

## Section C: Statement of Operations

30 June 2023

Smart & Final seeks to operate a Type 21 Off-Sale General and Type 86 Instructional Tasting Liquor license for its premises at 32937 Temecula Parkway, Temecula, CA 92592. This is a new location for Smart & Final, which is a full-service grocery store with proposed hours of operation from 6:00 am to 10:00 pm, daily.

Smart & Final functions as an essential service by offering fresh produce, quality meats, specialty items, and various sundry goods as well as alcoholic and non-alcoholic beverages to nearby residents, workers, and commuters as is expected with full-service grocery stores.

Smart & Final's unique warehouse-style grocery operation distinguishes it from other supermarkets in the immediate vicinity. This unique operation allows the chain retailer to offer the community with cost effective bulk sale items and as such, serves the needs of everyday shoppers and small businesses in the area. Smart & Final also has its own private brand of grocery products known as First Street, which was created to offer the same quality products as national brands at an affordable price. First Street delivers uncompromising quality with a wide range of products from grocery, frozen, and dairy goods to household cleaning products.

Smart & Final is applying for a Type 21 Off-Sale General license and a Type 86 Instructional Tasting license with the Department of Alcoholic Beverage Control. A Type 21 Off-Sale General license would permit the sale of beer, wine, and liquor for consumption off the premises. A Type 86 Instructional Tasting can only be issued to holder and premises of Type 20 or 21 licenses. The purpose of the allowed tasting is for instructional services intended to educate the customer on the alcoholic beverages sold on the premises.

The grocery store will not offer live entertainment and food will not be served for the grocery store's operations. Alcohol will not be served with the exception of instructional tastings as per the Type 86 Instructional Tasting License proposed for this location. This license allows retailers to familiarize or introduce a specific alcohol product to the public. Instructional tastings are limited both in frequency and volume. A qualified supplier facilitates instructional tastings no more than once a month. Glassware is not used and no money is exchanged.

Smart & Final is committed to the convenient, one-stop shopping experience that their stores have to offer. Fifty to sixty employees are expected to join the Smart & Final team at this location. Fifty security cameras will be installed to maintain a safe environment for their customers. This Smart & Final is expected to have 6,000 to 8,000 customers on a

weekly basis. One hundred and fifty-four (154) parking spaces will be available to patrons of this Smart & Final and other businesses in the commercial center.

Section D: Statement of Justification  
30 June 2023

Smart & Final is in pursuit of a Type 21 Off-Sale General license to allow the sale of a full line of alcoholic beverages for off-site consumption for its premises at 32937 Temecula Parkway, Temecula, CA 92592. Smart & Final is also seeking a Type 86 Instructional Tasting license to allow on-site instructional tastings of beer, wine, and distilled liquor at this location.

For 150 years, Smart & Final has been providing quality groceries and household products across more than 250 stores. It serves residents and small businesses with their extensive line of affordable, bulk-sale items. Smart & Final has demonstrated its commitment to serving and providing for the communities that it is a part of.

1. Does the proposed establishment have any unique features, which are not found in other similar uses in the community (i.e. types of games, types of food, and other special services)?

Smart & Final's unique warehouse-style grocery operation distinguishes it from other supermarkets in the immediate vicinity. This unique operation allows the store to offer cost effective bulk-sale items, serving the needs for both every day shoppers and small businesses in the area.

Smart & Final also has its own private brand of grocery products known as First Street that delivers uncompromising quality with a wide range of products from grocery, frozen, and dairy goods to household cleaning products. It provides an essential benefit to the community and the City of Temecula.

2. Does the proposed establishment cater to an under-served population (i.e. patrons of a different socioeconomic class)?

The proposed Smart & Final location will serve those living and working in the immediate vicinity by offering a large selection of its daily grocery, cleaning, and dry good supplies. Existing affordable multifamily rental units, Madera Vista Apartments and Temecula Reflections Townhomes, are in proximity of the subject location. Smart & Final would also support the working families and senior population residing in existing affordable housing units. With more affordable housing units slated for development within the City of Temecula, Smart & Final would help serve the surrounding neighborhoods by providing a service that is essential and beneficial to the community and its city.

3. Would the proposed mode of operation of the proposed establishment (i.e. sales in conjunction with gasoline sales, tours, etc.) be unique or differ from that of other establishments in the area?

Smart & Final's unique "cash and carry" wholesale-style grocery and retail operations cater to small businesses, non-profit organizations, and the community. The typical customer at a Smart & Final store is looking to buy in bulk, but is unable or unwilling to patronize traditional wholesale suppliers. Sales of alcohol are generally made in bulk quantity, therefore, the likelihood of customers purchasing alcohol for immediate consumption is very minimal.

4. Are there any geographical boundaries (i.e. rivers or hillsides) or traffic barriers (i.e. freeways, major roads, major intersections) separating the proposed establishment from other establishments?

There are no geographical barriers separating this Smart & Final location to other establishments. It is located along the Commercial "B"-zoned southern stretch of Temecula Parkway, or SR-79, and is therefore easily accessible to other establishments. As such, Smart & Final will complement the existing consumer base.

5. Is the proposed establishment located in an area in an area where there is a significant influx of population during certain seasonal periods?

The proposed establishment is not located in an area where there is a significant influx of population during certain seasonal periods. In addition to the community that uses this commercial corridor, this Smart & Final will serve the large residential areas that abut the proposed establishment.

6. Is there a proliferation of licensed establishments within the Census tract of the proposed establishment?

The subject site falls under Census Tract No. 0432.56. The Department of Alcoholic Beverage Control (ABC) reports that Census Tract No. 0432.56 has a population of 3,585 persons, and this census tract is authorized to have two (2) off-sale licenses. At the present time, there are seven (7) off-sale licenses within the census tract.

Although the current numbers of off-sale licenses exceed the base authorizations, this Smart & Final is a much-needed use and serves to improve the area with its amenities and services. The proposed project will provide the community with an essential service.

Of the seven active off-sale licenses in Census Tract No. 0432.56, only three are within 1,000 feet of the proposed establishment.

Off-Site Alcohol Sales Establishments within 1,000 feet of the Subject Site:

Type 20 Off-Sale Beer & Wine

Circle K (33165 Hwy 79)

Type 21 Off-Sale General

CVS Pharmacy 8896 (33205 Temecula Pkwy)

Ralphs 686 (33145 Temecula Pkwy)

The proposed Smart & Final will fall under the Commercial Area “B” land use designation, and is located within the SP-10 Vail Ranch Plan.

General Plan:

Under the City of Temecula General Plan, the subject property is planned and zoned for land uses that support the economic development and commercial vitality of the city. It would also further the intent of the General Plan by helping to maintain the character of the existing commercial area and adding to the diversity of retail and other commercial services in the surrounding neighborhood.

This Smart & Final supports the City of Temecula with the following General Plan goals:

General Plan (Land Use)

“Goal 1: A diverse and integrated mix of residential, commercial, industrial, recreational, public, and open space land uses.

Policy 1.3: Require development of unified or clustered community-level and neighborhood-level commercial centers and discourage development of strip commercial uses.

Goal 2: Successful, high-quality mixed use development projects containing a mix of residential, commercial/office, and civic land uses, supported by alternative modes of transportation.

General Plan (Economic Development)

Goal 2: A diverse economic base including a range of manufacturing, retail, service, and knowledge-based professional activities.

Policy 2.2: Plan for land use and development patterns that allow succession of use, adapt to Temecula’s economic conditions, and promote development of properly located and well-designed commercial centers meeting the diverse service needs of the City.

Policy 2.3: Use redevelopment powers and opportunities to enhance development, including the revitalization of older commercial areas through the development of mixed-use projects.

Policy 2.5: Promote retail and other support activities that provide a broader

selection of high-quality goods and services for residents, workers and tourists, including apparel, general merchandise, home furnishings and appliances.

Goal 3: A sound economic base providing a fiscal foundation for the City, quality community facilities, and high service levels.

Policy 3.5: Promote recycling and revitalization of older retail/commercial corridors within the City, including Jefferson Avenue, and potential increases in mixed use residential and commercial projects.”

Specific Plan – Vail Ranch (SP-10):

Smart & Final will be consistent with the General Plan Commercial Area “B” land use designation due to its diverse and community-oriented operations as a full-service grocery store.

This Smart & Final is located within the City of Temecula’s Vail Ranch Specific Plan and supports the Specific Plan with the following goals:

“12.a: Commercial Planning Area “B” will contribute to the anticipated need for a complex and diversified commercial land use inventory and employment base within the State Highway 79 corridor. Further, Commercial Area “B” will provide a close at hand commercial trip destination which will reduce the number of trips and trip lengths generated by the various planned developments in the State Highway 79 corridor.”

7. Are there any sensitive uses (i.e. schools, parks, hospitals, churches) in close proximity (500 feet) to the proposed establishment?

There are no sensitive uses within 500 feet of this proposed Smart & Final location.

8. Would the proposed establishment interfere with these sensitive uses?

The proposed Smart & Final will not interfere with any sensitive uses within 500 feet because there are none. With 150 years of experience providing quality goods to its patrons, Smart & Final has demonstrated its commitment to serving and providing for the communities that it is a part of by providing quality groceries and household products at affordable prices to the surrounding neighborhood.

9. Would the proposed establishment interfere with the quiet enjoyment of their property by the residents of the area?

The operations of the proposed Smart & Final will not interfere with the residents of the area. An open space buffer separates the proposed establishment from the residential areas. Additionally, the owners of this Smart & Final are prepared to ensure alcohol is always sold in a safe and professional manner, only impacting the community in a positive way. All store managers and clerks involved with the sale of alcoholic beverages will enroll in the Licensee Education on Alcohol and Drugs (LEAD), or an equivalent certification program for retail licensees, managers, and employees. Electronic age verification devices will be installed at each point-of-sale location to determine the age of any individual attempting to purchase alcoholic beverages or tobacco products. Video cameras will be maintained in operable conditions within the interior and exterior property.

For a large, well-known grocery retailer such as Smart & Final, the public has come to expect it to carry a certain set of products, including alcohol. Customers benefit greatly from the consistency provided at every Smart & Final location with its offerings of groceries, alcohol, and other retail items. Alcoholic beverages will not require a significant portion of the store's shelf space. The alcohol sales area is located near the management office so that products can be closely monitored. The total sales floor area is 23,175 square feet and only 418 square feet is allocated for the sale of alcohol. The alcohol sales area is only 1.8% of the sales area. As such, alcohol sales are secondary to the operation of this Smart & Final as a full-service grocery store.

10. Will the proposed establishment add to law enforcement problems in the area?

The applicant does not anticipate that the proposed Smart & Final will add to law enforcement problems in the area. This Smart & Final will implement security measures to ensure the safety of its customers and the surrounding area. There will be fifty (50) security cameras located throughout the premise, with adequate cameras located near the alcohol sales area. The alcohol sales area, which measures to 418 square feet, is located adjacent to the management office, allowing for more monitoring over the product. The physical components of the building, including but not limited to its size, height, and operations, blend with the commercial nature of the area. As such, the proposed establishment will not adversely affect or further degrade the adjacent properties, the surrounding neighborhood, or public welfare. This project will only serve to have a positive impact on adjacent properties and surrounding neighborhood, as the alcohol sales are secondary to the operation of a grocery store.