



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Mayor Chuck Reed
Councilmember Kansen Chu

SUBJECT: SEE BELOW

DATE: August 18, 2011

APPROVED:

Chuck Reed

DATE:

8/18/11

Kansen Chu

SUBJECT: APPEAL OF THE PLANNING COMMISSION'S DECISION TO DENY A CONDITIONAL USE PERMIT AND DETERMINATION OF PUBLIC CONVENIENCE OR NECESSITY TO ALLOW OFF-SALE ALCOHOL AT AN EXISTING GENERAL RETAIL STORE/PHARMACY LOCATED AT 2105 MORRILL AVENUE

RECOMMENDATION

Approve an appeal of the Planning Commission's decision to deny the off-sale of alcohol as an allowed use and support a Determination of Public Convenience and Necessity.

BACKGROUND

Walgreens is a trusted retailer with decades of experience and is a responsible vendor with an effective training and management policy for controlling the sale of alcohol. Walgreens operates close to 300 stores throughout California that sell alcohol as a matter of convenience to customers. Two of these stores are located in San José at 2799 South White Road and 4095 Evergreen Village Square. There is no indication of any negative impact from the sale of alcohol on the communities surrounding these stores or at any store in which Walgreens sells beer and wine.

Walgreens has been a tenant at the Northwood Shopping Plaza since 1972 and voluntarily opted to discontinue the sale of alcohol at this location in 2001. Walgreens used to have a very large alcohol department and it found it time consuming and difficult to maintain. At this time, Walgreens is proposing to scale their alcohol selection in an effort to bring a product back that they carried for decades.

There is positive support from the community supporting Walgreen's decision to provide this service to the neighborhood as evidenced in the postcard survey that was mailed out to residents in July. Out of 900 surveys mailed out, we received 105 surveys with the support 59% of the responders. During the three decades that Walgreens sold alcohol at this location, community members recall that they did not find any negative effect on the community and felt that this service was an added convenience to their neighborhood.

We recommend approval of the proposed Conditional Use Permit with the off-sale of alcohol. The approval of a Conditional Use Permit to allow off-sale alcohol will permit Walgreens to serve the public convenience or necessity by providing customers with the convenience of "one stop shopping," strengthen their position in the neighborhood to competitively provide goods and services to the community, and further prevent sales tax leakage to our neighboring cities.