BOARD OF APPEALS, CITY & COUNTY OF SAN FRANCISCO

Appeal of		Appeal No. 23-040
THE JUG SHOP,)
	Appellant(s)))
)
VS.)
DEPARTMENT OF PUBLIC HEALTH,))
	Respondent	•

NOTICE OF APPEAL

NOTICE IS HEREBY GIVEN THAT on August 30, 2023, the above named appellant(s) filed an appeal with the Board of Appeals of the City and County of San Francisco from the decision or order of the above named department(s), commission, or officer.

The substance or effect of the decision or order appealed from is the ISSUANCE, on August 18, 2023, to the Jug Shop, of a Notification of Tobacco Permit Denial (EHD ID No. 11992) (denial of a Retail Tobacco Sales Permit) at 1648 Pacific Avenue.

APPLICATION NO. EHD ID No. 11992

FOR HEARING ON October 11, 2023

Address of Appellant(s):	Address of Other Parties:
The Jug Shop, Appellant(s) c/o Michael Priolo, Agent for Appellant(s) 1648 Pacific Avenue San Francisco, CA 94109	N/A



Date Filed: August 30, 2023

CITY & COUNTY OF SAN FRANCISCO BOARD OF APPEALS

PRELIMINARY STATEMENT FOR APPEAL NO. 23-040

I / We, The Jug Shop, hereby appeal the following departmental action: Denial of a Retail Tobacco Sales Permit (EHD ID No. 11992) by the Department of Public Health which was issued or became effective on: August 18, 2023, for the property located at: 1648 Pacific Avenue.

BRIEFING SCHEDULE:

Appellant's Brief is due on or before: 4:30 p.m. on **September 21, 2023**, **(no later than three Thursdays prior to the hearing date)**. The brief may be up to 12 pages in length with unlimited exhibits. It shall be double-spaced with a minimum 12-point font. An electronic copy shall be emailed to: boardofappeals@sfgov.org, julie.rosenberg@sfgov.org, and henry.lifton@sfcityatty.org.

Respondent's and Other Parties' Briefs are due on or before: 4:30 p.m. on **October 5, 2023**, **(no later than one Thursday prior to hearing date)**. The brief may be up to 12 pages in length with unlimited exhibits. It shall be doubled-spaced with a minimum 12-point font. An electronic copy shall be emailed to: boardofappeals@sfgov.org, julie.rosenberg@sfgov.org, michael@jugshop.com and dawn@jugshop.com.

Hard copies of the briefs do NOT need to be submitted to the Board Office or to the other parties.

Hearing Date: Wednesday, October 11, 2023, 5:00 p.m., Room 416 San Francisco City Hall, 1 Dr. Carlton B. Goodlett Place. The parties may also attend remotely via Zoom. Information for access to the hearing will be provided before the hearing date.

All parties to this appeal must adhere to the briefing schedule above, however if the hearing date is changed, the briefing schedule MAY also be changed. Written notice will be provided of any changes to the briefing schedule.

In order to have their documents sent to the Board members prior to hearing, **members of the public** should email all documents of support/opposition no later than one Thursday prior to hearing date by 4:30 p.m. to boardofappeals@sfgov.org. Please note that names and contact information included in submittals from members of the public will become part of the public record. Submittals from members of the public may be made anonymously.

Please note that in addition to the parties' briefs, any materials that the Board receives relevant to this appeal, including letters of support/opposition from members of the public, are distributed to Board members prior to hearing. All such materials are available for inspection on the Board's website at www.sfgov.org/boa. You may also request a hard copy of the hearing materials that are provided to Board members at a cost of 10 cents per page, per S.F. Admin, Code Ch. 67.28.

The reasons for this appeal are as follows:

See attachment to the Preliminary Statement of Appeal.

Appellant or Agent:

Signature: Via Email

Print Name: Michael Priolo, agent for appellant

The Jug Shop is appealing the denial for the tobacco permit at 1648 Pacific Ave. The Jug Shop is family owned legacy business established in 1965 selling fine wines, spirits and cigarettes. Due to the landlord of 1590 Pacific redeveloping the building, The Jug Shop was forced to move temporarily down the street to a location with no parking lot and reduced visibility. This was always a temporary move for The Jug Shop. They hope to be back at 1590 Pacific in October of 2023. Originally they thought that they would be able to return by June 2023 but the completion deadline for the building was delayed.

The Jug Shop moved to 1648 Pacific in June of 2021. We submitted the paper work to change the address for the regulatory licenses in 2021, but there was a glitch and the tobacco license never got processed. On 2-14-2323 we were notified that we did not have a valid tobacco license for 1648 Pacific Ave. . After several conference calls and emails with the SF health department, we were asked to resubmit the application. We mailed the new application and payment on 3-20-23. On 8-18-23 we received a denial letter. When The Jug Shop moved, Aaron Peskin created legislation to allow The Jug Shop to temporarily move to 1648 Pacific and not need new permits, see attached. The Jug Shop did not close the permit for the 1590 Pacific location, and we are not sure how it was closed. The loss of our ability to sell cigarettes will severely impact our alcohol sales because our cigarette customers will find another store that offers both cigarettes and alcohol.

San Francisco Department of Public Health



Grant Colfax, MD Director of Health

Notification of Tobacco Permit Denial

EFFECTIVE DATE: August 18, 2023

FACILITY NAME (DBA): The Jug Shop FACILITY ADDRESS & ZIP: 1648 Pacific Av, 94109

LEGAL OWNER NAME: The Jug Shop, Inc. RESPONSIBLE PERSON NAME: Michael Priolo

Mailing Address, City, State, Zip: 1648 Pacific Ave, San Francisco, CA 94109

EHD ID#: 11992 Supervisorial District: 3 Number of Tobacco Permits: 96

Dear The Jug Shop, Inc [c/o Michael Priolo]:

You are hereby notified that your application for San Francisco Department of Public Health ("SFDPH") Retail Tobacco Sales Permit at 1648 Pacific Avenue ("Establishment") has been **denied**, in accordance with Article 19H of the San Francisco Health Code ("SFHC") and the SFDPH Rules and Regulations for Retail Tobacco Sales, on the following basis:

Reportedly, the Establishment was formerly located at 1590 Pacific Ave and relocated to 1648 Pacific Ave because of a redevelopment project. The Owner/Operator, The Jug Shop, Inc., closed all San Francisco Treasurer and Tax Collector's licenses related to 1590 Pacific Ave, including the H-31 Tobacco License ("H-31 license") and the H-86 Bar License ("H-86"). Because the H-31 license was closed by the Owner/Operator, SFDPH staff closed the Tobacco Permit for the former location. The SFDPH Tobacco Permit does not transfer without exception.

On March 17, 2023, SFDPH received the Application for the Sale of Tobacco Products ("Tobacco Application") from The Jug Shop, Inc. ("Applicant"). On the Tobacco Application, the Applicant completed the Establishment Type as "Liquor Store". However, SFDPH records indicate that the Establishment also operates an on-site beer and wine tasting at 1648 Pacific Ave.

Reasons for Denial of Retail Tobacco Sales Permit:

1. According to SFHC 19H.4(f)(4), no new permit shall be issued if the Applicant will be located within 500 feet of the nearest point of the property line of an existing Establishment as measured by a straight line from the nearest point of the property line on which the Applicant's Establishment will be located to the nearest point of the property line of the existing Establishment. (Please see the attached map)

The Establishment is located within 500 feet of 2 other Establishments that have a valid SFDPH Retail Tobacco Sales Permit.

- According to SFHC 19H.4(f)(5) and 19H.5(a), no new permit shall be issued in any Supervisorial District that has 45 or more Establishments with SFDPH Tobacco Sales Permits.
 The Establishment is in Supervisorial District 3 which <u>currently</u> has 96 valid SFDPH Retail Tobacco Sales Permits.
- 3. According to SFHC 19H.4(f)(4), no new permit shall be issued if the Applicant will be located within 500 feet of the nearest point of the property line of an existing Establishment as measured by a

The mission of the San Francisco Department of Public Health is to protect and promote the health of all San Franciscans.

We shall ~ Assess and research the health of the community ~ Develop and enforce health policy ~ Prevent disease and injury ~

~ Educate the public and train health care providers ~ Provide quality, comprehensive, culturally-proficient health services ~ Ensure equal access to all

straight line from the nearest point of the property line on which the Applicant's Establishment will be located to the nearest point of the property line of the existing Establishment. (Please see the attached map)

The Establishment is located within 500 feet of 2 other Establishments that have a valid SFDPH Retail Tobacco Sales Permit.

- 4. According to SFHC 19H.4(f)(8), no new permit shall be issued for a location not previously occupied by a permitted Establishment.
 - The Establishment is at a location that was not previously occupied by an Establishment with a SFDPH Retail Tobacco Permit.
- 5. **Seismic Retrofitting Relocation**. According to SFHC 19H.6(d), a Retail Food Store Establishment or Tobacco Shop Permittee as of January 18, 2015, which must relocate from their Establishment due to seismic retrofitting under Chapter 34B of the Building Code may apply for a Tobacco Sales Permit for their Establishment. The Permittee's application is subject to further review including confirmation of seismic retrofitting by the Department of Building Inspection.
 - According to Department of Building Inspection, the Applicant's former location at 1590 Pacific Ave is not listed on the soft-story seismic retrofitting requirement. Moreover, the seismic retrofitting relocation exception only applies to Retail Food Store Establishment or Tobacco Shop.

Additionally, we reviewed all six remaining exceptions under the SFHC Section 19H.6, where SFDPH determined that the Applicant does not qualify for any exception. If you believe that you do qualify for one of the below exceptions, you are able to submit a new tobacco application with the \$120 (one hundred twenty dollars) nonrefundable processing fee.

SFHC Section 19H.6. Exceptions for Certain New Permits

- 1. New Buyer of a Retail Food Store Establishment or Tobacco Shop. The owner of a Retail Food Store Establishment or Tobacco Shop who holds a SFDPH Retail Tobacco Sales permit and has been in business at the location continuously from January 18, 2010 through January 18, 2015, submits an affidavit to the Director that attests to (a) ownership of the business at the same location; (b) under the same SFDPH Tobacco Sales permit for five (5) consecutive years immediately preceding submission of the affidavit; and (c) the owner is in negotiations with a specific buyer for the Retail Food Store Establishment or Tobacco Shop at that location, then that buyer ("New Buyer") may apply for, and the Director may issue, a Tobacco Sales permit to the New Buyer for the Retail Food Store Establishment or Tobacco Shop at that location, on a one-time basis.
 - There is no record of a SFDPH Tobacco Permit being issued at the Establishment's 1648 Pacific Ave location. Therefore, the Applicant, The Jug Shop, is not a New Buyer in direct negotiation with a previous owner with a SFDPH Tobacco Permit at the same location.
- 2. Subsequent Buyer of a Retail Food Store or Tobacco Shop. A Retail Food Store Establishment or Tobacco Shop New Buyer may submit an affidavit to the Director attesting to: (a) their ownership of the Establishment; (b) under the same Tobacco Sales Permit; and (c) for at least ten (10) years. Upon submission of the New Buyer's affidavit, a Subsequent Buyer may apply for a Tobacco Sales Permit for the New Buyer's Retail Food Store Establishment or Tobacco Shop. A Subsequent Buyer applying for a new Tobacco Sales Permit must acquire a 100% ownership interest in the Establishment.
 - There is no record of a SFDPH Tobacco Permit being issued at the Establishment's 1648 Pacific Ave location. Moreover, the Applicant, The Jug Shop, is not a Subsequent Buyer in direct negotiation with a New Buyer with a SFDPH Tobacco Permit at the same location.

- 3. Child of the Permit Holder ("Permittee"). A child of a Retail Food Store Establishment or Tobacco Shop Permittee may apply for a Tobacco Sales Permit for their parent's Establishment if their parent holds a Tobacco Sales Permit as of January 2015.
 - There is no record of a SFDPH Tobacco Permit being issued at the Establishment's 1648 Pacific Ave location.
- 4. New Buyer of a Tavern. A Tavern Permittee since January 18, 2010, that seeks to demonstrate previous compliance with Section 1009.23(d) of Article 19F of SFHC (prohibition against smoking in enclosed areas), shall submit a copy of their previously approved SFDPH application which establishes that an area within the Tavern is a historically compliant semi-enclosed smoking room. Additionally, the Tavern Permittee may submit an affidavit to the Director attesting to: (a) their ownership of the Establishment; (b) under the same Tobacco Sale Permit; (c) for at least five (5) consecutive years immediately before the submission of the affidavit; and (d) Direct Negotiations. Upon submission of the Tavern Permittee's affidavit, a New Buyer may apply for a Tobacco Sales Permit for the Permittee's Tavern.
 - The Establishment is not a Tavern in compliance with SFHC Section 1009.23(d) and there is no record of a SFDPH Tobacco Permit being issued at the Establishment's 1648 Pacific Ave location.
- 5. Subsequent Buyer of a Tavern. A New Buyer of a Tavern may submit an affidavit to the Director attesting to: (a) their continuous ownership of the Establishment; (b) under the same Tobacco Sales Permit; and (c) for at least ten (10) years. Upon submission of a New Buyer's affidavit, a Subsequent Buyer may apply for a Tobacco Sales Permit for the New Buyer's Tavern. A Subsequent Buyer applying for a new Tobacco Sales Permit must acquire 100% ownership of the Establishment.

 The Establishment is not a Tavern in compliance with SFHC Section 1009.23(d) and there is no record of a SFDPH Tobacco Permit being issued at the Establishment's 1648 Pacific Ave location.
- 6. **Death or Divorce**. A spouse or domestic partner may acquire the ownership from the Permittee of an Establishment through the death or divorce. The spouse or domestic partner applying for a new Tobacco Sales Permit must have a 100% ownership interest in the Establishment.

 There is no record of a SFDPH Tobacco Permit being issued at the Establishment's 1648 Pacific Ave location.

Appeal Process. You have the right to appeal this decision to deny your application for a tobacco retailer permit. (Pursuant to Section 19H.24 and Article 1 of the San Francisco Business and Tax Regulations Code). Appeals must be filed in person with the San Francisco Board of Appeals within 15 calendar days of the date of this notice. The Board of Appeals is located at: 49 South Van Ness Ave., Suite 1475 (Telephone #: (628) 652-1150).

The failure to file an appeal will waive your right to a hearing and shall deem SFDPH decision to deny your tobacco permit as final.

Cease and Desist All Tobacco Products Sales. Immediately discontinue the sales of tobacco products, including but not limited to, cigarettes, cigars, cigarillos, tobacco shisha, electronic smoking devices and juices, smokeless tobacco, and nicotine-containing products. No person may engage in or allow tobacco sales in any establishment without a valid SFDPH tobacco sales permit. (Pursuant to SFHC §§ 19H.3, 19N.3, and 19N.5(a)).

Imposition of Administrative Fines and Penalties. Selling tobacco products without a valid permit may result in an administrative penalty of up to five hundred dollars (\$500.00) per day for each day that tobacco product sales occur without a valid permit. (Pursuant to SFHC §§ 19H.17(a), 19H.20, 19N.3(b)).

Sincerely,

Patrick Fosdahl, MS, REHS

Director of Environmental Health Environmental Health Branch SFDPH – Population Health Division

Cc:

SFDPH - CHEP Branch

SFDPH - EHB - Health District

Longaway, Alec (BOA)

From: DPH-dawn

Sent: Wednesday, August 30, 2023 11:57 AM

To: BoardofAppeals (PAB)

Subject: FW: Permit to Sale Tobacco Products Denial Letter

Attachments: Denial Letter-SFDPH Tobacco Permit.pdf

Importance: High

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

From: Young, Janine (DPH) <janine.young@sfdph.org>

Sent: Friday, August 18, 2023 2:20 PM

To: Michael Priolo <Michael@jugshop.com>; Dawn McHugh <Dawn@jugshop.com>

Cc: Rodriguez, Maribel (DPH) <maribel.rodriguez@sfdph.org> **Subject:** Permit to Sale Tobacco Products Denial Letter

Importance: High

Dear The Jug Shop Inc:

Your application for a San Francisco Department of Public Health (SFDPH) Tobacco Permit has been **denied** for The Jug Shop Inc located at 1648 Pacific Avenue.

Attached to this email is the Notification of Tobacco Permit Denial for The Jug Shop Inc located at 1648 Pacific Avenue. Please read all three pages of this document carefully. Also attached to this email is the Tobacco Permit Density Map regarding this location.

The attached documents have also been mailed to the following locations via Certified Mail through the United States Postal Service (USPS):

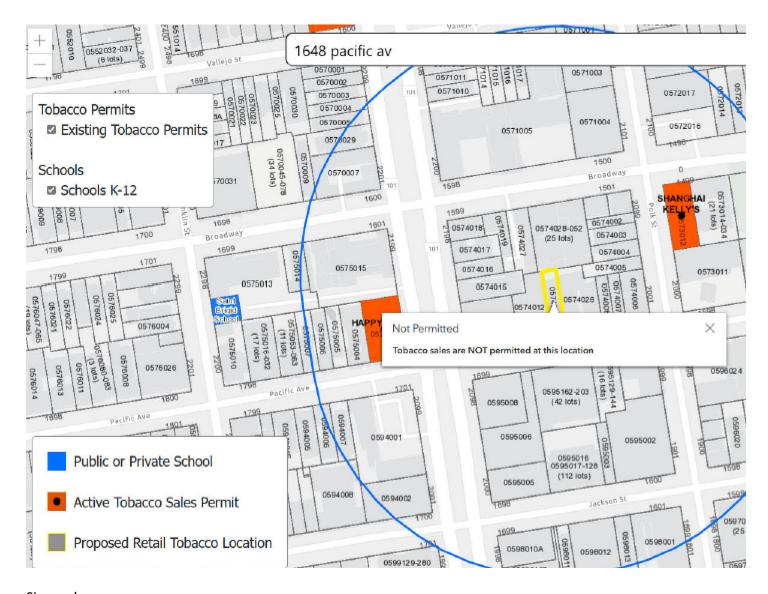
The Jug Shop, Inc. at 1648 Pacific Avenue

You have the right to appeal this decision to deny your application for a tobacco retailer permit. Appeals must be filed with the San Francisco Board of Appeals within 15 calendar days of the date of this notice.

The San Francisco Board of Appeals is located at 49 South Van Ness Ave., Suite 1475 (Telephone ff:(628) 652-1150).

The failure to file an appeal will waive your right to a hearing and shall deem SFDPH decision to deny your tobacco permit as final.

If you have any questions, please feel free to contact me at (415) 252-3903 or janine.young@sfdph.org



Sincerely,

Janine Young, Senior Health Inspector Retail Tobacco and Smoking Program

Office or Field Hours: Tuesday - Friday, 7:30 AM - 6 PM

Environmental Health Branch

Population Health Division, San Francisco Department of Public 49 South Van Ness Ave, Suite 600 | San Francisco, CA 94103 415.252.3903 (direct) 415.252.3984 (fax)

REACH -for- Results, Equity, and Accountability for Community Health

Our Mission: Drawing upon community wisdom and science, we support and develop evidence-based policies, practices, and partnerships that protect and promote health, prevent disease and injury, and create sustainable environments and resilient communities.

Our Vision: Community-centered leader in public health practice and innovation.

CONFIDENTIALITY NOTICE: This email message or document and any attachments are solely for the intended recipient and may contain confidential or privileged information. If you are not the intended recipient, any disclosure, copying, use, or distribution of the information included in this message and any attachments is prohibited. If you have received this communication in error, please notify the sender immediately and permanently delete or otherwise destroy the information.

APPELLANT DID NOT SUBMIT A BRIEF

BRIEF(S) SUBMITTED BY RESPONDENT DEPARTMENT(S)

SAN FRANCISCO

BOARD OF APPEALS

49 South Van Ness Avenue, Suite 1475 San Francisco, CA 94103

THE JUG SHOP,

Appeal No. 23-040

Appellant,

RESPONDENT'S OPPOSITION BRIEF

VS.

Hearing Date: October 11, 2023 Time: 5:00 p.m.

DEPARTMENT OF PUBLIC HEALTH.

Place: City Hall, Room 416

Respondent.

INTRODUCTION

In order to promote the public health and ensure that San Francisco businesses operate in compliance with applicable laws regulating tobacco, Respondent, the Department of Public Health ("Department"), is charged with evaluating Tobacco Sales permit applications, conducting thorough investigations to ensure that business operators are qualified to operate Tobacco Sales establishments, and issuing Tobacco Sales permits when such establishments meet all requirements in Article 19H of the San Francisco Health Code ("Health Code").

In the instant appeal, The Jug Shop, Inc. ("Appellant") applied for a Tobacco Sales permit for a liquor store located at 1648 Pacific Avenue, San Francisco, California 94109. The Department denied Appellant's permit application because the Health Code prohibits the Department from issuing a Tobacco Sales permit to an establishment that, like Appellant's, is located within 500 feet of another permitted tobacco sales establishment, is a location that was not previously occupied by a permitted tobacco establishment, and exceeds the Density Cap for the applicable supervisorial district. (Health Code § 19H.4(f).) Neither the Department nor the Board have discretion to issue a permit. For these reasons, the Board must uphold the Department's denial of the Tobacco Sales permit.

FACTUAL BACKGROUND

On February 26, 2008, the Department issued a Tobacco Sales permit to Appellant to sell

2 tobacco products at the property located at 1590 Pacific Avenue. (See Declaration of Janine Young in 3 4 5

1

6

8

7

10

9

12

11

13 14

15

16 17

18

19

20

21 22

23

24

25

26

27

Support of Respondent DPH's Opposition Brief [hereinafter "Young Decl."] ¶ 3; Ex. A.) At some point, Appellant moved locations to 1648 Pacific Avenue due to redevelopment work occurring in and around the permitted location. On March 17, 2023, Appellant applied for a new Tobacco Sales permit at 1648 Pacific Avenue. (Id. ¶ 4; Ex. B.) The Department's Senior Health Inspector, Janine Young, examined Appellant's eligibility for a Tobacco Sales permit, including by reviewing the Department's records,

as well as records from the City Office of the Treasurer and Tax Collector, the California Department of Tax and Fee Administration, and the California Secretary of State. (Id. ¶ 5.) Inspector Young also

determined that Appellant is located in Supervisorial District 3 and that the District had 96 establishments with a Tobacco Sales permit. (Ibid.) Inspector Young also consulted the San

Francisco Planning Department's GIS tool to determine whether 1648 Pacific Avenue is located

within 500 feet of another tobacco sales establishment or school. (Id. ¶ 6.) The San Francisco

Planning Department map disclosed that 1648 Pacific Avenue is within 500 feet of two permitted

tobacco establishments, Happy Donuts located at 2101 Van Ness Avenue and The Buccaneer located

at 2155 Polk Street. (Id., Ex. C.) Inspector Young also determined that no permitted tobacco

establishment had operated from 1648 Pacific Avenue and that no exception applied. (*Id.* ¶¶ 7–9.)

On August 18, 2023, the Director of the Department's Environmental Health Branch issued a Notification of Tobacco Permit Denial to Appellant. (Id. ¶ 10; Ex. F.) The Department denied Appellant's application for a Tobacco Sales permit because Health Code section 19H.4(f) bars issuance of the permit since Appellant's establishment is located within 500 feet of two establishments with a valid Tobacco Sales permit, 1648 Pacific Avenue was not previously occupied by a permitted tobacco establishment, and there were more than 45 permitted establishments in the supervisorial district. (*Ibid.*) Appellant did not meet any applicable exceptions under section 19H.6. (*Ibid.*)

On August 30, 2023 Appellant filed a notice of appeal ("Appeal Letter").

ARGUMENT

I. The Department Lacks the Authority to Issue Appellant a Tobacco Sales Permit Under Article 19H.

A Tobacco Sales permit may not be transferred to a new location. (Health Code § 19H.8.) As set forth in Business and Tax Regulations Code Section 77, "no license granted or issued under any of the provisions of any ordinance shall be in any manner assignable or transferable, or authorize any person other than is therein mentioned or named to do business or authorize any other business than is therein mentioned or named to be done or transacted, at any place other than is therein mentioned or named."

Here, Appellant disclosed in its application that it moved its business from 1590 Pacific Avenue to 1648 Pacific Avenue and applied for a Tobacco Sales permit for a new location at 1648 Pacific Avenue. Appellant cannot, as a matter of law, transfer its existing Tobacco Sales permit from 1590 Pacific Avenue to 1648 Pacific Avenue. Accordingly, Article 19H required the Department to evaluate Appellant's application under the criteria for a new Tobacco Sales permit.

Health Code Section 19H.4(f) lays out eight separate grounds for which the Department must deny a new permit. The Department determined that three separate provisions in subsection (f) required denial of a new permit.

A. Appellant's Place of Business is Located in a Supervisorial District with more than 45 Establishments with Tobacco Sales Permits.

Health Code section 19H.4(f)(5) states that "[n]o new permit shall be issued in any supervisorial district that has 45 or more Establishments with Tobacco Sales permits." (Health Code § 19H.4(f)(5).) Here, the Department determined that, at the time Appellant submitted its March 2023 application, there were 96 establishments with Tobacco Sales permits in Supervisorial District 3, the district in which Appellant is located. (Young Decl. ¶ 5.) The Density Cap allows only forty-five permitted Tobacco Sales Establishments in each supervisorial district and District 3 well exceeds this number. (Health Code § 19H.5(a).) Appellant has not challenged this finding.

B. Appellant's Place of Business is Within 500 Feet of Two Tobacco Sales Establishments with Valid Tobacco Sales Permits.

Health Code section 19H.4(f)(4) provides: "No new permit shall be issued if the Applicant will be located within 500 feet of the nearest point of the property line of an existing Establishment" (Health Code § 19H.4(f)(4).) The San Francisco Planning Department's map confirmed that there are two permitted tobacco establishments, Happy Donuts located at 2101 Van Ness Avenue and The Buccaneer located at 2155 Polk Street. (Young Decl. ¶¶ 6, 8; Ex. C.) Appellant has not challenged this finding.

C. 1648 Pacific Avenue Has Not Previously been Occupied by a Permitted Establishment

Health Code section 19H.4(f)(8) provides: "No new permit shall be issued for a location not previously occupied by a permitted Establishment." (Health Code § 19H.4(f)(8).) According to the Department's records, no tobacco establishment has ever been permitted at 1648 Pacific Avenue. (Young Decl. ¶ 7.) Appellant has not challenged this finding.

D. Appellant Does Not Qualify for Any Applicable Exception Under Section 19H.6.

Section 19H.6 outlines certain one-time permit exceptions for new Tobacco Sales permits. (*See* Health Code § 19H.6.) These exceptions are applicable only to certain establishments, such as retail food store establishments as defined in the Planning Code or Tobacco Shops, which are tobacco retailers whose principal business is selling tobacco products. (*See*, *e.g.*, *id.* § 19H.6(a); *see also* § 19H.2 [definition of "Tobacco Shop"].) And, the Director has discretion to issue a permit under any applicable exception. (*See* § 19H.6 ["[T]he Director may issue"].) Finally, the exceptions apply only to denials based on subsections (f)(3)–(5), (7) of Section 19H.4 and Section 19H.5, but not to denials based on subsections (f)(1)–(2), (6), and (8) of Section 19H.4. (*Ibid.*)

Here, since the Department denied the permit application based on Section 19H.4(f)(8), Appellant cannot obtain an exception under Section 19H.6, which is only available for denials based on subsections (f)(3), (4), (5), and (7) and Section 19H.5. Nor does Appellant argue that any exception applies. Even if Appellant had sought such an exception, none applies because there is no change of ownership and Inspector Young contacted the S.F. Department of Building Inspection to

confirm the relocation was not due to seismic retrofitting under Chapter 34B of the Building Code. (See Young Decl. ¶ 8; Ex. D.)

Since no exception applies, the Director is bound by Health Code section 19H.4(f)'s requirement to deny the Tobacco Sales permit since three separate provisions required such denial.

II. Appellant's Appeal Letter Does Not Merit Overturning the Department's Denial.

Appellant's Appeal Letter offers two reasons to overturn the Department's denial of the permit application; neither are meritorious. First, Appellant contends that it submitted paperwork to change the address for regulatory licenses in 2021, but there was some "glitch and the tobacco license never got processed." (Appellant Letter, at 3.) As explained above, permittees cannot transfer a tobacco permit to a new location. (Health Code § 19H.8; Bus. & Tax Regs. Code § 77.)

Second, Appellant argues that the Board of Supervisors enacted legislation that allowed Appellant to temporarily move to 1648 Pacific and not need new permits. In May 2021, the Board enacted Ordinance No. 76-21 that allowed existing liquor stores in the Polk Street Neighborhood Commercial District to temporarily relocate within the commercial district. The ordinance removed the requirement for conditional use authorization for temporary relocation of a liquor store and determined that relocation is not considered an abandonment of the original liquor stores use under Planning Code Section 178. (Planning Code § 723, n.9.) By its own terms, Ordinance No. 76-21 applied only to conditional use under the Planning Code and in no way discussed or applied to tobacco permits issued under the Health Code. Accordingly, the ordinance cannot serve as a basis to waive Article 19H.

In sum, the Board of Appeals is bound by the same laws of the City and County of San Francisco as the Department and may not grant a permit that is not otherwise authorized by the Municipal Code. (City & Cnty. of San Francisco v. Bd. of Permit Appeals (1989) 207 Cal.App.3d 1099, 1109–10 ["[T]he board is not a lawmaking body and has no power to disregard or amend the ordinances which define its authority."].) While the Department is cognizant of the burden on small businesses to comply with the requirements of the Health Code, the Department lacks discretion in this instance. Moreover, the Board of Supervisors has found and declared that tobacco use is the leading cause of preventable death in the United States. (Health Code § 19H.1(a).) Higher tobacco retail

1	density encourages smoking by making cigarettes more accessible and available, by normalizing
2	tobacco use, and through increasing environmental cues to smoke. (Id. § 19H(i).) Accordingly, the
3	Board found that "it is in the City's interest to reduce the disproportionate exposure to tobacco outlets
4	that exists among supervisorial districts and to minimize exposure in all supervisorial districts by
5	limiting the number of new tobacco permits issued." (Id. § 19H.1(k).)
6	CONCLUSION
7	The Department therefore respectfully requests that the Board uphold the Department's denial
8	of The Jug Shop, Inc.'s application for a Tobacco Sales permit at 1648 Pacific Avenue.
9	
10	Dated: October 4, 2023
11	DEPARTMENT OF PUBLIC HEALTH
12	
13	By:
14	JANÍNE YOUNG Senior Health Inspector
15	Department of Public Health
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	
26	
27	

PROOF OF SERVICE 1 I, LILY KANG, declare as follows: 2 I am a citizen of the United States, over the age of eighteen years and not a party to the above-3 entitled action. I am employed at the City Attorney's Office of San Francisco, Fox Plaza Building, 1390 Market Street, Fifth Floor, San Francisco, CA 94102. 4 5 On October 5, 2023, I served the following document(s): 6 RESPONDENT'S OPPOSITION BRIEF on the following persons at the locations specified: 7 The Jug Shop, Appellant(s) 8 Michael Priolo, Agent for Appellant(s) 9 1648 Pacific Avenue San Francisco, CA 94109 10 michael@jugshop.com dawn@jugshop.com 11 in the manner indicated below: 12 \boxtimes 13 BY ELECTRONIC MAIL: Based on a court order or an agreement of the parties to accept electronic service, I caused the documents to be sent to the person(s) at the electronic service address(es) listed above. Such document(s) were transmitted via electronic mail from the electronic address: lily.kang@sfcityatty.org \(\) in 14 portable document format ("PDF"). 15 I declare under penalty of perjury pursuant to the laws of the State of California that the foregoing is true and correct. 16 17 Executed October 5, 2023, at San Francisco, California. 18 19 20 21 22 23 24 25 26

27

28

1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	-
12	
13	
14	
15	1
16	
17]
18	,
19]
20	١
21	
22]
23	١
24	
25	5
26	ا
27	
28	

SAN FRANCISCO

BOARD OF APPEALS

49 South Van Ness Avenue, Suite 1475 San Francisco, CA 94103

THE JUG SHOP,

Appeal No. 23-040

Appellant,

DECLARATION OF JANINE YOUNG IN SUPPORT OF RESPONDENT'S OPPOSITION

VS.

Hearing Date: October 11, 2023

DEPARTMENT OF PUBLIC HEALTH, Time:

5:00 p.m.

Respondent.

City Hall, Room 416 Place:

I, JANINE YOUNG, declare as follows:

- 1. I have personal knowledge of the facts stated in this declaration, and if called upon to testify, I could and would testify competently as the truth of the facts stated herein.
- 2. I am an Environmental Health Senior Inspector at the San Francisco Department of Public Health's Environmental Health Branch (the "Department"). I work in the Department's Retail Tobacco and Smoking Program, where I review and process applications for Sale of Tobacco Product Permits and conduct inspections to confirm compliance with Article 19H of the San Francisco Health Code.
- 3. On February 26, 2008, the Department issued a Tobacco Sales permit to The Jug Shop, Inc. ("Appellant") located at 1590 Pacific Avenue, San Francisco, California 94109. A true and correct copy of the Tobacco Sales permit for 1590 Pacific Avenue is attached hereto as **Exhibit A**.
- 4. On March 17, 2023, Appellant submitted an application for a Tobacco Sales permit to sell tobacco products at a liquor store located at 1648 Pacific Avenue. A true and correct copy of the application is attached hereto as **Exhibit B**.

6

7

8

10

11

12

13 14

15

16

17

18 19

20

21

22 23

24

25

26

27 28

- 5. I evaluated Appellant's application for a Tobacco Sales permit at 1648 Pacific Avenue. I personally investigated Appellant's eligibility for a Tobacco Sales Permit through a review of Department files and other the agencies including files from the City & County of San Francisco's Office of the Treasurer and Tax Collector, California Department of Tax and Fee Administration, and California Secretary of State. I determined that Applicant had applied for a new location notwithstanding its previously issued Tobacco Sales permit for 1590 Pacific Avenue. I also determined that the permit must be denied based on the City's "Density Cap" law. Under the "Density Cap" law enacted by the Board of Supervisors in December 2014, the Department may not issue new tobacco sales permits to businesses that are located in supervisorial districts that have 45 or more existing permitted establishments. I determined that there were 96 establishments with Tobacco Sales permits in Supervisorial District 3, where 1648 Pacific Avenue is located.
- 6. I searched the San Francisco Planning GIS tool available at https://sfplanninggis.org/tobaccopermits/ to determine that 1648 Pacific Avenue was within 500 feet of two permitted tobacco establishments, Happy Donut located at 2101 Van Ness Avenue and Shanghai Kelly's located at 2064 Polk Street. Article 19H also does not allow a permit to be issued to businesses that are located within 500 feet of another permitted tobacco sales establishment. A true and correct copy of the Retail Tobacco Sales Permit Density Map is attached hereto as Exhibit C.
- 7. I reviewed the Department's records to determine that 1648 Pacific Avenue has never been previously occupied by a permitted tobacco establishment.
- I also evaluated whether any exceptions to the "Density Law" rules (19H.6(a)-(g)) applied and determined that Appellant did not qualify. I contacted the Department of Building Inspection to determine whether 1590 Pacific Avenue was undergoing soft-story seismic retrofit under Chapter 34B of the Building Code. Ken Hu from the Department of Building Inspection informed me that 1590 Pacific Avenue was not subject to the soft story seismic retrofit program. A true and correct copy of emails of our conversation is attached hereto as **Exhibit D**.
- 9. I processed Appellant's application using the Department's Tobacco Application Review Checklist, a true and correct copy of which is attached hereto as **Exhibit E**. That checklist

demonstrates that Appellant does not meet all of the Density Law requirements since Appellant is in a 1 Supervisorial District with at least 45 permitted establishments and within 500 feet of two permitted 2 establishments. I used the Retail Tobacco Sales Permit Density Map, included in Exhibit C, to help 3 determine the proximity of other permitted establishments. 4 Because Appellant moved locations and Tobacco Sales permits are non-transferrable, 5 10. Appellant was still considered a new applicant requiring a new Tobacco Sales permit. On August 18, 6 2023, the Department issued a Notification of Tobacco Permit Denial to Appellant because Appellant 7 was disqualified under the Density Cap provisions and no exception applied. A true and correct copy 8 of the denial letter is attached hereto as Exhibit F. 10 /// 11 /// 12 111 13 /// 14 /// 15 111 16 /// 17 /// 18 /// 19 /// 20 /// 21 /// 22 /// 23 /// 24 25 /// 26 /// 27 ///

28

///

I declare under penalty of perjury and the laws of the State of California that the foregoing is true and correct and that this document was executed on the 3rd of October 2023, in San Francisco, California.

GANINE YOUNG

EXHIBIT "A"

FRAI AND HANG IN PLA VIEW

PERMIT TO OPERATE

AND CERTIFICATE OF SANITARY INSPECTION

Issued according to the provisions of the San Francisco Health Code

AUTHORIZING conduct of the following class of

TOBACCO PRODUCT SALES ESTABLISHMENT

OPERATOR:

The Jug Shop Inc.

Phil Priolo and Dante Ravetti

DBA:

The Jug Shop

ADDRESS:

1590 Pacific Avenue

San Francisco, CA 94109

T- 01801

ISSUED ON

February 26 200

Valid only when accompanied by a receipt from the Tax Collector showing payment of current license fee. THIS PERMIT TO OPERATE MAY BE REVOKED OR SUSPENDED FOR CAUSE AND IS NOT TRANSFERABLE. CHANGE OF OWNERSHIP must be reported immediately.

DEPARTMENT OF PUBLIC HEALTH

Environmental Health Section City & County of San Francisco

Inspector

H31-001773 4/28/08

Director of Consumer Protection Programs

Principal Inspector

Director of Public Health

EXHIBIT "B"



City and County of San Francisco Department of Public Health Population Health Division Environmental Health Branch 49 South Van Ness Ave. Suite 600 San Francisco, CA 94103 (415) 252-3800

POPULATION HEALTH DIVISION

SAN FRANCISCO DEPARTMENT OF PUBLIC HEALTH

https://www.sfdph.org/dph/EH/Tobacco/default.asp

Application for the Sale of Tobacco Products

Application Date: 3-17-23			First Date of Tobacco Sales: 8-1-21			
Business Information	San Francisco Office of the Treasurer and Tax Collector (SFTTX)					
Business Name (DBA): The Jug Shop				San Francisco Business Account # (0015092	BAN):	
Business Address including 1648 Pacific Ave. Sa		4109	(ng), lensk, fr	CDTFA Cigarette Retailer License #: 241716544		
Establishment Type:	a) Grocery/Market		-	or Store c) 🗆 Tobacco/Vape Shop		
d) ☐ Gas/Service Station	e) 🗆 Restaurant/Bar	f) 🗆 G	ift/	Novelty Store g) Other		
Legal Owner Information	Legal Owner Structure:	☐ Sole	Pro	prietor 🗆 Partnership 🗏 Corporation 🗀 Other		
Legal Owner Name:				Legal Owner Email Address:		
Michael Priolo, The	Jug Shop			michael@jugshop.com		
Legal Owner Address included 1648 Pacific Ave. SF				Legal Owner Phone Number: 707-327-8813		
List all Owners or Principal	Officers and Ownership F	Percent	age	es: (Print Name(s)) Attach additional sheets if necessary		
Philip Priolo		40	%	Dale Jordan & Katie Bimrose	33.34%	
Michael Priolo		10	%	Denise McKinley	16.6%	
Main Contact's Name: Michael Priolo				Same as Legal Owner		
Main Contact's Email:			M	lain Contact's Phone Number:		
michael@jugshop.com			70	7-327-8813		
Incomplete applications cannot be processed and will be returned to the Applicant. The application will be deemed abandoned if the Applicant fails to submit a complete and accurate application with all required documentation within 30 days from the date the application is returned to the Applicant. After 30 days, the Applicant will be required to submit a new application and non-refundable processing fee.						
				nust sign. Attach additional sheets if necessary.		
				pplication and in other materials submitted in support of		
				essary inspections made pursuant to the SF Health Code a on of this business. I/We understand that once submitted		
		-				
application processing fee is nonrefundable. I/We acknowledge that I am/we are responsible for complying with all local, state, and federal laws, codes, and rules and regulations relating to tobacco products, tobacco control, and the prohibition of smoking						
in enclosed establishments and certain unenclosed areas. If SFDPH staff discovers false or misleading information, I/we						
understand that the tobacco permit may be denied or revoked by SFDPH. I/We may not sell any tobacco products, including						
				ems, and nicotine-containing products without first obtain acco products without a valid SFDPH permit may result in		
denial of a SFDPH Tobacco S		sening i	UU	acco products without a valid 3/ DFT permit may result in	tile	
x Michael A	/ / D	ate: 3 ~ 18 3	23	Dat	e:	
x	D	ate:		Dat	e:	
^			_	^_		



City and County of San Francisco Department of Public Health Population Health Division Environmental Health Branch 49 \$ Yan Ness Aye. Suite 600 San Francisco, CA 94103 (415) 252-3800

PSPULATION HEALTH DIVISION

https://www.sfdph.org/dph/EH/Tobacco/default.asp

Application for the Sale of Tobacco Products	ation for the Sa	e of Tobacco	Products
--	------------------	--------------	----------

				The state of the s	
Application Date: 8-1-21				eco Sales: 8-1-21	
Rusiness information	Official correspondence for San Francisco Office of the			the mailing address on record with the ctor (SFTTX) San Francisco Business Account #	
The Jug Shop, Inc.				0015092	
Business Address including a 1648 Pacific Aye, San Fran				CDTFA Cigarette Retailer License # 241716544	;
Establishment Type:	a) Grocery/Market	b) VLique	or Store	c) Tobacco/Vape Shop	
d) Gas/Service Station	e) Restaurant/Bar f	f) Gift/	Novelty Store	g) Other	
Legal Owner Information	Legal Owner Structure:	Sole Pro	prietor Partn	ership Corporation Other	
Legal Owner Name:			Legal C	wner Email Address:	
The Jug Shop, Inc.	. 10.0		micha	el@Jugshop.com	
Legal Owner Address includ	ing zip code:			Legal Owner Phone Number:	
1648 Pacific Ave. San Fran	icisco CA 94109			415-885-2922	
List all Owners or Principal (Officers and Ownership P	ercentage	es: (Print Name):	s)) Attach additional sheets if necessary	1
	Phil Priolo	40%		Denise McKinle	16.66%
	Michael Priolo	10%		Dale Jorda	16.67%
A		[71	- D	-
Main Contact's Name:		16	ISamo ac Logal	Twoor I Manager I Hegal Agent	
Main Contact's Name: Michael Priolo		A. Common	_	Owner Manager Legal Agent	
Michael Priolo	to the species of the	<u>.</u> [_Other) here yes	
Michael Priolo Main Contact's Email: michael@jugshop.com Incomplete applications car		M 79 ill be retur	Other lain Contact's Pl 07-327-8813 rned to the App	none Number: licant. The application will be deemed	30 days
Michael Priolo Main Contact's Email: michael@jugshop.com Incomplete applications car abandoned if the Applicant of the Application application and non-refunds Signature of Applicants): A I/We declare under penalty application are true and corr incidental to the issuance of application processing fee is and federal laws, codes, and in enclosed establishments; understand that the tobacce but not limited to, cigarette	fails to submit a complete in is returned to the Application of perjury the information rect. I/We hereby consent any exception, permit, and nonrefundable. I/We ack I rules and regulations related to permit may be denied on the application of the Application in the III was a permit may be denied on the Application in the III was a permit may be denied on the III was a permit. I/We understand so permit. I/We understand so	Mill be return and accurate Afte Officers in on this at to all need to depend a consuled generating to to reas. If SFD in revoked fivery systematics of the consuled generating to the consuled generating	Other Jain Contact's Pl 07-327-8813 The to the Apprate application The application The application and incessary inspection The application and the application and incessary inspection The application and incessary inspection The applicatio	none Number:	this and d, the l, state, smoking uding aining a

Instructions for the Application for the Sale of Tobacco Products

Application Date: The date the legal owner submits the application.

First Date of Tobacco Sales: The date the legal owner intends to begin selling tobacco products. If tobacco sales have occurred prior to the submittal of the application, put the date of the first tobacco sale. If the applicant is only amending the permit, you may leave this blank.

Legal Owner Information

Legal Owner Structure: If the legal owner structure is not a sole proprietorship (one person owned), the ownership percentages must be disclosed. Legal documentation providing the ownership percentages and signatures of all owners must be submitted with this application. An application will be considered incomplete if this legal documentation is not submitted.

Legal Owner Name: The legal owner is the applicant and the entity that the Permit to Operate will be issued to. The legal owner name must be the same name used with the San Francisco Office of the Treasurer and Tax Collector (**SFTTX**) and the California Department of Tax and Fee Administration (**CDTFA**).

Legal Owner Email, Address, and Phone Number: Official correspondence from SFDPH will be sent through these points of contact. **List all Owners or Principal Officers and Ownership Percentages:** The owners/principal officers must match the corporate records filed with the California Secretary of State.

Business Information

Business Name (DBA): The name of the establishment where tobacco sales will take place. The business name must be the same with SFTTX and CDTFA.

Business Address: The address of the establishment where tobacco sales will take place. This address must be the same with SFTTX and CDTFA.

CDTFA Cigarette Retailer License #: To sell tobacco products in the City and County of San Francisco, an establishment must have both a Cigarette Retailer License from the CDTFA and a Permit to Operate a Tobacco Sales Establishment from SFDPH. SFDPH will not issue a Permit to Operate without a valid CDTFA Cigarette Retailer License. This is not the same as the Seller's Permit from the CDTFA.

San Francisco Business Account # (BAN): Your account with SFTTX. Once your tobacco permit is approved, SFTTX will bill you through this account to pay for the H31 Tobacco License. The annual H31 Tobacco License validates your SFDPH Tobacco permit.

Establishment Type: Based on the San Francisco Zoning Code, provide the business establishment primary business type and operation.

Main Contact's Name: The primary point of contact between SFDPH and the business.

Relation to Legal Owner: Title of Responsible Person in relation to the Legal Owner.

Main Contact's Email and Phone Number: Official correspondence from SFDPH will be sent through these points of contact.

Signature of Applicant(s): The application will be signed by all Legal Owners and/or Principal Officers under penalty of perjury that the information provided is complete, true, accurate and correct.

		For Departi	ment of	Public Health Office U	Jse On	ly	
	Final Review			red Items Submitted v			
			Non-re	efundable Processing F	-ee		
Declaration of Healthy and Safe Working Conditions							
			Proof	of Partnership or Incor	porati	on (if applicable)	
		Land and	Retail	Tobacco Permit Affida	vit (if a	pplicable)	nd was the same of
			19H.6	Exception Documenta	tion (if	applicable)	
			Receipt Number: 032723-07C-1				
Applicant Qualifies as:	Owner Type:						
To the Direct	To the Director of Public Health, after reviewing this application on 8/19/2023						23
☐ I recomme	end the issuance	of a Permit to Op	erate.	disappro	ve th	e issuance of a	Permit to Operate
				(Note: See at	ttache	ed review and/o	r letter).
Offoure							
/	Ohspe	ctor				Principal Inspec	ctor
Location ID:	11992	Permi	it #: T-			Type of Permit/C	lassification: H31



City and County of San Francisco DEPARTMENT OF PUBLIC HEALTH ENVIRONMENTAL HEALTH

Declaration of Healthy and Safe Working Conditions Declaración de Condiciones de Trabajo Sanas Y Seguras 健康及安全工作條件聲明

Deklarasyon ng Mabuti at Ligtas na Kondisyon sa Trabaho

The Department of Public Health is responsible for ensuring healthy and safe conditions for those working and living in San Francisco. Establishments permitted by the Department must remain compliant with all laws.

El Departamento de Salud es responsable de asegurar condiciones saludables y seguras para las personas que trabajan y viven en San Francisco. Establecimientos permitidos por el Departamento deben cumplir con todas las leyes.

衛生署是負責確保於三藩市工作及居住的人士有一健康和安全的環境。從衛生署取得許可營運的設施/場所必須 保持遵守所有法律。

Ang Kagawaran ng Pampublikong Kalusugan ay may pananagutan para sa pagtiyak ng mabuti at ligtas na mga kondisyon para sa mga nagtatrabaho at naninirahan sa San Francisco. Ang mga establisyemento na pinahihintulutan ng Kagawaran ay dapat manatiling sumusunod sa lahat ng mga batas.

San Francisco, CA 941 09	
	San Francisco, CA 941 09

翻譯及你的簽署聲明在本頁後面。

¡Ojo! La traducción y firma de su declaración se encuentra en la parte posterior de esta página.

Ang pagsasalin at paglagda ng iyong deklarasyon ay nasa likod ng pahinang ito.

1.	 I understand that this business must comply with all local, state, and federal labor laws in order to obtain and maintain a valid Permit To Operate from the Department. I affirm that as an operator of the above business, I am aware of and agree to comply with the following laws when applicable to my business: 					
	San Francisco Labor Codes	✓ Yes □No				
	 California Labor Code Division 4—Have and maintain Workers Compensation Insurance or be self-insured) 	Yes No				
	 California Labor Code Division 2—Employment Regulation and Supervision 	✓ Yes No				
	California Labor Code Division 5—Occupational Health and Safety	✓Yes \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \				
	All other federal, state, and local labor codes	✓Yes \ \ No				
2.	I will request my provider of Workers Compensation Insurance to designate as a "Certificate Holder" the	✓ Yes No				
	SF Environmental Health Branch at 49 South Van Ness Ave, #600, San Francisco, CA 94103.	L				
1	I am the owner or authorized agent of the owner of this business. I declare under penalty of perjury that the information					
	n this Declaration of Healthy and Safe Working Conditions is true and correct.					
	chael Priolo	3-17-23				
IVII	Chaef Photo	3-17-23				
Pr	int Name Signature	Date				
Ιa	I acknowledge that failure to comply with all applicable federal, state, and local labor laws may result in					
	spension or revocation of my Permit To Operate issued by the San Francisco Department of I					
	erral to the applicable federal, state, or local agency for enforcement.	ubite Health of a				
1 61	errar to the applicable federal, state, or local agency for empreement.					
M	ichael Priolo Willal this	3-17-23				
Pri	nt Name Signature	Date				





BA20220649143



STATE OF CALIFORNIA Office of the Secretary of State STATEMENT OF INFORMATION CORPORATION

California Secretary of State 1500 11th Street Sacramento, California 95814 (916) 653-3516 For Office Use Only

-FILED-

File No.: BA20220649143 Date Filed: 8/11/2022

Stated Position

Entity Details				
Corporation Name		JUG SHOP, INC. 0496249		
Entity No.				
Formed In		CALIFORNIA		
Street Address of Principal O	ffice of Corporation			
Principal Address		1590 PACIFIC AVENUE SAN FRANCISCO, CA 94109		
Mailing Address of Corporation	on			
Mailing Address		JOHN MCKINLEY 3031 WEST MARCH LANE, SUITE 230 STOCKTON, CA 95219		
Attention				
Street Address of California (Office of Corporation			
Street Address of Cali	fornia Office	1590 PACIFIC AVENUE SAN FRANCISCO, CA 94109		
Officers				
Officer Name	Officer Address	Position(s)		
MICHAEL PRIOLO	1590 PACIFIC AVENUE SAN FRANCISCO, CA 94109	Chief Executive Officer, Secretary, Chief Financial Officer		

ח	ir	۵	~	to	re

Additional Officers

Director Name	Director Address
Michael Priolo	1590 Pacific Avenue San Francisco, CA 94109

None Entered

The number of vacancies on Board of Directors is: 2

Agent for Service of Process

Agent Name

Officer Name

JOHN H MCKINLEY

Agent Address

3031 WEST MARCH LANE, SUITE 230

Position

STOCKTON, CA 95219

Type of Business

Type of Business ALCOHOLIC BEVERAGE RETAIL SALE

Officer Address

Email Notifications

Opt-in Email Notifications No, I do NOT want to receive entity notifications via email. I prefer notifications by USPS mail.

Labor Judgment

No Officer or Director of this Corporation has an outstanding final judgment issued by the Division of Labor Standards Enforcement or a court of law, for which no appeal therefrom is pending, for the violation of any wage order or provision of the Labor Code.

Electronic Signature	
By signing, I affirm that the information	herein is true and correct and that I am authorized by California law to sign.
Kimberly Rigglle	08/11/2022



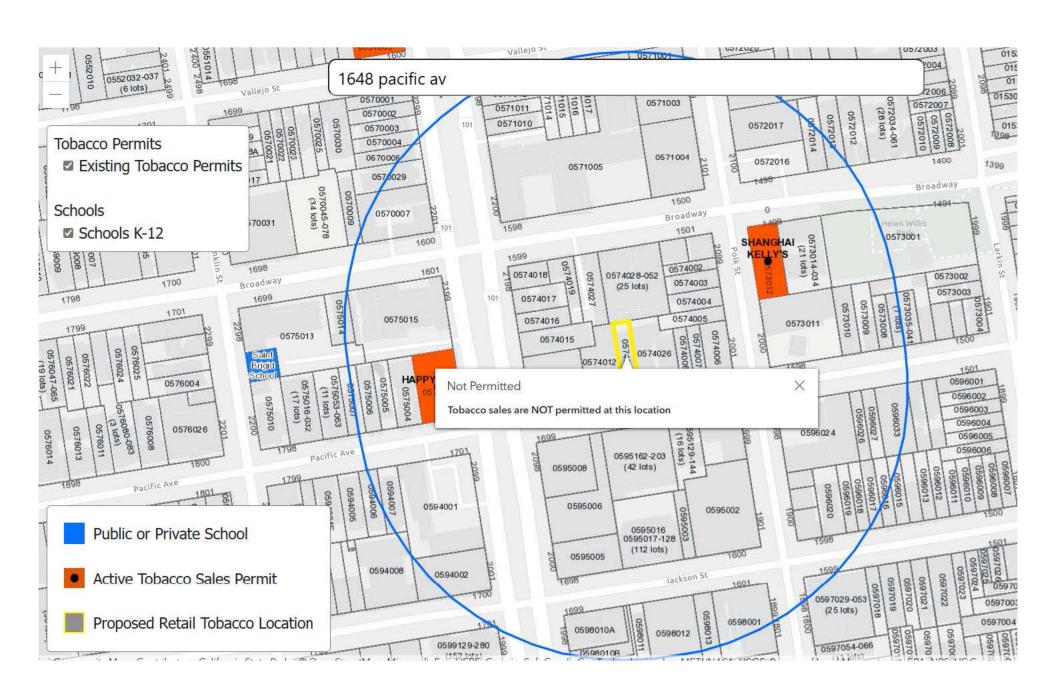
Menu		
Home Verify a permit, license or account		
Search Criteria		
Which taxable activity type information are you searching for?	Cigarette Retailer License	
Identification Number	241-716544	
	Search	
This is a valid Cigarette Retailer License.		
Owner Name		
THE JUG SHOP INC.		
DBA Name		
THE JUG SHOP		
Address		
1648 PACIFIC AVE SAN FRANCISCO CA 94109-2518		

CDTFA Home Privacy Policy Subscriptions Forms and Publications Register to Vote Tutorials Contact Us

Email CDTFA Contact Number: 1-800-400-7115



EXHIBIT "C"



J.Y.8-11-2023

EXHIBIT "D"



City and County of San Francisco Department of Public Health Population Health Division Environmental Health Branch Tobacco & Smoking Program 49 S Van Ness Ave. Suite 600, San Francisco, CA 94103 (415) 252-3800



https://www.sfdph.org/dph/EH/Tobacco/default.asp Date: July 25, 2023

Retail Tobacco Permit Application Referral:						
oxtimes Department of Building Inspection $oxtimes$ Planning Department						
Business Address: 1648 Pacific Ave., SF, CA, 9910	9					
Business Type: a) ☐ Grocery/Market b) ★ Liquor Store c) ☐ T d) ☐ Gas/Service Station e) ☐ Restaurant/ Bar f) ☐ Gift/Novelty Store g) ☐ C	obacco/Vap	e Shop				
For Department of Building Inspection Use Only						
Previous Business Address: 1590 Pacific AV, 94109 Date of SFDPH Referral: 7/25/2023 Previous Location Block/Lot #: 0573/011 Previous Business Address above qualifies for seismic retrofit under Building Code Chapter 34B: Yes No Date of DBI Decision: 7/26/2023 DBI Contact Number: (628) 652 - 3727 DBI Inspector Print Name: Ken Hu DBI Inspector Signature: See Atlached email						
Date of SFDPH Referral: Location Block/Lot:						
Zoning Referral Fee Paid: ☐ Yes Tobacco Permit Density Requirements: 1. Establishment is located within 500 Feet of a school: 2. Establishment is located within 500 feet of a retailer with a valid tobacco permit: 3. Establishment is permitted to operate as business type noted above: Date of Planning Decision: Planning Contact Number	☐ Yes	□ No □ No □ No				
Planner Name: Planner Signature:						

RE: Is 1590 Pacific Av Building on the Soft Story List?

Hu, Ken (DBI) <ken.hu@sfgov.org>
Wed 7/26/2023 8:48 AM
To:Young, Janine (DPH) <janine.young@sfdph.org>
Hi Janine.

No, 1590 Pacific Ave is not on the Soft Story list and I believe it is not subject to the Soft Story program. Thank you.

Best,



Jianhong (Ken) Hu Permit Technician II

Technical Services - Department of Building Inspection City and County of San Francisco

49 S. Van Ness Ave. | 5th Floor San Francisco | CA 94103

Email: ken.hu@sfgov.org | Phone: (628) 652-3727 | www.sf.gov/dbi

From: Young, Janine (DPH) < janine.young@sfdph.org>

Sent: Tuesday, July 25, 2023 4:31 PM To: Hu, Ken (DBI) < ken.hu@sfgov.org>

Subject: Is 1590 Pacific Av Building on the Soft Story List?

Good afternoon,

The Jug Shop was located at 1590 Pacific Avenue. The location is part of a City redevelopment project.

In response, the Jug Shop moved to 1648 Pacific Avenue until the redevelopment project is complete.

Is the former location [1590 Pacific Avenue] on the soft story list?

It's our understanding that the relocated businesses will eventually move back to 1590 Pacific Avenue.

If you have any additional questions or concerns, please feel free to respond to this email or contact me at (415) 252-3903/

Thank you,

Janine Young, Senior Health Inspector
Retail Tobacco and Smoking Program
Office or Field Hours: Tuesday - Friday, 7:30 AM - 6 PM
Environmental Health Branch
Population Health Division, San Francisco Department of Public
49 South Van Ness Ave, Suite 600 | San Francisco, CA 94103
415.252.3903 (direct)
415.252.3984 (fax)

REACH -for- Results, Equity, and Accountability for Community Health

Our Mission: Drawing upon community wisdom and science, we support and develop evidence-based policies, practices, and partnerships that protect and promote health, prevent disease and injury, and create sustainable environments and resilient communities.

Our Vision: Community-centered leader in public health practice and innovation.

CONFIDENTIALITY NOTICE: This email message or document and any attachments are solely for the intended recipient and may contain confidential or privileged information. If you are not the intended recipient, any disclosure, copying, use, or distribution of the information included in this message and any attachments is prohibited. If you have received this communication in error, please notify the sender immediately and permanently delete or otherwise destroy the information.

From: noreply@sfdph.org <noreply@sfdph.org>

Sent: Tuesday, July 25, 2023 4:18 PM

To: Young, Janine (DPH) < janine.young@sfdph.org>

Subject: Message from KM_C450i

EXHIBIT "E"



City & County of San Francisco
Department of Public Health
Environmental Health Branch
Tobacco & Smoking Program
49 S Van Ness Ave. Suite 600 SF, CA 94103
(415) 252-3800
https://www.sfdph.org/dph/EH/Tobacco/default.asp



Tobacco Application Review Checklist

Staff Name: J. Young Initial Review Date: 7/25/2023

Staff Phone #: (415) 252-3903 Final Review Date: 8/15/2023

Staff Email: janine.young@sfdph.org Permit Notification Date:

Section 1: Application Overview						
Business Name/DBA: The Jug Shop		Date Received: 3/17/2023				
Business Address: 1648 Pacific Av		Legal Owner Name: The Jug Shop, Inc.				
Establishment Type: Liquor Store	•	Legal Owner Structure:	ration	4		
SFTTX BAN: 0015092		CDTFA Cigarette Retailer License #:	41-71654	•		
Main Contact Name: Michael Priolo EHD Location ID: 119921						
Contact Phone #: (707) 327-8813 Email Address: mic		hael@jugs	hop.com			
Supervisorial District: 3	# of Tobacco Permits:	96	As of this date: 4	/21/2023		
1. Are all Owners/Corporate Officer names and their ownership percentages filled out on the application?		Yes	□ No			
2. Is the application signed by all Owners/Corporate Officers?		ĭ Yes	□ No			
3. Is the Declaration of Healthy & Safe Working Conditions completed, signed, and dated?		ĭ Yes	□ No			
Section 2: Application Type						
1. Does the DBA, Legal Owner Name, and Business Address match on the Application, SFTTX BAN, and CDTFA License?		✓ Yes	□ No			
2. For Corporations: Do all corporate officers listed on the Application appear			⊠ No			
on the Secretary of State documents?		☐ Yes	□ N/A			
3. Is the business type changing?			☐ Yes	⊠ No		
4. Is the applicant applying for a new permit or an amended permit?		\boxtimes				
Note: A change of ownership is defined as a 50% or more change within a 12-		New	Amended			
month period for sole proprietors/partnerships (25% for corporations.)		Permit	Permit			

Section 3: Am	ended Permit					
What is the applicant amending/updating for the SFDPH Tobacco Permit?						
 □ Legal Owner Name □ DBA □ Increase/Decrease Partners/Officers 	☐ Increase/Decrease Ownership Percentages☐ Contact Information					
Section 4: New Permi						
Has this location not previously been occupied by a Toba Establishment?	· 	☐ Yes	⊠ No			
Is this business applying to operate with on-site consumple beverage? (i.e. restaurant or bar)	ption of food or	✓ Yes	□No			
3. Is this business applying to operate as a Tobacco Shop?		☐ Yes	⊠ No			
4. Is the # of Tobacco Permits in the Supervisorial District a	bove or equal to 45?	ĭ Yes	□ No			
5. Is there an existing SFDPH Tobacco Permit within 500 fee	et of this business?	⊠ Yes	□No			
6. Is the business located within 500 feet of a school?		☐ Yes	⊠ No			
Section 5: New Permit U	nder One-Time Exception					
1. Does the applicant qualify for a SFHC 19H.6 exception?		☐ Yes	⊠ No			
2. Did the applicant submit a signed affidavit?		☐ Yes	□No			
3. Did the applicant submit supporting documentation for 19H.6 exception?		☐ Yes	□ No 図 N/A			
Application Status: ⊠ Complete □ Incomplete as of this date: 8/15/2023						
Comments:						
Although the California Secretary of State documentation doesn't list the same Owner(s) as listed on the SFDPH Application for the Sale of Tobacco Products, there is no need to update the SoS because SFDPH may not issue a new permit for: 1) The new 1648 Pacific Av location doesn't qualify for a new permit under permit density (See Section 4 above); and 2) The Applicant doesn't qualify for a new permit under any 19H.6 exception including 19H.6(d) because according to the Department of Building Inspection, the former 1590 Pacific Ave location is not on the soft-story seisemic retrofit list.						
	[= :- : ::					
☐ Submit Corrections / Documents By This Date:	■ Notification Email/Le					
	August 18, 2023					

EXHIBIT "F"

San Francisco Department of Public Health



Grant Colfax, MD Director of Health

Notification of Tobacco Permit Denial

EFFECTIVE DATE: August 18, 2023

FACILITY NAME (DBA): The Jug Shop FACILITY ADDRESS & ZIP: 1648 Pacific Av, 94109

LEGAL OWNER NAME: The Jug Shop, Inc. RESPONSIBLE PERSON NAME: Michael Priolo

Mailing Address, City, State, Zip: 1648 Pacific Ave, San Francisco, CA 94109

EHD ID#: 11992 Supervisorial District: 3 Number of Tobacco Permits; 96

Dear The Jug Shop, Inc [c/o Michael Priolo]:

You are hereby notified that your application for San Francisco Department of Public Health ("SFDPH") Retail Tobacco Sales Permit at 1648 Pacific Avenue ("Establishment") has been **denied**, in accordance with Article 19H of the San Francisco Health Code ("SFHC") and the SFDPH Rules and Regulations for Retail Tobacco Sales, on the following basis:

Reportedly, the Establishment was formerly located at 1590 Pacific Ave and relocated to 1648 Pacific Ave because of a redevelopment project. The Owner/Operator, The Jug Shop, Inc., closed all San Francisco Treasurer and Tax Collector's licenses related to 1590 Pacific Ave, including the H-31 Tobacco License ("H-31 license") and the H-86 Bar License ("H-86"). Because the H-31 license was closed by the Owner/Operator, SFDPH staff closed the Tobacco Permit for the former location. The SFDPHTobacco Permit does not transfer without exception.

On March 17, 2023, SFDPH received the Application for the Sale of Tobacco Products ("Tobacco Application") from The Jug Shop, Inc. ("Applicant"). On the Tobacco Application, the Applicant completed the Establishment Type as "Liquor Store". However, SFDPH records indicate that the Establishment also operates an on-site beer and wine tasting at 1648 Pacific Ave.

Reasons for Denial of Retail Tobacco Sales Permit:

 According to SFHC 19H.4(f)(4), no new permit shall be issued if the Applicant will be located within 500 feet of the nearest point of the property line of an existing Establishment as measured by a straight line from the nearest point of the property line on which the Applicant's Establishment will be located to the nearest point of the property line of the existing Establishment. (Please see the attached map)

The Establishment is located within 500 feet of 2 other Establishments that have a valid SFDPH Retail Tobacco Sales Permit.

- According to SFHC 19H.4(f)(5) and 19H.5(a), no new permit shall be issued in any Supervisorial District that has 45 or more Establishments with SFDPH Tobacco Sales Permits.
 The Establishment is in Supervisorial District 3 which <u>currently</u> has 96 valid SFDPH Retail Tobacco Sales Permits.
- 3. According to SFHC 19H.4(f)(4), no new permit shall be issued if the Applicant will be located within 500 feet of the nearest point of the property line of an existing Establishment as measured by a

The mission of the San Francisco Department of Public Health is to protect and promote the health of all San Franciscans.

We shall ~ Assess and research the health of the community ~ Develop and enforce health policy ~ Prevent disease and injury ~

Educate the public and train health care providers ~ Provide quality, comprehensive, cull urally-proficient health services ~ Ensure equal access to all

straight line from the nearest point of the property line on which the Applicant's Establishment will be located to the nearest point of the property line of the existing Establishment. (Please see the attached map)

The Establishment is located within 500 feet of 2 other Establishments that have a valid SFDPH Retail Tobacco Sales Permit.

- 4. According to SFHC 19H.4(f)(8), no new permit shall be issued for a location not previously occupied by a permitted Establishment.
 - The Establishment is at a location that was not previously occupied by an Establishment with a SFDPH Retail Tobacco Permit.
- 5. Seismic Retrofitting Relocation. According to SFHC 19H.6(d), a Retail Food Store Establishment or Tobacco Shop Permittee as of January 18, 2015, which must relocate from their Establishment due to seismic retrofitting under Chapter 34B of the Building Code may apply for a Tobacco Sales Permit for their Establishment. The Permittee's application is subject to further review including confirmation of seismic retrofitting by the Department of Building Inspection.
 - According to Department of Building Inspection, the Applicant's former location at 1590 Pacific Ave is not listed on the soft-story seismic retrofitting requirement. Moreover, the seismic retrofitting relocation exception only applies to Retail Food Store Establishment or Tobacco Shop.

Additionally, we reviewed all six remaining exceptions under the SFHC Section 19H.6, where SFDPH determined that the Applicant does not qualify for any exception. If you believe that you do qualify for one of the below exceptions, you are able to submit a new tobacco application with the \$120 (one hundred twenty dollars) nonrefundable processing fee.

SFHC Section 19H.6. Exceptions for Certain New Permits

- 1. New Buyer of a Retail Food Store Establishment or Tobacco Shop. The owner of a Retail Food Store Establishment or Tobacco Shop who holds a SFDPH Retail Tobacco Sales permit and has been in business at the location continuously from January 18, 2010 through January 18, 2015, submits an affidavit to the Director that attests to (a) ownership of the business at the same location; (b) under the same SFDPH Tobacco Sales permit for five (5) consecutive years immediately preceding submission of the affidavit; and (c) the owner is in negotiations with a specific buyer for the Retail Food Store Establishment or Tobacco Shop at that location, then that buyer ("New Buyer") may apply for, and the Director may issue, a Tobacco Sales permit to the New Buyer for the Retail Food Store Establishment or Tobacco Shop at that location, on a one-time basis.
 - There is no record of a SFDPH Tobacco Permit being issued at the Establishment's 1648 Pacific Ave location. Therefore, the Applicant, The Jug Shop, is not a New Buyer in direct negotiation with a previous owner with a SFDPH Tobacco Permit at the same location.
- 2. Subsequent Buyer of a Retail Food Store or Tobacco Shop. A Retail Food Store Establishment or Tobacco Shop New Buyer may submit an affidavit to the Director attesting to: (a) their ownership of the Establishment; (b) under the same Tobacco Sales Permit; and (c) for at least ten (10) years. Upon submission of the New Buyer's affidavit, a Subsequent Buyer may apply for a Tobacco Sales Permit for the New Buyer's Retail Food Store Establishment or Tobacco Shop. A Subsequent Buyer applying for a new Tobacco Sales Permit must acquire a 100% ownership interest in the Establishment.
 - There is no record of a SFDPH Tobacco Permit being issued at the Establishment's 1648 Pacific Ave location. Moreover, the Applicant, The Jug Shop, is not a Subsequent Buyer in direct negotiation with a New Buyer with a SFDPH Tobacco Permit at the same location.

- 3. Child of the Permit Holder ("Permittee"). A child of a Retail Food Store Establishment or Tobacco Shop Permittee may apply for a Tobacco Sales Permit for their parent's Establishment if their parent holds a Tobacco Sales Permit as of January 2015.
 - There is no record of a SFDPH Tobacco Permit being issued at the Establishment's 1648 Pacific Ave location.
- 4. New Buyer of a Tavern. A Tavern Permittee since January 18, 2010, that seeks to demonstrate previous compliance with Section 1009.23(d) of Article 19F of SFHC (prohibition against smoking in enclosed areas), shall submit a copy of their previously approved SFDPH application which establishes that an area within the Tavern is a historically compliant semi-enclosed smoking room. Additionally, the Tavern Permittee may submit an affidavit to the Director attesting to: (a) their ownership of the Establishment; (b) under the same Tobacco Sale Permit; (c) for at least five (5) consecutive years immediately before the submission of the affidavit; and (d) Direct Negotiations. Upon submission of the Tavern Permittee's affidavit, a New Buyer may apply for a Tobacco Sales Permit for the Permittee's Tavern.
 - The Establishment is not a Tavern in compliance with SFHC Section 1009.23(d) and there is no record of a SFDPH Tobacco Permit being issued at the Establishment's 1648 Pacific Ave location.
- 5. Subsequent Buyer of a Tavern. A New Buyer of a Tavern may submit an affidavit to the Director attesting to: (a) their continuous ownership of the Establishment; (b) under the same Tobacco Sales Permit; and (c) for at least ten (10) years. Upon submission of a New Buyer's affidavit, a Subsequent Buyer may apply for a Tobacco Sales Permit for the New Buyer's Tavern. A Subsequent Buyer applying for a new Tobacco Sales Permit must acquire 100% ownership of the Establishment.

 The Establishment is not a Tavern in compliance with SFHC Section 1009.23(d) and there is no record of a SFDPH Tobacco Permit being issued at the Establishment's 1648 Pacific Ave location.
- 6. Death or Divorce. A spouse or domestic partner may acquire the ownership from the Permittee of an Establishment through the death or divorce. The spouse or domestic partner applying for a new Tobacco Sales Permit must have a 100% ownership interest in the Establishment.

 There is no record of a SFDPH Tobacco Permit being issued at the Establishment's 1648 Pacific Ave location.

Appeal Process. You have the right to appeal this decision to deny your application for a tobacco retailer permit. (Pursuant to Section 19H.24 and Article 1 of the San Francisco Business and Tax Regulations Code). Appeals must be filed in person with the San Francisco Board of Appeals within 15 calendar days of the date of this notice. The Board of Appeals is located at: 49 South Van Ness Ave., Suite 1475 (Telephone #: (628) 652-1150).

The failure to file an appeal will waive your right to a hearing and shall deem SFDPH decision to deny your tobacco permit as final.

Cease and Desist All Tobacco Products Sales. Immediately discontinue the sales of tobacco products, including but not limited to, cigarettes, cigars, cigarillos, tobacco shisha, electronic smoking devices and juices, smokeless tobacco, and nicotine-containing products. No person may engage in or allow tobacco sales in any establishment without a valid SFDPH tobacco sales permit. (Pursuant to SFHC §§ 19H.3, 19N.3, and 19N.5(a)).

Imposition of Administrative Fines and Penalties. Selling tobacco products without a valid permit may result in an administrative penalty of up to five hundred dollars (\$500.00) per day for each day that tobacco product sales occur without a valid permit. (*Pursuant to SFHC §§ 19H.17(a), 19H.20, 19N.3(b)*).

Sincerely,

atrick Foodahl, MS, REHS

Director of Environmental Health Environmental Health Branch SFDPH – Population Health Division

Cc: SFDPH - CHEP Branch

SFDPH - EHB - Health District

PROOF OF SERVICE 1 I, LILY KANG, declare as follows: 2 I am a citizen of the United States, over the age of eighteen years and not a party to the above-3 entitled action. I am employed at the City Attorney's Office of San Francisco, Fox Plaza Building, 1390 Market Street, Fifth Floor, San Francisco, CA 94102. 4 On October 5, 2023, I served the following document(s): 5 DECLARATION OF JANINE YOUNG IN SUPPORT OF 6 RESPONDENT'S OPPOSITION BRIEF on the following persons at the locations specified: 7 The Jug Shop, Appellant(s) 8 Michael Priolo, Agent for Appellant(s) 1648 Pacific Avenue 9 San Francisco, CA 94109 michael@jugshop.com 10 dawn@jugshop.com 11 in the manner indicated below: 12 \boxtimes BY ELECTRONIC MAIL: Based on a court order or an agreement of the parties to accept electronic 13 service, I caused the documents to be sent to the person(s) at the electronic service address(es) listed above. Such document(s) were transmitted via electronic mail from the electronic address: lily.kang@sfcityatty.org \(\sqrt{i} \) in 14 portable document format ("PDF"). 15 I declare under penalty of perjury pursuant to the laws of the State of California that the foregoing is true and correct. 16 Executed October 5, 2023, at San Francisco, California. 17 18 Lily Kang 19 20 21 22 23 24

25

26

27

28

PUBLIC COMMENT

From: <u>Nicholas Battjes</u>
To: <u>BoardofAppeals (PAB)</u>

Subject: Public Comment on Appeal No. 23-040

Date: Thursday, October 5, 2023 8:15:27 AM

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

To Whom It May Concern,

I am a homeowner on Broadway in San Francisco, just around the block from The Jug Shop. I frequently shop at the store, and have since even before I moved to this neighborhood two years ago from the Haight. Tobacco is in fact legal, so I see no good reason that they would be denied a permit to sell it. It is a tough enough time to run a small business in San Francisco without the city government telling businesses they cannot engage in legal activities to support themselves. I strenuously urge you to accept Jug Shop's appeal, and grant them a permit to sell tobacco. I don't even smoke, but I support the right of those who do to do so, and of shops to sell them what they need.

Thank you,

Nicholas Battjes 1545 Broadway, Apt 107 nhbattjes@gmail.com (415) 948-6425