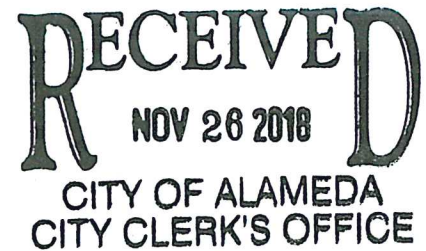


Statement of John Aldabyani
7-11 Franchisee
San Francisco, CA



I own and operate 2 7-11 franchises in downtown San Francisco. I acquired these businesses in 2008, prior to the passage of the City ordinance that caps the total number of tobacco licenses.

Although the San Francisco flavored tobacco ban will not be enforced until January 2019, I have stopped reordering flavored tobacco and menthol cigarettes. Based on reduced sales since I've stopped restocking flavored tobacco products, I anticipate total store revenue to decline by approximately 20%. Meanwhile, my fixed costs have remained the same and will likely increase next year.

I started to use my home equity line of credit and credit cards for business expenses. The cap on tobacco licenses is holding me and other tobacco licensees hostage. If I sell my businesses, the license cap prevents new owners from selling tobacco. I have tried to sell my businesses but no one is interested if they cannot sell tobacco.

Without the ability to sell tobacco, the total value of my stores is greatly diminished. I have no recourse but to try and wait out other licensees in Downtown San Francisco until there are fewer than the cap left in my district if I am to ever have a chance of recouping my investment.

I know of at least 2 other 7-11 franchisees in downtown San Francisco that walked away from their stores after unsuccessfully trying to sell them. Without the ability to sell tobacco, there were no interested buyers. I have heard that these franchisees each lost hundreds of thousands of dollars.

When you walk away from the franchise, you lose everything.

I am a responsible retailer that employs 32 people. The average wage for my employees is \$16.50 an hour. If I close my doors, these jobs will go away.

License caps protect large, corporate owned businesses and harm small business. Before cities consider imposing license caps, they should consider the impact that these rules have on small, independently owned businesses and add provisions that allow these small businesses to sell to a new owner who can also sell tobacco. It is unfair and should be illegal for cities to change the rules without making any accommodation for law abiding, responsible business owners.

The following Stores — were franchised

690 Market St. SAN FRANCISCO

195 Pine St. SAN FRANCISCO

Franchise was not able to find buyers
for these stores and left the stores
losing their investments of \$500,000.00
and more



Store Name	Store Address 1	Loss of tobacco License
1. HOMETOWN DONUTS #1	1930 Main St	
2. HARBOR BAY 76	3255 Mecartney Rd	
3. GRAND MARKET	1702 Lincoln Ave	
4. WEBSTER 76	1716 Webster St	Distance to Retailer
5. SHOREPOINT LIQUORS	410 Westline Dr	
6. A STREET CORNER STORE	1623 Park St	Distance to Retailer
7. Tobacco Superstore (841 marina)	825 Marina Village Pkwy	Distance to Retailer
8. LUCKY #700	815 Marina Village Pkwy	Distance to Retailer
9. GOLDEN 7 FOOD STORE	500 Lincoln Ave	Youth Area
10. Bonfare #25	650 Central Ave	Distance to Retailer
11. UC LIQUOR	1216 Park St	Distance to Retailer
12. Alameda Grocery	2001 Lincoln Ave	Youth Area
13. NOB HILL AISLE 1 #682	2681 Blanding Ave	
14. OZONE	1431 Park St	Distance to Retailer
15. ARCO AMPM #83388	1260 Park St	Youth Area?/distance to retailer
16. DAVE'S LIQUOR	1401 Webster St	Distance to Retailer
17. MAITLAND MARKET	109 Maitland Dr	
18. CHEVRON EXTRA MILE #5786	1701 Park St	Distance to Retailer
19. NEW RICH'S MARKET	1543 Lincoln Ave	
20. E-Z LIQUORS	901 Lincoln Ave	
21. 7-ELEVEN	639 Buena Vista Ave	Distance to Retailer
22. High Street Market	1505 High St	Youth Area
23. WALGREENS	1916 Webster St	Pharmacy
24. CHEVRON #2213	1802 Webster St	Distance to Retailer
25. WALGREENS	2300 Otis Dr	Pharmacy
26. Walgreens	1600 Park St	Pharmacy
27. SAFEWAY	2227 S Shore Ctr	Pharmacy
28. A-1 MARKET	1420 Encinal Ave	
29. 7-ELEVEN	2301 Lincoln Ave	Distance to Retailer
30. SANTOS LIQUORS	1431 Webster St	Distance to Retailer
31. ALAMEDA CELLARS	2425 Encinal Ave	Youth Area?/Distance to Retailer
32. ENCINAL LIQUORS	2172 Encinal Ave	Youth Area
33. SAFEWAY FUEL #202708	2234 Otis Dr	
34. PIT STOP	1601 Park St	Distance to Retailer
35. DISCOUNT CITY #3	1440 Webster St	Distance to Retailer
36. MARKET SPOT GROCERY	1200 Lincoln Ave	
37. LINCOLN MARKET	2070 Lincoln Ave	Youth Area
38. SAFEWAY	867 Island Dr	Pharmacy
39. NEUMANN ENTERPRISES, INC.	1725 Park St	Distance to Retailer
40. Bonne Cigar Store	1419 Park St	Distance to Retailer
41. Chestnut Encinal Market	1202 Chestnut	Youth Area
42. Jazeera Market	1525 Webster St	Distance to Retailer
43. Shell	1601 Webster St	Distance to Retailer
44. Better Buy Liquor	1801 Webster St	Distance to Retailer
45. De Lauer Newstand	1412 Park St	Distance to Retailer
46. Safeway	Mariner Square	Pharmacy

47. Safeway Gas	Mariner Square	
48. 76 gas station	1541 Park St	Distance to Retailer
49. Everest Market	2536 santa clara	

Pharmacys- 6

Youth Area~ 6

Distance to retailer-24 majority in downtown business districts

all small business on the list cannot sell stores because the tobacco license from city will not transfer due to cap

Please reconsider 1 tobacco retailer in 2500 to 1 in 1500

Please reconsider distance between businesses change from parcel to parcel to door to door
and shrink the distance to 300ft so that downtown locations can stay in business

The measurements done are approximates. There also maybe more tobacco retailers but this is what we found

N PAC

MARKET 2369

STORE 24003C

Akmeda 7-11

***** CURRENT PERIOD *****

***** YEAR TO DATE *****

PRODUCT	COST	RETAIL	CURRENT PERIOD		YEAR TO DATE	
			TOT RTL	% GP	TOT RTL	% GP
FRS FOOD/FOOD SRV	10,138	19,194	10.13	47.18	108,772	175,269
BEER/WINE/LIQUOR	13,610	20,097	10.61	32.28	122,992	184,329
CIGARETTE/TOBACCO	45,581	59,382	31.34	23.24	404,931	516,958
CANDY/SNACK/TREAT	11,410	21,371	11.28	46.61	110,978	207,995
NON-ALCOHOLIC BEV	19,210	44,466	23.47	56.80	172,553	414,023
TOTAL ALL W/O GAS	10,353	24,969	13.18	58.54	99,068	227,434

NOTE - FRS FOOD/FOOD SRV CONTAINS PMA'S: CONDIMENT/SUPPLY, FAST FOODS, FRESH BAKERY, FRESH FOODS, GRILL, PERISHABLES

NOTE - BEER/WINE/LIQUOR CONTAINS PMA'S: BEER, WINE/LIQUOR

NOTE - CIGARETTE/TOBACCO CONTAINS PMA'S: CIGARETTES, TOBACCO

NOTE - CANDY/SNACK/TREAT CONTAINS PMA'S: CANDY/CARDS, FROZEN TREATS, SNACKS

NOTE - NON-ALCOHOLIC BEV CONTAINS PMA'S: COFFEE, FOUNTAIN DRINKS, NON-CARB BEVERAGE, SLURPEE, SOFT DRINKS

NOTE - TOTAL ALL OTHER CONTAINS PMA'S: NOT IN THE ABOVE GROUPS.

* Note that is Year to Date
~~From~~ From Jan - Oct

* This does not reflect
 what loss of sales will be
 on ancillary items purchased
 by tobacco customers

* To TOT RTL shows tobacco items
 are 30% of our store sales

LARA WEISIGER

From: Debbie George <pillowdeb@aol.com>
Sent: Friday, November 23, 2018 5:07 PM
To: Trish Spencer; Frank Matarrese; Marilyn Ezzy Ashcraft; Jim Oddie; Malia Vella
Cc: LARA WEISIGER; janet@downtownalameda.com; linda@westalamedabusiness.com
Subject: smoking ban/counsel meeting

To:

Mayor Spencer and City Council members,

My name is Debbie George and I am a Retailer holding a State Tobacco Licence here in Alameda. My family has owned and operated a business on Park Street for over 45 years. During our small business career, we have seen and experienced a number of challenges we have had to overcome. Our business started out in the 70's as a decorator pillow shop and had to transition to whatever retail trend was on the rise to stay in business. We are proud to have served our community as a full line furniture store in our commercial property we purchased on Park Street supplying the needs of our customers until 2008 when the economy forced us to once again change direction to continue a small business in Alameda. We transitioned our 10,000 sq ft. building and created The Park Street Plaza which has brought in 6 "new" small businesses to Alameda.

Inside I have a boutique wine, beer and cigar store. THE PENDING MUNICIPAL CODE TO REQUIRE THE LICENSURE OF TOBACCO RETAILERS AND PROHIBIT THE SALE OF FLAVORED TOBACCO PRODUCTS, has a huge concern for a small business currently holding a tobacco licence from the state of California operating in the City of Alameda. I attended both sessions held by city staff as a retailer to give input in drafting this ordinance. We can understand the wave going across California about banning flavored tobacco as the manufactures have put advertising on their products to entice the sale to young people, in fact there is now a change in the sale to only over 21 for ANY tobacco and a price jump as well.

My concern is not the banning of flavored tobacco, it is the fact that this is a deliberate hit on a small business by limiting the licencees to 32 where currently we have 47 tobacco licences active. This was **pitched as a ban on flavored tobacco** but it includes a clause when a business that transfers ownership who is currently a State Licencee, the new owner will be denied by the city of Alameda for a local licence. This is how you choose to bring the amount of stores selling tobacco down from 47 to 32 ? No other city with my research has deliberately devalued a current business who wish to sell. Do you really think that a buyer when told on a spreadsheet the financial picture of the business will take a loss due to the city ordinance will actually purchase that business here ? What does the owner have to do, only choice is to reduce the price and walk away without their hard earned equity or just close down and go out of business. Too bad these mom and pops have to make this choice. Too bad the "convenience store" which is just that to the neighborhood a convenience store which will eventually be gone.

When the draft was presented to council and open for public comment, due to the number of speakers, mostly Encinal High students improving their grade, the speaker time was limited to 1 minute. Unfortunately, while the student improved their grade, the store owners were left with 1 minute to explain how this will impact their lives. No time allowed to explain how devastating this will be.

I am asking you, as a long time Alameda resident and business owner that you consider changing the formula from 1 in 2500 to 1 in 1200 inhabitants of the City. This will keep our small businesses and not devalue their business for a profitless sale or worse yet, out of business for not securing a buyer.

Thank you for your consideration,

Debbie George

.November 21, 2018

To: Mayor Spencer, Deputy Mayor Vella, Councilmembers Ashcraft, Oddie, Matarrese

From: Linda Asbury, Executive Director, West Alameda Business Association
Janet Magleby, Executive Director, Downtown Alameda Business Association

Re: Smoking Ban Ordinance

6-60.30. LIMITS ON ELIGIBILITY FOR A TOBACCO RETAILER LICENSE. ITEM D & G

**We are simply asking that our retailers are given the
opportunity to sell their stores.**

While we have concerns about the overall ordinance, there are 2 specific sections that are extremely detrimental to the current owners of licenses to sell tobacco. These owners have invested many years and resources to grow their business to become their retirement. In Alameda there are approximately 50 licenses. The current wording caps the total number of licenses to approximately 32 based on 1 license per 2,500 residents. And, the current wording on the distance between tobacco licensed retail stores creates a forced inability to sell their stores. This eliminates the value of the first 18 business that choose to sell or for retirement. It is indeed their sole source of retirement.

We are recommending the formula be changed to 1 license per 1,250 residents with a cap of 55 tobacco licenses. And we are recommending the distance between stores be 300 feet door to door. This will protect the 18 businesses that would immediately have **no value**. As one owner said after the last Council meeting on this subject, **"I lost my retirement in 12 seconds."**

6-60.30. LIMITS ON ELIGIBILITY FOR A TOBACCO RETAILER LICENSE. ITEM D

As to any Person who, on the date this Article is adopted, did not hold a State license to sell Tobacco Products, no license may issue to authorize Tobacco Retailing (i) in a Pharmacy (as defined in subsection F of this Section 6-60.30), (ii) within 300 feet of a Youth Populated Area (as measured by a straight line from the nearest point of the property line of the parcel on which the Youth Populated Area is located to the front entrance of the Tobacco Retailer's business location) or (iii) **within 300 (replacing 500)** feet of another Tobacco Retailer location already licensed under this Article as measured door to door (replacing a straight line from the nearest point of the property line of the parcel on which the applicant's business is located to the nearest point of the property line) of the parcel on which the existing licensee's business is located.

6-60.30. LIMITS ON ELIGIBILITY FOR A TOBACCO RETAILER LICENSE. ITEM G

The total number of Tobacco Retailer licenses within the City shall be limited to one for each **1,250 (replacing 2,500)**, or fraction thereof, inhabitants of the City. For purposes of this subsection, the number of inhabitants shall be determined by the most current published total available from the U.S. Census Bureau or the California State Department of Finance, whichever has been most recently updated, as of the date the license application is filed. This subsection G shall not apply to any Tobacco Retailer who obtains and maintains a license under subsections C of this section 6-60.30. No new license may be issued to authorize Tobacco Retailing if the number of Tobacco Retailer licenses issued equals or exceeds the total number of authorized pursuant to this subsection G.

This has become a very personal and heartbreaking situation for these business owners. They will already have significant loss of income by the adoption of the total Smoking Ban Ordinance. Please don't punish responsible business owners by taking away their ability to sell or retire.

Linda Asbury, Executive Director

linda@westalamedabusiness.com

West Alameda Business Association

Janet Magleby, Executive Director

Janet@downtownalameda.com

Downtown Alameda Business Association

LARA WEISIGER

From: Serena Chen <serenatchen@gmail.com>
Sent: Friday, November 16, 2018 12:33 PM
To: Trish Spencer; Jim Oddie; Frank Matarrese; Malia Vella; LARA WEISIGER; Marilyn Ezzy Ashcraft
Subject: It's About Time! The FDA Prepares to Tell Newport Cigarettes: You're Fired!!!

Dear Mayor Spencer and Members of the Council,
I thought you might be interested in this posting by the African American Tobacco Control Leadership Council. Co-chair Dr. Phil Gardiner testified at the hearing on 11/7. He is a nationally and internationally known expert on the issue of menthol and African Americans.

When it comes to tobacco control policies, local governments have led the way. It was only after a large number of California cities passed smoke-free workplaces and restaurants in the early 1990's, that the State of CA passed the statewide smoke-free workplace act in late 1994.

Please hold to the strong protections you adopted and not be swayed by those who want to weaken the provisions. You will be giving courage to other cities to adopt stronger protections and courage to the state and FDA to follow us. This law will save lives.

Serena

November 15, 2018

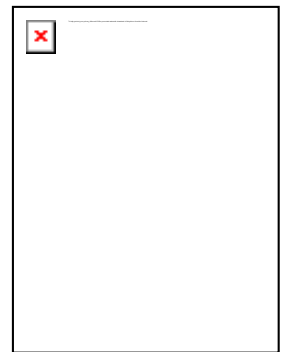
The African American Tobacco Control Leadership Council (AATCLC) strongly supports any action the U.S. Food and Drug Administration (FDA) proposes to take that will end the availability of menthol cigarettes. Additionally, the AATCLC strongly encourages the FDA to include other flavored tobacco products, including cigars, in this ban. It has been shown (Ambrose et al 2005) that over 70% of African American youth who smoke are smoking menthol cigarettes. This same group has a heavy use of flavored cigars. Additionally, it has been documented that 70.1% of white youth who smoke are also using flavored cigars.

Here's the full posting:~

<http://campaign.r20.constantcontact.com/render?m=1101438699921&ca=3dedddc0-6547-475d-a5d4-6fa49d61742e>

Serena

Serena Chen



Chicago-First City to Regulate Sales of Menthol Cigarettes-
Media Campaign