



## Formula Retail Evaluation Matrix & Scorecard

Date: \_\_\_\_\_

Proposed formula retail project: \_\_\_\_\_

Planning Code Section 703.3(h) Guidelines <sup>1</sup>	Desirable Formula Retail	Undesirable Formula Retail	Comments/Examples	SCORECARD
(1) Existing concentration of formula retail uses within the N.C.D.			'Concentration' should also consider the physical proximity of both similar uses and other formula retail.	
(2) Availability of other similar retail uses in the N.C.D.	"Necessary or Desirable" Use in neighborhood not already adequately provided by local or other formula retail establishments	Competing with other necessary or desirable local businesses to the degree that it drives them out of business	Ex.: A national coffee retailer that drives other local coffee houses out of business.	

<sup>1</sup> Formula Retail regulated by Section 703.3(h) of Planning Code.

Planning Code Section 703.3(h) Guidelines <sup>1</sup>	Desirable Formula Retail	Undesirable Formula Retail	Comments/Examples	SCORECARD
<p><b>(3) Compatibility of proposed formula retail use with existing architectural/aesthetic character of N.C.D.</b></p>	<p>Is of a size comparable to or compatible with the scale of the district and compatible with architecture</p>	<p>Is of a significantly larger scale than other businesses and out of character with the neighborhood</p>	<p>A formula retail store that occupies multiple storefronts formerly occupied by a variety of displaced viable neighborhood-serving local businesses.</p> <p>Also consider the size of the use, the proposed signage, the willingness to modify standard features to better fit the neighborhood, and the creation of an active street use.</p> <p>Streetscape design and sidewalk maintenance are important issues.</p> <p>Does the "footprint" of the proposed use maintain the fabric of the neighborhood commercial district?</p> <p>If larger, is the proposed plan easy to re-adapt to desirable scale should the use change again?</p>	

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<b>(4) Existing vacancy rates within the N.C.D.</b>	Moves into space that has been difficult to fill at a reasonable rent.	<p>Displaces existing viable local businesses by offering higher rents to landlords</p> <p>“Undesirable” could include expansion of existing retail space size.</p>	<p>The vacancy rate alone is not a valid rationale for bringing a formula retail use to the neighborhood.</p> <p>A large space that local businesses have been unable to fill, such as a vacated supermarket space, might be a good location for a formula retail business.</p> <p>Displacement of a needed and viable laundromat by the expansion of an existing formula retail store would not be desirable.</p>	
<b>(5) Existing mix of citywide-serving and neighborhood-serving retail uses within the N.C.D.</b>	Transit and pedestrian oriented.	<p>Auto dependent uses.</p> <p>Oversupply of parking to the extent it becomes significant factor in transportation mode choice, and on local street conditions.</p>	<p>The mix of uses in adjacent neighborhoods should be considered, as well as how “automobile dependent” a use is.</p> <p>Proposed parking provision should determine trip generation (not reverse).</p>	

Additional Review Criteria	Desirable Formula Retail	Undesirable Formula Retail	Comments/Examples	SCORECARD
<b>Proliferation</b>	Has only one location in neighborhood.	Has multiple locations in same neighborhood.	Proliferation impact can be dependent on type of use and scale of use.	
	Has few or no other locations in the city.	Has many locations throughout the city in replicated format.	E.g., ubiquitous coffee and clothing chain retailers	
	Few or no other formula retail businesses offer the same or similar merchandise/ services in the neighborhood.	Other formula retail businesses offer the same or similar merchandise or services in the neighborhood.	In some cases, re-invention of a formula retail use to offset negatives of other locations in city could be beneficial (eg, walk-up grocery/ retailer to contrast to citywide driving-attractor stores)	

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<b>Rent and Lease Terms</b>	<p>Pays/offers rents and lease terms similar to other merchants.</p> <p>Creative lease terms might allow formula retail to subsidize other small spaces in a building scaled to the neighborhood that encourage foot traffic, break scale down and create new small business opportunities.</p>	<p>Pays/offers significantly higher rents per square foot than other neighborhood businesses.</p>	<p>This includes looking at the background causes of vacancies. Are commercial landlords holding rents overly high in favor of "credit tenants" to exclusion of small independents?</p> <p>High rents paid by formula retailer result in other landlords raising rents to comparable levels paid by high-end or high-volume formula retailers. Eg, designer-name clothing, cell phone retailers, high-end restaurants. This often happens when the leases of local merchants come up for renewal, the local merchant moves because it can't afford the rent, and the space sits empty waiting on a formula retail tenant, or local bar or high-end restaurant that can justify such high rents.</p>	

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<b>Quality of Life Impacts</b>	<p>Receives store deliveries during regular daytime business hours from small or medium size delivery vehicles.</p> <p>Provides home deliveries to non-driver customers.</p> <p>Scales and manages parking supply to avoid traffic generation.</p> <p>Mitigates the effects of traffic, parking and pedestrian safety in the neighborhood.</p>	<p>Receives store deliveries at very late or very early hours using large noisy delivery vehicles.</p> <p>No mitigation of traffic and parking impacts.</p>	<p>This includes parking and traffic impacts, consideration of the time of day or night impacts would occur, and impact on immediate neighbors within 3 blocks.</p> <p>Consider potential issues associated with garbage generation, disposal and management of site cleanliness.</p> <p>Consider potential odor and noise issues, both traffic-related if applicable and from operations.</p>	

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<b>Community Engagement and Respect</b>	<p>"Come early, and come prepared." Gains neighborhood support and has substantiated case.</p>	<p>"Undesirable" is simply politicking a proposal into the neighborhood</p>	<p>Chain store applicants should "Come early, and come prepared." This includes engaging with the neighborhood early (before signing a lease and before submitting a CU application), detailing why the use is "necessary or desirable" (per CU standard), explaining the proposed use in consideration of the CU evaluation criteria, and proposing how impacts will be mitigated.</p> <p>Ex: When a Levi's wanted to open in the Castro, they worked with other local independent retailers to ensure the new Levi's store did not compete with the same lines of jeans the local businesses were selling.</p> <p>Consider store's charitable programs/ community support and involvement philosophy.</p>	

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<p><b>Neighborhood Economics</b></p>	<p>Provides economic investment and/or necessary or desirable merchandise complimentary to merchandise offered by other local merchants.</p> <p>Works with neighborhood merchants to limit loss of viable desirable local businesses.</p>	<p>Comes into successful, vibrant neighborhood to siphon off customer base from local businesses.</p> <p>Ex: A Starbuck's that comes into a vibrant neighborhood and runs popular local coffee houses out of business by siphoning off a small percentage of their business.</p> <p>Forces other local businesses out through anti-competitive business practices and advantages achieved through economies of scale unattainable by small, locally owned businesses.</p>	<p>This includes consideration of short and long term benefits, impact on existing neighborhood businesses, provision of housing (where applicable) in conjunction with the use, and the cost of the products or services provided. Are there attendant affects on cost of living from price points of products?</p> <p>Also consider the potential benefits of a chain store as an "anchor" for surrounding smaller stores (if it is complementary to those uses rather than directly competitive)—need to think about the long term health of the neighborhood commercial district.</p> <p>Consider benefits or impacts on local employment opportunities</p>	