

APPLICATION FOR DETERMINATION OF "PUBLIC CONVENIENCE OR NECESSITY" ALCOHOL SALES

6014

Pursuant to Section 23958 and 23858.4 California Business and Professions Code

TO BE SUBMITTED TO CITY CLERK'S OFFICE ROOM 395, CITY HALL

COUNCIL FILE NO. 15-0669

BACKGROUND INFORMATION

TIME LIMIT FILE: _____

As part of the application, the applicant must submit the names and addresses of property owners of all property adjacent (including across the street/alley) to the subject property on gummed labels. Applicant must also submit the following information: 1) notarized signature, 2) a site plan prepared by a map maker (see Planning Department for map maker's list), 3) one 4- by 6-inch picture of the property from each side of the site, and 4) a copy of all previous building permits for the site (Room 400; 201 North Figueroa Street). When you meet with ABC to get the crime and license concentration information for your site, you must bring back the ABC information (on the ABC form) to the City Clerk.

Project Name Mrs. Gooch's Natural Food Markets, dba Whole Foods Market
Address 770 S. Grand Avenue, Los Angeles, 90014
Type of Business Supermarket
Applicant Mrs. Gooch's Natural Food Markets
Name 550 Bowie Street, Austin, TX 78703
Address 415 273-2900, Fax 415 273-2901
Phone Number/Fax Number
Property Owner CP IV G8, LLC
Name 1000 Sansome St, Suite 180, San Francisco, CA 94111
Address 415 273-2900, Fax 415 273-2901
Phone Number/Fax Number
Representative Jim Ries, Craig Lawson & Co, LLC
Name 8758 Venice Bl. Suite 200, Los Angeles, CA 90034
Address 310 838-2400, Fax 310 838-2424
Phone Number/Fax Number

A. PROJECT DETAILS

THE FOLLOWING QUESTIONS ARE TO BE ANSWERED BY ALL APPLICANTS:

- 1. Has the City previously approved a conditional use permit for alcoholic beverage sales at this site? Yes ___ No ___ If Yes, what is the City case number(s) NO
2. Have you recently filed for a new conditional use permit? Yes ___ No ___ If Yes, provide the City case number(s) Yes, ZA 2015-448(MCUP)

3. Has a previous ABC license been issued? Yes ___ No ___. If Yes, when and what type of license No. _____
4. Type of Alcohol Sales Requested (on- or off-site, beer and wine, full alcohol, etc.):
Type 21 off-site, Type 47 on-site, Type 86 instructional tastings _____
5. Size of Business _____ 41,100 sq. ft. supermarket _____
6. % of floor space devoted to alcoholic beverages _____ Approximately 4% (1,765 SF) _____
7. Hours of Operation:
- a. What are the proposed hours of operation and which days of the week will the establishment be open? _____ 6 AM to 12 AM daily _____
- b. What are the proposed hours of alcohol sales? _____ 6 AM to 12 AM daily _____
8. Parking:
- a. Is parking available on the site? (If so, how many spaces?) _____ Yes, 170 dedicated _____
- b. If spaces are not available on the site, have arrangements been made for off-site parking by lease or covenant? _____
- c. Where? _____
- d. How many off-site spaces? _____
9. Has the owner or lessee of the subject property been suspended from the sale of alcoholic beverages on the subject property or fined by the Alcoholic Beverage Control Department (ABC) in the last 365 days and if so, for what reasons? Provide ABC case number and a copy of final ABC action.
NO

10. Will video game machines or pool or billiard tables be available for use on the subject property and if so, how many? _____ NO _____
11. Will you have signs visible on the outside which advertise the availability of alcohol?
NO

12. How many employees will you have on the site at any given time? _____ 100 _____
13. Will all employees who sell alcohol attend the local State ABC training class on how to properly sell alcohol? _____ All employees selling alcohol will attend the local State ABC training class approved by the City of LA. _____
14. What security measures will be taken including:
- a. Posting of rules and regulations on the premises to prevent such problems as gambling, loitering, theft, vandalism and truancy.
- b. Will security guards be provided and if so, when and how many?
Yes, 2-3 guards from 1 hour before opening until 1 hour after closing

15. Will there be minimum age requirements for patrons? If so, how will this be enforced?

Not applicable

16. Are there any other alcoholic beverage outlets within a 600-foot radius of the site? Provide names and address of such business and type of business.

See Attached

17. Are there any schools (public or private and including nursery schools) churches or parks within 1,000 feet of your proposed business? Where? (Give Address)

See Attached

18. Will the exterior of the site be fenced and locked when not in use?

NO

19. Will the exterior of the site be illuminated with security lighting bright enough to see patrons from the street? YES

B. THE FOLLOWING QUESTIONS ARE TO BE ANSWERED WHERE ONLY THE OFF-SITE SALE OF ALCOHOLIC BEVERAGES IS SOUGHT:

1. Will the gross sale of alcohol exceed the gross sale of food items on a quarterly basis?
NO
2. Will cups, glasses or other similar containers be sold which might be used for the consumption of liquor on the premises? NO - cups will be sold as part of the grocery store, but not for the consumption of liquor on the premises
3. Will beer and wine coolers be sold in single cans or will wine be sold in containers less than 1 liter (750 ml)? YES - single cans/bottles of beer and half-bottles of wine (375 ml)
4. Will "fortified" wine (greater than 16% alcohol) be sold? YES

C. THE FOLLOWING QUESTIONS ARE TO BE ANSWERED WHERE ONLY THE ON-SITE SALE OF ALCOHOLIC BEVERAGES IS SOUGHT:

1. What is the occupancy load as determined by the Fire Department (number of patrons)?

2. What is the proposed seating in all areas? _____
3. Is there to be entertainment such as a piano bar, juke box, dancing, live entertainment, movies, etc.? (Specify?) _____

4. If a cocktail lounge is to be maintained incidental to a restaurant, the required floor plans must show details of the cocktail lounge and the separation between the dining and lounge facilities.

5. Food Service

- a. Will alcohol be sold without a food order? _____
- b. Will there be a kitchen on the site as defined in the Los Angeles Municipal Code? _____

6. Will discount alcoholic drinks or a "Happy Hour" be offered at any time?

Provide a copy of the proposed menu if food is to be served.

D. PUBLIC CONVENIENCE AND NECESSITY EVALUATION

The City of Los Angeles is very concerned if a new request to sell alcohol is subject to one of the conditions below. There is a strong likelihood that the City will deny your "public convenience or necessity" application if one of the above listed conditions apply to your site. (It is strongly suggested that you contact your Council Office and discuss your project. If the Council Office does not oppose your project, you should then check with your local area police vice unit as well as the Planning Department Public Counter at (213) 977-6083 for the determination of whether the proposed site is within a Specific Plan area, and the Community Redevelopment Agency (CRA) project staff at (213) 977-1682 or 977-1665, to determine if your site is in a CRA Project Area. If any of the five conditions listed below apply to your site, you should carefully consider if you want to file for a Public Convenience or Necessity finding.

1. The proposed site is in an area with a long-term level of undue concentration of alcoholic beverage outlets.
2. The geographic area is the target of special law enforcement activity, i.e., police task force is working on reducing vice in the area, or eliminating juvenile crime (such as cruising or graffiti) or gang activity.
3. The proposed site is in close proximity to sensitive uses, including schools, parks, churches, youth activities, homeless shelters, mental health or alcohol or drug treatment centers.
4. The geographic area has elevated levels of alcohol-related crimes, including but not limited to: public intoxication, driving under the influence, assault, vandalism, prostitution, drug violations, loitering.
5. The proposed site is located in a Specific Plan or Community Redevelopment Agency Project area which specifically includes a policy to control future alcoholic beverage sales.

E. If the project site is not subject to one of the above criteria, your project will be evaluated by the City Council with consideration given to the following possible benefits and detriments to the community:

1. Possible Benefits

Would the business:

- a. Employ local residents (how many)
- b. Generate taxes (provide estimate)
- c. Provide unique goods and services (which ones)
- d. Result in an aesthetic upgrade to the neighborhood (in what exact way)
- e. Contribute to the long term economic development (how)
- f. Provide a beneficial cultural/entertainment outlet (specify)

F. APPLICANT'S AFFIDAVIT

Under penalty of perjury the following declarations are made:

- a. The undersigned is the owner or lessee if entire site is leased, or authorized agent of the owner with power of attorney or officers of a corporation (submit proof).
- b. The information presented is true and correct to the best of my knowledge.

[Signature]
 Applicant signature Roberta Lang, Vice President

4/29/15
 Date

Signature of property owner if tenant or lessee is filling application

State of Texas

County of Travis

On 4/29/15 before me, Ryan Bissett
Date Name of Notary Public

personally appeared Roberta Lang
Name(s) of Signer(s)

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

[Signature]
 Signature of Notary Public



* The Planning Department has a list of private map makers who will prepare the names and addresses for you. This list is available at the public counter, Room 300, Counter N, 201 North Figueroa Street or 6251 Van Nuys Boulevard, Van Nuys. Alternatively, you may obtain a list of such adjoining owners from the City Clerk's Office (Room 730, 201 North Figuerba Street) or from a title company and prepare the labels yourself.

** You may add additional pages to your response if needed. Please utilize numbering system of this form to assist in the review of the responses.

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Under penalty of perjury the following declarations are made:

- a. The undersigned is the owner or lessee if entire site is leased, or authorized agent of the owner with power of attorney or officers of a corporation (submit proof).
- b. The information presented is true and correct to the best of my knowledge.

Date 5/4/2015

Applicant signature

[Handwritten Signature]

Signature of property owner if tenant or lessee is filling application

DANIEL GARIBALDI, AUTHORIZED AGENT

State of California

County of San Francisco

On May 4, 2015 before me, Bonny Chen, Notary Public

Date

Name of Notary Public

personally appeared Daniel Garibaldi

Name(s) of Signer(s)

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

[Handwritten Signature]
Signature of Notary Public



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ATTACHMENT "B"
APPLICATION FOR DETERMINATION OF
"PUBLIC CONVENIENCE OR NECESSITY"
ALCOHOL SALES – GROCERY STORE
Whole Foods Market -- MIXED USE PROJECT, 770 S. Grand Avenue

D.

1. The proposed site is in an area with a long-term level of "undue concentration" of alcoholic beverage outlets.

Pursuant to California Department of Alcoholic Beverage Control ("ABC") statistics, the number of allowed off-sale licenses in the Census Tract No. 2077.10 is 2 and the number of existing licenses is 18. The number of such licenses in this census tract meets the threshold of being "undue." The increase in licenses in the census tract has occurred over a 29-year period. Only six licenses were issued between 1986 and 2000. Twelve licenses were issued between 2007 and 2013. The more recent higher number of permits represents the growth and redevelopment in this census tract and an expanding population in the surrounding area. When this mixed-use project was approved, the Mitigated Negative Declaration identified approximately 51 related projects in 2005. Currently there are approximately 5 mixed use and residential conversion projects that are either completed or under construction in the immediate Project geographic area. Taken together, all of those projects will result in a significant population increase, therefore reducing the threshold of undue concentration. Although the ABC considers concentration based on number or residents in each census tract, the Central City of Los Angeles demographics and land use planning is based on boundaries of the Community Plan. Census tract data and boundaries based on the Census Tract boundaries (Approx. 0.4 sq. mile) are unrelated and do not coincide with the much larger Community Plan Boundaries (Approx. 3.02 sq. miles) that establish land use and zoning standards. There are 11 census tracts located within the Central City Community Plan area each having a varied population and concentration.

The licenses for the following outlets were issued over a long period of time beginning in 1986 up to the most recent license being issued in 2013. The Census Tract area could be considered in a long-term level of "undue concentration." However, the area is changing dramatically with the addition of numerous new housing projects that reduce the "undue concentration" figures that are calculated based on the population of each census tract.

The 18 uses in this Census Tract with off-site licenses issued by the ABC consist of facilities that either sell food and or other merchandise such as convenience stores or are restaurants or hotels. Since there are four uses classified as either restaurant or hotels, such uses are excluded from the required "determination of public convenience or necessity". Two of those outlets apparently surrendered their licenses as of 2015. Therefore, 14 outlets remain for calculation of PCN.

Similar uses to the Project that sell food in conjunction with alcoholic beverages.

USE	ADDRESS	LICENSE TYPE	ISSUE DATE	Approx. Distance from Project
Ralphs (Groceries)	645 W. 9 th St.	21 - Off-Sale General (Beer, Wine, Liquor)	7/12/07	800 ft. west
Target (Department store)	735 S. Figueroa St.	21 - Off-Sale General (Beer, Wine, Liquor)	9/28/12	1,400 ft. west
Smart & Final Iris (Food, household goods & cleaning supplies)	845 S. Figueroa St.	21 - Off-Sale General (Beer, Wine, Liquor)	6/26/13	1,400 ft. west

The above outlets tend to be very different from each other as well as the Project Supermarket. Ralphs is a typical big box grocery store, Smart and Final Iris is a big box warehouse-style store selling large volume packages of food and other merchandise such as professional cooking equipment and janitorial supplies, and Target is a department store that sells food with alcoholic beverages as secondary merchandise to its primary sales of clothing, toys, sporting goods, automotive supplies and other household goods and appliances. These outlets are unlike the Whole Foods Market objectives of selling foods that are of premium quality and produced with rigorous standards that lead to healthy eating. The sales of alcoholic beverages are secondary to the overall food sales and are a convenience to the shopper. The proposed use is therefore not a duplication of a similar use in the vicinity of the Project.

It is to be noted that the above alcohol outlets are all significant distances away from the Project and any impacts of anticipated overconcentration in the Census Tract would be mitigated by this separation between such uses.

Although the Census Tract is considered to be over-concentrated and a high crime reporting district based on the available data, the applicant is proposing a comprehensive high quality mixed use development that will not allow the sales of alcoholic beverages to be the predominant use of the Project and such sales will be a complement and convenience to the other uses in the neighborhood that are shifting with more upscale mixed uses, and commercial development coming into the area.

2. The geographic area is the target of special law enforcement activity, i.e., police task force working on reducing vice, graffiti, gang activity, etc.

Up until approximately the year 2000 there were many vacant historic office buildings, vacant underutilized surface parking lots and poorly maintained street level commercial businesses. This neglect resulted in an undesirable place to live and shop and higher crime rate figures could likely be contributed to this neglect. The

Project is located in an area of the Central City that is undergoing a dramatic change to the physical characteristics that have remained vacant or underutilized for many years. A multitude of shopping and residential choices are moving into the Central City area making it a more desirable place to live and shop.

The dramatic turnaround have resulted in many new residential mixed use projects similar to that under construction by the Applicant, reuse of historical structures for residential purposes and an overall upgrading of the street level commercial space, signage and the Broadway revitalization project as well as the street and side walk maintenance through a business improvement district. Such changes have made this area of Los Angeles a more desirable place to live, work and spend time as evidenced by the many mixed use projects, rehabilitation of existing structures and influx of new businesses that have changed the overall character of a once rundown and underutilized part of the City.

It is to be noted that total violent crimes reported since March 15, 2015 to April 11, 2015 have increased 7.6% and total property crimes have dropped 9.6% during that same time period for the Central City area. Recently the LAPD has revised the way in which it reports certain crime statistics. This revised reporting method has resulted in a showing of increased crime rates that previously were low. Therefore, the recent increase in violent crime could be due the revised reporting methods. The drop in property crime rates shows measurable improvement for the Central City area that could be associated with the changing demographics and vast property improvements throughout the area.

Note: The Applicant has unsuccessfully been able to obtain data from the LAPD as to whether the Project area is located in a geographic area that is the target of special law enforcement activity.

3. The proposed site is in close proximity to sensitive uses such as schools, parks, churches, youth activities, homeless shelters, mental health or alcohol or drug treatment centers.

The Whole Foods site is not in close proximity to sensitive uses such as youth activities, homeless shelters, mental health or alcohol or drug treatment centers.

Although there are four sensitive receptors were identified within the 1,000 foot radius by the mapping company vendor the "close proximity" appears to be well protected for any potential impacts of the sales of alcohol at the Project site. The supermarket is located within the street level of the mixed use project and controlled entryways internally and from the public sidewalks.

The proposed Project is located within the radius of 600 to 1,000 feet of Pershing Square Park at 532 Olive Street, Cathedral De La Fe Church at 703 South Broadway and The Fashion Institute of Design and Marketing ("FIDM") at 919 South Grand Avenue. The Christian Science Church at 730 South Hope Street is located within 600 feet of the Project.

Pershing Square Park is located approximately 950 feet away to the north and is well protected by the physical and visual separation of multistory buildings and major streets. Due to the commercial core density it is unlikely that impacts of the sales of alcoholic beverages would affect those using this park.

The Christian Science Church (which appears to be a small reading room) located at 730 South Hope is approximately 300 feet to the west and is separated by a six level

parking structure fronting on Grand Avenue which serves as a physical barrier to the church. Access to the church is further limited by of its frontage on Hope Street and the lack of access through the middle of the block.

The Cathedral De La Fe Church at 703 South Broadway is located approximately 800 feet away to the east and is located in a historic Broadway theater. It is well protected both visually and physically from the Project.

The students from the FIDM would likely be older students and might in fact shop at the grocery store and would likely be of age to purchase alcoholic beverages legally. However, any of the students who are under age would not be allowed to purchase alcoholic beverages as any other customers who are not of a legal age to consume alcoholic beverages.

4. **The geographic area has elevated levels of alcohol-related crimes, including but not limited to public intoxication, DUIs, assault, vandalism, prostitution, drug violations, loitering.**

The statistics provided by the ABC for Reporting District No. 162, states that the number of offenses in this reporting district is 385, as compared to an average of 282 offenses per district city-wide. Therefore, the Project is consider to be located in a high crime reporting district and would be considered in an area of undue concentration as a result of this statistic. Based on these statistics, it is not known if the geographic area has elevated levels of alcohol-related crimes, including but not limited to public intoxication, DUIs, assault, vandalism, prostitution, drug violations, loitering.

Although the ABC has documented a higher crime rate for the Census Tract, such figures appear to be out dated as all of the recent and current construction that is taking place for new mixed-use projects adding considerable residential dwelling units, as well as high end restaurants and rehabilitation of historic buildings for reuse as unique residential dwelling units. As a result, vibrant neighborhoods are evolving that are consistent with the community plan goals and objectives. Therefore, as more residential property is occupied such historic crime rates should be substantially reduced. As noted above the crime rate has been dropping in recent months for the Central City area.

5. **The proposed site is located in a Specific Plan or Community Redevelopment Agency Project area, which specifically includes a policy to control future alcoholic beverage sales.**

The proposed Project is not located in a specific plan area. The Project is located in the City Center Redevelopment Project area. However, specific policies that Project Area that would control future alcoholic beverage sales in the Project Area are not part of the Project Plan.

ATTACHMENT "C"
APPLICATION FOR DETERMINATION OF
"PUBLIC CONVENIENCE OR NECESSITY"
ALCOHOL SALES – GROCERY STORE

Whole Foods Market -- MIXED USE PROJECT, 770 S. Grand Avenue

E.

1. Possible benefits of the Project.

Would the business:

a. Employ local residents?

The supermarket within the mixed-use project is in a growing population area and plans to staff its facility with local area residents. The facility will have approximately 100 employees on site at any given time. Because the store's hours are from 6 a.m. – midnight, the exact number of employees at the store will depend upon the number of full-time versus part-time workers. There is also a labor force in the area near the Project that has a wide variety of skill levels, and the store will seek to draw from this labor pool to satisfy its staffing needs.

b. Generate taxes?

c. Provide unique goods and services (which ones?)

The Applicant is introducing a new market for residents in an underserved area of Downtown. Off-site sales of beer and wine will be offered as a supplement to food and home goods that will generate new tax revenue in the area.

The sales of groceries and related household items are the primary merchandise sold at the full service supermarket with alcoholic beverages being minor and a convenience for shoppers. In addition, there will be a restaurant for onsite consumption and a facility for instructional tasting.

The Project is located in an area where there are no similar full service supermarkets stores within approximately 800 ft. of the Project that sells alcoholic beverages as a convenience item. It is to be noted that there are other large establishments that sell food and or other merchandise with alcohol sales as a convenience item that are in the same census tract and differ greatly from the Whole Foods Market offerings.

There are other large outlets that sell food tend to be very different from each other as well as the Project Supermarket. Ralphps is a typical big box grocery store, Smart and Final Iris is a big box warehouse style selling large volume packages of food and other merchandise such as professional cooking equipment, and janitorial supplies and Target is a department store that sells food with alcoholic beverages as secondary merchandise to its primary sales of clothing, toys, sporting goods, automotive supplies and other household goods and appliances. These outlets are unlike The Whole Foods objectives of selling foods that are of premium quality and produced with rigorous standards that lead to healthy eating options that are not offered at the facility. Whole Foods Market is a superior destination for gourmet food products and services and is very different from a traditional supermarket. Such a facility will enhance the

neighborhood shopping experience. The sales of quality alcoholic beverages are secondary and complementary to the overall food sales and are a convenience to the shopper. The Whole Foods Market is therefore not a duplication of a similar use in the vicinity of the Project.

d. Result in an aesthetic upgrade to the neighborhood

The mixed use Project of which the Whole Foods Market is a part will substantially upgrade the aesthetic appeal of the Site. A well-designed building and a multi-level parking structure, reduces the total amount of hard surfaces on the Site are replacing the original vacant lot and surface parking lot. A number of trees and other surface landscaping are being added to shade ground floor areas and sidewalks around the building on the Site. Attractive landscaped buffers are also being added to the peripheries designed to beautify the street frontages.

The mixed use Project includes a publically accessible 41,100 sq. ft. supermarket with convenient access fronting on Grand Avenue and 8th Street. Off-street parking dedicated to the commercial uses is provided in a secure onsite lot that has direct access to the supermarket. The Whole Foods Market will include a street level restaurant that will serve to upgrade the neighborhood character by making a viable street scene that would draw patrons from the developing surrounding areas.

e. Contribute to the long-term economic development.

The Project consists of a mixed-use development, which includes 700 residential dwelling units and 41,100 sq. ft. of full service supermarket space with restaurant. The Applicant carefully surveys the market base that would support this type of supermarket. In this geographic area of the Central City a phenomenal amount of growth of residential, and mixed use development is occurring beginning as early as 2004. There are only two other similar facilities that are available to service this influx of population to a community that previously shut down at the end of the workday. Therefore, this growth has created a need for the services that can be satisfied by the supermarket and as result contributes to the long-term economic development by providing an increase in the local tax base. The Whole Foods Market is a hugely popular shopping facility and one of the most desirable supermarkets throughout the City of Los Angeles. The local residents are very fortunate that Whole Foods has chosen this location for one of its premier stores. The Applicant has chosen this location for its supermarket after careful market analysis that can assure success.

The request to sell a full line of alcoholic beverages for off-site consumption is an essential component of the Applicant's vision for its Downtown Los Angeles location. Alcoholic beverage items typically only comprise a small percentage of the total gross receipts in each supermarket, but their availability is important to stores' financial viability because customers expect to be able to purchase these items when they do their grocery shopping. The intended customers for the liquor sales are people who are primarily at the store for typical grocery-type products as expansively construed by Whole Foods Market and who appreciate the convenience of being able to purchase these items while they do the rest of their shopping. It is customary and expected that full-service supermarkets such

as Whole Foods will carry these items, in order for the Applicant to be able to meet its customers' expectations.

Therefore, this is a long-term economic investment that serves a broad range of potential customers in the Central City of Los Angeles.

As State and Local governments struggling to balance their budgets, this type of economic benefit is critical to maintaining necessary public services.

f. Provide a beneficial cultural/entertainment outlet.

Because the Project is a mixed use residential and commercial development that helps satisfy much needed housing together with a full service commercial grocery store and restaurant that helps satisfy shopping for food and other items typically sold at such a facility, there is no cultural/entertainment component to the proposal.

2. Possible detrimental impacts of the Project

Is the immediate area in which the license is sought subject to:

a. Excessive calls to PD.

Statistics provided by the ABC, state that the number of offenses in this reporting district is 385, as compared to an average of 282 offenses per district citywide. While the crime rate appears higher than the citywide average, numerous mixed use projects similar to that which is being built by the Applicant indicates that the demographics of the Central City is changing. Such influx of residences would likely bring these crime figures down because underutilized property will be developed in such a way as to promote a more vibrant neighborhood consistent with the goals of the Central City Community Plan and the Downtown Strategic Plan.

It is to be noted that according to the LAPD COMPSAT statistics total violent crimes reported between March 15, 2015 to April 11, 2015 have increased 7.6% and total property crimes have dropped 9.9% during that same time period for the Central City area. The drop in crime rates shows measurable improvement for the Central City area that could be associated with the changing demographics and vast property improvements throughout the area.

It is important to note that the vast majority of sales in the supermarket will not involve the sale of alcoholic beverages. It is anticipated that most of the products and services sold will be unrelated to alcohol. That said, the sale of alcoholic beverages is of critical importance to complement this facility to attract and cater to a sophisticated clientele. Since the establishments will be part of a carefully controlled, first-class shopping facility, and the sales of alcoholic beverages will be incidental to its primary operations, the supermarket will not take on the negative characteristics of a liquor store nor attract undesirable elements to the neighborhood. The Applicant is building a first class mixed-use project that will provide quality residential units in conjunction with a unique supermarket that is desired by many of the residents who currently reside in the Downtown area.

Note: The Applicant has been unsuccessful in obtaining current information concerning any potential excessive calls to the LAPD for the immediate area of the Project.

b. Police resources already strained.

The LAPD crime report is enclosed with the statistics for the Central City area. As mentioned above the number of offenses in this reporting district is 385, as compared to an average of 282 offenses per district city-wide. The supermarket of the mixed-use project is geared to the food shopper with alcoholic beverages being a secondary convenience item that would not likely cause additional strain on Police resources.

Note: The Applicant has been unsuccessful in obtaining current information concerning any potential strained resources of the LAPD for the immediate area of the Project.

c. High rates of alcoholism, homelessness, etc.

While there are potentially higher rates of homelessness in the Central City, the demographics of new development is changing the character of the area that would as a result of an improved economy in the area and residential needs that would intern serve to reduce such problems. The primary purpose of the Whole Foods Market is for the sales of high quality and healthy foods with alcoholic beverages as a complimentary and convenient use to a high-level supermarket that caters to gourmet and health conscious shoppers seeking specialty types of foods and beverages.

Finally, to ensure the supermarket will not create detrimental impacts on the surrounding area, the specific details will be reviewed pursuant to a Plan Approval. This will allow for a comprehensive review with input from the supermarket operator and the LAPD. Security plans, floor plans, and other recommended conditions, as well as the mode and character of the operation, will be addressed and assured through the imposition of site-specific conditions. This extra protection will ensure that no adverse impacts could result due to off-site alcohol sales.

Note: The Applicant has been unsuccessful in obtaining current information concerning any potential high rates of alcoholism, homelessness from the LAPD for the immediate area of the Project.

d. Large youth (under 21) population?

The area surrounding the mixed-use site is heavily commercial, office and mixed uses. According to US Census data estimates for 2009-2013 for Census Tract 2077.1 there are 1,685 residents. According to US Census information estimates for 2013, there are 69 families with youth under age 18 living in this census tract.

3. With regard to the operation of the proposed business:

a. Explain the method of business operation.

i. Volume of alcohol in relation to food sales;

The volume of alcohol sold in relation to sales of grocery items is significantly less – alcohol sales typically comprise 5% of the gross sales receipts. The vast majority of the gross receipts, however, will come from the primary sales items, including natural and organic fresh meats and produce, canned and frozen food, cosmetics, toiletries, and pet goods.

ii. Late hours? (post midnight)

The store will close at midnight.

iii. % of unskilled labor (no ABC training)?

The Applicant's policy for any store that sells alcohol is to have that's store's employees undergo a training program, which is typically more extensive than the State of California training. In stores throughout California and other states, the governing jurisdiction has frequently specified that the training procedure be the one specified in the Conditions of Approval rather than the State training. In this instance the LAPD requires that employees be enrolled in the Standardized Training for Alcohol Retailers ("STAR"). The Applicant has a zero tolerance policy regarding sales of alcohol to minors. Any employee who sells alcohol to a minor, even once, will be terminated.

In addition to the Applicant's internal training policy, staff and management will complete STAR training, sponsored by the LAPD, and/or any other training as is approved by either the LAPD or the ABC to monitor and identify potentially intoxicated patrons and/or minors in order to prevent the sale of alcohol to such persons.

Therefore, the percentage of labor that has not undergone ABC training will be very small, and comprised only of those new or temporary employees who have not yet undergone the training.

b. Does business duplicate a nearby business already in existence?

No.

c. Other non-alcohol sales business options available so alcohol sales not needed?

This unique supermarket for which the alcohol sales is requested will be located within the mixed use development and does not duplicate similar nearby existing businesses. The nearest large grocery store is located at 645 W. 9th Street which is approximately ¼ mile west of the Project. However, there are major residential developments throughout the underserved Central City and South Park areas that would likely patronize the supermarket as well as employees of the City and surrounding existing commercial, and new or under construction mixed use projects and office buildings.

The Whole Foods Market objective is to offer a wide variety of non-alcohol related goods including fresh, natural and organic foods, canned and frozen food, cosmetics, toiletries, and pet goods. Sales of alcohol will comprise only about 5% of gross receipts and would be provided as convenience to shoppers and is

not intended to be the primary purpose of merchandise sold in the supermarket. In addition, there will be a restaurant and instructional tasting incidental to this facility. The Whole Foods Market is a superior destination for gourmet food products and services and is very different from a traditional supermarket. The proposed supermarket would provide an enhanced shopping experience for the neighborhood.