

# San Francisco's Formula Retail Controls Today and Tomorrow Ordinance Adoption

July 17, 2014



SAN FRANCISCO  
**PLANNING DEPARTMENT**

# Today's Agenda

- Presentation: Planning Department Ordinance
  - Four key elements:
    1. Large-Scale Retail
    2. Commission Guide for Formula Retail
    3. Changes of Formula Retail Tenants
    4. Definition & Geography
  - Questions & Concerns
- Next steps
  - Board of Supervisor



# 1. Large Scale Retail Economic Impact of Super Stores

# Super Stores: Existing & Proposed

Zoning	CU Required	Existing: CU Considerations	Proposed: Economic Impact Report
<b>All but C-3</b>	50,000 sqft+	<ul style="list-style-type: none"> <li>• Parking</li> <li>• Active street frontage</li> <li>• Traffic impacts</li> <li>• Employee demand on housing, transit, child care and social services</li> </ul>	<ul style="list-style-type: none"> <li>• Leakage analysis study</li> <li>• Employment analysis</li> <li>• Fiscal Impact</li> </ul>
<b>All but C-3</b>	+ 120,000sqft prohibited		
<b>C-3</b>	120,000		



## 2. Commission Guide for Formula Retail

Determining Locational Appropriateness  
& Performance-Based Design Guidelines

## The Way It Is Now: Undefined Criteria

Planning Code directs staff to review the following 5 criteria:

1. Existing **concentrations** of formula retail uses within the district.
2. Availability of other **similar retail uses** within the district.
3. **Compatibility** of the proposed formula retail use with the existing architectural and **aesthetic character** of the district.
4. Existing retail **vacancy rates** within the district
5. Existing mix of **Citywide-serving retail** uses and **neighborhood-serving retail** uses within the district.



# Characterization, Concentration and Context



*Illustration by Raven Keller for The Bold Italic*

# Performance-Based Design Review



minimized signage  
maximized transparency



# Performance-Based Design Review



contextual & compatible storefront design

# Performance-Based Design Review



# The Way It Would Be: Increased Review

1. Holistic evaluation of the District using qualitative and quantitative methods to characterize the District.
2. Adopt performance-based standards
3. Define daily needs-serving retail uses
4. Evaluate existing concentrations of the following within the vicinity
  - Formula retail uses
  - Similar retail uses
  - Citywide versus daily-need serving uses



### 3. Change of Formula Retailer Intensification & Abandonment



# CHANGE OF FORMULA RETAILER

Does the change involve any of the following?

- 1. Change of use category – including all retail uses
- 2. Change to a larger chain
- 3. Installation of a commercial kitchen
- 4. Large use size



Intensification:  
**New CU required**



Did the previous Formula Retailer  
receive CU authorization?



Evaluation of Current  
Neighborhood  
Needs: **New CU  
Required**



Was it operating as a Formula Retailer  
within the last 18 months?







Abandoned:  
**New CU Required**



Not an Intensification, Enlargement or Abandonment of use:  
**Performance-Based Design Guidelines applied administratively**

## Intensification– Even Within Same Use Type

Limited Restaurants	Intensification
	<ul style="list-style-type: none"><li>• 23,000 worldwide locations</li><li>• Convection ovens – no oven hoods/vents</li></ul>
	<ul style="list-style-type: none"><li>• 13,500 worldwide locations</li><li>• Deep fryers, heating stations, self-service drink dispensers</li></ul>
	<ul style="list-style-type: none"><li>• 40,000 worldwide locations</li><li>• Convection ovens – no oven hoods/vents</li></ul>
	<ul style="list-style-type: none"><li>• 400 worldwide locations</li><li>• Flame grills</li></ul>



## 4. Definition & Geography

## The Way It Is Now & The Way It Would Be

Feature	Existing	Proposed
<b>Number of Locations</b>	11 (CU required at 12)	19 (CU required at 20)
<b>Geography</b>	United States	Add Global
<b>Establishment</b>	Operating/Leased	Add Permitted/Delete Leased
<b>Subsidiaries</b>	Do not count	No change
<b>Accessory Uses</b>	Formula Retail requires CU	No change
<b>Standardized Features</b>	2 or more	No change
<b>Land Use Category</b>	<ul style="list-style-type: none"> <li>• Eating &amp; Drinking</li> <li>• Amusement</li> <li>• Sales and Service – Retail and nonretail</li> <li>• Financial Services</li> </ul>	Add the following Services: <ul style="list-style-type: none"> <li>•Fringe Financial</li> <li>•Limited Financial</li> <li>•Business and Professional</li> <li>•Personal Services</li> <li>•Tobacco Paraphernalia</li> <li>•Massage Establishment</li> </ul>



# Expanded Land Use Categories



**PopPhysique™**



THE DAILEY METHOD®



**Curves®**



**DASHING DIVA®**  
THE ULTIMATE NAIL SPA EXPERIENCE

# Central Market



## The Way It Is Now & The Way It Would Be

Feature	Existing	Proposed
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<b>Geography</b>	United States	Add Global
<b>Establishment</b>	Operating/Leased	Add Permitted/Delete Leased
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# Other Changes & FAQ



## Subsidiaries – Why Not?



**MeXX**

## Small Business Subsidiaries

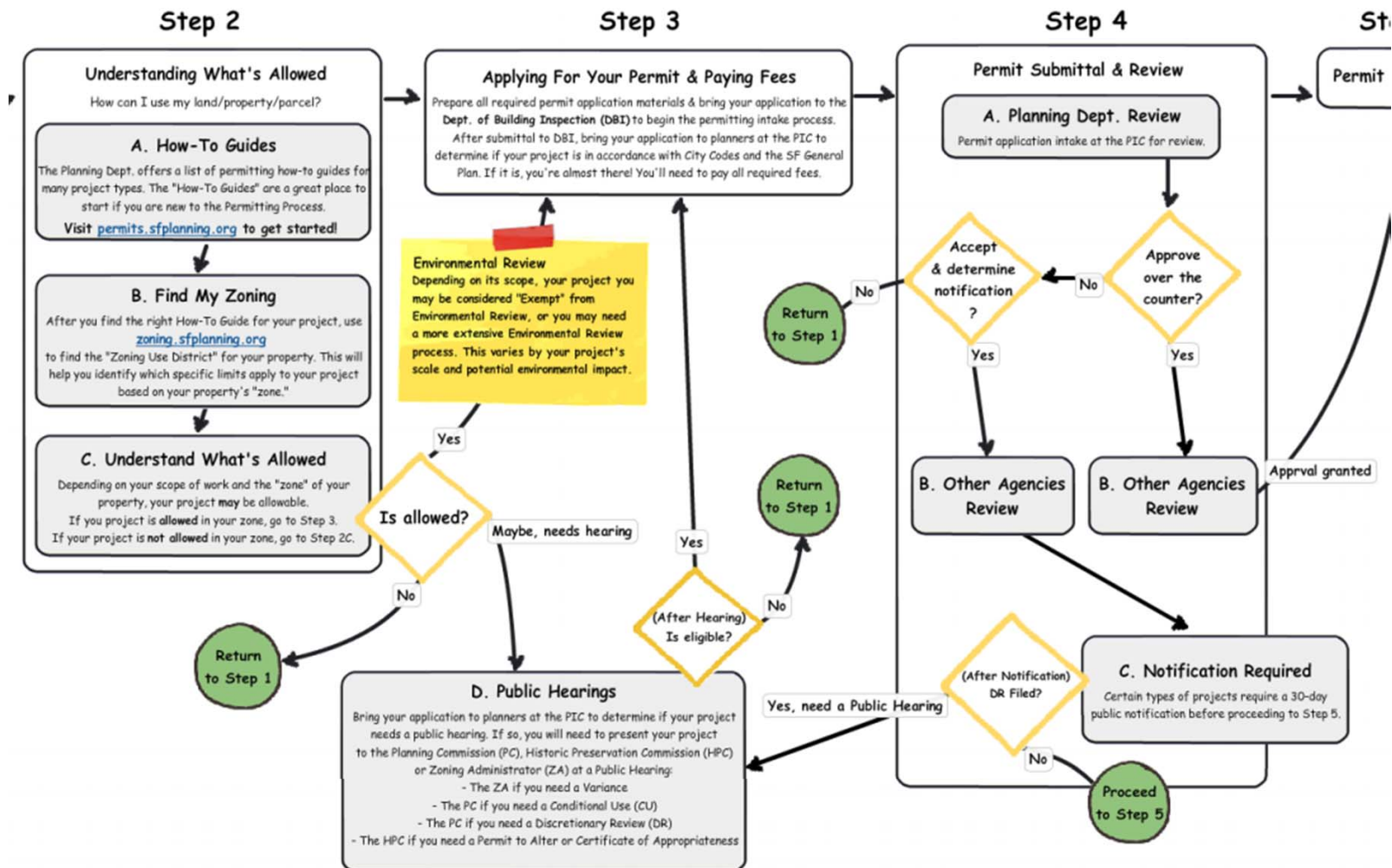


## Small Businesses Rely on ATMs

Feature	Existing	Proposed
<b>Formula Retail</b>	Not subject to FR Controls	Subject to FR Controls
<b>Exemptions</b>	N/A	<ul style="list-style-type: none"> <li>• Interior located ATMs not visible from the street not subject to FR Controls</li> <li>• Single ATM at the street front is permitted and subject to Performance-Based Design Review</li> </ul>
<b>Walk-Up Facilities</b>	Setback 3' or requires CU	No setback required
<b>Limited Financial in NCDs</b>	Require CU in 8 NCDs	Permitted where CU was required. If Formula Retail, CU still would be required.
<b>Financial Services in NCDs</b>	Require CU in 10 NCDs	Permitted where CU was required. If Formula Retail, CU still would be required.

# Why Can't the CU Process Be Reduced?

## San Francisco Planning Department Permitting Process





# Why Does there need to be a Balance?

Feature	Increased Regulation	Decreased Regulation
Threshold	11 locations in the U.S.	19 locations worldwide
Use Categories	Adding: <ul style="list-style-type: none"> <li>• Limited Financial</li> <li>• Fringe Financial</li> <li>• Business &amp; Professional Services</li> <li>• Personal Services</li> <li>• Tobacco Paraphernalia</li> <li>• Massage</li> </ul>	N/A
Geography	Expanding to Market St.	N/A
CU Review	Expanded criteria and analysis	N/A
Sign Controls & Design Review	Expanded discretionary power	N/A
Change of Use	Codified intensification & abandonment	Some changes will be administrative

## Revised Ordinance Signed to Form

- Page 9, line 15 – Added “aesthetics” to finding 7
- Page 10, line 5 – Corrected finding 10 typo
- Page 12, line 4 – Corrected redundancy in finding 18
- Page 14, line 11 – Reference Section 303 CU findings in addition to FR criteria
- Page 60, line 23 – Changed section heading to accurately reflect content of section
- Page 64, line 2 – Amended to include Formula Retail determination process to any application or entitlement rather than just building permit application
- Page 72, Line 16 – Added Non-Severability Clause



Thank you