



Starbucks Coffee Company Company Headquarters

2401 Utah Ave S

Seattle, WA 98134

January 22, 2016

Pacific Palisades Community Council

PO Box 1131 Pacific Palisades, CA 90272

RE: ZA 2015-4233-CUB / 15300 Sunset Blvd, Pacific Palisades (proposed Village Starbucks CUB for onsite beer and wine consumption); hearing date January 26, 2016

Dear Pacific Palisades Community Council members,

Starbucks is very excited to bring the Evenings Program to its store located at 1300 Sunset Boulevard in Pacific Palisades. The Evenings Program will further enhance the customer experience by expanding the current menu including new, delectable foods such as: truffle mac & cheese, artichoke & goat cheese flatbread, bacon-wrapped dates, and chicken skewers. The expanded menu provides a wider variety of offerings to its customers, however, nearly every customer still goes to Starbucks for the purpose of buying a coffee. The addition of beer and wine is not meant to deter people from purchasing coffee; it is meant to provide a more diverse selection of beverages for the few customers not wanting coffee in the afternoon and evenings hours of the day. Starbucks has always been and will continue to remain a coffee business at its absolute core, but will also continue to evolve and innovate to provide a better and unique customer experience.

The Pacific Palisades Community Council letter of questions and concerns regarding our application of a CUB to allow incidental beer and wine sales at the subject location was received on Tuesday, January 19, 2016. Herein are the responses to those questions.

How long has Starbucks been serving beer and wine in stores in the Los Angeles area and what are the details and experience (positive and negative) at specific locations of area stores similarly situated to Pacific Palisades (i.e., within small and primarily residential communities)?

The first store to implement the Evenings Program within the greater Los Angeles area is located at 26531 Agoura Road, Calabasas which obtained their Type 41 ABC license in October 2012. Many of the Los Angeles area stores were activated in 2015. One of these stores is located at 5050 190th Street in Torrance which is a predominately residential area, similar to this Pacific Palisades store.

The Torrance store obtained their Type 41 ABC license in February 2015, and has been offering beer and wine to its customers for nearly a year. The community had concerns about alcohol being introduced to their local coffee shop, but after seeing the program in operation the concern from the community has diminished completely

Why was the Palisades' small central commercial area (known as the "Village") chosen for the Starbucks "Evenings Program"?

The "Village" was chosen for the Evenings Program because the store is well established within the area, and has a high volume of customer traffic. This is a new and different initiative for Starbucks, and the goal is for the program to succeed. Our customers will enjoy the new, expanded, and enhanced food menu, and, if the customer so chooses, also pair the delicious food with a glass of wine or beer. The Palisades area provides a wonderful scene for residents to walk along Sunset to enjoy their local stores.

Assuming the Evenings Program is expected to generate more business, please provide details as to expected numbers of additional customers if beer and wine sales are introduced.

The Evenings Program is expected to generate more business in terms of sales, but it is not expected to draw new or additional customers. The majority of the increased sales are from the expanded food menu. The purpose of the program is to enhance the experience for our current customers, and provide a new reason for those same customers to return to their favorite Starbucks in the evening.

The "Village" Starbucks is near many local schools, frequented by families and includes patio seating that is open to the street, easily accessible and shared with an adjacent Subway. Many students congregate at this Starbucks. What specific steps will be taken to ensure that the consumption of beer and wine will occur solely on-site by adult Starbucks customers?

The Torrance store previously mentioned is located near a number of grade schools (Adams Middle School, Torrance West High School, Redondo Union

High School, Bert Lynn Middle School, and St. James Catholic School). There have not been any incidents of children consuming alcohol at the store. Partners are trained to identify situations which require ever more diligent monitoring of alcohol consumption. The most sensitive situation would be a group of young adults socializing at the store, where there are adults both over and under the age of 21. This situation would be highly scrutinized by the partners to ensure the adults under 21 are not trying to drink their friend's beer or wine. In the event a minor is seen drinking alcohol appropriate steps would be taken at the discretion of the store manager on duty, which include, but not limited to, asking the individuals to leave the store, and, if necessary, contacting the local authorities.

Will existing or potential jobs for under-age youth be eliminated due to beer and wine sales?

Any current underage partners at the subject Starbucks location will be able to transfer to another store which is only about one mile away; employment of our underage partners will continue, and anyone required to relocate would be given ample notice and assistance with transferring to another, nearby location. In California, Starbucks does not hire any minor under the age of 16. Minors age 16 or 17 are not typically employed due to strict state minor work regulations, but would not be employed at this location if alcohol is sold. Adults aging from 18-20 would also not be able to work at this specific location. However, there are many Starbucks locations, and persons under the age of 21 would be able to apply for positions at one of our many non-Evenings stores in the area.

Would Starbucks consider implementing a later start time (e.g., 5 p.m. rather than noon)? The hours at another Evenings Program location (9800 Santa Monica Blvd., Beverly Hills – a dense, highly commercial area, unlike the Palisades location) are 2 p.m. – 9 p.m. M-Sat. (alcohol service to end 1/2 hour before store closing; 12 pm start time only on Sundays).

The request was made to start alcohol sales at 12 p.m. to allow the store the flexibility to determine the best time in the afternoon to start service of alcohol. On weekends, the store would like the ability to begin service at 12 p.m. in order to provide our service and offerings to the weekend lunch crowd. Weekday service of alcohol would likely start after 12 p.m., preferably starting at 2 p.m.

How many staff members will work during the hours that beer and wine will be served? How many staff members in addition to baristas (behind-the-counter servers) will be assigned specifically to monitor consumption of alcohol in indoor and outdoor seating areas?

Starbucks has an average of 4 partners working per shift, but will vary during peak hours and holidays. Current staffing during the hours of 12 p.m. to close are as follows: 3 partners 12 p.m. – 2 p.m., 4-5 partners 2 p.m. – 4 p.m., 3 partners 4 p.m. – close. Once the Evenings Program is implemented at this location, one additional partner would be staffed for the aforementioned hours, however,

additional partners could be staffed if deemed necessary by management. All partners are required to have completed training in alcohol procedures and monitoring for alcohol service and consumption. Staff works as a team to identify when alcohol is being served to a customer, and partners cycle responsibility for walking through the customer areas to closely monitor the consumption of alcohol within the indoor and outdoor seating areas.

How will staff members be trained in carding procedures, service of alcohol and the like? Will those serving alcohol be required to be certified under State or local regulations applicable to bartenders?

Store partners are required to complete online training courses which demonstrate proper procedures for verifying valid identification, monitoring, and service of alcohol. Further, the City of Los Angeles imposes a condition for all staff to attend a Standardized Training for Alcohol Retailers (S.T.A.R.) session sponsored by the Los Angeles Police Department. State and local regulations do not require the partners to be certified as bartenders because the store only offers bottled beer and wine, there is no service of liquor. Furthermore, the point-of-sale registers have an auto age verification feature. Anytime alcohol is purchased there will be a pop up on the screen to ensure staff has verified the customer's age.

Can a limit on the number of alcoholic beverages per customer be imposed?

Yes, customers are limited to one alcoholic beverage per valid ID shown at the time of purchase. In addition, partners will observe, monitor, and use discretion to determine if a limit on the total number of drinks sold to any one customer over the course of the patron's stay is necessary. Further, consumption of alcohol is limited by factors such as: duration of visit, high beverage price point (\$5-6 for beer, \$7-15 for wine), no happy hour (i.e. discounted drinks), and not a bar-like destination.

Even without beer and wine sales this location has inadequate seating during peak hours. The plans provided show only one seating area proposed to be changed to a "Café." What percentage of customers purchase food with alcoholic beverages? Why are the additional dining options being offered? How will the space be reconfigured, if at all, to accommodate the changes in dining and drinking options? Will there be a net increase in seats provided?

The expanded menu is being proposed because Starbucks is wanting to elevate the customer experience. Since starting the Evenings Program in Seattle back in 2010, Starbucks has found it to be a new, alternative, and innovative program which does enhance their stores. The alcohol portion of the program has been very incidental to the overall sales. Beer and wine only account for about 1% of daily transactions. The purpose of the added alcohol is to help boost the sale of

the delicious food items. When beer or wine is purchased, about 37% of those transactions also include food, compared to a typical transaction which includes food at a rate of about 25%.

There are no proposed changes to the layout or configuration of the store. The store currently has 52 seats available, 29 indoor seats and 23 outdoor seats, which are to remain. The “Café” label is how Starbucks identifies the customer seating area on their plans. Customers are welcome to contact the store prior to arrival to reserve the community table for group meetings to ensure space is available.

Please provide details (if any) on expected changes to deliveries (timing, frequency, number and types of trucks, etc.) as a result of the Evenings Program.

There will be no change to the food delivery schedule for this store as a result of the Evenings Program. Deliveries occur daily prior to the store opening for business by a single, small delivery truck. Beer and wine are delivered separately on an as needed basis, and are expected to be made within normal store operating hours.

The plans provided show the addition of new patio railings which will not completely enclose or prevent access from customers of nearby businesses or passerby (non-Starbucks customers). Please provide additional details as to the configuration and height of the railings.

The patio is divided into two separate seating areas due to the building and existing enclosure orientation. The southeast patio area will be fully enclosed with the installation of a black, metal gate at the entrance to this area. The northeast patio area will be mostly enclosed, but will not be fully enclosed. California ABC allows for a portion of the patio area to be open for ingress and egress at the point of entry. The additional railing will match the design and materials of the existing railing surrounding the patio.

Will Starbucks be presenting any proposed changes to the Pacific Palisades Design Review Board, per the applicable Pacific Palisades Commercial Village and Neighborhood Specific Plan?

On November 10, 2015 the Los Angeles Planning Department determined the proposed railing addition does not qualify as a project per the Pacific Palisades Commercial Village and Neighborhood Specific Plan, therefore, review by the Design Review Board is not required for approval. However, prior to said determination, the proposed changes were presented to the Pacific Palisades Design Review Board on October 14, 2015; the board had no issues and were supportive of the proposed railing addition.