

Pearson, Alene

From: Schoonover, Steve
Sent: Friday, November 1, 2019 4:44 PM
To: Pearson, Alene
Cc: Lapira, Katrina
Subject: FW: Planning Commission Agenda, November 6, 2019

Good Afternoon,

We have updated the materials for Item 11 (2019 Housing Legislation). Please find them by following the link below, or by copying and pasting into your browser:

https://www.cityofberkeley.info/uploadedFiles/Planning_and_Development/Level_3_-_Commissions/Commission_for_Planning/2019-11-06_PC_Item%2011.pdf

Respectfully,

Stephen Schoonover
City of Berkeley
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(Gender pronouns he, him, his)

From: Alnas-Benson, Tiana
Sent: Thursday, October 31, 2019 10:21 AM
Cc: Lapira, Katrina <KLapira@cityofberkeley.info>
Subject: Planning Commission Agenda, November 6, 2019

Greetings,

The Agenda and related materials for the regular meeting of the Planning Commission on November 6, 2019 are available online. You may access the information by clicking on the link below, or by copying and pasting into your browser:

https://www.cityofberkeley.info/uploadedFiles/Planning_and_Development/Level_3_-_Commissions/Commission_for_Planning/2019-11-06%20PC_Linked%20Agenda.pdf

Previous Agendas can be found here:

https://www.cityofberkeley.info/Clerk/Commissions/Commissions_Planning_Commission_Homepage.aspx

Respectfully,

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November 4, 2019

City Planning Commission
1947 Center St.
Berkeley, California 94704

Dear Members of the City Planning Commission,

I am writing to you regarding the new, updated zoning measures that have been established this year - Modifications to the Zoning Ordinance to Support Small Businesses. In particular modifications numbers 2 and 6.

2. Create one "Food Service Establishment" category to characterize restaurant uses.
6. Reduce level of discretion for Food Service Establishments serving beer and wine incidental to seated foodservice from an AUP to a ZC.

I have been a member of the business community in Berkeley for 5 ½ years. Standard Fare serves our direct, local community. I really love being part of the fabric of our zone. The number of regular customers that come every day is very gratifying — there are many times in the day where I can now greet every customer in line by name.

We have been growing over the years and I have been looking into ways to accommodate this growth. I have been actively speaking with business developers in Oakland and Alameda. Moving is always a possibility, and I continue to consider the proposition. The only thing really holding me back is the community that we have built here at 8th and Carleton.

I was very excited to see the new developments in zoning while reading Berkeleyside — maybe I can expand Standard Fare right where we are. I then learned from Kieron Slaughter in the Office of Economic Development that these measures only apply to commercial zones and that the MU-R zone in which Standard Fare lies is not included in these modifications.

I would like to present to the Planning Commission, Council, and Clerk the idea of extending these benefits to all zones. It would make sense to have all food service establishments be awarded the ease of business change and expansion instead of just a select few.

I am interested in applying for a wine and beer license and to open for 2 nights a week for dinner, upgrades that our community is in support of. These changes under current zoning decree would take at least a year to accomplish. With the new zoning modifications, this time would be significantly cut, as well as the fees diminished. As a small business owner who wears many hats these changes mean the difference between success and demise.

It gives me great pleasure to operate my business in West Berkeley. I hope to both grow, and to continue business in Berkeley. I look forward to your response.

Many thanks,
Kelsie Kerr,
Chef/Owner Standard Fare
kelsie@standardfareberkeley.com
510-332-3592

Lapira, Katrina

From: Pearson, Alene
Sent: Tuesday, November 5, 2019 11:23 AM
To: Lapira, Katrina
Subject: FW: Zoning Request

From: Kelsie Kerr [mailto:kelsie@standardfareberkeley.com]
Sent: Tuesday, November 5, 2019 9:51 AM
To: Pearson, Alene <apearson@cityofberkeley.info>
Subject: Re: Zoning Request

Great, thank you so much.

I'd like to submit one final item, the following Berkeleyside article: <https://www.berkeleyside.com/2019/10/01/berkeleys-small-food-business-owners-get-creative-to-make-ends-meet-but-is-it-enough-to-compete-with-chains>

It includes comments from myself and other local business owners and I will be referencing it when I speak at public comment.

Thank you,
Kelsie Kerr
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NOSH Dishing on the East Bay

NOSH

Berkeley's small food business owners get creative to make ends meet. But is it enough to compete with chains?

By Cirrus Wood, Oct. 1, 2019, 12:38 p.m.



Aaron and Monica Rocchino, co-owners of the Local Butcher Shop in Berkeley. Photo: Cirrus Wood

Monica Rocchino knows how to use every part of a steer. “It’s kind of like a game of chess,” said Rocchino of The Local Butcher Shop, which she co-owns with husband Aaron Rocchino. “It’s about strategy and having a plan before the product even comes into the shop. You can’t be reactive.”

Every cut has a use and reuse. When there’s an excess of product or it undersells, the shop cuts it, cooks it, cures it or turns it into a sandwich, soup or stew. Unsold cuts get frozen and sold at a discount in their Butcher Basket program, or put in a take-home bin for employees to choose from.

Raw product with a shelf life on the wane gets processed into “fido food” (“We don’t call it dog food, we’re not allowed to,” said

Rocchino). Less desirable parts, like ears, are turned into chew toys for pets. Trimmings are ground for sausage filling. Bones go into stocks. Fat gets turned into tallow, which gets turned into soap. Leftover stock gets donated to the Berkeley Food and Housing Project, then Rocchino claims the tax write-off. At the end of the entire chain, any lingering inedible tidbits get shunted into city compost.

In other words, she’s someone who knows how to stretch her resources. In Berkeley, this has become a necessary skill for business owners balancing revenues against ever-increasing costs. Owners are finding it difficult to keep the doors open, even as the culture grows more food-obsessed.

“Small business owners are living day to day, paycheck to paycheck,” said Rocchino, which is why the butcher shop’s intensive waste management plan is not just moral principle but financial necessity. “We have to be on guard against any hiccup.”

The current atmosphere for retail is precarious: people otherwise able to manage their expenses are unable to recover from a sudden and unexpected bill. Berkeley entrepreneurs have to ask themselves, as they balance books against menus, just how many hiccups can they afford?

Rocchino pointed to April's kitchen fire at Grégoire as an example of the kind of event that can end a business. Grégoire reopened quickly, largely thanks to a generous insurance policy, but Oakland's Kronnerburger — now shuttered — wasn't so lucky after a similar fire last year.

“Small business owners are living day to day, paycheck to paycheck. We have to be on guard against any hiccup.” — Monica Rocchino, co-owner of The Local Butcher Shop

A fire doesn't even have to be local to negatively impact business. The Camp Fire last November devastated the town of Paradise, but also had a ripple effect on local economies elsewhere in the state, including Berkeley. The Local Butcher Shop was stuck with a bill of around \$12k in unsold turkeys and other products as customers canceled Thanksgiving orders and left town to escape unhealthy air conditions. (For comparison, the shop typically takes in about \$55k in revenue during the days leading up to Thanksgiving.)

“We made a lot of turkey sausage and turkey soup. We froze a lot of turkeys to make products later,” said Rocchino. Most of those products eventually made it out the door, but even six months after the fires, the business felt the impact.

Then there's the lease. Rocchino hopes to remain in her current location at 1600 Shattuck Ave., but is apprehensive about the renewal of her lease come May 1, 2021, when the property will go to fair market value. After

the jump to market rate, it will then increase by 2.5% annually for the next four years. Based on current market value, Rocchino will be able to afford the increase, but only just. Provided no hiccups.

The hard-knocks of homegrown

Berkeley's tourism website touts the city as “the capital of culinary and the hub of homegrown.”

“People from around the world come to Berkeley for acclaimed restaurants, arts, culture and shops,” the site reads, and offers the tagline, “Come for the culture, stay for the food.”

The number of customers isn't the problem. “The hard wall is how much people are willing to pay for food,” said Kelsie Kerr, a Chez Panisse alumna and owner of Standard Fare in West Berkeley. Kerr's innovative dishes featuring combinations of local, seasonal ingredients have garnered national attention. But honoring that vision has made it a challenge for Kerr to stay in business.

The costs of product, retail space and labor have all gone up — especially after last year's jump in minimum wage — while customer expectation on what a sandwich should cost has not. Diners may understand that costs are generally higher in the Bay Area than, say, Boise, Idaho, but still have standardized expectations on how much lunch should cost. “Nobody wants to spend \$30 on an entree,” said Kerr.



Kelsie Kerr, owner of Standard Fare in West Berkeley.
Photo: Cirrus Wood

Like Rocchino, Kerr has had to come up with her own creative solutions of limiting operating costs. Staff start at \$16 an hour at Standard Fare, plus tips. “I’m embarrassed that I depend on tips,” said Kerr, “but I can’t charge \$20 a sandwich.”

For comparison, starting wage at The Local Butcher Shop is \$16.50 for both front and back of the house. “Though if they came with previous experience it might be more,” said Rocchino.

But a glut of experienced applicants is not something Rocchino has dealt with lately. Nor has Kerr. “The people who come to apply for work are practically just coming out of college,” Kerr said. The pool of people willing to tackle Bay Area costs on food service wages has gotten smaller, younger and less experienced. The more experienced candidates are looking elsewhere for employment.

Kerr tries to offer other forms of compensation. Staff gathers for “family meal” at the end of each day and are welcome to take home any leftovers. As an alternative to expensive culinary school, Kerr says employees consider their time at Standard Fare as an apprenticeship program.

“I teach people how to cook,” she said. “I’m right there shoulder to shoulder, elbow to elbow with them. They’re learning from me. And you have to decide whether it’s worth your while. It has to mean something to you.”

“I’m embarrassed that I depend on tips but I can’t charge \$20 a sandwich.” — Kelsie Kerr, owner of Standard Fare

Because of the difficulty in finding and retaining employees, Kerr often finds herself doing the grunt work that fills in the gaps of an understaffed restaurant. She describes it as a never-ending shift. “You don’t want to overwork your staff, but you also want to make sure the work gets done,” she said.

The day Kerr spoke with Berkeleyside was a Sunday, her one day off. She apologized for being out of breath, as she had just finished loading several hundred pounds of produce for the week. She didn’t have the staff to do it.

Kerr has a dim outlook on the future of the food scene in “the capital of culinary.” Given the cumulative financial pressures of just staying open, she can understand how local restaurant owners might pivot to standardized, easily replicable menus that don’t require the input, oversight or innovation of someone with a lengthier culinary resume, a model that calls for fewer staff overall. It may be more financially viable to style a business on a fast-casual or take-out model than to offer a more traditional dining experience. With that said, Standard Fare is a counter-service restaurant.

The chain gang

Opening a business is a risk in itself, and the biggest that any independent restaurateur will take. But staying in business requires venturing a series of smaller risks. Berkeley may have elevated farm-to-table dining and California cuisine, but in Kerr's view, it probably won't give rise to the next big thing.

That kind of culinary innovation requires a market that allows restaurateurs the breathing room to experiment with spaces, menus and customers. For independent brick-and-mortar businesses — “on guard against any hiccup” — that room just isn't there. The businesses that can afford experimentation are nearly all corporate, or temporary pop-ups. Which means the next wave of restaurants most able to survive and thrive in Berkeley aren't likely to be Berkeley-based at all.

The most obvious big change to the Berkeley food scene is the abundance of chains in the downtown and campus-adjacent areas. Blue Bottle, Chipotle, Super Duper and Veggie Grill have all opened in the area in recent years, but so have a number of global Asia-based companies, including Amaausan Uji Matcha, Happy Lemon, Ippudo, Paris Baguette and downtown Berkeley's most recent addition, Marugame Udon, which are specifically targeted at UC Berkeley's large Asian student population. Part of the reason for chains' success is brand recognition. But it's also because chains have the money to afford the real estate and the risks of operating in Berkeley. When a location fails — such as the Taiwan-based 85°C Bakery, formerly located at the corner of Shattuck and University — it doesn't sound the death knell for the company headquarters.



Ippudo is one of several Asia-based global chains that have opened in Berkeley. Photo: Tracey Taylor

Having a bigger bank account and a corporate business model isn't a new innovation, but by offering simple, standardized and highly regimented production these chains can meet and often exceed customer price points. For example, from 7 a.m. to 10 a.m., a 12-oz. coffee and pastry costs \$3.95 at Paris Baguette. Less than half the cost as some independent Berkeley cafés.

The other business trend hitting Berkeley is more subtle, as companies blur the line between restaurant and tech. Chains and delivery services that can operate with fewer employees — or even employee-free — can create more product and serve more customers, at lower costs. The money-saving innovation has been to make the customer the worker.

Chains like Peet's, Starbucks, Chipotle, Sweetgreen and McDonald's all offer mobile apps for customers to order ahead and pay via mobile phone. In the case of the last, some McDonald's locations, such as the downtown Berkeley location at the corner of Shattuck and University, also have an in-store touch screen kiosk where customers can order and pay without interacting with counter staff.

The most extreme example of the online/offline, tech/restaurant mashup is Bbox

Cafe, a robotic coffee shop launched by Nourish, a CITRIS Foundry start-up, at 2121 Berkeley Way last year. (Bbox is currently on hiatus, but plans to reopen sometime this semester). Customers order coffee and breakfast items via mobile app or touchscreen while a robot claw positions cups, pours lattes, selects pastries, then pivots and places the order at a service window. The only human involved is the customer.



Bbox launched its robotic coffee shop in Berkeley last year. Photo: Sarah Han

Of course, tech isn't a failsafe. The now-closed meal service Eatsa in Southside Berkeley operated on a model similar to Bbox (albeit with at least a few humans on the other side of the window). And several early food delivery services that were started by Berkeley grads — Munchery, Sprig and SpoonRocket — have all folded.

But while there are examples of individual companies that failed, the overall practice of automating and outsourcing to the customer much of the labor that would otherwise be performed by staff is an industry trend that's not going away.

A successful tech innovation follows a three-tiered trajectory: first it's a novelty, then an advantage, then a necessity. And while independent businesses may have been able to keep up with previous tech developments —

such as websites and social media — newer innovations like mobile apps, touch screen kiosks and automated assembly lines are completely out of financial reach. And while delivery apps like Postmates, UberEats, Caviar and Doordash allow restaurants to tap into technology and drive up orders, they also take away more profitable dine-in customers and can sink a restaurant with high commission fees.

To be sure, there will always be diners who crave atmosphere, table service and high-quality, personally assembled food. But as any shopper who has ever opted for the self-checkout line, or any bank customer who prefers the ATM over a human teller can attest, there's something to be said for convenience.

That double-edge of technology and large bank accounts means that corporate chains are better positioned to enter the local market, and survive once there. They can cut through a Gordian knot that small, independent restaurateurs are still having to untie by hand. But an abundance of chain retail — headquartered overseas or out of state — however convenient, could hardly have been what the tourism bureau was thinking when it branded Berkeley “the hub of homegrown.”

To return to Monica Rocchino's metaphor, operating a restaurant in Berkeley is kind of like a game of chess, but one where the away team starts out with significantly more pieces, and more boards... and just more.

And whether it's cuts of beef or independent businesses, “you can't be reactive,” as Rocchino said. “You have to have a plan before it goes bad.”

Berkeleyside is looking to cover the food-service industry in Berkeley from the workers' perspective. If you work at a restaurant, café,

bar or other food business and would like to share your perspective on the costs and

concerns of living in Berkeley, please email nosh@berkeleyside.com

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