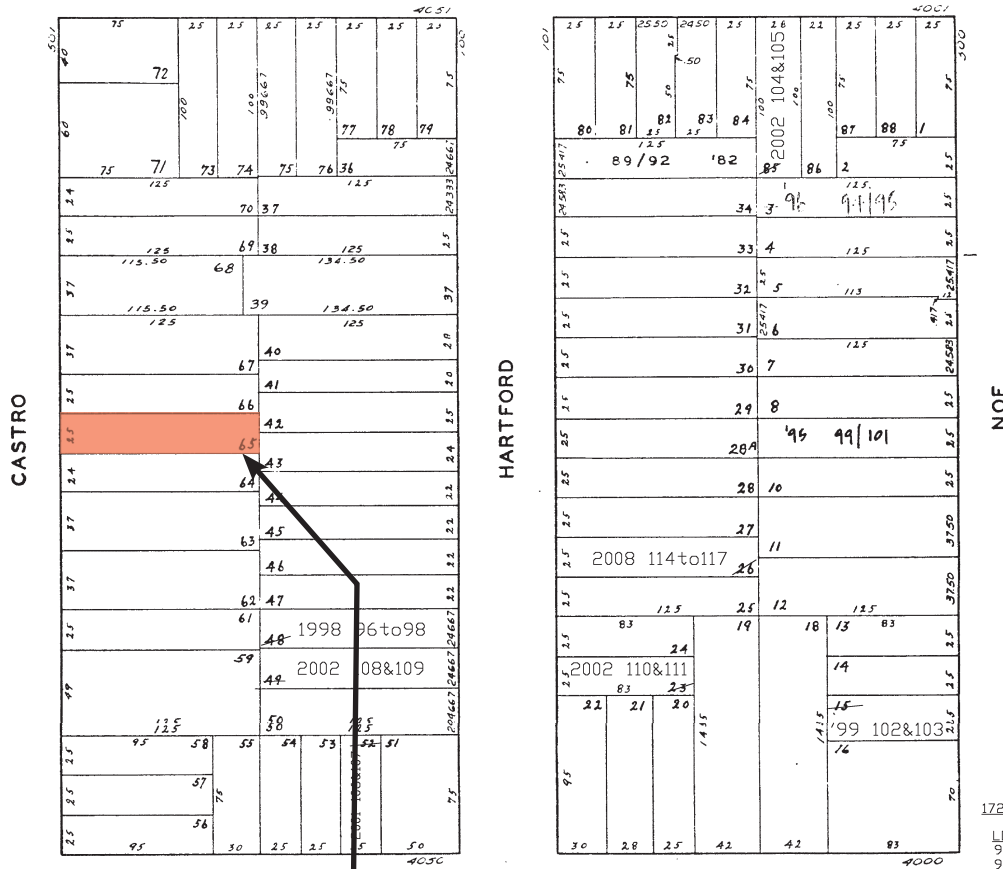
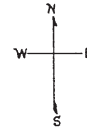
lot48 into lots96to98 for 1998 roll
 lot15 into lots102&103 for 1999 roll
 lot52 into lots106&107 for 2001 roll
 lot23 into lots110&111 for 2002 roll
 lot49 into lots108&109 for 2002 roll
 lot85 into lots104&105 for 2002 roll
 lot26 into lots114to117 for 2009 roll
 lot83 into lots123&124 for 2009 roll

117 HARTFORD STREET
 A CONDOMINIUM

| LOT NO. | UNIT NO. | % COMMON AREA |
|---------|----------|---------------|
| 89 | A | 25 |
| 90 | B | 25 |
| 91 | C | 25 |
| 92 | D | 25 |

REVISED '82
 " '96

Revised 1998
 Revised 1999
 Revised 2001
 Revised 2002
 Revised 2008
 Revised 2009



172-174-174A HARTFORD ST.
 A CONDOMINIUM

| LOT | UNIT | % COMM. | AREA |
|-----|------|---------|------|
| 96 | 172 | 37 | |
| 97 | 174 | 41 | |
| 98 | 174A | 22 | |

Subject Parcel

Sanborn Map

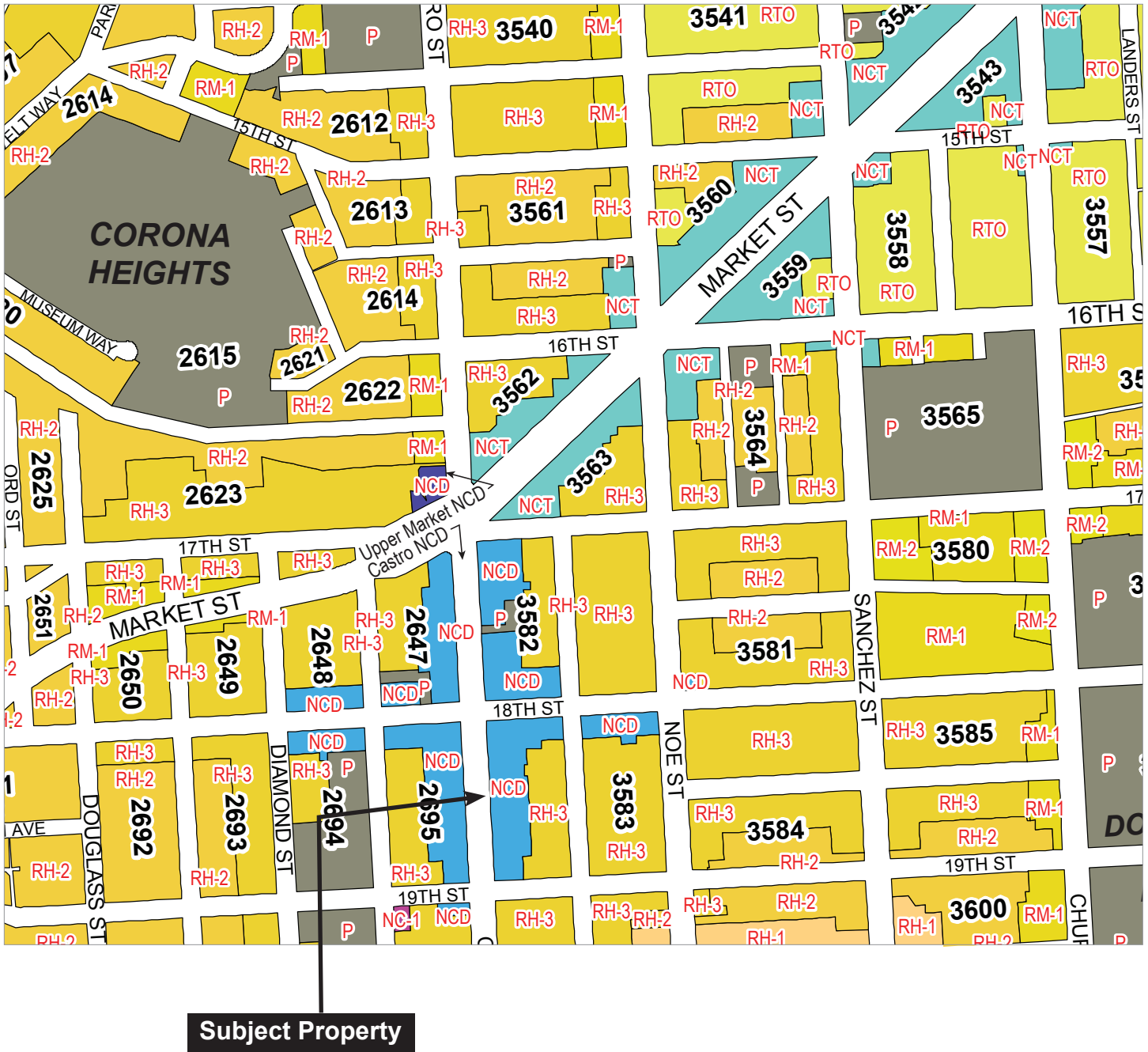


*The Sanborn Maps in San Francisco have not been updated since 1998, and this map may not accurately reflect existing conditions.

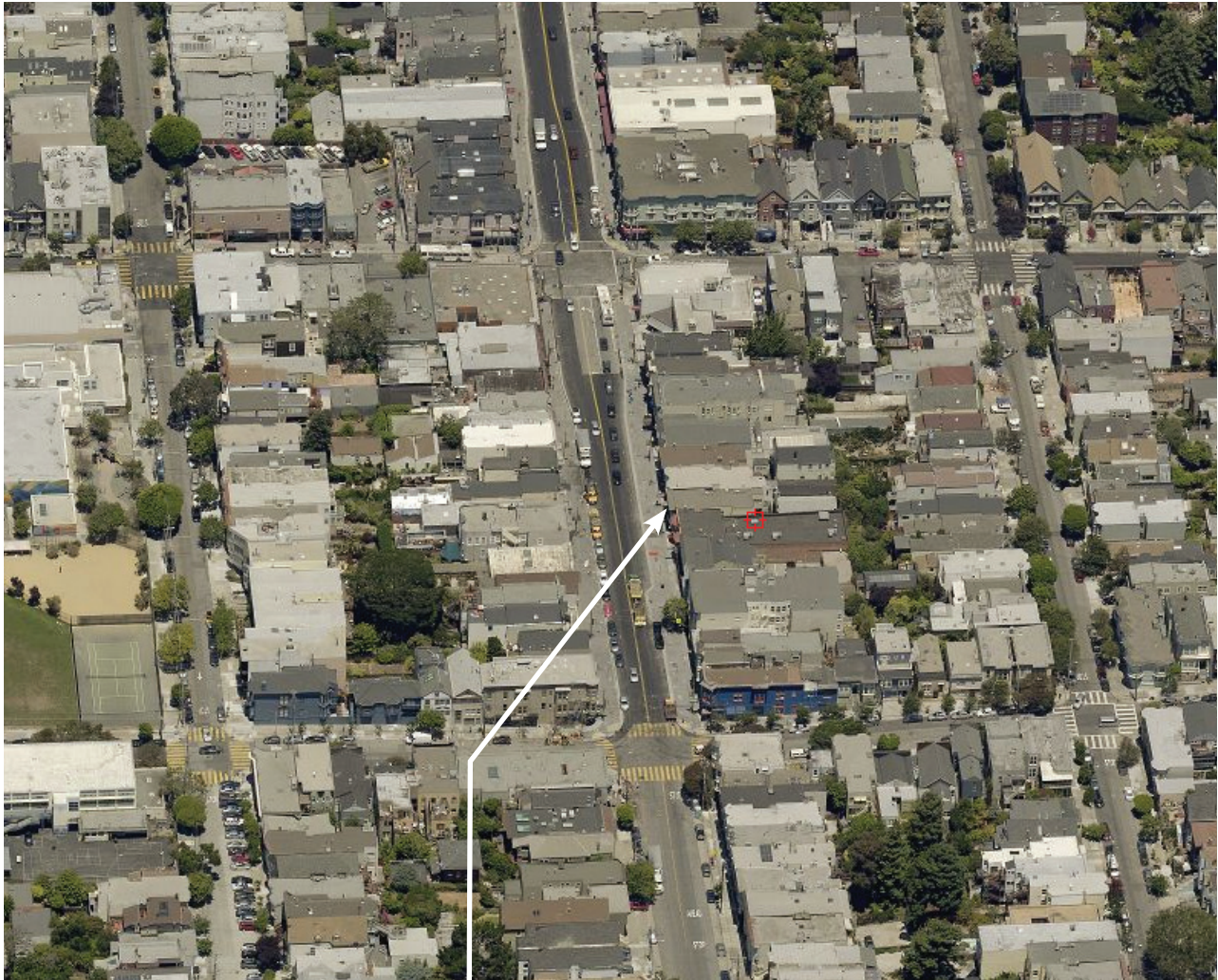
SAN FRANCISCO
PLANNING DEPARTMENT

Conditional Use Authorization
Case Number 2014.1190C
Formula Retail Limited Restaurant
549 Castro Street

Zoning Map

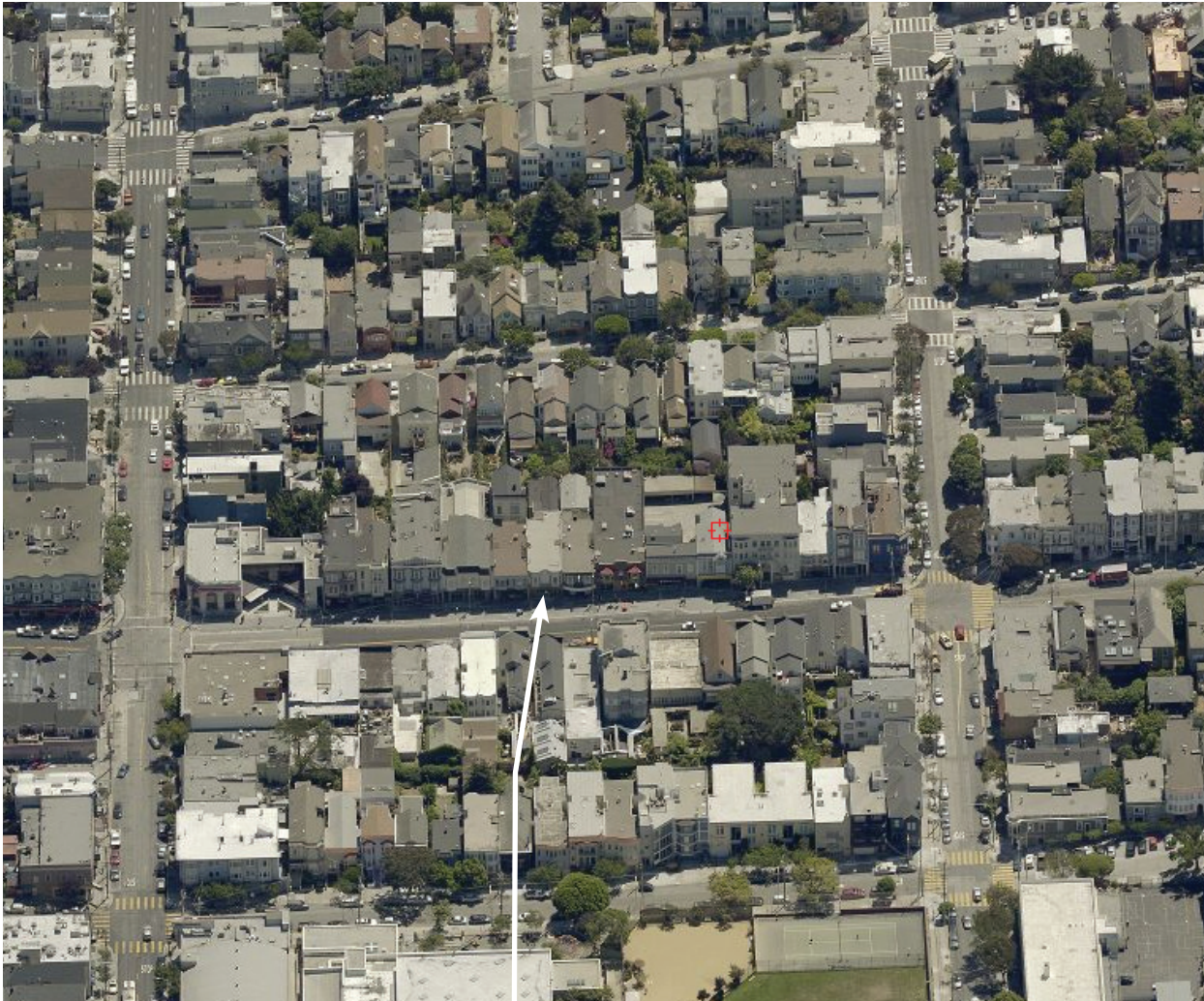


Aerial - Facing North



Subject Property

Aerial - Facing North



Subject Property

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Exhibit B

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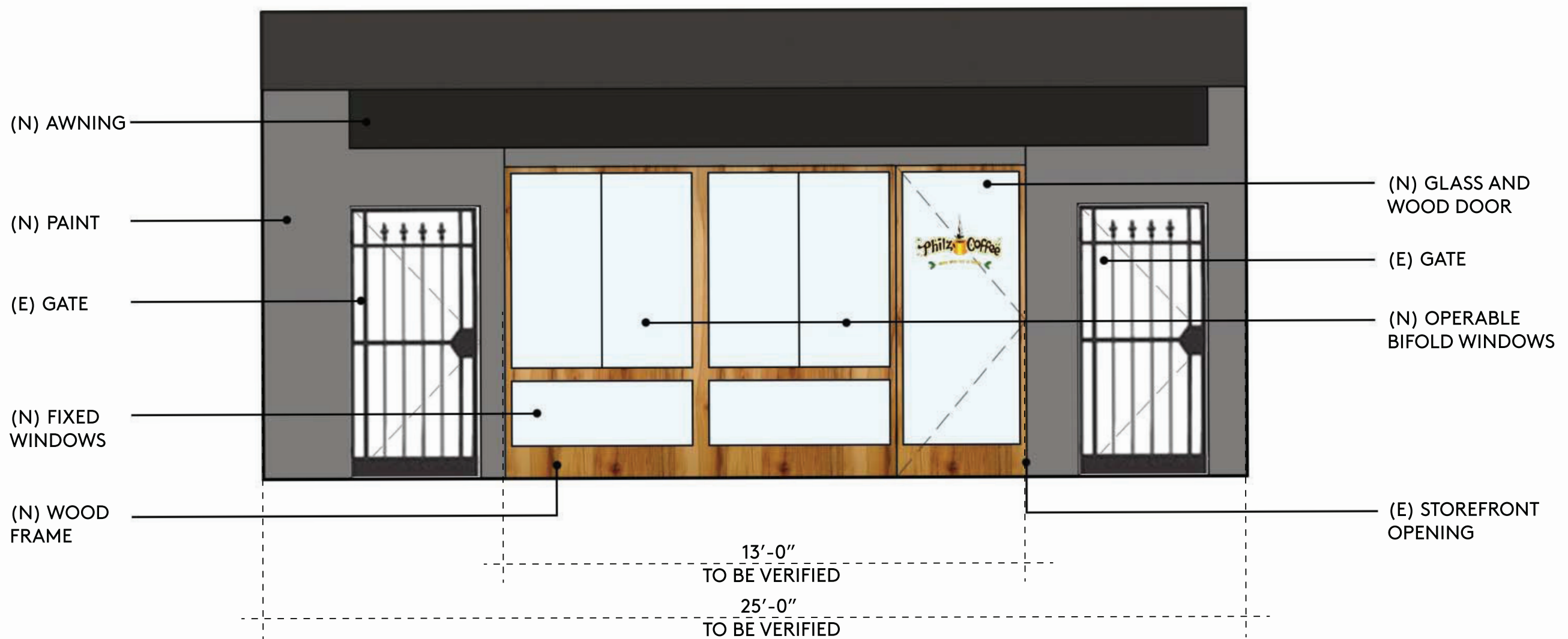


13'-0"
TO BE VERIFIED

25'-0"
TO BE VERIFIED

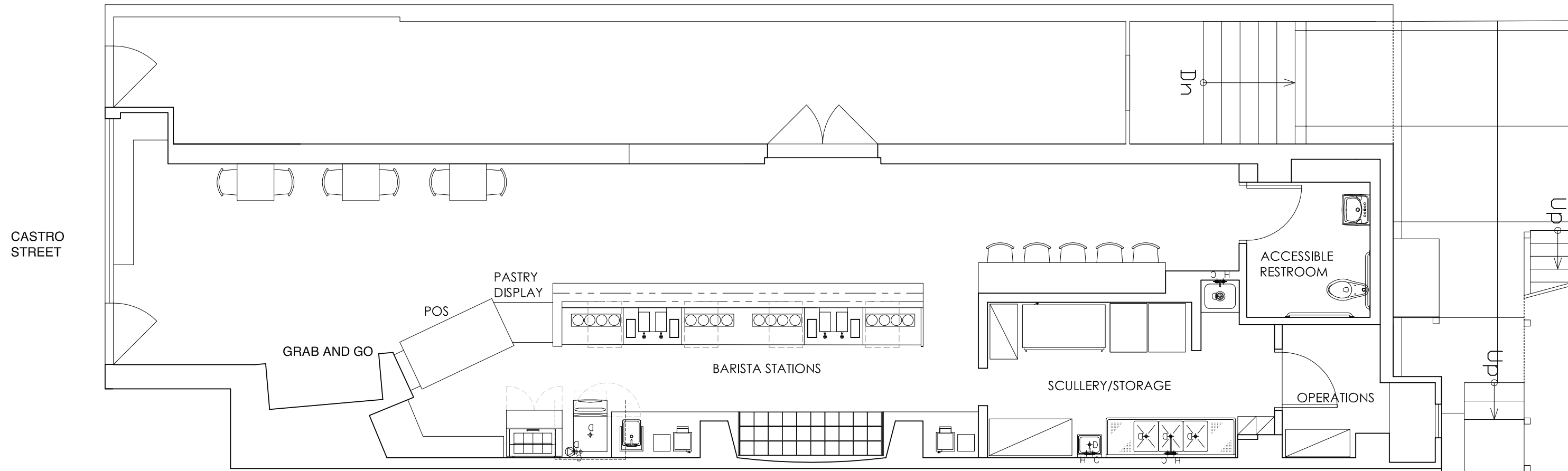
Philz Coffee, 549 Castro Street, Existing Storefront





Philz Coffee, 549 Castro Street, Preliminary Storefront Design





PHILZ COFFEE / CASTRO STREET / CUP FLOOR PLAN

SK-1

SCALE: 3/16" = 1'-0"

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PRE-APPLICATION MEETING

Affidavit of Conducting a Pre-Application Meeting,
Sign-in Sheet and Issues/Responses submittal

I, TRACY CHIAO, do hereby declare as follows:

1. I have conducted a Pre-Application Meeting for the proposed new construction or alteration prior to submitting any entitlement (Building Permit, Variance, Conditional Use, etc.) in accordance with Planning Commission Pre-Application Policy.
2. The meeting was conducted at 4023 18th St (location/address) on 7/30 (date) from 6-8pm (time).
3. I have included the mailing list, meeting initiation, sign-in sheet, issue/response summary, and reduced plans with the entitlement Application. I understand that I am responsible for the accuracy of this information and that erroneous information may lead to suspension or revocation of the permit.
4. I have prepared these materials in good faith and to the best of my ability.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

EXECUTED ON THIS DAY, 7/31/14, 2014 IN SAN FRANCISCO.

[Signature]
Signature

Tracy Chiao
Name (type or print)

VP, Philz Coffee
Relationship to Project (e.g. Owner, Agent)
(if Agent, give business name & profession)


549 Castro St
Project Address

Summary of discussion from the Pre-Application Meeting

Meeting Date: July 30th, 2014
 Meeting Time: 6-8pm
 Meeting Address: 4023 18th St.
 Project Address: 549 Castro St.
 Property Owner Name: Mel
 Project Sponsor/Representative: Phelz

Please summarize the questions/comments and your response from the Pre-Application meeting in the space below. Please state if/how the project has been modified in response to any concerns.

Question/Concern #1 by (name of concerned neighbor/neighborhood group): outdoor seating?
 - David O'Neil "Yes we would like to and will look into permits from city."

Project Sponsor Response: 

Question/Concern #2: Richard Magary - dog parking?

Project Sponsor Response: Yes we will do our best to accommodate space for dogs.

Question/Concern #3: WILL THE STORE HAVE THE SAME FEELING?
 - DAVID O'NEIL

Project Sponsor Response: THE GOAL IS TO WORK WITH THE EXISTING STORE TEAM TO INCORPORATE A LOT OF THE SAME ELEMENTS.

Question/Concern #4: BILL SINGLETON - WHAT HAS PHELZ DONE FOR THE LGBT COMMUNITY?

Project Sponsor Response: WE HAVE GIVEN IN-KIND DONATIONS TO THE LGBT CENTER AND ~~GREEN~~ FESTIVAL, SERVING COFFEE AT EVENTS FOR BOTH.
 PHAELENE

Pre-Application Meeting Sign-in Sheet



Meeting Date: 7/30/14
 Meeting Time: 6pm
 Meeting Address: 4023 18th St.
 Project Address: _____
 Property Owner Name: _____
 Project Sponsor/Representative: _____

Please print your name below, state your address and/or affiliation with a neighborhood group, and provide your phone number. Providing your name below does not represent support or opposition to the project; it is for documentation purposes only.

| NAME/ORGANIZATION | ADDRESS | PHONE | EMAIL | SEND PLANS |
|-----------------------------|--|--------------|------------------------------------|-------------------------------------|
| 1. Daniel Berman | Castro Merchants | | DANIELBERMAN@MML.COM | <input checked="" type="checkbox"/> |
| 2. DAVID O'Neil | 4066 19 | | | <input type="checkbox"/> |
| 3. GORI O'Neil | 53 Mott St (CULT) | | | <input type="checkbox"/> |
| 4. Richard Magary | 584 E. 15th St # 333 Castro Merchants | 415/431-2359 | 9414 into@CASTROMERCHANTS.COM | <input checked="" type="checkbox"/> |
| 5. David McDonald | 4314 17th St # 4 SF, CA 94114 | 562-964-7500 | davidmcdonald@gmail.com | <input checked="" type="checkbox"/> |
| 6. Raoul Isaac | 524 - 30th Ave SF | 505-2320 | | <input type="checkbox"/> |
| 7. Mel Dagovitz | 1958 - Vallejo St | | | <input type="checkbox"/> |
| 8. Megan D-zk | 269 | | instituteincidence@qumz.it | <input type="checkbox"/> |
| 9. Constantine Konstantakos | 795 Corbett Ave SF | 973-884-897 | constantine.konstantakos@gmail.com | <input checked="" type="checkbox"/> |
| 10. Ben Freese | " " " | " " " | 650-218-0460 B.FREESE@CIGNA.COM | <input checked="" type="checkbox"/> |
| 11. David Edison | 4007 18th St | | DAEdison@gmail.com | <input checked="" type="checkbox"/> |
| 12. Ben Eichorn | 1283 40th Ave | 94122 | | <input type="checkbox"/> |
| 13. Chad Stewart | 48 1st Ave | 94014 | chadstewart@alioo.com | <input type="checkbox"/> |
| 14. Mihir Sukhraj | 790 Church St | 94114 | mihir@gmail.com | <input type="checkbox"/> |
| 15. Bianca Lynn | 790 Church St | 94114 | | <input type="checkbox"/> |
| 16. Patrick Batti | 451 Castro St | 94114 | | <input type="checkbox"/> |
| 17. Burke Kanani | 614 Castro St | 94114 | | <input type="checkbox"/> |
| 18. Will Singletta | 451 Castro St | 94114 | | <input type="checkbox"/> |

Pre-Application Meeting Sign-in Sheet 

Meeting Date: _____
Meeting Time: _____
Meeting Address: _____
Project Address: _____
Property Owner Name: _____
Project Sponsor/Representative: _____

Please print your name below, state your address and/or affiliation with a neighborhood group, and provide your phone number. Providing your name below does not represent support or opposition to the project; it is for documentation purposes only.

| | NAME/ORGANIZATION | ADDRESS | PHONE # | EMAIL | SEND PLANS |
|-----|-------------------|----------------------|---------|----------------------|--------------------------|
| 1. | Liliana Pedroni | 148 Pfeiffer St S.F. | | ms.pedroni@gmail.com | <input type="checkbox"/> |
| 2. | PAUL GROSSBLAT | 324 PERALTA ST | | CA 94110 | <input type="checkbox"/> |
| 3. | SCOTT EATON | 533A CALVO ST | | CA 94114 | <input type="checkbox"/> |
| 4. | | | | | <input type="checkbox"/> |
| 5. | | | | | <input type="checkbox"/> |
| 6. | | | | | <input type="checkbox"/> |
| 7. | | | | | <input type="checkbox"/> |
| 8. | | | | | <input type="checkbox"/> |
| 9. | | | | | <input type="checkbox"/> |
| 10. | | | | | <input type="checkbox"/> |
| 11. | | | | | <input type="checkbox"/> |
| 12. | | | | | <input type="checkbox"/> |
| 13. | | | | | <input type="checkbox"/> |
| 14. | | | | | <input type="checkbox"/> |
| 15. | | | | | <input type="checkbox"/> |
| 16. | | | | | <input type="checkbox"/> |
| 17. | | | | | <input type="checkbox"/> |
| 18. | | | | | <input type="checkbox"/> |

14.1190 C

Notice of Pre-Application Meeting

7/15/14

Date

Dear Neighbor:

You are invited to a neighborhood Pre-Application meeting to review and discuss the development proposal at 549 Castro Street cross street(s) 18th Street, 19th Street (Block/Lot#: 3583/065; Zoning: NCD), in accordance with the San Francisco Planning Department's Pre-Application procedures. The Pre-Application meeting is intended as a way for the Project Sponsor(s) to discuss the project and review the proposed plans with adjacent neighbors and neighborhood organizations before the submittal of an application to the City. This provides neighbors an opportunity to raise questions and discuss any concerns about the impacts of the project before it is submitted for the Planning Department's review. Once a Building Permit has been submitted to the City, you may track its status at www.sfgov.org/dbi.

The Pre-Application process is only required for projects subject to Planning Code Section 311 or 312 Notification. It serves as the first step in the process prior to building permit application or entitlement submittal. Those contacted as a result of the Pre-Application process will also receive a formal entitlement notice or 311 or 312 notification when the project is submitted and reviewed by Planning Department staff.

A Pre-Application meeting is required because this project includes (check all that apply):

- New Construction;
- Any vertical addition of 7 feet or more;
- Any horizontal addition of 10 feet or more;
- Decks over 10 feet above grade or within the required rear yard;
- All Formula Retail uses subject to a Conditional Use Authorization.

The development proposal is to: Open a Philz Coffee in the commercial space currently used as a campaign office.

| | | | | | |
|-------------------------------|------------|-----------|------------|------------|------------|
| Existing # of dwelling units: | <u>N/A</u> | Proposed: | <u>N/A</u> | Permitted: | <u>N/A</u> |
| Existing bldg square footage: | <u>N/A</u> | Proposed: | <u>N/A</u> | Permitted: | <u>N/A</u> |
| Existing # of stories: | <u>N/A</u> | Proposed: | <u>N/A</u> | Permitted: | <u>N/A</u> |
| Existing bldg height: | <u>N/A</u> | Proposed: | <u>N/A</u> | Permitted: | <u>N/A</u> |
| Existing bldg depth: | <u>N/A</u> | Proposed: | <u>N/A</u> | Permitted: | <u>N/A</u> |

MEETING INFORMATION:

Property Owner(s) name(s): Dagovitz 2005 Trust
 Project Sponsor(s): Philz Coffee
 Contact information (email/phone): Jody Knight/Reuben, Junius & Rose, 415-567-9000. jknight@reubenlaw.com
 Meeting Address*: 4023 18th Street, San Francisco, CA 94114
 Date of meeting: July 30, 2014
 Time of meeting**: 6:00 p.m.

*The meeting should be conducted at the project site or within a one-mile radius, unless the Project Sponsor has requested a Department Facilitated Pre-Application Meeting, in which case the meeting will be held at the Planning Department offices, at 1650 Mission Street, Suite 400.

**Weeknight meetings shall occur between 6:00 p.m. - 9:00 p.m. Weekend meetings shall be between 10:00 a.m. - 9:00 p.m., unless the Project Sponsor has selected a Department Facilitated Pre-Application Meeting.

If you have any questions about the San Francisco Planning Code, Residential Design Guidelines, or general development process in the City, please call the Public Information Center at 415-558-6378, or contact the Planning Department via email at pic@sfgov.org. You may also find information about the San Francisco Planning Department and on-going planning efforts at www.sfplanning.org.



We look forward to sharing Philz Coffee with you.

We are outgrowing our 18th St. home and want to bring a new and improved Philz to the Castro.

Please join us to learn about our plans, ask questions, and enjoy a cup of your favorite Philz!

Wednesday 7.30.14

6pm-8pm (PDT)

PHILZ CASTRO STORE

4023 18th St. San Francisco, CA 94114

14.1190 C

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REUBEN, JUNIUS & ROSE, LLP

November 24, 2014

By Hand Delivery

President Cindy Wu
San Francisco Planning Commission
1650 Mission Street, Suite 400
San Francisco, CA 94103

**Re: Formula Retail Approval for Philz Coffee at 549 Castro Street
Planning Case Number 2014.1190
Hearing Date: December 4, 2014
Our File No.: 8574.01**

Dear President Wu:

Our office represents Philz Coffee, which proposes to open a store at 549 Castro Street (the "Site"). Philz Coffee currently has a location at 4023 18th Street in the Castro District, but needs more space. Philz therefore seeks to close its 4023 18th Street location and open a new location at 549 Castro Street around the corner – resulting in no net increase in formula retail uses in the neighborhood.

The Sponsor respectfully requests that the Planning Commission grant conditional use authorization under Sections 303 and 703.4 of the San Francisco Planning Code to authorize a formula retail use for Philz.

A. Surrounding Neighborhood

The Site is located on Castro Street between 18th Street and 19th Street. The block of Castro where the Site is located consists of mostly two and three-story buildings with commercial uses on the ground floor, and the surrounding area has a mix of residential over commercial and residential buildings. Castro is a thriving commercial street that supports a vibrant mix of businesses, including the existing Philz Coffee location.

B. Project Description

Philz Coffee proposes to open a 1,310 square foot store at 549 Castro Street in a space that was previously used as an election campaign office. Philz currently has a 350 square foot store at 4023 18th Street and needs to expand to accommodate customer demand in the Castro District. No new parking is proposed. The dimensions of the building and storefront opening will

James A. Reuben | Andrew J. Junius | Kevin H. Rose | Daniel A. Frattin
Sheryl Reuben¹ | David Silverman | Thomas Tunny | Jay F. Drake | John Kevlin
Lindsay M. Petrone | Melinda A. Sarjapur | Mark H. Loper | Jody Knight | Jared Eigerman^{2,3} | John McInerney III²

1. Also admitted in New York 2. Of Counsel 3. Also admitted in Massachusetts

One Bush Street, Suite 600
San Francisco, CA 94104

tel: 415-567-9000
fax: 415-399-9480

www.reubenlaw.com

not be changed, but Philz does intend to install a new wood-framed glass storefront and door, awning, paint and signage, as well as operable front windows.

Philz Coffee began in 2003 in San Francisco when Phil Jaber opened the flagship location in the Mission at 24th Street and Folsom Street. Although technically a formula retail use under the Planning Code, Philz is a local, home-grown company. The Castro location will not add an additional formula retail establishment, but will simply replace an existing store that is not big enough to meet the demand in the Castro District.

C. Summary of Project Benefits

- **Supports the Growth of a Local San Francisco Business.** Although Philz is technically a formula retail use, it is a home grown San Francisco business that employs numerous unskilled and semi-skilled workers in its coffee shops. Approval will allow Philz to stay and thrive in the Castro District. The new location is expected to have approximately 20 employees.
- **Allows Philz to Better Serve the Neighborhood.** The proposed Philz is located in the heart of the Castro Neighborhood Commercial District. It will be in keeping with the small but intensely active commercial nature of businesses in the District, without adding new formula retail uses because the new Philz location simply replaces the existing under-sized location.
- **Adds a Vibrant Commercial Use to a Vacant Storefront.** The Project adds a vibrant street-facing and pedestrian-focused use in a commercial area highly accessible to both foot traffic and public transportation. There will be no changes to the size or shape of the building.

D. Community Outreach

The pre-application meeting was held on July 30, 2014. There was significant public support expressed at the meeting. Since the meeting, Philz has continued to reach out to the community, including area residents and businesses. Philz attended meetings of the Castro Merchants on September 4 and November 6, 2014. At the November 6 meeting, Castro Merchants voted to support the Project, and on November 11, 2014 the organization sent a support letter to Staff Planner Tina Chang. (**Exhibit A.**) In addition, Castro Merchants President and local business owner Daniel Bergerac sent an individual email supporting the Project to Planning on November 11, 2014. (**Exhibit B.**) The Castro/Upper Market Community Benefit District sent a support letter on November 19, 2014. (**Exhibit C.**) Finally, local business owner and resident Brian Rizzo of Rizzo Chiropractic emailed Planning on November 20, 2014 to express his support, stating that the move to a larger facility is necessary in order to serve neighborhood fans of Philz Coffee and is

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tel: 415-567-9000
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consistent with the character of the neighborhood. (**Exhibit D.**) Philz values its ties with the Castro community and will continue its outreach efforts both during the approval process, and, if approval is granted, after Philz is able to move to the larger storefront.

E. Conclusion

Approval will allow Philz, a home grown San Francisco company, to remain in the Castro neighborhood that it has successfully served for years by moving from its present under-sized location to the proposed location around the corner.

We look forward to presenting the Project to you on December 4, and respectfully request your support.

Very truly yours,

REUBEN, JUNIUS & ROSE, LLP



Jody Knight

cc: Rodney Fong, Commission Vice-President
Michael Antonini, Commissioner
Rich Hillis, Commissioner
Christine D. Johnson, Commissioner
Kathrin Moore, Commissioner
Dennis Richards, Commissioner
Jonas Ionin, Commission Secretary
John Rahaim, Planning Director
Scott Sanchez, Zoning Administrator
Tina Chang, Project Planner
Tracy Chiao, Philz Coffee

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President Wu and Commissioners
San Francisco Planning Commission
November 24, 2014
Page 4

LIST OF EXHIBITS

Exhibit A – Castro Merchants Support Letter, dated November 11, 2014

Exhibit B – Email from Daniel Bergerac, dated November 11, 2014

Exhibit C – Castro/Upper Market Community Benefit District Letter, dated November 19, 2014

Exhibit D – Email from Brian Rizzo, dated November 20, 2014

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EXHIBIT A



**584 Castro Street #333
San Francisco CA 94114-2512**

formerly "Merchants of Upper Market & Castro – MUMC"

415/431-2359

Info@CastroMerchants.com

www.CastroMerchants.com

November 11, 2014

By Email and USPS hardcopy

Tina Chang, Staff Planner
San Francisco Planning Department
1650 Mission Street, Suite 400
San Francisco CA 94103-2479

Re: Planning Case No. 2014.1190c, Philz Coffee
Move to 549 Castro Street; Formula Retail & etc. Request for Conditional Use Authorization

Dear Ms. Chang,

This confirms that the Members of **CASTRO MERCHANTS** (formerly "Merchants of Upper Market & Castro – MUMC") have voted to **SUPPORT** the Request for Conditional Use Authorization, Case No. 2014.1190c by Philz Coffee for a move from its current location at 4023-18th Street to 549 Castro Street, including Change of Use, Formula Retail and any related approvals.

Our approval is based on information provided by the Project Sponsor (Philz Coffee) during its presentations at our Members Meetings on September 4 and November 6, 2014. We have asked the Project Sponsor to notify us if there are any subsequent, substantive changes to their proposal, so we can evaluate whether it would affect the previous approval. We have received no such notification, to date.

CASTRO MERCHANTS is the merchants' organization serving San Francisco's Castro-Upper Market area, generally along Upper Market Street from Octavia Blvd. to Castro Street; Castro from Market to 19th Street; and cross streets throughout that area. **CASTRO MERCHANTS** has about 275 paid Members for 2014-2015. The property covered by this matter is within our organization's primary service area.

..... continued

CASTRO MERCHANTS

San Francisco Planning Department
re: Case No. 2014.1190c; Philz Coffee

November 11, 2014

In addition to today's email to you and to the individuals cc'd below, a hardcopy of this letter is being mailed to you today.

Please let us know if you have any questions regarding **CASTRO MERCHANTS's** SUPPORT for this Request. Please include this letter in the matter's permanent file, and assure that it is provided to all Planning Staff and Commissioners and to any other hearing panels at the time that this matter is considered by them. Thank you for considering our comments.

Respectfully,



Daniel Bergerac, President

Email and hardcopy cc: Tracy Chiao, Philz Coffee (and for further distribution within Philz Coffee)
email cc: Supervisor Scott Wiener and staff
Capt. Dan Perea, SFPD Mission Station

.... LtrPlanningPhilz111114

EXHIBIT B

Jody Knight

From: Tracy Chiao [tracychiao@philzcoffee.com]
Sent: Friday, November 14, 2014 4:40 PM
To: Jody Knight
Subject: Fwd: Case # 2014.1190c Philz

----- Forwarded message -----

From: Daniel Bergerac <danielbergerac@mac.com>
Date: Tue, Nov 11, 2014 at 11:57 AM
Subject: Case # 2014.1190c Philz
To: Tina.Chang@sfgov.org
Cc: Tracy Chiao <tracychiao@philzcoffee.com>

Dear Ms. Chang,

My name is Daniel Bergerac. I live at 534 Castro Street. I am in support of Philz Coffee moving from 4023 18th Street to across the street at 549 Castro. I look forward to having this store front activated. I believe this move to a larger facility is necessary in order to serve the neighborhood fans of Philz Coffee, desirable and as an established business in the neighborhood for over 10 years, consistent with the character of the neighborhood.

Please include this letter in the matter's permanent file and assure that it is provided to all Planning Staff and Commissioners and to any other hearing panels at the time that this matter is considered by them.

-Best

Daniel Bergerac
534 Castro Street
San Francisco, CA. 94114
[415/431-8901 Ext 1](tel:4154318901)

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Tracy Chiao, VP of Real Estate
1300 Potrero Ave. San Francisco, CA 94110
O:415.834.5933 M:[415.812.0288](tel:415.812.0288) www.philzcoffee.com



EXHIBIT C



584 Castro Street #336
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www.castrocbd.org
www.facebook/
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@visitthecastro

November 19, 2014

Honorable Members
San Francisco City Planning Commission
1660 Mission Street, 4th Floor
San Francisco, CA 94103

Project: Case No. 2014.1190C – 549 Castro Street - “Philz Coffee”

Honorable Commissioners:

This letter is written to express the Castro/Upper Market Community Benefit District’s (Castro CBD) support for Philz Coffee’s Conditional Use authorization (CU) for 549 Castro St.

Philz Coffee has had a very successful location at 4023 18th St. and this CU would allow the business to move from their 18th St. location to 549 Castro Street. The Castro CBD is concerned about the influx of formula retail in the neighborhood commercial district (NCD), and holds that there needs to be a healthy mix of formula retail and small businesses within the NCD. However, in this instance, Philz Coffee is already in the neighborhood and this would not be an additional formula retail, merely a move of about two blocks. Additionally, the Castro CBD board members believe that a Philz Coffee at 549 Castro St. will bring much needed foot traffic to the 500 block of Castro Street.

The Castro CBD supports the approval of this project.

Sincerely,

Andrea Aiello
Executive Director

cc: Supervisor Scott Wiener
Tina Chang, City Planner, San Francisco Planning Department
David Grey, Senior Project Manager, Philz Coffee

EXHIBIT D

Jody Knight

From: Tracy Chiao [tracychiao@philzcoffee.com]
Sent: Monday, November 24, 2014 2:42 PM
To: Jody Knight
Subject: Fwd: case #2014.1190c Philz

----- Forwarded message -----

From: **Brian Rizzo** <drbrian@rizzochiro.com>
Date: Thu, Nov 20, 2014 at 3:54 PM
Subject: case #2014.1190c Philz
To: tracychiao@philzcoffee.com

Dear Ms. Chang,

My name is Brian Rizzo. I work and live in the Castro neighborhood. I am in support of Philz Coffee moving from 4023 18th Street to across the street at 549 Castro. I look forward to having this store front activated. I believe this move to a larger facility is necessary in order to serve the neighborhood fans of Philz Coffee, desirable and as an established business in the neighborhood for over 10 years, consistent with the character of the neighborhood.

Please include this letter in the matter's permanent file and assure that it is provided to all Planning Staff and Commissioners and to any other hearing panels at the time that this matter is considered by them.

-Best

Brian Rizzo, D.C.
Rizzo Chiropractic Corp.
540 Castro Street
San Francisco, CA. 94114
www.rizzochiro.com

Office Hours:
M, W, F: 7a-2p
Tue, Th: 2p-7p

Contact:
drbrian@rizzochiro.com
[415.621.5772](tel:415.621.5772)